



SUPPORTIVE HOUSING AND EMERGENCY SHELTER REPAIR PROGRAM



Program Guide and Application

Effective December 2019

OVERVIEW

For over 30 years, MaineHousing has provided funding to non-profit organizations for the development of supportive housing for persons with special needs. After years of use, some of these supportive housing properties have physical deficiencies and no funds to address the deficiencies.

At the same time, MaineHousing has used funds from federal and state resources to provide grants for emergency shelters for a variety of activities that assist people who are experiencing homelessness. Some of the emergency shelters also have physical deficiencies and lack funding to address the physical deficiencies.

The Supportive Housing and Emergency Shelter Repair Program (Repair Program) provides 5 year forgivable loans to address physical deficiencies of supportive housing projects and emergency shelters funded by MaineHousing. Applications will be reviewed for funding upon receipt.

Section 1: Eligible Applicants

To be eligible for funding, an applicant must be:

- a. the owner of a supportive housing project (as defined by MaineHousing) that has outstanding MaineHousing funding provided by MaineHousing prior to January 1, 2008, or the owner of an emergency shelter that receives Emergency Shelter and Housing Assistance Program (ESHAP) funds;
- b. a 501(c)(3) non-profit corporation; and
- c. in compliance with all of its obligations to MaineHousing.

MaineHousing will not process an application if the applicant, or any other entity in which the applicant or one of its affiliates has a controlling interest, (i) at any time during the previous 6 months 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 of foreclosure.

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 that have had a professional license suspended or revoked need MaineHousing's prior approval to participate in the Repair Program.

Section 2: Forgivable Loan Amount

- a. The maximum forgivable loan is \$150,000 per property. The minimum forgivable loan is \$5,000 per property.
- b. Organizations may submit applications for multiple properties. However, a separate application must be submitted for each property.

- c. MaineHousing reserves the right to determine the amount of Repair Program funding awarded to any property, which amount may be more or less than the amount requested.
- d. MaineHousing may require projects with replacement reserve funds to use some or all of the replacement reserve funds in addition to any Repair Program funds.

Section 3: Forgivable Loan Terms

The forgivable loans are structured as follows:

- 0% deferred forgivable five year note.
- No voluntary prepayment.
- The deferred forgivable note is secured by a mortgage.
- The property must continue to operate as supportive housing or an emergency shelter for five years.
- The note and mortgage are non-recourse.
- The note is forgiven and the mortgage is discharged if the owner complies with the terms of the loan throughout the five year period.

Section 4: Eligible Activities

Repair Program funding may be used for either **Immediate Need Items** or **Life Safety Items**.

Immediate Need Items are the following:

- a. Repair work that must be done within a year or less in order to maintain the integrity, value, and usefulness of the building, **OR**
- b. Repair work to fixtures, components or building systems that have either exceeded their useful life or have less than 3 years of useful life remaining.

Examples of **Immediate Need Items** include, but are not limited to:

- Roofs
- Windows
- Heating Components
- Plumbing
- Electrical System
- 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

Life Safety Items are repair work required to address life-threatening conditions.

Examples of **Life Safety Items** 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

Section 5: Ineligible Activities

Repair Program funds may not be used for the following:

- a. Organizational or project operational costs
- b. Costs that are incurred by the applicant in conjunction with the Repair Program, including organizational and loan closing costs
- c. Repair work that is commenced prior to the award of Repair Program funds without MaineHousing's prior approval
- d. Funding of project reserves

Section 6: Requirements for Repair Work

MaineHousing will review all proposed scopes of work to ensure compliance as follows:

- a. The following repairs must comply with the Asset Management Design and Construction Manual for Existing Buildings (located on the MaineHousing web-site or available by request):
 - Roof repair or replacement
 - Window replacement(s)
 - Exterior door replacement(s)
 - Paving (finish or base)
 - Vinyl siding installation
 - Carpet installation

Applicants are strongly encouraged to share the applicable sections of the manual with contractors bidding for any of the above repairs.

- b. Applicants must address all necessary maintenance, capital improvements, lead hazard reduction

- work, and code compliance work required by MaineHousing.
- c. All repair work 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
 - d. All repair work must comply with applicable accessibility and adaptability requirements.
 - e. Applicant must provide MaineHousing with any of the following that are required by state law or local ordinance:
 - plan review
 - construction permit
 - sprinkler permit
 - barrier free permit (issued by the Department of Public Safety-State Fire Marshall Office)
 - plans and specifications developed by a licensed design professional (plans and specifications are subject to MaineHousing approval; at MaineHousing's discretion, highly-complex repair work may also require a design professional).
 - f. Repair work which disturbs lead based paint (which may or may not involve lead based paint hazard reduction work) must be done using lead safe work practices and achieve a satisfactory clearance test at completion of rehab.
 - g. Upon completion of all repair work, properties must comply with all applicable state and local codes and ordinances. MaineHousing will be the final arbiter when interpreting codes and standards and may require modifications to the repair work.

