



City Council Meeting and Workshop

January 22, 2013

Agenda

5:30 P.M. Workshop

- A. The Dangers of Lead Based Paint presentation – Reine Mynahan (20 minutes)
- B. Set School Budget Validation Date – Clint Deschene (5 minutes)
- C. Capital Improvement – Jill Eastman & Clint Deschene (30 minutes)
- D. State Budget Highlights – Jill Eastman & Clint Deschene (15 minutes)
- E. Follow up discussion to the CIP and discussion on the budget process and objectives, if time permits.

7:00 P.M. City Council Meeting

Pledge of Allegiance

- I. Consent Items** – All items listed with an asterisk (*) are considered as routine and will be approved in one motion. There will be no separate discussion of these items unless a Councilor or citizen so requests. If requested, the item will be removed from the consent agenda and considered in the order it appears on the agenda.

II. Minutes

- January 2, 2013 Special Council Meeting
- January 7, 2013 Regular Council Meeting

III. Reports

Mayor's Report

City Councilors' Reports

City Manager's Report

Finance Director, Jill Eastman

- December 2012 Monthly Report

IV. Communications, Presentations and Recognitions

- V. Open Session** – Members of the public are invited to speak to the Council about any issue directly related to City business which is *not on this agenda*. Time limit for open sessions, by ordinance, is 45 minutes.

VI. Unfinished Business

VII. New Business

1. Resolve 01-01222013

Supporting a Passenger Transit Service linking the Municipalities of Portland, Lewiston, and Auburn.

2. Order 04-01222013

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Approving the Community Development's Curb Appeal and Small Business Programs funded with Community Development Block Grant funds as recommended by the Community Development Staff.

3. Order 05-01222013

Approving the amendments to the Community Development's Spot, Residential, Good Neighbor Start-up Grant, Heating Assistance and Commercial Programs funded with Community Development Block Grant funds as recommended by the Community Development Staff.

4. Order 06-01222013

Approving to eliminate the Community Development's Energy, Historic Preservation, Lead, Neighborhood Enhancement, Down payment Assistance, and Tree Planting Programs funded with Community Development Block Grant funds as recommended by the Community Development Staff.

5. Order 07-01222013

Approving the amendments to the Guidelines of the Homebuyer, Homeowner Rehabilitation, and Security Deposit Loan Programs funded with HOME Investment Partnerships Program funds as recommended by the Community Development Staff.

6. Order 08-01222013

Setting the date for the School Budget Validation Referendum Election.

VIII. Executive Session

- Discussion of a personnel issue (the City Manager's evaluation) with possible action to follow, pursuant to 1 M.R.S.A. §405(6)(A).
- Discussion on the Ice Arena contract, pursuant to 1 M.R.S.A. §405(6)(C).
- Discussion regarding labor contracts with possible action to follow, pursuant to 1 M.R.S.A. §405(6)(D).

IX. Open Session - Members of the public are invited to speak to the Council about any issue directly related to City business which is *not on this agenda*.

X. Future Agenda/Workshop Items

XI. Adjournment

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

- A. Discussion of personnel issues
- B. Discussion or consideration by a school board of suspension of expulsion

Auburn City Council Meeting & Workshop

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- C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency
- D. Labor contracts
- E. Contemplated litigation
- F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;
- G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and
- H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.



City Council Workshop Information Sheet

City of Auburn

Council Workshop Date: January 22, 2013

Item A

Author: Reine Mynahan, Community Development Director

Subject: Lead Hazard Reduction Demonstration Grant

Information: The Lead Committee, sponsored by Healthy Androscoggin, will present an overview of the status of lead in our community. Elevated lead levels in young children can cause learning disabilities, hyperactivity, impaired hearing, and brain damage.

There are three approaches to reducing lead poisoning: reducing lead paint hazards in residential buildings, childhood screening for elevated blood lead levels, and raising awareness of the dangers of lead paint. The Community Development Departments of the Cities of Auburn and Lewiston are applying to the U. S. Department of Housing and Urban Development for approximately \$2.5 million of lead grant funds. The City of Lewiston will be the lead agency. The majority of these funds would be used to eliminate lead hazards in rental properties occupied by low income households. The eligible areas in Auburn are Census Tracts 101, 103, and 105 (see attached map). Single family buildings outside of these areas will also be eligible if the home is occupied by a low-income household. The anticipated abatement cost is \$7,500 per unit. The program will provide two options to eliminate lead hazards: 1) an 85% grant and a 15% CDBG loan or 2) a 90% grant with a 10% private match. Applications will be processed on a first-come first-served basis. Through this grant 200 units will be improved. The grant will also help in creating/retaining jobs for employees of local abatement contractors, and will provide training for youth to become lead certified.

A full-time person will be hired by Lewiston to administer the grant, and Auburn's Rehab Coordinator, Hal Barter, will be responsible for the construction management of the lead grant and healthy homes efforts for both cities.

In addition to the lead work, a healthy home assessment will be done of each unit assisted, and the safety concern that is the highest priority must be corrected. The assessment will look at safety issues such as good ventilation (looking for moisture or mold), plumbing (leaks), pests, smoke alarms/CO2, electrical hazards, etc. Each community will provide an interest-free loan for the healthy home improvement. Loans will be approved by the Community Development Loan Committee.

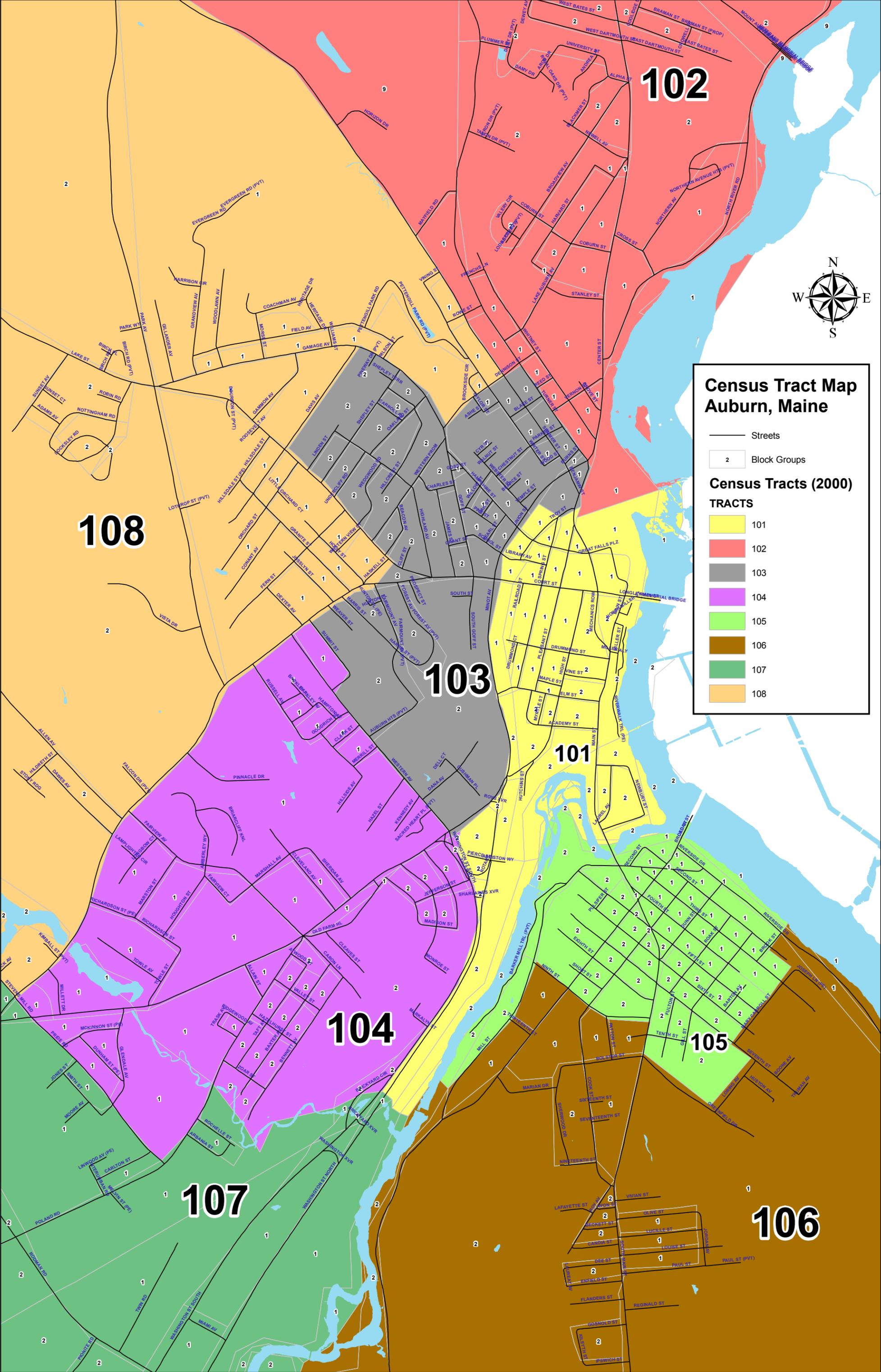
The grant requires a 25% local match. Auburn's match commitment is \$110,250 for the Lead match and \$100,000 for the Healthy Homes component. A total of \$70,000 would need to be allocated from Community Development funds each year.

Financial: \$70,000 commitment of 2013 Community Development Block Grant funds

Action Requested at this Meeting: City Council direction on this grant application.

Previous Meetings and History: In 2012 the consortium applied for a Lead Hazard Control Grant, but did not receive an awarded. We feel we now have a more competitive approach.

Attachments: Map of Census Tracts affected.



Census Tract Map Auburn, Maine

- Streets
- 2 Block Groups

Census Tracts (2000)

TRACTS

- 101
- 102
- 103
- 104
- 105
- 106
- 107
- 108



City Council Workshop Information Sheet

City of Auburn

Council Workshop Date: January 22, 2013

Item B

Author: Clint Deschene, City Manager

Subject: Setting the School Budget Validation Date

Information: The Council needs to set the date to vote on the school budget. The School has a schedule to complete the budget by April 29th and is recommending May 21st. This still allows for a second vote in June if needed. Per state law the school uses the last committee adopted budget on July 1st but can have more votes if not approved and validated by that date. The City must have an approved budget for commitment which I would recommend the school budget being approved and validated by voters by the end of July at the latest.

If the Council wants to coordinate votes with the June primary, which would save on the cost of one election at least every other year, the date would be June 11th but there are no primaries this year.

Financial: Some savings if we vote on the date of a primary, some years.

Action Requested at this Meeting: Set the date.

Previous Meetings and History: N/A

Attachments:



City Council Workshop Information Sheet

City of Auburn

Council Workshop Date: Jan 22, 2013

Item C

Author: Jill M. Eastman, Finance Director

Subject: Five Year Capital Improvement Program

Information: Attached is a memo outlining the City's 5 year Capital Improvement Program (CIP) and a listing of the proposed CIP for FY 2014. You can find the complete detail of the 5 year plan on the City's website.

Financial: The financial impacts of the CIP will be discussed during the budget process and a separate workshop on Capital Improvements.

Action Requested at this Meeting: Review

Previous Meetings and History: N/A

Attachments: Memo

City of Auburn, Maine

"Maine's City of Opportunity"

Financial Services

January 16, 2013

Honorable Mayor Jonathan P. Labonte
Auburn City Council Members
RE: Proposed FY 2014 Capital Improvement Program



Dear Mayor and Councilors:

The proposed FY 2014 Auburn Capital Improvement Program is hereby submitted for your review in accordance with the provisions of the City Charter.

The purpose of developing and annually updating a five-year capital plan is to ensure that policy makers are aware of both the current and future capital needs of the community and can take these into account during the annual budget process. It assists in setting priorities for addressing the City's infrastructure needs and in planning for and managing the City's overall debt.

The five-year plan is not set in stone and must be a flexible document. This being my first year in Auburn, I am working with the departments to make this a more comprehensive and truer plan of the expected needs of the City. Just as the City's needs will evolve the CIP will evolve too.

The following chart shows the amount of debt issued and retired over the last ten years.

Debt Service Analysis				
	Outstanding Debt at Beginning of Fiscal Year	Debt Issued	Debt Retirement	Outstanding Debt at End of Fiscal Year
FY 03-04	\$59,631,580	\$6,085,000	\$6,912,955	\$58,803,625
FY 04-05	\$58,803,625	\$23,130,000	\$18,684,957	\$63,248,668
FY 05-06	\$63,248,668	\$13,291,307	\$7,552,775	\$68,987,200
FY 06-07	\$68,987,200	\$13,000,000	\$8,612,399	\$73,374,801
FY 07-08	\$73,374,801	\$6,000,000	\$8,489,239	\$70,885,562
FY 08-09	\$70,885,562	\$6,430,000	\$8,895,484	\$68,420,078
FY 09-10	\$68,420,078	\$6,500,000	\$8,575,483	\$66,344,595
FY 10-11	\$66,344,595	\$8,344,565	\$8,535,485	\$66,153,675
FY 11-12	\$66,153,675	\$4,500,000	\$8,816,077	\$61,837,598
FY 12-13	\$61,837,598	\$5,600,000	\$8,421,077	\$59,016,521
FY 13-14	\$59,016,521		\$8,368,864	\$50,647,657
Average Debt Issued FY 08 - FY 13		\$ 6,229,094		

As you can see, since FY 07 the City has reduced the total outstanding debt by \$22,727,144. It is my goal to keep the debt service payments at 12% - 14% of the total operating budget as recommended by our bond advisors. This is the range that bond rating agencies look favorably on, less than this the bond rating agencies feel that the City in not addressing their infrastructure needs and more than this makes them concerned about the ability to repay the debt. These efforts in conjunction with other sound management policies should continue to support or improve the bond rating.

Beginning with the FY 14 annual budget, I will begin work on moving \$1,000,000 to the operating budget and taking it out of the bond funds.

The current bond ratings for the City are an "A+" rating from Standard & Poor's and an Aa3 from Moody's. Moody's increased the City's rating in May 2010, from A2 to Aa3. Standard and Poor's has remained the same since FY 09.

Below is a table that shows what the City of Auburn's legal debt limitation is. This statutory analysis needs to be reviewed with the understanding of the City's capacity to meet debt service payments.

CITY OF AUBURN, MAINE
Legal Debt Management
Last Ten Years
Computation of Legal Debt Margin
June 30, 2012

<hr/>					
Total State Valuation			\$	1,980,250,000	
Legal Debt Limitation:					
15% of State Valuation				297,037,500	
Debt Applicable to Debt Limitation:	Bonded General Obligation Debt				
	Legal Maximum			As a Percent of	
Purpose	Percentage	Amount	Dollar Amount	Legal Maximum	State Valuation
Municipal & School	15.0%	\$ 297,037,500	61,239,000	20.62%	3.09%
	Margin for Additional Borrowing:		<u>\$ 235,798,500</u>		
<hr/>					

On the next two pages you will find the detail of the FY 2014 recommended projects. You will see that they are broken in to three different funding sources, operating budget, bonds and other funds. The complete detail of each item in the five-year plan is available on the City's website.

