



**Council Economic and Community Development Committee
Agenda
Auburn Hall – Council Chambers – 5:30 PM April 21, 2016**

1. Call to Order and Introductions

2. Minutes of previous meetings

- a. Approve March 17, 2016 meeting minutes.

3. Agenda items listed for review

- a. LAEGC Update. (10 Minutes)
- b. Department Budget Presentation – Economic and Community Development. (20 Minutes)
- c. Planning Board C.I.P. Update and Comments. (10 Minutes)
- d. Lower Barker FERC Relicensing. (10 Minutes)
- e. TIF Budget and work plans. (10 Minutes)
- f. Neighborhood Revitalization Unit. (10 Minutes)
- g. CDBG Program Guidelines. (10 Minutes)

4. Staff updates

- a. Transportation Center and Great Falls Plaza Sewer Update (10 Minutes)
- b. Updates on other initiatives/projects not on the agenda, as well as, any new items/issues that should be discussed by that committee. (10 Minutes)

5. Next meeting agenda setting

- a. Establish the agenda for the next meeting. (10 Minutes)

Auburn Community and Economic Development Committee

Meeting Minutes

March 17, 2016

Committee: Councilors Jim Pross, Robert Stone and Grady Burns

Others Present: Derek Boulanger-Facilities Manager/Purchasing Agent, Jeff Sparrow-Director of Engineering/Branch Manager for Revision Energy out of Portland, Mr. Holden and Mr. Hanell for Lewiston Auburn Economical Growth Council. Michael Chamings – Economic and Community Development Director, City Manager Howard Kroll, Eric Cousens – Deputy Director of Planning and Development, Doug Greene – City Planner, Reine Mynahan – Director of CDBG

Councilor Grady Burns called the meeting to order.

Housekeeping:

Councilor/Chairperson for the Committee Grady Burns asked for the panel to introduce themselves. Councilor James Pross from Ward 1 and Councilor Robert Stone from Ward 2 introduced themselves.

Minutes from Previous Meeting:

Councilor Burns asked for a motion to approve the minutes from the February 16, 2016 meeting, motion moved by Councilor Robert Stone and 2nd by Councilor James Pross, all in favor.

Action Agenda:

Councilor Burns stated first on the agenda is the Presentation & Discussion of Solarizing Auburn Project. Presented by Derek Boulanger – Facilities Manager/Purchasing Agent for the City as well as Mr. Jeff Sparrow – Director of Engineering/Branch Manager from Revision Energy out of Portland.

Councilor Burns made a suggestion to move this to council for a workshop. Moved by Councilor James Pross and 2nd by Councilor Robert Stone. All in Favor to move forward with bringing this to council for a workshop.

Councilor Pross motioned to be sure to prioritize things for workshop with budget being 1st priority, Councilor Stone 2nd and all in favor.

Second on the agenda is update on Lewiston Auburn Economic Growth Council by Mr. Holden. No vote or action required.

Third on the agenda is the Department Budget presentation from Planning and Development with Eric Cousins, Deputy Director of Planning & Development as well as Michael Chammings, Director of Economic & Community Development. Motion to bring to workshop by Councilor Stone and 2nd by Councilor Pross. All in favor.

Next on the agenda is the Adaptive Reuse Ordinance presented by Doug Greene, City Planner. Motion to support the Ordinance and pass on to full council. Motioned by Councilor Pross and 2nd by Councilor Stone. All in favor.

Recess requested by Councilor Grady Burns.

Meeting brought to order by Councilor Burns,

Next was the discussion of the Great Falls Bus Station and being unable to do a gravity sewer system, but committee was presented with a few other possibilities. Motion was made by Councilor Burns to bring this to the Mayor and Manager to bring it to a workshop. 2nd by Councilor Stone, all in favor.

New Auburn Plan Update was deferred to another meeting as there was not much to report.

Councilor Burns deferred setting any agenda now for the next meeting and will be working with staff and citizens to build the agenda for the next meeting.

ADJOURNMENT

A motion was made by Councilor Grady Burns and seconded by Councilor Robert Stone to adjourn, All in favor.



**Council Economic and Community Development Committee
April 21st, 2016 Agenda Summary**

Agenda #3A

Subject

LAEGC Update (10 Minutes)

Summary

Council order 52-06162014 authorized a 2 year MOU for LAEGC services. This MOU is up for renewal and the City Manager has recommended not refunding the LAEGC; our department has budgeted accordingly. Some of the projects/programs that LAEGC will still have an obligation to the City of Auburn that will need to be discussed are: Oversight of the ABDC (including the marketing of AIP), promoting foreign investment (Federal Grant with matches from both cities), current business loan pools and staffing the LARC.

The budget that was submitted from our department included provisions to pick up any anticipated work load from LAEGC if they were no longer funded.

Staff Recommendation(s)

Open for discussion.

Requested Action

None requested.

Action Taken

GB JP RS



**Council Economic and Community Development Committee
April 21st, 2016 Agenda Summary**

Agenda #3B

Subject

Department Budget Presentation – Economic and Community Development. (20 Minutes)

Summary

As per the request of the Chairman of this Committee, we will be reviewing any budgetary impacts of the proposed budget on the Economic and Community Development Department (including Planning). As much as possible (some budgets were combined), we will show the current year’s budget compared to the proposed 2017 budget, including budget cuts and revenue source shifts to lower the City’s property tax burden. All departments were directed to help address the current fiscal concerns of the City, and we believe we have done our part.

Staff Recommendation(s)

Open for discussion.

Requested Action

None requested.

Action Taken

GB JP RS



**Council Economic and Community Development Committee
April 21st, 2016 Agenda Summary**

Agenda #3C

Subject

Planning Board CIP Recommendations and Comments (10 Minutes)

Summary-The City Charter requires the Planning Board to make recommendation to the City Council on this year's proposed 2016-17 CIP budget. The Planning Board discussed the CIP, made recommendations and added a number of suggestions for other Planning and Economic Development ideas. The attached memo contains these recommendations and ideas.

Recommendation(s)- The Planning Board recommends the City Council include funding for the Agriculture Study and the Great Falls Plaza infrastructure design and construction in next year's 2017-18 CIP budget. The staff supports the Planning Board's ideas 1, 2 (Property inventory and Auburn marketing effort) and 4 (Joint meeting with Lewiston Planning Board. The other ideas are worthwhile but need more careful consideration before initiating.

Requested Action- Consider funding the Planning Board's CIP recommendations in next year's 2017-18 CIP budget. Support ideas 1 and 2 if presented to the City Council in the future. Continue following the Planning Board's activities and ideas.

Action Taken

GB JP RS





City of Auburn, Maine

Office of Planning & Development
www.auburnmaine.gov | 60 Court Street
Auburn, Maine 04210
207.333.6601

To: Community and Economic Development Committee Members

From: Douglas M. Greene, AICP, RLA; City Planner

Date: April 19, 2016

RE: Planning Board Annual 2016-17 CIP Budget

The Auburn Planning Board reviewed and discussed the 2016-17 CIP Budget at their April 12th meeting. Below are the Planning Board's recommendations for the proposed CIP and some additional comments and ideas on Planning and Economic Development activity.

2016-17 CIP Budget Recommendations-

1. The Planning Board requests the City Council provide the \$40,000 line item for the Agricultural District Study and urges the Council to fully fund this effort. The Planning Board is very concerned that the 20,000 acre Agriculture and Resource Protection Zone regulations does not promote new farms and agriculture but instead prevents development. The 50% rule needs to be reconsidered. A carefully made study should evaluate the current land uses and regulations to determine the best areas either to protect for agriculture or to possibly modify for potential development.
2. The Planning Board would like the CIP for 2016-17 or the following year's CIP to include funding to construct the proposed Riverway Street in New Auburn and for the planning, engineering, design and construction of the future streets and urban design in the Great Falls Plaza area.

Other Planning and Economic Development Ideas-

1. Create a property inventory of developable land that tracks the current status such as vacant, abandoned, underutilized land or buildings as well as infrastructure, open space for future park land.
2. Promote and market Auburn to new residents based on our low cost of housing and recreational opportunities.
3. Develop a plan for future growth of Central Maine Community College.
4. Consider a housing plan that will adapt to changes in family size and aging populations based on 2010 Census demographics. There is an increasing need for housing with smaller households with no children and for our aging population. Look for barriers to achieving this in our Zoning Ordinance.
4. Consider bringing back annual joint meetings with the Lewiston Planning Board.
5. Consider new planning studies for the Mall area (changing trends in retail) and the Minot Avenue corridor, both lower and outer.
6. Promote the redevelopment of the Great Falls Art Center.
7. Carefully consider Lake Auburn's recreation and development potential.



**Council Economic and Community Development Committee
April 21st, 2016 Agenda Summary**

Agenda #3D

Subject

Lower Barker Relicensing Update. (10 Minutes)

Summary

We have been trying since last fall to obtain a schedule of water releases from Kleinschmidt, the consultant for KEI, the owner of the Barker Mill Dam Facility. The goal is to advertise and create a river and whitewater event during the releases that attracts visitors and attention to the river and exposes recreational potential to paddlers. This winter we learned that the project manager was no longer working for Kleinschmidt and it has been difficult to get a response from the company. We recently got the attached response on April 15, 2016 from Andy Qua who has been assigned to manage the licensing project.

Staff Recommendation(s)

Staff wants to update the committee, briefly discuss the uncertain schedule and unusually low spring time flows. Following the discussion we will get back to work with the Androscoggin Land Trust and other partners to promote the event in a way that recognizes the dependency on water levels. Work with partners to try to schedule a paddling and river awareness event and give staff feedback or ideas on the effort.

Requested Action

None needed at this time unless the committee has different ideas or would like the Council as a whole to weigh in.

Action Taken

GB JP RS



From: Andy Qua [Andy.Qua@KleinschmidtGroup.com]
Sent: Friday, April 15, 2016 3:22 PM
To: Eric Cousens
Cc: Jesse Wechsler; Loon, Lewis
Subject: Lower Barker Project

Good afternoon Eric –

We are in the process of scheduling flow related field studies (habitat and recreation), depending on inflow to the dam we are targeting doing both at the same time. Tentatively we are planning for May 11-13 timeframe because that is open for at least one of the two fish and wildlife agency representative that want to be there. We have not yet confirmed with the other that wants to participate so that may change over the course of the next week.

The project is operated in a run-of-river mode and any flow releases have to be provided to the bypass reach by throttling or shutting off the unit, and the headpond generally cannot be drawn down except for emergency or maintenance. Therefore it may be difficult to time it on those dates, but we will be monitoring upstream gage data to help predict river flow. There may be plenty of water and it isn't an issue. So if you or others you know plan to be there for the recreational perspective, please understand that the date may have to shift on short notice.

If you have contact information for individuals that should be kept informed, please provide that.

Thank you,
Andy

Andrew D. Qua
Regulatory Team Leader
Kleinschmidt
Office: 207.416.1246
www.KleinschmidtGroup.com



**Council Economic and Community Development Committee
April 21st, 2016 Agenda Summary**

Agenda #3E

Subject

TIF Budget and work plans. (10 Minutes)

Summary

Staff will review the list of TIF districts and ask the committee to prioritize the ones that they would like to obtain more information on. The overall review of all of all districts in detail will need a full meeting or more in the future.

Staff Recommendation(s)

Review list of districts and summary information presented at the meeting

Requested Action

Provide feedback to staff.

Action Taken

GB JP RS





**Council Economic and Community Development Committee
April 21st, 2016 Agenda Summary**

Agenda #3F

Subject

Neighborhood Revitalization Unit. (10 Minutes)

Summary

The Police Department lead an effort to establish a Neighborhood Revitalization Unit that combined the efforts of police, code compliance, fire and CDBG loan programs into the NRU earlier this year. The Council decided not to implement the program as proposed but expressed an interest in a program that was less enforcement and more collaborative with the neighborhood. The Council also expressed an interest in targeting a single neighborhood initially as a pilot program if a desirable program was established and suggested that the E&CD committee weigh in.

Staff Recommendation(s)

Staff is looking for guidance on whether this is a priority of the committee and what elements would be supported by the committee. It may be too quick to have a final program for Council consideration in the current year budget.

Requested Action

Give staff feedback on a potential NRU effort and elements that should be included in a draft for Council consideration in the coming year.

Action Taken

GB JP RS





**Council Economic and Community Development Committee
April 21st, 2016 Agenda Summary**

Agenda #3G

Subject

CDBG Program Guidelines, Amendment to Commitment Letter, and Mutual Cooperation Agreement. (10 Minutes)

Summary

CDBG Guidelines: The proposed changes to existing guidelines are presented to make the programs more attractive to customers, and for compliance with federal requirements (see attached Information Sheet and proposed guidelines). The text that has a ~~strikethrough~~ is being deleted and text with an underscore is new text.

Amendment to Commitment Letter: Changes to commitment letter extends the date of the commitment to July 31, 2017, and permits use of these funds for a new activity in order to meet the 24-month commitment requirement of the HOME Investment Partnerships Program funds.

Mutual Cooperation Agreement: The Mutual Cooperation Agreement between the Cities of Auburn and Lewiston expires on June 30, 2016. A replacement document must be signed and submitted to the U. S. Department of Housing and Urban Development by that date. This agreement describes the responsibilities of the Representative Member (Auburn) as well as Member (Lewiston). Changes are highlighted by a ~~strikethrough~~ and underscore.

Staff Recommendation(s)

Open for discussion.

Requested Action

Recommendation to City Council.

Auburn City Council Meeting & Workshop
February 1, 2016

Action Taken

GB JP RS





City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: April 21 , 2016

Order

Author: Reine Mynahan, Community Development Director

Subject: Program Guidelines

Information: I am proposing amendments to several loan program guidelines. These are described in the attached sheets. Deleted text has a ~~strike through~~ and replacement text has an underline. To make it more readable, I have included two separate documents to describe the changes to the Small Business Loan Program, one of which has a ~~strike through~~ for deleted text and the other has an underscored for new text. Highlights of significant changes are as follows:

COMMUNITY DEVELOPMENT FUNDED PROGRAMS

Small Business: The change is from a program with a \$15,000 loan limit to a forgivable (non-amortized) loan. The loan would be forgiven after three years of business occupancy in the City of Auburn. For business start-ups, the forgivable loan will be 20% of eligible costs not to exceed \$10,000 when the business locates to a target areas, and \$5,000 when the business locates in non-target areas (ie Center Street/Minot Avenue, etc.) Existing businesses would qualify for a higher forgivable loan amount, up to \$15,000 in target areas and \$10,000 in non-target areas.

Residential Rehab: References to “Housing Standards” has been enhanced to conform with Department of Housing and Urban Development requirements. New citations include Maine Uniform Building and Energy Code, lead-based paint requirements in addition to Housing Standards. The \$10,000 exterior repairs grant has been deleted. In lieu, each project will benefit from a 25% forgivable loan, and the Community Development Loan Committee will have the ability to waive the match requirement based on cash flow or inability to obtain the match.

HOME INVESTMENT PARTNERSHIPS PROGRAMS

Homebuyer: The Homebuyer Program modifications are brought about by changes to regulations of the HOME Investment Partnerships Program. 1) Reference to “Housing Standards” will be replaced with new language that conforms to Department of Housing and Urban Development requirements. The new citations are Maine Uniform Building and Energy Code, lead-based paint requirements and Housing Standards. 2) We have struggled to get people signed up to our homebuyer program because other agencies are offering more attractive terms. Over the past few years many homebuyers who attend homebuyer education classes have expressed greater interest in purchasing out-of-town than in Auburn or Lewiston. I propose changing the form of assistance to grants and forgivable loans in order to be competitive with agencies who offer better terms than our current Homebuyer Program. 3) In the past, a certified income statement was good for 6 months. This is no longer the case. Income must be recertified prior to the closing.

Homeowner Rehab: Many low-income home owners who can't afford a payment are now being referred to our Spot Rehab Program, a program funded under the Community Development Block Grant program, because the loan payments are deferred to a future date. The change in the Homeowner Rehab Program will help to redirect the assistance for low-income property owners to the HOME Program. The reference to “Housing Standards” has also changed in this program.

Advantages: Generally, these changes make the programs more attractive to the customer and bring the programs into compliance with HUD standards. The Small Business subsidy will be a simpler way of processing of requests and stretches our limited resources.

Disadvantages: The changes to forgivable and deferred loans will reduce program income.

City Budgetary Impacts: n/a

Staff Recommended Action: Approval

Previous Meetings and History: n/a

Attachments: Small Business Loan Program guidelines
Homebuyer Program guidelines
Homeowner Rehab Program guidelines
Residential Rehab Program guidelines

~~DELETED TEXT~~

SMALL BUSINESS LOAN PROGRAM

A. PROGRAM OBJECTIVE

The Small Business Loan Program is designed to encourage the creation or enhancement of business enterprises by providing a source of low interest financing. The program objective is to create new employment opportunities for low- and moderate-income (LMI) households.