Section 7: Process and General Requirements

Process: Upon receipt of an application, MaineHousing will process as follows:

- a. Applications will be reviewed for program compliance, eligibility of proposed repairs, completeness, and cost reasonableness. Applications that are substantially incomplete or are inconsistent with program eligibility requirements will be denied and the applicant will be notified.
- b. Applicants will be contacted to set up a time for a MaineHousing inspector to inspect the project to evaluate the proposed scope of work in relation to the building's current physical condition. The inspector will:
 - Review the bids for the proposed scope of work
 - Provide recommendations for additions/deletions to the proposed scope of repair work as necessary depending upon available funding and a prioritization of necessary repairs; i.e. life safety items will take preference over all other repairs
 - Review the need for accessibility upgrades
 - Assess the estimated cost of rehabilitation
 - Review the project's Capital Needs Assessment (if available)
- c. MaineHousing will notify the applicant as to whether their application has been selected for further processing.
- d. The applicant will contact the contractors that submitted the selected bids and request a written proposal or contract. The applicant will submit the proposals or contracts to MaineHousing for review and concurrence.
- e. MaineHousing will conduct a final review of the feasibility of the proposed repairs and determine the final repair award amount.
- f. MaineHousing will issue a term sheet indicating the key features of the repair funding. The

- applicant will execute the term sheet and return to MaineHousing.
- g. MaineHousing will conduct a closing. Costs associated with the closing (registry recording fees) will be the responsibility of the applicant.
 - h. MaineHousing will retain the Repair Program proceeds in an escrow account which will be administered by MaineHousing. The escrow account will not accrue interest.
 - i. To draw funds from the escrow account, the applicant will submit the following:
 - Copy of the invoice from the contractor/vendor
 - Proof of payment by the applicant
 - MaineHousing Requisition Form executed by both the contractor/vendor and applicant (see Attachment A)
 - Upon the final payment for each contractor/vendor, an executed MaineHousing Final Certification and Lien Release for that contractor/vendor (see Attachment B)
 - j. MaineHousing will disburse the loan proceeds in three installments:
 - Installment #1: Immediately following the completion of the loan closing process, MaineHousing will disburse a check to the applicant in an amount equal to one-third of the loan total. The applicant will not need to submit documentation to MaineHousing in connection with this installment.
 - Installment #2: When the total of the invoices that have been paid by the applicant exceed 50% of the loan amount, MaineHousing will disburse funds equal to one-third of the loan amount. MaineHousing may schedule an inspection prior to disbursing Installment #2 funds.
 - Installment #3: After the entire scope of work is completed, MaineHousing will disburse funds equal to the balance remaining in the escrow account. MaineHousing will schedule an inspection of the completed work prior to disbursing Installment #3 funds. All Final Certification and Lean Release forms must be submitted prior to the final installment.MaineHousing reserves the right to make payments directly to a contractor/vendor or alter the disbursement schedule.
 - k. All work should be satisfactorily completed within 6 months of the loan closing

Contractor Requirements: Applicants must seek three bids for each scope of work proposed for Repair Program funding and submit any bids received to MaineHousing. When the applicant receives fewer than three bids for a scope of work, the applicant must provide documentation of unsuccessful bid requests (i.e. emails). MaineHousing will review the submitted bid(s) for reasonableness.

The applicant should indicate which of the submitted bids the applicant intends to select. MaineHousing may request that the applicant consider selecting one of the alternative bids.

There cannot be any conflicts of interest between a contractor/vendor that submits a bid and the Repair Program applicant.

Application Submission: The application is attached hereto. Applications may be submitted electronically or by mail. **A separate application package must be submitted for each property.**

If submitting a paper application, please send to:

MaineHousing
C/O Vicky Dute
353 Water Street
Augusta, Maine 04330-4633

If submitting electronically, please email to: vdute@mainehousing.org
All inquiries regarding the Repair Program should be directed to Vicky Dute:

E-mail: vdute@mainehousing.org
Phone: (207) 626-4679 or (800) 452-4668
TTY: (800) 452-4603

Disclosure: MaineHousing reserves the right to discontinue the Repair Program at any time at its own discretion for any reason. The Repair Program is subject to availability of funds.

Permits and Local Approvals: MaineHousing will require evidence of permits and approvals from local, state, and licensing agencies (when applicable) prior to the commencement of repair work.

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 displacement is necessary.

MaineHousing Nondiscrimination Policy: MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, 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, gender identity or expression, 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.

Approved: December 13, 2019



Daniel E. Brennan, Director

Supportive Housing and Emergency Shelter Repair Program Application

There are three components to the Supportive Housing and Emergency Shelter Repair Program Application. All three components must be completed and submitted to MaineHousing at the time of application.

