



HOUSING FOR THE HOMELESS



**2006 Request for Proposals
Program Guide**

Region II

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Program Guide Housing for the Homeless Region II

A. Background

MaineHousing has allocated \$1,010,000 of development capital to be used for the creation of housing that will serve homeless clients in the Region II area. This allocation is part of the \$2,950,000 of State HOME funds that MaineHousing has dedicated to the development of housing units for the homeless in 2006.

This document outlines the process through which these funds will be distributed and the parameters of the activities that can be supported with this funding award.

B. Overview

MaineHousing, in collaboration with the Region II Homeless Council, is requesting applications for the development of housing for homeless individuals and/or families in the Region II area.

The Region II area is defined as the geographic area that includes Androscoggin, Franklin, Knox, Kennebec, Lincoln, Sagadahoc, Somerset, Oxford, and Waldo counties.

MaineHousing will prioritize applications in the following order:

First Priority

Projects that have received MaineHousing funding awards for the purpose of developing housing for homeless populations. Projects must be located in Region II and must demonstrate a high likelihood of being successfully developed in a short period of time.

Second Priority

Projects that will serve persons who are homeless in Region II, per Goal 1 of the *State of Maine Action Plan to End Homelessness* (Appendix A). Projects that are *currently* in-service and serving homeless persons are not eligible.

C. Process

MaineHousing staff will review each application to ensure that the application is complete, including the submission of required attachments. Incomplete applications will be returned to the applicant. Eligible applications will be packaged for further processing.

MaineHousing will then convene a selection committee to rank eligible applications. The Region II Homeless Council will be represented in the composition of the selection committee. The selection committee will be made up of individuals in the public and/or private sector that have both an interest and a skill-set that would be advantageous in evaluating proposals for the development of housing for the homeless. MaineHousing staff will provide both staffing to the selection committee as well as membership on the committee.

The selection committee will evaluate each application by using the Scoring Criteria found on Page 8 of this guide. Each committee member will be asked to derive a numerical score independent of the other scoring committee members. Committee members will gather to share the results of their scoring process. Committee members may adjust their scores at the Committee Meeting to reflect additional information that may be provided by other committee members.

The selection committee will conclude its work by listing the applications from highest to lowest score. The recommended scoring order will be forwarded to the Region II Homeless Council, which will either accept or reject the scoring results in its totality. This endorsement/rejection will then be forwarded to the Director of MaineHousing. The scoring recommendations may be accepted, denied or modified. However, the Director will give serious weight to the recommendations of the Region II Homeless Council and the selection committee.

The MaineHousing Director will issue a Notice to Proceed to the applicants that are selected. The Notice to Proceed will outline the development process, note any deadlines, and notify the developer as to which MaineHousing staff will be assigned to their project.

The applicant will acknowledge receipt of the Notice to Proceed by sending to MaineHousing a written timeline for the completion of key development activities. The list of key development activities will be contained in the Notice to Proceed.

Original applications in response to this Request for Proposals must be date stamped by MaineHousing and submitted to Megan Spencer at 353 Water Street, Augusta, ME 04330 no later than 5:00PM on September 29, 2006.

D. Applicants

Eligible applicants must meet the following criteria:

Be a non-profit corporation organized in the State of Maine under Title 13-B of the Maine Statutes or registered to do business in the State of Maine and have determination, or have applied for determination, of tax exemption under Section 501(c)(3) from the Internal Revenue Service;

Provide a corporate resolution demonstrating the authority to apply for and receive funding and debt financing, if any, under this proposal;

Demonstrate capacity to deliver appropriate and necessary services for the target population and/or realistic strategies to meet the service needs of the target population;

Demonstrate the financial and organizational capacity to undertake the proposed initiative;

Developer must not be excluded from participation in federal housing programs, as further discussed in the *Addendum to the Supportive Housing Programs*,

Developer must be currently in good standing with previous MaineHousing funded projects, as further discussed in the *Addendum to the Supportive Housing Programs*,

Developer must be in compliance with federal and MaineHousing conflict of interest prohibitions, as further discussed in the *Addendum to the Supportive Housing Programs*.

