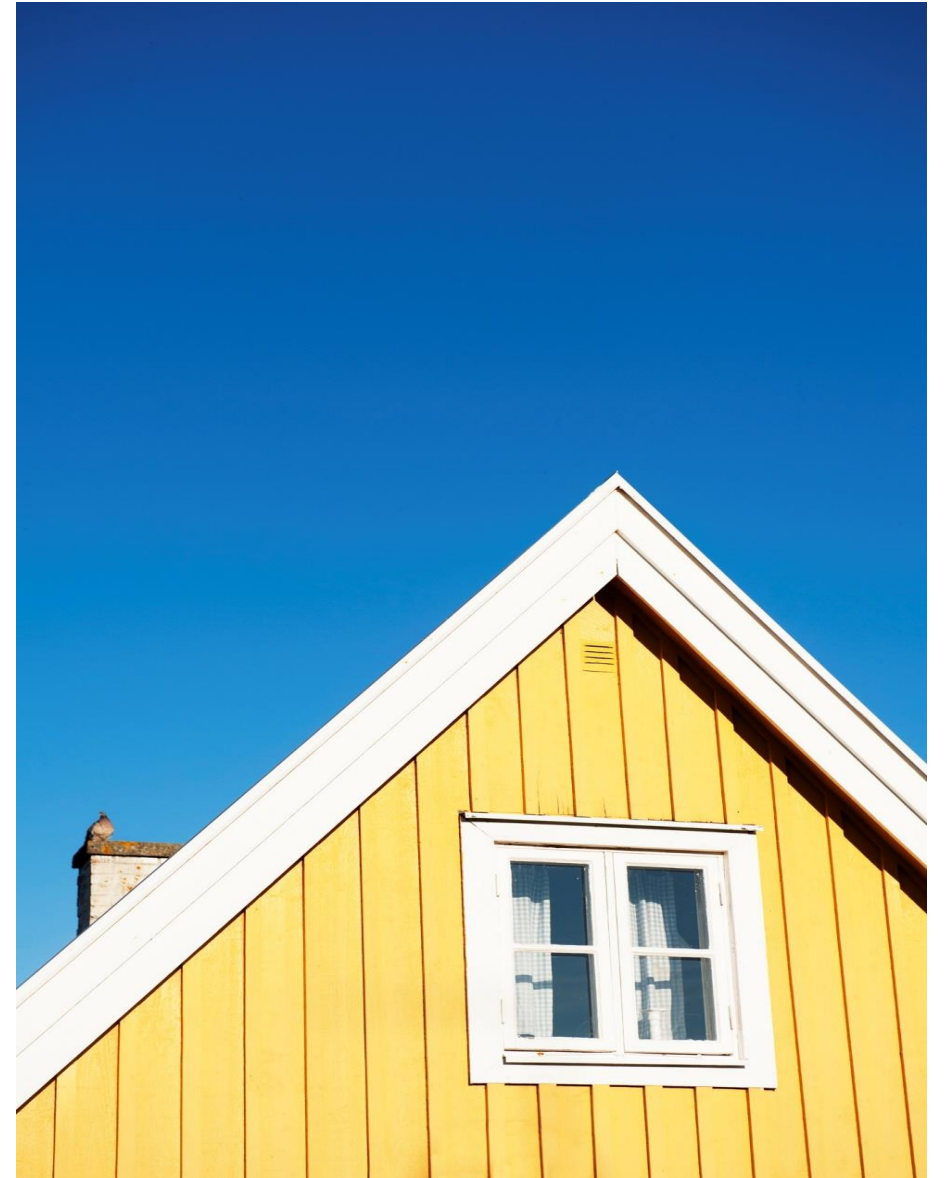


HUD PRO Housing Public Hearing

September 27, 2024



HUD PRO Housing Grant Overview

Pathways to Removing Obstacles supports communities who are actively taking steps to remove barriers to affordable housing, such as:

- Barriers caused by outdated zoning, land use policies, or regulations;
- Inefficient procedures;
- Gaps in available resources for development;
- Deteriorating or inadequate infrastructure;
- Lack of neighborhood amenities; or
- Challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment pressures, or expiration of affordability requirements.



HUD PRO Housing Grant Overview

- HUD issued a Notice of Funding Opportunity (NOFO) which appropriates \$100 million for competitive grant funding for the identification and removal of barriers to affordable housing production and preservation. Congress directed HUD to undertake a competition using the Community Development Block Grant (CDBG) statutory and regulatory framework. HUD will be accepting applications for PRO Housing grants to identify and remove barriers to affordable housing production and preservation.
- Grantees may use awards to further develop, evaluate, and implement housing policy plans, improve housing strategies, and facilitate affordable housing production and preservation.
- The NOFO was posted on August 13, 2024, with final applications due on October 15, 2024.
- Eligible applicants include:
 - State governments
 - Local governments
 - County governments
 - Metropolitan Planning Organizations
- Individual award amounts range between \$1,000,000 and \$7,000,000. HUD will award funding to 30 applicants.

