

# June 14, 2022 Board Meeting

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**Board of Commissioners Meeting – June 14, 2022 9:00 a.m. to 12:00 p.m.**

MEMBERS OF THE BOARD: Frank O’Hara (Chair), Daniel Brennan, Henry Beck, Bonita Usher (Vice Chair), Laura Buxbaum, Nancy Harrison (Secretary), Elizabeth Dietz, Sonia Barrantes, Renee Lewis and Noël Bonam

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9:00	<b>Adopt Agenda (VOTE)</b>	All
	Remote Commissioners	Frank O’Hara
	- Reason remote	
	- Any other persons at their location	
	Approve minutes of May 17, 2022 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Frank O’Hara
	Director Updates	Dan Brennan
9:30	<b>Public Hearing – Multi-Family Mortgage Loans Rule</b>	Ashley Janotta
9:45	<b>Adopt HEAP Rule and State Plan (VOTE)</b>	Ashley Janotta/Troy Fullmer
	<b>Adopt State Low Income Housing Tax Credit Rule (VOTE)</b>	Ashley Janotta/Mark Wiesendanger
	<b>Adopt Low Income Housing Tax Credit Rule (VOTE)</b>	Ashley Janotta/Mark Wiesendanger
10:00	<b>HCV Annual Plan Draft Review and Timeline</b>	Allison Gallagher
10:15	<b>Restart – A Family Self-Sufficiency Program</b>	Laurie Glidden/Brianna Martin
10:30	<b>Fair Housing /Diversity Equity Inclusion Efforts</b>	Lauren Bustard
10:50	<b>Homeownership Programs</b>	Craig Reynolds/Tina Partridge Adam Krea
	<u>Department Reports:</u>	All
	Asset Management	
	Communications and Planning	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Vouchers	
	Human Resources & Facilities	
	Information Technology	
	2022 Board Calendar	
	<b>Adjourn (VOTE)</b>	All

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The next meeting of the Board is scheduled for August 16, 2022  
virtually and in person at 26 Edison Drive, Augusta, Maine



Minutes of the Board of Commissioners Meeting May 17, 2022

### **MEETING CONVENED**

A meeting of the Board of Commissioners for MaineHousing convened on May 17, 2022 at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on May 6, 2022 in Central Maine newspapers. Notice of Board of Commissioners meetings is also on MaineHousing's website at [www.mainehousing.org](http://www.mainehousing.org).

Chair Frank O'Hara called the meeting to order at 9:00 a.m. Chair O'Hara, Director Dan Brennan, Commissioners Laura Buxbaum and Betty Dietz attended in person. State Treasurer Henry Beck attended remotely due to other work related obligations; Commissioner Nancy Harrison and Commissioner Bonita Usher attended remotely due to COVID concerns; Commissioner Noël Bonam attended remotely due to car trouble; Commissioner Sonia Barrantes attended remotely due to childcare transportation; and Commissioner Renee Lewis attended remotely due to a scheduling conflict. There were no other persons at their locations. There was a quorum present.

### **PUBLIC ATTENDANCE**

Guests and staff present for all or part of the meeting included: Ashley Janotta, Chief Counsel; Peter Merrill, Deputy Director; Adam Krea, Senior Director of Finance and Lending; Linda Grotton, Director of Audit and Compliance; Erik Jorgensen, Senior Director of Government Relations and Communication; Tom Cary, Treasurer; Donald Guild, Counsel; Troy Fullmer, Manager of HEAP; Scott Thistle, Communications Director; Allison Gallagher, Director of Housing Choice Voucher; Mark Wiesendanger, Director of Development; Bill Glover, LIHTC Programs Manager; Jason Stonier, Operations Manager – Building & Grounds; Karen Lawlor, Executive Administrator; Darren Brown, Director of Finance; Jodie Stevens, Counsel; Jane Whitley, Director of Human Resources and Facilities; Lauren Bustard, Senior Director of Homeless Initiatives; Sheila Nielsen, Director of Information Technology; Craig Given, Director of Information Technology; Clyde Barr, Policy Analyst; Nicole Washburn, Kennebec Valley Community Action Program; Beth Boutin, Evernorth; Brooks More, South Portland Housing Development Corporation; Susan Riggs, American Society for the Prevention of Cruelty to Animals; Gary Vogel, Esquire, Drummond Woodsum; Cheryl Sessions, Portland Housing Authority; Joby Thoyalil, Maine Equal Justice; Dana Totman, Avesta Housing Corporation; Jamie Chandler, Aroostook County Action Program; Jay Waterman, Portland Housing Authority; Jeff Levine, Maine Affordable Housing Coalition; Jennifer Giosia, Penquis Community Action Agency; Judy Frost, Western Maine Community Action; Nathan Szanton, The Szanton Company and Maine Workforce Housing, LLC; Peter Flynn, Red Stone Equity; Rebecca Price, U.S. Green Building Council; Jackie Watson, York County Community Action; Chris LaRoche, Westbrook Housing Authority; Tyler Norod, Westbrook Development Company; Eric Poirier, Poirier Capital; Lynn Lugdon, Penquis Community Action Agency; Bill Shanahan, Evernorth; Rebecca Hatfield, Avesta Housing Corporation; Heidi Jackson, York County Community Action Corporation; Susan Richards, Maine Community Action Partnership; and Gerrylynn Ricker, Paralegal and Note taker.

### **ADOPT AGENDA**

*Commissioner Usher made a motion seconded by Commissioner Dietz to adopt the May 17, 2022 agenda. The vote carried unanimously.*

## **APPROVE MINUTES OF APRIL 19, 2022 MEETING**

*Commissioner Dietz made a motion seconded by Commissioner Harrison to accept the April 19, 2022 minutes as written. The vote carried unanimously.*

## **COMMUNICATIONS AND CONFLICTS**

None

## **AUDIT COMMITTEE OPENINGS**

Chair O'Hara asked Director of Audit and Compliance, Linda Grotton to explain to the Commissioners the Audit Committee. The primary purpose of the Audit Committee is to oversee MaineHousing's system of internal control over the reliability and integrity of financial reporting, the effectiveness and efficiency of operations, the safeguarding of assets, and the organization's compliance with laws, regulations, and contracts. The Committee consists of three MaineHousing Commissioners, with the exception of the Director of the authority. The Vice Chair of the Board serves as Chair of the Audit Committee. A quorum is comprised of two of the three Commissioners. The Audit Committee meets quarterly, or more frequently as needed. Commissioner Usher made a motion to nominate Commissioner Betty Dietz and Commissioner Renee Lewis to serve on the Audit Committee. Commissioner Dietz accepted but Commissioner Lewis declined. *Commissioner Buxbaum seconded the motion to appoint Commissioner Dietz to serve on the Audit Committee. The vote carried unanimously.*

## **CHAIR OF THE BOARD UPDATES**

Chair O'Hara reported that he is doing some consulting work with the Maine Chamber of Commerce. A survey of business leaders reveals housing is one of the three top concerns.

## **DIRECTOR UPDATES**

Director Brennan recognized Brenda Sylvester who recently passed unexpectedly. Brenda used to work as a supportive housing development loan officer here at MaineHousing and most recently worked at Community Housing of Maine. She was a true advocate for people with special needs and she will be greatly missed.

Director Brennan also thanked Sheila Nielson, our Director of Information Technology who is retiring but will stay on in a part time basis to help us with our new multi-family database. He also introduced and welcomed Craig Given our new Director of Information Technology.

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

- Several meetings/involvement with the Portland asylum seekers issues. Many short and long range deals in the works. Senior Director of Finance and Lending, Adam Krea has been working closely with the Governor's office.
- Presentation to the Maine Welfare Directors Association primarily talking about the Emergency Rental Assistance program.
- Attended the signing ceremony with Governor Mills and Speaker Fecteau of the zoning commission bill, LD 2003.
- Attended the ground breaking of Blake & Walnut in Lewiston a unique nine-unit co-op style project.
- Attended the Maine Public Housing Directors quarterly meeting in Portland. Talked a lot about the centralized wait list.
- Attended the Celebration of Iftar, the end of Ramaden with the Cultural Advisory Board.
- Maine Affordable Housing Coalition has a new Director, Laura Mitchell. Met with her several times and am looking forward to working with her.

- Travelled to Bangor to cut the ribbon on Olive Street, a 6 bed and 1 staff bed for persons with a traumatic brain injury developed by Penquis Mental Health Association.
- Presented to the Maine Municipal Association with the Governor's office of Policy and Innovation regarding our recent island and rural non tax-credit housing.
- Met with New England Executive Directors counterparts. We have agreed to meet once every other month with a zoom meeting just to stay connected with each other. This month we met with Ken Willis of the Federal Home Loan Bank of Boston.
- The Maine Climate Council met with their quarterly meeting. They are continuing to meet ever since the issuance of their report. The working groups under the Climate Council are taking the recommendations from the Equity subcommittee and will be working through the summer.
- Met last week with the Cultural Advisory Board and did a little deeper dive into the issue of lead paint.
- Director Brennan discussed the editorial in central Maine newspapers regarding the Redbank housing in South Portland. Outside investors coming into Maine, raising rents, \$200, \$400, and \$600 per month, it is just wrong and we felt the need to speak out.
- We are contemplating some program changes to the Emergency Rental Assistance program. We need to slow down spending in order to not deplete funds by the end of the year. We are talking about reducing the amount that we will pay for hotels, as well as other modifying measures.
- The 2021 annual report is in final editing.
- The point in time count is in process in our homeless department.
- We have raised the interest rate on our Single Family program but we have increased the down payment assistance program, however, our pipeline is increasing. It is higher than it was last year at this time.

## **CHAPTER 24 – HOME ENERGY ASSISTANCE PROGRAM RULE AND PROGRAM YEAR 2023 PROPOSED STATE PLAN PUBLIC HEARINGS**

Chief Counsel Ashley Janotta explained that we would hold a hearing on the repeal and the replacement of our Home Energy Assistance Program Rule concurrently with a hearing on the U.S. Department of Health and Human Services LIHEAP fiscal year 2023 State Plan. Chief Counsel Janotta introduced the Commissioners and staff representing MaineHousing. Notice of the hearings was published on our website, sent to interested parties, and published in newspapers statewide on April 27, 2022. The comment period for both the Rule and the State Plan expires Friday, May 27, 2022 at 5:00 p.m. Chief Counsel Janotta opened the hearing at 9:34 a.m. Ms. Janotta asked the Manager of HEAP, Troy Fullmer to describe to the Board the stakeholder process. Joby Thoyalil, Lynn Lugdon, and Jackie Watson testified. The public hearings closed at 9:54 a.m.

## **CHAPTER 35 – STATE LOW INCOME HOUSING TAX CREDIT RULE PUBLIC HEARING**

Having already introduced the Commissioners. Chief Counsel Ashley Janotta introduced staff representing MaineHousing. Notice of the hearing was sent to interested parties on April 21, 2022 and published on our website and in newspapers statewide on April 27, 2022. The comment period expires Friday, May 27, 2022 at 5:00 p.m. Chief Counsel Janotta opened the hearing at 9:54 a.m. Ms. Janotta asked Director of Development, Mark Wiesendanger to describe to the Board the stakeholder process. There was no testimony and the public hearing closed at 9:59 a.m.

## **CHAPTER 16 – LOW INCOME HOUSING TAX CREDIT PROGRAM PUBLIC HEARING**

Having already introduced the Commissioners, and Director of Development Mark Wiesendanger representing MaineHousing, Chief Counsel Ashley Janotta opened the public hearing on the Low Income Housing Tax Credit Rule at 10:00 a.m. Notice of the hearing was sent to interested parties on April 21, 2022 and on April 25, 2022. It was published in newspapers statewide and on our website on April 27, 2022. The comment period ends on Friday, May 27, 2022 at 5:00 p.m. Susan Riggs, Nathan Szanton, Rebecca Price, Dana Totman, Bill Shanahan, Jeff Levine and Gary Vogel testified. The public hearing adjourned at 10:38 a.m.

Commissioner Buxbaum expressed concern regarding the timing of the adoption of the QAP rule without having an opportunity to review MaineHousing's responses to the comments. Commission Usher concurred. After discussion, it was decided to hold a special Board meeting virtually on June 7, 2022 to review MaineHousing's responses to the comments received for the QAP rule.

*Commissioner Dietz made a motion seconded by Commissioner Buxbaum to hold a special Board meeting virtually on June 7, 2022 at 9:00 a.m. The vote carried unanimously.*

## **COMMENCE RULEMAKING – CHAPTER 29, MULTI-FAMILY MORTGAGE LOANS**

Chief Counsel Ashley Janotta explained this rule applies to our multi-family programs and is referred to in our multi-family program guides. She reviewed the major changes being proposed and highlighted in her memorandum to the Commissioners dated April 14, 2022. With the Board's approval, we will hold a public hearing at the June 14, 2022 meeting and adopt the proposed rule at the following meeting.

*Chief Counsel Ashley Janotta read the proposed motion, to authorize MaineHousing to commence the rulemaking process to repeal and replace Chapter 29 of MaineHousing's rules as described in the memorandum from Ashley Janotta, Chief Counsel to the Commissioners dated April 14, 2022 and May 11, 2022. Commissioner Buxbaum said "so moved" and it was seconded by Commissioner Dietz. The vote carried unanimously.*

## **REVIEW OF MORTGAGE PURCHASE PROGRAM (MPP) BOND RESOLUTION**

Treasurer Tom Cary reviewed the financial results and focused his review on the Mortgage Purchase Program (MPP), MaineHousing's largest Fund Group. Mr. Cary noted that the MPP is rated Aa1 by Moody's and AA+ by Standards & Poor. He reported that all the trends are favorable and that profitability remained at a high level and was consistent with levels prior to the housing and economic crisis. MaineHousing sold approximately \$169,330,000 million in bonds in 2021. He expects bond issuance to increase to over \$300 million in 2022. The mortgage portfolio decreased by approximately \$50 million in 2021 largely due to a record level of \$160 million of mortgage prepayments. In 2022 we expect the mortgage portfolio to resume growing due to lower prepayments and increased purchases. Mr. Cary noted that mortgage delinquencies were at historically low rates. He also reviewed the interest rate Swap arrangements and noted that they performed well last year.

Due to the length of the public hearings, Director of Government Relations, Erik Jorgensen's legislative report and Senior Director of Homeless Initiatives Lauren Bustard presentation on fair housing/diversity equity inclusion efforts were postponed to future meetings.

## **EXECUTIVE SESSION**

*Chief Counsel Ashley Janotta read the proposed motion, to enter into an Executive Session to discuss the Director's annual review pursuant to Title 1 Maine Revised Statutes Section 405(6)(E). She called on each Commissioner to vote to enter into Executive Session: Commissioners Henry Beck, yes; Laura Buxbaum, yes; Nancy Harrison, yes; Bonita Usher, yes; Sonia Barrantes, yes; Renee Lewis, yes; Betty Dietz, yes; and Noël Bonam, yes. The Board of*

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Commissioners entered into Executive Session at 11:45 a.m.

The Board of Commissioners came out of Executive Session at 12:30 p.m. and resumed the meeting. Chair O'Hara spoke for the Board in thanking Director Brennan for an extraordinary year.

