

After dust settles, dirt moves at Elm Terrace

By [David Carkhuff](#)

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A Westbrook construction company began leveling and removing earth this week at the site of a \$10.1 million, 38-unit affordable housing complex along High Street.

But even before a single shovelful of dirt had been moved, the complex known as Elm Terrace was at the center of a political dust-up. Maine State Treasurer Bruce Poliquin pointed to an alleged \$314,000 per-unit cost of the project as an argument for a "new strategy" by Maine State Housing Authority to rein in spending on affordable housing.

"Scrutiny by the new MSHA board stalled the Elm Terrace units in downtown Portland once budgeted at \$314,000 each," Poliquin wrote in a newsletter. "In December, the MSHA executive director approved the 38 Elm Terrace units at a cost to taxpayers of \$265,000 per apartment."

But State Senator Joseph Brannigan, D-Portland, said Friday that Poliquin politicized Elm Terrace and distorted some of the history of the project.

"I'm really sorry that that got blown out of proportion," he said in an interview with The Portland Daily Sun.

MaineHousing never considered funding Elm Terrace at the level Poliquin claimed, according to Brannigan. The Maine Housing Authority called the developers on projected costs, so the plans were adjusted to reduce the per-unit cost to \$265,000 per unit, he said.

In a MaineHousing Q&A, the financing agency wrote: "Why did MaineHousing approve \$314,000 for 1,100 square foot apartments?" The response: "MaineHousing has not approved the Elm Terrace project. The State Treasurer has been provided this information on numerous occasions. MaineHousing has demanded that the developer reduce the cost to \$265,000 per unit."

When The Daily Sun contacted Poliquin's office seeking comment on the issue of affordable housing, the treasurer's office deferred questions to Peter Anastos, chair of the board at MaineHousing. Efforts to reach Anastos were unsuccessful.

Cullen Ryan, executive director of Community Housing of Maine, the project's developer, said, "This building is right at the average cost on a per-square-foot basis. ... It never really was \$314,000, the percentage was approaching that."

But when costs were rising, MaineHousing allowed an increase in units and the developer divided three units into several smaller units to bring down the per-unit cost, Ryan explained. Where three-bedroom apartments were planned, now instead a mix of one-bedroom and efficiencies will be built, he said.

"The politics changed who was going to be able to get housing," Ryan said.

"In terms of cost, what made this cost somewhat significant more than it possibly could have been is we had to build parking underneath the building, and it's expensive to build a parking garage underneath the building, but that's a result of (Portland's) parking ordinance," Ryan added.

MaineHousing is the housing finance organization that distributes tax credits.

"This is a housing tax credit project, so basically there are funds that come through the Maine State Housing Authority that are housing tax credits," Ryan said.

Elm Terrace also qualified for state and federal historic tax credits, because the project involves historic rehabilitation of the neighboring building owned by the University of Southern Maine, which is a "building of historic significance," Ryan noted.

The city invested funds for abatement of toxic materials as well, he said.

"In the end, for fixing up this older building and revitalizing that whole area in a historic district, you have the added benefit of having much-needed affordable housing," Ryan said.

"Portland has a great need for affordable housing, and it costs some money to create affordable housing, and Portland has some beautiful buildings that are landmark buildings, and this is a gateway location, and it makes sense in my mind to preserve our historic buildings," he said.

"In the long run, we're allowing people to live right near where they work and right near where they need to access goods and services," Ryan said.

Brannigan and fellow Democratic Rep. Stephen Lovejoy of Portland wrote an opinion piece in mid-December rebutting Poliquin, and on Friday, Brannigan said he was pleased to see construction start on Elm Terrace.

"I'm very aware of the process that goes on and the difficulty of doing housing in Portland, especially in the historic district," he said.

Ryan said work actually began in the first week of January, when crews launched interior abatement of toxic materials such as asbestos and paint, but this week was the start of exterior site work. The 53-week construction schedule means Elm Terrace should be finished by the second week of January 2013.



Eastern Excavation of Westbrook tackles site work Friday at Elm Terrace, an affordable housing complex under construction along High Street. (DAVID CARKHUFF PHOTO)