



SUPPORTIVE HOUSING AND EMERGENCY SHELTER REPAIR PROGRAM



Program Guide and Application

Updated March 2021

OVERVIEW

For over 31 years, MaineHousing has provided funding to non-profit organizations for the development of supportive housing for persons with special needs. After years of use, some of these supportive housing properties have physical deficiencies and no funds to address the deficiencies.

At the same time, MaineHousing has used funds from federal and state resources to provide grants for emergency shelters for a variety of activities that assist people who are experiencing homelessness. Some of the emergency shelters also have physical deficiencies and lack funding to address the physical deficiencies.

The Supportive Housing and Emergency Shelter Repair Program (Repair Program) provides 5 year forgivable loans to address physical deficiencies of supportive housing projects and emergency shelters funded by MaineHousing. Applications will be reviewed for funding upon receipt.

Section 1: Eligible Applicants

To be eligible for funding, an applicant must be:

- a. the owner of a supportive housing project (as defined by MaineHousing) that has outstanding MaineHousing funding or the owner of an emergency shelter that receives Emergency Shelter and Housing Assistance Program (ESHAP) funds;
- b. a 501(c)(3) non-profit corporation; and
- c. in compliance with all of its obligations to MaineHousing.

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, (i) 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 (ii) has been the owner of any MaineHousing-financed project that was foreclosed upon by MaineHousing or conveyed to MaineHousing by deed-in-lieu of foreclosure.

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 need MaineHousing's prior approval to participate in the Repair Program.

Section 2: Forgivable Loan Amount

- a. The maximum forgivable loan is \$150,000 per property. The minimum forgivable loan is \$5,000 per property.
- b. Organizations may submit applications for multiple properties. However, a separate application must be submitted for each property.
- c. MaineHousing reserves the right to determine the amount of Repair Program funding awarded to any property, which amount may be more or less than the amount requested.
- d. MaineHousing may require projects with replacement reserve funds to use some or all of the replacement reserve funds in addition to any Repair Program funds.

Section 3: Forgivable Loan Terms

The forgivable loans are structured as follows:

- 0% deferred forgivable five year note.
- No voluntary prepayment.
- The deferred forgivable note is secured by a mortgage.
- The property must continue to operate as supportive housing or an emergency shelter for five years.
- The note and mortgage are non-recourse.
- The note is forgiven and the mortgage is discharged if the owner complies with the terms of the loan throughout the five year period.

Section 4: Eligible Activities

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

Immediate Need Items are the following:

- 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
- Accessibility Upgrades
- Ramp repairs
- Elevator upgrades

Life Safety Items are repair work required to address life-threatening conditions.

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

- GFCI protection and/or ARC Fault for electrical devices where required by code (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
- COVID-19 safety modifications such as plexiglass, and social distancing improvements in compliance with CDC requirements

Section 5: 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

Section 6: Requirements for Repair Work

MaineHousing will review all proposed scopes of work to ensure compliance as follows:

- a. The following repairs must 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/ flooring

Applicants are strongly encouraged to share the applicable sections of the manual with contractors 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 2015) and National Fire Protection Association Codes (NFPA), including without limitation the following:

- IBC & IBEC 2015
 - The National Electrical Code 2017
 - NFPA 101 The Life Safety Code 2018 & MUBEC(if applicable)
- d. All repair work must comply with applicable accessibility and adaptability requirements.
- e. Applicant must provide MaineHousing with any of the following that are required by state law or local ordinance:
- plan review
 - construction permit
 - sprinkler permit
 - barrier free permit (issued by the Department of Public Safety-State Fire Marshall Office)
 - 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).
- f. Repair work which disturbs lead based paint (which may or may not involve lead based paint hazard reduction work) must be done using lead safe work practices and achieve a satisfactory clearance test at completion of rehab.
- g. 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 7: Application Process and General Requirements

The SHP/ES Repair Program is a two-step application process:

A. Pre-Application (No bids are required with this phase)

All interested applicants will need to complete a pre-application form ([download individual fillable form](#)) and submit to MaineHousing. The pre-application will identify the property and include a proposed scope of work to be completed with loan proceeds. Receipt of the pre-application will place the project in queue and will create a temporary hold/reservation of funding for the project.

MaineHousing will set up a date with the prospective applicant to inspect the project and evaluate the proposed scope of work in relation to the building’s current physical condition. This inspection/review will occur within 2 weeks of the date the pre-application was received. Recommendations by the inspector for addition to or deletion from the proposed scope of work will occur during this phase with a final approved agreed upon scope of work.

The reservation of funding will be valid for no more than eight weeks. If a completed and approved application is not received within that allotted reservation period, the funding goes back into the general pot for other received funding requests based on a first come first serve basis.

B. Completed Application

The final prepared application ([download individual fillable form](#)) should be submitted to MaineHousing no later than 8 weeks after the submitted pre-application and must include:

- Any required documentation to show owner has necessary approval to take out the loan
- Required Bids for approved scope of work (finalized during the pre-application process)

Contractor Requirements: Applicants must seek three bids for each scope of work proposed for Repair Program funding and submit any bids received to MaineHousing. When the applicant receives fewer than three bids for a scope of work, the applicant must provide documentation of unsuccessful bid requests (i.e. emails). MaineHousing will review the submitted bid(s) for reasonableness.

The applicant should indicate which of the submitted bids the applicant intends to select. MaineHousing may request that the applicant consider selecting one of the alternative bids.

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

*If the owner/manager has issues/concerns/questions during the bid collection process – please reach out and work directly with the Building Analyst who assisted in preparing the final scope of work.

C. Completed Application Process

- Final applications will be reviewed for program compliance, eligibility of proposed repairs (meets approved finalized scope of work), 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.
- MaineHousing’s Building Analyst will review the submitted bids and follow up with the applicant on any questions/concerns they may have to include preferred contractor(s). A final cost for the scope of work will be determined and a final Repair Award calculated.
- MaineHousing will issue a Loan term sheet indicating the key features of the repair funding, including amount, if any, the applicant will deposit in a repair escrow account.
- MaineHousing will conduct a closing. Costs associated with the closing (registry recording fees) will be the responsibility of the applicant.
- MaineHousing will retain the Repair Program proceeds in an escrow account, which will be administered by MaineHousing. The escrow account will not accrue interest for the project.
 - To draw funds from the escrow account, the applicant will submit the following:
 - MD-130 Request for funds ([download individual fillable form](#))
 - Copy of the invoice from the contractor/vendor
 - Proof of payment by the applicant (if applicable)
 - MaineHousing Requisition Form executed by both the contractor/vendor and applicant (Attachment A) ([download individual form](#))
 - Upon the final payment for each contractor/vendor, an executed MaineHousing Final Certification and Lien Release for that contractor/vendor (Attachment B) ([download individual form](#))
- 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 Lien Release forms must be submitted prior to the final installment.

MaineHousing reserves the right to make payments directly to a contractor/vendor or alter the disbursement schedule. In addition, if preferred, a different installment methodology may be selected by the owner in advance of loan closing.

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

Application Submission: The application is attached hereto. 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
26 Edison Drive
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 at its own discretion for any reason. The Repair Program is subject to availability of funds.

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 displacement is 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: Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330-6046, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.

Approved: March 8, 2021



Daniel E. Brennan, Director

Links to download individual forms:

[Pre-application form](#)

[Application form](#)

[MD-130 Request for Funds](#)

[MaineHousing Requisition Form \(Attachment A\)](#)

[MaineHousing Final Certification and Lien Release \(Attachment B\)](#)