



Public Housing Authorities Permanent Financing Demonstration Program

Purpose	Provide permanent financing in an initial amount up to \$1,500,000 to be used for housing development related costs, including acquisition and rehabilitation costs
Applicant Eligibility	<ul style="list-style-type: none"> • Maine-chartered Public Housing Authorities and their wholly-owned subsidiaries • Satisfactory lending history with MaineHousing • Compliance with federal and MaineHousing conflict of interest prohibitions
Eligible Activities	<ul style="list-style-type: none"> • Real-estate acquisition • Rehabilitation • Adaptive Re-use • New Construction
Ineligible Activities	<ul style="list-style-type: none"> • Refinancing of existing long-term debt • Operational or service funding • Acquisition and/or rehabilitation of existing housing that has an outstanding MaineHousing obligation unless as part of an approved preservation or work-out effort • Commercial activities
Eligible Housing	Multi-family rental housing
Affordability	<ul style="list-style-type: none"> • 20% of total units to be rented to households with incomes at or below 80% of the HUD Area Median Income; rents restricted to 30% of adjusted income • 80% of total units may be rented at market or at rent set by PHA • Term for affordability will be co-terminus with term of MaineHousing funding
Maximum Funding	<ul style="list-style-type: none"> • Total MaineHousing funding will not exceed a project's total development cost <i>or</i> 85% of the after-completion market value as determined by appraisal, whichever is less • Debt service coverage must be \geq 115% • up to \$500,000 per PHA
Rate & Term	<ul style="list-style-type: none"> • Rate set at time of application; initial rate of 5 % • No points will be assessed • 30 year level amortization • Prepayment penalties may be assessed: 2% years 1-5, 1% years 6-10
Security	<ul style="list-style-type: none"> • First lien mortgage on real-estate • Loans are recourse to the PHA (guarantee may be required) • Subordinate liens subject to MaineHousing approval
Appraisal	<ul style="list-style-type: none"> • Commissioned by applicant subject to MaineHousing review. Applicant to be named as Client for purposes of the appraisal. Both the applicant and MaineHousing to be named as Intended User to the appraisal. Appraisals may be in the form of the Uniform Residential Appraisal Report. • Appraisal to determine the market value of property as completed
Submission Requirements	<ul style="list-style-type: none"> • Audited financial statements for most recent two fiscal years and an un-audited accounting that reflects the period of time dating to the end of the last fiscal year for which audited financial statements are available up to the time of application and shows PHA is viable • PHA Permanent Financing Application • Appraisal

Loan Eligible Uses	<p>Proceeds may be used for property acquisition and development related costs</p> <p>Development related costs may include:</p> <ul style="list-style-type: none"> • Architectural and engineering • Rehabilitation/construction • Legal (permitting, land-use, loan closing) • Financing fees • Relocation • Utilities/taxes/insurance • Developer’s overhead and fee • Other carrying costs
Loan Disbursement	<ul style="list-style-type: none"> • 100% of loan proceeds will be disbursed on date of loan closing • MaineHousing will not provide rehabilitation/construction oversight services, including inspections or requisition disbursement
Property Standards	<ul style="list-style-type: none"> • Rehabilitation and construction activities to comply with all federal, state and local building codes and requirements • The MaineHousing web-site offers a Quality Standards and Procedures Manual as a resource; the manual is optional • Properties funded with MaineHousing resources will need to comply with the federal Housing Quality Standards
Accessibility	Projects must be in accordance with all applicable federal, state or local accessibility laws, regulations and standards
Displacement	Displacement of existing tenants to comply at a minimum with MaineHousing’s Displacement and Relocation Policy which is available on the MaineHousing web-site
Taxes and Insurance	<ul style="list-style-type: none"> • Property taxes to be current during term of MaineHousing funding • Property insurance subject to MaineHousing review and concurrence; MaineHousing provides recommended insurance standards on the MaineHousing web-site

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