



Affordable Subdivision Program

The mission of MaineHousing is to assist Maine people to obtain and maintain decent, safe, affordable housing and services suitable to their unique housing needs.

In carrying out this mission, MaineHousing will provide leadership, maximize resources, and promote partnerships to develop and implement sound housing policy.

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MaineHousing

Affordable Subdivision Program

Introduction

The Maine State Housing Authority (“MaineHousing”) is pleased to announce the Affordable Subdivision Program (“Subdivision Program”). In an effort to offer solutions to the affordable housing crisis, address sprawl, and provide energy efficient and environmentally sensitive housing, MaineHousing is making funds available to facilitate the development of subdivisions with affordable single-family homes and condominiums.

The funds disbursed under the Subdivision Program are a small portion of the overall financing of a subdivision project. The Subdivision Program is intended to help lower the costs to developers of constructing homes in a subdivision by providing zero percent forgivable loans to reimburse developers for land acquisition costs, site development soft costs including construction loan interest, and on-site infrastructure costs. Funds made available under the Subdivision Program are not intended to be used to pay pre-development costs. Developers receiving funding under the Subdivision Program will be required to set aside a specified number of homes in the subdivision as Affordable Homeownership Units.

A major goal of the Subdivision Program is to increase the supply of moderately priced homes available to Maine’s low income citizens. To that end, MaineHousing will be working to create unique mortgage products for some of these homes suitable to those persons who may otherwise not be able to realize the dream of homeownership. It is our expectation that purchasers of some of these homes will take advantage of these products and that recipients of funding under the Subdivision Program will work with MaineHousing to accomplish this objective.

For purposes of the Subdivision Program:

An **“Affordable Homeownership Unit”** is a lot with a new (never previously occupied), owner-occupied single-family home or condominium that is eligible for financing under MaineHousing’s First Home Program or its successor (“First Home Program”), except that single and double wide mobile homes are not eligible as Affordable Homeownership Units under the Subdivision Program.

MaineHousing reserves the right to revise the provisions of the Subdivision Program and its funding at any time without notice.

Funding and Pledges

To be eligible for financing under the Subdivision Program, a minimum of three (3) single-family homes or condominiums in a subdivision must be designated as Affordable Homeownership Units.

The maximum forgivable loan amount is \$15,000 per Affordable Homeownership Unit, with a minimum forgivable loan amount of \$45,000 and a maximum forgivable loan amount of \$300,000 per affordable subdivision project. One home in the subdivision, whether a single-family home or a condominium, must be pledged as an Affordable Homeownership Unit for each \$15,000 loan increment up to \$300,000.

Participants in the Subdivision Program will not be allowed to access additional subsidy from MaineHousing.

Applicants who access the MaineHousing Predevelopment Loan Program will be required to pay off the Predevelopment Loan at the time of the Affordable Subdivision Program loan closing.

Eligible Uses

Forgivable loans under the Subdivision Program will be made for the reimbursement of land acquisition costs, site development soft costs including construction loan interest, and on-site infrastructure as determined by MaineHousing. On-site infrastructure costs may include, but are not limited to, the installation of roads, utilities such as water, electrical, and sewer, storm drainage, retaining walls, retention ponds, and sidewalks and landscaping.

Overhead, staffing, and other general operating costs are not eligible costs under the Subdivision Program.

Any applications submitted to MaineHousing under any other program are not eligible for financing under the Subdivision Program.

Timing of Applications

Applications are accepted on an on-going basis as long as resources are available and must be in the form prescribed by MaineHousing. MaineHousing will review applications on a first-come, first-served basis. MaineHousing reserves the exclusive right to determine, in its sole discretion, whether an application meets the requirements of the Affordable Subdivision Program.

Determining Need

MaineHousing has identified housing markets within the State of Maine in which affordability is extremely difficult to achieve when developing a subdivision and where affordable housing is needed in the community. To identify these regions MaineHousing has created an Affordability Index based on recent median sales prices and median income levels. The Index compares this data and assigns a number to describe affordability based on specific lending assumptions. A region with an Affordability Index of 1.0 or less is an identified region.

Only projects in one of the identified regions, as determined by MaineHousing, are eligible for funding. The identified regions are listed in Exhibit A. A subdivision project located in a region identified on Exhibit A must meet all other requirements of the Subdivision Program.

Additionally, only projects located in a locally-designated growth area of a municipality, as identified in a comprehensive plan that is consistent with Maine's growth management program requirements, are eligible for funding.

In the absence of a consistent comprehensive plan the subdivision must meet one of the following criteria:

- a. the subdivision is located in an area that is served by a public sewer system with the existing capacity for the project; or
- b. the subdivision is located in an area identified as a census-designated place in the latest Federal decennial census (census-designated places from the 2000 census are listed in Exhibit B of this program guide); or
- c. the subdivision is located in an urban compact municipality. These areas are listed on the Maine Department of Transportation's website at www.maine.gov/mdot/maines-transportation-systems/state-urban-municipalities.php. Note that the project must be located in a compact area of an urban compact municipality, which generally is a built-up section of a state, county or local highway where structures are nearer than 200 feet apart for a distance of ¼ mile.

