



2022-2 Recovery Housing

Request for Proposals



mainehousing.org | 207-626-4600



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MaineHousing Mission Statement

The mission of MaineHousing is to assist Maine people in obtaining and maintaining quality affordable housing and services suitable to their housing needs.

Recovery Housing Program 2022-2 Request for Proposals (RFP)

A. Overview

Section 8701 of the SUPPORT for Patients and Communities Act established the Recovery Housing Program (RHP) as a pilot program. HUD published its formula in the Federal Register on April 17, 2019 (84 FR 16027), identifying the 25 eligible grantees and allocation percentages. The RHP provides funding to provide stable, transitional (up to 24 months) housing for individuals in recovery from a substance use disorder.

[Recovery Housing Program \(RHP\) - HUD Exchange](#)

MaineHousing is making up to \$1,705,193 of 2021-2022 RHP funds available under this RFP for qualified developers to produce, preserve and/or rehabilitate transitional rental housing for households in recovery from a substance use disorder who are low- or moderate-income.

MaineHousing may suspend or terminate this RFP at any time, and may award all, a portion of, or none of the RHP funds. MaineHousing may make additional funding sources available for this program if available and appropriate. The proportion of RHP and/or any other funding resources awarded to an individual project will be determined by MaineHousing to ensure efficient, allowable, and appropriate use of all resources. MaineHousing will make awards using the Scoring Criteria outlined below. Funds will be allocated according to scores, with the highest scoring project receiving the first allocation. MaineHousing may award additional funds from another MaineHousing source, or award remaining funds in the next funding round.

B. Eligible Applicants

Eligible applicants are:

- Not-for-profit organizations; and
- Indian Tribes.

C. Eligible Uses

RHP eligible activities are:

- Acquisition and/or rehabilitation of existing rental housing units,
- Adaptive re-use of existing buildings for rental housing, and
- New construction of rental housing units.

RHP-funding is for transitional housing to cover a period of not more than 24 months or until the individual secures permanent housing, whichever is earlier. All RHP-funded units must be rented for a minimum of 15 years to households with low-or moderate-income (80% or less of Area Median Income).

D. RHP Subsidy Limit.

The maximum RHP subsidy per unit is \$295,000. This ensures that the subsidy maximizes the number of units while adequately funding them to address Maine's housing needs and priorities.

Not all project costs may be eligible under the RHP program. MaineHousing may substitute other resources for RHP subsidy as needed. Projects may be required to use MaineHousing debt if additional funds are needed. Additionally, all reserve accounts will be held by MaineHousing.

If final scoring results in a tie, MaineHousing may award additional scoring points to projects that use less MaineHousing subsidy per unit.

E. Process.

- 1. Pre-Application.** A completed **Recovery Housing Pre-Application** (Attachment A) must be received by MaineHousing no later than **Friday, October 14, 2022.**

a) Site Review and Evaluation

After MaineHousing completes a site review and evaluation for a proposed project, the applicant may submit a full application. MaineHousing will determine whether the prospective project site meets the following criteria:

- 1) is adequate in size, exposure and contour to accommodate the number and type of units proposed;
- 2) has adequate utilities and streets to serve the site;
- 3) promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in areas containing a high proportion of persons with low incomes;
- 4) is accessible to social, recreational, educational, commercial, and health facilities and services comparable to facilities and services found in neighborhoods consisting largely of unassisted similar units;
- 5) provides accessibility for persons with mobility impairments at a reasonable cost;
- 6) does not raise significant environmental concerns, and
- 7) is located where travel time and cost to places of employment is not excessive.

Additionally, development and operating costs will be evaluated to ensure that there is adequate capital to fund the project and fund the ongoing operations on the indicated site. A prospective project may be deemed ineligible based upon this evaluation.

MaineHousing will notify the applicant whether the submitted application appears to meet programmatic requirements. MaineHousing may make recommendations for the full application stage.

2. Full Application

Full applications must be received by MaineHousing no later than **Friday, November 18, 2022**. The selection process is as follows:

- a) MaineHousing staff will review each application for completeness and eligibility. Incomplete or ineligible applications will not be processed further by MaineHousing and will be returned to the applicant.
- b) MaineHousing staff will score and rank applications according to the selection criteria and make funding recommendations to the MaineHousing Director.
- c) The Director will make the final determination regarding applicants selected and amounts of awards.
- d) MaineHousing will issue a Notice to Proceed to the selected applicants. The Notice to Proceed will outline the development process, note key development activities, and identify MaineHousing staff assigned to the project.
- e) The applicant will acknowledge receipt of the Notice to Proceed by providing MaineHousing a timeline for the completion of the key development activities noted in the Notice to Proceed.