Grant Components

- **EXHIBIT A:** EXECUTIVE SUMMARY
- **EXHIBIT B:** THRESHOLD ELIGIBILITY REQUIREMENTS AND OTHER SUBMISSION REQUIREMENTS
- **EXHIBIT C:** NEED
- **EXHIBIT D:** SOUNDNESS OF APPROACH
- **EXHIBIT E:** CAPACITY
- **EXHIBIT F:** LEVERAGE
- **EXHIBIT G:** LONG-TERM EFFECT



EXHIBIT C: NEED

What has Maine done so far to support housing development?

- Between 2019 and 2024, Maine passed legislation to (1) remove unnecessary municipal land use regulations, (2) significantly increase funding for affordable housing production and preservation, (3) create programs to increase housing affordability and accessibility, and (4) increase Maine’s home building workforce. These investments in affordable housing total over [\\$314 million](#).

What are Maine’s affordable housing needs?

- 2023 State of Maine Housing Production Needs Study

Table 1: Historic Underproduction and Future Need by Region

<i>Region</i>	<i>Historic Underproduction</i>	<i>Future Need (2021 - 2030)</i>	<i>Total</i>
<i>Coastal</i>	21,200	24,200 - 28,000	45,400 - 49,200
<i>Central Western</i>	13,000	9,700 - 11,700	22,700 - 24,700
<i>Northeastern</i>	4,300	4,000 - 6,100	8,300 - 10,400
<i>Maine</i>	38,500	37,900 - 45,800	76,400 - 84,300

EXHIBIT C: NEED

What barriers still exist to producing more housing units?

- Restrictive zoning and land use controls
- High construction costs for affordable housing and limited availability of financing and subsidies, including costs to acquire land.
- Capacity to conduct meaningful community engagement and local opposition to affordable housing development

EXHIBIT D: SOUNDNESS OF APPROACH

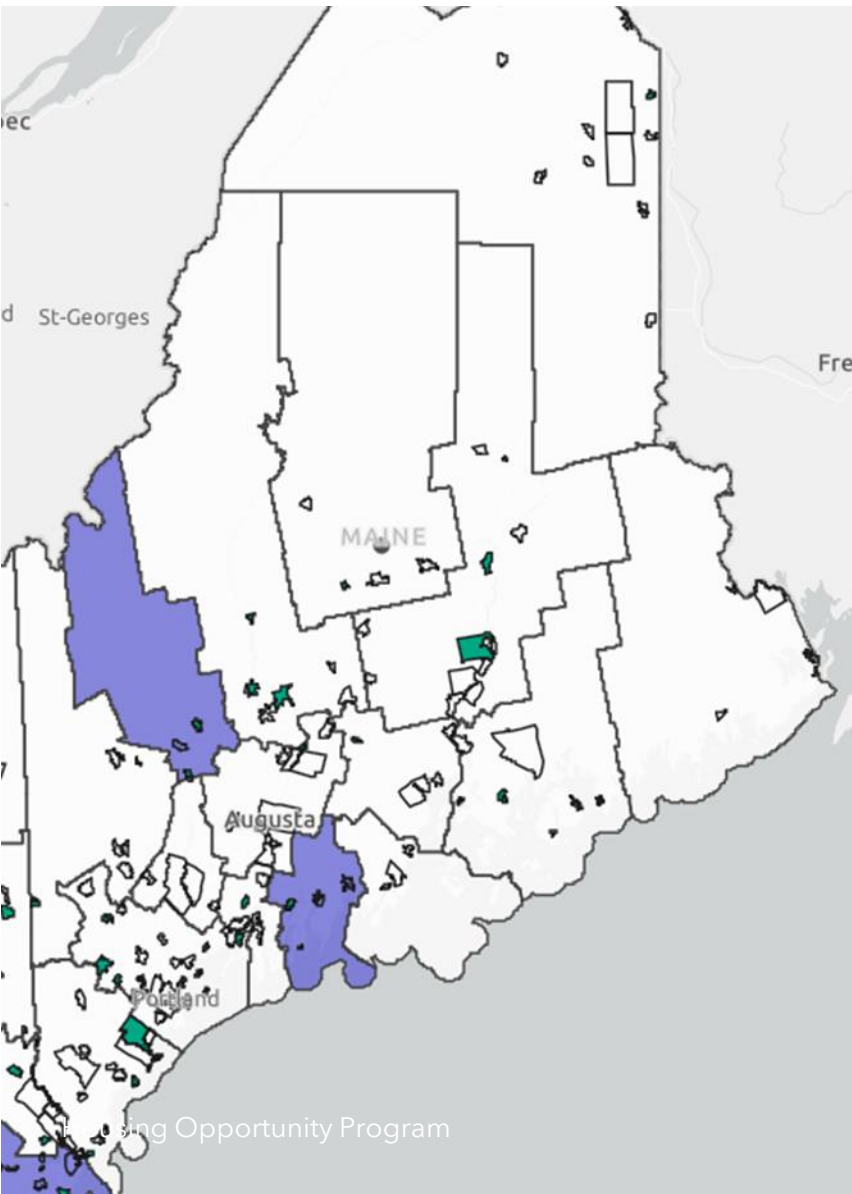
What is your vision?