B. ELIGIBLE APPLICANT

1. The applicant may be for a sole proprietorship, limited liability company, corporation, partnership, S-corporation or non-profit who will operate a business in the City of Auburn.

~~2. The business may be a start-up or an established business that has 5 or fewer employees.~~

~~3.2. Any taxes due on property owned by the borrower must be paid in full or acceptable arrangements are made with the Treasurer of the City of Auburn.~~

~~4.3. Only one loan will be made per applicant.~~

C. ELIGIBLE ACTIVITIES

1. Purchase of equipment or inventory.
2. Working capital (line of credit for operating expenses)
3. Construction improvements
 - a. If the project involves construction activity, then the administration to the loan shall follow the guidelines of the Rehabilitation Loan Program.

D. LOAN TERMS SECURED LOANS

~~1. The maximum loan amount is \$15,000.~~

~~2. The match requirement is 33% of the City's loan.~~

~~4. The interest rate is prime minus one-half (1/2%) percent based on rates published on the date of loan approval.~~

~~5. The applicant shall secure a commitment for 100% of the total project cost. The portion of the cost not financed by the City may be a combination of personal funds, or funds from a public or private lender. The applicant must obtain a commitment from the lending institution which describes the terms and any~~

~~—conditions of the commitment.~~

~~6. The maximum loan term is 10 years.~~

~~7. Once established, the business must remain housed within the City for the duration of the loan.~~

~~**E. LOAN TERMS UNSECURED LOANS**~~

~~1. The maximum loan amount is \$3,000.~~

~~2. There is no match requirement.~~

~~3. The interest rate is prime minus one-half (1/2%) percent based on rates published on the date of loan approval.~~

~~4. The maximum loan term is 5 years.~~

~~5. The loan must be for a new business venture. Once established, the business must remain housed within the City for the duration of the loan.~~

~~6. The borrower's income must be less than 80% of area median income.~~

JOB CREATION CRITERIA FOR SECURED LOANS

Applicants will be required to create permanent jobs.

1. Microenterprises Activity

When the applicant's income is less than 80% of area median income, there will be no job creation requirement. The owner's job shall satisfy the requirement for low-moderate income benefit (LMI).

2. Special Economic Development Activity

- a. When the applicant's income is above 80% of area median income, a minimum of 1 full-time equivalent job will be created within six months after the loan is made.
- b. 51% of any jobs created will be taken by LMI households based on income limits established by the U. S. Department of Housing and Urban Development for Lewiston-Auburn SMSA. Jobs will be tracked for three years.
- c. Spin-off jobs, jobs that have an indirect link to the project and financing, and turn-over jobs, jobs that were previously taken by an

employee and are now open, are not eligible to be counted to satisfy the jobs requirements.

- d. During the application process, jobs will be evaluated to determine if there is potential to satisfy the 51% low-income job requirement.
- e. The applicant will be required to sign a Job Agreement as a condition of the loan and comply with all required reporting.

~~F. APPROVAL PROCESS~~

~~1. Community Development Loan Committee~~

~~Loans will be reviewed by the Community Development Loan Committee who will be responsible for making a decision to approve or deny loan requests, and to establish loan conditions in accordance with the guidelines.~~

~~2. Loan Considerations~~

~~Applications under the Small Business Loan Program will be analyzed to determine risk according to typical lending considerations. In approving or denying loan requests, the Community Development Loan Committee shall be guided by the following loan considerations:~~

- ~~a) Ability to repay~~
- ~~b) Credit history~~
- ~~c) Collateral~~
- ~~d) Cash contribution~~
- ~~e) Business plan/niche~~
- ~~f) Previous experience~~
- ~~g) Terms of other financing as defined in commitment letter.~~

~~3. Appeal Procedure~~

~~The reason(s) for rejection shall be given to the applicant. Loans that have been denied may be appealed to the Community Development Loan Committee for a period of thirty days after the date of rejection. The applicant will be allowed to present his/her case to the Community Development Loan Committee. The Community Development Loan Committee may reconsider their prior vote to deny the application after the appeal review has been completed.~~

~~4. **Waiver of Loan Amount and Terms**~~

~~The City Council may authorize a different interest rate, repayment term or loan amount than what is specified in this program guideline.~~

G. ADMINISTRATION

1. Non-Discrimination

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

2. Participation by Religious Organizations

a. Religious organizations can apply through the Small Business Loan Program with the understanding that funds cannot be used to support inherently religious activities such as worship, religious instruction, or proselytizing.

The organization can engage in such activities, but the business must be at a different location than the place of worship. Jobs must be open to non-religious members, and religious participation by beneficiaries must be voluntary.

b. The organization must not discriminate against an employee or prospective employee on the basis of religious belief or refusal to participate in a religious practice.

3. Household Income

For the purpose of determining eligibility, Community Development staff will calculate 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. Income will be based on the IRS Form 1040 method as defined by the Department of Housing and Urban Development.

4. Income Limits

To determine income for certain benefits under the Small Business Loan Program, Community Development staff will use income limits for Lewiston-Auburn SMSA, established by the Department of Housing and Urban Development and available in the Community Development Department. Revised income limits will be used upon receipt.

5. Loan Processing

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

H. APPLICATION PROCEDURES

This section sets forth the application procedures for the Commercial Loan Program.

1. **Initial Application** - Loan application may be obtained from the (Community Development Department (CDD)).
2. **Loan Processing** - Community Development staff will evaluate eligibility of the application. The application will then be referred to the Economic Development Department for further processing. There will be a joint presentation of the application to the Community Development Loan Committee by Community Development and Economic Development staff. After approval, Community Development staff will hold a loan closing. Disbursement of funds will require approval of both Community Development and Economic Development staff.
3. **Financial Submissions** - The applicant shall submit the application form, the last two years of business and/or personal tax returns as well as personal financial statements or other documentation from an accountant or other acceptable source. The applicant may be asked to supply a listing of personal property and inventory.
4. **Business Plan** - The applicant shall submit a business plan that
 - a) **describes the business** (type of business, the status of the business, the form of ownership, the profit potential, employment opportunities and other market/community benefits, and location and hours of operation);
 - b) **the market** (products/service, customers, market size, competition, estimated market share, production and distribution, image/packaging, advertising, and pricing);
 - c) **operations/organizational management** (management responsibilities, professional services, background and experience);
 - d) **financial plan** (management (costs, revenues/chart of accounts, assets, liabilities, cash flow projections, balance sheet, equipment list, and sources

and uses, business pro-forma, chart of accounts, equipment list, and sources and uses of funds); and

e) **supporting documents** (personal resume, personal financial statement, job descriptions, letters of reference, copies of leases, contracts, etc.), as applicable.

5. **Loan Closing** - Loan documents shall include a promissory note, mortgage, security agreements, job agreement, and any other documents necessary to secure the terms and conditions of the loan. Any legal costs incurred by the CDD for closing documents will be the responsibility of the owner and may be paid for with loan proceeds.
6. **Disbursement of Funds** - Personal funds will be disbursed first. Bank and City funds will then be disbursed on a pro-rata basis.
7. **Post Closing Counseling** – The applicant will agree to meet with the Economic Development Department quarterly during the first two years after the closing, or more frequently, if necessary, to review the financial status of the business.

I. OTHER PROGRAM REQUIREMENTS

All loans will comply with applicable Federal Regulations, as amended, of the Community Development Program as listed below:

1. **Civil Rights** - The owner will be required to comply with Title VIII of the Civil Rights Act of 1968, as amended, 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 property.
2. **Federal Labor Standards Provisions** - The owner must abide by established minimum wage rates (Davis-Bacon Act) for the area for construction work exceeding \$2,000.
3. **Conflict of Interest** - No elected or appointed official or employee of the City of Auburn, and no member of any municipal board or committee which exercises any decision-making function with respect to the Community Development Program, shall participate in negotiating or shall exercise any influence in awarding or administering any contract in which he has a direct or indirect pecuniary interest as the term is defined by 20 MRSA Section 2250.
4. **Prohibition Against Payment of Bonus, Commission, or Fee** - The owner cannot pay any bonus, commission, or fee for the purpose of obtaining the City of Auburn's approval of the loan application, or any other approval or concurrence required by the City of Auburn or its designee obtain a loan under these guidelines.

5. **Equal Employment Opportunity** - The owner must abide by the provisions of Executive Order 11246 as amended by Executive Order 11375 concerning equal employment opportunity and will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, familial status, handicap, or national origin.
6. **Lead-Based Paint Hazards** - Any loan made by the City of Auburn for construction work is subject to requirements of the Department of Housing and Urban Development's with respect to treating lead-based paint hazards as set forth in Title 24 CFR, Part 35.
7. **Flood Hazard Insurance** - If the property to be improved is located in a designated flood hazard area, the owner will be required to purchase flood hazard insurance or show evidence of coverage, and abide by the regulations of the Flood Disaster Protection Act of 1973 located in or owned in substantial part by persons residing in the area of the project.
8. **Environmental Review Procedures** - All projects shall be subject to environmental review procedures of the National Environmental Protection Act.

New text

SMALL BUSINESS LOAN PROGRAM

A. PROGRAM OBJECTIVE

The Small Business Loan Program is designed to encourage the creation or enhancement of business enterprises by providing a source of low interest financing. The program objective is to create new employment opportunities for low- and moderate-income (LMI) households.

B. ELIGIBLE APPLICANT

1. The applicant may be for a sole proprietorship, limited liability company, corporation, partnership, S-corporation or non-profit who will operate a business in the City of Auburn.
2. Any taxes due on property owned by the borrower must be paid in full or acceptable arrangements are made with the Treasurer of the City of Auburn.
3. Only one forgivable loan will be made per applicant.

C. ELIGIBLE ACTIVITIES

1. Purchase of equipment or inventory.
2. Working capital (line of credit for operating expenses)
3. Construction improvements
 - a. If the project involves construction activity, then the administration to the loan shall follow the guidelines of the Rehabilitation Loan Program.

D. LOAN ASSISTANCE

1. City of Auburn assistance shall be in the form of a forgivable loan. A forgivable loan is a non-amortized loan that will be converted to a grant after three years provided the business is in compliance with other financing terms, particularly loan payments, and has complied with the job creation and business occupancy requirements.
2. Business Start-up: The maximum City assistance shall be 20% of eligible activities of a financing package not to exceed \$10,000 in target areas and \$5,000 in locations that are not target areas.

3. Existing Business: The maximum City assistance shall be 20% of eligible activities of a financing package not to exceed \$15,000 in target areas and \$10,000 in locations that are not target areas.
4. The applicant may secure loan assistance from Lewiston-Auburn Economic Growth Council or any other public agency or private lender who will be responsible for due diligence on behalf of the City's assistance.
5. The applicant must provide a commitment which describes the terms and any conditions of the commitment.
6. The business must remain housed within the City of Auburn until the loan is forgiven.

E. JOB CREATION CRITERIA

1. When the applicant's income is less than 80% of area median income, there will be no job creation requirement. The owner's job shall satisfy the requirement for low-moderate income benefit (LMI).
2. Special Economic Development Activity
 - a. At least one 1 full-time equivalent job will be created within three months after the loan closing for every \$25,000 of Community Development funded loan assistance. Job(s) that are created through this program will be maintained for a minimum of three years.
 - b. During the application process, jobs will be evaluated to determine if there is potential to satisfy the 51% low-income job requirement.
 - c. 51% of any jobs created will be taken by LMI households based on income limits established by the U. S. Department of Housing and Urban Development for Lewiston-Auburn SMSA. Only the initial job will be subject to income limitations.
 - d. Spin-off jobs (jobs that have an indirect link to the project and financing) and turn-over jobs (jobs that were previously taken by an employee and are now open) are not eligible to be counted to satisfy the jobs requirement.
 - e. The applicant will be required to sign a Job Agreement as a condition of the loan and must comply with all required reporting.

F. ADMINISTRATION

1. Non-Discrimination

Administration of this program shall be in accordance with Title VI of the Civil Rights Act of 1964 as amended. No person shall, on the ground of race, color,

national origin, sex, age, disability, religion or familial status be excluded from participation in, be denied the benefits of, or subjected to discrimination under this program.

2. Participation by Religious Organizations

a. Religious organizations can apply through the Small Business Loan Program with the understanding that funds cannot be used to support inherently religious activities such as worship, religious instruction, or proselytizing. The organization can engage in such activities, but the business must be at a different location than the place of worship. Jobs must be open to non-religious members, and religious participation by beneficiaries must be voluntary.

b. The organization must not discriminate against an employee or prospective employee on the basis of religious belief or refusal to participate in a religious practice.

3. Household Income

For the purpose of determining eligibility, Community Development staff will calculate 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. Income will be based on Part 5 as defined by the Department of Housing and Urban Development.

4. Income Limits

To determine income for certain benefits under the Small Business Loan Program, Community Development staff will use income limits for Lewiston-Auburn SMSA, established by the Department of Housing and Urban Development and available in the Community Development Department. Revised income limits will be used upon receipt.

5. Loan Processing

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

H. APPLICATION PROCEDURES

1. Business Plan

The applicant shall submit a business plan that

- a. **describes the business** (type of business, status of the business, the form of ownership, the profit potential, employment opportunities, and other market/community benefits, location and hours of the business);
- b. **the market** (products/service, customers, market size, competition, estimated market share, production and distribution, image/packaging, advertising, and pricing);
- c. **operations/organizational management** (management responsibilities, professional services, background and experience);
- d. **financial plan** (costs, revenues/chart of accounts, assets, liabilities, cash flow projections, balance sheet, equipment list, sources and uses, business pro-forma, and
- e. **supporting documents** (personal resume, personal financial statement, job descriptions, letters of reference, copies of leases, contracts, etc.), as applicable.

2. Financial Submission

The applicant(s) shall submit the application form, the last two years of business and/or personal tax returns as well as personal financial statements or other documentation from an accountant or other acceptable source. The applicant may be asked to supply a listing of personal property and inventory.

This section sets forth the application procedures for the Small Business Loan Program.

1. **Initial Application** - Loan application may be obtained from the (Community Development Department (CDD)).
2. **Loan Processing** - Community Development staff will evaluate eligibility of the application. After approval, Community Development staff will hold a loan closing. Disbursement of funds will require approval of both Community Development staff.
3. **Loan Closing** - Loan documents shall include a promissory note, mortgage, security agreements, job agreement, and any other documents necessary to secure the terms and conditions of the loan. Any legal costs incurred by the CDD for closing documents will be the responsibility of the owner and may be paid for with loan proceeds.
4. **Disbursement of Funds** - Personal funds will be disbursed first. Any other resources and City funds will then be disbursed on a pro-rata basis.
5. **Post Closing Counseling** – The applicant will agree to meet with the Economic Development Department quarterly during the first two years after the closing, or more frequently, if necessary, to review the financial status of the business.

I. OTHER PROGRAM REQUIREMENTS

All loans will comply with applicable Federal Regulations, as amended, of the Community Development Program as listed below:

1. **Civil Rights** - The owner will be required to comply with Title VIII of the Civil Rights Act of 1968, as amended, 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 property.
2. **Federal Labor Standards Provisions** - The owner must abide by established minimum wage rates (Davis-Bacon Act) for the area for construction work exceeding \$2,000.
3. **Conflict of Interest** - No elected or appointed official or employee of the City of Auburn, and no member of any municipal board or committee which exercises any decision-making function with respect to the Community Development Program, shall participate in negotiating or shall exercise any influence in awarding or administering any contract in which he has a direct or indirect pecuniary interest as the term is defined by 20 MRSA Section 2250.
4. **Prohibition Against Payment of Bonus, Commission, or Fee** - The owner cannot pay any bonus, commission, or fee for the purpose of obtaining the City of Auburn's approval of the loan application, or any other approval or concurrence required by the City of Auburn or its designee obtain a loan under these guidelines.
5. **Equal Employment Opportunity** - The owner must abide by the provisions of Executive Order 11246 as amended by Executive Order 11375 concerning equal employment opportunity and will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, familial status, handicap, or national origin.
6. **Lead-Based Paint Hazards** - Any loan made by the City of Auburn for construction work is subject to requirements of the Department of Housing and Urban Development's with respect to treating lead-based paint hazards as set forth in Title 24 CFR, Part 35.
7. **Flood Hazard Insurance** - If the property to be improved is located in a designated flood hazard area, the owner will be required to purchase flood hazard insurance or show evidence of coverage, and abide by the regulations of the Flood Disaster Protection Act of 1973 located in or owned in substantial part by persons residing in the area of the project.
8. **Environmental Review Procedures** - All projects shall be subject to environmental review procedures of the National Environmental Protection Act.