MaineHousing may require a market analysis and/or an appraisal to determine market absorption and the overall feasibility of the proposed project. If required, the market analysis and/or appraisal will be prepared by a market analyst or appraiser approved by and in a format acceptable to MaineHousing.

Targeting

A developer of a single-family subdivision may sell the Affordable Homeownership Units in the subdivision only as described under (1) or (2) below:

- (1) To homebuyers who have applied for and received permanent mortgage financing under the First Home Program, except that the purchase price limit under the First Home Program will be modified as follows: for homes located in the Portland/South Portland MSA (includes Cumberland, Sagadahoc, and York Counties) the purchase price of an Affordable Homeownership Unit will be capped at \$190,000, and for all other Counties the purchase price of an Affordable Homeownership Unit will be capped at \$160,000.
- (2) To other homebuyers, provided that (i) their income does not exceed the applicable percentage of area median income in effect under the First Home Program at the time of purchase, (ii) financing is obtained at an equal or lower interest rate than the rate then in effect under the First Home Program, (iii) the initial sale of an Affordable Homeownership Unit does not exceed the applicable purchase price limit under the Subdivision Program described above, and (iv) each purchase of an Affordable Homeownership Unit is subject to a Declaration of Covenants and Restrictions in the form attached to this Program Guide as Exhibit C.

The Declaration of Covenants and Restrictions will require, among other things, that the initial sale of an Affordable Homeownership Unit does not exceed the applicable purchase price limit in effect under the Subdivision Program and each subsequent sale of that Affordable Homeownership Unit for a period of 9 years from the initial sale thereof does not exceed the initial purchase price adjusted for inflation. The inflation factor used to determine any subsequent sale price during the 9 years will be the percentage increase in the purchase price limit for the First Home Program in effect for that county at the time of the intended sale of the Affordable Homeownership Unit compared to the First Home Program purchase price limit in effect at the time of the initial sale.

The Declaration must be recorded in the appropriate Registry of Deeds prior to the initial sale of each Affordable Homeownership Unit in the subdivision. MaineHousing may, in its discretion, permit a developer to use its own form of declaration of covenants and restrictions. Any such substitute declaration must be approved by MaineHousing in advance of the closing of the loan provided under the Subdivision Program and must, at a minimum, contain terms at least equal to those in Exhibit C.

Developers and homebuyers are encouraged to learn more about MaineHousing's First Home Program. More information about MaineHousing's First Home Program can be obtained at www.mainehousing.org or by contacting MaineHousing's Homeownership Department at 1-800-452-4668.

Eligible Developers

Eligible developers and the members of the development team (contractors, engineers, architects) must be in good standing and either have successful experience under a former or existing MaineHousing development program or be able to demonstrate sufficient experience, to MaineHousing's satisfaction, in developing a subdivision.

Construction Standards

All Affordable Homeownership Units must be comparable in quality and design, other than size, to market rate units, and must be interspersed throughout the subdivision at an approximately consistent density.

The site development and home construction shall meet all applicable local and state codes and standards as evidenced by inspection reports and/or written approval from local code enforcement officials. In addition, MaineHousing has minimum standards related to sustainable and environmentally sensitive construction (“green standards”) that must also be incorporated into the subdivision development. These standards are available at www.mainehousing.org. For purposes of the Subdivision Program, the green standards will be modified as described in Exhibit D. MaineHousing reserves the right to access and inspect all phases of the site and home construction to determine compliance with its standards.

Security

The developer of a subdivision will execute a forgivable promissory note and a mortgage and security agreement in favor of MaineHousing and other documents as may be required by MaineHousing to secure the developer’s obligations under the note and the Subdivision Program.

The mortgage will cover each Affordable Homeownership Unit. The mortgage on an Affordable Homeownership Unit will be released by MaineHousing when the Affordable Homeownership Unit is sold to a homebuyer eligible to purchase an Affordable Homeownership Unit who has met all requirements of the Subdivision Program. If a single-family home or condominium in the development is sold as an Affordable Homeownership Unit although it was not originally identified as one on the site plan submitted to MaineHousing, MaineHousing may release its mortgage on an appropriate Affordable Homeownership Unit that was originally identified on the site plan. Notwithstanding the release by MaineHousing of a mortgage or mortgages with respect to some of the Affordable Homeownership Units in a development, the promissory note given by the developer to MaineHousing will not be forgiven, cancelled or otherwise discharged until MaineHousing discharges in full the mortgage on each and every Affordable Homeownership Unit in the development. The loan made by MaineHousing under the Subdivision Program, together with interest at a default rate to be specified by MaineHousing in the commitment letter for the loan, shall be payable in full two (2) years after the date of the loan if all Affordable Homeownership Units in the subdivision have not been sold to qualified homebuyers within that 2 year period. The loan may not be prepaid.

