Neighborhood Stabilization Walk –In Program

Housing for Persons who are Homeless, Housing for Persons with Special Needs or Housing for Persons with Low Incomes

Program Guide

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Neighborhood Stabilization Walk-In Program

A. Overview

MaineHousing is pleased to offer Federal Neighborhood Stabilization Program funds and Project-Based Section 8 Housing Choice Vouchers for the development of housing that is targeted to the needs of persons who are homeless, or have special needs or have low incomes. MaineHousing has made available up to $4.9 million dollars of Federal Neighborhood Stabilization Program funds for this initiative. The Federal Neighborhood Stabilization Program funds are made available pursuant to sections 2301-2304 of the Housing and Economic Recovery Act of 2008 (Public Law110-289 (July 30, 2008)) (HERA).

The Neighborhood Stabilization Program (NSP) is designed to provide targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Maine Department of Economic and Community Development (DECD) is administering NSP funds within the State of Maine. A portion of the NSP funds must be targeted to persons whose incomes do not exceed 50% of area median income. DECD and MaineHousing have agreed that MaineHousing will administer this portion of NSP funds with this initiative.

The funds are subject to compliance with HERA; the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Redevelopment of Abandoned and Foreclosed Homes Under the Housing and Economic Recovery Act, 2008 published at 73 FR 58330 (October 6, 2008)(Notice); the HUD regulations at 24 CFR Part 570 (as modified by the Notice and as now in effect and as may be amended from time to time); the Funding Approval and Grant Agreement for Neighborhood Stabilization Program (NSP) Funds issued by the U.S. Department of Housing and Urban Development (HUD) to DECD dated January 8, 2009; NSP-1 Federal Register Bridge Notice [Docket No. FR-5255-N-02] and guidance HUD has issued or may issue in the future (the “NSP Requirements”).

In addition, MaineHousing has adopted a set of standards and requirements that are applicable to all supportive 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.

Applications for funding under this initiative may be submitted at any time. Applications will be date stamped and processed on a first-come, first-serve basis. The application package is available at the MaineHousing web-site.

This Program Guide outlines the process through which these funds will be distributed and the parameters of the activities that are eligible.

B. Process

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.

(2) MaineHousing staff will conduct an evaluation of preliminary feasibility. **Preliminary feasibility will be determined as follows:**

(a) does the application comply with all program requirements as contained in the program guide and the Addendum to the Supportive Housing Programs?

(b) does the application rate a minimum score of 60 points for Project Feasibility (see Section C)?

(c) does the application rate a minimum score of 15 points for Organizational Capacity (see Section D)?

(d) has the applicant demonstrated acceptable site control (see Section E) at the time of application?

(e) has the applicant completed the conflict of interest questionnaire and demonstrated that there are no conflict of interest issues that would preclude MaineHousing funding?

(f) Applicants proposing housing for homeless persons or persons with special needs must submit as part of the application a description of the following: the services that will be provided or accessible to the resident population; the agencies that will be responsible for providing these services; the source of funds for the services; the commitments for service funding that have been secured.

(3) Applications that do not demonstrate preliminary feasibility will be given an opportunity to achieve preliminary feasibility, but will not be given priority for processing until preliminary feasibility is achieved. Applicants that successfully demonstrate preliminary feasibility, but are requesting MaineHousing subsidy in excess of the available Homeless Set-Aside or Non-Homeless Set-Aside will be placed on a waiting list.

(4) Applications that are able to demonstrate preliminary feasibility will receive a Notice to Proceed letter following approval by the MaineHousing Finance Committee and Director. The Notice to Proceed will outline the development process and note any deadlines. The list of key development activities will be contained in the Notice to Proceed.

(5) The applicant will acknowledge receipt of the Notice to Proceed by sending to MaineHousing a written timeline for the completion of key development activities.

(6) 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.

(7) Upon the demonstration of a viable project, MaineHousing staff will complete its due diligence process.
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.

