



MaineHousing

Maine State Housing Authority

**SUPPORTIVE
HOUSING REPAIR
PROGRAM**



Program Guide and Application

Effective January 2019

OVERVIEW

For over 30 years, MaineHousing has provided funding to non-profit organizations for the development of supportive housing for persons with special needs. After years of use, these supportive housing properties may have physical deficiencies that cannot be addressed due to inadequate funds being available. MaineHousing is issuing this Supportive Housing Repair Program (Repair Program) to address these physical deficiencies. MaineHousing has allocated \$750,000 for the Repair Program.

MaineHousing uses funds from certain federal and state resources to provide grants to agencies for a variety of activities that assist people who are experiencing homelessness or at the risk of homelessness. These agencies operate various shelters to ameliorate the effects of homelessness. MaineHousing has identified certain physical deficiencies within these facilities needing correction for which this Repair Program intends to address.

MaineHousing will administer the Repair Program on a walk-in basis; i.e. applications will be reviewed for funding upon receipt of application. Applications will be accepted until the \$750,000 has been awarded.

Section 1: Eligible Applicants

To be eligible for funding, an applicant must:

- a. Be the owner of a supportive housing project (as defined by MaineHousing) that:
 - has outstanding MaineHousing funding, **AND**
 - was funded by MaineHousing prior to January 1, 2008, **OR**
 - a current recipient, in good standing, of Emergency Shelter and Housing Assistance Program (ESHAP) funds in accordance with MaineHousing's Homeless Solutions Rule 99-346 C.M.R. Ch. 19
- b. Be a 501(c)(3) non-profit corporation **OR** have a current license from the Maine Department of Health and Human Services to deliver services in a supportive housing setting
- c. Be in compliance with all outstanding MaineHousing loan documents

MaineHousing will not process an application if the applicant, or any other entity in which the applicant or one of its affiliates has a controlling interest, at any time during the previous 6 months has been more than 60 days delinquent on MaineHousing financing, or has been issued a notice of default unless an approved workout plan is in place and in good standing, or 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 that have had a professional license suspended or revoked will need MaineHousing's prior approval in order to participate in the Repair Program.

Section 2: Repair Loans

There will not be any monthly payments associated with the Repair Loans.

- a. The maximum loan that can be requested is \$65,000 per property. The minimum loan that can be requested is \$5,000 per property.
- b. Organizations may submit applications for multiple properties. However, a separate application will need to be submitted for each property.
- c. MaineHousing reserves the right to determine the amount of Repair Program funding that will be awarded to any property and to determine an amount that may be more or less than the amount requested.
- d. MaineHousing may require that project Replacement Reserve funds be applied to the proposed repair scope of work (non-applicable projects without Replacement Reserve accounts).

Section 3: Loan Terms

The Repair Loans will be structured as:

- 0%, 30 year, deferred loans
- Repair Loans may not be voluntarily repaid for a period of 5 years from the date the Repair Loans are executed
- Repair Loans will be repayable at the earlier of a sale, transfer, default or 30 years (without interest)
- Repair Loans may be voluntarily repaid at any time after a total of 5 years from the date the Repair Loans are executed
- If the Repair Loan is repaid in full after the minimum required 5 year period, the Repair Loan will be null and void
- Repair Loans will be secured by a Repair Loan mortgage that will be subordinated to existing liens, including any MaineHousing liens
- The mortgage will require the Owner to rent all units in the property to households whose income is at or below 60% of area median income with corresponding rent restrictions pursuant to the income and rent chart published annually by MaineHousing. The Owner may comply with this requirement by continuing to serve the population identified in the declaration on record pursuant to a MaineHousing supportive housing program
- Repair Loans will be non-recourse

Section 4: Eligible Activities

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

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

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

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

- Roofs
- Windows
- Heating Components
- Plumbing
- Electrical System
- Insulation
- Ventilation
- Foundations, sills, and structural supports, etc.
- Floors and floor coverings
- Interior and exterior walls and wall surfacing
- Ceilings
- Roofing supports and members
- Doors
- Porches, patios, etc.
- Bathroom and kitchen modifications
- Ramp repairs
- Elevator upgrades

To qualify as a **Life Safety Item**, the repair work must be targeted to building elements that provide for the safety and security of the residents and on-site staff.