Application Requirements

For MaineHousing to accept and process an application under the Subdivision Program the following will be required.

1. Application Declaration – Exhibit E;
2. Applicant Conflict of Interest Disclosure Form – Exhibit F;
3. A narrative outlining:
 - a. the proposed development;
 - b. the number of Affordable Homeownership Units and projected income ranges of the purchasers of the Affordable Homeownership Units;
 - c. the purchase price of the Affordable Homeownership Units;
 - d. a marketing plan, specifically describing how the Affordable Homeownership Units will be marketed;
 - e. a description of the Affordable Homeownership Units and market rate homes;
 - f. uses of Subdivision Program funds – see Eligible Uses;
 - g. the development timeline;
 - h. prior experience in developing a subdivision and prior lending experience with MaineHousing; and
 - i. qualifications of developer’s proposed project team including site planner and/or engineer and contractor.
4. Evidence of site ownership (deed);

5. Development budget - Exhibit G;
6. Green Building Standards – Exhibit H;
7. Copies of commitment letters for all other financing sources required for the development;
8. A final recorded subdivision site plan identifying the locations of the Affordable Homeownership Units;
9. Evidence that the project meets the Maine growth management program requirements; and
10. Evidence of final planning board approval and all other required land use, zoning, subdivision, and site location of development approvals by the municipality where the subdivision is located and the Maine Department of Environmental Protection, and evidence that all such approvals are in effect.

MaineHousing Non-Discrimination Policy

MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, or familial status in the admission or access to, or treatment or employment in, its programs, and activities. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice.

MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Mary Darling, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number (207) 626-4600 or 1-800-452-4668 (voice), or 1-800-452-4603 (TTY).

Exhibit A Identified Regions

Abbot	Bremen	Cutler
Acton	Brewer	Dallas Plt.
Adamstown Twp	Bridgton	Damariscotta
Addison	Bristol	Davis Twp
Albany Twp	Brooklin	Dayton
Albion	Brooks	Deblois
Alder Stream Twp	Brooksville	Dedham
Alexander	Brookton Township	Deer Isle
Alfred	Brownfield	Denmark
Alna	Brownville	Dennysville
Alton	Brunswick	Devereaux Twp
Amherst	Buckfield	Dexter
Andover	Bucksport	Dixfield
Appleton	Buxton	Dixmont
Argyle unorg.	Byron	Dover-Foxcroft
Arrowsic	Calais	Dresden
Arundel	Cambridge	Durham
Atkinson	Camden	Dyer Twp
Auburn	Canton	Eagle Lake Twp
Augusta	Cape Elizabeth	East Central Franklin unorg.
Aurora	Carmel	East Central Washington unorg.
Avon	Carrabassett Valley	East Hancock unorg.
Baileyville	Carthage	East Machias
Baldwin	Casco	Eastbrook
Bangor	Castine	Eastport
Bar Harbor	Centerville	Eddington
Baring Plt.	Central Hancock unorg.	Edgecomb
Batchelders Grant Twp	Chain of Ponds Twp	Edinburg
Bath	Charleston	Edmunds Twp
Beals	Charlotte	Eliot
Beaver Cove	Chelsea	Ellsworth
Beddington	Cherryfield	Enfield
Belfast	Chesterville	Etna
Belgrade	Chesuncook Twp	Eustis
Belmont	China	Exeter
Benton	Clifton	Fairfield
Berwick	Clinton	Falmouth
Bethel	Coburn Gore	Farmingdale
Biddeford	Codyville Plt.	Farmington
Big Moose Twp	Columbia	Fayette
Blanchard Plt	Columbia Falls	Forest City Twp
Blue Hill	Cooper	Forest Twp
Boothbay	Coplin Plt.	Fowler Twp
Boothbay Harbor	Corinth	Frankfort
Bowdoin	Cornish	Franklin
Bowdoinham	Cranberry Isles	Freedom
Bowerbank	Crawford	Freeport
Bowmantown Twp	Criehaven unorg.	Frenchboro
Bradford	Cumberland	Friendship
Bradley	Cushing	Frye Island

