

# December 19, 2023 Board Packet

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**Board of Commissioners Meeting – December 19, 2023 9:00 a.m. to 12:00 p.m.**

MEMBERS OF THE BOARD: Frank O'Hara (Chair), Daniel Brennan, Henry Beck, Laura Buxbaum (Vice Chair), Nancy Harrison, Elizabeth Dietz (Secretary), Renee Lewis, Noël Bonam, and Paul Shepherd

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9:00	<b>Adopt Agenda (VOTE)</b>	All
	<b>Remote Commissioners</b>	Frank O'Hara
	- Reason remote	
	- Any other persons at their location	
	<b>Approve minutes of November 21, 2023 meeting (VOTE)</b>	All
	<b>Communications and Conflicts</b>	All
	<b>Chair of the Board Updates</b>	Frank O'Hara
	- Elect Officers (Secretary and Vice Chair) of the Board (VOTE)	
9:20	<b>Director Updates</b>	Dan Brennan
9:45	<b>Adopt DOE Weatherization State Plan (VOTE)</b>	Amanda Roy/Ashley Carson
10:00	<b>New Series Resolution (VOTE)</b>	Tom Cary
10:20	<b>Final Review &amp; Adoption of the 2024 Budgets (VOTE)</b>	Darren Brown
11:00	<b>Homeless Update</b>	Lauren Bustard
	<b>Department Reports:</b>	All
	Asset Management	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Vouchers	
	Human Resources & Facilities	
	Information Technology	
	Planning and Research	
	2024 Board Calendar	
	<b>Adjourn (VOTE)</b>	All

The next meeting of the Board is scheduled for January 16, 2024  
virtually and in person at 26 Edison Drive, Augusta, Maine

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Minutes of the Board of Commissioners Meeting November 21, 2023

## **MEETING CONVENED**

A meeting of the Board of Commissioners for MaineHousing convened on November 21, 2023 at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on November 10, 2023 in Central Maine newspapers. Notice of Board of Commissioners meetings is also on MaineHousing's website at [www.mainehousing.org](http://www.mainehousing.org).

Chair Frank O'Hara called the meeting to order at 9:00 a.m. Director Dan Brennan, Commissioners Elizabeth Dietz, Nancy Harrison, Paul Shepherd, Renee Lewis, Laura Buxbaum, and State Treasurer Henry Beck all attended in person. Commissioner Noël Bonam was absent. There was a quorum present.

## **PUBLIC ATTENDANCE**

Guests and staff present for all or part of the meeting included: Ashley Carson, Chief Counsel; Jimmy Puckett, Counsel; Adam Krea, Senior Director of Finance and Lending; Karen Lawlor, Executive Administrator; Jamie Johnson, Senior Director of Operations; Lauren Bustard, Senior Director of Homeless Initiatives; Genevieve Soucy, Director of Energy & Housing Services; Scott Thistle, Communications Director; Erik Jorgensen, Senior Director of Government Relations & Communications; Jonny Kurzfeld, Director of Planning & Research; Allison Gallagher, Director of Housing Choice Vouchers; Craig Given, Director of Information Technology; Darren Brown, Director of Finance; Andrew Thomas, Help Desk Analyst II; Jane Whitley, Director of Human Resources and Facilities; Tom Cary, Treasurer; Joshua Cole, Data Analyst; Amanda Roy, Manager of Weatherization; DeAnna Trask, Weatherization Program Officer; Greg Payne, Senior Advisor for Housing Policy; Laura Mitchell, Maine Housing Coalition; Ross Anthony, Buildings and Energy Efficiency Analyst; and Gerrylynn Ricker, Paralegal and Note taker.

## **ADOPT AGENDA**

*Commissioner Lewis made a motion seconded by Commissioner Dietz to adopt the November 21, 2023 agenda.*

## **APPROVE MINUTES OF OCTOBER 24, 2023 MEETING**

*Commissioner Buxbaum made a motion seconded by Commissioner Harrison to accept the October 24, 2023 minutes as written.*

## **COMMUNICATIONS AND CONFLICTS**

Chair O'Hara received some correspondence from a former dissatisfied employee.

## **CHAIR OF THE BOARD UPDATES**

- Chair O'Hara visited the new Portland homeless shelter and went to Preble Street.

## **DIRECTOR UPDATES**

Director Brennan reported issues, his activities and upcoming matters as follows:

- Activities:
  - Met with Tom Fritzche, Executive Director of Pine Tree Legal Assistance.

- Telephone conversation with Jason Woolwine who works with a HUD committee that Senator Collins is closely related to. He reached out to us. The conversation was around performance based contract administration.
  - Attended the opening of West End II in South Portland.
  - Met with the Land Bank Authority as an *ex officio* member. Will be hosting their next meeting here at MaineHousing.
  - Met with Nancy Owens, President and Co-Founder of Evernorth. She stressed how raising capital is more challenging then it was in the past.
  - Director of Development, Mark Wiesendanger and Director Brennan met with developers Yard South down in South Portland.
- Upcoming events:
    - Climate Council meeting on December 1<sup>st</sup>.
    - NCSHA Executive Directors meeting in New Orleans December 3<sup>rd</sup> through the 5<sup>th</sup>.
    - Going to Co-Chair a task force with New Mexico's Director on the housing finance agencies relationship with Federal Home Loan Banks around the country.
    - Federal Home Loan Bank of Boston meeting in Boston on December 6<sup>th</sup> and 7<sup>th</sup>.
    - Should be doing the 90% award announcements soon.
  - MaineHousing Activities:
    - Senior Director of Government Relations and Communications, Erik Jorgensen and our Planning and Research team just completed the Sunset Review document. We complete this every seven years for the State Legislature.
    - HEAP program is fully funded.

## **DOE WEATHERIZATION STATE PLAN PUBLIC HEARING**

Chief Counsel Ashley Carson opened the public hearing. She introduced the Commissioners and Manager of Weatherization, Amanda Roy. Amanda reviewed the stakeholder process. There being no comments from the public, the hearing was adjourned at 9:33 a.m.

## **LEGISLATIVE AND GOVERNOR'S OFFICE UPDATES**

Senior Director of Government Relations and Communications, Erik Jorgensen gave a quick overview of current events in the legislature. The Housing Committee has been meeting. The last month has been dominated by the legislative council screening bills that were submitted for the 2<sup>nd</sup> session. Erik explained the appeal process. He discussed a couple bills around shelters; a bill Senator Daughtry has to give money to commercial banks to buy down rates for construction; and the HOME fund. He talked about re-writing the growth management statute. Erik then introduced Greg Payne, Senior Advisor for Housing Policy in the Governor's Office Policy Innovation and the Future. Greg handed out a sheet entitled "Key Housing Initiatives Approved in the First Session of Maine's 131<sup>st</sup> Legislature". Greg highlighted key points included in the handout. Greg reviewed the Nation-leading Housing First initiative to end chronic homelessness in Maine. He talked about the over \$20 million in emergency housing and shelter supports; the new zoning and land use initiatives to support increased housing opportunities for Maine people; and tenant supports and protections. He finished with mentioning the significant strengthening of Maine's housing preservation statute; the \$300,000 allocated through LD 470 for the abatement of lead paint hazards in residential housing; and the \$2 million allocated for the capital costs of a food security hub to provide 10,000 hot meals each day for people experiencing homelessness or food insecurity statewide.

## **PRELIMINARY 2024 BUDGETS**

Director of Finance Darren Brown presented the 2024 preliminary budgets. Darren highlighted the cover memorandum and five attachments included in the Board packet. He explained that the 2024

preliminary budgets reflect continuing improvements with MaineHousing's financial position and performance. This year's operating results and profitability have been favorably impacted by the much higher interest rate environment. MaineHousing's financial position and performance is expected to remain strong in 2024. A consistent level of loan production and growth in mortgage loan assets and significant program funding from federal and state sources will contribute to substantial net operating income next year. Net operating income for 2024 is not projected to be at an amount comparable to this year. There is much uncertainty as to where interest rates will be throughout 2024 and the reduction is partly due to interest rate assumptions used for non-mortgage investments. Nevertheless, revenues are projected to exceed expenses by \$16 million in 2024. Darren reviewed the major components of the two primary business segments – mortgage lending activities and the program administration activities. The Commissioners had the opportunity to ask questions and provide input prior to the final budget presentation and vote at the December 19<sup>th</sup> meeting.

## **HOMELESS UPDATE**

Senior Director of Homeless Initiatives, Lauren Bustard started her presentation discussing the Portland City Council meeting where there was a motion put forward to change an ordinance so that folks can camp basically anywhere in the City except certain places they will identify through April, 2024 without the fear of sweeps. That did not pass. They will not be allowing camping all over the City, which means there could be more sweeps. This will delay the outreach teams to go into the camps and get people into shelters. Lauren did report on some good news. Ten agencies were awarded funding totaling \$1.4 million for the 2023-2024 Winter Overnight Warming Shelter program. This funding will create shelter for more than 300 unsheltered people each night for November 15, 2023 through April 30, 2024, the coldest part of the year. She also reported on the housing navigation pilot program that was funded through the MJRP funding, this program has been running about a year and they have housed 500 people. Also, the Housing Problem Solving program have served 368 households and 77% have been resolved, they did not enter into the Homeless Response System. The rapid rehousing program has served 379 households and have housed 114 people. Unfortunately that program is going to lose some funding next year.

## **RESOURCE ALLOCATION/2024 GOAL SETTING**

Senior Director of Operations, Jamie Johnson reviewed the long-term commitment to the priorities of homelessness, multifamily production, and homeownership. Looking forward to 2024 we will further focus on the priorities of climate and energy, and internal and external systems, specifically in the areas of planning and research, diversity, equity, inclusion, and belonging; internal communications; and continuous process improvement.

Senior Director of Finance and Lending, Adam Krea handed out a draft discretionary resource allocation for the year ending December 31, 2023 and the second page for the year ending December 21, 2024. Adam reviewed the breakdown of available resources which was just a little over \$97.5 million. The discretionary funds aren't totally at our discretion. The \$26.8 million StateHOME fund, 25% must go to production units; one-third of the \$4.2 million FedHOME must go to rental assistance and two-thirds on production; Housing Trust Fund \$2.7 million is for 100% on units that are extremely low income; the MEHER funds of \$9.8 million has to have soft money subsidy for units; the \$35 million State General Fund Appropriation is divided between small rural housing and 4% deals; and lastly, the unspent ERA 2 of \$19 million has to have up to 10% for housing navigation and 90% on units of 50% AMI or below.

**ADJOURN**

*State Treasurer Henry Beck made a motion seconded by Commissioner Buxbaum to adjourn the meeting. The meeting was adjourned at 11:42 a.m. by unanimous vote of the Board.*

Respectfully submitted,

Elizabeth Dietz

## Legal Department Memorandum

**To:** Dan Brennan

**From:** Ashley Carson

**Date:** November 27, 2023

**Subject:** Sole Source Procurement to continue contracting with Legal Services for the Elderly and Pine Tree Legal Assistance for Rental Eviction Legal Assistance Services for 2024

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### **Background**

MaineHousing has been partnering with Pine Tree Legal Assistance and Legal Services for the Elderly since 2021 following the submission of successful proposals by each agency to MaineHousing's RFP for *Rental Eviction Legal Assistance*. In 2023 MaineHousing provided funded to both agencies due to the continued need for eviction prevention, which is directly connected to MaineHousing's mission, to assist Maine people in obtaining and maintaining quality affordable housing and services suitable to their housing needs.

The continued need for eviction prevention services is ongoing. Both Pine Tree Legal and Legal Services for the Elderly have seen significant increases in the number of eviction cases being handled. Additionally, access to legal representation has a significant impact on housing stability. Tenants with representation are 85% more likely to avoid an eviction judgment than those who lacked representation. With the support of MaineHousing, both agencies have been able to provide more wide-spread representation and reach more tenants than ever before. Therefore, maintaining a relationship with Pine Tree Legal Assistance and Legal Services for the Elderly is important in the coming year to ensure Maine people are assisted with their housing needs.

### **Request**

MaineHousing would like to continue to support eviction prevention and the work done by these agencies and is therefore looking to enter into contracts with Pine Tree Legal and Legal Services for the Elderly for a term of January 1, 2024 to December 31, 2024.

The rationale for this request falls under the Uniqueness category in MaineHousing's procurement policy, Section II(G)(1) as well as the Emergency or Urgent Need category, Section II(G)(2):

- **Uniqueness:** you must determine that the goods or services are available from only one source, based on a reasonable, good faith review of the market for the type of goods or services needed.
- **Emergency or Urgent Need:** an emergency or other urgent need exists and only one known source can provide the required goods or services within the time needed.

Legal Services for the Elderly is a statewide organization that provides the only legal services in Maine focused exclusively on helping disadvantaged seniors who face legal problems that involve their basic human needs. Therefore, these services are only available from one source, and are necessary to protect the elderly population which includes some of the most economically vulnerable individuals.

Pine Tree Legal Assistance is the primary legal aid program that provides eviction defense to low-income Mainers throughout the entire State. There is no other organization in the State of Maine that has such far reaching services, making Pine Tree Legal the only available source to represent low-income Mainers in all parts of the State.

Pine Tree Legal Assistance's will receive \$289,000 for 2024. Legal Services for the Elderly's will receive \$191,000 for 2024. Unfortunately, due to the reduction in funding this year, the amounts MaineHousing is able to provide have decreased, but MaineHousing believes the funds being provided will still make a great impact in the coming year.

MaineHousing's procurement policy outlines the following process for amounts exceeding \$150,000:

- MaineHousing's Director must approve the sole source solicitation in advance after consultation with the Chair of MaineHousing's Board of Commissioners and a report of the purchase, including its cost and the reason for the sole source procurement, must be made to the Board of Commissioners at its next scheduled meeting.

I am hopeful that you will provide written approval so that the contracts can be presented to the Board at the next Board meeting. Please let me know if you have any questions. Thank you.

ACKNOWLEDGED & APPROVED

11/27/2023

Date



Daniel Brennan

Director, Maine State Housing Authority



**Energy and Housing Services Department Memorandum**

**To:** Dan Brennan  
**From:** Genevieve Soucy  
**Date:** November 11, 2023  
**Subject:** Sole Source Procurement for a Licensed Occupational Therapist

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**Request**

Home Modification Occupational Therapy Alliance is currently contracting with several states to provide Occupational Therapist (OT) services for the Older Adult Home Modification (OAHM) program.

We are requesting approval to contract with Home Modification Occupational Therapy Alliance to provide virtual occupational therapy assessments to increase unit production and meet benchmarks in assisting older Mainers in remaining safe in their homes.

**Inadequate Competitive Proposals**

MaineHousing's Procurement Policy, Section IV Procurement Process and Thresholds, allows for procurement of goods and services by soliciting a proposal from only one source if it meets the necessary requirements. Section IV (3) lists Inadequate Competitive Proposals as an exception to normal procurement requirements. MaineHousing issued a request for proposals ("RFP") and received one response. The response received did not align with MaineHousing's Older Adult Home Modification grant.

**Background**

MaineHousing was awarded a one million dollar Older Adult Home Modification (OAHM) Grant from the U.S. Department of Housing and Urban Development (HUD). MaineHousing's application was approved by HUD without the inclusion of an occupational therapy assessment. During an informal review conducted by HUD it was determined that an occupational therapy assessment would be required for the remainder of the grant period.

ACKNOWLEDGED & APPROVED

11/17/2023

Date



Daniel Brennan

Director, Maine State Housing Authority

## Energy & Housing Services Department Memorandum

**To:** Maine State Housing Authority Board of Commissioners

**From:** Amanda Roy, Manager of Weatherization

**Date:** December 8, 2023

**Subject:** Intent to Proceed with 2024 Maine DOE WAP Application and State Plan

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At your December 19, 2023 meeting, we will ask you to adopt the 2024 Maine DOE WAP Application and State Plan provided in your Board Packet. As part of the annual application process for administering the Department of Energy Weatherization Assistance Program (WAP), MaineHousing (Grantee) must submit to the Department of Energy (DOE) a State Plan application for program year 2024 (beginning 4/1/2024 – 3/31/2025). The WAP is designed to provide quality weatherization services to Maine's aging housing stock. As a result, making energy efficiency improvements and reduce the household's energy consumption and cost of heating their homes, as well as install measures to eliminate health and safety hazards. Priority will be given to households that are HEAP eligible with a high energy burden that include a household member who is elderly, a person with disabilities or a child under 6 years old.

As you know, the public hearing was held on November 21, 2023. The comment period has expired and no comments were received. No further revisions were made to the 2024 Maine DOE WAP Application and State Plan.

### **PROPOSED MOTION:**

*To adopt the 2024 Maine DOE WAP Application and State Plan included in your board packet as described in this memo from Amanda Roy dated December 8, 2023.*

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
(Grant Number: DE-EE0009906,) State: ME, Program Year: 2024

**IV.1 Subgrantees**

Subgrantee	City	Tentative	
		Funding	Units
Aroostook County Action Program	Presque Isle	\$616,985.00	53
Community Concepts, Inc.	South Paris	\$1,042,520.00	91
Downeast Community Partners	Ellsworth	\$479,230.00	39
Kennebec Valley Community Action Program	Waterville	\$934,903.00	81
Penquis Community Action Program	Bangor	\$942,306.00	83
Waldo Community Action Partners	Belfast	\$240,212.00	14
Western Maine Community Action	East Wilton	\$240,212.00	15
York County Community Action Corporation	Sanford	\$454,000.00	36
<b>Total:</b>		\$4,950,368.00	412

**IV.2 WAP Production Schedule**

Weatherization Plans	Units
Total Units (excluding reweatherized units)	412
Rewatherized Units	0

Average Unit Costs, Units subject to DOE Project Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B	Total Units Weatherized	412
C	Total Units Reweatherized	00
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	412
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$3,295,892.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	412
H	Average Program Operations Costs per Unit (F divided by G)	\$8,000
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$8,000

**IV.3 Energy Savings**

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**(Grant Number: DE-EE0009906,) State: ME, Program Year: 2024**

Method used to calculate energy savings: MaineHousing will be using the DOE WAP algorithm to calculate energy savings. Other (describe below)

Estimated energy savings (Mbtus): \$12,013

This year estimated energy savings: \$12,013

Prior year estimated energy savings: \$7,823

#### IV.4 DOE-Funded Leveraging Activities

See Maine 2024 DOE State Plan Master File.

#### IV.5 Policy Advisory Council Members

Suzanne MacDonald, Chair	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376•2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Glenn Pole, Vice Chair	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376•2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Kenneth Colburn, Treasurer	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376•2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Joan Welsh, Secretary	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376•2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Heather Furth	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (207) 376-2463 Email: <a href="mailto:efficiency@efficiencymaine.com">efficiency@efficiencymaine.com</a>
Mark Isaacson	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376•2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Christopher Rauscher	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376•2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Daniel Brennan (Maine State Housing Authority Ex Officio)	Type of organization: Unit of State Government, Maine State Housing Authority Phone: (207) 626•4600 Email: <a href="mailto:dbrennan@mainehousing.org">dbrennan@mainehousing.org</a>

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**(Grant Number: DE-EE0009906,) State: ME, Program Year: 2024**

Dan Burgess (Governor's Energy Office Ex Officio)	Type of organization: Unit of State Government, Governor's Energy Office Phone: (207) 624-7446 Email: <a href="mailto:daniel.burgess@maine.gov">daniel.burgess@maine.gov</a>
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**IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)**

Date Held	Newspapers that publicized the hearings and the dates the notice ran
November 21, 2023	<i>Notice of Public Hearing was published on November 7, 2023 in the following daily newspapers:</i> <i>Kennebec Journal</i> <i>Waterville Morning Sentinel</i> <i>Brunswick Times Record</i> <i>Portland Press Herald</i> <i>Bangor Daily News</i>  <i>The public hearing transcript will be sent to the DOE Regional Office as part of Maine's 2023 DOE Application.</i>

**IV.7 Miscellaneous**

Genevieve Soucy is named as MaineHousing's Recipient Business Officer and is the representative authorized to act on behalf of MaineHousing to negotiate the award. All DOE official correspondence related to the award will be addressed to the Recipient Business Officer.

Genevieve Soucy is named as MaineHousing's Recipient Principal Investigator and is the technical representative authorized to act on behalf of MaineHousing as project manager for the award. The Recipient Principal Investigator is the prime point of contact for the DOE Project Officer during the project period of performance and will receive a copy of all DOE official correspondence related to the award.

**Program Partners:**

Grantee WAP management staffs attend regularly scheduled monthly meetings with Subgrantee Housing Directors. These meetings provide ongoing opportunities for Subgrantees to provide input regarding WAP implementation, including suggestions for changes and content in the DOE Annual State Plan.

**Weatherization Readiness Funds (WRF):**

Maine State has the fifth oldest housing stock in the nation. Many Maine homes are older than 1940 and are in need of repairs before any weatherization measures can be installed. MaineHousing will follow DOE guidance in 23-4 and use WRF funds to provide necessary repairs (e.g., Health and Safety issues, structural) in dwellings that have been deferred from receiving weatherization services. MaineHousing's Subgrantees maintain a list of homes deferred for weatherization services that will benefit from the WRF funding.

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**(Grant Number: DE-EE0009906,) State: ME, Program Year: 2024**

Distribution of WRF Funds: MaineHousing will distribute the funds among each of our eight Subgrantees. The Subgrantees will identify projects from their deferral tracking list to complete repairs using WRF funding.

WRF Household Prioritization: MaineHousing will require Subgrantees to use the same prioritization method used to determine priority for weatherization services. Priority for weatherization services is identified through HEAT Enterprise based on household composition, annual energy consumption usage for heat (cost), and poverty level. Households with an older adult (60 years or older), a person with disabilities, and/or a child younger than six (6) years of age will be given priority for WRF and weatherization services.

Restrictions related to the funding: WRF funding will be restricted to eligible site-built single family and manufactured housing. CAA must certify that home will receive WAP services after the WRF tasks have been completed. Projects that receive WRF must also be weatherized using DOE WAP funding. The DOE funded weatherization job must be completed within 6 months of the WRF job completion.

Grantee Monitoring of WRF activities: The Grantee will work closely with the Subgrantee personnel to ensure there is quality workmanship, financial systems and procedures in place. Grantee Technical staff will inspect each Subgrantee's completed work to verify compliance with the Installation Standards set forth by DOE SWS and Maine State Building codes. The Grantee will monitor/inspect a minimum of 10% of the WRF completed units.

The Grantee will track the funds for each building and unit including the measures/repairs and costs associated with the WRF completion through HEAT Enterprise. The funds will be monitored as part of the annual monitoring of the Subgrantee to ensure funds are expended in accordance with this plan and to ensure the end result is a completed weatherization unit.

Average Cost per Unit (WRF ACPU): The WRF ACPU is set at \$15,000.00. However, MaineHousing will consider additional cost waivers on a case-by-case basis for projects that exceed the ACPU limit.

**Work in Progress:**

Grantee intends to apply to DOE for use of the regional priority lists. Maine is located in Region 3 (cold) and intends to apply to DOE to use all three established regional priority lists: single-family site-built homes, manufactured homes, and low-rise multifamily projects. The Grantee will work with the DOE Technical Project Officer to apply for and implement these lists for the Maine WAP network.

Policy Advisory Council: 2009 Public Law Chapter 372, An Act Regarding Maine's Energy Future, repeals 5 MRSA §3327, which established the Energy Resources Council, and places oversight of energy related programs under the jurisdiction of the Efficiency Maine Trust as of July 1, 2010. The new law requires that "after July 1, 2010, the Maine State Housing Authority, prior to applying for federal funds on behalf of the State...for weatherization, energy conservation and fuel assistance pursuant to the Weatherization Assistance for Low Income Persons Program administered through the United States Department of Energy and the Low Income Home Energy Assistance Program administered through the United States Department of Health and Human Services, shall submit to the board for its review and input the authority's implementation plans for the use of such funds. The plans must provide for coordination by the Maine State Housing Authority in its use of such funds with the programs administered by the trust.... The Maine State Housing Authority shall include in its plans any recommendations of the board to the extent the recommendations are consistent with the applicable federal guidelines governing the use of the funds." The Efficiency Maine Trust is controlled by a board of nine voting members. The statutory membership includes the Director of the Maine State Housing Authority, the Director of the Governor's Office of Energy Independence and Security and seven members appointed by the Governor that adequately represent the interests of commercial energy consumers, industrial energy consumers, small business energy consumers, residential energy consumers, and low income energy consumers. The body as a whole must include persons with knowledge and experience in financial matters, consumer advocacy, conservation fund programs, carbon reduction programs, and climate change policy.

The Efficiency Maine Trust reviewed MaineHousing's draft plans for the 2024 DOE WAP program at its October 25, 2023 meeting.

**U.S. Department of Energy  
WEATHERIZATION ASSISTANCE PROGRAM  
STATE PLAN MASTER FILE**

**(Grant Number DE-EE0009906, State: ME, Program Year: 2024)**

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## V.1 Eligibility

### V.1.1 Approach to Determining Client Eligibility

#### 1. *Provide a description of the definition of income used to determine eligibility*

Definition of Low Income. Grantee has chosen to use the definition of household income, as described in the Home Energy Assistance Program Rule. Incomes calculated using this definition are adjusted as needed to align with WPN 23-3 PY 2023 *Poverty Income Guidelines and Definition of Income*<sup>1</sup>, WPN 22-5 *Expansion of Client Eligibility In the Weatherization Assistance Program* and any related DOE guidance thereafter, to determine household energy burden and eligibility.

Income Verification. Subgrantees obtain required income documentation and verify income eligibility as part of the intake process to certify households eligible to receive fuel assistance benefits from the Department of Health and Human Services' Low-Income Home Energy Assistance Program (HEAP). If a household member receives either TANF or SNAP assistance, the household will have Categorical Income Eligibility for HEAP, as the Maine Department of Health and Human Services has already vetted the household income. Only those households who have Categorical Income Eligibility or whose income has been verified within the previous 12 months to be at or below 200 percent poverty level are considered for weatherization services. Subgrantees will re-verify income eligibility prior to commencing an energy audit for households whose application eligibility certification has expired. Subgrantees are required to ensure client eligibility during the period in which services are delivered. Clients that do not qualify for HEAP, but are still at or below 200% of poverty or for those that choose not to apply for HEAP, but still want weatherization services will be required to complete a DOE Weatherization Assistance Program only application and provide all required documentation to determine Program eligibility.

#### 2. *Describe what household eligibility basis will be used in the Program*

Grantee has chosen the following definition of low income for the basis of eligibility for the Weatherization Assistance Program (WAP): Low income means that income in relation to household/family size is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

#### 3. *Describe the process for ensuring qualified aliens are eligible for weatherization benefits*

A household may include:

- a. An alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 210 of the Immigration and Nationality Act by approval of an application and are categorized as Special Agricultural Workers (SAWS) who perform seasonal agricultural work during a specified period of time; or
- b. An alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 245A and 210A of the Immigration and Nationality Act by approval of an application and who is aged, blind and/or has a disability as defined in Section 1414 (a)(1) of the Social Security Act (Public Law 74271); or
- (c) Cuban or Haitian aliens as defined in Public Law 96422, Section 50I (e).

Households are considered eligible if alien members have a "Green Card" or show permanent residence (I-551 Alien Registration Card, Passport, I-688 Employment Authorization Card, I-766 Employment Authorization Document, I-94 with R-1 or R-2 status designation).

### V.1.2 Approach to Determining Building Eligibility

#### 1. *Procedure to determine that units weatherized have eligibility documentation*

Eligible Dwellings: Household members must meet one of the following eligibility criteria to be considered for weatherization services and to assure compliance with the requirements of 10 CFR 440.22:

- a. A dwelling unit shall be eligible for weatherization assistance if it is occupied by a household who has Categorical Income Eligibility or whose income is at or below 200 percent of the poverty level and/or meets the eligibility for assistance under the Low Income Home Energy Assistance Act of 1981 as



b). Prior to weatherizing entire rental buildings, a specific eligibility test will be applied. Not less than 66 percent (or 50 percent in the case of rental dwellings of two (2) or four (4) dwelling units), must be eligible or must become eligible dwelling units within 180 days under a federal, state or local program for rehabilitating the building or making similar improvements to the building.

Multi-family eligibility – (WPN) 22-5 expanded WAP’s categorical income eligibility to include HUD means-tested programs’ income qualifications at or below 80% of Area Median Income (AMI). WPN 22-5 was accompanied by three spreadsheets listing HUD properties which were categorically or potentially income eligible.

[Weatherization Memorandum 109: Eligible Buildings - U.S. Department of Housing and Urban Development \(HUD\) Lists \(energy.gov\)](#)

**Undue or Excessive Enhancements.** Grantee conducts desk reviews on weatherization jobs to confirm that no undue or excessive enhancements occurred to the value of the dwelling unit. If costs are questionable, an “Open Item Report” is issued to the Subgrantee. Dialog and documentation determines whether the cost is allowable. If not, it is removed from the DOE billing and the subgrantee uses non-WAP funding.

The Maine State Housing Authority (Grantee) maintains available data of previously weatherized homes and assists Subgrantees in determining compliance with the re-weatherization requirements. For weatherization jobs completed in the prior 15 years Grantee and Subgrantee rely primarily on records maintained by the Subgrantee. Weatherization jobs completed between 1998-2008 are tracked in Grantee's Central Heating Improvement Program and Weatherization Jobs SIR database. Weatherization jobs completed 2009-September 2016 are tracked in Grantee's ECOS database. Weatherization jobs completed October 2016 to present are tracked in Hancock Software's web-based energy audit software system referred to as HEAT Enterprise (HEAT Enterprise). Multi-family projects will be tracked in the DOE MulTEA database upon DOE's approval for the use of the database.

- a. An individual audit for each dwelling unit;
- b. Energy savings calculations based on the American Society of Heating and Refrigerating and Air Conditioning Engineers (ASHRAE) fundamentals; and

- c. A comprehensive health and safety protocol. Prior to initiating any weatherization activities, Subgrantees are required to evaluate the physical condition of the home, the mechanical systems, and building tightness.

If the structure fails to meet minimum standards as to Structural Integrity and Health & Safety, weatherization must be deferred until the issue is resolved. See V.1.2.5 Deferral Process and V.5.2 Energy Audit Procedures.

Grantee complies with its State Historic Preservation Office (SHPO) Programmatic Agreement (PA) to satisfy DOE's Section 106 requirement for all structures eligible for weatherization.

Grantee complies with DOE WAP Memorandum 110, Historic Preservation Review Process for Utilizing Weatherization Funds on Tribal Lands, to follow the written procedures of Historic Preservation on Tribal land.

## **6. Describe how rental units/multifamily buildings will be addressed**

Grantee intends to weatherize rental units/multifamily buildings with the DOE Grant Funds.

Rental units will be eligible for WAP provided that the Subgrantee has obtained written authorization from landlords/building owners and not less than 66% (50% for duplexes and four-unit buildings, and certain eligible types of multi-family buildings) of the dwelling units in the building are: (i) eligible dwelling units, or (ii) will become eligible dwelling units within 180 days under a Federal, State or local government program for rehabilitating the building or making similar improvements.

The Subgrantee is required to ensure that the benefits of the weatherization assistance on rental units accrue primarily to the low income tenants residing in the units and that no undue or excessive enhancement occurs to the value of the rental units. Additionally, the Subgrantee must require that the landlords/building owners execute the Weatherization Rental Agreement, to ensure that for a period of one (1) year following the weatherization work, the tenants in that rental unit will not be subjected to rent increases unless the increases are demonstrably related to matters other than the weatherization work performed. The Weatherization Rental Agreement further requires adherence by the landlords/owners to the requirements of 10 CFR §440.22(b)(3) and §440.22(c)-(e), as laid out in the Weatherization Assistance Program Guidance.

If the landlords/owners increase the rent in violation of the Weatherization Rental Agreement and the Weatherization Assistance Program Guidance, the landlords/owners must repay the full cost of the weatherization assistance. Any dispute as to the circumstances for a rent increase will be reviewed by the Subgrantee or MaineHousing, if requested by the Subgrantee, landlord/owner or tenant.

Grantee will consider using a competitive process to attract a new Subgrantee or Subgrantees to weatherize multifamily units. WAP will be working closely with the DOE Project Officer and the new multifamily Subgrantee(s) to ensure that all DOE approvals and training needs are met. Priority will be given to identifying and providing weatherization assistance to: older adult persons, persons with disabilities, families with children, high residential energy users, and households with high energy burden. Multifamily buildings because of their size and character, may offer an opportunity to meet many of these priorities. When addressing "significant energy improvements" in multifamily dwellings, WAP will contact the DOE Project Officer and refer to the WPN 22-12 Multifamily Weatherization and WPN 22-13 Weatherization of Rental Units.

Eligible Dwelling Units. Grantee intends to weatherize rental dwelling units occupied by income eligible (low-income) tenant(s), providing a direct benefit to the low-income tenant(s). In the event of 2-4 unit buildings, one of the units may be occupied by the owner. Grantee, consistent with Department of Energy guidance, requires the weatherization of the entire building not just the low-income units.

Prioritization. Rental unit buildings will be prioritized similar to single unit buildings: tenants with the highest energy use and highest energy burden (as a percentage of income) will receive priority. DOE funding is used to weatherize multi-family unit buildings provided at least 66 percent of residents in a three (3) unit property and 50 percent in a two (2) or four (4) unit property (determined on a building-by-building basis in a multi-building property) meet WAP income guidelines or HUD categorical eligibility.

Written Permission. Prior to conducting the energy audit, the Subgrantee must verify the ownership of the unit/building and secure landlord's/owner's and tenant's consent, in writing, to proceed with weatherization measures. In addition, the landlord and tenant are required to sign a Weatherization Rental Agreement before the Subgrantee can proceed with weatherization. The provisions of this Agreement include:

- a. **Rent Increases:** Secure landlord's/owner's and tenant's signature on a Weatherization Rental Agreement that prohibits an increase for twelve (12) months because of any increase in the value of the property due solely to the weatherization work.
- b. **Sale of Property:** If the property is sold within one (1) year of the completion of weatherization work, the owner may be required to reimburse the Grantee for the cost of the weatherization material installed.

Tenant Complaints. Customer survey cards, client phone calls, and client comments during site monitoring are tracked by Grantee. Grantee technicians, program and management staff engage with clients and Subgrantees as needed to address issues. Closure is documented in applicable Grantee databases.

## **7. Describe the deferral process**

Some dwelling conditions or client circumstances may require deferral of weatherization until the issues are resolved. Documentation of all activities in the client's file is required. "Deferral" does not necessarily mean that the home will not receive weatherization services, but that until the conditions are rectified, the weatherization services are temporarily postponed.

Deferral of Services Policy. See Grantee's Weatherization Assistance Program Guidance, Section 6(J) for Grantee's *Deferral of Weatherization Services Policy*, which provides the guidelines for Subgrantees when a building should be deferred because the building is not appropriate for weatherization.

Deferral Tracking. All deferred jobs, including the reason for deferral, are entered and tracked in an excel spreadsheet developed by DOE and electronically in the appropriate system of record (Heat Enterprise or ORNL's MulTEA when approved).

Deferral Notification: Subgrantee provides a written *Notice of Deferral* to each deferred client with the reason for deferral. A copy of the *Notice of Deferral* is retained with the weatherization job in HEAT Enterprise.

Once the applicant notifies the Subgrantee that the deferral reason(s) have been resolved/addressed the applicant will receive priority for WAP providing they still meet WAP eligibility.

