

# January 21, 2020 Board Meeting

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**Board of Commissioners Meeting – January 21, 2020 9:00 A.M. – 12:00 P.M.**

MaineHousing  
353 Water Street  
Augusta  
Board Room

MEMBERS OF THE BOARD: Lincoln Merrill, Jr. (Chair), Donna Talarico (Secretary), Thomas Davis, Daniel Brennan, Laurence Gross, Henry Beck, Bonita Usher (Vice Chair), Kevin P. Joseph

*AGENDA*

ITEM	PRESENTER
9:00 Adopt Agenda <b>(VOTE)</b>	Lincoln Merrill
Approve minutes of December 17, 2019 meeting <b>(VOTE)</b>	All
Communications and Conflicts	All
Chair of the Board Updates	Lincoln Merrill
Director Updates	Dan Brennan
9:30 Adopt 2020 DOE Weatherization State Plan <b>(VOTE)</b>	Kyme Ferenc
Resource Allocation	Dan Brennan
Legislative Update	Peter Merrill
Senior Housing Bond 4% LIHTC Programs	Mark Wiesendanger
Maine Affordable Housing Coalition Meeting and QAP Update	Mark Wiesendanger
<u>Department Reports:</u>	All
Asset Management	
Communications and Planning	
Development	
Energy and Housing Services	
Finance Monthly Report	
Financial & Budget Report	
Finance Delinquency Report & Charts	
Homeless Initiatives	
Homeownership	
Housing Choice Voucher	
Information Technology	
Adjourn <b>(VOTE)</b>	All
Building Committee Meeting to Follow	

*The next meeting of the Board is scheduled for February 18, 2020  
at MaineHousing, 353 Water Street, Augusta, Maine*



## Minutes of the Board of Commissioners Meeting December 17, 2019

### **MEETING CONVENED**

A regular meeting of the Board of Commissioners for MaineHousing convened on December 17, 2019 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. Notice of the meeting was published on December 6, 2019 in Central Maine newspapers.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. The meeting convened with Commissioners Donna Talarico, Kevin Joseph, Laurence Gross, Bonita Usher, State Treasurer Henry Beck, and Director Dan Brennan present. Commissioner Thomas Davis was absent. There was a quorum present.

### **PUBLIC ATTENDANCE**

Guests and staff present for all or part of the meeting included: Peter Merrill, Deputy Director; Tom Cary, Treasurer; John Bobrowiecki, Counsel; Denise Lord, Senior Director of Communications and Planning; Laurie Murray, Director of Homeless Initiatives; Daniel Drost, Director of Energy and Housing Services; Kyme Ferenc, Manager of Housing Services; Troy Fullmer, Manager of HEAP & Weatherization Services; Jane Whitley, Director of Human Resources and Facilities; Darren Brown, Director of Finance; Craig Reynolds, Director of Homeownership; Mark Wiesendanger, Director of Development; Karen Lawlor, Executive Administrator; Sheila Nielsen, Director of Information Technology; Linda Grotton, Director of Audit & Compliance; Cara Courchesne, Communications Coordinator; Jason Bullock, Information Technology Manager; Steven McDermott, Multi-Family Underwriter; Brenda Sylvester, Community Housing of Maine, Inc.; Joshua Tuller, Opportunity Alliance; and Gerrylynn Ricker, Paralegal and Note taker.

### **ADOPT AGENDA**

Chair Lincoln Merrill added an Executive Session before adoption of the Agenda. *Commissioner Joseph made a motion seconded by Commissioner Usher to adopt the December 17, 2019 agenda with that addition. The vote carried unanimously.*

### **APPROVE MINUTES OF NOVEMBER 19, 2019 MEETING**

*Commissioner Joseph made a motion seconded by Commissioner Talarico to accept the November 19, 2019 minutes as written. The vote carried unanimously.*

### **COMMUNICATIONS AND CONFLICTS**

- Chair Merrill reported he had been contacted by Brian Sites of Volunteers of America Northern New England regarding properties we hold title to.
- Commissioner Davis received an e-mail regarding a tenant/landlord matter.

### **CHAIR OF THE BOARD UPDATES**

None.

### **DIRECTOR UPDATES**

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

- Director Brennan; Director of Communications and Planning, Denise Lord; and Senior

Supportive Housing Officer, Bill Olsen met with Mufalo Chitam, Executive Director of the Maine Immigrants' Rights Coalition and other leaders in Portland that are at the center of the immigrant and asylum seeker situation.

- Met with former MaineHousing Director, David Lakari.
- Met with the new Director of the Portland Housing Authority, Cheryl Sessions.
- Director Brennan, Deputy Director Peter Merrill, Director of Programs Lauren Bustard and Senior Director of Communications and Planning Denise Lord met offsite to do some brainstorming and planning, looking ahead to 2020.
- Meeting today with the Deputy Commissioner of DHHS to discuss recovery housing.
- Tomorrow there is a meeting with the DHHS Commissioner and other state leaders to discuss the possibility of doing heat pumps with TANF money.
- Director Brennan went over the various press articles that we have been in lately. We published the consumer survey "Perceptions of Housing in Maine" report.
- Attended NCSHA Executive Directors' meeting in Washington, D.C.
- Director Brennan discussed the Federal budget and the 4% tax credit program.
- The meeting of the issuers of the private activity bonds in Maine will be held tomorrow.
- January 6<sup>th</sup> there is a meeting with Commissioner of Department of Economic and Community Development Heather Johnson.
- January 7<sup>th</sup> there is a meeting with Commissioner of Corrections Randall Liberty to discuss housing issues involved with pre-release and opioid recovery homes.
- January 7<sup>th</sup> at the Freeport Hilton Garden Inn MaineHousing is holding a joint meeting with the Maine Affordable Housing Coalition. The meeting will be with architects, developers, and engineers to discuss multi-family construction costs. Director Brennan invited the Commissioners to attend.
- January 8<sup>th</sup> will attend the Maine Real Estate and Development Association event at the State House Hall of Flags.
- January 16<sup>th</sup> in Portland, the Maine Real Estate and Development Association is having their annual forecast meeting.
- January 17<sup>th</sup> will meet with the Maine Association of Public Housing Directors at their quarterly meeting in Waterville.
- With the start of the new legislation, we will be focusing on our State Low Income Housing Tax Credit bill.
- We have received five applications for the Governor's senior housing bond money.
- Director Brennan reported we have a full pipeline going into 2020. From 2013 to 2019 the average new units per year was 256. We're looking at 543 in 2020.
- Director Brennan discussed the Youth Homeless Development grant that we received and will be working on with New Beginnings. We will be hiring a Grant Manager.
- Single Family program projecting over 1,100 loans nearly \$153,000,000 for the year.
- Energy and Housing Services Department has made their first HEAP payment using the new computer system -- nearly \$5 million to over 7,000 homes.
- Director Brennan reminded the Commissioners to give their Conflict of Interest forms to Linda Grotton.

## **ELECT OFFICERS**

*State Treasurer Henry Beck made a motion seconded by Commissioner Talarico to elect Bonita Usher to be Vice-Chair of the Board. The vote carried unanimously. Commissioner Usher made a motion seconded by State Treasurer Henry Beck to keep Donna Talarico as Secretary of the Board. The vote carried unanimously.*

## **2020 DOE WEATHERIZATION STATE PLAN PUBLIC HEARING**

Counsel John Bobrowiecki welcomed the public for the hearing and explained the public hearing process. He introduced the Commissioners, Director of Energy and Housing Services, Daniel Drost, and Manger of Housing Services, Kyme Ferenc. Counsel Bobrowiecki reviewed the stakeholder process. There being no comments from the public, the hearing was adjourned.

## **PROPOSED 2020 BUDGET**

Director of Finance Darren Brown reviewed minor changes to the 2020 preliminary budget presented at the November meeting.

*Commissioner Gross made a motion seconded by State Treasurer Henry Beck to approve the 2020 budget as presented today. The vote carried unanimously.*

## **APPROVAL OF MPP SERIES RESOLUTION**

Treasurer Tom Cary requested approval of a Series Resolution dated December 17, 2019, which authorizes the issuance of up to \$400 million of Bonds and Notes in the Mortgage Purchase Program for a period of approximately 13 months.

*State Treasurer Beck made a motion seconded by Commissioner Gross to approve the Series Resolution dated December 17, 2019. The vote carried unanimously.*

## **INFORMATION TECHNOLOGIES UPDATE**

Director of Information Technologies, Sheila Nielsen, gave a slide show presentation on her department. She introduced her staff; reviewed remaining 2019 goals; planned 2020 goals; security issues; risk assessment results; and Edison Drive preparations.

## **RECOVERY HOUSES**

Senior Director of Communications and Planning Denise Lord introduced herself and Multi-Family Underwriter Steven McDermott. Denise explained that in January, we will be rolling out two recovery home initiatives. The first is Homeless Opioid Users Service Engagement (HOUSE) which is a pilot project to provide fifty opioid users, with rapid access to low-barrier treatment for substance use disorders and stable housing to support their recovery. DHHS will provide servicing funding and MaineHousing will provide housing assistance. The second is the Recovery Residences Pilot Program which will provide financial assistance for the housing and related costs of operating a recovery residence. This pilot will be funded by DHHS for one year with potential future funding. The program will serve ten residences with potential other residences dependent on available funding.

## **DEPARTMENT REPORTS**

No comments

## **EXECUTIVE SESSION**

*Commissioner Joseph made a motion seconded by Commissioner Gross to enter into Executive Session in accordance with 1 M.R.S.A. §405(6)(E) related to consultations between an agency and its attorney concerning the legal rights and duties of the agency. Commissioners Talarico, Gross, Beck, Usher, and Joseph voted unanimously in favor of the motion. The Board of Commissioners entered into Executive Session at 10:28 a.m.*

The Board of Commissioners came out of Executive Session at 11:10 and resumed the meeting.

**ADJOURN**

*Commissioner Joseph made a motion seconded by Commissioner Talarico to adjourn the meeting. The meeting was adjourned at 11:10 a.m. by unanimous vote of the Board.*

Respectfully submitted,

Donna Talarico, Secretary

**Energy & Housing Services Department Memorandum**

**To:** Maine State Housing Authority Board of Commissioners  
**From:** Kim Ferenc, Manager of Housing and Compliance  
**Date:** January 6, 2020  
**Subject:** Adoption of 2020 DOE State Plan for Weatherization Assistance Program

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On December 17, 2019, MaineHousing conducted a public hearing for the purpose of receiving comments on the proposed 2020 Department of Energy (DOE) State Plan for the Maine Weatherization Assistance Program. Notice of the hearing was published on our website, in newspapers statewide, and sent to interested parties. There were no comments from the public at the time of the hearing. The end of the public comment period was Friday, December 27, 2019 and no comments were received. The Department of Energy and Housing Services is requesting that the Maine State Housing Authority Board of Commissioners officially adopt the 2020 DOE State Plan by approving the following motion:

**PROPOSED MOTION:**

*To adopt MaineHousing's proposed Department of Energy (DOE) Weatherization Assistance Program 2020 State Plan.*

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

(Grant Number: \_\_\_\_\_, State: ME, Program Year: 2020)

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## V.1 Eligibility

### V.1.1 Approach to Determining Client Eligibility

#### *Definition of Income Eligibility*

Maine 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 19-3: 2020 *Poverty Income Guidelines and Definition of Income*, and any related DOE guidance thereafter, to determine household energy burden and eligibility.

#### *Household Eligibility Basis*

Maine 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.

#### *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). Only those households 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.

#### *Qualified Aliens*

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 disabled 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). Clients are considered eligible if they 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

#### *Eligibility/Documentation*

In order for weatherization to be completed on a unit, household members must meet one (1) of the following eligibility criteria to assure compliance with the requirements of 10 CFR 440.22:

A dwelling unit shall be eligible for weatherization assistance if it is occupied by a household that meets the eligibility for assistance under the Low Income Home Energy Assistance Act of 1981 as determined in accordance with criteria established by the Director of the Office of Management and Budget.

Prior to weatherizing entire Multi-Family housing units, a specific eligibility test will be applied. Not less than 66 percent (or 50 percent in the case of Multi-Family units 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.

Subgrantee files and records contain authorized HEAP applications with income verification, *Consent Form*, *Proof of Ownership* and *Landlord/Tenant Agreement* (if applicable). All documents are available for review by state or federal staff as needed.

### **Re-weatherization Compliance**

Maine allows units previously weatherized under this part or under other federal programs prior to September 30, 1994 to receive further financial assistance for weatherization under Maine WAP. Maine requires that these units be reported separately. Each dwelling unit served must receive a completely new energy audit that takes into account any previous energy conservation improvements to the dwelling. Subgrantees are allowed to count these homes as completions for the purposes of compliance with the per-home expenditure limit in 10 CFR 440.18

The Maine State Housing Authority (MaineHousing) maintains available data of previously weatherized homes and assists Community Action Agencies (CAAs) in determining compliance with the re-weatherization requirements as requested throughout the year. For Weatherization jobs completed 1994-1997 MaineHousing and CAAs rely primarily on records maintained by the CAAs. Weatherization jobs completed between 1998-2008 are tracked in MaineHousing's Central Heating Improvement Program and Weatherization Jobs SIR database. Weatherization jobs completed 2009-September 2016 are tracked in MaineHousing's ECOS database. Weatherization jobs completed October 2016 to present are tracked in Hancock Software's HEAT Enterprise system.

### **Eligible Structures**

Maine WAP, includes the following components: an individual audit for each dwelling unit; energy savings calculations based on the American Society of Heating and Refrigerating and Air Conditioning Engineers (ASHRAE) fundamentals; and a comprehensive health and safety protocol. Prior to initiating any weatherization activities, Subgrantees are required to evaluate:

- 1) the physical condition of the home,
- 2) the mechanical systems, and
- 3) building tightness.

If homes fail to meet minimum standards as to Structural Integrity and Health & Safety, weatherization must be deferred until the issue is resolved. *See* V.1.2 Deferral Process: Maine's Deferral of Services Policy and V.5.2 Energy Audit Procedures.

### **Rental Units/Multi-Family Buildings**

Maine's goal for the weatherization of small Multi-Family units is for the low income tenants to receive a direct benefit. For the purpose of this policy, small Multi-Family properties are those with four (4) or less units, and three (3) stories or less. These are "small Multi-Family properties," not Multi-Family properties of five (5) and more units and/or more than three (3) stories. 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. The amount available to weatherize the entire building is equal to the maximum dollar amount that may be spent weatherizing the low income units. There are many positive outcomes that result from weatherization; tenant comfort, preservation of affordable housing, and carbon reductions to name a few. However, there is so little money

compared with the need that the focus must remain on properties where the low income tenants see a direct financial benefit. Small Multi-Family units will be prioritized similar to Single-Family: tenants with the highest energy use and highest energy burden (as a percentage of income) will receive priority. WAP funding may be used to weatherize small Multi-Family dwellings 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.

