



Auburn HOME Unit Development (AHUD) Program

Notice of Funding Opportunity

Purpose

The purpose of the **Auburn HOME Unit Development Program** is to create new housing units to be made available to income-qualifying renters or homebuyers. This program provides funding to developers and/or property owners for the construction of new residential units or the conversion of non-residential structures into new housing. New units created can be built for homeownership or for renting to qualified tenants.

Applicants are encouraged to decouple multi-family developments across multiple sites to the extent required to meet the existing zoning regulations and conditions within existing neighborhoods. Applicants with shovel-ready projects which meet existing zoning and code requirements will be prioritized. Projects are encouraged to involve properties which demonstrate a likelihood of having a stabilizing impact on a neighborhood. Projects qualifying as “strategically located” for HOME funding may be in high visibility locations, may address one or more severely deteriorated properties on otherwise stable streets, or may be a site of crime and/or vandalism in the neighborhood.

Funding

This program is funded by the Home Investment Partnership Program (HOME) and is subject to all requirements set forth by the U.S. Department of Housing & Urban Development (HUD). This program utilizes income standards and High HOME Rent caps as published annually by HUD and monitored by the Auburn Community Development Office.

This program will provide a forgivable loan of up to \$150,000 per newly constructed unit, based on the demonstrated financial needs of the project. The property owner will enter into a developer agreement with the City based on detailed scope of work and budget which demonstrates cost reasonableness. Fund requisitions can be made no less than monthly and will be based on actual costs incurred for the period. A 10% retainage per invoice will be carried until the total project is completed. This construction will be verified by the Business & Community Development Department, Assessing & Code Enforcement before reimbursements are made. All projects shall be properly permitted and approved by the city Code Enforcement Office before construction and must receive an occupancy permit within 12 months of executing a developer agreement.

Eligibility

1. Projects must be one (1) to (10) units and meet HUD property standards.
 - a. Units can be co-located on one site or decoupled across multiple sites within Auburn.
 - b. Projects must complete required Environmental Reviews before any work begins.
2. Funds must be used to construct a new, year-round residential unit.

- a. Units must be newly constructed or create a net increase of permitted residential units on a site by converting previously non-residential space.
- b. Unit must be completed within 12 months of agreement.
- c. Unit will be rented or sold to income-qualified tenants (under 80% AMI for the current year as published by HUD).
 - i. Rental units will adhere to income restrictions and High HOME Rent limits for a period of 20 years.
 - ii. Sold units will adhere to income and purchase price restrictions as established by HUD. Units sold to qualified borrowers shall comply with the City's resale & Recapture policy.

Affordable Rental Development

Rental units constructed with program funds will be newly constructed after program launch date and will be rented to low-income tenants (qualified under 80% AMI) for a period of 20 years. Additionally, rent for enrolled units will not exceed HUD's [HIGH HOME Rent \(including utilities\)](#) for a period of 20 years. High HOME Rent limits are a monthly rent rate that does not exceed the maximum rent published by HUD for a Low-Income Household for the applicable bedroom size as set forth in 24 C.F.R. 92.252(a). Current High HOME Rents rates for a 1 bedroom within the Lewiston-Auburn MSA is \$834 per month (including tenant paid utilities). The city of Auburn will monitor compliance during this affordability period and re-qualify any new tenants if there is turnover in the unit.

Affordable Homeownership Development

New units constructed with program funds which are to be sold will be newly constructed after program launch date and will be sold to qualified low-income buyers (qualified under 80% AMI) at or below established homeownership price caps as established by the current purchase price limit as established by [HUD's HOME Sales Price Cap](#). Most recent sales price cap for 2022 for the Lewiston-Auburn MSA is \$206,000 for a single-family home. The city of Auburn will monitor compliance during the sale to ensure compliance with federal requirements.

Application

Applicants will create an account and apply through the city Community Development Application portal and will provide all necessary documentation. Go to <https://portal.neighborlysoftware.com/auburnme/participant> and complete the "Rental-Unit Rehab (Investor/Landlord)" Application. Make sure to select "Creation of New Unit" under section E11. Applications will be collected on a rolling basis until all funds are committed. Failure to provide all needed information will result in applications being denied. The city of Auburn reserves the right to reject any application. Projects which have already begun construction are not eligible.

The City of Auburn is committed to accessibility for all applicants. For questions or accommodations completing applications, contact the Community Development Office at (207) 333-6601 ex.1332 or email CDBG@auburnmaine.gov. Upon request, arrangements will be made for non-English-speaking persons and persons with special needs for mobility, hearing, and visual impairments, homebound, or those needing assistance with technology and/or access.

Matching Funds

Applicants will be able to combine other local, state, federal, or personal funds so long as all conditions of each funding are met. The most restrictive covenants and requirements of all the funding sources will apply.