Fryeburg	LaGrange	Montville
Gardiner	Lake View Plt.	Moosehead Junction Twp
Garland	Lambert Lake	Morrill
Georgetown	Lamoine	Mount Abram Twp
Gilead	Lang Twp	Mount Desert
Glenburn	Lebanon	Mount Vernon
Gorham	Leeds	Naples
Gorham Gore	Levant	New Gloucester
Gouldsboro	Lewiston	New Portland
Grafton Twp	Lexington Twp	New Sharon
Grand Falls Twp	Liberty	New Vineyard
Grand Lake Stream	Lily Bay Twp	Newburgh
Gray	Limerick	Newcastle
Great Pond	Limington	Newfield
Greenbush	Lincoln Plt.	Newport
Greene	Lincolnton	Newry
Greenfield	Lisbon	No 14 Twp
Greenville	Litchfield	No 21 Twp
Greenwood	Livermore	Nobleboro
Guilford	Livermore Falls	North Berwick
Hallowell	Lobster Twp	North Franklin unorg.
Hampden	Long Island	North Haven
Hancock	Lovell	North Oxford unorg.
Hanover	Lowell	North Washington unorg.
Harpswell	Lowelltown Twp	North Yarmouth
Harrington	Lower Cupsuptic Twp	Northeast Carry Twp
Harrison	Lubec	Northfield
Hartford	Lyman	Northport
Hebron	Lynchtown Twp	Northwest Hancock unorg.
Hermon	Machias	Norway
Hibberts Gore	Machiasport	Oakland
Hiram	Madrid	Ogunquit
Holden	Magalloway Plt.	Old Orchard Beach
Hollis	Manchester	Old Town
Hope	Mariaville	Orland
Howland	Marion Twp	Orneville Twp
Hudson	Marshfield	Orono
Industry	Massachusetts Gore	Orrington
Isle au Haut	Matinicus Isle Plt.	Osborn
Islesboro	Maxfield	Otis
Jackson	Mechanic Falls	Otisfield
Jay	Meddybemps	Owls Head
Jefferson	Medford	Oxbow Twp
Jim Pond Twp	Merrill Strip Twp	Oxford
Jonesboro	Mexico	Palermo
Jonesport	Milbridge	Paris
Kenduskeag	Milford	Parkertown Twp
Kennebunk	Milo	Parkman
Kennebunkport	Milton Twp	Parmachenee Twp
Kibby Twp	Minot	Parsonsfield
Kingfield	Monhegan Plt.	Passadumkeag
Kittery	Monmouth	Passamaquoddy Indian Twn. Res.
Knox	Monroe	Passamaquoddy Pleasant Point Res.
Kossuth Twp	Monson	Pembroke

Penobscot	Somerville	Veazie
Penobscot Indian Island Reservation	Soper Mountain Twp	Verona
Perkins Twp	Sorrento	Vienna
Perkins unorg.	South Berwick	Vinalhaven
Perry	South Bristol	Waite
Peru	South Franklin unorg.	Waldo
Phillips	South Oxford unorg.	Waldoboro
Phippsburg	South Portland	Wales
Pittston	South Thomaston	Waltham
Plymouth	Southeast Piscataquis unorg.	Warren
Poland	Southport	Washington
Porter	Southwest Harbor	Waterboro
Portland	Spencer Bay Twp	Waterford
Pownal	St. George	Waterville
Princeton	Standish	Wayne
Prospect	Stetson	Weld
Randolph	Steuben	Wells
Rangeley	Stockton Springs	Wesley
Rangeley Plt.	Stoneham	West Bath
Raymond	Stonington	West Central Franklin unorg.
Readfield	Stow	West Gardiner
Redington Twp	Strong	West Paris
Richardsontown Twp	Sullivan	Westbrook
Richmond	Summit Twp	Westport
Riley Twp	Sumner	Whitefield
Ripley	Surry	Whiting
Robbinston	Swan's Island	Whitney unorg.
Rockland	Swanville	Whitneyville
Rockport	Sweden	Willimantic
Rome	Township 6 North of Weld	Wilton
Roque Bluffs	Township C	Windham
Roxbury	Tremont	Windsor
Rumford	Trenton	Winslow
Sandy River Plt.	Trescott Twp	Winter Harbor
Sanford	T32 MD	Winterport
Sangerville	Talmadge	Winthrop
Scarborough	Temple	Wiscasset
Searsmont	Thomaston	Woodstock
Sabattus	Thorndike	Woolwich
Saco	Tim Pond Twp	Wyman unorg.
Salem Twp	Topsfield	Yarmouth
Searsport	Topsham	York
Sebago	Turner	
Sebec	Union	
Sedgwick	Unity	
Seven Ponds Twp	Unity unorg	
Shapleigh	Upper Cupsuptic Twp	
Shirley	Upton	
Sidney	Vanceboro	
Skinner Twp	Vassalboro	

Exhibit B
Census-Designated Places In Maine (2000 Census)