Clients have the right to appeal the decision to defer WAP services. They must make this request by contacting the Manager of Weatherization Services in writing within 30 calendar days of the date the Deferral of Services Notice was signed. The request must include the reason(s) why they don't agree with this decision along with any documentation that will show that the deferral reason was made in error or not accurate.

### **V.1.3 Definition of Children**

Definition of children: younger than six (6) years of age.

### **V.1.4 Approach to Tribal Organizations**

Grantee has five federally recognized Indian Tribes and each of them participate in the HEAP fuel assistance, as well as HEAP and DOE weatherization programs (WAP): Penobscot Indian Nation; Houlton Band of Maliseets; Aroostook Band of Mic Macs; Passamaquoddy Tribe, Pleasant Point; and Passamaquoddy Tribe, Indian Township. Grantee and the Indian Tribes maintain annual Memorandums of Understanding that outline the disbursement terms of WAP funds for these Tribal Entities.

The low-income members of an Indian tribe shall receive benefits equivalent to the assistance provided to other low-income persons within Maine. Grantee allocates funds to five (5) tribal organizations based upon the number of eligible HEAP clients. This has resulted in three percent of Grantee's DOE grant award being allocated to the five (5) tribes. Actual administration of the weatherization programs within tribal organizations' land is provided by Subgrantees that service areas include Counties in which Indian Tribes are located.

Process: Tribal organizations process HEAP fuel assistance applications for tribal members and verify eligibility for benefits. Subgrantees contact the local tribal organizations to obtain eligible HEAP fuel assistance applications, as well as contact information for tribal members that are at 200% or below poverty guidelines that do not meet HEAP fuel assistance income eligibility or who have not applied for fuel assistance. Upon receipt of the applications/information, audits and weatherization jobs will be scheduled.

## **V.2 Selection of Areas to Be Served**

Selection Method. In the case of areas currently served by a Subgrantee established under Section 222(a)(12) of the Economic Opportunity Act of 1964, as amended, funds available under this program will be granted to that Subgrantee for the same geographic area. Any new or additional Subgrantees shall be selected at a hearing in accordance with 10 CFR Section 440.14(a), as amended, and upon the basis of the criteria set forth in 10 CFR 440.15(a), as amended.

Grantee's WAP serves all counties statewide through eight (8) Subgrantees. Each Subgrantee is, in fact, a Community Action Agency or other public or non-profit entity. Grantee intends to expand the Subgrantee Network to add additional non-profit organizations to provide WAP services.

The Grantee ensures that each Subgrantee is selected on the basis of public comment received during a public hearing conducted pursuant to 440.14(a) and other appropriate findings regarding:

- a. The Subgrantee's experience and performance in weatherization or housing renovation activities;

- b. The Subgrantee's experience in assisting low-income persons in the area to be served; and
- c. The Subgrantee's capacity to undertake a timely and effective weatherization program.

In selecting a Subgrantee, preference is given to any Community Action Agency or other public or non-profit entity, which has, or is currently administering, an effective program under this part or under Title II of the Economic Opportunity Act of 1964. Program effectiveness is evaluated by consideration of factors including, but not necessarily limited to the following:

- a. The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;
- b. The quality of work performed by the Subgrantee;
- c. The number, qualifications, and experience of the staff members of the Subgrantee; and
- d. The ability of the Subgrantee to secure volunteers, training participants, public service employment workers, and other federal or state training programs.

**Subgrantee Removal.** In the event that a Subgrantee is unable to complete the terms of its Subgrantee Agreement, or if Grantee determines that the Subgrantee cannot fulfill its obligations under the Subgrantee Agreement, Grantee will reach out to other Subgrantees to fulfill the terms of their Subgrantee Agreement and work with the Subgrantees to extend their WAP services into the territory needing service coverage or Grantee will select new Subgrantee pursuant to 10 CFR Section 440.14(a), as amended, and upon the basis of the criteria set forth in 10 CFR 440.15(a), as amended Contracts would be amended as needed to accommodate the change in service area. This process ensures that WAP services are delivered with minimal interruption to clients if this type of situation was encountered.

### **V.3 Priorities**

**Prioritization.** Priority for weatherization services is identified through HEAT Enterprise, based on household composition, annual energy consumption usage for heat (cost), and poverty level. This process gives priority to households with high residential energy users and high energy burden. Households with an older adult (60 years or older), a person with disabilities, and/or families with children younger than six (6) years of age are given priority for weatherization services. Grantee reports this information in the Quarterly Performance Report submitted to DOE. Data from Grantee's fuel assistance database (referred to as LIHEAP Cloud) is uploaded annually into HEAT Enterprise and becomes the basis for determining priority and wait lists. HEAT Enterprise calculates a WAP ranking for each household by assigning points based on household income, home energy costs, and households with children age 6 or less. The maximum number of points allotted to a household is 20, which would result in the highest priority.

**Wait Lists.** Subgrantees are required to develop and maintain a wait list consisting of HEAP eligible households. Households on the Subgrantee's wait list should be weatherized in order of ranking according to HEAT Enterprise. Households with the highest WAP ranking have the highest priority. A Subgrantee may move up an eligible household's priority based on geographic considerations (e.g., if a high priority weatherization project is out of town, another dwelling with a lower priority ranking in the same area may also be weatherized during or at the same time to save on travel costs) or because the Subgrantee is funding the project with additional other resources.

### **V.4 Climatic Conditions**

Maine's weather and geography directly affect energy consumption in homes. Heating requirements vary from south to north based on the District Heating Factors for the United States. Maine's 7500 to 9800 degree day environment mandates consideration of heating needs. In order to meet the additional heating needs of those in the northern and western portions of Maine, the Grantee uses a sliding scale of allocation based on recorded Heating Degree Days (HDD).

Maine's Hancock Software Energy Audit Tool (HEAT Enterprise) accounts for localized climatic variances by using climate data from the National Oceanic and Atmospheric Administration (NOAA). Heating degree hours are calculated using state climate data associated with each Maine zip code. The data set that is used to determine HDD can be found at [NOAA.org](http://www.ncei.noaa.gov/access/search/data-search/normals-hourly-1991-2020). ([www.ncei.noaa.gov/ access/search/data-search/normals-hourly-1991-2020](http://www.ncei.noaa.gov/access/search/data-search/normals-hourly-1991-2020)).

Maine's Heating Degree Days by County (HDD):

Subgrantee	Service Area – counties	Heating Degree Days
Aroostook County Action Program	Aroostook	8,204
Community Concepts, Inc.	Androscoggin, Oxford	6,904
Community Concepts, Inc.	Cumberland	6,248
Downeast Community Partners	Washington, Hancock	6,734
Kennebec Valley Community Action Program	Kennebec, Somerset	7,255
Kennebec Valley Community Action Program	Lincoln, Sagadahoc	6,170
Penquis Community Action Program	Penobscot, Piscataquis	7,257
Penquis Community Action Program	Knox	6,352
Waldo Community Action Partners	Waldo	6,856
Western Maine Community Action	Franklin	8,078
York County Community Action Corporation	York	6,301

## V.5 Type of Weatherization Work to Be Done

### V.5.1 Technical Guides and Materials

Technical Guides. Standards for the proper installation of materials and procedures are described in the *Maine Weatherization Standards* and the *Maine Field Guide* which are located on the Grantee's website <https://www.mainehousing.org/partners/partner-type/community-agencies/maine-weatherization-programs>.

The *Maine Weatherization Standards* are aligned with the companion Maine Field Guide, which embodies SWS applicable to the Maine Weatherization Assistance Program. While the *Maine Weatherization Standards* and the Maine Field Guide are fully aligned, the documents are distinct. The *Maine Weatherization Standards* provides more overview and detail on overarching goals and guidance for delivery of weatherization services. The Maine Field Guide format provides clear quality standards for specific measures and test procedures using concise SWS language and photographs, and is well suited for direct use in the field.

Notification/Distribution to Subgrantees. Grantee has created and maintains a dedicated web portal for Subgrantees, which provides electronic access to current versions of technical guides, program updates, procedure manuals, standard documents, relevant client education brochures, and a link to all WAP Program Notices and Memoranda. See <http://www.mainehousing.org/partners/partner-type/community-agencies>.

Notifications of updates to program manuals or guidance are posted to the HEAT Enterprise Home/News page. This page is maintained as a "Bulletin Board" and includes highlights of updates, implementation dates and directions to guidance as applicable. Since all users view the Home/News page on log-in, this ensures that Subgrantee field staff are apprised of and directed to the details of important updates as they are implemented.

Program updates and notifications are emailed to Subgrantee Housing Directors and posted on our web portal.

Required Language. All Subgrantee Agreements contain the following language: "Subgrantee agrees to ensure that the standard work specifications for work quality outlined in WPN 22-4, Section 1, will be met and that all contracts with vendors will contain the same requirement." The Subgrantee's signature on the Agreement confirms that all expectations contained in the Subgrantee Agreement, Work Plan, and Budget are understood and implemented. The Subgrantee must deliver the executed Agreement, with Work Plan and Budget to the Grantee for approval before WAP funds will be disseminated.

All weatherization work is performed in accordance to DOE approved energy audit procedures and 10 CFR 440 Appendix A.

NEPA Review. Subgrantees may only perform activities identified in the current NEPA Maine determination.

Maine Field Guide type approval dates.

Maine Weatherization Field Guide (Single-family and Mobile Home) DOE approved on September 23, 2021

<b>Special Materials/Audit Procedures Approvals</b>	
<b>Item</b>	<b>Comments</b>
Social Cost of Carbon Inclusion	Approved 12/4/2022
Energy Star Light Emitting Diode (LED) Lighting	Approved 10/4/2022
Energy Star Refrigerators	Approved 10/4/2022
Rigid Foam Board Insulation Complying with ASTM C 1289	Approved 8/24/2022
Lifetime Changes	Approved 7/30/2020
Spray Polyurethane Foam (SPF) Insulation	Approved 11/27/2018

## **V.5.2 Energy Audit Procedures**

### ***Audit Procedures and Dates Most Recently Approved by DOE***

Audit Procedure: Single-Family

Audit Name: Other (specify) 12/5/2016 Hancock Software

Approval Date: 8/24/2022 DOE approved HEAT v1.0.1(G015-SP8)

Audit Procedure: Manufactured Housing

Audit Name: Other (specify) May 22, 2017 Hancock Software

Approval Date: 8/24/2022 DOE approved HEAT v1.0.1(G015-SP8)

Audit Procedure: Multi-Family

Audit Name: Other (specify) Weatherization Assistant Multifamily Tool for Energy Audits (MulTEA)

Approval Date: MaineHousing is currently applying for ORNL's MulTEA web based energy audit system.

### ***Comments***

1. Grantee's energy audits consists of the following components:
  - a. an individual audit for each dwelling unit,
  - b. energy savings calculations based on ASHRAE fundamentals, and
2. A comprehensive health and safety protocol. Prior to initiating any weatherization activities, Subgrantees are required to evaluate: the physical condition of the home, the mechanical systems, and building tightness. Evaluation of the physical condition of the home and its mechanical systems is accomplished using blower door tests, combustion efficiency analysis, ventilation assessment, fossil fuel appliance combustion safety testing, and moisture level evaluation. Results determine the necessity for various remedial actions, which must be accomplished prior to weatherization, as well as whether investing program dollars in the structure is appropriate.
3. Grantee's health and safety procedures, as described in the Maine Weatherization Standards require a total assessment of the home. Briefly, and not all inclusive, the auditor is required to assess the home from basement to attic using HEAT Enterprise:
  - a. list possible pollutant sources;
  - b. record any observable pollutant indicators;
  - c. interview the client as to health problems and lifestyle;
  - d. test all combustion appliances to the degree allowed by law as to efficiency and safe operation;
  - e. perform zone pressure diagnostic testing if applicable;
  - f. determine combustion air requirements and assess the adequacy of the existing combustion air supply;
  - g. test for spillage, back-drafting, and venting capability of all combustion exhaust vents; and
  - h. check CO production of all combustion appliances.
    - Homes that fail combustion safety tests must be deferred until corrective action is taken. Homes with unvented fossil fuel heaters cannot be weatherized until such heaters are removed, except when ANSI approved and used as secondary heat only. In addition, no weatherization activity that will affect the drying capability of the home may be undertaken until all necessary moisture control activities have been completed. After the weatherization measures are completed, the home must be checked again to ascertain that all combustion appliances are operating safely. If homes fail to meet minimum standards as to Structural Integrity and Health & Safety, weatherization must be deferred until the issue is resolved. Once a deferred home becomes eligible for weatherization, all energy audit diagnostics, including blower door testing and combustion safety testing, must be redone to establish a new baseline for the building conditions. Documentation of all activities in the client file is required.
4. Grantee standard work specifications are embodied in the *Field Guide* and is posted on the Grantee's website. This measures selection system applies to all types of dwelling units and is based on instrumented audits interacted with ASHRAE 62.2–2016 based calculations for energy use, actual installation and energy



costs and material lifetimes to produce a savings investment ratio (SIR)-driven work order. These calculations will be conducted using HEAT Enterprise.

5. Grantee requires Subgrantees to utilize, to the degree allowed by law, diagnostic equipment including blower doors, combustion analyzers, hygrometers, CO analyzers, digital manometers and infrared cameras. Mandated tests include blower door tests, combustion efficiency analysis, minimal ventilation assessment, fossil fuel appliance CO testing, and moisture level evaluation.
6. Grantee's HEAT Enterprise uses the basic heat loss equation for conductive heat loss, (BTU/hr times area times degrees Fahrenheit over "R") taken from the ASHRAE 62.2–2016 Fundamentals Handbook, for pre and post weatherization energy use. Included in the calculations are heating degree-day correction factors and a blower door "N" factor when necessary. The results are checked against actual consumption whenever possible (HEAP vendors are required to provide consumption data; clients are asked to provide fuel bills during the audit). As the database grows, any necessary adjustments to correction factors will be made. Grantee's energy audit calculates SIRs for each contemplated weatherization measure, which reflect local heating degree-day figures and a heating degree-day correction factor.
7. In HEAT Enterprise, material lifetimes were updated based on DOE input and are the most conservative generally accepted by the industry. Installation costs are established by using actual subcontractor and supplier bids as well as crew installation costs at each Subgrantee.
8. A SIR is calculated for each contemplated energy conservation measure (ECM). Measures are arranged in descending order of payback by HEAT Enterprise with any individual measure with a SIR of less than 1 being considered "unallowable" unless paid for with another funding source (non-DOE). It is possible for the Subgrantee to elect to do fewer measures than proposed on any given job as long as measures are accomplished in the order established by HEAT Enterprise.
9. Projected incidental repair costs are also calculated and added to the total cost. Incidental repair costs are capped at 15 percent of the total cost of weatherization tasks being completed (conductive + air infiltration + mechanical tasks) in a contract period. Overall calculated SIR for activities excluding health and safety must be equal to or greater than 1. Grantee's audit system assigns an energy savings to air infiltration reduction as determined by reduction of the CFM50 figure from blower door testing. As there is no way to accurately predict a post weatherization CFM50 figure, Grantee may waive the SIR requirement for the aggregate of air infiltration reduction measures on a case-by-case basis if the overall payback requirement is not met by the post blower door test.
10. All weatherization work is performed in accordance to DOE approved energy audit procedures and 10 CFR 440 Appendix A. Supplemental DOE Approval for Spray Foam as an Air Sealing (Infiltration) Material as well as Insulation Material approved November 27, 2018

### **V.5.3 Final Inspection**

Every DOE WAP unit reported as a completed unit receives a final inspection by the Subgrantee's BPI certified Quality Control Inspector (QCI), to ensure that all work meets the minimum standard work specifications as outlined in the National Renewable Energy Laboratory (NREL) Single-Family Quality Control Inspector Job Task Analysis. The QCI must complete and provide an Inspection Completion Form to Grantee for every completed unit, certifying that the weatherization materials and measures were properly installed in accordance with the Grantee WAP standards.

Grantee conducts desk reviews on up to 100 percent of completed jobs, based on Subgrantee performance. Grantee will only authorize payment to the Subgrantee when satisfied that all work is completed in accordance with the work quality requirements outlined in WPN 22-4, Section 1. The Subgrantee is notified of any job not in compliance and is required to take the steps necessary to complete the job. In addition, the Grantee will perform quality assurance inspection reviews of at least 5 percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.

Subgrantee Agreements outline disciplinary action for inadequate inspection practices, as well as other duties not performed in accordance with expectations contained in the Agreement. *To wit:* Grantee shall notify the Subgrantee of the respects in which the Subgrantee's performance is deficient and the time period Subgrantee has to conform its performance. In the event the Subgrantee fails to correct deficiencies in its performance within the specified time, Grantee may withhold Subgrantee's funding under the Agreement until Subgrantee is in compliance.

If a Subgrantee weatherizes a project that is financed/owned by the Subgrantee, or sufficient reserves are in place for the project to incur these costs, without prior approved clearance, the Grantee has the right to refuse to reimburse for weatherization costs incurred.

Maine Weatherization Standards, Subgrantee Agreements, and Grantee's Weatherization Assistance Program Guidance and Procedures (Section 6), provide policies and procedures that govern the inspection process.

## **V.6 Weatherization Analysis of Effectiveness**

HEAT Enterprise system reports are used as tools by the Grantee to monitor Subgrantee WAP production. Additionally, the HEAT Enterprise system calculates an Energy Savings Report for each job that includes pre-R, post-R as well as annual and lifetime BTU savings for the dwelling. Grantee plans to implement the following procedures to analyze the effectiveness of weatherization projects:

1. Grantee reviews estimated energy savings calculations and reports produced by HEAT Enterprise, which also prioritizes all activities in all types of housing addressed by WAP.
2. Grantee surveys recipients of weatherization services and shares results with Subgrantees performing the work.
3. Grantee's Energy and Housing Services team (EHS) communicates regularly with Subgrantee weatherization technicians through telephone, email and onsite visits.
4. Grantee's EHS staff participates in monthly Housing Council meetings and Building Technician Committee (BTC) meetings hosted and attended by Subgrantees directors, managers and technical staff. These meetings provide a platform to receive and solicit feedback from Subgrantees regarding technical concerns, training and other areas that may need improvement. Grantee will implement training based on need.

Grantee conducts up to 100 percent desk review of all jobs and provides timely feedback to Subgrantees. Grantee's State Monitor Technical Review Checklist and State Monitor Compliance Review Checklist classifies common or problematic areas of work identified during desk audits of each weatherized unit. This checklist includes specific areas of the building model, which prompts the monitor to require that the audit be restated if housing characteristics were not accurately entered into the initial audit. Grantee maintains a database which tracks jobs that have issues, follows-up with the Subgrantee, and documents resolutions.

The desk review process will flag any units that need additional monitoring in the form of a unit inspection. Any uncharacteristic testing numbers, costs, or unusual circumstances and measures will trigger this inspection. These inspections will be considered part of the required Quality Control Inspections. When findings or concerns are found on these inspections, the state monitor will work with the Subgrantee to help them understand how the issue occurred, how to prevent it and provide any additional training as needed.

## **V.7 Health and Safety**

Purpose and scope. The primary goals for Grantee WAP are to implement cost effective weatherization procedures to conserve energy and to assess and correct related health and safety hazards. Materials used for the abatement of such hazards not listed in Appendix A of 10 CFR 440 must meet all standards incorporated by reference and made a part of 10 CFR 440.

1. Subgrantees will be allowed to expend program funds for the abatement of energy related health and safety hazards up to an average of \$1,200 per unit. Grantee health and safety related costs will be charged to either the administrative or training and technical assistance cost category. It is the responsibility of Subgrantees to manage the health and safety expenditure report as part of the billing process. The health and safety costs excluded from the cost effective calculations are tracked separately.  
The cost of eliminating health and safety hazards, which is necessary before or because of installation of weatherization materials, is an allowable expense. Definitions of "minor" or allowable Health & Safety related repairs, and at what point repairs are considered beyond the scope of weatherization are included in the applicable sections of Grantee's 2023 Health and Safety Plan Template, (4.0, 7.6, 7.9, 7.14, 7.16), and are aligned with the Maine Weatherization Standards.

2. Grantee WAP has set parameters by defining allowable minor repairs versus unallowable major repairs for potentially out-of-scope repairs such as roof, structure, moisture, electrical, and worker/client safety. This has greatly reduced the call for case-by-case considerations. However, rigors will be applied to any case-by-case consideration, including cost, Health and Safety risk, SIRs, pursuit of non-WAP resources, and the extent of benefits to especially vulnerable low-income households and individuals per 10 CFR 440.
3. Subgrantees are encouraged to leverage other funds whenever possible when addressing non-cost effective tested items. Problems with the dwelling unit that have no connection with weatherization activities can only be addressed with other funding sources, such as Grantee's *Lead Hazard Reduction Demonstration Grant*, or its *Home Repair Program*. Potential funding sources include, but are not limited to:
  - a. Central Heating Improvement Program (CHIP)
  - b. Community Development Block Grant (CDBG)
  - c. Maine State Housing Authority programs
  - d. City or Town assistance
  - e. USDA Rural Economic Development (formerly FHA)
  - f. Housing and Urban Development (HUD)
  - g. Local church and community groups
  - h. Building Materials Bank
  - i. Habitat for Humanity
  - j. Donations from local businesses
  - k. Landlords

**Intake Procedures.** Per the Maine Weatherization Standards, the auditor's duties include an evaluation of available information starting with viewing the client application, interviewing the client, and assessing the dwelling. A series of tests as outlined in the *Maine Weatherization Standards* and the *Field Guides* are performed in order to identify potential health and safety hazards as well as energy conservation opportunities. The clients sign a WAP Consent Form that specifies, "In consideration of any WAP services received, I have received a copy of the EPA publication The Lead-Safe Certified Guide to Renovate Right and have also been educated on weatherization and health and safety topics pertinent to my home."

**Client Education and Training.** As outlined in WPN 22-7, the auditor makes the client aware of potential hazards and provides them with appropriate instructions and educational materials. The client also receives guidance and information on energy conservation tips, both verbally and through educational materials relating to the subject(s). In addition to various brochures and manuals available to clients, education is provided as the home is being weatherized. Crews, contractors, inspectors and other qualified personnel explain various related concepts as the work progresses. Clients are encouraged to contact appropriate Subgrantee after weatherization if they have any questions, concerns, or wish to report feedback on the conservation efforts.

**Deferral of Services Policy:** See Grantee's *Weatherization Assistance Program Guidance*, Section 6(J) for Maine's *Deferral of Weatherization Services Policy*.

**Grantee Health and Safety Program:** Grantee health and safety related costs will be charged to either the administrative or training and technical assistance cost category. Grantee will follow all Occupational Safety and Health Administration (OSHA) safety regulations, and national, state and local codes as further described under the Subgrantee/Contractor Safety section below.

**Subgrantee/Contractor Safety:** Subgrantees must comply with OSHA requirements in all weatherization activities. When contractors are employed by Subgrantees, those contractors are expected to comply with OSHA requirements as well. The contractors' costs to comply with OSHA, as applicable, are part of their bid price. Related costs for Subgrantees to comply with OSHA requirements may be charged under section 440.18 as health and safety, tools and equipment, incidental repairs, etc.

1. Grantee WAP expects the crews, contractors, and other field personnel to be able to work under conditions that do not jeopardize their own health and safety.
2. Weatherization personnel shall be properly trained in workplace safety and will be provided with necessary protective equipment by their employer. All weatherization workers must comply with EPA's Renovation, Repair and Painting Rule (RRP) and at least one (1) person on each weatherization crew (includes both

subcontractor crews and Subgrantee direct hires) must be trained in Renovation, Repair and Painting (RRP).

3. Subgrantees and contractors are expected to follow the requirements of Construction Industry OSHA Safety and Health Standards (29 CFR 1926/1910).
4. Subgrantees must comply with the OSHA Hazard Communication "Right to Know Program." The program requires chemical manufacturers or importers to assess the hazards of chemicals that they produce or import. It also requires that all employers provide information to their employees about the hazardous chemicals to which they are exposed, by means of a hazard communication program, labels and other forms of warning, material safety data sheets, and information and training. Subgrantees must follow the record keeping requirements for Occupational Injuries and Illnesses.
5. Subgrantees are responsible for maintaining vehicles purchased with federal funds so that they are in safe and proper operating condition.
6. Subgrantees are responsible for ensuring all work performed in client homes abides by federal, state, and local codes and regulations.
7. Grantee verifies contractor and Subgrantee compliance with OSHA 10, Safety Data Sheets (SDS), and RRP requirements as follows:
  - a. As part of the annual bid process, contractors are required to submit RRP certifications. Grantee reviews this documentation to ensure compliance.
  - b. Grantee conducts in-progress monitoring inspections to verify compliance with OSHA 1910 and 1926, RRP, and reviews/compares SDS information to actual products being installed.
  - c. Grantee conducts client interviews to confirm that they received SDS information prior to the installation of WAP measures.

Client Health and Safety. Client health and safety is a priority for Grantee WAP. Through DOE trainings, related trainings at Maine Safety Works, and field training, Grantee has developed a comprehensive plan to ensure safety in energy related areas. Subgrantees are required to have the proper equipment to perform the necessary weatherization tests. Subgrantee personnel are required to attend trainings as determined necessary. Homes constructed prior to 1978 are presumed to contain lead paint. All weatherization clients residing in homes constructed prior to 1978 will receive the EPA publication The Lead-Safe Certified Guide to Renovate Right prior to the commencement of any weatherization activities.

1. Maine's Community Action Agency Building Technology Committee (BTC) meets on a monthly basis to discuss all technical aspects of the weatherization program. The committee consists of a technical representative from each Subgrantee. Through this venue, Subgrantees are continually updated with information and techniques regarding energy conservation and health and safety issues. This system ensures that all Subgrantees are receiving the same information and creates consistency for a quality program statewide.
2. The Weatherization and CHIP programs work in unison to guarantee "A House as a System" approach when conducting an audit.
3. All Subgrantees have blower doors, digital manometers, CO testers, heating system efficiency testers, and hygrometers, as well as other test equipment. All weatherization personnel are required to be trained in energy related health and safety issues and indoor air quality problems. Testing and corrective procedures requiring special licensing on a state level will be referred to the appropriate authority.

Health and Safety Guidance Grantee uses the Table of Issues (adopted in DOE WPN 22-7) as a reference of a majority of conditions that Grantee regards as hazardous. In all cases these conditions will determine the course that weatherization will take. The chart outlines the hazard, the importance of correction, if postponement of weatherization services is necessary, types of testing, and corrective procedures for each hazard. In addition to the prescribed guidance in the Table of Issues, the following will be assessed and addressed, as applicable:

1. Air Conditioning and Heating Systems. Because of Maine's high heating degree-day environment, cooling needs are considered insignificant for Maine dwellings. Therefore, Maine climate conditions do not warrant defining at-risk occupants or the repair or replacement of air conditioning systems under DOE WAP.

2. Asbestos. According to the EPA's *Building Air Quality Guide*, the mere presence of asbestos in a building does not mean that the health of a building occupant is endangered. Asbestos-containing material in good condition, not damaged or disturbed, is not likely to release asbestos into the air.
3. Combustion Appliances and Combustion Gases. Grantee recognizes that combustion gases in homes pose the most serious hazard. As a result, Grantee has adopted a comprehensive plan to ensure safe operation of combustion appliances and to make sure that weatherization procedures do not contribute to a problem.
4. Per the SWS, (2.02 Combustion Safety) CO in the appliance vent, ambient CO and spillage testing must occur as part of a weatherization job. If the mandatory testing results are outside of the allowable limits, a clean, tune & evaluate (CTE) of the heating system must occur as part of a weatherization job.
5. Energy auditors must comply with the rules of the Maine Fuel Board: Prior to performing a combustion safety and efficiency test, a limited energy auditor technician shall obtain the manufacturer's installation and operating instructions for the specific equipment to be tested. Energy auditors must make every effort to obtain an equipment manual on site or online. When a manual is not obtainable, the energy auditor must order a CTE by a licensed Heating Technician. This CTE must be performed prior to invoicing the job. A visual inspection, CAZ pressure test, spillage test, and ambient CO measurement must still be conducted as part of the energy audit.
6. In addition, CTEs should also be conducted as part of routine maintenance and safety practices. Subgrantees must provide in their Work Plan established internal policies that describe how CTEs will be addressed for clients of the weatherization program. Of all the by-products of fuel combustion, carbon monoxide (CO) is deadly. Grantee views any ambient level of CO as potentially dangerous and will be considered a warning signal that a problem exists. Corrective procedures requiring special licensing will be referred to the appropriate authority. Grantee follows guidance provided in the ASHRAE standards.
7. Mold and Moisture. A thorough moisture assessment of the home is done during the audit process and conditions are noted in HEAT Enterprise. The assessment process includes a client interview, visual inspection, measuring humidity levels and blower door testing. Corrective procedures include client education, eliminating/reducing source of moisture, and providing mechanical ventilation as prescribed by ASHRAE standards.
8. Occupant Pre-existing or Potential Health Conditions. Agencies will provide an "Occupant Pre-Existing or Potential Health Conditions" form to the client which explains that some weatherization measures create dust, smells, or other conditions that may aggravate certain health conditions in some individuals. The client will then have the opportunity to self-identify any pre-existing or potential health concerns that may be aggravated by weatherization services.
9. Diagnostic equipment, such as blower doors, will not be used on units where such equipment could exacerbate existing problems (e.g., vermiculite in open floored attics).
10. Spray Polyurethane. Grantee must follow EPA recommendations (available online at <http://www.epa.gov/saferchoice/ventilation-guidance-promote-safe-use-spray-polyurethane-foam-spf-insulation-incluyendo>).

## **V.8 Program Management**

### **V.8.1 Overview and Organization**

Organization Overview. The Maine State Housing Authority (MaineHousing), created in 1969 by the state legislature, is Maine's housing finance agency. MaineHousing is a quasi-state agency with a Board of Commissioners appointed by the Governor and confirmed by the Legislature. MaineHousing administers the DOE Weatherization Assistance Program. MaineHousing's mission statement reads, "The mission of MaineHousing is to assist Maine people to obtain and maintain decent, safe, affordable housing and services suitable to their unique housing needs." In carrying out this mission, MaineHousing provides leadership, maximizes resources, and promotes partnerships to develop and implement sound housing policy.

Since its inception, MaineHousing has provided housing for low and very low-income renters and the opportunity for low and moderate-income Maine families to purchase their own homes. In the more recent past, MaineHousing has expanded its programs to meet new challenges posed by various housing needs: people who are homeless; people with special housing needs (such as mental health consumers); older adults; low income homeowners who cannot afford basic home repairs; and others.

The State of Maine developed the nation's first Weatherization Program in 1973 in response to the energy crisis that gripped the northeast and caused economic hardship across the country. Maine WAP became the model used in developing funding for a program in every state in the nation. The program was originally administered by the Division of Community Services, an executive department agency. It was re-assigned to MaineHousing in 1991.

By its nature, MaineHousing rarely serves its customers directly. It places a heavy reliance on its partners to deliver its programs and services to the households that it serves. These partners include real estate professionals and lenders, non-profit organizations, other government agencies (in particular, Maine Department of Economic and Community Development, and Health and Human Services) municipalities, for-profit corporations, private developers, private property owners, management corporations, and Community Action Agencies. With offices located throughout Maine, nine (9) of Maine's Community Action Agencies serve as Subgrantees for the DOE Weatherization and Low Income Home Energy Assistance Programs (HEAP).

In addition to WAP, MaineHousing serves as Grantee for HEAP, Central Heating Improvement Program and other home repair programs. Weatherization serves as MaineHousing's cornerstone to providing thousands of Maine homeowners and renters with funds to repair and improve their homes. CDBG and other state and federal sources of funds will be used in conjunction with WAP funds to address this home repair crisis. In addition, MaineHousing consistently designates 15 percent of its HEAP grant to weatherization and heating system repair programs.

Review of Subgrantee Work Plans, Budgets, and Reported Results - Grantee requires Subgrantees to provide a Work Plan and Budget for the 2024 DOE program as part of the Subgrantee Agreement. Grantee will review the Work Plan and Budget and request any updates, if necessary, for the program year. No funds will be advanced to Subgrantees until the Work Plan and Budget is reviewed and approved by Grantee. Grantee's EHS staff will perform comparisons of Subgrantees monthly billings versus their approved budgets to identify financial or compliance variances. EHS staff will work with Subgrantees to correct/understand variances as they are identified during this process.

Allocation of Funding to Subgrantees - Grantee will allocate program funding to Subgrantees based on the percentage of HEAP applications approved. Grantee reserves the right to re-allocate funding among Subgrantees during the program year based on program performance and need statewide.

### **Competitive Process for Subgrantees**

Grantee intends to conduct a competitive process to attract new Subgrantees to provide DOE WAP services. The Grantee will ensure that each Subgrantee is selected on the basis of public comment received during a public hearing conducted pursuant to 440.14(a). Grantee will consider:

- a. The Subgrantee's experience and performance in weatherization or housing renovation activities;
- b. The Subgrantee's experience in assisting low-income persons in the area to be served; and
- c. The Subgrantee's capacity to undertake a timely and effective weatherization program.

Preference will be given to a Subgrantee who is currently administering, an effective program. Program effectiveness is evaluated by consideration of factors including, but not necessarily limited to the following:

- a. The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;
- b. The quality of work performed by the Subgrantee;
- c. The number, qualifications, and experience of the staff members of the Subgrantee; and
- d. The ability of the Subgrantee to secure volunteers, training participants, public service employment workers, and other federal or state training programs.

Although preference will be given to Subgrantees currently administering an effective program, Grantee recognizes that with the abundance of job vacancies and labor shortages it may be necessary to enlist less experienced Subgrantees to provide weatherization services. Grantee intends to use the DOE BIL Grant Funds to assist local advocate groups and coalitions in becoming non-profit organizations that could administer the DOE BIL WAP. Through the competitive process, Grantee will solicit applications from these groups and award grants for start-up costs, training, establishment of non-profit status, salaries for key personnel and staff for up to eighteen months, budgeted indirect costs, as well as other approved expenses.

### **V.8.2 Administrative Expenditure Limits**

Pursuant to 10 CFR 440.18(e) Grantee will not allow more than 7.5% of the DOE allocation to be available to Subgrantees for administrative purposes, unless Subgrantees meets the below criteria for an additional 5%. Subgrantees will be required to provide budgets reflecting actual administrative costs, and allocations will be made in accordance with those budgets.

Grantee WAP may allow up to an additional five percent administrative funding for Subgrantees that qualify based on the following criteria:

1. As required by federal regulations, the Subgrantees must receive less than \$350,000 for their total annual sub-granted amount.
2. Subgrantee budgets must reflect reasonably expected administrative costs for the new grant period, which are in excess of the five percent. These expected costs should be based on the best information currently available.
3. The Subgrantees must have no uncorrected audit or monitoring findings regarding the allocation of costs to the DOE sub-grant for the most current period available.

Any Subgrantee meeting criteria defined in 10 CFR 440.18(d) may receive increased administrative funding, not to exceed an additional five percent (20 percent total), based on actual costs incurred. The Grantee will require the Subgrantees to submit a letter of application for additional administrative funding. This letter must address the impact on production and the need for the additional administrative funds as well as the three (3) criteria shown above.

### **V.8.3 Monitoring Activities**

Programmatic/Subgrantee Monitoring. The monitoring approach under the Grantee WAP is to work closely with Subgrantee personnel to ensure continued quality workmanship and to ensure adequate financial systems and procedures. Grantee WAP will administer Quality Control Inspections (QCI) in accordance with SWS outlined in the Field Guides and 10 CFR 440 using both the independent QCI and independent auditor/QCI. This will enable Subgrantees with fewer staff to utilize the process. In all cases QCIs will be Subgrantee employees or hired contractors and the Grantee will perform quality assurance reviews of at least 5 percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.

