



Requests for Proposals

Housing for the Homeless



2008 Program Guide

Table of Contents

Section A:	Overview	Page 2
Section B:	Process	Page 2
Section C:	Applicant Eligibility	Page 4
Section D:	Tenant Eligibility	Page 4
Section E:	Project Eligibility	Page 5
Section F:	Ineligible Activities	Page 7
Section G:	Funding	Page 7
Section H:	Loan Security	Page 8
Section I:	Project-Based Section 8	Page 8
Section J:	Reserves	Page 9
Section K:	Displacement and Relocation	Page 9
Section L:	Green Building Standards	Page 9
Section M:	Fair Housing and Equal Opportunity	Page 9
Section N:	MaineHousing Non-Discrimination Policy	Page 10
Scoring Criteria		Page 11
Service Center Communities		Appendix A

Housing for the Homeless 2008 Request for Proposals

A. Overview

MaineHousing is pleased to offer this Request for Proposals (RFP) for the development of housing that is targeted to the needs of homeless persons. For 2008, MaineHousing has made available up to \$2,776,000 under this RFP.

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

MaineHousing has adopted a set of standards and requirements that are applicable to all special needs housing funded by MaineHousing. Those standards and requirements are contained in a handbook titled *Addendum to the Supportive Housing Programs*. The addendum may be accessed on the MaineHousing website <http://www.mainehousing.org> or by contacting the MaineHousing Development Department at 626-4600 or 1-(800)452-4668 and TTY 1 – (800)452-4603.

B. Process

The application for the 2008 RFP must be received by MaineHousing no later than **5:00 P.M. on October 17, 2008**. Applications will be date stamped to verify receipt by the application deadline.

The application package is available on the MaineHousing website and from the MaineHousing Development Department.

MaineHousing will employ the following process to determine which applications will be selected for funding:

- (1) 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. Complete applications will be submitted for scoring.
- (2) All complete applications will be scored by a scoring committee convened by MaineHousing. MaineHousing will invite representatives from the Regional Homeless Councils to serve on the Committee.
- (3) All applications will be ranked according to their score. Projects that score higher than 125 points will be selected for funding recommendations by their rank until the funds for this RFP are exhausted.
- (4) The recommendation to fund will be forwarded to the Director of MaineHousing. The recommendation to fund may be accepted, denied or modified. However, the Director will give serious weight to the Scoring Committee's recommendation.

- (5) 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.
- (6) 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.
- (7) The applicant will complete all development activities necessary to demonstrate that the proposed project is financially, legally, physically, and operationally viable and compliant with program requirements.
- (8) Upon the demonstration of a viable project, MaineHousing staff will complete its due diligence process.
- (9) Projects that are successful through the steps above will be presented to the MaineHousing Finance Committee. The Committee will forward funding recommendations to the MaineHousing Director.
- (10) Projects that are approved for funding by the MaineHousing Director will be sent a written commitment letter that includes key terms and conditions associated with the MaineHousing subsidy funds.
- (11) Upon receipt of the executed commitment letter, MaineHousing will issue a closing agenda. The closing agenda will list all items that will need to be satisfied for purposes of a closing on the subsidy funds.
- (12) MaineHousing will conduct a closing at its office located at 353 Water Street in Augusta.

C. Applicant Eligibility

Eligible applicants must:

- Be a non-profit corporation having determination, or application for determination, of tax exemption under Section 501(c)(3) of regulations of the Internal Revenue Code and the implementing regulations;
- 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;
- Provide a corporate resolution demonstrating the authority to apply for and receive funding under this proposal;
- Not be excluded from participation in federal housing programs, as further discussed in the ***Addendum to the Supportive Housing Programs***;
- Be currently in good standing with previously MaineHousing funded projects, as further discussed in the ***Addendum to the Supportive Housing Programs***;
- Be in compliance with federal and MaineHousing conflict of interest prohibitions, as further discussed in the ***Addendum to the Supportive Housing Programs***; and
- Comply with all requirements for subsidy funding set forth in the ***Addendum to the Supportive Housing Programs***.