CITY OF AUBURN - CAPITAL IMPROVEMENT PROGRAM			
FY 2014			
	OPERATING	BOND	OTHER
ASSESSING			
Vehicle Replacement	\$18,000		
Total Assessing	\$18,000	\$0	\$0
AUBURN-LEWISTON AIRPORT			
Loader/Sweeper Replacement	\$10,000		
Mower Attachment	\$15,000		
Total Auburn-Lewiston Airport	\$25,000	\$0	\$0
CITY CLERK			
Record Restoration	\$12,500		
Voting Booths	\$6,000		
Total City Clerk	\$18,500	\$0	\$0
ECONOMIC DEVELOPMENT			
South Goff Street Extension		\$120,000	
Total Economic Development	\$0	\$120,000	\$0
ENGINEERING			
Drainage Projects:			
Major Areas		\$60,000	
State Projects:			
MDOT Transportation Improvement Projects		\$200,000	
Street Improvement Projects:			
Reclaim/Resurfacing Program		\$1,500,000	
Retaining Wall (Engineering and Design)		\$200,000	
Reconstruction/Construction Projects		\$1,000,000	
Bridge Repairs		\$125,000	
Total Engineering Department	\$0	\$3,085,000	\$0
FIRE DEPARTMENT			
Generator South Main Street Fire Station		\$25,000	
Security/Proximity Locking System		\$37,000	
Thermal Imaging Cameras		\$42,000	
Reclaim and repave Central Station back yard		\$175,000	
Tablets	\$12,900		
Total Fire Department	\$12,900	\$254,000	\$0
INFORMATION COMMUNICATION TECHNOLOGY			
Call Recording		\$20,000	
Web Site - Second Phase			\$20,000 (1)
Network Security		\$50,000	
Total ICT	\$0	\$70,000	\$20,000
LA911			
Server Upgrade/Virtualization Project - Phase III			\$49,772 (1)
Total LA911	\$0	\$0	\$49,772
LATC			
Bus Replacement Funds			\$40,000 (1)
Total LATC	\$0	\$0	\$40,000
PARKING FACILITIES			
Mechanics Row Parking Garage Maintenance		\$75,000	
Total Parking Facilities	\$0	\$75,000	\$0
PARKS & RECREATION			
Asbestos Removal @ Hasty Community Center			\$85,000 (2)
Tractor w/Attachments		\$53,000	
Replace Holder Tractor		\$165,000	
Turf Machine			\$23,000 (3)
Remove Underground Storage Tank		\$14,000	
Replace Pettengill Playground			\$38,000 (3)
Hasty Building Improvements	\$46,000		
Total Parks & Recreation	\$46,000	\$232,000	\$146,000

PLANNING & CODE DEPARTMENT			
Municipal Street Light Purchase	\$811,230		
Traffic Signal Pole Replacement		\$10,736	
Street Light Pole Replacement and Wiring (21 poles)		\$25,000	
Replacement of Traffic Signal Controller Equipment Fype TSII		\$34,940	
Replace existing HPS fixtures and poles with LED fixtures		\$26,000	
Traffic Signal Controller Upgrades		\$20,520	
Vehicle Replacement	\$20,000		
Comprehensive Plan Property Acquisition Program			\$500,000 (4)
Androscoggin Greenway Signage and Wayfinding Pilot Program			\$75,000 (4)
Total Planning & Code Department	\$831,230	\$117,196	\$575,000
POLICE DEPARTMENT			
Scheduled Vehicle Replacement	\$183,500		
Mobile Radio Replacement	\$99,000		
Total Police Department	\$282,500	\$0	\$0
PUBLIC LIBRARY			
Building Improvements	\$31,136		
HVAC Automation System	\$7,500		
Technology Replacement	\$22,075		
Total Public Library	\$60,711	\$0	\$0
PUBLIC WORKS DEPARTMENT			
Heavy Equipment			
Dump Trucks		\$350,000	
Street Sweeper		\$225,000	
Vehicles		\$42,000	
Floor Sweeper/Scrubber		\$45,000	
Non Vehicle Equipment			
Trench Box	\$17,000		
Message Sign Board	\$25,000		
Portable Traffic Signals	\$25,000		
Replace Festival Plaza Canopies			\$60,000 (4)
Oak Hill Cemetery Building Improvements			\$66,000 (1)
Total Public Works Department	\$67,000	\$662,000	\$126,000
Contingency		\$84,804	
Total Municipal Capital Improvements	\$1,361,841	\$4,700,000	\$956,772
SCHOOL DEPARTMENT			
	\$0		
Total School Department	\$0	\$0	\$0
Total Capital Improvement Program - Municipal and Schools	\$1,361,841	\$4,700,000	\$956,772
(1) Unallocated Bond Funds	\$175,772		
(2) CDBG	\$85,000		
(3) Recreation Special Revenue Funds	\$61,000		
(4) Downtown TIF	\$635,000		
	\$956,772		

This Capital Improvement Program is an important tool and not a funded budget. The City Council has the final authority over which projects are funded and which are not. It may be difficult to either afford or fully fund all of the scheduled projects, including those that will be included in the General Fund operating budget. As a result, these projects will require that we carefully prioritize what must and should be done. These issues will be fully discussed and evaluated during the upcoming budget process.



City Council Workshop Information Sheet

City of Auburn

Council Workshop Date: January 22, 2013

Item D

Author: Sue Clements-Dallaire, City Clerk

Subject: State Budget Impacts

Information: With the recent release of the proposed State budget, we are anticipating significant impacts on our Municipal Budget. Please see the attached memo.

Financial: See memo

Action Requested at this Meeting: Discussion

Previous Meetings and History: N/A

Attachments: Memo from the City Manager

City of Auburn, Maine

"Maine's City of Opportunity"

Office of the City Manager

Date: 16 Jan 2013
To: Mayor LaBonte and Members of the City Council
From: Clinton Deschene, City Manager
RE: Governor's Proposed Budget and the Impact on our Municipal Budget

Mayor LaBonte and Members of the City Council:

The recent release of the Governor's proposed budget and brought on considerable conversation. As City Manager it would be remiss to say that this will not create challenges for the budget process beyond what already exists. My approach at this stage is to inform the Council of the impacts in comparison to the current year. I prefer not to speculate at this point because it is my opinion that more information will be presented and the State budget will have changes.

The points that are currently drawing attention include:

1. 100% reduction of State Revenue Sharing to municipalities.
2. 100% reduction to the Homestead Exemption unless you are over the age of 65.(*-see below)
3. Removal of the corporate BETE/BETR program.
4. Removal of the Commercial Truck Excise Tax

Revenue Sharing	\$2,400,000	1.19 mil
Commercial Excise	\$ 300,000	.14 mil
BETE/BETR	<u>\$1,209,667</u>	<u>.60 mil</u>
	\$3,909,667	1.93 mil

The total loss of the State budget proposal would reduce our non property tax revenue by approximately \$3,909,667. The impact on the tax rate would be 1.93 mils, if other measures are not found to mitigate the loss or new ways to deliver services.

The impact to the property tax payers would be as follows:

\$150,000 home	would be a \$292.50 increase in property taxes over the current year
\$200,000 home	would be a \$390.00 increase in property taxes over the current year
\$250,000 home	would be a \$487.50 increase in property taxes over the current year

****Please note that homes that once received the Homestead Exemption of \$195.90 would also face an increase based on the addition of \$10,000 in value applied to their home with the current milrate of 19.59.***



City Council Workshop Information Sheet

City of Auburn

Council Workshop Date: January 22, 2013

Item E

Author: Sue Clements-Dallaire, City Clerk

Subject: Follow up discussion on the CIP and discussion on the budget process and objectives.

Information:

Financial: N/A

Action Requested at this Meeting: Discussion

Previous Meetings and History: N/A

Attachments: None

IN COUNCIL JOINT MEETING JANUARY 2, 2013 VOL. 33 PAGE 86

Mayor LaBonte called the joint meeting with the City Council and School Committee to order at 6:05 P.M. in the Council Chambers of Auburn Hall and led the assembly in the salute to the flag. Councilor Shea was absent.

I. New Business

- 1. Order 01-01022013** Approving a joint purchasing policy between the City and School Departments.

Motion was made by Councilor Crowley and seconded by Councilor Young.

Public comments – No one from the public spoke.

Passage 6-0.

II. Open Session – no one from the public spoke.

- III. Executive Session** - Discussion of a personnel matter (the City Manager's evaluation), pursuant to 1 M.R.S.A. §405(6)(A) took place at the end of the workshop.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker.

Passage 6-0, 6:35. Adjournment was immediately following the Executive Session.

A True Copy.

ATTEST *Susan Clements Dallaire*
Susan Clements-Dallaire, City Clerk

IN COUNCIL REGULAR MEETING JANUARY 7, 2013 VOL. 33 PAGE 87

Mayor LaBonte called the meeting to order at 7:15 P.M. in the Council Chambers of Auburn Hall and led the assembly in the salute to the flag. Councilors LaFontaine and Shea had excused absences. All other Councilors were present.

I. Consent Items*

1. Order 02-01072013*

Confirming Chief Crowell's appointment of Constables without firearms for the Auburn Police Department.

Motion was made by Councilor Hayes and seconded by Councilor Gerry.
Passage 5-0.

II. Minutes

Motion was made by Councilor Gerry and seconded by Councilor Hayes to approve the minutes of the December 17, 2012. Passage 5-0.

III. Reports

Mayor's Report – reported.

Committee Reports

- Transportation
 - Androscoggin Transportation Resource Center – Mayor LaBonté, no report.
 - Lewiston Auburn Transit – Councilor Gerry reported.
 - Airport, Railroad – Councilor Hayes reported.
 - Bike-Ped Committee – Councilor Shea, absent.
- Housing
 - Community Development Block Grant, Neighborhood Stabilization Program, Auburn Housing Authority – Councilor Gerry reported.
- Economic Development
 - L-A Economic Growth Council, Auburn Business Development Corp. – Councilor Shea, absent.
- Education
 - Auburn School Committee – Councilor Young reported.
 - Auburn Public Library – Councilor LaFontaine, absent.
 - Great Falls TV – Councilor Young reported.
- Environmental Services
 - Auburn Water District, Auburn Sewerage District – Councilor Crowley reported.
 - Mid-Maine Waste Action Corp. – Councilor Walker reported.
- Recreation

IN COUNCIL REGULAR MEETING JANUARY 7, 2013 VOL. 33 PAGE 88

- Recreation Advisory Board – Councilor Walker reported.
- Public Safety
 - LA 911 – Councilor Walker reported.

City Councilors' Reports – Councilor Crowley reported.

City Manager's Report – City Manager Deschene submitted a written report and reported on additional items.

IV. **Communications, Presentations and Recognitions** - none

V. **Open Session**

Joe Gray, Sopers Mill Road, Auburn – Commented on numerous items; the focus of a more independent Auburn, Olympia Snow Day speakers, the length of agendas and the need for more items, the expense of using a facilitator at Saturdays Goal Setting Retreat at over \$1,000, designating \$35,000 for Athletic Fields Study that he felt could be done by staff, a documentary called Hot Coffee, Joint TIF policy, and LAEGC.

Resident of Lewiston - commented on Law Enforcement Personnel and Code of Ethics.

Andrew Wordell, owner of Wordell's Trading, 61 Mill Street – commented on numerous items; on being an Auburn business owner, on law enforcement, a stolen car found recycled at a junkyard, looking at Mom and Pop shops for economic growth, whether anyone has read the Charter of Auburn and does anyone understand it, he has enjoyed running his business for 5 years but was closing his business.

Ken Blais, Turner resident and Auburn business man – presented the City of Auburn with funds raised for the Marshall Popcorn Truck, \$875.00.

VI. **Unfinished Business**

1. **Ordinance 07-12172012** Approving the amendment to the Business Licensing Ordinance regarding the adoption of applicable State of Maine Rules. Public hearing, second and final reading.

Motion was made by Councilor Hayes and seconded by Councilor Gerry.

Public Hearing – no one from the public spoke.

Passage 5-0.

VII. **New Business**

IN COUNCIL REGULAR MEETING JANUARY 7, 2013 VOL. 33 PAGE 89

- 1. Order 03-01072013** Authorizing the City Manager to execute a lease agreement between the City of Auburn and the Androscoggin Historical Society for the Knight House and the Downing Shoe Shop.

Motion was made by Councilor Hayes and seconded by Councilor Walker.

Public comment – No one from the public spoke.

Passage 5-0.

VIII. Executive Session

Discussion of a personnel issue (the City Manager's evaluation) with possible action to follow, pursuant to 1 M.R.S.A. §405(6)(A).

This item was discussed during the Council workshop and no action was taken.

Discussion regarding labor contracts with possible action to follow, pursuant to 1 M.R.S.A. §405(6)(D).

This item was discussed during the Council workshop and no action was taken.

- IX. Open Session** – No one from the public spoke.

- X. Future Agenda/Workshop Items** - None

- XI. Adjournment**

Motion was made by Councilor Hayes and seconded by Councilor Walker to adjourn.

Passage 5-0, 8:10 P.M.

A True Copy.

ATTEST


Susan Clements-Dallaire, City Clerk

Auburn Ward 1 Report 2013.01.22 updated and resubmitted

Report Prepared: January 16, 2013

Good Evening. I would just like to say thank you to all Auburn residents who participated the National Day of Service on Saturday, January 19th. My plan was to work at the Good Shepherd Food Bank. Good Shepherd is such a valuable asset here in Auburn. Hunger is a reality right here in Auburn, Maine. Please understand one in four children struggle with hunger. Hunger is as much a problem of working class and middle class people as it is a challenge faced by the poor.

If you are able, please add an item to your shopping cart. Find your favorite local hunger relief charity and donate. Reach out and assist any way you can.

I'm looking forward to meeting Auburn residents and guest at the future Lake Auburn Community Center on Sunday, January 27th for some Winterfest fun. Come and cross country ski, pond skate, or just enjoy the warming fire and hot chocolate. I'll be there enjoying the company of neighbors and passing along some treats.

Have you stepped up and completed your volunteer application to serve on one of Auburn's many committees? There are lots of openings, just check out the City's website. You have a lot to offer your community. Call me if you have any questions or need information.

Calling all Girl Scouts! We have been given permission to place a display at City Hall highlighting Girl Scouting in Auburn. A couple local troops will be working together, but we'd love to include your souvenirs, pictures, or other memorabilia from your experience in Scouting. Share your stories as well. Any materials may be dropped off here at City Hall. Just be sure your name and phone number are attached so the items can be returned to you. Please let staff know it's for me to use in the display.

Help your neighbor and improve safety in walking your neighborhood. Please be sure to clear the sidewalk after your driveway has been plowed. We want to keep pedestrians off the roads so sidewalks and cross walks need clear access. Often after a snowplow as passed, there's snow blocking the path.

Free Tax Return preparations will begin here at Auburn Hall on Thursday, January 29th. Call 513-3160 to schedule an appointment. There is no charge for the services provided by CA\$H- Creating Assets, Savings & Hope. Moderate income families are covered by this service.