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 funding.

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 loan closing.

MaineHousing will conduct a loan closing at its office located at 353 Water Street in Augusta.

C. Scoring Criteria - Project Feasibility

Each applicant must attain a minimum score of 60 for Project Feasibility. Points for Project Feasibility will be awarded as follows:

Readiness (Maximum of 30 Points)

Projects will be evaluated as to the progress made on the following critical path tasks:

- Assemble development team
- Secure letter from local Code Enforcement Office that states the proposed use is permitted under the municipality’s land use ordinances
- Obtain detailed cost estimates for the scope of work being proposed
- Secure non-MaineHousing development capital as needed
- For projects which are not requesting MaineHousing Project-Based Section 8 vouchers, does the applicant offer a clear and specific plan for securing operational funding for the project, both in the short and long term? Does the applicant demonstrate that the plan is feasible?

Local Support (Maximum of 10 Points)

Does the applicant propose a project that has gained local or regional support?

Reasonableness (Maximum of 20 Points)

Does the applicant propose a total development cost that is reasonable for the real estate market in which the project will be located? Does the applicant propose a development time-line that is both reasonable and in compliance with HUD requirements?

Need and Response to Underserved Populations (Maximum of 20 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.
Non-MaineHousing Project-Based Section 8 Housing Choice Vouchers (20 Points)

Applications that include a letter of commitment for project-based Section 8 from a source other than MaineHousing will be awarded 20 points.

D. Scoring Criteria - Organizational Capacity

Each applicant must attain a minimum score of 15 points for Organizational Capacity. Points for Organizational Capacity will be awarded as follows:

Executive Summary (Maximum of 5 Points)

The Executive Summary provides an overview of the applicant and the applicant’s objectives

Organizational Experience (Maximum of 20 Points)

The following elements of organizational experience will be evaluated:

(a) The financial, staffing and managerial capacity of the applicant to facilitate and coordinate all facets of real estate development.

(b) 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.

(c) The experience of the applicant in owning real estate assets and maintaining the financial and physical viability of the assets.

(d) The experience of the applicant in owning and managing real estate assets that are subject to monitoring and compliance requirements associated with state or federal housing programs.

(e) For applicants proposing special needs housing, the experience of the applicant in addressing the service needs of the target population or in partnering with other service providers for the target population will be evaluated.

E. Site Control

An applicant must provide documentation of site control at the time of application. Site control may be evidenced by a fully executed purchase and sale agreement, an acceptable option agreement, or a deed (if the property was acquired using NSP funds from a source other than MaineHousing).

NSP funds require an appraisal to be completed while the property is an REO and within 60 days prior to an applicant’s final offer on the property. The purchase price of the property may not be greater than 99% of the appraised value. The Uniform Relocation Act appraisal requirements of 49 CFR 24.103 must be met unless the anticipated value of the proposed acquisition is estimated at $25,000 or less. See further guidance on appraisals at:
NSP funds also require a purchaser to notify the seller in writing that Federal financial assistance will be used in the transaction and that if agreement cannot be reached through negotiation, that the acquisition will not take place. See Uniform Relocation Act requirements (Section N). Attached as Exhibit A is a sample notice.

Purchase and sale agreements and options must provide the applicant with a sufficient period of time in which to purchase the property. Applicants are urged to secure agreements that credit option payments or earnest money deposits towards a reduction of the purchase price. Although not required, applicants are encouraged to secure contingencies in the purchase and sale agreements by which the earnest money deposit will be returned to the applicant if certain requirements or standards can not be met. Examples of common contingencies are:

- Acceptable survey
- Satisfactory inspection by the State Fire Marshal’s Office (if applicable)
- Success in securing financing necessary to develop the project
- Environmental issues, including lead paint, asbestos, radon or any other harmful material

Purchase and sale agreements must allow for access to the site for environmental testing, architectural/contractor inspections and MaineHousing review.