D. Tenant Eligibility

Housing funded by this RFP must serve persons and/or families who meet the following Homeless Definition and Income Eligibility Definition.

(a) Homeless Definition

Homeless persons include:

- Persons who reside in places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings, or on the street
- Persons staying at an emergency shelter
- Persons who are in transitional housing for homeless persons and originally came from the streets or emergency shelters
- Persons residing in any of the above places but spending a short time (up to 30 consecutive days) in a hospital or other institution
- Persons who are being evicted within a week from a private dwelling unit, have no subsequent residence identified, and lack resources and support networks needed to obtain housing
- Persons who are being discharged within a week from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which they

have been a resident for more than 30 consecutive days; have no subsequent residence identified; and lack the resources and support networks needed to obtain housing; and

- Persons who are fleeing a domestic violence housing situation, have no subsequent residence identified, lack the resources and support networks needed to obtain housing

(b) Income Eligibility Definition

All units funded under this RFP will be rented to tenants that earn annual incomes that do not exceed 50% of the area median income as defined by the federal Department of Housing and Urban Development. Projects that serve homeless victims of domestic violence may request a waiver of this requirement.

(c) Eligibility Restrictions

Eligibility restrictions will be set forth in a restrictive covenant agreement that will be recorded at the applicable registry of deeds and will remain in place for perpetuity. This deed covenant will run with the property and cannot be removed without the written consent of MaineHousing. The deed covenant will not be affected by either a transfer of the property or a repayment of the RFP subsidy funding.

E. Project Eligibility

RFP funding may be used for the acquisition and rehabilitation of existing residential housing. The most recent use must have been exclusively limited to residences for individuals or families and in compliance with local zoning requirements. MaineHousing strongly urges applicants to consider acquisition and rehabilitation of existing residential housing prior to considering alternatives such as adaptive re-use, substantial rehabilitation, and new construction.

Generally, acquisition and rehabilitation of existing residential units is the most cost effective and efficient strategy for developing supportive housing. Acquisition and rehabilitation of existing residential properties also places less stress on an organization's development capacity.

Applicants requesting funding for adaptive re-use of non-residential properties, substantial rehabilitation of existing properties and new construction, will be required to demonstrate that there is a lack of reasonable options for acquiring and rehabilitating existing residential properties in the target area. Applicants will be required to provide the following information in the Executive Summary section of the application:

- Data indicating the number of residential properties (including multi-family) that are currently available for purchase and are located in the municipality in which the proposed project will be developed
- The number of properties from the pool of available properties for which the applicant conducted due diligence to determine whether a specific project would be suitable for the intended use

- A summary of the deficiencies that were identified in the projects that were considered
- Any other search or due diligence activities applied to existing residential properties

Eligible project configurations are independent living units and non-independent living units. Independent living units provide separate sleeping and living space in addition to an area designed for food preparation and a private sanitation area. All other housing configurations are non-independent living units.

MaineHousing may limit the amount of space and/or funding that will be directed to non-residential use. All non-residential space will need to be functionally related to and compatible with the residential component. Residential space that is for the exclusive use of staff is an eligible use of funding. Non-residential space that is exclusively or primarily for the benefit of staff and residents; i.e. conference rooms or counseling spaces, are also an eligible use of funding.

Eligible housing programs include: transitional housing, permanent housing, and safe haven housing.

Transitional housing is housing that:

- (a) is designed to provide housing and appropriate supportive services for persons in need of a supportive housing environment; and
- (b) has as its purpose facilitating the movement to a less restrictive form of care within a period up to and not to exceed 24 months following initial occupancy. This time period must be set prior to occupancy with notification provided to residents at time of occupancy. Upper limits for occupancy may be set at less than 24 months with extensions as needed based upon individual capacity.

Permanent housing is housing that:

- (a) is designed to provide a permanent, independent housing option; and
- (b) is intended to integrate into the community of independent living persons with the ability to sustain permanent long-term residence.

Safe Haven housing is housing that:

- (a) Is designed to provide safe residence of varying lengths of stay for homeless persons including victims of domestic violence.