Anson	Lake Arrowhead	Unity
Bar Harbor	Limestone	Van Buren
Berwick	Lincoln	Waldoboro
Bingham	Lisbon Falls	West Kennebunk
Boothbay Harbor	Little Falls-South Windham	Wilton
Bridgton	Livermore Falls	Winslow
Brunswick	Machias	Winterport
Brunswick Naval Air Station	Madawaska	Winthrop
Bucksport	Madison	Wiscasset
Camden	Mars Hill-Blaine	Woodland
Cape Neddick	Mechanic Falls	Yarmouth
Chisholm	Mexico	York Harbor
Clinton	Milford	
Cumberland Center	Millinocket	
	Milo	
Damariscotta-Newcastle	Newport	
Dexter	Norridgewock	
Dixfield	North Berwick	
Dover-Foxcroft	North Windham	
East Millinocket	Norway	
Fairfield	Oakland	
Falmouth Foreside	Old Orchard Beach	
Farmingdale	Orono	
Farmington	Oxford	
Fort Fairfield	Pittsfield	
Fort Kent	Randolph	
Freeport	Richmond	
Fryeburg	Rumford	
Gorham	Sanford	
Greenville	Scarborough	
Guilford	Searsport	
Hampden	Skowhegan	
Hartland	South Eliot	
Houlton	South Paris	
Howland	South Sanford	
Kennebunk	Springvale	
Kennebunkport	Thomaston	
Kittery	Topsham	
Kittery Point		

Exhibit C
DECLARATION OF COVENANTS AND RESTRICTIONS

This Declaration of Covenants and Restrictions (“Declaration”) is made and entered into by and between the *NAME of DEVELOPER*, with a mailing address of _____

_____ (“Developer,” which term shall include Developer’s successors and assigns), and *NAME OF PURCHASER*, with a mailing address of _____ (“Purchaser,” which term shall mean the initial owner of an Affordable Homeownership Unit as defined herein and any subsequent owner of that Affordable Homeownership Unit).

Whereas, Developer has developed the *Subdivision Name and location* (“Subdivision”); and

Whereas, the Maine State Housing Authority (“MaineHousing”) provided a forgivable loan to Developer under MaineHousing’s Affordable Subdivision Program (“Subdivision Program”) to assist Developer with the infrastructure and site development costs associated with the Subdivision and in consideration of said loan, Developer agreed to sell *NUMBER OF HOMES* homes in the Subdivision as Affordable Homeownership Units; and

Whereas, under the Subdivision Program, an “Affordable Homeownership Unit” is a lot with a new (never previously occupied), owner-occupied single-family home or condominium that is eligible for financing under MaineHousing’s First Home Program or its successor (“First Home Program”), except that single and double wide mobile homes are not eligible as Affordable Homeownership Units under the Subdivision Program; and

Whereas, Purchaser is purchasing an Affordable Homeownership Unit in the Subdivision; and

Whereas, in consideration of the benefit received by Purchaser from the purchase of an Affordable Homeownership Unit, Purchaser has agreed to abide by the covenants and restrictions set forth in this Declaration.

Now, therefore, Developer and Purchaser hereby agree as follows:

1. Enforceability of Covenants. The covenants and restrictions set forth in this Declaration are intended to be and shall be considered covenants that run with the real estate described in Annex A attached hereto and made a part hereof and shall bind all subsequent owners of the real estate described in said Annex A. The covenants of Purchaser set forth herein are enforceable by Developer as a contract beneficiary. The covenants and restrictions set forth herein shall survive a sale, transfer, or other disposition of the Affordable Homeownership Unit by Purchaser, except that such covenants and restrictions shall not survive a sale or transfer by foreclosure to a party other than Purchaser or any member of Purchaser’s household or a transfer by deed in lieu of foreclosure.

2. Covenants and Restrictions. Purchaser hereby covenants and agrees that for nine (9) years from the date of the recording of this Declaration in the appropriate registry of deeds, the following conditions and restrictions will be and remain in effect and Purchaser shall be bound thereby:

- a. A single-family home or condominium in the Subdivision initially purchased as an Affordable Homeownership Unit will be maintained as an Affordable Homeownership Unit as defined herein, such that if the Affordable Homeownership Unit is sold during the term of this Declaration, the purchase price of the Affordable Homeownership Unit may not exceed the initial purchase price adjusted for inflation. The inflation factor used to determine any subsequent sale price during the nine (9) year period that this Declaration shall remain in effect shall be the percentage increase in the purchase price limit for the First Home Program in effect for that county at the time of the intended sale of the Affordable Homeownership Unit compared to the First Home Program purchase price limit in effect at the time of the initial sale.

