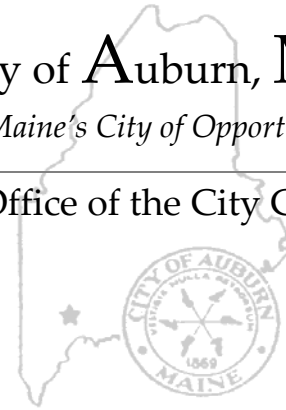


City of Auburn, Maine

"Maine's City of Opportunity"

Office of the City Clerk



Council Meeting Agenda Packet

April 3, 2006

This packet contains the City Council Agenda and supporting documents. The items in this packet are bookmarked in Adobe Acrobat .pdf format. You may need to click on the Bookmark tab on the left to open the Bookmark window. If you do not see a Bookmark tab on the left, you may need to select the Show/Hide Navigation Pane button in your icon toolbar above or update your version of the Adobe Reader. You can download the free Adobe Reader application at www.adobe.com.



City Council Meeting and Workshop April 3, 2006

Agenda

5:30 p.m. Workshop

- Community Development Block Grant (CDBG) Program
 - Budget
 - Program Changes

7:00 p.m. Council Meeting

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.

Minutes

*040306-00 Minutes of March 20, 2006 Council Meeting

Reports

- **Mayor**
 - Proclamation: Boys & Girls Club Week April 2 - 8*
 - Proclamation: Multiple Sclerosis Day - April 8*
- **City Councilors**
- **City Manager**

Communications and Recognitions

Open Session - Members of the public are invited to speak to the Council about any issue which does *not* appear on the agenda

Old Business

New Business

040306-01 Order – Condemnation Order of the Municipal Officers (Property in the Vicinity of 3162 Hotel Road)

040306-02 Order – Authorizing the City Manager to Transfer Property all of the Real Property Interests in a Certain Parcel of Land at 3162 Hotel Road from the City of To the Cities of Auburn and Lewiston

- 040306-03 Resolve – Amendment to the Lease-Buy Home Ownership Program (Community Development Block Grant)
- 040306-04 Resolve – Adoption of the Homeownership Property Rehabilitation Program (Community Development Block Grant)
- 040306-05 Resolve – Amendment to the Rehabilitation Program Guidelines
- 040306-06 Public Hearing and action on Liquor License Application for Ruby Tuesday, 649 Turner Street, for a Restaurant, Malt, Spirituous and Vinous Liquor License
- 040306-07 Set date for second Meeting in April (April 17 – Patriots Day)

ADJOURNMENT

Executives Sessions: 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. Those applicable to municipal government are:

1. Discussion of personnel issues
2. Discussion or consideration of the condition, acquisition, or the use of real or personal property or economic development if premature disclosure of the information would prejudice the competitive or bargaining position of the body or agency.
3. Discussion of labor contracts and proposals and meetings between a public agency and its negotiators.
4. Consultations between a body or agency and its attorney
5. Discussion 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.
6. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes
7. Consultations between municipal officers and a code enforcement officer relating to enforcement matter pending in District Court.

Memo

To: Patricia Finnigan, City Manager
From: Roland Miller, Director of Economic and Community Development
Reine Mynahan, Community Development Administrator
Date: 3/30/2006
Re: Program Guidelines

We are recommending modifications to our Rehabilitation Loan Program and Lease/Buy Program, and the creation of a Homeowner Rehabilitation Program. These are to be reviewed by the City Council at their April 3 workshop and, if there are no particular concerns, adopted on that same date.

We are submitting the entire program guidelines rather than just the altered pages. The new text is identified by **bold type**, and the deleted text is identified by a ~~strikethrough~~.

In both the Rehabilitation Program and Lease/Buy Program, there are changes to the loan amounts that applicants can obtain. These increases are needed to cover the increased cost of purchasing a home and construction costs.

Lease/Buy Program

Subsidy: The subsidy provision under the Lease/Buy Program has been changed from a combination of forgivable and amortized loans to a deferred loan. At the time we created the Lease/Buy Program, we had received a Maine Cities grant from Maine State Housing Authority to provide a match. One of the conditions of the Maine Cities grant forced us to create forgivable loans. Now that this grant is no longer controlling our subsidy type, we have determined that deferred loans serve the purpose of reducing the debt at the time of purchase, but create an income stream for the program in later years. A deferred loan requires no payment until the 10th year and will then amortized for 20 years.

Targeting: We have eliminated income targeting since we have adopted a different marketing approach. Instead of marketing to persons who receive a rental subsidy, we have found that conducting outreach to employers is more fruitful.

Affordability Period: We have clarified our affordability period. The affordability period for Lease/Buy Projects now must be coordinated with the Homeowner Rehab Program. Where the minimum affordability period was 10 years under the current guidelines, it may be necessary to require a minimum affordability period of 15 years due to the combining of Lease/Buy and Homeowner Rehabilitation resources.

Rehabilitation Program

Program Funding: For purposes of clarification, the source of funds and program rules are now mentioned.

Loan Limits: We have increased the loan limit under the Historic Preservation Program from \$10,000 per unit to \$15,000, and the Accessible Housing Program from \$7,500 to \$10,000. We have eliminated most of the benefit under the Lead Program. The Lead Program was created to be a match to the Lead Grant Program. It required that we eliminate lead through abatement rather than lead safe practices. Since lead abatement is very costly, we have increased the per unit limit under the Residential Rehabilitation Loan Program from \$10,000 to \$15,000 and will address lead problems from a lead safe approach. The loan limits under the Spot and Energy seem to be appropriate.

Affordability Standards: We have changed the time that the affordability standards apply to be in compliance with new federal requirements.

Contractor Ineligibility: Due to concern for our customer and staff, we have further defined how contractors become ineligible for participation in our programs and how to become re-eligible.

Homeowner Rehabilitation: In an effort to transfer some of the rehabilitation cost from the Community Development Program to the HOME Program, we are creating a new Homeowner Rehabilitation Program. This program will provide greater resources to address the substantial housing costs that are typical in the lower-priced homes purchased by Lease/Buy customers. This program will be used to finance the improvements of low-income home owners. By targeting the home owner, we avoid rent controls during the affordability period. This program will provide an interest-free loan of \$40,000 that can be amortized for 30 years.

*Adopted June 21, 2004
Amended December 20, 2004*

LEASE/BUY HOME OWNERSHIP PROGRAM GUIDELINES

A. PROGRAM OBJECTIVE

The objectives of the Lease/Buy Home Ownership Program are to make home ownership affordable for low- and moderate-income households, and to increase owner occupancy in target areas. *The Lease/Buy Program is funded by the HOME Investment Partnerships Program and is subject to all of the HOME Program rules.*

The Lease/Buy Home Ownership Program is designed to provide an opportunity for low- and moderate-income families, particularly those who have credit issues or have inadequate income, to be eligible to purchase market rate homes. The City will purchase the home in partnership with Auburn Residential **Housing** Development Corporation. The property will be chosen by the participant and leased for a period not to exceed 36 months. During the lease period the participant will receive budget and credit counseling. The participant will purchase the property at the end of the lease period. A Lease-Buy HOME forgivable loan and HOME direct loan *deferred loan* will be provided at a level necessary to make housing payments affordable.

B. OUTREACH AND METHOD OF PROCESSING

The Community Development staff is responsible for providing outreach to encourage a full range of potential clients. This shall be accomplished through newspaper articles and advertising the availability of the Lease/Buy Program. Advertisements shall include a non-discrimination statement. *Outreach shall be done in accordance with Auburn's Affirmative Marketing Plan.* ~~There shall also be outreach efforts each year to reach potential clients who receive Housing Choice Vouchers and who live in family Public Housing projects through mailing of brochures. Brochures will also be left at local businesses and at the office of Auburn Parks & Recreation to be distributed to potential applicants of the Auburn Recreation Scholarship Program. Outreach shall include contact with Alpha One to encourage applications from persons with physical disabilities.~~

C. PRIORITY/INCOME TARGETING

~~Provided there are adequate funds to subsidize at least six applicants and an adequate number of applicants in each category, HOME funds will be reserved annually for a minimum of two households in each of the following income categories:~~

- ~~• Under 60% of median income~~

- ~~Between 60% and 70% of median income~~
- ~~Between 70% and 80% of median income~~

~~Any remaining uncommitted funds will be lumped into a pool combining all income categories to be committed on a first-come, first-served basis.~~

~~Applications will be considered on a semi-annual basis with the first round in September and the second round in March.~~ Applications will be accepted on a first-come, first-served basis based on the date of receipt of a fully completed application.

