1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Baran, Michael
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2. Areas of Greatest Need

Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as an attachment.

Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.
Response: All data used in determining areas of greatest need were derived from the web page "Neighborhood Stabilization Program Data" on the web page http://www.huduser.org/portal/datasets/NSP.html. In particular, the priority-setting system used data from column I (NSP Need), K (housing units in 2007), L (percent low and moderate income), O (USPS vacant units), and Q (HMDA – new mortgages from 2004-7).

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.
Response: The approach used for determining neighborhoods of greatest need was a winnowing process. The process included all entitlement communities, since no Maine entitlement communities received their own NSP3 allocation. The first test was eligibility. Under HUD rules, a tract in Maine must have score 11 or more in NSP Need to be eligible to receive funds (column I). The NSP foreclosure need score is calculated by considering serious delinquent loans (column s), foreclosures (columns t and u), high cost mortgages (column r), and unemployment rates (columns x and y). Areas of greatest need -- with high rates of foreclosure, high rates of subprime mortgage loans, and likely to face significant rise in the rate of foreclosures -- have high NSP3 need scores. Of the 1,912 block group areas in Maine, 405 have scores of at least 11.

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The second test was whether there are enough housing units in the block group area to provide a good chance of having units to rehabilitate. Of the 405 areas, 147 had at least 100 housing units (column K) and 10 vacant units (column O).

The third test was whether the real estate market was active enough to ensure buyers for the rehabilitated units. Of the remaining block group areas, 117 had 50 or more real estate transactions between 2004 and 2007 (column Q).

The fourth test was whether there are low income residents in the area who would be eligible to benefit from the project. Indirectly, this measure also would be a good indication of the prevalence of rental housing in an area, another of the NSP3 program's priorities. Of the 117 block group areas, 51 had areas with at least 50% of resident households with incomes below 80% of the area median (column L).

The 51 block group areas that had sufficient needs, available vacant units, real estate activitity, and low income households, were then ranked in order of the percentage of low income households (column L), the highest percentage coming first. The top nine block group areas were in the municipalities of Lewiston, Auburn, Sanford, Waterville, and Bangor. Two of these five communities (Lewiston and Auburn) are entitlements. These were determined to be the most promising communities for the identification of viable and successful projects for NSP3.

These municipalities – and developers within these municipalities – were invited to submit proposals for the use of the limited NSP3 funds in Maine. The determination was made by the Maine Office of Community Development that the three projects contained in this application, from three of the five eligible communities, have the greatest prospects for a positive neighorhood impact; building resale and occupancy; and low income benefit.

3. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	Maine law does not define the term "blighted structure." Therefore, as in the State of Maine CDBG program, a "blighted structure" for the NSP3 program will have to meet the HUD definition. That definition is: "A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare." As in the State of Maine CDBG program, the Maine NSP3 program will require a formal written declaration by the municipality that a structure is "blighted," a declaration which must be supported by photographic documentation and signed by municipal code enforcement officer or building inspector.
Affordable Rents	The State of Maine will adopt, at a minimum, the HOME definition of affordable rents, which is provided at 24 CFR 92.252 (a), (c), and (f).

Descriptions

Term	Definition
Long-Term Affordability	All grantees in the Maine NSP3 program must, at a minimum, meet HOME standards for continued affordability. Individual projects may either impose a deed restriction to ensure continued affordability, or require subsidy recapture and/or mortgage repayment in the case of failure to complete the minimum term of affordability.
Housing Rehabilitation Standards	All rehabilitation activities assisted under the NSP3 program shall address health and safety violations, correct substandard conditions and make essential improvements. Such improvements shall include but are not limited to: performing energy related repairs or improvements including the installation of Energy Star appliances and energy efficient windows; meeting ASHRAE STandard 90.1-2004, Appendix G, plust 20%; providing for handicapped accessibility under reasonable accommodation and reasonable modification standards; the abatement of lead-based paint hazards; and the repair or replacement of major housing systems in danger of failure. All rehabilitation must meet applicable local standards, codes and ordinances. Lead Based Paint standards apply to housing built prior to 1978.

