



Action Plan  
Program Year 2021



Community Development Block Grant  
&  
HOME Investment Partnership Program



## City of Auburn, Maine

Business & Community Development

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### **COMMUNITY DEVELOPMENT BLOCK GRANT/HOME PROGRAM Program Year 2021 ACTION PLAN and BUDGET**

The City of Auburn is submitting its PY21 Action Plan with the U. S. Department of Housing and Urban Development (HUD). This Action Plan describes the second-year budget and proposed activities for the Community Development Block Grant and HOME Investment Consortium programs which advances the goals and objectives set forth in the Auburn 2020-2024 Consolidated Plan.

The PY21 Action Plan process provides for a 30-day comment period. All public comments received will be included in the package submitted to the City Council. Comments may be submitted ahead of time at the Community Development Office, 60 Court Street, Auburn, ME 04210, tel. 333-6601 or via e-mail at [CDBG@auburnmaine.gov](mailto:CDBG@auburnmaine.gov) Comments may also be made on May 17<sup>th</sup> & June 21<sup>st</sup> during the public hearings to be held by the City Council.

#### **SCHEDULE FOR ADOPTION FFY2021 ACTION PLAN/BUDGET**

Comment Period	May 17 – June 16
1 <sup>st</sup> Public Hearing	May 17 <sup>th</sup>
Citizens Advisory Committee Review	May 21
2 <sup>nd</sup> Public Hearing	June 7
Public Hearing/Adoption of 2021 Action Plan	June 21

#### **2020-2024 CONSOLIDATED PLAN**

The City of Auburn has adopted a 2020-2024 Consolidated Plan for the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program which includes both the City of Auburn and Lewiston. The Consolidated Plan identifies many community challenges, establishes priorities, and describes how Community Development resources will address these needs. The Consolidated Plan sets forth goals, objectives, and performance benchmarks for measuring progress, and establishes a framework for assessing the programs and projects Auburn will make available for revitalization.

Identified within this plan are 11,965 households in Auburn which qualify for CDBG assistance for being under 80% HUD Area Median Family Income (HAMFI). This number encompasses 46% of the total 25,530 households in Auburn. Of this total households within Auburn, 7,850 households (or 30%) are qualified for the HOME program for being under 50% HAMFI.

## **GOALS OF THE 2020-2024 CONSOLIDATED PLAN**

The Auburn Community Development program intends to work towards measurable outcomes established by the Citizen Advisory Committee when the 2020-2024 Consolidated Plan was adopted. This plan established the 4 goals and outcome expectations indicated below:

### **Goal 1: Provide Safe & Affordable Housing**

100 Rental Units Rehabilitated  
50 Home Owner Units Rehabilitated  
125 Tenant-households Rental Assistance

### **Goal 2: Improve Infrastructure & Reduce Blight**

3,000 Persons Assisted

### **Goal 3: Promote Economic Opportunities**

10 Jobs Created/Retained  
10 Businesses Assisted

### **Goal 4: Provide Essential Services**

1,200 Persons Assisted

## **2021 FUNDING**

Funding for the Community Development Program is derived from Community Development Block Grant and HOME Investment Partnerships Program allocations for both Auburn and Lewiston. These yearly allocations are supplemented by their respective program income derived from current loan principal paybacks expected within the program year and unspent funds carried over from previous years. Allocations are presented as indicated on our FY21 Award letter from HUD and internal reports designating available program income and available carryover funds. The complete budget summary for both programs is included in Appendix A.

**Community Development Block Grant Funds:** The proposed budget for FFY2021 is \$1,051,858 from the following sources of Community Development funds:

CDBG Allocation	\$561,858
Anticipated Program Income	\$190,000
Carry Over Funds	\$300,000

**Auburn HOME Funds:** The proposed budget for FFY2021 is \$1,803,240 from the following sources of HOME funds:

HOME Allocation	\$469,750
Anticipated Program Income	\$56,000
Carry Over Funds	\$1,277,490

In 2001, Auburn and Lewiston formed a consortium with Auburn as the lead agency to receive HOME Investment Partnerships Program funds. The consortium was formed to meet the funding threshold for HOME funds. Ten percent of the current year allocations and program income combined can be set aside for administration of the HOME program. Auburn, serving as the program sponsor, utilizes 70% of these Admin funds to cover the overall administration of the program for the Consortium. Lewiston utilizes the remaining 30% for their administration costs. The balance of current year allocations is then divided evenly between both cities to provide programing. A summary is included in Appendix A-2.

## **DRIVERS OF CHANGE**

1. **Federal Regulations:** U.S. Department of Housing & Urban Development oversees all funds invested into the city through the Community Development Office. In response to a recent city audit additional monitoring and compliance reviews have been scheduled for June 2021. In preparation for this process, and through the onboarding of multiple new staff members within the department many traditional operations or program weaknesses have been identified and prepared for corrective action. Although findings from this program audit will not be known until after this action plan is submitted for approval it addresses some of the current identified programmatic improvements. It also leaves some flexibility for additional corrective actions which may be requested by HUD staff after monitoring is complete.
2. **Funding Set-Asides & New Allocations:** Community Housing Development Organization (CHDO) projects are required to be set aside each program year or they may accumulate to be committed to larger projects. Additionally, larger, 1-time allocation increases of HOME funds which will become available during this project year have been announced but details and plans are not yet able to be filed. This will necessitate a revised plan to be developed and approved mid-year once federal guidelines are released.
3. **3<sup>rd</sup> Party Partners:** This workplan has taken a proactive approach to engaging with 3<sup>rd</sup> party community service providers. In an attempt to eliminate duplication of services, and increase the impact of each federal dollar, new programmatic partnerships are being crafted which will improve the community impact and public services offered within Auburn, creating a new level of accountability for program impact monitoring.
4. **Citizen Participation:** This plan includes a revision of the Citizen Participation Plan. This revision will allow for programmatic efficiencies in the determination of qualified LMI citizens receiving services from the Home & CDBG rehab programs. These changes are in response to 3 identified program improvements:
  - a. Encourage greater participation on the Citizen Advisory Committee by better representing members from the LMI community, local social service providers and housing practitioners.
  - b. Enhance the program qualification process.
  - c. Retain valuable input and experience provided from the members of the Loan Committee.

Replacing the current loan review and approval process with an internal Program Qualification Assessment (PQA) will allow for both a reduction in program service delays while increasing citizen identity protections. The revised Citizen Participation Plan is included in Appendix B.

**TARGETING:**

- HOME INVESTMENT PARTNERSHIP PROGRAM: The target of the HOME program will continue to be city-wide and focus on the nearly 8,000 households which qualify at 50% low to moderate income families. These will be in the form of traditional home rehab projects and renter assistance programs.
- COMMUNITY DEVELOPMENT BLOCK GRANT: These funds are somewhat more flexible in their utility. They will be used to continue funding community service organizations that service Auburn through the Public Service, Weatherization, Public Infrastructure, Elimination of Blight and Emergency Repair programs. Although these funds can and will be utilized city-wide there will be a concerted effort to leverage new services and investments within designated LMI neighborhoods. The 2011-2015 American Community Survey (ACS) has identified census tracts 101, 103 & 105 as being over 50% Low-Moderate Income. These targeted census tracts are detailed further in Appendix C.

**FFY2021 COMMUNITY DEVELOPMENT  
BUDGET DESCRIPTIONS**

**1. STRATEGY: PROVIDE SAFE & AFFORDABLE HOUSING**

*Strategic Plan: Efficiently utilize current housing stock and sustainable targeted residential development that supports and attracts growth, residents & workforce.*

**Proposed CDBG Budget: \$471,831**

**Proposed HOME Budget: \$1,702,375**

**Description:** Funds from both CDBG and the HOME program will be used to provide loans for upgrading residential buildings, increasing curb appeal, address code violations and weatherize homes. Rehabilitation loans help maintain and upgrade the quality of housing, particularly in targeted areas to assist low-income property owners and investors address housing problems. This program helps increase or stabilize the tax base, provides an economic stimulus for contractors and suppliers, eliminates lead hazards, and prevents properties from becoming blighting influences in more densely populated neighborhoods.

HOME requirements are to set-aside 15% of the annual allocation for a Community Housing Development Organization (CHDO) project. In the past several years Auburn Housing Authority has partnered with the city in this capacity with a goal of increasing

homeownership or affordable rental opportunities. Staff of the respective agencies have been seeking a viable project to be completed with these set-aside funds. The addition of new, one-time funds released by HUD later in this project year will add to this program.

The City of Lewiston has identified 3 projects to be completed with their portion of HOME funds. Avesta Housing will develop a 35 unit mixed income housing project that will be located at 111 Blake and 82 Pine Streets (\$326,732). The project, to be called Blake + Pine, will have 28 units restricted to renters making no more than 60% AMI. Raise-Op is working to develop a new construction 18 unit cooperative housing project at 84 Walnut and 198 Blake Streets (\$265,758). Lastly, a yet to be determined Choice Workforce Housing project is anticipated to be developed on replacement Site 1 or 2 in the City of Lewiston's Choice Plan (\$182,294).

Providing safe & affordable housing is the quintessential goal of this action plan. This is also the program which is being most heavily impacted by both the increased cost of building supplies as well as the deteriorating housing inventory. For this reason, any additional and unforeseen funds accrued during this project year will be used within this program to further meet the demands of developing new and quality housing. The Project delivery costs covers staff salaries, benefits, supplies and equipment to implement the program. This does not count against the Administrative Cap.

**Anticipated Outcomes:** 25 Rental Units Rehabilitated  
10 Homeowner Units Rehabilitated  
30 Tenant-households Rental Assistance

Program Guidelines for PY2021

- CDBG - Housing Rehabilitation Program (See Appendix D-1)
- CDBG – Emergency Repair Program (See Appendix D-2)
- HOME Consortium - Home Rehab Program (See Appendix D-3)

Program Partnerships for PY2021

- Tenant Based Rental Assistance (TBRA) Program
- Weatherization Program
- Homebuyer Assistance Program
- Self Help Housing Program
- LEAD Testing, Clearance and Training Program

## **2. STRATEGY: IMPROVE INFRASTRUCTURE & REDUCE BLIGHT**

*Strategic Plan: Invest in and maintain the infrastructure necessary to provide a sustainable, safe and livable environment.*

*Recognize the value of historic, cultural, and artistic assets and activities in enriching people's lives and promoting community life.*

**Proposed CDBG Budget: \$220,000**

**Description:** Funds will be used to address blight remediation, continue the Neighborhood Challenge grant program as well as continue the development of publicly owned infrastructure and amenities within targeted neighborhoods.

The Library Ave pedestrian and parking development includes the reconstruction of Library Avenue to include new curbing, sidewalks, crosswalks and streetlights. The goal is to provide safe, comfortable, attractive, and convenient access and travel for pedestrians, bicyclists, motorists and transit users of all ages and abilities.

**Anticipated Outcomes:** 1,000 Persons Assisted.

Program Guidelines for PY2021

- CDBG – Neighborhood Challenge Grant (See Appendix D-4)
- CDBG –Blight Remediation Program (See Appendix D-5)

Public Infrastructure Projects for PY2021

- Library Ave Parking & Pedestrian Improvements

### **3. STRATEGY: PROMOTE JOBS AND ECONOMIC OPPORTUNITY**

*Strategic Plan: Attract quality businesses by creating an environment where business can succeed. Collaborate with existing partners to ensure and foster a sustainable and satisfying lifestyle.*

*Continue to improve access to training programs designed to address workforce gaps; provide diverse, well-rounded education by partnering with available resources and businesses.*

**Proposed CDBG Budget: \$100,000**

Business Loan Affordability Grants will be allocated to a community service provider who has a track record of making business loans as well as providing Technical Assistance to Auburn based businesses. Funds will be used to reduce the interest rate and cover closing costs for LMI qualified Auburn based businesses. An individual recipient cap will be set at \$10,000 per \$50,000 borrowed. This will leverage at the most \$500,000 in new, affordable business capital and provide additional resources such as technical assistance to expanding businesses or to business start-ups within Auburn.

**Anticipated Outcomes:** 6 Business Loans

Program Partnerships for PY2021

- Business Affordability Grants

**4. STRATEGY: PROVIDE ESSENTIAL SERVICES**

*Strategic Plan: Develop education strategies for all stages of life that are dynamic, innovative, and collaborative to develop a foundation for economic and personal development.*

*Support all residents by fostering a sense of unity while honoring diversity and coordinating community resources and assets to provide wraparound support to all residents.*

**Proposed CDBG Budget: \$117,724**

**Description:** Public Service Grants are capped at 15% of available allocations and focus on providing essential services within the community. These services promote the development of decent housing, a suitable living environment and economic opportunities. These programs are required to demonstrate that these CDBG funds will provide for a new or quantifiable increase in services and not merely supplant other funding sources.

Last year these programs went to 8 service applicants with an average award size of \$13,000. This year there is little change, allowing for all 9 qualified applications to be funded either all, or in part. The Public Service awards are recommended below.

➤ **Safe Voices**

**Stability through Self-Sufficiency at Annie Pearl Shelter**

<b>Request</b>	<b>Proposed Budget</b>	<b>Total Program</b>
\$12,000	\$12,000	\$577,251

**Description:**

Funding for this proposal shall be used to support survivors of domestic violence by providing food, shelter, temporary financial assistance, education, housing services, skill development and safety planning services. This is an Emergency Shelter which provides access to critical resources that will enable people to rebuild their lives following domestic violence.

**Eligible Activity:** Housing Counseling

**Proposed LMI Impact:** 70 Individuals

**Benefit Type:** Presumed Benefit

**Proposed Objective:** Suitable Living Environment

➤ **Tedford Housing**

**Auburn Supportive Housing Services**

<b>Request</b>	<b>Proposed Budget</b>	<b>Total Program</b>
\$7,000	\$7,000	\$87,596

**Description:**

Funding for this proposal shall be used to provide housing services and onsite case management at the Franklin School Apartments. These services improve



access to social security benefits, Mainecare, career education and job training programs.

**Eligible Activity:** Housing Counseling

**Proposed LMI Impact:** 37 Individuals

**Benefit Type:** Limited Clientele

**Proposed Objective:** Decent Housing

➤ **Community Credit Union**

**Community Navigator**

Request	Proposed Budget	Total Program
\$14,996	\$14,996	\$40,484

**Description:**

Funding for this proposal shall be used to hire a Community Navigator who will work with individuals facing unreliable transportation, substance abuse, domestic violence and homelessness through mentorship and resource identification services. This program will work to connect community resources while also providing financial education and guidance to help create security and financial stability.

