

**265—21.3(16) Program guidelines.** For-profit and nonprofit sponsors are eligible to apply for assistance under this program based on the following program guidelines:

**21.3(1)** Projects meeting the following criteria are eligible for assistance:

*a.* In the case of adult day services:

(1) Set aside 40 percent of the admissions for those with incomes at or below 40 percent of area median income (AMI) for the county in which the property is located;

(2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay;

(3) Accept third-party reimbursement, including Medicaid 1915(c) waiver(s), and meet the standards set forth in 441—Chapter 77; and

(4) Become and remain certified as an adult day services provider as set forth in 481—Chapters 67 and 70.

*b.* In the case of respite services:

(1) Provide services to underserved people in the community;

(2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay;

(3) Accept third-party reimbursement, including Medicaid 1915(c) waiver(s), and meet the standards set forth in 441—Chapter 77; and

(4) Meet all local, state and federal requirements subject to health care limits of the proposed setting.

*c.* In the case of congregate meals, establish and maintain a contract with the area agency on aging to provide congregate meals under the standards established for such a program under the federal Older Americans Act.

*d.* In the case of programming space for health and wellness:

(1) Adopt research-based practices to prevent disease and improve overall wellness, resulting in measurable outcomes for participants;

(2) Provide educational opportunities on disease prevention, physical activity, and nutritional choices; and

(3) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay.

*e.* In the case of programming space for health screening:

(1) Use a licensed health care professional to provide screening and assessment services within the limits of the professional's license;

(2) Provide services to underserved people in the community; and

(3) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay.

*f.* In the case of programming space for nutritional assessments:

(1) Use a registered dietitian to provide assessment and counseling services;

(2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay; and

(3) Accept third-party reimbursement for nutritional counseling, including one or both of the following:

1. Medicaid 1915(c) waiver(s) and meet the standards set forth in 441—Chapters 77 and 78;

2. The Older Americans Act, 42 U.S.C. §3001 et seq., and meet the standards set forth in 441—Chapter 228.

*g.* A demonstrated market need for the project and a good location, both as determined by the authority in its sole discretion.

*h.* Assistance provided under this program enables the project to maintain financial feasibility and affordability for at least the term of the loan.

*i.* Maintenance and debt service reserve funds are adequately funded, as determined by the authority in its sole discretion.

*j.* Comply with all applicable federal, state and local laws and rules related to the specified service or services offered by the sponsor.

**21.3(2)** The following types of activities are eligible for assistance:

- a.* Acquisition and rehabilitation.
- b.* New construction.
- c.* Rehabilitation to expand a current program.
- d.* Such other similar activities as may be determined by the authority to fall within the guidelines and purposes established for this program.

**21.3(3)** Assistance will be provided upon the following terms and conditions:

- a.* The minimum loan amount is \$50,000, and the maximum loan amount is \$1 million. The maximum loan term and amortization period are each 20 years.
- b.* The acceptable debt service ratio and loan-to-value ratio will be calculated and determined by the authority.
- c.* Interest rates will be set by the authority, in its sole discretion.
- d.* Loans shall be secured by a first mortgage; provided, however, that in limited cases the authority may consider a subordinate mortgage when the first mortgage is held by another entity.
- e.* Recipients of assistance must agree to observe several covenants and restrictions, including but not limited to recorded affordability and transfer restrictions, all in accordance with such loan and mortgage documents as may be required by the authority under this program.
- f.* Recipients shall execute such documents and instruments and must provide such information, certificates and other items as determined necessary by the authority, in its sole discretion, in connection with any assistance.

**21.3(4)** Loan fees.

- a.* Loan fees are as follows:
  - (1) Commitment fee (construction period) – 1.0 percent of the loan amount.
  - (2) Commitment fee (permanent loan) – 2.0 percent of the loan amount.
  - (3) Inspection fee – 0.5 percent of construction loan amount.
  - (4) Application fee – 0.3 percent of total loan amount requested, payable with the submission of loan application.
- b.* The authority may, in limited cases, reduce such fees if necessary in connection with assistance provided under this program. Such decision will be made in the sole discretion of the authority.
- c.* The authority will refund to the borrower one-half of the permanent loan commitment fee if the borrower's loan is paid off within five years of the closing of the loan.

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