3. Development Underwriting

Applicants that receive a Notice to Proceed must provide documentation required to demonstrate that the proposed project is financially, legally, physically, and operationally viable and compliant with program requirements, including that all costs are necessary and reasonable.

- a) MaineHousing staff will complete its due diligence process including an environmental review.
- b) Projects will be presented to the MaineHousing Loan Committee. The Committee will forward funding recommendations to the MaineHousing Director.
- c) Director-approved projects will be sent a term sheet including funding terms and conditions.
- d) MaineHousing will issue a closing agenda listing items needed for closing.
- e) MaineHousing will require a 15 year deferred, forgivable promissory note without interest, a mortgage, a declaration of affordability covenants and a use restriction for transitional housing to be recorded at the applicable registry of deeds, and other documents and due

diligence items in connection with the closing. Projects will be required to comply with affordability and other requirements for the 15 year term.

F. Required Documentation. The following documentation is **required** with the full application:

- 1) IRS 501(c)(3) tax-exemption determination letter (if applicable).
- 2) Corporate resolution demonstrating authority to undertake the project and incur the liability of financing.
- 3) Completed MaineHousing pro forma available at:
<http://www.mainehousing.org/docs/default-source/development/housing-trust-fund/housing-trust-fund-pro-forma.xls>
- 4) Site control documentation.
- 5) A narrative that addresses each of the following items concerning the *applicant*:
 - a) legal name;
 - b) contact person, mailing address, phone, fax and e-mail address;
 - c) current legal status;
 - d) brief history, staffing levels, primary activities, geographic area of operations, previous relationship with MaineHousing, and constituency and clientele;
 - e) financial statements for the most recent fiscal year;
 - f) Taxpayer Identification Number (TIN); and
 - g) any real estate assets that are in default or foreclosure with a lending institution or that are otherwise at risk of substantive financial problems.
- 6) A narrative that addresses each of the following items concerning the *project*:
 - a) legal address;
 - b) detailed description of any existing structures, including size, design, construction materials, foundation, condition, estimated age, utilities, historic use(s), accessibility, parking, and observable environmental concerns;
 - c) non-residential space; and
 - d) all funding requested from MaineHousing and others.

- 7) A narrative that addresses each of the following items concerning the *services*.
 - a) An affirmative statement that the project and provider will be certified by the Maine Association of Recovery Residences (MARR);
 - b) Description of the services to be offered to the residents, including staffing plan and hours on-site;
 - c) Description of the organization to provide the services; and
 - d) Description of what funding is used to pay for the services
- 8) Completed Part 58 Environmental Checklist
- 9) Either (i) a statement that neither the applicant, nor any principal or affiliate of the applicant, nor anyone who will be paid for work on the project has business ties, family relationships, or other close personal relationships with a current MaineHousing employee or commissioner or anyone who was a MaineHousing employee or commissioner within the past year; or (ii) a description of any such relationship.
- 10) A certification that if the applicant receives 2021-2022 RHP funds, the applicant will comply with all RHP requirements and requirements of MaineHousing's 2022-2 Recovery Housing Program Request for Proposals. RHP requirements are set forth in the Department of Housing and Urban Development (HUD) Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program (Docket No. FR-6225-N-01); the HUD Notice of Waivers and Alternative Requirements for the Pilot Recovery Housing Program (Docket No. FR-6265-N-01); the 2021-2022 State of Maine Recovery Housing Plan on MaineHousing's website ([Plans For Federal Funds \(mainehousing.org\)](https://www.mainehousing.org)); Community Development Block Grant regulations (24 CFR Part 570) to the extent not waived or altered by the forgoing HUD Notices; the Maine Housing Authorities Act, 30-A M.R.S.A. § 4701, *et seq.*, MaineHousing Rule Chapter 29, *Multi-family Development and Supportive Housing Loans and Grants*; and MaineHousing Rule Chapter 27, *Transfers of Ownership Interests*, all as same may be amended from time to time.
- 11) Documentation for each of the scoring criteria as described below.

G. Scoring Criteria.

When appropriate, scoring will be based on comparisons between applications received under this RFP. Documentation received after the time of application will not be used in the scoring unless MaineHousing requested the documentation.

1. Extent to which the applicant will provide housing and services to eligible populations. (Max. 15 pts.)

Applicants will receive points for projects that serve the specific needs of eligible populations. The degree of need for the populations served, and appropriateness of plans for providing services to tenants, will be evaluated. Points will be provided based on the extent to which the applicant will provide housing and services that includes assistance from other entities, including rental-assistance or service contracts for the duration of the project reporting period, and is affordable across incomes below 80% of AMI.