**Eligible Activity:** Education

**Proposed LMI Impact:** 50 Individuals

**Benefit Type:** Limited Clientele

**Proposed Objective:** Economic Opportunity

➤ **St. Mary's Nutrition Center**

**Auburn Community Garden Initiative (ACGI)**

Request	Proposed Budget	Total Program
\$11,174	\$11,174	\$32,998

**Description:**

Funding for this proposal shall be used to increase capacity while strengthening the garden program infrastructure. With the new addition of the Whitney St Garden to accompany the existing Newbury St & Webster St facilities this program now provides over 88 garden plots to Auburn residents.

**Eligible Activity:** Health

**Proposed LMI Impact:** 130 Individuals

**Benefit Type:** Limited Clientele

**Proposed Objective:** Suitable Living Environment

➤ **Auburn Recreation**

**Auburn Recreation Summer Day Camp Scholarships**

Request	Proposed Budget	Total Program
\$50,000	\$25,000	\$150,000

**Description:**

Funding for this proposal shall be used to provide 100% scholarships for children whose household is designated as extremely low income (30% LMI). This program not only offers food and personal betterment experiences for the

individual but allows families access to affordable and structured supervision so that parents can continue to work.

**Eligible Activity:** Recreation

**Proposed LMI Impact:** 75 Individuals

**Benefit Type:** Limited Clientele

**Proposed Objective:** Economic Opportunities

➤ **Literacy Volunteers - Androscoggin**

**Adult Literacy Services for Work Readiness & Life Skills**

Request	Proposed Budget	Total Program
\$9,554	\$9,554	\$42,578

**Description:**

Funding for this proposal shall be used to serve adults struggling with low literacy skills. 1-on-1 literacy tutoring reduces barriers to learning by providing lessons based on the students skill level, location and goals, which is a critical skill needed to improve the lives of vulnerable adults.

**Eligible Activity:** Education

**Proposed LMI Impact:** 75 Individuals

**Benefit Type:** Presumed Benefit

**Proposed Objective:** Economic Opportunities

➤ **Seniors Plus**

**Home Delivered Meals for Auburn’s Homebound**

Request	Proposed Budget	Total Program
\$15,000	\$15,000	\$994,872

**Description:**

Funding for this proposal shall be used to provide up to 7 meals per week to homebound seniors in Auburn. This program services older people and people with disabilities in an attempt to fight hunger and isolation in these vulnerable communities.

**Eligible Activity:** Health

**Proposed LMI Impact:** 23 Individuals

**Benefit Type:** Presumed Benefit

**Proposed Objective:** Suitable Living Environment

➤ **Community Youth Services**

**Career Pathways Initiative / Homework Help Program**

Request	Proposed Budget	Total Program
\$46,480	\$15,000	\$100,000

**Description:**

Funding for this proposal shall be used to expand homework aid and educational exploration services to at-risk youth. This program provides job training, financial training, mentoring and youth counseling services in order to create more well-rounded, knowledgeable and prepared citizens of Auburn.

**Eligible Activity:** Crime Prevention

**Proposed LMI Impact:** 45 Individuals

**Benefit Type:** Limited Clientele  
**Proposed Objective:** Economic Opportunity

➤ **Androscoggin Head Start  
Promise Early Education Center**

<b>Request</b>	<b>Proposed Budget</b>	<b>Total Program</b>
\$10,000	\$8,000	\$487,000

**Description:**

Funding for this proposal shall be used to support ongoing operations of the Promise Early Education Center at 48 Webster St in Auburn. This center provides children 6 weeks to 5 years old access to year round programming within the identified Union St community.

**Eligible Activity:** Education  
**Proposed LMI Impact:** 15 Individuals  
**Benefit Type:** Limited Clientele  
**Proposed Objective:** Economic Opportunity

**Anticipated Outcomes:** 413 Persons Assisted with non-housing services  
107 Persons assisted with housing related services

Program Guidelines for PY2021

- *CDBG – Public Service Grant Instructions (See Appendix E)*

**5. ADMINISTRATION SERVICES**

**Proposed CDBG Budget: \$142,143**  
**Proposed HOME Budget: \$49,839**

**Description:** The remainder of the budget, as detailed in Appendix A, contains the Administration salaries along with the requires supplies and training expenses to run the programs. These expenses are allocated between both CDBG & the HOME program in alignment with the program’s prospective requirements and are below the expense caps.

**NEXT STEPS**

Adoption of the CDGB and HOME Action Plans and budgets require a 30-day public comment period. This is concluded with a Public Hearing and formal adoption by the Auburn City Council. The Public Notice will be run in the Sun Journal, posted on the city’s website and social media accounts in order to solicit the maximum input possible. The Action Plan & supplemental information are available on the City’s website.

Public input may be submitted ahead of time at [CDBG@auburnmaine.gov](mailto:CDBG@auburnmaine.gov), or delivered in person at the Public Hearing on June 7<sup>th</sup> or June 21<sup>st</sup>, 2021.

City of Auburn  
 PY2021 Budget  
 Community Development Block Grant Program

	<b>PY2021</b>
<b>ACTIVITIES</b>	<b>Budget</b>
<b><u>PLANNING AND ADMNISTRATION</u></b>	<b>\$142,143.95</b>
<b>HOUSING DELIVERY COSTS</b>	<b>\$107,831.62</b>
<b>ECONOMIC DEVELOPMENT</b>	<b>\$100,000.00</b>
<b>AFFORDABLE HOUSING</b>	<b>\$364,000.00</b>
<b>PUBLIC IMPROVEMENTS</b>	<b>\$220,000.00</b>
<b>PUBLIC SERVICES</b>	<b>\$117,724.00</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,051,699.56</b>

<b>CDBG Allocation</b>	<b>\$561,858.00</b>
<b>CDBG Program Income</b>	<b>\$190,000.00</b>
<b>CDBG Funds Rolled Forward</b>	<b>\$300,000.00</b>
<u>Administrative CAP 20% Allocation and Program</u> <u>Income</u>	<b>\$ 150,371.60</b>
<u>Public Services CAP 15% Allocation and Rolled Forward</u>	<b>\$ 119,678.70</b>
 <b><u>TOTAL FUNDS AVAILABLE TO BUDGET</u></b>	 <b>\$1,051,858.00</b>

Auburn-Lewiston Home Partnership Program  
 PY2021 Budget  
 HOME FUNDS BUDGET

	<b>PY2021</b>
<b><u>ACTIVITIES</u></b>	<b><u>Budget</u></b>
	-
<b><u>PLANNING AND ADMINISTRATION</u></b>	<b>\$35,746.71</b>
<b>AFFORDABLE HOUSING</b>	<b>\$620,591.05</b>
<b>TBRA</b>	<b>\$32,000.00</b>
<b>New Construction - Rental</b>	<b>\$260,000.00</b>
<b>Lewiston HOME</b>	<b>\$803,877.00</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,752,214.76</b>

<b>AUBURN HOME Allocation</b>	<b>\$246,270.00</b>
<b>AUBURN HOME Program Income</b>	<b>\$56,000.00</b>
<b>AUBURN HOME Funds Rolled Forward</b>	<b>\$650,000.00</b>
<b>LEWISTON HOME Allocation</b>	<b>\$223,480.00</b>
<b>LEWISTON HOME Program Income</b>	<b>\$0.00</b>
<b>LEWISTON HOME Funds Rolled Forward</b>	<b>\$627,490.00</b>
<b><u>TOTAL FUNDS AVAILABLE TO BUDGET</u></b>	<b>\$1,803,240.00</b>

**CITY OF AUBURN  
CITIZEN PARTICIPATION PLAN  
2020-2024  
Amended June 2021**

**1. INTRODUCTION**

The City of Auburn received an “entitlement” designation for Community Development Block Grant funds in 1974. These funds are used for a number of loan programs to promote housing and economic development. Funds are also used for public facilities and infrastructure, and for social services. In 2001, Auburn and Lewiston formed a consortium with Auburn as the lead agency to receive HOME Investment Partnerships Program funds. The consortium was formed to meet the funding threshold for HOME funds.

The Department of Housing and Urban Development (HUD) requires recipients of its grant funds to prepare formal plans as a condition of receiving federal funds. These plans are intended to encourage communities to allocate federal resources to address local needs and market conditions.

The City has developed a Consolidated Plan (ConPlan) which is a fact-based analysis of local housing needs that reflects the incidence and severity of housing problems among different segments of the population. The ConPlan articulates priorities for addressing the needs that have been documented and defines strategies and activities linked to these priorities. Community representatives and housing practitioners will have opportunities to help shape the development of priorities and strategies. The process is intended to assist with coordination among relevant agencies in both planning and implementation. The City works closely with Auburn Housing Authority (AHA) on housing matters.

Section 104(a) of the Housing and Community Development Act of 1974 requires that the City of Auburn follow a Citizen Participation Plan. In order to comply with HUD regulations, the Community Development Department has prepared the following plan which outlines the process through which citizens will be informed of and involved in the Community Development Program. The Community Development Program involves funding of both the Community Development Block Grant and HOME Investment Partnerships (HOME) Program.

The Citizen’s Participation Plan is an effort to create a collaborative process whereby citizens assist in developing a vision for community development housing actions. The City Council will consider both public comments and recommendations of the Citizen’s Advisory Committee (CAC) in making decisions to allocate Community Development and HOME resources.

To affirmatively encourage citizen participation, the following plan elements shall be implemented in the execution of the Community Development Program.

**2. GOAL**

The goal of the Citizen Participation Plan is to provide Auburn citizens with an opportunity to participate in various processes of the Community Development Program. Citizen participation shall be conducted in an open manner with appropriate and timely dissemination of information pertinent to all plans and programs. The emphasis of this Citizen Participation Plan to involve persons who are most likely to be affected by and utilize the Community Development Program, especially persons of low income, persons with special needs, and persons living in target areas.

**3. OBJECTIVES**

The objectives of the Citizen Participation Plan are to:

Encourage citizen participation with emphasis on participation by persons who are of low income, special needs, and persons who live in or own property in a target area;

- Provide citizens with reasonable and timely access to local meetings, information, and records relating to the City's proposed and actual use of funds;
- Provide technical assistance to groups or representative of persons of low income that request such assistance in developing proposals with the level and type of assistance to be determined by the City;
- Obtain citizen views and answer questions at all stages of the Community Development process including development of needs, review of proposed activities and review of program performance;
- Provide for a timely written answer to complaints and grievances; and
- Provide for meeting the needs of non-English speaking residents and persons with special needs for accessibility or communication assistance at public meetings where a significant number of people are expected to participate.

**4. PUBLIC PARTICIPATION**

**A. NOTICES OF PUBLIC MEETINGS**

Public meetings are held to obtain views of citizens and public agencies with respect to the Community Development Program. Meeting notices will be published on the City's website.

At least 30 days before adoption by the City Council, a summary of the proposed Consolidated Plan and Annual Action Plan will be published on the City's web site to give citizens an opportunity to review and comment on the plan. The summary will describe the general contents of the Consolidated Plan. The public notice will indicate the location where copies can be examined or how to find it on the web site.

At least 15 days before submission a public notice will be placed in a local newspaper announcing the availability of the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER provides a review of program progress and performance of the Community Development Block Grant Program.

## B. AVAILABILITY OF PUBLIC DOCUMENTS

Documents will be available at the Community Development Department for perusal in an effort to provide readily accessible information to citizens. Historical records will be available for the previous five-year period. Documents that will be available are:

- Residential Anti-displacement;
- Relocation Assistance Plan and Affordable Rent Policy;
- Urban Conditions Study;
- Citizen Participation Plan;
- Community Development Block Grant Regulations;
- Environmental Review Records;
- Consolidated Annual Performance and Evaluation Report;
- Guidelines of various programs funded with Community Development and HOME Investment Partnerships Program funds; and
- Consolidated Plan and Annual Action Plans.

## C. CITIZENS ADVISORY COMMITTEE

The purpose of the Citizen's Advisory Committee is to assist in developing the Consolidated Plan and to monitor progress on achieving the goals and objectives of the plan. The committee will be made of a minimum of 11 Auburn residents, with a quorum being a majority of those currently appointed. The Committee will meet on a regular basis to track progress in accomplishing the goals of the Consolidated Plan. Community Development staff shall solicit members who will be representative of the following categories:

- At least one person of minority race or ethnic background;
- 3 representatives of community organizations, one of which represents the interests of homeless persons;
- A City Councilor;
- 4 persons from target areas including residents, landlords and small business owners. There will be a minimum of 1 each from the Downtown, Union Street and New Auburn Target Areas; and
- 2 representatives with a background in Real Estate or Finance

The City Councilor member shall be appointed by the Council and their term shall coincide with their term in office. The other committee members shall be appointed by the Mayor and their term shall be three years, terms start on July 1st. The CAC membership shall elect a person amongst them to act as liaison with Community Development staff and to serve as spokesperson for the CAC to the City Council.

### 1) CAC Meetings:

#### a) Consolidated Plan

The CAC will be involved in assisting with development of the 5-year Consolidated Plan by considering needs and resources, and prioritizing goals and objectives.



b) Annual Action Plan

In the subsequent four years, the CAC will review the annual Consolidated Annual Action Plan for conformance with the Consolidated Plan.

c) Consolidated Annual Performance and Evaluation Report (CAPER)

At the end of each program year, a performance report will be prepared. The CAC will meet after completion of the CAPER to consider progress in meeting the stated goals and objectives of the Consolidated Plan. The CAC will also review program performance, effectiveness, and evaluation.

d) The CAC may determine that other meetings are necessary to promote the goals of the Consolidated Plan. Establishing extra meetings will require a majority vote of the CAC.

**2) Consolidated Plan Considerations:**

During the study process, the CAC will consider data on housing needs and comments from focus groups to establish priorities. The CAC will consider the needs of extremely low-income, low-income, moderate-income, and middle income families; renters and owners; persons who are elderly, disabled, persons with HIV/AIDS and their families; single persons, large families, public housing residents, families on the public housing or section 8 tenant-based waiting list, and homeless; consider specific problems such as cost-burden, severe cost-burden, substandard housing and overcrowding.

**D. OTHER PUBLIC PARTICIPATION**

Community Development staff shall solicit input from citizens who may be affected by Community Development projects to give them an opportunity to express their views concerning problems, suggestions and alternatives to the proposed projects. A public notice will announce the availability of City documents and may include:

- amount of Community Development Block Grant funding to be received;
- eligible activities;
- general program requirements;
- previous years' use of funds;
- projected use of funds;
- time schedule for submitting the Consolidated Plan;
- amount of funds that will benefit very low, low, and low-moderate income persons; and plans to minimize displacement of persons and to assist persons.

