



**MaineHousing**

**Maine State Housing Authority**

**SUPPORTIVE  
HOUSING REPAIR  
PROGRAM**

**2017**

## OVERVIEW

MaineHousing has provided funding to a diverse group of organizations for the creation and operation of over 325 supportive housing projects statewide. These projects provide housing for individuals and families who require services in order to sustain productive and independent lives.

After years of service, supportive housing projects may have physical capital needs that require immediate attention but cannot be addressed due to insufficient project replacement reserve funds. In response to this need, MaineHousing has allocated \$500,000 in deferred loan funding for eligible owners of supportive housing projects.

MaineHousing will administer the 2017 Supportive Housing Repair Program (Repair Program) on a walk-in basis; i.e. applications will be reviewed for funding upon receipt of the application. Applications will be accepted at any time up to December 1, 2017 or until the \$500,000 has been awarded.

MaineHousing is prioritizing the 2017 Repair Program for projects that have not received prior Repair Program funding (2014 through 2016 programs). Projects that have received prior Repair Program funding may be submitted for funding at any time prior to December 29, 2017. However, MaineHousing will place these applications on a waiting list. In late 2017, MaineHousing will estimate the amount of funding that will be made available for projects that received prior Repair Program funding. MaineHousing will then consider funding the applications on the waiting list in the order in which the applications were received.

## ELIGIBILITY

### Section 1: Eligible Applicants

To be eligible for funding, an applicant must:

1. Be the owner of a supportive housing project (as defined by MaineHousing) that:
  - a. has outstanding MaineHousing funding, and
  - b. was first occupied prior to January 1, 2007
2. Be a 501(c)(3) non-profit corporation OR have an un-expired license from the Maine Department of Health and Human Services to deliver residential services in a supportive housing setting
3. Provide a corporate resolution demonstrating the authority to apply for this Program and to comply with MaineHousing requirements for the deferred loan
4. Intend to continue using the property for supportive housing for the longer of the remaining term indicated in the MaineHousing loan documents OR five (5) years
5. Be in compliance with all outstanding MaineHousing loan documents, including requirements for affordability and targeted use

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

MaineHousing by deed-in-lieu.

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

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

## **Section 2: Eligible Activities**

Repair Program funding may be used for either a **Life Safety Item** or an **Immediate Need Item**.

To qualify as an **Immediate Need Item**, the repair work must meet one of the following criteria:

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

MaineHousing will make the final determination as to whether a proposed activity is either a **Life Safety Item** or an **Immediate Need Item**.

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

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

- Roof
- Windows
- Heating
- Plumbing
- Electric
- Insulation

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

Upon receipt of an application, MaineHousing will conduct an initial site visit to:

- Review the results of the Owner Assessment of Capital Needs
- Review the proposed scope of work in relation to current building conditions
- Review the need for accessibility upgrades
- Assess the estimated cost of rehabilitation

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

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

All repair work must comply with applicable accessibility and adaptability requirements.

Depending on the scope of the proposed repair work, MaineHousing may require: a plan review; a construction permit; a sprinkler permit; or a barrier free permit (issued by the Department of Public Safety-State Fire Marshall Office).

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

Upon completion of the repair work, the property must comply with all applicable state and local codes and ordinances. MaineHousing will make the final determination when interpreting codes and standards and may require modifications or additions to the proposed repair work.

## Section 4: Ineligible Activities

Repair Program funds may not be used for the following:

- Organizational or operational costs that are incurred in conjunction with the Repair Program
- Repair work that is commenced prior to the Repair Program award being issued
- Funding of project reserves
- In combination with any other MaineHousing financial resources with the exception of rental assistance or project reserves

### DEFERRED LOAN

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

The deferred loans will be structured as 0%, deferred, non-amortizing loans that will be repayable at the earliest of: a sale or other transfer of the property; the discontinuation of the intended public purpose; a MaineHousing default; or 30 years from the date of the deferred loan closing. The loans will be secured by a subordinate lien interest in the property.

Deferred loans will be on a non-recourse basis.

MaineHousing reserves the right to adjust the amount of the award and may determine an amount that is more or less than the amount requested.

Applicants will be required to use project replacement reserve funds that exceed \$1,000 per unit/bed towards the proposed repairs. The project replacement reserve funds will need to be expended prior to or at the same time as the expenditure of Repair Program funds.

All rent, use, and affordability restrictions contained in the existing MaineHousing documents will remain unaltered. However, the restrictions will remain in place for the longer of the terms in the documents or five (5) years from the date of the deferred loan.

### APPLICATION REQUIREMENTS

Applications will be accepted and reviewed on a first come, first serve basis. **A separate application package must be submitted for each project.**

Applicants must address each of the following elements when submitting an application:

1. **Application.** Completed and signed Repair Program Application.
2. **Attachments.** Please enclose the following with your application:
  - A corporate resolution authorizing the applicant to apply for funding and to comply with MaineHousing requirements if the applicant is awarded financing
  - Copy of 501(c)(3) Determination Letter or license from the Maine Department of Health and Human Services

- A preliminary repair work budget (use form on Attachment A)
- Plans, specifications, scope of repair work, contractor bids, etc., as applicable
- Photographs showing current condition of project in the areas requiring repairs
- Evidence of matching funds committed to the project, if applicable
- Evidence of current balance in replacement reserve, if any
- Copy of the latest audited financial statements (if not required, an unaudited year end compilation will be acceptable)
- A narrative disclosure of any potential conflict of interest or identity of interest issues

Applications will be accepted at the MaineHousing office until the earlier of December 29, 2017 or the depletion of funds.

Applications should be mailed to:

MaineHousing  
353 Water Street  
Augusta, Maine 04330-4633

Attention: Bill Olsen, Senior Supportive Housing Officer  
(or email to [bolsen@mainehousing.org](mailto:bolsen@mainehousing.org))

All inquiries and requests for further information may also be directed to Bill Olsen. He may be reached by telephone at (207) 626-4633 or (800) 452-4668, by fax at (207) 624-5705, or TTY at (800) 452-4603 or by e-mail at [bolsen@mainehousing.org](mailto:bolsen@mainehousing.org).

**MaineHousing reserves the right to award all, a portion, or none of the available funding, depending upon the quality and merits of the applications received.**

### TIMEFRAME

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

1. Applications will be reviewed for completeness, feasibility, and cost reasonableness. Applications that do not meet the submission requirements or are inconsistent with program eligibility requirements will be rejected and the applicant will be notified. This initial review will be completed within one week of receipt of the application.
2. Once an application has cleared the initial review and is deemed eligible, the applicant will be contacted to set up a time to meet with MaineHousing inspectors who will visit the project to evaluate the proposal and provide recommendations of additions/deletions to the proposed scope of repair work.
3. Loan package will be finalized with the applicant.
4. MaineHousing will retain the loan proceeds in a Repair Escrow under MaineHousing control and will disburse one third of the proceeds upon the start of work; one third at 50%

completion; and the remaining third of the proceeds when MaineHousing has inspected the property, confirmed that the work was satisfactorily completed in accordance with the work specifications, budget and applicable codes, and has received applicable lien releases from contractors. All work should be satisfactorily completed within 6 months of award finalization.

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

### **GENERAL REQUIREMENTS**

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

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

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

### **MAINEHOUSING NONDISCRIMINATION POLICY**

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