Grantee will calculate the Multi-Family cap using the housing tenure indicated in the most recent HEAP or Comprehensive Housing Affordability Strategy data available (whichever is more favorable). For properties with more than one (1) building and a common owner, each building will be considered separately in determining whether the structure will or will not count towards the Multi-Family caps. Weatherization of building structures with one (1) unit (including single-family attached homes such as townhouses, even if part of a larger Multi-Family property, which are separated by a full ground-to-roof wall) and building structures with 2-4 units (including stacked duplexes and triple deckers) do not count towards the Multi-Family caps.

Prior to conducting the energy audit, the Subgrantee must verify the ownership of the unit/building and secure confirmation of the following:

- Written Permission. Secure landlord's/owner's and tenant's consent, in writing, to proceed with weatherization measures. Additionally, 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:
  - 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.
  - 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 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.
- Undue 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 Grantee uses non-WAP funding.

### Deferral Process

Deferral of Services Policy: If dwellings fail to meet minimum standards as to Structural Integrity and Health & Safety, weatherization must be deferred until the issue is 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 may be required if the auditor determines that any health and safety or structural conditions exist which may endanger the health and/or safety of the workers or occupants. The client will be notified in writing of the reason for deferral and corrective action needed to proceed. In such cases, the

use of other existing resources such as MaineHousing's Home Repair Program or other non-WAP funding available through the Subgrantee will be explored. Work on a deferred unit will not commence until existing dangerous conditions have been corrected. In addition units located in an area slated for development may need to be deferred to ensure that resources are not wasted on a unit slated for demolition or relocation. [DOE Weatherization Program Notice \(WPN\) 17-7](#) will serve as guidance in the deferral process. Unfortunately, there may be extreme cases where the problem is beyond the scope of the available funding and/or a case where the client/owner is not willing to cooperate. In either case the Subgrantee must determine what is in the best interest of all concerned and proceed accordingly, ensuring appropriate documentation is in the client file.

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

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

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

Maine has five federally recognized Indian Tribes and each of them participate in the HEAP and WAP: Penobscot Indian Nation; Houlton Band of Maliseets; Aroostook Band of Mic Macs; Passamaquoddy Tribe, Pleasant Point; and Passamaquoddy Tribe, Indian Township. MaineHousing 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. Maine allocates funds to five (5) tribal organizations based upon the number of eligible HEAP clients. This has resulted in three percent of Maine's DOE grant award being allocated to the five (5) tribes. Actual administration of the weatherization programs within tribal organizations' land is provided by CAAs that service areas include Counties in which Indian Tribes are located.

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

In the case of areas currently served by a CAA 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 CAA as the 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.

Maine's WAP serves all counties statewide through nine (9) Subgrantees. Each Subgrantee is, in fact, a CAA or other public or non-profit entity.

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 CAA 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.

In the event that a Subgrantee is unable to complete the terms of its contract, or if MaineHousing determines that the Subgrantee cannot fulfill its obligations under the WAP contract, MaineHousing will reach out to other Subgrantees to fulfill the terms of their contract and work with the Subgrantees to extend their WAP services into the territory needing service coverage. 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 for Service Delivery**

Priority for weatherization services will be identified through the use of MaineHousing's high energy use/energy burden list, which lists HEAP eligible households and their annual energy consumption usage for heat. Households that include elderly, disabled and/or a child younger than six (6) years of age are identified from the list. This information becomes the basis for determining production targets and wait lists.

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

Maine's 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 weather data from the National Oceanic and Atmospheric Administration (NOAA). Heating degree hours are calculated using weather state data associated with each Maine zip code

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

#### **V.5.1 Technical Guides and Materials**

Standards for the proper installation of materials and procedures are described in the [Maine Weatherization Standards Manual](#), and the [Maine Weatherization Field Guide](#) which are located on the MaineHousing website <http://www.mainehousing.org/docs/default-source/energy/energy-meexstandards.pdf?sfvrsn=2>; printed copies are available to Subgrantees.

Measures to be performed will be prioritized in accordance with the Maine energy audit system, implemented in accordance with the standard work specifications (SWS) contained in the [Maine Weatherization Field Guide](#), and will be compliant with [WPN 15-4](#).

The [Maine Weatherization Standards Manual](#) is aligned with the companion [Maine Weatherization Field Guide](#), which embodies SWS applicable to the Maine weatherization program. While the [Maine Weatherization Standards Manual](#) and the [Maine Weatherization Field Guide](#) are fully aligned, the documents are distinct. The [Maine Weatherization Standards Manual](#) provides more overview and detail on overarching goals and guidance for delivery of weatherization services. The [Maine Weatherization](#)

[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.

Grantee has created and maintains a dedicated web portal for Subgrantees which provides electronic access to current versions to weatherization field guides, program updates, procedures manuals, standards 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>.

All Subgrantee Agreements will contain the following language: “Subgrantee agrees to ensure that the standard work specifications for work quality outlined in [WPN 15-4](#), Section 2, 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 Agreement are understood and agreed to. The Subgrantee must deliver the executed Agreement to the Grantee 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.

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

Audit Procedures and Dates Most Recently Approved by DOE

Single-Family- December 5, 2016

Manufactured Housing - May 22, 2017

Maine's energy audits consists of the following components:

- an individual audit for each dwelling unit,
- energy savings calculations based on ASHRAE fundamentals, and
- a comprehensive health and safety protocol.

Prior to initiating any weatherization activities, Subgrantees are required to evaluate:

- 1) the physical condition of the home,
- 2) the mechanical systems, and
- 3) building tightness.

Evaluation of the physical condition of the home and its mechanical systems is accomplished through the use of 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.

Maine's health and safety procedures, as described in the [Maine Weatherization Standards Manual](#), 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:

- list possible pollutant sources;
- record any observable pollutant indicators;
- interview the client as to health problems and lifestyle;
- test all combustion appliances to the degree allowed by law as to efficiency and safe operation;

- perform zone pressure diagnostic testing if applicable;
- determine combustion air requirements and assess the adequacy of the existing combustion air supply;
- test for spillage, back-drafting, and venting capability of all combustion exhaust vents; and
- check CO production of all combustion appliances.

Homes which 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. Also, no weatherization activity which 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, any applicable energy audit assessments, such as 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.

Maine SWS are embodied in the [Maine Weatherization Field Guide](#) and is posted on the MaineHousing 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.

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.

Maine'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. Maine's energy audit calculates SIRs for each contemplated weatherization measure, which reflect local heating degree day figures and a heating degree day correction factor.

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.

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. However, this is not the preferred practice considering that a home may only be weatherized with DOE funds once in a lifetime, unless weatherized prior to September 30, 1994.



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. Maine'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.

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

### **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 [Maine Weatherization Field Guide](#) in accordance with 10 CFR 440. 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 Maine WAP standards.

Grantee monitors conduct 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 15-4](#), Section 1. The Subgrantee is notified of any jobs not in compliance and is required to take the steps necessary to complete the job. In addition, 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.

Subgrantee Agreements outline disciplinary action for inadequate inspection practices and 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 without approved clearance and Grantee subsequently determines the project is financed/owned by a Subgrantee, or sufficient reserves are in place for the project to incur these costs, Grantee has the right to refuse to reimburse for weatherization costs incurred.

## **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 results are shared 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 revised State Monitor 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.

## V.7 Health and Safety

The primary goals for Maine 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 Part 440.

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 health and safety expenditures, which Subgrantees 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. 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 MaineHousing's *Lead Hazard Reduction Demonstration Grant*, or its *Home Repair Program*. Potential funding sources include, but are not limited to:

- Central Heating Improvement Program (CHIP)
- Community Development Block Grant (CDBG)
- MaineHousing Housing programs
- City or Town assistance
- USDA Rural Economic Development (formerly FHA)
- Housing and Urban Development (HUD)
- Local church and community groups
- Building Materials Bank
- Habitat for Humanity

- Donations from local businesses
- Landlords

### **Intake Procedures**

Per the [Maine Weatherization Standards Manual](#), 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 Manual](#) and the [Maine Weatherization Field Guide](#) are performed in order to identify potential health and safety hazards as well as energy conservation opportunities. The clients sign a *Consent Form* which specifies that “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 17-7](#), 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 agencies after weatherization if they have any questions, concerns, or wish to report feedback on the conservation efforts.

### **Deferral of Services Policy**

See *Deferral of Services Notice* section of this document. V.1.2

### **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 must follow all Occupational Safety and Health Administration (OSHA) safety regulations, and national, state and local codes as further described under the Agency/Contractor Safety section below.

### **Agency/Contractor Safety**

Subgrantees must comply with OSHA requirements in all weatherization activities. When contractors are employed by local agencies 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.

Maine 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.

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).

Subgrantees and contractors are expected to follow the requirements of Construction Industry OSHA Safety and Health Standards (29 CFR 1926/1910).

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 which 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.

Subgrantees are responsible for maintaining agency vehicles so that they are in safe and proper operating condition.

Subgrantees are responsible for ensuring all work performed in client homes abides by federal, state, and local codes and regulations.

Grantee verifies contractor and Subgrantee compliance with OSHA 10, Safety Data Sheets (SDS), and RRP requirements as follows:

As part of the annual bid process, contractors are required to submit RRP certifications. MaineHousing reviews this documentation to ensure compliance.

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.

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 Maine WAP. Through DOE trainings, related trainings at Maine Safety Works, and field training, Maine 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. Agency 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.

Maine's Community Action Agency Building Technology Committee (BTC) meets on a monthly basis to discuss all 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.

The Weatherization and CHIP programs work in unison to guarantee "A House as a System" approach when conducting an audit.

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

Maine uses the [Table of Issues](#) (adopted in [DOE WPN 17-7](#)) as a reference of a majority of conditions that Maine 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. The following will be assessed and addressed, as applicable, in accordance with [WPN 17-7](#) Table of Issues:

1. Air Conditioning and Heating Systems - Because of Maine's high heating degree day environment, cooling needs are considered to be 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. Biologicals/Mold
4. Building Structure and Roofing
5. Code Compliance
6. Combustion Appliances and Combustion Gases - MaineHousing recognizes that combustion gases in homes pose the most serious hazard. As a result, MaineHousing 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.
  - i. 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, CTEs must occur as part of a weatherization job.
  - ii. 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 on line. 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.

In addition, CTEs should also be conducted as part of routine maintenance and safety practices. CAAs must establish internal policies to 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. Maine views any ambient level of CO as potentially dangerous and will be considered a warning signal that a problem exists. According to ASHRAE standards, the maximum allowable concentration for short term exposure is 9 ppm in residential settings.

Corrective procedures requiring special licensing will be referred to the appropriate authority.

- Electrical
- Formaldehyde and Volatile Organic Compounds (VOCs)
- Fuel Leaks
- Gas Ovens/Stove Tops/Ranges – Gas cooking appliances will be assessed and addressed in accordance with SWS.
- Hazardous Materials Disposal
- Injury Prevention of Occupants and Weatherization Workers
- Lead-based Paint
- 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.
- Occupant Pre-existing or Potential Health Conditions
- Pests
- Radon
- Safety Devices: Smoke and Carbon Monoxide Alarms, Fire Extinguishers
- Ventilation and Indoor Air Quality
- Window and Door Replacement
- Worker Safety

Grantee has implemented the following additional guidance:

- Diagnostic Equipment - 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).
- Spray Polyurethane - Maine must follow EPA recommendations (available online at <http://www.epa.gov/saferchoice/spray-polyurethane-foam-spf-insulation-and-how-use-it-more-safely>)

## V.8 Program Management

### V.8.1 Overview and Organization

The Maine State Housing Authority (MaineHousing), created in 1969, is Maine's housing finance agency. MaineHousing houses the State Energy Program. MaineHousing's mission statement reads, "The mission of the Maine State Housing Authority 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); the elderly; 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 landlords, management corporations, and CAAs. With offices located throughout Maine, 9 of Maine's CAAs 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 new work plan for the 2020 DOE program. Grantee will review the detailed work plan for each Subgrantee, request any updates, if necessary, and a detailed budget for the new program year. No funds will be advanced to Subgrantees until such work plans and budgets are reviewed and approved by EHS staff.

EHS 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**

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

WAP is currently operating under a Continuing Resolution for Fiscal Year (FY) 2020. For planning purposes, until a final full year FY 2020 budget is passed and signed by the President, Grantees have been advised to develop their Grantee Plans using the same funding level as the DOE 2019 Appropriated Funds outlined in [WPN 19-2](#). While WPN 19-2 allocations will suffice for FY 2020 planning purposes, DOE will adjust these allocations to Grantees based on final FY 2020 appropriations. Once a FY 2020 budget is passed and

signed by the President, DOE will issue WPN 19-2, Program Year 2020 Grantee Allocations.

### **American Consumer Satisfaction Index Survey**

In 2017, DOE WAP utilized the American Customer Satisfaction Index (ACSI) to survey Subgrantees of the WAP. This survey provided Subgrantees the opportunity to provide DOE WAP feedback on several aspects of the Program operation and helped identify opportunities for improvement.

On May 30, 2017, MaineHousing shared the DOE WAP Subgrantee State-level report for Maine with Subgrantee Housing Directors via email. Maine's highest scores were in the area of Technical Assistance, including responsiveness to technical assistance requests. Survey results also identified several areas of challenge and opportunities for improvement, including Development of the State Plan and Partnerships.

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 annual WAP State Plan. On October 4, 2019, Grantee management joined Subgrantee Housing Directors at the Housing Council meeting to discuss several changes Subgrantees would like to see made in the 2020 DOE State Plan, including changing the definition of children for prioritization purposes from 2 years of age and younger to younger than 6 years of age. Additionally, Subgrantees shared input concerning training topics they would like to see for Subgrantee WAP staffs and contractors. Input from this meeting has been considered and accommodated as much as possible in developing the 2020 DOE State Plan. Additionally, the Grantee has made adjustments with their monitoring protocol and tool as part of the Grantee's efforts to support Technical Service Specialists being available in-person in the field to assist Subgrantees as much as feasible.

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

Allocation of the funds for the current Program Year show all Subgrantees at five percent administration. (See Annual File - Part A) Once all Subgrantee budgets are reviewed and approved, the Grantee will file an amendment to this State Plan, reflecting actual budgeted administrative costs.

Maine WAP may allow up to an additional five percent administrative funding for Subgrantees which 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 (10 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 Maine WAP is to work closely with Subgrantee personnel to ensure continued quality workmanship and to ensure adequate financial systems and procedures. Maine WAP will administer Quality Control Inspections (QCI) in accordance with SWS outlined in the [Maine Weatherization Field Guide](#) 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 fiscal monitoring – annually.
2. Onsite inspection of completed units – monthly.
3. Client file review – monthly.
4. Review of Subgrantee work plans, budgets, and reported results – ongoing.
5. Review of independent Subgrantee annual audits – annually.

MaineHousing has developed its own monitoring tool that includes reviews of the Subgrantee Uniform Grant Guidance Audit prescribed by 2 CFR 200. Among other things, MaineHousing 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 report to MaineHousing as soon as the report is available.