## E. CITY WEBSITE AND SOCIAL MEDIA NETWORKING

The City of Auburn's website will provide up-to-date information on the Community Development and HOME Investment Partnerships Programs. Meeting notices, the draft and adopted Consolidated Plan, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports, various adopted guidelines and policies, and the Citizen Participation Plan will be available.

In order to reach a broader more diverse audience, during the 5-year planning process the Community Development Department will also utilize an internet social networking site to provide important information on the Consolidated Plan and funding resources.

## F. PUBLIC HEARINGS

Public hearings shall be held by the City Council and shall serve as additional forums for citizens to convey their views on community development and housing needs, and to respond to proposed budget. At least 10 days prior to public hearings, a notice shall be placed in the newspaper announcing the public hearing. These public hearings will be conducted in the evenings and participation via zoom will be available. Recordings of these Public Hearings will be posted online for additional viewing accommodations. The City Council will consider comments or views of citizens received in writing or orally at the public hearing, Public hearing will be held at Auburn Hall, a location that accommodates persons with disabilities. Public hearing shall be held as follows:

- 1) **Consolidated Plan** - A public hearing will be held prior to adoption of the Consolidated Plan. A draft Consolidated Plan will be available to the public 30 days prior to adoption. Copies will be available free of charge.
- 2) **Consolidated Annual Action Plan** - A public hearing will be held prior to adoption of each Consolidated Annual Action Plan. A draft Annual Action Plan will be available 30 days prior to adoption. Copies will be available free of charge.
- 3) **Amendments** - A public hearing will be held prior to adoption of any substantial amendments to the Consolidated Plan and Annual Action Plans. A substantial program amendment description will be available 30 days prior to adoption. Copies will be available free of charge.
- 4) **Consolidated Annual Performance and Evaluation Report** - A public hearing will be held prior to submission of the Consolidated Annual Performance and Evaluation Report. The report will be available 15 days prior to submission. Copies will be available free of charge.

## G. CONSIDERATION OF COMMENTS

A summary of comments will be attached to the appropriate document and submitted to the City Council before an action is taken. The City Council shall consider comments of the CAC or others

prior to final adoption of the Consolidated Plan, Annual Action Plan, or Consolidated Annual Performance and Evaluation Report.

## **H. RESPONSE TO PROPOSALS/COMMENTS**

A staff member of the Community Development Department will respond to citizen comments or proposals. For every written proposal or comment, there will be a written response with reasons stated for whatever action the City has taken on the proposal. Oral proposals will receive oral responses, though they may be in writing.

## **5. SPECIAL CONSIDERATIONS**

### **A. ACCOMMODATIONS**

Arrangements will be made for non-English-speaking persons and persons with special needs for mobility, hearing and visual impairments, or the homebound. Please contact the Community Development Department in advance so that arrangements can be made to provide adequate communication assistance. Access to these accommodations can be attained by contacting the Community Development Office ahead of time at (207) 333-6601 or emailing [CDBG@auburnmaine.gov](mailto:CDBG@auburnmaine.gov).

### **B. TECHNICAL ASSISTANCE**

Staff will provide direct assistance to low-income persons or their representative when forming proposals for Community Development activities. The level and type of assistance will be determined by Community Development staff and may not necessarily include the provision of funds to any person, group, or agency.

Staff will provide direct assistance to low income persons in their effort to progress through the various program processes. For the Rehabilitation Program, assistance will include preparing a loan application, submitting financial information, providing advice for soliciting bids, or upon request securing bids for a property owner, comparing and evaluating bids for conformance to required work, assisting to schedule rehabilitation work, managing the escrow account, performing inspections to ensure quality work, acting as liaison between the contractor and property owner for complaints and resolving a variety of other problems. For the homebuyer programs, assistance will include preparing a loan application, submitting financial information, providing pre-qualification for housing affordability, credit counseling, and guiding the home purchase.

Staff will provide counseling to tenants who are in jeopardy of being displaced because of a federally funded project and provide relocation assistance to those who are being displaced. Tenants will be assisted when required to file relocation claim forms and to secure comparable housing that is decent, safe and sanitary.

Staff will make a credit counseling referral to low-income households to assist them becoming homeowners.

## **6. COMPLAINTS AND GRIEVANCES**

Citizens who have objections or complaints about the Community Development or HOME Programs may submit a written complaint to:

Community Development Department  
City of Auburn  
60 Court Street  
Auburn, ME 04210

The complaint should include the date, name, address, telephone number of the complainant, convenient hour to reach that person by telephone, nature of the complaint and location. The complaint may also be given orally. The person initiating the complaint will schedule a meeting with the Community Development Manager and a formal complaint will be formulated from the interview that will be signed by the complainant.

There will be a written response, within 15 days of receipt, to the complainant. The response will indicate the ultimate disposition of the complaint.

## **7. AMENDMENTS TO CONSOLIDATED PLAN**

Auburn will amend its Consolidated Plan in the following ways: whenever it makes one of the following decisions:

### **a) Minor Amendment**

A minor amendment will be approved by the City Manager. These include:

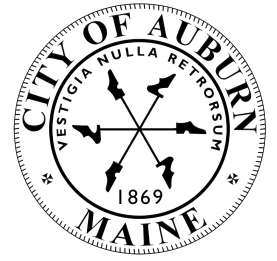
- Program Guideline updates
- Policy Changes
- Budget changes under 20% of planned projects

### **b) Substantial Amendment**

A substantial amendment must be authorized by the City Council and submitted to the U. S. Department of Housing and Urban Development. A public notice of the change will be published 30 days before adoption of an amendment by the City Council. An additional public hearing for a program amendment will be held in advance of a City Council vote.

A substantial amendment includes:

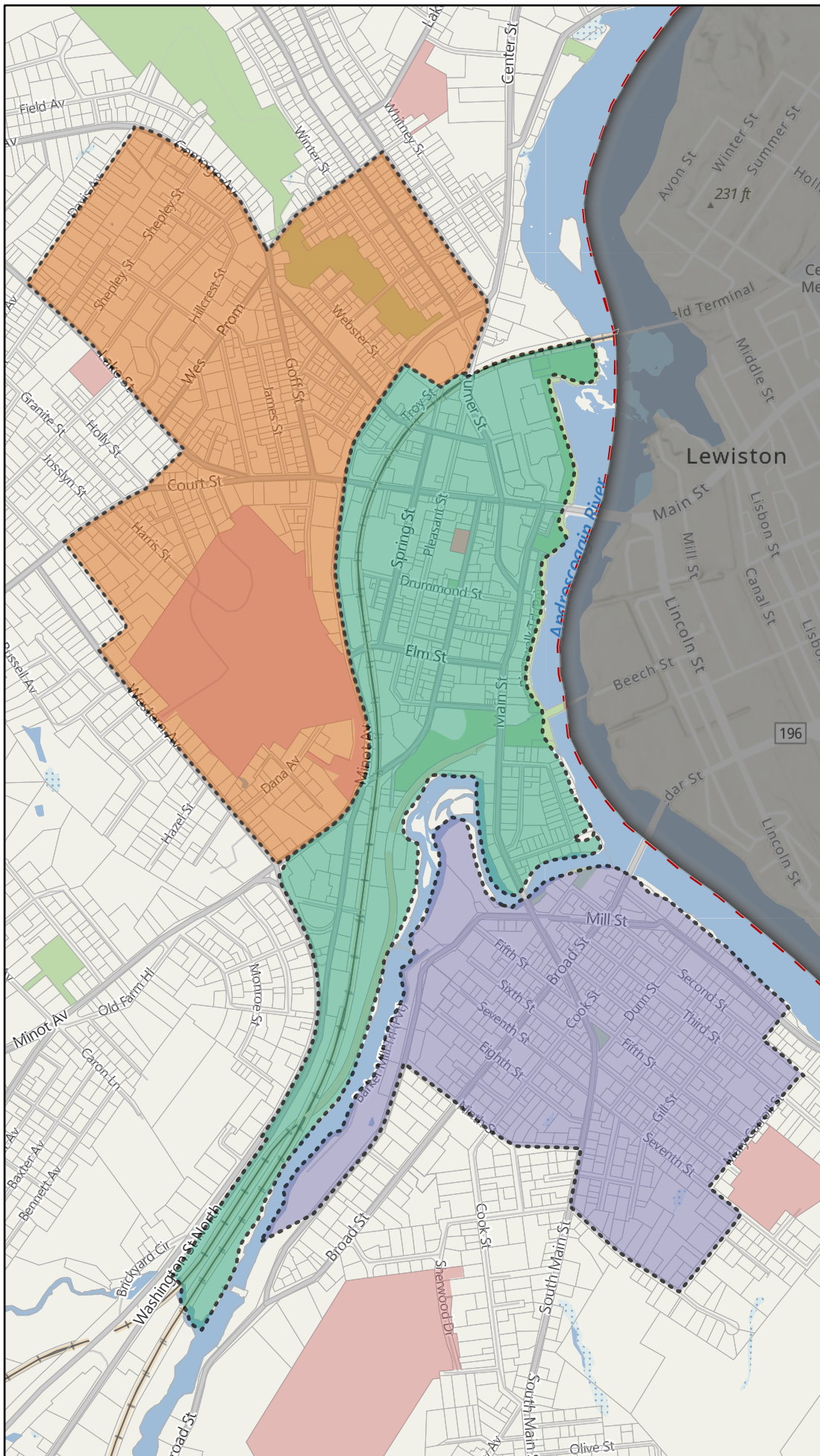
- to change a goal, priority, or activity of the Consolidated Plan;
- to carry out an activity using funds from any program covered by the Consolidated Plan (including program income) not previously covered in the Consolidated Annual Action Plan; or
- to change the purpose, scope, location, or beneficiaries of an activity included in the Consolidated Annual Action Plan.
- Change that exceeds 10% of the amount of annual Community Development or HOME Program budget



60 Court Street  
Auburn, ME  
207.333.6601

## CDBG 2021

51% Low to  
Moderate Income  
Populations



- Census Tract 101
- Census Tract 103
- Census Tract 105

School



Park



0 1,000 Feet

Data Source:  
2011-2015 American  
Community Survey (ACS),  
Census 2010



City of Auburn, Maine  
 Business & Community Development  
 Glen Holmes, Director  
 60 Court Street | Auburn, Maine 04210  
[www.auburnmaine.gov](http://www.auburnmaine.gov) | 207.333.6601

## CDBG Housing Rehabilitation Program

### I. PROGRAM SPECIFICS

#### A. PROGRAM GOAL

The goal of the Housing Rehabilitation Program is to improve the quality of housing by eliminating substandard housing conditions and upgrading the property. The Housing Rehabilitation Program is funded by the Community Development Block Grant Program and is subject to all the Community Development Program rules.

#### B. ELIGIBILITY CRITERIA

1. The property may be an owner-occupied, investor-owned, or owned by a non-profit agency. The property must be year-round residential structure or be converting to a year-round status.
2. A Low- to Moderate-Income (LMI) household must occupy a structure with one unit. Two-unit structures must have at least one unit occupied by a LMI household. If the structure contains three or more units, at least 51 percent must be LMI occupied.
  - a) Applicants will be required to provide source income if they are the occupant or tenant certifications of income. Applicants will be required to sign a Rent Regulatory Agreement to assure one- year occupancy after project completion by a low-income tenant.
3. Upon completion the property will be decent, safe, sanitary and in good repair and meet the following housing standards: Lead Safe Housing Rule, accessibility requirements of 24 CFR Part 8, Section 504 of the Rehabilitation Act of 1973, and standards of the International Existing Building Code. Community Development Office staff will determine the requirements for building improvements. An application may be deemed ineligible if the CDO staff determines a project is not feasible with the available resources.
4. Properties that have utilized a City of Auburn Housing Rehabilitation Program loan within the past 10 years are not eligible unless special permission is granted by the Program Director.

## C. ASSISTANCE CATEGORIES AND TERMS

### 1. Loan Terms

- a) Maximum loan assistance is \$35,000 per unit.
  - (1) Investor Owned:
    - 75% amortized loan @ 4% APR
    - 25% private match of total project costs.
      - The private match requirement may be waived by the Program Director based on cash flow or inability to obtain private financing in which case the ratio shall be 75% loan and a 25% deferred loan.
  - (2) Owner Occupied:
    - 50% amortized loan @ 2% APR
      - If owner is below 65% of median income, APR of amortized loan shall be 0%
    - 50% deferred loan
- b) Amortized Loan term shall be established by the Program Director based on the financial capacity of the applicant. The maximum term is 25 years.
- c) If the property is sold or transferred prior to the end of the repayment period, the principal balance of the loan(s) shall be immediately repaid.

### 2. Eligible Improvements

Improvements include rehabilitation of a permanent nature which may include:

- a) Architectural and engineering services relative to project improvements undertaken.
- b) structural repairs.
- c) energy improvements.
- d) elimination of lead paint hazards.
- e) weatherization.
- f) accessibility for disabled persons.
- g) repair or replacement of major housing systems.
- h) repair of code violations.
- i) general property improvements of a non-luxury nature.
- j) repair of retaining walls.
- k) utility connections.
- l) Finishing of unfinished space to add space to an existing dwelling unit to make it properly sized for the occupants.
- m) Driveway and yard repair.
- n) Earthwork limited to correction of a significant drainage or landscape

- problem.
- o) Demolition, structural repairs or weather protection of garages, barns and accessory buildings.
  - p) Fencing when required to correct a hazardous condition; and
  - q) Any improvements which accomplish the goals of this program.

### **3. Ineligible Improvements**

Improvements which are ineligible include:

- a) new construction.
- b) creation of additional unit(s).
- c) New paving.
- d) costs of equipment, furnishings, or other personal property not an integral structural fixture such as appliances.
- e) labor costs for property owners to rehabilitate their own property.
- f) improvements attributable to the non-residential portion of a mixed-use property.
- g) any costs incurred before an agreement is signed.

## **D. NATIONAL OBJECTIVES**

Projects will be eligible under the low- to moderate-income benefit National Objective. The allocation of loan pool funds each year must be a minimum 75% for low-income projects. Projects will be processed under the low- income criteria whenever possible.

### **1. Low-Income Criteria**

- a) Applicants will be required to provide source income if they are the occupant or tenant certifications of income. Applicants will be required to sign a Rent Regulatory Agreement to assure one- year occupancy after project completion by a low-income tenant.