At an earlier meeting I asked neighbors to Adopt-a-Hydrant. The Auburn Water District crews have been out regularly shoveling out all the fire hydrants. I encourage all residents to help out. Be sure your nearest two hydrants are clear of snow and easily accessible. With recent storms and plowing of driveways and walks, a few hydrants are covered after being cleared.

Please take a moment and be sure your hydrant is clean. Minutes count in a fire emergency. Having trouble finding your closest fire hydrant? Call the Water District. They will attach a tall flag on the hydrant so it can be seen from the road or when plowing. The flag is provided for free by the Auburn Water District. They just need you to report the hydrant location.

In closing I'd like to share a key element of our goal setting workshop, "***our shared vision – 10 years from today...***

. ...Auburn is a cohesive place – whether you're a tourist or a resident, you know what the city has to offer. While neighborhoods are distinct and each has unique things to offer – interesting restaurants and small shops, walkable safe streets and natural places to use and explore – as a city, Auburn feels like a close-knit community. Our population is bigger than it was 10 years ago and continues to grow – people are moving here because there are jobs and residents are taking ownership for what they want their neighborhoods to be like – including proud display of our history and heritage. They are also moving here because there is an inhabited downtown – people living, working and playing. Our local government is respected for its competence and focus and is held up as a great example of municipal leadership that played a vital role in the City's transformation." I'm interested in hearing what resident and business owners think about this vision statement. Did we hit the mark?

Respectfully submitted,

Tizz

Tizz E. H. Crowley
Auburn City Councilor Ward 1
tcrowley@auburnmaine.gov



MANAGER'S REPORT

January 22, 2013

Twin Rink Ice Arena

The Ice Arena project should have viewable designs ready soon. The developer is finalizing aspects of the layout. One area that needed adjustment was the entrances onto the ice. I would propose that the City host a "viewing" for the public to come in over a two hour period and see the facility. This would allow staff and the Council to be available to discuss the designs with hockey groups, schools, and residents as they see the design for the first time. Some aspects, especially the exterior appearance / color are still to be determined but a sample rendering can be made available.

The schedule still includes a soft open with primary sheet of ice open in October. The second surface is estimated for December. No timeline has been presented but these are the dates that have been discussed. Breaking ground is also being discussed and expected in March, this keeps the project on schedule.

One change that I am presenting with the staff is an operational budget for the new arena combined with Ingersoll for one year. Since Ingersoll will be used from October to December and then scheduling of removal of equipment and "winterizing," I feel the best approach is to develop a one year combined budget.

Athletic Fields Phase One

Staff presented the three proposals and our recommendation to the Parks & Recreation Advisory Board. The selected firm is Wright Pierce, a firm based in Topsham, Maine. The great news is all three proposals were excellent. The aspects that staff liked about Wright Pierce were their schedule and public input processes.

The project has been assigned to City Planner, Eric Cousens and Parks & Recreation Director, Ravi Sharma.

Comprehensive Plan Implementation

The Assistant City Manager intended to present this to the Council at the January 22nd meeting. However, the staff members needed to work on implementation were determined to need time to review and comment. This will allow a better, more complete list to be presented to the Council. The comprehensive plan calls for various departments to implement portions of the plan. It is the intent of the Assistant City Manager to present this in February.

The staff committee will review progress and present reports to the Council at regular intervals, most likely twice a year. Citizens and Council need to understand that the plan is an approved document of the City. Staff will work to completion on the recommendations, however, that does not mean all things

will occur. Some of the projects may prove to be impossible to implement, financially unviable, or no longer relevant to the needs of the City. Those determinations will be presented in our progress reports.

Chamber of Commerce Annual Banquet/Attendance Costs

First I want to thank the Council for sharing the reasons and desire to attend these types of functions. I now also better understand the dialogue that occurred last year before my hire. For the remainder of the year I am going to continue to be conservative with use of funds for attending events. In general the attendance will be limited to the Mayor, Manager, Assistant City Manager, Council appointments, and staff if necessary part of their duties.

As we all understand, the budget is a policy document. It sets the guidelines for the year on use of funds. It is my intention to present the cost and method of events I propose for FY 2014.

Budget

Pleased to report that budgets are coming in from staff and the Finance Director and I are compiling a folder to begin review.

Open Items from Public

Joe Gray: Presented multiple items. Most were points that he shared. Minutes are now reflecting public comments in summary so those points are recorded there. I also intend to call him and set up a time to discuss these in more detail.

61 Mill St.: Two residents shared concerns regarding a police investigation. I have very detailed reports from the Police Chief on the concerns brought up at the meeting.

City of Auburn, Maine

"Maine's City of Opportunity"

Financial Services



TO: Clint Deschene, City Manager
FROM: Jill Eastman, Finance Director
REF: December 2012 Financials
DATE: January 10, 2013

The following is a discussion regarding the significant variances found in the City's November financial report. Please note that although the monthly financial report contains amounts reported by the School Department, this discussion is limited to the City's financial results and does not attempt to explain any variances for the School Department.

The City has completed its sixth month of the current fiscal year. As a guideline for tracking purposes, revenues and expenditures should amount to approximately 50% of the annual budget. However, not all costs and revenues are distributed evenly throughout the year; individual line items can vary based upon cyclical activity.

Revenues

Revenues collected through December 31st were \$36,274,365, or 50.4%, of the budget, which is less than the same period last year by 1.0%. The accounts listed below are noteworthy.

- A. Excise tax for the month of December is at 51.6%. Last month we were behind our projection, but as you can see we have again surpassed our expected collection, even though we increased our estimated revenue for this fiscal year by \$300,000. If the trend continues we will meet our estimates.
- B. State Revenue Sharing for the month of December is 48.76% or \$1,170,275. The city received \$165,545 this month compared to \$185,368 FY12, \$194,430 FY11, \$238,298 FY10. This is 10.7% decrease from this December to last December.
- C. The City received the BETE Personal Property Reimbursement on December 19th which \$1,1,257,497 which was \$47,830 more than estimated.

CITY OF AUBURN
FINANCIALS -DECEMBER 2012

Expenditures

Municipal expenditures through December 31st were \$21,980,903, or 60.4%, of the budget. Noteworthy variances are:

- A. Health and Social Services: Health and Social Services are at 62.41% of the current budget due to an increase in requests for assistance.
- B. Property: The property budget is at 64.17% of the current budget due primarily to the property and casualty insurance premium being paid in full at the beginning of the year.
- C. Legal Services: The legal services budget is at 16.76% of budget at the end of December.

Investments

This section contains an investment schedule as of December 31st as well as a comparison of the investments between December 31st and the prior month. Currently the City's funds are earning an average interest rate of .22%.

Respectfully submitted,



Jill Eastman
Finance Director

CITY OF AUBURN, MAINE
BALANCE SHEET - CITY GENERAL FUND, WC AND UNEMPLOYMENT FUND (NOT INCLUDING SCHOOL)
AS OF December, November 2012, and June 2012

	UNAUDITED Dec 31 2012	UNAUDITED Nov 30 2012	Increase (Decrease)	AUDITED JUNE 30 2012
ASSETS				
CASH	\$ 20,616,102	\$ 23,093,069	\$ (2,476,967)	\$ 15,074,324
RECEIVABLES			-	
ACCOUNTS RECEIVABLES	673,022	672,389	633	1,218,554
TAXES RECEIVABLE-CURRENT	18,286,259	18,627,279	(341,020)	107,929
DELINQUENT TAXES	552,068	562,242	(10,174)	486,160
TAX LIENS	692,247	888,019	(195,772)	1,415,461
NET DUE TO/FROM OTHER FUNDS	12,158,375	9,236,060	2,922,315	470,312
TOTAL ASSETS	\$ 52,978,073	\$ 53,079,058	\$ (100,985)	\$ 18,772,740
LIABILITIES & FUND BALANCES				
ACCOUNTS PAYABLE	\$ (881,256)	\$ (745,544)	\$ (135,712)	\$ (670,227)
PAYROLL LIABILITIES	(5,067)	(2,692)	(2,375)	(501)
ACCRUED PAYROLL	9,914	9,914	0	(2,274,075)
STATE FEES PAYABLE	(44,163)	(51,319)	7,156	-
ESCROWED AMOUNTS	(41,865)	(39,365)	(2,500)	(41,865)
DEFERRED REVENUE	(19,350,521)	(19,897,474)	546,953	(1,822,839)
TOTAL LIABILITIES	\$ (20,312,958)	\$ (20,726,480)	\$ 413,522	\$ (4,809,507)
FUND BALANCE - UNASSIGNED	\$ (31,879,408)	\$ (31,566,871)	\$ (312,537)	\$ (12,378,441)
FUND BALANCE - RESTRICTED FOR WORKERS COMP & UNEMPLOYMENT	776,017	776,017	-	684,766
FUND BALANCE - RESTRICTED	(1,561,724)	(1,561,724)	-	(2,269,558)
TOTAL FUND BALANCE	\$ (32,665,115)	\$ (32,352,578)	\$ (312,537)	\$ (13,963,233)
TOTAL LIABILITIES AND FUND BALANCE	\$ (52,978,073)	\$ (53,079,058)	\$ 100,985	\$ (18,772,740)

CITY OF AUBURN, MAINE
REVENUES - GENERAL FUND COMPARATIVE
THROUGH December 31, 2012 VS December 31, 2011

REVENUE SOURCE	FY 2013 BUDGET	ACTUAL REVENUES THRU DEC 2012	% OF BUDGET	FY 2012 BUDGET	ACTUAL REVENUES THRU DEC 2011	% OF BUDGET	VARIANCE
TAXES							
PROPERTY TAX REVENUE-	\$ 42,121,141	\$ 22,413,318	53.21%	\$ 41,053,952	\$ 22,455,352	54.70%	\$ (42,034)
PRIOR YEAR REVENUE	\$ -	\$ 732,367		\$ -	\$ 714,967		\$ 17,400
HOMESTEAD EXEMPTION REIMBURSEMENT	\$ 514,584	\$ 377,161	73.29%	\$ 488,573	\$ 369,692	75.67%	\$ 7,469
ALLOWANCE FOR ABATEMENT	\$ -	\$ -		\$ -	\$ -		\$ -
ALLOWANCE FOR UNCOLLECTIBLE TAXES	\$ -	\$ -		\$ -	\$ -		\$ -
EXCISE	\$ 3,018,500	\$ 1,557,505	51.60%	\$ 2,719,000	\$ 1,501,245	55.21%	\$ 56,260
PENALTIES & INTEREST	\$ 140,000	\$ 76,896	54.93%	\$ 140,000	\$ 76,766	54.83%	\$ 130
TOTAL TAXES	\$ 45,794,225	\$ 25,157,247	54.94%	\$ 44,401,525	\$ 25,118,022	56.57%	\$ 39,225
LICENSES AND PERMITS							
BUSINESS	\$ 39,900	\$ 33,360	83.61%	\$ 30,000	\$ 30,875	102.92%	\$ 2,485
NON-BUSINESS	\$ 260,700	\$ 190,629	73.12%	\$ 268,400	\$ 139,651	52.03%	\$ 50,978
TOTAL LICENSES	\$ 300,600	\$ 223,989	74.51%	\$ 298,400	\$ 170,526	57.15%	\$ 53,463
INTERGOVERNMENTAL ASSISTANCE							
STATE-LOCAL ROAD ASSISTANCE	\$ 378,000	\$ 228,022	60.32%	\$ 378,000	\$ 230,698	61.03%	\$ (2,676)
STATE REVENUE SHARING	\$ 2,400,000	\$ 1,170,275	48.76%	\$ 2,400,000	\$ 1,258,152	52.42%	\$ (87,877)
WELFARE REIMBURSEMENT	\$ 53,083	\$ 22,555	42.49%	\$ 44,955	\$ 26,573	59.11%	\$ (4,018)
OTHER STATE AID	\$ 21,000	\$ 18,054	85.97%	\$ 20,000	\$ 18,451	92.26%	\$ (397)
FEMA REIMBURSEMENT	\$ -	\$ -		\$ -	\$ -		\$ -
CITY OF LEWISTON	\$ 158,362	\$ -	0.00%	\$ 158,362	\$ (3,698)	-2.34%	\$ 3,698
TOTAL INTERGOVERNMENTAL ASSISTANCE	\$ 3,010,445	\$ 1,438,907	47.80%	\$ 3,001,317	\$ 1,530,176	50.98%	\$ (91,269)
CHARGE FOR SERVICES							
GENERAL GOVERNMENT	\$ 130,955	\$ 83,609	63.85%	\$ 135,090	\$ 49,742	36.82%	\$ 33,867
PUBLIC SAFETY	\$ 263,102	\$ 63,961	24.31%	\$ 206,545	\$ 39,777	19.26%	\$ 24,184
EMS TRANSPORT	\$ -	\$ -		\$ -	\$ -		\$ -
EMS AGREEMENT	\$ 100,000	\$ 41,667	41.67%	\$ 100,000	\$ 48,000	48.00%	\$ (6,333)
TOTAL CHARGE FOR SERVICES	\$ 494,057	\$ 189,237	38.30%	\$ 441,635	\$ 137,519	31.14%	\$ 51,718
FINES							
PARKING TICKETS & MISC FINES	\$ 45,000	\$ 10,592	23.54%	\$ 55,000	\$ 14,488	26.34%	\$ (3,896)
MISCELLANEOUS							
INVESTMENT INCOME	\$ 30,000	\$ 13,725	45.75%	\$ 60,000	\$ 20,239	33.73%	\$ (6,514)
INTEREST-BOND PROCEEDS	\$ 2,000	\$ -	0.00%	\$ 2,000	\$ -	0.00%	\$ -
RENTS	\$ 122,000	\$ 121,827	99.86%	\$ 122,000	\$ 121,827	99.86%	\$ 0
UNCLASSIFIED	\$ 5,150	\$ 31,022	602.37%	\$ 7,340	\$ 5,546	75.56%	\$ 25,476
SALE OF RECYCLABLES	\$ -	\$ -		\$ -	\$ 15,097		\$ (15,097)
COMMERCIAL SOLID WASTE FEES	\$ -	\$ 31,940		\$ -	\$ 32,120		\$ (180)
SALE OF PROPERTY	\$ 20,000	\$ 16,694	83.47%	\$ 20,000	\$ 2,255	11.28%	\$ 14,439
RECREATION PROGRAMS/ARENA	\$ 43,275	\$ -	0.00%	\$ 33,275	\$ 393	1.18%	\$ (393)
MMWAC HOST FEES	\$ 197,400	\$ 100,953	51.14%	\$ 197,400	\$ 100,104	50.71%	\$ 849
9-1-1 DEBT SERVICE REIMBURSEMENT	\$ -	\$ (20)		\$ 98,318	\$ -	0.00%	\$ (20)
TRANSFER IN: TIF	\$ 324,212	\$ 324,212	100.00%	\$ 324,212	\$ -	0.00%	\$ 324,212
ENERGY EFFICIENCY	\$ 2,000	\$ 858	42.91%	\$ 2,600	\$ -	0.00%	\$ 858
CDBG	\$ 8,000	\$ 1,334	16.68%	\$ 8,000	\$ 4,002	50.03%	\$ (2,668)
UTILITY REIMBURSEMENT	\$ 37,500	\$ 13,728	36.61%	\$ 37,500	\$ 6,937	18.50%	\$ 6,791
CITY FUND BALANCE CONTRIBUTION	\$ 1,350,000	\$ -	0.00%	\$ 1,050,000	\$ -	0.00%	\$ -
TOTAL MISCELLANEOUS	\$ 2,141,537	\$ 656,272	30.64%	\$ 1,962,645	\$ 308,520	15.72%	\$ 347,752
TOTAL GENERAL FUND REVENUES	\$ 51,785,864	\$ 27,676,244	53.44%	\$ 50,160,522	\$ 27,279,251	54.38%	\$ 396,993
SCHOOL REVENUES							
EDUCATION SUBSIDY	\$ 17,942,071	\$ 8,376,360	46.69%	\$ 17,942,071	\$ 6,940,826	38.68%	\$ 1,435,534
EDUCATION	\$ 1,358,724	\$ 221,762	16.32%	\$ 1,358,724	\$ 1,951,493	143.63%	\$ (1,729,731)
SCHOOL FUND BALANCE CONTRIBUTION	\$ 855,251	\$ -	0.00%	\$ 855,251	\$ -	0.00%	\$ -
TOTAL SCHOOL	\$ 20,156,046	\$ 8,598,121	42.66%	\$ 20,156,046	\$ 8,892,319	44.12%	\$ (294,198)
GRAND TOTAL REVENUES	\$ 71,941,910	\$ 36,274,365	50.42%	\$ 70,316,568	\$ 36,171,570	51.44%	\$ 102,795