#### **Financial Monitoring**

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

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

- Annual Financial Monitoring review
  - Financial/Fiscal Accountability
  - Uniform Grant Guidance Audit prescribed by 2 CFR 200
  - General ledger
  - Payroll/Personnel/Timecards
  - Vehicles and equipment purchases

- Indirect rate review to make sure it is being calculated correctly
- Invoicing
- Record retention
- Corrective action plans
- Contractor payments
- Annual Production File Review
  - Procurement process
  - Energy audits
  - Eligibility
  - Proof of ownership
  - In progress and final inspections
  - Contractor invoices
  - Release of liens
  - Scope of work

Each comprehensive monitoring visit includes an exit interview during which the EHS Fiscal Compliance Specialist appraises 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.

If significant issues are identified, MaineHousing requires the Subgrantee to submit a corrective action plan for MaineHousing's review/approval. MaineHousing will conduct a six (6) month follow-up review to ensure the plan was executed and effective in addressing the issues.

**Independent QCI Monitoring**

QCI monitoring has three components: Desk Review, Unit Inspections, and On-site Subgrantee Monitoring Visits.

1. EHS Technical Service Specialists conduct a minimum of 10 percent and up to 100 percent desk/file review of the completed units submitted by each Subgrantee, depending on their performance. This practice allows the Grantee to closely monitor best practices, identify concerns, and select/prioritize units for onsite inspections. Desk review evaluation is captured on checklists and tracking sheets to identify deficiencies and track them by number and level of concern for each subgrantee. A Technical Review Checklist for reviewed jobs is made available to the subgrantee in HEAT. Any failed items on the checklist must be addressed in the job file.

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.

If significant issues are identified, the Technical Services Specialists will expand the percentage of inspected units. Criteria for unit inspections will be:

- Maine Audit System
- [Maine Weatherization Standards Manual](#)
- [Maine Weatherization Field Guide](#)
- Program Guidance
- Department of Energy Regulations

Capture and reporting of inspection data will be accomplished using a comprehensive checklist that includes:

- Assessment of auditors' pre-existing R-values and accurate building model
- Evaluation of auditors' approach for each distinct area of the structure, attic, walls, basement, site specifics, etc.
- Verification and evaluation of each installed measure
- Combustion appliance inspection and combustion safety testing data
- Blower door, pressure pan and other applicable building diagnostics data
- Exhaust device cfm measurement and confirmation of correct ASHRAE ventilation requirement
- Confirmation of on-site documentation required by SWS such as Insulation Certificates
- Client comments, concerns and positive remarks

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 Director of EHS in writing during this 30-day period to appeal a rework finding. The unit will be revisited by the Director of EHS, 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.

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.

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.

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.

Subgrantees are required to submit corrective action plans when there are indications that the Subgrantee has significant compliance issues.

3. 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. MaineHousing'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**

MaineHousing 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 crews.

MaineHousing's WAP T&TA plan provides a variety of activities to support developing and enhancing skills of personnel at the Grantee and Subgrantee 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 staffs who do not have all required training and certifications needed for their positions receive necessary training as soon as possible and no more than within 6 months of being hired. 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 and weatherization contractors, WPNS. All Tier I training will be conducted by Interstate Renewable Energy Council (IREC) accredited training organizations. Tier II trainings will be administered by qualified personnel as needed.

#### **Grantee/Subgrantee Training**

MaineHousing 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) Training**. Grantee will coordinate and fund accredited Building Analyst (BA), Energy Auditor (EA) and Quality Control Inspector (QCI) trainings and certification for Grantee and Subgrantees staffs. During the 2020 DOE plan year, Grantee anticipates coordinating and funding accredited trainings and testing for at least ten (10) technicians.
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.

3. National and Regional Conferences. MaineHousing 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 intends 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.

In compliance with WPN Notice 09-1B, Grantee requires that contractors receiving DOE T&TA funds for training events sign a retention agreement confirming that the contractor will provide weatherization services for a period of not less than the current weatherization contract period the Contractor has with the Grantee and/or Subgrantee.

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 Maine 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.

Maine 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, Home Performance Coalition, etc.). MaineHousing is notified of these external training opportunities and informs Subgrantees/contractors of them.

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

The effectiveness of T&TA activities is gauged by:

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

#### **Client Education**

Per the *Maine Weatherization Standards Manual*, 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:

- how the weatherization process will address health and safety issues;
- explanation of energy-conserving measures that will be installed;
- recommendations on how the client can conserve energy; and
- 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](#).

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
(Grant Number: \_\_\_\_\_, State: ME, Program Year: 2020)

**II.3 Subgrantees**

Subgrantee	City	Tentative	
		Funding	Units
Aroostook County Action Program	Presque Isle	\$348,105	37
Community Concepts, Inc.	South Paris	\$396,976	44
Downeast Community Partners	Ellsworth	\$283,707	32
Kennebec Valley Community Action Program	Waterville	\$567,109	64
Penquis Community Action Program	Bangor	\$618,331	70
Opportunity Alliance	Portland	\$241,021	25
Waldo Community Action Partners	Belfast	\$141,777	15
Western Maine Community Action	East Wilton	\$141,777	15
York County Community Action Corporation	Sanford	\$141,777	21
<b>Total:</b>		<b>\$2,937,293</b>	<b>323</b>

**II.4 Production Schedule**

Weatherization Plans	Units
Total Units (excluding reweatherized units)	323
Rewatherized Units	0

Average Unit Costs, Units subject to DOE Project Rules		
<b>VEHICLE &amp; EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)</b>		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B	Total Units Weatherized	323
C	Total Units Reweatherized	00
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	323
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
<b>AVERAGE COST PER DWELLING UNIT (DOE RULES)</b>		
F	Total Funds for Program Operations	\$1,950,325
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	323
H	Average Program Operations Costs per Unit (F divided by G)	\$6,038.16
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$6,038.16

**II.5 Energy Savings**

**U.S. Department of Energy  
WEATHERIZATION ANNUAL FILE WORKSHEET  
(Grant Number: \_\_\_\_\_, State: ME, Program Year: 2020)**

Method used to calculate energy savings:	WAP algorithm	Other (describe below)
Estimated energy savings (Mbtus):	<u>\$7998.90</u>	
For PY 2019:	Method used to calculate savings:	
	323 Units x 29.30 MBTUs \$9,463.90 MBTUs= annual estimated energy savings	
This year estimated energy savings:	9,463.90	
Prior year estimated energy savings:	7,998.90	

**II.6 Training, Technical Assistance and Monitoring Activities**

See Maine 2020 DOE State Plan Master File.
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**11.7 DOE-Funded Leveraging Activities**

See Maine 2020 DOE State Plan Master File.
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**II.8 Policy Advisory Council Members**

Al Hodson, 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>
Suzanne MacDonald, 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>
Glenn Poole, 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>
Kenneth Fletcher, 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>
James Boyle	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (207) 376-2463 Email: <a href="mailto:efficiency@efficiencymaine.com">efficiency@efficiencymaine.com</a>
David Stapp	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376-2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>



**U.S. Department of Energy  
WEATHERIZATION ANNUAL FILE WORKSHEET  
(Grant Number: \_\_\_\_\_, State: ME, Program Year: 2020)**

Joan Welsh	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 (Designee of Peter Merrill)	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>
Dan Burgess (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>

**II.9 State Plan Hearings**

Date Held	Newspapers that publicized the hearings and the dates the notice ran
December 17, 2019	<p><i>Notice of Public Hearing was published on November 25, 2019 in the following daily newspapers:</i></p> <p>Kennebec Journal                      Waterville Morning Sentinel                      The Journal Tribune                      Portland Press Herald                      Lewiston Sun-Journal                      Bangor Daily News</p> <p><i>The public hearing transcript will be sent to the DOE Regional Office as part of Maine’s 2020 DOE Application.</i></p>

**II.10 Adjustments to On-File Information**

**II.11 Miscellaneous**

Daniel Drost 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.

Daniel Drost 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.

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**(Grant Number: \_\_\_\_\_, State: ME, Program Year: 2020)**

*.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 2020 DOE WAP program at its November 16, 2019 meeting.



## DOE 2020 Estimated Budget Summary

		Program Year 2020 Funding	Program Year 2019 Carry-Over	Total Budget
MSHA	Administrative Funding	\$176,940	\$0	\$176,940
MSHA	Training & Technical Assistance	\$298,130	\$0	\$298,130
CAA	Administrative Funding	\$244,002	\$0	\$244,002
CAA	Training & Technical Assistance	\$298,130	\$0	\$298,130
CAA	Tribal Allocation	\$129,342	\$0	\$129,342
CAA	POI & Liability Insurance	\$70,000	\$0	\$70,000
CAA	Financial Audits	\$10,000	\$0	\$10,000
CAA	Health & Safety	\$381,600	\$0	\$381,600
CAA	Program Operations	\$1,930,203	\$270,000	\$2,200,203
<b>TOTAL FUNDING</b>		<b>\$3,538,346</b>	<b>\$270,000</b>	<b>\$3,808,346</b>

CAA	Total DOE 2020 Units Budgeted
ACAP	38
CCI	42
DCP	33
KVCAP	66
PCAP	64
TOA	23
WCAP	22
WMCA	14
YCCAC	26
TOTAL UNITS	328

**This budget includes an estimate of the 2019 Carry-Over funds**



## Asset Management Department Memorandum

**To:** MaineHousing Board of Commissioners  
**From:** Robert Conroy – Director, Asset Management  
**Date:** January 13, 2020  
**Subject:** January Board Report - Asset Management

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### **HUD Annual Compliance Review (ACR)**

On Tuesday, January 7th, HUD held an opening teleconference with MaineHousing, New Hampshire Housing and Vermont Housing Authority to initiate HUD's annual ACR of the Performance Based Contract Administration (PBCA) contract.

The review, covering the next three weeks, will focus on the contracted tasks covered under our PBCA contract with HUD. The project information selected by HUD for the review has been sent to the HUD Boston office for their use.

Once HUD completes their process, an Exit Conference by telephone will be held on Thursday, January 23, 2020 to go over the results of the review.

### **NCSHA Conference**

During the week of January 13, several staff from Asset Management will be attending the annual NCSHA Conference in Washington D.C.

The January sessions provide timely program trainings and information from HUD and IRS officials regarding changes in program requirements and other important updates. We will be particularly attentive to any new information concerning the upcoming PBCA rebid process currently under review at HUD.

### **Fiscal Year 2019 Close-Out**

Asset Management was pleased to see that, for the last quarter of 'FY2019, the active Multifamily Portfolio had no enforcement actions and no mortgage delinquencies to report.

With the inherent diversity of an 800 project affordable housing portfolio having an outstanding portfolio loan balance of \$750,000,000, this stabilization is noteworthy and reflects the ongoing efforts by Asset Management staff to ensure the health and sustainability of the portfolio.

## Communications & Planning Department Memorandum

**To:** Board of Commissioners

**From:** Denise Lord

**Date:** January 14, 2020

**Subject:** January Board Report

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### **MaineHousing in the News**

Here is a brief snapshot of MaineHousing's 2019 public communications efforts:

- We received and responded to 60 requests for information or comment from reporters. This did not include the number of instances per story our staff interacted with journalists. (We will certainly track that in 2020!)
- Our social media platforms had an unpaid reach of over 335,000 with over 25,000 unpaid engagements.
- We sent out 9 press releases, all of which were picked up (posted through a media outlet or resulted in a request for additional information or comment).
- We worked with our marketing agency partners to develop a branding update with a new logo and new colors. We are working to integrate the new branding throughout the agency.
- We published a book detailing and celebrating MaineHousing's first 50 years.

This month's news focused on the award of the Senior Housing Bond and the projects that will be developed as a result. Also Maine Public asked many questions regarding HUD's release of their annual report to Congress on the number of homeless in each state. Maine's homeless count went down by 16% according to the report. This decline is attributed to a decline in transitional housing. The numbers of people in homeless shelters or who are unsheltered has not changed from 2018 to 2019. We are preparing for the 2020 Point in Time which is scheduled for January 28<sup>th</sup>. Although the data will take some time to refine, we will have a better indication of homelessness in Maine.

### **Strategic Plan Implementation/Innovation**

CPD staff gathered for a 2020 goal setting day where we mapped out our planned work for the coming year. Goals included furthering our reach through data visualization and writing for new platforms, increasing our talent and innovation work through a new position, updating our public-facing materials to be more readable at lower literacy levels, and supporting the agency as we transition to Edison Drive.

We plan to launch the Recovery Residences pilot in February with an informational meeting with interested residences. The contract with DHHS is in its final draft awaiting signature.

We have been asked by DHHS to participate in the development of a benefits calculator that will take an individual's family characteristics as well as benefit rules to show individuals how changes in

income would affect their benefits. Maine is one of six awards from the US Department of Health and Human Services to receive free assistance in creating a customized calculator. Benefits administered by MaineHousing that would be included are rental and fuel assistance.

January also included meetings with Commissioners Johnson, Department of Economic and Community Development and Commissioner Liberty, Corrections to discuss areas of mutual interest.

### **Learning and Development**

Lauren Bustard attended the third Leadership Development class to share her leadership story. The leadership consultants met with us to discuss our competency of risk and innovation, helping them to adapt their leadership training to our expectations.

All Staff Day is February 4<sup>th</sup> and the agenda is shaping up. The day will focus on preparing for the move to our new building on Edison Drive and will highlight 2020 initiatives.

### **Policy and Research Update**

The US Department of Housing and Urban Development issued its proposed rule for Affirmatively Furthering Fair Housing. We are evaluating the proposed rule's impact, but an initial review indicates a much less rigorous process for identifying  
Finishing touches on legislative reports

In 2019 we answered 49 inquiries from planners and others who were primarily calling for information about housing in their community or the community for which they're doing planning/research.

### **Partner Meetings**

- We met with Deb Keller from Bath Housing and Bath city officials to discuss their ideas for Community Solutions Grant applications
- Biddeford city officials met with us to firm up their applications for the grant. We expect Biddeford to be our first award
- I participated in an AARP Ask Age Friendly webinar on home modifications
- The Maine CDC met with us to discuss lead in Section 8 Housing



**Development Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Mark C. Wiesendanger, Director of Development  
**Date:** January 21, 2020  
**Subject:** Monthly Report

**Supportive Housing Program**

The 2019 Supportive Housing Program RFP made National Housing Trust Funds available to create or preserve rental housing for extremely low income households. Pre-Applications were due, 2019. Six Pre-Applications were received by the October 17 deadline for projects in Sanford, Biddeford, Gorham, Fryeburg, Lewiston, and Bangor. Four Full Applications, due on December 5, were submitted for projects in Biddeford, Gorham, Fryeburg and Bangor. Of the four applications submitted, two projects met threshold.