4. Low-Income Targeting

Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.
Response: Total low-income set-aside **percentage** (must be no less than 25 percent): 25.00% Total funds set aside for low-income individuals = $1,250,000

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.
Response: $1,250,000 of NSP3 funds at the redeveloped Sanford Mill Complex (activity 1 below) will be targeted to creating rental units to be occupied by households at or below 50% AMI.

5. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	No

If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	
The number of NSP affordable housing units made available to low- , moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	

6. Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.
Response: The draft plan was put out for public comment on the web on February 11,2011. This was accompanied by an email notification to all local officials, nonprofit agencies, developers, and consultants on the mailing list of the Maine Office of Community Development. The draft plan was available for comment for fifteen days. All comments that were received are included as an attachment. This procedure is consistent with HUD regulations and the Maine Consolidated Plan.

Summary of Public Comments Received.

The summary of public comments received is included as an attachment.

7. NSP Information by Activity

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled “Activity Number 4,” “Activity Number 5,” “Activity Number 6,” and “Activity Number 7.” If you are unsure how to delete a table, see the instructions above.

The field labeled “Total Budget for Activity” will populate based on the figures entered in the fields above it.

Consult the NSP3 Program Design Guidebook for guidance on completing the "Performance Measures" component of the activity tables below.

Activity Number 1		
Activity Name	Sanford Mill Redevelopment	
Uses	Select all that apply: ☐ Eligible Use A: Financing Mechanisms ☐ Eligible Use B: Acquisition and Rehabilitation ☐ Eligible Use C: Land Banking ☐ Eligible Use D: Demolition ☒ Eligible Use E: Redevelopment	
CDBG Activity or Activities	24CFR570.202	
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)	
Activity Description	The Town of Sanford is applying for $3.5 million in NSP3 funding to support the redevelopment of the Sanford Mill into 40 units of affordable rental housing. The Sanford Mill, located at 61 Washington Street, is a vacant, abandoned mill located in downtown Sanford. Built in 1915, the building sits on the northwest corner of the Sanford Mill Historic District and is the nearest mill building to the center of town. The historic significance of the building, the prominent location, and the level of decay have made the Sanford Mill a primary focus of the Town's efforts to revitalize and transform the mill area, a severely underutilized and blighted area immediately adjacent to the central business district. The plan for the Sanford Mill will result in an innovative, downtown, historic, mixed-use development consisting of 40 units of affordable rental housing for seniors, including at least 10 units made available for households at or below 50% of the area median income, and 18,000 SF of commercial space. All affordable units will be preserved under a 90-year land use regulatory agreement. Implementation of a Local Hiring Initiative with a goal to have at least one-third of all construction contracts awarded to local vendors, or to contractors whose workforce is comprised primarily of Sanford residents, will ensure that NSP3 funds have the greatest possible economic impact in the target area. All of the funding sources required to redevelop the Sanford Mill are either committed or are part of non-competitive, 'walk-in' financing programs, for which the project is eligible.	
Location Description	Washington Street, Sanford, Maine in census block group 230310302024	
Budget	**Source of Funding**	**Dollar Amount**
	NSP3	$3,500,000.00
	State & Federal Tax Credits	$6,400,000.00

	Developer Contribution	$700,000.00
Total Budget for Activity		**$10,600,000.00**
Performance Measures	40 units of affordable rental housing	
Projected Start Date	7/1/2011	
Projected End Date	6/30/14	
Responsible Organization	**Name**	Town of Sanford
	Location	919 Main Street Sanford Maine
	Administrator Contact Info	Mark Green, 207-324-9172, magreen@sanfordmaine.org