*Commissioner Lewis made a motion seconded by Commissioner Buxbaum that we provide a 5% pay increase to Director Brennan for his salary for the 2022 year. Commissioner Buxbaum voted in favor; Commissioner Harrison voted in favor; Commissioner Bonam voted in favor; Commissioner Beck voted in favor; Commissioner Usher voted in favor; Commissioner Lewis voted in favor; Commissioner Barrantes voted in favor; and Commissioner Dietz voted in favor.*

## **ADJOURN**

*Commissioner Usher made a motion seconded by Commissioner Lewis to adjourn the meeting. The meeting was adjourned at 12:45 p.m. by unanimous vote of the Board.*

Respectfully submitted,

Nancy Y. Harrison

## *Memorandum*

To: Daniel E. Brennan, Director

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

Date: May 26, 2022

RE: Sole Sourcing for Emergency Procurement

### **Overview**

Part WW of the State of Maine's Fiscal Year 2022/2023 General Fund Supplemental Budget appropriated \$22 million of the State's General Fund unappropriated surplus to MaineHousing to specifically assist in addressing the emergency housing needs of people experiencing, or at imminent risk of experiencing, homelessness, including asylum seekers in Portland. The directive was to assist people immediately rather than seek to produce new housing units in a traditional manner, which while creating more long-term assistance would not be available to house people for 18 to 24 months.

MaineHousing and the Governor's Senior Advisor on Housing Policy are jointly negotiating a number of deals that are expected to house:

- Up to 280 individuals, who will experience homelessness upon the expiration of hotel contracts, in an emergency shelter by July 1;
- 85 asylum seeker families comprised of 300 individuals, who will experience homelessness upon the expiration of hotel contracts, in a hotel with a 12-month lease and services by June 1; and
- 120 families comprised of 400 individuals, who are at risk of homelessness, in housing units between September and December.

These are just the most immediate expected outcomes. Additional deals are in discussion for housing, all of which will be available no later than the first quarter of 2023. As negotiations are still on-going the below Allocation Summary omits the names of the sole sources. Once contracts are finalized an update will be provided to the Board of Commissioners and the information will be made public.

### **Allocation Summary**

The following table shows the funds allocated as of May 26, 2022.

\$ 1,914,750.00	3 Year Lease for Emergency Homeless Shelter
550,000.00 *	HVAC and Sanitary Facilities for Emergency Shelter
35,000.00	300 Cots for Emergency Shelter
4,300,000.00	100 Room Hotel Lease for 12 months
930,000.00	Required Services (10 hrs/day 7 days/week) at Hotel (condition of hotel owner)
1,050,000.00	Capital Grant for 24 units of housing completed in September (ultimately enables 60 total units)
1,856,924.00	2 Years of Rental Assistance for 60 units of housing
1,500,000.00 *	2 Years of Rental Assistance for 54 units of housing
900,000.00	Tentative Purchase of property for 3 larger family units
500,000.00 *	Tentative Rental Assistance for 3 larger family units for 2 years
<u>\$ 13,536,674.00</u>	CURRENT PROJECTED ALLOCATED

\*Estimated

## Emergency Situation

As noted, there are hundreds of individuals experiencing, or at risk of imminently experiencing, homelessness in the State of Maine due to the expiration of hotel contracts and the continuing flow of new asylum seekers into the City of Portland. The sheer number of people in this situation creates an emergency. MaineHousing’s Procurement Policy, Section II(G) – Sole Source Procurement, allows for procurement of goods or services by soliciting a proposal from only one source if it meets the necessary requirements. Section II(G)(2) lists Emergency or Urgent Need as an exception to normal procurement requirements. If an emergency situation or other urgent need exists and only one known source can provide the required goods or services within the time needed, then sole source procurement is allowed. MaineHousing and the Governor’s Senior Advisor on Housing Policy talked with a number of entities and were willing to work with anyone interested in assisting with this situation. All entities that stepped forward with ideas have an existing relationship with and trust of MaineHousing, which made these good faith negotiations possible in a short amount of time. The impact of delaying these transactions would result in hundreds of individuals being at risk of experiencing homelessness, which is why this constitutes an emergency.

ACKNOWLEDGED & APPROVED

5/26/2022

Date



Daniel Brennan

Director, Maine State Housing Authority

## Homeless Initiatives Department Memorandum

**To:** Dan Brennan

**From:** Lauren Bustard

**Date:** May 24, 2022

**Subject:** Sole Source Procurement to Extend Contract with Community Solutions

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### **Background**

In March of 2021 MaineHousing issued an RFP entitled *Ending Homelessness in Maine: Collaborative Community Coaching*. The purpose of the RFP was to engage a consultant organization that could assist MaineHousing and the Statewide Homeless Council (SHC) in the implementation of the Redesign of the Homeless Response System completed in 2021, specifically in the initiation and support of the nine Homeless Service Hubs across the state.

Community Solutions was the successful applicant to the RFP and was granted a contract with the term of May 1, 2021 – June 30, 2022. I have attached the initial contract for your review.

The timeline originally proposed in the Scope of Work included a projected start date of July 2021 for the State Team brought together by Community Solutions to support the work of the service hubs. It was also proposed that five of the nine hubs would join the national Built for Zero effort in the fall of 2021. Due to the intense strain of the continuing pandemic on homeless service providers it was quickly determined that these timelines would need to be adjusted. The work of Community Solutions pivoted to working with the MaineHousing and SHC team to develop and support an implementation plan to get the service hubs up and running. Crucial to this plan was the hiring of full-time coordinator positions in each of the nine hubs. Funding was approved for these positions in the fall of 2021. Community Solutions assisted in the RFP process to award organizations that applied to be the ‘Employer of Record’ for these positions, and the awards were made on February 1, 2022. The five hubs chosen to be part of the national Built for Zero effort attended the initial orientation session in Chicago in May, 2022.

The initiation of the state team was carried out over time instead of the original plan for a one-day kick-off due to the necessity of a virtual format. That extended in person kick-off is now scheduled for June 8, 2022. At that time the state team will be brought up to speed on the Built for Zero methodology to decrease homelessness and will set goals in six-month ‘action cycles’.

**Request**

The original plan included the support of Community Solutions for two action cycles of state team planning. It is essential to continue this support in order to guarantee the sustainability of the model that is the basis for the Built for Zero work. The plan is to transition the leadership of the state team and service hubs to MaineHousing and partners over these two action cycles.

We are requesting funding for a ‘Phase Two’ one-year contract extension with Community Solutions based on Sole Source procurement. I have attached the Scope of Work proposed by Community Solutions for this timeframe, which includes achievements and deliverables for the original ‘Phase One’ contract. The rationale for this request falls under the Uniqueness category in MaineHousing’s procurement policy, Section II(G)(1):

- **Uniqueness:** you must determine that the goods or services are available from only one source, based on a reasonable, good faith review of the market for the type of goods or services needed.

The Built for Zero approach and methodology are proprietary to Community Solutions. Therefore there is no other organization that could come into this process in the middle of implementation and guide us through to a sustainable transition.

The Scope of Work includes a budget request of \$87,000. The procurement policy outlines the following process for amounts over \$10,000 but less than \$150,000:

- If the amount is over \$10,000, obtain the MaineHousing Director’s **advance written approval**. A report of the purchase, including its cost and the reason for the sole source procurement, must be made to the Board of Commissioners at its next scheduled meeting.

I am hopeful that you will provide written approval so that the contract extension can be presented to the Board at the June 14<sup>th</sup> meeting. Please let me know if you have any questions. Thank you.

ACKNOWLEDGED & APPROVED

6/8/2022

\_\_\_\_\_  
Date



\_\_\_\_\_  
Daniel Brennan  
Director, Maine State Housing Authority



## Legal Department Memorandum

**To:** MaineHousing Board of Commissioners and Public Hearing Attendees

**From:** Ashley Janotta, Chief Counsel

**Date:** June 8, 2022

**Subject:** Multi-Family Mortgage Loans Rule (Chapter 29) Hearing: Public Participation and Proposed Changes

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In preparation for the Public Hearing for the Multi-Family Mortgage Loans Rule – Chapter 29, MaineHousing provided opportunities for engagement with stakeholders and partners. These opportunities provided interested parties a venue in which to comment and recommend changes to the aforementioned Rule.

**Major Changes to the Multi-Family Mortgage Loans Rule:** The following changes were made to the Rule:

- Section 4, Sources of Funds: Project Labor Agreement Funds established pursuant to PL 2021, Chapter 483 was added.
- Section 12, New Construction and Rehabilitation Requirements: Section D, Developments Financed with Project Labor Agreement Funds was added to provide the requirements for Developments financed with Project Labor Agreement Funds.

**Public Participation:** A draft of the revised Multi-Family Mortgage Loans Rule was sent to interested parties on May 2, 2022. Comments were received from our Partners and the Rule was further revised to address some of those comments. A revised version of the Rule was resent to interested parties on May 10, 2022. No further comments were received.

**Notice of Rulemaking:** Notice of Rulemaking and the Public Hearing, scheduled for June 14, 2022, was provided to interested parties on May 19, 2022 and submitted to the Secretary of State for publication in the May 25, 2022 edition. The proposed rule was also published on MaineHousing’s website on May 25, 2022.

99 INDEPENDENT AGENCIES - NOT PART OF STATE GOVERNMENT

346 MAINE STATE HOUSING AUTHORITY

Chapter # 29 Multi-family Mortgage Loans

**Summary:**

The Maine State Housing Authority extends loans secured by mortgages to MaineHousing under programs for the acquisition, construction, rehabilitation, and preservation of rental housing for low income persons. This rule governs MaineHousing’s allocation of resources for such programs, program design, the publication and distribution of program guides, eligibility standards, loan standards, construction and rehabilitation requirements, management requirements, and potential selection criteria.

**1. Definitions.**

- A. “Act” means the Maine Housing Authorities Act, [30-A M.R.S.A. § 4701](#), *et seq.*
- B. “Applicant” means the individual, municipality or entity, or their assigns, applying for financing governed by this Rule.
- C. “CMF” means the Capital Magnet Fund established by the federal Housing and Economic Recovery Act of 2008.
- D. “Code” means the Internal Revenue Code of 1986, as amended.
- E. “Commissioners” means the Director, the Treasurer of the State of Maine, and the eight other persons appointed to the MaineHousing board of commissioners pursuant to [30-A M.R.S.A. § 4723](#), *et seq.*
- F. “Developer” means an Applicant, or an assign of the Applicant, who has received a Term Sheet.
- G. “Development” means the land and buildings an Applicant or Developer intends to acquire, construct, rehabilitate, or preserve as rental units for Low-income Persons with funding from a Program.
- H. “Development Team” means Applicants and Developers and those working in conjunction with them on a Development, including, without limitation, consultants, architects, engineers, attorneys, real estate agents and brokers, management and marketing agents, contractors, financial institutions, insurance agents, investment brokers, and service providers.
- I. “Director” means the director of MaineHousing.
- J. “General Mortgage Purchase Bond Resolution” means a resolution adopted by MaineHousing on February 4, 1972, as amended and supplemented, which authorizes MaineHousing to issue bonds for the purchase of first lien single-family and multifamily mortgages.

- K. “HOME Investment Partnerships Act” means Title II of the Cranston-Gonzales National Affordable Housing Act, as amended, [42 U.S.C. 12701, et seq.](#), and implementing regulations including [24 C.F.R. Part 92](#), all as may be amended.
- L. “HTF” means the National Housing Trust Fund established by the federal Housing and Economic Recovery Act of 2008 and implementing regulations including [24 C.F.R. Part 93](#), all as may be amended.
- M. “HUD” means the U.S. Department of Housing and Urban Development.
- N. “Loan Documents” means the documents that evidence or secure the Developer’s indebtedness and other obligations to MaineHousing.
- O. “Low-income Persons” means persons or families who lack the income which is necessary, as determined by MaineHousing, to enable them, without financial assistance, to live in or purchase decent, safe and sanitary dwellings, without overcrowding. Financial assistance includes, but is not limited to, the following kinds of assistance: (i) mortgage insurance; (ii) interest subsidies; (iii) rent subsidies; (iv) public assistance payment or services; or (v) any other assistance that may be provided by MaineHousing through the sale of bonds.
- P. “Low-income Persons with Supportive Service Needs” means Low-income Persons who require assistance typically provided in the following types of projects: (i) emergency shelters; (ii) group homes; (iii) transitional housing; (iv) supported apartments; or (v) other types of housing in which supportive services are provided.
- Q. “MEHER” means the Maine Energy Housing and Economic Recovery program as established in [30-A M.R.S.A §4861, et seq.](#)
- R. MaineHousing” means the Maine State Housing Authority, a body corporate and politic and an instrumentality of the State of Maine, and its agents, contractors, and employees duly authorized to act on its behalf.
- S. “Mortgage Purchase Program Fund Balance” means the excess of assets over liabilities held in MaineHousing’s General Mortgage Purchase Bond Resolution.
- T. “Program” means an offering of financing in the form of interest-bearing debt, deferred debt, forgivable loans, grants subject to recapture, or a combination of the foregoing available to prospective eligible Applicants on certain terms and for certain purposes determined by MaineHousing pursuant to this rule.
- U. “Program Guide” means the written procedural and administrative guide for a particular Program governed by the terms and conditions of this rule.
- V. “Term Sheet” means MaineHousing’s official notification to an Applicant, or assignee of the Applicant, indicating that its application has been approved and stating the terms of a prospective financing.

**2. Program Design.**

- A. **Programs.** MaineHousing shall design and offer Programs based upon available funds, restrictions attached to such funds, and State housing needs.
- B. **Program Guides.** MaineHousing shall publish a Program Guide with respect to each Program and shall distribute the Program Guide to parties who have expressed an interest to MaineHousing in connection with the type of housing eligible under the Program, to parties MaineHousing selects for marketing the particular Program, and upon request.
3. **Development Funding.**
- A. **Processing of Applications.** MaineHousing may process applications on a first come first served basis or may set an application due date described in the Program Guide for submission for review by a scoring committee.
- B. **Selection for Funding.** The Director shall retain final discretion as to whether or not to offer financing to a particular Applicant for a particular Development.
- C. **Availability of Funds.** Financing is always subject to the availability of funds.
4. **Sources of Funds.** Funds from the following sources may be made available under this rule:
- taxable bonds issued by MaineHousing pursuant to [30-A M.R.S.A. §4871 et seq.](#), the refunding of such taxable bonds, and other surplus funds which are considered non tax-exempt funds;
  - tax-exempt 501(c)(3) bonds issued by MaineHousing pursuant to [30-A M.R.S.A. §4871 et seq.](#) and [Section 145](#) of the Code and the refunding of tax-exempt bonds;
  - tax-exempt residential rental project bonds, issued by MaineHousing pursuant to [30-A M.R.S.A. §4871 et seq.](#), [Section 142 \(d\)](#) of the Code;
  - tax-exempt essential function bonds issued by MaineHousing pursuant to [30-A M.R.S.A. §4871 et seq.](#) and the Code and the refunding of such tax-exempt bonds;
  - Housing Opportunities for Maine Fund established pursuant to [30-A M.R.S.A. § 4851 et seq.](#);
  - HOME Investment Partnerships Act;
  - HTF;
  - MEHER;
  - CMF; and
  - Project Labor Agreement Funds established pursuant to PL 2021, Chapter 483; and
  - other funds.