The following two projects passed threshold and were scored:

<b><u>Project, Location (Developer)</u></b>	<b><u># of units</u></b>	<b><u>Population</u></b>
Friendship Hill House, Biddeford (VOANNE)	9	Severe mental illness
Olive St, Bangor (Penquis)	6	Intellectual disabilities

**4% Bond-funded Program for Older Adults**

Applications for the 4% RFP for Housing for Older Adults were due on December 12<sup>th</sup>. We have announced the winners of the RFP applications and the walk-in applications for the State Senior Housing Bond funds. After including additional funds from MaineHousing, we were able to fund seven projects.

<b><u>Project, Location</u></b>	<b><u>Developer</u></b>	<b><u># of Units</u></b>
The Uplands, Scarborough	Developers Collaborative	39
Bessey School II, Scarborough	Housing Initiatives of New England	40
Hartland Senior Living, Hartland	KVCAP	30
Ellsworth Senior Housing, Ellsworth	Developers Collaborative	29
Belfast Senior Housing, Belfast	Developers Collaborative	25
Belfast Acres Estates, Belfast	Realty Resources	24
Willow Springs, Farmington	Avesta Housing	25

**“Permanent” Walk-in 4% Program**

We are currently circulating a draft of a new tax-exempt funding program for housing for both family and older adults throughout the state. We have evaluated the use of subsidy in our most recent program

offerings to determine appropriate amounts for an ongoing offering that will encourage both rural and urban projects to the extent possible. This should allow the funding many of the projects on the 9% waiting list and that did not win funding through the 4% RFP, in addition to others that have yet to be submitted to MaineHousing.



**Energy & Housing Services Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Daniel Drost, Director of Energy and Housing Services  
**Date:** January 14, 2020  
**Subject:** EHS Monthly Report – January 2020

**HOME ENERGY ASSISTANT PROGRAM (HEAP)  
PRODUCTION STATISTICS THROUGH JANUARY 10, 2020 (Week 18)**

<b>Number of Applications</b>	<b>PY 2020 (1/10/2020 )</b>	<b>PY 2019 (12/27/2019 )</b>	<b>% change</b>
Applications Taken	30,656	32,893	-6.8%
Confirmed Eligible/Paid	16,639	19,211	-13.4%
Pending (in process)	12,004	10,304	+16.5%
Other (ineligible, denied, void, etc.)	2,013	3,378	-40.4%

In addition to the 30,656 HEAP applications taken by Community Action Agencies (CAAs), the CAAs have over 15,500 HEAP application appointments scheduled to complete. CAAs continue their HEAP outreach efforts and several CAAs take walk-in clients with no appointment needed.

**HEAT PUMP PROGRAM**

In October 2019, MaineHousing launched a Heat Pump Program. The Program is administered by local Community Action Agencies (CAAs) as a component of the Central Heating Improvement Program (CHIP). The Heat Pump Program supports Maine with achieving a goal of installing 100,000 heat pumps by 2025 (LD 1766 “*An Act To Transform Maine's Heat Pump Market To Advance Economic Security and Climate Objectives*”). The Program targets serving HEAP clients (and those who otherwise would be eligible for CHIP services) whose homes are good candidates for heat pumps as secondary heat sources. As of December 2019, CAAs shared that they had over 800 households that have expressed an interest in having a heat pump installed; have 24 heat pump projects that are actively in progress; and have completed 3 heat pump projects.

**HOME ACCESSIBILITY AND REPAIR PROGRAM**

The Home Accessibility and Repair Program (HARP) provides grants to income eligible homeowners for professional home repairs and accessibility modifications. HARP projects are grouped in several categories; Home Repair, Elderly, Emergency, Accessibility, and Emergency Manufactured Home Repair. The HARP is delivered statewide through the network of Community Action Agencies (CAAs). \$4.5 million of funding is available for the 2020 HARP program year. The updated HARP Guide and contracts will be sent out to CAAs on Friday, January 17, 2020.

## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** January 14, 2020

**Subject:** Monthly Report – Finance Department

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### ACCOUNTING AND FINANCIAL REPORTING

- The Accounting and Financial Reporting (AFR) staff worked on various year-end tasks in December. These included processing the final 2019 payroll, reviewing retirement contributions for compliance with plan and IRS requirements, working with our payroll vendor on year-end Group Term Life Insurance calculations, identifying and calculating accrual entries for unpaid 2019 expenses, and setting up salaries, withholdings, and benefits for the 2020 payroll. Staff also compiled information and prepared various year-end tax forms, including W-9 and 1099 forms. The W-9 forms are needed from all parties that receive an IRS reportable payment during the year and are used in preparing the 1099 forms.
- Work associated with the December 31, 2019 year-end audits continued throughout much of December. In January, we will be performing year-end closing procedures and preparing various schedules, work papers and confirmations for the audits. The auditors from Baker Newman & Noyes will be on site performing work on the financial statements audit starting on February 3<sup>rd</sup>. This audit will conclude the last week in March. The auditors will be back on site in April to work on the federal compliance (OMB A-133) audit, which is an audit of the federal programs administered by MaineHousing.
- The agency's budget process for 2020 was completed in December. A final budget report was prepared and submitted. The report was presented and approved at the December Commissioners meeting.
- The process of allocating the agency's flexible discretionary subsidy resources to programs was also completed. A total of approximately \$48 million was projected as available for allocation to programs in 2020. These funds consist of the Federal HOME Investment Partnerships (HOME) and Federal Housing Trust Fund block grants from HUD and the Housing Opportunities for Maine Program, which represents MaineHousing's portion of the real estate transfer tax funds collected by the State of Maine.

### LOAN ADMINISTRATION

- Eight borrowers were approved and provided with assistance under the Maine HomeOwnership Protection for UnEmployment (HOPE) Program in 2019. This program was developed and implemented in 2008 to help unemployed First Home borrowers avoid foreclosure and to keep their home by providing up to 4 months of mortgage payment assistance. Assistance is in the form of a 0%, deferred, subordinate mortgage loan. The loan requires no monthly payments and is due upon sale or payoff of MaineHousing's First Home loan.

The purpose of this program is to assist borrowers who are unemployed and there is a direct correlation between unemployment rates and program usage. Unemployment rates have decreased significantly over the past five years and, as a result, borrowers needing assistance through this program have also substantially declined. Since the inception of the program, 517 borrowers have been assisted and the program has had a success rate of approximately 80%. This rate represents the number of borrowers who received benefits under the program and who at the end of the program period were able to resume making their monthly mortgage payment.

- Recruitment activities are underway to fill a vacant Loan Administration Assistant position. This position is responsible for administering various loan servicing functions for MaineHousing's single family, home improvement and real estate owned (REO) portfolios. The position also provides analytical and technical support to the Loan Administration team.

**Finance Department Memorandum**

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** January 14, 2020

**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 eleven-month period ended November 30, 2019.

MaineHousing's programs are accounted for in Fund Groups, based on funding sources. For financial reporting purposes, each Fund Group is a separate and stand-alone 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 the changes between the current and prior year net operating results.

Total combined assets are approximately \$1.88 billion and total combined liabilities approximate \$1.52 billion. Total net assets amount to approximately \$367.3 million. Total combined revenues approximate \$234 million and total expenses amount to approximately \$210 million, which results in a net operating income of \$24 million. For this eleven-month period in 2018, total combined net operating income was approximately \$9 million. Net operating income is \$15 million higher in 2019 due primarily to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest Fund Group, and an increase in the fair value of non-mortgage investments.

The MPP's current year net operating income is approximately \$12 million compared to net operating income of \$3 million in 2018. MPP's net operating income has increased by \$9 million due solely to the recognition of a paper gain associated with adjusting the carrying values of non-mortgage investments. A paper gain of \$4.5 million has been recognized in 2019, which represents an increase of \$9 million compared with the paper loss of \$4.5 million recorded in 2018. 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 gains and losses, MPP's net operating income approximates \$7.5 million at November 30, 2019 and 2018.

The HOME Fund also has higher net operating income in 2019. MaineHousing's portion of the real estate transfer taxes and shelter operating subsidy received from the State are accounted for in this Fund Group, which has \$8 million of net operating income at the end of November. This is an increase of \$6

million compared to net operating income of \$2 million at the end of November 2018. The increase is due to higher income from real estate transfer taxes.

## **BUDGET RESULTS**

Also attached are the budget variance results for the period ended November 30, 2019. 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 other 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 federal and other 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 2019 are \$82.2 million and total expenses are budgeted at \$72.2 million. Total actual revenues as of November 30, 2019 amount to \$73.5 million, while total expenses amount to \$65.3 million. For the eleven-month period ended November 30, 2019, revenues exceed expenses by \$8.2 million.

Revenues are running under budget due primarily to lower than projected interest income from mortgages. Interest from mortgages is under budget because the single family loan portfolio has increased at a level below budget projections and at a lower than projected average interest rate.

Total expenses are also running below budget due to lower operating and other program administrative expenses. The operating and other program administrative expenses (the first two 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**.

Total 2019 operating expenses are budgeted at approximately \$18.5 million. As of November 30, 2019, approximately \$16.5 million or 89% of the total operating budget has been used. Total other program administrative expenses are budgeted at \$8.9 million and actual expenses amount to \$7.5 million as of November 30, 2019.

Operating expenses are running under budget and are estimated to be below budget for the year by approximately \$350,000 or 2%. Total salaries and benefits (first five line items) are projected to be below budget by a combined amount of approximately \$100,000, as full-time equivalent (FTE) positions are expected to be under budget by approximately two due to position turnovers and vacancies throughout the year.

Depreciation expense, which is based on capital expenditures and the timing of placing capital assets into service, is projected to be under budget by approximately \$85,000. There are several items included in the capital budget that will either not be acquired, acquired at the amount budgeted, or placed into service as originally estimated (refer to Capital Budget section below).

Expenses for staff training, education, and conferences are projected to be under budget by approximately \$90,000 due in part to position turnovers and vacancies. Additionally, expenses for professional services are expected to be under budget for the year by approximately \$50,000. Amounts for outsourcing certain program monitoring and other consultant work and temporary employment services will not be needed to the extent originally anticipated.

Printing expenses are over budget by \$21,000 as a result of higher than projected costs for the annual report, new logo, and program announcements and brochures for certain energy and housing programs.

Other Program Administrative expenses are also running under budget and are projected to be below budget by approximately \$300,000 for the year. Single family loan defaults and foreclosure activity is below budget estimates and lower related costs (first 3 lines) is the primary reason for the overall underage in this section.

There were some unbudgeted legal expenses for restructuring several Standby Purchase Agreements (SPA) and remarking Interest Rate Swap agreements, which generated an overage on line 11. Remarketing and liquidity facilities fees associated with variable rate bonds (line 10) were lowered as a result of restructuring the SPAs.

## **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 expensed over their estimated useful life. The total authorized capital budget for 2019 is approximately \$14.1 million. Expenditures amounted to \$8.3 million as of November 30, 2019 and were mainly for renovation work on the new office building.

The timing of renovation expenditures is behind budget estimates and total expenditures for 2019 will likely be below budget by approximately \$2 million. This amount will be expended and reflected in the 2020 Capital Budget. The new phone system and laptop, printer and scanner replacements will either not be acquired or acquired to the level budgeted. Also, several software items will not acquire as originally planned. Unused amounts for the phone system and certain computer software and office equipment items are being carried forward to the 2020 Capital Budget.

## **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 November 30, 2019.

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**NOVEMBER 30, 2019**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage</b>	<b>Bondholder</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2018</b>	<b>2019</b>	<b>Purchase Fund Group</b>	<b>Reserve Fund</b>			<b>Programs Fund</b>		
<b>ASSETS:</b>									
Cash, principally time deposits	1,169	42,089	15,978	0	20,595	13	5,503	0	0
Investments	379,781	360,782	302,742	8,070	22,614	19,438	0	2,160	5,758
Accounts receivable - Federal	2,853	3,133	0	0	0	0	3,133	0	0
Assets held for sale	0	3,675	0	0	0	3,675	0	0	0
Accrued interest and other assets	15,268	12,771	9,927	6	118	1,987	698	1	34
Mortgage notes receivable, net	1,378,862	1,433,203	1,394,040	0	6,496	23,733	0	0	8,934
Other notes receivable, net	292	251	0	0	241	0	0	10	0
Land, equipment and improvements, net	2,914	10,466	22	0	10,444	0	0	0	0
Other real estate owned	248	764	741	0	23	0	0	0	0
Accumulated decrease in fair value of hedging derivatives	2,119	12,838	12,838	0	0	0	0	0	0
Deferred pension expense	1,865	616	351	2	60	0	0	203	0
Deferred amount on debt refundings	4,445	3,783	3,783	0	0	0	0	0	0
<b>Total Assets</b>	<b>1,789,816</b>	<b>1,884,371</b>	<b>1,740,422</b>	<b>8,078</b>	<b>60,591</b>	<b>48,846</b>	<b>9,334</b>	<b>2,374</b>	<b>14,726</b>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	2,417	2,442	1,992	0	0	0	0	0	450
Accounts payable - Federal	410	449	0	0	0	0	449	0	0
Accounts payable & accrued liabilities	3,153	1,940	589	4	1,284	0	63	0	0
Unearned income	3,261	7,421	0	0	0	930	410	6,081	0
Net pension liability	3,712	2,283	1,297	8	243	0	0	735	0
Deferred pension credit	2,223	1,016	628	4	103	0	0	281	0
Derivative instrument - interest rate swaps	2,119	12,838	12,838	0	0	0	0	0	0
Interfund	0	0	3,232	6	3,341	(5,835)	3,194	(3,938)	0
Mortgage bonds and notes payable, net	1,433,307	1,488,630	1,442,321	0	20,200	0	0	0	26,109
Deferred grant income	126	0	0	0	0	0	0	0	0
Deferred loan origination points	32	26	26	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,450,760</b>	<b>1,517,045</b>	<b>1,462,923</b>	<b>22</b>	<b>25,171</b>	<b>(4,905)</b>	<b>4,116</b>	<b>3,159</b>	<b>26,559</b>
<b>NET ASSETS:</b>									
Restricted Net Assets	305,109	331,906	277,499	8,056	0	53,751	5,218	(785)	(11,833)
Unrestricted Net Assets	33,947	35,420	0	0	35,420	0	0	0	0
<b>Total Net Assets</b>	<b>339,056</b>	<b>367,326</b>	<b>277,499</b>	<b>8,056</b>	<b>35,420</b>	<b>53,751</b>	<b>5,218</b>	<b>(785)</b>	<b>(11,833)</b>
<b>Total Liabilities and Net Assets</b>	<b>1,789,816</b>	<b>1,884,371</b>	<b>1,740,422</b>	<b>8,078</b>	<b>60,591</b>	<b>48,846</b>	<b>9,334</b>	<b>2,374</b>	<b>14,726</b>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED NOVEMBER 30, 2019**  
*(IN THOUSANDS OF DOLLARS)*