CITY OF AUBURN, MAINE
EXPENDITURES - GENERAL FUND COMPARATIVE
THROUGH December 31, 2012 VS December 31, 2011

DEPARTMENT	Unaudited			Unaudited			VARIANCE
	FY 2013 REVISED BUDGET	EXP THRU DEC 2012	% OF BUDGET	FY 2012 BUDGET	EXP THRU DEC 2011	% OF BUDGET	
ADMINISTRATION							
MAYOR AND COUNCIL	\$ 99,690	\$ 61,678	61.87%	\$ 99,690	\$ 58,620	58.80%	\$ 3,058
CITY MANAGER	\$ 343,296	\$ 125,825	36.65%	\$ 280,915	\$ 134,591	47.91%	\$ (8,766)
ASSESSING SERVICES	\$ 183,801	\$ 80,298	43.69%	\$ 188,906	\$ 82,807	43.84%	\$ (2,509)
CITY CLERK	\$ 150,676	\$ 70,180	46.58%	\$ 137,422	\$ 72,940	53.08%	\$ (2,760)
FINANCIAL SERVICES	\$ 419,539	\$ 202,232	48.20%	\$ 365,023	\$ 205,707	56.35%	\$ (3,475)
HUMAN RESOURCES	\$ 137,836	\$ 62,747	45.52%	\$ 137,363	\$ 63,498	46.23%	\$ (751)
INFORMATION COMMUNICATION TECHNOLOGY	\$ 386,632	\$ 212,457	54.95%	\$ 361,058	\$ 246,456	68.26%	\$ (33,999)
LEGAL SERVICES	\$ 85,000	\$ 14,249	16.76%	\$ 84,284	\$ 53,727	63.75%	\$ (39,478)
CUSTOMER SERVICE	\$ -	\$ -	-	\$ 2,428	\$ 1,501	61.82%	\$ (1,501)
TOTAL ADMINISTRATION	\$ 1,806,470	\$ 829,666	45.93%	\$ 1,657,089	\$ 919,847	55.51%	\$ (90,181)
COMMUNITY SERVICES							
ENGINEERING	\$ 320,370	\$ 147,988	46.19%	\$ 293,612	\$ 148,831	50.69%	\$ (843)
COMMUNITY PROGRAMS	\$ 14,050	\$ 10,500	74.73%	\$ 12,650	\$ 10,850	85.77%	\$ (350)
PLANNING & PERMITTING	\$ 776,532	\$ 337,614	43.48%	\$ 727,756	\$ 330,195	45.37%	\$ 7,419
PARKS AND RECREATION	\$ 602,191	\$ 277,152	46.02%	\$ 615,858	\$ 239,092	38.82%	\$ 38,060
HEALTH & SOCIAL SERVICES	\$ 176,567	\$ 110,196	62.41%	\$ 153,811	\$ 72,409	47.08%	\$ 37,787
PUBLIC LIBRARY	\$ 968,292	\$ 484,146	50.00%	\$ 929,407	\$ 464,703	50.00%	\$ 19,443
TOTAL COMMUNITY SERVICES	\$ 2,858,002	\$ 1,367,596	47.85%	\$ 2,733,094	\$ 1,266,080	46.32%	\$ 101,516
FISCAL SERVICES							
DEBT SERVICE	\$ 6,682,797	\$ 6,083,464	91.03%	\$ 6,810,550	\$ 6,487,644	95.26%	\$ (404,180)
PROPERTY	\$ 699,114	\$ 448,643	64.17%	\$ 680,137	\$ 428,404	62.99%	\$ 20,239
WORKERS COMPENSATION	\$ 415,000	\$ -	0.00%	\$ 451,890	\$ 219,256	48.52%	\$ (219,256)
WAGES & BENEFITS	\$ 4,602,545	\$ 2,087,279	45.35%	\$ 4,209,929	\$ 2,067,332	49.11%	\$ 19,947
EMERGENCY RESERVE (10108062-670000)	\$ 333,818	\$ -	0.00%	\$ 328,608	\$ -	0.00%	\$ -
TOTAL FISCAL SERVICES	\$ 12,733,274	\$ 8,619,386	67.69%	\$ 12,481,114	\$ 9,202,636	73.73%	\$ (583,250)
PUBLIC SAFETY							
EMERGENCY MGMT AGENCY	\$ -	\$ -	-	\$ 2,903	\$ -	0.00%	\$ -
FIRE DEPARTMENT	\$ 3,904,344	\$ 1,864,029	47.74%	\$ 3,716,161	\$ 1,757,161	47.28%	\$ 106,868
POLICE DEPARTMENT	\$ 3,439,583	\$ 1,620,600	47.12%	\$ 3,315,380	\$ 1,587,191	47.87%	\$ 33,409
TOTAL PUBLIC SAFETY	\$ 7,343,927	\$ 3,484,629	47.45%	\$ 7,034,444	\$ 3,344,352	47.54%	\$ 140,277
PUBLIC WORKS							
PUBLIC WORKS DEPARTMENT	\$ 4,617,744	\$ 1,988,251	43.06%	\$ 4,682,884	\$ 1,796,282	38.36%	\$ 191,969
WATER AND SEWER	\$ 558,835	\$ 282,983	50.64%	\$ 558,835	\$ 282,963	50.63%	\$ 20
TOTAL PUBLIC WORKS	\$ 5,176,579	\$ 2,271,234	43.88%	\$ 5,241,719	\$ 2,079,245	39.67%	\$ 191,989
INTERGOVERNMENTAL PROGRAMS							
AUBURN-LEWISTON AIRPORT	\$ 105,000	\$ 52,500	50.00%	\$ 106,750	\$ 53,375	50.00%	\$ (875)
E911 COMMUNICATION CENTER	\$ 1,035,381	\$ 516,982	49.93%	\$ 968,347	\$ 484,174	50.00%	\$ 32,808
LATC-PUBLIC TRANSIT	\$ 235,548	\$ 117,774	50.00%	\$ 207,779	\$ 103,889	50.00%	\$ 13,885
LAEGC-ECONOMIC COUNCIL	\$ 160,687	\$ 80,343	50.00%	\$ 160,687	\$ 80,343	50.00%	\$ -
COMMUNITY LITTLE THEATER	\$ 20,160	\$ -	0.00%	\$ 20,160	\$ 10,080	50.00%	\$ (10,080)
TAX SHARING	\$ 289,000	\$ 43,602	15.09%	\$ 288,593	\$ 39,602	13.72%	\$ 4,000
TOTAL INTERGOVERNMENTAL	\$ 1,845,776	\$ 811,201	43.95%	\$ 1,752,316	\$ 771,463	44.03%	\$ 39,738
COUNTY TAX							
TIF (10108058-580000)	\$ 2,006,244	\$ 2,006,244	100.00%	\$ 1,925,561	\$ 1,925,560	100.00%	\$ 80,684
OVERLAY	\$ 2,619,142	\$ 2,590,947	98.92%	\$ 2,619,142	\$ 2,619,142	100.00%	\$ (28,195)
	\$ -	\$ -	-	\$ 301,604	\$ -	0.00%	\$ -
							\$ -
TOTAL CITY DEPARTMENTS	\$ 36,389,414	\$ 21,980,903	60.40%	\$ 35,746,083	\$ 22,128,325	61.90%	\$ (147,422)
EDUCATION DEPARTMENT							
	\$ 34,705,246	\$ 9,584,758	27.62%	\$ 34,705,246	\$ 18,900,948	54.46%	\$ (9,316,190)
TOTAL GENERAL FUND EXPENDITURES	\$ 71,094,660	\$ 31,565,661	44.40%	\$ 70,451,329	\$ 41,029,273	58.24%	\$ (9,463,612)

**CITY OF AUBURN, MAINE
INVESTMENT SCHEDULE
AS OF December 31, 2012**

INVESTMENT	FUND	BALANCE	BALANCE December 31, 2012	INTEREST RATE	WEIGHTED AVG YIELD
BANKNORTH MNY MKT	24-1242924 GENERAL FUND	\$ 55,263.50	\$ 55,263.50	0.20%	
BANKNORTH MNY MKT	24-1745910 GF-WORKERS COMP	\$ 49,213.61	\$ 49,213.61	0.10%	
BANKNORTH MNY MKT	24-1745944 GF-UNEMPLOYMENT	\$ 66,817.24	\$ 66,817.24	0.20%	
BANKNORTH CD	7033 GF-UNEMPLOYMENT	\$ 102,404.84	\$ 102,404.84	2.64%	
BANKNORTH MNY MKT	24-1809302 SPECIAL REVENUE	\$ 52,491.47	\$ 52,491.47	0.20%	
BANKNORTH MNY MKT	24-1745902 SR-PERMIT PARKING	\$ 197,743.37	\$ 197,743.37	0.20%	
BANKNORTH MNY MKT	24-1745895 SR-TIF	\$ 1,116,416.89	\$ 1,116,416.89	0.20%	
BANKNORTH MNY MKT	24-1746819 CAPITAL PROJECTS	\$ 10,885,159.39	\$ 10,885,159.39	0.20%	
BANKNORTH MNY MKT	24-1745928 ICE ARENA	\$ 248,980.24	\$ 248,980.24	0.10%	
GRAND TOTAL		\$ 12,774,490.55	\$ 12,774,490.55		0.22%



City Council Agenda Information Sheet

City of Auburn

Council Workshop Date: January 22, 2013

Resolve 01-01222013

Author: Sue Clements-Dallaire, City Clerk

Subject: Commuter Service between the Municipalities of Portland, Lewiston and Auburn

Information: The cities of Portland, Lewiston and Auburn would like to evaluate the feasibility of developing high-quality commuter service (be it rail or bus) between Portland and Lewiston/Auburn. Portland's City Council approved this at their January 7, 2013 Council Meeting.

Financial:

Action Requested at this Meeting: Passage

Previous Meetings and History: January 7, 2013 City Council Workshop

Attachments:

- Draft Resolve from Portland
- Resolve 01-01222013

MAYOR MICHAEL F. BRENNAN
KEVIN J. DONOGHUE(1)
AVID A. MARSHALL (2)
JWARD J.SUSLOVIC (3)
CHERYL A. LEEMAN (4)

**CITY OF PORTLAND
IN THE CITY COUNCIL**

*Resolve 6-12/13
Tab 10 1-9-13*

JOHN R. COYNE (5)
JOHN M. ANTON (A/L)
JILL C. DUSON (A/L)
NICHOLAS M. MAVODONES (A/L)

JOINT RESOLUTION IN SUPPORT OF A PORTLAND NORTH PASSENGER TRANSIT SERVICE LINKING THE MUNICIPALITIES FROM PORTLAND TO LEWISTON AND AUBURN

WHEREAS, the City of Portland would like to study and evaluate the feasibility of developing high-quality passenger transit service between Portland and Lewiston-Auburn; and

WHEREAS, there is a growing need for fast, economical and environmentally sound transit service between Portland, Lewiston, and Auburn, that will help employment, medical and entertainment opportunities within our neighboring regions; and

WHEREAS, the municipalities of both regions support the goal of reducing single-passenger vehicle trips and work toward developing transit service while utilizing existing transit corridors; and

WHEREAS, MaineDOT conducted the Portland North Project as part of a New Starts Federal Transportation Program in 2010, which focused on addressing congestion mitigation; in communities north of Portland; and

WHEREAS, Federal New Starts and Small Starts Transportation Programs have recently instituted new broader standards to achieve land use, economic development, environmental, congestion mitigation and economic opportunity goals; and

WHEREAS, the municipalities of Portland and Lewiston-Auburn regions view this study as part of a broader collaboration where communities can assist each other in addressing commuting, employment and other sustainable practices that enhances the livability of all three communities, and

WHEREAS, the participating municipalities desire to work through the Portland region MPO, Portland Area Comprehensive Transportation System (PACTS) and from the Lewiston-Auburn MPO, Androscoggin Transportation Resource Center (ATRC) to jointly conduct and manage the study for the municipalities and their constituents;

NOW THEREFORE BE IT RESOLVED, that the municipalities of Portland and Lewiston-Auburn regions hereby endorse this Resolution and look forward to working collaboratively toward seeking project funding and management through PACTS and ATRC and to work together on completing the feasibility evaluation of future high quality passenger commuter service between Portland and Lewiston, and Auburn; and

BE IT FURTHER RESOLVED, that the Portland City Council hereby directs the City Manager to take whatever steps necessary to work with officials of PACTS, ARTC, and the municipalities of Lewiston-Auburn and other communities within the region on seeking program funding to advance this project toward implementation.

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
David Young, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
Joshua Shea, At Large

Jonathan LaBonte, Mayor

IN CITY COUNCIL

RESOLVE 01-01222013

RESOLVED, that the Auburn City Council hereby supports a Portland North Passenger Transit Service Linking the Municipalities from Portland to Lewiston and Auburn.