F. **Targeted Communities**

In order to decide how to target the NSP funds, DECD evaluated communities according to three criteria of need and impact:

1) the number of foreclosures that have occurred within a community in 2008;
2) the geographic density of those foreclosures; and
3) the likelihood that the number of foreclosures will increase within a community in 2009.

DECD collected and analyzed information from two hundred and forty six communities (or clusters of communities representing a single census tract) in Maine and determined that the following communities are in the greatest need of NSP funding and are eligible for funding under this RFP:

1) Sanford
2) Lewiston
3) Portland
4) Bangor
5) Westbrook
6) Auburn
7) South Portland
8) Old Orchard Beach
9) Biddeford
10) Bath
11) Brunswick
12) Lisbon
G. Foreclosed Upon Properties, Abandoned Properties, and Blighted Structures

NSP funds may be used for the acquisition of homes or residential properties that have been foreclosed upon or abandoned for rehabilitation of the properties or demolition of blighted structures and new construction on the properties.

Foreclosed: A home or residential property has been foreclosed upon if any of the following conditions apply: a) the property’s current delinquency status is at least 60 days delinquent under the Mortgage Bankers of America delinquency calculation and the owner has been notified of this delinquency, or b) the property owner is 90 days or more delinquent on tax payments, or c) under state, local, or tribal law, foreclosure proceedings have been initiated or completed, or d) foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, contractor, subrecipient, developer or end user.

Abandoned: A home or residential property is abandoned if either a) mortgage, tribal leasehold, or tax payments are at least 90 days delinquent, or b) a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies, or c) the property is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to state, local, or tribal law or otherwise meets a state definition of an abandoned home or residential property.

Blighted Structures: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. A formal declaration signed by the municipal code enforcement officer or building inspector and supported by photographs must be submitted with the application.

MaineHousing’s NSP funds may be used for rehabilitation or demolition of blighted structures and new construction on properties previously acquired by the applicant with NSP funds from a municipality prior to application under this program.

H. Eligible Applicants

Applicants must be one of the following:

- For profit corporation authorized to do business in the State of Maine;
• non-profit corporation having determination of tax exemption under Section 501(c)(3) of the Internal Revenue Code and the implementing regulations and be organized in the State of Maine under Title 13-B of the Maine Statutes or registered to do business in the State of Maine;
• instrumentality of a municipality, i.e. a public housing authority

Applicants proposing the development of housing for persons with special needs or persons who are homeless must present a documented record of providing housing for these populations and either providing directly or contracting for appropriate services. Applicants must also present a documented record of delivering housing to persons under a specific state or federal capital funding program and have demonstrated compliance with either state or federal monitoring requirements specific to that capital funding program.

Applicants proposing the development of affordable housing (with no service component) must present a documented record of providing affordable housing and present a documented record of delivering housing to persons under a specific state or federal capital funding program and have demonstrated compliance with either state or federal monitoring requirements specific to that capital funding program.

I. Additional Applicant Eligibility Requirements

All applicants to the NSP Walk-In Program must:

• 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.

J. Resident Eligibility

All units shall be rented to tenants that earn annual incomes that do not exceed 50% of the area median income as determined by HUD.

Projects funded from the Homeless Set-Aside may serve the following persons (including families):
• 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

Projects funded from the Non-Homeless Set-Aside may serve the following persons (including families):

• Persons unable to maintain independent living without the provision of supportive services
• Persons that are seeking housing as a result of domestic violence and have no subsequent residence identified and lack the resources and support networks needed to obtain housing
• Persons earning 50% or less of the Area Median Income as defined by HUD

Persons currently eligible for or receiving services funded by Maine Care under the oversight of the State of Maine Department of Health and Human Services will be presumed to be income qualified for purposes of this program.

K. Independent Living Units

Projects must consist of independent living units that are permanent housing. Independent living units are units that provide separate sleeping and living space including an area designed for food preparation and a private sanitation area or Single Room Occupancy 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.