## **II. APPROVAL PROCESS**

### **A. PROGRAM QUALIFICATION ASSESMENT**

The Community Development Office has responsibility for administration of the Rehabilitation Program. Community Development performs the underwriting and presents the loan request to the Program Director for approval based on achieving the national objective in part I-D above and part II-C below.

### **B. PRIVATE FUNDS**

Private Funds: When matching funds are required, the applicant will have the option of using cash or borrowed funds. Match funds will be deposited into a segregated City account and will be subject to disbursement of funds procedures defined in this guideline.



**C. LOAN CONSIDERATIONS**

In approving or denying loan requests, the Community Development staff shall be guided by the following loan considerations:

**1. Underwriting**

- a) Cash flow - ability to repay the debt.
- b) Credit - credit history and reputation.
- c) Payment of taxes or acceptable arrangements.
- d) Collateral - Collateral coverage must be adequate as determined by the Community Development Staff.
- e) Security - other assets.
- f) Commitment of matching funds.

**2. Assessment Private/Public Benefit**

The Community Development staff will also consider the broader implications of private and public benefits.

**III. REHAB PROGRAM ADMINISTRATION**

**A. NON-DISCRIMINATION**

Administration of this program shall be in accordance with Title VI of the Civil Rights Act of 1964. No person shall, on the ground of race, color, national origin, be excluded from participation in, be denied the benefits of, or subjected to discrimination under this program.

**B. APPLICATION PRIORITY**

Applications shall be processed on a first-come, first-served basis. Community Development staff shall use the receipt date of a complete application to establish the order of priority. The applicant will be notified if there is funding available to proceed with the project, if there is inadequate funding then the application may be placed on a waiting list.

**C. PARTICIPATION BY RELIGIOUS ORGANIZATIONS**

- 1. Religious organizations can apply for Rehabilitation Loans with the understanding that loan funds cannot be used to support inherently religious activities such as worship, religious instruction, or proselytization. The organization can engage in such activities, but they must be offered in a different location. Religious participation by tenants must be voluntary.
- 2. The organization must not discriminate against a tenant or prospective tenant based on religious belief or refusal to participate in a religious practice.
- 3. Any units improved with rehabilitation funds must be available for occupancy on the open market.

**D. AFFORDABLE RENT STANDARDS**

1. Rental units that are improved with Community Development funds shall be available and affordable to low- and moderate-income households.
2. The applicant will be required to furnish rental information to enable Community Development staff to evaluate the impact of the project on rent levels. The applicant will submit the current amount of rental charges for all units in the housing project, utility types, who pays the utilities, and the names of tenants.
3. A rent cap shall apply to assisted units of which 51% will be occupied by low-income households. The maximum allowable rent shall be equal to the amount of rent and utility costs being paid by the tenant at the time of loan closing. The period of affordability shall be one year after the loan final inspection date.
4. Vacant units at the time of application shall be rented to low- and moderate-income households. The maximum allowable rent for vacant units shall not exceed the Fair Market Rent in effect when the rent is calculated with an adjustment for utility allowance based on Section 8 Existing Housing Allowances for Tenant Furnished Utilities and Other Services. The period of affordability shall be one year from the final inspection date.
5. The borrower will sign a Rent Agreement stipulating rent limitations at loan closing.

**E. DEFINITIONS****1. Fair Market Rent**

An annually published rent level prescribed by the U.S. Office of Housing and Urban Development based on a specified number of bedrooms.

**2. Household Income**

- a) For the purpose of determining eligibility, Community Development staff will calculate income by estimating the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is requested based on the IRS Form 1040 method as defined by the Office of Housing and Urban Development.
- b) If the project expects to use tax credits as part of the funding method an additional income qualification using the Part 5 method as defined by the Office of Housing and Urban Development will be required.
- c) Income of all members of the household is considered for computing income. This may include wages, salaries, overtime, bonuses, fees, tips, commissions, interest and dividend income, self-employment income, net rental income, income from estates or trusts, child support, alimony, Social Security benefits, SSI retirement, survivor or disability pension, VA payments, pension, or annuity, Temporary Aid to Needy Families, unemployment benefits, worker's compensation, and disability or benefits from

any source. Income will be based on the IRS Form 1040 method as defined by the Office of Housing and Urban Development.

- d) For the purpose of computing income, a household shall be defined as all persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together or any other group of related or unrelated persons who share living arrangements.
3. **Investor-Owner**  
Absentee owner, who may receive rehabilitation assistance to improve housing conditions for the tenants.
4. **Mixed-Use**  
A property used in some part for residential purposes and in some part for non-residential purposes.
5. **Owner-Occupied**  
An applicant who holds the entire ownership interest of a property and lives in one unit of the property as a primary residence.
6. **Rehabilitation Costs**  
The total of contractor estimates from the lowest eligible contractors, self-help expenses, and the contingency determined to be reasonable by the Rehab Coordinator.
7. **Residential Property**  
A property used entirely for residential purposes (household living space).

## **F. INCOME LIMITS**

To qualify applicants for various loans under the Rehabilitation Program, Community Development staff will use income limits for Lewiston-Auburn SMSA established by the Office of Housing and Urban Development. Revised charts will be used upon receipt.

## **G. APPLICATION PROCEDURES**

This section sets forth the application procedures for rehabilitation loans.

1. **Initial Application** - Loan application may be obtained from the Community Development Office (CDO).
2. **CDO Responsibilities** - The City will make available the services of staff who will solicit applications, determine the scope of work, prepare specifications, document eligibility criteria and underwriting, secure approval, prepare loan documents, and act as a project manager including authorizing progress payments.
3. **Verifications**
  - a) **Income** - Copies of all income sources (i.e. check stubs, statements, W-2 forms, State and Federal income tax returns) shall be provided by the applicant. A certified financial statement or other documentation from an accountant or other acceptable source may be required of a corporation, partnership, or other business enterprise. Written verification may be required from income sources.

- b) Title - The CDO staff shall verify title by checking the records at the Androscoggin County Registry of Deeds.
- 4. **Initial inspection** - If it appears that the applicant and property are eligible for a loan, an initial inspection will be scheduled with the applicant and the Rehab Coordinator. Rehabilitation requirements will be determined during the initial inspection. An application may be deemed ineligible after initial inspection if the Rehab Coordinator determines a project is not feasible with the available resources.
- 5. **Inspection Report and Specifications** - An inspection report shall be prepared by the Rehab Coordinator and mailed to the applicant. The inspection report shall list the rehabilitation requirements to bring it into compliance. Once the owner has reviewed the inspection report, the Rehab Coordinator creates technical specifications for contractor bidding.
- 6. **Lead** - The Rehab Coordinator must consider whether the rehabilitation calls for lead hazard control measures.
  - a) A risk assessment will identify whether lead hazards exist and what type of methods must be used to control the identified hazards, or the coordinator may presume surfaces are covered by lead-based paint. It will be necessary to perform clearance testing of the construction area to confirm the absence of lead hazards after the work is completed. All testing costs will be paid by the CDO.
  - b) The Contractor, owner and Rehab Coordinator will work closely to minimize the need to displace occupants of a dwelling unit. If a tenant must move to ensure that they are not adversely affected by the corrective work, the owner and CDO will arrange for the relocation. CDO shall pay for temporary moves according to its Residential Anti-displacement and Relocation Assistance Plan.
- 7. **Bidding & Contractor Eligibility** – The bidding process and selection of a contractor will be conducted in accordance with the Community Development Office’s Rehab Bidding and Contractor Eligibility Policy.
- 8. **Private Lender's Loan** - Interest rates and terms of the portion of the rehabilitation work to be funded by the private lender shall be individually negotiated between the loan applicant and the respective lending institution. The private lender's funds are subject to the same contractor and self-help requirements as the City's loan.
- 9. **Loan Closing** - A loan closing shall be completed prior to contractors starting work and shall include, but not be limited to a mortgage instrument to be recorded at the Androscoggin Registry of Deeds, and a promissory note in the full amount of the City's loan.
- 10. **Assumability**- Loans are generally non assumable.
- 11. **Cancellation** - A loan approval shall be valid for 3 months. If there has been no loan closing or commencement of work, it will be necessary for such a loan to be reconsidered by the Community Development staff.
- 12. **Construction Contract** - The owner and contractor will sign a contract at the time of loan closing which is acceptable to the CDO. Assurance will be required of the contractor and owner that the

rehabilitation work will be carried out efficiently and within a reasonable period of time. The contractor shall secure all necessary permits prior to the start of work at his/her own expense. The contractor shall contact the Rehab Coordinator for approval of each phase of the work.

13. **Change Orders** - No change to the rehabilitation contract work shall be allowed unless approved by the CDO, owner, and contractor. Any changes involving cost will be supported through the execution of a change order between the contractor and owner. No change orders will be able to exceed the approved loan amount without approval of the Program Director.
14. **Inspection** - The CDO shall have the right to inspect all rehabilitation work financed in whole or in part with the proceeds of the loan. The CDO will inform the owner and/or contractor of any noncompliance with respect to the rehabilitation work and the corrective action needed. The CDO will verify that all work has been done according to the specifications. No payment shall be made until the work is acceptable. The owner will take all steps necessary to assure that the CDO is permitted to examine and inspect the rehabilitation work.
15. **Records** - The applicant agrees to keep such records as may be required by the CDO with respect to the rehabilitation work financed in whole or in part by the loan and, furthermore, when the rehabilitated property contains rental units, the applicant agrees to keep such records as may be needed by the CDO with respect to income received and expenses incurred from this property. The applicant will, at any time during normal business hours, and as often as the CDO may deem necessary, permit the CDO to have full and free access to its records with respect to the property.
16. **Escrowing of funds** - The CDO will act as escrow agent for the City loan, as well as any supplemental funds required to meet the amount of the construction contracts. The owner permits the CDO to disburse such funds to the owner and/or the contractor in the manner set forth in the contract between applicant and contractor. The CDO may require lien waivers as a condition of payment.
17. **Disbursement of Funds** - After receiving appropriate invoices and receipt of lien waivers for invoices over \$5,000, and inspecting the rehabilitation work, progress payments shall be authorized by the Program Manager. Unutilized funds may be applied to reduce the principal of the City and private funds to maintain the 75% City and 25% private participation level or may be used to complete additional work as approved by the CDO.

**CDBG Housing Rehabilitation Program**

Program guidelines approved:

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Phil Crowell, City Manager

Date



City of Auburn, Maine  
 Business & Community Development  
 Glen Holmes, Director  
 60 Court Street | Auburn, Maine 04210  
[www.auburnmaine.gov](http://www.auburnmaine.gov) | 207.333.6601

## **CDBG Emergency Repair Program**

### **I. PROGRAM SPECIFICS**

#### **A. PROGRAM GOAL**

The goal of the Emergency Repair Program is to respond to critical housing needs while upgrading the property conditions to meet critical deficiencies. The Emergency Repair Program is funded by the Community Development Block Grant Program and is subject to all the Community Development Program rules.

#### **B. ELIGIBILITY CRITERIA**

1. The property may be an owner-occupied, investor-owned, or owned by a non-profit agency. The property must be year-round residential structure or be converting to a year-round status.
2. A Low- to Moderate-Income (LMI) household must occupy a structure with one unit. Two-unit structures must have at least one unit occupied by a LMI household. If the structure contains three or more units, at least 51 percent must be LMI occupied.
  - a) Applicants will be required to provide source income if they are the occupant or tenant certifications of income. Applicants will be required to sign a Rent Regulatory Agreement to assure one- year occupancy after project completion by a low-income tenant.
3. Funds must be used to repair/replace a “major system” if it has been determined by the Community Development Office to have failed, be in danger of failing within the next 12 months or be determined to be causing ongoing damage to other parts of a qualified residence. These systems are limited to:
  - a) Roof Repair
  - b) Furnace
  - c) Septic or Sewer hookup
  - d) Hot Water heater or Public Utility service lines
  - e) Electrical repairs to correct a safety hazard

#### **C. ASSISTANCE CATEGORIES AND TERMS**

##### **1. Loan Terms**

- a) Maximum loan assistance is \$25,000.

(1) Investor Owned:

- 75% amortized loan @ 4% APR
- 25% private match of total project costs.
  - The private match requirement may be waived by the Program Director based on cash flow or inability to obtain private financing in which case the ratio shall be 75% loan and a 25% deferred loan.

(2) Owner Occupied:

- 50% amortized loan @ 2% APR
  - If owner is below 65% of median income, APR of amortized loan shall be 0%
- 50% deferred loan

- b) Amortized Loan term shall be established by the Program Director based on the financial capacity of the applicant. The maximum term is 25 years.
- c) If the property is sold or transferred prior to the end of the repayment period, the principal balance of the loan(s) shall be immediately repaid.

**D. NATIONAL OBJECTIVES**

Projects will be eligible under the low- to moderate-income benefit National Objective. The allocation of loan pool funds each year must be a minimum 75% for low-income projects. Projects will be processed under the low-income criteria whenever possible.

**1. Low-Income Criteria**

- a) Applicants will be required to provide source income if they are the occupant or tenant certifications of income. Applicants will be required to sign a Rent Regulatory Agreement to assure one-year occupancy after project completion by a low-income tenant.

**II. APPROVAL PROCESS**

**A. PROGRAM QUALIFICATION ASSESSMENT**

The Community Development Office has responsibility for administration of the Emergency Repair Program. Community Development performs the underwriting and presents the loan request to the Program Director for approval based on achieving the national objective in part I-D above and part II-C below.

**B. PRIVATE FUNDS**

Private Funds: When matching funds are required, the applicant will have the option of using cash or borrowed funds. Match funds will be deposited into a

segregated City account and will be subject to disbursement of funds procedures defined in this guideline.

**C. LOAN CONSIDERATIONS**

In approving or denying loan requests, the Community Development staff shall be guided by the following loan considerations:

**1. Underwriting**

- a) Cash flow - ability to repay the debt.
- b) Credit - credit history and reputation.
- c) Payment of taxes or acceptable arrangements.
- d) Collateral - Collateral coverage must be adequate as determined by the Community Development Staff.
- e) Security - other assets.
- f) Commitment of matching funds.

**2. Assessment Private/Public Benefit**

The Community Development staff will also consider the broader implications of private and public benefits.

**III. PROGRAM ADMINISTRATION**

**A. NON-DISCRIMINATION**

Administration of this program shall be in accordance with Title VI of the Civil Rights Act of 1964. No person shall, on the ground of race, color, national origin, be excluded from participation in, be denied the benefits of, or subjected to discrimination under this program.

**B. APPLICATION PRIORITY**

Applications shall be processed on a first-come, first-served basis. Community Development staff shall use the receipt date of a complete application to establish the order of priority. The applicant will be notified if there is funding available to proceed with the project, if there is inadequate funding then the application may be placed on a waiting list.