I. SPOT REHABILITATION LOAN PROGRAM

A. PROGRAM GOAL

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

B. ELIGIBILITY CRITERIA

1. The property may be owner-occupied, investor owned, or owned by a non-profit agency.
2. The property to be improved must be a residential property and be year-round or be converting to a year-round status according to the requirements of the City of Auburn's duly adopted construction codes and zoning ordinance.
3. Investor-owned properties must be in one of the City's target areas.

C. LOAN CATEGORIES AND TERMS

1. Deferred Loans

- a. A deferred loan is a non-installment loan bearing no interest and the principal payment is deferred. Deferred loans are available only for owners who occupy their buildings. Deferred loans are subject to the following conditions:
 - 1) The deferred will be repaid in a single payment upon sale, conveyance, or transfer of the property, within one year of death of the applicant(s), or at the time the owner ceases to occupy the property.
 - 2) An applicant who has received a deferred loan will be required to submit documentation of annual income upon request of the Community Development Block Grant Office two years from the date of loan closing, and every two years thereafter. If, at the time of re-evaluation, the applicant's income is above 65% of the median income, the deferred loan will be converted to an installment loan with monthly payments subject to Direct Loan repayment terms. When a borrower(s) has reached age 65 and has been through at least one deferred loan review, no additional reviews will be required.

b. b.—The maximum loan amount is \$~~18,000~~25,000.
c.—

- ~~d. _____ e.~~ Household income must be below 65% of median income.
- ~~e. An applicant who takes advantage of a deferred loan under the Homeowner Rehab Program will not be eligible for a second loan under the Spot Rehab Program. A loan, however, will be available under this program for improvements to the ineligible rental units of that property that cannot be financed by the Homeowner Rehab Program.~~

2. Direct Loan/Owner-Occupied

- a. A direct loan is an installment loan with monthly payments.
- b. Maximum loan amount is \$~~18,000~~25,000 ~~for applicants with household income between 65-80% of median income~~
- c. Loan term shall be established by Community Development staff with approval of the Community Development Loan Committee based on financial capacity of the applicant. The maximum term is 20 years if income is between 65-80% of median, and 15 years for all other income groups.
- d. Income/Interest Rate Categories

<u>Income Range</u>	<u>Interest Rate</u>
Between 0-80% of median income	0%
80% to 100% of median income	2%
100% to 120% of median income	4%
120% - of median income and above	6%

~~**3. Direct Loan/Investor-Owners**~~

- ~~a. Direct loans are available to investor owners who own property in one of the City's target areas. Qualification for the Spot Rehab Program shall be determined by the Community Development Loan Committee based on the severity of the building condition and the building's cash flow.~~
- ~~b. A direct loan is an installment loan with monthly payments.~~
- ~~c. Maximum loan amount is 18,000~~
- ~~d. Loan term shall be established by Community Development staff with approval of the Community Development loan Committee based on financial capacity of the applicant. The maximum term is 15 years.~~

e. ~~Interest rate shall be 6%.~~

4. Direct Loan/Investor-Owners/Code Violations

- a. Direct loans are available to investor owners who own property in one of the City's target areas. This program will be available to property owners when there has been a citation of code 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. Maximum loan amount is \$25,000
- c. Loan terms shall be established by Community Development staff with approval of the Community Development Loan Committee based on financial capacity of the applicant. The maximum term is 15 years.
- d. Interest rate shall be 2%.

4.5. Sewer Connection Assessment Grants

- a. A grant requires no repayment.
- ~~b.f.~~ The grant amount shall be one-half of the cost of the assessment, -
- ~~e.g.~~ Available for non-profit agencies or households with income below 80% of median income.
- d. A grant is used to pay for the cost of an impact/connection fee charge only when the Auburn Sewer District offers no financing for the assessment.

D. ELIGIBLE IMPROVEMENTS

Eligible activities are those necessary to:

- 2. eliminate condition(s) detrimental to occupants of the residence or public health and safety; and
- 3. repair(s) of an emergency nature.
- ~~3.~~ Code violations according to the Code Enforcement Officer's Notice of Violation.

II. RESIDENTIAL REHABILITATION PROGRAM

A. PROGRAM GOAL

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

B. ELIGIBILITY CRITERIA

1. The applicant must own or have a written agreement to purchase the property to be improved.
2. 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 according to the requirements of the City of Auburn's duly adopted construction codes and zoning ordinance.
3. After completion, the property must comply with Housing Standards 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 CRF Part 8, Section 504 of the Rehabilitation Act of 1973, and standards of the International Existing Building Code, and Housing Standards of the Community

~~Development Program.~~ Community Development Department staff will determine the requirements for building improvements.

C. ASSISTANCE CATEGORIES AND TERMS

1. Target Areas

a. Property must be located within one of Auburn's target areas.

b. Exterior Repairs

- 1) Maximum grant is \$10,000 per property;
- 2) Only one grant will be awarded per property;
- 3) The applicant shall provide a private match of 25% of the grant amount;
- 4) A loan will be available for projects that exceed the grant/match amount with the same terms and conditions as described in section c. General Improvements; and

c. General Improvements

1) Maximum loan ~~amounts are:-~~ assistance is \$20,000 per unit of which 50% will be a loan, 25% a forgivable loan, and 25% a private match. A unit that receives funding under the Homeowner Rehab Program will not be eligible for assistance of the owner's unit.

~~a) \$25,000 for the first unit (a unit that receives funding under the Homeowner Rehab Program will be considered the first unit);~~

~~b) \$20,000 for each additional unit;~~

~~c) Interest rate is interest-free for applicants of owner-occupied properties if income is less than 80% of area median income and 2% for all others; and~~

~~d) The City's loan shall be leveraged with a minimum of 25% in private funds. The leveraged private match requirement may be waived by the Community Development Loan Committee based on cash flow or inability to obtain private financing in which case the ratio shall be 75% loan and a 25% forgivable loan.~~

~~e) Loan term shall be established by Community Development Loan Committee based on financial capacity of the applicant or inability to obtain financing. The maximum term is 25 years.~~

~~2. Low Income Households~~

~~a. General Criteria~~

- ~~1) Property may be anywhere in the City of Auburn.~~
- ~~2) Property must be owner-occupied.~~
- ~~3) Applicant's household income is less than 80% of area median income.~~
- ~~4) There is no match except for the grant match.~~
- ~~5) Buildings outside the target areas must meet the low-income occupancy requirement (50% for a 2-unit building and 51% for 3 or more units)~~

~~b. Exterior Repairs~~

- ~~1) Maximum grant is \$2,500 per property.~~
- ~~2) Only one grant will be awarded per property.~~
- ~~3) the match is 25% of the grant.~~
- ~~4) A loan will be available for projects that exceed the grant amount with the same terms and conditions as described in this section c General Improvements.~~

~~c. General Improvements~~

- ~~1) Maximum loan amounts are:

 - ~~a) \$25,000 for the first unit (a unit that receives funding under the Homeowner Rehab Program will be considered the first unit);~~
 - ~~b) \$20,000 for each additional unit;~~~~
- ~~2) Interest rate is 0%~~
- ~~3) Loan term shall be established by Community Development Loan Committee based on financial capacity of the applicant. The maximum term is 25 years.~~

D. ELIGIBLE IMPROVEMENTS

~~1. Curb Appeal Grant Priorities~~

- ~~a. Goal under this section are intended to enhance the visual quality of the neighborhood. Improvements must address the conditions that contribute to blight in the neighborhood. Blight is defined as the characteristics of the built and natural environment that have deteriorated to the point that they constitute a threat to public health, safety, and welfare; contribute to the physical and economic deterioration of neighborhoods, or result in the degradation of the quality of life in the City of Auburn.~~
- ~~b. The Rehabilitation Coordinator will be responsible to document blighting influences by assessing the physical condition and visual impact of the exterior building elements and recording observable deficiencies.~~
- ~~c. In order to assure that the proposed improvements produce a positive impact, severe conditions will be remedied first. If funds remain after severe conditions are remedied, then other conditions may be addressed.~~
- ~~d. Curb Appeal Improvements

 - ~~1. Architectural and engineering services relative to exterior improvements undertaken;~~
 - ~~2. prime and paint exterior surfaces;~~
 - ~~3. repair or replacement of exterior surfaces according to the City’s Historic Property Exterior Restoration Policy, including siding, porches, steps, railings, decking, fire escapes, window and door trim, soffits and eaves, and gutters;~~
 - ~~4. lighting;~~
 - ~~5. foundation repair;~~~~

- ~~6. re-pointing or reconstruction of walls and chimneys;~~
- ~~7. retaining walls and fences;~~
- ~~8. replacement of windows and doors;~~
- ~~9. repair to garages, barns, and accessory buildings; and~~
- ~~10.1. _____ exterior repairs to assure the exterior of the building meets Housing Quality Standards.;~~

e.c. General Rehabilitation Loan Priorities

Improvements include rehabilitation of a permanent nature which may include

1. Architectural and engineering services relative to project improvements undertaken;
2. structural repairs;
3. energy improvements;
4. eliminatgion of lead paint hazards;
5. weatherization;
6. weather protection;
7. accessibility for disabled persons;
8. repair or replacement of major housing systems;
9. repair of code violations;
10. general property improvements of a non-luxury nature;
11. repair of retaining walls;
12. utility connections;
13. finishing of unfinished space to add space to an existing dwelling unit to make it properly sized for the occupants;
14. engineering and architect costs;
15. driveway and yard repair
16. earthwork limited to correction of a significant drainage or landscape problem;
17. demolition, structural repairs or weather protection of garages, barns and accessory buildings;
18. fencing when required to correct a hazardous condition; and
19. any improvements that accomplish the goal of this program.

f.d. Ineligible Improvements

Improvements which are ineligible include

1. new construction;
2. creation of additional unit(s);
3. paving;
4. costs of equipment, furnishings or other personal property not an integral structural fixture such as appliances;
5. labor costs for property owners to rehabilitate their own property; and
6. improvements attributable to the non-residential portion of a mixed-use property.

E. NATIONAL OBJECTIVES

Projects will be eligible under only one of two national objectives: low-income benefit based on occupancy or slums/blight. The allocation of loan pool funds each year will be a minimum 75% for low-income projects. Projects will be processed under the low-income criteria whenever possible and under the Slums/Blight criteria as a last resort.

1. Low-Income Criteria

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.

2. Slums/Blight Criteria

The project must address the conditions which contribute to blight as defined in section d. Curb Appeal Grant Priorities.

III. APPROVAL PROCESS

A. COMMUNITY DEVELOPMENT STAFF

The Community Development Department has responsibility for administration of the Rehabilitation Program. Community Development performs the underwriting and presents the loan request to the Community Development Loan Committee.

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. COMMUNITY DEVELOPMENT LOAN COMMITTEE

1. Loans and grants will be reviewed by the Community Development Loan Committee who will be responsible for making a decision to approve or deny loan requests and to establish loan and grant conditions.
2. Appeal Procedure: The reason(s) for rejection shall be given to the applicant. Applications that have been denied may be appealed to the Community Development Loan Committee for a period of thirty days after the date of rejection.

The applicant will be allowed to present his/her case to the Community Development Loan Committee. The Community Development Loan Committee may reconsider their prior vote to denying the application after the appeal review has been completed.

3. Waiver of Loan Amount and Term: The City Council may authorize a different interest rate, repayment term or loan amount than what is specified in this program guide.

D. LOAN CONSIDERATIONS

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

1) Underwriting

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

2) Assessment Private/Public Benefit

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

IV. 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 and if there is inadequate funding, then the application may be placed on a Rehabilitation 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 on the basis of 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. Department 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 Part V. Estimated annual income shall include income from all family or household members.
 - 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 Department 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 rehabilitation assistance in order 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).
 8. **Target Area** - A designated neighborhood area defined by the Community Development Office for concentrated use of Community Development Block Grant Funds under the slums/blight eligibility determination.

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

Department 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 Department (CDD).
- 2. CDD Responsibilities –** The City will make available the services of a Rehab Coordinator 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 CDD 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.
- 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 CDD 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 CDD 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 CDD.

~~b. Priorities~~

~~The order of priority for repairs will be determined by the risk assessment report~~

~~—according to the following criteria:~~

~~1) Surfaces that are found to contain lead based paint levels greater than 9.9 mg/cm² and are in poor and fair condition.~~

~~2) When a component that contains lead based paint is being repaired because it is in poor or fair condition, the entire surface area may be included in the scope of work.~~

e-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 in order to insure that they are not adversely affected by the corrective work, the owner and CDD will arrange for the relocation. CDD shall pay for temporary moves according to its Residential Antidisplacement and Relocation Assistance Plan.

7. Construction Bids--

A. The applicant may choose one of two options for obtaining construction bids.

1. Applicants may secure their own bids from contractors of their preference without the assistance of the Community Development Department. Three bids will be required.

2. Applicants may request that the Rehab Coordinator secure bids on their behalf. The Rehab Coordinator will notify all contractors on Auburn's Contractor List of the project, hold a pre-bid meeting on site, and accept bids on behalf of the applicant at a specified time and place.

B. Contractors may be selected from a list of eligible contractors as maintained by the City of Auburn CDD or contractors must be able to meet the Community Development department's eligibility standards. No contractor may be selected who has been designated ineligible by the CDD.

C. The applicant is not bound to contract with the lowest qualified bidder, but in the event of choosing the higher bid the applicant must provide private funding for the difference in cost. All loan amounts will be calculated based on the lowest estimate.

- D. Each contractor will give a proposal on the CDD specification/bid form. The contractor must, if requested, provide a breakdown on each portion of the work he is bidding. The contractor must sign the proposal sheet. The CDD may require that information pertinent to materials be submitted for approval.

8. Contractor Eligibility Standards

- a. Insurance -- The contractor and subcontractors shall carry Worker's Compensation Insurance for all their employees in accordance with the Worker's Compensation laws of the State of Maine. The contractor and subcontractors shall carry Manufacturer's and Contractor's Public Liability Insurance with a limit of \$300,000 for personal injury or death and \$100,000 for property damage. The CDD may require bonding for contracts in excess of \$100,000. The CDD will require evidence of insurance prior to signing a construction contract.
- b. License and Qualifications --The contractor shall have in effect a license if required by the City of Auburn, or State of Maine. The contractor must have obtain a Department of Environmental Protection approved-Repair, Renovate or Paint certification, if pertinent to the work being performed.
- c. Credit -- The City may require a list of credit references, names of suppliers, name of bank where contractor does business, and names and addresses of recent home improvement customers.
- d. Skill and Equipment -- No approval of a contract shall be given unless the construction contractor can satisfactorily demonstrate that he/she and/or their subcontractor(s) have the necessary skills and equipment to perform the work in an efficient and expedient manner.

9. Ineligible Contractors - Where a contractor fails to comply with the eligibility standards set forth above, or commits one or more of the following violations, the CDD shall remove the contractor from the list of eligible contractors and shall designate the contractor to be ineligible. The applicant will not award any rehabilitation work, other services, materials, equipment, or supplies to be paid for, in whole or in part, with the proceeds of the loan to any contractor or subcontractor whom the CDD has designated as ineligible. The CDD shall designate a contractor to be ineligible if it finds that the contractor has:

- a. Committed one or more material violations of its obligations under a rehabilitation contract and has failed to cure all such violations promptly after 10 days written notice by the applicant or the CDD.
- b. Engaged in a pattern of delayed performance or failed to complete the work under a rehabilitation contract, and has received written notice of such delay.

- c. Failed to communicate in a courteous, prompt and professional manner, and such failure continued after written notice by the applicant or the CDD.
- d. Committed fraud and other illegal acts against the applicant or the City of Auburn, including but not limited to kickbacks and collusion.
- e. Failed to pay subcontractors or suppliers on a timely basis, allowed a lien to be placed on the applicant's property, or otherwise failed to maintain good credit, and such failure continued after written notice by the applicant or the CDD.
- f. Threatened, intimidated, or harassed the applicant or City staff.

Once the CDD has designated a contractor to be ineligible, the Contractor shall remain ineligible for a minimum of two years, and shall remain ineligible thereafter until the CDD determines, in its sole discretion, that the contractor has taken all necessary steps to ensure that no further violations will occur, provided that in the case of violations of Sections 9 (d) or 9 (f) above the Contractor shall remain permanently ineligible.

10. Labor Performed by the Owner -- A property owner may complete some or all of the tasks required to rehabilitate his/her property if he/she has the degree of skill required to perform the work involved. Self-help is usually appropriate for the accomplishment of tasks of an unskilled nature such as general cleanup, demolition, cartage and disposal of debris, and for work that involves minimal use of costly materials and equipment.