WHEREAS, the City of Portland City Council on January 7, 2013 approved a joint resolution supporting a North Passenger Service linking the City of Portland to Lewiston and Auburn; and

WHEREAS, the City of Auburn would like to study and evaluate the feasibility of developing high-quality passenger transit service between Portland and Lewiston-Auburn; and

WHEREAS, there is a growing need for fast, economical and environmentally sound transit service between Portland, Lewiston, and Auburn, that will help employment, medical and entertainment opportunities within our neighboring regions; and

WHEREAS, the municipalities of both regions support the goal of reducing single-passenger vehicle trips and work toward developing transit service while utilizing existing transit corridors; and

WHEREAS, Maine DOT conducted the Portland North Project as part of a New Starts Federal Transportation Program in 2010, which focused on addressing congestion mitigation; in communities north of Portland; and

WHEREAS, Federal New Starts and Small Starts Transportation Programs have recently instituted new broader standards to achieve land use, economic development, environmental, congestion mitigation and economic opportunity goals; and

WHEREAS, the municipalities of Auburn, Portland, Lewiston and other municipalities within the region view this study as part of a broader collaboration where communities can assist each other in addressing commuting, employment and other sustainable practices that enhances the livability of all three communities, and

WHEREAS, the participating municipalities desire to work through the Portland region MPO, Portland Area Comprehensive Transportation System (PACTS) and from the Lewiston-Auburn MPO, Androscoggin Transportation Resource Center (ATRC) to jointly conduct and manage the study for the municipalities and their constituents;

NOW THEREFORE BE IT RESOLVED, that the municipalities of Auburn, Portland and Lewiston hereby endorse this Resolution and look forward to working collaboratively toward seeking project funding and management through PACTS and ATRC and to work together on completing the feasibility evaluation of future high quality passenger commuter service between Portland and Lewiston, and Auburn; and

BE IT FURTHER RESOLVED , that the Auburn City Council hereby directs the City Manager to take

whatever steps necessary to work with officials of PACTS, ARTC, and the municipalities of Portland, Lewiston and other communities within the region on seeking program funding to advance this project toward implementation.



City Council Agenda Information Sheet

City of Auburn

Council Meeting Date: January 22, 2013

Order 04-01222013

Author: Reine Mynahan, Community Development Director

Subject: Community Development Loan Program Guidelines

Information: The Curb Appeal and Small Business Loan Program will provide an opportunity to accomplish Community Development objectives of attractive neighborhoods and economic opportunity. The Small Business Loan Program now includes language requested by City Council for business to remain in Auburn for the duration of the loan.

Financial: N/A

Action Requested at this Meeting: Adopt new program guidelines

Previous Meetings and History: Workshop of December 10, 2012

Attachments:

COMMUNITY DEVELOPMENT BLOCK GRANT

Curb Appeal Program

Small Business Loan Program

CURB APPEAL PROGRAM

A. PROGRAM GOAL

The goal of the Curb Appeal Program is to create attractive neighborhoods by encouraging private investment. The Program will improve the visual quality of properties in target areas, and encourage conformity of appearance and architecture within the immediate neighborhood. The Curb Appeal 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 to be improved may be a commercial property, residential property, or mixed use owned by the applicant.
2. Residential units must meet the Department of Housing and Urban Development's Housing Quality Standards.
3. The applicant must not owe outstanding property taxes to the City of Auburn and have no outstanding code violations.
4. Property must be in the Downtown, New Auburn or Union Street target areas.

C. ASSISTANCE CATEGORIES AND TERMS

1. Grant
 - a. Maximum grant is \$10,000 per property.
 - b. Only one grant will be awarded per property.
 - c. The applicant shall provide a private match. Match funds may be cash or a loan. The match shall be the higher of
 - 1) amount equal to the grant; or
 - 2) amount necessary to complete the project.
2. Direct Loan
 - a. A direct loan is an installment loan from the City with monthly payments.
 - b. Maximum loan amount is \$10,000 per property.
 - c. A loan will be available if the applicant's project costs exceed the maximum grant and required match.

- d. Loan term shall be established by Community Development staff with approval of the Curb Appeal Committee based on financial capacity of the applicant. The maximum loan term is 15 years.
- e. The interest rate is two (2%) percent.

D. PRIORITIES

It is anticipated that there will be more demand than available funds. Funding will be provided to applications receiving the overall highest scores until funds are exhausted. The City will issue a Request for Proposals. Applications will be scored on how well the proposed project meets the following program criteria:

- 1. Degree of visual improvement the proposed project will bring to the streetscape and greatest impact on target area.
- 2. Design compatibility with neighborhood.
- 3. Visual prominence of the building and its location. Buildings with frontage on the following streets will be considered a higher priority:
 - a. Broad Street
 - b. Mill Street
 - c. Main Street
 - d. Elm Street
 - e. Court Street
 - f. High Street
 - g. Hampshire Street
 - i. Goff Street
 - j. Turner Street
 - k. Minot Avenue
- 4. Private investment greater than 50% of the project budget.
- 5. Proximity to other buildings that have been improved.

E. SUBMISSION REQUIREMENTS

- 1. Description of the project;
- 2. Explanation of the improvements you want to restore, rehabilitate, modify or replace through this project;
- 3. Close up photographs of the property in its current condition;
- 4. Description of private investment sources that will be used to match public

dollars (example list of cash on hand or bank loan.

F. OTHER REQUIREMENTS

Improvements undertaken with this loan must comply with

1. lead-based paint regulations;
2. local codes; and
3. Housing Quality Standards, if residential.

G. PRIORITY REPAIRS

1. The goal of the program is neighborhood beautification. Improvements under this program must address the influences that contribute to blight in the neighborhood.
2. 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 or neighborhoods, or result in the degradation of the quality of life in the City of Auburn. For residential structures, buildings that do not meet the Department of Housing and Urban Development's Housing Quality Standards are considered blighted.
3. 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.
4. 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.
5. Eligible activities include:
 - a. architectural services;
 - b. prime and paint exterior surfaces;
 - c. repair or replacement of exterior surfaces including siding, porches, steps, railings, decking, fire escapes, window and door trim, soffits and eaves, and gutters;
 - d. roofs;
 - e. lighting;
 - f. foundation repair;
 - g. re-pointing or reconstruction of walls and chimneys;
 - h. replacement of windows and doors; and
 - i. repair to garages, barns, and accessory buildings.
 - j. Repairs to assure the building meets Housing Quality Standards.

H. APPROVAL PROCESS

1. COMMUNITY DEVELOPMENT STAFF

The Community Development Department has responsibility for administration of the Curb Appeal Program. Community Development will also perform loan underwriting, and present requests to the Curb Appeal Committee.

2. 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.

3. CURB APPEAL COMMITTEE

a. Grants and loans will be approved by a seven member committee. The committee shall be composed of three members of the Community Development Loan Committee, two Auburn residents with relevant experience in building design/architecture or real estate/development, the City Manager and Director of Economic Development.

b. The Committee will review all applications and rank them prior to making awards. The Committee will determined the terms of the grant and loan, if any, and may place conditions on the grant/loan award including the requirement that improvements be designed by a qualified design professional.

c. In evaluating loan requests, the Committee shall be guided by the following considerations:

- i. Cash flow -- ability to repay the debt;
- ii. Credit – good credit history and reputation;
- iii. Payment of taxes or acceptable arrangements;
- iv. Collateral – collateral coverage must be adequate as determined by the Committee
- v. Security – other assets;

d. Loan Appeal Procedure: The reason(s) for rejection shall be given to the applicant. Denials may be appealed to the Curb Appeal Committee for a period of thirty days after the date of rejection. The applicant will be allowed to present his/her case to the Committee. The Committee may reconsider their prior vote to deny the application after the appeal review has been completed.

e. 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 guideline.

I. REHAB 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. PARTICIPATION BY RELIGIOUS ORGANIZATIONS

- a. 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 proselytizing. The organization can engage in such activities, but they must be offered in a different location. Religious participation by tenants must be voluntary.
- b. 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. DEFINITIONS

- a. 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.
- b. Target Areas – 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. The Curb Appeal Program will be restricted to Downtown, New Auburn and Union Street Target Areas.

4. APPLICATION PROCEDURES

- a. Requests for Proposals – Requests for Proposals will be available in the Community Development office. Community Development Department (CDD) staff will publish a notice in the local newspaper and on the City's web site.
- b. CDD Responsibilities – Once a project has been selected, the CDD will prepare specifications, prepare loan documents, and act as a project manager including authorizing progress payments.
- c. Inspection Report and Specifications – An inspection report shall be prepared by the Rehab Coordinator and sent to the applicant. The inspection report shall identify the scope of work. Once the owner has reviewed the inspection report and approves the scope of work, the Rehab Coordinator will create specifications for contractor bidding.

- d. Lead – The CDD must consider whether the rehabilitation calls for lead hazard control measures.

1. A risk assessment will identify whether lead hazards exist and what type of methods must be used to control them 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.

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 and fair condition.

b) 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. 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.

2. 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.

3. 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.

4. 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.

f. 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 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.
3. 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.
4. 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.

g. 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 of Auburn, 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 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.

h. 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.

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. Schedule -- The Rehab Coordinator and owner will establish a schedule of work items and projected completion date prior to loan closing.
 3. Qualification -- The owner must have completed a Department of Environmental Protection Renovate, Repair and Paint course, if pertinent to the work being performed.
- i. 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.
 - j. Curb Appeal Committee – The application is presented to the Curb Appeal Committee who is responsible for awarding grants and loans.
 - k. Loan Closing – A grant/ 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.

- l. Assumability – Loans are generally unassumable
- m. Cancellation – A loan/grant 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.
- n. 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.
- o. 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.
- p. 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.
- q. Escrowing of funds – The CDD will act as escrow agent for the City loan/grant, 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.
- r. 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 private participation level, or may be used to complete additional work as approved by the CDD.

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. 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. 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

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 plus 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 5 years for equipment, 3 years for inventory and working capital, and 10 years for construction improvements.
7. Once established, the business must remain housed within the City for the duration of the loan.

E. JOB CREATION CRITERIA

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.

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
David Young, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
Joshua Shea, At Large

Jonathan LaBonte, Mayor

IN CITY COUNCIL

ORDER 04-01222013

ORDERED, that the Curb Appeal and Small Business Programs funded with Community Development Block Grant funds be adopted as recommended by Community Development Staff.



City Council Agenda Information Sheet

City of Auburn

Council Meeting Date: January 22, 2013

Order 05-01222013

Author: Reine Mynahan, Community Development Director

Subject: Modifications to Community Development Loan Program Guidelines

Information: Changes to guidelines include language updates to clearly identify for staff procedures that will be followed, and increase of loan limits to several programs.

The match requirement was inadvertently omitted in the Commercial Loan Program guidelines presented on December 10th. The only change from that document is to include the 1/3 match, same as the Small Business Loan Program.

Financial: N/A

Action Requested at this Meeting: Adopt modifications to guidelines

Previous Meetings and History: Workshop of December 10, 2012

Attachments:

- COMMUNITY DEVELOPMENT PROGRAM GUIDELINES
- Rehab Loan Program including Spot and Residential Rehab Programs
- Good Neighbor Start-up Grant Program
- Heating Assistance Program
- Commercial Program

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. The maximum loan amount is \$18,000.

- c. Household income must be below 65% of median income.

2. Direct Loan/Owner-Occupied and Non-Profit Agencies

- a. A direct loan is an installment loan with monthly payments.
- b. Maximum loan amount is \$18,000 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. Sewer Connection Assessment Grants

- a. A grant requires no repayment.
- b. The grant amount shall be one-half of the cost of the assessment, -
- c. 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.

II. RESIDENTIAL REHABILITATION LOAN PROGRAM

A. PROGRAM GOAL

The goal of the Residential Rehabilitation Loan 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 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 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 of the Community Development Program. Community Development Department staff will determine the requirements for building improvements.

C. LOAN CATEGORIES AND TERMS

1. Target Area

- a. Property must be located within one of Auburn's target areas.
- b. The maximum loan amounts are:
 - 1) \$25,000 for the first unit (a unit that receives funding under the Homeowner Rehab Program will be considered the first unit);
 - 2) \$20,000 for each additional unit;
- c. The interest rate is 2%.
- 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 25 years.
- e. The city's loan shall be leveraged with a minimum of 25% in private funds. The leverage requirement may be waived by the Community Development Loan Committee if cash flow warrants its elimination.

2. Low-Income Households/City Wide and Target Area

- a. Applicant's household income is less than 80% of median income.
- b. Property may be located within any area of the city.
- c. Property must be owner-occupied.
- d. The maximum loan amounts are:
 - 1) \$25,000 for the first unit (a unit that receives funding under the Homeowner Rehab Program will be considered the first unit); and
 - 2) \$20,000 per unit for each additional unit.
- e. The interest rate is 0%.
- f. 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 25 years.
- g. There is no match requirement.
- h. 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).

D. ELIGIBLE IMPROVEMENTS

Eligible improvements include rehabilitation of a permanent nature which may include, but not be limited to:

- 1. structural repairs;
- 2. energy improvements
- 3. lead-based paint hazard reduction;
- 4. accessibility for disabled persons;
- 5. repair or replacement of major housing systems;
- 6. incipient repairs and general property improvements of a non-luxury nature;
- 7. retaining walls and utility connections;
- 8. finishing of unfinished areas to add space to a dwelling unit to make it properly sized for the occupants according to applicable HUD standards;

9. improvements which would generally increase the economic viability of the property;
10. engineering and architect costs;
11. landscaping limited to correction of a drainage problem;
12. non-living space limited to demolition of deteriorated structure, structural repairs and weather protection; and
13. fencing when required to correct a hazardous condition.

E. IMPROVEMENTS THAT ARE INELIGIBLE

1. new construction;
2. paving;
3. appliances or furnishings; and
4. rehabilitation costs attributed to the non-residential portion of a mixed-use property.

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

1. 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 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.
2. 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 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 guideline.

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;
- 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. 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.
 - c. 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 CDD.

Amended October 19, 2009

GOOD NEIGHBOR HOME OWNERSHIP START-UP PROGRAM

A. PROGRAM GOAL

The goal of the Home Ownership Start-up Program is to ease the cost burden of transitioning from tenancy to home ownership.

B. ELIGIBILITY CRITERIA

1. The applicant must purchase residence home located in the City of Auburn to use as their primary residence and must use one of the City's homebuyer programs to assist in the financing of this purchase. .
2. The property may not be used for religious purposes or be publicly owned.
3. The property must be a year-round, 1-4 unit residential building.
4. The applicant owns no other property.
5. The applicant does not owe taxes or fees to the city of Auburn at the time of application.

C. GRANT CATEGORIES AND TERMS

1. A grant requires no repayment.
2. The maximum grant amount is \$500 or eligible items with an additional \$500 for the purchase of stove, refrigerator, lawn mower. The maximum grant is \$1,000.
3. Household income must be below 80% of median income.

D. ELIGIBLE EXPENSES

Eligible expenses include the following verifiable start-up costs:

1. Connection to utilities;
2. Paint and minor repairs for projects where there will be no rehabilitation;
3. Refrigerator or stove;
4. Landscaping;
5. Curtains;

6. Mailbox;
7. Pest control;
8. Moving costs;
9. Cleaning supplies;
10. Rental of equipment;
11. Lawnmower; and

E. APPLICATION PROCESS

1. Initial Application -- The request for Good Neighbor Funds is considered the date of the application for the City's homebuyer programs. Loans will be processed on a first-come, first-served basis.

F. 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.

HEATING ASSISTANCE LOAN PROGRAM

I. INTRODUCTION

In the past several years, the cost of heating a home has increased dramatically. Concurrently, other living expenses, particularly homeowner's insurance, taxes, food, and health care, have also increased. Wages and benefits have not kept up with these costs resulting in a significant disparity between income and expenses. What was once affordable housing is no longer affordable for low- and moderate-income home owners.

Federally funded government programs that alleviate the burden of high heating costs are inadequate, and there is concern in the community that many low-income homeowners will not be able to pay for the cost of heating their homes.