**C. PARTICIPATION BY RELIGIOUS ORGANIZATIONS**

- 1. Religious organizations can apply for Emergency Repair Loans with the understanding that loan funds cannot be used to support inherently religious activities such as worship, religious instruction, or proselytization. The organization can engage in such activities, but they must be offered in a different location. Religious participation by tenants must be voluntary.
- 2. The organization must not discriminate against a tenant or prospective tenant based on religious belief or refusal to participate in a religious practice.



3. Any units improved with Emergency Repair funds must be available for occupancy on the open market.

**D. AFFORDABLE RENT STANDARDS**

1. Rental units that are improved with Community Development funds shall be available and affordable to low- and moderate-income households.
2. The applicant will be required to furnish rental information to enable Community Development staff to evaluate the impact of the project on rent levels. The applicant will submit the current amount of rental charges for all units in the housing project, utility types, who pays the utilities, and the names of tenants.
3. A rent cap shall apply to assisted units of which 51% will be occupied by low-income households. The maximum allowable rent shall be equal to the amount of rent and utility costs being paid by the tenant at the time of loan closing. The period of affordability shall be one year after the loan final inspection date.
4. Vacant units at the time of application shall be rented to low- and moderate-income households. The maximum allowable rent for vacant units shall not exceed the Fair Market Rent in effect when the rent is calculated with an adjustment for utility allowance based on Section 8 Existing Housing Allowances for Tenant Furnished Utilities and Other Services. The period of affordability shall be one year from the final inspection date.
5. The borrower will sign a Rent Agreement stipulating rent limitations at loan closing.

**E. DEFINITIONS**

**1. Fair Market Rent**

An annually published rent level prescribed by the U.S. Office of Housing and Urban Development based on a specified number of bedrooms.

**2. Household Income**

- a) For the purpose of determining eligibility, Community Development staff will calculate income by estimating the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is requested based on the IRS Form 1040 method as defined by the Office of Housing and Urban Development.
- b) Income of all members of the household is considered for computing income. This may include wages, salaries, overtime, bonuses, fees, tips, commissions, interest and dividend income, self-employment income, net rental income, income from estates or trusts, child support, alimony, Social Security benefits, SSI retirement, survivor or disability pension, VA payments, pension, or annuity, Temporary Aid to Needy Families, unemployment benefits, worker's compensation, and disability or benefits from any source. Income will be based on the IRS

Form 1040 method as defined by the Office of Housing and Urban Development.

- c) For the purpose of computing income, a household shall be defined as all persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together or any other group of related or unrelated persons who share living arrangements.
3. **Investor-Owner**  
Absentee owner, who may receive Emergency Repair assistance to improve housing conditions for the tenants.
4. **Mixed-Use**  
A property used in some part for residential purposes and in some part for non-residential purposes.
5. **Owner-Occupied**  
An applicant who holds the entire ownership interest of a property and lives in one unit of the property as a primary residence.
6. **Emergency Repair Costs**  
The total of contractor estimates from the lowest eligible contractors, self-help expenses, and the contingency determined to be reasonable by the Rehab Coordinator.
7. **Residential Property**  
A property used entirely for residential purposes (household living space).

## **F. INCOME LIMITS**

To qualify applicants for various loans under the Emergency Repair Program, Community Development staff will use income limits for Lewiston-Auburn SMSA established by the Office of Housing and Urban Development. Revised charts will be used upon receipt.

## **G. APPLICATION PROCEDURES**

Application procedures for Emergency Repair loans.

1. **Initial Application** - Loan application may be obtained from the Community Development Office (CDO).
2. **CDO Responsibilities** - The City will make available the services of staff who will solicit applications, determine the scope of work, prepare specifications, document eligibility criteria and underwriting, secure approval, prepare loan documents, and act as a project manager including authorizing progress payments.
3. **Verifications**
  - a) **Income** - Copies of all income sources (i.e. check stubs, statements, W-2 forms, State and Federal income tax returns) shall be provided by the applicant. A certified financial statement or other documentation from an accountant or other acceptable source may be required of a corporation, partnership, or other business enterprise. Written verification may be required from income sources.

- b) Title - The CDO staff shall verify title by checking the records at the Androscoggin County Registry of Deeds.
- 4. **Initial inspection** - If it appears that the applicant and property are eligible for a loan, an initial inspection will be scheduled with the applicant and the Rehab Coordinator. Repair requirements will be determined during the initial inspection. An application may be deemed ineligible after initial inspection if the Rehab Coordinator determines a project is not feasible with the available resources.
- 5. **Inspection Report and Specifications**- An inspection report shall be prepared by the Rehab Coordinator and mailed to the applicant. The inspection report shall list the Repair requirements to bring it into compliance. Once the owner has reviewed the inspection report, the Rehab Coordinator creates technical specifications for contractor bidding.
- 6. **Lead** - The Rehab Coordinator must consider whether the Repair calls for lead hazard control measures.
  - a) A risk assessment will identify whether lead hazards exist and what type of methods must be used to control the identified hazards, or the coordinator may presume surfaces are covered by lead-based paint. It will be necessary to perform clearance testing of the construction area to confirm the absence of lead hazards after the work is completed. All testing costs will be paid by the CDO.
  - b) The Contractor, owner and Rehab Coordinator will work closely to minimize the need to displace occupants of a dwelling unit. If a tenant must move to ensure that they are not adversely affected by the corrective work, the owner and CDO will arrange for the relocation. CDO shall pay for temporary moves according to its Residential Anti-displacement and Relocation Assistance Plan.
- 7. **Bidding & Contractor Eligibility** – The bidding process and selection of a contractor will be conducted in accordance with the Community Development Office’s Rehab Bidding and Contractor Eligibility Policy.
- 8. **Private Lender's Loan** - Interest rates and terms of the portion of the Repair work to be funded by the private lender shall be individually negotiated between the loan applicant and the respective lending institution. The private lender's funds are subject to the same contractor and self-help requirements as the City's loan.
- 9. **Loan Closing**- A loan closing shall be completed prior to contractors starting work and shall include, but not be limited to a mortgage instrument to be recorded at the Androscoggin Registry of Deeds, and a promissory note in the full amount of the City's loan.
- 10. **Assumability**- Loans are generally non assumable.
- 11. **Cancellation** - A loan approval shall be valid for 3 months. If there has been no loan closing or commencement of work, it will be necessary for such a loan to be reconsidered by the Community Development staff.
- 12. **Construction Contract** - The owner and contractor will sign a contract at the time of loan closing which is acceptable to the CDO. Assurance will be required of the contractor and owner that the Repair

work will be carried out efficiently and within a reasonable period of time. The contractor shall secure all necessary permits prior to the start of work at his/her own expense. The contractor shall contact the Rehab Coordinator for approval of each phase of the work.

13. **Change Orders** - No change to the Repair contract work shall be allowed unless approved by the CDO, owner, and contractor. Any changes involving cost will be supported through the execution of a change order between the contractor and owner. No change orders will be able to exceed the approved loan amount without approval of the Program Director.
14. **Inspection** - The CDO shall have the right to inspect all Repair work financed in whole or in part with the proceeds of the loan. The CDO will inform the owner and/or contractor of any noncompliance with respect to the Repair work and the corrective action needed. The CDO will verify that all work has been done according to the specifications. No payment shall be made until the work is acceptable. The owner will take all steps necessary to assure that the CDO is permitted to examine and inspect the Repair work.
15. **Records** - The applicant agrees to keep such records as may be required by the CDO with respect to the Repair work financed in whole or in part by the loan and, furthermore, when the rehabilitated property contains rental units, the applicant agrees to keep such records as may be needed by the CDO with respect to income received and expenses incurred from this property. The applicant will, at any time during normal business hours, and as often as the CDO may deem necessary, permit the CDO to have full and free access to its records with respect to the property.
16. **Escrowing of funds** - The CDO will act as escrow agent for the City loan, as well as any supplemental funds required to meet the amount of the construction contracts. The owner permits the CDO to disburse such funds to the owner and/or the contractor in the manner set forth in the contract between applicant and contractor. The CDO may require lien waivers as a condition of payment.
17. **Disbursement of Funds** - After receiving appropriate invoices and receipt of lien waivers for invoices over \$5,000, and inspecting the Repair work, progress payments shall be authorized by the Program Manager. Unutilized funds may be applied to reduce the principal of the City and private funds to maintain the 75% City and 25% private participation level or may be used to complete additional work as approved by the CDO.

**CDBG Emergency Repair Program**

Program guidelines approved:

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Phil Crowell, City Manager

Date

**AUBURN-LEWISTON CONSORTIUM  
HOMEOWNER REHABILITATION  
LOAN PROGRAM GUIDELINES**

**A. INTRODUCTION**

The Cities of Auburn and Lewiston have formed a consortium to qualify for HOME Investment Partnerships Program funds whereby the grant is shared by both cities. The Home Owner Rehab Program guideline describes assistance that is available to enable low- and moderate-income households to improve the unit they occupy and is available in either city.

**B. PROGRAM OBJECTIVE**

The objective of the Homeowner Rehabilitation Loan Program is to improve the housing quality of low- and moderate-income property owners by eliminating substandard housing conditions by upgrading the property to meet code requirements for existing buildings, making the building energy efficient, and making general improvements to improve home livability. The Homeowner Rehabilitation Loan Program is subject to all HOME Investment Partnerships Program regulations.

**C. OUTREACH**

Community Development Office staff is responsible for providing outreach to encourage a full range of potential clients. This shall be accomplished through marketing to homebuyer education classes, newspaper articles, and advertising the availability of the Home Ownership Rehabilitation Program. Advertisements shall include a non- discrimination statement. Outreach shall be done in accordance with the Consortium's Affirmative Marketing Plan.

**D. PARTICIPANT ELIGIBILITY**

1. The applicant's household income is less than 80% of median income at the time of closing.
  - From time to time income-qualified applicants may have substantial savings and assets (from an inheritance, divorce settlement, from a parental gift, or simply through diligent savings) that can be used toward the rehabilitation of the unit. While these applicants meet the income-eligibility standards for the program, their ability to financially contribute to the project calls into question whether they are truly in need of federal assistance. Applicants with assets exceeding \$75,000 (excluding primary residence, primary vehicle, and retirement accounts) shall be considered ineligible.
2. The unit to be improved must be owned by the applicant at the time of closing.
3. The unit will be occupied as the principal residence of the applicant. If the owner ceases to occupy the unit as principal residence during the affordability period, the loan will be considered in default and full repayment will be required.

**E. PROPERTY ELIGIBILITY**

1. The property must be located in Auburn or Lewiston.
2. The applicant must own or have a written agreement to purchase the property to be improved.
3. The property must be one of the following approved forms of ownership: fee simple title, 99-year lease, condominium, or cooperative housing.
4. The property must be a single family owner occupied. Multi-unit and mixed-use properties and properties containing commercial uses are not eligible.
5. Upon completion the property will be decent, safe, sanitary and in good repair and meet the following housing standards: Lead Safe Housing Rule, accessibility requirements of 24 CFR Part 8, Section 504 of the Rehabilitation Act of 1973, and standards of the International Existing Building Code, and Housing Standards. Community Development Office staff will determine the requirements for building improvements. An application may be deemed ineligible if the Rehab Coordinator determines a project is not feasible with the available resources.
6. Properties that have utilized a City of Auburn Residential Rehabilitation Program loan within the past 10 years are not eligible unless special permission is granted by the City Manager.

**F. IMPROVEMENT STANDARDS**

1. Upon completion the unit will be decent, safe, sanitary, in good repair, and meet the following standards: Lead Safe Housing Rule, accessibility requirements of 24 CFR Part 8, Section 504 of the Rehabilitation Act of 1973, and the Existing International Building Code, and the City of Auburn's Housing Standards.
2. Eligible improvements are of an essential and permanent nature and may include but not limited to:
  - a. structural repairs;
  - b. energy improvements;
  - c. lead-based paint hazard reduction ;
  - d. accessibility for disabled persons;
  - e. repair or replacement of major housing systems;
  - f. incipient repairs and general property improvements of a non-luxury nature;
  - g. retaining walls and utility connection;
  - h. finishing of unfinished areas to add space to a dwelling unit to make it properly sized for the occupants according to applicable HUD standards;
  - I. improvements which would generally increase the economic viability of the property;
  - j. engineering and architect costs;
  - k. landscaping limited to correction of a drainage problem;
  - I. non-living space limited to demolition of deteriorated structure, structural repairs, and weather protection; and
  - m. fencing when required to correct a hazardous condition.
3. Improvements that are ineligible are:
  - a. new construction;

- b. paving;
- c. appliances or furnishings;
- d. rehabilitation costs attributed to other housing units in the property.

**G. LOAN TERMS**

1. The minimum loan is \$1,000.
2. The maximum subsidy limit (grants + loans) shall not exceed 75% of the after-rehabilitation value of the assisted property, as estimated by the Community Development Office.
3. The loan terms shall be as follows:

Income Range	2% Amortized Loan	0 % Amortized Loan	Deferred Loan
0-50% of median income			100%
51-65% of median income		50%	50%
65-80% of median income	50%	50%	

A deferred loan is a non-installment loan. Deferred loans will be repaid in a single payment upon sale, conveyance, or transfer of the property, within one year of death of the borrower(s), or at the time the owner ceases to occupy the property. In the case of the death of the borrower(s), the deferred loan may be forgiven if the property transfers to a relative that meets the income standard of 80% or less of median income.

**H. GRANTS**

Grants may be made available for the repair/replacement of a "major system" if it has been determined by the Community Development Office to have a useful life of less than five years. Maximum grant amounts for major systems are as follows:

Major System	Grant Amount
Roof	\$10,000
Furnace	\$5,000
Septic System	\$10,000
Whole House Re-Wiring - Knob & Tube Replacement	\$10,000
Electrical Distribution Panel Replacement	\$1,000

Total amount of grants for major systems may not exceed \$15,000

**I. UNDERWRITING**

1. The maximum HOME loan shall be based on the actual cost for the owner's unit and a proportional cost for common improvements based on the ratio of the owner's units to the total units in the building.
2. The after-rehabilitation value of the HOME assisted property will not exceed 95 percent of the median purchase price for the area, as established by HUD for existing single-family housing.
3. Documentation shall include either an appraisal or a comparable tax assessment

- value as determined by the Tax Assessor.
4. All debt shall not exceed 42% of gross income.