- a. **Materials and Workmanship** --The CDD will require information regarding the cost of materials for any self-help work prior to approval of the loan. The CDD may require evidence of workmanship on previous projects before accepting the owner's intention to do his/her own work. The amount of the loan may include funds to pay for the materials and rental of equipment to be installed by self-help.
- b. **Schedule** -- The Rehab Coordinator and owner will establish a schedule of work items and projected completion date prior to loan closing.
- c. **Qualification** -- The owner must have completed a Department of Environmental Protection Renovate, Repair and Paint course, if pertinent to the work being performed.

11. 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.

12. Community Development Loan Committee - The application is presented to the Community Development Loan Committee who is responsible for

awarding loans.

- 13. 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.
- 14. Amended Loans -** If unforeseen project costs exceed the original rehabilitation estimates plus any project contingency, the Rehab Coordinator may increase the loan by \$500 without approval of the Community Development Loan Committee.
- 15. Assumability –** Loans are generally unassumable.
- 16. 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 Loan Committee.
- 17. Construction Contract –** The owner and contractor will sign a contract signed at the time of loan closing which is acceptable to the CDD. 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. No change to the rehabilitation contract work shall be allowed unless approved by the CDD, owner, and contractor. Any changes involving cost will be supported through the execution of a change order between the contractor and owner.
- 18. Inspection -** The CDD shall have the right to inspect all rehabilitation work financed in whole or in part with the proceeds of the loan. The CDD will inform the owner and/or contractor of any noncompliance with respect to the rehabilitation work and the corrective action needed. The CDD 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 CDD is permitted to examine and inspect the rehabilitation work.
- 19. Records -** The applicant agrees to keep such records as may be required by the CDD 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 CDD 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 CDD may deem necessary, permit the CDD to have full and free access to its records with respect to the property.
- 20. Escrowing of funds -** The CDD 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 permit the CDD to disburse such funds to the owner and/or the contractor

in the manner set forth in the contract between applicant and contractor. The CDD may require lien waivers as a condition of payment.

21. 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 CDD. 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 CD

AUBURN-LEWISTON CONSORTIUM

HOME BUYER ~~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 Homebuyer ~~Loan~~-Program guidelines describe assistance that is available to enable low- and moderate-income households to become home owners in either city.

B. PROGRAM OBJECTIVE

The objectives of the Homebuyer ~~Loan~~-Program are to make home ownership affordable for low- and moderate-income households, to provide funds that will open access to other homebuyer programs, and to increase owner occupancy in targeted areas. The Homebuyer ~~Loan~~-Program is designed to provide an opportunity for low- and moderate-income families to purchase market rate homes. The Homebuyer ~~Loan~~-Program is subject to all of the HOME Investment Partnerships Program regulations.

C. OUTREACH

Community Development Department staff (CDD) 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 Homebuyer ~~Loan~~-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 must be below 80% of median income at the time of the closing. ~~An eligibility determination based on income shall be valid for a six-month period.~~
2. The applicant(s) shall have a minimum household income of
 - a. \$25,000, or
 - b. \$20,000 if the prime mortgage is financed by USDA Rural Development as a subsidized interest rate loan.
3. The applicant(s) is able to obtain standard financing at a fixed rate.

4. The applicant(s) may not own residential property, or be a party in an installment land contract at the time of application.
5. The applicant(s) liquid assets shall not exceed \$15,000. Liquid assets are savings accounts, savings accounts, stocks, bonds, money market accounts, certificate of deposits, and cash gifts. It shall not include retirement accounts or life insurance cash values.

E. PROPERTY ELIGIBILITY

1. The property must be located in Auburn or Lewiston.
2. The property may be a single-family dwelling, a rental property with two- to four-dwellings, a condominium unit, a cooperative unit, or a mixed-use property.
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 maximum property value will not exceed 95% of the median purchase price for that type of housing for the area as published by HUD, Section 203(b). If a property involves rehabilitation, the after-rehabilitation value shall be established prior to approval and shall not exceed 95% of the median purchase price.
5. ~~The property must meet Housing Standards~~ The property will be decent, safe, sanitary and in good repair and meet the following standards prior to the closing: 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. The financing package shall include adequate funds to complete all necessary improvements to meet these standards.
6. The property shall be inspected by CDD prior to the applicant(s) signing a purchase and sale agreement to assure that the property is appropriate for the applicant(s) and has potential to meet all property standards.

F. LOAN-HOME ASSISTANCE TERMS

~~A HOME loan will be available to make housing affordable based on household income. HOME loan will be applied to reduce the bank loan, and is an interest free loan with payments beginning immediately after the closing. The loan will be for a term not to exceed 40 years.~~

1. Homebuyer Financing

- a. ~~The HOME assistance will be based on the following criteria:~~

1. ~~HOME Savings Account~~

- ~~a) The Cities shall assist the applicant to establish a HOME Savings Account (HSA) with Auburn Housing Development Corporation to pay for down payment and closing costs to purchase a home.~~
- ~~b) The applicant will make monthly deposits to the account for a minimum of six months and a maximum of 3 years. The minimum 6-month deposit period may be reduced to 3 months when 1) the applicant can document that the minimum amount of savings has been deposited into a savings account for a six-month period prior to the application and 2) that the savings to be matched is deposited into the Home Savings Account prior to the beginning of the 3-month period.~~
- ~~c) The minimum payment shall be \$25~~
- ~~d) The account will be non-interest bearing.~~
- ~~e) The City shall match the HSA account two dollars for each dollar saved by the applicant. The HSA maximum is \$5,250. Half of the HOME match will be a forgivable loan and half will be a grant. The full amount of the match will be included in calculating the recapture period. The match will be available at the time of loan closing. There will only be one HSA grant per household.~~
- ~~f) If an applicant is deemed no longer eligible at the time of closing, the amount of savings in the HOME Savings Account will be returned to the applicant.~~

~~HOME Loan: Each applicant will receive a minimum of \$1,000 as a loan to be secured by a mortgage, and a maximum of \$15,000, based on need.~~

~~1. The applicant shall produce a minimum of \$1,000 in personal savings for the downpayment. The City shall provide a five to one (5/1) match to the applicant's savings, not to exceed \$5,000. There will be only one grant per household.~~

~~2. The applicant may save for the downpayment by establishing a savings account or by providing the required down payment in a lump sum at the closing. The City shall assist the applicant to establish a HOME Savings Account (HSA) with the City of Auburn to save for the down payment. The applicant will make monthly deposits with a minimum monthly deposit of \$25. The account will be non-interest bearing.~~

~~3. Forgivable Loans~~

a. The applicant shall also receive a \$2,000 forgivable loan. The loan will be secured by a mortgage and forgiven at the end of the mandatory occupancy period.

b. An additional \$8,000 forgivable loan shall be available to lower housing cost for principal, interest, taxes, and insurance (PITI). The additional loan shall be used to drop the PITI payment to no lower than 28% of the applicant's income.

~~Homebuyer Counseling: The applicant will be required to participate in the City's Homebuyer Counseling Program throughout the savings period.~~

~~**2. Determination of HOME Loan**—The maximum HOME loan shall be based on the purchase price plus closing costs minus the maximum amount allowed by the prime lender provided that the total debt service for mortgage, taxes, estimated rehabilitation, insurance, and mortgage insurance is no less than 25% of the applicant(s) income.~~

3. Recapture

a. Based on the combined HOME ~~-assistance~~ loans to applicant(s), the property to be purchased shall be occupied by the applicant(s) as a principal residence for the minimum periods as follows:

1) 5 years if total of HOME funds is less than \$15,000;

2) 10 years if total of HOME funds is between \$15,000 and 40,000; or

3) 15 years if HOME funds is over \$40,000.

~~3)~~

b. The recapture period shall commence ~~on the date of the purchase. when the building acquisition and HOME rehabilitation are complete and a project completion certification has been issued by CDD.~~ If the property is sold, transferred, or the purchaser ceases to occupy the property prior to the end of the recapture period, the principal balance of the HOME loan(s) shall be immediately repaid.

G. UNDERWRITING

1. The following conditions shall apply to all loans:

a. monthly debt for principal, interest, taxes, insurance, and estimated rehabilitation loan shall not exceed 32% of the applicant(s) income;

b. all debt shall not exceed 42% of applicant(s) income;

H. APPROVAL

1. Approval of Auburn Loans: HOME ~~Loans Assistance~~ will be reviewed by the Community Development Loan Committee (Committee) who will be responsible for making decisions to approve or deny loan requests and to establish loan conditions.

2. Approval of Lewiston Loans: HOME ~~Loans Assistance~~ 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.

3. Appeal Procedure: The reason(s) for rejection shall be given to the applicant. HOME Loans that have been denied may be appealed to the Committee for a period of thirty days after the date of rejection. The applicant(s) will be allowed to present his/her case to the Committee. The Committee may reconsider their prior vote to denying the application after the appeal review has been complete. A decision will be made by the Committee once the appeal has been heard.

I. 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. Application Priority

Applications shall be processed on a first-come, first-served basis. CDD shall use the approval date of the loan committee to establish the order of priority for funding. The applicant will be notified if there is funding available to proceed with the project and if there is inadequate funding, then the application may be placed on a HOME waiting list.

3. Definitions

a. Household Income

1) When determining whether a household is income eligible, CDD will calculate annual income using the ~~IRS Form 1040 method Part 5~~ as defined by the Department of Housing and Urban Development.

2) For the purpose of determining eligibility, CDD 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.

3) 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 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.

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 Homebuyer ~~Loan~~ Program. Guidelines for Lewiston-Auburn SMSA are provided by the Department of Housing and Urban Development, and are revised annually.

d. Community Development Department staff (CDD) is the contact person designated as the City's representative to process loan applications in Auburn or Lewiston.

e. Purchase and Sales Agreement is the document executed by the applicant to purchase the chosen property.

4. Application Procedures

This section shall set forth the procedures for administering the Homebuyer ~~Loan~~ Program.

a. Applications

1) Priority -- Applications will be processed on a first come, first served basis. CDD 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 Department. A complete application shall include verification of income. An incomplete application will be returned to the applicant.

b. Income Verification -- The applicant(s) shall provide documentation of all income sources and a federal tax return. CDD shall make a determination of preliminary eligibility based on household size and income.

1) 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.

~~2) If an approved applicant(s) has not signed a purchase & sale agreement within six months from the initial income verification, the applicant(s) must submit new income documentation to re-establish eligibility.~~

c. Training

1) **Landlord Training** – If the property is a multi-unit building, the Applicant(s) shall attend a landlord education program.

2) **Home Buyer Training** -- The applicant(s) shall provide a certification of attendance at a HoMEworks approved homebuyer education program.

3) **Post-Home Purchase Counseling** – The applicant(s) will agree to meet annually for the first 3 years, or more frequently if necessary, to review the financial status of the applicant(s).

d. Identifying the Property -- The applicant(s) will select a property for sale which is consistent with an affordability determination

e. Purchase and Sales Agreement - The applicant will execute Purchase and Sales Agreement that includes a clause stipulating the sale is contingent upon financial approval from the City and primary lender.

f. Multi-Unit Property – If the property has rental units, the owner or realtor will be asked to secure tenant data and copies of the existing leases.

g. Initial Inspection – CDD shall make an initial inspection of ~~all the~~ housing units within a building to determine if ~~there are conditions that must be corrected to meet Housing the property meets housing standards including Lead Safe Housing Rule, accessibility requirements of 24 CRF Part 8, Section 504 of the Rehabilitation Act of 1973, and standards of the International Existing Building Code and Housing Standards. Standards.~~ CDD will identify the required improvements in writing.

h. Housing Standards – Properties to be purchased through the Homebuyer ~~Loan~~ Program must meet ~~Housing Standards~~ Housing Standards including Lead Safe Housing Rule, accessibility requirements of 24 CRF Part 8, Section 504 of the Rehabilitation Act of 1973, and standards of the International Existing Building Code before ~~occupancy~~ purchase. ~~A structure which requires more than~~

~~\$5,000 of improvements per unit may require an assessment of lead conditions by a licensed risk assessor, or the CDD may presume there is lead.~~

~~**i. Projects Requiring Improvements**—If the required improvements are to be funded by any of the City’s rehabilitation programs, the applicant shall follow the procedures of those programs.~~

~~**j. Defining Costs and Funding Resources**—After construction costs are defined, city staff will determine the final total development costs including rehabilitation loans. CDD will proceed with the funding package only after it has been determined that the purchase will result in a monthly payment that does not exceed the amount identified as affordable to the applicant(s).~~

k. Financing Package – The applicant(s) will seek approval of the prime lender and HOME loan. CDD will submit to the request to the loan committee for approval.

l. Notices

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

2) Rejection – If the request is rejected, CDD will notify the applicant(s) in writing and give the reason(s) for rejection, and the right to appeal the decision.

3) Tenant Notification -- Letters shall be sent to the tenants if there will be permanent displacement.

m. 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.

n. Assumability

The HOME Loan is not assumable.

o. Subordination – Subordination of the HOME loan is generally not allowed. Exceptions will be made for documented emergencies on a case by case basis by CDD. CDD 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 building system failure (two estimates from reputable contractors); or
- 5) legal expenses incurred that would affect the health or stability of the household.

p. Monitoring – A recipient of HOME funds is required to own and occupy the property purchased with HOME funds as a principal residence for a specified period of time. CDD will monitor ownership during the recapture period. A default shall occur if the owner ceases to occupy or transfers the interest in the subject property, or fails to respond to requests for occupancy documentation and the HOME loan shall come immediately due.

J. FEDERAL AND STATE REGULATIONS, AS MAY BE AMENDED

- 1. Equal Employment Opportunity** – The applicant must abide by the Provisions of Executive Order 11246 concerning equal employment opportunity.
- 2. 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.
- 3. 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.
- 4. Conflict of Interest** – No elected or appointed official or employee of the City of Auburn or Lewiston and no members of any municipal board or committee which exercises any decision making functions with respect to the CDD, 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 term is defined by 30 M.R.S.A. Section 2250
- 5. Lead Based Paint** – If the project involves a property that was constructed prior to 1978, all Title X Lead Based Paint standards shall apply.

6. 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.

7. Uniform Relocation Act – The Homebuyer Loan Program shall comply with the Uniform Relocation Act with respect to tenants who may be permanently or temporarily displaced.

AUBURN-LEWISTON CONSORTIUM

DRAFT

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 Department 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**. **An eligibility determination based on income shall be valid for a six-month period.**~~

1.

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 1-4 dwelling units, manufactured or mobile home, condominium or cooperative unit. Mixed-use properties, properties containing commercial uses, are not eligible.
5. Only the owner's unit is eligible for HOME financing. ~~For multi-dwelling properties with rental units, the units occupied by tenants must be improved to meet Rehabilitation Standards and may be accomplished through other Community Development Programs.~~

F. IMPROVEMENT STANDARDS

~~1. After completion, the unit must comply with the program's rehabilitation standards. Community Development Department staff (CDD) will determine the requirements for building improvements. 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.~~

~~1.~~

~~2.1.~~ 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;
- l. non-living space limited to demolition of deteriorated structure, structural repairs, and weather protection; and
- m. fencing when required to correct a hazardous condition.

4. 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 amount is \$35,000.

3.

2.4. The loan terms shall be as follows

3.

<u>Income Range</u>	<u>Amortized Loan</u>	<u>Deferred Loan</u>
<u>0-65% of median income</u>	<u>n/a</u>	<u>100% of loan</u>
<u>65-80% of median income</u>	<u>50% of loan</u>	<u>50% of loan</u>

4.

5. 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.

6.5. The interest rate is 0% (non-interest bearing).

7.6. The loan term shall be established by CDD and Loan Committee based on financial capacity of the applicant. The maximum term is 30 years. ~~When the project includes home purchase in the financing package, the term may be 40 years if the extended term is required to meet the loan underwriting standards.~~

5. There is no match requirement.

6. Recapture

a. ~~Based on the combined HOME loans to applicant(s), the~~ The property to be ~~purchased-improved~~ shall be occupied by the applicant(s) as a principal residence for the minimum periods as follows:

- 1) 5 years if total of HOME loan(s) are less than \$15,000
- 2) 10 years if total of HOME loan(s) are between \$15,000 and \$40,000;
- 3) 15 years if HOME loans(s) are over \$40,000.

b. The recapture period shall commence when the HOME rehabilitation is complete and a project completion certification has been issued by CDD. If the property is sold, transferred, or the owner ceases to occupy the property prior to the end of the recapture period, the principal balance of the HOME loan shall be immediately repaid.

H. 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 value of the HOME assisted property will not exceed the limits established under:
 - a. Section 221(d)(3)(ii) of the National Housing Act, and
 - b. 95% of the FHA median price purchase price limit.

Documentation shall include either an appraisal or a comparable tax assessment value as determined by the Tax Assessor.

3. All debt - shall not exceed 42% -of gross income.

I. APPROVAL

1. Approval of Auburn Loans

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

2. Approval of Lewiston Loans

HOME Loans 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.

3. Appeal Procedure

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

4. Loan Considerations

In approving or denying loan requests, the Committee 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.

