



Town of Brunswick

Affordable Housing Support Fund

Application Process and Requirements

Introduction

The Town of Brunswick is experiencing an affordable housing crisis. There is a lack of supply across all housing types resulting in fewer housing choices offered in our community. The lack of housing options is impacting the current housing stock that could be available as affordable housing because the higher-income earners occupy the lower-cost residential units as a function of the extremely limited options. Construction of new residential units over the past two decades has been low and the construction of affordable “starter-homes” is almost non-existent. To complicate matters further, the increasing costs of building materials and rising interest rates are creating financial barriers to building new housing to support the current and future demand across the socioeconomic spectrum of households. There is a role for local, state, and federal governments to play to enable the flow of private capital into housing developments to address the housing crisis through public-private partnerships. The Affordable Housing Support Fund (AHSF) is a financial economic development incentive tool to help fill the funding gaps in housing development projects. This public investment will help Brunswick leverage private financing of projects that bring a purposeful public benefit - quality, affordable housing choices.

Purpose

The purpose of the Affordable Housing Support Fund (AHSF) is to provide grant funding for housing development projects seeking to build, preserve, and maintain affordable rental and homeownership units in the Town of Brunswick. Improving housing outcomes for our community requires a multifaceted approach and this funding mechanism will allow for targeted assistance.

Guidelines for the AHSF

The intent for AHSF is to support investment in affordable housing across the housing continuum that is determined to be a public benefit. The goals for establishing an Affordable Housing Support Fund include:

- To support the construction, preservation, and maintenance of affordable housing through targeted investments in land acquisition, and infrastructure improvements. A separate program for direct assistance for critical home repairs may be offered from the AHSF but will be subject to separate application review procedures and standards.
- To support Brunswick’s Comprehensive Plan, and other related Town Plans and Policies.
- To assist the Housing Committee with implementation of its action plan; and
- To stimulate and leverage private sector investment in housing development that serves households at or below 80% Area Median Income (AMI)

Funding

Brunswick’s Affordable Housing Support Fund provides grant money to developers (both for-profit and non-profit) who need help with financing gaps for the production and preservation of affordable housing projects. Developers may apply for grant funds for the construction of units meeting or exceeding the requirements under the Town’s inclusionary zoning ordinance. This fund is for projects that provide a minimum of 15% of new residential units as affordable serving households at or below 80% AMI for 30 years. Projects that exceed the 15% affordable unit threshold will score more points in the application review.

Application Process

A three-step application and approval process are required to review a request for AHSF financial assistance for a proposed housing project. **The Town reserves the right to deviate from the terms of this Manual from time to time as necessary to comply with any changes to the Town's Affordable Housing Support Fund Ordinance or to comply with the terms of source funding**

Submission of an Application for Funding

An application for funding from the AHSF must be submitted to the Director of Economic & Community Development and include the following items listed in the section, **Application Requirements** .

Review and Analysis by Staff

Upon submission of a complete application, staff in the Economic Development, Planning, Finance and Town Manager's departments will review the request for funding which includes the following steps:

1. Review of application for adherence to the baseline criteria set out in section **Affordability Target Threshold**
2. Analysis of financial documents to establish the applicant's capacity to build the project and the need for public assistance to facilitate the project
3. Determination of public benefit
4. Housing Committee review and recommendation to Town Council

Public Process for AHSF Award of Funding

Notwithstanding these guidelines, the decision to make a funding award will be made by the Housing Committee on a case-by-case basis, and subject to the availability of funds. An applicant's ability to meet the application guidelines should not be interpreted as creating any rights or entitlements in the submission of an application. Awards will be made at the sole discretion of Town staff (in their advisory capacity) and the Town Council, who will consider the totality of need and benefit for the project, as compared to any other pending applications. An award from the Town of Brunswick for AHSF funding to compensate a developer for an approved development project cost will take the form of a contract between the municipality and developer. Funds must be used for the intended purpose within 12 months of approval of the funding request unless otherwise specified in the grant agreement.

Applications and completed exhibits should be submitted to Sally Costello (scostello@brunswickme.org), Director of Economic and Community Development. Applications are accepted on a rolling basis.