D. PARTICIPANT ELIGIBILITY

1. The applicant's household income must be below 80% of median income ~~at the time the lease purchase agreement is signed.~~ Income eligibility shall be valid for a six-month period.
2. The applicant may not own residential property or be a party in an installment land contract at the time of application.
3. The applicant's net assets shall not exceed ~~\$10,000.~~ **\$20,000.** (Net assets shall include recreational vehicles, stocks, savings accounts, and certificate of deposits, less the cost of withdrawal of those assets. It shall not include deferred retirement savings plans, IRAs or life insurance cash values).
4. The applicant may not owe taxes or fees to the City at the time of application.
5. The applicant shall have a minimum of ~~\$18,000~~ **\$25,000** of sustainable annual income.

E. PROPERTY ELIGIBILITY

1. The property must be located within the boundaries of the Lease/Buy Area.
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 quality standards, Title X Lead Standards, and be free of code violations. The financing package shall include adequate funds to complete all necessary improvements to meet these standards.
6. The property to be purchased shall be occupied by the applicant as a principal residence ***based on the combined HOME assistance to an applicant as follows:***
 - a. *10 years if less than \$40,000; or*
 - b. *15 years if over \$40,000.*
7. ***The property shall be inspected by the Community Development Coordinator prior to signing a purchase and sale agreement for assurance that the property is appropriate for the program and the owner.***

F. LOAN TERMS

1. HOME ~~Forgivable~~ **Deferred** Loan

- a. The City shall offer a HOME ~~forgivable~~ **deferred** loan based on household income and household size. A ~~forgivable~~ **deferred** loan is an interest-free loan that requires no monthly payment and ~~is forgiven~~ **for 10 years and then is converted to an amortized loan. The loan will be an interest-free loan with an amortized term not to exceed 20 years.** Maximum ~~forgivable~~ **deferred** loan amounts are as follows:

<u>Household Income</u>	<u>Maximum Forgivable Deferred Loan Amount</u>
\$18,000 - \$20,000	\$20,000
\$20,000 - 25,000	\$15,000
\$25,000 - 30,000	\$10,000
\$30,000 - 35,000	\$5,000
\$35,000 and above	\$2,500
<i>\$25,000 to \$30,000</i>	<i>\$40,000</i>
<i>\$30,000 to \$35,000</i>	<i>\$35,000</i>
<i>\$35,000 and above</i>	<i>\$30,000</i>

- b. The HOME ~~forgivable~~ **deferred** loan shall be subject to recapture for a period of ten years after ~~occupancy~~ **project completion**. The recapture

period shall commence ~~with the closing of the permanent financing when ownership interest is transferred to the participant~~ **when the building acquisition and rehabilitation are complete and the project has been closed in HUD's Integrated Disbursement Information System.** If the property is sold, transferred, or the purchaser ceases to occupy the property prior to the end of the recapture period, the entire HOME ~~forgivable~~ **deferred** loan shall immediately be repaid.

2. HOME Direct Loan

a. ~~The City shall offer an interest free HOME direct loan. The amount of the loan shall be established by household income and household size. Maximum HOME direct loan amounts are as follows:~~

<u>Household Income</u>	<u>Maximum Direct Loan Amount</u>
\$18,000 - \$20,000	\$20,000
\$20,000 - 25,000	\$15,000
\$25,000 - 30,000	\$10,000
\$30,000 - 35,000	\$5,000
\$35,000 and above	\$2,500

b. ~~The HOME direct loan shall be amortized for a repayment period not to exceed twenty five years. Community Development staff shall establish the repayment period based on affordability considerations.~~

3. Eligible Uses of HOME Funds

The HOME ~~forgivable~~ **deferred loan** and ~~direct loans~~ may be used for credit counseling, down payment assistance and closing costs, and debt reduction. ~~A housing reserve will be an eligible activity only for households who enter into a lease contract.~~

G. UNDERWRITING

The city shall assess the applicant's ability to succeed in the Lease and Buy Program. Applicants shall satisfy all conditions listed below under subparagraph a. Other factors for determining acceptance shall be made by reviewing the criteria under subparagraph b. below:

1. All applicants shall satisfy these conditions before being considered eligible:

- a. there is potential for the applicant to correct credit deficiencies within an 18-month period;
- b. applicant's income is sufficient to cover the permanent financing requirements;
- c. applicant has completed a HoMEworks approved homebuyer education program;
- d. applicant has submitted acceptable references from one of two previous landlords;
- e. ~~all non-housing~~ debt will not exceed ~~between 8% and 10%~~ **40%** of income, as applicable, at the time of permanent closing; and
- f. non-housing debt will not exceed 17% of current income at the time of application.

2. Determination of HOME Subsidy

- a. The maximum subsidy needed shall be based on a payment of 30% of the applicant's income for mortgage, taxes, rehabilitation, insurance, and mortgage insurance (if required).***
- b. Rental income, which may be added to personal income, shall be calculated according to the program criteria of the primary lender.***

3. Further criteria will be evaluated by the Approval Committee prior to making a determination of final eligibility:

- a. stability of job or source of income;
- b. current monthly debt;
- c. length of self-employment;
- d. resources for financial emergencies;
- e. commitment of partner;
- f. insufficient income to cover long-term debt service;
- g. prior efforts to cure credit history; and
- h. recommendation from Coastal Enterprise, Inc.

H. APPROVAL

1. Lease-Buy Approval Committee: The Lease-Buy Approval Committee shall be made up of the Community Development Coordinator, the Community Development Administrator, and the Director of Community and Economic Development. A unanimous vote shall be required for approval.
2. Appeal Procedure: Applicants that have been denied participations 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 overturn a decision of the Lease-Buy Approval Committee.

I. PROGRAM ADMINISTRATION

1. Definitions

- a. Auburn Residential-Housing Development Corporation, hereinafter ~~ARDC~~ **AHDC**, is the organization authorized by the City to purchase property on behalf of the applicant and City.
- b. City is City of Auburn.
- c. Household Income
 - 1) For the purpose of determining eligibility, the Community Development Coordinator will calculate household 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.
 - 2) 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, 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.
 - 3) Household Occupants
 - a) 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.

- i. 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.

d. 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.

e. Income Limits are the income guidelines for Lewiston-Auburn SMSA established by the Department of Housing and Urban Development that will be used to qualify applicants under the Lease-Buy Program. Revised charts will be used upon receipt.

f. Lease/Buy Agreement is the document that establishes the responsibilities of the lessee and the Auburn ~~Residential~~ **Housing** Development Corp. during the lease period. This shall include but not be limited to provisions regarding the lease amount, security deposit, responsibility for payment of utility and property taxes, maintenance, insurance, property damage, and defaults.

g. Lease/Buy Commitment is the document that establishes the commitments of the lessee during the lease period, including but not limited to, meeting budgeting and savings goals, dates of accomplishments, and to participate in required training programs. The Lease/Buy Commitment shall also identify the resale purchase amount.

h. Lessee is an applicant who has been approved for the Lease and Buy Program and enters into a lease agreement.

i. Purchase and Sales Agreement is the document executed by the applicant to purchase the property chosen by the applicant which conforms to budget criteria established for that applicant, and which is determined to

either meet property standards or have the potential of meeting property standards after improvements.

j. Sustainable Income is income that is accepted by a lending institution for determining the applicant's ability to pay for housing costs.

k. ~~Target Area means a designated neighborhood area defined by the Community Development Offices for Auburn as identified for the Community Development Block Grant Program according to HUD criteria.~~ ***Lease/Buy Area means a designated neighborhood area, defined by the Community Development office, where housing must be located for participation in the Lease/Buy Program.***

2. Application Procedures

This section shall set forth the procedures for obtaining lease and buy loans.

a. Application Priority -- Applications will be processed on a first come/first served basis. Community Development staff shall establish a priority list based on the receipt date of a complete application. When there has been no contact by the applicant and no application progress for a period of 60 days, the application will be considered inactive and the applicant shall be dropped off from the priority processing list.

b. Initial Application – An application may be obtained from the Community Development Department in Auburn. The applicant will sign a Conditions of Participation document to confirm the applicant's understanding of the program.

c. Income Verification – The applicant shall return the application including all required forms and verifications.