5. **Types of Programs.** MaineHousing may offer a Program for any of the following, any combination of the following, any subset of the following, or any combination of subsets of the following:
- A. **Preservation of Affordability.** Programs may provide financing to add or preserve low income or use restrictions pertaining to a target population or supportive services in existing housing.
  - B. **New Construction, Rehabilitation, and Creation of Affordability.** Programs may finance the creation of rental units for Low-income Persons through acquisition, new construction, rehabilitation, refinancing, or dedication of existing housing as rental units for Low-income Persons.
  - C. **Subsequent Loans.** Programs may offer financing for the repair, maintenance or expansion of assets securing existing mortgages in favor of MaineHousing.
  - D. **Tax Credits.** Programs may offer financing for use in conjunction with low-income housing tax credits allocated by MaineHousing pursuant to [Section 42 of the Code](#) and any applicable rules adopted by MaineHousing pursuant to the Maine Administrative Procedures Act.
  - E. **Construction Loans.** Programs may offer construction-period financing for the creation of rental units for Low-income Persons subject to the following limitations.
    - i. **Public Instrumentalities and Nonprofit Corporations.** MaineHousing may provide construction-period financing to nonprofit corporations, which are exempt from taxation under [Section 501\(c\)\(3\)](#) of the Code and are not private foundations pursuant to [Section 509\(a\)](#) of the Code, and municipal housing authorities, which are established pursuant to the Act, for the acquisition, new construction and rehabilitation of housing for Low-income Persons. Upon completion of the new construction or rehabilitation of such housing, the construction loan shall automatically convert to permanent financing.
    - ii. **For-Profit – Participation.** If less than 60% of the financing of a Development is required to be tax-exempt bonds from MaineHousing, and the Developer is a for profit entity, then MaineHousing must at a minimum use a financial institution as an escrow agent. MaineHousing may use the proceeds of tax-exempt bonds to purchase a participation in construction loans made by financial institutions in the State for a Development. A financial institution shall not sell any additional participation in a construction loan in which MaineHousing is participating without MaineHousing’s prior written consent.
    - iii. **For-Profit - Whole Loans.** If a Development’s financing requires MaineHousing to participate in the construction loan with tax-exempt financing at a level greater than 60%, MaineHousing may make the whole construction loan without using an escrow agent.
    - iv. **Limitation on Interest.** MaineHousing and any financial institution making or participating in a construction loan in which MaineHousing is participating may charge interest rates on the construction loan, or its participation in the construction loan, provided that such interest rates are as described in the applicable Program Guide and do not exceed the Wall Street Journal Prime Rate plus two percent (2%).
    - v. **Limitation on Fees and Charges.** MaineHousing and any financial institution making or participating in a construction loan in which MaineHousing is participating may charge application fees, commitment fees, origination or financing fees, document preparation fees,

legal fees, construction review fees and construction management or escrow fees, late charges, and prepayment charges provided the fees and charges do not exceed the usual and customary fees and charges imposed by financial institutions in the State and are consistent with the applicable Program Guide.

6. **Low-income and Use Restrictions.**

- A. **Low-income Restrictions.** Developments shall benefit Low-income Persons as required by applicable laws, funding source restrictions, applicable Program Guides, and the Developer's commitments.
- B. **Use Restrictions.** Developments may be required to serve a target population and provide supportive services as required by applicable laws, funding source restrictions, applicable Program Guides, and the Developer's representations.
- C. **Assurance of Continued Restrictions.** The Developer shall provide any certifications, reports, or other assurances MaineHousing requires to ensure compliance with low-income restrictions and use restrictions, including without limitation, an agreement to be recorded in the appropriate registry of deeds which will obligate the Developer and its successors to comply with the restrictions for a period of time within the applicable Program Guide.

7. **Eligible Applicants.** To be eligible for funding, Applicants must satisfy the following:

- A. **Creditworthiness.** Applicants must demonstrate credit worthiness and repayment ability acceptable to MaineHousing. MaineHousing may independently verify credit information.
- B. **Funding Source Restrictions.** Applicants must satisfy any criteria for qualification for receipt of funding attached by law or regulation to the funds the Applicant seeks.
- C. **Program Qualifications.** Developments must meet the objectives of the Program under which they are applying as set forth in the applicable Program Guide.
- D. **Outstanding or Prior Defaults.** MaineHousing will not consider the application of an Applicant if the Applicant, or any other entity in which the Applicant or one of its affiliates has a controlling interest, (i) at any time during the previous 6 months, (a) has been more than 60 days delinquent on MaineHousing financing, or (b) has been issued a notice of default; or (ii) is otherwise disqualified as described in the Program Guide.
- E. **Debarment.** An Applicant or member of a Development Team may not participate in Programs governed by this rule if the Applicant or Development Team member (i) is debarred, suspended, or voluntarily excluded from any federal program; (ii) has ever had a professional license to provide the nature of services the party seeks to provide in the Development suspended or revoked; or (iii) is debarred, suspended, or voluntarily excluded from MaineHousing Programs.
- F. **Debt Concentration.** If the Applicant and its affiliates have, or would have after the additional loan, loans outstanding from MaineHousing's General Mortgage Purchase Bond Resolution in an amount equal to or greater than 25% of the Mortgage Purchase Program Fund Balance, additional review will be triggered which will include an analysis of the Applicant and its affiliates as a whole and consultation with the Commissioners, and may result in denial of the loan by the

Director.

- G. **Supportive Housing Project Concentration.** If the Applicant and its affiliated entities own, or would own after the additional financing, greater than 25% of the housing units or projects for Low-income Persons with Supportive Service Needs financed by MaineHousing, additional review will be triggered which will include an analysis of the Applicant and its affiliates as a whole and consultation with the Commissioners, and may result in denial of the financing by the Director.
  - H. **Conflict of Interest.** Applicants shall disclose their current and recent financial, business, professional, and family relationships and associations with any MaineHousing employee or commissioner and comply with any restrictions imposed by MaineHousing on account of conflict of interest concerns.
  - I. **Identity of interest.** Applicants shall disclose the nature of the relationship between them and any of their principals, proposed sellers, contractors, suppliers, and service providers. MaineHousing may, at its discretion, impose restrictions, or require independent appraisals, or other third party verifications on account of identity of interest concerns.
8. **Interest-bearing Debt.** When MaineHousing financing includes interest-bearing debt payable to MaineHousing, the financing shall be subject to the following standards:
- A. **Underwriting Standards.** MaineHousing will assess whether, in its sole discretion, a Development has an acceptable probability of providing rental units for Low-income Persons for the term required. In its assessment, MaineHousing may consider any combination of the following: capital budgets; operating budgets; long term projected cash flows; collateral value; debt service coverage ratios; the Applicant's credit; market evaluations; the capacity of the Development Team; the capacity of proposed owners; performance history of the Applicant and its affiliates on MaineHousing financed Developments; credit enhancements such as guarantees, mortgage insurance, and letters of credit; the prior performance of the Development; the prior performance of comparable projects; the presence of rental assistance or other operating funds and the likelihood the funding will continue; a capital needs assessment; and additional factors that MaineHousing deems necessary for a thorough evaluation of an application.
  - B. **Appraisals.** MaineHousing may obtain an appraisal or appraisals to determine whether there is adequate value in a Development. Such appraisals shall conform to the then current Uniform Standards of Professional Appraisal Practice and MaineHousing's requirements. Applicants shall reimburse MaineHousing for appraisal costs.
9. **Financing Standards.** Financing of Developments will be subject to the following:
- A. **Documents Evidencing Obligations of Developer.** The Developer shall execute the documents MaineHousing determines are necessary or in its best interest including, without limitation and as applicable, promissory notes; mortgage and security agreements; financial assistance agreements; declarations of covenants, conditions, and restrictions; financing statements; regulatory agreements; participation agreements; escrow agreements; and certifications.
  - B. **Developer and Consultant Fees.** MaineHousing may condition financing upon a reduction of developer or consultant fees that MaineHousing finds in its discretion are excessive.

- C. **Title Insurance.** MaineHousing may require a lender's title insurance policy with mechanics' lien and survey exceptions deleted.
  - D. **Property Insurance.** The Developer shall obtain and provide evidence of fire, hazard, extended coverage, and liability insurance acceptable to MaineHousing and such other insurance as MaineHousing in its discretion may reasonably require all containing the standard Maine mortgagee clause.
  - E. **Authority Legal Opinion.** For Developers which are other than individuals, MaineHousing shall require a legal opinion regarding the Developer's legal status and authority to receive the financing.
  - F. **Land Use Legal Opinion.** MaineHousing shall require a legal opinion regarding compliance of the Development with applicable zoning and land use laws.
  - G. **Real Estate Taxes and Municipal Charges.** The Developer shall provide evidence of payment of real estate taxes and municipal charges prior to closing.
  - H. **Escrows.** The Developer shall fund escrows in the amount and on terms established by MaineHousing. Such escrows may include without limitation operating deficit escrows, rehabilitation escrows, replacement reserve escrows, tax and insurance escrows, incomplete work escrows, and relocation escrows.
  - I. **Prepayment.** MaineHousing may prohibit prepayment of loans, impose restrictions on prepayments, or impose charges in the event of prepayments.
  - J. **Ownership Transfers.** Any grant, sale, assignment or other transfer of an ownership interest in a Development or the Developer will be subject to MaineHousing's Transfer of Ownership rule.
  - K. **Fair Housing and Accessibility.** The Development must be operated in accordance with all applicable fair housing and equal access requirements including without limitation the [Federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968](#), as amended by the [Fair Housing Amendments Act of 1988](#); the [Maine Human Rights Act, Subchapters IV and V](#); [Section 504 of the Rehabilitation Act of 1973](#); and [Title II of the Americans with Disabilities Act of 1990](#), and all associated regulations and guidance.
  - L. **Fees.** MaineHousing may charge application fees, commitment fees, financing fees, and escrow administration fees provided such fees are described in the applicable Program Guide.
  - M. **Other Requirements.** The Developer shall satisfy requirements of funding sources and such other requirements as MaineHousing, in its discretion, determines are prudent.
  - N. **Waivers.** In the event MaineHousing offers a Program under which (i) MaineHousing lends money short term for acquisition of real estate or (ii) MaineHousing anticipates it will obtain undercollateralized mortgages, MaineHousing may waive or substitute less cumbersome requirements than those set forth in C., D., E., and F. for that Program.
10. **Selection criteria.** MaineHousing will set forth selection and approval criteria germane to a particular Program in the applicable Program Guide. Such criteria may include but are not limited to

the following:

- how well a Development meets the objectives of the Program;
- the use of resources other than MaineHousing's resources in the Development;
- the length of commitment to affordability of the Development;
- the length of commitment to a particular use of the Development;
- the reasonableness of costs;
- the efficiency of the use of proposed non-interest bearing resources;
- financial feasibility of the Development;
- income targeting;
- community preference and support;
- support of a state agency;
- the need for the Development;
- the capacity of the Development Team;
- the capacity of the Applicant to own and operate;
- extent of tenant displacement; and
- other criteria required by a funding source or established by MaineHousing.

11. **Relocation.** Developments are subject to the following relocation standards:

- A. **Minimizing Displacement.** Applicants must take all reasonable steps to minimize the displacement of persons from their homes as a result of rehabilitation, change of use, or rent increases.
- B. **Federally-assisted Developments.** Developers of Developments assisted with federal funds shall comply with applicable requirements including without limitation: the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended, [42 U.S.C. § 4601 et seq.](#), and the Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted Programs Final Rule, [49 C.F.R. 24](#), published March 2, 1989, as amended; §104(d) of the Housing and Community Development Act of 1974, as amended, [42 U.S.C. 5304\(d\)\(4\)](#), and the Displacement Relocation Assistance, and Real Property Acquisition for HUD and HUD-Assisted Program Final Rule, [24 C.F.R. 42](#), as amended.

C. **MaineHousing Financing.** Developers of Developments financed by MaineHousing and not subject to 11.B. above shall comply with the following:

- i. **Temporary Tenant Relocation.** If tenants are not required to move permanently but must relocate temporarily because of rehabilitation to a Development, the Applicant shall provide the tenants with (a) reimbursement for all reasonable out-of-pocket expenses and increased costs incurred in connection with the temporary relocation; and (b) appropriate advisory services including reasonable advance notice of the date and approximate duration of the temporary relocation; the location of a suitable, decent, safe and sanitary dwelling to be made available for the temporary period; the terms and conditions under which the tenant may lease and occupy a bed or unit in the Development upon completion of the Development; and the provisions for reimbursement of expenses and increased costs.
- ii. **Displaced Persons.** If an individual moves from a property or moves personal property from real property permanently and involuntarily as a direct result of a Developer's acquisition, relocation, or demolition of such real property financed in whole or in part by MaineHousing, the Developer shall do the following:
  - (1) The Developer shall provide in a form satisfactory to MaineHousing initial notices to all tenants. Failure to send such notices may cause tenants to be deemed displaced.
  - (2) The Developer shall send each tenant a 90-day advanced written notice of the date by which the tenant must move in a form satisfactory to MaineHousing.
  - (3) If the displaced person's income is below 80% of area median income, the Developer must do the following: (i) prior to sending the 90-day notice, contact the person to be displaced to explain the benefits, ascertain needs, and offer transportation for up to 3 available comparable units and (ii) pay either the tenant's actual reasonable out-of-pocket moving and related expenses or a one-time payment determined by MaineHousing.
  - (4) If the displaced person's income is below 60% of median family income for the area, the Developer shall in addition to 11.C. ii. (1), (2), and (3) above, make 12 months of replacement housing payments to the displaced person. The Developer may make the payments in a lump sum or on a monthly basis. The amount of the replacement housing payments is the difference between the rent and utilities at either the replacement unit or a unit comparable to the vacated unit found by the Developer, whichever is less, and the monthly rent and utilities of the vacated unit multiplied by 12.

12. **New Construction and Rehabilitation Requirements.** If the Development includes new construction or rehabilitation, the following applies:

- A. **Approval of Construction Documents and Budget.** Funding for new construction or rehabilitation is subject to MaineHousing's review of the drawings, specifications, construction contract, and budget for reasonableness and completeness. MaineHousing may require a competitive bidding process for any general contractors or subcontractors.
- B. **Payment and Performance Bonds.** MaineHousing at its discretion may require any of the following or a combination of the following: (i) a payment and performance bond, (ii) a letter of credit, and (iii) a maintenance bond.

C. **Escrows.** MaineHousing may establish, maintain, and administer an escrow account for all construction.

**D. Developments Financed with Project Labor Agreement Funds. Developers of**

Developments financed with Project Labor Agreement Funds shall (i) enter into pre-hire, collectively bargained project labor agreements with the workers who work on the affordable housing, including those employed by a contractor and all subcontractors of the Developer; and (ii) require any entity working on the housing to make a good faith effort at all times to promote workforce diversity, including diversity with regard to race and gender. If MaineHousing determines that a contractor, subcontractor, firm, corporation, partnership or other entity is not making a good faith effort to achieve workforce diversity, MaineHousing may refuse to permit that entity to be awarded a contract for any Development funded with Project Labor Agreement Funds for a period of two (2) years from the date of such determination.

~~D.E.~~ **Other Requirements of Funding Resources.** The Developer shall comply with all applicable requirements of funding resources including without limitation: (i) taking affirmative steps to assure contracting with Women-owned and Minority-owned Business Enterprises; (ii) Davis-Bacon; (iii) Section 3 of the Housing and Urban Development Act of 1968; and (iv) the National Environmental Policy Act.

~~E.F.~~ **Codes and Standards.** All elements of the Development shall meet all applicable state and local codes and ordinances. Generally, all work undertaken must meet the standards set forth in the Maine Uniform Building and Energy Code and the minimum standards outlined in MaineHousing's *Quality Standards and Procedures Manual*. MaineHousing may require any or all the following: a plan review, a construction permit, a sprinkler permit, or a barrier free permit from the Department of Public Safety.

~~F.G.~~ **Accessibility and Adaptability Requirements.** The design and construction of and improvements to the Development shall comply with all applicable accessibility laws, which include but are not limited to the [Federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968](#), as amended by the [Fair Housing Amendments Act of 1988](#); the [Maine Human Rights Act, Subchapters IV and V](#); [Section 504 of the Rehabilitation Act of 1973](#); and [Title II of the Americans with Disabilities Act of 1990](#); and [Title III of the Americans with Disabilities Act of 1990](#), MUBEC and associated regulations accessibility standards and guidance as may be amended.

~~G.H.~~ **Interpretation of Codes and Standards.** If there is a question in interpretation of codes or standards, the construction or rehabilitation shall conform to MaineHousing's interpretation of such codes and standards.

~~H.I.~~ **Incomplete Work Escrows.** MaineHousing may disburse all of its funds upon completion of all but a few items if (i) (a) the incomplete work items are awaiting seasonable opportunity; (b) the incomplete work items are back-ordered and therefore unavoidably incomplete; or (c) MaineHousing determines that circumstances warrant inclusion of other non-safety related incomplete work items; and (ii) MaineHousing retains an amount equal to 150% of the cost required to complete such items.