L. Cost Containment

The maximum amount of NSP funding available is $150,000 per unit.
The NSP funds must be utilized as effectively and efficiently as possible. Development costs must be reasonable and appropriate for the market. Applicants that propose development costs that appear unreasonable or unsupported within the market will be requested to provide documentation supporting the cost. MaineHousing may require costs to be recalculated if they are not shown to be appropriate and reasonable.

To further ensure that NSP funds will be prudently and efficiently employed, MaineHousing will review the proposed scope of work for both rehabilitation and new construction projects. At MaineHousing’s discretion, the scope of work may need to be amended to ensure that NSP funds are effectively used. MaineHousing will need to concur to the final scope of work prior to the issuance of any financing commitment.

Applicants will also need to show that the bids for rehabilitation and construction services are reasonable and appropriate in the market place. Applicants may demonstrate this by commissioning a competitive bid process for all rehabilitation and construction activities. Bid processes may be open and competitive or select bid. Bids for rehabilitation and construction services that are not derived from a competitive bid process must demonstrate cost reasonableness and competitiveness by other means.

Compensation or reimbursement to the applicant (incurred costs, overhead, developer fee, etc.) is capped at a maximum of $30,000 per project.

M. Ineligible Activities

NSP Walk-In funds may not be used to refinance debt or for operational or service funding. With the exception of MaineHousing’s Pre-Development Loan Program, NSP Walk-In funds may not be combined with funding from other MaineHousing administered programs, including the Low Income Housing Tax Credit and Rental Loan Program.

N. Uniform Relocation Act

NSP funds require compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC 4201, et seq., and 49 CFR Part 24, Section 104(d) of the Housing and Community Development Act and 24 CFR Part 42 (other than one-for-one replacement of low and moderate income dwelling units that are demolished or converted). An applicant must notify a seller of a foreclosed upon property in writing that Federal financial assistance will be used in the transaction and that if agreement cannot be reached through negotiation, that the acquisition will not take place. Attached as Exhibit A is a sample notice. An applicant is obligated to ensure notices are provided to tenants and may be obligated to provide assistance to temporarily relocated or permanently displaced tenants. Tenant notices and additional relocation information is available at http://www.hud.gov/offices/cpd/library/relocation/nsp/index.cfm and NSP-1 Federal Register Bridge Notice [Docket No. FR-5255-N-02].

O. Environmental Review
NSP funds require all projects to undergo an environmental review pursuant to HUD’s environmental review rules at 24 CFR Part 58. HUD’s environmental regulations applying to NSP funding provide that until completion of the environmental review and, if necessary, DECD’s approval of the release of the NSP funds, the applicant and all other participants in the development process for the project may not commit or expend any source of funds on any activities that are deemed to limit the choice of reasonable alternatives with respect to the project site or that have a physical impact on the project site (collectively, “choice-limiting actions”). Similarly, Section 8 project-based vouchers require an environmental review pursuant to HUD’s environmental review rules at 24 CFR Part 58, and in some cases clearance from HUD. Choice-limiting actions include, without limitation, entering into a purchase and sale agreement, acquisition, leasing, demolition, excavation, rehabilitation, disposition, construction, or site improvements or other site changes relating to the project. If the applicant or any participant in the development process takes a choice limiting action after applying to MaineHousing for financing and before environmental clearance, the applicant will be denied any NSP funds and Section 8 project-based vouchers for the project.

P. Restrictive Covenants and Compliance Periods

Resident 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 30 years. This covenant will run with the property and will not be affected by a transfer of the property or repayment of the NSP funds.

Q. Deferred Forgivable Loans

The NSP funds will be structured as 30 year 0%, deferred, forgivable loans. Loans on foreclosed upon properties will be forgiven in the following increments: 75% after providing 15 years of affordable housing in accordance with the restrictive covenants and 25% 30 years from loan closing. Loans on newly constructed projects on blighted properties will be forgiven in the following increments: 75% after providing 20 years of affordable housing in accordance with the restrictive covenants and 25% 30 years from loan closing. 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. The loans will be structured on a non-recourse basis; in the event of a default MaineHousing will not look to other developer assets to recover the full loan amount.