1) The applicant shall provide documentation of all income sources including a federal tax return. 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 application is not approved within six months of the date of income verification~~ ***approved applicant has not signed a purchase & sale agreement within six months from the initial income verification***, the applicant must re-submit the income documentation to re-establish eligibility.

3) Community Development staff shall make a determination of preliminary eligibility based on household size and income.

d. Applicant Budgeting – The applicant shall meet **with a budget counselor** to establish a debt payment and savings plan.

e. Other Program Requirements

1) Tenant Information -- The owner or realtor will be asked to secure tenant information forms. This will identify which units are eligible for a ~~lead-grant~~ **rehabilitation assistance**, and potential relocation issues.

2) Renters Insurance – The lessee must have in place renter’s insurance prior to the execution of the lease agreement.

3) Landlord Training – If the property is a multi family building, the applicant shall take landlord training acceptable to the city.

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

f. Underwriting – The Community Development Coordinator will complete an assessment of the application and submit documentation to the Lease-Buy Approval Committee.

g. Acceptance -- An applicant will be notified of acceptance by the Lease-Buy Approval Committee through a written Conditional Commitment Letter.

1) The applicant will be notified if there is funding available to proceed with the next phase or may be placed on a Lease-Buy Approved Waiting List if there is inadequate funding.

2) The letter shall include the range of sale prices that is affordable to the applicant. The letter may include guidance on an acceptable level of housing improvements that could be undertaken within the affordability range.

h. Rejection -- The reason(s) for rejection shall be given to the applicant in writing.

i. Identifying the Property -- The applicant will identify a property for sale which fits the affordability determination.

i. Meeting Appropriate Codes – Properties to be purchased through the

Lease/Buy Home Ownership Program must meet housing quality standards, lead standards, and local code requirements before occupancy.

- 1) A structure which is unsanitary or deficient because of inadequate means of egress facilities, inadequate light and ventilation, or which constitutes a fire hazard, or is otherwise dangerous to human life or the public welfare, or which involves illegal or improper occupancy or inadequate maintenance does not satisfy housing quality standards and code requirements.
- 2) A structure which requires more than \$5,000 of improvements may require an assessment of lead conditions by a licensed risk assessor.

k. Initial Inspection – City staff shall make an initial inspection to determine whether there are physical conditions that the applicant will be required to remedy.

l. Projects Requiring Improvements

- 1) Specifications – If improvements are needed to meet appropriate standards and codes, the city will prepare specifications.
- 2) Rehabilitation Program -- If the required improvements are to be funded by the City's Rehabilitation Program, the applicant shall follow the procedures of that program.
- 3) Assumability – The applicant and ~~ARDC~~ *AHDC* shall be co-applicants for the Rehabilitation Loan. The applicant will assume the loan at the closing for permanent financing.
- 4) Construction Proposals – The applicant shall obtain proposals for the rehabilitation work. Two proposals are required for all major work. Contractors who will make improvements must be licensed and carry insurance as defined in the Rehabilitation guidelines
- 5) Construction Management – The City shall manage the rehabilitation project with the lessee including execute construction contracts, schedule the work, monitor activity, determine whether a change in the work is necessary, execute a change order as appropriate, and facilitate communication between the lessee and contractor.
- 6) Construction Progress – The City shall inspect the quality and conformance of construction work.

7) Contractor Payments - Payments to the contractor shall be authorized according to the terms of the construction contract. The cities shall make payments directly to the contractor. The contractor shall sign a lien waiver at the completion of the project indicating their acceptance of payment in full and relinquishing their right to place a lien on the property.

m. Defining Costs – After estimates are submitted, city staff will determine the final total development costs, the lessee payments, and rehabilitation loans.

n. Defining Funding Resources -- The Community Development Coordinator and applicant shall agree on a final budget prior to the signing the Lease/Buy Agreement only after it has been determined that a purchase will result in a monthly payment does not exceed the amount identified as the applicant's lease payment. The budget shall include the purchase price, estimated costs of closings for the lease purchase and permanent financing, and estimated costs for fees including credit and budget counseling and reserve.

o. Acquisition Financing – The City/~~ARDC~~ **AHDC** shall make application to Coastal Enterprises, Inc. for financing to purchase the property.

p. Use of HOME Proceeds -- HOME ~~Forgivable~~ **deferred** loan ~~and HOME Direct Loan~~ shall be used to reduce the debt on the original purchase by ~~ARDC~~ **AHDC**, will be passed through to the lessee when the property is transferred. The City shall calculate the amount of HOME Forgivable Loan ~~and HOME Direct Loan~~ based on a mortgage payment, including principal, interest, taxes, and insurance, ~~of between 28% to 30%~~ **at 30%** of household income. The City shall require a mortgage and promissory note to be executed for the HOME forgivable loan ~~and the HOME direct loan~~.

q. ARDC **AHDC** Notification – The City shall notify ~~ARDC~~ **AHDC** of the impending purchase.

r. Purchase and Sales Agreement - The applicant will execute a Purchase and Sales Agreement.

s. Lease/Buy Agreement – The Lease/Buy Agreement will specify monthly rentals, obligations of the lessee, and responsibility of the landlord.

t. Lease/Buy Commitment – The lessee shall execute Lease/Buy

Commitment prior to moving into the unit which includes the lessee's budget plan, anticipated mortgage payments, anticipated property resale amount, and dates of accomplishments, as well as the commitments of the City and ~~ARDC~~ **AHDC**.

u. Tenant Notification -- Letters shall be sent to the tenants indicating they will or will not be permanently displaced.

v. Lease/Buy Closing – The City and ~~ARDC~~ **AHDC** will execute transfer documents. ~~ARDC~~ **AHDC** and the lessee will execute the Lease/Buy Agreement, the Lease/Buy Commitment, and Rehabilitation Loan documents, if any.

w. Management during Lease Period

1) Monthly Payments – The lessee will make monthly payments to the City who will establish an escrow account for taxes and insurance, savings for down payment, and maintenance, and will make the payment to the first mortgage holder. If payment is not received, the City may decide to make the first mortgage payment for the lessee and determine what new restrictions or default proceedings the City shall follow as a result thereof.

2) Financial Management – The lessee shall work with Coastal Enterprise Inc. during the lease period to regularly pay debt, reduce debt, and increase savings according to the structured payment plan. The lessee and budgeting counselor shall meet on a schedule determined by the counselor.

3) Lease Period Default -- During the lease period, a default shall be a failure to comply with the provisions of the lease/purchase agreement and the lease/purchase commitment. The Lease-Purchase Agreement shall be terminated. The lessee shall be required to vacate the property in accordance with Maine eviction laws.

x. Closing/No Lease Arrangement -- If an applicant is able to obtain permanent financing, the HOME ~~Forgivable~~ **deferred** loan and HOME ~~Direct Loan~~ will be available, and ~~ARDC's~~ **AHDC's** role will be eliminated from that closing.

y. Permanent Closing – When the ownership is transferred to the lessee, the resale price shall be financed privately. The resale price will include the original sales price, counseling and administrative fees incurred during the lease period, closing costs charged to the City or ~~ARDC~~ **AHDC** at the time of original purchase, and any fees of the City or ~~ARDC~~ **AHDC**

related to leasing the property during the lease period, whether or not anticipated, which were not reimbursed through the monthly payment prior to the resale date. The lessee/buyer will be required to meet all the requirements of the private lender.

z. Monitoring – A recipient of HOME funds is required to own and occupy the property purchased with HOME funds as a principal residence for a period of ten years after the closing for permanent financing. The City 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, and the HOME Forgivable ~~Loan and any unpaid balance under the HOME Direct 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. Davis Bacon Wages and Federal Labor Standards – If the project involves Improvements to a property of eight (8) or more units, Davis-Bacon Wages and Federal Labor Standards will be required.
5. 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
6. Lead Based Paint – If the project involves a property that was constructed prior to 1978, all Title X Lead Based Paint standards shall apply.
7. 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.