~~I.J.~~ **Flexible Use.** To the extent feasible, the Development shall comply with the physical licensing standards for residential facilities of the Department of Health and Human Services; the

Department of Corrections; the Department of Education; and their successor agencies.

**J.K. Other Requirements.** The Developer shall comply with all requirements MaineHousing, in its discretion, determines are prudent.

**K.L. Waivers.** In the event MaineHousing offers a Program under which (i) MaineHousing lends money short term for acquisition of real estate or (ii) MaineHousing anticipates it will obtain undercollateralized mortgages, MaineHousing may waive or substitute less cumbersome requirements than those set forth in A., B., C., and H.

13. **Management Requirements.** The Developer shall manage the property in accordance with state and federal laws, the requirements attached to the source or sources of financing, applicable Program Guides, and the loan documents.

14. **Maintenance Requirements.**

**A. Minimum Maintenance Standards.** The Developer shall maintain the Development in good condition and in accordance with applicable laws and codes; the funding sources; the Loan Documents; and the International Property Maintenance Code established by the International Code Council.

**B. Inspections.** The Developer shall permit MaineHousing to inspect the Development as it deems reasonably necessary as a prudent lending institution and a responsible public agency.

15. **Matching of Resources.** MaineHousing may match resources provided by a municipality in connection with a Development (which resources may include, without limitation, land, buildings, equipment, personnel, zoning provisions, and money) on a dollar-for-dollar basis, with the value of the resources being provided by the municipality to be determined by MaineHousing.

16. **Rule Limitations.**

**A. Other Laws.** If this rule conflicts with any provision of federal or state law, the federal or state law shall control.

**B. Waivers.** Upon determination of good cause, the Director of MaineHousing or the Director's designee may, subject to statutory limitations, waive any provision of this rule. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds.

**BASIS STATEMENT:** This rule provides the framework and basic requirements for MaineHousing's multi-family lending programs. MaineHousing is repealing and replacing this rule to conform to statutory changes regarding construction lending and make other updates. This replacement rule: adds an additional New Construction and Rehabilitation Requirement for Developments Financed with Project Labor Agreement Funds.

**PROCESS:** ~~The draft rule was distributed to partners at a meeting and by email on \_\_\_\_\_, 2022 October 30, 2018.~~ Notice of Agency Rule-making Proposal (MAPA-3) was submitted to the Secretary of State for publication in the May 25, 2022 edition of the appropriate newspapers ~~was published on our website and in newspapers statewide, on \_\_\_\_\_, 2022 November 28, 2018.~~ MaineHousing sent the The proposed rule to Interested Parties ~~was emailed to interested parties~~ on \_\_\_\_\_.

~~\_\_\_\_\_~~ May 19, 2022, and published the proposed rule on its website on May 25, 2022.~~November 29, 2018.~~

MaineHousing held a public hearing on Tuesday, ~~\_\_\_\_\_~~ June 14, 2022 ~~December 18, 2018.~~ Nobody testified. ~~MaineHousing received written comments from the Maine Affordable Housing Coalition.~~ The comment period ended at 5:00 p.m. Friday, ~~\_\_\_\_\_~~ June 24, 2022.~~December 28, 2018.~~

## SUMMARY OF COMMENTS AND MAINEHOUSING'S RESPONSES:

### ~~Section 5.E. Construction Loans~~

~~*Comment:* The Maine Affordable Housing Coalition (MAHC) commented that MaineHousing should delay approval of the revised rule to allow for further discussion regarding MAHC's perception that MaineHousing has an interest in undertaking a larger role in construction financing in the future and MAHC's related concerns regarding the impact of such a shift on projects costs and efficiencies.~~

~~*Response:* The proposed rule reflects statutory changes that were made two years ago and does not reflect an interest by MaineHousing in expanding its role in construction financing. Delaying approval of the revised rule is not warranted. A Development's financing requires MaineHousing participation in a construction loan at a level greater than 60% only in situations when tax exempt bonds are used to generate low income housing tax credits. We added a reference to tax exempt bonds in 5.E.iii, so it is absolutely clear that the provision only applies with respect to tax exempt bond financing.~~

~~*Comment:* MAHC also commented that it was unclear why the maximum interest that may be charged by banks and MaineHousing on construction loans increased from Wall Street Journal Prime Rate plus 2% to plus 3%. MAHC suggested the following additional language: "However, MaineHousing shall endeavor to ensure that the interest rate, fees and term of its construction loans be on par with those which are available through private financial institutions for similar transactions in the local marketplace."~~

~~*Response:* MaineHousing has historically charged reasonable construction interest rates. Typically, higher interest rates require more subsidy from MaineHousing. The increase was intended to give MaineHousing flexibility in unusual interest rate environments. Nevertheless, MaineHousing will drop the proposed change in maximum interest rate.~~

**STATUTORY AUTHORITY:** [30-A MRSA §§4741\(1\) and 4722\(1\)\(L\)](#)

**EFFECTIVE DATE:**

**To:** MaineHousing Board of Commissioners

**From:** Troy Fullmer, Manager of HEAP  
Ashley Janotta, Chief Counsel

**Date:** June 7, 2022

**Subject:** Adoption of Home Energy Assistance Program Rule and FFY 2023 State Plan

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At your meeting on June 14, 2022, we will ask you to repeal the existing Home Energy Assistance Program Rule and replace it with the attached Home Energy Assistance Program Rule and to adopt the attached FFY 2023 HEAP State Plan.

As you know, the public hearing was held on May 17, 2022. We continued to receive written comments through the close of business on May 27, 2022. A summary of the comments and staff's proposed responses to the comments begins on page 46 of the Rule contained in your packet.

One minor correction has been made to the Rule in Section 3.G.2. TANF was removed as countable income as MaineHousing will be implementing categorical income eligibility for HEAP for households receiving TANF assistance. Based on this, it is counter-intuitive and not necessary to count TANF assistance as income. This aligns with the HEAP State Plan that was put forth at the Public Hearing, which does not show TANF as an income inclusion. This minor change in the HEAP Rule will have no impact on a household's HEAP benefit as TANF eligible households will receive the highest HEAP benefit available for their household size. The relevant pages of the HEAP Rule showing the correction are attached to this Memorandum for your review.

State law and the Governor's Executive Order on rulemaking state that prior to adopting a final rule, MaineHousing should:

- consider all relevant information available, including, but not limited to, economic, environmental, fiscal and social impact analyses;
- prioritize the health, safety, and welfare of Maine people in conducting these environmental and social impact analyses; and
- consider the extent to which existing law addresses the matter and the rule's impact on the ability of Maine employers to retain and attract a skilled workforce, including by reducing compliance burdens on small businesses in conducting the economic and fiscal impact analysis.

After the Board adopts the attached Rule, the Rule must be approved by the Attorney General's office pursuant to the Maine Administrative Procedures Act. Upon final approval, the Rule will be published by the Secretary of State's office. The State Plan will be submitted to the U.S. Department of Health and Human Services.

**Rule**

**PROPOSED MOTION:**

*To repeal the existing Home Energy Assistance Program Rule, Chapter 24 of MaineHousing's rules, and replace it with the replacement Home Energy Assistance Program Rule attached to the memo on adoption of the Home Energy Assistance Program Rule and FFY 2023 State Plan from Manager of HEAP Troy Fullmer and Chief Counsel Ashley Janotta to the Board of Commissioners dated June 7, 2022.*

**State Plan**

**PROPOSED MOTION:**

*To adopt the FFY 2023 Home Energy Assistance Program State Plan as attached to the memo on adoption of the Home Energy Assistance Program Rule and FFY 2023 State Plan from Manager of HEAP Troy Fullmer and Chief Counsel Ashley Janotta to the Board of Commissioners dated June 7, 2022.*

hours or more per semester.

4. If otherwise eligible, Roomers and Boarders are eligible for a Benefit to the extent such Applicants prove that the rental arrangement giving rise to their Roomer or Boarder status was in existence for at least sixty (60) days prior to the Date of Application. At a minimum, such proof shall include verification that a reasonable market rate rent amount was paid by the Roomer or Boarder pursuant to the terms and conditions of the rental agreement for the entire sixty (60) day period. Roomers and Boarders cannot commingle funds or share expenses with lessor's Household.

F.G. Eligibility is based on [documented Household Income](#) or [Categorical Income Eligibility](#).

Household Income is determined and verified in accordance with the information provided on the Application and verified as part of eligibility determination process.

1. Household Income received during the one (1) month or 30-day period preceding the Application Create Date. Primary Applicants must provide pay stubs, or a statement from all current or former employer(s), documenting Household Income received during the one (1) month or 30-day income period prior to the Application Create Date.
2. Household Income includes, but is not limited to, the following:
  - a. Wages, salaries, and bonuses before any taxes or deductions;
  - b. Self-employment income. Households with self-employment income must use a current year's tax return if filed. If the Household has not filed a current year's tax return then the tax return for the previous year may be used. When supported by a tax return, self-employment income is defined as the total of net income (including net rental income) plus the total net gain from sales of capital goods or equipment plus depreciation. If the Applicant has not filed a tax return for the current or previous year, the Applicant may complete a self-employed income statement/worksheet accounting for the last twelve (12) months of income. Supporting documentation must be provided to substantiate the information on the statement/worksheet. Deductions or expenses related to self-employment income shall not be factored in to the amounts counted as income unless the Applicant provided the complete tax return from the current or prior year;
  - c. Social Security Retirement (SS), Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Benefits;
  - d. Unemployment and worker's compensation and/or strike benefits from union funds;
  - e. Spousal support or alimony received by an Applicant, or mortgage/rent payments in lieu of or in addition to payments;
  - f. Court ordered or voluntary child support payments received by an Applicant, or mortgage/rent payments in lieu of or in addition to support payments;
  - g. Military allotments (pay);

- h. Veteran's Benefits;
  - i. Other support from an absent family member or someone not living in the Household excluding loans;
  - j. Income of person living in the Household who is a non-qualified alien and 18 years of age or older;
  - k. Government employee pensions, private pensions, and regular annuity payments;
  - l. Income from dividends, rents, royalties, estates, trusts, and interest. Interest income under \$200.00 must be included as income, but does not need to be supported by documentation;
  - m. Net rental income, including funds received from Roomers and Boarders;
  - n. Winnings from any source of gambling or gaming is considered income including, but not limited to private gambling, lottery, horse racing, bingo, etc.
- TANF including Gap, and Pass-Through, or any other regular support from a government or private agency;
- o. Jury duty fees;

3. Exemptions from Household Income include:

- a. Assets drawn down from financial institutions;
- b. Foster care payments;
- c. Adoption assistance;
- d. In-kind payments to an Applicant in lieu of payment for work, including the imputed value of rent received in lieu of wages or items received in barter for rent;
- e. Capital gains (for business purposes);
- f. Income from the sale of a primary residence, personal car, or other personal property;
- g. Tax refunds;
- h. One-time insurance payments;
- i. One-time compensation for injury;
- j. Non-cash income such as General Assistance voucher payments, the bonus value of food and fuel produced and consumed on farms, and the imputed value of rent from owner-occupied farm housing;
- k. Bank loans, reverse mortgages, and home equity loans;
- l. Reimbursement for expenses incurred in connection with employment;

INDEPENDENT AGENCIES

MAINE STATE HOUSING AUTHORITY

CHAPTER 24

Home Energy Assistance Program Rule

Summary: The Rule establishes standards for the Home Energy Assistance Program for the State of Maine as administered by the Maine State Housing Authority. The Home Energy Assistance Program provides Fuel Assistance and Energy Crisis Intervention Programs to income Eligible Households. The Rule also establishes standards for the HEAP Weatherization, Central Heating Improvement Program, Heat Pump Program, and Supplemental Benefits funded by TANF funds.

1. Definitions.

- A. "Act" means the Maine Housing Authorities Act, [30-A M.R.S.A. § 4701](#) et seq., as it may be amended from time to time.
- B. "Annual Consumption Report" means the annual report Vendors must submit to MaineHousing to report their HEAP customers' Home Energy deliveries from May 1st through April 30th.
- C. "Apartment" means a Dwelling Unit within a multi-unit building.
- D. "Applicant" means a person listed as a Household member on a Primary Applicant's Application.
- E. "Applicant Household" means the Household members listed on the Application whose Countable Assets will be considered when determining eligibility for CHIP services. A Household member will be considered to be part of the Applicant Household if they have a familial relationship with or a joint financial account with an occupying owner of the Dwelling Unit. Full time high school students would not be considered Applicant Household members unless they are Primary Applicants.
- F. "Application" means forms and documents completed, signed, and provided by Primary Applicant to determine eligibility for a Benefit and ECIP.
- G. "Application Create Date" means the date an application is taken with the Primary Applicant by Subgrantee personnel.
- H. "Arrearage Management Program (AMP)" means the program to assist eligible low-income residential customers who are in arrears on their electricity bills as defined by [35-A MRSA §3214, sub-§2-A](#), as may be amended from time to time.
- I. "Benefit" means the dollar amount of Fuel Assistance an Eligible Household receives.
- J. "Benefit Return" means a Benefit, partial or whole, returned to MaineHousing.
- K. "Boarder" means a Roomer who is provided meals and is not related by birth, marriage or adoption to the household.
- L. "BTU" means British Thermal Unit.
- M. "Camper" means a trailer, semitrailer, truck camper, or motor home primarily designed and originally

constructed to provide temporary living quarters for recreational, camping, or travel use regardless of modification(s) or length.

- N. “Categorical Income Eligibility” means an Applicant has a Household member who receives either TANF or SNAP assistance. The Household is considered income eligible for HEAP, as the Household income has already been vetted by Maine Department of Health and Human Services, and it is permissible under the HEAP Act for Households receiving TANF or SNAP assistance to be considered income eligible for HEAP.
- O. “CHIP” means the Central Heating Improvement Program component of HEAP.
- P. “Contractor” means a provider of materials or services to Eligible Households.
- Q. “Countable Asset” means a resource that is available to meet the immediate and urgent needs of a Household, and includes: cash and funds on prepaid debit cards, money in a checking or savings account (health savings accounts, educational funds, and burial accounts are excluded), stocks or bonds, U.S. Treasury bills, money market funds, and retirement accounts provided there are no penalties or fees for withdrawals.
- R. “Close-out” means the reconciliation of receipts and use of all Fuel Assistance and ECIP funds by Vendor. It is Vendor’s responsibility to keep this information by Eligible Household and provide it to MaineHousing upon request.
- S. “Consumption Based” means the method for determining an Eligible Household’s Home Energy consumption using actual energy deliveries as reported by the Vendor.
- T. “Credit Notification Report” means the document sent to the Vendor guaranteeing payment post-delivery for Eligible Households. The Credit Notification Report lists each Primary Applicant’s name, address, Home Energy type, account information, and, as applicable, Benefit or TANF Supplemental Benefit.
- U. “CTE” means to clean, tune, and evaluate a Heating System to ensure safe and efficient operation.
- V. “Date of Application” means the date an Application is received by the Subgrantee.
- W. “Date of Discovery” means the date MaineHousing receives information relating to suspected fraud.
- X. “DHLC” means the design heat load calculation method for estimating Home Energy consumption.
- Y. “Direct Energy Cost” means an Energy Cost that is directly paid by the Household.
- Z. “Dwelling Unit” means an occupied residential housing structure with one or more rooms that is used customarily as a domicile for one or more persons, when permanently connected to the required utilities (including plumbing, electricity and Heating Systems) and contains bathroom and kitchen facilities specific to that unit. A Dwelling Unit has its own private entrance from the outside or off an enclosed hallway leading from the outside that does not pass through or offer an open access to any other unit within the structure. A Dwelling Unit does not include a Camper, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.
- AA. “ECIP” means the Energy Crisis Intervention Program component of HEAP.