F. Ineligible Activities

MaineHousing RFP funds may not be used for the following activities:

- Acquisition and/or rehabilitation of existing units that are currently restricted to providing housing for homeless persons and are currently serving homeless persons in a manner that is both feasible and sustainable
- Refinancing of existing debt
- Operational funding
- Service funding
- Acquisition of existing projects that were originally funded by MaineHousing unless the acquisition is part of a preservation or workout effort; and
- Projects that have a current, outstanding MaineHousing subsidy award

G. Funding

The MaineHousing subsidy funding is capped as follows:

- \$125,000 per non-independent living unit
- \$150,000 per independent living unit

For projects in which the total development cost of the units are in excess of these subsidy caps, applicants will be required to identify the source of funding that will support the excess cost. MaineHousing funding may not be used for this purpose. In addition to identifying the source of additional funding, the applicant will need to demonstrate either a commitment of the additional funding or eligibility to apply for the additional funding. This information will be required as part of the application for this RFP.

The amount of MaineHousing subsidy that can be used for compensation or reimbursement to the applicant (incurred costs, overhead, developer fee, etc.) shall be capped at a maximum of \$30,000 per project.

The funding source for this RFP is State HOME funds. The RFP funding will be structured as 0%, deferred loans. The loans will be secured by a lien on the property. The MaineHousing liens will be in first lien position unless otherwise concurred to by MaineHousing in writing. MaineHousing will review requests for lien subordination on a case-by-case basis.

MaineHousing will require repayment of the full subsidy loan at the earlier of the following events: (a) sale, transfer, assignment of the property; (b) the discontinuation of the intended public purpose; (c) a change of use of the project; (d) a default under the MaineHousing loan documents; or (e) thirty (30) years. Provided the events described in (a) through (d) have not occurred, the applicant may successively extend the 30 year repayment date in 10 year increments

During each renewal term, the terms and conditions of the original loan documents will remain in effect.

Subsidy loans may not be prepaid.

MaineHousing will not establish any minimum collateral requirements for the subsidy funding, e.g. loan to value.

H. Loan Security

MaineHousing subsidy loans will be secured by a mortgage on the land and improvements constituting the project, including an assignment of leases and rents, and a UCC security interest in all fixtures, personal property and deposit accounts of the project.

Subsidy loans will be non-recourse to the applicant.

For more details on loan security, please consult the *Addendum to the Supportive Housing Programs*.

I. Project Based HUD Section 8 Housing Choice Vouchers

MaineHousing has made available a limited number of HUD Section 8 Housing Choice Vouchers to designate 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:

- Projects must create permanent housing. Emergency, temporary or transitional housing are not eligible for project-based rental assistance.
- If a proposed project falls within a municipality in which a local housing authority is located or within a municipality contiguous to a municipality in which a local housing authority is located, then a letter must be submitted to MaineHousing from the local housing authority operating in that location which states the local public housing authority cannot provide the vouchers and that the local housing authority will administer the vouchers in accordance with a contract with MaineHousing and the terms of the MaineHousing Administrative Plan.
- The project must meet HUD Housing Quality Standards
- The units must be either independent units or Single Room Occupancy (SRO) units as defined by the federal Department of Housing and Urban Development (HUD) (24 CFR 982.4)
- Tenants must have a lease with a minimum term of one year

- The rents that are charged must meet the MaineHousing rent reasonableness test
- Tenants must meet HUD eligibility criteria
- Tenants must be at least 18 years old or have been legally emancipated

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. For projects that have five or more units and are exclusively rented to either elderly tenants or families in which a family member is disabled, MaineHousing may allocate assistance for greater than 25% of the units in the project.

J. Reserves

MaineHousing strongly encourages the establishment and regular funding of a project replacement reserve. Please review the *Addendum to the Supportive Housing Programs* for further information about project reserves

MaineHousing may require the establishment and funding of a tax and insurance escrow. MaineHousing guidelines for property taxes and insurance may be reviewed in the *Addendum to the Supportive Housing Programs*.