Examples of **Life Safety Items** include, but are not limited to:

- GFCI protection for electrical devices in wet locations (baths, kitchens, basements and outbuildings)
- Hard-wired smoke/carbon monoxide detectors with battery back-up
- Emergency lights
- Exit signs
- Egress improvements (enclose stairways, repair handrails, proper sized windows)
- Fire sprinkler systems
- Structural repairs (repair deterioration potentially leading to failure of floors, roofs, exterior balconies)
- Panic hardware on egress doors
- Lead hazard reduction work
- Asbestos and radon mitigation

Section 4: Ineligible Activities

Repair Program funds may not be used for the following:

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

- MaineHousing's prior approval
- d. Funding of project reserves
 - e. In combination with any other MaineHousing financial resources with the exception of rental assistance or project reserves

Section 5: Requirements for Repair Work

MaineHousing will review all proposed scopes of work to ensure compliance with the following:

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

Applicants are strongly encouraged to share the applicable sections of the Manual with contractors that will be bidding for any of the above repairs.

- b. Applicants must address all necessary maintenance, capital improvements, lead hazard reduction work, and code compliance work required by MaineHousing.
- c. All repair work must comply with the International Building Codes (IBC 2009) and National Fire Protection Association Codes (NFPA), including without limitation the following:
 - IBC 2009 & IBEC 2009
 - The National Electrical Code 2014
 - NFPA 101 The Life Safety Code 2009
- d. . All repair work must comply with applicable accessibility and adaptability requirements.
- e. *If* required by state law or local ordinance, MaineHousing will need the following:
 - plan review
 - construction permit
 - sprinkler permit
 - barrier free permit (issued by the Department of Public Safety-State Fire Marshall Office)
- f. *If* required by state law, plans and specifications developed by a licensed design professional. Plans and specifications are subject to MaineHousing approval (at MaineHousing's discretion, highly-complex repair work may also require a design professional).
- g. 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.
- h. Upon completion of all repair work, properties must comply with all applicable state and local codes and ordinances. MaineHousing will be the final arbiter when interpreting codes and standards and may require modifications to the repair work.

Section 6: Process and General Requirements

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

- a. Applications will be reviewed for program compliance, eligibility of proposed repairs, completeness, and cost reasonableness. Applications that are substantially incomplete or are inconsistent with program eligibility requirements will be denied and the applicant will be notified.
- b. Applicants will be contacted to set up a time for a MaineHousing inspector to inspect the project to evaluate the proposed scope of work in relation to the building's current physical condition. The inspector will:
 - Review the bids for the proposed scope of work
 - Provide recommendations for additions/deletions to the proposed scope of repair work as necessary depending upon available funding and a prioritization of necessary repairs; i.e. life safety items will take preference over all other repairs.
 - Review the need for accessibility upgrades
 - Assess the estimated cost of rehabilitation
 - Review the project's Capital Needs Assessment (if available)
- c. MaineHousing will notify the applicant as to whether their application has been selected for further processing.
- d. The applicant will contact the contractors that submitted the selected bids and request a written proposal or contract. The applicant will submit the proposals or contracts to MaineHousing for review and concurrence.
- e. MaineHousing will conduct a final review of the feasibility of the proposed repairs. The submitted proposals or contracts will dictate the final repair award amount.
- f. MaineHousing will issue a term sheet indicating the key features of the repair funding. The applicant will execute the term sheet and return to MaineHousing.
- g. MaineHousing will conduct a loan closing. Costs associated with the loan closing (registry recording fees) will be the responsibility of the applicant.
- h. MaineHousing will retain the loan proceeds in an escrow account which will be administered by MaineHousing. The escrow account will not accrue interest.
- i. To draw funds from the escrow account, the applicant will submit the following:
 - Copy of the invoice from the contractor/vendor
 - Proof of payment by the applicant
 - MaineHousing Requisition Form executed by both the contractor/vendor and applicant (see Attachment A)
 - Upon the final payment for each contractor/vendor, an executed MaineHousing Final Certification and Lien Release for that contractor/vendor (see Attachment B)Applicants may choose to submit contractor/vendor invoices directly to MaineHousing for payment. When paying contractors/vendors directly, MaineHousing will issue two-party checks (contractor/vendor and applicant).
- j. MaineHousing will disburse the loan proceeds in three installments:
 - Installment #1: Immediately following the completion of the loan closing process, MaineHousing will disburse a check to the applicant in an amount equal to one-third of the loan total. The applicant will not need to submit documentation to MaineHousing in connection with this installment.
 - Installment #2: When the total of the invoices that have been paid by the applicant exceed 50% of the loan amount, MaineHousing will disburse funds equal to one-third of

the loan amount. MaineHousing may schedule an inspection prior to disbursing Installment #2 funds.