The Economic and Community Development Department will coordinate all activities regarding applications and will be the primary point of contact with applicants throughout the application and award process. Awards may be offered with conditions intended to promote the goals of this program. It will be a condition of all grant awards that all necessary federal, state and local land use approvals are received prior to distribution of funds. Conditions may vary from project to project and will be outlined in the grant agreement. All grant recommendations by Town staff are subject to approval by the Town Council, which may approve, deny or modify staff recommendations. Upon approval of a grant award by the Town Council, the Town Manager or designee will negotiate with the applicant based on the merits of the project and these guidelines following the process laid out in this document.

Applicants are subject to the following provisions:

1. Application fee. All applicants shall pay a non-refundable application fee of \$500 at the time of application.
2. Documentation. The following documentation shall be included in all applications for AHSF funding:
 - a) An executed application with items as described in the guidelines; and
 - b) All financial disclosures, reporting, and other documentation as the Town of Brunswick and/or what their legal counsel may require.
3. Capacity. The applicant must demonstrate financial capacity to undertake the project. All financial disclosure reviews and financial capacity determinations will be conducted by the Director of Economic & Community Development and coordinated with the Director of Finance and Town Manager. Financial information will be kept confidential as per [5 M.R.S. Section 13119-A: http://www.mainelegislature.org/legis/statutes/5/title5sec13119-A.html](http://www.mainelegislature.org/legis/statutes/5/title5sec13119-A.html). The applicant must be compliant with all statutory and regulatory guidelines of the Town of Brunswick and the State of Maine. The applicant shall not have engaged in illegal or unfair labor and employment practices, unsafe employment practices, or adverse or illegal environmental practices.
4. Terms. The specific terms of each AHSF project award will be described in a grant agreement to be agreed upon and executed by the awardee and the Town. As a general guideline, the total payment obligations from the Town to the applicant for any AHSF request should not exceed any stated financing gap as set forth in an applicant's proposed project and financial plan.
5. Costs and fees. If extraordinary legal or professional fees are required to evaluate an application, the Town may request the applicant to provide an additional deposit of funds to defray the cost of review as a condition of processing the application.
6. Performance reporting. All AHSF awardees shall provide yearly reports of compliance to the affordability thresholds/conditions set out in the agreement between the Town and applicant; the reports and documentation should be in a form satisfactory to the Town supporting an applicant's performance and compliance with the terms set forth in any agreement.

Location

Any housing development located in the Town of Brunswick is eligible for the Affordable Housing Support Fund.

Brunswick supports projects located in our growth districts and near transit to further help residents reduce their cost of living. The concepts of smart growth and careful siting of projects will be considered as outlined in the scoring criteria. Developments in the growth zone are preferred and will score higher in the application.

Affordability Target Threshold

Projects developed under this Program must comply with the rent and income limits described under (1) and the affordability declaration described in (2) and (3):

- (1) Units developed under this Program must be rented to households with incomes equal to

or less
than 80%AMI as published at HUDCLIPS.gov.

- (2) Projects seeking Affordable Housing Support Fund contributions may not result in displacement of tenants from existing rental housing. The Developer shall follow the Uniform Relocation Act (UFA), where applicable.
- (3) Each grant award will be accompanied by a Declaration of Covenants and Restrictions which will require, among other things, that the project maintain the affordability requirements of the property for a minimum of 30 years from the initial date of the mortgage. The covenants will include a provision requiring that any leases of property initially offered for sale, and any subleases of property offered for rent, also meet the affordability target threshold.

Asset Management

Brunswick will require certification of all household income at initial sale, lease-up or provision of direct assistance to certify that affordability requirements are met. Proof of income may be from the household's most recent tax return or, if on a fixed income, a letter from the United States Social Security Administration or six (6) weeks of pay stubs.

Eligible Developers

Developers and the members of the development team (contractors, engineers, architects, etc.) must be in good standing with Brunswick, the State of Maine, and the federal government. New developers are encouraged to apply.

Developer Fees

To be eligible for an Affordable Housing Support Fund grant, the maximum developer fee, including all overhead and profit, may not exceed 10% of total development costs. Developer Fees below 10% may be scored higher in the financial review of the application.

Construction Standards

It will be a condition of all awards that the project's site development and construction 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, and
3. 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).

Brunswick reserves the right to inspect all phases of construction to determine compliance with its standards.