	<u>Memorandum Only Combined Totals</u>		<u>Mortgage Purchase Fund Group</u>	<u>Bondholder Reserve Fund</u>	<u>General Fund</u>	<u>HOME Fund</u>	<u>Federal Programs Fund</u>	<u>Other Funds</u>	<u>Maine Energy Housing &amp; Economic Recovery Funds</u>
	<u>2018</u>	<u>2019</u>							
<b>REVENUES:</b>									
Interest from mortgages and notes	54,676	56,635	56,084	0	460	55	0	0	36
Income from investments	7,093	8,492	7,465	161	297	421	12	47	89
Net increase (decrease) in the fair value of investments	(4,715)	4,562	4,492	0	70	0	0	0	0
Fee income	7,790	8,647	759	0	717	0	6,905	266	0
Other revenue	132	146	10	0	107	0	29	0	0
Grant income	40,771	41,330	0	0	0	1,580	37,479	2,271	0
Income from State	15,783	21,494	0	0	0	17,178	0	0	4,316
Federal rent subsidy income	89,968	92,460	0	0	0	0	92,460	0	0
Gain on bond redemption	103	293	293	0	0	0	0	0	0
<b>Total Revenues</b>	<b>211,601</b>	<b>234,059</b>	<b>69,103</b>	<b>161</b>	<b>1,651</b>	<b>19,234</b>	<b>136,885</b>	<b>2,584</b>	<b>4,441</b>
<b>EXPENSES:</b>									
Operating expenses	15,777	16,466	0	0	16,466	0	0	0	0
Other program administrative expenses	5,993	5,957	5,610	0	21	0	212	114	0
Mortgage servicing fees	1,455	1,506	1,485	0	21	0	0	0	0
Provision for losses on loans	17	76	50	0	11	15	0	0	0
Losses on foreclosed real estate	100	0	0	0	0	0	0	0	0
Interest expense	38,974	42,241	41,340	0	0	0	0	0	901
Grant expense	50,536	50,661	0	0	0	11,084	37,206	2,271	100
Federal rent subsidy expense	89,726	92,809	0	0	0	0	92,809	0	0
Loss on bond redemption	0	0	0	0	0	0	0	0	0
Excess arbitrage	0	0	0	0	0	0	0	0	0
Allocated operating costs	0	0	8,684	51	(14,870)	0	5,983	152	0
<b>Total Expenses</b>	<b>202,578</b>	<b>209,716</b>	<b>57,169</b>	<b>51</b>	<b>1,649</b>	<b>11,099</b>	<b>136,210</b>	<b>2,537</b>	<b>1,001</b>
Net Operating Income	9,023	24,343	11,934	110	2	8,135	675	47	3,440
Transfers between funds, net	0	0	1,000	0	543	(1,000)	(543)	0	0
Change in net assets	9,023	24,343	12,934	110	545	7,135	132	47	3,440
Net assets at beginning of year	330,033	342,983	264,565	7,946	34,875	46,616	5,086	(832)	(15,273)
Net assets at end of period	339,056	367,326	277,499	8,056	35,420	53,751	5,218	(785)	(11,833)



**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE PERIOD ENDED NOVEMBER 30, 2019**

*(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	56,544	0	56,544	63,356	6,812	11%
Income from investments	7,923	12	7,935	8,807	872	10%
Fee income	1,476	7,171	8,647	9,818	1,171	12%
Other revenue	410	29	439	218	(221)	(101%)
<b>Total Revenues</b>	<b>66,353</b>	<b>7,212</b>	<b>73,565</b>	<b>82,199</b>	<b>8,634</b>	<b>11%</b>
<b>EXPENSES:</b>						
Operating expenses	10,331	6,135	16,466	18,449	1,983	11%
Other program administrative expenses	7,198	326	7,524	8,853	1,329	15%
Interest expense	41,340	0	41,340	44,900	3,560	8%
<b>Total Expenses</b>	<b>58,869</b>	<b>6,461</b>	<b>65,330</b>	<b>72,202</b>	<b>6,872</b>	<b>10%</b>
<b>Excess Revenues Over Expenses</b>	<b>7,484</b>	<b>751</b>	<b>8,235</b>	<b>9,997</b>	<b>1,762</b>	<b>18%</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES  
FOR THE PERIOD ENDED NOVEMBER 30, 2019**

**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>				
1 Salaries	9,975,522	9,029,544	945,978	9%
2 Payroll Taxes	727,792	677,180	50,612	7%
3 Retirement	964,556	860,348	104,208	11%
4 Medical and Life Insurance	2,654,279	2,423,562	230,717	9%
5 Other Fringe Benefits	12,000	10,964	1,036	9%
6 Office Supplies	60,165	34,862	25,303	42%
7 Printing	87,300	108,015	(20,715)	(24%)
8 Membership and Dues	57,852	49,353	8,499	15%
9 Subscriptions	18,024	16,500	1,524	8%
10 Sponsorships	16,500	11,500	5,000	30%
11 Staff Educ/Train/Conf	203,693	110,105	93,588	46%
12 Travel/Meals - Staff Educ/Train/Conf	162,898	113,033	49,865	31%
13 Partner/Client Train/Meetings	144,480	142,993	1,487	1%
14 Travel/Meals - Partner/Client Training	116,285	118,702	(2,417)	(2%)
15 Staff Events	20,500	19,626	874	4%
16 Meals - Staff Events	23,730	15,968	7,762	33%
17 Leased Vehicles	131,000	117,659	13,341	10%
18 Computer Supplies	85,500	43,243	42,257	49%
19 Computer License SAAS	139,817	118,735	21,082	15%
20 Building Rent & Utilities	847,520	773,625	73,895	9%
21 Rent-Other	34,530	28,843	5,687	16%
22 Repairs and Maintenance	82,245	65,635	16,610	20%
23 Computer Maintenance	657,580	607,227	50,353	8%
24 Depreciation	320,000	211,597	108,403	34%
25 Telephone	68,800	58,321	10,479	15%
26 Employment Advertising	3,600	2,979	621	17%
27 Postage and Shipping	91,610	72,864	18,746	20%
28 Insurance	98,649	85,994	12,655	13%
29 Recording Fees	600	1,500	(900)	(150%)
30 Payroll Services	26,440	23,155	3,285	12%
31 Audit Services	142,800	116,000	26,800	19%
32 Property Expenses	82,600	78,376	4,224	5%
33 Professional Services	390,473	317,949	72,524	19%
<b>Total Operating Expenses</b>	<b>18,449,340</b>	<b>16,465,957</b>	<b>1,983,383</b>	<b>11%</b>
<b>Other Program Administrative Expenses</b>				
1 Loan foreclosure expenses	500,000	263,622	236,378	47%
2 REO expenses	60,000	42,657	17,343	29%
3 Provision for losses on loans & REOs	250,000	61,041	188,959	76%
4 Mortgage Servicing fees	1,690,000	1,506,076	183,924	11%
5 Loan Origination expenses	3,050,000	2,692,181	357,819	12%
6 Bond Issuance Costs	750,000	606,088	143,912	19%
7 Trustee/Bank fees	152,400	151,801	599	0%
8 Program advertising/printing	150,160	151,929	(1,769)	(1%)
9 Bond and mortgagee insurance	13,500	16,900	(3,400)	(25%)
10 Variable rate bond remarket/liquidity facilities	1,070,780	1,010,368	60,412	6%
11 Cash flow/arbitrage/swap consultants/legal	514,000	612,571	(98,571)	(19%)
12 Homebuyer education	95,000	88,650	6,350	7%
13 Program administrator fees	512,696	298,343	214,353	42%
14 Section 8 security deposits/landlord incentives	45,000	21,583	23,417	52%
<b>Total Other Program Administration Expenses</b>	<b>8,853,536</b>	<b>7,523,810</b>	<b>1,329,726</b>	<b>15%</b>

**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE PERIOD ENDED NOVEMBER 30, 2019**

**ATTACHMENT C**

Description	2019 Budget	2019 Actual	Budget Available	% Expended
<b>Computer Hardware:</b>				
Network switch replacement (1)	1,500	0	1,500	
Phone system replacement - hardware	30,000	0	30,000	
Laptop replacements (32)	45,440	18,211	27,229	
Printer replacements (2)	3,000	0	3,000	
Total computer hardware	<u>79,940</u>	<u>18,211</u>	<u>61,729</u>	<u>23%</u>
<b>Computer Software:</b>				
Mobile device management software	5,000	0	5,000	
Phone system replacement - software/licensing	100,000	0	100,000	
Faxing software	5,000	0	5,000	
Single Family loan servicing system modifications	10,000	0	10,000	
Single Family lender & loan tracking systems modifications	10,000	2,910	7,090	
Section 8 HCV Elite system modifications	6,000	0	6,000	
Hancock/LIHEAP system implementation	50,000	8,000	42,000	
Hancock/LIHEAP system - payment software	5,000	0	5,000	
EHS program tracking database	50,000	59,439	(9,439)	
Website Redesign	0	8,906	(8,906)	
Total computer software	<u>241,000</u>	<u>79,255</u>	<u>161,745</u>	<u>33%</u>
<b>Office Equipment:</b>				
Desktop scanners (10)	11,000	0	11,000	
New Office Building - workstations & furniture	1,600,000	3,076	1,596,924	
New Office building - security & life safety equipment	97,000	0	97,000	
Total office equipment	<u>1,708,000</u>	<u>3,076</u>	<u>1,704,924</u>	<u>0%</u>
<b>Office Building &amp; Land: - Acquisition/Rehab</b>	<u>12,053,902</u>	<u>8,194,700</u>	<u>3,859,202</u>	<u>68%</u>
<b>Total</b>	<u><u>14,082,842</u></u>	<u><u>8,295,242</u></u>	<u><u>5,787,600</u></u>	<u><u>59%</u></u>

**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE PERIOD ENDED NOVEMBER 30, 2019**

Description	Amount
<b>Memberships and Dues</b>	
Kennebec Valley Human Resource Association - employee annual membership	150
Maine Real Estate & Development Association - annual membership	1,200
Maine Bankers Association - annual affiliate membership	950
Kennebec Valley Board of Realtors - annual affiliate membership	171
Maine Association of Mortgage Professionals - annual membership	375
National Leased Housing Association - annual membership	600
Maine Real Estate Management Association - annual membership	100
Information Systems Audit and Control Association - employee annual membership	210
Institute of Internal Auditors - employee annual membership	165
Association of Certified Fraud Examiners - employee annual membership	225
American Payroll Association - employee annual membership	254
National Association for State Community Services Programs - annual membership	1,302
National Energy Assistance Directors' Association - annual membership	6,341
National Affordable Housing Management Association - affiliate membership	1,075
Council of State Community Development Agencies - annual membership	1,500
International Code Council - annual membership	135
Construction Specifications Institute - employee annual membership	325
Association of Government Accountants - (8) employee annual memberships	880
Maine Public Relations Council - employee annual membership	90
Project Management Institute - employee annual membership	154
Society for Human Resource Management - employee annual membership	189
Notary Public - (2) employee renewal fee	100
Maine Society of CPAs - employee annual membership	250
Maine State Treasurer - employee annual CPA license renewal	55
National Council of State Housing Agencies - annual membership	26,702
Maine Indoor Air Quality Council - annual membership	500
Board of Overseers of the Bar - (4) employee annual registration	1,060
American Bar Association - (1) employee annual membership	200
Maine State Bar Association - (4) employee annual memberships	1,075
Maine Department of Environmental Protection - employee annual license renewal	200
Maine Association of Public Housing Directors	1,000
Mortgage Bankers Association - annual affiliate membership	1,350
Association for Public Policy Analysis and Management - (2) employee memberships	160
Maine State Treasurer - employee radiation control license renewal	100
Maine Building Officials and Inspectors Association - (6) employee membership	210
Total	<u>\$ 49,353</u>
<b>Sponsorships</b>	
Northern New England Community Action - training conference sponsor	\$ 1,500
Maine Resident Service Coordinator Association - annual sponsor	3,500
MREMA - conference sponsor	2,000
New England Resident Service Coordinator - conference sponsor	3,000
Growsmart Maine - summit sponsorship	1,500
Total	<u>\$ 11,500</u>

**Finance Department Memorandum**

**To:** Board of Commissioners  
**From:** Darren Brown  
**Date:** January 6, 2020  
**Subject:** Monthly Delinquencies Report

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**MULTI-FAMILY DELINQUENCIES**

The Multi-Family portfolio totals \$636 million with 1,086 loans as of December 31, 2019. There are two loans that are 60 days or greater delinquent, as shown in *Exhibit 1*. The delinquency rate is 0.25%. There were no foreclosures in 2019. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

**HOME IMPROVEMENT DELINQUENCIES**

The Home Improvement portfolio has 62 loans totaling \$156,955 as of December 31, 2019. The over 60-day delinquency rate is 9.79% and represents five loans for \$15,363. There were no foreclosures in 2019. Delinquency rates for each participating lender are shown in *Exhibit 3*. Historical rates for the Home Improvement portfolio are shown in *Exhibit 4*.

**SINGLE-FAMILY DELINQUENCIES**

The Single-Family portfolio totals \$961 million with 10,865 loans as of November 30, 2019. The over 60-day delinquencies increased from 2.33% to 2.37% and the in-foreclosures decreased from 0.98% to 0.94%. The over 60-day delinquencies amount to \$23 million, with approximately \$9 million representing accounts in foreclosure. The over 60 day and in-foreclosure historic rates are shown in *Exhibit 6*. MaineHousing's overall delinquency rate by loan dollars is 2.37%; and the overall delinquency rate by loan count is 2.87%. As reflected in *Exhibit 7*, the overall delinquency rate and the in-foreclosure rate by loan count are below the rates for all Maine loans.

**Servicer Delinquencies** – As of November 30, 2019, Salem Five has the highest overall delinquency rate of 11.57%, with an in-foreclosure rate of 0.00%. The relatively small size of their portfolio is the primary reason for the higher delinquency rate. Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 2.58% to 2.67%, while the in-foreclosure rate decreased from 1.06% to 0.98%. Camden National Bank has the lowest rate of delinquencies at 0.96%. Delinquency rates for each servicer are shown in *Exhibit 5*.

**Delinquencies by Insurance Type** – In November 2019, FHA insured loans had the highest delinquency rate by total insurance type of 3.37%, with in-foreclosures at 1.40%. When compared

to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.31%, with in-foreclosures at 0.53%. Delinquencies by insurance type and the portfolio as a whole are shown in *Exhibit 8*.

FHA insured loans comprise 18% of the Single-Family portfolio and 25% of delinquencies, while RD insured loans comprise 57% of the portfolio and represent 55% 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 9*.

**Foreclosure Prevention Activities** – *Exhibit 10* summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of November 2019, we have assisted 887 borrowers with various foreclosure prevention options. The volume of borrowers needing assistance in these areas has decreased significantly in 2019 due to historically low delinquency rates.