- BB. “Elderly Person” means a person who is 60 years old or older, or a member of an Indian Tribe who is 55 years old or older.
- CC. “Eligible Household” means a Household that satisfies all eligibility and income requirements of the HEAP Act and requirements of this Rule.
- DD. “Energy Cost” means cost of energy used for heating a Dwelling Unit, Apartment, or Rental Unit.
- EE. “Energy Crisis” shall have the same meaning as set forth in [42 U.S.C.A. §8622\(3\)](#), as same may be amended from time to time. The term "energy crisis" means weather-related and supply shortage emergencies and other household energy-related emergencies.
- FF. “Errors and Program Abuse” means the act of obtaining assistance to which one is not entitled by means of submitting false statements or withholding information pertinent to the determination of eligibility or benefits. Also applies to Vendors who retain Benefits that should be returned or use Benefits for something other than intended purpose.
- GG. “Fuel Assistance” means the component of HEAP that assists Eligible Households with their Home Energy costs.
- HH. “HEAP” means the Home Energy Assistance Program established pursuant to the HEAP Act and the Act.
- II. “HEAP Act” means [42 U.S.C.A. §8621 et seq.](#), and the regulations promulgated there under, including [45 C.F.R. § 96.1](#) through 96.68 and [45 C.F.R. § 96.80 et seq.](#), all as may be amended from time to time.
- JJ. “HEAP Handbook” means the handbook in effect for a Program Year that is used as a resource and guide for the administration of HEAP.
- KK. “HEAP Weatherization” means the weatherization component of HEAP that provides Low- cost/no-cost Weatherization Activities and other cost-effective energy-related home repairs or installations.
- LL. “Heating Season” means the period of time beginning October 1 and ending April 30.
- MM. “Heating Source” means any device used to provide heat to a Dwelling Unit.
- NN. “Heating System” means a permanently installed system that is used to heat the Dwelling Unit. A portable space heater is not considered to be a Heating System.
- OO. “Heat Pump” means a ductless heating system that provides heat by extracting heat from outside air and delivering it indoors as needed.
- PP. “Home Energy” means a source of heating or cooling in residential dwellings as set forth in [42 U.S.C.A. §8622\(6\)](#), as same may be amended from time to time.
- QQ. “Household” means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent as set forth in [42 U.S.C.A. §8622\(5\)](#), as same may be amended from time to time.
- RR. “Household Income” means the total income from all sources before taxes and deductions as

further defined in this Rule.

- SS. “Incidental Costs” means costs of services billed to a Household by a Vendor related to the use or delivery of Home Energy including, but not limited to: surcharges, penalty charges, reconnection charges, clean and repair service charges, security deposits, delivery charges, and insurance.
- TT. “Incidental Repairs” means those repairs necessary for the effective performance or preservation of weatherization materials.
- UU. “Indirect Determinable Energy Cost” means a cost for Home Energy used by the Household that is not directly paid for by the Household. For example, heat included as part of the rent for a Rental Unit.
- VV. “Invitation to Bid” or “Request for Proposals” means the process to solicit bids or proposals to satisfy the requirements of this Rule.
- WW. “Live-in Care Attendant” means a person, not considered part of the household, who; (i) provides needed health/supportive services to a member of the households as documented by a qualified professional; (ii) would not be living in the unit except to provide the necessary supportive services; and (iii) does not contribute financially to the household.
- XX. “Life Threatening Crisis” means the household is currently without heat or utility service to operate a Heating Source or a Heating System.
- YY. “Low-cost/no-cost Weatherization Activities” means those activities authorized pursuant to [10 C.F.R. §440.20](#), as may be amended from time to time.
- ZZ. “MaineHousing” means the Maine State Housing Authority.
- AAA. “Manufactured/Mobile Home” means a residence that is constructed at a manufacturing facility on a permanent chassis (i.e. the wheel assembly necessary to transport the residence is removable, but the steel undercarriage remains intact as a necessary structural component) and is transportable in one or more sections, which in traveling mode is 12 body feet or more in width and as erected on site is 600 or more square feet.
- BBB. “Modular” means a residence that is constructed at a manufacturing facility, but not constructed on a permanent chassis, and is transportable in one or more sections on an independent chassis such as a truck or train.
- CCC. “Native American Tribal Organization” means the Penobscot Indian Nation, the Passamaquoddy Indian Tribe, and the Houlton Band of Maliseet Indians as defined in the Maine Indian Claims Settlement Act, [30 M.R.S.A. §6201 et seq.](#), and the Aroostook Band of Micmacs as defined in the Micmac Settlement Act, [30 M.R.S.A. §7201 et seq.](#)
- DDD. “Non-occupying Co-owner” means a person who shares a legal ownership interest in the Dwelling Unit occupied by the Applicant Household. The Non-occupying Co-owner does not reside in the Dwelling Unit being considered for CHIP services.
- EEE. “Notice of Termination of Subgrantee” means a written statement notifying the Subgrantee of

the cause and effective date of its termination.

- FFF. “Open Enrollment” means period of time a vendor can request and/or file an application to participate as a contracted Vendor.
- GGG. “Overpayment” means any HEAP benefits paid to, or on behalf of, any Applicant or Household that exceeds the amount the Applicant or Household was eligible to receive.
- HHH. “Person with a Disability” means a person who (1) has a physical or mental impairment that substantially limits one or more of a person’s major life activities; (2) has a physical or mental impairment that significantly impairs physical or mental health, which means having an actual or expected duration of more than 6 months and impairing health to a significant extent as compared to what is ordinarily experienced in the general population; (3) has a physical or mental impairment that requires special education, vocational rehabilitation or related services; (4) has without regard to severity unless otherwise indicated, absent, artificial or replacement limbs, hands, feet or vital organs; alcoholism; amyotrophic lateral sclerosis; autism, bipolar disorder; blindness or abnormal vision loss; cancer; cerebral palsy; chronic obstructive pulmonary disease; Crohn’s disease; cystic fibrosis; deafness or abnormal hearing loss; diabetes; substantial disfigurement; drug addiction; emotional illness; epilepsy; heart disease; HIV or AIDS; kidney or renal diseases; lupus; major depressive disorder; mastectomy; mental retardation; multiple sclerosis; muscular dystrophy; paralysis; Parkinson’s disease; pervasive development disorders; rheumatoid arthritis; schizophrenia; speech impairment, and acquired brain injury; (5) has a record of any of the physical or mental impairments described in the foregoing clauses (1) through (4); or (6) is regarded as having or is likely to develop any of the physical or mental impairments described in the foregoing clauses (1) through (4). The existence of a physical or mental disability is determined without regard to the ameliorative effects of mitigating measures such as medication, auxiliary aids or prosthetic devices.

A physical or mental disability or impairment does not include pedophilia, exhibitionism, voyeurism, sexual behavior disorders, compulsive gambling, kleptomania, pyromania, tobacco smoking, or any condition covered under [5 M.R.S.A. §4553, sub-§9-C](#). It does not include psychoactive substance use disorders resulting from current illegal use of drugs, although this may not be construed to exclude a person who has successfully completed a supervised drug rehabilitation program and is no longer engaging in the illegal use of drugs or has otherwise been rehabilitated successfully and is no longer engaging in such use; is participating in a supervised rehabilitation program and is no longer engaging in such use; is erroneously regarded as engaging in such use, but is not engaging in such use; or in the context of a reasonable accommodation in employment is seeking treatment or has successfully completed treatment.

- III. “Price Protection Plan” means an agreement between Vendor and a customer to purchase Home Energy at an agreed upon price.
- JJJ. “Primary Applicant” means a person who signs the completed Application.
- KKK. “Priority Applicant” means a Household with a direct energy cost as well as a member in a household who is (i) an elderly person, or (ii) has a disability, or (iii) 72 months (6 years) or younger.
- LLL. “Programs” means Fuel Assistance, ECIP, CHIP, and HEAP Weatherization.
- MMM. “Program Year” means the period of time beginning October 1 and ending September 30.
- NNN. “Rental Unit” means a Dwelling Unit that is rented.

- OOO. “Reporting Vendor” means a Vendor who is contractually obligated to report the Home Energy deliveries the Vendor has made on behalf of an Eligible Household.
- PPP. “Retail Cash Price” means the posted price a Vendor charges for Home Energy per gallon.
- QQQ. “Roomer” means a person who qualifies as a separate Household and pursuant to a rental agreement rents no more than two rooms in a Dwelling Unit occupied as separate living quarters and who may, depending upon the rental agreement, be granted privileges to use, but not reside in, other rooms located in the same Dwelling Unit. A Roomer cannot be related by birth, marriage or adoption to any member of the lessor’s Household.
- RRR. “Service Area” means the geographic area, as defined by MaineHousing, within which the Subgrantee operates and administers the Programs.
- SSS. “Social Security Benefits” means social security income benefits pursuant to Title II of the United States Social Security Act of 1935 and supplemental security income benefits pursuant Title XVI of the United States Social Security Act of 1935, as amended, [42 U.S.C. §1381 et seq.](#), and State supplemental income benefits provided pursuant to [22 M.R.S.A. §3201 et seq.](#), all as may be amended from time to time.
- TTT. “State” means the State of Maine.
- UUU. “Subgrantee” means a public or private nonprofit agency, or municipality, selected by MaineHousing to administer the Programs.
- VVV. “Subsidized Housing” means Households whose rent is based on their income or the subsidy pays for any portion of their mortgage. Housing in which a tax credit or federal/state loan is applied to reduce debt burden on the property is not considered Subsidized Housing. A resident of a residential housing facility including without limitation group homes, homeless shelters, and residential care facilities or a Tenant who pays below market rent or no rent due to the landlord receiving a federal or state subsidy for rent is living in Subsidized Housing.
- WWW. “Supplemental Benefits” means the benefits that are funded with supplemental HEAP funds (beyond the original grant award).
- XXX. “Supplemental Nutrition Assistance Program (SNAP)” means the nutrition assistance program administered by the United States Department of Agriculture. The goals of SNAP are to improve participants’ food security and their access to a healthy diet.
- YYY. “TANF” means payments under the Temporary Assistance for Needy Families program as defined in [22 M.R.S.A., Chapter 1053-B, § 3762 et seq.](#), as same be amended from time to time.
- ZZZ. “TANF Supplemental Benefits” means the benefits that are funded with TANF funds pursuant to [22 M.R.S.A., Chapter 1053-B, § 3769-E.](#)
- AAAA. “Tenant” means an Applicant who resides in a Rental Unit or Apartment.
- BBBB. “Vendor” means an energy supplier that has entered into a Vendor Agreement with MaineHousing to provide Home Energy to Eligible Households.
- CCCC. “Vendor Agreement” means a signed agreement between MaineHousing and a Vendor that contains terms and conditions by which the Vendor will provide Home Energy to

Eligible Households.

DDDD. “Vendor Voucher Report” means the document sent to the Vendor that lists Eligible Households’ Benefits, including each Primary Applicant’s name, address, phone number, Benefit amount, Home Energy type, account information, and Subgrantee.

EEEE. “Watch List” means the MaineHousing list of Vendors that will not receive payment in advance for Eligible Households’ Benefits. In the event MaineHousing determines, in its sole judgment, based on Vendor’s actions or omissions or other information obtained by MaineHousing directly or from any third party, that such actions, omissions or other information raise issues concerning Vendor’s continued ability to make Home Energy deliveries or otherwise comply with the terms of the Vendor Agreement, or that Vendor’s performance is out of compliance with the requirements of the Vendor Agreement, MaineHousing may, in its sole discretion, place Vendor on this list.

FFFF. “Weatherization Assistance Program (WAP)” means the program enabled and funded by the federal Energy Conservation in Existing Buildings Act of 1976, as same may be amended from time to time. Its purpose is to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety.

GGGG. “Weatherization Materials” shall have the same meaning as set forth in Part A of the Energy Conservation in Existing Buildings Act of 1976, [42 U.S.C. §§6861, 6862\(9\)](#), as same may be amended from time to time.

## 2. Application.

- A. An Applicant may have only one certified eligible Application per Program Year.
- B. An Applicant may resubmit a new Application if the Household’s Application has either been denied or withdrawn any time prior to the issuance of a Benefit.
- C. The Application will be processed in accordance with the requirements of this Section:
  1. The Subgrantee will begin taking Applications as prescribed by MaineHousing each Program Year.
  2. A Subgrantee will continue taking Applications until July 15 (or the first business day following July 15 if it falls on a weekend) of the Program Year.
  3. The Subgrantee must use forms provided or approved by MaineHousing to administer the Programs. Additional forms may be used by the Subgrantee provided the forms have been reviewed and approved by MaineHousing. Forms will be submitted for review and approval annually prior to the commencement of taking applications each Program Year.
  4. The Subgrantee will make a reasonable and good-faith effort during the first ninety (90) days it takes Applications to interview, process, and serve new and returning Priority Applicants who have a Direct Energy Cost.
  5. The Subgrantee will make a reasonable and good-faith effort to conduct outreach activities and process applications for any Household that has wood as its primary

Home Energy source within the first ninety (90) days of taking Applications for the Program Year.

6. At Applicant's request, and as otherwise appropriate, the Subgrantee must make reasonable accommodations for a Person with a Disability.
7. Any Applicant may apply via telephone. The telephone Application process includes completing the Application over the telephone with the Subgrantee administering the Programs in the Service Area in which the Household resides; the Subgrantee sends the completed Application and other appropriate documents to the Primary Applicant for review, signature, and date.
8. Limited English Proficiency (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HEAP program. In order to address this concern Subgrantees must comply with MaineHousing's Language Assistance Plan.
9. Application must be made with the Subgrantee administering the Programs in the Service Area in which the Household resides. In the event an Application is received by a Subgrantee for a Household residing in a Service Area other than the Subgrantee's designated Service Area, the Subgrantee shall notify the Primary Applicant of the error and forward the Application and supporting documentation to the applicable Subgrantee.
10. Primary Applicant is responsible for providing all information necessary to establish the eligibility of a Household. The Subgrantee must verify the income and identity of the Applicant(s) as prescribed by HEAP Handbook.

The Subgrantee shall verify Primary Applicant's identity by requesting a government-issued, photo identification card. One of the following is acceptable to establish the identity of the Primary Applicant:

- a. Driver's license;
  - b. State issued ID card;
  - c. Passport or passport card;
  - d. U.S. Military ID; or
  - e. SNAP electronic benefit transfer (EBT) card with photo.
11. All Applicant(s) two years of age or older must provide proof of their Social Security Number (SSN). One of the following documents is acceptable provided it contains all nine digits of the Applicant's SSN and the Applicant's full name:
    - a. Social Security Card issued by the Social Security Administration;
    - b. SSA 1099 tax form;
    - c. Non SSA-1099 tax form;

- d. Medicare card with number ending with the suffix “A”;
- e. Valid unexpired U.S. Military documents such as DD Form 214 Certificate of Release or Discharge from Active Duty issued by the U.S. Department of Defense;
- f. Bank tax form; or
- g. W-2 (wage and tax statement).

If the Household includes a child under the age of 24 months old who has not received a SSN, the Application is processed. However, the Primary Applicant must provide the child’s SSN for subsequent Program Year Applications, after the child reaches the age of 24 months old.

If a Household member is not a U.S. citizen, Applicant must provide a Social Security card issued by the Social Security Administration or an unexpired foreign passport with a valid unexpired U.S. Visa affixed accompanied by the approved I-94 form documenting the Applicant's most recent admittance into the United States, and documentation of Applicant’s status as a qualified alien pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, [8 USC §1641](#), such as a legal permanent resident, a refugee, an asylee, an individual paroled into the U.S. for a period of at least one (1) year, an individual whose deportation has been withheld, or an individual granted conditional entry.

