



To: All Owners and Managers
From: Bob Conroy, Director of Asset Management

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I. 2016 Supportive Housing Repair Program

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MaineHousing recognizes this and has allocated \$500,000 in deferred, due on sale, funding targeted to assist owners in completing the required repairs that will ensure the properties are able to continue to provide decent, safe, and sanitary housing to Maine's most vulnerable citizens. This is designed as a walk-in program and not as a RFP program.

Information on the new program is attached and will be also be posted on our MaineHousing website as well.

Attachments:

- **2016 Supportive Housing Repair Program – Walk In Program**

Please note that MaineHousing provides notices as a service to our partners. Notices are not intended to replace ongoing training and do not encompass all compliance and regulatory changes that may occur on the wide arrange of housing programs in which we work. MaineHousing recommends partners establish an ongoing training program for their staff.

MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability or genetic information. 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: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.





**2016
SUPPORTIVE HOUSING REPAIR
PROGRAM**

WALK IN PROGRAM

The Maine State Housing Authority (MaineHousing), in its role as the affordable housing finance agency for the State of Maine, has provided funding to a diverse group of organizations for the creation and operation of over 325 supportive housing properties statewide designed for occupancy by individuals and families with disabilities and unique and special housing needs.

After years of service, some properties face capital needs that require immediate attention but lack adequate reserves to address the necessary repairs. In response to the situation, MaineHousing has allocated \$500,000 in deferred due on sale funding targeted to assist owners in completing the required repairs that will ensure the properties are able to continue to provide decent, safe, sanitary housing to Maine's most vulnerable citizens.

ELIGIBILITY

Section 1: Eligible Applicants

To be eligible for funding, an applicant must:

1. Be the owner of a supportive housing project in Maine that:
 - a. is currently financed by MaineHousing, and
 - b. was first developed and occupied before January 1, 2005.
2. Be a 501(c)(3) corporation
3. Provide a corporate resolution demonstrating the authority to apply for this Program and to comply with MaineHousing requirements for the deferred loan.
4. Anticipate continued use for the longer of the remaining term on the MaineHousing loan documents or five (5) years.
5. Be in compliance with all covenants regarding use in MaineHousing loan documents.
6. Meet all submission requirements set forth below.

Non-recipients of 2014 Supportive Housing Repair Deferred Loan Program funding awards will take priority over recipients of 2014 funding awards.

MaineHousing will not process an application from an applicant if the applicant, or any other entity in which the applicant or one of its affiliates has a controlling interest, at any time during the previous 6 months, (i) has been more than 60 days delinquent on MaineHousing financing, or has been issued a notice of default unless an approved workout plan is in place and in good standing, or (ii) has been the owner of any MaineHousing-financed project that was foreclosed upon by MaineHousing or conveyed to MaineHousing by deed-in-lieu.

Owners and contractors must not be debarred, suspended, proposed for debarment, or voluntarily excluded from participation in federal housing programs or MaineHousing programs. Owners,

operators, and contractors may not participate in this program if they have ever had a professional license to provide the nature of services they seek to provide in this program suspended or revoked.

Section 2: Eligible Rehabilitation Activities

Only life safety and improvements or repairs to the permanent fixtures, systems and components of the physical structure with an immediate need for repair are eligible uses for the funding.

Examples of life safety improvements include, but are not limited to:

- GFCI protection for electrical devices in wet locations (baths, kitchens, basements and outbuildings)
- Hard-wired smoke/carbon monoxide detectors with battery back-up
- Emergency lights
- Exit signs
- Egress improvements (enclose stairways, repair handrails, proper sized windows)
- Fire sprinkler systems
- Structural repairs (repair deterioration potentially leading to failure of floors, roofs, exterior balconies)
- Panic hardware on egress doors
- Lead hazard reduction work
- Asbestos and radon mitigation

Examples of physical structures that may have an immediate need include, but are not limited to:

- Roof
- Windows
- Heating
- Plumbing
- Electric
- Insulation
- Ventilation
- Foundations, sills, and structural supports, etc.
- Floors and floor coverings
- Interior and exterior walls and wall surfacing
- Ceilings
- Roofing supports and members
- Doors
- Porches, patios, etc.
- Bathroom and kitchen modifications
- Ramp repairs
- Elevator upgrades

All work undertaken must comply with the International Building Codes (IBC 2009) and National Fire Protection Association Codes (NFPA), including without limitation the following:

- IBC 2009 & IBEC 2009
- The National Electrical Code 2014
- NFPA 101 The Life Safety Code 2009

All work undertaken must comply with applicable accessibility and adaptability requirements. MaineHousing may require a plan review, a construction permit, a sprinkler permit, or a barrier free permit from the Department of Public Safety. Upon completion, the property must comply with all applicable state and local codes and ordinances.

Rehabilitation which disturbs lead based paint (which may or may not involve lead based paint hazard reduction work) will at a minimum need to be done using lead safe work practices and achieve a satisfactory clearance test at completion of rehab.

Section 3: Loan Requests

The maximum loan which can be requested is **\$65,000** per project. The minimum loan which can be requested is **\$5,000** per project.

Section 4: Ineligible Activities

Loan proceeds cannot be used to reimburse an organization for soft costs or work previously performed. The funds from this program cannot be combined with any other financial resources available through MaineHousing other than operating subsidy funds and project reserves.