8. Uniform Relocation Act – The city shall comply with the Uniform Relocation Act with respect to tenants who may be permanently or temporarily displaced.

HOMEOWNER REHABILITATION LOAN PROGRAM

A. PROGRAM GOAL

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

B. PARTICIPANT ELIGIBILITY

1. Applicant's household income is less than 80% of median income. Income limits for the Lewiston-Auburn SMSA are established by the Department of Housing and Urban Development. Revised income limits will be applicable upon receipt. Income definition shall be the HUD definition for Census long-form. A determination of income eligibility shall be valid for 6 months.
2. Unit to be improved must be owned by the applicant at the time of closing.
3. Unit will be occupied as the principal residence of the applicant for the duration of the loan. If the owner ceases to occupy the unit as principal residence, the loan will be considered in default and full repayment will be required.

C. PROPERTY ELIGIBILITY

1. Property must be located in Auburn.
2. 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 containing rental units, the units occupied by tenants must be improved to meet Housing Quality Standards and may be accomplished through the Auburn's Residential Rehabilitation Loan Program.
6. After completion, the unit must comply with the City of Auburn's Rehabilitation Standards and local and state building codes. The Rehabilitation Coordinator will determine the requirements for building improvements.

7. The after-rehabilitation value of the HOME assisted property will not exceed 95 percent of the median purchase price by housing type, as published by HUD, Section 203(b) limits. Documentation shall include either an appraisal or tax assessment value.

D. LOAN TERMS

1. The minimum loan is \$1,000.
2. Maximum Per Unit Amount and Subsidy Layering:
 - a. The maximum loan amount is \$40,000.
 - b. The maximum per unit amount of HOME investment under all HOME Programs will not exceed the limits established under Section 221(d)(3)(ii) of the National Housing Act.
 - c. The HOME funds under all HOME Programs shall be apportioned entirely to the owner's unit. Therefore, the amount of HOME funds under all HOME Programs shall be limited by the percentage of costs compared to the percentage of units in the building.
 - d. A subsidy layering analysis will assure that no more is invested than what is necessary to provide affordable housing.
3. The interest rate is 0% (non-interest bearing).
4. The 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 30 years.
5. There is no match requirement.

E. ELIGIBLE IMPROVEMENTS

Improvements must be essential and of a permanent nature and 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 connection;
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; and
12. non-living space limited to demolition of deteriorated structure, structural repairs, and weather protection.

F. INELIGIBLE COSTS

Ineligible costs are:

1. new construction;
2. paving;
3. appliances or furnishings;
4. rehabilitation costs attributed to other housing units in the property; and
5. the portion of housing cost that is ineligible due to the percentage limitation for multi-family properties.

G. PRIORITIES

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

1. Correction of code violations and conditions affecting health and safety;
2. Correction of incipient deficiencies;
3. Energy conservation measures; and
4. Reasonable, non-luxury home improvements as determined by the Rehab Coordinator.

H. APPROVAL PROCESS

1. COMMUNITY DEVELOPMENT STAFF

The Community Development office is responsible for administration of the Homeowner Rehabilitation Loan Program. Community Development performs the underwriting and presents the loan request to the Community Development Loan Committee.

2. PRIVATE FUNDS

When additional funds are required, 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.

3. COMMUNITY DEVELOPMENT LOAN COMMITTEE

- a. **Approval:** 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.

b. **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. **Waiver of Loan Amount and Term:** The City Council may authorize a different repayment term or loan amount than what is specified in this program guideline.

4. LOAN CONSIDERATIONS

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

a) Underwriting

- 1) Cash flow -- all debt for shall not exceed 43% debt to income
- b) Credit – good credit history;
- c) Payment of property 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 other funds, if any;

b) Assessment Private/Public Benefit

The Community Development Loan Committee will also consider the broader implications of private and public benefits, including health and safety of the applicant.

I. 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 Homeowner Rehabilitation Waiting List.

E. DEFINITIONS

1. 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.
 - c. Household Occupants
 - 1) Counting Occupants. 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.
 - 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, whichever is greater. The boarder will not be counted as a household member when calculating family size.
- 2. Lessee** -- Under the City's Lease/Buy Home Ownership Program, in which the lessee is a co-applicant for a Homeowner Rehabilitation Loan with Auburn Housing Development Corporation, the City shall consider the income and occupancy of the lessee to establish eligibility.
- 3. Owner-Occupied** -- An applicant who holds the entire ownership interest of a property and lives or will live in one unit of the property as a primary residence at the time of completion.

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

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 Rehabilitation 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.
 - a. **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 Rehabilitation Coordinator. Rehabilitation requirements will be determined during the initial inspection.
5. **Inspection Report and Specifications** -- An inspection report shall be prepared by the Rehabilitation 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 them. 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 or fair condition.
- 2) 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.

c. The Contractor, owner and Rehabilitation 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 Proposals -- The applicant shall obtain proposals for the rehabilitation work. Two proposals are required for all major work. 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. Contractors may either be selected from a list of eligible contractors as maintained by the City of Auburn CDD or be able to meet eligibility standards. No contractor may be selected who has been designated ineligible by the CDD. 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.

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 completed a Department of Environmental Protection approved lead-smart renovator's course, 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 approved lead-smart renovator's 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 with the exception of the Lease-Buy Program where loans will be assumed by the lessee.
 - 16. 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.
 - 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 or may be used to complete additional work as approved by the CDD.

Adopted June 21, 2004

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 applicant must own and occupy the property as a primary residence.
2. The property to be improved must contain one to four housing units 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 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 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.

The maximum loan amount is \$10,000.

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

2. Direct Loan

- a. A direct loan is an installment loan with monthly payments.

- b. Maximum loan amount is \$20,000 for applicants with household income between ~~65%~~ 0-80% of median income and \$10,000 for all other income groups.
- 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~~ 0-80% of median, and 15 years for all other income groups.
- d. Income/Interest Rate Categories

<u>Income Range</u>	<u>Interest Rate</u>
Between 65 0-80% of median income	0%
80% to 100% of median income	2%
100% to 120% of median income	4%
120% to 140% of median income	6%
Above 140% of median income to replace a malfunctioning sewerage disposal system or connecting to the public sewer system.	8%.

3. Grants

- a. A grant requires no repayment.
- b. The maximum grant amount is \$1,500.
- c. Household income must be below 80% of median income.
- d. A grant can be used to cover the cost of a sewer assessment charge only when the Auburn Sewer District offers no financing for the assessment.

D. ELIGIBLE IMPROVEMENTS

Eligible activities are those necessary to:

1. eliminate condition(s) detrimental to occupants of the residence or public health and safety; and
2. repair(s) of an emergency nature.

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 applicant must own and occupy the property as a primary residence.
2. The property to be improved must contain one to four housing units 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 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.
- b. The maximum loan amount is \$5,000.
- c. Household income must be below 65% of median income.

2. Direct Loan

- 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. Income is between ~~65 0~~ and 80% of median income.
- e. Interest rate is 0%.

D. PRIORITIES

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

- ~~1. Insulation of walls and attics (including ventilation);~~
- ~~2. Reducing filtration by means of weather stripping and caulking;~~
- ~~3. Windows and doors;~~
- ~~4. Heating system modifications, repairs or replacement;~~
- ~~5. Other improvements that will reduce energy consumption.~~

- 1. Air infiltration*
- 2. Insulation (R-Value)*
- 3. Moisture control*
- 4. Mechanical ventilation*
- 5. Other Improvements to reduce energy consumption*

III. 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 code requirements for existing buildings, and making general home improvements. ***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 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.
6. After completion, the property must comply with HUD's Housing Quality Standards and applicable codes as determined by the Rehab Coordinator.