Comprehensive coverage of all Subgrantee WAP activities is achieved by a combination of regularly scheduled Grantee efforts:

1. Administrative and
2. Fiscal monitoring – annually.
3. Onsite inspection of completed units – monthly.
4. Client file review (Compliance & Technical) – monthly.
5. Subgrantee monitoring – annually.
6. Review of Subgrantee work plans, budgets, and reported results – ongoing.
7. Review of independent Subgrantee annual audits – annually.

Grantee has developed its own monitoring tool that includes reviews of the Subgrantee Uniform Grant Guidance Audit prescribed by 2 CFR 200. Among other things, Grantee has determined that the DOE monitoring tool duplicates many financial and compliance audit requirements under 2 CFR 200 which all Subgrantees must have their independent auditors perform annually. Subgrantees are required to submit their annual independent audit (Single-Audit) report to Grantee as soon as the report is available.

Subgrantee Monitoring: On site monitoring will consist of administrative, programmatic and technical components. All eight of our Subgrantees will have at a minimum one on site monitoring on an annual basis.

1. Annual Subgrantee Administrative Monitoring Review
  - a. Priority & Wait List
  - b. Reweatheringization
  - c. Deferrals
  - d. Contractors & Procurement
  - e. Required Documents
  - f. Energy Audits
  - g. Field Notes
  - h. Licensing & Certifications
  - i. HEAT Audits
  - j. Photo Documentation
  - k. Equipment Compliance
2. Each comprehensive monitoring visit will include an exit interview during which the WAP Program Officer apprises Subgrantee personnel of any findings, recommended improvements, and best practices as applicable. Within 30 days of the Subgrantee Monitoring visit, the WAP Program Officer will prepare and deliver a report to the Subgrantee summarizing any findings and requesting corrective actions. The WAP Program Officer will perform a follow-up review of any corrective action plans within six months of the monitoring visit.
3. If significant issues are identified, Grantee requires the Subgrantee to submit a corrective action plan for Grantee's review/approval. Grantee will conduct a six (6) month follow-up review to ensure the plan was executed and effective in addressing the issues.
4. If Grantee is not able to conduct onsite administrative and/or programmatic monitoring remote desk monitoring will be performed. The same monitoring tools and criteria will be used as much as possible utilizing online software for individual meetings/interviews and information submissions to MaineHousing via Sharefile to obtain the same outcome as a physical onsite.

Financial Monitoring. Grantee staff will perform comprehensive fiscal monitoring of each Subgrantee on an annual basis using the Compliance Review Administrative Monitoring Tool. During the annual fiscal audit, Grantee conducts a 10 percent file review of Subgrantee's production. If a significant issue is cited, Grantee will expand the sample size.

The EHS Fiscal Compliance Specialist addresses the following areas of performance under DOE Weatherization:

1. Annual Financial Monitoring review
  - a. Financial/Fiscal Accountability
  - b. Uniform Grant Guidance Audit prescribed by 2 CFR 200
  - c. General ledger
  - d. Payroll/Personnel/Timecards
  - e. Vehicles and equipment purchases
  - f. Indirect rate review to make sure it is being calculated correctly
  - g. Invoicing
  - h. Corrective action plans
  - i. Contractor payments



2. Each comprehensive monitoring visit includes an exit interview in person meeting, or written communication, during which the EHS Fiscal Compliance Specialist apprises Subgrantee personnel of pertinent findings and recommended improvements, as applicable. Within 30 days of the administrative/fiscal monitoring visit, the EHS Fiscal Compliance Specialist will prepare and deliver a report to the Subgrantee summarizing these findings and requesting corrective actions. Additionally, the Fiscal Compliance Specialist will perform a six (6) month follow-up review of corrective action plans, if applicable.
3. If significant issues are identified, Grantee requires the Subgrantee to submit a corrective action plan for Grantee's review/approval. Grantee will conduct a six (6) month follow-up review to ensure the plan was executed and effective in addressing the issues.
4. If Grantee is not able to perform fiscal monitoring onsite for numerous reasons all needed data for review will be sent to Grantee and a comprehensive desk review will be completed.

**Grantee Monitoring Personnel:**

TITLE/GROUP CATEGORY	HRS /YR	TIME %	ADMIN %	T&TA %	DESCRIPTION OF DUTIES
Fiscal Compliance Specialist	624	30.00%	25.00%	5.00%	Performs fiscal reviews of Subgrantees to ensure fiscal compliance to federal rules and regulations; provides Programmatic Guidance to Sub-Grantees.
Technical Services Specialists #1	1,456	70.00%	50.00%	20.00%	Primary responsibility for field inspections and monitoring of completed weatherized units to ensure quality and compliance with program regulations. Assists in technical training, such as conducting energy audits, contractor relations, including contractor bids
Technical Services Specialists #2	1,456	70.00%	50.00%	20.00%	Primary responsibility for field inspections and monitoring of completed weatherized units to ensure quality and compliance with program regulations. Assists in technical training, such as conducting energy audits, contractor relations, including contractor bids
WAP Program Specialist #1					Performs compliance desk review of completed jobs and onsite Grantee Programmatic compliance monitoring. Provide Subgrantee training to address administrative requirements, compliance issues, Heat Enterprise, and other areas as needed and/or requested by Subgrantee. Provides Programmatic Guidance to WAP Subgrantee
WAP Program Officers #1	874	42.00%	32.00%	10.00%	Performs compliance desk review of completed jobs and onsite Grantee Programmatic compliance monitoring. Provide Subgrantee training to address administrative requirements, compliance issues, Heat Enterprise, and other areas as needed and/or requested by Subgrantee. Provides Programmatic Guidance to WAP Subgrantee

WAP Program Officers #2	1,206	58.00%	33.00%	25.00%	Performs compliance desk review of completed jobs and onsite Grantee Programmatic compliance monitoring. Provide Subgrantee training to address administrative requirements, compliance issues, Heat Enterprise, and other areas as needed and/or requested by Subgrantee. Provides Programmatic Guidance to WAP Subgrantee
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**Independent QCI Monitoring:** QCI monitoring has three components: Desk Review, Unit Inspections, and On-site Subgrantee Monitoring Visits.

1. Grantee State Monitors conduct a minimum of 10 percent and up to 100 percent desk/file review of the completed units submitted by each Subgrantee. The percentage of desk review depends on Subgrantees' performance, which is captured on Grantee's internal tracking sheet. This practice allows the Grantee to monitor best practices, identify concerns, and select/prioritize units for onsite inspections for each Subgrantee. *State Monitor Desk Review Checklists* provide Subgrantee with the desk review results for jobs reviewed, including job deficiencies. Deficiencies are tracked by number and level of concern of reviewed jobs on Grantee's internal tracking sheet. *State Monitor Review Checklists* are made available to the Subgrantee in HEAT Enterprise. Any deficiencies identified on the checklists must be addressed in the job file before payment can be issued.
2. EHS Technical Service Specialists will perform onsite unit inspections of completed and in-progress units statewide on a monthly basis. They will inspect a minimum of five percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.
3. If significant issues are identified, the Technical Services Specialists will expand the percentage of inspected units. Technical Guides and Materials (V.5.1) establishes the criteria for inspection procedures.
4. Capture and reporting of inspection data will be accomplished using the Maine WAP QCI Field Form, which provides a comprehensive checklist that includes:
  - a. Assessment of auditors' pre-existing R-values and accurate building model
  - b. Evaluation of auditors' approach for each distinct area of the structure, attic, walls, basement, site specifics, etc.
  - c. Verification and evaluation of each installed measure
  - d. Combustion appliance inspection and combustion safety testing data
  - e. Blower door, pressure pan and other applicable building diagnostics data
  - f. Exhaust device cfm measurement and confirmation of correct ASHRAE ventilation requirement
  - g. Confirmation of on-site documentation required by SWS such as Insulation Certificates
  - h. Client comments, concerns and positive remarks
5. Within 30 days of the site inspection, the Grantee monitor submits a Unit Inspection Report to the Subgrantee. These reports include findings and any required corrective actions, communications with the client/owner and contractor, observations and an assessment of the auditor's performance. If a rework is ordered, the Subgrantee will have 30 days to complete the rework and notify EHS, in writing, of its completion. The Subgrantee may also contact the Manager of Weatherization in writing during this 30-day period to appeal a rework finding. The unit will be revisited by the Manager of Weatherization, a representative of the Maine Community Action Agency Housing Council, the Grantee monitor, and a Subgrantee representative to resolve the dispute through actual onsite observations and discussion of discrepancies.
  - a. If the rework ordered is not rescinded following this appeal process, the Subgrantee will have 30 days from the date of the appeal resolution to complete the rework.
  - b. If reworks are not completed within 30 days, and the Subgrantee has not demonstrated reasonable cause for delay, a billing adjustment will be made for the entire dwelling unit. The unit will not be reinstated until the rework has been completed.
  - c. If there are significant deficiencies identified, the Grantee monitor will increase the number of units

reviewed and frequency of monitoring visits to the Subgrantee until there are assurances that all deficiencies have been resolved.

6. Subgrantees are required to submit corrective action plans when there are indications that the Subgrantee has significant compliance issues.
7. EHS Technical Service Specialists conduct multi-day focused technical monitoring at each Subgrantee office on an annual basis. This includes face-to-face meetings and interviews with Subgrantee weatherization managers, field staff and contractors to evaluate processes and training needs. A written summary of the site visit is provided to the Subgrantee within 30 days. The Subgrantee must respond to any requests, concerns or findings within 30 days.

**Independent Subgrantee Audit:** Each Subgrantee will have an audit of their financial statements and a Uniform Grant Guidance Audit prescribed by 2 CFR 200 compliance audit conducted by an independent CPA firm following the close of the Subgrantee fiscal year. These audits will comply with all regulations pertaining to DOE WAP and will be made available to Grantee management. Grantee's Fiscal Compliance Specialist evaluates/reviews the results of these audits on an annual basis.

Subgrantee must provide written assurance that corrective action has been taken or present a plan to correct any noted deficiencies within 60 days. During and following this 60-day corrective action period, Grantee staff will offer and be available for training and technical assistance as needed by the Subgrantee.

#### **V.8.4 Training and Technical Assistance Approach and Activities**

Grantee has begun ramping up staffing capacity in preparation for DOE BIL funds. Recently, a Weatherization Manager and additional Program Compliance Officer were added to the current staff. Furthermore, the budget has additional funding to add another Program Officer and Technical Specialist to ensure sufficient staff are in place. Subgrantees have also ramped up their staffing capacity and are continuing to add additional staff trained as Energy Auditors and QCIs. The Grantee plans to conduct an RFP to find a potential multi-family service provider who will service the entire state of Maine.

In addition to Grantee and Subgrantee staffing, the Grantee has partnered with Maine Building Performance Association (BPA) on a Workforce Development Project. BPA recently conducted an in-depth needs assessment survey and are currently analyzing the data. BPA will also work on creating pathways to bring people, schools, and contractors together; integrate a feeder system into statewide energy specialists, pre-apprenticeship, apprenticeship, and internship programs; provide outreach and bring attention to historically underrepresented communities. The Grantee will also conduct outreach via community events such as trade and home shows.

The Grantee has also partnered with the Governor's Energy office and Efficiency Maine Trust. This collaboration will open up additional referral streams for potential program recipients as well as contractor and vendor resources. This partnership will not only enhance the production, but will provide program recipients with additional resources to help reduce their energy burden and increase efficiency.

Grantee will continue to support Subgrantees by providing training opportunities for crews and contractors, as well as providing guidance regarding the allowable use of DOE Training and Technical Assistance (T&TA) funds for training weatherization contractors, as well as Subgrantee technicians and weatherization crews. Subgrantees are encouraged to renew their certified employees certifications and licenses six months prior to expiration. These certifications include, but are not limited to, HEP Energy Auditor, HEP Quality Control Inspector, BPI Building Analyst, as well as all other occupational specialties requiring certification. All Subgrantees and contractors are required to have all state and local licenses as required by the state of Maine.

Grantee uses monitoring methods and tools to evaluate each Subgrantee's performance and develops T&TA activities to address areas in need of improvement. Grantee is working with the approved energy audit software provider to obtain back end access of the software. This will allow Grantee to develop expanded reporting methods to track and compare production and energy savings between Subgrantees. This reporting ability will aid in identifying training needs by comparing Subgrantees' performance. This will be initiated over the coming year, to be implemented when development is completed during this grant period.

Grantee's WAP T&TA plan provides a variety of activities to support developing and enhancing skills of personnel at the Grantee, Subgrantee and contractor levels. The desired result of all T&TA activities is to maximize energy savings, ensure health and safety of clients and WAP personnel, minimize operating costs, improve management and administrative procedures, and prevent waste, fraud and abuse. New WAP staff who do not possess all required training and certifications will receive necessary training as soon as possible and no later than 6 months from their date of hire. WAP staffs work under supervision as needed until they have received required training and certifications.

The T&TA plan incorporates results and information made available through EHS field monitoring visits and input from Subgrantees, weatherization contractors, WPNs, DOE monitoring visits, internal state audits, IG reports and/or ACSI reports. All Comprehensive Training will be conducted by Interstate Renewable Energy Council (IREC) accredited training organizations. Specific trainings will be administered by qualified personnel as needed. The percentage of comprehensive and specific trainings will be roughly thirty and seventy percent respectfully. A comprehensive breakdown of training activities are found on the T&TA Template submitted as an attachment to this document.

Grantee/Subgrantee Training. Grantee supports the professional development and training needs of Grantee and Subgrantee weatherization staff and contractors. Subgrantees are provided T&TA funds that allow them flexibility in meeting training needs for their WAP staffs and contractors.

1. *BPI (HEP) Comprehensive Training.* Grantee will coordinate and fund mandatory accredited certifications for Grantee and Subgrantee staff as required by Weatherization Program Notices. Comprehensive training will be scheduled as current certifications are expiring or new staff/contractors are employed. Certification renewal is currently on a rolling three-year timeframe.
  - a. During the 2024 DOE plan year, Grantee anticipates coordinating and funding accredited trainings and testing for Grantee, Subgrantee technicians, Contractors, and Subgrantee Crew workers as detailed on Grantee's 2024 DOE T&TA Planning and Reporting Template.
  - b. Grantee will coordinate and fund Crew Leader (CL) and Retrofit Installer (RIT) Comprehensive Training and certification for Subgrantee crew workers and weatherization contractors as needed. Grantee makes training opportunities available annually. These Comprehensive Trainings will be provided to Grantee's weatherization network to ensure continuity and best practices across the work force for weatherization contractors and Subgrantee crews performing weatherization work. IREC accredited training will align with the NREL Job Task Analysis (JTAs) for the scope of work performed by the WAP professional.
2. *Grantee, Subgrantee and Contractor Training.* Grantee will coordinate and fund training to address the top training topics/needs identified by Subgrantees including: HEAT Enterprise software, monitoring and technical best practices, WPN guidance, and training needs identified through Grantee monitoring activities. Training topics will be addressed through Comprehensive or Specific training avenues as needed.
3. *National and Regional Conferences.* Grantee will send Grantee staff, and encourage Subgrantee technical and fiscal personnel and weatherization contractors to attend NASCSP and DOE approved training conferences, as well as other conferences relating to health and safety, air quality, energy audits and weatherization specific measures.
4. *In-House Training.* Grantee staff will provide training on-site as needed in technical and fiscal matters and to address acute deficiencies in the field such as combustion safety training, audit training, ASHRAE, etc..
5. *Online Training Modules.* Grantee continues to develop online training modules geared toward new staff orientations for Subgrantees and/or weatherization contractors, as well as modules focusing on technical, fiscal and overall program management to provide support for weatherization installation and standards on an as needed basis. These trainings are offered to the WAP network via MaineHousing's Bridge Learning Software. Training will be added to address building code compliance. This training is sponsored by the Maine Fuel Board and Maine Manufactured Housing Board at no cost and is virtual. This training is listed on the Maine T&TA Template.

All Subgrantees are required to submit a T&TA work plan with their budget for Grantee approval. These work plans will identify and address T&TA needs at Subgrantee agencies. A standard outline is provided to all Subgrantees setting forth the areas required in their work plans.

The Grantee will review the Work Plans and Budgets to determine whether the Subgrantees are complying with the outline as well as the standards stated above. The Grantee will also coordinate and provide all Subgrantees with current developments in technical procedures and DOE guidance on technical issues. Through these procedures, the Grantee will ensure consistency in the Subgrantees' procedures as well as identifying needs of individual Subgrantees. The Grantee will expend every effort, through monitoring and management activities, to ensure that Grantee continues to operate a quality WAP.

In addition, Subgrantees submit semi-annual activity reports to Grantee identifying agency staff and/or contractor employees benefiting from the use of DOE T&TA funds for training.

The Housing Director of each Subgrantee will notify the Grantee and the Housing Council of any and all planned training sessions so that common needs are coordinated and duplication is avoided.

The Grantee will continue to conduct surveys of all Subgrantees and solicit input from Grantee staff to identify training needs. This information is utilized to determine which topics the Grantee and Subgrantees will schedule for trainings during this and future grant periods. The results of the survey will be shared with the Housing Council to assist with their employee and subcontractor trainings and meetings.

Grantee also relies heavily on information gathered during the monitoring process to determine and prioritize training needs. There will continue to be training such as EPA Certified Lead Renovator training which requires EPA certified trainers and other specialized training as it becomes available (i.e. Maine Indoor Air Quality, Building Performance Association, etc.). Grantee is notified of these external training opportunities and informs Subgrantees/contractors of them.

Grantee tracks applicable Grantee and Subgrantee credentials to ensure maintenance of these credentials.

The effectiveness of T&TA activities is gauged by:

1. review of session evaluation forms;
2. feedback from Building Technical Committee and contractor meetings;
3. comparison of pre & post training on-site results; and
4. analysis of responses to annual Subgrantee training needs surveys.

Contractor Training. Grantee requires that contractors receiving DOE T&TA funds for DOE approved training events sign a retention agreement confirming that the contractor will provide weatherization services for a period of one year from the date of training. The use of T&TA funds to reimburse contractors is limited to T&TA that supports the four Home Energy Professionals occupations (Retrofit Installer Technician, Crew Leader, Energy Auditor, Quality Control Inspector).

Client Education. Per the Maine Weatherization Standards, energy auditors and inspectors are required to provide the client/owner education during all phases of the weatherization process. This includes, but is not limited to:

1. how the weatherization process will address health and safety issues;
2. explanation of energy-conserving measures that will be installed;
3. recommendations on how the client can conserve energy; and
4. explanation of required maintenance for existing equipment, including equipment calibration requirements, added equipment, or energy-saving measures.

## **V.9 Energy Crisis and Disaster Plan**

In the event that an energy crisis or disaster plan is triggered by state or federal declarations, Grantee will ensure that use of WAP funds adhere to procedures outlined in WPN 12-7.

## Treasury Department Memorandum

**To:** MaineHousing Commissioners

**From:** Tom Cary, Treasurer

**Date:** December 13, 2023

**Subject:** Approval of the Mortgage Purchase Program Series Resolution, dated December 19, 2023

At the December 19, 2023 meeting you will be asked to approve the attached Series Resolution, which authorizes the issuance of up to \$400 million of Bonds and Notes in the Mortgage Purchase Program (“MPP”) for a period of approximately 14 months, commencing on the date of your approval through February 28, 2025. The Bonds and Notes may be either fixed or variable rate and may be either taxable or tax-exempt. The proceeds of the debt may be used to fund multi-family or single family first lien mortgages, refund outstanding Mortgage Purchase Program Bonds, fund the debt service reserve fund and pay the costs of issuing the bonds. The Series Resolution also authorizes entering into new Swaps in a Notional amount not to exceed \$150 million during the same 14 month period.

Approving a Series Resolution is the mechanism by which the Commissioners authorize Bonds and Swaps in the Mortgage Purchase Program Bond Resolution. It has been our practice to ask for this authority on an annual basis. The proposed Series Resolution is substantially similar to what has been proposed in recent years. In addition to the specific authority to issue new bonds and notes, and enter into new swaps, the language in Section 505 of the Series Resolution allows MaineHousing to modify or replace existing swaps, liquidity agreements or other contracts such as those governing some direct placement bonds. In June of this year, the one-month and three-month London Inter Bank Offered Rate (“LIBOR”) went away. We used the authority in Section 505 to transition 13 swaps, with a total notional amount of \$192 million, from a LIBOR index to a Secured Overnight Financing Rate (“SOFR”) index.

During 2023 MaineHousing issued five series of bonds in the Mortgage Purchase Program Bond Resolution in the total amount of \$307,360,000. The 2023 issuances are listed below.

<u>Series</u>	<u>Program</u>	<u>Issuance Date</u>	<u>Issuance Amount</u>
2023 Series A	S/F	February 22, 2023	\$40,000,000
2023 Series B	S/F COB <sup>(1)</sup>	February 22, 2023	75,000,000
2023 Series C	M/F	May 18, 2023	57,360,000
2023 Series D	S/F	August 1, 2023	45,000,000
2023 Series E	M/F	October 5, 2023	90,000,000
		TOTAL	\$307,360,000

<sup>(1)</sup>The 2023 Series B Bonds are Convertible Option Bonds which are subject to mandatory tender, with no right to retain, on May 1, 2024 or an earlier date on or after November 15, 2023.

In 2023 we executed a new swap with Citibank to replace a swap with JP Morgan Chase that matured on May 15, 2023. The fixed payment rate on the new swap is about 100 basis points lower, which saves MaineHousing over \$150,000 per year.

Currently, only \$292 million or about 17% of the \$1.7 billion bonds outstanding in the Mortgage Purchase Program are variable rate bonds. Of that amount, \$207 million of those variable rate bonds are hedged with swaps which, in effect, turns these bonds into synthetic fixed rate bonds. The \$75 million of variable rate bonds that are not hedged with swaps are hedged by short term investments which average well over \$100 million. None of the existing swaps are scheduled to mature in 2024.

Both Moody's and S&P Global view our use of variable rate debt as being quite conservative. We could easily increase variable rate bonds to represent 25% – 30% of bonds outstanding without jeopardizing our rating. If we were to increase the use of variable rate debt, it is likely that most of the additional bonds would be turned into synthetic fixed rate bonds by executing additional rate swaps. The use of synthetic fixed rated bonds is generally more advantageous in higher interest rate environments.

I look forward to discussing these matters with you at the December meeting.

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**MAINE STATE HOUSING AUTHORITY**  
**MORTGAGE PURCHASE PROGRAM**

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**SERIES RESOLUTION**

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Authorizing the Issuance of  
  
Mortgage Purchase Bonds and  
Mortgage Purchase Notes  
  
of  
  
Maine State Housing Authority

Adopted December 19, 2023

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**SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF  
MORTGAGE PURCHASE BONDS AND  
MORTGAGE PURCHASE NOTES  
OF MAINE STATE HOUSING AUTHORITY**

BE IT RESOLVED BY THE COMMISSIONERS OF MAINE STATE HOUSING AUTHORITY (“MaineHousing”) on December 19, 2023 that, pursuant to the General Mortgage Purchase Bond Resolution adopted on February 4, 1972, as amended and supplemented (the “Resolution”), this Series Resolution (this “Series Resolution”) is adopted as follows:

**ARTICLE I**

**DEFINITIONS AND AUTHORITY**

**Section 101.** Definitions.

(a) Except as provided in paragraph (b) of this Section, all defined terms contained in the Resolution shall have the same meanings in this Series Resolution as such defined terms are given in Section 101 of the Resolution, unless the context shall otherwise require.

(b) As used in this Series Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Authorized Officer*” means the Director, Senior Director of Finance and Lending, Treasurer or any Counsel of MaineHousing.

“*Beneficial Owner*” means, whenever used with respect to a Bond or Note, the person in whose name such Bond or Note is recorded as the beneficial owner of such Bond or Note by a Participant on the records of such Participant or such person’s subrogee.

“*Bonds*” means the Bonds of MaineHousing of any Series authorized under this Series Resolution, whether Serial Bonds or Term Bonds. Subseries of any Series of the Bonds may be further designated as described in the applicable Series Certificate.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“*DTC*” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“*Multi-Family Series*” means any Series of Bonds or Notes the proceeds of which are used by MaineHousing to finance, among other things, the purchase of or the making of interest-bearing obligations secured by mortgages that are a first lien on land and improvements thereon in the State of Maine constituting multifamily residential rental housing for persons and families of low income.

“*Notes*” means the Notes of MaineHousing of any Series authorized under this Series Resolution.

“*Participants*” means those broker-dealers, banks and other financial institutions for which DTC holds a Series of Bonds or Notes as securities depository.

“*Rule*” means the applicable provisions of Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as in effect on the date hereof or scheduled to become effective, including any official interpretations thereof.

“*Serial Bond*” means any of the Bonds of a Series described as such in the applicable Series Certificate.

“*Series*” means a Series of Bonds or Notes, as applicable.

“*Series Bond Proceeds Sub-Account*” means the applicable Bond Proceeds Sub-Account to be established by the Trustee in accordance with the Resolution for a Series of Bonds in the Bond Proceeds Account established in the Bond Proceeds Fund.

“*Series Certificate*” means the applicable Series Certificate for a Series of Bonds or Notes delivered on or prior to the date of delivery of the Bonds or Notes of such Series. An Authorized Officer or any authorized representative thereof is hereby authorized to execute any such Series Certificate for the purpose of determining certain matters with respect to such Series of Bonds or Notes subject to and in compliance with all applicable requirements of the Resolution and this Series Resolution. Any such Series Certificate upon execution is hereby incorporated by reference and made a part of this Series Resolution as if set forth herein at length.

“*Series Mortgage Loans*” means the applicable Mortgage Loans, if any, acquired or made with proceeds of a Series of Bonds or Notes, as applicable.

“*Single-Family Series*” means any Series of Bonds or Notes the proceeds of which are used by MaineHousing to finance, among other things, the purchase of interest-bearing obligations secured by mortgages that are a first lien on land and improvements thereon in the State of Maine constituting one- to four-family residences for persons and families of low income.

“*Taxable Series*” means any Series of Bonds or Notes that are not Bonds or Notes of a Tax Exempt Series.

“*Tax Exempt Series*” means any Series of Bonds or Notes the interest on which is not included in gross income for federal income tax purposes pursuant to applicable federal tax law.

“*Term Bond*” means any of the Bonds of a Series or Notes of a Series described as such in the applicable Series Certificate.

(c) Articles and sections referred to by number shall mean the articles and sections of this Series Resolution unless the context shall otherwise require.

**Section 102. Authority for This Series Resolution.** This Series Resolution is adopted pursuant to the provisions of the Act and the Resolution.

## ARTICLE II

### AUTHORIZATION, TERMS, ISSUANCE, SALE AND DELIVERY

**Section 201. Authorization, Principal Amount, Designation and Series.** In order to provide funds necessary for the Mortgage Purchase Program under the Resolution, in accordance with and subject to the terms, conditions and limitations established in the Resolution and this Series Resolution, one or more Series of Bonds or Notes, whether of a Taxable Series or a Tax Exempt Series, or a Single-Family Series or a Multi-Family Series or a combination thereof, are hereby authorized to be issued for a period commencing on the date hereof and ending on February 28, 2025, in an aggregate principal amount not to exceed \$400,000,000 and with the maximum interest rate payable in any year on any Bond or Note of any such Tax Exempt Series not to exceed 8%, provided that any Tax Exempt Series which bears interest at a Variable Interest Rate shall not exceed 12% payable in any year, and with the maximum interest rate on any Bond or Note of any such Taxable Series not to exceed 9% payable in any year, provided that any Taxable Series which bears interest at a Variable Interest Rate shall not exceed 12% payable in any year. Provided that the aggregate amount thereof does not exceed the amount set forth in the previous sentence, subseries of any Series of the Bonds or Notes may be designated in the amounts as may be set forth in the applicable Series Certificate. MaineHousing is of the opinion and hereby determines that the issuance of each such Series of Bonds or Notes as provided herein, not to exceed such foregoing amount, is necessary to provide sufficient funds to be used and expended for the Mortgage Purchase Program. Each Bond of each such Series of Bonds shall be entitled “Mortgage Purchase Bond, \_\_\_\_\_ Series \_\_\_\_” and each Note shall be entitled “Mortgage Purchase Notes, \_\_\_\_\_ Series \_\_\_\_,” with applicable Series designation(s) to be made in the applicable Series Certificate. The Bonds or Notes shall be issued only in fully registered form.

**Section 202. Purposes.** The purposes for which the Series of Bonds or Notes are being issued shall be one or more of those specified in the Act and the Resolution, and shall be set forth in the applicable Series Certificate to the extent and subject to the limitations and in the amount provided in such Series Certificate. A purpose may include reimbursement of MaineHousing for the expenditure of its funds to finance Mortgage Loans not previously allocable to Notes or Bonds pursuant to the Code, or any related costs of issuance thereof, and in connection therewith MaineHousing hereby declares, pursuant to Section 1.150-2 of the Code Regulations, its intention to issue Notes or Bonds for such purpose in an amount not exceeding 50% of the principal amount of Notes or Bonds authorized by Section 201, subject to such additional amounts as may be declared pursuant to Section 505 hereof.

**Section 203. Date.** The Bonds or Notes of a Series shall be dated as shall be set forth in the applicable Series Certificate and as otherwise provided in Section 304 of the Resolution.

**Section 204. The Bonds or Notes.** The Bonds or Notes of a Series shall mature on November 15 in each of the years and in the principal amounts and shall bear interest from their dated date and be payable on the dates and at the respective rates of interest per annum (provided that the maximum interest rate on Bonds or Notes of such Series shall not exceed that set forth in Section 201 hereof), all as set forth in the applicable Series Certificate.

Sinking Fund Installments for the Term Bonds of a Series, if any, shall be established as set forth in the applicable Series Certificate. Such Sinking Fund Installments shall become due, and shall be applied to the redemption or payment at maturity of such Term Bonds, on the dates and in the respective amounts as set forth in the applicable Series Certificate.

**Section 205. Denominations, Numbers and Letters.** The Bonds or Notes shall be issued only in fully registered form without coupons, in the denomination of \$5,000 principal amount at maturity (or such other denomination as determined by MaineHousing in the applicable Series Certificate), or any integral multiple thereof, not exceeding the aggregate principal amount of Bonds or Notes maturing in the year of maturity of the Bond or Note for which the denomination is to be specified, and shall be lettered as designated in the applicable Series Certificate. The letters shall be followed by the subseries designation, if any, and the number of the Bond or Note. The Bonds or Notes of a Series (and subseries, if applicable) shall be numbered consecutively from one upward. The Bonds or Notes may be initially issued to DTC, as registered owner of such Bonds or Notes holding such Bonds or Notes on behalf of the Beneficial Owners thereof, as provided in the applicable Series Certificate.

**Section 206. CUSIP Numbers.** MaineHousing is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the Bonds and the Notes and to have such CUSIP numbers printed thereon.

**Section 207. Paying Agent.** U.S. Bank Trust Company, National Association, Boston, Massachusetts, is hereby appointed the Paying Agent for the Bonds and the Notes, subject to Section 1102 of the Resolution.

**Section 208. Redemption.** The Bonds or Notes of a Series shall be subject to redemption as set forth in the applicable Series Certificate.

**Section 209. Moneys Deposited in Connection With a Reduction in the Housing Reserve Fund Maximum Requirement.** In the case of any purchase, redemption, in whole or in part, or payment of principal at maturity of the Bonds of a Series, an amount equal to the amount by which the amount in the Housing Reserve Fund exceeds the Housing Reserve Fund Maximum Requirement, after giving effect to such purchase, redemption or payment, may, upon the direction of MaineHousing, be deposited in the Redemption Fund.

**Section 210. Moneys Deposited to Credit of General Redemption Account of Redemption Fund.** Moneys in an amount sufficient to effect payment at the applicable Redemption Price of any bonds to be refunded with proceeds of the Bonds shall be deposited in the Redemption Fund for the credit of the General Redemption Account and in no other Fund or Account.

**Section 211. Selection of Bonds or Notes by Lot.** If less than all of the Bonds or Notes of a like Series and maturity are to be redeemed, the particular Bonds or Notes of such Series and maturity to be redeemed shall be selected by lot in accordance with the Resolution.

**Section 212. Sale of Bonds or Notes.** A Series of Bonds or Notes authorized to be issued herein shall be sold to the underwriters (the “Underwriters”) and/or private placement purchasers as shall be set forth in the purchase contract entered into with respect to such Bonds or Notes at the purchase price set forth therein on the terms and conditions set forth in the purchase contract upon the basis of the representations therein set forth, provided that the total compensation to the Underwriters set forth therein shall not exceed 2% of the principal amount of the applicable Bonds or Notes. Any Authorized Officer is hereby authorized to execute and deliver such purchase contract for and on behalf of MaineHousing, and such execution and delivery of the purchase contract by an Authorized Officer shall be deemed to constitute approval by the Commissioners of MaineHousing of the final terms and conditions of such purchase contract.

The check or wire, if any, received by MaineHousing from the Underwriters under the terms of a purchase contract being the good faith deposit shall be held and applied in accordance with the provisions of such purchase contract.

**Section 213. Official Statement.** Each Preliminary Official Statement and final Official Statement of MaineHousing in the respective forms to be attached to the applicable Series Certificate, with such changes, omissions, insertions and revisions as an Authorized Officer may deem advisable, is hereby authorized, and an Authorized Officer shall sign and deliver such final Official Statement and the applicable Series Certificate, and deliver this Series Resolution, the Resolution and the General Authority Bondholder Reserve Fund Resolution adopted April 30, 1980, to the applicable Underwriters for distribution to prospective purchasers and other interested persons.

**Section 214. Authority Certificate.** Pursuant to Section 203(b)(iii) of the General Authority Bondholder Reserve Fund Resolution adopted by MaineHousing on April 30, 1980, MaineHousing will, upon closing of the Bonds of a Series, deliver to the trustee acting under and pursuant to the General Authority Bondholder Reserve Fund Resolution certified copies of the Resolution and this Series Resolution, together with a certificate signed by any Authorized Officer stating that the revenues expected to be received under the Resolution together with amounts held in funds or accounts thereof are reasonably estimated to be sufficient to pay as the same become due the reasonable and necessary operating costs of MaineHousing which are estimated will be incurred as a result of the adoption and operation of the Mortgage Purchase Program under the Resolution and the principal of, redemption premium, if any, and interest when due on all obligations issued and outstanding and to be issued thereunder.

**Section 215. Tax Certifications.** Each Authorized Officer is hereby authorized to execute a tax certificate to be delivered concurrently with the delivery of a Tax Exempt Series of Bonds or Notes and to make such covenants in the applicable Series Certificate and such tax certificate as are necessary to comply with the requirements of the Code.

## ARTICLE III

### DISPOSITION OF BOND OR NOTE PROCEEDS AND OTHER AMOUNTS

**Section 301. Deposit to Funds and Accounts.** Proceeds of a Series of Bonds or Notes shall be deposited in the amounts and into the Funds and Accounts as set forth in the applicable Series Certificate; provided, however, that notwithstanding any other provision of this Series Resolution, upon receipt of proceeds of the sale of the Bonds of a Series, there shall be deposited in the Housing Reserve Fund such amount as shall be necessary in order that upon issuance, sale and delivery of such Bonds the amount in the Housing Reserve Fund shall be at least equal to the Housing Reserve Fund Maximum Requirement.