12. As part of the application process all Applicants 18 years of age or older must sign a release to grant permission to share their personal information, as follows:
  - a. Maine Department of Health and Human Services, the Maine Department of Labor, and the Social Security Administration to share information with the Subgrantee or MaineHousing regarding information relevant to the Application about the Applicant at each of those agencies, including the benefits received from each of those agencies.
  - b. Subgrantee and MaineHousing to provide information to and obtain information from the agencies listed above or others as needed to determine and confirm eligibility for MaineHousing programs and other programs administered by the Subgrantee.
  - c. Subgrantee and MaineHousing to disclose Applicant information for the determination of eligibility for programs administered by State, federal, and local agencies.

- D. The information on an Application may be considered conflicting if it is inconsistent with verbal information provided by an Applicant, with other information on the Application, with prior Program Year Applications, or with information received from a third party.
  1. No information received from a third party, other than a government agency, will be used to determine eligibility, unless it is verified by an independent, reliable source.
  2. In the case where an Applicant's eligibility is in question because of conflicting information received from a third party, the Subgrantee or MaineHousing shall allow the Primary Applicant an opportunity to amend the current Application or reaffirm the information on it. Primary Applicant may also withdraw Application at any time (prior

to payment of Benefit). A new Application (rather than amended) would be required should an Applicant pursue assistance after withdrawal.

3. If the Primary Applicant elects not to amend the Application, eligibility shall be based on information contained in the Application and documentation provided by the Primary Applicant, documentation provided by a government agency, or information verified by other sources.
4. If verified information results in the Household being ineligible or determines the existence of Errors and Program Abuse or willful misrepresentation, the Application may be subject to denial or termination of Benefits.

E. The Subgrantee must certify or deny an Application within thirty (30) business days from the Date of Application.

1. Written notification of eligibility will be sent to the Primary Applicant within (10) ten calendar days of the decision or when funding is available, whichever is later. The benefit notification shall:
  - a. State the Benefit amount;
  - b. State the date the Benefit or a Credit Notification was sent to the Vendor;
  - c. State the approved Home Energy type;
  - d. State the manner by which the Primary Applicant can request an appeal, if applicable.
2. Written notification of denial must be sent to the Primary Applicant within (3) three business days whether funding is available or not. The denial notification shall:
  - a. State the facts surrounding the decision;
  - b. State the reason(s) for the decision;
  - c. State the manner by which the Applicant can request an appeal.

A denial for missing information will be rescinded if the required information is received by the Subgrantee within (15) fifteen business days from the date of the denial notification.

### 3. Eligibility.

- A. Except as may be expressly provided for elsewhere in this Rule, eligibility shall be determined on the basis of information submitted by the Primary Applicant as of the Date of Application. MaineHousing and Subgrantees reserve the right to ask for additional or clarifying information from Primary Applicant, Applicant(s), or third parties to determine eligibility.
- B. A Household may be eligible for Supplemental Benefits or TANF Supplemental Benefits if available.
- C. MaineHousing uses the federal Poverty Income Guidelines and State Median Income Guidelines as reported annually by the United States Department of Health and Human Services.

MaineHousing reserves the right to manage the Programs within those guidelines when determining benefits. MaineHousing will determine eligibility based on the availability of federal funding for the Programs during each Program Year.

D. Households in which at least one member receives TANF or SNAP assistance will have Categorical Income Eligibility for HEAP. Households providing documentation of receiving TANF or SNAP assistance on the Date of Application may have their HEAP Benefit determined at a pre-established percentage of the federal poverty level, or using actual vetted income if provided by Maine DHHS. If documentation of receiving TANF or SNAP assistance is not provided by the Applicant, the Applicant must provide income documentation as outlined in Section G.

E. Dwelling Unit Eligibility.

1. The Dwelling Unit must have a functioning Heating System. If the dwelling does not have a functioning Heating System, the Subgrantee may certify the Application for CHIP only provided the Application is complete and all applicable documentation has been provided.
2. If the dwelling is not permanently connected to or serviced by standard utilities such as electricity and water, the Subgrantee will obtain additional documentation to substantiate the Household occupies the dwelling as its primary residence on a full-time/year-round basis.
3. Applicants residing in Subsidized Housing with heat included in their rent may be eligible for Fuel Assistance if the Household pays a portion of their rent or utility costs. MaineHousing will issue a Benefit in an amount to maximize benefits under SNAP.
4. An Applicant who is self-employed and uses part of their Dwelling Unit for business may apply for the Programs. Benefits will be determined based on the rooms occupied and used by the Applicants as a residence; that part of the Dwelling Unit designated for business use will not be included.
5. Applicants who reside in hotels and motels may be eligible for Fuel Assistance if the Household provides documentation that the hotel/motel has been their permanent residence for at least sixty (60) days prior to the Date of Application.
6. If a Household's Application has been certified eligible, but all Applicants move to Subsidized Housing with heat included or an ineligible Dwelling Unit prior to the Benefit being paid, Household may not be eligible for the entire Benefit depending on Date of Application and Home Energy use during current Program Year.
7. A Household is not eligible for Programs when the Household resides in a Camper, regardless of any and all modification(s) or length, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.

F. Household Eligibility.

1. A Household is eligible for a Benefit if, on the Date of Application:
  - a. it is a full-time resident of the State and resides, intends to reside, or has resided in a Dwelling full-time for at least four (4) months during a Heating

Season and;

- b. it has a Direct Energy Cost or Indirect Determinable Energy Cost.
2. Pursuant to definition of Household, Eligible Household Members may also include:
    - a. aliens who have 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 (SAW) who perform seasonal agricultural work during a specified period of time;
    - b. an alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 245A of the Immigration and Nationality Act by approval of an application and who is aged, blind and/or disabled as defined in Section 1605 of the Social Security Act ([Public Law 74-271](#)) or Cuban or Haitian aliens as defined in [Public Law 96-422](#), Section 501 (e). Applicants are considered eligible if they have a Social Security card issued by the Social Security Administration, Green Card or show permanent Residents (I-551 Alien Registration Card, Passport, I-688B Employment authorization card, I-766 Employment Authorization Document, I-94 with R-1 or R-2 status designation). I-94 documents with no status designated only show permission to enter the U.S. but do not establish residency;
    - c. Eligible minor children residing with ineligible non-citizens;
    - d. a member of the Household who is away from the home part of the time is included as a Household member and their income must be included on the Application;
    - e. a live-in care attendant will be considered part of the Household if the live-in care attendant does not meet the definition of a Live-in Care Attendant in Section 1 of this Rule.
  3. A full-time college student, up to age 23 years old, or more than 23 years of age if permanently and totally disabled, who is a dependent of the Household and resides in the Dwelling Unit on the Date of Application, may be excluded from the Household if the Primary Applicant chooses, as long as the college student is not the Primary Applicant. If excluded from the Household, his or her income would not be counted. The Applicant must provide proof of student status and enrollment at a university, vocational college, business college, or other accredited institution for twelve (12) credit hours or more per semester.
  4. If otherwise eligible, Roomers and Boarders are eligible for a Benefit to the extent such Applicants prove that the rental arrangement giving rise to their Roomer or Boarder status was in existence for at least sixty (60) days prior to the Date of Application. At a minimum, such proof shall include verification that a reasonable market rate rent amount was paid by the Roomer or Boarder pursuant to the terms and conditions of the rental agreement for the entire sixty (60) day period. Roomers and Boarders cannot commingle funds or share expenses with lessor's Household.

G. Eligibility is based on documented Household Income or Categorical Income Eligibility. Household Income is determined and verified in accordance with the information provided on the Application and verified as part of eligibility determination process.

1. Household Income received during the one (1) month or 30-day period preceding the Application Create Date. Primary Applicants must provide pay stubs, or a statement from all current or former employer(s), documenting Household Income received during the one (1) month or 30-day income period prior to the Application Create Date.
2. Household Income includes, but is not limited to, the following:
  - a. Wages, salaries, and bonuses before any taxes or deductions;
  - b. Self-employment income. Households with self-employment income must use a current year's tax return if filed. If the Household has not filed a current year's tax return then the tax return for the previous year may be used. When supported by a tax return, self-employment income is defined as the total of net income (including net rental income) plus the total net gain from sales of capital goods or equipment plus depreciation. If the Applicant has not filed a tax return for the current or previous year, the Applicant may complete a self-employed income statement/worksheet accounting for the last twelve (12) months of income. Supporting documentation must be provided to substantiate the information on the statement/worksheet. Deductions or expenses related to self-employment income shall not be factored in to the amounts counted as income unless the Applicant provided the complete tax return from the current or prior year;
  - c. Social Security Retirement (SS), Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Benefits;
  - d. Unemployment and worker's compensation and/or strike benefits from union funds;
  - e. Spousal support or alimony received by an Applicant, or mortgage/rent payments in lieu of or in addition to payments;
  - f. Court ordered or voluntary child support payments received by an Applicant, or mortgage/rent payments in lieu of or in addition to support payments;
  - g. Military allotments (pay);
  - h. Veteran's Benefits;
  - i. Other support from an absent family member or someone not living in the Household excluding loans;
  - j. Income of person living in the Household who is a non-qualified alien and 18 years of age or older;
  - k. Government employee pensions, private pensions, and regular annuity payments;

- l. Income from dividends, rents, royalties, estates, trusts, and interest. Interest income under \$200.00 must be included as income, but does not need to be supported by documentation;
  - m. Net rental income, including funds received from Roomers and Boarders;
  - n. Winnings from any source of gambling or gaming is considered income including, but not limited to private gambling, lottery, horse racing, bingo, etc.;
  - o. Jury duty fees.
3. Exemptions from Household Income include:
- a. Assets drawn down from financial institutions;
  - b. Foster care payments;
  - c. Adoption assistance;
  - d. In-kind payments to an Applicant in lieu of payment for work, including the imputed value of rent received in lieu of wages or items received in barter for rent;
  - e. Capital gains (for business purposes);
  - f. Income from the sale of a primary residence, personal car, or other personal property;
  - g. Tax refunds;
  - h. One-time insurance payments;
  - i. One-time compensation for injury;
  - j. Non-cash income such as General Assistance voucher payments, the bonus value of food and fuel produced and consumed on farms, and the imputed value of rent from owner-occupied farm housing;
  - k. Bank loans, reverse mortgages, and home equity loans;
  - l. Reimbursement for expenses incurred in connection with employment;
  - m. Reimbursement for medical expenses;
  - n. Any funds received for education from grants, loans and scholarships, and work study;
  - o. Retroactive payments and overpayment adjustments from an entitlement program for a time period outside of the period being considered for HEAP eligibility (i.e. worker's comp, Social Security Benefits, etc.);
  - p. Income earned by an Applicant who is a full time high school student;
  - q. Income earned by a full-time college student who is not counted as a Household member pursuant to Section E.3 of this Rule;

- r. Combat zone pay to the military;
- s. Credit card loans/advances;
- t. All income used to fulfill a Social Security Administration Program to Achieve Self-Sufficiency (PASS);
- u. Federal payments or benefits excluded by law as set forth below:
  1. Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1902, [42 U.S.C. 4636](#)).
  2. Payments of land settlement judgments distributed to or held in trust for members of certain Indian Tribes under Public Laws [92-254](#), [93-134](#), [93-531](#), [94-114](#); [94-540](#), [97-458](#), [98-64](#), [98-123](#) and [98-124](#).
  3. Funds available or distributed pursuant to [Public Law 96-420](#), the Maine Indian Claims Settlement Act of 1980 ([25 U.S.C. 1721 et. seq.](#)) to members of the Passamaquoddy Tribe, the Penobscot Nation and the Houlton Band of Maliseet Indians.
  4. The value of the allotment provided a household under the Supplemental Nutrition Assistance Program ([7 U.S.C.A. 51](#)).
  5. The value of assistance to children as excluded under the National School Lunch Act ([42 U.S.C. 1760\(e\)](#)) and under the Child Nutrition Act of 1966 ([42 U.S.C. 1780\(b\)](#)).
  6. The value of commodities distributed under the Temporary Emergency Food Assistance Act of 1983 ([Public Law. 98-8](#), [7 U.S.C. 612c](#)).
  7. Allowances, earnings and payments to individuals participating in programs under the Workforce Innovation and Opportunity Act <https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf>
  8. Program benefits received under the Older Americans Act of 1965 ([42 U.S.C. sub-section 3020\(a\)\(b\)](#)) as wages under the Senior Community Service Employment Program (SCSEP).
  9. Payments to volunteers under the Domestic Volunteer Service Act of 1973 ([Public Law 93-113](#), [42 U.S.C. 5044](#)).
  10. The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, Section 101 of the Housing and Urban Development Act of 1965, or Title V of the Housing Act of 1949.
  11. The tax-exempt portions of payments made pursuant to the provisions of the Alaska Native Claims Settlement Act ([Public Law 92-203](#), [43](#)

[U.S.C. 1620\(a\)](#).

12. Payments for supportive services or reimbursement of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs under Titles II and III, pursuant to Section 418 of [Public Law 93-113](#).
  13. Any wages, allowances or reimbursement for transportation and attendant care costs, unless accepted on a case-by-case basis, when received by an eligible handicapped individual employed in a project under Title VI of the Rehabilitation Act of 1973 as amended by Title II of [Public Law No. 95-602](#).
  14. All student financial assistance including the following programs funded under Title IV of the Higher Education Act as amended:
    - a. Pell Grants;
    - b. Supplemental Educational Opportunity Grants;
    - c. Grants to States for State Student Incentives;
    - d. Special Programs for Students from Disadvantaged Backgrounds;
    - e. Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farm work;
    - f. Robert C. Byrd Honors Scholarship Program;
    - g. Assistance to Institutions of Higher Education;
    - h. Veterans Education Outreach Program;
    - i. Special Child Care Services for Disadvantaged College Students.
    - j. Payments to veterans for Aid and Attendance benefits.
4. For any Applicant who pays court ordered child support, the Subgrantee will deduct paid and documented child support payments made during the income period from the Applicant's gross income.
- H. For any Household found ineligible due to being over income, the Subgrantee will deduct paid and documented medical expenses not reimbursed for the 12-month period prior to the Date of Application from the gross income in an amount only enough to make Household eligible. Medical expenses may include medical and dental insurance premiums and transportation to medical appointments. Subgrantees will use Internal Revenue Service Publication 502, as same may be amended from time to time, to identify eligible medical and dental expenses.
- I. Primary Applicants may be required to refund any Overpayment. A Household's Eligibility to receive benefits from Programs is contingent on the resolution of any Overpayment.

1. MaineHousing will recoup all outstanding Overpayments from any current or future Benefits until the Overpayment is paid in full. MaineHousing will recoup 50% of a Household's current Program Year's Benefit and 50% of a Household's future Program Years' Benefits until the Overpayment has been paid in full.
2. The Household will be eligible for ECIP if they have entered into and are in compliance with the terms of a repayment agreement with MaineHousing to resolve the Overpayment or the Overpayment has been paid in full.
3. The Household will not be eligible to receive benefits under the Weatherization Assistance Program, CHIP, or Heat Pump Program until the Overpayment is paid in full.

4. Benefit Determination.

- A. Benefits are determined to ensure that Eligible Households with the lowest income and the highest Energy Cost in relation to income, taking into account family size, will receive a higher Benefit.
- B. Tenants residing in Subsidized Housing with heat included in their rent, who pay a portion of their rent or utility costs, are only eligible to receive a Benefit in an amount to maximize benefits under SNAP.
- C. MaineHousing, or the Subgrantee as allowed by MaineHousing, will assign a number of points to an Eligible Household that correlates to their Energy Costs. The number of points will be adjusted by an assigned percentage that correlates to the Eligible Household's poverty level. The adjusted number of points will then be multiplied by a dollar value based on the amount of the federal HEAP grant received and the number of Eligible Households served in the previous Program Year, the average Energy Cost for an Eligible Household in the previous Program Year, any anticipated increase or decrease in the federal HEAP grant to be received in the current Program Year, and any anticipated increase or decrease in average Benefits or the number of Eligible Households.