Management and Oversight

- Written Agreement: The city will enter into a written Developer Agreement with approved applicants describing the use of funds and project requirements.
- A loan agreement will be executed in the amount awarded with an affordability restriction registered in the Androscoggin registry of deeds. Once all conditions of the agreement are met and at the conclusion of the affordability period, the loan will be converted to a grant.
- In the event the developer does not meet the conditions detailed within the agreement, all city funds provided will be required to be repaid by the applicant.
- Requests for payments will be made no less than monthly on a reimbursement basis, pending all necessary documentation and reporting.

Application Evaluation Criteria

Projects will be evaluated by City staff according to the following selection criteria:

- **Applicant Capacity**- Applicants demonstrating “capacity” will:
 - Have a recent history of development and/or acquired contractors and subcontractors adequate staffing levels, appropriate skills & qualifications to complete the proposed project within the stated timeframe.
 - Have and/or acquired contractors and subcontractors with relevant real estate and rehabilitation experience, including experience working with federally-funded housing development.
 - Provide realistic estimated cost projections and schedules and show a track record of meeting projected timelines.
 - Developers and contractors must have a valid and active UEI number and not be debarred from receiving federal funds.
- **Readiness to Proceed**– Ability to implement program activities within 30-45 days of commitment of funds and to meet required milestones within 12 months of commitment. Applicants demonstrating “readiness” will:
 - Submit an application with as specific and detailed a proposal as possible to include: plan/designs, architectural/engineering plans, budgets and project proformas.
 - Present evidence of site control and/or clear indications of timely schedule for obtaining site control.
 - Present clear preliminary financial analysis that includes cost estimates for acquisition and/or rehabilitation, revenue estimates for sale and/or lease, and resultant subsidy request to City.
 - Sufficient financing/leveraged funds identified and/or secured to complete the project(s), including letters of commitment or of interest from recognized community development lenders.
 - Ability to submit ALL required contract-related documents (insurance certifications, etc.) within two weeks of preliminary notification of recommendation for funding.

City Rights & Reservations

The City expects to select one or more applicant but reserves the right to request substitutions of any key team member, including staff and subcontractors. The City reserves the right to contact any applicant for any additional information, including but not limited to experience, qualifications, abilities, equipment, facilities, and financial standing. The City reserves the right to modify any part of this NOFO as issued with an addendum. The City, at its sole discretion, reserves the right to reject any or all responses to the NOFO,

to cancel the NOFO, to re-advertise for new NOFO responses either with identical or revised specifications or to accept any NOFO response, in whole or part, deemed to be in the best interest of the City. The City reserves the right to waive technicalities and informalities.

A response to this NOFO shall not be construed as a contract nor indicate a commitment of any kind.

The City reserves the sole right to award a contract or contracts to the most qualified applicant(s) based on the best overall proposal most advantageous to the City. The City is, therefore, not bound to accept a proposal based on the lowest price. The City also reserves the right to make multiple awards based on experience and qualifications if it is deemed in the City's best interest.

In order to be eligible to receive funds, all property taxes, real and personal, owed on the property that is the subject of the application must be current at the time the application is made. Any property on which there is a past-due balance for such taxes will be removed from consideration.

Contract

The contents of this NOFO and all provisions of the successful proposal deemed responsive by the City may be incorporated, either in whole or in part, into a contract and become legally binding when approved and executed by both parties. Contents of the contract may contain changes from the City's perspective because of the NOFO process and proposal(s) received. The final negotiated contract may include the scope of work as outlined in NOFO submissions, along with the successful applicant's submittal and any additions or deletions made at the discretion of the City as a result of the NOFO process.

Federal Requirements

The Home Investment Partnership Program (HOME) may fund all or part of the contract resulting from this RFP. The selected developer shall comply with the following provisions, including 24 Code of Federal Regulations (CFR) Part 92. The contract will include guidelines for HOME-funded agencies, as regulated by the HOME program, and complies with applicable Federal Statutes, Federal Rules, and other required provisions in effect as of the date of the written agreement.

These requirements include, but are not limited to, the following:

[CFR 24 Part 92 – HOME Program Regulations](#)

Subpart F

- §92.250 – Max Per-Unit Subsidy
- §92.251 – Property Standards
- §92.252 - Qualification of Affordable Rental Housing
- §92.253 – Tenant Protections and selection
- §92.254 – Qualification of Affordable Housing: Homeownership
- §92.255 – Converting Rental Units
- §92.257 – Equal Participation
- §92.258 – Elder Cottage Housing Opportunities

Subpart H

- §92.350 – Federal Requirements/
Nondiscrimination
- §92.351 – Affirmative Marketing
- §92.352 – Environmental Review
- §92.353 – Displacement/Relocation
- §92.354 – Labor
- §92.355 – Lead-Based Paint
- §92.356 – Conflict of Interest
- §92.357 – Executive Order 12372
- §92.358 – Consultant Activities
- §92.357 – VAWA requirements

By submitting a proposal, the applicant acknowledges that they have read the above-stated Federal Regulations for the HOME Program. Failure to adhere to federal and city compliance regulations will result in withholding or denial of contract/written agreement reimbursements.