GENERAL REQUIREMENTS

Conflict of Interest: Applicants must disclose their current and recent financial, business, professional, and family relationships and associations with any MaineHousing employee or commissioner and comply with any restrictions imposed by MaineHousing on account of conflict of interest concerns.

Identity of Interest: Applicants must disclose the nature of the relationship between them and any of their contractors and suppliers. MaineHousing may, at its discretion, impose restrictions or require other third party verifications on account of identity of interest concerns.

Minimizing Displacement: Applicants must take all reasonable steps to minimize the displacement of persons as a result of rehabilitation and comply with MaineHousing's policy for relocation, if necessary.

DEFERRED LOAN

The maximum deferred loan that can be requested is \$65,000 per project. The minimum deferred loan that can be requested is \$5,000 per project. Funds may only be applied to life safety and immediate rehabilitation needs of the building. Non-life safety rehabilitation work that must be done within a year or less or building components that are beyond their useful life or have less than 3 years useful life remaining are deemed immediate rehabilitation needs.

MaineHousing staff will be responsible for the final determination of whether a proposed activity is addressing a life safety or immediate need issue. **MaineHousing reserves the right to adjust the amount of the award and may determine an amount that is more or less than the amount requested. MaineHousing may require accessibility upgrades.**

Existing project replacement reserve funds that exceed \$1,000 per unit or bed will be used for life safety and immediate rehabilitation needs prior to deferred loan proceeds.

Once grantees have been selected, MaineHousing will conduct an initial site visit to:

1. Review the results of the Owner Assessment of Capital Needs,
2. Review the proposed scope of work in relation to current building conditions.
3. Assess the estimated cost of rehabilitation

Applicants must address all necessary maintenance, capital improvements, lead hazard reduction work, and code compliance work required by Maine Housing and follow procedures as outlined in the Asset Management Design & Construction Manual for Existing Buildings. When the scope of building rehabilitation is complex, or where State law requires it, MaineHousing will require that a licensed design professional develop the plans and specifications for the project. All plans and specifications require MaineHousing's review and approval.

MaineHousing will make the final determination when interpreting codes and standards for selected projects and may modify proposed improvements or repairs that go beyond life safety compliance. MaineHousing's existing use and affordability requirements will remain in place. The 0% deferred loan will be due upon earliest of (a) a sale or other transfer of the property, (b) the discontinuation of the intended public purpose; (c) default, or (d) 30 years from closing.

APPLICATION REQUIREMENTS

Applications will be accepted and reviewed on a first come, first serve basis. Applicants will follow the guide below when preparing an application package. **A separate application package must be submitted for each project.**

Submission requests must contain all the following components:

1. **Application.** Completed and signed SHP Repair Application.

2. **Attachments.** Please enclose the following with your application:

- A corporate resolution authorizing the applicant to apply for funding and to comply with MaineHousing requirements if the applicant is awarded financing
- 501(c)(3) Determination Letter
- A preliminary rehabilitation budget (use form on Attachment A)
- Plans, specifications, scope of work, contractor bids, etc., as applicable
- Photographs showing current conditions of physical plant supporting the need for rehabilitation
- Evidence of matching funds committed to the project, if applicable
- Evidence of current balance in replacement reserve, if any
- Copy of the latest audited financial statements (if not required, we will accept a year end compilation)
- A narrative disclosure of any potential conflict of interest or identity of interest issues
- Completed conflict of interest form (attached as Attachment B)

Applications will accepted at the MaineHousing Augusta office until the earlier of December 31, 2016 or the depletion of funds.

Applications should be mailed to:

MaineHousing,
353 Water Street
Augusta, Maine 04330-4633,
Attention: Kimberly Whitley, Portfolio Manager

or email to: kwhitley@mainehousing.org.

All inquiries and requests for further information may also be directed to Kimberly Whitley. She may be reached by telephone at (207) 624-5781 or (800) 452-4668, by fax at (207) 624-5705, or TTY at (800) 452-4603 or by e-mail at kwhitley@mainehousing.org.

MaineHousing reserves the right to adjust the amount of the funding and may determine an amount that is more or less than the amount requested. MaineHousing may require accessibility upgrades. MaineHousing reserves the right to award all, a portion, or none of the available subsidy, depending upon the quality and merits of the applications received.

TIMEFRAME

MaineHousing intends to finalize awards under this Walk in Program within a month of receipt of an application. Awards will continue to be processed until available funding has been expended. The review process is outlined below:

1. Applications will be reviewed for completeness, feasibility, and cost reasonableness. Applications that do not meet the submission requirements or are inconsistent with program eligibility requirements will be rejected and the applicant will be notified. This initial review will be completed within one week of receipt of the application.
2. Once an application has cleared the initial review and is deemed eligible, the applicant will be contacted to set up a time to meet with MaineHousing inspectors who will visit the project to evaluate the proposal and provide recommendations of additions/deletions to the proposed scope.
3. Loan package will be finalized with the applicant.
4. MaineHousing will retain the loan proceeds in a Rehabilitation Escrow under MaineHousing control and will disburse one third of the proceeds upon the start of work; one third at 50% completion; and the remaining third of the proceeds when MaineHousing has inspected the property, confirmed that the work was satisfactorily completed in accordance with the work specifications, budget and applicable codes, and has received applicable lien releases from contractors. All work should be satisfactorily completed within 6 months of award finalization.

Reminder: MaineHousing will require evidence of permits and approvals from local, state, and licensing agencies before any work begins.

MAINEHOUSING NONDISCRIMINATION NOTICE:

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