MaineHousing will announce the actual dollar value of Consumption Based and DHLC points no later than the fifteen (15) calendar days following receipt of the federal HEAP grant award.

1. The number of points assigned to an Eligible Household will be determined pursuant to the following:

Calculated or Reported Energy Cost	Points
\$.01-\$400	5
\$401-\$800	10
\$801-\$1200	15
\$1201-\$1600	20
\$1601-\$2000	25
\$2001-\$2500	30
\$2501 and over	35
Calculated or Reported Energy Cost falling between brackets will be rounded to the next higher or lower dollar amount, as appropriate. For example: \$400.01-\$400.49 will be rounded to \$400; \$400.50-\$400.99 will be rounded to \$401.	

Poverty Level as Calculated under the Federal Poverty Income Guidelines (FPIG)	Percentage of Points
0%-25%	130%
26%-50%	120%
51%-75%	110%
76%-100%	100%
101%-125%	90%
126%-150%	80%
>than 150% FPIG but not exceeding the maximum of the greater of 150% FPIG or 60% state median income	70%
Calculated poverty level amounts falling between brackets will be rounded to the next higher or lower amount. For example: income at 75.1% will be rounded to 75%; income at 100.6% will be rounded to 101%.	

All final point results that are fractional will be rounded up to the nearest whole number.

2. Calculating Energy Costs. Energy Costs are calculated by the Consumption Based or DHLC method.
  - a. Consumption Based. Energy Costs will be based on the Eligible Household's actual Home Energy deliveries, as reported on the Annual Consumption Report, for the primary Heating System as declared on the Eligible Household's Application.
    1. If the primary Heating System is electric, Energy Costs will be calculated by deducting 30% of the Household's annual electricity costs as reported by their Vendor on the Annual Consumption Report from the total annual electricity cost as reported by the Vendor on the Annual Consumption Report. The 30% deduction accounts for the non-heating usage of electricity.
    2. If an Eligible Household resides in Subsidized Housing and has a Direct Energy Cost, any annual utility allowance for heating will be deducted from the Eligible Household's Energy Cost reported by the Vendor on the Annual Consumption Report.
    3. If after 30% of annual electricity cost is deducted for non-heating usage of electricity when applicable, and after annual utility allowances for heating are deducted from annual Household Energy Cost reported by the Vendor on the Annual Consumption report, the Household has a calculated energy cost of less than or equal to zero (0), the Household is only eligible to receive a Benefit in an amount to maximize benefits under the Supplemental Nutrition Assistance Program (SNAP)
    4. Energy Cost will be calculated using the Consumption Based method provided the Eligible Household meets the following requirements:
      - a. The Eligible Household has a Direct Energy Cost and;
      - b. An Applicant occupied the residence for the entire previous Annual Consumption Report period and;

- c. An Applicant had an eligible Application in the prior Program Year and;
  - d. The Eligible Household purchased all of their Home Energy for their primary Heating System from a Reporting Vendor(s) for the previous Annual Consumption Report period and;
  - e. Reporting Vendor(s) submitted an Annual Consumption Report to MaineHousing that provided the Eligible Household's Home Energy delivery information and;
  - f. The Eligible Household's Energy Costs, as reported by Vendor(s) to MaineHousing, is for their residence only and;
  - g. The Eligible Household's primary Heating System does not use wood, wood pellets, corn, coal, or bio-bricks.
- b. Design Heat Load Calculation. DHLC shall be used to estimate the Energy Costs for Eligible Households that do not meet the requirements of the Consumption Based method. Under the DHLC, the number of rooms occupied by the Eligible Household shall be multiplied by the number of BTUs needed to heat an average sized room in a Dwelling Unit. That product will then be multiplied by the number of square feet of an average sized room in a Dwelling Unit. Next, that second product will be multiplied by the number of heating degree days of the Service Area in which the Eligible Household's Dwelling Unit is located. That third product is then divided by one million BTUs. The quotient is then multiplied by the cost of the Eligible Household's primary Home Energy type per one million BTUs. That fourth product is then divided by the efficiency rate of the primary Home Energy type to arrive at the Eligible Household's amount of energy consumption. The cost per one million BTUs and efficiency rate of the Applicant's Home Energy type will be periodically established by MaineHousing. The DHLC is based on the following factors:

1. The total number of rooms in the Dwelling Unit as listed on the Application. Hallways, bathrooms, and closets are not counted in the total number of rooms;
2. An assumed standard room size for the Dwelling Unit type. Standard room sizes and BTUs required to heat a Dwelling Unit vary by Dwelling Unit type because average room size and surface area exposure to the elements vary by Dwelling Unit type. The standard room sizes and BTUs used for each Dwelling Unit type are as follows:

<b>Dwelling Unit Type</b>	<b>Standard Room Size</b>	<b>BTUs</b>
Stick-built/Modular	144 square feet	14.3
Manufactured Home/mobile home	100 square feet	13
Apartment	120 square feet	8.3

3. The heating degree days for the Service Area. Heating degree

days are updated annually using data reported by National Weather Stations in Maine.

4. The estimated BTUs required to heat the Dwelling Unit;
5. Average cost per one million BTU. MaineHousing determines the average costs per one million BTU annually. Oil, kerosene, and propane costs are obtained by averaging the costs reported by the Governor’s Energy Office (GEO). Average costs for all other fuel types are based on a representative survey of Vendors’ pricing.
6. The efficiency rate for the primary Home Energy type listed on the Application. The Energy Cost per one million BTU and efficiency rate are based on the primary Home Energy type specified on the Eligible Household’s Application.

Home Energy Type	Efficiency Rate
Oil	65%
Kerosene	65%
Propane	65%
Natural Gas	65%
Biodiesel	65%
Electric	100%
Firewood	50%
Corn	60%
Wood Pellets	80%
Bio-bricks	80%

7. For Tenants in Subsidized Housing with a Direct Energy Cost, the annual utility allowance for heating, as provided by property manager on the Subsidized Housing form, must be deducted from the estimated Energy Cost in order to determine the Eligible Household’s heat burden.
8. If after annual utility allowances for heating are deducted from annual Household Energy Cost reported by the Vendor on the Annual Consumption report, the Household has a calculated energy cost of less than or equal to zero (0), the Household is only eligible to receive a Benefit in an amount to maximize benefits under the Supplemental Nutrition Assistance Program (SNAP)

5. Payment of Benefits.

A. A Primary Applicant shall select a Vendor that will deliver Home Energy to the Eligible Household. Payment of Benefits will be made directly to the Vendor. Except as set forth below, Vendors may be provided the option to choose to receive HEAP Benefits prior to delivery or post-delivery at MaineHousing’s discretion.

1. For payment prior to delivery, MaineHousing, or a Subgrantee as allowed by MaineHousing, will pay a Benefit to the Vendor or within ten (10) business days of the date the Application is certified eligible or when HEAP grant funds are available,

whichever is later.

2. For payment post-delivery, MaineHousing, or a Subgrantee as allowed by MaineHousing, will provide a Credit Notification Report within ten (10) business days of the date the Application is certified eligible or when HEAP grant funds are available, whichever is later. MaineHousing will make payment for HEAP Benefits after the Vendor makes delivery as authorized by MaineHousing.
  3. In the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for a Benefit after the Vendor makes delivery as authorized by MaineHousing and/or the Subgrantee. The Vendor must return a completed purchase order, including Applicant and Vendor signatures, to MaineHousing, or a Subgrantee as allowed by MaineHousing, within sixty (60) calendar days of the date of purchase order issuance. Receipt of the purchase order must be entered into the MaineHousing database. Contingent on database entry, MaineHousing, or the Subgrantee as allowed by MaineHousing, will make payment within ten (10) business days of the signed purchase order receipt date. If the purchase order is not returned within sixty (60) calendar days of the date of issuance it may be considered void. Extensions may be granted by the MaineHousing on a case-by-case basis.
- B. If there is no Vendor that serves the area in which the Eligible Household resides then MaineHousing, or the Subgrantee as allowed by MaineHousing, may pay Benefits directly to the Primary Applicant.
  - C. Payment of Benefits may be made directly to Tenants with an Indirect Determinable Energy Cost.
6. TANF Supplemental Benefits.
- A. Except as may be expressly provided for elsewhere in this Rule, the use and administration of TANF Supplemental Benefits is subject to the standards for HEAP Benefits set forth in this Rule.
  - B. Eligibility. A Household may be eligible for a TANF Supplemental Benefit if its Application for HEAP has been certified eligible in the current Program Year and if on the Date of Application:
    1. it included at least one member who was under the age of eighteen (18); and
    2. it did not reside in Subsidized Housing with heat included.
  - C. Benefit Determination. The TANF Supplemental Benefit per Eligible Household per Program Year shall be determined each Program Year by MaineHousing based on the projected number of Households eligible for TANF Supplemental Benefits and available funding.
  - D. Payment of Benefits. TANF Supplemental Benefits will be sent directly to Vendors in the same manner as regular HEAP Benefits as outlined in Section 5 above.
7. Benefit Returns and Transfer:
- A. Program benefits may not be sold, released or otherwise conveyed, with or without consideration, by the Eligible Household or the Vendor without written authorization from MaineHousing. MaineHousing will only authorize such conveyances when circumstances arise that prevent the Eligible Household from using the Benefit and MaineHousing determines such conveyance is in the best interest of the Eligible Household and is consistent with the intent of the HEAP Act.

- B. Program benefits may be available for reissue or transfer during the Program Year of issue and up until April 30<sup>th</sup> of the Program Year immediately following when:
1. All Applicant(s) move in State but continue with same Vendor.
  2. All Applicant(s) move in State and change Home Energy vendors.
  3. Household changes Vendor.
  4. All Applicant(s) move in State from a Dwelling Unit with Direct Energy Cost to a Dwelling Unit with heat included in their rent (not including Subsidized Housing).
  5. All Applicant(s) move in State to Subsidized Housing with Direct Energy Cost.
  6. Household changes Home Energy type.
  7. Primary Applicant has deceased and there are surviving Applicants remaining in the Household (unless surviving Applicant moves in State to a Household that has received a Benefit in the current Program Year).
- C. Household may be required to provide in writing the following in order to receive a Benefit reissue or transfer:
1. Primary Applicant's name.
  2. Previous address.
  3. Current address.
  4. Current phone number.
  5. Current rental agreement or current property tax bill, whichever is relevant.
  6. Current electric/utility company name and account number.
  7. Name on the electric/utility company account.
  8. Primary Heating System and Home Energy type.
  9. Fuel tank location.
  10. Current Home Energy Vendor name, address, and account number.
  11. Primary Applicant's signature and date submitted.

If for any reason the requested documentation is not provided, the reissuance or transfer of Benefits may be delayed and/or Benefits may be forfeited.

- D. Benefits may not be eligible for reissue or transfer when:
1. It is determined that Primary Applicant committed Errors and Program Abuse when completing the Application.

2. It is determined that there was an Overpayment.
3. Primary Applicant's permanent residence changes to a nursing home or long term care facility and there are no surviving Applicants remaining in the Household.
4. All Applicant(s) move to Subsidized Housing with heat included.
5. Primary Applicant moves in State into a Household that has been determined eligible for a Benefit in the current Program Year.
6. The Benefit was issued before the previous or current Program Year.
7. The Benefit was issued the previous Program Year and was not used on or before April 30<sup>th</sup> of the Program Year immediately following.
8. All Applicant(s) move to an ineligible Dwelling Unit.
9. Primary Applicant has deceased and there are no surviving Applicants remaining in the Household.
10. All Applicants move out of State.

If the Household subsequently moves to an eligible Dwelling Unit, the Benefit may be eligible for reissue provided the Benefit was for the previous or current Program Year.

- E. In the event Vendor receives a Benefit return form requesting the return of Benefits paid to Vendor on behalf of Eligible Households, Vendor shall return such Benefits to MaineHousing within fifteen (15) business days of date of Benefit return form. Once the funds are received, MaineHousing will process the reissue or transfer as appropriate within fifteen (15) calendar days.

8. Energy Crisis Intervention Program (ECIP).

- A. A Household may be eligible for ECIP if a Household member's health and safety is threatened by an Energy Crisis situation and the Household does not have the financial means to avert the Energy Crisis. The Subgrantee will determine whether the Household is experiencing an Energy Crisis on the Date of Application. An Eligible Household is income eligible for ECIP.

1. To determine if Household is in Energy Crisis:
  - a. Reading of 1/4 tank or less on a standard 275 gallon heating oil tank;
  - b. Reading of 25% or less on a propane tank;
  - c. 7-day or less supply for other delivered Home Energy types.
2. To determine an Energy Crisis with respect to utility terminations:
  - a. Household has received a disconnection notice; and
  - b. Household has exhausted its ability to negotiate and pay the terms of a reasonable payment arrangement.

B. Allowable expenditures must be related to averting an Energy Crisis and may include:

1. Home Energy deliveries provided the Eligible Household has exhausted any remaining Benefits previously issued to a Vendor on behalf of the Eligible Household;
2. Delivery charges associated with fuel deliveries made against an ECIP benefit and/or an upfront delivery made against a Household's regular benefit to avert an energy crisis situation.
3. Surcharges, reconnection charges, or penalties related to a final utility disconnect notice. Utility costs must be directly related to the operation of the Heating System;
4. Heating System repair, including restart fees;
5. Purchase of space heaters;
6. Temporary relocation provided the Eligible Household is experiencing a Life Threatening Crisis that cannot be averted within 18 hours by one of the above measures;
7. Rental payment assistance provided the Eligible Household is a Tenant whose rent includes heat and is facing eviction due to nonpayment of rent.

C. Unallowable Expenditures:

1. ECIP funds cannot be used if the Household has any other Heating System that is safe, operable and is capable of heating the dwelling adequately during severe cold weather, and has a supply of product for that Heating System.
2. ECIP funds cannot be used to pay for surcharges, reconnection charges, or penalties related to a final utility disconnect when that utility is not required for the operation of the primary Heating System.
3. ECIP funds cannot be used to pay for Home Energy deliveries or Heating System repairs if the Applicant resides in Subsidized Housing with heat included or a Rental Unit with heat included.
4. An Applicant with an Overpayment balance is not eligible for ECIP benefits unless they have entered into and are in compliance with the terms of a repayment agreement with MaineHousing to resolve the Overpayment.

D. The maximum ECIP benefit per Eligible Household per Program Year shall be determined each Program Year by MaineHousing based on Home Energy costs, economic conditions, and available funding.

E. ECIP will be administered pursuant to HEAP:

1. ECIP timeframe is November 1 through the following April 30;
2. Conditioned on the availability of ECIP funds, some form of assistance that will resolve the Energy Crisis, if Household is eligible to receive such benefits, will be provided within 48 hours after Household has been certified eligible for ECIP;

3. Conditioned on the availability of ECIP funds, some form of assistance that will resolve the Energy Crisis, if Household is eligible to receive such benefits and is in a Life Threatening Crisis situation, will be provided within 18 hours after a Household has been certified eligible for ECIP.
- F. The Subgrantee will provide the Primary Applicant written notice of ECIP denial within three (3) business days.
- G. ECIP Payment to Vendors.
1. Except in the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for ECIP after the Vendor makes delivery as authorized by MaineHousing/Subgrantee. The Vendor must return a completed purchase order and a delivery ticket to MaineHousing/Subgrantee. The Vendor must also submit an invoice if the total amount on the delivery ticket is greater than the ECIP purchase order amount or the delivery ticket does not account for all the charges that were approved on the purchase order. Receipt of the purchase order must be entered into the MaineHousing database. Contingent on database entry, MaineHousing will make payment within ten (10) business days of the receipt of the completed purchase order, a delivery ticket, and invoice (if applicable).
  2. In the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for ECIP after the Vendor makes delivery as authorized by MaineHousing/Subgrantee. The Vendor must return a completed purchase order, including Applicant and Vendor signatures, to MaineHousing/Subgrantee. Receipt of the purchase order must be entered into the MaineHousing database. Contingent on database entry, MaineHousing/Subgrantee will make payment within ten (10) business days of the signed purchase order receipt date.
9. Central Heating Improvement Program (CHIP).
- A. Eligibility. A Household may be eligible for CHIP if the Household:
1. is eligible for HEAP Fuel Assistance benefits;
  2. has an eligible Application that was certified within the preceding twelve (12) months; and
  3. does not have a more recent Application that has been certified-denied.
- B. Subgrantees shall provide CHIP services based on the following priority order:
1. Eligible Households experiencing an Energy Crisis caused by Heating System malfunction or failure.
  2. Non-wood Heating Systems that cannot achieve a minimum steady state efficiency of 70% (as determined by a CTE).