2. Readiness (Max. 10 pts)

Readiness will be scored based on:

- a) Evidence of site control, such as a deed, purchase and sale agreement, or option; and a letter from the municipal code enforcement officer confirming that the proposed project complies with the local land use ordinances and is a permitted use within the applicable zone.
- b) Design and engineering documents prepared by contractors, engineers, and architects familiar with MaineHousing construction standards, including preliminary design, proposed scopes of work, conceptual site plans, floor plans, typical building elevations, recent photographs, specifications, and detailed cost estimates.
- c) Development budget demonstrating viability, reasonableness, and competitiveness in the local market.
- d) Applicant's history of successfully developing affordable or supportive housing in a timely fashion

3. Development Team Capacity (Max. 10 pts.)

The development team may include consultants, design professionals, contractors and other real estate professionals. Development team capacity will be based on the following:

- a) financial, staffing and managerial capacity to develop housing projects within budget and timelines, including the current pipeline of projects in development;
- b) experience in owning, managing, and/or developing real estate assets;
- c) experience with public-sector housing development programs;
- d) experience addressing the service needs of persons experiencing homelessness and/or other vulnerable populations; and
- e) partnerships with service providers developed in order to address the needs of the project's residents.

4. Additional Funding (Max. 7 pts.)

Applicants will be evaluated on the quantity, quality, and timeliness of leveraged funding (other than MaineHousing resources or MaineHousing project-based rental assistance) committed to the proposed project. Evidence of commitment including sources and timing for all leveraged funds for development capital or operations is required. Non-federal leveraged funds will be given greater weight than federal funds, and municipal and county American Rescue Plan Act funds will be given greater weight than other federal funds.

5. Priority based upon underserved areas (Max. 5 pts.)

Applicants will receive points for providing evidence that demonstrates that the population who will live in the project is underserved in the area where the project is located.

6. MaineHousing Priorities (Max. 3 pts.)

Applicants must describe which of the following Consolidated Plan priorities will be addressed and how:

- a) improve and preserve the quality of housing;
- b) expand affordable housing opportunities; and/or
- c) help Maine people attain housing stability.

H. Construction Standards

The site development and construction shall comply with:

- (1) Federal, State, and Local Laws including accessibility requirements,
- (2) Maine Uniform Building and Energy Code (MUBEC) 2015, or the newest MUBEC in effect at the time of permitting,
- (3) Uniform Physical Condition Standards, and
- (4) All applicable local and state codes, ordinances, and standards as evidenced by inspection reports and/or written approval from local code enforcement officials (this applies to all municipalities within the State of Maine regardless of population size).

MaineHousing Construction Services will review plans for code compliance and accessibility laws and will inspect for code and accessibility compliance at project completion prior to closing. MaineHousing reserves the right to access and inspect all phases of the site work and construction to determine compliance with its standards.

In addition, MaineHousing will require:

1. An estimate (based on age and condition) of the remaining useful life of the major building systems upon project completion, and
2. An adequate replacement reserves account for future physical needs during the affordability period.

Projects with more than 25 units will require a Capital Needs Assessment that determines the timing and cost of work to be performed.

Lead-based Paint. Housing assisted with RHP funds will comply with the requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

The following is required for rehabilitation activities assisted with these funds:

1. Prior to the start of any rehabilitation work at a project site, a lead-based paint (LBP) risk assessment by a Lead Risk Assessor certified by the Maine Department of Environmental Protection (the Maine DEP), and paint testing on painted surfaces to be disturbed or replaced during rehabilitation activities, including housing units, common areas servicing the units and exterior painted surfaces, will be conducted in accordance with the Part 35 requirements and established protocols under the Maine DEP's Lead Management Regulations – Chapter 424 (Maine DEP Lead Regulations), including a written report with findings, conclusions and recommendations.
2. If the LBP risk assessment indicates the presence of LBP, the Part 35 provisions for the level of federal rehabilitation assistance applicable to the project, and any related requirements of the Maine DEP Lead Regulations, will apply to the project.

I. Environmental Requirements and Choice-Limiting Actions

MaineHousing will conduct an environmental review (ER) of all projects receiving a Notice to Proceed once a project developer has demonstrated a viable project. For projects using other HUD assistance (such as CDBG-CV19, Section 8 PBVs or HOME funds), the ER is done under 24 CFR Part 58. Projects using multiple funding sources may require multiple ERs. Please see Attachment B for the Part 58 ER checklist.