Developer must comply with all requirements for subsidy funding set forth in the *Addendum to the Supportive Housing Program*.

E. Target Population

Homeless Individuals/Families/Youth that are in the geographic region defined as Region II.

A person is considered homeless only when he/she resides in one of the places described below:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings, on the street.
- In an emergency shelter.
- In housing for homeless persons who originally came from the streets or emergency shelters.
- In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution.

- Is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and lacks resources and support networks needed to obtain housing.
- Is being discharged within a week from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing. For example, a person being discharged from prison after more than 30 days is eligible only if no subsequent residence has been identified and the person does not have money, family or friends to provide housing.
- Is fleeing a domestic violence housing situation and no subsequent residence has been identified and lacks the resources and support networks needed to obtain housing.

F. Targeting Requirement

Targeting restrictions for this program will remain in place for 30 years and will be referenced in a covenant that will be recorded.

G. Eligible Program Activities

Funds may be used to fill funding gaps for projects previously awarded funds by MaineHousing for the development of housing for homeless persons.

Funds may be used for projects that have not previously received MaineHousing funding. However, projects that are currently in-service and targeting homeless persons will not be eligible.

Development activities may include: acquisition; acquisition/rehabilitation; substantial rehab/change in use; expansion to an existing project; new construction.

Projects may create independent living units or shared living arrangements.

Single room occupancy (SRO) units are eligible. SRO units are defined as independent living units for purposes of this program.

Ineligible Activities include:

- Existing projects that are currently providing housing for homeless persons.
- Refinancing of existing debt.

H. Funding

The subsidy funding for these projects will be State HOME funds. The schedule of forgiveness will be as follows:

- A. 20% of the total subsidy award will be forgiven on the date of the execution of the subsidy note (normally loan closing).
- B. 40% of the total subsidy will be forgiven at the conclusion of the 15th year following the execution of the subsidy note.
- C. 40% of the total subsidy award will be forgiven at the termination of the period of the subsidy note (normally 30 years).

I. Project Based HUD Section 8 Housing Choice Vouchers

MaineHousing has made available a limited number of HUD Section 8 Housing Choice Vouchers that may be designated as project-based rental assistance for units created under this program offering. To be eligible for project-based rental assistance from MaineHousing, the following criteria must be met:

- 1) Projects must create permanent housing. Emergency, temporary or transitional housing are not eligible for project-based rental assistance.
- 2) The project must be located within MaineHousing's area of operations which is defined as any area that is not served by a local housing authority. If a proposed project falls within the jurisdiction of an existing local housing authority, then a letter must be submitted to MaineHousing from the local housing authority which states the local public housing authority cannot provide the vouchers and concurs to MaineHousing administered vouchers being located within the local housing authority's jurisdiction.
- 3) The project must meet HUD Housing Quality Standards
- 4) The units must be either independent units or Single Room Occupancy (SRO) units
- 5) Tenants must have a lease with a minimum term of one year
- 6) The rents that are charged must meet the MaineHousing rent reasonableness test
- 7) Tenants must meet HUD eligibility criteria
- 8) Tenants must be at least 18 years old or have been legally emancipated
- 9) For projects that have one to four units, MaineHousing may allocate project-based assistance for each unit in the project. For projects that have five or more units, MaineHousing may allocate assistance for as many as 25% of the units in the project.

J. Debt Financing

MaineHousing offers fixed rate debt financing for housing initiatives that serve homeless populations. Further details can be found in the *Addendum to Supportive Housing Programs*.

K. Taxes and Insurance

MaineHousing guidelines for property taxes and insurance can be reviewed in the *Addendum to Supportive Housing Programs*.

SCORING CRITERIA

The Selection Committee will be using the following scoring criteria and points to score each eligible application. Please refer to the Application for this Request for Proposals for specific submission requirements for each category.

