



## Memorandum

**To:** Owners and Operators of MaineHousing-Financed Supportive Housing Properties  
**From:** Bob Conroy, Director of Asset Management  
**Date:** May 15, 2014  
**Subject:** **2014 Supportive Housing Repair Deferred Loan Program**

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For 2014, MaineHousing has allocated \$650,000 to be made available as deferred loans to owners of MaineHousing-financed supportive housing properties to make needed improvements and repairs to their properties. The funding will be awarded via a Request for Proposals (RFP). The RFP and other information can be found on the MaineHousing website at [mainehousing.org/partner/programs](http://mainehousing.org/partner/programs).

Highlights of the RFP include:

- Funding will be awarded as a 0% deferred loan due upon earliest of (a) a sale or other transfer of the property, (b) the discontinuation of the intended public purpose, (c) default, or (e) 30 years from closing.
- Maximum deferred loan request is \$40,000 per project. Minimum deferred loan request is \$5,000 per project.
- Life safety improvements and improvements addressing immediate rehabilitation needs are the only eligible uses of the deferred loan funds (other than any accessibility improvements required by MaineHousing). A separate application must be submitted for each supportive housing facility.
- MaineHousing will provide financing, first, to address any life safety needs, and second, based on scoring criteria, to address immediate rehabilitation needs.
- Any project reserves in excess of \$1,000 per bed or unit will be used prior to RFP funds.
- Proposals are due to MaineHousing by June 16, 2014.
- Awards will be announced by June 30, 2014

If you have questions, please call Kimberly Weed, Asset Operations Manager at 624-5781 or email her at [kweed@mainehousing.org](mailto:kweed@mainehousing.org).



2014  
**SUPPORTIVE HOUSING REPAIR  
DEFERRED LOAN PROGRAM**

**REQUEST FOR PROPOSALS**

# INTRODUCTION

## Overview and Purpose

*A Message from the Director:*

The Maine State Housing Authority (MaineHousing), in its role as the affordable housing finance agency for the State of Maine, has provided funding to a diverse group of organizations for the creation and operation of over 325 supportive housing properties statewide designed for occupancy by individuals and families with disabilities and unique and special housing needs.

After years of service, some properties face capital needs that require immediate attention. To address this situation MaineHousing has allocated \$650,000 in deferred due on sale funding to be made available to owners of supportive housing properties with identified capital needs.

This funding will be awarded first to address life safety issues and then on a competitive basis to address immediate rehabilitation needs.

MaineHousing is soliciting applications for deferred loans under the terms of this Request for Proposals (RFP). The deadline for applications under this RFP is 5:00 p.m., June 16, 2014.

I want to thank you for your interest in this funding opportunity and your ongoing efforts to provide this important housing for Maine's most vulnerable citizens.

*John Gallagher*  
*Director, MaineHousing*

# ELIGIBILITY

## Section 1: Eligible Applicants

To be eligible for funding, an applicant must:

1. Be the owner of a supportive housing project in Maine that:
  - a. is currently financed by MaineHousing, and
  - b. was first developed and occupied before January 1, 2005.
2. Provide a corporate resolution demonstrating the authority to apply to this RFP and to comply with MaineHousing requirements for the deferred loan.
3. Anticipate continued use for the longer of the remaining term on the MaineHousing loan documents or five (5) years.
4. Be in compliance with all covenants regarding use in MaineHousing loan documents.
5. Timely submit all submission requirements set forth below.

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 Rehabilitation Activities

Only life safety and improvements or repairs to the permanent fixtures, systems and components of the physical structure with an immediate need for repair are eligible uses for the funding.

Examples of life safety improvements 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)
- 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 physical structures that may have an immediate need 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

All work undertaken 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 2011
- NFPA 101 The Life Safety Code 2009

All work undertaken must comply with applicable accessibility and adaptability requirements. MaineHousing may require a plan review, a construction permit, a sprinkler permit, or a barrier free permit from the Department of Public Safety. Upon completion, the property must comply with all applicable state and local codes and ordinances.

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

### **Section 3: Deferred Loan Requests**

The maximum deferred loan which can be requested is **\$40,000** per project. The minimum deferred loan which can be requested is **\$5,000** per project.

### **Section 4: Ineligible Activities**

Deferred loan proceeds cannot be used to reimburse an organization for soft costs or work previously performed. The funds from this RFP cannot be combined with any other financial resources available through MaineHousing other than operating subsidy funds and project reserves.

## **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

## **DEFERRED LOAN**

The maximum deferred loan that can be requested is \$40,000 per project. The minimum deferred loan that can be requested is \$5,000 per project. Funds may only be applied to life safety and immediate rehabilitation needs of the building. Non-life safety rehabilitation work that must be done within a year or less or building components that are beyond their useful life or have less than 3 years useful life remaining are deemed immediate rehabilitation needs.