A Heating Assistance Loan Program (HALP) was created as a response to the heating crisis. HALP will provide low-income homeowners with a source of funds to supplement personal resources to heat their homes. HALP is funded as a public service activity by the Community Development Block Grant Program and is subject to all of the Community Development Program regulations.

HALP will be administered through collaboration between the Community Development Department (CDD) and Health & Social Services (HSS) offices of the City of Auburn.

II. PROGRAM OBJECTIVES

- A. To provide an additional resource to assist low-income homeowners to pay for heating fuel.
- B. To prevent homelessness that may be a result of inadequate resources to pay for heating fuel.
- C. To reduce the incidence of frozen pipes that could cause physical damage to the homes of low-income households.

III. ELIGIBILITY CRITERIA

- A. The property must be located in the City of Auburn
- B. The property must be a residential property.
- C. The applicant(s) must own and occupy the property as a primary residence on a year-round basis.
- D. The applicant(s) has applied for assistance from other programs during the heating season for which the applicant(s) are requesting heating assistance funds.

- E. The applicant(s) must first apply for General Assistance. If they do not qualify, then HALP will be pursued. Upon approval, the Director of Social Services will send a commitment letter that requires the applicant to close the loan within 2 weeks.
- F. Funds must be used within one heating season, and within 3 months of the closing date. The heating season is September to May.
- G. Applications will be accepted between the months of November through March.

IV. LOAN ASSISTANCE

- A. The maximum loan amount is \$1,000 per heating season for households with income under 50% of area median income.
- B. The maximum loan amount is \$750 per heating season for households with income between 50-80% of area median income.
- C. The maximum aggregated loan assistance is \$10,000.
- D. Loan assistance shall be in the form of a deferred loan. The deferred loan 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.
- E. The loan shall be at an interest rate of 2%.

V. CONDITIONS OF THE LOAN

- A. The applicant(s) is current on City of Auburn tax payments and any Community Development Department loan payments.
- B. The applicant(s) will sign promissory note and mortgage documents.
- C. The applicant(s) have less than \$10,000 in liquid assets.
- D. The applicant(s) may make payments on the loan at any time.

VI. 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, sex, sexual orientation, physical or mental disability, religion, ancestry, national origin, or familial status, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination under this program.

B. APPLICATION PRIORITY AND FUND RESERVATION

Applications shall be processed on a first-come, first-served basis. The receipt date of a complete application shall be used to establish the order of priority.

C. CALCULATING INCOME

- 1) For the purpose of determining eligibility, annual income will be calculated by estimating the prevailing rate of income of each person living in the household at the time assistance is requested.
- 2) Income of all members of the household is considered for computing income. This may include wages, salaries, overtime, bonuses, fees, tips, commissions, stipends, 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 unless prohibited by state or federal law to be counted as income.
- 3) 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.
- 4) Income limits for this program are established by the Department of Housing and Urban Development for Lewiston-Auburn SMSA. Income limits are updated annually.

D. PROGRAM PROCEDURES

This section sets forth the application procedures for heating assistance loans.

- 1) **Application** - Loan applications may be obtained from the HSS office of the City of Auburn.
- 2) **Verifications** - Copies of all income sources (i.e. check stubs, statements, W-2 forms, and Federal income tax returns) shall be provided by the applicant. Written verification is required from all income sources.
- 3) **Loan Approval** - The request for assistance will be approved by the Community Development Administrator and Director of Health and Social Services.
- 4) **Loan Closing** - The loan closing shall be held in the HSS office and shall occur prior to authorization of payments for heating assistance.

5) Escrowing of funds - The HSS office shall notify CDD of the loan. The CDD will then establish an escrow account in the client's name.

6) Use of Funds - Heating assistance loan funds must be used to pay for eligible costs to heat the home. Heat sources may be oil, natural gas, propane gas, electricity, wood, or other sources approved by HSS. The borrower will be allowed to take advantage of the City of Auburn's bulk oil purchasing by utilizing the City of Auburn's supplier, whenever possible.

7) Disbursement of Funds - Funds shall be paid directly to the supplier upon authorization by the borrower, HSS and CDD.

8) Appeal Procedure

1) Rejection of an application shall be given in writing with the reason for rejection.

2) Applicant(s) may appeal to the Community Development Loan Committee by providing a written request for the appeal within 7 days from the date of rejection.

3) The applicant(s) will be allowed to present his/her case.

4) The Community Development Loan Committee may reconsider and overturn a decision after the review has been completed.

5) A letter conveying the decision of the appeal will be sent to the applicant(s).

6) The decision of the appeal will be final.

I. COMMERCIAL PROGRAM

A. PROGRAM OBJECTIVE

The Commercial Program is designed to create or retain jobs and eliminate blighting influences in certain areas of Auburn by providing businesses with a source of low interest financing to encourage commercial development.

B. APPLICANT

1. The applicant must own or have a written agreement to purchase the property to be improved.
2. The applicant may be an individual, limited liability company, corporation, partnership or non-profit.
3. The applicant may be a lessee if there is acceptable collateral.

C. PROPERTY

1. All taxes due on the property must be paid in full or acceptable arrangements are made with the Treasurer of the City of Auburn.
2. The intended use of the property must be for commercial purposes. No residential development will be included under this program.
3. The property must be located within one of the three Community Development identified target areas, Downtown, New Auburn, Union Street, or within the boundaries of the Auburn Downtown Action Plan for Tomorrow (ADAPT)

D. LOAN TERMS

1. Commercial Loans

- a. The maximum commitment of the Commercial Loan Program is \$50,000 property. CDBG funds will not be substituted for non-federal financial support.
- b. The match requirement is 33% of the City's loan
- c. The applicant shall secure commitments for 100% of the total development cost. The portion of development cost not financed by the City may be a combination of personal funds public or private lenders. The

applicant must obtain a commitment from the lending institution which describes the terms and conditions of the commitment.

- d. The term of the loan will be equal to the financial institution's term or 25 years, whichever is less.

E. NATIONAL OBJECTIVES

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

1. Jobs Creation Criteria

Applicants will be required to directly create 1 full-time equivalent permanent job per \$25,000 of Commercial Loan Program funds within a period of three years after loan closing, 51% of which will be available to or taken by persons of low and moderate income according to income limits established by the U. S. Department of Housing and Urban Development for Lewiston-Auburn SMSA. Spin-off, 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 as new jobs. To satisfy the job requirements, the jobs that are counted under other government funded programs cannot be recounted for this project. During the application process, jobs will be evaluated to determine if there is potential to satisfy the 51% low-mod requirement. The applicant will be required to sign a Job Agreement as a condition of the loan and comply with all required reporting.

2. Jobs Retained Criteria

Applicants will be required to demonstrate 1 full-time equivalent job retained per \$25,000 of Commercial Loan Program funds, 51% of which will be held by persons of low and moderate income according to income limits established by the U. S. Department of Housing and Urban Development for Lewiston-Auburn SMSA. The jobs retained criteria will only be allowed when it can be clearly and objectively demonstrated that without CDBG assistance, the jobs would be lost.

3. Slums/Blight Criteria

The project must be located either in the Downtown, Union Street, or New Auburn target area.

F. ELIGIBLE ACTIVITIES

1. Job Creation and Job Retained Projects

Eligible activities include hard and soft construction costs for both interior and exterior improvements of a permanent nature. Improvements may include, but not limited to, development fee, structural repairs, mechanical and aesthetic improvements, finishing of unfinished areas, architects and engineers costs, paving, landscaping, new construction and loan closing costs. Up to 25% of Auburn's loan may be for newly purchased business equipment that is necessary for the operation.

2. Slums/Blight Projects

Eligible activities for the Commercial Loan Program include improvements to the exterior of the building and interior improvements limited to correction of building code violations. Code violations include improvements necessary to satisfy Life Safety Code, Maine State Plumbing Code, National Electrical Code, and the BOCA Building Code. No new construction will be allowed under the slums/blight section.

II. APPROVAL PROCESS

A. 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.

B. Loan Considerations

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

1. Underwriting

Projects under the Commercial Loan Program will be analyzed to determine risk according to typical lending considerations.

a) Required for All Loans:

1) Cash Flow

Ability to repay the debt will be the most important consideration with a minimum debt coverage ratio of 1.1 to 1.

2) Collateral Coverage- minimum of 100%

- Real Estate: 100% of market value
- Business Equipment: 90% of market value

- Inventory: 60% of market value
- Accounts Receivable: 90% of market value
- Furniture & Fixtures: 80% of market value
- Vehicles: 90% of retail value
- Marketable Securities: 100% of market value
- Personal Assets: (same as above)

3) Owner Equity: minimum 10%

b) **Additional Considerations** - the following shall be evaluated by the Loan Committee before making a decision.

1) Security - Assignment of Leases and Other Assets

2) Commitment to the project is strongly encouraged

May include, but not be limited to:

Personal guarantees from owners with 25% or greater ownership

Deferral of development fee

Lease Commitments

Owner Equity

Cash Contribution

3) Management experience in running the business

4) Business Plan

5) Market Analysis

6) Experience in development team

Developer, architect, contractor, property manager, banker

7) Character

Good credit history and reputable, no bankruptcies in past 5 years

8) Project is Financially Appropriate

- Project costs are reasonable

- All sources of financing are committed

- To the extent practicable:

* CDBG funds not substituted for non-federal financial support

* Project is financially feasible

* The return on the owner's equity investment is not unreasonably high

9) Terms of the Bank Loan

(as defined in the commitment letter)

2. Assessment of Public Benefit

The Community Development Loan Committee will also consider the broader implications of public benefits in making a decision to approve or deny the loan and will make a necessary and appropriate determination that the amount of assistance is reasonable in relation to the public benefit to be achieved. The

Community Development Loan Committee will consider the following factors in assessing public benefits:

- Number and type of jobs
- Increase in needed services
- Increase in tax base including real estate and personal property
- Development which is likely to be stimulated in the area by the activity
- Other public benefits

D. 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 denying the application after the appeal review has been completed.

E. 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.

III. 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. Participation by Religious Organizations

1. Religious organizations can apply for commercial 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 beneficiaries must be voluntary.
2. The organization must not discriminate against a beneficiary or prospective beneficiary on the basis of religious belief or refusal to participate in a religious practice.

C. Income Limits

To determine income for certain benefits under the Commercial Loan 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.

D. Loan Processing

Applications shall be processed on a first-come, first-served basis. Community Development 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 Commercial Waiting List.

IV. APPLICATION PROCEDURES

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

- A. **Initial Application** - Loan application may be obtained from the (Community Development Department (CDD).
- B. **CDD Responsibilities** - The City will make available the services of the Community Development Coordinator who will solicit applications, prepare deficiency listing for slums/blight projects, secure the documentation for loan underwriting and national objective, secure a staff recommendation and the approval from the Community Development Loan Committee, prepare or coordinate preparation of City loan documents, and act as project manager including authorizing progress payments.
- C. **Financial Submissions** - The applicant shall submit the application form, the last two years of business and personal tax returns as well as personal financial statements or other documentation from an accountant or other acceptable source required by the CDD. The applicant may be asked to supply a listing of personal property and inventory.
- D. **Business Plan** - The applicant shall submit a business plan that 1) 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); 2) the market (products/service, customers, market size, competition, estimated market share, production and distribution, image/packaging, advertising, and pricing); 3) operations/management (organizational management, management responsibilities, professional services, background and experience); 4) financial plan (cash flow projection, balance sheet, profit and loss statement, chart of accounts, equipment list, and sources and uses of funds); and 5) supporting documents (personal resume, personal financial statement, job descriptions, letters of reference, copies of leases, contracts, etc.), as applicable.

E. **Initial Inspection** - If it appears that the applicant and property are eligible for assistance, an inspection will be scheduled with the applicant. During the initial inspection, construction requirements will be determined.

F. **Inspection Report** - An inspection report shall be prepared by the CDD identifying the work that will be covered by the loan and will identify whether or not the applicant needs to secure architectural or engineering services.

G. **Technical Specifications**

The Community Development Department will prepare technical specifications to be used to obtain bids.

H. **Obtaining 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.
2. 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.
3. 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.
4. 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.

I. **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 City of Auburn, or State of Maine. The contractor must obtain a Department of Environmental Protection approved-Repair, Renovate or Paint certification, if pertinent to the work being performed.
3. 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.
4. 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.

J. 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.

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.

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 of Auburn, 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 City staff.

K. 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.

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. Schedule -- The Rehab Coordinator and owner will establish a schedule of work items and projected completion date prior to loan closing.
3. Qualification -- The owner must have completed a Department of Environmental Protection Renovate, Repair and Paint course, if pertinent to the work being performed.

L. Private Lender's Loan - Interest rates for the portion of the project to be funded by a private lender shall be individually negotiated between the loan applicant and the respective lending institution. To assure that CDBG funds are not substituted for non-federal financial support, the Commercial Loan Manager shall communicate with the participating lending institution to establish the maximum participation by the lender and to coordinate loan underwriting. Loan closings by the City and private lender shall be conducted jointly. The private and/or bank funds shall be subject to disbursement approval by the CDD.

M. Escrowing of Funds - The applicant will permit the CDD to act as escrow agent for the City loan as well as the applicant's personal commitment to the project. The CDD will have control of all funds. With the applicant's approval, the CDD will disburse City, personal, and bank funds to the appropriate party. The CDD may require lien waivers as a condition of payment.

N. Loan Closing - Loan documents shall include a promissory note, mortgage, security agreements, job agreement, construction agreement, and any other documents necessary to secure the terms and conditions of the loan. Legal and

underwriting costs incurred by the CDD for closing documents will be the responsibility of the owner. Closings occur prior to the starting of the project. Work that has commenced and equipment that was ordered before the loan closing will be ineligible for financing under this program.

- O. **Preconstruction Meeting** - The Owner and Contractor shall attend a pre-construction conference at the office of CDD. At that time the contractor will be required to submit a schedule of work indicating the order in which the contractor proposed to carry out the work, and the dates he/she will start and complete work on various items. The CDD shall review all project components, the responsibilities of each party, and payment process as well as program requirements for complying with federal regulations.
- P. **Construction Contract** - The owner will sign a construction contract at the loan closing. The construction contract will be approved by the CDD and will be maintained in the CDD's file. The contractor shall provide a work schedule that demonstrates the construction work will be carried out promptly and efficiently 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 Commercial Loan Manager and the appropriate plumbing, electrical, building, or fire inspector for approval of each phase of the work.
- Q. **Changes to the Work** – All Changes to the original scope of work must first be approved by the CDD, then the applicant and contractor. The CDD will require the execution of a change order for any changes that involve the use of different materials or that result in a price increase/decrease. The CDD may order work to cease if unauthorized work is observed.
- R. **Progress Inspections** - The CDD shall have the right to inspect all 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 contract for construction work, and the corrective action needed, and will verify that all work has been done according to the City of Auburn codes and associated specifications. No payment shall be made until the work is acceptable to both the CDD and the owner. The owner will take all steps necessary to assure that the CDD is permitted to examine and inspect the construction work.
- S. **Records** - The owner agrees to keep such records as may be required by the CDD with respect to the rehabilitation work financed, in whole or in part, with the aid of the loan. The owner 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 project.
- T. **Disbursement of Funds** - Personal funds will be disbursed first. Bank and City funds will then be disbursed on a pro-rata basis. After receiving appropriate invoices and inspecting the work, progress payments shall be authorized by the CDD. Payment shall consist of the total value of work completed, the value of

materials properly stored on site and a deduction of 10% of the total amount to be retained until final payment. The value of materials properly stored on site shall be based upon the estimated quantities of such materials and the invoice prices.