K. Displacement and Relocation

The applicant must make reasonable efforts to minimize the displacement of existing residents of the project. Where displacement will occur, the developer shall comply with MaineHousing's temporary relocation and permanent displacement policies. If federal funding will be utilized in the course of developing or operating the project, then the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC § 4201 et seq. and 49 CFR Part 24 will supersede the MaineHousing policy.

A summary of the MaineHousing relocation and displacement policies is in the *Addendum to the Supportive Housing Programs*.

L. Green Building Standards

Projects financed under this RFP will need to comply with MaineHousing's *Green Building Standards*, which are located on MaineHousing's website <http://www.mainehousing.org>

M. Fair Housing and Equal Opportunity

The applicant shall comply with applicable Federal and State laws, executive orders and regulations pertaining to fair housing and equal housing opportunity, including without

limitation, Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d et seq., 24 CFR Part 1), The Fair Housing Act, as amended (42 U.S.C. § 3601 et seq., 24 CFR Part 100-115), Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259), Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq., 24 CFR Part 146), and the Maine Human Rights Act (5 M.R.S.A. § 4581 et seq.).

Applicants are cautioned to be aware of the potential applicability of provisions of the Americans with Disabilities Act, the Maine Human Rights Act, federal Fair Housing legislation and Section 504 of the Rehabilitation Act of 1973 to any housing proposed for funding. Procedures for selection of residents, conditions of residency, and rules regarding termination may fall within the scope of this legislation. Providers must make reasonable accommodations of rules, policies, and procedures and may be required to allow reasonable structural modifications of buildings to be made, if necessary, to allow an individual with disabilities equal access to housing.

N. MaineHousing Non-Discrimination Policy

MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, or familial status in the admission or access to, or treatment or employment in, its programs, and activities. 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: Mary Darling, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number (207) 626-4600 or 1-800-452-4668 (voice) or 1-800-452-4603 (TTY).

MAINEHOUSING RESERVES THE RIGHT TO REJECT OR CEASE PROCESSING ANY REQUESTS FOR FUNDING PRIOR TO ISSUANCE OF A MAINEHOUSING LETTER OF COMMITMENT. MAINEHOUSING ACCEPTS NO OBLIGATION TO FINANCE ANY PROPOSAL UNTIL A COMMITMENT HAS BEEN ISSUED AND ACCEPTED BY THE APPLICANT IN ACCORDANCE WITH ITS TERMS.

SCORING CRITERIA

The Scoring Committee will be using the following scoring criteria to score each eligible application. Please refer to the **2008 Request for Proposals Housing for the Homeless Application** for the specific submission requirements for each criteria. The application is available on MaineHousing's website or from the MaineHousing Development Department.

I) Executive Summary (2 Points)

The Executive Summary will provide an overview of the applicant and the project.

II) Organizational Capacity (25 Points)

The following five elements will be evaluated in determining a score for organizational capacity

- The financial, staffing and managerial capacity of the applicant to facilitate and coordinate all facets of real estate development.
- The experience of the development team in developing projects within reasonable time-frames and budgets. The development team may include consultants, design professionals, contractors, etc.
- The experience of the applicant in owning real estate assets and maintaining the financial and physical viability of the assets
- The experience of the applicant in securing operational and service funding for projects that serve the needs of special needs populations.
- The experience of the applicant in addressing the service needs of the target population. The service needs may be addressed by entities other than the applicant. However, the applicant will need to identify potential service providers.

III) Project Feasibility

Points will be awarded to projects that demonstrate a high level of feasibility. Points will be awarded on the following basis:

Development Capital (20 Points)

- Total development capital is reasonable, feasible and attainable.
- Formal funding commitment for capital funding from any source other than MaineHousing is presented with the application.

Service Funding (20 points)

- Project proposes service funding that is reasonable, feasible, and attainable
- Documented service funding commitment is presented with application

To assist in the evaluation of project feasibility, each application must include a set of pro forma that are complete and that demonstrate a reasonable and feasible financial structure for the project. Applicants are requested to use the pro forma developed by MaineHousing for this program. The MaineHousing pro forma is on the MaineHousing website at <http://www.mainehousing.org>.