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) \$20,000 for the first unit (***a unit that receives funding under the Homeowner Rehab Program will be considered the first unit***);
 - 2) ~~\$10,000~~ **\$15,000** 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 20 years.
- e. The city's loan shall be leveraged with a minimum of 25% in private funds. The City's rehabilitation loan shall not exceed 75% of the rehabilitation cost.

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) \$20,000 for the first unit (*a unit that receives funding under the Homeowner Rehab Program will be considered the first unit*); and
 - 2) ~~\$10,000~~ **\$15,000** 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.

D. ELIGIBLE IMPROVEMENTS

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

- 1. structural repairs;
- 2. mechanical and aesthetic improvements;
- 3. finishing of unfinished areas to add space to a dwelling unit to make it properly sized for the occupants according to applicable HUD standards;
- 4. improvements which would generally increase the economic viability of the property;
- 5. engineering and architect costs;
- 6. closing costs; and
- 7. landscaping limited to correction of a drainage problem.

E. INELIGIBLE COSTS

Ineligible costs are:

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

F. PRIORITIES

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

1. Correction of code violations and conditions affecting health and safety;
2. Correction of incipient deficiencies;
3. Energy conservation measures; and
4. Reasonable home improvements. The Rehab Coordinator shall determine what is reasonable.

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~~ ***\$15,000***.
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, ~~particularly for low income households.~~ *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. ~~Only the residential portion of a mixed-use property is eligible for a lead loan.~~
3. A property inspection ~~will be done~~ *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

~~1. Target Area~~

- ~~a. The property must be located within one of Auburn's target.~~
- ~~b. The maximum loan amount is \$20,000 for single family dwellings, and \$10,000 per unit for multi-unit buildings.~~
- ~~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 20 years.~~
- ~~e. There is no match requirement.~~

~~3. City Wide~~

~~a. The property may be a single family or multi unit property, and one unit must be owner occupied.~~

a. The property must be a residential unit in which a member of the household has lead poisoning or where a poisoned child spends a significant amount of time.

b. Property may be located within any area of the city.

c. The maximum loan amount **\$20,000.** ~~is \$20,000 for single family dwellings and \$10,000 per unit for multi unit buildings.~~

d. The interest rate shall be 2%.

~~e. The interest rate shall be based on household income as follows:~~

<u>HOUSEHOLD INCOME</u>	<u>INTEREST RATE</u>
Below 80% of median income	0%
Between 80% and 100% of median income	2%
Between 100% and 120% of median income	4%
Above 120% of median income only when there is a child with an elevated lead blood level in the unit to be rehabilitated	6%

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 ~~\$7,500~~ **\$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 ~~\$7,500~~ **\$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 ~~\$7,500~~ ***\$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. APPROVAL PROCESS

A. COMMUNITY DEVELOPMENT STAFF

The Community Development Block Grant office 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.
5. 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.

VIII. 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 all units occupied by low- and moderate-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 ~~application~~ **closing**. The period of affordability shall be one year after the loan ~~closing~~ **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 ~~after the unit is rented~~ **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.
 - c. Household Occupants
 - 1) Counting Occupants. 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.

- 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, whichever is greater. The boarder will not be counted as a household member when calculating family size.
3. **Incipient Deficiency** – A building condition identified at the time of initial inspection which the Rehab Coordinator believes to be in a state of deterioration that will affect the health and safety of the occupants.
4. **Investor-Owner** -- Absentee owner, who may receive rehabilitation assistance in order to improve housing conditions for the tenants.
5. **Lessee** -- Under the City's Lease/Buy Home Ownership Program, in which the lessee is a co-applicant for a Rehabilitation Loan with Auburn Residential Development Corporation, the City shall consider the income and occupancy of the lessee to establish eligibility.
6. **Mixed-Use** -- A property used in some part for residential purposes and in some part for non-residential purposes.
7. **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.
8. **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.
9. **Residential Property** - A property used entirely for residential purposes (household living space).
10. **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 them. 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 ~~4-0~~ 9.9 mg/cm² and are in poor *and fair* condition.

~~2) Surfaces that are found to contain lead-based paint levels greater than 1.0 mg/cm² and are in fair condition.~~

3) 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 Proposals -- The applicant shall obtain proposals for the rehabilitation work. Two proposals are required for all major work. 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. Contractors may either be selected from a list of eligible contractors as maintained by the City of Auburn CDD or be able to meet eligibility standards. ***No contractor may be selected who has been designated ineligible by the CDD.*** 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.

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 completed a Department of Environmental Protection approved lead-smart renovator's course, 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 proves to be irresponsible in the performance of the rehabilitation work, as determined by the CDD, the contractor will be removed from the list of eligible contractors. 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 applicant has been advised is unacceptable for contracting by the CDD.~~

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 approved lead-smart renovator's 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 with the exception of the Lease-Buy Program where loans will be assumed by the lessee.
- 16. 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.
- 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.

**CITY OF AUBURN
MARCH 20, 2006
CITY COUNCIL MEETING**

PRESENT

Mayor Normand W. Guay, Councilors Bethel B. Shields, Robert P. Hayes, Eric G. Samson, Donna L. Rowell, Belinda A. Gerry, Robert C. Mennealy, and M. Kelly Matzen, City Manager Pat Finnigan, Assistant City Manager Laurie Smith and City Clerk Mary Lou Magno. There were approximately 100 people in the audience.

Mayor Guay called the meeting to order at 7:00 p.m. in the Council Chambers of Auburn Hall with a salute to the flag.

Councilor Mennealy moved that the entire agenda not be acted upon this evening, because according to Article II, Section 7 of the City Charter, Council Meeting Agendas shall be available to the public at least two business days prior to the meeting. (Councilor Mennealy indicated that the agenda was not available until Friday.) Seconded by Councilor Rowell.

City Manager Pat Finnigan, and City Clerk Mary Lou Magno, both indicated that the City Council Agenda was posted on the website Thursday afternoon.

Vote: 4 Nays with Councilors Rowell, Gerry and Mennealy voting Yea.

CONSENT AGENDA

Councilor Gerry moved to accept, approve and place on file the following item listed with an asterisk. Seconded by Councilor Samson. Vote: 7 Yeas.

***MINUTES OF MARCH 6, 2006**

Approved under consent agenda.

REPORTS OF THE MAYOR

None

REPORTS OF CITY COUNCILORS

None

REPORTS OF THE CITY MANAGER

FINANCE REPORT – MONTH OF FEBRUARY

Councilor Hayes moved to accept and place on file the Finance Report for the month of February as prepared and presented by Chris Trenholm, Finance Director. Seconded by Councilor Shields. Vote: 7 Yeas.

COMMUNICATIONS AND RECOGNITIONS

None

TAKE ITEM OUT OF ORDER

Councilor Shields moved to take item #1 out of order and act on it at this time in the meeting. Seconded by Councilor Gerry. Vote: 7 Yeas.

**1. RESOLVE – RECOGNIZING MARILYN ISAACSON SIMONDS – 2006
RECIPIENT OF THE LEWIS HINE AWARD**

Councilor Shields moved for passage of the resolve. Seconded by Councilor Gerry.

Estelle Rubinstein spoke in support of the above resolve.

Vote: 7 Yeas.

OPEN SESSION

The following people made comments during the Open Session: Ron Potvin, 82 Northern Avenue; Robert O'Connor, 564 Summer Street; and Lucien Camire, 9 Eastman Lane.

CLOSED OPEN SESSION

OLD BUSINESS

None

NEW BUSINESS

**2. RESOLVE – AUTHORIZING THE CITY MANAGER TO ENTER INTO A
PURCHASE & SALE AGREEMENT FOR LAND LOCATED
IN GREAT FALLS PLAZA**

(Councilor Matzen did not participate in the action of this item)

Councilor Gerry feels that according to the City Charter there should be two readings of this item.