- b. The Developer shall have an option of first refusal on an Affordable Homeownership Unit. If the Purchaser of an Affordable Homeownership Unit intends to sell it, the Purchaser shall first provide the Developer with written notice of the intent to sell.
- c. Developer shall have 30 days from the date of receipt of the Purchaser's notice to exercise its option to purchase the Affordable Homeownership Unit. Developer may exercise its option to purchase by giving the Purchaser written notice of exercise at any time during said 30-day period.
- d. In the event that Developer gives notice of its exercise of the option to purchase the Affordable Homeownership Unit, the closing shall occur within 45 days of the date of said notice. In such event, the purchase price of the Affordable Homeownership Unit shall not exceed the purchase price limit applicable to the Affordable Homeownership Unit, as provided herein. Closing costs incurred in connection with the sale, including without limitation brokers' commissions, transfer taxes, attorney fees and tax and other pro-rations, shall be paid in the customary manner by Purchaser and Developer.
- e. Transfers of an Affordable Homeownership Unit by operation of law or by foreclosure shall be exempt from Developer's right of first refusal. In the event of a transfer by operation of law, the Affordable Homeownership Unit shall remain subject in all respects to all of the covenants and restrictions set forth in this Declaration.
- f. In the event that Developer fails to exercise its option to purchase the Affordable Homeownership Unit, Purchaser may sell the Affordable Homeownership Unit only (i) to a homebuyer who has applied and qualified for financing under the First Home Program or (ii) to another homebuyer whose income does not exceed the applicable percentage of area median income in effect under the First Home Program at the time of the sale of the Affordable Homeownership Unit ("Eligible Purchaser") and only in accordance with the purchase price limit applicable to the Affordable Homeownership Unit as provided herein. Purchaser shall not sell, lease or otherwise transfer, or enter into any agreement or arrangement to sell, lease, or otherwise transfer, an Affordable Homeownership Unit except to an Eligible Purchaser and only at a price that does not exceed the applicable purchase price limit as provided herein and otherwise in accordance with the terms of this Declaration. An executed affidavit of the Developer recorded in the appropriate registry of deeds stating that the intended purchaser of an Affordable Homeownership Unit qualifies as an Eligible Purchaser and that the purchase price of the Affordable Homeownership Unit does not exceed the applicable purchase price limit as provided in this Declaration shall be sufficient evidence of the matters set forth therein. **Except with respect to transfers by operation of law or foreclosure as provided herein, no transfer, sale, assignment, lease, deed, contract to sell, installment sales contract, or bond for a deed with respect to which such executed affidavit has not been recorded in the appropriate registry of deeds shall be effective to transfer title to or create an interest in the Affordable Homeownership Unit that is the subject of such transfer, sale, assignment, lease, deed, contract to sell, installment sales contract, or bond for a deed, and such transfer, sale, assignment, lease, deed, contract to sell, installment sales contract, or bond for a deed shall be void.**

3. Developer's Remedies for Breach by Purchaser. Developer shall be entitled to all rights and remedies available at law and in equity, including injunctive relief and specific performance, to enforce the covenants and obligations of Purchaser and the restrictions set forth in this Declaration.

4. Amendment. This Declaration may not be amended without the written consent of MaineHousing, which, if given, shall be evidenced on the face of such amendment.

NAME of DEVELOPER

By: _____

Printed Name: _____

Its: _____

PURCHASER

Signature: _____

Print Name: _____

State of Maine
County of _____

Date: _____

Personally appeared the above-named _____, as
_____ of the ***NAME of DEVELOPER***, and gave oath to
the foregoing and acknowledged before me the foregoing to be his/her free act and deed in his/her said
capacity and the free act and deed of the ***NAME of DEVELOPER***.

Before me,

Notary Public/Attorney-at-Law

State of Maine
County of _____

Date: _____

Personally appeared the above-named ***NAME OF PURCHASER*** _____, and gave
oath to the foregoing and acknowledged before me the foregoing to be his/her free act and deed.

Before me,

Notary Public/Attorney-at-Law

**ANNEX A
TO
DECLARATION OF COVENANTS AND RESTRICTIONS**

DESCRIPTION OF PROPERTY

Exhibit D

GREEN BUILDING STANDARDS

June 7, 2006

To: Affordable Subdivision Program Participants
From Don McGilvery, Construction Services Manager

Subject: Green Building Standards

Consistent with MaineHousing's ongoing initiatives, green and sustainable design and construction is an integral part of the Affordable Subdivision Program. To this end, MaineHousing continues to utilize and promotes its Green Building Standards, August 2005 Edition with Amendments, for all of its projects.

Understanding that the development and construction of single family housing provides a new opportunity for MaineHousing to assist in improving the knowledge base and creation of affordable, green, and sustainable housing, compliance with Green Building Standards is mandatory. Recognizing that there are some differences and between multifamily structures and single family structures MaineHousing the applicability of MaineHousing's Green Building Standards are clarified below.

Reference: Maine State Housing Authority Green Building Standards, August, 2005

Section 1, Site; R1, R2, R3 – all standards are applicable

Commentary: The project developer likely will have most of the control in meeting the goals and objectives of this standard for the general site development including roadways, utilities, and other "common" amenities. As to the housing sites, it should be demonstrated that sufficient covenants and/or restrictions are put in-place to assure that the goals and objectives of proper site development are maintained.

*Section 2, Building Design; R1 – all standards are applicable.

*Section 3, Energy Efficiency: Building Envelope; R1, R2, R3, R4, R5, - all standards are applicable.

*Section 4, Energy Efficiency: Systems & Appliances; R1, R2, R3, R4, R5 – all standards are applicable.

*Section 5, Energy Efficiency: Interior Lighting Fixtures; R1, R2 apply; R3 is Not Applicable.