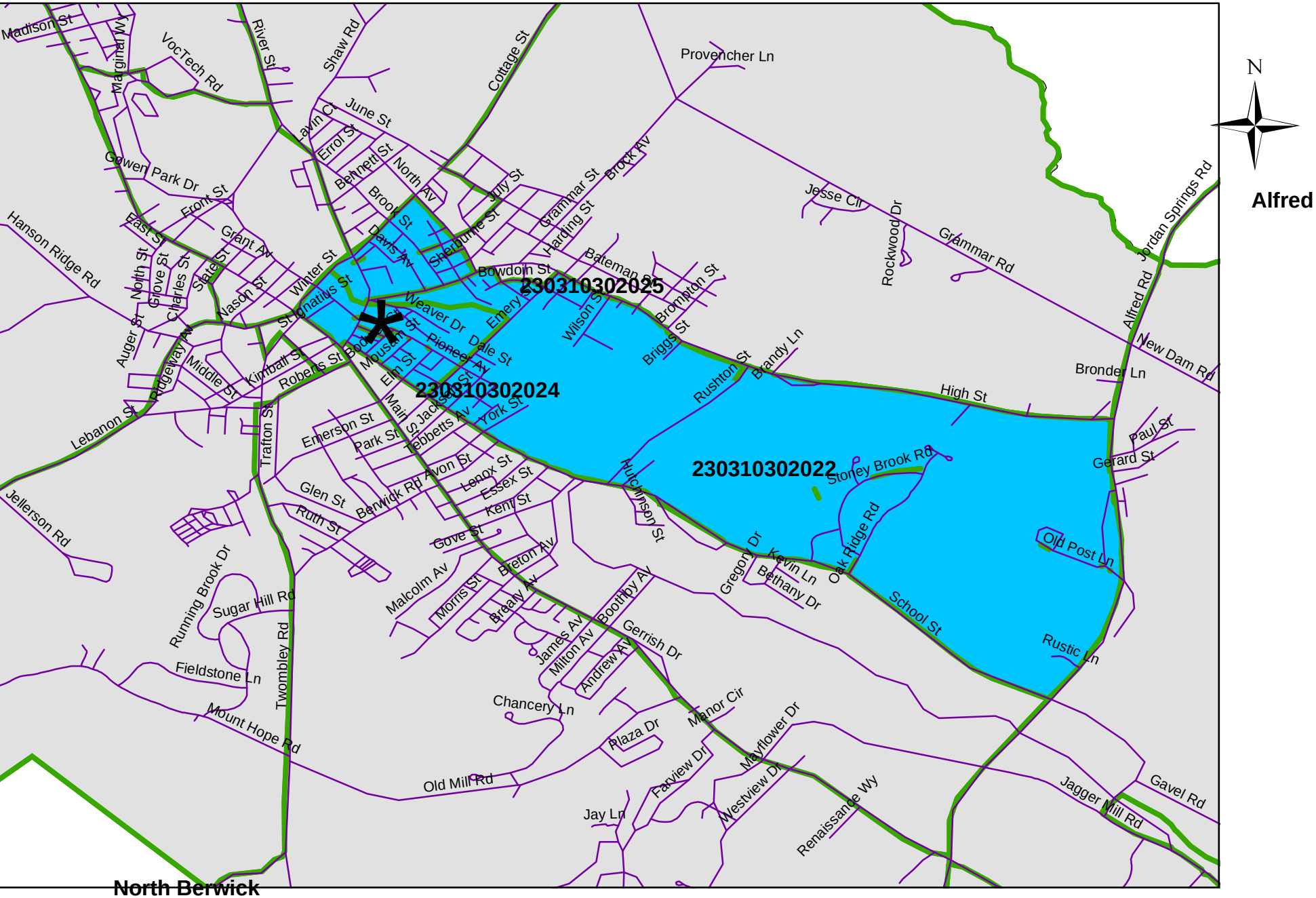
Activity Number 2	
Activity Name	Main Street Homes
Use	Select all that apply: ☐ Eligible Use A: Financing Mechanisms ☒ Eligible Use B: Acquisition and Rehabilitation ☐ Eligible Use C: Land Banking ☐ Eligible Use D: Demolition ☐ Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR570.201a, 24 CFR 570.204
National Objective	Low Moderate Middle Income Housing (LMMH)
Activity Description	The City of Auburn is applying for $650,000 in NSP3 funding to support the acquisition and rehabilitation of a vacant property into 4 attached homeownership townhouses. The building to be demolished is a former bowling alley, has been vacant for over 5 years, and is a source of blight in the neighborhood. The construction of residences will create an attractive urban infill project of owner units to anchor this south end of the Main Street Neighborhood. Two units will be sold to households at or below 120% of area median income and 2 units targeted to households under 80% of area median income. The neighborhood will be stabilized with additional home owners who will continue to make an investment in the neighborhood throughout their ownership. A blighted building will be removed and the replacement building will highlight the medium density residential history of the neighborhood and create a visual foundation for the Main Street corridor. Implementation of a Local Hiring Initiative with a goal to have at least one-third of all construction contracts awarded to local vendors, or to contractors whose workforce is comprised primarily of Auburn residents, will ensure that NSP3 funds have the greatest possible economic impact in the target area. This neighborhood is in census tract 101 which has the highest concentration of low income households in the City.

