



Public Housing Authorities Short Term Financing Demonstration Program

Purpose	Provide flexible, short term capital 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	<ul style="list-style-type: none"> • Rental housing • Single-family homeownership • Condominium • Manufactured housing
Affordability	<p>Rental Housing</p> <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 <p>Homeownership</p> <ul style="list-style-type: none"> • Affordability or other public purpose plans must be submitted to MaineHousing
Maximum Funding	<ul style="list-style-type: none"> • Four times PHA unrestricted reserves as evidenced by PHA's most recent audited financial statements • Up to \$500,000 per PHA
Rate & Term	<ul style="list-style-type: none"> • 3%, interest-only payable on monthly basis • Principal balance due at earlier of permanent financing or 24 months • Pre-approval letter will provide an interest rate lock for 12 months following date of pre-approval
Security	<ul style="list-style-type: none"> • First lien mortgage on real-estate • Loans are recourse to the PHA (guarantee may be required)
Appraisal	Not required

Submission Requirements	<p>Pre-Approval Letter</p> <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 • PHA Short-Term Financing Application <p>Fund Drawdown</p> <ul style="list-style-type: none"> • Business plan that is specific to a real-estate asset to be purchased by the PHA. Business plan will detail the project’s public purpose; source and terms of permanent financing; time-line for project completion and take-out of short-term financing.
Loan Eligible Uses	<p>Proceeds may be used for property acquisition and development related costs</p> <p>Development Related Costs</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 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	<p>Projects must be in accordance with all applicable federal, state or local accessibility laws, regulations and standards</p>
Displacement	<p>Displacement of existing tenants to comply at a minimum with MaineHousing’s Displacement and Relocation Policy which is available on the MaineHousing web-site</p>
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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