MaineHousing staff will be responsible for the final determination of whether a proposed activity is addressing a life safety or immediate need issue. **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. MaineHousing may require accessibility upgrades.**

Existing project replacement reserve funds that exceed \$1,000 per unit or bed will be used for life safety and immediate rehabilitation needs prior to deferred loan proceeds.

Once grantees have been selected, MaineHousing will conduct an initial site visit to:

1. Review the results of the Owner Assessment of Capital Needs,
2. Review the proposed scope of work in relation to current building conditions.
3. 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 building rehabilitation 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.

MaineHousing will make the final determination when interpreting codes and standards for selected projects and may modify proposed improvements or repairs that go beyond life safety compliance. MaineHousing's existing use and affordability requirements will remain in place. The 0% deferred loan will be due upon earliest of (a) a sale or other transfer of the property, (b) the discontinuation of the intended public purpose; (c) default, or (e) 30 years from closing.

## **SCORING OF APPLICATIONS**

Before being scored, applications will be reviewed for eligibility, completeness, feasibility, and cost reasonableness. The proposals that are deemed eligible, complete, feasible, and reasonable will be scored according to the following criteria:

1. Readiness (max. 30 pts.)
2. Leveraging of Funds (max. 10 pts.)
3. Prior MaineHousing Inspection Results (max. 10 pts.)

MaineHousing intends to first fund life safety improvements for all scored applications and then fund immediate needs in order of ranking until available funds are depleted. In case of a tie(s) score, the tied projects will be ranked according to the amount of outstanding amortizing MaineHousing debt per bed or unit. Projects with more debt per bed or unit will be ranked higher.

### **Criteria 1: Readiness** (Maximum of 30 points)

Applicants will receive points depending on the degree of readiness exhibited at the time of application. Points will be awarded as follows:

Submission of an 'Assessment of Capital Needs' prior to April 1, 2014. (10 points)

Clear, concise description of scope of work, and, if applicable, plans and specifications. (10 points)

Third-party documentation in the form of a minimum of 3 bids and specifications from 3<sup>rd</sup> party contractors supporting the cost for the proposed scope of work. (10 points)

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

**Criteria 2: Leveraging Funds** (Maximum of 10 points)

Projects that are able to leverage sources of capital other than project funds and reserves, such as grants, fundraising and other non-project sources, will receive points based upon the percentage of capital funds contributed toward the overall cost of the rehabilitation. Proposals will be awarded points according to the following table:

<b>Contributed Fund Percentage</b> (Matching Funds ÷ Cost of Rehabilitation) x 100	<b>Points Awarded</b>
10-20%	5
>20%	10

**Criteria 3: Most Recent MaineHousing Inspection Results** (Maximum of 10 points)

- Unacceptable – 10 points
- Below Average – 8 points
- Satisfactory – 6 points
- Above Average – 4 points
- Superior – 2 points

## **SUBMISSION REQUIREMENTS**

Applications will be rated on the scoring criteria identified in the previous section. Applicants will follow the guide below when preparing the RFP application. Applications are restricted to a total of 3 pages, plus attachments, on 8.5” by 11” paper. **A separate application must be submitted for each project.**

Applications will consist of the following components:

1. **Executive Summary** (1 page maximum). Provide a one-page summary describing the property, the population served, the occupancy rate, and the rehabilitation needs of the facility, the proposed improvements/repairs, and the completion schedule.
2. **Scoring Criteria** (2 pages maximum). Provide a narrative detailing how the proposal addresses each of the 3 Scoring Criteria.



3. **Attachments.** Please enclose the following with your application:

- A corporate resolution authorizing the applicant to respond to this RFP and to comply with MaineHousing requirements if the applicant is awarded financing under this RFP
- A preliminary rehabilitation budget (use form on Attachment A)
- Plans, specifications, scope of work, contractor bids, etc., as applicable
- Photographs showing current conditions of physical plant supporting the need for rehabilitation
- Evidence of matching funds committed to the project, if applicable
- Evidence of current balance in replacement reserve, if any
- A narrative disclosure of any potential conflict of interest or identity of interest issues
- Completed conflict of interest form attached as Attachment B

Applications must be received at the MaineHousing Augusta office no later than close of business on **June 16, 2014**.

Applications should be mailed to:  
MaineHousing, 353 Water Street, Augusta, Maine 04330-4633,  
Attention: Kimberly Weed, Asset Operations Manager  
or emailed to: [kweed@mainehousing.org](mailto:kweed@mainehousing.org).

All inquiries and requests for further information may also be directed to Kimberly Weed. She may be reached by telephone at (207) 624-5781 or (800) 452-4668, by fax at (207) 624-5705, or TTY at (800) 452-4603 or by e-mail at [kweed@mainehousing.org](mailto:kweed@mainehousing.org).