Councilor Gerry moved to table. Seconded by Councilor Mennealy. Vote: Councilors Rowell, Gerry and Mennealy voting Yea; and Councilors Shields, Hayes and Samson voting Nay. Motion fails.

Councilor Hayes moved for passage of the resolve. Seconded by Councilor Shields.

Pat Finnigan, City Manager, gave an overview of this project.

The following people made comments regarding the above resolve: Jonathan Labonte, 40 Reginald Street; Robert O'Connor, 564 Summer Street; Michael Scott, 549 South Witham Road; Brian Demers, 1085 Riverside Drive; Ed Desgrosseilliers, 121 Hatch Road; Robert Lamontagne, 1796 Minot Avenue; Andy Titus, 45 Carson

Street; Fred Carpentier, 134 Cook Street; Bruce Rioux, 85 Mary Carroll Street; Charles Morrison, 35 Lake Street; and Gerard Dennison, 28 Seventh Street.

Vote: Councilors Shields, Hayes, and Samson voting Yea; Councilors Rowell, Gerry and Mennealy voting Nay; Mayor Guay voted Yea to break the tie.

REPORTS OF THE CITY MANAGER

Pat Finnigan requested that the Council allow the Police Department to give a report regarding an incident that occurred today. Mayor Guay recognized Deputy Chief Crowell and Lt. Moen who both spoke about the process that occurred regarding the capture and arrest of an individual who robbed the Androscoggin Bank on Turner Street Monday morning. They spoke of collaborative efforts between local area police departments and the FBI and the resources used to make this effort a success.

3. RESOLVE – AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS TO CONDUCT A REVIEW OF THE CITY-WIDE REVALUATION

Councilor Mennealy moved for passage of the resolve. Seconded by Councilor Gerry.

Gary Baillargeon, 144 Broadview Avenue; Jonathan Labonte, 40 Reginald Street; Cheryl Banyen, 120 Third Street; and Ed Desgrosseilliers, 121 Hatch Road made comments regarding the above resolve.

Vote: 6 Yeas, No Nays (Councilor Gerry out of the room)

4. RESOLVE – SUPPORTING TRAILS FOR A HEALTHY MAINE AND ENCOURAGING THE STATE LEGISLATURE TO APPROVE FUNDING FOR SHARED-USE TRAILS

Councilor Shields moved for passage of the resolve. Seconded by Councilor Mennealy.

Jonathan Labonte, 40 Reginald Street; and Ed Desgrosseilliers, 121 Hatch Road, both made comments regarding the above resolve.

Vote: 7 Yeas.

5. RESOLVE – ACCEPTING CERTAIN FORFEITED FUNDS

Councilor Samson moved for passage of the resolve. Seconded by Councilor Gerry.

Deputy Chief Crowell explained the above resolve.

Vote: 7 Yeas.

**6. PUBLIC HEARING – SPECIAL AMUSEMENT PERMIT APPLICATION
AUBURN FIRESIDE INN & SUITES**

Mayor Guay opened and closed the public hearing with no public comment.
Councilor Mennealy moved that the Special Amusement Permit be approved.
Seconded by Councilor Samson. Vote: 7 Yeas.

COMMENTS BY COUNCILOR GERRY

Councilor Gerry wished to note for the record that had she been present for the vote on item #3, she would have voted in favor of the action.

ADJOURNMENT – 9:50 p.m.

Councilor Shields moved to adjourn. Seconded by Councilor Rowell. Vote: 7 Yeas.

A TRUE RECORD

ATTEST: _____
City Clerk

PROCLAMATION

Offices of the Mayors

City of Lewiston, Maine - City of Auburn, Maine



Whereas: Approximately 400,000 people within the United States have Multiple Sclerosis (MS), and 2,500 people are registered with the Maine Chapter of the National Multiple Sclerosis Society as individuals living with the disease—300 within Androscoggin County; and

Whereas: Multiple Sclerosis is a chronic, often disabling, disease that attack's one's central nervous system; and

Whereas: The nationwide mission of the Multiple Sclerosis Society is to end the devastating effects of the disease, as the progress, severity, and specific symptoms of MS in any one person cannot be predicted; and

Whereas: 2006 marks the 52nd anniversary of the Maine Chapter of the Multiple Sclerosis Society, a chapter that assists in promoting research, education, and critical issues, as well as organizes many programs to support newly diagnosed individuals and those living with MS; and

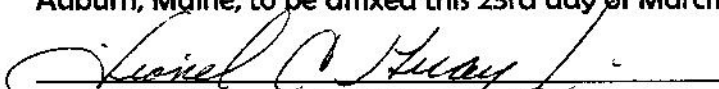
Whereas: New treatments and advances in research are giving enhanced hope to people whose lives are impacted by this disease, along with the families of those individuals; and

Whereas: On April 8, 2006, at Lewiston High School, the Lewiston-Auburn community will join several other sites across Maine in raising funds to combat and raise awareness about this disease; and


Now, therefore, We, Lionel C. Guay, Jr., and Normand W. Guay, Mayors of the Cities of Lewiston and Auburn, by virtue of the authority vested in us, do hereby proclaim April 8th as **"Multiple Sclerosis Awareness Day"** within the Twin Cities in an effort to highlight the need for continued research and support of those living with MS.



IN WITNESS WHEREOF, we have hereunto set our hands and caused the seals of the Cities of Lewiston and Auburn, Maine, to be affixed this 23rd day of March, 2006.



Mayor Lionel C. Guay, Jr.



Mayor Normand W. Guay

City Council

Agenda Information Sheet

Council Meeting Date: April 3, 2006

Agenda Item No. 1

SUBJECT: ORDER – Condemnation Order of the Municipal Officers (Property in the Vicinity of 3162 Hotel Road)

INFORMATION:

The Auburn-Lewiston Airport Authority has adopted a resolution requesting that the Auburn City Council take a 8.34-acre parcel of land adjacent to the Airport currently owned by Elmer N. Crossley. The parcel is needed for the Airport to remove a hill that creates a dangerous safety problem. The Airport Board has attempted unsuccessfully to purchase the parcel directly from the landowner offering fair market value based on independent appraisals. Due to the necessity to acquire this land for public safety purposes, the City has been requested by the Airport Board to acquire the parcel by eminent domain and then transfer it to the Airport. This land is necessary to meet safety requirements imposed by the Federal Aviation Administration (FAA). The Airport Board will fund any costs associated with this land acquisition. In order to proceed with eminent domain, the City Council must make a finding of the following:

1. Taking this land, at fair market value, is necessary for public purposes, namely to improve, enlarge, expand and improve the safety of the Auburn-Lewiston Municipal Airport.
 2. There is a public need that requires the immediate taking of the property and the owner has been unwilling to sell the property at a price that is a fair market value.
-

STAFF COMMENTS /RECOMMENDATION:

The Airport Board recommends passage of the Order.

REQUESTED ACTION:

Motion for passage of the Order

VOTE:

**CITY OF AUBURN
CONDEMNATION ORDER
OF THE MUNICIPAL OFFICERS**

The Municipal Officers of the City of Auburn, Maine hereby issue this Condemnation Order and make return of their proceedings under 6 M.R.S.A. §122, 30-A M.R.S.A. §5403(6) and 23 M.R.S.A. §3022 and §3023 in regard to the taking by eminent domain of a certain lot or parcel of land and a certain avigation easement over land located in the City of Auburn and owned by Elmer N. Crossley, Trustee under a Trust named ENC Investment Trust a/k/a E.N.C. Investments, with a mailing address of P.O. Box 1136, Auburn, Maine, as follows:

1. This condemnation is for a public use, namely to improve, enlarge, expand and improve the safety of the Auburn-Lewiston Municipal Airport.

2. The Municipal Officers of the City of Auburn have determined that public exigency requires the immediate taking of the property interests described herein. In addition, the Municipal Officers have determined that the City is unable to purchase the property at what the Municipal Officers deem reasonable valuation.