*Section 6, Inspection/Commissioning; R2 applies to all homes; R3 may apply based on systems installed; R1 is Not Applicable.

*Section 7, Indoor Environmental Quality; R1, R2, R3, R4, R5 – all standards are applicable.

*Section 8, Materials; R1 – standard is applicable.

*Commentary on Sections 2 through 8: The builder of the homes should be knowledgeable, qualified, and committed to the overall goals and objectives of Green and Sustainable construction. It is likely that this program will have minimal MaineHousing Construction Services involvement during design and/or construction so the burden of proof and compliance to the overall program requirements will be the responsibility of the program applicant.

Section 9, Resource Efficiency; R2 – standard is applicable; R1 – individual homeowner responsibility.

Section 10, Post Occupancy; R1 – standard is applicable.

Commentary: The construction of single family homes meeting the project goals for Green and Sustainable design and construction places a larger burden on the homeowner to operate and maintain the home properly to assure continued benefit to the initial efforts. Therefore, it is imperative that the homeowner fully understand what efforts have been made in incorporating Green and Sustainable construction.

General Commentary:

In addition to MaineHousing's standards there are several other programs, initiatives, and/or certifications that address green and sustainable design and construction specific to single family home construction. *LEED for Homes*, *Built Green*, and *Energy Star Qualified Homes* are a few such programs that provide greater detail and checklists for builders to reference to further understand and implement green and sustainable construction techniques. Additional efforts to comply with such initiatives are encouraged.

Also, it is expected that new Green Building Standards will be developed and adopted in the coming months and, to the extent that they will be applicable to this program, they will be added as referenced standards at a later date.

Exhibit E
Application Declaration

I am aware that this Application must be signed and complete, including required Exhibits and attachments as noted.

To the best of my knowledge, all information contained in this application and its supporting exhibits and attachments is true and correct. I also hereby authorize the Maine State Housing Authority (“MaineHousing”) to evaluate the application in such manner as MaineHousing deems necessary, including discussing this application with any lender, municipal official, vendor, or other party with an interest in this property or project.

I hereby authorize MaineHousing to verify any bank or other fund balance indicated on any personal or organizational financial exhibit, to investigate credit, employment or business standing of that or any related party, to disclose any aspect of the financial information to any person but only for the purpose of determining the accuracy of the information or otherwise investigate and evaluate the application in such manner as MaineHousing deems necessary.

I certify that neither the owner/applicant, its principals or partners is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any HUD programs.

Applicant: _____

By: _____

Date: _____

Applicant: _____

By: _____

Date: _____

Applications must be signed by all principals (Individual, Partner, General Partner or Corporate representative authorized to bind the company) in the applicant entity.

No application for financing will be accepted or approved by MaineHousing if the applicant, or any entity controlled by the applicant, is more than 60 days delinquent on any loan with MaineHousing, or has been declared in default of such loan, unless either an approved payment or workout plan is in place and in good standing.

UNSIGNED APPLICATIONS WILL NOT BE ACCEPTED

Exhibit F

Applicant Conflict of Interest Disclosure Form

To ensure that the Maine State Housing Authority (“MaineHousing”) maintains the continued confidence of Maine people and its partners in carrying out its mission of providing affordable housing, MaineHousing’s employees and commissioners must avoid situations in which their obligations or commitments to other organizations or individuals or their personal or financial relationships or interests are or appear to be at odds with their responsibilities to MaineHousing.

Maine law and, when federal funding is involved, federal regulations govern conflicts of interest. In general, these laws prohibit MaineHousing employees and commissioners from working on transactions with applicants with whom they have financial, business, professional, or personal relationships or other ties. In addition, these laws prohibit former MaineHousing employees and commissioners from working on certain transactions for up to two years after leaving MaineHousing.

To help ensure the continuing integrity of MaineHousing’s business and compliance with these laws, applicants for loans or certain other assistance under MaineHousing’s programs must disclose any financial, business, professional, civic, charitable, family (or other personal) relationships, associations or connections that the applicant, its affiliates, employees of applicant who may work on the MaineHousing project, or any parties the applicant intends to hire to work on the MaineHousing project (whether employees, contractors or consultants) may currently have with MaineHousing or any MaineHousing employee or commissioner or may have had within the past two years. An applicant and its affiliates include:

- if the applicant is one or more individuals, all individuals;
- if the applicant is a business or nonprofit entity, that entity;
- the officers and board members of the applicant;
- employees of the applicant with decision-making authority, including an executive director, manager or someone in a similar position;
- if the applicant is a business corporation, any shareholder with a controlling interest;
- if the applicant is a partnership, the applicant’s partners;
- any other business partner or associate of the applicant involved in this MaineHousing project;
- if the applicant is a limited liability company, the members and managers;
- a family member (including husband, wife, child, brother, sister) or other person in a personal relationship;

If you are unsure whether a relationship, association, or connection you have may constitute a conflict of interest, please consult with MaineHousing’s Chief Counsel.