- U. **Un-utilized Funds** - Un-utilized funds may be applied to reduce the principal of the City and private lender's loan, proportionally, or may be used to complete additional work which is approved by the CDD.

V. **OTHER PROGRAM REQUIREMENTS**

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

- A. **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.
- B. **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.
- C. **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.
- D. **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.
- E. **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.
- F. **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.

- G. **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.

- H. **Section 3 Clause** - For projects with costs in excess of \$100,000, the owner will be required to comply with the Section 3 clause where to the greatest extent feasible, opportunities for training and employment will be given to lower income residents of the project area and contracts for work in connection with the project will be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

- I. **Environmental Review Procedures** - All projects shall be subject to environmental review procedures of the National Environmental Protection Act.

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
David Young, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
Joshua Shea, At Large

Jonathan LaBonte, Mayor

IN CITY COUNCIL

ORDER 05-01222013

ORDERED, that the Spot, Residential, Good Neighbor Start-up Grant, Heating Assistance and Commercial Programs funded with Community Development Block Grant funds be amended as recommended by Community Development Staff.



**City Council
Agenda Information Sheet**

City of Auburn

Council Meeting Date: January 22, 2013

Order 06-01222013

Author: Reine Mynahan, Community Development Director

Subject: Elimination of Loan Program Guidelines

Information: Several programs that were created in years past are no longer appropriate and should be eliminated.

Financial: N/A

Action Requested at this Meeting: Eliminate program guidelines

Previous Meetings and History: Workshop of December 10, 2012

Attachments:

COMMUNITY DEVELOPMENT PROGRAM GUIDELINES

Subprograms of the Rehabilitation Program including Energy, Historic Preservation, Lead, Accessible Housing, and Neighborhood Enhancement
Down Payment Assistance
Tree Planting Program

II. ENERGY CONSERVATION LOAN PROGRAM

A. PROGRAM GOAL

The goal of the Energy Conservation Program is to reduce the demand for energy resources. The Energy Conservation 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.

C. LOAN CATEGORY 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 people 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. The maximum loan amount is \$5,000.
- c. Applicant's household income must be below 65% of median income.
- d. Applicants must take advantage of Community Concepts weatherization program in lieu of this program, if funding is available. If funding is available, this program would not be offered to an applicant.

2. Direct Loan/Low Income Applicant

- a. A direct loan is an installment loan with monthly payments.
 - b. Maximum loan amount is \$5,000.
 - 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 15 years.
 - d. Interest rate is 0%
 - e. Owner-Occupied Housing: the applicant's household income is between 65-80% of median income
3. Direct Loans- Investor Owners and Non-Profit Agency Applicants: Financing is offered to owners of rental properties who themselves do not qualify as low-income, but the building has renters who meet the low-income occupancy requirements. When a majority of the tenants have income that is less than 80% of area median income (for a 2-unit building a minimum of 50% of building occupants, and for 3 or more units a minimum of 51% of the building occupants have income that is less than 80% of area median income) loans will be available for energy-type improvements.
- a. Maximum loan amount is \$3,000 per unit with an aggregate limit of \$15,000 per building.
 - b. Interest rate is 2%.
 - c. Maximum loan term is 15 years.

D. PRIORITIES

The Rehab Coordinator will determine the order of priority for property improvements according to the following guidelines:

- a. Air infiltration
- b. Insulation (R-Value)
- c. Moisture control
- d. Mechanical ventilation
- e. Other Improvements to reduce energy consumption

IV. HISTORIC PRESERVATION PROGRAM

A. PROGRAM GOAL

The goal of the Historic Preservation Loan Program is to maintain Auburn's historic structures and to enhance the quality of these properties. The Historic Preservation 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 either commercial or residential, but must be used on a year-round basis.
2. The property must be identified in "Auburn's Historic Downtown Final Report", April 1997.
3. The applicant must own or have a written agreement to purchase the property to be improved.

C. LOAN CATEGORY AND TERMS

1. The maximum loan amount is \$10,000.
2. The interest rate is 2%
3. The loan term shall be established by Community Development Block Grant staff with approval of the Community Development Loan Committee based on financial capacity of the applicant. The maximum term is 10 years.

D. ELIGIBLE IMPROVEMENTS

1. Eligible improvements include:
 - a. replacement and reconstruction of exterior elements may include but not be limited to such work as porches, rails, window and door trim, eaves, and exterior wall covering;
 - b. roofing, flashing, and gutters;
 - c. replacement windows and doors;
 - d. foundation repair;
 - e. masonry re-pointing and reconstruction;

- f. exterior scraping and painting; and
- g. interior lead abatement or interim controls to make the property lead safe.
- h. miscellaneous construction items that contribute to the historic value of the property but are not considered one of the above-mentioned items.

E. STANDARDS

All improvements are to be performed in accordance with the “Secretary of the Interior’s Standards for the Treatment of Historic Properties”, from the Department of the Interior, National Park Service. The Rehab Coordinator staff shall prescribe construction specifications after consultation with the State Historic Preservation Office. The decision to require architectural services shall be at the discretion of the Community Development staff.

F. LEAD HAZARDS

The applicant shall be required to repair or replace surfaces that contain peeling paint where there are surfaces that have been tested by a lead inspector or risk assessor and contain lead-based paint levels greater than 1.0 mg/cm².

V. LEAD PROGRAM

A. PROGRAM GOAL

The goal of the Lead Program is to make housing lead safe. The Lead 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 to be improved may be an owner-occupied or investor-owned 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. A property inspection performed by a certified risk assessor or lead inspector has identified lead hazards.
4. Improvements shall consist of eliminating lead hazards in the residential unit, common area servicing that unit, exterior painted surfaces, and the bare soil of the building perimeter and play areas.

C. LOAN CATEGORIES AND TERMS

- a. The property to be improved must be residential units.
- d. Property may be located within any area of the city.
- e. The maximum loan amount \$3,000 per unit.
- f. The interest rate shall be 0%.
- g. If the property requires more than \$3,000 per unit, an additional loan to a maximum of \$15,000 per building will be provided at a rate of 4% .
- f. 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 loan term is 20 years.
- g. There is no match requirement.

VI. ACCESSIBLE HOUSING PROGRAM

A. PROGRAM GOAL

The goal of the Accessible Housing Program is to expand the housing stock that is available to persons with physical disabilities by removing the barriers that prevent persons from occupying or visiting a housing unit. The Accessible Housing 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 to be improved may be an owner-occupied or investor-owned 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. Only the residential portion of a mixed-use property is eligible for a loan.

C. LOAN CATEGORIES AND TERMS

1. Target Area

- a. The property must be located within one of Auburn's target areas.
- b. The maximum loan amount is \$10,000.
- c. The interest rate is 0%.
- d. Loan term shall be established by Community Development staff with approval of the Finance Committee based on financial capacity of the applicant. The maximum term is 20 years.
- e. There is no match requirement.

2. City Wide and Target Area/Low-Income Households

a. Deferred Loans

- 1) A deferred loan is a non-installment loan bearing no interest and the principal payment is deferred until some future date.
- 2) The maximum loan amount is \$10,000.

- 3) Household income must be below 65% of median income.
- 4) Deferred loans are subject to the following conditions:
 - a) 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.
 - b) An applicant who has received a deferred loan will be required to submit documentation of annual income upon request of the Community 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.

b. Direct Loan

- 1) A direct loan is an installment loan with monthly payments.
- 2) Maximum loan amount is \$10,000.
- 3) 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.
- 4) Income is between 65-80% of median income.
- 5) Interest rate is 0%.
- 6) There is no match requirement.

D. ELIGIBLE IMPROVEMENTS

Eligible improvements include those that are of a permanent nature and meet ADA standards.

VII. NEIGHBORHOOD ENHANCEMENT PROGRAM

A. PROGRAM GOAL

The goal of the Neighborhood Enhancement Program is to create attractive neighborhoods by improving the visual quality properties in target areas. The Neighborhood Enhancement Program is funded by the Community Development Block Grant Program and is subject to all of the Community Development Program rules.

B. ELIGIBILITY CRITERIA

2. The property may be owner occupied, investor owned, or owned by a non-profit organization.
3. The property to be improved may be a commercial property or a residential property.
4. The property must be located in one of the City's target areas.

C. LOAN CATEGORY AND TERMS

1. Direct Loan

- f. A direct loan is an installment loan with monthly payments.
- g. Maximum loan amount is \$20,000 per property.
- h. 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 25 years.
- i. Owner-Occupied Housing: if the applicant's household income is between 0-80% of median income, the interest rate is 0%.
- j. Non-Profit Housing: if the applicant is a qualified non-profit, the interest rate is 0%.
- k. For all others, the interest rate is 2%.

2. Match Grant

- a. The grant amount per property shall not exceed \$1,000 per property.
- b. For work that involves self-help painting, the grant will not require a loan match. The grant will only cover the cost of painting supplies or equipment rental.
- c. For contracted projects, the grant shall be equal to ten (10%) percent of the financing up to \$1,000.

D. LEAD REQUIREMENTS

Any improvements undertaken with this loan must comply with lead-based paint regulations and local codes.

E. PRIORITY REPAIRS

1. The goal of the program is neighborhood beautification. Improvements under this program must address the influences that contribute to blight in the neighborhood.
2. Blight is defined as signs of significant physical decay on the exterior surfaces. Those conditions must be improved by the project.
3. The Rehabilitation Coordinator will be responsible to document blighting influences by assessing the physical condition and visual impact of the exterior building elements, recording observable deficiencies, and rating the deficiencies as either severe impact, major impact or minor impact.
4. Only defects that are severe or major will be eligible for funding under this program.
5. 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 major conditions will be addressed.
6. Eligible improvements include:
 - a. mildew removal;
 - b. prime and paint;
 - c. replacement of exterior surfaces including siding, porches, steps, railings, decking, fire escapes, window and door trim, soffits and eaves;

**DOWN PAYMENT ASSISTANCE PROGRAM
GUIDELINES**

I. PROGRAM GOAL

The goal of the Down Payment Assistance Program is to encourage home ownership.

II. ELIGIBILITY CRITERIA

A. Low and Moderate Income

1. The applicant's income is below 80% of median income
2. The property may be located any where in the City of Auburn.
3. The property may be a single, 2, 3 or 4 family structure.

B. Above 80% of Median Income

1. When the applicant's income is above 80% of median income.
 - a) The property must be located in the Downtown, New Auburn, or Union Street Community Development Block Grant Target Areas.
 - b) The property must be a 3 or 4 family structure and minimum of 51% of the rental units shall be occupied by tenants with incomes below 80% of median income for a period of one year.
 - 1) The applicant will be required to obtain and furnish rental information to enable Community Development staff to evaluate rent levels. The applicant will submit the current amount of rental charges, utility types, who pays the utilities, and the names of tenants for the units.
 - 2) The maximum allowable rent shall be equal to the amount of rent and utility costs being paid by the tenant at the time of application. The period of affordability shall be one year after the loan closing.
 - 3) Vacant units shall be rented to low- and moderate-income households for a period of one year. 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.

- c) The borrower will sign a Rent Agreement stipulating rent limitations at loan closing.

C. All Applicants:

1. The applicant does not own residential property and is not a party in an installment land contract at the time of application.
2. The applicant does not owe taxes or fees to the City of Auburn at the time of application.
3. The applicant's liquid- assets do not exceed -\$15,000- Liquid assets are cash 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.
4. The applicant agrees to attend educational sessions in budgeting, home ownership, and landlord/tenant operations, and to participate in all property inspections.

III. ELIGIBLE PROPERTIES

The property must meet all of the following criteria:

- A. The property to be purchased must be either a traditional one to four unit owned fee simple, a condominium unit, a cooperative unit, or a manufactured home. A mobile home may be purchased if it is permanently installed according to the Auburn Zoning Ordinance and on land that will be deeded with the purchase.
- B. The property must meet applicable State and Local land use laws.
- C. The property must meet federal Housing Quality Standards and comply with Title X Lead Standards.
- D. The property must be a year round residence or shall be a property converting to a year round status according to the requirements of the City of Auburn's duly adopted construction codes and zoning ordinance.

IV. LOAN TERMS

- A. The maximum loan amount shall be \$12,000:
- B. The maximum of liens for the purchase of the property, including the City loan shall not exceed 105% of the value of the property.
- C. A maximum of \$6,000 may be for the purpose of financing closing costs and bank fees. The amount eligible for down payment assistance shall not exceed half of the down payment required by the lender.
- D. The loan payment shall be established by the Community Development Loan Committee based on financial capacity of the applicant. The maximum loan term is 30 years.
- E. The loan shall be interest-free.
- F. The loan is not assumable.
- G. The borrower shall be required to occupy the purchased property as a principal residence.

V. LOAN ACCELERATION

- A. The loan shall be immediately repaid if the applicant sells or transfers title to the property during the term of the loan.
- B. The loan shall be repaid within one year of the death of the borrower(s).

VI. APPROVAL PROCESS

A. Community Development Staff

The Community Development Block Grant office has responsibility for administration of the Down Payment Assistance Program. The Community Development Coordinator performs the underwriting and presents the loan request to the Community Development Loan Committee.

B. Community Development Loan Committee

- 1. 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.

2. 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 denying the application after the appeal review has been completed.

C. 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) Collateral coverage

VII. 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. Definitions

1. Household Income

- a). For the purpose of determining eligibility, the Community Development Coordinator 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. 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.

c). **Household Occupants**

- 1) **Counting Occupants:** For the purpose of computing income, 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.
- 2) **Exception --** An exception to calculating household income will be for boarders of the applicant. A boarder is an adult who pays the market rate to rent a room and shares kitchen facilities with the applicant. The applicant must produce verification of rental income such as canceled checks and rental income on a federal income tax form. The gross income of the boarder will not be included in calculating the applicant's household income. Instead, staff will add to household income the amount of rent paid by the boarder or the HUD Fair Market Rent for a 0 bedroom unit shall be added to household income. The boarder will not be counted as a household member when calculating family size.

2. **Fair Market Rent**

Fair Market Rent is an annually published rent level prescribed by the U. S. Department of Housing and Urban Development based on a specified number of bedrooms.

C. **Income Limits**

To qualify applicants under the Downpayment Assistance Program 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.

D. **Application Procedures**

1. Loans will be processed on a first-come, first-served basis, according to the date of submission of a completed application. 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 Downpayment Assistance Waiting List.

2. The Community Development Coordinator will be responsible to solicit applications. To document eligibility the applicant shall supply copies of all income sources (i.e. check stubs, statements, W-2 forms, State and Federal income tax returns). Written verification may be required from income sources. The Community Development Coordinator shall perform loan underwriting, perform housing inspections to establish if the property meets Housing Quality Standards, secure approval, and prepare loan documents. If renovations are required to meet Housing Quality Standards, the Community Development Coordinator will work with the Rehabilitation Coordinator or with a private lender.