# Multi-Family Delinquent Loans

**MAINE STATE HOUSING AUTHORITY  
MULTI-FAMILY DELINQUENCIES  
12/31/2019**

<b>Section 8</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
GREENTREE APARTMENTS	5,491.90	11/01/19	AUGUSTA	GREENTREE ASSOCIATES II LP	08/24/09	844,908.00	0.00	0.00
GREENTREE APARTMENTS	6,474.46	11/01/19	AUGUSTA	GREENTREE ASSOCIATES II LP	08/24/09	1,137,792.00	0.00	0.00
GREENTREE APARTMENTS	1,614.64	11/01/19	AUGUSTA	GREENTREE ASSOCIATES II LP	08/24/09	298,088.00	0.00	0.00
GREENTREE APARTMENTS	5,803.03	11/01/19	AUGUSTA	GREENTREE ASSOCIATES II LP	08/26/09	1,078,043.00	0.00	0.00
STEELE - PITTSFIELD GARDENS	4,394.82	11/01/19	PITTSFIELD	STEELE ACADIA LLC	07/21/17	958,870.00	0.00	0.00
						<u>4,317,701.00</u>	<u>0.00</u>	<u>0.00</u>

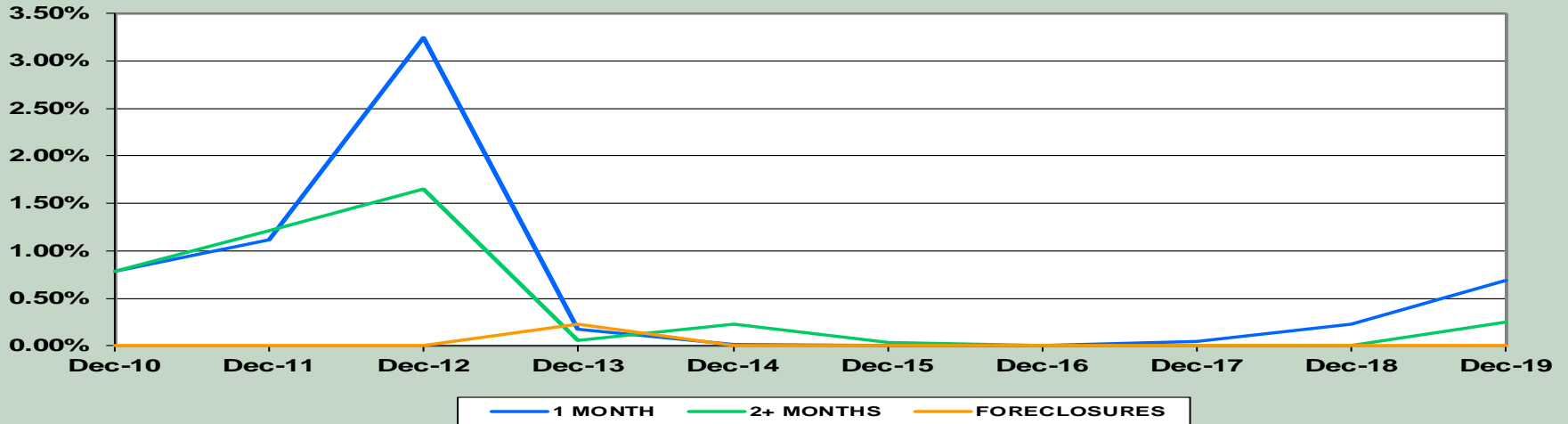
<b>Rental Housing</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
ST FRANCIS APARTMENTS PHASE II	13,555.56	09/15/19	WATERVILLE	ST FRANCIS APTS II LP	06/29/18	0.00	1,600,000.00	0.00
ST FRANCIS APARTMENTS PHASE II	203.46	10/15/19	WATERVILLE	ST FRANCIS APTS II LP	06/29/18	61,308.00	0.00	0.00
						<u>61,308.00</u>	<u>1,600,000.00</u>	<u>0.00</u>

<b>Supportive Housing &amp; Other</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
MARKET HILL HOMES	20,600.00	04/27/18	BIDDEFORD	SOUTHERN MAINE AFF HSG INC	05/27/16	0.00	0.00	20,600.00
						<u>0.00</u>	<u>0.00</u>	<u>20,600.00</u>
						<u>4,379,009.00</u>	<u>1,600,000.00</u>	<u>20,600.00</u>

**Grand Total**  
 % of Portfolio Delq 60+ days      **0.25%**  
 Total Number of Loans                **1,086**

# Multi-Family Delinquency & Foreclosure Trends

**MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES**



	OUTSTANDING PRINCIPAL		<u>1 MONTH</u>		<u>2+ MONTHS</u>		<u>FORECLOSURES</u>	
	DOLLARS	DOLLARS	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Dec-19	\$ 635,961,774	\$ 4,379,009	\$ 1,620,600	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%
Dec-18	\$ 630,936,475	\$ 1,473,376	\$ 20,600	0.23%	\$ 20,600	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257	\$ 319,836	\$ 60,624	0.05%	\$ 60,624	0.01%	\$ -	0.00%
Dec-16	\$ 579,916,852	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-15	\$ 573,932,384	\$ -	\$ 185,320	0.00%	\$ 185,320	0.03%	\$ -	0.00%
Dec-14	\$ 513,937,525	\$ 77,568	\$ 1,169,620	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%
Dec-13	\$ 506,871,177	\$ 896,386	\$ 297,366	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%
Dec-12	\$ 487,638,082	\$ 15,815,491	\$ 8,056,115	3.24%	\$ 8,056,115	1.65%	\$ -	0.00%
Dec-11	\$ 486,421,972	\$ 5,436,378	\$ 5,875,983	1.12%	\$ 5,875,983	1.21%	\$ -	0.00%
Dec-10	\$ 469,245,963	\$ 3,701,050	\$ 3,701,803	0.79%	\$ 3,701,803	0.79%	\$ -	0.00%

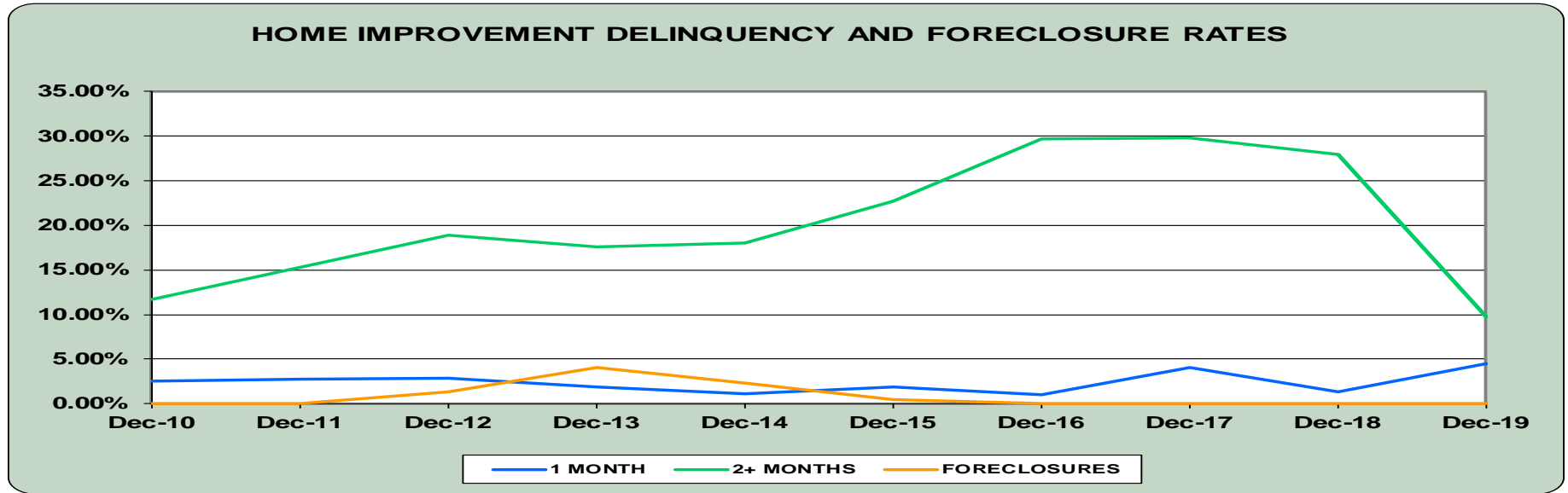


# Home Improvement Delinquent Loans

## Maine State Housing Authority Home Improvement Delinquencies by Lender 12/31/2019

LENDER	% of Portfolio Delq 60+ Days	OUTSTANDING PRINCIPAL	DELINQUENT		
			1 MONTH	2 MONTHS	3+ MONTHS
ACAP	0.00%	5,411.72	0.00	0.00	0.00
CCI	6.68%	23,400.56	6,060.83	0.00	1,563.05
CED	0.00%	1,091.68	0.00	0.00	0.00
KVCAP	50.39%	8,613.23	0.00	2,943.60	1,396.72
PCAP	0.00%	7,051.04	0.00	0.00	0.00
PROP	0.00%	14.11	0.00	0.00	0.00
RCAM	100.00%	7,747.33	0.00	0.00	7,747.33
WCCSA	0.00%	4,485.65	0.00	0.00	0.00
WHCAP	62.47%	2,740.85	1,028.62	0.00	1,712.23
YCCAC	0.00%	831.70	0.00	0.00	0.00
BATH SAVINGS	0.00%	26,599.28	0.00	0.00	0.00
CAMDEN NATIONAL	0.00%	18,688.67	0.00	0.00	0.00
KENNEBUNK SAVINGS	0.00%	9,156.10	0.00	0.00	0.00
NORTHEAST BANK	0.00%	8,975.93	0.00	0.00	0.00
NORWAY SAVINGS	0.00%	6,811.14	0.00	0.00	0.00
SKOWHEGAN SAVINGS	0.00%	20,687.50	0.00	0.00	0.00
THE FIRST	0.00%	4,648.63	0.00	0.00	0.00
<b>TOTAL</b>	<b>9.79%</b>	<b>156,955.12</b>	<b>7,089.45</b>	<b>2,943.60</b>	<b>12,419.33</b>
Total Number of Loans	62				

# Home Improvement Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL		<u>1 MONTH</u>		<u>2+ MONTHS</u>		<u>FORECLOSURES</u>	
	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Dec-19	\$ 156,955	4.52%	\$ 7,089	9.79%	\$ 15,363	0.00%	\$ -	0.00%
Dec-18	\$ 301,364	1.31%	\$ 3,941	27.98%	\$ 84,317	0.00%	\$ -	0.00%
Dec-17	\$ 515,603	4.02%	\$ 20,749	29.78%	\$ 153,526	0.00%	\$ -	0.00%
Dec-16	\$ 795,184	1.00%	\$ 7,930	29.72%	\$ 236,299	0.00%	\$ -	0.00%
Dec-15	\$ 1,062,015	1.89%	\$ 20,041	22.66%	\$ 240,688	0.49%	\$ 5,160	0.49%
Dec-14	\$ 1,412,221	1.11%	\$ 15,722	18.04%	\$ 254,707	2.33%	\$ 32,897	2.33%
Dec-13	\$ 2,066,062	1.84%	\$ 38,101	17.63%	\$ 364,218	4.08%	\$ 84,283	4.08%
Dec-12	\$ 2,803,309	2.85%	\$ 79,925	18.88%	\$ 529,227	1.38%	\$ 38,727	1.38%
Dec-11	\$ 3,766,637	2.73%	\$ 102,824	15.29%	\$ 576,053	0.00%	\$ -	0.00%
Dec-10	\$ 4,739,314	2.53%	\$ 119,963	11.66%	\$ 552,474	0.00%	\$ -	0.00%



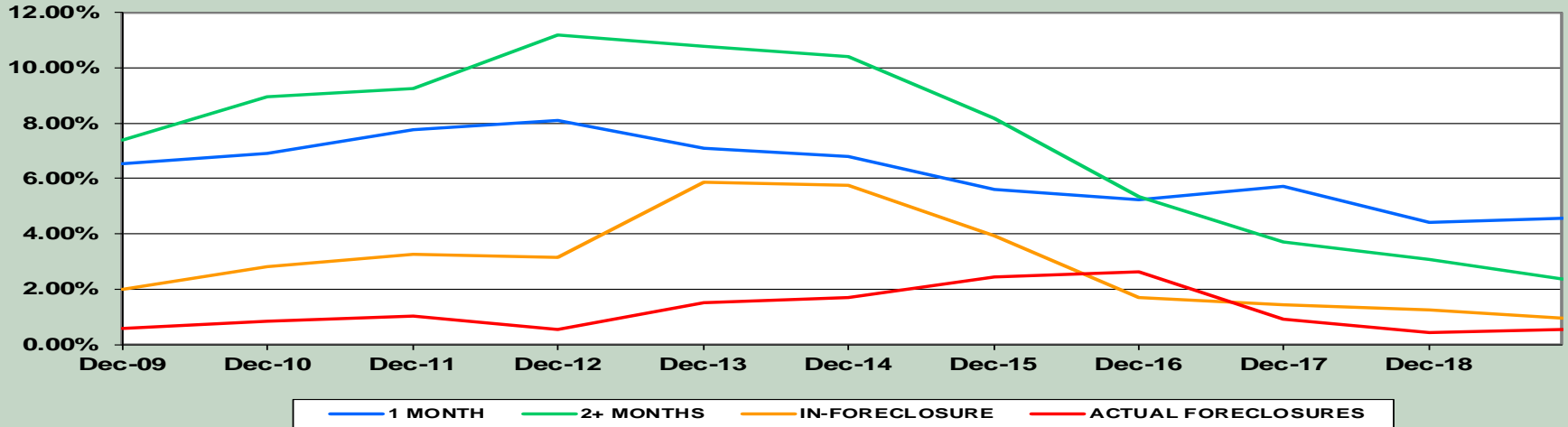
# Single-Family Delinquent Loans

## Maine State Housing Authority Single-Family Delinquencies by Servicer 11/30/2019

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	67.22%	2.67%	645,615,114.10	32,552,054.40	8,426,969.37	2,500,321.10	6,316,477.82
BANGOR SAVINGS BANK	16.43%	1.32%	157,820,244.94	4,667,419.90	369,477.62	444,711.66	1,268,501.48
CAMDEN NATIONAL BANK UK	9.09%	0.96%	87,331,095.98	3,046,727.77	338,811.32	117,792.36	385,783.97
MACHIAS SAVINGS BANK	5.72%	2.99%	54,957,707.02	2,516,203.98	588,278.15	410,924.18	645,127.54
BANK OF AMERICA NA	1.14%	7.58%	10,921,176.79	1,079,571.38	70,881.46	370,305.76	386,852.24
JPMORGAN CHASE BANK NA	0.31%	1.83%	3,013,611.80	157,882.12	20,805.03	34,361.34	0.00
SALEM FIVE MORTGAGE CORP	0.09%	11.57%	844,447.37	0.00	22785.20	74,921.89	0.00
TOTAL	100.00%	2.37%	960,503,398.00	44,019,859.55	9,838,008.15	3,953,338.29	9,002,743.05