**J. APPROVAL**

**a. Approval of Auburn Loans**

HOME Loans will be Underwritten by Community Development Office staff and presented to the Program Director for approval based on achieving the program objective in part B, Underwriting standards in Part I and considerations under J-4. Additional conditions may be attached.

**b. Approval of Lewiston Loans**

HOME Loan will be reviewed by the Loan Qualification Committee (Committee) who will be responsible for making decisions to approve or deny loan requests and to establish loan conditions.

**c. Appeal Procedure**

The reason(s) for rejection shall be given to the applicant. HOME Loan that have been denied may be appealed to the approving authority for a period of thirty days after the date of rejection. The applicant(s) will be allowed to present his/her case. The approving authority may reconsider a prior decision to deny the application after the appeal review has been complete. A decision will be made immediately after the appeal has been heard.

**d. Loan Considerations**

In approving or denying loan requests, the approving authority shall be guided by the following loan considerations: cash flow; credit; payment of property taxes or acceptable arrangements; collateral coverage, and broader implications of public benefits including health and safety of the applicant.

**K. PROGRAM ADMINISTRATION**

**1. Non-Discrimination**

Administration of this program shall be in accordance with Title VI of the Civil Rights Act of 1964. No person shall, on the ground of race, color, national origin, be excluded from participation in, be denied the benefits of, or subjected to discrimination under this program.

**2. Definitions**

**a. Household Income**

- 1) When determining whether a household is income eligible, CDO will calculate annual income using the IRS Form 1040 method as defined by the Office of Housing and Urban Development.
- 2) If the project expects to use tax credits as part of the funding method an additional income qualification using the Part 5 method as defined by the Office of Housing and Urban Development is required.
- 3) For the purpose of determining eligibility, CDO will calculate annual household income by projecting the prevailing rate of income of each person at the time assistance is requested. Estimated annual income shall include income from all household members.
- 4) Income may include wages, salaries, overtime, bonuses, fees, tips, commissions, interest and dividend income, net rental income, child



support/alimony, Social Security benefits, SSI, retirement, pension or annuity, TANF, unemployment benefits, worker's compensation, and disability or benefits from any source.

- b. Household** - Includes all persons who occupy a housing unit. The occupants maybe a single family, one person living alone, two or more families living together or any other group of related or unrelated persons who share living arrangements.
- c. 80 % of Area Median Income** - Is the maximum income a household can earn, adjusted by household size in order to qualify as low- to moderate income and be eligible for the Homeowner Rehabilitation Loan Program. Income limits for Lewiston-Auburn SMSA are provided by the Office of Housing and Urban Development, and are revised annually.
- d. Community Development Office staff** - (CDO) is the contact person designated as the City's representative to process loan applications in Auburn or Lewiston.
- e. Rehabilitation Costs** -The total of contractor estimates from the lowest eligible contractors, self-help expenses, and the contingency determined to be reasonable by CDO.
- f. City** - Either the City of Auburn or City of Lewiston, as applicable.

**3. Application Procedures**

This section shall set forth the procedures for administering the Homeowner Rehabilitation Loan Program.

**a. Applications**

- 1) **Priority** -Applications will be processed on a first come, first served basis. CDO shall establish a priority processing list based on the receipt date of a complete application.
- 2) **Initial Application** - An application may be obtained from the Community Development Office. A complete application shall include verification of income. An incomplete application will be returned to the applicant.
- 3) **Income Verification** -The applicant(s) shall provide documentation of all income sources and a federal tax return. CDO shall make a determination of preliminary eligibility based on household size and income. A certified financial statement or additional documentation from an accountant or other acceptable source may be required of an individual whose income is from corporation, partnership, or other business enterprise.

- b. Initial Inspection** - CDO shall make an initial inspection of all housing units within a building to determine -the scope of work. Community Development staff will identify the required improvements in writing. Once the owner has reviewed the inspection report, CDO will prepare technical specifications for contractor bidding.
- c. Meeting -Rehabilitation Standards** - HOME assisted properties must meet housing standards at the completion of the project. Housing standards include Lead Safe Housing Rule, accessibility requirements of 24 CFR Part 8, Section 504 of the Rehabilitation Act of 1973, standards of the International Existing Building Code, and Housing Standards adopted by the City of Auburn.
- d. Lead** -The CDO must consider whether the rehabilitation calls for lead hazard control

measures.

**1) Risk Assessment** - A risk assessment will identify whether lead hazards exist and what type of methods must be used to control them or CDO may presume surfaces are covered by lead-based paint. It will be necessary to perform clearance testing of the construction area to confirm the absence of lead hazards after the work is completed. All testing costs will be paid by the CDO.

**2) Displacement** -- The Contractor, owner and CDO will work closely to minimize the need to displace occupants of a dwelling unit. If a tenant must move in order to insure that they are not adversely affected by the corrective work, the owner and CDO will arrange for the relocation. CDO shall pay for temporary moves according to its Residential Anti- Displacement and Relocation Assistance Plan.

**e. Bidding & Contractor Eligibility**

The bidding process and selection of a contractor will be conducted in accordance with the Community Development Office’s Rehab Bidding and Contractor Eligibility Policy.

**f. Private Capital Match**

When additional funds are required to complete the project, the applicant will have the option of using cash or borrowed funds. Additional funds will be deposited into a segregated City account and will be subject to disbursement of funds procedures defined in this guideline. Any funds provided by the Owner or private lenders are subject to the same contractor and self-help requirements as the City's loan.

**g. Notices**

**1) Acceptance-Applicant(s)** will be notified of acceptance through a written Commitment Letter.

**2) Rejection** - If the request is rejected, Community Development staff will notify the applicant(s) in writing and give the reason(s) for rejection.

**h. Loan Closing**

A loan closing shall be completed prior to contractors starting work and shall include, but not be limited to a mortgage instrument to be recorded at the Androscoggin Registry of Deeds, and a promissory note in the full amount of the City's loan. The participant will sign a Rehabilitation Agreement stipulating additional conditions of the loan and Self-Help Contract for any work being done by the participant.

**i. Change Orders**

No change to the rehabilitation contract work shall be allowed unless approved by the CDO, owner, and contractor. Any changes involving cost will be supported through the execution of a change order between the contractor and owner. No change orders will be able to exceed the approved loan amount without approval of the loan approving authority.

**j. Insurance**

The participant is required to maintain fire, liability and other hazard insurance on the property for the full term of the note and for an amount at least equal to the total value of all mortgages held on the property, or an amount at least sufficient to cover coinsurance requirements in the State of Maine. The City will be named as a mortgagee on the policy and the participant shall provide evidence of insurance.

**k. Construction Contract**

The owner and contractor will sign a contract signed at the time of loan closing which is acceptable to the COO. Assurance will be required of the contractor and owner that the rehabilitation work will be carried out efficiently and within a reasonable period of time. The contractor shall secure all necessary permits prior to the start of work at his/her own expense. The contractor shall contact the CDO for approval of each phase of the work.

**l. Inspections**

The CDO shall have the right to inspect all rehabilitation work financed in whole or in part with the proceeds of the loan. The CDO will inform the owner and/or contractor of any noncompliance with respect to the rehabilitation work and the corrective action needed. The CDO will verify that all work has been completed according to the specifications. No payment shall be made until the work is acceptable. The owner will take all steps necessary to assure that the CDO is permitted to examine and inspect the rehabilitation work.

**m. Escrowing of Funds**

The CDO will act as escrow agent for the City loan, as well as permit the CDO to disburse such funds to the owner and/or the contractor in the manner set forth in the contract between applicant and contractor. The CDO may require lien waivers as a condition of payment.

**n. Disbursement of Funds**

After receiving appropriate invoices, receipt of lien waivers for invoices over \$5,000, and inspecting the rehabilitation work, progress payments shall be authorized by the CDO. Unutilized funds may be applied to reduce the principal or may be used to complete additional work as approved by the CDO.

**o. Records**

The applicant agrees to keep such records as may be required by the CDO with respect to the rehabilitation work financed in whole or in by the loan and, furthermore, when the rehabilitated property contains rental units, the applicant agrees to keep such records as may be needed by the CDO with respect to income received and expenses incurred from this property. The applicant will, at any time during normal business hours, and as often as the CDO may deem necessary, permit the CDO to have full and free access to its records with respect to the property.

**p. Assumability**

Loans are generally not assumable with the exception of Homeowner projects where the applicant was a lessee. In the case of the death of the borrower(s), a deferred loan may be assumed by a relative of the original borrower that meets the income standard of 80% or less of median income. The deferred loan shall be converted to a forgivable loan and subject to the recapture provisions. The recapture period shall commence when the property is transferred.

**q. Subordination**

Subordination of the HOME loan is generally not allowed. Exceptions will be made for documented emergencies on a case-by-case basis by Community Development staff. CDO may request documentation in order to evaluate the request. Refinancing may be allowed for the following reasons:

1. limited to the existing first mortgage balance plus reasonable closing costs if refinancing places owner in a better economic situation and does

- not diminish the City's financial position in the property;
- 2. exorbitant medical expenses;
- 3. loss of husband/wife;
- 4. documented system failure (two estimates from reputable contractors); or
- 5. legal expenses incurred that would affect the health or stability of the household.

**r. Cancellation**

A loan approval shall be valid for 6 months. If there has been no loan closing or commencement of work, it will be necessary for such a loan to be reconsidered by the Community Development Loan Committee.

**L. FEDERAL AND STATE REGULATIONS. AS MAY BE AMENDED**

- a. Equal Employment Opportunity** - The applicant must abide by the provisions of Executive Order 11246 concerning equal employment opportunity.
- b. Flood Hazard Insurance** - If the property to be improved is located in a Designated flood hazard area, the applicant is required to provide evidence of flood hazard insurance coverage and abide by the regulations of the Flood Disaster Protection Act of 1973.
- c. Civil Rights** - The applicant will be required to comply with Title VIII of the Civil Rights Act of 1968 and the Fair Housing Amendments Act of 1988, barring discrimination upon the basis of race, color, religion, creed, sex, handicap, familial status, or national origin in the sale lease rental, use or occupancy of the subject property.
- d. Conflict of Interest** - No elected or appointed official or employee of the City of Auburn and no members of any municipal board or committee which exercises any decision-making functions with respect to the Community Development Programs, shall participate in negotiating or shall exercise any influences in awarding or administering any contract in which he has a direct or indirect pecuniary interest as that terms is defined by 30 M.R.S.A. Section 2250
- e. Lead Based Paint** - If the project involves a property that was constructed prior to 1978, all Title X Lead Based Paint standards shall apply.
- f. Environmental Review Procedures** -- The city shall conduct an environmental review including, but not limited to determination of whether the property is historically significant and whether the property is located in a flood zone and shall communicate any findings and special considerations to the applicant.
- g. Uniform Relocation Act** - The city shall comply with the Uniform Relocation Act with respect to tenants who may be permanently or temporarily displaced.

**HOMEowner Rehabilitation Loan Program**

Program guidelines approved:

\_\_\_\_\_  
Phil Crowell, City Manager

\_\_\_\_\_  
Date



### The Grant Process and How it Works

The Neighborhood Challenge Program makes funds available to groups and organizations to improve public property located within the CDBG target areas (Downtown area, New Auburn & Union St). Each application must consist of a single project with a clearly defined goal, one that has a direct benefit to the neighborhood and its residents.

- a. An organization obtains an application packet from the City of Auburn website at [www.auburnmaine.gov](http://www.auburnmaine.gov), completes and emails or delivers the completed application to [CDBG@auburnmaine.gov](mailto:CDBG@auburnmaine.gov). Applications may also be mailed to Community Development, City of Auburn, Community Development Office, 60 Court Street, Auburn, ME 04210;
- b. Applicants are encouraged to contact the city for assistance in preparing this application;
- c. Applications are reviewed and scored by City Staff & the Citizen Advisory Committee. (NOTE: The applicant should be prepared to make a presentation on their project proposal Review Committee after submission);
- d. If approved, a grant agreement will be awarded to the applicant. The applicant will be required to provide a check for any “matching” cash funds to the City of Auburn. The agreement will then be finalized, and a copy returned to the applicant (along with the reporting forms needed to complete the project);
- e. The Community Development Office staff will oversee projects to ensure compliance with all federal, state and local laws and ordinances;
- f. The City will issue vendor payments as the project progresses or at completion after inspections have been completed.

### Examples of Improvements Considered “Eligible” and “Not Eligible”

#### Eligible projects include (but are not limited to):

- Improvements to government owned property and/or rights of way (such as park equipment, street lighting, sidewalk repair/construction, roadway enhancements and neighborhood entrance improvements and/or identification signs).
- Total replacement and/or rehabilitation of some existing physical improvements might be deemed eligible (this would be based on the individual circumstances and available funding and will be judged on a case- by- case basis). Applicants are encouraged to reach out to appropriate city departments for assistance.

#### Ineligible projects include (but are not limited to):

- Routine maintenance or repair of existing physical improvements in a neighborhood (including, but not limited to: streets, fences, irrigation systems, storm water retention facilities, and entrance signs).
- Funding for ongoing programs or administrative expenses.
- Funding of printed brochures, guides, marketing and promotional materials.

**IMPORTANT: Grantees must submit before & after digital photographs documenting the progress of their project.**

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### Grant Requirements & Criteria

Each project will be scored based on the following criteria:

- a. The application must be for a “single project” and will include drawings or photographs;
- b. A budget that is well documented, reasonable, and cost effective. Three (3) quotes must be provided for each item to be purchased or component of the project;
- c. A well-planned project, clearly understood, and ready to be executed;
- d. The project can be completed within the term of the grant agreement;
- e. The amount of matching funds in the form of cash, donated labor from professional contractors, volunteer labor by neighborhood and/or in-kind donations; and
- f. The Association must prove it is able/prepared and committed to address any ongoing maintenance created by the project.

Since funds for projects are limited, awards will be based on a project's competitive status.

### The Match Specifics

A match is not required however projects which include a match may score higher. The match may be accomplished with a combination of any one or more of the following: cash, donated materials or services, or volunteer labor. The match must be secured, and ready to be expended.

Volunteer Labor: (a) Credit for “Volunteer labor” will be valued at \$20 per hour. (b) If a professional (such as an electrician or a carpenter) donates “volunteer labor”, you may calculate the value of this labor by using the hourly rate normally paid for this service. (Remember- your volunteer hours will not be accepted by vendors as payment for goods or services. The combined total of your grant and cash match must cover your project’s cash costs).

In-kind donations: Credit for donated professional services, materials or supplies will be at their “reasonable and customary” rates. Professionals who donate their services as part of the match cannot also receive compensation from the award money.

Cash Match: Must be deposited with the City before the project may begin.