Adopted June 21, 2004

TREE PLANTING PROGRAM GUIDELINES

I. Program Objective

The Tree Planting Program (TPP) is designed to encourage owners of residential and commercial properties to create community green spaces to moderate the effects of heat, sound, air pollution, excess storm water runoff, soil erosion and living space for wildlife.

II. Applicant

The applicant must own the property to be improved.

III. Property

- A. The property may be either a commercial or residential owner-occupied, mixed use, or investor owned property.
- B. All taxes due on the property must be paid in full.
- C. The property must be within the boundaries of the Downtown, New Auburn, or Union Street Target Area.

IV. Loans and Grants

- A. The maximum loan is \$500 per property. The maximum grant is \$500 per property. All projects will be equally matched between loan and grant.
- B. Loans will be interest free (0%) amortized for a period up to 24 months.

V. Administration

- A. The Program shall be administered by Auburn's Community Development Department (CDD). There will be no discrimination on the basis of race, color, national origin, sex, age, religion, disability or familial status. The CDD's responsibilities will include marketing the program, and guiding the process which will include soliciting applicants, working with applicants to secure proposals, reviewing the scope of work, documenting underwriting requirements, securing approval, preparation of closing documents, inspection and authorization of payments.
- B. Oversight for the program will be performed by a Tree Planting Review Committee (TPRC) made up of the Community Development Administrator, an employee of the Parks Department, and an employee of the Public Works Department.

C. Appeal Procedure: An applicant may appeal the decision of the TPRC at the next scheduled meeting date after denial. The applicant shall be present for the appeal. If the decision remains, the applicant may then appeal the decision to the City Council.

VII. Review Criteria

In evaluating applications for loans and grants, the committee shall considered criteria outlined below:

A. Conformance to Tree Planting Program Guidelines

B. Selected Species: Only trees deemed to be an acceptable species will be planted. A list of acceptable species will be maintained by the TPRC. Criteria for consideration will include trees that have potential for being safe and vigorous, diverse species, varieties that are free from excessive insect, disease, and environmental damage, and trees favorable to birds and other wildlife.

C. Location: Trees will be located on private property and within public view. Locations will take into consideration the growth of the tree and potential conflicts such as proximity to utility lines, obscuring line of sight vision to traffic signals and signs, branches obstructing vehicular and pedestrian passage, and buildings and other structures.

D. Minimum Specifications: Deciduous trees will have a minimum of 1 1/2 inch caliper and non-deciduous trees will have a minimum height of 4 feet.

VIII. Application Procedures

A. Application: Applications may be obtained from the CDD and will be processed on a first-come, first-served basis by date received.

B. Verifications:

1. The CDD will verify title by checking records at the Auburn Assessor's office.

2. The CDD will verify that taxes are paid with the Auburn Treasurer's office.

C. If it appears the applicant and property are eligible for a loan, an initial inspection will be conducted with the applicant. During the initial inspection, tree planting requirements will be determined.

D. An inspection report will be prepared by the CDD and mailed to the applicant listing 1) the work to be done and 2) any other stipulations or conditions to be complied with.

E. If a contractor will do the work, the applicant shall obtain a minimum of two proposals for the work. The applicant and the CDD shall evaluate the proposals to determine which is the best

price. All things being equal, the applicant will be required to select the contractor with the lowest priced proposal.

F. Contractor: The CDD may require credit references, names of suppliers, names of bank where contractor does business, and names and addresses of recent customers. No approval of a contractor shall be given unless the contractor can satisfactorily demonstrate that he/she has the necessary skills and equipment to perform the work in an efficient and expedient manner. The contractor will:

1. agree to complete the installation according to procedures defined by the Maine Landscape & Nursery Association;
2. carry Workmen's Compensation Insurance for all their employees in accordance with the Workmen's Compensation laws of the State of Maine;
3. 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; and
4. Guarantee: Trees will carry a 1 year replacement guarantee.

G. Where a contractor has been found to be irresponsible in the execution of work by the CDD, the contractor will be removed from the list of eligible contractors. The applicant may not award a contract for work to any contractor whom the applicant has been advised is unacceptable for contracting by the CDD.

H. Self-Plant: A homeowner may be allowed to complete the work provided that he/she can satisfactorily demonstrate that he/she has the necessary skills and equipment needed to perform the work in an efficient and expedient manner. Funds may be used to purchase tree stock, mulch, fill, staking materials, etc. Funds may not be used to purchase tools or equipment for planting. The homeowner will:

1. agree to complete the installation according to procedures defined by the Maine Landscape and Nursery Association.
2. agree to abide by the terms of the Tree Planting Agreement.
3. agree to abide by the aforementioned Review Criteria.

I. The application will be presented to the TPRC who is responsible for awarding or denying loans and grants.

J. The CDD will prepare closing documents including a promissory note in the full amount of the loan, and grant award stipulating its conditions.

K. The CDD will act as escrow agent for the funds. The applicant will permit the CDD to disburse the funds in the manner set forth in the contract between the applicant and contractor or supplier.

L. The contractor will not start work until a construction contract is signed by both parties. No change will be allowed unless approved by the CDD through the change order process.

M. The CDD will inspect all work financed with the proceeds of the loan and grant before payment is made.

N. Both the applicant and CDD will authorize the payment to the contractor.

P. Applicant will agree to maintain trees according to CDD requirements.

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
David Young, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
Joshua Shea, At Large

Jonathan LaBonte, Mayor

IN CITY COUNCIL

ORDER 06-01222013

ORDERED, that the Energy, Historic Preservation, Lead, Accessible Housing, Neighborhood Enhancement, Down Payment Assistance, and Tree Planting Programs funded with Community Development Block Grant funds be eliminated as recommended by Community Development staff.



**City Council
Agenda Information Sheet**

City of Auburn

Council Meeting Date: January 22, 2013

Order 07-01222013

Author: Reine Mynahan, Community Development Director

Subject: Modifications to HOME Investment Partnership Program Guidelines

Information: Changes to guidelines include language updates to clearly identify for staff procedures that will be followed, and increase of loan limits to several programs.

Financial: N/A

Action Requested at this Meeting: Adopt modifications to guidelines

Previous Meetings and History: Workshop of December 10, 2012

Attachments:

HOME INVESTMENT PARTNERSHIPS PROGRAM GUIDELINES
Homebuyer Loan Program Guidelines
Homeowner Rehabilitation Loan Program Guidelines
Security Deposit Loan Program Guidelines

AUBURN-LEWISTON CONSORTIUM

HOMEBUYER 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.—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 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 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.

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 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.

b. The recapture period shall commence 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 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 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 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 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 housing units within a building to determine if there are conditions that must be corrected to meet Housing 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 before occupancy. 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 terms 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

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. An eligibility determination based on income shall be valid for a six-month period.
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.
2. Eligible improvements are of an essential and permanent nature and may include but not limited to:
 - a. structural repairs;
 - b. energy improvements;
 - c. lead-based paint hazard reduction;
 - d. accessibility for disabled persons;
 - e. repair or replacement of major housing systems;
 - f. incipient repairs and general property improvements of a non-luxury nature;
 - g. retaining walls and utility connection;
 - h. finishing of unfinished areas to add space to a dwelling unit to make it properly sized for the occupants according to applicable HUD standards;
 - i. improvements which would generally increase the economic viability of the property;
 - j. engineering and architect costs;
 - k. landscaping limited to correction of a drainage problem;
 - 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 loan amount is \$35,000.
3. The interest rate is 0% (non-interest bearing).
4. 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 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 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 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, -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.

I. 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 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.

SECURITY DEPOSIT LOAN PROGRAM

I. BACKGROUND

Rental subsidies have decreased in recent years while the cost of available housing has increased. Most landlords require that a security deposit and first month's rent be paid prior to moving into the unit, and security deposits are now equal to a full month's rent. Some tenants who are given a housing voucher are not able to utilize it due to lack of security deposit money. Persons who are of low-income are unable to save for the security deposit. A program that assists low-income persons with a security deposit will help in the prevention of homelessness.

The Security Deposit Loan Program is funded by the HOME Investment Partnerships Program and is subject to all of the HOME Program rules.

II. PROGRAM OBJECTIVE

- A. Reduce the number of persons who are homeless by removing one of the barriers that prevents them from securing housing, and
- B. Provide stable housing that is affordable to the participant.

III. DEFINITIONS

- A. **Applicant/participant**—a tenant, co-tenant or other adult household members who seek security deposit assistance.
- B. **Affordable rent**—total rent and utilities contribution shall be affordable to tenant.
- C. **Household income**—estimated annual income determined by projecting the prevailing rate of income from all household members.
- D. **Landlord**—the owner or agent who controls the property.
- E. **Near Homeless**—Unable to stay in current housing situation.
- F. **Housing Authority**—Auburn Housing Authority or Lewiston Housing Authority

IV. ELIGIBILITY CRITERIA

- A. Household income is under 80% of area median income adjusted by household size.
- B. The applicant must be homeless, near homeless, displaced by a government action, or there are extenuating circumstances beyond the tenant's control.
- C. The applicant must not have taken action to cause his/her own displacement.
- D. Household does not have the resources to pay for the security deposit.

V. APPLICATION PROCEDURE

- A. Funding is available to tenants who will receive a rental voucher from Auburn or Lewiston Housing Authority. Applicants will apply to the Housing Authority where they will live

- B. The application process shall include:
 - 1. Full disclosure and verification of all members expected to occupy the unit.
 - 2. Location of premises to be rented.
 - 3. Verification of income, resources, and expenses.
 - 4. Verification of proposed address, rental cost, occupants, utilities by the landlord.

VI. LOAN ASSISTANCE

The Security Deposit Loan Program will provide assistance in the form of loans that will generate income to re-capitalize the loan pool. Loans shall be an interest-free amortized loan up to the full amount of security deposit. There shall be a fee assessed for late payments.

VII. CONDITIONS OF THE LOAN

- A. Applicant must find an affordable rental unit in Lewiston or Auburn.
- B. The applicant has not already paid the security deposit, and has not moved into the rent prior to the approval with the exception of extraordinary circumstances.
- C. The applicant must take advantage of all other funding resources available to them.
- D. Approval is valid for 15 days.
- E. The assistance cannot exceed one month's rent.
- F. Tenant must agree to occupy the unit for a minimum of one year.
- G. The applicant will be required to sign a promissory note.
- H. Landlord must sign a Security Deposit Loan Program Landlord Agreement. The security deposit will be held in accordance with Maine law and returned to the Security Deposit Loan Program when the tenant vacates the unit if the tenant has not already repaid the loan.
- I. Proceeds from the loan will be sent directly to landlord.
- J. In the event of moving prior to full repayment of security deposit, the Landlord and tenant shall notify the respective Community Development office.
- K. An applicant who repays the loan or is good standing on an existing loan is eligible to re-apply for assistance.

VIII. RESPONSIBILITIES OF THE HOUSING AUTHORITY

- A. The Housing Authorities and the Auburn Consortium will sign a Memorandum of Understanding with respect to further responsibilities of administering the Security Deposit Loan Program.
- B. The respective Housing Authorities will be responsible for approving or denying requests for assistance. Applications will be reviewed within five working days of receipt of a complete package.
- C. Prior to approval, the Housing Authority will contact the respective City's Social Services and Community Development offices to request information that may have a bearing on the application.
- D. The Housing Authority will not deny or withhold application decisions, or recommendations for security deposit funds based upon race or color, sex, sexual

orientation, physical or mental disability, religion, ancestry, national origin or familial status.

- E. At least quarterly, the Community Development office will notify the Housing Authority of the status of each loan. The Housing Authority shall attempt to collect on loans by making telephone calls or sending letters to participants who are not paying as agreed.
- F. A record of a decision will be kept by the Housing Authority
- G. A letter conveying the decision of the Housing Authority will be sent to the applicant.

IX. ADMINISTRATION/COMPLETION PROCESS

- A. The respective Community Development office will conduct the loan closing with the client and accept payments.

Guidelines Adopted 11-9-2005

Amended 1-24-2006

Amended 3-8-2006

Amended 5-24-2006

Amended 1-10-2007

Amended 10-3-2007

Amended 3-25-2009

Amended 10-19-2011

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
David Young, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
Joshua Shea, At Large

Jonathan LaBonte, Mayor

IN CITY COUNCIL

ORDER 07-01222013

ORDERED, that the Guidelines of the Homebuyer, Homeowner Rehabilitation, and Security Deposit Loan Programs funded with HOME Investment Partnerships Program funds be amended as recommended by Community Development staff.



City Council Agenda Information Sheet

City of Auburn

Council Meeting Date: January 22, 2013

Order 08-01222013

Author: Clint Deschene, City Manager

Subject: Setting the School Budget Validation Date

Information: The Council needs to set the date to vote on the school budget. The School has a schedule to complete the budget by April 29th and is recommending May 21st. This still allows for a second vote in June if needed. Per state law the school uses the last committee adopted budget on July 1st but can have more votes if not approved and validated by that date. The City must have an approved budget for commitment which I would recommend the school budget being approved and validated by voters by the end of July at the latest.

If the Council wants to coordinate votes with the June primary, which would save on the cost of one election at least every other year, the date would be June 11th but there are no primaries this year.

Financial: Some savings if we vote on the date of a primary, some years.

Action Requested at this Meeting: Set the date.

Previous Meetings and History: N/A

Attachments: Order 08-01222013

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
David Young, Ward Four



Jonathan LaBonte, Mayor

Leroy Walker, Ward Five
Belinda Gerry, At Large
Joshua Shea, At Large

IN CITY COUNCIL

ORDER 08-01222013

ORDERED, that the School Budget Validation Referendum Election be held on May 21, 2013.



City Council Information Sheet

City of Auburn

Council Meeting Date: January 22, 2013

Subject: Executive Session

Information: Discussion of a personnel issue (the City Manager's evaluation) with possible action to follow, pursuant to 1 M.R.S.A. §405(6)(A).

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

- A. Discussion of personnel issues
 - B. Discussion or consideration by a school board of suspension or expulsion
 - C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency
 - D. Labor contracts
 - E. Contemplated litigation
 - F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;
 - G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and
 - H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.
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City Council Information Sheet

City of Auburn

Council Meeting Date: January 22, 2013

Subject: Executive Session

Information: Executive Session to review the Ice Arena contract, pursuant to 1 M.R.S.A. §405(6)(C).

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

- A. Discussion of personnel issues
- B. Discussion or consideration by a school board of suspension or expulsion
- C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency
- D. Labor contracts
- E. Contemplated litigation
- F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;
- G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and
- H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.



City Council Information Sheet

City of Auburn

Council Meeting Date: January 22, 2013

Subject: Executive Session

Information: Executive Session to discuss Labor Contracts, pursuant to 1 M.R.S.A. §405(6)(D).

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

- A. Discussion of personnel issues
 - B. Discussion or consideration by a school board of suspension or expulsion
 - C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency
 - D. Labor contracts
 - E. Contemplated litigation
 - F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;
 - G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and
 - H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.
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