Application Requirements

For The Town of Brunswick to accept and process an application under the Program the following

will be required:

1. Application - **Exhibit A**
2. Project Narrative. A narrative that addresses each of the following items concerning the project:
 - i. Project name
 - ii. Legal address
 - iii. 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
 - iv. The planned number of total units
 - v. Any non-residential space

 - vi. Scope of expected rehabilitation or construction
 - vii. Development timeline
3. Preliminary Site Plan (Meeting the requirements for Sketch Plan Application)
4. Corporate resolution demonstrating authority to undertake the project and to pursue all intended funding sources, including the Affordable Housing Support Fund grant
5. Evidence of site control (such as a deed, purchase and sale agreement, lease, or an option for the same)
6. Evidence of all state and local land use approvals received for the project, or if applications have not yet been made, a description of all such approvals needed for the project and the project's ability to meet zoning and other land use regulations applicable to the project
7. Company Profile. Provide a narrative that addresses each of the following items
 - i. Legal name
 - ii. Contact person, mailing address, phone and email address
 - iii. Current legal status
 - iv. Brief history, staffing levels, primary activities, geographic area of operations, prior development experience and the clientele to be served
 - v. Qualifications and experience of developer's proposed project team including any consultants, architects, site planners and/or engineer and contractors
 - vi. A description of any real estate assets that are in default or foreclosure with a lending institution of that are otherwise at risk of substantive financial problems
8. Financial Documents. (If confidentiality is requested, separate all documents for

which confidentiality is requested and provide a written request for confidentiality).

- i. Development budget
 - ii. Sources & Uses Table
 - iii. Rent Roll
 - iv. Pro Forma. Developers may use HUD's Sample Pro Forma found here: <https://www.hudexchange.info/resource/746/sample-pro-forma-and-guide-singlefamily-rental-development/>
 - v. Total funding from other sources (describe and include copies of commitment letters for all other sources required for the project)
9. A certification that if the developer receives funding, the developer will comply with all reporting requirements as determined by the Town of Brunswick.

Scoring Criteria

The Town Economic Development Department will receive all AHSF grant applications and bring them to the Housing Committee for review and approval. The Housing Committee shall serve as an advisory body for the management of the AHSF and its programs. The Committee will have the opportunity to request a presentation from the applicant prior to making a recommendation to the Town Council. If two or more applications are in process at the same time, the Economic Development Department may, without unreasonable delay, consolidate those applications for recommendation to and action from the Council. If insufficient funds are available to provide full funding to projects being considered at the same time, the Town may (1) approve partial awards; (2) delay action on one or more applications until sufficient funds remain; or (3) use the scoring criteria enumerated here to evaluate one application against another and to recommend and make awards to the better scoring project(s).

Brunswick will score applications based on the following criteria. Developers must complete all information and submit all documentation to be eligible for points.

Vision

Up to 3 points

The project is very consistent with the vision of the AHSF. Addresses one or more of the following priorities:

1. Project is in a growth district and maximizes density where appropriate.
2. Meets or exceeds 15 percent of the new residential units as affordable serving households at or below 80% AMI.
3. Demonstrates and meets the "but-for" test that determines financial need.
4. Provides affordable, workforce or market-rate housing.
5. Project is **within ½ mile** to services and public transportation.
6. Creates public infrastructure facilities that have applications beyond the particular development.
7. Supports an emerging or growing business sector, as identified in the Maine Council of Governments Comprehensive Economic Development Strategy (CEDS).
8. Project incorporates other public benefits, including but not limited to open space, green infrastructure and building materials, exceeds inclusionary zoning thresholds, provides a high-demand housing type.
9. Increases the tax base.
10. Replaces blighted buildings or improves blighted areas, particularly in areas of focus such as those identified in the Town's Comprehensive Plan, the Cook's Corner Commercial Corridor Revitalization Plan, and the Master Plan on Downtown Brunswick and the Outer Pleasant Street

Corridor.

Readiness

Up to 3 points

1. The project and any related developments have all municipal land use approvals (except building and other permits customarily issued during construction) and state land use approvals (such as site plan, subdivision, storm water, or wetlands approvals) required to proceed with and complete construction.
2. Design and engineering documents have been prepared showing preliminary design, proposed scopes of work, conceptual site plans, floor plans, and cost estimates and are submitted as part of the application.

Developer Capacity

Up to 3 points

Developer has assembled a team of experienced professionals that have the capacity to execute the project successfully.

Financial Characteristics

Up to 3 points

Developer brings additional financial resources from a source other than the AHSF to the project. Evidence of commitment including the source and timing for all additional funding is required.