**Section 302. General Redemption Account.** MaineHousing hereby authorizes any Authorized Officer and all Commissioners of MaineHousing to execute and deliver such certificates and instruments, if any, as may be necessary to comply with the provisions of Section 207 of the Resolution and to effect the redemption of any Bonds to be redeemed by application of any moneys received in connection with the Bonds of a Series.

## ARTICLE IV

### FORM AND EXECUTION OF BONDS OR NOTES

**Section 401. Forms of Bonds or Notes.** Subject to the provisions of the Resolution, the Bonds of a Series and Notes of a Series and the Trustee's Certificate of Authentication shall be in substantially the forms and tenor set forth in the applicable Series Certificate.

**Section 402. No Recourse on Bonds or Notes.** No recourse shall be had for the payment of the principal of or interest on the Bonds or Notes or for any claim based thereon or on this Series Resolution against any commissioner, member, officer or employee of MaineHousing or any person executing the Bonds or Notes, and neither the commissioners, members, officers or employees of MaineHousing nor any person executing the Bonds or Notes of MaineHousing shall be liable personally on the Bonds or Notes by reason of the issuance thereof.

**Section 403. Execution of Bonds or Notes.** The Treasurer or any Counsel is hereby authorized and directed to attest the execution of the Bonds or Notes in accordance with the provisions of Section 306 of the Resolution.

## ARTICLE V

### SPECIAL COVENANTS

**Section 501. Transfer of Proceeds of the Bonds.** Subject to the provisions of Section 503(10)(d) of the Resolution, MaineHousing at any time may deliver to the Trustee, pursuant to Section 503(14)(a) of the Resolution, a certificate of an Authorized Officer directing the Trustee to transfer from the applicable Series Bond Proceeds Sub-Account to the applicable Series Account established in the Redemption Fund any amounts that MaineHousing determines will not be used for the purchase of applicable Series Mortgage Loans.



Moneys transferred pursuant to this Section 501 to the applicable Series Account established in the Redemption Fund for a Series of Bonds shall be held in trust pursuant to the Resolution for the redemption of such Bonds in accordance with the applicable provisions of the applicable Series Certificate.

**Section 502. Section 207(2)(c)(i) Determination.** Pursuant to the provisions of Section 207(2)(c)(i) of the Resolution, MaineHousing hereby determines that there will be on the date of original delivery of each Series of Refunding Bonds moneys on deposit in the Interest Account of the Debt Service Fund sufficient to pay the accrued interest on Bonds to be redeemed with proceeds of the Bonds of such Series on the respective Redemption Dates of such Bonds, except as otherwise set forth in the applicable Series Certificate, in which case such Series Certificate shall provide for the deposit into the Interest Account of such amount.

**Section 503. Section 504(8) Determination.** Pursuant to the provisions of Section 504(8) of the Resolution, MaineHousing hereby determines that the percentage of Mortgage Loans heretofore purchased or made with proceeds of a Series of Bonds shall be deemed purchased or made with the proceeds of the Series of Refunding Bonds in the same proportion as the principal amount of the Bonds being refunded bears to the principal amount of the entire Series of Bonds Outstanding.

**Section 504. Purchase of Mortgages.** Subject to the provisions of the Resolution, this Series Resolution and the Code, MaineHousing hereby (i) directs the Director, Senior Director of Finance and Lending or Treasurer to establish the interest rate or rates on the Mortgages to be acquired or made from the proceeds of the Bonds or Notes as he or she shall deem advisable and (ii) authorizes the execution and delivery by any Authorized Officer of a mortgage purchase agreement, mortgage loan servicing agreement, procedural guide, program documents and such other agreements or documents as may be necessary to purchase or make a Series Mortgage Loan in connection with a Single-Family Series or a Multi-Family Series, as applicable.

**Section 505. Additional Authorizations.** Any Authorized Officer may make modifications to this Series Resolution (as evidenced by a certificate), if deemed advisable, with respect to the terms of the Bonds or Notes and other matters (including to assure the tax-exempt status of the interest on the Bonds or Notes of a Tax Exempt Series). All Commissioners of MaineHousing, each Authorized Officer, and all employees of MaineHousing, are hereby authorized to make such additional determinations (including declarations of intent to use proceeds of Notes or Bonds to reimburse MaineHousing to the extent it has financed Mortgage Loans with moneys which are not Note or Bond proceeds under the Code), perform such acts and execute such certificates, protocols and other documents as may be necessary or desirable to carry out the issuance of the Bonds and the Notes, during the period commencing on the date hereof and ending on February 28, 2025, to enter into new Swaps or Swap Facilities in a notional amount not exceeding \$150,000,000 and to modify, novate or replace existing Swaps or Swap Facilities in notional amounts not exceeding the notional amount of the Swaps or Swap Facilities being modified, novated or replaced (all in accordance with the Guidelines for the Use of Interest Rate Exchange Agreements as then in effect, and provided that the total notional amount of Swaps outstanding may not exceed the principal amount of outstanding Bonds bearing a Variable Interest Rate), to enter into, modify or replace liquidity agreements (including without limitation standby

bond purchase agreements), or to modify any other obligation (including Notes or Bonds) to assure the tax-exempt status of the interest on the Bonds or Notes of a Tax Exempt Series.

**Section 506. Continuing Disclosure Covenant.** MaineHousing hereby covenants that the Bonds or Notes, as required by the Rule, will be subject to the provisions of that certain Master Continuing Disclosure Agreement 2019, dated as of May 15, 2019, by and between MaineHousing and the Trustee, as currently in effect or as hereafter may be amended.

**Section 507. Effective Date.** This Series Resolution shall take effect upon adoption by the Commissioners of MaineHousing.



## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** December 12, 2023

**Subject:** 2024 Budgets

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We will be requesting your approval of the 2024 budgets at this month's meeting. At the November meeting, preliminary budget information was presented and reviewed. The vast majority of the information provided last month has not changed and only a few changes were made to the **Operating Expenses Budget - Attachment B (Top Section)**. The changes made are as follows:

- **Lines 1-4:** Two additional full-time equivalent (FTE) positions have been included. The staff level for 2024 now totals 196 FTEs and salaries, payroll taxes, and benefit expenses were increased by a combined amount of approximately \$125,000.
- **Line 17:** Two vehicles leased through the State of Maine Central Fleet Division have high mileage and have been scheduled for replacement in 2024. This change increased cost by \$12,000.
- **Line 32:** The \$25,000 for a compensation market study has been removed.

These changes increased total operating expenses for 2024 by a combined amount of \$112,000, which is less than a half percent. Except for the impact of the above changes, the following presents the same information provided and reviewed at the November meeting:

This year's operating results and profitability have been favorably impacted by the much higher interest rate environment. Net operating income this year will substantially exceed the budget amount due primarily to higher rates and income from non-mortgage investments. MaineHousing financial position and performance is expected to remain strong in 2024. A consistent level of loan production and growth in mortgage loan assets and significant program funding from federal and state sources will contribute to substantial net operating income next year.

Net operating income for 2024, however, is not projected to be at an amount comparable to this year. There is much uncertainty as to where interest rates will be throughout 2024 and the reduction is partly due to interest rate assumptions used for non-mortgage investments. Nevertheless, revenues are projected to exceed expenses by approximately \$15.9 million in 2024.

MaineHousing's two primary business segments consist of mortgage lending activities and the administration of various federal and state programs. The following is an overview of projected activities for each segment:

### Mortgage Lending Activities

Net interest income, which is the difference between income from mortgage and non-mortgage investments and the interest paid on bonds, is generated from lending activities and is used to pay for related operating and

administrative expenses. The following presents the major components and factors used in the development of the 2024 budgets for mortgage lending activities.

- Interest income from mortgages is projected to increase by approximately \$7.4 million. The loan portfolio is expected to increase by a net amount of \$168 million in 2024. New loan production is estimated at \$275 million. This amount is consistent with current year activity and averages for the last two years. Loan reductions from scheduled repayments, prepayments, and foreclosures combined are estimated at \$107 million, which is also consistent with current year activity. The average rate on loans will be moderately higher in 2024.
- Interest income from investments is projected to decrease by \$2.2 million. This reduction is due to the interest rate assumption used for short-term investments. An interest rate assumption that is below actual yields for this year is being used for 2024 because of interest rate uncertainty.
- Interest expense is projected to increase by approximately \$10.3 million due to higher outstanding bonds, which will increase as new bonds are issued to fund loan production. The average rate on bonds will also be higher in 2024.

#### Program Administration Activities

MaineHousing administers numerous federal and state funded programs and receives fee income for the administration of these programs. This fee income is used to pay for related operating and program administrative costs.

Total program revenues will be lower in 2024 due to the completion of more federal COVID-related programs and reductions in certain one-time program funds from the State. The reduction in program funds will be offset to some extent by new funds from federal and state sources. The following are the major factors associated with program activities for 2024:

- Program revenues from grants are projected to decrease by \$19.2 million or 7% and amount to \$256.3 million. The change is due primarily to the following:
  1. \$15 million decrease due to the completion of various COVID-19 programs.
  2. \$87.5 million decrease in one-time funds from the State (\$50 million LIHEAP supplement, \$25 million Emergency Housing Relief Fund, \$5 million Shelter Operating Subsidy, and \$7.5 million Low Income Assistance Program).
  3. \$25 million increase from new federal Inflation Reduction Act: Energy rehabilitation of multifamily projects.
  4. \$5 million increase from new federal Sustainable Energy Resources – Heat Pumps.
  5. \$38 million increase from new State funds (Rural housing developments, homeless shelter repairs, and lead remediation).
  6. \$11 million increase from new federal Infrastructure Weatherization program (Total Award \$31 million).
  7. \$4 million increase from carryforward amounts associated several federal programs (LIHEAP, Weatherization, and Older Adults Home Modification).
- Federal rent subsidy income from six HUD Section 8 programs is projected to increase by \$2.8 million to \$118 million. This is a 2% increase based on HUD's annual adjustment factors.
- Fee income is projected to be \$19.3 million. Although fees from some of the COVID programs end this year or will be lower in 2024, fees from new programs and from programs that will be in place for a full year versus a partial year in 2023 will provide for higher income.

#### **BUDGET ATTACHMENTS**

MaineHousing's 2024 budgets consist of the following attachments:

- Consolidated Revenues and Expenses Budget (**Attachment A**)

- Operating and Direct Program Administrative Expenses Budget (**Attachment B**)
- Capital Budget (**Attachment C**)
- Itemization of Certain Revenues (**Attachment D**)
- Revenues and Expenses Budget by Fund Group (**Attachment E**)

The following presents a brief summary and the major components for each attachment.

### **Consolidated Revenues and Expenses Budget – Attachment A**

This attachment provides a macro view of the agency's budget and it presents total consolidated revenues and expenses for all activities. Total revenues are budgeted at \$493.7 million, which is a decrease of approximately \$9.8 million or 2%. The decrease is due primarily to lower grant income. Total expenses are budgeted at \$477.8 million and represents a decrease of 1%. The decrease is due mainly to lower grant income, which will decrease relative to grant income.

Total revenues are projected to sufficiently cover all expenses and profitability is expected to remain strong in 2024, with revenues exceeding expenses by approximately \$15.9 million.

### **Operating Expenses Budget – Attachment B (Top Section)**

The Operating Expenses Budget presents the agency's overhead and operational costs. The total 2024 budget amount is \$25.7 million, which is an increase of approximately \$1.4 million or 5% over the approved 2023 budget. Total actual expenses for this year are projected to be below budget by approximately \$0.4 million or 2% and the 2024 budget is an increase of \$1.8 million or 7% over forecasted actual expenses.

The total increase is attributed primarily to higher salaries and employee benefit expenses. The increase to employee benefits is mostly due to higher premiums for medical and dental insurance. Although premiums are set to significantly increase in 2024, they have remained virtually unchanged over the past five years. In the past five years, premiums were reduced twice and there's been no net percentage increase for health insurance and less than a half percent increase for dental insurance.

The following provides a description of each expense and a summary of the major components and assumptions used for the 2024 budget:

#### 1. Salaries

- Based on a staff level of 196 full-time equivalent (FTE) positions. This is an increase of 3 FTE compared to the approved 2023 budget. Actual salary expenses are expected to be under budget this year by approximately 1-2 FTEs due to a number of position turnovers and internal position changes throughout the year. Some positions were vacant for an extended period due to the tight labor market.
- Includes approximately \$525,000 for merit adjustments discussed at the last meeting.
- Includes approximately \$735,000 for compensation structure changes discussed at the last meeting.

#### 2. Payroll taxes – Employer portion of Federal Insurance Contribution Act (FICA) taxes.

#### 3. Health, dental and other insurance benefits – Costs for health, dental, life, long-term care, and disability insurance benefits and includes the following for 2024:

- A. Health insurance – a 19.5% premium increase with only mandatory coverage changes and no change with the current provider, Anthem BC/BS.
- B. Dental insurance – a 9% premium increase with no coverage changes and no change with the current provider, Delta Dental.

4. Retirement – Employees have an option to participate in one of two retirement plans offered: (1) a defined contribution plan (Lincoln Financial Group) or (2) a defined benefit plan (MEPERS). There are no benefit or contribution rate changes for either plan.
5. Other fringe benefits – Costs associated with the Employee Wellness Program, which provides employees a maximum annual amount of \$280 for wellness activities like exercise, weight loss, and smoking cessation programs. Payments to employees under this program are a taxable fringe benefit.
6. Office supplies – Costs for standard small expendable office supplies as well as office equipment and furnishings.
7. Printing – Printing costs for various items including: informational pamphlets and brochures, legal and public notices, the annual report, envelopes, business cards, checks and other business forms. Several federal programs will have additional printing of program information and materials for partners and clients in 2024.
8. Memberships, dues, and fees – Membership fees to professional associations for the agency and employees, as well as dues for professional licenses. Approximately \$34,000 of the total is for the agency’s annual membership fee to the National Council of State Housing Agencies (NCSHA).
9. Subscriptions – Trade, legal and other technical periodicals and publications for staff to stay current on industry requirements and trends.
10. Sponsorships – Expenses associated with sponsoring housing or program-related events for the purpose of promoting MaineHousing and its programs. Includes the following for 2024:
  - \$2,500 - State Affordable Housing Conference
  - \$2,000 - GrowSmart Maine Annual Summit
  - \$2,000 – BuildME Conference
  - \$1,600 - Maine Real Estate and Development Association Annual Conference
  - \$3,000 - New England Resident Services Coordinators Conference
  - \$3,000 - Maine Resident Services Coordinators Conference
  - \$3,000 - Maine Real Estate Managers Annual Conference
  - \$2,000 – Northern New England Community Action Agencies Conference
  - \$500 - Maine Wisdom Summit/Council on Aging
11. Staff Education/Training/Conferences – All costs (e.g. registration fees and tuition) associated with necessary training for staff, except for the travel and meal costs. Related travel and meal costs are separated due to a law requirement (see next line).
12. Staff Education/Training/Conferences – Travel and Meals - Travel and meal costs associated with staff training (e.g. meals, lodging, mileage, airfare, and parking).

The combined increase of \$116,000 for lines 11 and 12 is largely due to new and additional trainings in the areas of multifamily loan underwriting, various workshops for all staff and Diversity Equity and Inclusion trainings.

13. Partner and Client Trainings/Meetings – All costs associated with business partner or client trainings and meetings (e.g. lenders/homebuyers/agents/CAA agencies), other than travel and meals. Costs include things such as facility rental and material costs. Related travel and meal costs are separated due to a law requirement (see next line).
14. Partner and Client Trainings/Meetings – Travel and Meals - Travel and meal costs associated with partner/client trainings and meetings with outside partners and clients.

The combined increase of \$37,000 for lines 13 and 14 is primarily due to new and additional technical trainings associated with various federal programs.

15. Staff events –All costs, other than meals, associated with agency-sponsored employee recognition events or meetings. The cost for food associated with staff events are accounted for separately (see next line).
16. Staff events - Meals - Meals associated with an agency-sponsored employee recognition event or meeting
17. Leased vehicles- Certain employees are provided with a leased vehicle to fulfill their job requirements. All vehicles are leased through the State of Maine Central Fleet Division. The amount for 2024 includes one additional vehicle and several replacement vehicles. There's also a variable cost associated with leasing based on mileage and additional miles are projected for 2024.
18. Computer supplies – Includes desktop computers, monitors, as well as other computer-related items.
19. Software licenses (SAAS) – Costs for software that is provided as a service on a subscription basis.
20. Computer maintenance - MaineHousing maintains a significant computer network and most of the computer systems and applications have required maintenance and support agreements. The increase is due mainly to the new JAI system for the federal LIHEAP and Wx programs, which will be implemented mid-year.
21. Interest expense – Interest expense for the \$16 million loan used for the acquisition and rehabilitation of the Edison Drive office building. The loan is an amortizing 15-year note with a fixed rate of 3.2%.
22. Office building property expenses – Costs associated with owning and operating the Edison Drive office building. Includes: payments in lieu of taxes, services for cleaning and groundskeeping, utilities, and other maintenance. The increase is due to higher costs for electricity and natural gas.
23. Depreciation – Capital expenditures are recorded as assets and then depreciated (expensed) over their useful life. The budget amount is based on actual depreciation schedules for existing assets and estimates for new capital expenditures in 2024 (see Capital Budget). The increase is due primarily to the new JAI system for the federal LIHEAP and Wx programs.
24. Rent – Primarily rental of archive storage space and a disaster recovery backup system/storage.
25. Telecommunications - Costs for the agency's RingCentral phone system, wireless phones, land-lines, and internet connections.
26. Employment advertisements –Advertising cost associated with filling vacant positions.
27. Postage and shipping – Costs for postage, UPS mailings, and other shipments. Additional bulk mailings for certain program outreach and survey initiatives are planned for 2024.
28. Insurance – Premiums for workers compensation, property, liability, crime, fidelity bond and auto insurance. Also, as a governmental agency, MaineHousing directly pays unemployment insurance claims.
29. Recording fees – Fees paid for certain UCC and deed filings and discharge recordings.
30. Payroll services – Costs associated with using Paylocity, which is an external payroll system and service provider.

31. Audit services – Costs associated with the annual audits, which includes an audit of the financial statements and a compliance audit of federal programs.
32. Professional services – Includes amounts for various contract services and consultants. The decrease is due primarily to certain services associated with the Section 8 PBCA program and a study on zoning and land use regulations that were needed in 2023, but not for 2024. The following are the major items budgeted for 2024:
 

Legal services	\$50,000
DEIB consultants	60,000
Information Technology consultants	15,000
Davis Bacon monitoring	10,000
Rent affordability data collection	15,000
Fair Hearing Officer and background check services	52,000
Housing research services	17,000
Defined contribution retirement plan advisors	30,000
Information Technology security and monitoring work	68,000
Business Continuity Plan (Disaster Recovery) testing	12,000
Services for rent comparables and capital needs assessments	25,000

**Direct Program Administrative Expenses Budget – Attachment B (Bottom Section)**

Direct program administrative expenses are costs that are specifically related to the administration of a particular program. Budgeted expenses for 2024 amount to \$10 million, which is a decrease of approximately \$60,000 or 1% over projected actual expenses for this year. The decrease is attributed to a reduction in program advertising and administrator fee expenses for the Homeowner Assistance Fund (HAF) (lines 8 and 13). The HAF program is projected to end mid-year in 2024.

1. Loan foreclosure expenses – Costs associated with foreclosing on loans, which includes expenses for attorney fees, appraisals, property inspections, clean-ups, and preservation work. The amount for 2024 is the same used for 2023 and is for potential increases in defaults and foreclosures.
2. REO expenses – Real estate owned expenses are incurred when the property title associated with a foreclosed or defaulted loan is transferred to MaineHousing. Consist of property maintenance, taxes, marketing, and other disposition costs. The amount for 2024 is the same used for 2023 and is for potential increases in defaults and foreclosures.
3. Provision for losses on loans and REOs – Expenses associated with writing-off uncollectible loans and REO assets and is based in part on delinquency rates and the volume of loans in foreclosure. The amount for 2024 is the same used for 2023 and is for potential increases in defaults and foreclosures.
4. Mortgage servicing fees – Fees paid to six servicers to perform loan servicing work associated with the single-family loan portfolio. The increase is due mainly to a higher average number of loans in 2024.
5. Loan origination expenses – Origination fee of 1.5% and servicing release fee of 0.5% paid to lenders for underwriting and closing single-family loans. The budget amount is based on projected loan purchases for 2024.
6. Bond issuance expenses – Expenses associated with preparing and selling bonds, which includes legal, underwriting, commission, printing, and registration fees.
7. Trustee/Bank fees – Fee payments to U.S. Bank for trustee services associated with the Mortgage Purchase Bond Fund (MPP).



8. Program advertisements– Expenses associated with promoting the First Home Loan program and various other programs. Costs may include print and online venues, broadcast time, radio time and direct mail advertising. The decrease is due to lower advertisements for the HAF program.
9. Bond and mortgagee insurance – Insurance costs associated with certain bonds and mortgage loan programs.
10. Variable rate bond remarketing & SBPAs – Costs associated with variable rate demand notes (VRDN's). Includes fees payments to remarketing agents for resetting interest rates and liquidity facilities expenses.
11. Cash flow/arbitrage/swap consultants/legal – Includes costs for bond cash flows and arbitrage tax services, consulting services associated with interest rate swap instruments, and legal cost associated with the remarketing of bonds and SBPAs. The 4% increase is due to higher costs associated with cash flows and arbitrage services.
12. Homebuyer education – Education classes for the First Home Loan program. This training covers all aspects of the home buying process and provides consumers with knowledge about homeownership costs and responsibilities.
13. Program administrator fees– Payments to outside agents to perform administrative work associated with several programs. The decrease is due to the completion of the HAF program mid-year in 2024.

### **Capital Budget – Attachment C**

The Capital Budget is for items that provide the agency with an economic benefit over a period of time. Items are recorded as assets and then depreciated and expensed over their estimated useful life. The proposed Capital Budget for 2024 is approximately \$685,000, which is a decrease of approximately \$695,000 from capital expenditures for this year.

Most of the 2024 capital expenditures are for computer software items. A large portion of the budget is for the third installment of the ProLink multifamily housing system and the Amplifund grant management software. There are also amounts for upgrading the Salesforce Project Management software and replacing the IT helpdesk and software patching application and the internal Intranet.

The budget also includes amounts for additional workstations, potential building improvements/repairs and replacing the director's vehicle.

### **Itemization of Certain Revenues – Attachment D**

This attachment is for informational purposes and presents an itemized listing of the following revenues that are presented on Attachment A: Federal rent subsidy income, Grant income (grouped by federal and non-federal programs), Fee income, and Other income.

### **Revenues and Expenses Budget by Fund Group – Attachment E**

This attachment presents projected revenues and expenses for each of MaineHousing's seven Fund Groups, which from a financial structure perspective represent separate and stand-alone entities. The purpose of this attachment is to illustrate how operating costs for 2024 will be allocated to the different internal entities and ultimately paid.

In addition, MaineHousing's Bond Resolution requires that a budget be prepared for the Mortgage Purchase Fund Group (MPP) as part of the agency's annual budget process. The MPP budget is presented in the second column from the left.

The total amounts presented in the left-hand column of this attachment are the same as the 2024 budget amounts presented on Attachment A.

**MAINE STATE HOUSING AUTHORITY  
CONSOLIDATED REVENUES AND EXPENSES BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2024**

(IN THOUSANDS OF DOLLARS)

	<b>2022 Actual</b>	<b>2023 Budget</b>	<b>2023 Forecast</b>	<b>2024 Budget</b>	<b>\$ Increase¹ (Decrease)</b>	<b>% Increase¹ (Decrease)</b>
<b>REVENUES:</b>						
Interest from mortgages and notes	60,073	66,500	67,145	74,545	7,400	
Income from investments	8,216	12,305	27,700	25,500	(2,200)	
Federal rent subsidy income²	110,586	112,979	115,224	117,994	2,770	
Grant income²	373,155	202,594	275,561	256,334	(19,227)	
Fee income²	13,753	14,153	17,756	19,266	1,510	
Other income²	107	160	206	105	(101)	
Total Revenues	<u>565,890</u>	<u>408,691</u>	<u>503,592</u>	<u>493,744</u>	<u>(9,848)</u>	<u>(2%)</u>
<b>EXPENSES:</b>						
Operating expenses³	22,067	24,294	23,897	25,670	1,773	
Direct program administrative expenses³	8,319	8,864	10,082	10,021	(61)	
Interest expense	41,245	51,340	56,245	66,565	10,320	
Federal rent subsidy expense	110,586	112,979	115,224	117,994	2,770	
Grant expense	<u>372,127</u>	<u>202,594</u>	<u>277,556</u>	<u>257,599</u>	<u>(19,957)</u>	
Total Expenses	<u>554,344</u>	<u>400,071</u>	<u>483,004</u>	<u>477,849</u>	<u>(5,155)</u>	<u>(1%)</u>
<b>Net Operating Income</b>	<u><b>11,546</b></u>	<u><b>8,620</b></u>	<u><b>20,588</b></u>	<u><b>15,895</b></u>	<u><b>(4,693)</b></u>	<u><b>(23%)</b></u>

¹ 2023 Forecast Vs. 2024 Budget

² Amounts are itemized on Attachment D.

³ Amounts are itemized on Attachment B.

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND DIRECT PROGRAM ADMINISTRATIVE EXPENSES BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2024**

**ATTACHMENT B**

	<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>	<b>\$ Increase<sup>1</sup></b>	<b>% Increase<sup>1</sup></b>
	<b>Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>	<b>(Decrease)</b>	<b>(Decrease)</b>
<b>Operating Expenses</b>						
1. Salaries	12,758,537	13,517,480	13,455,668	13,853,898	398,230	
2. Payroll taxes	947,376	994,335	991,719	1,013,479	21,760	
3. Health, dental and other insurance benefits	2,806,407	3,116,854	2,963,033	3,663,964	700,931	
4. Retirement	1,193,079	1,273,244	1,251,377	1,386,946	135,569	
5. Other fringe benefits	10,809	10,000	10,000	10,000	0	
6. Office supplies	51,708	51,365	57,951	60,525	2,574	
7. Printing	71,065	75,560	70,095	85,450	15,355	
8. Membership, dues and fees	56,932	63,811	63,781	66,879	3,098	
9. Subscriptions	18,225	32,077	25,892	20,080	(5,812)	
10. Sponsorships	16,100	14,600	14,600	19,600	5,000	
11. Staff Education/Training/Conferences	96,513	180,131	151,809	213,342	61,533	
12. Travel/Meals - Staff Educ/Train/Conferences	59,389	197,859	176,338	230,594	54,256	
13. Partner/Client Trainings/Meetings	42,619	138,510	40,196	87,250	47,054	
14. Travel/Meals - Partner/Client Train/Meetings	45,172	112,546	99,889	89,506	(10,383)	
15. Staff events	8,086	28,580	25,683	36,680	10,997	
16. Meals - Staff events	12,143	33,130	26,832	33,590	6,758	
17. Leased vehicles	165,084	177,773	166,533	198,991	32,458	
18. Computer supplies	29,834	39,812	39,812	31,000	(8,812)	
19. Software licenses (SAAS)	259,171	254,048	247,491	248,564	1,073	
20. Computer maintenance contracts	675,315	789,721	840,046	986,752	146,706	
21. Interest expense - office building	462,507	458,669	458,669	448,452	(10,217)	
22. Property expenses - office building	471,854	522,435	512,548	556,950	44,402	
23. Depreciation	985,319	1,200,000	1,162,495	1,279,000	116,505	
24. Rent - storage and disaster recovery	37,295	39,430	37,245	44,519	7,274	
25. Telecommunications	118,215	125,584	127,441	131,750	4,309	
26. Employment advertisements	985	1,000	13,112	18,000	4,888	
27. Postage and shipping	107,796	141,022	139,145	152,512	13,367	
28. Insurance	92,922	105,748	98,422	102,186	3,764	
29. Recording fees	785	1,000	1,000	1,000	0	
30. Payroll services	45,948	49,418	50,637	51,668	1,031	
31. Audit services	158,800	172,000	167,000	175,350	8,350	
32. Professional services	261,414	376,108	410,241	371,538	(38,703)	
<b>Total Operating Expenses</b>	<b>22,067,404</b>	<b>24,293,850</b>	<b>23,896,700</b>	<b>25,670,015</b>	<b>1,773,315</b>	<b>7%</b>
<b>Direct Program Administrative Expenses</b>						
1. Loan foreclosure expenses	34,284	200,000	90,000	200,000	110,000	
2. REO expenses	9,693	50,000	10,000	50,000	40,000	
3. Provision for losses on loans and REOs	(460,000)	125,000	50,000	125,000	75,000	
4. Mortgage servicing fees	1,784,006	1,850,000	1,873,000	1,975,000	102,000	
5. Loan origination expenses	3,221,276	3,230,000	3,135,000	3,230,000	95,000	
6. Bond issuance expenses	1,238,558	900,000	897,534	900,000	2,466	
7. Trustee/Bank fees	162,279	170,000	172,711	178,000	5,289	
8. Program advertisements	312,587	343,450	433,635	336,500	(97,135)	
9. Bond and mortgagee insurance	17,607	19,550	21,142	24,313	3,171	
10. Variable rate bond remarket/SBPAs	909,210	710,000	640,566	645,000	4,434	
11. Cash flow/arbitrage/swap consultants/legal	578,885	675,000	710,217	738,500	28,283	
12. Homebuyer education	118,950	135,000	135,000	150,000	15,000	
13. Program administrator fees	391,558	455,610	1,912,939	1,469,000	(443,939)	
<b>Total Direct Program Administrative Expenses</b>	<b>8,318,893</b>	<b>8,863,610</b>	<b>10,081,744</b>	<b>10,021,313</b>	<b>(60,431)</b>	<b>(1%)</b>

<sup>1</sup> 2023 Forecast vs. 2024 Budget

**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2024**

**ATTACHMENT C**

Description	2022 Actual	2023 Budget	2023 Forecast	2024 Budget	\$ Increase <sup>1</sup> (Decrease)	% Increase <sup>1</sup> (Decrease)
<b>Computer Hardware:</b>						
Network backup hardware - Data Domain		15,000	0	0		
Laptop replacements		55,000	54,154	57,000		
Total computer hardware	29,747	70,000	54,154	57,000	2,846	5%
<b>Computer Software:</b>						
Enterprise multi-family housing system		240,679	289,077	176,958		
Amplifund grant management software		45,600	45,600	45,600		
Mobile device management software		8,000	0	0		
ITMS & Patching replacement		0	0	20,000		
Internal communication enhancements		0	0	25,000		
Website redesign		7,000	0	0		
Single Family loan servicing system modifications		10,000	0	10,000		
Single Family lender & loan tracking systems mods		10,000	0	10,000		
Hancock systems mods (LIHEAP & Wx Programs)		100,442	0	0		
Salesforce Project Management software - upgrades		120,000	0	220,000		
New LIHEAP & Wx system		575,000	855,000	0		
Total computer software	501,581	1,116,721	1,189,677	507,558	(682,119)	(57%)
<b>Office Building:</b>						
Audio visual equipment upgrade		0	9,439	0		
Additional workstations & furniture		24,460	63,125	40,000		
Patio repair/resurface		46,000	39,539	0		
Stairwell repair		0	6,290			
Fencing for office building		0	17,300	0		
Potential office building improvements/repairs		0	0	50,000		
Total office building	55,074	70,460	135,693	90,000	(45,693)	(34%)
<b>Director's Vehicle:</b>						
	0	0	0	30,000	30,000	0
<b>Total</b>	<b>586,402</b>	<b>1,257,181</b>	<b>1,379,524</b>	<b>684,558</b>	<b>(694,966)</b>	<b>(50%)</b>

<sup>1</sup> 2023 Forecast Vs. 2024 Budget

MAINE STATE HOUSING AUTHORITY  
ITEMIZATION OF CERTAIN REVENUES  
FOR THE YEAR ENDING DECEMBER 31, 2024

ATTACHMENT D

(IN THOUSANDS OF DOLLARS)