- \$2,250,000 to create a Pre-Development and Land Acquisition Grant Program in Franklin and Lincoln counties to jumpstart housing development for households with less than 100% AMI in those counties by providing pre-development and land acquisition grants to affordable housing developers;
- \$150,000 to create a statewide land use toolkit to provide best practices in land use and zoning to municipalities to increase the development of affordable housing; and
- \$200,000 to conduct a series of statewide housing educational sessions with municipal leaders, land use planners, community members, affordable housing advocates, and affordable housing developers to facilitate productive conversations about the production of affordable housing in communities.

Budget: DECD requests \$2,000,000 from HUD and proposes to use \$600,000 of its state funding.

Timeline: DECD anticipates starting procurement processes this Spring (dependent on HUD's process)

Priority Geographies



- The grant awards 8 points for applications that primarily serve a priority geography. A place is a priority geography if:
 - Affordable housing not keeping pace;
 - There is insufficient affordable housing; and
 - There is widespread housing cost burden or substandard housing
- Maine's application primarily serves Lincoln and Franklin counties, two of Maine's priority geographies.
- Other priority geographies include:
 - Saco
 - Old Town
 - Certain Census Designated Places across the state including:
 - Bar Harbor
 - Skowhegan
 - Brunswick Station
 - Kittery Place
 - Kennebunkport
 - Fort Kent

EXHIBIT E: CAPACITY

What capacity do you have? What is your staffing plan?

- The Housing Opportunity Program, within DECD, will administer the grant.
- Lincoln County Regional Planning Commission and Androscoggin Valley Council of Governments will serve as partner organizations, helping to implement the land acquisition and pre-development grants in Franklin and Lincoln counties.

EXHIBIT F: LEVERAGE

Are you leveraging other funding?

- As part of LD 2003, DECD was allocated funding by the Maine State Legislature to solicit grant applications to assist municipalities with community housing planning and implementation services to increase housing opportunities in Maine. DECD can allocate \$600,000 of this funding to provide a 30% match.
- Per the NOFO, applicants are awarded up to 10 points in this section based on how much funding can be leveraged.

Table 1: Scoring for Leveraged Funding

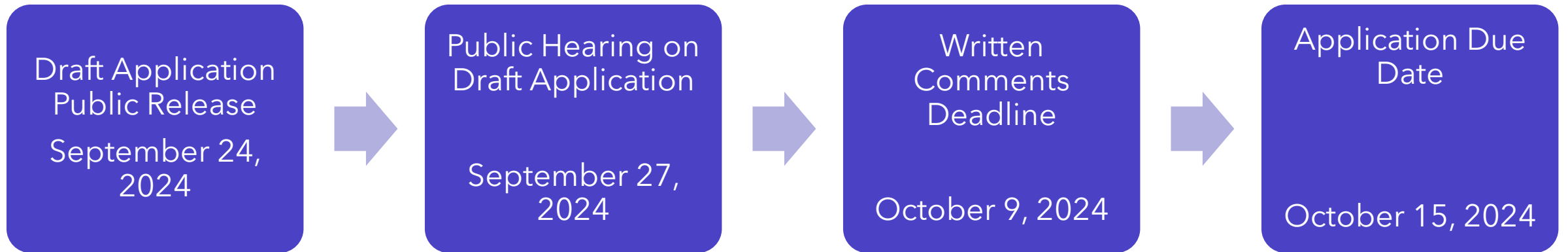
Leverage commitments as percent of grant funds requested	Points awarded
50 percent and above	10
Between 40.00 and 49.99 percent	8
Between 30.00 and 39.99 percent	6
Between 20.00 and 29.99 percent	4
Between 10.00 and 19.99 percent	2
Below 10.00 percent	0

EXHIBIT G: LONG-TERM EFFECT

What long-term effects will your proposal have?

- These proposed projects are intended to reduce restrictive zoning and land use practices at the local level, reduce local opposition to affordable housing proposals, and support the development of affordable housing by providing pre-development and land acquisition grants.
- If DECD were awarded the funding for its proposed projects, it will have produced new tools and strategies for municipalities to remove restrictive land use barriers and reduce local opposition to increase local supply of housing, in areas that may not have historically allowed multi-family housing units.
- In addition, these tools can help to create a unified strategy across regions to incentivize development in areas to reduce the housing needs Maine. Successful implementation of these tools and strategies by multiple municipalities can serve as a model for other municipalities.

Timeline



Comments?

- DECD will also accept written comments until 11:59pm on October 9, 2024.
- Please email written comments to housing.decd@maine.gov.
- DECD is required to summarize and submit all received comments (including names and organizations) as part of the final grant application.

Contact Information

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<https://www.maine.gov/decd/housingopportunityprogram>