J. 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. Application Priority

Applications shall be processed on a first-come, first-served basis. CDD 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 and if there is inadequate funding, then the application may be placed on a Homeowner Rehabilitation Waiting List.

3. Definitions

a. Household Income

1) When determining whether a household is income eligible, CDD will calculate annual income using the [IRS Form 1040 Part 5](#) method as defined by the Department of Housing and Urban Development.

2) For the purpose of determining eligibility, CDD 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.

3) 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 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.

- 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 Department of Housing and Urban Development, and are revised annually.
- d. **Community Development Department staff** - (CDD) 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 CDD.
- f. **City** - Either the City of Auburn or City of Lewiston, as applicable.

4. **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. CDD 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 Department. 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. CDD shall make a determination of preliminary eligibility based on household size and income.
 - a) 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) ~~If a loan has not closed within six months from the initial income verification, the applicant(s) must submit new income documentation to re-establish eligibility.~~

- b. **Multi-Unit Property** – If the property has rental units, the owner will provide rental costs, and information about tenants.

c. Initial Inspection – CDD 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, CDD will prepare technical specifications for contractor bidding.

d. Meeting -Rehabilitation Standards – HOME assisted properties must meet – ~~rehabilitation standards, lead standards~~ 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, -within six month of the loan closing--.

e. Lead – A structure which requires more than \$5,000 of improvements per unit may require an assessment of lead conditions by a licensed risk assessor. The CDD 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 CDD 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 CDD.

2) Priorities--The order of priority for repairs will be determined by the risk assessment report according to the following criteria:

a) Surfaces that are found to contain lead-based paint levels greater than 9.9 mg/cm² and are in poor or fair condition.

b) When a component that contains lead-based paint is being repaired because it is in fair condition, the entire surface area may be included in the scope of work.

3) Displacement -- The Contractor, owner and CDD 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 CDD will arrange for the relocation. CDD shall pay for temporary moves according to its Residential Anti-Displacement and Relocation Assistance Plan.

f. Construction Bids

1) The applicant may choose one of two options for obtaining construction bids.

a) Applicants may secure their own bids from contractors of their

preference without the assistance of the Community Development Department. Three bids will be required.

- b) Applicants may request that the Rehab Coordinator secure bids on their behalf. The Rehab Coordinator will notify all contractors on Auburn's Contractor List of the project, hold a pre-bid meeting on site, and accept bids on behalf of the applicant at a specified time and place.
- c) Contractors may be selected from a list of eligible contractors as maintained by the City of Auburn CDD or contractors must be able to meet the Community Development Department's eligibility standards. No contractor may be selected who has been designated ineligible by the CDD.
- d) The applicant is not bound to contract with the lowest qualified bidder, but in the event of choosing the higher bid the applicant must provide private funding for the difference in cost. All loan amounts will be calculated based on the lowest estimate.
- e) Each contractor will give a proposal on the CDD specification/bid form. The contractor must, if requested provide a cost breakdown on each portion of the work he is bidding. The contractor must sign the proposal sheet. The CDD may require that information pertinent to materials be submitted for approval.

g. Contractor Eligibility Standards

1) Insurance -- The contractor and subcontractors shall carry Worker's Compensation Insurance for all their employees in accordance with the Worker's Compensation laws of the State of Maine. The contractor and subcontractors shall carry Manufacturer's and Contractor's Public Liability Insurance with a limit of \$300,000 for personal injury or death and \$100,000 for property damage. The CDD may require bonding for contracts in excess of \$100,000. The CDD will require evidence of insurance prior to signing a construction contract.

2) License and Qualifications --The contractor shall have in effect a license if required by the State of Maine. The contractor must have completed a Department of Environmental Protection approved lead-smart renovator's course, if pertinent to the work being performed.

3) Credit -- The CDD may require a list of credit references, names of suppliers, name of bank where contractor does business, and names and addresses of recent home improvement customers.

4) Skill and Equipment – The construction contractor can satisfactorily demonstrate that he/she and/or their subcontractor(s) have the necessary skills and equipment to perform the work in an efficient and expedient manner.

h. Ineligible Contractors - Where a contractor fails to comply with the eligibility standards set forth above, or commits one or more of the following violations, the CDD shall remove the contractor from the list of eligible contractors and shall designate the contractor to be ineligible. The applicant will not award any rehabilitation work, other services, materials, equipment, or supplies to be paid for, in whole or in part, with the proceeds of the loan to any contractor or subcontractor whom the CDD has designated as ineligible. The CDD shall designate a contractor to be ineligible if it finds that the contractor has:

- 1) Committed one or more material violations of its obligations under a rehabilitation contract and has failed to cure all such violations promptly after 10 days written notice by the applicant or the CDD.
- 2) Engaged in a pattern of delayed performance or failed to complete the work under a rehabilitation contract, and has received written notice of such delay.
- 3) Failed to communicate in a courteous, prompt and professional manner, and such failure continued after written notice by the applicant or the CDD.
- 4) Committed fraud and other illegal acts against the applicant or the City, including but not limited to kickbacks and collusion.
- 5) Failed to pay subcontractors or suppliers on a timely basis, allowed a lien to be placed on the applicant's property, or otherwise failed to maintain good credit, and such failure continued after written notice by the applicant or the CDD.
- 6) Threatened, intimidated, or harassed the applicant or CDD.

Once the CDD has designated a contractor to be ineligible, the Contractor shall remain ineligible for a minimum of two years, and shall remain ineligible thereafter until the CDD determines, in its sole discretion, that the contractor has taken all necessary steps to ensure that no further violations will occur, provided that in the case of violations of Sections 9 (d) or 9(f) above the Contractor shall remain permanently ineligible.

i. Labor Performed by the Owner -- A property owner may complete some or all of the tasks required to rehabilitate his/her property if he/she has the degree of skill required to perform the work involved. Self-help is usually appropriate for the accomplishment of tasks of an unskilled nature such as general cleanup, demolition, cartage and disposal of debris, and for work that involves minimal use of costly material and equipment.

1) Materials and Workmanship --The CDD will require information regarding the cost of materials for any self-help work prior to approval of the loan. The

CDD may require evidence of workmanship on previous projects before accepting the owner's intention to do his/her own work. The amount of the loan may include funds to pay for the materials and rental of equipment to be installed by self-help.

2) Self-Help Contract – The Owner will be required to sign a self-help contract that describes the tasks to be accomplished and a deadline for completion. The project deadline shall be within 6 months of the loan closing date.

3) Qualification -- The owner must have completed a Department of Environmental Protection approved lead-smart renovator's course, if pertinent to the work being performed.

j. Private Lender's Loan – 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.

k. Community Development Loan Committee - The application is presented to the Committee who is responsible for awarding loans.

l. 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.

m. Tenant Notification -- Letters shall be sent to the tenants if there will be permanent displacement.

n. 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.

o. Amended Loans - If unforeseen project costs exceed the approved rehabilitation loan, the CDD may increase the loan by \$1,000 without approval of the Committee provided the amended loan will not exceed the maximum loan amount.

p. 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.

q. Construction Contract – The owner and contractor will sign a contract signed at the time of loan closing which is acceptable to the CDD. 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 CDD for approval of each phase of the work. No change to the rehabilitation contract work shall be allowed unless approved by the CDD, owner, and contractor. Any changes involving cost will be supported through the execution of a change order between the contractor and owner.

r. Inspection - The CDD shall have the right to inspect all rehabilitation work financed in whole or in part with the proceeds of the loan. The CDD will inform the owner and/or contractor of any noncompliance with respect to the rehabilitation work and the corrective action needed. The CDD 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 CDD is permitted to examine and inspect the rehabilitation work.

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

t. 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 CDD. Unutilized funds may be applied to reduce the principal or may be used to complete additional work as approved by the CDD.

u. Records - The applicant agrees to keep such records as may be required by the CDD 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 CDD 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 CDD may deem necessary, permit the CDD to have full and free access to its records with respect to the property.

v. Assumability -- Loans are generally not assumable with the exception of Home Owner projects where the applicant was a lessee.

w. 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. CDD 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.

x. 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.

K. 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

Amended January 22, 2013

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.



City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: April 21 , 2016 **Order**

Author: Reine Mynahan, Community Development Director

Subject: Amendment to Commitment Letter

Information: The Auburn City Council committed \$250,000 to Auburn Housing Development Corporation in 2015. Since they were not successful in their Low Income Housing Tax Credit application AHDC would like to extend the commitment to July 31, 2017. The Community Development Department needs to commit these funds by the end of this summer, but cannot do so until this project is fully funded and project underwriting has been completed. To meet our commitment requirement under the HOME Program, we propose to use these funds on the acquisition of two residential buildings, renovate them, and resell to an income qualified purchaser.

The attached Amendment to Commitment Letter accomplished both objectives.

Advantages: Provides for an extension to the commitment letter thereby giving the developer the ability to gain points under a competitive application, and enables the City to utilize these funds for another project until Auburn Housing Development Corporation is ready to use these funds in the future.

Disadvantages: none

City Budgetary Impacts: n/a

Staff Recommended Action: Approval

Previous Meetings and History: Meeting of 9-21-2015

Attachments: Amendment to Commitment Letter

AMENDMENT TO COMMITMENT LETTER

THIS AMENDMENT TO COMMITMENT LETTER dated this ____ day of May 2016 by and between the CITY OF AUBURN, a Maine body corporate and politic with a place of business and mailing address of 60 Court Street, Auburn, Maine 04240 (the "City") and AUBURN HOUSING DEVELOPMENT CORPORATION, a Maine nonprofit corporation with a place of business in Auburn, Maine and mailing address of P.O. Box 3037, Auburn, Maine 04212-3037 ("Borrower")

WITNESSETH:

WHEREAS, the commitment letter from the City to Borrower dated September 30, 2015 for financing in an amount up to \$250,000 (the "Commitment") expires on or about July 31, 2016; and

WHEREAS, AHDC has not obtained the additional financing necessary to commence construction of the project known as 62 Spring Street;

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The expiration date of the Commitment as set forth at Page 11 of the Commitment is hereby extended to July 31, 2017, subject to the following conditions: (a) At the City's sole discretion, disbursement of loan proceeds may be changed from \$125,000 at 50% Project completion and \$125,000 at 100% completion to \$250,000 at 100% Project completion in order to allow for the City's revolving fund to be replenished with the funds necessary to make the disbursement, and (b) the construction of improvements shall be commenced by October 2017 and shall be completed by September 30, 2018.

2. The Commitment as modified hereby remains in full force and effect and the parties ratify and affirm their obligations to one another thereunder.

IN WITNESS WHEREOF, the parties have caused this Amendment to Commitment letter to be executed by their duly authorized representatives as of the day and year set forth above.

WITNESS:

CITY OF AUBURN

By: _____

Reine Mynahan, Community
Development Director

AUBURN HOUSING DEVELOPMENT
CORPORATION, Borrower

By: _____

Richard S. Whiting, its Secretary

City Council Information Sheet

City of Auburn



Council Workshop or Meeting Date: April 21, 2016 **Order**

Author: Reine Mynahan, Community Development Director

Subject: Mutual Cooperation Agreement between the Cities of Auburn and Lewiston

Information: Three years ago, the Cities of Auburn and Lewiston entered into a contract, a Mutual Cooperation Agreement, to renew the Auburn-Lewiston HOME consortium. The consortium is the only mechanism by which either city can receive HOME Investment Partnerships Program funds. The funds bring in about \$320,000 annually to be shared by the consortium. The City of Auburn is the lead agency in the consortium. The Mutual Cooperation Agreement expires on June 30, 2016. The Agreement describes the responsibilities of the representative member (lead) as well as that of the member.

Advantages The HOME Program is used exclusively to expand housing opportunities for low-income households. Each member offers programs that assist households to purchase a home, rehabilitate an existing home, develop rental housing, or provide rental assistance to tenants.

Disadvantages: n/a

City Budgetary Impacts: Program dollars help to support the salary/benefits for Economic and Community Development staff.

Staff Recommended Action: Authorize City Manager to sign the Mutual Cooperation Agreement.

Previous Meetings and History: An agreement has been in effect since 2002.

Attachments: Mutual Cooperation Agreement

AL (AUBURN-LEWISTON) CONSORTIUM
MUTUAL COOPERATION AGREEMENT
TO FORM A CONSORTIUM UNDER THE
HOME INVESTMENT PARTNERSHIPS PROGRAM

MUTUAL COOPERATION AGREEMENT made this day of , 2016, by and between the City of Auburn and the City of Lewiston (units of general local government) organized and existing under the laws of the State of Maine.

WHEREAS, the Congress of the United States of America has enacted the Cranston-Gonzalez National Affordable Housing Act, HOME Investment Partnerships Program; and

WHEREAS, the U.S. Department of Housing and Urban Development (hereinafter, "HUD") has promulgated regulations, notices, and requirements as now or hereafter in effect, allowing units of general local government to enter into mutual cooperation agreements to form a consortium or continue an existing consortium for the purpose of obtaining funding as a participating jurisdiction under the HOME Investment Partnerships Program (hereinafter, "HOME Program"), and

WHEREAS, the signatory units of general local government intend hereby to establish a consortium to cooperate in undertaking or assisting in pursuing housing assistance activities through the HOME Investment Partnerships Program, as it may be amended, and

WHEREAS, the signatories to this agreement agree to comply with all requirements of HUD regulations and requirements as now or hereafter in effect for eligibility to participate to the maximum extent possible in the HOME Program to create or improve affordable housing for their low and moderate income residents.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties to this agreement do agree as follows:

SECTION 1 - DEFINITIONS

- a. "Member" means a unit of local government that is a signatory to this Agreement and therefore a member of the Consortium for the purpose of carrying out eligible activities under HUD regulations and requirements as now or hereafter in effect.
- b. "Representative Member" means a unit of local government designated hereafter as the one member to act in a representative capacity for all members for the purposes of this Agreement, as defined in HUD regulations and requirements as now or hereafter in effect.
- c. "Subrecipient" is a public agency or non-profit selected by the member to administer all or a portion of the member's HOME Program.

- d. “Consolidated Strategy and Plan” means a Consolidated Plan, as defined in HOME Program Regulation 92.2 and required by HUD regulations and requirements as now or hereafter in effect.
- e. “CHDO” means a Community Housing Development Organization, as defined in HUD regulations and requirements as now or hereafter in effect.
- f. “HUD Regulations and Requirements” means those HUD regulations and requirements which are applicable to the HOME Investment Partnerships Program.
- g. “Commitment” means the member has executed a legally binding agreement with a recipient or a subrecipient to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or has executed a written agreement reserving a specific amount of funds to a community housing development organization; or has met the requirements in the regulations to commit to a specific local project, including project underwriting according to Notice CPD-15-11 or other HOME Investment Partnerships guidance with respect to project/program review.
- h. “Program Income” means gross income received by the member or subrecipient directly generated from the use of HOME funds or matching contributions. When program income is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be prorated to reflect the percentage of HOME funds used.

SECTION 2 - DESIGNATION OF REPRESENTATIVE MEMBER; POWERS AND DUTIES OF REPRESENTATIVE MEMBER

- a. The City of Auburn, acting through its Community Development Director for the Community Development Department, hereinafter Consortium Administrator, will be designated as and agrees to assume overall responsibility as the Representative Member for this consortium for the purposes of the HOME Program, in compliance with HUD HOME Program statutes, regulations, and instructions, now or hereafter in effect, for the duration of this Agreement.
- b. The Representative Member shall have access to all Member records related to the use of HOME program funds for the purpose of ensuring compliance with HUD regulations.
- c. The Representative Member shall establish and maintain the local HOME Investment Trust Fund required by HUD regulations and requirements as now or hereafter in effect.
- d. The Representative Member shall establish, with the prior consent of the Member units, such administrative procedures as may be necessary to facilitate the application for and distribution of HOME program funds.
- e. Representative Member may provide technical assistance to the Members upon request. Said assistance shall not relieve each Member from compliance with all relevant HOME regulations, nor unduly burden the Representative Member.

- f. The Representative Member may withdraw funds from the HOME Investment Trust Fund for a particular Member or Member's project only upon receipt of a written requisition signed by the Member requesting the disbursement.
- g. The Representative Member may amend this Mutual Cooperation Agreement on behalf of the consortium to add new members to the consortium. When members are added, the funding formula shall be revised and agreed upon by all Members including the new Member.