	2022	2023	2023	2024	\$ Increase¹	% Increase¹
	Actual	Budget	Forecast	Budget	(Decrease)	(Decrease)
<b>Federal rent subsidy income:</b>						
HUD Section 8 Housing Choice Vouchers	30,969	30,900	34,118	35,465	1,347	
HUD Section 8 Emergency Housing Vouchers-ARP Act	317	550	669	597	(72)	
HUD Section 8 Performance Based Contract Admin	78,442	80,669	79,723	81,052	1,329	
HUD Section 811 - Project Rental Assistance	107	164	73	222	149	
HUD Section 8 Moderate Rehabilitation	629	564	515	526	11	
HUD Section 8 Mainstream Vouchers	122	132	126	132	6	
<b>Total Federal rent subsidy income</b>	<b>110,586</b>	<b>112,979</b>	<b>115,224</b>	<b>117,994</b>	<b>2,770</b>	<b>2%</b>
<b>Grant Income - Federal (Non-COVID-19):</b>						
HUD Home Investment Partnership Program (HOME)	842	3,955	4,044	4,126	82	
HUD National Housing Trust Fund	0	2,695	2,759	2,722	(37)	
HUD Homeless Management Info System	125	132	132	132	0	
HUD Lead-Based Hazard Program	1,720	1,000	1,506	1,550	44	
HUD Older Adult Home Modification Program	64	262	100	633	533	
HUD Emergency Solutions Grant	1,283	1,287	1,287	1,289	2	
HUD Housing Counseling Grant	1	0	0	0	0	
HUD Continuum of Care Planning Grant	12	68	51	105	54	
HUD Tenant-Based Rental Assistant	263	0	0	0	0	
HUD Recovery House Program	827	1,734	1,240	989	(251)	
DHHS Low Income Home Energy Assistance (LIHEAP)	59,281	43,636	36,595	37,000	405	
DHHS Maine Association of Recovery Residences	213	0	0	0	0	
DOE Weatherization	2,465	3,254	2,800	4,436	1,636	
DOE Weatherization Training Centers	0	288	50	296	246	
DOE Weatherization - Infrastructure	0	5,413	0	8,195	8,195	
DOE Weatherization Training Centers - Infrastructure	0	468	38	2,535	2,497	
DOE Sustainable Energy Resources (Heat Pumps)	0	0	0	4,765	4,765	
DOE Inflation Reduction Act - MF Energy Rehabs	0	0	0	25,000	25,000	
State - Federal TANF/LIHEAP Supplement	2,340	2,720	2,148	4,050	1,902	
Total Grant income - Federal (Non-COVID-19)	69,436	66,912	52,750	97,823	45,073	85%
<b>Grant Income - Federal (COVID19):</b>						
CARES Act Emergency Solutions Grant	3,066	0	64	0	(64)	
CARES Act - Low Income Water Assistance Program	356	1,585	2,176	0	(2,176)	
CARES Act - FEMA-COVID-19 Homeless Initiatives	20,831	3,040	5,500	0	(5,500)	
CARES Act - Emergency Rental Assistance 1.0	122,756	0	0	0	0	
ARP Act (State Allocation)-Shelter Operating Subsidy	10,000	0	0	0	0	
ARP Act (State Allocation) - Housing Navigators	174	750	937	389	(548)	
ARP Act (State Allocation) - Expand Housing Options	0	40,000	15,000	25,000	10,000	
ARP Act - Low Income Home Energy Assistance	20,989	14,000	15,112	4,829	(10,283)	
ARP Act - Homeowners Assistance Fund	0	10,000	25,972	17,400	(8,572)	
ARP Act - Home Investment Partnership Program	0	9,325	9,325	6,361	(2,964)	
ARP Act - Emergency Rental Assistance 2.0	81,843	0	13,800	18,988	5,188	
ARP Act - Community Development Block Grant - SHP	329	2,565	1,258	1,571	313	
Total Grant income - Federal (COVID-19)	260,344	81,265	89,144	74,538	(14,606)	(16%)
Total Grant income - Federal	329,780	148,177	141,894	172,361	30,467	21%
<b>Grant income - Non-Federal:</b>						
State - Real Estate Transfer Taxes	28,896	30,000	24,500	24,500	0	
State - Shelter Operating Subsidy	2,500	2,500	7,500	2,500	(5,000)	
State - Maine Energy Housing & Economic Recovery	4,319	4,319	4,319	4,319	0	
State - CHIP Lead Program	0	270	0	900	900	
State - Emergency Housing Relief Fund #1	5,008	14,211	14,816	2,176	(12,640)	
State - Emergency Housing Relief Fund #2	0	0	18,948	2,052	(16,896)	
State - Emergency Housing Relief Fund #3	0	0	4,106	7,894	3,788	
State - Home Repair Program (Arsenic)	28	0	0	0	0	
State - Lead Abatement Program	236	1,098	571	440	(131)	
State - LIHEAP Supplemental	0	0	50,000	0	(50,000)	
State - Maine Association of Recovery Residences	523	0	330	0	(330)	
State - Revolving loan State G.O. funds	116	0	0	0	0	
State - Rural Affordable Rental Hsg & LIHTC	0	0	0	35,000	35,000	
State - Rural Recovery Residence Fund	0	0	0	1,500	1,500	
State - Homeless Shelter Repair Program	0	0	0	257	257	
State - Well Water Treatment Program	0	100	30	100	70	
State/Utilities - Low Income Energy Assistance Plan (LIAP)	1,749	1,919	8,547	2,335	(6,212)	
Total Grant Income - Non-Federal	43,375	54,417	133,667	83,973	(49,694)	(37%)
<b>Total Grant income</b>	<b>373,155</b>	<b>202,594</b>	<b>275,561</b>	<b>256,334</b>	<b>(19,227)</b>	<b>(7%)</b>
<b>Fee income:</b>						
HUD Section 8 Vouchers	3,396	2,810	3,543	3,644	101	
HUD Section 8 Emergency Housing Vouchers-ARP Act	107	57	67	77	10	
HUD Section 8 FSS	82	94	85	90	5	
HUD Section 8 Mod Rehab.	94	78	71	73	2	
HUD Section 8 New Construction - MPP	710	0	0	0	0.00	
HUD Section 811 - Project Rental Assistance	31	30	19	0	(19)	
HUD Section 8 PBCA	2,645	2,892	2,872	3,040	168	
HUD Section 8 Mainstream Vouchers	17	13	18	19	1	
Total HUD Section 8 Programs (all programs)	7,082	5,974	6,675	6,943	268	4%
HUD Home Investment Partnership Program (HOME)	216	440	449	459	10	
HUD National Housing Trust Fund	315	300	307	303	(4)	
HUD Homeless Management Info System	205	213	213	213	0	
HUD Lead-Based Hazard Program	129	50	75	139	64	
HUD Older Adult Home Modification Program	56	94	40	142	102	
HUD Emergency Solutions Grant	104	105	105	105	0	
HUD Housing Counseling Grant	4	0	0	0	0	
HUD Continuum of Care Planning Grant	391	358	375	400	25	
HUD Tenant-Based Rental Assistant	42	0	0	0	0	
HUD Coordinated Entry Grant	8	0	0	0	0	
HUD Recovery House Program	41	30	30	25	(5)	
DHHS Low Income Home Energy Assistance (LIHEAP)	1,017	1,091	900	925	25	
DHHS Maine Association of Recovery Residences	7	0	0	0	0	
DOE Weatherization	230	360	200	297	97	
DOE Weatherization Training Centers	87	288	67	423	356	
DOE Weatherization - Infrastructure	29	199	134	586	452	
DOE Weatherization Training Centers - Infrastructure	0	468	0	1,166	1,166	
DOE Sustainable Energy Resources (Heat Pumps)	0	0	0	150	150	
State - Federal TANF/LIHEAP Supplement	79	106	95	157	62	
CARES Act - Emergency Solutions Grant	46	75	0	0	0	
CARES Act - Low Income Water Assistance Program	54	86	109	0	(109)	
CARES Act - FEMA-COVID-19 Homeless Initiatives	0	75	0	500	500	
CARES Act - Emergency Rental Assistance 1.0	167	0	0	0	0	
ARP Act - Low Income Home Energy Assistance	464	93	415	24	(391)	
ARP Act - Homeowners Assistance Fund	5	150	1,795	1,150	(645)	
ARP Act - Home Investment Partnership Program	48	100	95	65	(30)	
ARP Act - Emergency Rental Assistance 2.0	349	0	160	120	(40)	
State - CHIP Lead Program	0	30	0	90	90	
State - Home Repair Program (Arsenic)	15	0	0	0	0	
State - Lead Abatement Program	74	91	60	90	30	
State - Recovery House Program	9	0	4	0	(4)	
State - Well Water Treatment Program	0	51	10	18	8	
Utilities - Low Income Assistance Plan (LIAP)	280	356	346	290	(56)	
Multi-family loan origination fees	1,165	1,500	3,445	3,219	(226)	
Low income housing tax credit fees	919	1,349	1,531	1,146	(385)	
Conduit bonds servicing fees - Princeton Properties	114	116	116	116	0	
Other fees	2	5	5	5	0	
<b>Total Fee income</b>	<b>13,753</b>	<b>14,153</b>	<b>17,756</b>	<b>19,266</b>	<b>1,510</b>	<b>9%</b>
<b>Other Income</b>						
Real estate owned income	7	75	121	100	(21)	
Affordable Housing Conference	0	80	80	0	(80)	
Federal Home Loan Bank - Helping to House NE	100	0	0	0	0	
Miscellaneous	0	5	5	5	0	
<b>Total Other income</b>	<b>107</b>	<b>160</b>	<b>206</b>	<b>105</b>	<b>(101)</b>	<b>(49%)</b>

¹ 2023 Forecast Vs. 2024 Budget

**MAINE STATE HOUSING AUTHORITY  
REVENUES AND EXPENSES BUDGET BY FUND GROUP  
FOR THE YEAR ENDING DECEMBER 31, 2024**

ATTACHMENT E

(IN THOUSANDS OF DOLLARS)

	2024 Budget	Mortgage Purchase Fund	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Fund
<b>REVENUES:</b>								
Interest from mortgages and notes	74,545	74,045	0	340	120	0	0	40
Income from investments	25,500	21,275	340	1,485	1,050	0	300	1,050
Federal rent subsidy income	117,994	0	0	0	0	117,994	0	0
Grant income	256,334	0	0	0	27,000	172,361	52,654	4,319
Fee income	19,266	3,219	0	1,267	0	14,292	488	0
Other income	105	100	0	5	0	0	0	0
<b>Total Revenues</b>	<b>493,744</b>	<b>98,639</b>	<b>340</b>	<b>3,097</b>	<b>28,170</b>	<b>304,647</b>	<b>53,442</b>	<b>5,409</b>
<b>EXPENSES</b>								
Operating expenses	25,670	0	0	25,670	0	0	0	0
Direct program expenses	10,021	8,415	0	20	0	1,296	290	0
Interest expense	66,565	65,570	0	0	0	0	0	995
Federal rent subsidy expense	117,994	0	0	0	0	117,994	0	0
Grant expense	257,599	0	0	0	28,170	172,361	52,654	4,414
Allocated operating costs	0	12,330	255	(24,276)	0	11,308	383	0
<b>Total Expenses</b>	<b>477,849</b>	<b>86,315</b>	<b>255</b>	<b>1,414</b>	<b>28,170</b>	<b>302,959</b>	<b>53,327</b>	<b>5,409</b>
<b>Net Operating Income</b>	<b>15,895</b>	<b>12,324</b>	<b>85</b>	<b>1,683</b>	<b>0</b>	<b>1,688</b>	<b>115</b>	<b>0</b>

Operating Expenses Budget - Attachment B

## Asset Management Department Memorandum

**To:** MaineHousing Board of Commissioners  
**From:** Robert Conroy – Director, Asset Management  
**Date:** December 11, 2023  
**Subject:** December Board Report - Asset Management

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Happy Holidays to all from the Asset Management Department!  
As we near the close of 2023 we are sharing the results of a portion of our core responsibilities performed by Asset Management staff:

### **PBCA Management & Occupancy Reviews (MORs)**

The PBCA MOR is an audit of Section 8 Owner/Managers to determine their compliance with the HUD Section 8 regulations. It is one of the tasks prescribed in our contract with HUD to administer the Section 8 program. The PBCA Team is responsible for conducting these MORs.

In 2023 we scheduled 199 MORs.

To date we have completed 193.

3 were scored less than Satisfactory

We will complete the remaining 6 MORs by 12/31.

### **Supportive Housing Reviews and SHP Repair**

Properties in the Supportive Housing portfolio are reviewed periodically to ensure that the property continues to operate consistent with its loan requirements and to assist Sponsors with any questions or issues they may have. Because of the high turnover rate some Sponsors are not aware of the program requirements and we endeavor to provide technical assistance to those operators.

In 2023 we scheduled 84 SHP reviews.

47 have had reports issued.

25 reports are in process.

12 MORs are scheduled to be completed by December 31.

SHP Repair provides forgivable loans to eligible SHP properties that allow them to make critical life/safety, energy or other improvements that will extend the useful life of the property thus extending the critical public purpose these very special properties provide.

To date we have received 40 complete SHP Repair Applications.

6 loans have closed and 4 are nearing closing.

### **Financial Audit, Budget Review and Escrow Activity**

Certain types of MaineHousing financing require that Owners submit project operating budgets and Audited Financial Statements annually for our review. This review is part of our ongoing portfolio risk analysis.

In 2023 we received 270 Operating Budgets and completed the review of 214.

We received 293 Audited Financial Statements and completed the review of 282.

We handled 1,248 project escrow draws, primarily for the use of the project's Replacement Reserve escrow.

### **Multifamily Management and Occupancy Reviews (MORs)**

Certain non-Section 8 properties receive periodic MORs to assure compliance with applicable funding requirements. These are primarily reviews of Low Income Housing Tax Credit (LIHTC) properties mandated for review by the Internal Revenue Service (IRS).

67 LIHTC MORs were scheduled.

67 LIHTC MORs were completed.

7 MORs were rated less than Satisfactory

### **Property Inspections**

We perform property inspections on a portion of our projects annually to ensure that the property is decent, safe and sanitary. In addition we perform scheduled site visits as part of our PBCA MOR process.

In 2023 we scheduled 139 property inspections and performed 136 property inspections. 3 inspections will be completed by the end of December.

In addition we performed 199 property site visits.



## Development Department Memorandum

**To:** MaineHousing Board of Commissioners

**From:** Mark C. Wiesendanger, Director of Development

**Date:** December 19, 2023

**Subject:** Monthly Report

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### 2024 9% LIHTC Program

We have scored the 2024 applicants for the 9% LIHTC program. We have shared the scores with the Applicants so they can have the opportunity to clarify any evidence we may have missed in scoring their Applications. We expect to make awards by the time of this meeting. The Applicants were:

Project Name	Developer	City	Family/ Senior	Total Units
Avesta Seavey Street	Avesta	Westbrook	Senior	61
Equality Community Housing	Equality Community Center	Portland	Senior	54
Essex View	Penquis CAP	Bangor	Family	40
Oak Ridge Apartments	Realty Resources	Bath	Senior	30
3i Home at The Downs	POAH/ 3iHoME	Scarborough	Family	51
Martel School Apartments	LAAHDC	Lewiston	Senior	44
Sunset Avenue	Bangor HA	Bangor	Senior	50
Varney Heights	Freeport HA	Freeport	Senior	42

### Development Pipeline

Below you will find the Development Pipeline updated as of December 12. We expect that a small number of these projects will not see completion, and that predicted construction starts and completions will change as projects move forward.

Project Name	Developer	Program	City	Family/ Senior	Total Units
Completed in 2023					
155 Danforth	Bunker	4%	Portland	Family	30
Blake & Walnut	Raise-Op	4%	Lewiston	Family	18

Blueberry Ridge	Bangor HA	4%	Bangor	Senior	32
Milliken Heights	Szanton	4%	OOB	Senior	55
Mountain View Apts.	Bateman	4%	Fairfield	Senior	28
The Uplands II	Bunker	4%	Scarborough	Senior	39
Mary Street Apartments	KVCAP	4%+State	Skowhegan	Family	40
Phoenix Flats	CHOM	4%+State	Portland	Senior	45
Front Street Re-Dev I	Portland HA	9%	Portland	Family	47
Sr. Living at the Marketplace	Tim Gooch	9%	Augusta	Senior	42
West End Apts. Phase II	Avesta	9%	So. Portland	Family	52
Clarks Bridge Crossing	Patco	AHOP	Waterboro	Family	6
Highpines Village Condos	Highpine Properties LLC	AHOP	Wells	Family	4
Stearns Farm	S.E. MacMillan Co, INC	AHOP	Hampden	Family	7
89 Olive Street	Penquis CAP	HTF	Bangor	Family	6
Cranberry Road	Cranberry Isles Realty Trust	Islands	Cranberry Island	Family	2
100 Ohio Street	CHOM	SHP	Bangor	Family	4
Tucker's House	LB Dev Part.	RHP	Bridgton	Supp.	10
<i>NC/AR Projects</i>	<i>18</i>			<i>New Units</i>	<i>467</i>
Washington Gardens	Portland HA	9%	Portland	Senior	100
<i>Rehab Projects</i>	<i>1</i>			<i>Rehab Units</i>	<i>100</i>
<b>Total Projects</b>	<b>19</b>			<b>Total Units</b>	<b>567</b>

#### Under Construction - likely completed in 2023

Brunswick Landing	Developers Collaborative		Brunswick	Family	36
The Schoolhouse	CHOM	4%	Bangor	Family	21
Porter Station	Avesta	4%+State	Portland	Family	60
<i>NC/AR Projects</i>	<i>3</i>			<i>New Units</i>	<i>117</i>
The Schoolhouse	CHOM	4%	Bangor	Family	45
<i>Rehab Projects</i>	<i>1</i>			<i>Rehab Units</i>	<i>45</i>
<b>Total Projects</b>	<b>3</b>			<b>Total Units</b>	<b>162</b>

#### Under Construction - likely completed in 2024

One Edgemont Drive	ACAP	SHP	Presque Isle	Family	13
99 Western Ave	Mastway Dev LLC	4%	Augusta	Family	38
Harrison Ridge	Developers Collaborative	4%	Bridgton	Senior	48
Hartland II	KVCAP	4%	Hartland	Senior	30
Jocelyn Place	SoPo HA	4%	Scarborough	Senior	60
Stacy M. Symbol Apts.	Westbrook HA	4%	Westbrook	Senior	60
Stroudwater Apartments	Westbrook HA	4%	Westbrook	Senior	55
Snow School Apartments	Avesta	4%+HTF	Fryeburg	Senior	28
Congress Square Commons	Developers Collaborative	9%	Belfast	Family	36
Front Street Re-Devt Phase 2	Portland HA	9%	Portland	Senior	45
The Uptown	Szanton	9%	Bath	Senior	60
Village Commons	Avesta	9%	Scarborough	Senior	31
Clarks Bridge Crossing	Patco	AHOP	Waterboro	Family	3
Highpines Village Condos	Highpine Properties LLC	AHOP	Wells	Family	16
Stearns Farm	S.E. MacMillan Co, INC	AHOP	Hampden	Family	16
Theresa Bray Knowles Place	Penquis Cap	HOME-ARP	Bangor	Family	36
18 Central Ave	Home Start	Islands	Peaks Island	Family	3

CICA 2022 Island Housing	CICA	Islands	Chebeague Island	Family	4
ICDC Town Acquisition	ICDC	Islands	Isle au Haut	Family	4
NHSH Affordable	NH Sustainable Housing	Islands	New Haven	Family	4
Reeby Road	Islesboro Affordable	Islands	Islesboro	Family	2
18 Green Street	Motivational Svs	HTF	Augusta	Family	8
55 Weston Ave	55 Weston Avenue LLC	Rural	Madison	Family	18
<i>NC/AR Projects</i>	23			<i>New Units</i>	618
Millbrook Estates	Westbrook HA/EBM	4%	Westbrook	Senior	100
<i>Rehab Projects</i>	1			<i>Rehab Units</i>	100
<b>Total Projects</b>	<b>24</b>			<b>Total Units</b>	<b>718</b>

#### Under Construction - likely completed in 2025

The Equinox	CHOM	4%+State	Portland	Family	43
Winter Landing	CHOM	4%+State	Portland	Senior	52
Betsy Ross Crossing	SoPo HA	4%	So. Portland	Senior	52
Edgewater Village	Avesta	4%	Farmington	Senior	25
Fairview Commons	Brunswick HA	4%	Topsham	Family	38
Lambert Woods North	Maine Coop. Dev. Partners	4%	Portland	Family	74
Lockwood Mill	North River Co.	4%	Waterville	Family	65
Meadowview II	Avesta	4%	Gray	Senior	27
Wedgewood	Lewiston HA/Avesta	4%	Lewiston	Family	82
Adams Point	Biddeford HA	9%	Biddeford	Family	39
Landry Woods	South Portland Housing	9%	So. Portland	Senior	43
Milford Place	Penquis CAP	9%	Bangor	Senior	40
Peasley Park	Developers Collaborative	9%	Rockland	Senior	49
Picker House Lofts	Szanton	9%	Lewiston	Family	72
Rumford Senior Living	Developers Collaborative	9%	Rumford	Senior	33
Sturgeon Landing	Augusta Housing	9%	Augusta	Family	32
Wildlands	Greater Portland Habitat	AHOP	Standish	Family	12
22 Shapleigh Road	Fairtide	HOME-ARP	Kittery	Family	6
Colonial Valley & Mt Blue	WMCA	HOME-ARP	Farmington	Family	33
Tucker's House Harrison	LB Development Partners	Recovery	Harrison	Supp.	10
<i>NC/AR Projects</i>	20			<i>New Units</i>	827
Berry Park Apartments*	Northland Enterprises	4%	Biddeford	Family	46
Harbor Terrace*	Portland HA	4%	Portland	Senior	120
North Deering Gardens*	Wingate Dev.	4%	Portland	Family	164
Oak Grove Commons*	Realty Resources	9%	Bath	Family	34
<i>Rehab Projects</i>	4			<i>Rehab Units</i>	364
<b>Total Projects</b>	<b>24</b>			<b>Total Units</b>	<b>1191</b>

#### Preliminary Underwriting

45 Dougherty	Szanton	4%	Portland	Family	63
Farwell Mill	Realty Resources	4%	Lisbon Falls	Family	96
Munjoy South	Avesta	4%	Portland	Family	106
Seton Tower	Kevin Mattson with Andy J	4%	Waterville	Family	68
89 Elm Apartments	Tom Watson & CO LLC	4% PLA	Portland	Family	201
3i Home at The Downs	POAH/3iHoME	9%	Scarborough	Family	51
Avesta Seavey Street	Avesta	9%	Westbrook	Senior	61

Equality Community Housing	Equality Comm. Center	9%	Portland	Senior	54
Essex View	Penquis CAP	9%	Bangor	Family	40
Martel School Apartments	LAAHDC	9%	Lewiston	Senior	44
Oak Ridge Apartments	Realty Resources	9%	Bath	Senior	30
Sunset Avenue	Bangor HA	9%	Bangor	Senior	50
Varney Heights	Freeport HA	9%	Freeport	Senior	42
19 Bodwell Street	Androscoggin Homes	AHOP	Sanford	Family	9
Alexander Way	BH Land Trust	AHOP	Boothbay Harbor	Family	7
Beals Ave WF Housing	LB Dev Partners	AHOP	Ellsworth	Family	23
Windward Estates	Penquis CAP	AHOP	Searsport	Family	7
OddFellows Apts.	Archer Properties LLC	Rural	Norway	Family	13
Berry's Block Apts.	Lake City Investments	Rural	Rockland	Family	9
520 Centre Street	Bath HA	Rural	Bath	Family	18
The Elm Estates	East Town Rentals	Rural	Presque Isle	Family	18
Mechanic Street	WLR Properties	Rural	Houlton	Family	18
Firefly Fields	Midcoast Habitat	Rural	Rockland	Family	10
Charles Jordan House	ME Prisoner Adv Coalition	SHP	Auburn	Supp.	11
Lupine Landing	Safe Voices	SHP	Farmington	Supp.	6
Seavey House	Biddeford Housing	SHP	Saco	Supp.	8
<i>NC/AR Projects</i>	<i>26</i>			<i>New Units</i>	<i>1063</i>
Place St. Marie*	Brisa Dev with Andy J	4%	Lewiston	Family	40
Riverton Park*	Portland HA	4%	Portland	Family	182
Summer Block*	Bateman	4%	Saco	Senior	32
<i>Rehab Projects</i>	<i>3</i>			<i>Rehab Units</i>	<i>254</i>
<b>Total Projects</b>	<b>29</b>			<b>Total Units</b>	<b>1317</b>
<i>Total NC/AR Projects</i>	<i>90</i>			<i>Total New Units</i>	<i>3092</i>
				<i>Total Rehabbed Units</i>	<i>863</i>
<i>Total Rehab Projects</i>	<i>10</i>			<i>Total Units</i>	<i>3955</i>
<i>Total Projects</i>	<i>100</i>				
<b>Total Projects in Underwriting &amp; Construction</b>	<b>81</b>			<b>Total Units</b>	<b>3388</b>



**Energy & Housing Services Department Memorandum**

**To:** MaineHousing Board of Commissioners

**From:** Genevieve Soucy, Director Energy and Housing Services

**Date:** December 13, 2023

**Subject:** EHS Monthly Report

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**Home Energy Assistance Program (HEAP)**

The Home Energy Assistance Program (HEAP) is a component of the LIHEAP grant which will provide eligible applicants a benefit to cover a portion of their heating costs. Applications for the program are taken July – May. A household must meet the income guidelines each year and must have a direct, or indirect, heating burden.

	PY 2024	PY 2023	% Change
<b>Total Applications Taken</b>	<b>39,240</b>	<b>36,736</b>	<b>+10.00%</b>
Confirmed Eligible	24,367	20,953	+25.8%
Pending (in process)	9,393	11,973	-29.8%
Other (ineligible, denied, void etc.)	5,480	3,810	+86.6%

**Additional information:**

- **Current Funding Status of Program** –Preliminary budgeting for Fuel Assistance estimated \$24million available for fuel assistance benefits to clients, this amount was based on Maine’s standard grant award of approximately \$40million. To date, \$13,217,965 has been issued for fuel assistance benefits, this represents 55% of available funding. With the federal budget not yet finalized, the total amount of the grant award is currently unknown however it will not be less than \$40million. Once the final federal allocation has been determined, the projected budget for fuel assistance benefits will be reviewed and adjusted if available.
- **Current Status of Application** – Estimates for the current program year anticipated a 6% increase in the number of approved applications, current applications taken have increased 10% when compared to the same time period the prior year. Confirmed eligible applications are showing an increase over the prior year of 25.8% however the number of denied applications is up 86%. Because an application that is denied may not take as long to process as an eligible application, the CAA’s are finding that they are able to process the pending applications faster. The above chart shows that the Eligible households have increased 25.8% while pending applications have decreased by 29.8% compared to the same time period the prior year. Analyzing these numbers as a whole shows that the program is in great shape, 25% more applicants have received their benefits faster than the prior year and the backlog of applications to be process has decreased greatly. The increase of eligible applications in comparison to the prior year is not a concern at this time as it is representing faster processing rather than a large increase in eligible households.

### Emergency Crisis Intervention Program (ECIP)

The Emergency Crisis Intervention Program (ECIP) is a program component of the HEAP grant which will grant Households who are eligible for HEAP up to an additional \$800 if they find that they have less than a seven day supply of fuel available. The ECIP program starts on November 1 and runs through April 30, or until funding is exhausted.

	Processed/Committed
ECIP Occurrence Processed	616
ECIP Funds Committed	\$434,578.11

### Weatherization Assistance Programs (WAP)

WEATHERIZATION							
Reporting Period: January 1, 2023 – December 13, 2023							
	Projects	Readiness Jobs	Total Cost	Program Delivery & Support	DOE Funded	DOE Wx Readiness	HEAP Funded
DOE & HEAP Wx	310	42	\$5,333,281	\$1,879,669	\$1,453,200	\$363,680	\$1,636,732
BIL Funding	10		\$87,651	\$59,877	\$105,522		
Total	320	42	\$5,420,932	\$1,939,546	\$1,558,723	\$363,680	\$1,636,732
2022 TOTAL	319	1	\$6,442,853	\$2,017,550	\$1,545,698	\$6,700	\$1,705,181

### Central Heating Improvement Program (CHIP)

The Central Heating Improvement Program (CHIP) provides grants to households that are HEAP eligible to assist with heating system repairs or replacements, Chimney and Oil Tank repairs or replacements. Funding for the CHIP program is from the DHHS LIHEAP grant as well as State HOME funds. To be determined eligible, Households must have an approved Fuel Assistance Application in the prior 12 months to qualify for service.

CENTRAL HEATING IMPROVEMENT							
Reporting Period: January 1, 2023 – December 13, 2023							
	Projects	Total Cost	Program Delivery & Support	Projects	Heating System CTE, Repair or Replacement	Projects	Chimney or Oil Tank Repairs or Replacements
TOTAL	1,745	\$5,274,421	\$1,076,446	1,538	\$3,630,296	207	\$567,679
2022 TOTAL	2,506	\$6,772,882	\$1,185,574	2,121	\$4,369,621	385	\$1,217,687

## Home Accessibility and Repair Program (HARP)

The Home Accessibility and Repair Program (HARP) provides grants to income eligible homeowners for professional home repairs and accessibility modifications. The HARP is delivered statewide through the network of Community Action Agencies (CAAs).

HARP PROGRESS							
Reporting Period: January 1, 2023 – December 13, 2023							
	Program Delivery & Support	Home Repair		Emergency		2023 Weatherization Readiness	
<b>TOTAL</b>	<b>\$610,295.36</b>	<b>68</b>	<b>\$1,014,710</b>	<b>136</b>	<b>\$1,810,758</b>	<b>19</b>	<b>\$226,008</b>
<b>2022 Program</b>	<b>\$832,625.20</b>	<b>117</b>	<b>\$2,070,223</b>	<b>121</b>	<b>\$2,092,903</b>		

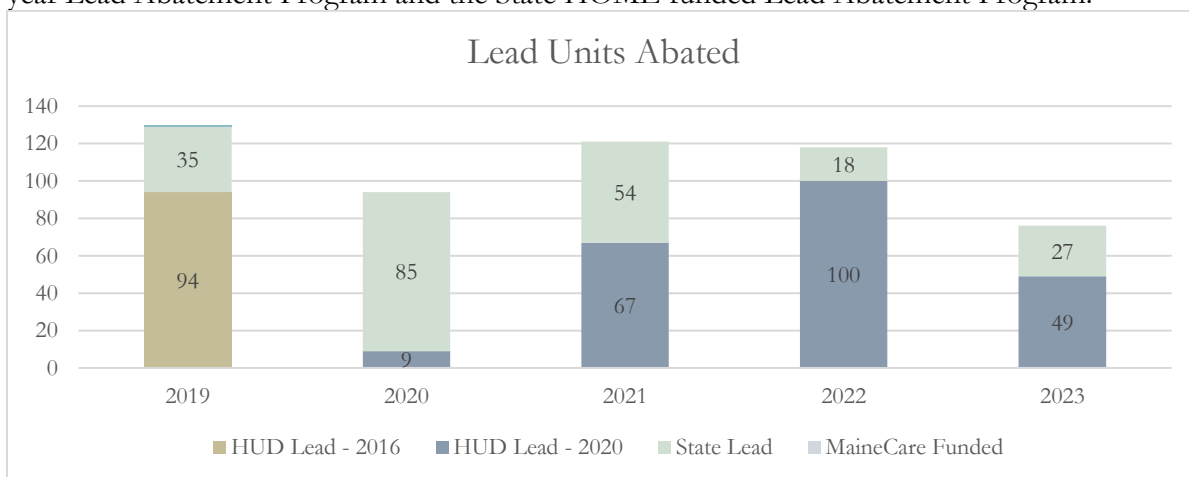
## Heat Pump Installation Program (HPP)

The Heat Pump Installation Program (HPP) will install a heat pump for eligible households where it is determined that a heat pump will reduce the households energy burden. Funding for this program component has come from the LIHEAP grant. Beginning August 1, 2023, Heat Pumps will be installed with funding made available from Department of Energy grant.

HEAT PUMP				
Reporting Period: January 1, 2023 – December 13, 2023				
	Projects	Total Cost	Program Delivery & Support	Heat Pump Installation Costs
<b>2023 YTD</b>	<b>759</b>	<b>\$3,806,652.39</b>	<b>\$640,369.49</b>	<b>\$3,166,282.90</b>
<b>2022 TOTAL</b>	<b>1,697</b>	<b>\$3,265,421.66</b>	<b>\$682,844.44</b>	<b>\$2,582,577.22</b>

## Lead Abatement Program

MaineHousing works with two Community Action Agencies to deliver the Lead Abatement Programs across the State. Currently there are two funding sources used to abate units, HUD's three year Lead Abatement Program and the State HOME funded Lead Abatement Program.



## Low Income Assistance Plan (LIAP)

The Low Income Assistance Plan (LIAP) provides a credit to an eligible households electricity account. The LIAP program is funded by contributions from Transmission and Distribution electricity providers and the program Rules and Orders are governed by the MPUC. Additional assistance for Households who require electricity for an oxygen pump or ventilator are also available as part of this program.

Low Income Assistance Plan (LIAP)				
Reporting Period: October 1, 2022 - September 30, 2023				
Utility	Oxygen/Vent Participants	Oxygen/Vent Credits Provided	LIAP Participants	Credits Provided
<b>TOTAL</b>	<b>3,450</b>	<b>\$ 449,288</b>	<b>38,092</b>	<b>\$13,697,481</b>
<b>2022 TOTAL</b>	<b>1,078</b>	<b>\$ 250,224</b>	<b>29,869</b>	<b>\$10,338,389</b>

### Additional information:

- **Additional Funding** – The recently passed State budget included an additional \$7.5million for Program Years 2024 and 2025. The additional funding will allow an expansion in eligibility for DHHS enrollees, up to 150% of Federal Poverty, and may allow for higher benefits for all enrollees.

## Well Water Abatement

The Well Water Abatement program provides grants for the abatement of contaminants in private wells to provide safe drinking water for income eligible, single-family homeowners and income eligible landlords for dwellings with four rental units or less. The grants will cover well water testing as well as a point of use or point of entry system depending upon needs. Funding for this program is from LD-1891 passed in 2022, the program will continue until funding is exhausted.

WELL WATER ABATEMENT PROGRAM	
REPORT PERIOD: January 1, 2023 – November 7, 2023	
Number of Inquires	134
Number of Applications Received	32
Number of Filtration Systems Installed	13
Number of Water Test Completed	53
Program Allocated Funds	\$ 500,000.00
Expenditures for Water Tests and Filtration Systems	\$ 77,528.45
Available Funds	\$ 422,471.55



**Finance Department Memorandum**

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** December 12, 2023

**Subject:** Monthly Activity Report – Finance Department

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**ACCOUNTING AND FINANCIAL REPORTING (AFR):**

- The financial statement audit for 2023 is underway and the Accounting and Financial Reporting (AFR) staff have been performing preparation work for the audit. An audit planning meeting with Baker Newman & Noyes (BNN) was held to discuss the year-to-date financial results, new programs, results of internal and other external audits, staffing changes and new Governmental Accounting Standards Board (GASB) pronouncements.

BNN auditors started their interim field work on December 5<sup>th</sup>. This work includes audit planning, documenting and assessing internal controls, and performing various audit procedures and confirmations on account balances. The interim phase will conclude by December 22<sup>nd</sup> and year-end field work will take place over a six-week period beginning on January 29, 2024.

- Work continued on MaineHousing's 2024 budgets. Preliminary budgets were presented and reviewed at the November Board meeting. Only a few changes were made to the preliminary budgets, which are summarized in the budget report that is included in this month's packet. The budgets will be presented at the December meeting for a vote.
- AFR staff also began work on several year-end processes. These included completing abandoned property reporting for checks issued by MaineHousing that were never cashed, gathering information from the departments for preparation of the IRS 1099 tax forms, and obtaining and verifying W-9 tax forms from our vendors. The W-9 forms are needed from all parties that receive an IRS reportable payment from MaineHousing during the year and are used to prepare the 1099 forms.

**LOAN ADMINISTRATION:**

- The Loan Administration staff completed work on the annual Quality Control Review of the Housing and Urban Development (HUD) and Rural Development (RD) portfolio of loans that are sub-serviced by Mortgage Servicing Solutions (MSS), the agency's largest single-family loan servicer. This is a system and operational review of MSS's servicing procedures and it entails conducting interviews with MSS's key personnel to ensure staff are knowledgeable of HUD and RD servicing requirements and that they are adhering to their respective processing guides. It also involves performing individual loan file reviews to confirm that MSS is compliant with federal guidelines and that the procedures they have in place are sufficient and proper.

Staff ascertained that MSS has a formal written quality control plan in place that meets all of HUD's and RD's requirements and is performing the required reviews in accordance with their policies. The review also verified that MSS has adequate controls in place to monitor the performance of their vendors and that appropriate actions were taken to address and resolve deficiencies. There were no material findings reported.

## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** December 12, 2023

**Subject:** Monthly Financial and Budget Report

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### FINANCIAL RESULTS

Attached are the Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Assets for the ten-month period ended October 31, 2023.

MaineHousing's programs are accounted for in Fund Groups, based on funding sources. For financial reporting purposes, each Fund Group is a separate and standalone entity. There are seven Fund Groups and the individual Balance Sheets and Statements of Revenues, Expenses and Changes in Net Assets for each are presented in columns on the attachments (pages 1 and 2). The following is a summary of MaineHousing's total combined financial position and operating results for the current year, and a brief explanation for changes between the current and prior year net operating results.

Total combined assets are approximately \$2.6 billion and total combined liabilities approximate \$2.16 billion. Total net assets amount to approximately \$441 million. Total combined revenues approximate \$387.7 million and total expenses amount to approximately \$361.4 million, which results in net operating income of \$26.3 million. For this period in 2022, net operating income was \$1.2 million. Net operating income is \$25.1 million higher in 2023 due primarily to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group.

The MPP has net operating income of approximately \$9.8 million. This is a \$21 million increase compared to the net operating loss of \$11.2 million in 2022. The increase is due to a change in the carrying values of non-mortgage investments and higher interest rates. A paper loss of \$6.2 million has been recognized in 2023, which represents an increase of \$10.9 million compared with the paper loss of \$17.1 million recorded in 2022. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

The recording of paper gains and losses is required for accounting purposes. However, because MaineHousing does not actively buy and sell related investments, actual gains and losses will not occur and these amounts are ignored by the rating agencies, bond analysts, and management when assessing profitability.

Excluding the paper losses, the MPP's net operating income is \$16 million at the end of October 2023. This is an increase of \$10.1 million compared to \$5.9 million net operating income in 2022. This net operating income improvement is due to the higher interest rate environment in 2023, which has increased net interest income by \$9.7 million. Although interest expense on bonds increased \$12 million, interest income from mortgages and investments is higher in 2023 by a combined amount of \$21.7 million.