There are also differences in how HUD's prohibition on taking choice-limiting actions operates when RHP funds will be used alone or combined with other HUD funds in a new construction or rehab project. These differences, and their effect, are:

1. HUD's prohibition on taking choice-limiting actions applies to RHP projects from the time that MaineHousing receives an application for HUD funding prior to the completion of the Part 58 ER and environmental clearance for the project, the developer and all other participants in the development process for the project are prohibited from acquiring the project site and from committing or expending any source of funds, entering into binding

contracts or commitments, or taking any physical action on the project site or in connection with the project. Participants in the development process for a project include the applicant for financing and a developer or sponsor of the project and any of their affiliates participating in the project, any construction manager, general contractor, or subcontractor, and any other consultant for the project. Other parties may also be participants in the development process for a project, depending on their role.

Choice limiting actions include, but are not limited to, the following activities. ***Please note:*** (a) the list below is not all-inclusive and (b) the age or physical condition of a building or other structure is not relevant in determining whether a choice-limiting action has occurred.

- Entering into, amending, extending or renewing an option agreement that does not comply with HUD's requirements
- Entering into, amending, extending or renewing a purchase and sale agreement
- Purchasing or leasing the project site, or any part of it
- Acquiring or granting an easement
- Entering into an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) or a Housing Assistance Payments (HAP) Contract
- Purchasing or otherwise procuring construction materials for the project
- Going out to bid for any work relating to the project, including but not limited to construction, rehabilitation, demolition, or environmental remediation
- Demolition
- Environmental remediation, such as lead, mold, asbestos or soil remediation
- Utility or other infrastructure construction or installation, such as facilities for sewer, water, electric, gas, cable, Internet or telephone service, drainage, stormwater management, and roads and sidewalks, etc.
- Excavation, earth removal, grading, paving, filling, clearing, dredging or draining
- Construction of new buildings or other structures and construction of any addition to an existing building
- Moving, rehabilitation, renovation, alteration, reconstruction, or replacement of existing buildings or parts of existing buildings
- Burying, replacing or relocating fuel tanks or converting a heating system on the project site or off-site
- Any other activity that has a physical effect on the land or buildings on the project site

To avoid the risk of losing funding for a project because of a violation of HUD's prohibition on taking choice-limiting actions, please contact MaineHousing if you have any questions on whether a contemplated action is allowed prior to environmental clearance.

J. Non-discrimination Notice

MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice.

MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.

Approved:

A handwritten signature in black ink that reads "Daniel E. Brennan". The signature is written in a cursive style with a long horizontal line extending to the right.

Daniel E. Brennan
Director
August 31, 2022

ATTACHMENT A
2022-2 Recovery Housing Program Pre-Application

Applicant submissions to the MaineHousing 2022 Recovery Housing Request for Proposals must include this completed Pre-Application and be submitted prior to 5:00 P.M. Friday, October 14, 2022.

Please submit completed Pre-Applications electronically, and send any questions to Kelly Purington, Multifamily Underwriter Manager, at kpurington@mainehousing.org or (207) 626-4642.

Upon receipt of the Pre-Application, MaineHousing will contact the applicant to schedule an inspection of the property.

Please complete the following:

Contact Information

Nonprofit Applicant:

Contact Person:

Contact Phone Number:

Contact e-mail:

Project Location

Town/City:

Street Address:

Tax Map References:

Project Information (Executive Summary)

How will this project improve housing quality, expand the supply of affordable housing, and/or help Maine people attain housing stability.

Please provide a narrative that also addresses the following:

- Number of units and bedroom configurations
- Type of activity (acquisition/rehabilitation/adaptive re-use, new construction)
- Number of accessible units that will be produced
- Number of on-site parking spaces
- Local land use conformity, if known
- Summary of any known or suspected environmental concerns.

Attachments

Include the following attachments, none of which require the services of an architect or engineer:

- a) Site location map (Google Maps or similar internet site location tool)
- b) Floor plan (may be found on broker's listing sheet or town tax assessment records)
- c) Photographs of property from three angles at street access

Submit any existing sketched or to-scale site plans indicating the approximate location of property lines, easements or encroachments, zoning setback lines, adjacent streets, points of vehicular entry and exit, proposed building footprints, proposed parking footprint (with spaces labeled), and capacities/sizes of existing utilities.