**MaineHousing reserves the right to adjust the amount of the funding and may determine an amount that is more or less than the amount requested. MaineHousing may require accessibility upgrades. MaineHousing reserves the right to award all, a portion, or none of the available subsidy, depending upon the quality and merits of the applications received.**

## **TIMEFRAME**

MaineHousing intends to report on awards for proposals under this RFP promptly. The review process is outlined below:

1. Applications received by **June 16, 2014** 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 prior to scoring and the applicant will be notified.
2. Eligible applications will be scored in accordance with the criteria listed in this RFP.
3. MaineHousing will announce conditional awards to successful applicants by **June 30, 2014**. These awards are contingent on validation of need as determined by MaineHousing.
4. MaineHousing will hold a pre-construction conference with the grantee and the grantee's contractor to finalize the work specifications and budget, which will be incorporated in the grant agreement.
5. MaineHousing will retain the grant proceeds in a Rehabilitation 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 by December 31, 2014.

#### **MAINEHOUSING NONDISCRIMINATION NOTICE:**

*MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, 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, 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 Grant Program

## Rehabilitation Budget

Instructions: Enter a description and budget amount for each of the activities in your rehabilitation proposal. Itemize project activities whenever practical, for example: replacement of a furnace and installation of new windows should be budgeted as separate activities. On the other hand, necessary cosmetic work associated with the installation of sprinklers should be included in the budget line for the sprinklers.

Attach a copy of a Contractor's bid or estimate for each activity itemized in the budget.

### Immediate Needs/Life Safety Improvements

Uses:

Activities	1. _____	\$ _____
	2. _____	\$ _____
	3. _____	\$ _____
	4. _____	\$ _____
	5. _____	\$ _____
	6. _____	\$ _____

Total Cost of Improvements \$

Sources:

Required Reserves	\$ _____
Matching Funds Committed By Applicant (source: _____)	\$ _____
Funds From MaineHousing	\$ _____
Total Sources	\$ _____



## APPLICANT CONFLICT OF INTEREST DISCLOSURE FORM

To ensure that we maintain the continued confidence of Maine people and our partners in carrying out our mission of providing affordable housing, our employees and commissioners and former employees and commissioners must avoid situations which are, or appear to be, at odds with their responsibility to MaineHousing. These situations can include obligations or commitments to other organizations or individuals or personal or financial relationships or interests.

Maine law and, when federal funding is involved, federal regulations govern conflicts of interest. In general, these laws prohibit MaineHousing employees and commissioners from working on transactions with applicants with whom they have financial, business, professional, or personal relationships or other ties. In addition, these laws prohibit former MaineHousing employees and commissioners from working on certain transactions for up to two years after leaving MaineHousing.

To help ensure the continuing integrity of MaineHousing's business and compliance with these laws, applicants for loans or certain other assistance under MaineHousing's programs must disclose any financial, business, professional, civic, charitable, family (or other personal) relationships, associations or connections that the applicant, its affiliates, employees of applicant who may work on the MaineHousing project, or any parties the applicant intends to hire to work on the MaineHousing project (whether employees, contractors or consultants) may currently have with MaineHousing or any MaineHousing employee or commissioner or may have had within the past two years. An applicant and its affiliates include:

- if the applicant is one or more individuals, all individuals;
- if the applicant is a business or nonprofit entity, that entity;
- the officers and board members of the applicant;
- employees of the applicant with decision-making authority, including an executive director, manager or someone in a similar position;
- if the applicant is a business corporation, any shareholder with a controlling interest;
- if the applicant is a partnership, the applicant's partners;
- any other business partner or associate of the applicant involved in this MaineHousing project;
- if the applicant is a limited liability company, the members and managers;
- a family member (including husband, wife, child, brother, sister) or other person in a personal relationship;

**If you are unsure whether a relationship, association, or connection you have may constitute a conflict of interest, please consult with MaineHousing's Manager of Internal Audit.**

## APPLICANT CONFLICT OF INTEREST DISCLOSURE FORM

*To the best of your knowledge:*

1. Are you, any of your affiliates, or any party you intend to hire to work on the project a party to (or financially interested in) any business owned or operated by a MaineHousing commissioner or employee either as an individual or through an interest in a corporation, partnership, limited liability company, or other entity?

(please circle)                      YES                      NO

2. Do you, any of your affiliates, or any party you intend to hire to work on the project have family relations or other personal associations with any MaineHousing employee or MaineHousing commissioner?

(please circle)                      YES                      NO

3. Do you or any party you intend to hire to work on the project have any employee who was once an employee or commissioner of MaineHousing?

(please circle)                      YES                      NO

4. Do you, any of your affiliates, or any party you intend to hire to work on the project have any other type of relationship either with a MaineHousing employee or MaineHousing commissioner that may be construed to be a conflict of interest?

(please circle)                      YES                      NO

5. Do you, a member of your immediate family, your partner, or an organization which employs you benefit from funds from the U.S. Department of Housing and Urban Development?

(please circle)                      YES                      NO

**PLEASE NOTE:** If you answered yes to any of the above questions, please describe below (or on back).

Name of Applicant: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_