## BUDGET RESULTS

Also attached are the budget variance results for the period ended October 31, 2023. These results are summarized and presented on the attachment described below:

### **OPERATING REVENUES AND EXPENSES BUDGET**

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and state funded programs. All operating and program administrative costs are paid by either the net interest income from mortgage lending activities, which is the difference between interest income earned from mortgage and non-mortgage investment assets and the interest paid on bonds, or fee income received for the administration of programs.

The Operating Revenues and Expenses Budget, **Attachment A**, presents the revenues available to pay operating and program administrative expenses. It also presents the aggregate operating and program administrative expenses. Total budgeted revenues for 2023 are \$92.1 million and total expenses are budgeted at \$83.5 million. Total actual revenues as of October 31, 2023 amount to \$91.6 million, while total expenses amount to \$72.9 million. For the ten-month period ended October 31, 2023, revenues exceed expenses by approximately \$18.7 million.

Total revenues are running above budget due primarily to higher income from non-mortgage investments. Income from non-mortgage investments will substantially exceed the budget for the year. Interest rates have increased considerably in 2023 and average yield are higher than projected. Fee income is also above budget due mainly to higher income from the federal Homeowner Assistance Fund (HAF) program.

Total expenses are also running above budget due largely to higher interest expense on bonds. Interest expense will exceed the budget for the year as a result of the higher rate environment. The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and summarized below:

### **OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES**

MaineHousing's overhead and operational costs for the year as well as other program administrative expenses, which are costs that are specifically and exclusively related to a particular program, are itemized on **Attachment B**.

Operating expenses are budgeted at approximately \$24.3 million. As of October 31, 2023, approximately \$19.9 million or 82% of the total operating budget has been used. In total, operating expenses are below budget at this point and are projected to be under for the year by approximately \$400,000 or 2%. Full-time equivalents are estimated to be under budget by one to two positions. There were a number of position turnovers and internal position changes throughout the year. Some positions were vacant for an extended period due to a tight labor market. Additionally, costs associated with staff and partner trainings and meetings are expected to be below budget.

Total other program administrative expenses are budgeted at \$8.9 million and actual expenses amount to \$8 million as of October 31, 2023. Expenses in this areas are running over budget and will exceed the budget for the year due to primarily to higher than projected program advertising and administrator fees.

These expenses exceed the budget because of the HAF program that was implementing this year. The work approach for this program was not known at the time the budget was adopted and fees for outsourcing various administrative functions were not included in the budget. As noted previously, fee

income from the HAF program is also above budget and the program provides sufficient income to cover these expenses as well as all other administrative costs.

### **CAPITAL BUDGET**

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2023 is \$1.3 million and expenditures amounted to approximately \$1.4 million as of October 31, 2023.

Capital expenditures were mainly for the acquisition of the new system for the federal LIHEAP and WX programs (JAI system) and the multifamily loan system. Expenditures associated with these systems exceed budget estimates. However, these overages are offset to some extent by a number of computer software items not being acquired as planned. There were some unplanned capital improvements and repairs to the office building and additional workstations and furnishings, which also contribute to the total budget overage.

### **MEMBERSHIPS, DUES AND SPONSORSHIPS**

In accordance with MaineHousing's Contributions Policy, all payments for memberships, dues and sponsorship are required to be reported to the Commissioners each month as part of the budget variance reports. **Attachment D** presents an itemized listing of the membership, dues, and sponsorship expenses as of October 31, 2023.

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**OCTOBER 31, 2023**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2022</b>	<b>2023</b>							
<b>ASSETS:</b>									
Cash, principally time deposits	93,998	81,941	28,538	1	46,826	0	6,465	111	0
Investments	549,750	734,280	643,613	8,322	17,680	32,585	0	3,420	28,660
Accounts receivable - Government	34,587	27,995	0	0	0	2,290	21,670	4,035	0
Accrued interest and other assets	14,187	17,249	11,490	20	683	97	187	4,675	97
Mortgage notes receivable, net	1,530,117	1,692,510	1,620,504	0	6,869	33,398	0	4,567	27,172
Other notes receivable, net	41	0	0	0	0	0	0	0	0
Land, equipment and improvements, net	17,369	18,309	22	0	18,287	0	0	0	0
Other real estate owned	44	0	0	0	0	0	0	0	0
Derivative instrument - interest rate swaps	18,570	26,758	26,758	0	0	0	0	0	0
Net pension asset	217	0	0	0	0	0	0	0	0
Deferred pension expense	1,123	959	509	3	102	0	0	345	0
Deferred amount on debt refundings	2,394	2,065	2,065	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,262,397</b>	<b>2,602,066</b>	<b>2,333,499</b>	<b>8,346</b>	<b>90,447</b>	<b>68,370</b>	<b>28,322</b>	<b>17,153</b>	<b>55,929</b>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	19,069	29,830	29,345	0	0	0	0	0	485
Accounts payable - Federal	323	517	0	0	0	0	517	0	0
Accounts payable & accrued liabilities	28,874	21,269	411	0	20,674	0	184	0	0
Unearned income	58,020	35,209	0	0	0	840	14,926	19,443	0
Net pension liability	0	1,780	945	5	189	0	0	641	0
Deferred pension credit	3,159	798	424	3	84	0	0	287	0
Accumulated increase in fair value of hedging derivatives	18,570	26,758	26,758	0	0	0	0	0	0
Interfund	0	0	6,076	32	14,756	(18,331)	7,776	(6,897)	(3,412)
Mortgage bonds and notes payable, net	1,726,807	2,044,739	1,979,948	0	13,733	0	0	0	51,058
Deferred grant income	0	0	0	0	0	0	0	0	0
Deferred loan origination points	14	11	11	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,854,836</b>	<b>2,160,911</b>	<b>2,043,918</b>	<b>40</b>	<b>49,436</b>	<b>(17,491)</b>	<b>23,403</b>	<b>13,474</b>	<b>48,131</b>
<b>NET ASSETS:</b>									
Restricted Net Assets	369,812	400,144	289,581	8,306	0	85,861	4,919	3,679	7,798
Unrestricted Net Assets	37,749	41,011	0	0	41,011	0	0	0	0
<b>Total Net Assets</b>	<b>407,561</b>	<b>441,155</b>	<b>289,581</b>	<b>8,306</b>	<b>41,011</b>	<b>85,861</b>	<b>4,919</b>	<b>3,679</b>	<b>7,798</b>
<b>Total Liabilities and Net Assets</b>	<b>2,262,397</b>	<b>2,602,066</b>	<b>2,333,499</b>	<b>8,346</b>	<b>90,447</b>	<b>68,370</b>	<b>28,322</b>	<b>17,153</b>	<b>55,929</b>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED OCTOBER 31, 2023**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2022</b>	<b>2023</b>							
<b>REVENUES:</b>									
Interest from mortgages and notes	49,685	55,446	55,103	0	237	71	0	0	35
Income from investments	5,886	24,955	20,959	338	947	1,121	19	233	1,338
Net increase (decrease) in the fair value of investments	(17,076)	(6,214)	(6,214)	0	0	0	0	0	0
Fee income	9,974	13,606	2,113	0	1,217	0	9,926	350	0
Other revenue	38	362	130	0	62	84	0	0	86
Grant income	296,273	180,049	0	0	0	1,671	97,339	81,039	0
Income from State	28,239	23,278	0	0	0	18,960	0	0	4,318
Federal rent subsidy income	91,780	96,215	0	0	0	0	96,215	0	0
Gain on bond redemption	210	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>465,009</b>	<b>387,697</b>	<b>72,091</b>	<b>338</b>	<b>2,463</b>	<b>21,907</b>	<b>203,499</b>	<b>81,622</b>	<b>5,777</b>
<b>EXPENSES:</b>									
Operating expenses	18,484	19,873	0	0	19,873	0	0	0	0
Other program administrative expenses	5,664	6,456	4,602	0	(3)	0	1,632	225	0
Mortgage servicing fees	1,468	1,578	1,569	0	9	0	0	0	0
Provision for losses on loans	0	9	0	0	0	9	0	0	0
Losses on foreclosed real estate	25	0	0	0	0	0	0	0	0
Interest expense	33,871	45,842	44,996	0	0	0	0	0	846
Grant expense	311,733	190,764	0	0	0	20,098	92,910	77,336	420
Federal rent subsidy expense	92,562	96,893	0	0	0	0	96,893	0	0
Allocated operating costs	0	0	11,106	65	(17,732)	0	6,463	98	0
<b>Total Expenses</b>	<b>463,807</b>	<b>361,415</b>	<b>62,273</b>	<b>65</b>	<b>2,147</b>	<b>20,107</b>	<b>197,898</b>	<b>77,659</b>	<b>1,266</b>
<b>Net Operating Income</b>	<b>1,202</b>	<b>26,282</b>	<b>9,818</b>	<b>273</b>	<b>316</b>	<b>1,800</b>	<b>5,601</b>	<b>3,963</b>	<b>4,511</b>
<b>Transfers between funds, net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>815</b>	<b>(416)</b>	<b>(5,256)</b>	<b>(27)</b>	<b>4,884</b>
<b>Change in net assets</b>	<b>1,202</b>	<b>26,282</b>	<b>9,818</b>	<b>273</b>	<b>1,131</b>	<b>1,384</b>	<b>345</b>	<b>3,936</b>	<b>9,395</b>
<b>Net assets at beginning of year</b>	<b>406,359</b>	<b>414,873</b>	<b>279,763</b>	<b>8,033</b>	<b>39,880</b>	<b>84,477</b>	<b>4,574</b>	<b>(257)</b>	<b>(1,597)</b>
<b>Net assets at end of period</b>	<b>407,561</b>	<b>441,155</b>	<b>289,581</b>	<b>8,306</b>	<b>41,011</b>	<b>85,861</b>	<b>4,919</b>	<b>3,679</b>	<b>7,798</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE PERIOD ENDED OCTOBER 31, 2023**

*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Lending Activities Actual</b>	<b>Federal &amp; Other Program Administration Actual</b>	<b>Total Combined Actual</b>	<b>Total Annual Budget</b>	<b>Total Under/(Over)</b>	<b>% Variance</b>
<b>REVENUES:</b>						
Interest from mortgages and notes	55,340	0	55,340	66,400	11,060	17%
Income from investments	22,244	252	22,496	11,390	(11,106)	(98%)
Fee income	3,330	10,276	13,606	14,153	547	4%
Other revenue	192	0	192	160	(32)	(20%)
Total Revenues	81,106	10,528	91,634	92,103	469	1%
<b>EXPENSES:</b>						
Operating expenses	13,312	6,561	19,873	24,294	4,421	18%
Other program administrative expenses	6,177	1,857	8,034	8,864	830	9%
Interest expense	44,996	0	44,996	50,325	5,329	11%
Total Expenses	64,485	8,418	72,903	83,483	10,580	13%
<b>Excess Revenues Over Expenses</b>	<b>16,621</b>	<b>2,110</b>	<b>18,731</b>	<b>8,620</b>	<b>(10,111)</b>	<b>(117%)</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES  
FOR THE PERIOD ENDED OCTOBER 31, 2023**

**ATTACHMENT B**

	<b>Total Annual Budget</b>	<b>Total Year to Date Actual</b>	<b>Budget Available</b>	<b>Percentage of Budget Available</b>
<b>Operating Expenses</b>				
Salaries	13,517,480	11,300,196	2,217,284	16%
Payroll Taxes	994,335	845,746	148,589	15%
Retirement	1,273,244	1,043,934	229,310	18%
Medical and Life Insurance	3,116,854	2,438,313	678,541	22%
Other Fringe Benefits	10,000	5,430	4,570	46%
Office Supplies	51,365	46,911	4,454	9%
Printing	75,560	51,868	23,692	31%
Membership and Dues	63,811	57,800	6,011	9%
Subscriptions	32,077	16,659	15,418	48%
Sponsorships	14,600	12,500	2,100	14%
Staff Educ/Train/Conf	180,131	91,829	88,302	49%
Travel/Meals - Staff Educ/Train/Conf	197,859	111,054	86,805	44%
Partner/Client Train/Meetings	138,510	35,727	102,783	74%
Travel/Meals - Partner/Client Training	112,546	92,328	20,218	18%
Staff Events	28,580	20,739	7,841	27%
Meals - Staff Events	33,130	23,835	9,295	28%
Leased Vehicles	177,773	140,024	37,749	21%
Computer Supplies	39,812	26,562	13,250	33%
Computer License SAAS	254,048	240,239	13,809	5%
Rent-Other	39,430	28,668	10,762	27%
Computer Maintenance	789,721	607,536	182,185	23%
Depreciation	1,200,000	962,542	237,458	20%
Telephone	125,584	112,021	13,563	11%
Employment Advertising	1,000	12,634	(11,634)	(1163%)
Postage and Shipping	141,022	124,423	16,599	12%
Insurance	105,748	78,648	27,100	26%
Recording Fees	1,000	635	365	37%
Payroll Services	49,418	41,422	7,996	16%
Audit Services	172,000	139,000	33,000	19%
Property Expenses	522,435	423,847	98,588	19%
Professional Services	376,108	358,282	17,826	5%
Building Interest Expense	458,669	381,139	77,530	17%
<b>Total Operating Expenses</b>	<b>24,293,851</b>	<b>19,872,491</b>	<b>4,421,360</b>	<b>18%</b>
<b>Other Program Administrative Expenses</b>				
Loan foreclosure expenses	200,000	39,058	160,942	80%
REO expenses	50,000	334	49,666	99%
Mortgage Servicing fees	1,850,000	1,578,198	271,802	15%
Provision for losses on loans & REOs	125,000	0	125,000	100%
Loan Origination expenses	3,230,000	2,248,998	981,002	30%
Bond Issuance Costs	900,000	650,179	249,821	28%
Trustee/Bank fees	170,000	144,229	25,771	15%
Program advertising/printing	343,450	400,791	(57,341)	(17%)
Bond and mortgagee insurance	19,550	21,142	(1,592)	(8%)
Variable rate bond remarket/liquidity facilities	710,000	618,690	91,310	13%
Cash flow/arbitrage/swap consultants/legal	675,000	660,555	14,445	2%
Homebuyer education	135,000	80,550	54,450	40%
Program administrator fees	455,610	1,591,761	(1,136,151)	(249%)
<b>Total Other Program Administration Expenses</b>	<b>8,863,610</b>	<b>8,034,485</b>	<b>829,125</b>	<b>9%</b>



**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE PERIOD ENDED OCTOBER 31, 2023**

**ATTACHMENT C**

Description	2023 Budget	2023 Actual	Budget Available	% Expended
<b>Computer Hardware:</b>				
Network backup hardware - Data Domain	15,000	-	15,000	
Laptop replacements	55,000	54,154	846	
Total computer hardware	<u>70,000</u>	<u>54,154</u>	<u>15,846</u>	<u>77%</u>
<b>Computer Software:</b>				
Enterprise multi-family housing system	240,679	289,077	(48,398)	
Amplifund grant management software	45,600	45,600	-	
Mobile device management software	8,000	-	8,000	
Website redesign	7,000	-	7,000	
Single Family loan servicing system modifications	10,000	-	10,000	
Single Family lender & loan tracking systems mods	10,000	-	10,000	
Hancock systems mods (LIHEAP & Wx Programs)	100,442	-	100,442	
Salesforce software upgrades	120,000	-	120,000	
New LIHEAP & Wx system	575,000	855,000	(280,000)	
Total computer software	<u>1,116,721</u>	<u>1,189,677</u>	<u>(72,956)</u>	<u>107%</u>
<b>Office Building:</b>				
Additional workstations & furnitures	24,460	63,125	(38,665)	
Patio repair/resurface	46,000	39,539	6,461	
Stairwell repair	-	6,290	(6,290)	
Audio Visual equipment upgrade	-	9,439	(9,439)	
Fencing for office building	-	17,300	(17,300)	
	<u>70,460</u>	<u>135,693</u>	<u>(47,933)</u>	<u>193%</u>
<b>Total</b>	<u><u>1,257,181</u></u>	<u><u>1,379,524</u></u>	<u><u>(105,043)</u></u>	<u><u>110%</u></u>

**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE PERIOD ENDED OCTOBER 31, 2023**

Description	Amount
<b>Memberships and Dues</b>	
American College of Mortgage Attorneys - employee dues	225
American Payroll Association - employee annual membership	298
Association of Certified Fraud Examiners - (2) employee annual membership	470
Association of Government Accountants - (2) employee annual memberships	220
Construction Specifications Institute - employee annual membership	375
Council of State Community Development Agencies - annual membership	1,500
Diversity Hiring Coalition - annual membership	300
Information Systems Audit and Control Association - employee annual membership	45
Institute of Internal Auditors - employee annual membership	190
Kennebec Board of Realtors - employee dues	196
Greater Portland Board of Realtors - annual membership	311
Maine Association of Mortgage Professional - employee annual membership	395
Mortgage Bankers Association - annual affiliate membership	1,350
Maine Association of Public Housing Directors - annual membership	1,000
Maine Bankers Association - annual affiliate membership	950
Maine Building Officials and Inspectors Association - (9) employee membership	325
passivhausMaine - employee annual membership	149
Maine Indoor Air Quality Council - annual membership	500
Maine Public Relations Council - employee annual membership	75
Maine Real Estate & Development Association - annual membership	1,200
Maine Real Estate Management Association - annual membership	125
Maine State Bar Association - (4) employee annual memberships	950
Board of Overseers of the Bar - (6) employee annual registration	1,485
National Affordable Housing Management Association - affiliate membership	1,300
National Association for State Community Services Programs - annual membership	1,627
National Council of State Housing Agencies - annual membership	32,242
National Energy & Utility Affordability Coalition - annual membership	500
National Energy Assistance Directors' Association - annual LIHWAA membership	1,088
National Energy Assistance Directors' Association - annual membership	6,817
National Leased Housing Association - annual membership	660
NCHM Accounting Office Employee Certification dues	125
Maine State Treasurer - employee annual CPA license renewal	35
Notary Public - (2) employee renewal fees	100
Project management Institute - employee membership	164
Society for Human Resource Management - employee annual membership	244
Urban Land Institute - employee annual membership	264
Total	<u>\$ 57,800</u>
<b>Sponsorships</b>	
Maine Resident Service Coordinator Association - annual sponsor	2,500
Maine Council on Aging - conference sponsor	500
Growsmart Maine - annual conference sponsor (2022/2023)	4,000
Maine Real Estate Management Association - 2023 conference sponsorship	2,500
New England Resident Service Coordinator - conference sponsor	3,000
Total	<u>\$ 12,500</u>



## Finance Department Memorandum

**To:** Board of Commissioners  
**From:** Darren Brown  
**Date:** December 5, 2023  
**Subject:** Monthly Delinquencies Report

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### MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$890 million with 1,315 loans as of November 30, 2023. There are two delinquent loans, as shown in *Exhibit 1*. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

### SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$1 billion with 9,801 loans as of October 31, 2023. The over 60-day delinquencies decreased from 2.55% to 2.48%, and the in-foreclosures increased from 0.48% to 0.54%. The over 60-day delinquencies amount to \$25 million, with approximately \$5.5 million representing accounts in foreclosure. The over 60-day and in-foreclosure historic rates are shown in *Exhibit 4*. MaineHousing's overall delinquency rate by loan dollars is 2.48%; and the overall delinquency rate by loan count is 2.63%. As reflected in *Exhibit 5*, the overall delinquency rate by loan count is the same delinquency rate as all Maine Loans.

**Servicer Delinquencies** – As of October 2023, Bank of America (BOA) had the highest overall delinquency rate of 12.20% (11 loans), with an in-foreclosure rate of 6.25% (6 loans). BOA no longer originates loans for MaineHousing and they are servicing an old portfolio of loans. The average age of the loans in their portfolio is 16 years. There have been no new loans added to this portfolio since 2011 and the high delinquency rate is attributed mainly the decreasing portfolio balance and its small size.

Delinquencies for our largest servicer, Mortgage Servicing Solutions, decreased from 2.91% to 2.80%, while the in-foreclosure rate increased from 0.50% to 0.55%. Salem Five Mortgage Corp. portfolio had a rate of 0.00%, which was the lowest rate for the month. Delinquency rates for each servicer are shown in *Exhibit 3*.

**Delinquencies by Insurance Type** – In October 2023, FHA insured loans had the highest delinquency rate by total insurance type of 4.40%, with in-foreclosures at 0.52%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.30%, with in-foreclosures at 0.34%. Delinquencies by insurance type and the portfolio as a whole are shown in *Exhibit 6*.

FHA insured loans comprise 18% of the Single-Family portfolio and 32% of delinquencies, while RD insured loans comprise 56% of the portfolio and represent 52% of all delinquent loans. The current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in ***Exhibit 7***.

**Foreclosure Prevention Activities** – ***Exhibit 8*** summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of the end of month October 2023, we have assisted 758 borrowers with various foreclosure prevention options. From January through October 2023, seventy-one HAF reinstatements have occurred.

# Multi-Family Delinquent Loans

## MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 11/30/2023

### Section 8

BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00

### Rental Housing

BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00

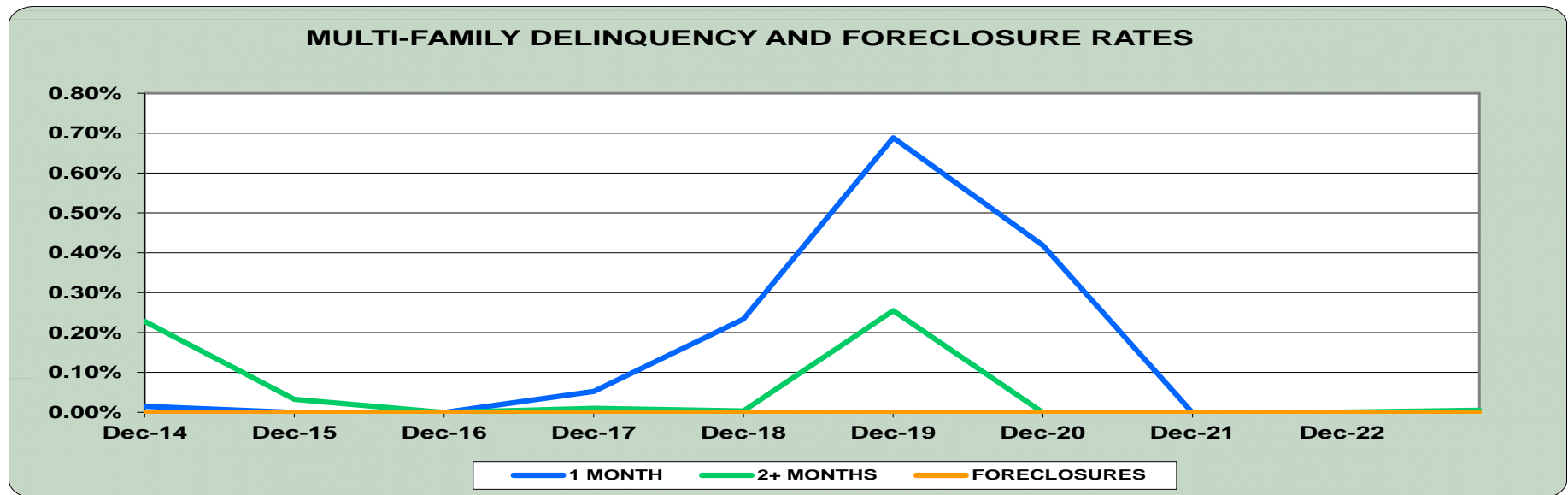
### Supportive Housing & Other

BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
OHIO ST, 112	820.68	05/01/23	BANGOR	PENOBSCOT AREA HSG DEV CORP	10/01/09	0.00	0.00	18,843.00
ELM STREET, 63 (FNA PEACEFUL	436.74	09/01/23	MACHIAS	DOWNEAST COMMUNITY PARTNERS	04/01/99	0.00	26,866.00	0.00
						0.00	0.00	0.00
						0.00	26,866.00	18,843.00
<b>Grand Total</b>						0.00	26,866.00	18,843.00

% of Portfolio Delq 60+ days      0.01%  
Total Number of Loans              1,315



# Multi-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL	1 MONTH DOLLARS	1 MONTH RATE	2+ MONTHS DOLLARS	2+ MONTHS RATE	FORECLOSURES DOLLARS	FORECLOSURES RATE
Nov-23	\$ 890,445,845	\$ -	0.00%	\$ 45,709	0.01%	\$ -	0.00%
Dec-22	\$ 796,448,381	\$ -	0.00%	\$ 4,553	0.00%	\$ -	0.00%
Dec-21	\$ 696,004,882	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177	\$ 2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774	\$ 4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%
Dec-18	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%
Dec-16	\$ 579,916,852	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-15	\$ 573,932,384	\$ -	0.00%	\$ 185,320	0.03%	\$ -	0.00%
Dec-14	\$ 513,937,525	\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%



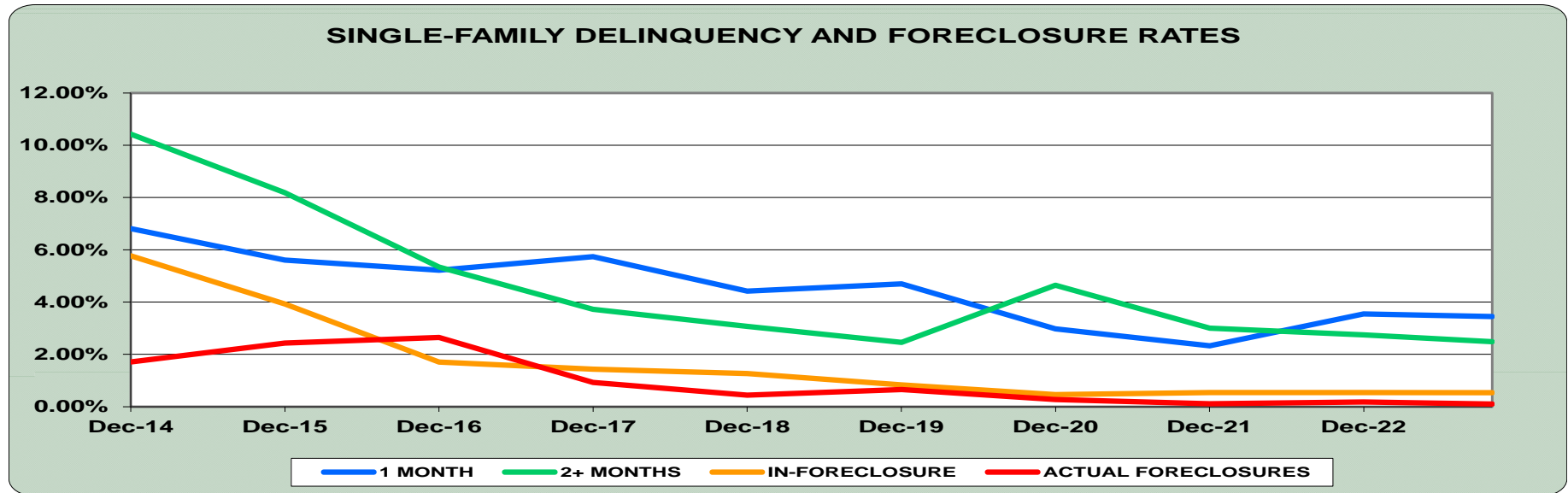
# Single-Family Delinquent Loans

## Maine State Housing Authority Single-Family Delinquencies by Servicer 10/31/2023

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	67.32%	2.80%	683,831,565.31	27,372,533.15	4,803,917.78	10,617,885.34	3,732,202.98
BANGOR SAVINGS BANK	11.03%	1.19%	112,042,981.99	2,701,450.90	530,005.23	593,483.41	208,851.39
CAMDEN NATIONAL BANK UK	7.98%	1.57%	81,071,255.02	1,659,863.78	797,590.50	83,277.48	394,991.94
MACHIAS SAVINGS BANK	6.81%	3.16%	69,185,425.14	2,052,051.96	473,974.58	918,260.86	796,764.38
BANGOR SAVINGS BANK QS	6.29%	0.97%	63,888,470.09	736,727.75	295,032.44	324,860.98	0.00
BANK OF AMERICA NA	0.53%	12.20%	5,391,451.11	524,544.31	143,461.59	184,128.68	329,945.44
SALEM FIVE MORTGAGE CORP	0.03%	0.00%	308,690.76	10,964.49	0.00	0.00	0.00
TOTAL	100.00%	2.48%	1,015,719,839.42	35,058,136.34	7,043,982.12	12,721,896.75	5,462,756.13



# Single-Family Delinquency & Foreclosure Trends

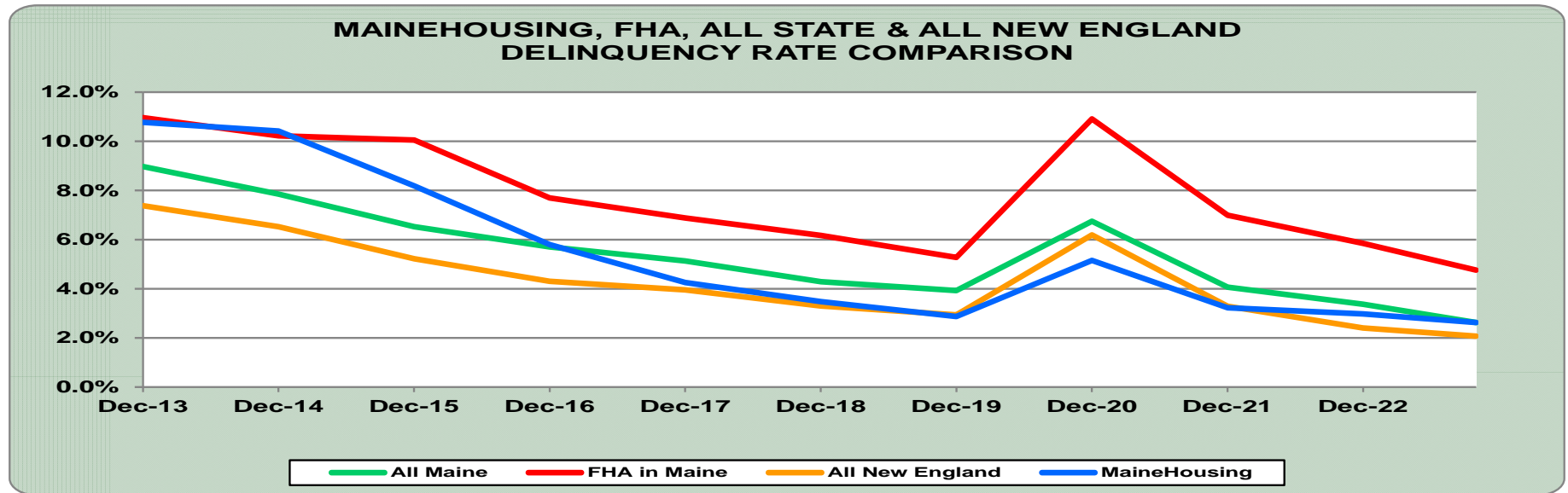


	OUTSTANDING PRINCIPAL	1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Oct-23	\$ 1,015,719,839	\$ 35,058,136	3.45%	\$ 25,228,635	2.48%	\$ 5,462,756	0.54%	\$ 1,043,395	0.10%
Dec-22	\$ 958,984,521	\$ 33,996,366	3.55%	\$ 26,378,301	2.75%	\$ 5,183,906	0.54%	\$ 1,733,447	0.18%
Dec-21	\$ 887,303,920	\$ 20,685,547	2.33%	\$ 26,645,647	3.00%	\$ 4,806,968	0.54%	\$ 941,490	0.11%
Dec-20	\$ 960,761,414	\$ 28,645,024	2.98%	\$ 44,603,599	4.64%	\$ 4,471,656	0.47%	\$ 2,617,001	0.27%
Dec-19	\$ 967,171,381	\$ 45,399,415	4.69%	\$ 23,774,547	2.46%	\$ 8,037,512	0.83%	\$ 6,357,994	0.66%
Dec-18	\$ 916,608,577	\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%
Dec-17	\$ 844,497,676	\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%
Dec-16	\$ 799,557,471	\$ 41,780,468	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%
Dec-15	\$ 790,409,905	\$ 44,303,365	5.61%	\$ 64,656,769	8.18%	\$ 31,066,182	3.93%	\$ 20,797,314	2.43%
Dec-14	\$ 810,139,060	\$ 55,171,703	6.81%	\$ 84,385,397	10.42%	\$ 46,711,687	5.77%	\$ 13,904,155	1.72%





# Single-Family Delinquency Comparison Trends



MAINEHOUSING LOAN COUNT COMPARISON					
	<u>Loan Count</u>	<u>2 Months</u>	<u>3+ Months</u>	<u>In-Foreclosure</u>	<u>Totals</u>
All State*	121,919	0.51%	1.10%	1.02%	2.63%
FHA for State*	16,825	1.47%	2.10%	1.19%	4.76%
All New England*	1,718,934	0.60%	0.96%	0.51%	2.07%
MaineHousing**	9,801	0.85%	1.13%	0.65%	2.63%

\*This information is obtained from MBA's National Delinquency Survey for the third quarter of 2023.

\*\*MaineHousing's overall delinquency rate based on loan dollars is 2.48%, whereas rates in this exhibit are based on loan count.



# Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type

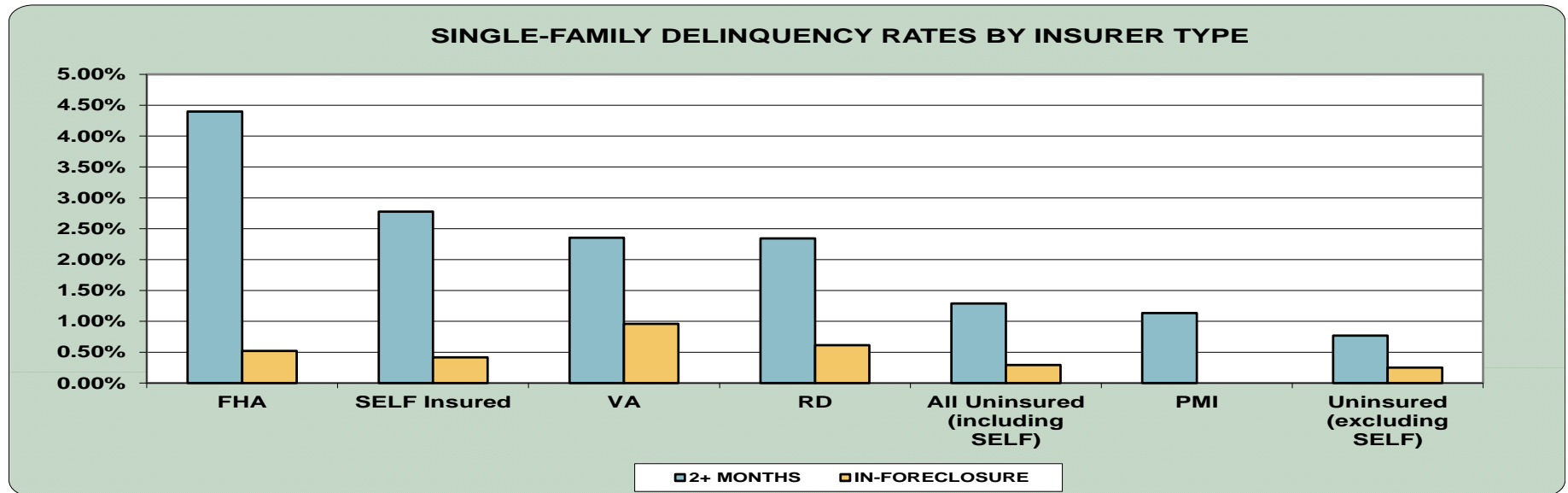
10/31/2023

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	4.40%	0.52%
SELF Insured	2.78%	0.42%
VA	2.36%	0.96%
RD	2.34%	0.61%
All Uninsured (including SELF)	1.29%	0.29%
PMI	1.13%	0.00%
Uninsured (excluding SELF)	0.77%	0.25%

As A Percent of Total Loan Portfolio

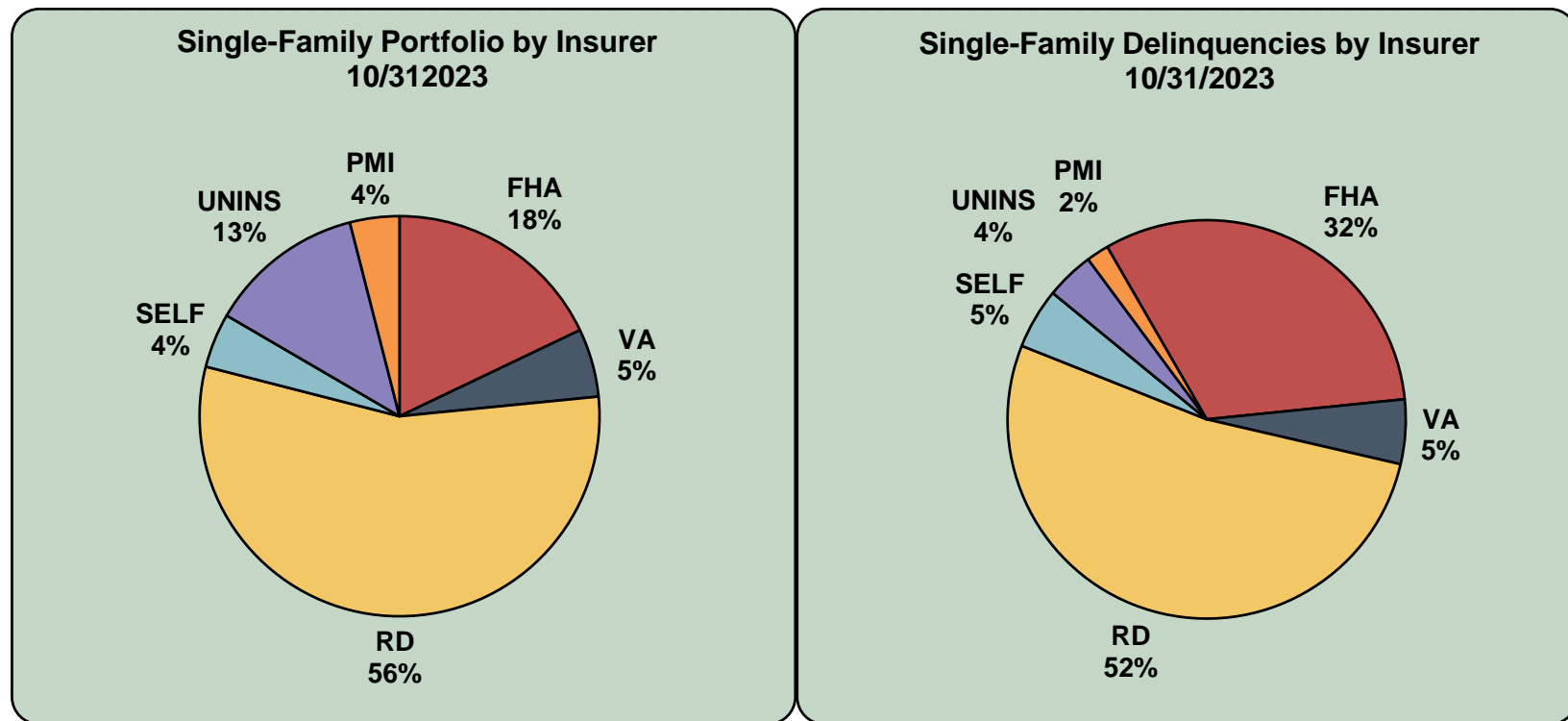
10/31/2023

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.30%	0.34%
FHA	0.79%	0.09%
All Uninsured (including SELF)	0.22%	0.05%
VA	0.13%	0.05%
SELF Insured	0.12%	0.02%
Uninsured (excluding SELF)	0.10%	0.03%
PMI	0.05%	0.00%

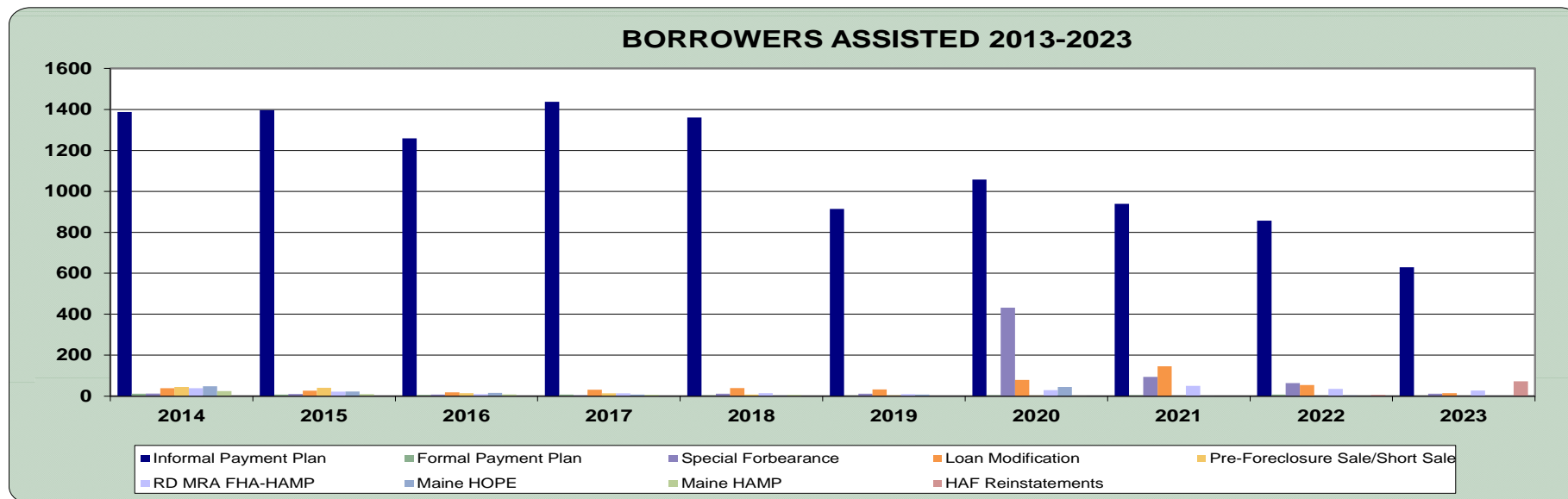


# Single-Family Delinquencies by Mortgage Insurer

The following charts show the composition of MaineHousing loans by mortgage insurer. Self insured loans are mainly mobile homes. Uninsured loans are those not needing mortgage insurance (i.e. for loans under 80% property value). The following charts are in dollar amounts.



# Single-Family Foreclosure Prevention Activities



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	RD MRA FHA-HAMP	Maine HOPE	Maine HAMP	HAF Reinstatements	Total Workouts
Oct-23	629	2	12	15	0	27	1	1	71	758
Dec-22	857	8	63	54	0	35	4	0	7	1028
Dec-21	939	5	94	146	2	50	2	0	0	1238
Dec-20	1058	5	432	79	3	29	44	2	0	1652
Dec-19	914	3	12	32	4	10	8	0	0	983
Dec-18	1361	4	12	39	8	15	3	6	0	1448
Dec-17	1437	8	4	31	14	14	8	7	0	1523
Dec-16	1259	6	8	19	15	10	16	9	0	1342
Dec-15	1397	8	11	26	40	21	22	10	0	1535
Dec-14	1388	12	13	38	44	38	48	24	0	1605

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Oct-23	16	9,801	0.16%
Dec-22	21	9,739	0.22%
Dec-21	14	9,750	0.14%
Dec-20	38	10,668	0.36%
Dec-19	86	10,904	0.79%
Dec-18	57	10,673	0.53%
Dec-17	97	10,332	0.94%
Dec-16	258	10,097	2.56%
Dec-15	233	10,258	2.27%
Dec-14	162	10,526	1.54%



## Homeless Initiatives Department Memorandum

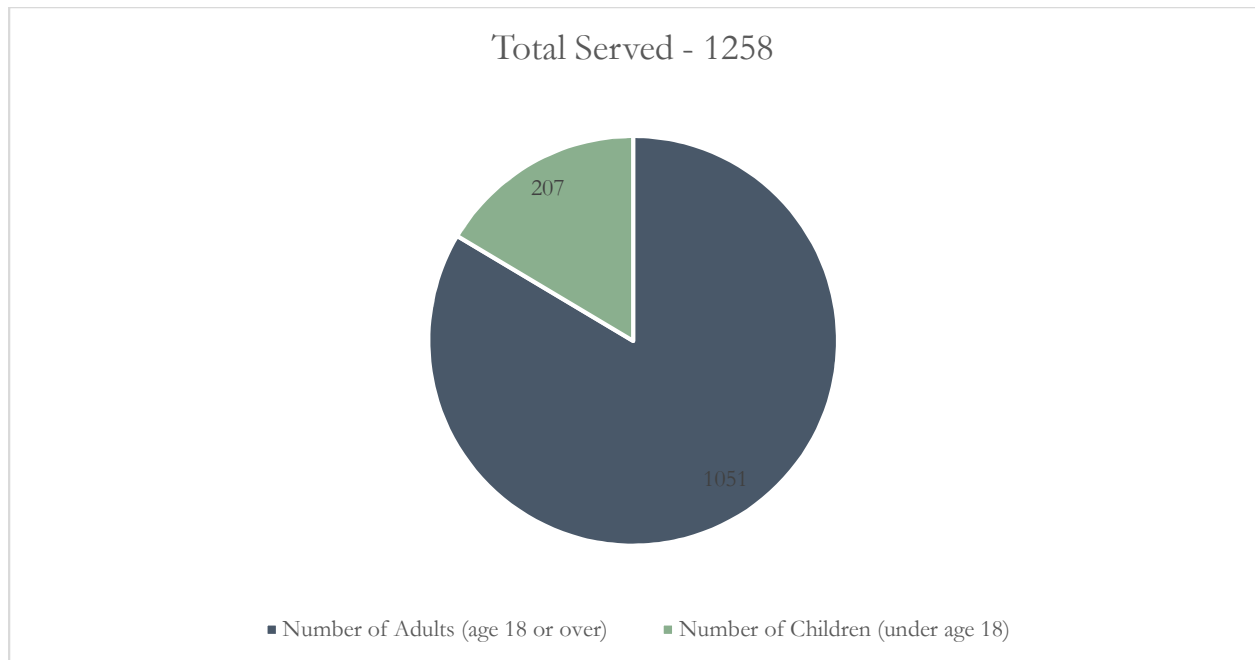
**To:** Board of Commissioners  
**From:** Kelly Watson, Director of Homeless Initiatives  
**Date:** December 12, 2023  
**Subject:** Homeless Initiatives Report

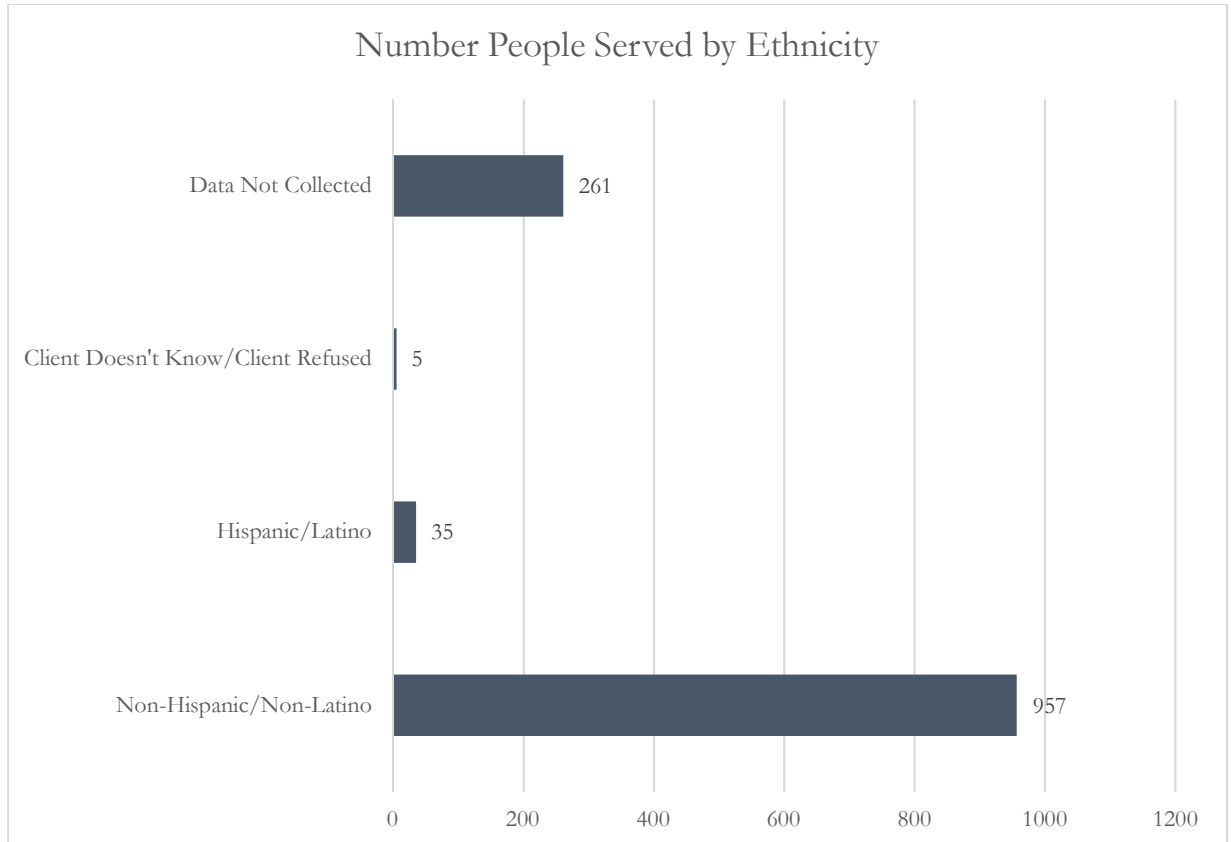
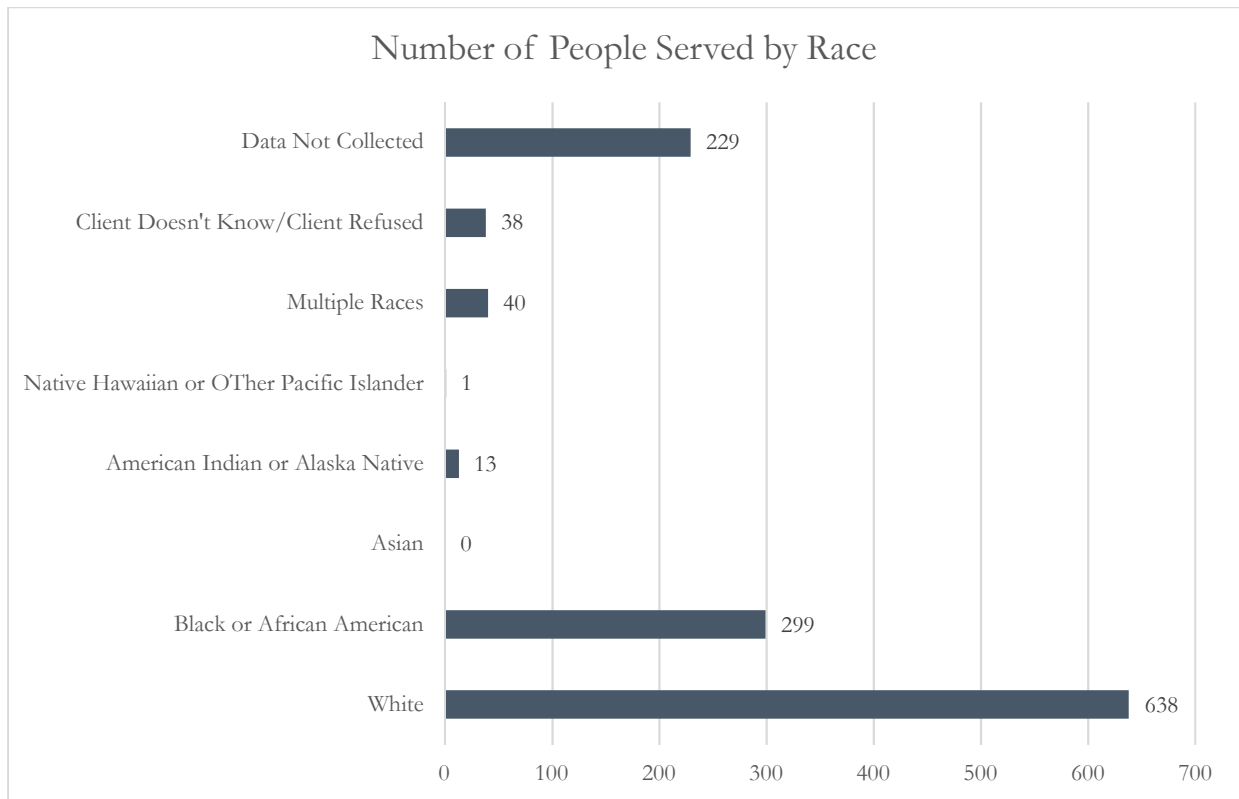
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### Homeless Data – November 2023

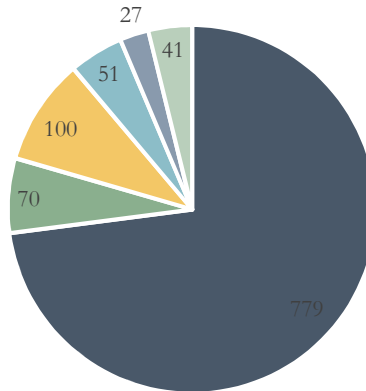
The following are the monthly statistics for November:

1. Total number of people served (1258) decreased by 53 individuals. We have seen the number of unsheltered individuals continue to increase in many areas of the state. As the weather continues to get colder, we may see more individuals seeking shelter. This number also does not include many of the Asylum Seekers in Portland as well as those served in hotels through GA, or those seeking emergency shelter with a Victim Service Provider.
2. Racial equity – the percentage of people of color served decreased slightly from 37.6 in October to 35.6 in November. The number of those who identify as Hispanic/Latino decreased from 47 individuals to 35.
3. The number of Exits to Permanent Housing last month decreased from 112 permanent exits in October to 82 in November, with more people exiting to temporary destinations. The total exits from shelter to any location was up by 89 from the previous month. This increase in overall exits and exits to temporary destinations is likely impacted by the move of guests from the City of Portland Homeless Services Center to the new shelter for asylum seekers, which opened at the end of November.



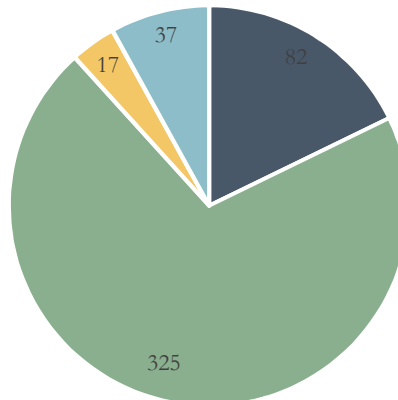


### Residence of Clients Prior to Entry



- Homeless Situations
- Institutional Settings
- Staying or living in a friend's room, apartment or house
- Staying or living in a family member's room, apartment or house
- Hotel or motel paid for without ES voucher
- Other Locations

### Residence of Clients after Entry



- Permanent Destinations
- Temporary Destinations
- Institutional Settings
- Other Destinations

### **Overnight Winter Warming Shelter Funding**

All 1.4 million dollars in funding has been disbursed to the ten agencies who were awarded funding for the 2023-2024 Winter Overnight Warming Shelter program. The agencies awarded funding were: Bangor Area Homeless Shelter (Bangor), Greater Portland Peer Services (Portland), Healthy Acadia (Ellsworth), Homeless Services of Aroostook (Presque Isle), Mansion Church (Bangor), Mid Maine Homeless Shelter and Services (Waterville), New Beginnings (Lewiston), South Parish Congregational Church (Augusta), State Street Church (Portland), York County Shelter (Alfred).

### **Emergency Shelter and Housing Assistance Program (ESHAP)**

The Homeless Initiatives department hosted an all-day training for ESHAP Navigators at the Augusta Civic Center on December 5<sup>th</sup>. Over 120 shelter staff were in attendance for a day filled with information and collaboration. One highlight of the day was a panel of providers speaking with their peers about landlord engagement strategies. In this challenging market and environment, providers were able to hear about successful approaches taken by some agencies.

### **Shelter Operating Subsidy**

The one time disbursement of \$5 million from the Governor's change package was fully disbursed to the 39 shelters currently participating in ESHAP. These funds were advanced in full and can be used by shelters for operations, maintenance, and capital improvements.

### **2024 In Our Sights**

As end of year quickly approaches, the Homeless Initiatives department is hard at work reviewing applications for 2024 ESHAP and updating program guides for other continuing programs. The Temporary Rapid Rehousing Program (TRRP) will continue in 2024 at a reduced funding level. The Housing Problem Solving program, which aims to divert those at risk of homelessness from the homeless service system and/or rapidly exit persons who have experienced short term homelessness, will continue with some minor changes to better serve our partners and participants. Hub Coordinator contracts will also be renewed in the coming year to continue to support the important work being done in each of the nine homeless service hubs.

### **Service Hub Implementation – Built for Zero Initiative**

Hub Coordinators have been collaborating with the warming shelters in their hubs and working with providers to plan for the upcoming winter months for the unsheltered population. Particularly in Hub 7 (Penobscot & Piscataquis), the Hub Coordinator is holding regular meetings with 5 warming shelters to discuss trends, numbers, and coordinate with outreach teams.

Comprehensive planning efforts are continuing for the unsheltered portion of the Point-in-Time Count, to take place the night of January 23, 2024. Hub Coordinators are currently outreaching direct homeless service providers, stakeholders, law enforcement, universities, and other interested parties to volunteer to survey people experiencing unsheltered homelessness the night of January 23. Hub Coordinators are also working on flyers that will be distributed throughout their hubs to both recruit volunteers and inform people experiencing unsheltered homelessness where to go to be surveyed during the timeframe of the Point-in-Time Count. Many of the Hub Coordinators are working with providers to collect items for warming kits, or plan community meals and other service-oriented events for the three service-based days following the night of the Point-in-Time Count.



The Hub Coordinators from Hubs 2 (Cumberland) and 6 (Kennebec & Somerset) gave a presentation at MaineHousing's annual ESHAP Navigator Training on coordinated entry. They did a mock case conferencing meeting to showcase the discussions had and tools utilized within an actual case conferencing meeting within the hub. In these meetings, people who have been assessed through coordinated entry are matched and referred to available housing resources, and problem-solving conversations occur around care coordination and barriers to housing. Along with the tri-chairs of the Coordinated Entry Committee, they also highlighted how far coordinated entry has come in the last year, including all 9 hubs implementing the Coordinated Entry System (CES), over 70 access points throughout the state being approved and trained, and 1,718 people having been assessed using the Coordinated Entry System Assessment Tool. Hub Coordinators are continuing to identify gaps in the system, bring on more access points, and find creative ways to involve non-HMIS participating agencies in Coordinated Entry.

## Homeownership Department Memorandum

**To:** MaineHousing Board of Commissioners

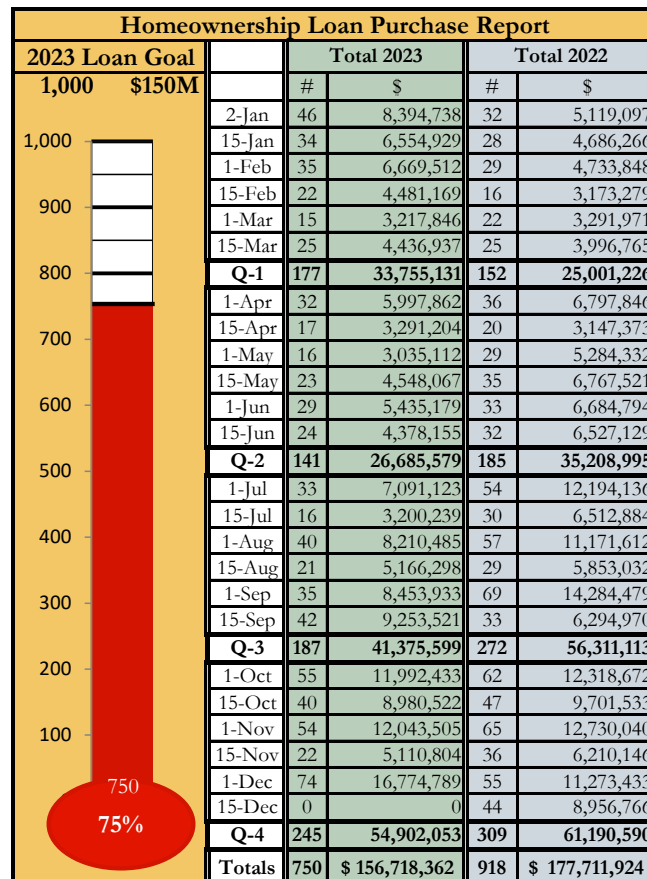
**From:** Adam S. Krea, Senior Director of Finance and Lending

**Date:** December 11, 2023

**Subject:** Monthly Report – Homeownership Department

### PRODUCTION UPDATE

Following is a snapshot of loans purchased and reserved to date in 2023 as compared to 2022.



Monthly Loan Reservations: 12/01/23	
#	\$ Volume
82	\$ 18,875,604

Loan Pipeline as of: 12/01/23	
#	\$ Volume
345	\$ 74,121,271

Loan Reservation Comparison					
November 2022		November 2023		2022 vs 2023	
#	\$ Volume	#	\$ Volume	#	\$ Volume
255	\$48,463,384	345	\$ 74,121,271	35%	53%

## **PROGRAM HIGHLIGHTS**

### **First Time Homebuyer Production:**

As of December 1, 2023, MaineHousing will have purchased 750 FirstHome loans valued at nearly \$157 million. October was the agency's top month in 2023 and our largest transfer occurred on December 1<sup>st</sup> for 74 loans at \$16.7 million.

### **Homebuyer Education Update:**

November was a very busy month for hoMEworks. The hoMEworks board met on November 6, 2023. April Gleason has exceeded the term as chair of the board. The by-laws allow for chair/co-chair positions to be filled for only two consecutive years. Starting January 1<sup>st</sup>, Heather Massow will be the chair of the board. The team will meet to insure a smooth transition for 2024.

The marketing committee would like to shift their focus to outreach to lenders/Realtors at this time as consumer outreach seems to market itself. The website continues to see many visits and questions continue to arrive from Squarespace. Attendance in classes has increased, especially live classes hosted in Central/Southern Maine. New ideas included a quarterly newsletter, highlighting statistics in marketing, using quotes from clients, ordering materials with a tag line to distribute (pens, bags), and setting a budget towards this work. Ideas included building an awareness at the Realtor Schools across the state, presenting at new Realtor Orientations, and sponsoring events. The marketing team will meet to propose a budget for the next meeting.

The sponsorship mailing campaign is starting this week. Jessica Gurney, Outreach and Education Coordinator, will reach out to current and potential sponsors for 2024. The goal is raise \$20,000 to continue to offer in-person incentives to help agencies pay for space/materials for in-person classes. To continue to promote in-person classes for 2024, hoMEworks will set aside \$8,000 for this expense. Each agency will have to option to apply for (2) \$500 incentives for hosting 2 in-person classes in 2024. Each agency could receive a total of \$1,000. This would also include Waldo County, as their new educator works through the approval process. This could allow the agencies to rent space, provide lunch, and help with the cost of printed materials.

The Fall Educator Meeting occurred on November 13<sup>th</sup>. It was very well attended by educators across the state. Topics discussed included in-person class incentives, Bio Home 3D Presentation, Efficiency Maine Program updates, eHome Follow-up Calls, best practices for virtual classes, and an open forum to hear concerns/questions.

The data for the 12-month period ending September 30, 2023 was gathered last week. For these agencies, the fiscal year runs October 1<sup>st</sup>-September 30<sup>th</sup>. With the 7 approved agencies, there were 85 virtual homebuyer education classes and 28 in-person homebuyer education classes. There were 20 landlord classes with 183 landlord students. In total, there were 3,749 students educated through hoMEworks. When comparing the last two years, there were 20 more in-person classes offered. This was in part due to the COVID restrictions being lifted and the in-person incentive offered by hoMEworks. There were 48 additional landlord students, 8 more landlord classes offered, 282 more

students in homebuyer education classes, 300 more clients counseled after eHome America than year, and increase in 630 clients educated through hoMEworks. This is a 20 percent increase over the previous 12-month period.

**hoMEworks Data**  
**Oct 1, 2022- September 30, 2023**

<u>Organizations Data 2022</u>	# of Zoom HBE classes	# of live HBE classes	# of students in HBE Classes	# eHome Clients	Notes:
Aroostock ACAP	8	0	279	100	
Avesta Housing	18	1	455	150	9 LL Classes, 83 students
CEI	18	0	262	159	11 LL Classes, 100 students,
Community Concepts	7	6	249	437	
KVCAP	3	7	247	173	
Penquis	15	14	375	315	
York CAP	16	0	283	82	
<b>Total #</b>	<b>HBE Zoom Classes: 85</b>	<b>HBE Live Classes: 28</b>	<b>Total Students in HBE: 2,150</b>	<b>Total eHome Students: 1,416</b>	
	<b>Summary for 2022-2023:</b>			<b>Changes from 2021-2022:</b>	
	Total students HBE and eHome: 3,566 students			20 more in-person classes offered	
	Total students HBE, LL, and eHome: 3,749 students			48 more landlord students	
	Total HBE classes offered: 113 hoMEworks classes			282 more students in HBE Classes	
	Total LL classes: 20 Landlord classes			300 more students counseled after ehome	
	Total LL Students: 183 students			630 more students educated	

With 2024 only a month away, approved homebuyer education agencies were asked to submit class requests for 2024. In 2023, agencies requested 99 homebuyer education classes. In 2024, they are requesting 121. In 2023, 7 landlord classes were requested. For 2024, 21 landlord classes were requested. The increase in requests speaks to the amount of clients hoping to use our programs.

### Education and Outreach Update:

Jessica Gurney, Outreach and Education Coordinator, attended the Cultural Advisory Board Meeting held on November 9. This statewide group is run by Lauren Bustard. During this meeting, Jessica shared information about The First Generation Program, requirements, required classes, and support offered through the journey of homeownership. Jessica then followed up with each leader to see if materials/supports are needed.

Jessica Gurney is currently an observer in ProsperityME's Money Management Class. The class is targeting the needs of the small group. It was noted that a small group size is needed for students to have a meaningful learning experience within this class. Many participants shared they see the journey to homeownership as a 5 year plan. For some, the journey looks much shorter. Jessica is working with a case manager from the Opportunity Alliance and the client. The client completed the Money Management Class this summer with ProsperityMe and just completed the homebuyer education class with Avesta in November. Jessica arranged for a Lingala translator for both classes. The client is now ready to purchase a home using our First Generation Program. There are many success stories within the short amount of time this program has been available.