- a. The amount and type of match must be appropriate to the needs of the project.
- b. Proposed match must be spent during the implementation/construction of the project, not before or after.
- c. Match must be not only pledged, but also *secured*. *Secured* means that the donor has specifically valued and described the contribution, and has signed a “Letter of Intent” to confirm the commitment.
- d. Be sure to include fees for any required permits.
- e. Activities that are NOT eligible as a “match” include:
  - Time spent preparing the Matching Grant Application
  - Time spent fund raising
  - Assistance from City staff or funds from other City departments
- f. Applicant will be responsible for keeping track of all volunteer hours donated for your project.
- g. A neighborhood organization, in carrying out a project, must make a good faith effort to ensure they are in compliance with the American Disabilities Act. This Act extends the same civil rights protection to persons with disabilities which have already been granted on the basis of race, color, religion, sex and national origin.

### Vendor Payment Process

1. The vendor submits an original invoice to the group representative for review and/or approval.
2. The group representative submits the original vendor invoices to the Community Development Office;
3. The invoice is reviewed and an inspection is scheduled;
4. Person(s) performing the work should be present during the inspection;
5. If approved, a check will be issued directly to each vendor within 14 days of receipt of invoice.

NOTE: Applicants may not contract with City of Auburn employees as vendors on the funded projects.



4. Attach the following specific information to the back of the application:

- Photographs of the project area with street name(s)
- Project Drawings (if available)
- Project Budget (including funds requested, additional funding, in-kind donations)
- List of all Active Community Members, groups or organizations

**SIGNATURE OF APPLICANT/LEAD CONTACT PERSON**

We certify that the neighborhood group is in full support of this application. We understand that this is a preliminary application and additional information may be required. Staff of the Community Development Department will be available to assist with the development of the plan, budget and construction of this project. Applicant(s) is expected to participate in the full development with the assistance of City Staff and will encourage neighborhood participation with in-kind donations of time, labor, and materials when appropriate. The final decision regarding project approval and funding will be made by the Citizen Advisory Committee.

\_\_\_\_\_  
Print name Primary Group Contact

\_\_\_\_\_  
Print name of Secondary Group Contact

\_\_\_\_\_  
Signature of Primary Group Contact

\_\_\_\_\_  
Signature of Secondary Group Contact

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**IMPORTANT NOTE:** This is a preliminary application only. Once submitted City of Auburn staff will assist you in furthering developing the project and may require more information based on the scope of the project. Applicants are encouraged to secure matching funds in the form of donated labor, materials or cash.

**APPROVAL PROCESS:** These grants will be reviewed in a first come first-served basis passed on a complete application. Applications will be accepted until program funds are depleted. Award decisions will be approved by the Auburn Citizen Advisory Committee.

**Application Checklist**

Please complete the attached checklist to help insure that the application is finished.

Minimum project funding:                   \$ 1,000  
Maximum project funding:                   \$10,000

**Group/Organization Information**                   **Yes**  
Information complete?                   

Eligible projects: Must be city-owned property to include but not limited to parks and greenspaces, sidewalks and roadways, walking paths.

**Proposed Grant Project**                   **Yes**  
Project information/details complete?                     
Photographs attached?                   

For mor information please contact:  
*Community Development Office*  
333-6601  
*CDBG@auburnmaine.gov*

**Neighborhood Participation**                   **Yes**                   **N/A**  
Project Budget complete?                                        
Project team identified?                                        
Appropriate organization signatures?                                      

CDO Staff Sign-Off: \_\_\_\_\_  
Date of Completed App: \_\_\_\_\_





City of Auburn, Maine  
 Business & Community Development  
 Glen Holmes, Director  
 60 Court Street | Auburn, Maine 04210  
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## CDBG Blight Remediation Program

### I. PROGRAM SPECIFICS

#### A. PROGRAM GOAL

The goal of the Blight Remediation Program is to respond to eliminate the specific condition(s) that is detrimental to public health and safety. The Blight Remediation Program is funded by the Community Development Block Grant Program and is subject to all the Community Development Program rules

#### ELIGIBILITY CRITERIA

1. The property may be an owner-occupied, investor-owned, or owned by a non-profit agency. The property must be year-round residential structure or be converting to a year-round status.
2. A Low- to Moderate-Income (LMI) household must occupy a structure with one unit. Two-unit structures must have at least one unit occupied by a LMI household. If the structure contains three or more units, at least 51 percent must be LMI occupied.
  - a) Applicants will be required to provide source income if they are the occupant or tenant certifications of income. Applicants will be required to sign a Rent Regulatory Agreement to assure one- year occupancy after project completion by a low-income tenant.
3. This program will be available for properties located within the CDBG Target area when there has been a citation of code and or public safety violation from the City's Code Enforcement Officer. The only improvements eligible under this category are ones that have been identified in the Notice of Violation.

#### B. ASSISTANCE CATEGORIES AND TERMS

##### 1. Loan Terms

- a) Maximum loan assistance is \$25,000.

##### (1) Investor Owned:

- 75% amortized loan @ 4% APR
- 25% private match of total project costs.
  - The private match requirement may be

waived by the Program Director based on cash flow or inability to obtain private financing in which case the ratio shall be 75% loan and a 25% deferred loan.

(2) Owner Occupied:

- 50% amortized loan @ 2% APR
    - If owner is below 65% of median income, APR of amortized loan at 0%
  - 50% deferred loan
- b) Amortized Loan term shall be established by the Program Director based on the financial capacity of the applicant. The maximum term is 25 years.
- c) If the property is sold or transferred prior to the end of the repayment period, the principal balance of the loan(s) shall be immediately repaid.

**C. NATIONAL OBJECTIVES**

Projects will be eligible under the low- to moderate-income benefit National Objective. The allocation of loan pool funds each year must be a minimum 75% for low-income projects. Projects will be processed under the low-income criteria whenever possible.

**1. Low-Income Criteria**

- a) Applicants will be required to provide source income if they are the occupant or tenant certifications of income. Applicants will be required to sign a Rent Regulatory Agreement to assure one-year occupancy after project completion by a low-income tenant.

**II. APPROVAL PROCESS**

**A. PROGRAM QUALIFICATION ASSESMENT**

The Community Development Office has responsibility for administration of the Emergency Repair Program. Community Development performs the underwriting and presents the loan request to the Program Director for approval based on achieving the national objective in part I-D above and part II-C below.

**B. PRIVATE FUNDS**

Private Funds: When matching funds are required, the applicant will have the option of using cash or borrowed funds. Match funds will be deposited into a segregated City account and will be subject to disbursement of funds procedures defined in this guideline.

**C. LOAN CONSIDERATIONS**

In approving or denying loan requests, the Community Development staff shall be guided by the following loan considerations:

**1. Underwriting**

- a) Cash flow - ability to repay the debt.
- b) Credit - credit history and reputation.
- c) Payment of taxes or acceptable arrangements.
- d) Collateral - Collateral coverage must be adequate as determined by the Community Development Staff.
- e) Security - other assets.
- f) Commitment of matching funds.

**2. Assessment Private/Public Benefit**

The Community Development staff will also consider the broader implications of private and public benefits.

**III. PROGRAM ADMINISTRATION**

**A. NON-DISCRIMINATION**

Administration of this program shall be in accordance with Title VI of the Civil Rights Act of 1964. No person shall, on the ground of race, color, national origin, be excluded from participation in, be denied the benefits of, or subjected to discrimination under this program.

**B. APPLICATION PRIORITY**

Applications shall be processed on a first-come, first-served basis. Community Development staff shall use the receipt date of a complete application to establish the order of priority. The applicant will be notified if there is funding available to proceed with the project, if there is inadequate funding then the application may be placed on a waiting list.

**C. PARTICIPATION BY RELIGIOUS ORGANIZATIONS**

1. Religious organizations can apply for Emergency Repair Loans with the understanding that loan funds cannot be used to support inherently religious activities such as worship, religious instruction, or proselytization. The organization can engage in such activities, but they must be offered in a different location. Religious participation by tenants must be voluntary.
2. The organization must not discriminate against a tenant or prospective tenant based on religious belief or refusal to participate in a religious practice.
3. Any units improved with Emergency Repair funds must be available for occupancy on the open market.

**D. AFFORDABLE RENT STANDARDS**

1. Rental units that are improved with Community Development funds shall be available and affordable to low- and moderate-income households.
2. The applicant will be required to furnish rental information to enable Community Development staff to evaluate the impact of the project on rent levels. The applicant will submit the current amount of rental

charges for all units in the housing project, utility types, who pays the utilities, and the names of tenants.

3. A rent cap shall apply to assisted units of which 51% will be occupied by low-income households. The maximum allowable rent shall be equal to the amount of rent and utility costs being paid by the tenant at the time of loan closing. The period of affordability shall be one year after the loan final inspection date.
4. Vacant units at the time of application shall be rented to low- and moderate-income households. The maximum allowable rent for vacant units shall not exceed the Fair Market Rent in effect when the rent is calculated with an adjustment for utility allowance based on Section 8 Existing Housing Allowances for Tenant Furnished Utilities and Other Services. The period of affordability shall be one year from the final inspection date.
5. The borrower will sign a Rent Agreement stipulating rent limitations at loan closing.

**E. DEFINITIONS**

**1. Fair Market Rent**

An annually published rent level prescribed by the U.S. Office of Housing and Urban Development based on a specified number of bedrooms.

**2. Household Income**

- a) For the purpose of determining eligibility, Community Development staff will calculate income by estimating the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is requested based on the IRS Form 1040 method as defined by the Office of Housing and Urban Development.
- b) Income of all members of the household is considered for computing income. This may include wages, salaries, overtime, bonuses, fees, tips, commissions, interest and dividend income, self-employment income, net rental income, income from estates or trusts, child support, alimony, Social Security benefits, SSI retirement, survivor or disability pension, VA payments, pension, or annuity, Temporary Aid to Needy Families, unemployment benefits, worker's compensation, and disability or benefits from any source. Income will be based on the IRS Form 1040 method as defined by the Office of Housing and Urban Development.
- c) For the purpose of computing income, a household shall be defined as all persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together or any other group of related or unrelated persons who share living arrangements.

**3. Investor-Owner**

Absentee owner, who may receive Emergency Repair assistance to improve housing conditions for the tenants.

**4. Mixed-Use**

A property used in some part for residential purposes and in some part for non-residential purposes.

5. **Owner-Occupied**

An applicant who holds the entire ownership interest of a property and lives in one unit of the property as a primary residence.

6. **Emergency Repair Costs**

The total of contractor estimates from the lowest eligible contractors, self-help expenses, and the contingency determined to be reasonable by the Rehab Coordinator.

7. **Residential Property**

A property used entirely for residential purposes (household living space).

**F. INCOME LIMITS**

To qualify applicants for various loans under the Emergency Repair Program, Community Development staff will use income limits for Lewiston-Auburn SMSA established by the Office of Housing and Urban Development. Revised charts will be used upon receipt.

**G. APPLICATION PROCEDURES**

Application procedures for Emergency Repair loans.

1. **Initial Application** - Loan application may be obtained from the Community Development Office (CDO).
2. **CDO Responsibilities** - The City will make available the services of staff who will solicit applications, determine the scope of work, prepare specifications, document eligibility criteria and underwriting, secure approval, prepare loan documents, and act as a project manager including authorizing progress payments.
3. **Verifications**
  - a) **Income** - Copies of all income sources (i.e. check stubs, statements, W-2 forms, State and Federal income tax returns) shall be provided by the applicant. A certified financial statement or other documentation from an accountant or other acceptable source may be required of a corporation, partnership, or other business enterprise. Written verification may be required from income sources.
  - b) **Title** - The CDO staff shall verify title by checking the records at the Androscoggin County Registry of Deeds.
4. **Initial inspection** - If it appears that the applicant and property are eligible for a loan, an initial inspection will be scheduled with the applicant and the Rehab Coordinator. Repair requirements will be determined during the initial inspection. An application may be deemed ineligible after initial inspection if the Rehab Coordinator determines a project is not feasible with the available resources.
5. **Inspection Report and Specifications** - An inspection report shall be prepared by the Rehab Coordinator and mailed to the applicant. The inspection report shall list the Repair requirements to bring it into compliance. Once the owner has reviewed the inspection report, the Rehab Coordinator creates technical specifications for contractor

- bidding.
6. **Lead** - The Rehab Coordinator must consider whether the Repair calls for lead hazard control measures.
    - a) A risk assessment will identify whether lead hazards exist and what type of methods must be used to control the identified hazards, or the coordinator may presume surfaces are covered by lead-based paint. It will be necessary to perform clearance testing of the construction area to confirm the absence of lead hazards after the work is completed. All testing costs will be paid by the CDO.
    - b) The Contractor, owner and Rehab Coordinator will work closely to minimize the need to displace occupants of a dwelling unit. If a tenant must move to ensure that they are not adversely affected by the corrective work, the owner and CDO will arrange for the relocation. CDO shall pay for temporary moves according to its Residential Anti-displacement and Relocation Assistance Plan.
  7. **Bidding & Contractor Eligibility** – The bidding process and selection of a contractor will be conducted in accordance with the Community Development Office’s Rehab Bidding and Contractor Eligibility Policy.
  8. **Private Lender's Loan** - Interest rates and terms of the portion of the Repair work to be funded by the private lender shall be individually negotiated between the loan applicant and the respective lending institution. The private lender's funds are subject to the same contractor and self-help requirements as the City's loan.
  9. **Loan Closing** - A loan closing shall be completed prior to contractors starting work and shall include, but not be limited to a mortgage instrument to be recorded at the Androscoggin Registry of Deeds, and a promissory note in the full amount of the City's loan.
  10. **Assumability**- Loans are generally non assumable.
  11. **Cancellation** - A loan approval shall be valid for 3 months. If there has been no loan closing or commencement of work, it will be necessary for such a loan to be reconsidered by the Community Development staff.
  12. **Construction Contract** - The owner and contractor will sign a contract at the time of loan closing which is acceptable to the CDO. Assurance will be required of the contractor and owner that the Repair work will be carried out efficiently and within a reasonable period of time. The contractor shall secure all necessary permits prior to the start of work at his/her own expense. The contractor shall contact the Rehab Coordinator for approval of each phase of the work.
  13. **Change Orders** - No change to the Repair contract work shall be allowed unless approved by the CDO, owner, and contractor. Any changes involving cost will be supported through the execution of a change order between the contractor and owner. No change orders will be able to exceed the approved loan amount without approval of the Program Director.
  14. **Inspection** - The CDO shall have the right to inspect all Repair work financed in whole or in part with the proceeds of the loan. The CDO will inform the owner and/or contractor of any noncompliance with

respect to the Repair work and the corrective action needed. The CDO will verify that all work has been done according to the specifications. No payment shall be made until the work is acceptable. The owner will take all steps necessary to assure that the CDO is permitted to examine and inspect the Repair work.

