

“Genesis Fund loans support affordable housing on Peaks Island and Vinalhaven”
September 2007

With the help of a Genesis Fund acquisition loan of \$187,000, HomeStart, a volunteer-run nonprofit housing group on Peaks Island, was able to purchase its first property to assist in providing affordable, year-round housing on the island.

The 16,000 square foot lot on which the single-family home sits is large enough to allow HomeStart to develop two additional properties. HomeStart is in the process of seeking rezoning approval from the City of Portland to construct up to two townhouses, which the organization plans to sell to low-and moderate-income families. While its rezoning application is being considered, HomeStart will rent the single-family house (for up to two years) to a moderate-income family.

For assistance with the rezoning application and project development, HomeStart has entered into a written contract with Avesta Housing, the largest non-profit housing agency in Maine. Presuming rezoning approval, HomeStart will repay the Genesis loan when construction financing is secured.

In addition to a loan from the Genesis Fund, HomeStart has been successful at raising private donations to subsidize the purchase and received a \$25,000 grant from the Island Institute's Affordable Coast Fund and a \$25,000 grant from the Genesis Fund-administered Island Challenge Fund. The Genesis Fund was also able to assist HomeStart by providing a subsidized interest rate through a grant from Jane's Trust of Boston intended to assist island-housing groups.