Bonus

Up to 3 Points

The project incorporates climate and sustainability features.

Projects will be scored using the following guidelines as set out in the chart below.

Scoring Guidance				
Selection Criteria I	Non-Responsive (0)	Low (1)	Medium (2)	High (3)
Vision	The project is inconsistent with the vision of the AHSF and/or negatively affects the vision.	The project is somewhat consistent with the vision of the AHSF.	The project is consistent with the vision of the AHSF.	The project is very consistent with the vision of the AHSF.
Selection Criteria II	Non-Responsive (0)	Low (1)	Medium (2)	High (3)
Project Readiness	The project has no approvals and/or is not ready to be submitted for approvals.	The project has started the approval process but has not received any approvals.	The project has received most, but not all approvals.	The project has received all approvals and is shovel ready.
Selection Criteria III	Non-Responsive (0)	Low (1)	Medium (2)	High (3)
Developer Capacity	The Project Team has <u>not</u> successfully completed any	The Project Team has completed some projects in the last ten	The Project Team has successfully completed some or several projects	The Project Team has successfully completed several (3+) projects in

	projects in the last ten years. They lack experience demonstrating their likelihood to complete the project successfully.	years, but they are <u>not</u> of a similar scope. Their experience demonstrating their likelihood to complete the project successfully is uncertain.	in the last ten years of a similar scope, including affordable housing developments and has relevant experience demonstrating their likelihood to complete the project successfully.	the last ten years of a similar scope, including affordable housing, and has highly relevant experience demonstrating their likelihood to complete the project successfully.
Selection Criteria IV	Non-Responsive (0)	Low (1)	Medium (2)	High (3)
Financial Characteristics	The project brings no additional resources to the project and has no commitments of financing.	The project brings some additional resources to the project and but has not secured commitments of financing.	The project brings additional resources to the project and has secured some, but not all commitments of financing.	The project brings several additional resources to the project and has secured all commitments of financing.
Selection Criteria V	Non-Responsive (0)	Low (1)	Medium (2)	High (3)
Bonus: Climate and Sustainability Features	The project does <u>not</u> incorporate “green” elements and features and /or negatively affects climate and the environment.	The project incorporates little, if any, “green” elements and features that address climate change and pollution.	The project incorporates some “green” elements and features that address climate change and pollution.	The project incorporates several “green” elements and features that address climate change and pollution.

Submission and Contact Information

Please contact Sally Costello at scostello@brunswickme.org to apply or to direct questions.

Exhibit A Application

I am aware that this Application must be signed and complete, including required exhibits and attachments as noted.

To the best of my knowledge, all information contained in this application and its supporting exhibits and attachments is true and correct. I also hereby authorize the Town of Brunswick to evaluate the application in such manner as the Town of Brunswick deems necessary, including discussing this application with any lender, municipal official, vendor, or other party with an interest in this property or project.

I hereby authorize the Town of Brunswick to verify any bank or other fund balance indicated on any personal or organizational financial exhibit, to investigate credit, employment or business standing of that or any related party, to disclose any aspect of the financial information to any person but only for the purpose of determining the accuracy of the information or otherwise investigate and evaluate the application in such manner as the Town of Brunswick deems necessary. I understand that the materials presented with this application may be considered “public records” pursuant to the Maine Freedom of Access Act and may not be held confidential unless (1) I have requested confidentiality; and (2) the materials are protected against disclosure under Maine law.

I certify that neither the owner/developer, its principals or partners is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from

participation in any HUD programs. I further certify that any corporation or its subsidiaries involved in the proposal are in good standing with the State of Maine, not insolvent, and not subject to any pending bankruptcy proceedings.

Neither the developer, nor any principal or affiliate of the developer, nor anyone who will be paid for work on the program has business ties, familial relationships, or other close personal relationships with a current Town of Brunswick employee or councilor.

Applications must be signed by all principals (Individual, Partner, or corporate representative authorized to bind the company) in the developer entity.

NAME of DEVELOPER [if applicable]

By: _____
Printed Name: _____
Its: _____

No application for financing will be accepted or approved by the Town of Brunswick if the developer, or any entity controlled by the developer, is more than 60 days delinquent on any taxes or loans with the Town of Brunswick, or has been declared in default of such loan, unless either an approved payment or workout plan is in place and in good standing.

UNSIGNED APPLICATIONS WILL NOT BE ACCEPTED