# Single-Family Delinquency & Foreclosure Trends

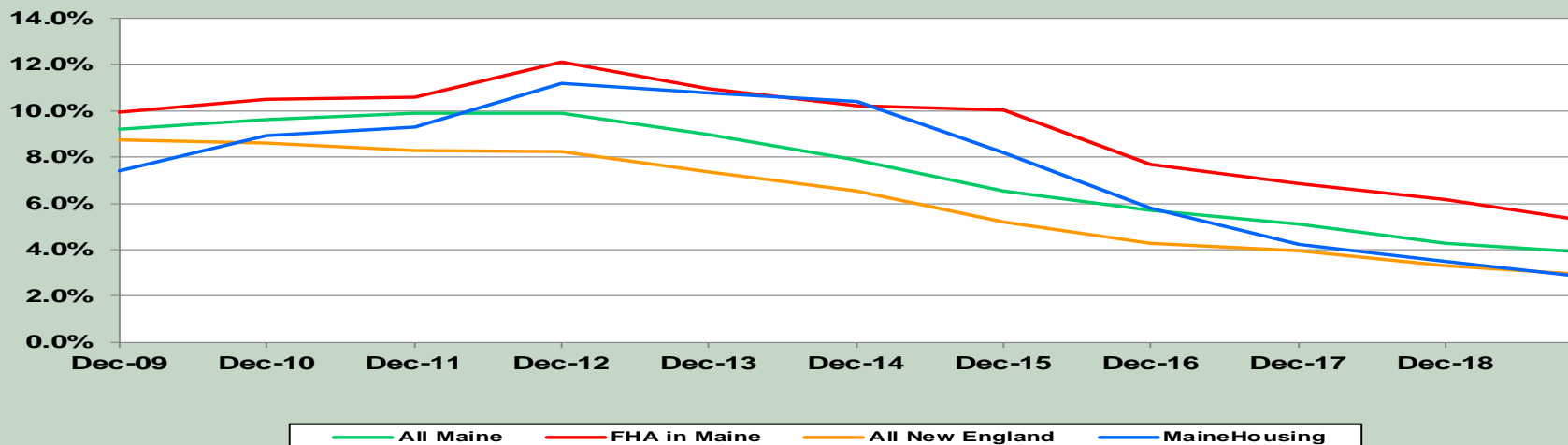
**SINGLE-FAMILY DELINQUENCY AND FORECLOSURE RATES**



	<b>OUTSTANDING PRINCIPAL</b>		<b>1 MONTH</b>		<b>2+ MONTHS</b>		<b>IN-FORECLOSURE</b>		<b>ACTUAL FORECLOSURES</b>	
	<b>DOLLARS</b>	<b>RATE</b>	<b>DOLLARS</b>	<b>RATE</b>	<b>DOLLARS</b>	<b>RATE</b>	<b>DOLLARS</b>	<b>RATE</b>	<b>DOLLARS</b>	<b>RATE</b>
Nov-19	\$ 960,503,398	4.58%	\$ 22,794,089	2.37%	\$ 9,002,743	0.94%	\$ 5,364,582	0.56%		
Dec-18	\$ 916,608,577	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%		
Dec-17	\$ 844,497,676	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%		
Dec-16	\$ 799,557,471	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%		
Dec-15	\$ 790,409,905	5.61%	\$ 64,656,769	8.18%	\$ 31,066,182	3.93%	\$ 19,220,066	2.43%		
Dec-14	\$ 810,139,060	6.81%	\$ 84,385,397	10.42%	\$ 46,711,687	5.77%	\$ 13,904,155	1.72%		
Dec-13	\$ 849,385,825	7.11%	\$ 91,501,809	10.77%	\$ 49,783,071	5.86%	\$ 12,980,502	1.53%		
Dec-12	\$ 899,788,247	8.09%	\$ 100,738,963	11.20%	\$ 28,237,109	3.14%	\$ 4,987,749	0.55%		
Dec-11	\$ 980,359,797	7.75%	\$ 90,934,130	9.28%	\$ 31,846,771	3.25%	\$ 9,975,164	1.02%		
Dec-10	\$ 962,495,378	6.89%	\$ 86,097,209	8.95%	\$ 27,008,649	2.81%	\$ 8,252,719	0.86%		

# Single-Family Delinquency Comparison Trends

**MAINEHOUSING, FHA, ALL STATE & ALL NEW ENGLAND DELINQUENCY RATE COMPARISON**



**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*	116,557	0.74%	1.15%	2.04%	3.93%
FHA for State*	19,177	1.42%	1.46%	2.40%	5.28%
All New England*	1,629,362	0.78%	1.06%	1.10%	2.94%
MaineHousing**	10,865	1.33%	0.55%	0.99%	2.87%

\*This information is obtained from MBA's National Delinquency Survey for the third quarter of 2019.

\*\*MaineHousing's overall delinquency rate based on loan dollars is 2.37%, whereas rates in this exhibit are based on loan count.



# Single-Family Delinquencies by Mortgage Insurer

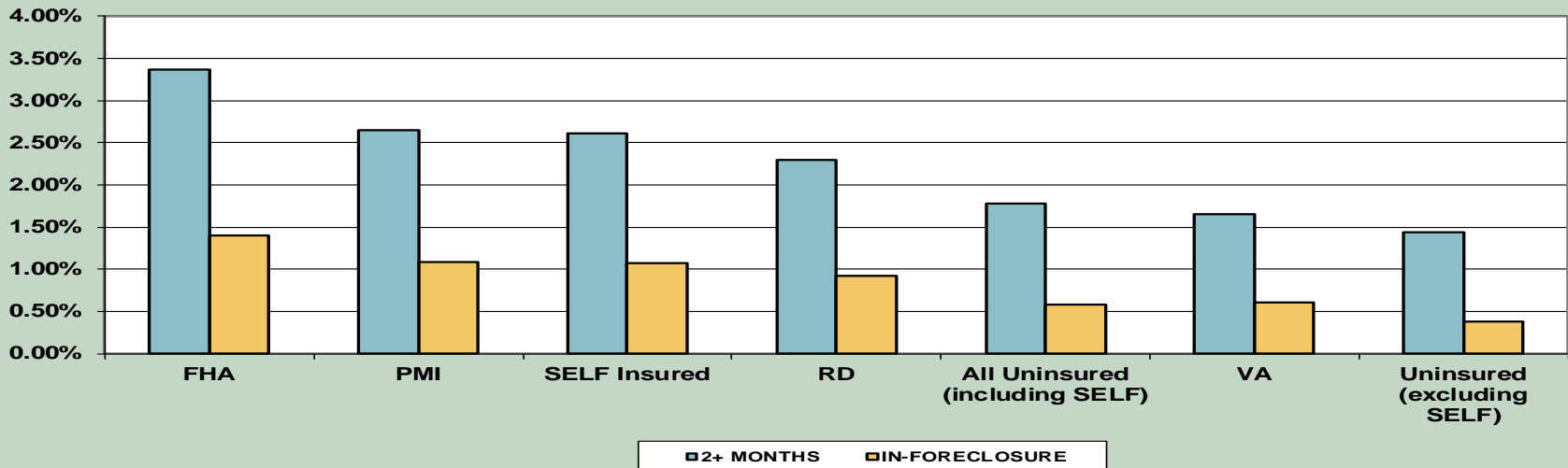
As A Percent of Total Insurance Type  
11/30/2019

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	3.37%	1.40%
PMI	2.64%	1.08%
SELF Insured	2.62%	1.07%
RD	2.29%	0.92%
All Uninsured (including SELF)	1.78%	0.58%
VA	1.65%	0.61%
Uninsured (excluding SELF)	1.44%	0.38%

As A Percent of Total Loan Portfolio  
11/30/2019

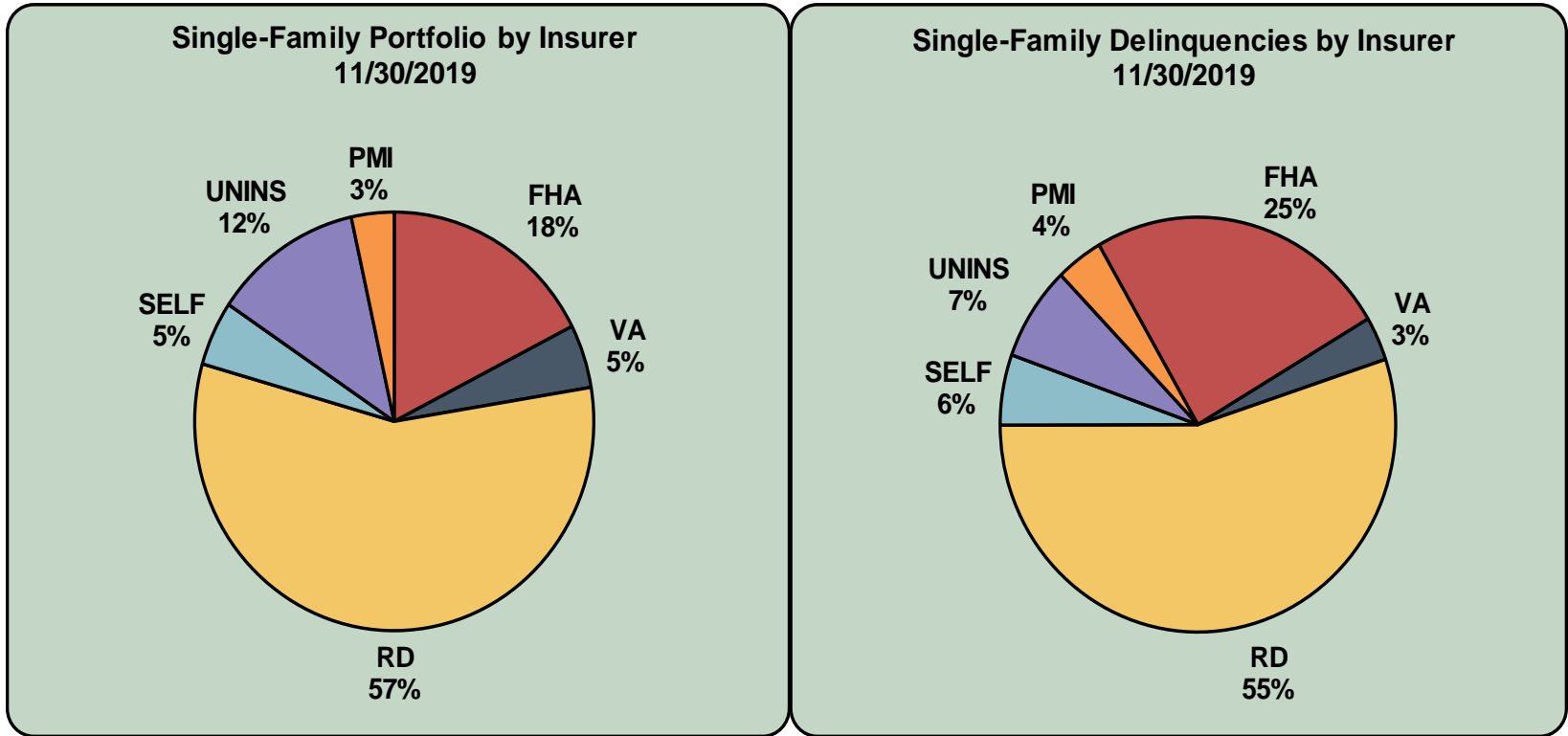
TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.31%	0.53%
FHA	0.59%	0.24%
All Uninsured (including SELF)	0.31%	0.10%
Uninsured (excluding SELF)	0.17%	0.05%
SELF Insured	0.13%	0.05%
PMI	0.09%	0.04%
VA	0.08%	0.03%

SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE

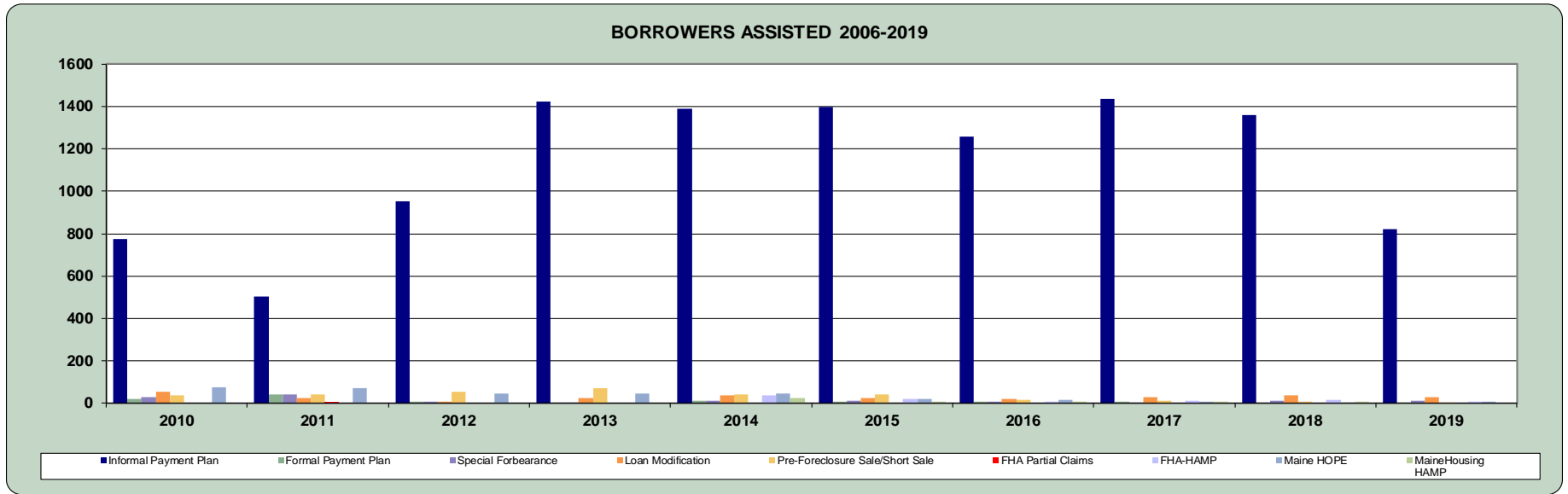


# Single-Family Delinquencies by Mortgage Insurer

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	FHA Partial Claims	FHA-HAMP	Maine HOPE	MaineHousing HAMP	Total Workouts
Nov-19	822	3	11	31	3		10	7	0	887
Dec-18	1361	4	12	39	8		15	3	6	1448
Dec-17	1437	8	4	31	14		14	8	7	1523
Dec-16	1259	6	8	19	15		10	16	9	1342
Dec-15	1397	8	11	26	40		21	22	10	1535
Dec-14	1388	12	13	38	44		38	48	24	1605
Dec-13	1424	4	5	24	73			46		1576
Dec-12	952	9	9	9	56			47		1082
Dec-11	505	42	43	25	43	2		71		731
Dec-10	774	22	31	54	38	0		76		995

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Nov-19	74	10,865	0.68%
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%
Dec-13	146	10,952	1.33%
Dec-12	60	11,571	0.52%
Dec-11	115	12,311	0.93%
Dec-10	96	12,320	0.78%





## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Laurie Murray

**Date:** January 13, 2020

**Subject:** Homeless Initiatives Report

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### 2019 Highlights and Accomplishments

2019 was a year of significant change for the Homeless Initiatives Department, both in staffing and with new policies and procedures. There were several staffing vacancies, which required that existing staff cover additional responsibilities while also implementing many new initiatives. The staff did an incredible job of completing core functions of the department, increasing collaboration with partners and improving these relationships, while also working on several projects. Following are the major accomplishments for the department in 2019.