IV) Readiness

Projects will be evaluated as to the degree of readiness demonstrated in the application. The following critical path items will receive a score within the range indicated

Site Control and Local Approvals (20 Points)

- Evidence of site control via purchase and sale agreement, option or possession of deed
- A letter from the municipality's code enforcement officer indicating the proposed project complies with local ordinances.

Readiness to commence (20 points)

- Project will entail the acquisition and rehabilitation of existing residential housing

V) Program Strategies (8 Points)

Projects will be evaluated as to the degree that the project's program structure, plan for support services, and unique features will address the specific needs of the community. The following project characteristics will be evaluated:

- Program structure including such items as staffing for the project (on or off-site), collaborations with existing local service providers, and type of services that will be provided;
- For transitional housing units, the plan for the movement of residents to permanent housing will be evaluated.

VI) Need and Response to Underserved Populations (15 Points)

An evaluation will be made as to the degree to which a specific and defined need in the community exists for the proposed project.

An evaluation will be made as to the degree to which the project will serve populations that have been historically underserved or have lacked access to public funding.

VII) Efficient Use of Subsidy

Applications that propose total subsidy amounts within the following ranges will receive points as indicated:

Total Subsidy Per Unit of \$100,000 or less - **15 Points**

Total Subsidy Per Unit of \$100,001 to \$125,000 - **6 Points**

Total Subsidy Per Unit of \$125,001 to \$140,000 – **2 Points**

Total Subsidy Per Unit over \$140,001 - **0 Points**

VIII) Leveraged Funds

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. For purposes of this scoring criteria, leveraged funds will be limited to funding that may be used for development capital or operational funding; i.e. service funding will not be taken into consideration.

- Up to **15 points** may be awarded for projects that have already been awarded project-based Section 8 rental assistance from a source other than MaineHousing
- Up to **5 points** may be awarded for all other non-MaineHousing leveraged funds that will be used for development capital or operational funding.

IX) Project Location

Projects that incorporate the following elements of smart growth will receive points as indicated:

- A project that is located in a Service Center Community will receive **5 points** (see Appendix A for a list of Service Center Communities);
- A project located within a safe walking distance of not more than 2,500 feet of at least one destination important to the course of daily activities for the intended population will receive **5 points**. Such destinations may include convenient stores, healthcare facilities, public schools, etc.;
- A project located within 1,500 feet of a designated pick-up location for a year-round regularly scheduled means of public transportation will receive **5 points**

The term “safe walking distance” means year-round pedestrian access by one or more of the following, as appropriate to the area: sidewalks adjacent to the project, paved wide shoulders suitable for walking, crosswalks and traffic signals at busy roads or intersections.

Total Points Available - 180 points

APPENDIX A

State of Maine Regional Service Centers and Contiguous CDPs/CUAs Effective November 2, 2006

<u>Regional Service Centers</u>		<u>Contiguous CDPs/ CUAs</u>
Ashland	Lewiston	Eliot
Auburn	Limestone	Gardiner
Augusta	Lincoln	Hallowell
Bangor	Lubec	Hampden
Bar Harbor	Machias	Mexico
Bath	Madawaska	Milford
Belfast	Milbridge	Newcastle
Bethel	Millinocket	Norridgewock
Biddeford	Newport	Oakland
Blue Hill	Norway	O.O. Beach
Boothbay Harbor	Orono	Old Town
Brewer	Oxford	Randolph
Bridgton	Paris	Topsham
Brunswick	Pittsfield	Winslow
Bucksport	Portland	
Calais	Presque Isle	
Camden	Rangeley	
Caribou	Rockland	
Damariscotta	Rockport	
Dexter	Rumford	
Dover-Foxcroft	Saco	
Eastport	Sanford	
Ellsworth	Scarborough	
Fairfield	Skowhegan	
Farmingdale	South Portland	
Farmington	Southwest Harbor	
Fort Kent	Thomaston	
Freeport	Van Buren	
Greenville	Waterville	
Guilford	Westbrook	
Houlton		
Jackman		
Kittery		