I. PARCEL TAKEN IN FEE SIMPLE ABSOLUTE

A certain parcel of land situated in the City of Auburn, the County of Androscoggin and the State of Maine, lying northwesterly of the intersection of Hotel Road and Route 122 and adjoining the so called Christian Hill Quarry, said quarry now or formerly owned by the Cities of Auburn and Lewiston, said parcel being bounded and described as follows:

Commencing at the Point of Beginning, an existing #5 rebar monument found near the base of a 4 foot tall 3 inch diameter pipe, said rebar monument marking the northwesterly corner of the land now or formerly of Elmer N. Crossley, Trustee under a Trust named ENC Investment Trust, a/k/a E.N.C. Investments, said land being described in a deed recorded at the Androscoggin County Registry of Deeds in Book 1626 Page 140 (the "Crossley Parcel"), said corner also being S37°02'39"W 479.89 feet from an existing #5 rebar monument found near the base of a 4 foot tall 3 inch diameter pipe, said rebar monument marking the southwesterly corner of the land now or formerly of Corrine Berwick;

Thence S1°30'15"E 512.77 feet along the land of the Cities of Auburn and Lewiston to an iron pipe found marking the northeasterly corner of land now or formerly of Kurt R. Youland, said land being described in a deed recorded at said Registry of Deeds in Book 5289 Page 140;

Thence S56°30'11"E 399.10 feet along the aforesaid land now or formerly of Kurt R. Youland to the southerly corner of the parcel of land herein described;

Thence N5°11'37"E 1360.37 feet through other land of Crossley to the land now or formerly of Corrine Berwick;

Thence S37°02'39"W 299.31 feet along the land now or formerly of Corrine Berwick to an existing #5 rebar monument found near the base of a 4 foot tall 3 inch diameter pipe, said rebar monument marking the southwesterly corner of the land now or formerly of Corrine Berwick;

Thence S37°02'39"W 479.89 feet to the Point of Beginning;

Containing 8.34 acres more or less.

The bearings in this description are based on grid north of the Maine Coordinate System of 1983 West Zone.

Subject to an avigation easement and right of way described in that certain deed from Robert W. Spencer to the Cities of Lewiston and Auburn dated March 23, 1979 and recorded at the Androscoggin County Registry of Deeds in Book 1407 Page 315.

Said parcel is shown on a plan entitled "Standard Boundary Survey, Elmer Neil Crossley, Trustee, E.N.C. Investments," prepared by Dufresne-Henry, Inc., dated April ____, 2006, which is to be recorded at said Registry of Deeds.

Being a portion of the parcel of land granted to Elmer N. Crossley, Trustee under a Trust named ENC Investment Trust, by deed from Robert W. Spencer dated March 7, 1983, recorded at the Androscoggin County Registry of Deeds in Book 1626, Page 140.

The foregoing parcel is taken in fee simple absolute.

II. AVIGATION EASEMENT

Also including an avigation easement and related rights over the land conveyed to Elmer N. Crossley, Trustee under a Trust named ENC Investment Trust, by deed from Robert W. Spencer dated March 7, 1983, recorded at said Registry of Deeds in Book 1626, Page 140 (the "Crossley Parcel") appurtenant to the land owned by the Cities of Lewiston and Auburn for the benefit of the public and operated as the Auburn-Lewiston Municipal Airport (the "Airport") for the unobstructed flight and passage of all aircraft ("aircraft" being defined for the purpose of this instrument as any contrivance now known or hereafter invented, used or designed for navigation or flight in the air) above an imaginary plane consisting of the Approach, Transitional and Horizontal Surfaces more particularly described as follows:

APPROACH SURFACE

The Approach Surface is a regular trapezoidal-shaped inclined plane. The inner width of the plane is 1,000 feet long and the outer width of the plane is 16,000 feet long. The inner width of the plane is at the same elevation as the southwesterly end of the Runway 04 at the Airport (the "Runway"), and its mid-point is 200 feet from the southwesterly end of the Runway. The plane extends outward in a southwesterly direction a horizontal distance of 50,000 feet from its inner width, is centered on an extension of the centerline of the Runway and is inclined at a slope equal to 1 foot vertically for each 50 feet horizontally (so-called 50 to 1 slope) for the first 10,000 horizontal feet, then at a slope equal to 1 foot vertically for each 40 feet horizontally (a so-called 40 to 1 slope) for the remaining 40,000 horizontal feet

TRANSITIONAL SURFACES

The Transitional Surfaces are inclined planes beginning at the northerly and southerly edges of the Approach Surface and are inclined at a slope equal to 1 foot vertically for each 7 feet horizontally, a so-called 7 to 1 slope, measured perpendicular to the centerline of the extended Runway centerline, extending up to an elevation 438 feet above mean sea level.

HORIZONTAL SURFACE

The Horizontal Surface is a horizontal plane at an elevation of 438 feet above mean sea level being of said horizontal extent so as to be above all portions of the above described land.

The Crossley Parcel is deemed to be wholly encompassed within the boundaries of the aforementioned Approach, Transitional and Horizontal Surfaces.

The avigation or easement hereby taken includes the right:

1. to cause in all airspace above the surface of the Crossley Parcel such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused by the operation of aircraft landing at, or taking off from, or operating at or on the Airport, or other use of the airspace;
2. to prevent the erection or growth upon the Crossley Parcel of any building, structure, tree or other object, extending into the air space above the aforesaid imaginary plane or any tree that is within fifteen (15) feet of the aforesaid imaginary plane, and to remove trees or top trees that extend into or are within fifteen (15) feet below the aforesaid imaginary plane, or as an alternative, at the sole option of Cities of Auburn and Lewiston or the Airport, to mark and light as obstruction(s) to air navigation, any such building, structure, tree or other objects

now upon, or which in the future may be upon the Crossley Parcel;

3. to prevent any use of the Crossley Parcel for any purpose which will interfere with the use, operation, maintenance and further development of the Airport;
4. to prevent any use of the Crossley Parcel and of structures thereon for purposes which will create or result in a hazard to flight such as, but not limited to, purposes which will (a) produce electrical interference with radio communications, (b) make it difficult for pilots to distinguish between airport lights and others, (c) project glare to the eyes of pilots, (d) impair visibility in the vicinity of the Airport, or (e) otherwise endanger the landing, taking off, and maneuvering of aircraft;

together with the right of ingress to, egress from, and passage over the Crossley Parcel for the above purposes.

The easement and rights taken and covenants imposed by this instrument shall be binding on the owner of the Crossley Parcel and his/its heirs and assigns, and shall run with the land, burdening the above described Crossley Parcel which shall be the servient tenement, and benefiting the land now and hereafter owned by the Cities of Lewiston and Auburn comprising the Airport, which shall be the dominant tenement.

4. Said Municipal Officers have determined that the record owners of the property, so far as they can be reasonably determined, are as follows:

Elmer N. Crossley, Trustee under a Trust named ENC Investment Trust, a/k/a E.N.C. Investments, with a mailing address of P.O. Box 1136, Auburn, Maine

5. The proposed date of taking possession of the property is the date this Condemnation Order and the accompanying Certificate of the Clerk of the City of Auburn are recorded in the Androscoggin County Registry of Deeds following the filing of this Order with the Auburn City Clerk.

6. Said Municipal Officers gave due and legal notice to all parties interested in their intention to take said property by posting a Notice of Proposed Condemnation at least seven (7) days previous to the date of said hearing, said postings being on March _____, 2006, in two public places within the City of Auburn and at a third location within the immediate vicinity of the property to be taken, all as set forth on the Return filed with the City Clerk.

WHEREUPON, IT IS ORDERED, AS FOLLOWS:

A. That the Municipal Officers do hereby take and condemn by eminent domain, the above described parcels of land for public purposes pursuant to 6 M.R.S.A. §122, 30-A M.R.S.A. §5403(6), 23 M.R.S.A. §3022 and §3023. Title to the property taken by this Condemnation Order is hereby vested in the City of Auburn, of Androscoggin County, State of Maine.

B. Said Municipal Officers do hereby determine, based on assessment evidence that damages should be awarded as just compensation for the property being taken in the amount of \$180,000.00. This award of condemnation damages shall be considered an appropriation for that purpose.