#### Homeless Solutions Rule

We formed a working group of representatives from our Emergency Shelter Housing Assistance Program (ESHAP) grantees to review the Homeless Solutions Rule. The group held five meetings during 2019, provided their feedback, and recommended changes to the Rule. These changes were adopted on November 3 and provide for a more equitable funding formula and clarity to certain definitions and requirements under the Rule.

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

We incorporated changes to the Homeless Solutions Rule into the ESHAP program and revised the program guide to clarify requirements. We also streamlined the application process and conducted a full-day Navigator training that covered program requirements, HUD data reporting requirements, the grant application process, and various rental-housing topics.

#### Coordinated Entry System (CES)

Staff worked with partners on a CES Committee to develop a process for identifying resources and sharing information for services to persons experiencing homelessness. HUD mandates the CES system for all recipients of the Emergency Solutions and Continuum of Care grants. Creating this system is an extensive effort involving many outside partners. We made significant progress in 2019 and expect to implement the system in April of 2020.

#### Homeless Management Information System (HMIS) Website

HMIS is a system that captures data associated with persons experiencing homelessness and it is administered by MaineHousing on behalf of the Maine Continuum of Care. The HMIS team, in collaboration with the Communications and Planning Department (CPD), improved the HMIS

website located at [www.mainehmis.org](http://www.mainehmis.org) and moved it to a more modern, more secure platform. The new website provides better ease of use for consumers of the site as well as those maintaining it. It involves a more interactive platform, allowing users to see upcoming events & trainings, resources, and database tips in a visually appealing format. The website also links users directly to the HMIS help desk for technical support assistance, ensuring their support requests are addressed promptly by HMIS team members.

#### Notice of Funding Availability (NOFA)

We applied for \$1,168,529 in renewal projects for MaineHousing in the 2019 Continuum of Care Program Competition. The renewal projects include the Maine CoC Planning Grant for \$371,190; the CES Grant for \$36,723; the HMIS Grant for \$244,888; and the Maine Rapid Rehousing Tenant Based Rental Assistance (TBRA) Grant for \$415,728. HUD recently announced that Maine would receive \$13 million in funding, which includes projects we applied for on behalf of other entities, such as State of Maine DHHS, City of Bangor, and others. We are currently waiting for HUD to provide us with a breakdown of the grant awards.

#### Learning Management System (LMS)

During 2019, we worked with CPD to implement web-based training for our partners using LMS. At our Navigator Training, we introduced the RentSmart module that will be used by shelters to train their guests on how to become successful tenants as they transition to permanent housing. We are working on additional training modules that will be completed in 2020.

**To:** MaineHousing Board of Commissioners  
**From:** Craig Reynolds, Director of Homeownership  
**Date:** January 7, 2020  
**Subject:** Monthly Report – Homeownership Department

## PRODUCTION UPDATE

Purchases & Reservations Past/Current Comparison	December 2018		December 2019		
	#	\$ Volume	#	\$ Volume	% Change # (2019 vs. 2018)
Purchases (YTD)	1,189	\$160.0M	1,119	\$152.9M	(5.8%)
Reservations in Pipeline	266	\$34.9M	251	\$36.3M	(5.6%)

Monthly Reservations by Program Option		
Total Loans Reserved in December	#	\$
2 points	0	\$0M
0 points	8	\$1.0M
0 points with Advantage	72	\$10.3M
<b>Totals</b>	<b>80</b>	<b>\$11.3M</b>

## PROGRAM HIGHLIGHTS

### Loan Production & Market Status

The final results for 2019 reflect a very successful year for Homeownership and the First Home Loan (FHL) program. Although falling just short of last year's loan purchase and dollar volume totals, the program overcame several outside obstacles such as a government shutdown to start the year which slowed lending activity for the government guaranteed mortgage programs of RD and FHA, an extended winter season that delayed the traditional start of the spring real estate market, and the ongoing shortage in the inventory of homes for sale which proved frustrating for both potential homebuyers and Realtors and unfortunately is predicted to continue in 2020.

The warning of rising mortgage interest rates predicted for 2019 proved to be a false alarm as market rates displayed surprising consistency throughout the year averaging in a range between 3.75% and 4.50%. Fortunately, MaineHousing was able to maintain the FHL program rate at an average of 50 bps below market rates for the entire year which heightened consumer and partner awareness of the FHL program benefits and had a very positive impact on loan production. The production results also benefitted greatly from the Advantage down payment and closing cost assistance option which continues to offer \$3,500 to MaineHousing borrowers with the only

prerequisite being the completion of a hoMEworks approved pre-closing homebuyer education class. 96% of all FHL borrowers utilized the Advantage option in 2019.

A summary of FHL Program Statistics for 2019 is also included in the Homeownership Department report. It provides information related to the various FHL program options along with demographic information concerning property types, credit scores and loans by county and legislative district. Additional FHL borrower information includes average income, age and family size and the average home purchase price and loan amount. In 2019, the average annual household income rose by just over \$1,000 to \$55,056, the average home purchase price rose by \$3,300 to \$143,014 and the average loan amount increased by \$2,100 to \$136,716 when compared to 2018.

### **NeighborWorks HUD Training**

Matthew Drost, Consumer Education Coordinator received a scholarship from HUD to attend the NeighborWorks Training Institute in Portland, Oregon. Matthew attended a three-day training focused on program compliance with HUD Office of Housing Counseling rules and regulations. Matthew also attended a two-day training focused on the development of financial capability programs, which are aimed at developing clients' ability to budget, save, and spend in accordance with their housing goals. The training, which is offered by the NeighborWorks organization, is designed to enhance the overall quality and effectiveness of housing counseling programs nationally. NeighborWorks is one of four nationally recognized HUD approved training organizations.

**Homeownership Department  
Program Statistics for 01/01/19 - 12/31/19**

<b>Total Number of Loans</b>	1119
<b>Total Loan Amount</b>	\$152,985,403
<b>Average Income</b>	\$55,056
<b>Average Age</b>	34
<b>Average Family Size</b>	2
<b>Average Credit Score</b>	707
<b>Average Purchase Price</b>	\$143,014
<b>Average Loan Amount</b>	\$136,716

<b>Credit Score by Guarantor</b>	
RD	708
FHA	697
VA	711
PMI (ARCH Pilot)	747
Self Insured (MHSI)	695
Uninsured	708

<b>Advantage Program Closing Cost Assistance</b>	
Number of Loans with Advantage	1072
Percentage of Total Loans with Advantage	96%
Average Loan Amount	\$138,289
Total Loan Amount	\$148,245,321
Total Assistance Granted	\$3,752,000

<b>Salute Program Summary</b>	<b>#</b>	<b>\$</b>
Salute ME	62	\$8,786,978
Salute Home Again	8	\$1,234,888
Total Loan Amount	70	\$10,021,866

<b>Mobile Home Loan Summary</b>	<b>#</b>	<b>\$</b>
Replacement Initiative (MHRI)	27	\$1,709,917
Self Insured (MHSI)	52	\$4,680,995
Total Mobile Homes	104	\$9,247,979

<b>PPI Option Summary</b>	
PPI Total Number of Loans	20
Percentage of Total Loans	2%
Total Rehab Amount	\$313,209
Energy Star Appliance Amount	\$1,600

<b>Summary by Guarantor</b>	<b>#</b>	<b>\$</b>	<b>%</b>
RD	655	\$90,045,623	59%
FHA	181	\$27,822,536	16%
VA	57	\$8,470,563	5%
PMI (ARCH Pilot)	41	\$7,177,201	4%
Self Insured (MHSI)	52	\$4,680,995	5%
Uninsured	133	\$14,788,485	12%

<b>Housing by Property Type</b>	<b>#</b>	<b>%</b>
Single Family	944	84%
2-4 Family	34	3%
Double Wide	59	5%
Single Wide	45	4%
Condo	35	3%
PUD	2	0%
Party Wall	0	0%

<b>Loans by County</b>	<b>District</b>	<b>#</b>	<b>\$</b>
Androscoggin	2	111	\$ 14,759,055
Aroostook	2	69	\$ 6,425,415
Cumberland	1	134	\$ 26,383,790
Franklin	2	45	\$ 5,011,948
Hancock	2	43	\$ 6,443,421
Kennebec	1	104	\$ 12,942,576
Kennebec	2	49	\$ 6,188,798
Knox	1	47	\$ 6,587,809
Lincoln	1	34	\$ 4,892,363
Oxford	2	57	\$ 6,592,005
Penobscot	2	165	\$ 19,777,808
Piscataquis	2	13	\$ 1,040,816
Sagadahoc	1	25	\$ 4,172,979
Somerset	2	69	\$ 7,218,651
Waldo	2	29	\$ 3,586,760
Washington	2	27	\$ 2,442,733
York	1	98	\$ 18,518,476

<b>Loan Production by District</b>	<b>#</b>	<b>\$</b>
District 1	442	\$73,497,993
District 2	677	\$79,487,410

**Housing Choice Vouchers Department Memorandum**

**To:** MaineHousing Board of Commissioners

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

**Date:** January 21, 2020

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

**Program Updates:**

**Utilization:** January 2019 served 3,571 households December 2019 served 3,691-increased the number of households served each month by 120.

**HAP Utilization:** Budget \$30,214,757 Actual HAP spent \$26,525,552 or 97.8%

- Allocated additional 2 million in June 2019
- Attrition is 8.4% -average of 36 households per month
- Success Rate is 70%

**Voucher Counts:**

<b>Program</b>	<b>Leased</b>	<b>Searching</b>
<b>HCV</b>	<b>2897</b>	<b>378</b>
<b>Billable Ports</b>	<b>291</b>	
<b>NED-non elderly disabled</b>	<b>182</b>	<b>28</b>
<b>Mainstream-5yr</b>	<b>15</b>	<b>9</b>
<b>1915c-Supportive services</b>	<b>20</b>	<b>1</b>
<b>1915c-Homeward Bound</b>	<b>9</b>	<b>1</b>
<b>811-Waiver services</b>	<b>26</b>	<b>5</b>
<b>Homeownership</b>	<b>37</b>	
<b>FUP-Family Unification</b>	<b>87</b>	<b>8</b>
<b>FUP-Youth</b>	<b>4</b>	<b>2</b>
<b>VASH-Veterans</b>	<b>112</b>	<b>19</b>
<b>BFF-Building Family Futures</b>	<b>11</b>	<b>6</b>

**STEP:**

**FED HOME** -Funding \$1.4 million Actual HAP paid \$1,393,911

**METBRA-COC**- Funding \$379,692(10/2018-8/2019) Actual HAP Paid \$379,692  
-Funding \$393,744(9/2019-8/2020)

**Temporary Assistance for Asylum Seekers**- Funding \$172,303 Actual Hap Paid \$97,088

**Inspections Update: December 2019**

Abatements: 5

STEP Abatements: 0

24 hour fails: 0

No Shows: 15

Initials: 57 (42 passed, 15 failed, 10 cancelled with 2 of them being because the LL did not want to make the repairs) – 44 re-inspections

STEP inspections: 10 initials, 11 annuals, 21 re-inspections

Average number of days to schedule initials: 5

Average number of days to schedule homeless initials: 5

Annuals: Report not available at this time

Mileage: 14,368

Landlord Repair Program: \$131,555.47

(Includes STEP)

**Professional Development/Staff News:**

HCV staff received training from staff who work at Disability Rights Maine on Deaf Culture and American Sign Language.

Brandy Wyman and Robin Veilleux started in HCV as Occupancy Specialists.

**Information Technology Department Memorandum**

**To:** Board of Commissioners

**From:** Sheila Nielsen, Director of IT

**Date:** January 14, 2020

**Subject:** Monthly Report

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The IT Department has been working on the following efforts during the last month.

- Server 2008 r2 replacements completed this month for Elite and HDS systems
- Windows 7 to 10 upgrades/replacements completed for all remaining desktop computers
- Continued progress on draft Disaster Recovery Plan
- Edison Drive Building Initiatives:
  - Finalized selection of new phone system, Ring Central. Contracting process has begun.
  - Data center anti-static flooring has been installed which allows the data center fire suppression and HVAC work to begin
  - Audio visual equipment has been ordered, with priority on sound emitters
  - Engaging with Firstlight (Internet Service Provider) to determine connectivity requirements to Edison Drive
  - Providing details for Edison Drive presentation for All Staff Day



## Board Calendar 2020

<p><b>JANUARY 21</b></p> <ul style="list-style-type: none"> <li>• Legislative Preview (P. Merrill)</li> </ul> <p>NCSHA HFA Institute (Jan. 12-17) Washington, DC</p>	<p><b>FEBRUARY 18</b></p> <ul style="list-style-type: none"> <li>• Introduce HEAP</li> </ul>
<p><b>MARCH 17</b></p> <ul style="list-style-type: none"> <li>• HEAP discussion (draft policy changes)</li> </ul> <p>NCSHA Legislative Conference (March 9-11) Washington, DC</p>	<p><b>APRIL 21</b></p> <ul style="list-style-type: none"> <li>• Commence rulemaking HEAP</li> <li>• 2019 Year-end Financials</li> <li>• Commence rulemaking QAP</li> </ul>
<p><b>MAY 19</b></p> <ul style="list-style-type: none"> <li>• HEAP Public Hearing</li> <li>• QAP public hearing</li> </ul>	<p><b>JUNE 16</b></p> <ul style="list-style-type: none"> <li>• Adopt HEAP rule</li> <li>• Introduce HCV Annual Plan</li> <li>• Adopt QAP</li> </ul> <p>NCSHA Credit Connect (June 2-5) St. Louis, Missouri</p>
<p><b>JULY 21</b></p> <ul style="list-style-type: none"> <li>• <b>BOARD MEETING IF NEEDED</b></li> </ul>	<p><b>AUGUST 18</b></p> <ul style="list-style-type: none"> <li>• HCV Annual Plan Public Hearing</li> </ul>
<p><b>SEPTEMBER 15</b></p> <ul style="list-style-type: none"> <li>• Adopt HCV Annual Plan</li> </ul>	<p><b>OCTOBER 20</b></p> <ul style="list-style-type: none"> <li>• NCSHA Annual Conf. (Oct. 24-27)</li> <li>• DOE Weatherization State Plan</li> </ul>
<p><b>NOVEMBER 17</b></p> <ul style="list-style-type: none"> <li>• Review Preliminary 2021 Budget</li> <li>• DOE Weatherization State Plan Public Hearing</li> </ul>	<p><b>DECEMBER 15</b></p> <ul style="list-style-type: none"> <li>• Approve 2021 Budget</li> <li>• Elect Officers</li> <li>• DOE Weatherization Adopt State Plan</li> <li>• MPP Series Resolution</li> </ul>