SECTION 3 - DUTIES OF MEMBER UNITS OF LOCAL GOVERNMENT

- a. Each Member agrees to cooperate in undertaking or assisting in the pursuit of housing assistance activities for the HOME Investment Partnerships Program.
- b. The Consortium collectively acting through its Representative Member and each of its Members, acting through its Community Development Director (or other individual designated by each Member's chief executive officer), agrees to carry out eligible activities in accordance with the requirements of HUD regulations and requirements as now or hereafter in effect.
- c. Each Member shall be responsible for obtaining the necessary local approvals for acceptance and allocation of HOME program funds.
- d. Each Member shall be responsible for submitting to the Representative Member all information necessary for participation in the consortium as defined in HUD regulations, requirements, and schedules as now or hereafter in effect. This includes, but is not limited to, information necessary for the Consolidated Plan, Annual Plan, description of the use of HOME funds, the HOME Program Description including tasks to be performed, a schedule for completing the tasks, budget, and certifications, HOME Agreements executed with subrecipients, and performance reports.
- e. Each Member shall be responsible for obtaining matching funds or matching fund credits for all of its projects as required by HUD regulations and requirements as now or hereafter in effect.
- f. Project Management.
 - (i) Each Member shall be responsible for project management and shall perform all procedures and tasks necessary to develop, design, implement and monitor each specific project and shall fully comply with uniform administrative requirements as stated in HOME Program regulation 92.505. The Member shall describe how each proposed project and site satisfy all applicable HOME Program regulations and the requirements of this Agreement and shall record these determinations in each project/site file together with an official approval memorandum signed by Member's responsible HOME Program staff. For multiple site programs the Member shall provide the proposed program guidelines and any amendments to the same to the Representative Member for review.
 - (ii) Unless agreed to in advance, Members shall be responsible to utilize Community Housing

Auburn Lewiston HOME Consortium – Mutual Cooperation Agreement
Development Organization (CHDO) reserve on an annual basis.

- (ii) Members shall assure that its share of the ~~18-24~~-month commitment requirement under the HOME Investment Partnerships Program regulations is met. Once projects are committed, each Member shall submit a commitment letter with the Consortium.

SECTION 4 - FUNDING

a. The Representative Member shall be entitled to an amount of 4% of HOME Program funds for administration of the Consortium which shall be deducted from the annual allocation. Each Member will then share the remaining 6% for administration funds permitted under the cap allowance pro-rata in relation to the percentage of HOME Program funds received by each member annually.

b. After the set aside for administration, each Member will share equally HOME Program funds allocated to the Consortium each year. A Member may voluntarily relinquish a portion or all of its HOME allocation, in writing, to another Member of the Consortium.

c. HOME funds will be deposited into and disbursed from the Consortium HOME Investment Trust account established by the Representative Member consistent with HOME Program regulation 92.500 the HOME Investment Trust Fund and 92.502 Program disbursement and information system. All loan repayments, interest, or other returns on investments shall be deposited into this account on a quarterly basis.

d. Reservation of HOME Funds.

- (i) Each Member shall be responsible for establishing its own projects and meeting its 50% share of the mandatory 24-month commitment of funds according to 92.500(d)(1) of the HOME rule and CPD-15-09. In January of each year, Representative Member shall communicate in writing with Member the status of the required commitment, and each shall identify in writing how commitment shares will be met. In May of same year, if either Member or Representative Member has not met the required level of commitment, then Member or Representative Member shall offer the uncommitted amount to the other, who may or may not accept responsibility for committing these funds. There will be no obligation to accept or repay a transfer of funds. If transfer is not accepted by Member or Representative Member and funds are lost, then the loss shall remain with the original Member or Representative Member.

- (iii) Project Set-Up in IDIS. Each Member may request that the Representative Member "set up" in the federal Integrated Disbursement and Information System (IDIS) or any successor system, i.e. establish an activity and reserve funds for each particular site or eligible activity, after meeting all the requirements of the Mutual Cooperation Agreement, ~~the applicable HOME Project Funding Agreement, and all other related preliminary agreements.~~

(ii) ~~Each~~ Member shall forward a Set-Up Request in writing to the Representative Member, enclosing a HUD Project Set-Up Report together with the Auburn-Lewiston Consortium Project Compliance Checklist (AL Checklist), completed through the project initiation stage. ~~The Representative Member will not establish a site or an~~ activity in the IDIS System if one or more of the following conditions occur: HUD Set-Up Report is incomplete; the data on the HUD Set-Up Report or other site data are inconsistent with HOME Program requirements; ~~or if the required acquisition/relocation procedures are incomplete or inadequate; there is no evidence of local project approval; the environmental review requirements have not been met; or there is incomplete project underwriting.~~

(iv) The Representative Member agrees to provide the Member ~~or its designated lower tier recipients~~ with HOME Program funds in the amounts as stated in the executed HOME ~~Project Funding~~ Agreements, as they may be amended from time to time, for the purposes described in said ~~Project Funding~~ Agreements, provided that the Member has complied with all requirements of the HOME Program and this Agreement.

e. HOME Agreements.

(i) Prior to disbursing HOME Program funds each Member shall enter into a HOME agreement with the recipient including all provisions described in HOME Program regulation 92.504, or its successor.

(ii) The Member shall include in each such HOME agreement additional provisions as may be required by HUD and such reasonable requirements as may be requested by the Representative Member consistent with HOME Program regulations and this Agreement.

f. Review of Project Funding Instruments. Members shall transmit any proposed funding instruments and agreements to the Representative Member for review consistent with the applicable Consortium guidelines, as they may be amended from time to time. Once guidelines and funding instruments have been approved by the Representative Member, the Member may execute such funding instruments without further review by the Representative Member. Each Member must keep originals or certified copies of all case-specific funding instruments and related documents in project files.

g. Expenditures. The Member shall meet the principles and standards of cost allowability stated in the current OMB Circular A-87, "Cost Principles for State and Local Governments."

h. Processing and Release of Project Funds.

(i) Pre-Release Requirements.

- (A) Funding Instruments. HOME ~~Project Funding~~ Agreement and funding agreements with subrecipients must be executed prior to set-up and/or drawdown. Closing documents with recipients must be executed or a specific closing scheduled prior to drawdown. No funds will be authorized or released for work done prior to the effective date of this Agreement and the applicable Consortium-Member HOME ~~Project Funding~~ Agreement.
- (B) Environmental clearance. A Release of Funds, if applicable, must have been received from HUD for this project or activity.
- (C) Set-up Request. The site shall be set-up in the HUD IDIS system as provided in Section 4 - Funding, paragraph d, herein.
- (ii) Disbursement Procedure. The Representative Member shall draw down and release HOME funds on a reimbursement or “pay as you go” basis to the Member or on behalf of the Member to such designated subrecipient, vendor or other recipient as mutually approved by the Representative Member and Member consistent with the following procedure:
- (A) Invoice. An invoice requesting payment shall be submitted to the Representative Member on a quarterly basis by the entity to be paid or reimbursed. Invoices must appear on the letterhead of the entity or another standard invoice form approved by the Representative Member, ~~and~~ be signed by an individual authorized by the entity, ~~and be submitted by the 15th day of the month immediately following each quarter. Each invoice must contain the following information: invoice number, date, name of project, period of time covered by the requisition, types and amounts of expenditures.~~ Requests for payment shall be limited to the amount currently needed for the payment of eligible costs consistent with HOME Program regulation 92.504(c)(2)(vi), ~~corresponding to expenses already having been paid by the City of Lewiston.~~ Requests for payment shall include:
- 1) An invoice detailing the amount being requested for reimbursement against the established budget signed by the program manager;
 - 2) All pertinent back-up documentation for the charges including payroll records, time sheets, financial expense reports, and copies of source documentation; and
 - 3) A spreadsheet that ties the invoice to the expense report including a summary the salary expenses by project.
- (B) Approval by Member. Each invoice submitted shall have been reviewed and approved by the Member for accuracy, quantity and quality of work, materials or services provided, consistency with contractual terms, and compliance with all applicable HUD and HOME Program regulations. As required by HOME Program regulation 92.504(c)(2)(vi) the Member shall limit the requested disbursement of project funds to the amount presently needed for payment of eligible costs.

(D) Processing Requisition and Checks. The Representative Member will process all approved requisitions for payment in a manner consistent with Auburn accounts payable procedures. Incomplete or non-conforming requisitions will be returned to the Member. Checks will be mailed to the designated payee unless alternative arrangements have been made with the Representative Member.

(E) General. The Representative Member reserves the right to modify procedures herein as needed to comply with HUD and Auburn requirements. In such case, advance notification will be provided to the Members. Considerations unique to specific projects including but not limited to construction retainage, contingencies, retainage for compliance, and other aspects will be addressed on a case by case basis in a manner mutually acceptable to the Representative Member and Member and shall be described by the Member in a specific Project Description and attached to a HOME Project Funding Agreement.

i. Reversion of Assets. Upon expiration of this Agreement, each Member shall transfer to the Consortium HOME Investment Trust any HOME funds on hand at the time of expiration and accounts receivable attributable to the use of HOME funds per HOME Program regulations 92.503 and 92.504(c) and HUD Notice CPD 97-09. In the event the Consortium is dissolved, HOME funds and receivables shall remain in the custody of the Member, unless otherwise provided by HUD.

SECTION 5 - SETASIDE FOR COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

Each Member is responsible for reserving not less than 15 percent of its HOME funds for investment only in housing to be developed, sponsored, or owned by community housing development organizations (CHDOs), in accordance with the Consortium's Program Administration Guidelines and HOME Program regulations 92.300 - 92.303, as they may be amended from time to time. If one Member is able to fulfill the entire amount of this requirement, the other Member will not be required to also have a CHDO project. Members will coordinate this by January of each year prior to submission of the Annual Action Plan.

SECTION 6 - TERM OF AGREEMENT AND RENEWAL

a. This Agreement shall commence on July 1, 201~~6~~³ and remain in effect during the period necessary to complete all activities funded by Federal Fiscal Year (FFY) ~~2014~~²⁰¹⁷, ~~2015-2018~~, and ~~2016-2019~~ HOME Program grants or until the Consortium's status as a participating jurisdiction in the HOME Program is revoked by HUD, whichever occurs first. Members of the Consortium agree to a program year of July 1 to June 30 for the purposes of HOME.

b. Nothing in this Agreement obligates a Member to become a signatory to a future agreement to continue the Consortium for HOME Program grants subsequent to ~~FY2016~~^{FY-2019}. Each Member shall notify the Representative Member at least 60 days before the effective date of such future agreement if it intends not to become a signatory. Notwithstanding the foregoing, if the following FFY grant information is not available 60 days before the effective date, a Member shall use best

efforts to notify the Representative Member as soon as possible after it receives the grant information.

SECTION 7 - REPAYMENT OF FUNDS AND PENALTIES

a. Repayment of HOME Funds to HUD. In the event that HUD requires the Representative Member to repay HOME funds disbursed to the Consortium for failure to meet affordability requirements as set forth in applicable HUD regulations, or for any other reason, each Member shall reimburse the Representative Member for the amount of funds required to be repaid on account of that Member's use of HOME funds. Consistent with the foregoing, the Representative Member, when acting as a Member shall remain solely liable to HUD for repayment of HOME funds originally awarded to the Representative Member, if required on account of the Representative Member's use of such HOME funds as a Member.

b. Cancellation. Each Member agrees to repay the Consortium HOME Investment Trust all HOME funds released to the Member attributable to a project in the event such project is cancelled for any reason. Such repayment shall be made within the time period specified by HUD or other reasonable time period agreed to by the Representative Member.

c. Violations. Each Member who continues to violate any HOME Program regulation, provision of this Agreement, or provision of a HOME ~~Project Funding~~ Agreement, after having an opportunity to cure, shall repay to the Consortium HOME Investment Trust Account any HOME funds disbursed directly to recipients or subrecipients, with respect to the site or sites where the violation has occurred, or such amount as HUD determines.

d. Penalties.

(i) Member. Each Member shall reimburse the Representative Member the full amount of any penalties assessed against the Representative Member by HUD as a result of that Member's use of HOME funds pursuant to this Agreement.

(ii) Representative Member. The Representative Member shall reimburse the Consortium the full amount of any penalties assessed against the Consortium by HUD as a result of the Representative Member's failure to comply with HUD regulations.

e. Restriction on Future Funds. The Representative Member may withhold and restrict a Member's access to HOME funds if the Member fails to cure a violation, fails to repay HOME funds or fails to pay the penalties provided for above. Funds withheld in the amounts necessary to repay HOME funds or penalties should be charged against the Member's HOME funds in the following order:

(i) First against the funds for the project or projects in which the violation occurred or which are the subject of dispute between the Representative Member and Member;

(ii) Second against any other HOME funds allocated to the Member in the same fiscal year;

(iii) Finally against HOME funds allocated to such Member in future fiscal years.

If HUD subsequently determines that no violation has occurred, the Representative Member shall make the withheld funds available to the Member for HOME projects. Otherwise such funds are retained for the benefit of the Consortium or in the case of penalties to reimburse the Representative Member or Consortium as the case may be.

SECTION 8 - OPPORTUNITY TO CURE OR DISPUTE VIOLATIONS, LEGAL RECOURSE AND INDEMNIFICATION

a. Opportunity to Cure. The Representative Member shall provide a written notice to a Member of the violation of any provisions of this Agreement, ~~a HOME Project Funding Agreement,~~ or applicable HUD regulations. The notice shall set forth a description of the violation, the steps which must be taken to cure the violation and a reasonable time period established by mutual consent of the parties within which to effect the cure. However, if the parties are unable to agree to a deadline for full compliance, the Representative Member shall establish said deadline. The Representative Member may extend the time for cure if the Member proves its failure to cure was for circumstances beyond its control.

b. Disputing a Violation. If the Member and Representative Member disagree as to whether a violation has occurred, either may request HUD' determination of whether a violation exists. The Member disputing the Representative Member's finding of a violation may expend the subject funds, subject to repayment, unless the Representative Member chooses to withhold the funds.

c. Legal Recourse. In the event that any Member, including the Representative Member acting in its representative capacity, fails to comply with this Agreement, ~~a HOME Project Funding Agreement,~~ or a HOME Program or other HUD regulation or finding or fails to cooperate with any other Member, the Representative Member or the Consortium in complying with a HUD finding, the Representative Member or any other Member may take any steps necessary to fulfill its obligations to HUD and under this Agreement, including but not limited to legal action.

d. Indemnification for Violations. Each Member shall hold harmless the Representative Member, the Consortium and the other Members from and against all claims for repayment of HOME project funds attributable to such Member's failure to comply with applicable HUD regulations, this Agreement, ~~or any HOME Project Funding Agreement,~~ and from penalties, costs and attorneys' fees related to such failure.

SECTION 9 - FAIR HOUSING

a. Each Member agrees to affirmatively further fair housing in accordance with applicable Federal Law, Consolidated Strategy and Plan and with 24 CFR 570.904(c).

b. Affirmative Marketing. The Representative Member shall adopt and implement an Affirmative Marketing Plan including affirmative marketing procedures for HOME assisted housing containing 5 or more housing units consistent with the requirements of HOME Program regulations 92.351. Each

Member shall summarize these procedures in an affirmative marketing plan for each project. Documentation of action taken to carry out said site-specific plans shall also be placed in said files.

SECTION 10 – HOME/GENERAL PROVISIONS

a. Federal Regulations. The provisions of 24 CFR Part 92, HOME Investment Partnerships Program, Final Rule, 24 CFR Part 92 dated September 16, 2003 (hereinafter "HOME Program regulations") and all future amendments and revisions to the same are hereby incorporated into and made a part of this Agreement. The Representative Member and Members shall at all times comply with said HOME Program regulations, and shall comply with other related Federal and state statutes and regulations, Executive Orders, OMB Circulars, and all future revisions and amendments to the same. The Members shall become thoroughly familiar with all of the foregoing requirements as applicable and shall ensure that all projects comply in all respects.

b. Environmental Review. The release of funds for all HOME assisted projects and activities is subject to environmental review as set forth in HOME Program regulation 92.352 and 24 CFR 58. Each Member shall prepare and provide to the Representative Member all information necessary to obtain Release of Funds from HUD and documentation to establish specific site clearance consistent with Consortium procedures.

c. Equal Opportunity. Each Member shall comply with all applicable Federal and State laws governing discrimination and equal opportunity. In particular, each Member shall ensure compliance with HOME Program regulations 92.350 and the following statutes and executive orders pertaining to Equal Opportunity: Fair Housing Act; Executive Order 11063 (Equal Opportunity in Housing); Civil Rights Act of 1964, Title VI (Nondiscrimination in Federally Assisted Programs); Age Discrimination Act of 1975; Rehabilitation Act of 1973, Section 504; Executive Order 11246 (Equal Employment Opportunity); Housing and Urban Development Act of 1968, Section 3; Executive Orders 11625 and 121432 (Minority Business Enterprise); Executive Order 12138 (Women's Business Enterprise).

d. Labor Standards. Each Member shall comply with and/or ensure compliance with all applicable state and federal labor laws, including but not limited to the Davis/Bacon Act, 40 U.S.C. 276a-5 et. seq., as applicable pursuant to HOME Program regulations 92.354. In particular, each Member shall comply with and/or ensure compliance with all applicable federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), and all future amendments and revisions thereto. Each Member shall require certification as to compliance with the provisions of this paragraph as required by HOME Program regulation 92.354.

e. Records. Each Member shall maintain all applicable records for its project(s) consistent with HOME Program regulations 92.508 Record-keeping. In addition each Member shall make available copies of all such records as may be requested by the Representative Member for administration of the Consortium.

f. Reports. The Representative Member shall, on behalf of the Consortium submit such reports (with full and complete copies to the Member) as may be required pursuant to HOME Program regulations 92.509 Performance Reports. Each Member shall cooperate with the Representative Member in providing all data and information specific to each community and projects in such formats and time frame as required by HUD and the Representative Member. In addition, each Member shall prepare and submit to the Representative Member the project completion reports required by HOME Program regulation 92.502(d) Submission of project completion reports. This report shall be submitted to the Representative Member within 45 days of the final requisition for HOME funds together with a fully completed AL Consortium Project Compliance Checklist. Following review of the above for completeness, the Representative Member shall transmit the Project Completion Report on behalf of the Consortium to HUD as required by 92.502(d).

g. Religious Organizations. Each Member shall ensure that HOME funds are not disbursed to a primarily religious organization as prohibited by HOME Program regulations 92.257. In addition, each Member shall comply with the provisions of the above regulation with respect to assisting wholly secular organizations established by religious organizations which may be eligible to participate in HOME funded projects.

h. Conflict of Interest.