- Installment #3: After the entire scope of work is completed, MaineHousing will disburse funds equal to the balance remaining in the escrow account. MaineHousing will schedule an inspection of the completed work prior to disbursing Installment #3 funds. All Final Certification and Lean Release forms must be submitted prior to the final installment. (If this payment schedule will create financial hardship for the applicant, please contact MaineHousing to discuss alternative arrangements)

k. All work should be satisfactorily completed within 6 months of the loan closing

Contractor Requirements: Applicants will need to seek three bids for each scope of work being proposed for Repair Program funding. However, if the applicant receives less than three bids, the applicant may forward the bid(s) that is actually received. When there are fewer than three bids, MaineHousing will review the submitted bid(s) to determine whether it/they are reasonable and competitive.

The applicant should indicate which of the submitted bids will be chosen. MaineHousing may request that the applicant consider selecting one of the alternative bids. However, the applicant will have the final decision as to which bids are selected.

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

Application Submission: Applications will be accepted at the MaineHousing office until the Repair Program funds are depleted. The application is located on Page 8. Applications may be submitted electronically or by mail. **A separate application package must be submitted for each property.**

If submitting a paper application, please send to:

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

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

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

Disclosure: MaineHousing reserves the right to discontinue the Repair Program at any time or to award less than the total funding available at its own discretion.

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

Identity of Interest: Applicants must disclose the nature of the relationship between them and any of

their contractors and suppliers. MaineHousing may, at its discretion, impose restrictions or require other third party verifications on account of identity of interest concerns.

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

MaineHousing Nondiscrimination Policy: MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.

Supportive Housing Repair Program Application

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

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

Legal Name of Applicant Organization: _____

Date of Application: _____

Project or Shelter Name: _____

MaineHousing Project Number (if applicable): _____

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

Number of Units/Beds: Units _____ Beds _____

Age of the Building(s): _____

Description of the Target Population for the Project: _____

Current Number of Residents: _____

Source of Funds for Project Operational Costs (maintenance, utilities, etc.):

Source of Funds for Resident's Supportive Services:

Current Replacement Reserve Balance: _____

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

Projected Start Date of Repairs: _____

Length of Time to Complete Repairs: _____

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

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

Signature is required:

Name: _____

Printed Name: _____

Title: _____

Date: _____

Component 2: Attachments

The following attachments are required for all applications:

- A. Corporate/Board resolution authorizing the applicant to apply for funding and to comply with MaineHousing requirements if the applicant is awarded financing
- B. Copy of 501(c)(3) Determination Letter or active license from the Maine Department of Health and Human Services
- C. Assessed value for property tax purposes (if available)
- D. Three or more bids from qualified contractors for each element of the proposed scope of work (if it is infeasible to secure three bids, submit a minimum of one bid for each element of the proposed scope of work along with a brief narrative describing the difficulties in securing more than one bid)
- E. Photographs of the sections of the property that are in need of repairs
- F. If a design professional or a contractor has developed any plans, working drawings, specifications, etc., please include in the application (this may not be applicable to all applications)
- G. Copy of the latest audited financial statements (if audited statements are not performed, an unaudited year end compilation will be acceptable)
- H. If the applicant will be contributing non MaineHousing funds to the repair work, please describe the source of additional funding.
- I. Description of municipal requirements for approval of the proposed repairs (if applicable).
- J. Capital Needs Assessment (if one has been conducted).

Component 3: Rehabilitation Budget

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

Selected bid:

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

Source of Funds for Repairs:

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

Attachment A
Supportive Housing Repair Program
MaineHousing Requisition Form

Owner's Section

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

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

Owner's Signature: _____ Date: _____

Contractor's Section

Contractor's Name: _____

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

Contractor's Signature: _____ Date: _____

MAINE STATE HOUSING AUTHORITY USE ONLY

MaineHousing Approval: _____ Date: _____

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

Attachment B
Supportive Housing Repair Program
Final Certification and Lien Release

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

Project Address: _____

Contract Description: _____

Total Contract Amount: _____

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

Name of Contractor: _____

Contractor's Signature: _____

Date: _____

PLEASE HAVE A NOTARY COMPLETE BELOW

State of Maine

County of _____, ss.

Date: _____

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

Before me,

Name

Notary Public of Maine

My Commission Expires: _____