## Housing Choice Vouchers Department Memorandum

**To:** MaineHousing Board of Commissioners

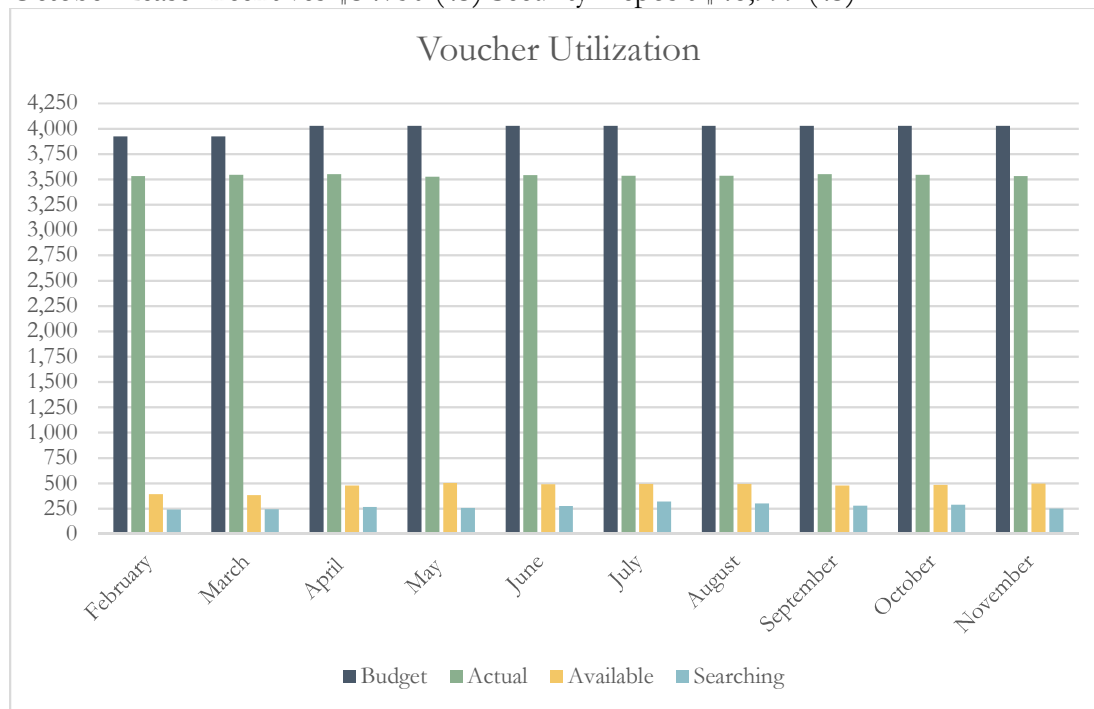
**From:** Allison Gallagher - Director of HCV Programs

**Date:** December 19, 2023

**Subject:** Monthly Report – Housing Choice Voucher Program

### Program Updates:

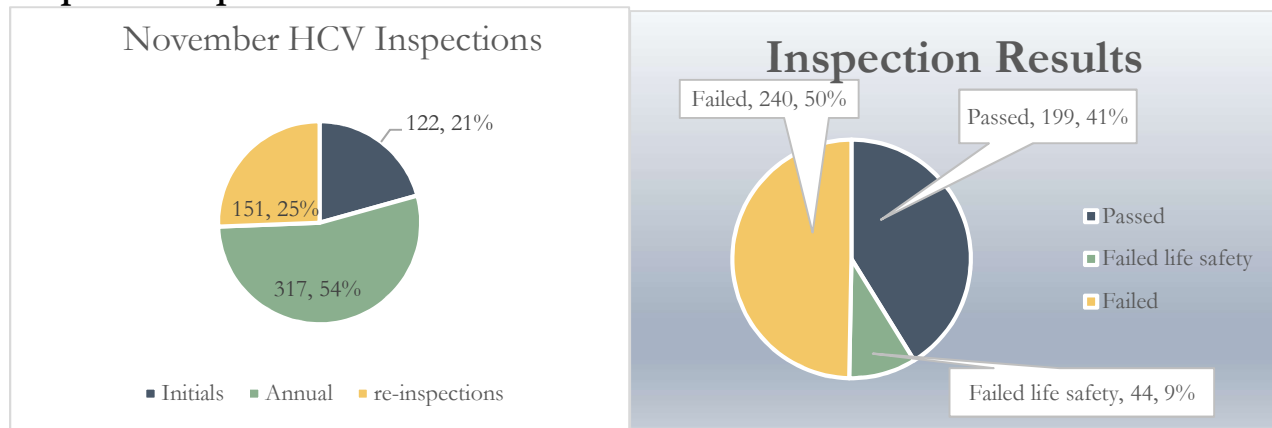
October Lease Incentives-\$34,750 (43) Security Deposit \$48,999 (43)



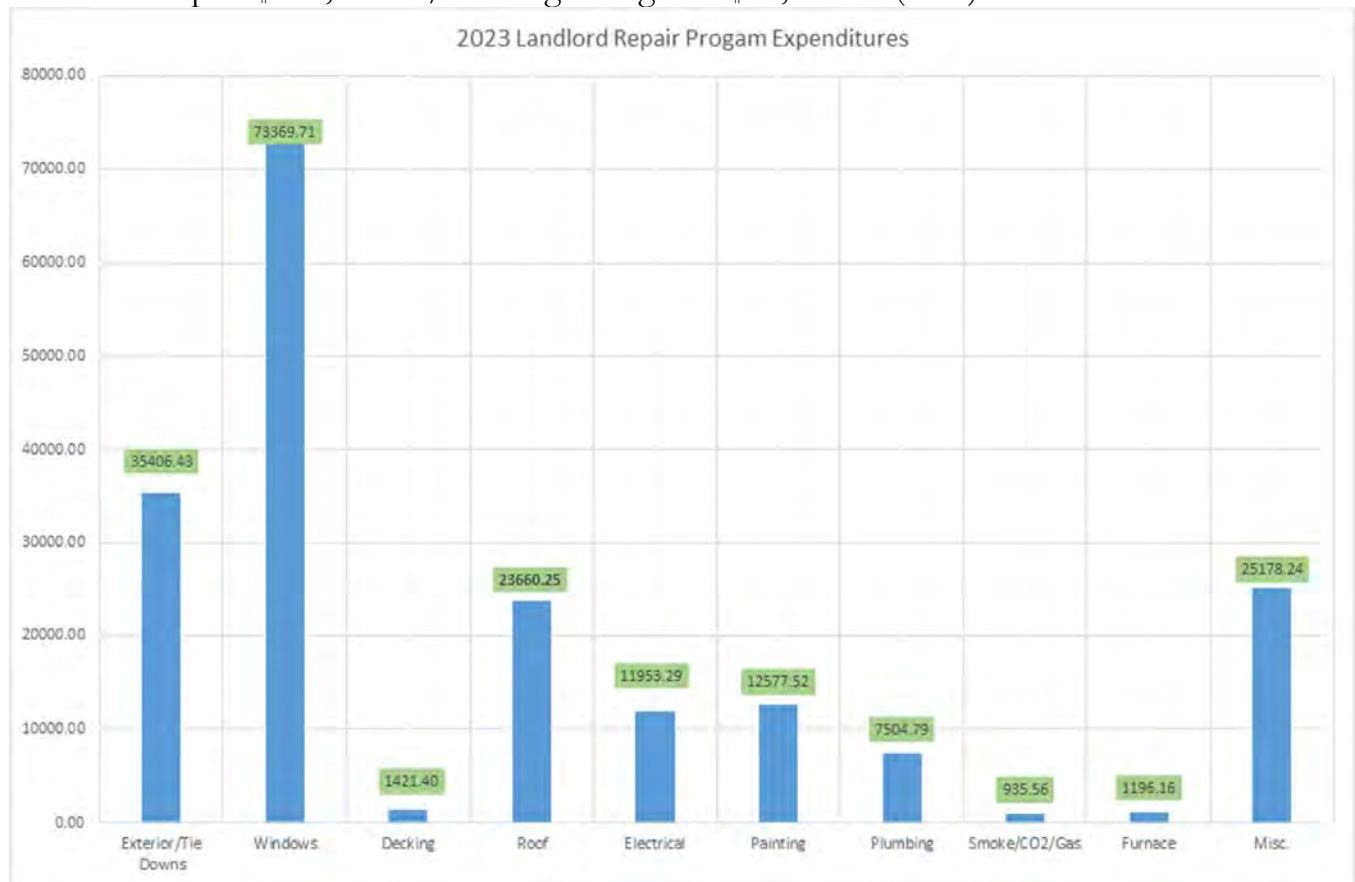
### HCV (homeless initiatives)

	Leased	Searching
<b>STEP</b>	106	46
<b>Home to Stay</b>	222	98
<b>Homeless Priority</b>	284	70
<b>EHV</b>	64	38

## Inspection Updates:



Landlord Repair \$193,203.35/ Damage Program: \$43,585.72 (YTD)



## Human Resources and Facilities Department Memorandum

**To:** Board of Commissioners

**From:** Jane Whitley, Director of Human Resources & Facilities

**Date:** December 2023

**Subject:** Board Report

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### Human Resources – as of December 12



### **Fair Housing Training for Partners**

MaineHousing is offering a free Understanding of Fair Housing training program. This program is on demand and self-paced. It is available through our online learning portal. To register for the training, please visit our website: <https://www.mainehousing.org/education/fair-housing-education>

### Facilities Updates

No new updates.

**Information Technology Department Memorandum**

**To:** Board of Commissioners

**From:** Craig Given, Director of IT

**Date:** December 12, 2023

**Subject:** Monthly Report

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**Information Technology Updates:**

- Interviewing candidates for vacant Application Specialist and Help Desk Analyst positions to hire replacements.
- Ongoing migration of staff accounts from on premise to hosted Microsoft 365 environment, with target completion by end of December.
- Conversion of off-site disaster recovery location to new vendor for better response and integration with data backup systems.
- Continued discovery and initial wire frame design for software to support Heating Assistance and Weatherization programs with vendor and internal team.
- Applied security patches to critical systems to address identified vulnerabilities.
- Began review of IT Help desk processes and systems with goal of improved data tracking and better transparency of progress and results.
- Technology and application team members involved in software implementations, including grant management software.
- Quarterly Security training program completed with 100% rate.
- Quarterly Phishing testing and education campaign to launch in December.



**Planning and Research Department Memorandum**

**To:** Board of Commissioners

**From:** Jonathan Kurzfeld, Director of Planning & Research

**Date:** December 12<sup>th</sup>, 2023

**Subject:** December 2023 Board Report

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**Planning and Research Department**

Planning and Research has largely been busy getting our affairs in order before the New Year arrives, along with the attendant busy period of reporting deadlines – those of a statutory nature as well as the self-imposed sort. These organizational minutiae include items like updating our management and reporting of income data, for which our vendor (Claritas) had altered fields and thus created intertemporal inconsistencies in our reports. We’ve also been pushing to go live on minor data projects that have been in the pipeline for some time now, such as new dashboard for the Housing Choice Vouchers department. Between those myriad projects and the day-to-day business of the department, the team has remained quite busy through the first half of this holiday season.

For my own update, I’d simply like to highlight a few stats from the research review I’ve been doing on the effectiveness of the Housing First (HF) approach to addressing homelessness. Two pieces of research are particularly striking. The first, a meta-analysis of 17 smaller studies of US data, found that every dollar spent on HF programs results in \$1.80 in social benefits, on average. The second is a more qualitative review of five different HF programs in five different European countries, capturing wide variation in program design as well as policy and economic environment. Despite that variation, the study found consistently high housing retention of 90%, as well other social benefits such as reduced rates of substance abuse. Although I have not yet completed my review of this topic, the weight of the evidence appears to be very positive.

**External Communications**

Since the last board meeting MaineHousing has fielded 21 different requests for information from 13 different media outlets. While most of these requests were from Maine-based newspapers, television and radio stations, several were from regional, national and international outlets including Yankee Magazine, a writer from the Aspen Institute and the German public broadcaster Deutsche Welle (DW). Both Yankee and DW are preparing reports on the BioHome 3D research at the University of Maine that MaineHousing has been an instrumental partner on.

A range of MaineHousing administered programs also grabbed headlines including the Home Energy Assistance Program, grants that were awarded for warming shelters, Low Income Housing Tax Credit programs and the ReStart (Family Self Sufficiency) Program that is administered by our Housing Choice Voucher Department.

MaineHousing staff made a number of appearances over the period including these highlights:

**Senior Director of Homeless Initiatives Lauren Bustard** appeared LIVE on Maine Calling on Monday, Dec. 4 on the topic of homeless encampments and the strategies being deployed to address them. Lauren fielded a range of caller questions and helped listeners understand the complexity of solving for homelessness in these times of historically high housing prices compounded by increasing demand for housing from new arrivals and waning one-time federal funds that were made available during the pandemic but have since wound down. You can listen to the show here: [Homeless Encampments | Maine Public](#)

On Tuesday, Dec. 5 **Director of Planning and Research Jonny Kurzfeld** was featured as one of several experts on the economy of housing in a story by NewsCenter's Chloe Teboe that looked at the decision of whether buying a home or renting one was a better financial choice these days. In his interview Jonny helped dispel unnecessary panic in a market that's been difficult, for those hunting for a home to buy, the last few years. He helped redirect the conversation to the educational and financial aid MaineHousing provides to Mainers looking to buy that first home. As a bonus the reporter encouraged viewers to check out our First Home programs at the close of her report. You can watch it here:

[Maine housing experts advise whether to buy or rent | newscentermaine.com](#)

On Wednesday, Dec. 6 **Director Dan Brennan** made an appearance with WMTW's Norah Hogan, who was reporting on the Home Energy Assistance Program and the many ways it helps thousands of Mainers each winter. The report was part of a series of stories the station does each year in conjunction with a fundraising event that gathers donation for non-government heating assistance programs. Dan reemphasized that many eligible households still don't apply for HEAP but he also updated Norah on the status of HEAP funding and the increasing demand for the program.

[How people in Maine can reduce home heating costs \(wmtw.com\)](#)

On the HEAP front, Maine and MaineHousing were featured in a video produced by the U.S. Department of Health and Human Services that will be airing in the coming weeks as part of a national public awareness campaign for energy assistance programs. The video features HEAP clients in York County, York County Community Action staff, a local oil vendor that works in the HEAP program and MaineHousing staff. The video was recorded late in December in 2022 and was just released this November. The video is available now on YouTube and can be seen here:

[https://youtu.be/Ghkaj3mWvEo?si=ROspHk\\_BlIE0mmh](https://youtu.be/Ghkaj3mWvEo?si=ROspHk_BlIE0mmh)

Finally, MaineHousing **Communications Director Scott Thistle** was quoted in a number of print articles during this period. Thistle spoke to Zara Norman at the BDN on the luxury home market in Maine and its relationship to affordable housing development and appears in this Dec. 6 report: [Maine has 2 of the fastest-growing markets for second homes \(spectrumlocalnews.com\)](https://www.spectrumlocalnews.com/maine/news/local/Maine-has-2-of-the-fastest-growing-markets-for-second-homes). Thistle was also quoted in a story by Norman on the overall impact of local resistance or NIMBYism on affordable housing development in Maine that was published on Dec. 11. [Why 'NIMBYs' aren't the biggest obstacle to housing in Maine \(bangordailynews.com\)](https://www.bangordailynews.com/2023/12/11/why-nimbys-arent-the-biggest-obstacle-to-housing-in-maine/).

### **Internal Communications:**

Staff interaction with articles, blogs, and wall posts on our intranet appears to have stabilized around an average of 1500-1600 views per week. We reached this level of interaction during the second week of July and it has been fairly consistent since then, with a peak of 2174 views during the week of September 11<sup>th</sup> and an expected dip during the week of Thanksgiving.

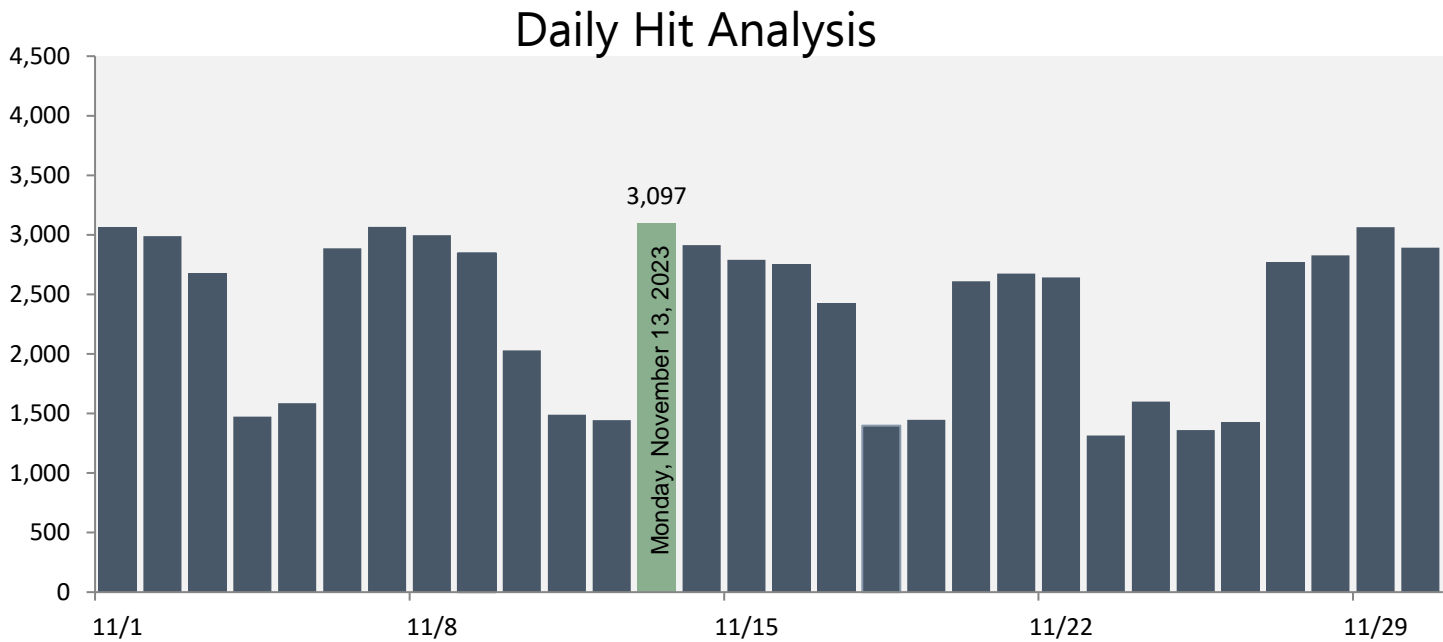
### **Website**

Attached are the website statistics for November 2023. Webmaster Amanda Ouellette reports that things look boringly normal for this time of year, but there are a few things to highlight.

1. You can see the effects of our current advertising campaign through Referring Websites. Both Facebook and TikTok were in the top 5 hits. Honestly, the click-through rate from TikTok is much higher than the team had anticipated.
2. Also in top referring website was NCSHA. The initial thought was that this was due to the NCSHA awards, but it turns out that most of the referrals are going to the HAF Homepage and HAF Dashboard. We can best attribute this to our HAF advertising campaign but online searches must first be landing some clients on the NCSHA page about HAF, which is the source of these referrals to our HAF pages.
3. Finally, we usually see a noticeable spike in visits to energy-related pages on our site in October and/or November. We did not see so much of a spike this year. Webmaster Ouellette pulled monthly hit counts for energy-related pages for the past 5 years to investigate this. She found that the October/November increase this year was much more moderate than in 2022 – about 40% as compared to almost 200% -- but she also found that the yearly visits have also ramped up in these past two years. The total this year is on track to be approximately the same in 2022 and 2023, which is orders of magnitude greater than the preceding three years.

# November 2023 - MaineHousing Website Statistics

## Hit Summary

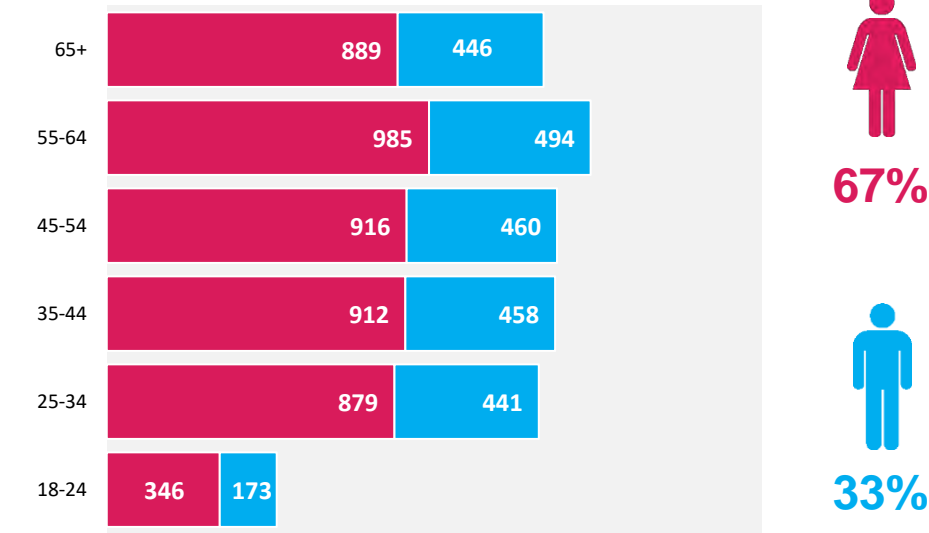


Hits	Unique Visitors	Page Loads	Avg Page Views	Avg Duration	Avg Engagement Rate
70,550	37,476	256,939	3.64	0:03:12	81.2%

## Demographics Summary

Demographic information collected by Google Analytics via a 3rd party collection tool. Age and gender are estimated numbers based upon several features present on a users mobile device, browser history, and other factors. Users must have previously allow this information to be collected through browser or app settings.

### AGE & GENDER



### TOP CITIES

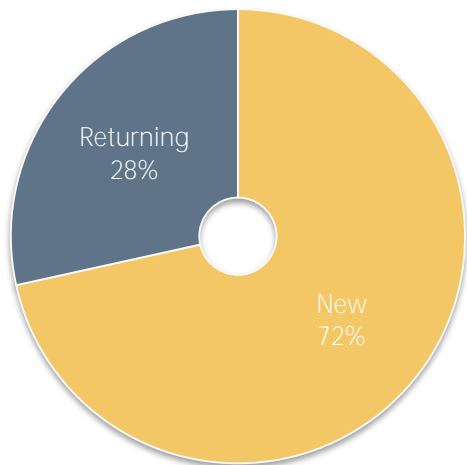
Boston, Massachusetts	6,351
New York, New York	4,137
Portland, Maine	3,980
Bangor, Maine	1,979
Lewiston, Maine	1,941
Augusta, Maine	1,711
Hallowell, Maine	1,330
Ashburn, Virginia	1,066
Greenville, North Carolin	1,058
Waterville, Maine	973

Top Cities account for 34.76% of all website traffic

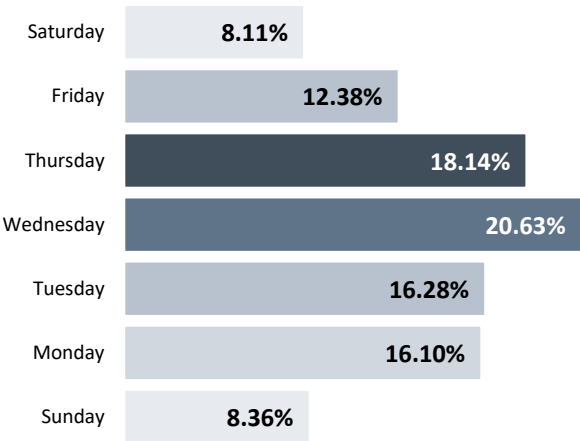
# Visitor Engagement

Demographic information collected by Google Analytics via a 3rd party collection tool. Age and gender are estimated numbers based upon several features present on a users mobile device, browser history, and other factors.

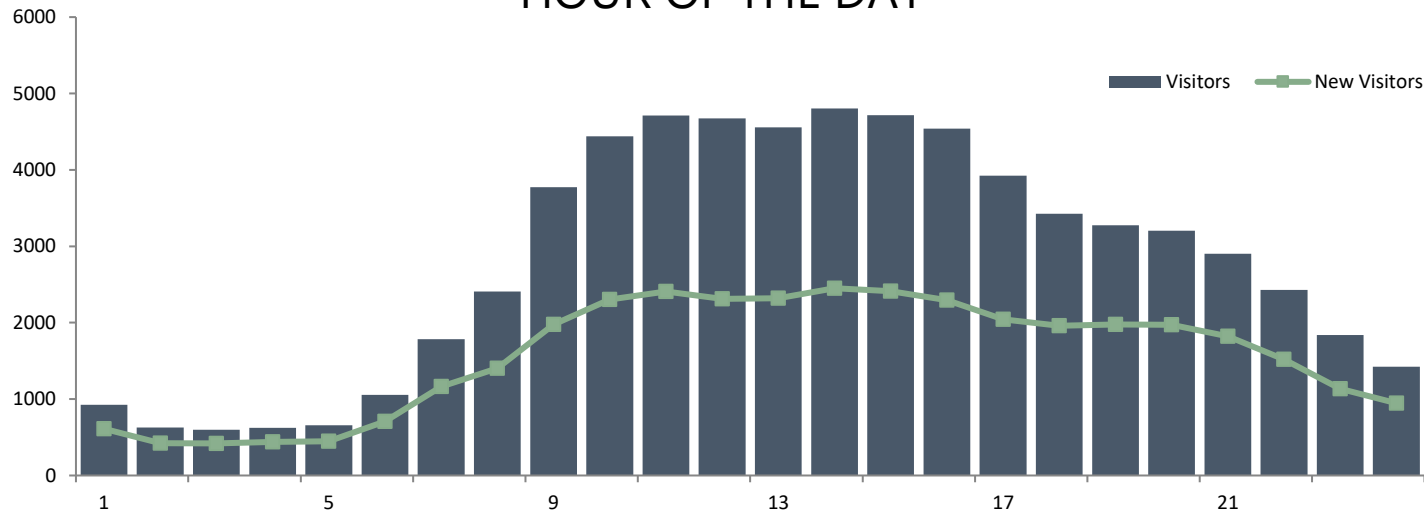
## NEW & RETURNING VISITORS



## DAYS OF THE WEEK

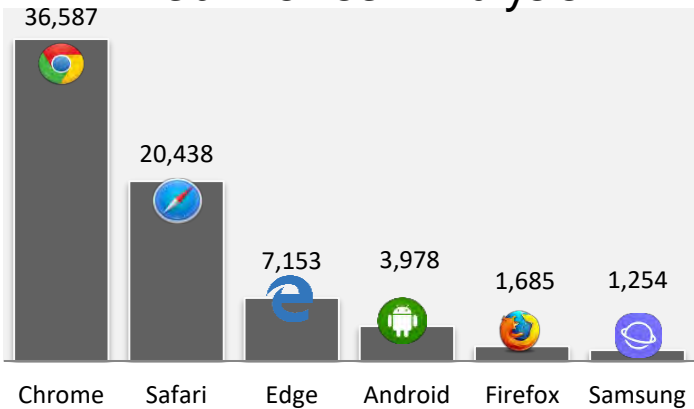


## HOUR OF THE DAY

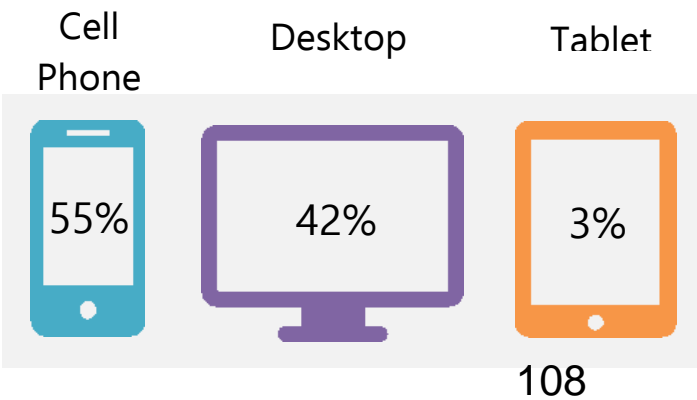


# Visitor Technology Summary

## Web Browser Analysis



## DEVICE ANALYSIS

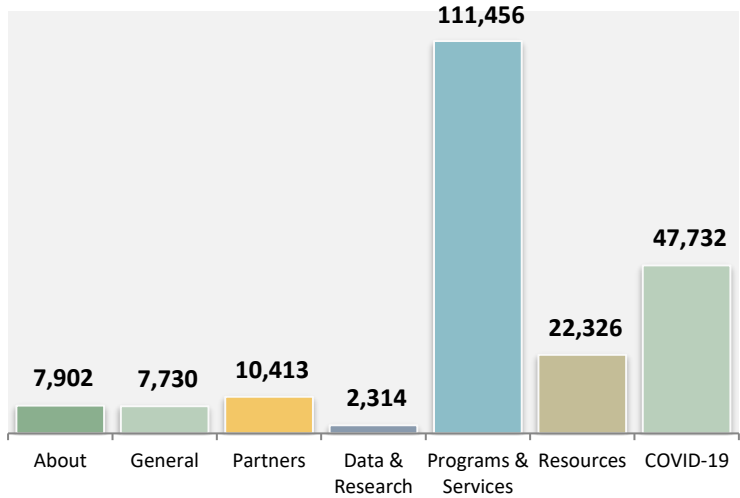


## Popular Content

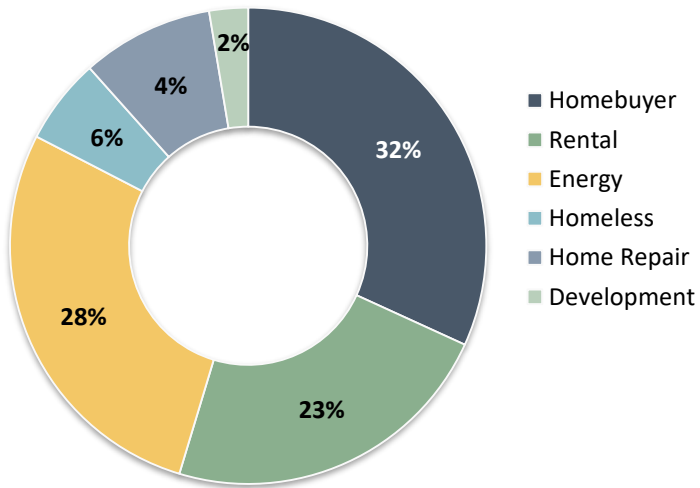
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
MaineHousing Homepage	26,142
Home Energy Assistance Program	20,492
Maine HAF Homepage	14,544
First Home Loan Program	13,141
HEAP Income Eligibility	11,171
Maine HAF Application	9,244
Rental Assistance	8,064
Housing Choice Vouchers	6,890
Maine HAF Message Center	5,427
Maine HAF Login	5,372
Programs - Services	4,964
Subsidized Housing	4,666
MaineHousing Lenders	3,658
Home Repair	3,619
First Generation Program	3,421
Emergency Shelters	3,390
Homebuyer Income & Purchase Limits	3,049
Contact MaineHousing	2,967
Weatherization Program	2,959
Current Interest Rates	2,825
HEAP Agency Contacts	2,812
Maine HAF Prescreening	2,759
Emergency Rental Assistance Program	2,552
Home Energy Assistance Program	2,457
Homeless Initiatives	2,447

Popular Content By Program

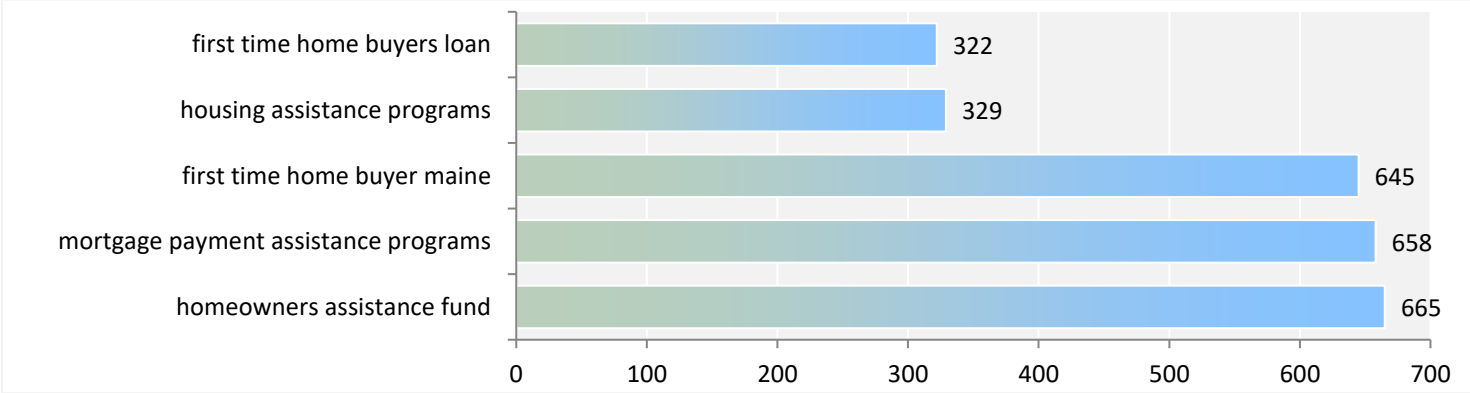


Popular Content By Section



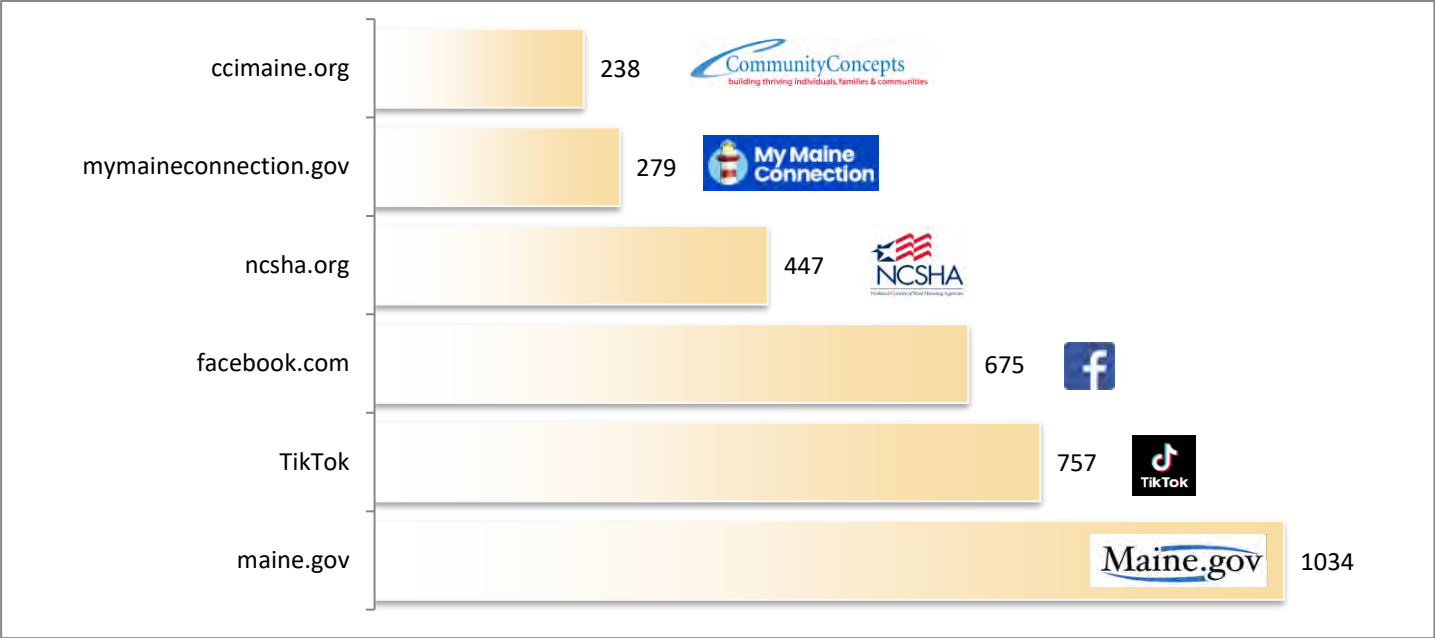
## Search Keywords

Below are some of the most popular phrases that people are typing into a search engine (such as google or bing) that then provide a search result for our site.



# Referring Websites

Referring websites are sites that link to our own website. When a visitor clicks on that link and visits our website, the site they came from becomes a referring site. Below are highlighted a few of the top referring sites.



## Board Calendar 2024

<p><b>JANUARY 16</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• QAP discussion (30 minutes)</li> <li>• Legislature Preview</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• HAF</li> </ul> <p>NCSHA HFA Institute Washington, DC (Jan 7 – Jan 12)</p>	<p><b>FEBRUARY 20</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Introduce HEAP Rule</li> <li>• Legislative Update</li> <li>• Governor’s Office Update</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Draft QAP</li> <li>• Homeownership – 2023 Review, 2024 Preview</li> </ul>
<p><b>MARCH 19</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• HEAP Rule Discussion</li> <li>• Legislative update</li> <li>• Goals Progress Report</li> <li>• QAP Public Hearing (?)</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Asset Management Update</li> </ul> <p>NCSHA Legislative Conf. Washington, DC (March 4- March 6)</p>	<p><b>APRIL 16</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Commence Rulemaking HEAP Rule <b>(VOTE)</b></li> <li>• Legislative Update</li> <li>• Adopt QAP <b>(VOTE)</b></li> <li>• Executive Session – Personnel followed by a <b>(VOTE)</b></li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• 2023 Budget and Audit results</li> </ul>
<p><b>MAY 21</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• HEAP Rule Public Hearing</li> <li>• Legislative Update (final)</li> <li>• Updates from the Governor’s Office (Greg Payne)</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• 2023 Financial Overview</li> </ul>	<p><b>JUNE 18</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Adopt HEAP Rule <b>(VOTE)</b></li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Housing Choice Voucher Dept. presentation</li> </ul> <p>NCSHA Housing Credit Connect Atlanta, GA (June 10 – June 13)</p>
<p><b>JULY 16</b></p> <p>If necessary</p> <p>NCSHA Exe Directors Workshop Kansas City, MO (July 13-July 16)</p>	<p><b>AUGUST 20</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• 2025 Goal Setting</li> </ul>
<p><b>SEPTEMBER 17</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• PHA Plan Public Hearing</li> <li>• 2025 Goal Setting</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Information Technology presentation</li> </ul> <p>NCSHA Annual Conference &amp; Showplace Phoenix, AZ (Sept. 28 – Oct 1)</p>	<p><b>OCTOBER 15</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Adopt PHA Plan <b>(VOTE)</b></li> <li>• Introduce DOE Weatherization State Plan</li> <li>• 2025 Goal Setting – final</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Loan Servicing Presentation</li> </ul>
<p><b>NOVEMBER 19</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• DOE Weatherization State Plan Public Hearing</li> <li>• Review Preliminary 2025 Budget</li> <li>• Resource Allocation</li> <li>• Updates from the Governor’s office (Greg Payne)</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>•</li> </ul>	<p><b>DECEMBER 17</b>  <u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Adopt DOE Weatherization State Plan <b>(VOTE)</b></li> <li>• Approve 2025 Budget <b>(VOTE)</b></li> <li>• Elect Officers <b>(VOTE)</b></li> <li>• MPP Series Resolution <b>(VOTE)</b></li> </ul> <p><u>Program Presentations:</u></p> <p>NCSHA Special Board of Directors Meeting and Executive Directors Forum Washington, D.C. (Dec. 8 – Dec. 10)</p>