Component 1: Background Information (please complete all blanks or indicate N/A)

Legal Name of Applicant Organization: _____

Date of Application: _____

Project or Shelter Name: _____

MaineHousing Project Number (if applicable): _____

Project Address (or indicate if this is a shelter serving victims of domestic violence):

Number of Units/Beds: Units _____ Beds _____

Age of the Building(s): _____

Description of the Target Population for the Project: _____

Current Number of Occupants: _____

Current Replacement Reserve Balance: _____

Provide a brief narrative description of the repair work that is being proposed and how the repairs will benefit the residents and the applicant:

Projected Start Date of Repairs: _____

Length of Time to Complete Repairs: _____

Conflict of Interest: Does the applicant, any principal or affiliate of the applicant, or anyone who will be paid for work on the program have business ties, familial relationships, or other close personal relationships with a current MaineHousing employee or commissioner or anyone who was a MaineHousing employee or commissioner within the past year? Yes _____ No _____

If the answer is yes, please describe the conflict in detail here: _____

Signature is required:

Name: _____

Printed Name: _____

Title: _____

Date: _____

Component 2: Documentation

The following items must be submitted:

- A. Board resolution authorizing the applicant to apply for funding and to comply with MaineHousing requirements and authorizing the signatory if the applicant is awarded financing.
- B. Copy of 501(c)(3) Determination Letter.
- C. Assessed value for property tax purposes.
- D. All bids from qualified contractors for each element of the proposed scope of work and when three bids for a proposed scope of work are not received, evidence that three bids were sought.
- E. Photographs of the sections of the property that are in need of repairs.
- F. Any plans, working drawings, specifications, prepared by a design professional or contractor.
- G. Copy of the latest audited financial statements (if audited statements are not performed, an unaudited year end compilation will be acceptable).
- H. If the applicant will be contributing non MaineHousing funds to the repair work, the source of additional funding.
- I. Description of municipal requirements for approval of the proposed repairs (if applicable).
- J. Capital Needs Assessment (if one has been conducted).

Component 3: Rehabilitation Budget

Instructions: Separate the individual elements of your overall repairs proposal; i.e. windows; boiler; roof; etc. Enter each individual element where indicated in the Costs of Repairs section. Enter a bid amount for each repair element. Itemize the individual elements to the degree that is practical. For example, if the windows are being replaced, then all related work connected with window replacement (finish work, etc.) should be included in the window item. However, repairs such as window replacements would be separated from other heat-saving measures such as roof insulation, boiler replacement, etc.

Selected bid:

Repair Elements	Bid Amount
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6.	\$
Total Cost of Repairs:	\$ _____

Source of Funds for Repairs:

Replacement Reserve Available to Project (if required – enter \$0 if not required)	\$
Funds Pledged from Applicant's Own Sources (Identify source of funds _____)	\$
MaineHousing Repair Funds	\$
Total Funds for Repairs: (Must equal Total Cost above)	\$ _____

Attachment A
Supportive Housing and Emergency
Shelter Repair Program
MaineHousing Requisition Form

Owner's Section

1. Property address: _____
2. Owner's name: _____
3. Owner's Mailing Address: _____
4. MaineHousing funds requested: \$ _____
5. Is invoice attached? _____
6. Is proof of payment attached? _____
7. If this is the final payment to a contractor/vendor, is the MaineHousing Final Certification and Lien Release attached? _____

As the authorized representative of the property owner, I certify that the work covered by this requisition has been inspected and has been determined to be satisfactory.

Owner's Signature: _____ Date: _____

Contractor's Section

Contractor's Name: _____

As the authorized representative of the contractor/vendor, I certify that to the best of my knowledge and belief, the work covered by this Requisition Form has been completed in accordance with the contract/proposal documents and that the current payment shown herein is now due.

Contractor's Signature: _____ Date: _____

MAINE STATE HOUSING AUTHORITY USE ONLY

MaineHousing Approval: _____ Date: _____

Please issue a check in the amount of \$ _____ to _____

Attachment B
Supportive Housing and Emergency
Shelter Repair Program Final
Certification and Lien Release

Any contractor that supplied goods and services with a value in excess of \$2,000 or any vendor that supplied goods and services in excess of \$10,000 will need to complete this form at the time of final payment

Project Address: _____

Contract Description: _____

Total Contract Amount: _____

1. The undersigned certifies that there is due and payable under the above contract a final payment in the amount of \$_____.
2. The undersigned certifies that all work required under this contract has been performed in accordance with the terms of the contract and was completed on_____.
3. The undersigned certifies that, with the exception of the above final payment, there are no unpaid claims for materials, supplies or equipment and that there are no claims of laborers or mechanics for unpaid wages arising out of the performance of the above contract.
4. The undersigned releases any and all claims, other than for the above final payment, arising under or by virtue of the contract and agrees to indemnify MaineHousing and the owner against any and all such claims.

PLEASE SIGN IN THE PRESENCE OF A NOTARY

Name of Contractor: _____

Contractor's Signature: _____

_____ Date: _____

State of Maine

County of _____, ss.

Date: _____

Personally appeared the above-named _____ and gave oath to the foregoing.

Before me,

Name

Notary Public of Maine

My Commission Expires: _____