To the best of your knowledge:

1. Are you, any of your affiliates, or any party you intend to hire to work on the project a party to (or financially interested in) any business owned or operated by a MaineHousing commissioner or employee either as an individual or through an interest in a corporation, partnership, limited liability company, or other entity?

(please circle) YES NO

2. Do you, any of your affiliates, or any party you intend to hire to work on the project have family relations or other personal associations with any MaineHousing employee or MaineHousing commissioner?

(please circle) YES NO

3. Do you or any party you intend to hire to work on the project have any employee who was once an employee or commissioner of MaineHousing?

(please circle) YES NO

4. Do you, any of your affiliates, or any party you intend to hire to work on the project have any other type of relationship either with a MaineHousing employee or MaineHousing commissioner that may be construed to be a conflict of interest?

(please circle) YES NO

PLEASE NOTE: If you answered yes to any of the above questions, please describe below (or on back).

Name of Applicant: _____

Signed: _____ Date: _____

Printed Name: _____ Title: _____

Exhibit G Development Budget

Sources of Funds:

Construction Sources:			
Lender	Amount (\$)	Rate (%)	Term (mos.)
1.			
2.			
3.			
4.			
Construction Sources Total	\$		

Permanent Sources:			
Lender	Amount (\$)	Rate (%)	Term (mos.)
1.			
2.			
3.			
4.			
Permanent Sources Total	\$		

Uses of Funds:

Description:	Costs (\$)
Land Acquisition	
Site Infrastructure (clearing, roads, sidewalks, utilities, landscaping)	
Professional Services relating to subdivision development (appraisal, engineering, survey, environmental, consulting, legal)	
Financing Fees (including construction loan interest)	
Permits (specify)	
Total Subdivision Development Costs	\$

Exhibit H

MaineHousing

Green Building Standards

Affordable Subdivision Program

Project Name: _____

Date: _____

Standard	
1 Site	
R 1	Landscape with at least 75% northern hardy native species that do not require irrigation. This is measured by number of plantings.
R 2	Preserve existing trees and vegetation, except within 30' of buildings, driveways, solar access, areas cleared for food production and as required for grading for drainage requirements.
R 3	Minimize light pollution to the night sky.
Describe how this project met this objective:	
2 Building Design	
R 1	An overall water management plan for the building envelope for prevention of indoor air quality (IAQ) problems from mold.
Describe how this project met this objective:	
3 Energy Efficiency: Building Envelope	
R 1	The building envelope must be sealed to prevent air leaks.
R 2	The thermal envelope shall be insulated in a manner that complies with either the requirements of Chapter 4 of the 2004 IECC or the requirements of state law, whichever is more stringent.
R 3	Energy efficient windows optimized for solar gain OR advanced framing techniques such as OVE, SIPS, ICF, stress skin panel and others.
R 4	Spaces between trusses or rafters shall have blocking at the soffit to prevent "windwashing" of the attic insulation.
R 5	No pipes or ducts in outside walls.
Describe how this project met this objective:	
4 Energy Efficiency: Systems & Appliances	
R 1	Energy Star labeled systems & appliances
R 2	Bathroom exhaust fans shall be low noise with energy efficient fan motor rated for

	continuous duty with a minimum rating of 50 cfm
R 3	Water Efficiency: Low flow faucets and showerheads
R 4	Water Efficiency: Low flow toilets
R 5	Seal ductwork with duct mastic to prevent air leakage
Describe how this project met this objective:	
5 Energy Efficiency: Interior Lighting Fixtures	
R 1	Lighting lamps and fixtures shall be Energy Star rated.
R 2	No recessed light fixtures shall be installed in roof/ceiling assemblies.
Describe how this project met this objective:	
6 Inspection/Commissioning	
R 2	For each project, a representative number of units, as determined by MaineHousing, must be "Blower Door" tested to verify effectiveness of air sealing.
R 3	If applicable, a representative sampling of ducted air distribution systems, as determined by MaineHousing, must be tested to verify effectiveness of duct sealing.
Describe how this project met this objective:	
7 Indoor Environmental Quality	
R 1	Position and size operable windows and glazing systems to take advantage of natural ventilation, cooling and daylighting.
R 2	Use low VOC paint
R 3	Use low VOC adhesives & sealants
R 4	If carpet is installed it must meet CRI low emission test standard.
R 5	No carpet in kitchens, bathrooms or within 3' of entry doors.
Describe how this project met this objective:	
8 Materials	
R 1	Use framing and finish lumber harvested from sustainably managed forests OR local / regional materials OR durable materials.
Describe how this project met this objective:	

9 Resource Efficiency	
R 2	Non-mercury thermostats
Describe how this project met this objective:	
10 Post Occupancy	
R 1	Provide tenants with educational materials about green design, building operations, recycling & building maintenance.
Describe how this project met this objective:	