The board members of Cheshire Homes didn’t know how to say “no.” As the people responsible for managing an aging affordable housing development in Keene, New Hampshire, this small group of volunteers certainly had plenty of chances to use that word. Instead, when faced with the mountain of challenges that stood between them and their vision for the clean, secure housing they believed Cheshire’s tenants deserved, they found other words to say. Words like, “how?” and “who?” and, most importantly, “why not?”

Their first question was, how could a band of lay people with no professional housing development experience bring a 30-year-old facility up to modern housing code standards? If the development fell out of code, it would lose the Section 8 HUD subsidy critical to its survival. The clock was ticking, but the more deeply the board searched for an answer, the more problems they found. There were buried electrical lines that couldn’t be upgraded, outer walls that were too thin to meet energy-efficiency standards, foundations built on grades incapable of supporting handicap access, fire safety complications—the list went on and on. Finally, it grew so long that the board realized that Cheshire Homes couldn’t be renovated—it would have to be replaced. Brookbend East & West was proposed as the facility that would rise from Cheshire’s rubble, but the prospect of finding an organization capable of managing such a large and complicated project inspired a new question: “Who?”

Board member Keith Thibault, had an answer. As chief development officer for Southwestern Com-

ABOVE: A Brookbend tenant puts the finishing touches on her new home. LEFT: A host of messy problems were solved to create clean, modern homes.

CAPITAL AND COMMUNITIES IN 2014

The Northern New England Housing Investment Fund is pleased to announce the creation of our 17th multi-investor fund: Community Capital 2014. We are actively marketing the Fund to investors.

For more information, please contact Bill Shanahan at 207 772 8255 or bshanahan@nnehif.org.
Avesta— More Than Just Housing

Avesta Housing has developed 113 affordable housing projects in Maine and New Hampshire—five were completed in the last year alone, with two more underway. Why does the nonprofit continue to grow at such a rate? Because it can.

According to Dana Totman, President of Avesta, the organization has grown largely because of its motivated staff and engaged board of directors, all of whom are resolutely focused on its mission to promote and provide housing for people in need: “We have a rich 40-year history, and we know that our capacity is a precious characteristic. We value that.”

That capacity includes the willingness to tackle complex projects, whether that means cobbling together 12 different funding sources to create housing for the homeless, or getting HUD, USDA Rural Development and tax credits together to develop a suburban senior development. Totman puts it succinctly: “We like doing difficult projects.”

One of Totman’s favorite examples is Logan Place in Portland, Maine. The 30-unit development serves chronically homeless people and is the first Housing First development in the state. (The Housing First model, recognized as a best practice among experts, moves homeless individuals immediately into their own apartments, regardless of issues such as mental illness or substance abuse.) Though Avesta had worked with Maine State Housing and NNEHIF before, it was the first time they had partnered with Preble Street Resource Center. Totman admits that when Avesta first started on the project “they weren’t quite sure what they were doing.” In the end, however, the organization learned a great deal about collaborating and collective impact.

Since Logan Place opened in 2005, the costs of health care and emergency room visits among occupants have been reduced by 70% and 74%, respectively. Beyond the considerable economic impact, Logan Place has given its tenants stability while they, in turn, have created a community.

In their ongoing effort to “make housing that’s more than just housing,” Totman and his team try hard to make it through the recession. But before the first sledgehammer could be swung, an even bigger wall would need to be knocked down.

With a vision in place and the team aligned to realize it, there was still another huge “how?” left to answer: How could funding be arranged for a project of Brookbend’s size? New Hampshire’s Qualified Allocation Plan (QAP) would have put an end to that question for most organizations seeking the federally backed Low Income Housing Tax Credits (LIHTC) that are the lifeblood of affordable housing. As written, the plan restricted the allocation of those credits to entirely new developments, not the kind of “preservation project” that was needed to transform Cheshire into Brookbend. Any reasonable public service administrator would have read the QAP and realized that Brookbend didn’t qualify. But when the Cheshire board members reviewed it, they looked past its limits and began discussing the possibility that the...
plan might be changed. Then, the idealistic spirit that had carried them over so many barriers before led to the question that the entire project would pivot upon: “Why not?”

The man responsible for framing an answer was Chris Miller. As Managing Director for the New Hampshire Housing Finance Authority’s (NHHFA) Management & Development Division, Miller was tasked with evaluating development proposals to see how they aligned with the QAP that his organization authored. But the board believed that their best chance for making a case for Brookbend’s eligibility wasn’t one that could simply be phoned in. They invited Miller to tour Cheshire to get a sense of the place and people they were rooting for. “I found an aging property that had been exceptionally well managed,” said Miller. “Cheshire Homes had done a remarkable job of caring for an old and largely obsolete facility.”

Miller’s discovery was no surprise to Keith Thibault. “I’ve been in housing a long time,” he said, “and I’ve found that the more respect an owner shows for a property, the more regard the tenants show it in return. The maintenance crew at Cheshire Homes treated the grounds like they were the owners, and they showed the same deep respect for the people who lived in the homes they cared for.”

That sense of shared commitment for the community they called home no doubt played a part in what happened next. The QAP was redrafted to offer LIHTC eligibility to those preservation projects that included developments with a minimum 75% of their units supported by HUD assistance. Brookbend met that profile.