C. That the original of this Order shall be filed with the City Clerk who shall thereupon cause an attested copy of this Order to be served upon the aforementioned record owners of said property, together with a check in the amount of the damages awarded.

D. The City Clerk is further ordered to prepare the certificate required by 23 M.R.S.A. §3024 and record said Certificate in the Androscoggin County Registry of Deeds.

Dated at Auburn, Maine, this ____ day of _____, 2006.

Municipal Officers

_____	_____
_____	_____
_____	_____
_____	_____

City Council

Agenda Information Sheet

Council Meeting Date: April 3, 2006

Agenda Item No. 2

SUBJECT: **ORDER** – Authorizing the City Manger to transfer all of the real property interests in a certain parcel of land located at 3162 Hotel Road in Auburn, Maine (Tax Map 107, Lot 1) from the City of Auburn to the Cities of Auburn and Lewiston.

INFORMATION:

This Order authorizes the City to transfer the land that is the subject of the Condemnation Order (Item # 1 on the agenda), if the Council approves the eminent domain of the property. The land will be conveyed to the Cities of Auburn and Lewiston which are the owners of the Auburn--Lewiston Airport.

STAFF COMMENTS /RECOMMENDATION:

Staff recommends passage of the Order.

REQUESTED ACTION:

Motion for passage of the Order

VOTE:

CITY OF AUBURN

CITY COUNCIL, AUBURN, MAINE

DATE: April 3, 2006

TITLE: ORDER – Authorizing the City Manger to transfer property all of the real property interests in a certain parcel of land located at 3162 Hotel Road in Auburn, Maine (Tax Map 107, Lot 1) from the City of Auburn to the Cities of Auburn and Lewiston.

Be It Ordered by the Auburn City Council, that under and pursuant to the Maine Revised Statutes, as amended, and the Charter of the City of Auburn, Maine, the City Manager is hereby authorized to convey the property described in Exhibit A attached hereto and made a part hereof from the City of Auburn to the City of Auburn and the City of Lewiston.

Motion for passage:

Seconded by:

Vote:

ACTION BY COUNCIL:

DATE:

ATTEST:

CITY CLERK

EXHIBIT A

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instrument as any contrivance now known or hereafter invented, used or designed for navigation or flight in the air) above an imaginary plane consisting of the Approach, Transitional and Horizontal Surfaces more particularly described as follows:

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2. to prevent the erection or growth upon the Crossley Parcel of any building, structure, tree or other object, extending into the air space above the aforesaid imaginary plane or any tree that is within fifteen (15) feet of the aforesaid imaginary plane, and to remove trees or top trees that extend into or are within fifteen (15) feet below the aforesaid imaginary plane, or as an alternative, at the sole option of Cities of Auburn and Lewiston or the Airport, to mark and light as obstruction(s) to air navigation, any such building, structure, tree or other objects now upon, or which in the future may be upon the Crossley Parcel;
3. to prevent any use of the Crossley Parcel for any purpose which will interfere with the use, operation, maintenance and further development of the Airport;
4. to prevent any use of the Crossley Parcel and of structures thereon for purposes which will create or result in a hazard to flight such as, but not limited to, purposes which will (a) produce electrical interference with radio communications, (b) make it difficult for pilots to distinguish between airport lights and others, (c) project glare to the eyes of pilots, (d) impair visibility in the vicinity of the Airport, or (e) otherwise endanger the landing, taking off, and maneuvering of aircraft;

together with the right of ingress to, egress from, and passage over the Crossley Parcel for the above purposes.

The easement and rights taken and covenants imposed by this instrument shall be binding on the owner of the Crossley Parcel and his/its heirs and assigns, and shall run with the land, burdening the above described Crossley Parcel which shall be the servient tenement, and benefiting the land now and hereafter owned by the Cities of Lewiston and Auburn comprising the Airport, which shall be the dominant tenement.

City Council

Agenda Information Sheet

Council Meeting Date 4/3/06

Agenda Item No. 3

SUBJECT:

RESOLVE – AMENDMENT TO THE LEASE-BUY HOME OWNERSHIP PROGRAM

INFORMATION: Amendment revises the HOME subsidy amount and structure from forgivable and amortized to deferred loans, clarifies underwriting and affordability standards, and changes the name of our partner entity in this program. Revisions are marked with a ~~strikethrough~~ of text that is to be deleted and **bold** through the text that is to be added.

STAFF COMMENTS/RECOMMENDATION:

Staff recommends passage of the resolve.

REQUESTED ACTION: Motion for passage of the resolve.

VOTE:

CITY OF AUBURN

CITY COUNCIL, AUBURN, MAINE

DATE April 3, 2006

TITLE: RESOLVE – AMENDMENT TO GUIDELINES OF THE LEASE/BUY HOME OWNERSHIP PROGRAM

Be It Resolved by the Auburn City Council, That the guidelines of the Lease/Buy Home Ownership Program be amended as recommended by Community Development staff.

Motion for passage:

Seconded by:

Vote:

Action by Council:

DATE

ATTEST:

CITY CLERK

City Council

Agenda Information Sheet

Council Meeting Date 4/3/06

Agenda Item No. 4

SUBJECT:

RESOLVE – ADOPTION OF THE HOMEOWNERSHIP PROPERTY
REHABILITATION PROGRAM

INFORMATION: Guidelines create a new program to accomplish home improvements for a unit occupied by a low-income household up to a level of \$40,000. Funding source is the HOME Investment Partnerships Program.

STAFF COMMENTS/RECOMMENDATION:

Staff recommends passage of the resolve.

REQUESTED ACTION: Motion for passage of the resolve.

VOTE:

CITY OF AUBURN

CITY COUNCIL, AUBURN, MAINE

DATE April 3, 2006

**TITLE: RESOLVE – ADOPTION OF THE HOMEOWNERSHIP PROPERTY
REHABILITATION PROGRAM**

Be It Resolved by the Auburn City Council, That the Guidelines of the Homeowner Rehabilitation Program be adopted as recommended by Community Development staff.

Motion for passage:

Seconded by:

Vote:

Action by Council:

DATE

ATTEST:

CITY CLERK

City Council

Agenda Information Sheet

Council Meeting Date 4/3/06

Agenda Item No. 5

SUBJECT:

RESOLVE – AMENDMENT TO THE REHABILITATION PROGRAM
GUIDELINES

INFORMATION: Amendment incorporates changes to loan limits of Residential, Historic Preservation, and Accessible Housing Programs to reflect current construction costs, eliminates wide use of the Lead Loan Program, and establishes a standard for making contractors ineligible. Staff recommends passage of the resolve. Revisions are marked with ~~striketrough~~ of text that is to be deleted and **bold** through the text that is to be added.

STAFF COMMENTS/RECOMMENDATION:

Staff recommends passage of the resolve.

REQUESTED ACTION: Motion for passage of the resolve.

VOTE:

CITY OF AUBURN

CITY COUNCIL, AUBURN, MAINE

DATE April 3, 2006

**TITLE: RESOLVE – AMENDMENT TO THE REHABILITATION
PROGRAM GUIDELINES**

Be It Resolved by the Auburn City Council, That the Guidelines of the Rehabilitation Program be amended as recommended by Community Development staff.

Motion for passage:

Seconded by:

Vote:

Action by Council:

DATE

ATTEST:

CITY CLERK

City Council

Agenda Information Sheet

Council Meeting Date 4/3/06

Agenda Item No. 6

SUBJECT:

**PUBLIC HEARING – LIQUOR LICENSE APPLICATION FOR RUBY TUESDAY,
649 TURNER STREET**

INFORMATION:

Ruby Tuesday, 649 Turner Street, is a new structure and restaurant locating in the City of Auburn.

All appropriate departments, Treasurer, Fire, Police and Planning & Permitting have given their approvals for this liquor license application

STAFF COMMENTS/RECOMMENDATION:

Staff recommends approval of this application.

REQUESTED ACTION

Motion to approve this liquor license application.