(i) In accordance with HOME Program regulation 92.356, the procurement of property and services by the Consortium, its Members and subrecipients is governed by the conflict of interest provisions stated in 24 CFR 85.36 and 24 CFR 84.42. Each Member shall comply with all applicable federal and state conflict of interest rules and shall endeavor to ensure the compliance with the same by all subrecipients as defined in HOME Program regulations 92.2 or other persons designated to receive HOME funds pursuant to this Agreement. At a minimum, each Member shall make a copy of all applicable conflict of interest provisions available to all recipients of HOME Program funds.

(ii) The conflict of interest provisions of part (i) of this section shall apply to the following persons: any person who is an employee, agent, consultant, officer, elected or appointed official of the Representative Member, or of the Members designated herein, or any state recipient, or subrecipient of HOME funds. None of the foregoing who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefits from a HOME assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Any exceptions to the conflict of interest provisions stated or cited herein must be approved by HUD in accordance with HOME Program regulation 92.356(d). Each Member shall advise the Representative Member in writing as to any such exceptions granted by HUD.

i. HOME Project Requirements. Each Member shall perform and carry out the projects as described in

the ~~HOME Program Descriptions~~Consolidated Plan and Annual Action Plan approved by HUD during the period covered by this Agreement and funded pursuant to Consortium-Member HOME ~~Project Funding~~-Agreements (Master Agreements and/or single project agreements), consistent with specific Project Descriptions and in compliance with the requirements of HOME Program regulations Subpart F, Project Requirements, as applicable, depending upon the type of project assisted. Each Member shall comply with requirements contained in Subparts E and F specifically in HOME Program regulations 92.205 to 92.215 concerning eligible and prohibited activities, income targeting requirements in regulations 92.216 and 92.217, unit subsidy limits, and all other applicable requirements stated in regulations 92.250 through 92.258. Written agreements executed with a subrecipient or other entity shall contain provisions requiring compliance with the regulations cited herein.

j. Ownership, Use, and Disposition of Property. Each Member shall comply with the affordability provisions referenced in HOME Program regulations 92.252 - 92.256, as applicable, which include income targeting, use requirements, initial and subsequent sale restrictions. For rental projects assisted with HOME funds, each Member shall require that the affordability requirements of HOME Program regulation section 92.252 be enforced by deed restriction or by restrictive covenants running with the land in accordance with HOME Program regulation 92.252(e). If a Member fails to comply with any of the requirements of this provision, the Member shall be required to repay HOME funds disbursed pursuant to this Agreement, consistent with HOME Program regulation 92.503(b). ~~Each Member shall describe in the Project Descriptions the specific restrictions to be utilized for each project.~~

k. Post-Completion Requirements. Upon completion of a project, each Member shall enforce all applicable short and long-term special requirements. Such requirements include, but are not limited to: compliance with housing affordability requirements (see HOME Program regulations 92.252 – 92.255 and 92.504(c)), and compliance with the Housing ~~Quality~~Standards (see regulation 92.251 and 92.504(c)&(d)). Each Member shall require owners of HOME assisted housing to comply with the requirements stated above and all applicable requirements for the duration of the applicable period of affordability and shall incorporate such time period into the duration of agreements executed with recipients of HOME funds. Prior to the anticipated completion date for each site, each Member shall prepare a plan for each post-completion enforcement responsibility by site and shall include such plans in each site file. Each file shall include a Certificate of Final Inspection indicating compliance with applicable housing standards. Each Member shall notify the Representative Member of compliance with this requirement by completing the Post-completion Plan item on the ALConsortium Project Compliance Checklist for each site.

l. Other Federal Regulations and Provisions. Each Member shall comply with Federal regulations incorporated in HOME Program regulation Subpart G, sections 92.300 through 92.303, Subpart H, sections 92.350 through 92.357, and all other applicable HOME regulations as well as all project requirements per this Agreement, provided that a Member's responsibilities with respect to environmental review contained in Subpart H shall be as stated in SECTION 10 – HOME GENERAL PROVISIONS, paragraph b., Environmental Review above.

m. Lead-Based Paint. Each Member shall remain solely responsible for ensuring that all projects at all times comply with applicable requirements of the Lead Based Paint Poisoning Prevention Act, 42

U.S.C. 4821, et, seq.; Lead-Based Paint Regulations 24 CFR Part 35 and all future revisions and amendments to the same. Each Member shall also ensure that all projects comply with such Lead-Based Paint regulations as may be adopted pursuant to HOME Program regulation 92.355, and with the applicable requirements of the Maine Lead Paint Statute, and all future revisions and amendments to the same.

n. Audit and Monitoring.

(i) General. Consortium and Member records shall be audited consistent with 24 CFR 44 (OMB A-128; Government entities) and non-profit subrecipient records shall be audited consistent with OMB A-133. Each Member shall be responsible for the cost of all audits performed on its records and operations pursuant to this section and may use designated HOME administrative funds. Other entities shall be responsible for the cost of their audits, respectively, and shall not use HOME funds for any portion of the cost of such audits unless expressly approved by a Member and included as an authorized cost in the Project Budget. Each Member and/or its subrecipient shall make available all such records and documents as requested by the Representative Member, HUD, and/or the Comptroller General of the United States. Such parties may examine and make copies, excerpts or transcripts from such records and may audit all contracts, procurement records, invoices, materials, payrolls, personnel records, conditions of employment, and all documents relating to all matters covered by this Agreement.

(ii) HUD Performance Reviews and Monitoring. HUD may conduct performance reviews and monitoring of the Consortium and of the Members as provided in HOME Program regulations 92.550 - 92.552. Each Member agrees to cooperate with HUD and the Representative Member to undertake such remedial action as may be required pursuant to HOME Program regulation 92.551, Corrective and remedial actions.

~~(iii) Monitoring by the Representative Member. The Representative Member shall perform periodic monitoring of projects on behalf of the Consortium. Such monitoring will include, but shall not be limited to, an annual review of the activities of owners of housing assisted with HOME funds, as applicable in accordance with HOME Program regulation 92.504(d), and an annual review of the performance of each contractor and recipient of HOME Program funds. Each Member shall cooperate with the Representative Member throughout these monitoring procedures and shall implement such corrective action as requested by the Representative Member consistent with HOME Program regulations.~~

~~(iv)-(iii)~~ Monitoring by Member. Each Representative Member and Member shall monitor their own recipients at least annually to ensure full compliance with all applicable requirements. All monitoring shall be performed in accordance with applicable HUD monitoring guidelines and on forms agreed to by the Representative Member and Members. Monitoring shall occur between January and June of even years starting with 2018. Each Representative Member and Member shall follow shall be responsible to follow through to resolve and clear any monitoring findings with respect to their own projects.

(iv) In January of each year in which monitoring is scheduled to occur, Member and Representative Member shall determine who will undertake monitoring of Member recipients. Member and Representative Member shall state their intentions in writing. If either Member is unable to complete monitoring by June 30 of that same year, then Representative Member shall take responsibility for monitoring and charge Member for the time spent on monitoring to its completion at the cost based on the current hourly rate of pay and fringe benefit costs for the staff(s) undertaking the effort.

o. Indemnification.

(i) Disclaimer. Each Member shall hold harmless and defend the Representative Member, the Consortium, and the other Members from and against all claims arising from any latent, or patent defects in any work performed or services provided with respect to each Member's projects pursuant to this Agreement and any duly executed Consortium-Member HOME Project_Funding Agreement.

(ii) Indemnification. Each Member shall indemnify, hold harmless and defend the Representative Member, the Consortium, and its agents, from and against all claims, damages, losses, and expenses including, but not limited to, attorneys' fees arising out of or resulting from the use of HOME funds disbursed pursuant to this Agreement with respect to each Member's projects, provided that any such claim, damage, loss or expense is (1) attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, and (2) is caused in whole or in part by any negligent act or omission of a Member, anyone directly or indirectly employed by a Member, or anyone for whose acts the a Member may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder.

p. Insurance. Each Member shall require that all owners, contractors and subrecipients of HOME assisted projects shall at all times maintain certain types of insurance coverage consistent with the character of the project and shall ensure compliance with the following as applicable.

(i) Certificate of Insurance. At time of closing of a grant or loan providing assistance, each Member shall obtain a certificate of insurance covering the assisted premises. Said certificate shall provide coverages of the types and amounts stated in subparagraphs (A) and (B) herein. The insurance provided shall be maintained for the duration of the note, mortgage or the affordability period, whichever is longer.

(A) The certificate of insurance shall provide, at a minimum, comprehensive general liability insurance and property insurance with an arrangement of coverage specifying the premises. The certificate shall name the Member as loss payee. Any changes from the standard required coverages and amounts as stated below must be mutually agreed to in advance and in writing by the Member and Representative Member.

(B) Minimum Requirements. Typically, the following coverage will be required at the minimum amounts indicated:

Property Insurance: Minimum Amount = 80% of market replacement value or amount of HOME funds invested and all senior indebtedness, whichever is greater.

Liability Insurance: Minimum Amount = HOME funds and all senior indebtedness.

(ii) Flood insurance. All HOME - assisted projects are subject to the Federal Flood Disaster Protection Act and associated regulations. Each Member shall ensure compliance with the applicable requirements, including ensuring the provision of flood insurance protection coverage, when required. At time of closing for providing assistance, each Member shall obtain a certificate of insurance covering the assisted premises. Said certificate shall provide the following minimum coverage: Minimum Amount = HOME funds and all senior indebtedness.

~~(iii)~~(v) Construction Insurance. Prior to the commencement of work on any HOME-assisted site, each Member shall obtain a certificate of insurance covering the work to be performed. Said certificate shall provide coverages for premises, operations, contractual liability, completed operations, automobile liability, employers liability, workers' compensation and professional liability (where applicable). Minimum amounts are stated in subparagraphs (A) and (B) below. The insurance shall be maintained for the duration of the work to be performed.

(A) Minimum Requirements. Typically, the following coverages will be required at the minimum amounts indicated:

Workmens' Compensation:	Statutory coverage.
Employer's Liability:	\$100,000 Coverage B
Comprehensive General Liability:	\$300,000 each occurrence
Bodily Injury:	\$500,000 each occurrence
Property Damage:	\$100,000 each occurrence \$300,000 aggregate

(B) Automobile Liability (case by case basis, subject to determination by Member and Representative Member) for owned and non-owned vehicles:

Property Damage:	\$100,000 each occurrence \$100,000 aggregate
Bodily injury	\$250,000 each occurrence \$500,000 aggregate

q. Displacement and Relocation.

- (i) General. Each Member shall take all reasonable steps to minimize displacement of persons consistent with the requirements of HOME Program regulation 92.353. In the event that displacement cannot be avoided, each Member shall ensure compliance with HOME Program regulation 92.353, including the provision of relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, hereinafter "URA", as amended. In addition, the Member shall ensure compliance with the most current edition of HUD Handbook 1378 "Tenant Assistance, Relocation and Real Property Acquisition".
- (ii) Use of Community Development Block Grant funds (CDBG). If CDBG funds are utilized in the HOME assisted project for optional relocation costs (not administrative or planning costs) and/or for any project based costs, including staff project delivery costs, each Member shall ensure compliance with all applicable provisions of the Housing and Community Development Act of 1974, and applicable implementing regulations set forth in 24 CFR 570.
- (iii) Responsibility of Member. Each Member shall prepare and maintain all necessary displacement and relocation plans and documentation, including, but not limited to site-by-site relocation plans, determinations of comparable housing, amounts and types of relocation assistance proposed, etc. as required by the URA. Each Member shall record compliance with all applicable relocation requirements on the AL Consortium Project Compliance Checklist.
- r. Acquisition. The acquisition of real property for a HOME project is subject to HOME Program regulation 92.353, the URA and the requirements of 49 CFR 24, Subpart B. Each Member shall ensure compliance with all of the foregoing, and shall prepare and maintain all necessary acquisition documentation, including, but not limited to: appraisals, offer letters, required notices, checklists, and any related materials.
- s. Procurement. Each Member agrees to fully comply with applicable requirements as referenced in 24 CFR 85.36 and related HUD Notices and will ensure compliance with 24 CFR 84.40 to 84.48 for nonprofit subrecipient organizations. Procurement steps must satisfy all applicable advertisement, competitive pricing, minority outreach, award, documentation and related requirements. Note that 24 CFR 24 prohibits the use of debarred firms and requires certain certifications for transactions consistent with 24 CFR 24, Appendix B.
- t. Loan Servicing. In the event a loan or loans are issued with HOME funds, the Representative Member and each Member shall work out appropriate arrangements for the financial servicing of said loan(s) satisfactory to the parties. Each Member shall establish and maintain accounting records and procedures consistent with 24 CFR 85.20, HOME Program regulations 92.505 and 92.508(a)(6), including but not limited to individual loan case files, loan account histories, posting of payments and/or deferrals, account maintenance and updates, recording of loan discharge documents, preparation of IRS reports as applicable, loan portfolio reports, loan receivables control, loan repayment and interest reports, and related loan management documents. Loan payments, repayments and recaptures shall be handled in accordance with 92.503.
- u. Assignability. Neither any Member nor the Representative Member shall assign any interest in this

Agreement and shall not transfer any interest in the same whether by assignment or novation.

v. Liens.

- (i) General. Each Member shall ensure that any property benefiting through a HOME-assisted activity is free from any attachments, tax liens, mechanics' liens or any other encumbrances except as provided in paragraph (ii) below.
- (ii) A property assisted with HOME funds may have multiple mortgages subject to the discretion of each Member, and subject to loan underwriting analysis confirming sufficient equity is available to secure such HOME loan as may be secured by said property.

SECTION 11 - CHANGES

In the event that changes in this Agreement become necessary, a Member initiating such changes shall notify the Representative Member in writing describing the subject changes. Upon mutual consent regarding the requested changes, the Representative Member shall prepare an amendment to this Agreement incorporating said changes which shall become effective following execution of the respective authorized signatories of the Members.

SECTION 12 - APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Maine and all applicable HUD regulations. HUD HOME Program regulations (primarily at 24 CFR Part 92) and requirements, as now or hereafter in effect, are incorporated by reference and shall take precedence for determining any issues that may arise concerning the Consortium.

SECTION 13 - SEVERABILITY

- a.. The provisions of this Agreement are severable. In the event that any provision herein is declared void or unenforceable, all other provisions shall remain in full force and effect.
- b. This Agreement is executed in two (2) counterparts, each of which shall be deemed to be an original and constituting together one and the same instrument, this being one of the said counterparts.

SIGNATORIES

IN WITNESS WHEREOF the parties hereto have executed this Agreement in two counterparts, as

of the date first written above.