Even after meeting the QAP standard, however, arranging financing was no easy feat. As Keene Housing’s Executive Director, Joshua Meehan put it, “with federal funding for affordable housing shrinking and the need rising, it takes extraordinarily creative folks to find the solutions to meet this need.” For Brookbend, that ingenuity led to a mix of no less than seven funding partners to cover the costs of developing and maintaining the complex. The largest portion was supplied by the Northern New England Housing Investment Fund (NNEHIF).

Chris Miller shared a historical perspective of this primary investor. “NNEHIF has grown from their startup roots to become a significant presence in the affordable housing market. The benefits of projects and partnerships like Brookbend go farther than the profound impact they make in tenants’ lives. These successes inspire the efforts of the entire community working to create safe and sustainable housing.”

In the end, that same spirit was the one that guided every member of the Cheshire Homes board. “I just shake my head when I think of everything this group accomplished,” said Thibault. “The battles we went through, the hearts and minds that were changed, this kind of project was unprecedented around here. The faith this board had in one another to do the impossible was proven by what they accomplished.”

Today, Brookbend stands as a testament to that faith. It’s a living reminder that the best solutions to the need for public housing come from an abiding commitment to public service. That’s the kind of dedication that yields the answers that work so much better than “no.”

---

**INDUSTRY NEWS BRIEFS**

**HOMELESSNESS RATES FALL**

*The State of Homelessness in America 2014* reports that between 2012 and 2013, overall homelessness decreased by 3.7% nationwide. Despite the national trend, 20 states saw an increase in homelessness, including Maine (26%) and Vermont (25%). The report by the **National Alliance to End Homelessness** is the fourth in a series that assesses U.S. progress toward ending homelessness.


**AHP BANK FUNDING AVAILABLE**

The Federal Home Loan Bank of Boston will offer $20.6 million for the 2014 Affordable Housing Program competitive funding round. The bank will maintain individual AHP application subsidy limits at $500,000 in direct subsidy and $1 million in total subsidy, including the subsidized advance interest-rate subsidy. The online application period begins July 28, applications are due September 12, and awards will be announced in December.

[www.fhlbboston.com/communitydevelopment/ahp/index.jsp](http://www.fhlbboston.com/communitydevelopment/ahp/index.jsp)

**2014 HOUSING WAGE REPORT**

In the U.S., the 2014 two-bedroom Housing Wage (the wage one must earn in order to afford a modest rental home in communities across the country) is $18.92. That finding, from the **National Low Income Housing Coalition’s 2014 Out of Reach** report, reveals that large numbers of low-income renters still cannot find decent, affordable housing.

to be creative with everything from financing, to the development itself. Oak Street Lofts, for example, was created to cater to visual artists, writers and musicians. It was also the first affordable multi-family building in Maine to earn LEED Platinum certification from the U.S. Green Building Council.

Avesta garners new ideas by being active in networks throughout the region and the country. Just two of the networks that Avesta belongs to are the Housing Partnership Network, a nationwide collaborative of 95 successful, creative housing groups, and NeighborWorks America, made up of 250 nonprofit housing organizations. By attending network conferences and training sessions—and picking up the phone and talking to network partners—Avesta is primed to share their ideas and borrow ideas from others.

“We may hear about a great idea that works in Long Beach or Anchorage but not in New England—until we take half of the idea and combine it with half of another good idea,” explained Totman. “We are always noodling around with ideas until we come up with something that works.”

Avesta plays a leading role in the affordable housing community not just as a developer, but also as an advocate. In the spring of 2000, Totman was at a ribbon-cutting ceremony with Grant Lee, the then-executive director of the People’s Regional Opportunity Program (now called The Opportunity Alliance). They chatted about how the multitude of affordable housing groups never got together to compare notes. That conversation laid the groundwork for the Maine Affordable Housing Coalition (MAHC), whose aim has evolved to support those public policies at the local, state and federal levels that foster the creation and preservation of affordable homes.

NNEHIF was quick to join Avesta in its efforts to create the coalition. It turned out that housing authorities, shelters and other nonprofits were eager to share their ideas, experiences and challenges. The group has grown to include more than 120 private and public sector organizations, including developers, investors, architects, builders, engineers and attorneys. Avesta’s Development Officer Greg Payne serves as MAHC Director.

MAHC educates policy makers and the public about housing insecurity, and explains the positive economic impact of affordable housing development in Maine. The coalition collectively decides on and advocates for related issues, such as restoring the Housing Choice Vouchers that were lost to the federal budget sequestration in 2013.

When asked what issues MAHC and Avesta will likely address in the future, Totman replied without hesitation: senior housing. According to Totman, the rapidly growing senior demographic, combined with the existing limited housing supply, points to the critical need for more and better housing for the elderly. Totman is quick to point out, however, that Avesta will continue to support developments for homeless, refugee and other populations.

With a median age of 43.5, Maine is the oldest state in the country—more than six years above the U.S. median. Creating enough affordable and appropriate senior housing seems like a daunting task, but with Avesta’s creativity and capacity to adapt to change, it’s certainly possible. Besides, they relish a difficult project.

The Oak Street Lofts art gallery in Portland, ME showcases work by the tenants.