15. **Records**- The applicant agrees to keep such records as may be required by the CDO with respect to the Repair work financed in whole or in part by the loan and, furthermore, when the rehabilitated property contains rental units, the applicant agrees to keep such records as may be needed by the CDO with respect to income received and expenses incurred from this property. The applicant will, at any time during normal business hours, and as often as the CDO may deem necessary, permit the CDO to have full and free access to its records with respect to the property.
16. **Escrowing of funds**- The CDO will act as escrow agent for the City loan, as well as any supplemental funds required to meet the amount of the construction contracts. The owner permits the CDO to disburse such funds to the owner and/or the contractor in the manner set forth in the contract between applicant and contractor. The CDO may require lien waivers as a condition of payment.
17. **Disbursement of Funds** - After receiving appropriate invoices and receipt of lien waivers for invoices over \$5,000, and inspecting the Repair work, progress payments shall be authorized by the Program Manager. Unutilized funds may be applied to reduce the principal of the City and private funds to maintain the 75% City and 25% private participation level or may be used to complete additional work as approved by the CDO.

**CDBG Blight Remediation Program**

Program guidelines approved:

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Phil Crowell, City Manager

Date

**Community Development Block Grant Application Instructions**  
**July 1, 2021 – June 30, 2022**

**1. GENERAL INFORMATION**

The City of Auburn announces the availability of funds for Community Development Block Grant (CDBG) programs. The funds are authorized under the Housing and Community Development Act of 1974, as amended, and are received from the U.S. Department of Housing and Urban Development (HUD). The funds may be used for various activities that benefit low and moderate-income persons.

CFDA: 14.218 Community Development Block Grants/Entitlement Grants

Federal Award # for Auburn: B21 MC23 0001

GRANTOR: U.S. Department of Housing and Urban Development

GRANTEE: City of Auburn

Eligible Applicants: Public or Nonprofit agencies. Nonprofits must hold 501c3 status under the IRS Code and have filed IRS 990. All entities must provide a Dun and Bradstreet number (DUNS).

Application Schedule: The following schedule has been developed for review of program applications and decisions on program funding.

<b>February 2, 2021</b>	<b>Notice of Funding and applications made available.</b>
<b>Technical Assistance Sessions</b>	<b>By appointment. See description below.</b>
<b>February 17, 2020 February - March 2021 (tentative)</b>	<b>Application Deadline. Applications must be received via email to City Community Development Departments by February 18, 2021 apepin@auburnmaine.gov</b>
<b>February – March 2021 (tentative)</b>	<b>Community Development Staff to review applications and make funding recommendations.</b>
<b>April 2021 (tentative)</b>	<b>Council 1<sup>st</sup> public meeting on the Annual Action Plan</b>
<b>May 2021 (tentative)</b>	<b>Final adoption by City Council and submittal to HUD</b>

Technical assistance sessions are available to potential applicants through scheduled meetings. Assistance available includes answers about funding regulations and application requirements and discussing the proposed project's compliance with program regulations and eligibility for funding.



**Community Development Block Grant Application Instructions**  
**July 1, 2021 – June 30, 2022**

**2. THRESHOLD REVIEW AND FUNDING EVALUATION CRITERIA**

The City has established threshold criteria that must be met for an application to be considered for funding. Incomplete or late applications will not be considered. The threshold review will be completed by the Community Development staff.

**Threshold Criteria:**

- Eligible to apply for CDBG funding and not disbarred or otherwise considered ineligible by HUD (24 CFR 570)
- Program/Project meets a National Objective. Please see page 3 for descriptions on how applications qualify for the National Objective.
- Attended one mandatory meeting

**Required attachments at the time of application:**

- Copy of the latest 501c3 letter of determination of non-profit status
- Financial Statements, Compilation or Audit
- Most recent 990 or 990EZ
- Mission Statement
- List of Board Members and Contact Information

**Required attachments to the application, if funded:**

- Nondiscrimination Policy
- Conflict of Interest Policy
- Organization's Procurement Policy (if you are requesting reimbursement on supplies/materials)
- Organization's Grievance Policy for both employees and clients
- Organization's Termination Policy for employees and clients
- Organization's Protected Personal Identification Information Policy

**3. EVALUATION CRITERIA**

Applications for CDBG activities will be evaluated based on the following set of criteria:

1. Community Need and Benefit
2. Program Design and Soundness of Approach
3. Organizational Capacity
4. Financial Feasibility

**Community Development Block Grant Application Instructions**  
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#### **4. CDBG PROGRAM REQUIREMENTS**

**A. CDBG National Objective:** CDBG Public Service projects must principally benefit low and moderate-income persons. Determination is based on limited clientele or area benefit activity.

**B. Low and moderate-income (LMI):** LMI is defined as having an income equal to or less than 80 percent of the area median income, adjusted for household size. The specific household income limits are based on U.S. Census Bureau estimates, updated and issued by HUD annually.

**Fiscal Year (FY) 2020 HUD INCOME LIMITS**  
**April 01, 2020**

Household Size	30% Area Median Income	50% Area Median Income	80% Area Median Income
1	\$14,700	\$24,500	\$39,150
2	\$16,800	\$28,000	\$44,750
3	\$18,900	\$31,500	\$50,350
4	\$20,950	\$34,950	\$55,900
5	\$22,650	\$37,750	\$60,400
6	\$24,350	\$40,550	\$64,850
7	\$26,000	\$43,350	\$69,350
8	\$27,700	\$46,150	\$73,800

**Limited Clientele Activity:** This is the category most often used for public service activities. Limited clientele activities are activities limited to a specific group of persons. At least 51 percent of those served must be low- and moderate-income persons. Services qualifying under this category **serve a specific clientele**, rather than providing service to all persons in a geographic area. Limited clientele activities may qualify as either a **presumed benefit activity or a direct benefit activity**. A **presumed benefit activity** is one that **exclusively** serves a specific group of people that HUD categorically considers to be low- and moderate-income persons. These categories include: abused children, battered spouses, elderly persons, homeless persons, illiterate adults, persons living with AIDS, migrant farm workers, and severely disabled adults as defined by the Bureau of Census. The project sponsor must document that the activity is designed to be used exclusively by a category of persons presumed by HUD to be low- and moderate-income.

If the clientele served does not fall under one of the presumed benefit category of persons, it may qualify as a **direct benefit activity** which serves low- and moderate-income persons. The project sponsor must verify and maintain documentation regarding the family size and income of each person served. At least 51 percent of the clientele served must be low- and moderate-income persons or the activity funded must be limited exclusively to low- and moderate-income persons.

The **nature and location** of the activity may also support a conclusion that primarily low- and moderate-income persons are served. To qualify under this definition, the service provided must be both of such nature **and** in such location that it may reasonably be concluded that the activity's clientele will primarily be low- and moderate-income persons.

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**July 1, 2021 – June 30, 2022**

**C. Eligible Activities:** Public service activities which are directed toward improvement of the quantity and quality of community services principally benefiting persons of low- and moderate-income are eligible for funding. These activities include, but are not limited to, services concerned with employment, crime prevention, child care, health, substance abuse counseling and treatment, education, fair housing counseling, tenant and landlord education, energy conservation, and recreational needs. Emergency grant payments for food, clothing, and shelter (rent, mortgage, utilities) needs are eligible activities as long as the payments do not exceed three months and the payments are made directly to the provider of such services on behalf of an individual or family.

**D. New service or quantifiable increase:** The services funded must be either a new service or a quantifiable increase in the level of service for this first year in the new Consolidated Plan. Projects must demonstrate that the CDBG funding applied for would not merely replace (supplant) other state or local government funding for an existing service.

**E. Eligible costs:** Costs include labor, materials, supplies, rent for the portion of the facility in which the public service is located.

**F. Ineligible costs:** Costs include income payments, assistance for buildings used for the general conduct of government, general local government expenses, political activities, and the purchase of equipment except equipment that constitutes all or part of a public service. Income payments are payments made to an individual or family to provide basic levels of food, shelter, or clothing but do not include emergency grant payments referenced above under eligible activities.

**G. Faith-Based Organizations:**

- a. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the CDBG program.
- b. Organizations may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as a part of the programs or services funded with CDBG funds. If the organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded with CDBG funds, and participation must be voluntary for the beneficiaries of the CDBG-funded programs or services. Faith-based organizations may use space in their facilities to provide CDBG-funded services without removing religious art, icons, scriptures or other religious symbols.
- c. An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.
- d. A religious organization's exemption from the federal prohibition on employment discrimination on the basis of religion, set forth in section 702(a) of the Civil Rights Act of 1964 is not forfeited when the organization participates in the CDBG program. Notwithstanding the foregoing, non-discrimination requirements imposed by statute on all CDBG grantees shall apply to religious and faith-based organizations.

**H. HUD CPD Performance Measurement System:** Federal regulations require agencies receiving CDBG funding for projects to report annually under the HUD CPD performance

**Community Development Block Grant Application Instructions**  
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measurement system in order to measure the local and national impact of federally funded programs. As required, the City of Auburn has identified HUD CPD performance objectives and outcomes for CDBG goals in Auburn's 2020-2024 Consolidated Plan. The HUD CPD performance objective and outcome is described below.

1. **Objectives:** Grantee must determine which of the three objectives best describes the purpose of the proposed public service.

**Suitable Living Environment:** Public service activities that benefit communities and individuals by addressing issues that impact their living environment, such as establishing an after school program for high school kids to prevent/reduce crime in a target neighborhood.

**Decent Housing:** Housing counseling activities that assist low- and moderate-income individuals or households resolve tenant/landlord disputes.

**Creating Economic Opportunities:** Activities that expand economic opportunities for low- and moderate-income persons, such as offering job training and placement for persons with disabilities.

2. **Outcomes:** Grantee must choose one of three outcome categories that best describes what the grantee seeks to achieve by funding the public service activity.

**Availability/Accessibility** activities make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people. For instance, opening a day care center for students in a neighborhood high school so that educational opportunities remain available and accessible to young mothers.

**Affordability** activities provide affordability to low- and moderate-income persons. For instance, providing free housing counseling to low- and moderate-income families to enable them to obtain such assistance without charge.

**Sustainability** activities are aimed at improving communities, to make them more livable or viable. For instance, establishing programs in a local community center to provide neighborhood children with structured activities after school.

3. Progress towards the identified goals and the HUD CPD performance outcome and objective is measured through required indicators. Project sponsors report on most of the required indicators which are referenced in the first paragraph above regarding reporting requirements. Additional indicators that must be reported on include:
  - a. Number of persons receiving new access to the service or benefit;
  - b. Number of persons receiving improved access to the service or benefit;

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**Note:** If a grantee funded a new public service activity in the past and now continues to fund that activity that would have initially been reported as new access, they would continue to be reported as new access in subsequent funding years. (See Section 4.D)

**I. Consolidated Plan Consistency:** Funding will be provided to public/nonprofit agencies for the provision of services directly related to the City's Consolidated Plan.

## **5. REPORTING GUIDELINES AND REQUIREMENTS**

### **A. Eligible costs and supporting documentation provided with the Quarterly Report:**

#### **1) Personnel: Wages and Fringe Benefits**

First Draw: If you have not already provided this, employee name, salary/hourly rate, fringe type and rate for each benefit for each person that will be funded by CDBG. If the employee leaves employment, supply this information for the person hired to take their place going forward.

All Drawdowns:

- ✓ Time sheet that documents time spent by the employee, separated by program type (and signed by the employee and the supervisor; (sample)
- ✓ If you request reimbursement of fringe benefits, you must provide the supporting documentation that shows the type of fringe and the amount for what you are drawing
- ✓ Certified Payroll, with the employee highlighted that is being paid by CDBG;
- ✓ Supervisor must also sign off on the certified payroll.

#### **2) Rent and/or utilities:**

First Draw: 1) A copy of the lease agreement fully executed by both parties that identifies the amount of the rent; 2) Information regarding the square footage of the total space and the square footage of where the CDBG activities take place. (exclude offices) This will generate a % that will be used to calculate the allowable rent calculation for that organization. 3) If you request Utility reimbursement, it will be calculated on the same square foot %. Once this is established, you will use this calculation to determine the amount of CDBG funding you can request for reimbursement.

All Drawdowns: documentation must include: 1) a copy of the receipt, statement or cleared check as proof of payment. 2) A copy of the utility bill with copy of the receipt, statement or cleared check as proof of payment.

#### **3) Consumable Supplies/Materials:**

First Draw: 1) A copy of the Procurement Policy for the organization. Procurements without competition: 2 CFR200.320 (a) Micro-purchases: \$3,000 or less, do not require competition in price but must be distributed equitably among qualified suppliers, to the extent possible. Micro-purchases may be awarded if the sub-recipient considers the price to be reasonable.

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All Drawdowns: Documentation on purchasing supplies must include purchase orders or purchase requisition forms, invoices from vendors, canceled checks made payable to vendors, information on where the supplies are stored and the purpose for which supplies are being used.

**B. Reporting Requirements:** Organizations receiving funding are required to submit quarterly and annual progress reports and budget reports. Required data to be reported include as many of the following that are applicable: unduplicated number of clients served, (as possible, if not unduplicated a count of the outputs/services), demographic data on clients served (income level, race, ethnicity, disability, single head of household), outputs (units of service provided), progress towards meeting outcomes, amount of funding leveraged from other federal, state/local, private or other funding sources, and additional information indicating compliance with other grant and contract requirements.

**C. Funding Availability and Restrictions:** Organizations making application under this Application of Funding should take note that the funding source is from the Community Block Grant Program (CDBG) provided by the U. S. Department of Housing and Urban Development. At this time Congress has not set the funding levels for this year's allocation. This means that if the funding becomes severely restricted or is no longer available, the City may reject any and all applications for funding.

Also know that the funding is highly competitive and the proposed program may be funded at a lower level than requested, or not at all. If recommended for funding at a lower level the Citizens Advisory Committee may renegotiate the scope of the program and request a thoughtful representation from the applicant about the level of funding needed to still deliver a meaningful and effective service.

## **6. APPLICATION INSTRUCTIONS**

Applications must be requested and submitted via email to the Economic and Community Development Department by the application deadline date to [apepin@auburnmaine.gov](mailto:apepin@auburnmaine.gov)

B. Submit applications in word format. Use 12 point font.