Location Description	Main Street, Auburn, Maine in census tract 230010101002	
Budget	**Source of Funding**	**Dollar Amount**
	NSP3	$650,000.00
	HOME	$50,000.00
	Developer Contribution	$370,000.00
Total Budget for Activity		$1,070,000.00
Performance Measures	4 Homeownership units	
Projected Start Date	7/1/2011	
Projected End Date	6/30/2014	
Responsible Organization	**Name**	City Of Auburn
	Location	60 Court Street Auburn Maine
	Administrator Contact Info	Reine Mynahan, 207-333-6600, RMynahan@ci.auburn.me.us

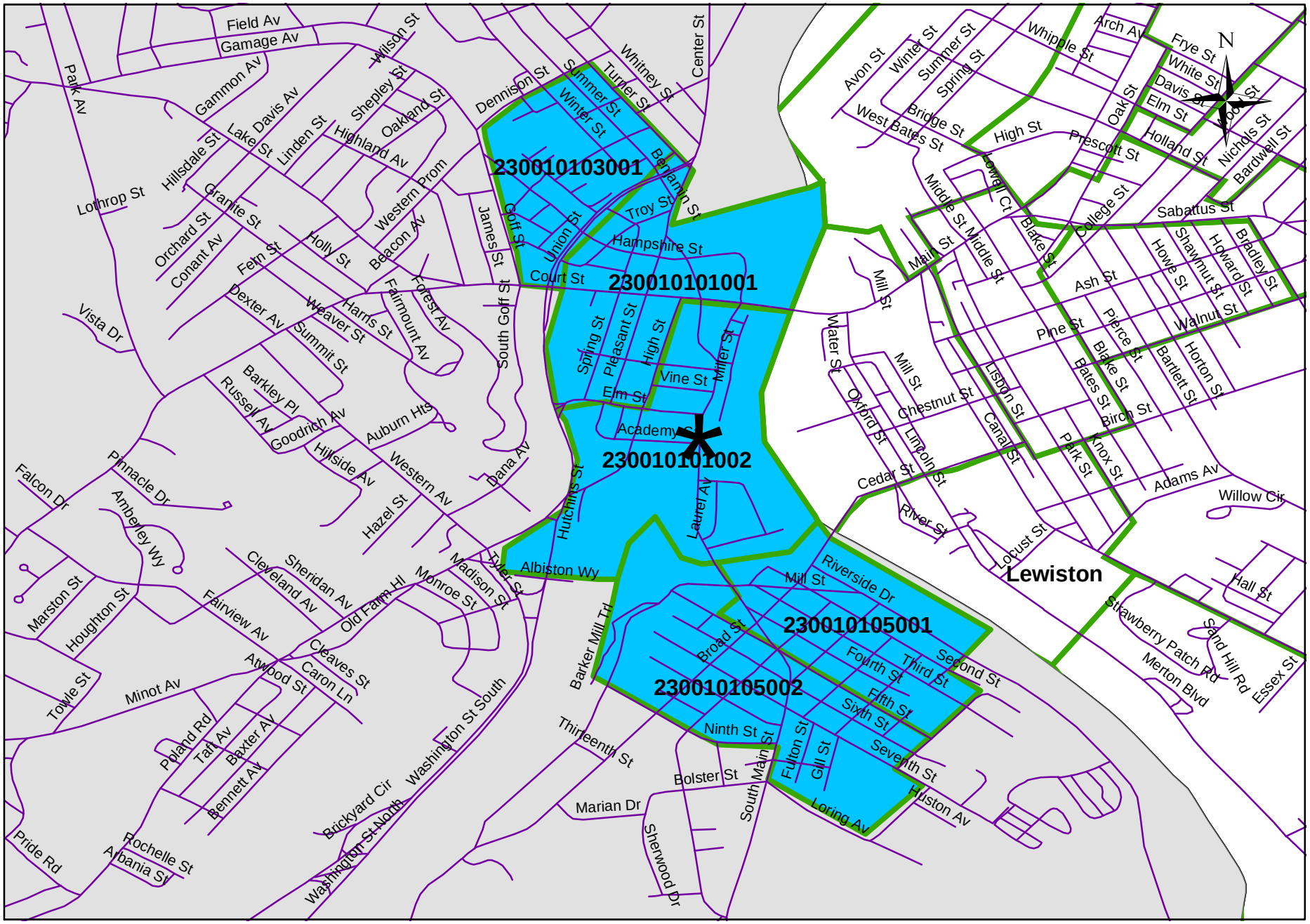
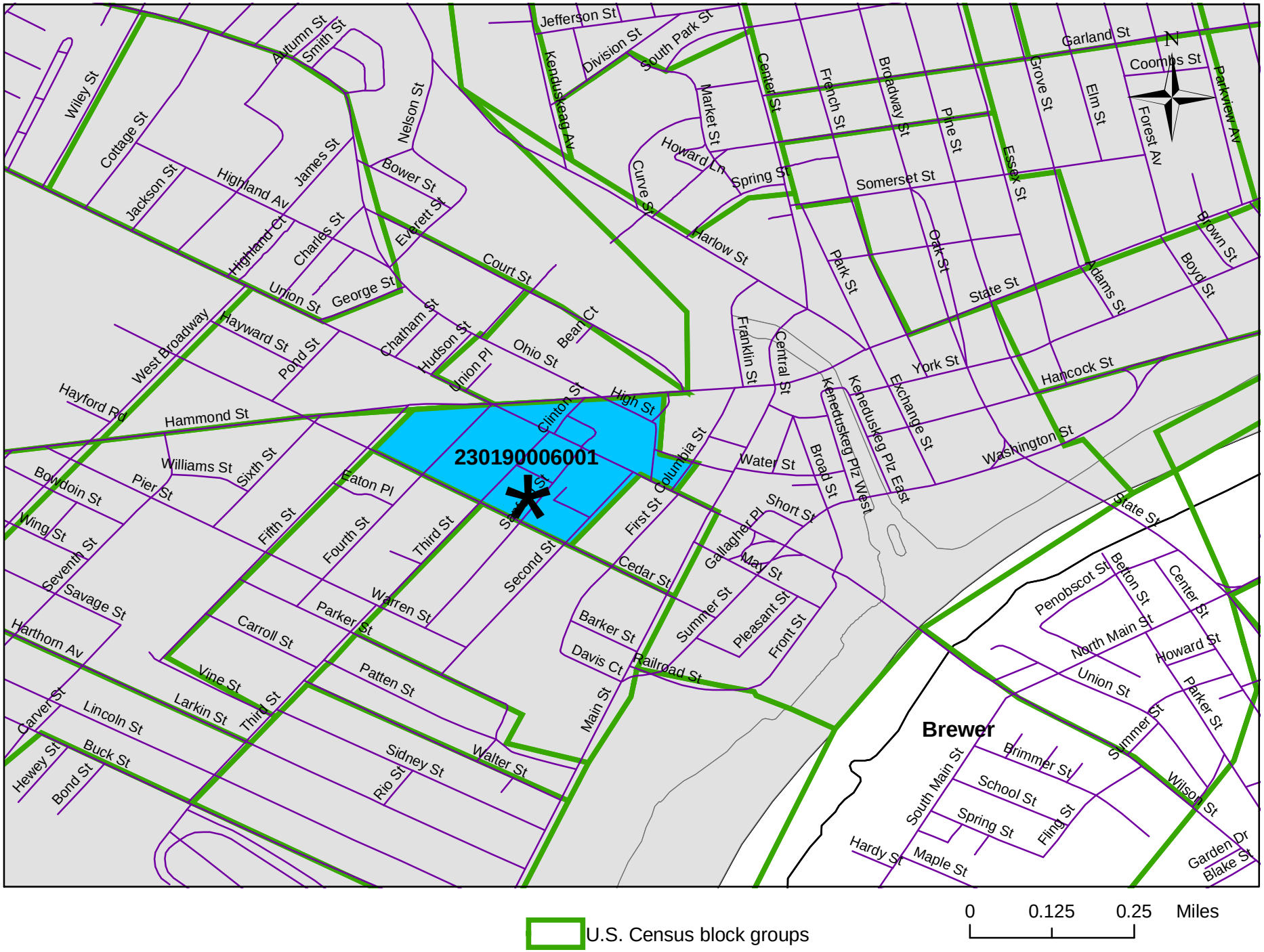
Activity Number 3		
Activity Name	Chester Place	
Use	Select all that apply:	
	☐	Eligible Use A: Financing Mechanisms
	☒	Eligible Use B: Acquisition and Rehabilitation
	☐	Eligible Use C: Land Banking
	☐	Eligible Use D: Demolition
	☐	Eligible Use E: Redevelopment