I) Executive Summary (5 Points) _____

Executive summary complete with the following elements:

- Applicant identity and background
- Population to be served
- How the population will be served
- Location of project
- Number of units
- Description of completion schedule
- Amount requested

II) Leveraged Funding (5 Points) _____

Application demonstrates plan for leveraged funding. Leveraged funding can be committed, pending approval or not yet applied for. However, preference will be given for leveraged funding that has been secured at the time of application

- Leveraged funding can be for the purpose of development capital or operational and service funding

III) Reasonableness of Pro Forma (20 Points) _____

Application contains required proforma and the data contained in the proforma is reasonable

- Proforma #1 - Development Cost completed and submitted
- Proforma #2 - Sources of Funds Statement completed and submitted
- Proforma #3 - Operating Budget (Annual Income and Expense) completed and submitted

IV) Readiness to Proceed (20 Points)

Application provides a detailed plan for addressing the following activities and a reasonable projected timeline for the completion of these activities

- Identify potential sites
- Site Control: have deed, purchase and sale agreement or option
- Engineering studies
- Architectural drawings
- Initial scope of work
- Permits: in hand, applied for or not required
- Evidence of municipal planning, coordination, approval
- Leverage: commitment letters, funds applied for and pending
- Services: commitment letter for service dollars; commitment from service provider to provide services; identified source of and eligibility for services funding
- Operating: commitment for operating funds

V) Need (20 Points)

The proposed project demonstrates it meets a specific need of the community or of the population to be served.

VI) Operating and Service Funding (10 Points)

- Operating funds are secured or there is a reasonable plan in place to secure them
- Service funds are secured or there is a reasonable plan to in place to secure them

Sources of operating and service funding may include:

- Bridging Rental Assistance Program (BRAP)
- General Assistance
- Federal Shelter-Plus-Care and Section 8 rental assistance
- Resident's Supplemental Security Income
- Social Security Disability Insurance
- Rental Assistance Coupon Plus Program
- McKinney Vento Continuum of Care Funding
- MaineCare

VII) Underserved Populations (5 Points) _____

Project targets populations that are underserved or have not been served by other funding sources

VIII) Development Team (10 Points) _____

The applicant has demonstrated a Development Team is in place with demonstrated capacity to complete project

IX) Feasibility of Overall Strategy (5 Points) _____

The project demonstrates effective, reasonable strategies to achieve the desired outcome presented in the application

Total Points (out of possible 100 points) _____

APPENDIX A

Maine State Action Plan to End Homelessness

Goal I: Increase Access to and Availability of Housing for Homeless Individuals and Families

Sub Goal A Create 750 units of supportive housing for chronically homeless individuals within the next five years.¹ These units will be created through the following mechanisms:

- Strategy 1** Maximize units of Section 8 Moderate Rehabilitation and sponsor-based Shelter Plus Care through the Maine Balance of State Continuum of Care for chronically homeless individuals.
- Strategy 2** Maximize access to and use of Mainstream Section 8 Vouchers for persons with disabilities by chronically homeless individuals.
- Strategy 3** Increase set-aside in Low-Income Housing Tax Credit (LIHTC) program to 15% for those projects dedicating units to people who are homeless.
- Strategy 4** Use affordable housing bond funds to create housing.
- Strategy 5** Allocate State HOME funds for supportive housing for the chronically homeless.

Sub Goal B Create 1,500 units of supportive housing for special needs populations, including homeless, over the next five years.

- Strategy 1** Increase use of LIHTC resources for persons who are homeless.
- Strategy 2** Increase use of CDBG funds to create housing for people who are homeless.
- Strategy 3** Provide an annual allocation of service funds from BDS and DHS to be attached to the creation of new units or alternatively develop methods to link existing service funds to these units.
- Strategy 4** Use affordable housing bond funds to create housing for homeless.
- Strategy 5** Increase use of State HOME funds for supportive housing for special needs populations.

¹ Chronically homeless individuals are individuals with disabilities who have been homeless consistently for one year or more or who have had three episodes of homelessness over the past four years.