Representative Member:

Member:

City of Auburn, by its
City Manager
~~Clinton Deschene-~~
Howard Kroll

City of Lewiston, by its
City Administrator
Edward A. Barrett

Witness

Witness

*Auburn-Lewiston HOME Consortium
Project Compliance Checklist*

RENTAL HOUSING

- Local project approval
- Environmental Review/Assessment
- Commitment letter with designation of HOME units
- IDIS HOME Set-up Form
- HOME underwriting/subsidy layering
- HOME Agreement
- Section 3 Reporting
- Certification/property standards
- Construction project inspections
- Affirmative Marketing Plan
- HOME Closeout/Match credit

Homebuyer

- Local Project approval
- Commitment Letter with designation of HOME units, if any
- IDIS HOME Set-up Form
- HOME Agreement
- HOME underwriting/subsidy layering
- Certification/property standards
- HOME Closeout/Match credit

Homeowner Rehabilitation

- Local project approval
- Environmental Review
- Home underwriting/subsidy layering
- IDIS Home Set-up Form
- HOME Agreement
- Certification/property standards
- Construction project inspections
- HOME closeout/Match credit

Security Deposit

- Local project approval
- HOME Loan Agreement
- IDIS Home Set-up Form/~~Appendix A~~



**Council Economic and Community Development Committee
April 21st, 2016 Agenda Summary**

Agenda #4a

Subject- Transportation Center and Great Falls Sewer Update. (10 Minutes)

Summary- The Downtown Auburn Transportation Center (DATC) is under construction utilizing federal grant funding. The city is responsible for connecting utilities to the site. Problems have prevented a gravity sewer system from being installed and now a pump station is the only solution to serve the DATC and the surrounding 3 acres of prime, downtown development land. A pump station plan is close to being sent to 3 contractors to get a price estimate for the job. In addition, the Esplanade will partner in the project, help off-set costs and fix a chronic sewerage problem for their building. The cost, with help from the Housing Authority is expected to be within or close to the original budget. Final ownership and maintenance responsibility with the city or the Auburn Sewer District is still being resolved.

Staff Recommendation(s)- The Staff recommends supporting the use of a pump station for the DATC and the non-gravity serviced area of Great Falls Plaza. This area is intended to be developed as Auburn's new city center at a high density and corresponding value.

Requested Action- No action is requested at this time, unless the committee desires a different direction.

Action Taken-

GB JP RS



Find area, length, or location

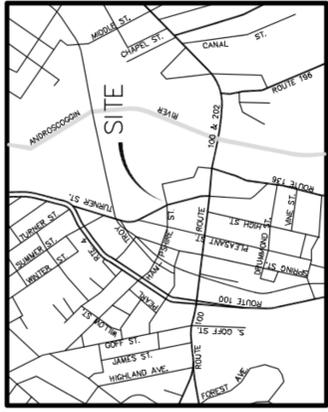
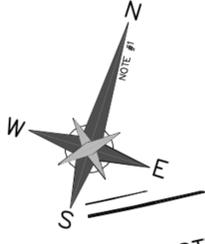


| Acres

Measurement Result

3.16 Acres





LOCATION MAP
(NOT TO SCALE)

NOTE:
EXISTING PAVEMENT, CURBING AND STRIPING TO BE DEMOLISHED NOT SHOWN FOR CLARITY, REFER TO EXISTING CONDITIONS PLAN FOR ADDITIONAL DETAIL.

NOTE:
A STABILIZED CONSTRUCTION ENTRANCE SHALL BE CONSTRUCTED AND MAINTAINED AT A SUITABLE LOCATION TO BE DETERMINED BY THE OWNER.

GENERAL NOTES

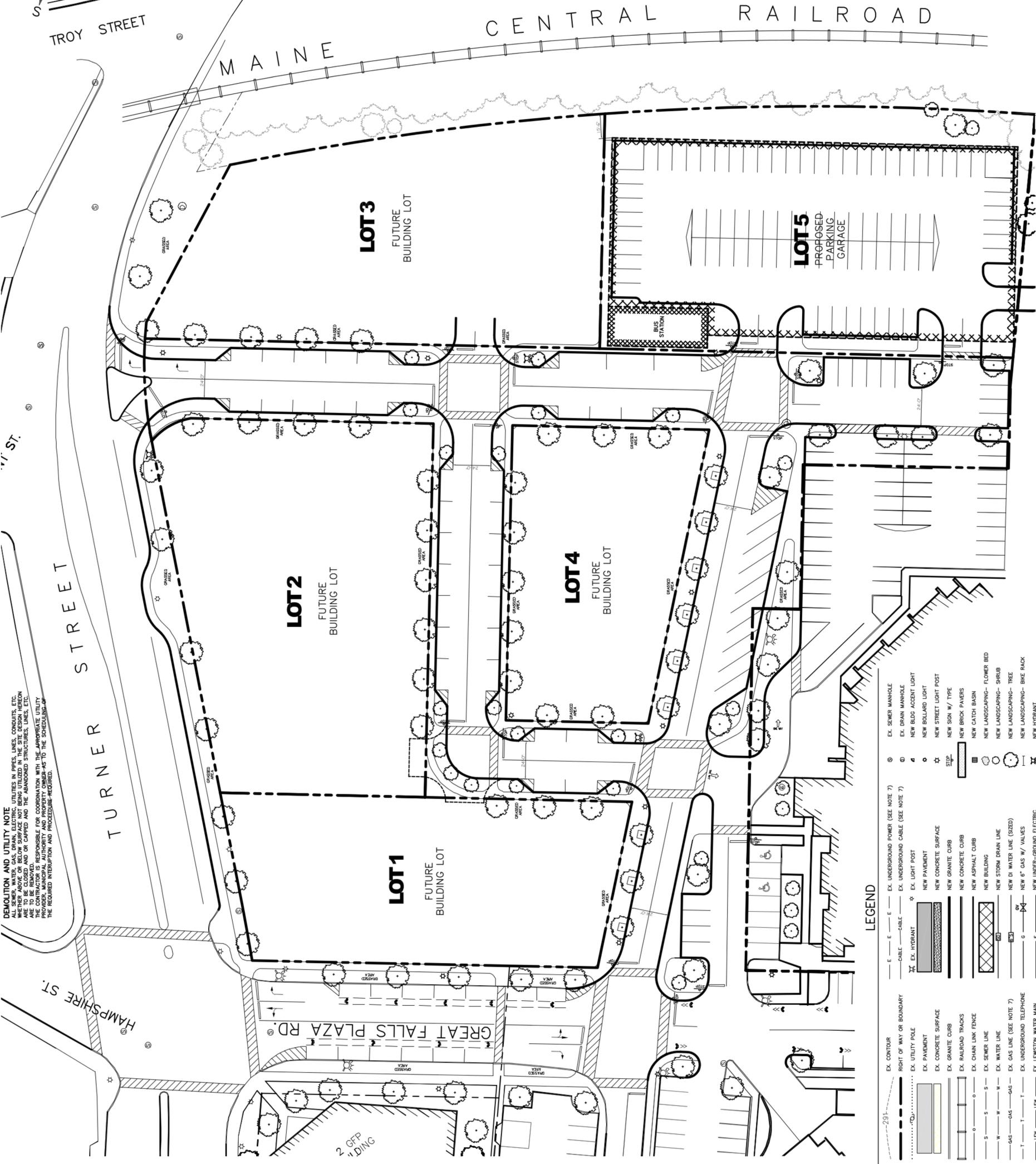
- 1) TEMPORARY BENCH MARK—SEE SHEET C101.
- 2) THE CONTRACT WORK TO BE PERFORMED ON THIS PROJECT CONSISTS OF FURNISHING LABOR, MATERIALS, EQUIPMENT, IMPLEMENTS, AND TOOLS, AND THE CONSTRUCTION OF CONSTRUCTION IMPROVEMENTS IN ACCORDANCE WITH THESE DRAWINGS AND AS FURTHER ELABORATED IN ANY ACCOMPANYING SPECIFICATIONS.
- 3) THE WORK SHALL BE PERFORMED IN A THOROUGH WORKMANLIKE MANNER. ALL CONTRACTORS TO CONFORM TO ALL APPLICABLE OSHA STANDARDS. ANY REFERENCE TO A SPECIFICATION OR DESIGNATION OF THE AMERICAN SOCIETY FOR TESTING MATERIALS, FEDERAL SPECIFICATIONS, OR OTHER STANDARDS, CODES OR ORDERS, REFERS TO THE MOST RECENT OR LATEST SPECIFICATION OR DESIGNATION.
- 4) ALL CONSTRUCTION WITHIN THE CITY OF AUBURN MUST COMPLY WITH CITY PUBLIC WORKS STANDARDS. ALL CONSTRUCTION WITHIN A STATE RIGHT OF WAY SHALL COMPLY WITH MAINE D.O.T. STANDARDS. ALL UTILITY CONSTRUCTION SHALL CONFORM TO RESPECTIVE UTILITY STANDARDS.
- 5) THE OWNER IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS REQUIRED BY THE CITY OF AUBURN PRIOR TO CONSTRUCTION. THE CONTRACTOR SHALL OBTAIN ALL NECESSARY PERMITS FROM THE CITY OF AUBURN REQUIRED TO PERFORM ALL THE WORK (STREET OPENINGS, BUILDING PERMIT, ETC.). THE CONTRACTOR SHALL POST ALL BONDS AS REQUIRED, PAY ALL FEES, PROVIDE PROOF OF INSURANCE AND PROVIDE TRAFFIC CONTROL, NECESSARY FOR THIS WORK.
- 6) PRIOR TO CONSTRUCTION, THE SITE CONTRACTOR IS TO WORK WITH ALL AREA UTILITY COMPANIES AND GOVERNMENTAL AGENCIES OF PLANNED EXCAVATION TO VERIFY ALL UNDERGROUND AND OVERHEAD UTILITY LOCATIONS. 800-225-9977 AT LEAST 10 BUSINESS DAYS PRIOR TO ANY EXCAVATION TO VERIFY ALL UNDERGROUND AND OVERHEAD UTILITY LOCATIONS.
- 7) THE PROJECT DRAWINGS ARE GENERALLY SCHEMATIC AND INDICATE THE POSSIBLE LOCATION OF EXISTING UNDERGROUND UTILITIES. INFORMATION ON EXISTING UTILITIES HAS BEEN COMPILED FROM AVAILABLE INFORMATION INCLUDING UTILITY COMPANY MAPS, MUNICIPAL RECORD MAPS, AND OTHER SOURCES. THE CONTRACTOR IS SOLELY RESPONSIBLE FOR DETERMINING ACTUAL LOCATIONS AND ELEVATIONS OF ALL UTILITIES, INCLUDING SERVICES, WHEN THOSE SERVICES ARE TO BE LEFT IN PLACE. THE CONTRACTOR IS TO PROVIDE ADEQUATE MEANS OF SUPPORT AND PROTECTION DURING THE WORK. THE CONTRACTOR SHALL CONTACT THE DESIGN ENGINEER IMMEDIATELY FOR DIRECTIONS BEFORE PROCEEDING FURTHER WITH THE WORK IN THIS AREA.
- 8) OSHA REGULATIONS MAKE IT UNLAWFUL TO OPERATE CRANES, BOOMS, HOSTS, ETC. WITHIN TEN FEET (10') OF ANY ELECTRIC LINE. IF THE SAFEGUARDS BEFORE ENDOUCHING ON THIS REQUIREMENT.
- 9) THE CONTRACTOR'S RESPONSIBILITY TO EXAMINE ALL PLANS, APPROVALS, AND DETAILS FOR ADDITIONAL INFORMATION. THE CONTRACTOR SHALL VERIFY ALL UTILITIES AND LOCATIONS SHOWN ON THESE DRAWINGS AND AS FURTHER ELABORATED IN ANY ACCOMPANYING SPECIFICATIONS. CONSTRUCTION DOCUMENTS AND/OR FIELD CONDITIONS SO THAT AN APPROPRIATE REVISION CAN BE MADE PRIOR TO BIDDING.
- 10) SITE TOPOGRAPHY SHOWN HEREON FROM AN ON THE GROUND SURVEY BY JAL LAND SURVEYING AS REFERENCED ON SHEET 1.
- 11) THE CONTRACTOR SHALL REFERENCE ARCHITECTURAL PLANS FOR EXACT DIMENSIONS AND CONSTRUCTION DETAILS OF THE BUILDING AREA (SITE SPECIFIC) AND SHALL VERIFY ALL DIMENSIONS AND CONSTRUCTION DETAILS. DIMENSIONS ARE REFERENCED TO PROPERTY LINES, THE FACE OF CURBS, OUTSIDE FACE OF WALLS, OR EDGE OF PAVING UNLESS OTHERWISE NOTED.
- 12) ALTERNATIVE METHODS AND PRODUCTS OTHER THAN THOSE SPECIFIED MAY BE USED IF REVIEWED AND APPROVED IN WRITING BY THE OWNER, DESIGN ENGINEER, AND APPROPRIATE GOVERNMENTAL AGENCY PRIOR TO INSTALLATION.
- 13) THE CONTRACTOR SHALL RESTORE ALL UTILITY STRUCTURES, PIPE, UTILITIES, PAVEMENT, CURBS, SIDEWALKS, AND LANDSCAPED AREAS DISTURBED BY CONSTRUCTION TO AS GOOD AS BEFORE BEING DISTURBED AS DETERMINED BY CITY OF AUBURN CODE ENFORCEMENT OFFICIALS. ANY DAMAGES SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.
- 14) TRAFFIC CONTROL MEASURES SHALL BE UTILIZED IN ACCORDANCE WITH MAINE DOT STANDARDS. THE CONTRACTOR SHALL PROVIDE, MAINTAIN AND REMOVE TRAFFIC CONTROL MEASURES AS REQUIRED BY THE DESIGN ENGINEER OR ORDERED BY THE DESIGN ENGINEER OR CODE ENFORCEMENT OFFICIALS. TRAFFIC CONTROL MEASURES SHALL BE FAST DRINKING TYPE IN ACCORDANCE WITH MAINE DOT SPECIFICATIONS. TWELVE INCH (12") WIDE STOP BAR AND FOUR INCH (4") WIDE STRIPES SHALL BE LOCATED AS SHOWN ON THE PLANS.
- 15) THE CONTRACTOR SHALL PROVIDE SHOP DRAWINGS OF ALL PRODUCT, MATERIALS AND PLANT SPECIFICATIONS TO THE OWNER AND DESIGN ENGINEER FOR REVIEW AND APPROVAL PRIOR TO FABRICATION OR DELIVERY TO THE SITE. ALLOW A MINIMUM OF 10 WORKING DAYS FOR REVIEW. CONTINUED SHEET C105.



PROPOSED SITE PLAN
GREAT FALLS PLAZA
AUBURN, MAINE

PLATZ ASSOCIATES
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Tel 207-794-2941
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Two Great Falls Plaza, Auburn, Maine 04210

SCALE : AS SHOWN
DATE : 10/31/14
DRAWN BY : TRN
CHECKED BY : THP
FILE : PLATZ55P1
DRAWING # C103



DEMOLITION AND UTILITY NOTE
ALL SEWER, WATER, GAS, DRAIN, ELECTRIC, UTILITIES IN PIPES, LINES, CONDUITS, ETC. ARE TO BE REMOVED AND THE ABANDONED STRUCTURES, LINES, ETC. ARE TO BE CLOSED AND OR CAPPED AND THE APPROPRIATE UTILITY PROVIDER, MUNICIPAL AUTHORITY AND PROPERTY OWNER-AS TO THE SCHEDULING OF THE REQUIRED INTERRUPTION AND PROCEDURE-REQUIRED.

LEGEND

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| — E — E — E — | EX. UNDERGROUND POWER (SEE NOTE 7) | ⊙ | EX. SEWER MANHOLE |
| — C — C — C — | EX. UNDERGROUND CABLE (SEE NOTE 7) | ⊙ | EX. DRAIN MANHOLE |
| — U — U — U — | EX. UTILITY POLE | ⊙ | NEW BLDG ACCENT LIGHT |
| — H — H — H — | EX. HYDRANT | ⊙ | NEW BOLLARD LIGHT |
| — P — P — P — | EX. PAVEMENT | ⊙ | NEW STREET LIGHT POST |
| — CS — CS — CS — | EX. CONCRETE SURFACE | ⊙ | NEW SIGN W/ TYPE |
| — C — C — C — | EX. GRANITE CURB | ⊙ | NEW BRICK PAVERS |
| — R — R — R — | EX. RAILROAD TRACKS | ⊙ | NEW DATCH BASIN |
| — F — F — F — | EX. GRANITE CURB | ⊙ | NEW LANDSCAPING— FLOWER BED |
| — S — S — S — | EX. SEWER LINE | ⊙ | NEW LANDSCAPING— SHRUB |
| — W — W — W — | EX. WATER LINE | ⊙ | NEW LANDSCAPING— TREE |
| — S — S — S — | EX. CHAIN LINK FENCE | ⊙ | NEW LANDSCAPING— BIKE RACK |
| — W — W — W — | EX. WATER LINE | ⊙ | NEW HYDRANT |
| — S — S — S — | EX. NEW STORM DRAIN LINE | ⊙ | |
| — G — G — G — | EX. GAS LINE (SEE NOTE 7) | ⊙ | |
| — T — T — T — | EX. UNDERGROUND TELEPHONE | ⊙ | |
| — L — L — L — | EX. UNDERGROUND WATER MAIN | ⊙ | |