CDBG Activity or Activities	24CFR 570.201a, 24CFR 570.202	
National Objective	Low Moderate Middle Income Housing (LMMH)	
Activity Description	The City of Bangor is applying for $450,000 in NSP3 funding to support the acquisition and rehabilitation of foreclosed 4 unit rental property. This project is near the bus line and downtown for close proximity to all amenities. The property is a large building and the impact of its renovation will be very visible. The recent renovation of the nearby YMCA removed several blighted properties, this project would add to that impact. This project is also in very close proximity to two NSP1 projects in the same target area which will create an additional impact for that area. Implementation of a Local Hiring Initiative with a goal to have at least one-third of all construction contracts awarded to local vendors, or to contractors whose workforce is comprised primarily of local residents, will ensure that NSP3 funds have the greatest possible economic impact in the target area.	
Location Description	Chester Place, Bangor, Maine in census tract 230190006001	
Budget	**Source of Funding**	**Dollar Amount**
	NSP3	$450,000.00
	(Other funding source)	$0.00
	(Other funding source)	$0.00
Total Budget for Activity		$450,000.00

Performance Measures	4 units of affordable rental housing	
Projected Start Date	7/1/2011	
Projected End Date	6/30/2014	
Responsible Organization	**Name**	City Of Bangor
	Location	73 Harlow Street Bangor Maine
	Administrator Contact Info	Rosie Bradley, 207-992-4240, rosie.bradley@bangormaine.gov

NSP 3 Priority Block Groups in Sanford



NSP 3 Priority Block Groups in Auburn



NSP 3 Priority Block Groups in Bangor