MaineHousing will require repayment of the full subsidy loan upon the occurrence of any 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.

R. Loan Security

The deferred forgivable 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. The loans will be non-recourse to the applicant.
For more details on loan security, please consult the *Addendum to the Supportive Housing Programs.*

S. Project Based HUD Section 8 Housing Choice Vouchers

MaineHousing intends to designate a limited number of HUD Section 8 Housing Choice Vouchers 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:

- Tenants must be selected in accordance with MaineHousing’s Administrative Plan for Section 8 Housing Choice Vouchers and Project-Based Voucher Programs. See [http://www.mainehousing.org/Documents/PropertyMgmt/PropertyMgmt-AdminPlan.pdf](http://www.mainehousing.org/Documents/PropertyMgmt/PropertyMgmt-AdminPlan.pdf).

- 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.
MaineHousing reserves the option to reduce or eliminate the offer of project-based Section 8 vouchers if an applicant has the ability to access an alternative source of operating revenues. The project-based Section 8 vouchers are subject to availability.

T. 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.

U. Federal Labor Standards

NSP funds require a developer to comply with 24 CFR Part 70 concerning volunteers.

NSP funds also require the developer of a project containing 8 or more units to comply with the Davis-Bacon Act (40 U.S.C. 276a) (concerning paying prevailing wages) and the Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 276c) (concerning overtime compensation).

V. Green Building Standards and Assignment of GHG Emission Reductions

Consistent with NSP requirements, projects financed must comply with MaineHousing’s Green Building Standards, which are located on MaineHousing’s website http://www.mainehousing.org At loan closing, the developer shall assign all of its right, title and interest in and to all greenhouse gas emission reductions including carbon offsets and credits representing greenhouse gas emission reductions (collectively, the “GHG Emission Reductions”) arising from or related to the construction financed by MaineHousing including but not limited to the installation and operation of energy improvements and improvements pursuant to MaineHousing’s Green Building Standards. The developer will be required to provide, or cause to be provided, to MaineHousing or any third party authorized by MaineHousing, at MaineHousing’s request and without cost to MaineHousing, all information necessary to establish and verify the baseline from which GHG Emission Reductions will be determined and to verify the GHG Emission Reductions.

W. 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
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.

X. 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 (voice), 1-800-452-4668 (voice in state only), (207) 623-2985 (TTY), or 1-800-452-4603 (TTY in state only).

MaineHousing is required to use the NSP funds within a limited time period. If any deadline established by MaineHousing for a project is not met for any reason, MaineHousing may determine that the project will not be funded.

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.
Dear ____________:

(Name of Agency/Person) _________________, is interested in acquiring property you own at (address) ___________________________ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP).

Please be advised that (Name of Agency/Person) _________________ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

Under the NSP, we are required to purchase foreclosed property at a discount from its current market appraised value. Our appraisal indicates the property’s market value is $________________. We are prepared to offer you $_______________ to purchase your property. This offer is less than the current market appraised value as required by the NSP. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for a federally-assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If your property is currently tenant-occupied or a tenant lawfully occupied your property within the past 3 months prior to our offer, we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.

If you have any questions about this notice or the proposed project, please contact (name)______________________, (title)______________, (address)______________________________, (phone)_____________________.


NOTES to NSP Voluntary Acquisition Notice (Agency/person without Eminent Domain authority).

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3 J of Handbook 1378)

2. Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2(a)(15)(iv) – Initiation of negotiations, and 49 CFR 24 Appendix A - 24.2(a)(15)(iv).


4. This guideform may only be used if all of the requirements of 49 CFR 24.101(b)(2)(i) and (ii) or 49 CFR 24.101(b)(3) are met.

5. This is a guideform. It should be revised to reflect the circumstances.