ATTACHMENT B



CHECKLIST FOR HUD PART 58 ENVIRONMENTAL REVIEW
Required for the use of federal funds

Area of Statutory or Regulatory Compliance		Yes/No	If Yes, Please Explain	Required Documentation (note: unless otherwise specified, documentation is required regardless of the Yes/No answer)
Historic	Is property known to be in or adjacent to a historic district or on the National Register of Historical Places?	<input type="checkbox"/> Yes <input type="checkbox"/> No		N/A
	Are there, or have there been, any building on property older than 50 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No		N/A
	Are there any known archaeological sites on property?	<input type="checkbox"/> Yes <input type="checkbox"/> No		N/A

Area of Statutory or Regulatory Compliance		Yes/No	If Yes, Please Explain	Required Documentation (note: unless otherwise specified, documentation is required regardless of the Yes/No answer)
Flood Management	Is any of the property within a special flood hazard area?	<input type="checkbox"/> Yes <input type="checkbox"/> No		FIRM https://msc.fema.gov/portal/home Map must include: <ul style="list-style-type: none"> • Site location clearly marked • Flood Designation • FIRM Number and Effective Date
Wetlands	Are there any ponds, wetlands, streams, rivers, or coastlines on or near the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No		National Wetland Inventory Map https://www.fws.gov/wetlands/data/Mapper.html <ul style="list-style-type: none"> • Site location clearly marked
Coastal Zone/ Coastal Barrier Resource	Is property located within a coastal management zone? (see https://www.maine.gov/dm/mcp/about/coastal-zone-map.htm to determine if community is within a coastal management zone.)	<input type="checkbox"/> Yes <input type="checkbox"/> No		Coastal Barrier Mapper https://www.fws.gov/CBRA/ <ul style="list-style-type: none"> • Site location clearly marked
Sole Source Aquifers	Is the Site on one of these islands off the coast of Maine (Isleboro, Monhegan, North Haven, Vinalhaven)?	<input type="checkbox"/> Yes <input type="checkbox"/> No		N/A

Area of Statutory or Regulatory Compliance		Yes/No	If Yes, Please Explain	Required Documentation (note: unless otherwise specified, documentation is required regardless of the Yes/No answer)
Endangered Species	Will this project involve removal or trimming of trees greater than 3 inches in diameter?	<input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, Site Plan showing planned tree work.
Wild and Scenic Rivers	Is the Site within 5 miles of the Allagash Wilderness Waterway?	<input type="checkbox"/> Yes <input type="checkbox"/> No		Map showing distance from the site to the Allagash Wilderness Waterway Map must include: <ul style="list-style-type: none"> • Site location clearly marked • Measurement to Allagash in miles
Farmlands	Is the Site within an agricultural zone or is it currently-farmed land?	<input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, need soil survey. https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm <ul style="list-style-type: none"> • Site location clearly marked

Area of Statutory or Regulatory Compliance		Yes/No	If Yes, Please Explain	Required Documentation (note: unless otherwise specified, documentation is required regardless of the Yes/No answer)
Noise	Is Site located within 1,000 feet of a major highway?	<input type="checkbox"/> Yes <input type="checkbox"/> No		Map showing distance from the site to the closest highway. Map must include: <ul style="list-style-type: none"> • Site location clearly marked • Measurement to highway in miles
	Is Site located within 3,000 feet of a railroad?	<input type="checkbox"/> Yes <input type="checkbox"/> No		Map showing distance from the site to the closest railroad tracks. Map must include: <ul style="list-style-type: none"> • Site location clearly marked • Measurement to railroad tracks in miles
	If within 3,000 feet of a railroad, are the railroad tracks active?	<input type="checkbox"/> Yes <input type="checkbox"/> No		If inactive, provide documentation of inactive status.
Airports	Is the Site located within 5 miles of a civil airport? (Portland, Bangor, Augusta, Presque Isle, Knox County, Hancock County)	<input type="checkbox"/> Yes <input type="checkbox"/> No		Map showing distance from the site to the closest Civil Airport. Map must include: <ul style="list-style-type: none"> • Site location clearly marked • Measurement to airport in miles

Area of Statutory or Regulatory Compliance		Yes/No	If Yes, Please Explain	Required Documentation (note: unless otherwise specified, documentation is required regardless of the Yes/No answer)
Hazardous Operations	Are there any above-ground tanks within 1 mile of the Site containing petroleum products or chemicals of an explosive or flammable nature near the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, Site Plan showing location of tanks, measured distance to site property line and closest building, size of tank(s) and probable contents of tank(s).
Contamination and Toxic Substances	Is there a completed ASTM Phase 1 ESA	<input type="checkbox"/> Yes <input type="checkbox"/> No		Phase 1 ESA