3. Preventative CTE and minor repairs on a non-emergency basis (owner-occupied dwelling units only). Date of the last CTE by a licensed technician must be more than twelve (12) months prior to the initiation of services date.
4. The installation of a Heat Pump.

Eligible Households shall be served on a first-come, first-served basis with respect to each level of priority except when the Subgrantee is providing weatherization services to a Dwelling Unit. In this case, CHIP activities to Eligible Households that enable the Subgrantee to leverage funds may be served first.

C. Subgrantees shall administer and operate CHIP in their Service Areas unless otherwise determined by MaineHousing.

D. Heating System Replacement. Household may be eligible for assistance to replace a Heating System if the Household is eligible for Benefits pursuant to this Rule. The amount of assistance shall take into account the Applicant Household's and Non-occupying Co-owner's Countable Assets.

1. The Applicant Household will be required to contribute toward the cost of replacing the Heating System if the Applicant Household has Countable Assets in excess of \$5,000, or \$50,000 if a member of the Applicant Household is an Elderly Person. The same guidelines apply to Non-occupying Co-owner's Countable Assets.

The overall purpose of these asset limitations is to encourage a Household's contribution to meeting their needs, when possible, and at the same time recognize that household assets represent needed income and insurance against financial calamities, and that it is prudent to retain these assets to some extent.

2. An Applicant Household's contribution shall be determined by subtracting \$5,000 or \$50,000 (whichever is applicable) from its total Countable Assets. That difference will then be multiplied by the Applicant Household's percentage of ownership. A Non-occupying Co-owner's contribution shall be similarly calculated. The maximum CHIP benefit amount shall be determined by subtracting the sum of the Applicant Household's and Non-occupying Co-owner's contributions from the total replacement costs.

E. Rental Units Occupied By An Eligible Household: A life-time maximum benefit of \$400 for an Eligible Household. The maximum allowed in a non-owner occupied multi-family building is the lesser of \$400 times the number of Heating Systems that provide heat to Eligible Households or \$1,600.

F. Life Estates and Life Leases: If an Eligible Household member holds a life estate or life lease interest in and occupies the Dwelling Unit, the Dwelling Unit may be eligible if:

1. the document conferring the Applicant's rights of the life estate or life lease states that the Eligible Household member is responsible for maintaining the Dwelling Unit, or is silent as to who is responsible for maintenance; or
2. the Dwelling Unit is owned by an Eligible Household.

G. Proof of Ownership. The Subgrantee shall verify ownership of all Dwelling Units and Rental Units

prior to performing any work. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.

Life estates and life leases require a copy of the document conferring the Applicant's rights.

The Subgrantee must obtain the written permission of the owner of the Rental Unit prior to performing any work on the Heating System unless the Tenant has exercised his or her right under 14 M.R.S.A. Section 6026 to make certain repairs.

H. A Dwelling Unit will not be eligible under CHIP if:

1. Dwelling Unit is a Rental Unit that has received prior CHIP services to the life-time maximum benefit;
2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
3. Dwelling Unit has been designated for foreclosure;
4. Dwelling Unit is for sale;
5. Dwelling Unit is vacant;
6. Dwelling Unit is uninhabitable as determined by a local municipality, State Agency, MaineHousing, or a Community Action Agency;
7. Dwelling Unit is in poor structural condition making the installation of CHIP services impractical, impossible, or ineffective;
8. Dwelling Unit is in such poor structural condition that the proposed CHIP services would have a longer life expectancy than the Dwelling Unit;
9. Dwelling Unit has been damaged by fire, flood or an act of God and repair of the damage is covered by insurance;
10. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the CHIP process. The Subgrantee must resolve any discrepancies before work can continue;
11. Subgrantee determines the Applicant failed to properly maintain a Heating System that was previously replaced under CHIP.
12. Eligible Households who apply for CHIP services for more than one Dwelling Unit will be subject to additional review to ensure the requested services are consistent with the intent of the program.

I. CHIP Allowable Uses:

1. Cleaning, tuning, and evaluating oil or gas systems;

2. Cleaning, evaluating, and servicing solid fuel systems;
3. Replacing oil or gas burners;
4. Replacing cracked heat exchangers;
5. Replacing oil, gas, electric or solid fuel Heating Systems;
6. Sealing and insulating Heating System pipes or ducts in unconditioned spaces;
7. Installing electrical or mechanical Heating System ignition systems;
8. Replacing or relocating thermostats and anticipator adjustment;
9. Baffling of the combustion chamber;
10. Optimizing the firing rate;
11. Cleaning of the chimney;
12. Smoke Alarms;
13. Fire extinguishers;
14. Carbon Monoxide detectors;
15. Gas detectors;
16. Oil tanks;
17. Oil tank gauges;
16. Installation of a Heat Pump;
17. Temporary relocation provided the Eligible Household is experiencing a Life Threatening Crisis that cannot be adequately addressed through ECIP measures;
18. Other measures necessary to bring Heating Systems into compliance with applicable State and local codes and Maine Fuel Board requirements; and
19. Other measures necessary to correct any Heating System problems that pose an immediate threat to the health and safety of the Eligible Household.

J. CHIP Unallowable Uses:

1. Reimbursement or payment for purchases made by or costs incurred by an Applicant.
2. Replacement of a Heating System if the Dwelling Unit received a prior Heating System replacement funded by CHIP unless the Heating System is near the end of or beyond its estimated useful life as defined by [https://www.hud.gov/sites/documents/EUL\\_FOR\\_CNA\\_E\\_TOOL.PDF](https://www.hud.gov/sites/documents/EUL_FOR_CNA_E_TOOL.PDF)

- K. Fuel Switching. As a general guideline, the practice of fuel switching is not allowed. However, if the Subgrantee determines that the switching of a fuel source is warranted, then a written waiver request must be submitted to MaineHousing for review and consideration (on a case-by-case basis) prior to the installation.
  
- L. Subgrantee must perform a final inspection on all CHIP services for heating system replacement jobs. Inspections will include an evaluation to determine:
  - 1. Compliance with applicable codes;
  - 2. That all work performed was authorized by the Subgrantee; and
  - 3. The combustion efficiency level of the Heating System where technically feasible.
  
- M. Specific Procurement Requirements. Prior to the performance of CHIP services, the Subgrantee shall follow the procedures below:
  - 1. Procurement less than or equal to \$10,000. Procurement of services, including materials, equipment and services from specialized trades, such as electricians, plumbers, masons and oil burner repair people shall be performed in accordance with the following procedures.
    - a. Solicit by phone, email, vendor website, catalog, or price list, or similar means one price quote for the required materials, equipment and services.
    - b. Determine if the quoted price is reasonable based on one or more factors identified by Subgrantee, such as recent purchases of, or research on, goods or services of the same kind or related knowledge or expertise; otherwise, solicit two price quotes by similar means.
    - c. Copies of all procurement records, including basis for the contractor selection and factors used to determine if the quoted price is reasonable, must be retained in the Subgrantee files.
  - 2. Procurement over \$10,000. Procurement of services, including materials, equipment and services from specialized trades, such as electricians, plumbers, masons and oil burner repair people shall be performed in accordance with the following procedures.
    - a. Perform a price survey for the required materials, equipment and services.
    - b. Make every reasonable attempt to receive price quotations or bids from at least three (3) reputable Contractors and fully document the bid process and all bids received on a survey sheet.
    - c. Purchase the materials, equipment or services from the Contractor whose bid or proposal is the lowest, taking into consideration the Contractor's performance record and other relevant factors. Fully document the selection process.
    - d. Copies of all procurement records, including basis for contractor selection must be retained in the Subgrantee files.
  - 3. The Subgrantee must prepare an Invitation to Bid or a Request for Proposal, which:

- a. Identifies all requirements which prospective bidders must fulfill, including the due dates for bids; and
  - b. Identifies all factors which the Subgrantees will consider in evaluating and awarding bids.
4. The Invitation to Bid or Request for Proposal must be mailed, faxed or emailed to no less than three (3) prospective contractors who may reasonably be expected to submit a bid.
5. All bids must be received by the Subgrantee contact person via mail, fax or e-mail prior to a specified time for a bid opening at a specified time and location. All bids received must be kept in a secure location prior to all bids being received and tabulated. In addition, all correspondence relating to the procurement action must be retained in the bid files.
6. Sole Source Procurement. Subgrantee may solicit a proposal from only one source for one of the following reasons.
  - a. Sole source procurement may be used in the following instances:
    1. Emergency or Urgent Need. An emergency situation or other urgent need exists and only one known source can provide the required goods or services within the time needed. Emergency or urgent situations include, but are not limited to, natural disasters or a Life Threatening Crisis.
    2. Uniqueness. The item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.
    3. Inadequate Competitive Proposals. After evaluation of all proposals submitted in a competitive procurement, all proposals are determined to be inadequate.
  - b. Subgrantee shall submit a written statement justifying the use and approval of all sole source procurements, in excess of \$10,000 to MaineHousing for its consideration prior to the installation of services.
  - c. Subgrantee will retain a copy of the solicitation and the proposal received in response, a record of the approval by MaineHousing in Subgrantee's records.

#### 10. HEAP Weatherization.

- A. The purpose of HEAP Weatherization is to reduce Eligible Households' need for Fuel Assistance, particularly those with the lowest Household Incomes that pay a high proportion of Household Income for Home Energy and those that include Priority Applicants.
- B. Using HEAP Weatherization in conjunction with U.S Department of Energy (DOE) funds: If the requirements in this Rule conflict with those required by [10 CFR Part 440](#), DOE requirements shall have precedence, with the exception to variations listed and approved in the LIHEAP State Model Plan Weatherization Assistance Section. HEAP Weatherization funds may only be used to weatherize Dwelling Units occupied by Eligible Households.
- C. Weatherization measures must be installed in accordance with the Maine Weatherization Standards, as may be amended from time to time.

- D. Eligibility. A Household may be eligible for HEAP Weatherization if the Household:
1. is eligible for Benefits pursuant to this Rule;
  2. has an Application certified-eligible within the twelve (12) months preceding the date of the Subgrantee's energy audit of the Dwelling Unit; and
  3. does not have a more recent Application that has been certified-denied.
- E. Proof of Ownership. The Subgrantee shall verify ownership of all Dwelling Units and Rental Units prior to performing any work. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.

Life estates and leases require a copy of the document conferring the Applicant's rights.

The Subgrantee must obtain the written permission of the owner of the Rental Unit prior to performing any work.

- F. A Dwelling Unit will not be eligible under HEAP Weatherization if:
1. Dwelling Unit received weatherization services under HEAP Weatherization or another MaineHousing program within fifteen (15) years of the date of Application.
  2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
  3. Dwelling Unit has been designated for foreclosure;
  4. Dwelling Unit is for sale;
  5. Dwelling Unit is vacant;
  6. Dwelling Unit is uninhabitable as determined by a local municipality, State Agency, MaineHousing, or a Community Action Agency ;
  7. Dwelling Unit is in poor structural condition making the installation of HEAP Weatherization services impractical, impossible, or ineffective;
  8. Dwelling Unit is in such poor structural condition that the proposed HEAP Weatherization services would have a longer life expectancy than the Dwelling Unit;
  9. Dwelling Unit has been damaged by fire, flood or an act of God and repair of the damage is covered by insurance;
  10. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the HEAP Weatherization process. The Subgrantee must resolve any discrepancies before work can continue.

G. Allowable Uses:

1. Weatherization needs assessments/audits;
2. Air sealing and insulation;
3. Storm windows;
4. Heating System modifications/repairs;
5. Heating System replacements;
6. Heating System cleaning, tuning, and evaluating;
7. Compact fluorescent light bulbs and LED light bulbs;
8. Energy related roof repairs;
9. Major appliance repairs/replacements, including water heaters, up to two appliances, with one being a water heater;
10. Incidental Repairs;
11. Health and safety measures;
12. Replacement windows and doors are allowable only under exceptional circumstances and only after all other reasonable repair options have been considered and rejected.

H. Fuel Switching: As a general guideline, the practice of fuel switching when replacing Heating Systems is not allowed. However, if the Subgrantee determines that the switching of a fuel source is warranted, then a written waiver request should be submitted to MaineHousing for review and consideration (on a case-by-case basis) prior to the installation.

I. Work on an eligible Dwelling Unit previously weatherized under a MaineHousing program may be reopened if:

1. the reopening occurs within six (6) months of completion of the original weatherization service; and
2. The reopening is required because the previous service is the proximate cause of an immediate threat to the health and safety of the occupants; or
3. The quality of weatherization material or its installation is deemed deficient by MaineHousing.

J. Subgrantees shall administer and operate HEAP Weatherization in their Service Areas, unless otherwise authorized by MaineHousing.

K. For the purposes of HEAP Weatherization, Subgrantees must conduct a public bid process to secure weatherization contractors at least annually as prescribed by MaineHousing.

11. Heat Pump Program.

A. The purpose of the Heat Pump Program is to help reduce Eligible Households' overall home energy costs.

B. Eligibility. A Household may be eligible for the Heat Pump Program if the Household:

1. is eligible for Benefits pursuant to this Rule;
2. has an Application certified-eligible within the twelve (12) months preceding the date of the Subgrantee's energy audit of the Dwelling Unit;
3. does not have a more recent Application that has been certified-denied; and
4. has a working primary heating system.

C. Proof of Ownership. Ownership of all Dwelling Units shall be verified prior to any work being performed. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.

Life estates and leases require a copy of the document conferring the Applicant's rights.

D. A Dwelling Unit will not be eligible under the Heat Pump Program if:

1. Dwelling Unit already is equipped with a heat pump;
2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
3. Dwelling Unit has been designated for foreclosure;
4. Dwelling Unit is for sale;
5. Dwelling Unit is vacant;
6. Dwelling Unit is uninhabitable as determined by a local municipality, State Agency, MaineHousing, or a Community Action Agency ;
7. Dwelling Unit is in poor structural condition making the installation of a heat pump impractical, impossible, or ineffective;
8. Dwelling Unit is in such poor structural condition that the proposed Heat Pump Program services would have a longer life expectancy than the Dwelling Unit;
9. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the HEAP Weatherization process. The Subgrantee must resolve any discrepancies before work can continue.

E. Allowable Uses:

1. Installation of a Heat Pump; and
2. Installation of electric subpanel for heat pump if needed.

12. Administration of the Program.

- A. MaineHousing will prepare and submit to the Secretary of the United States Department of Health and Human Services an annual State Plan for HEAP in conformity with the provisions of the HEAP Act. MaineHousing will notice a public hearing for the purpose of taking comments on the State Plan and will also prepare a transcript of such comments.
- B. HEAP Handbook. The HEAP Handbook is an operations manual for the administration of the Programs. This Rule shall control in the event of any inconsistency between the HEAP Handbook and this Rule.
- C. General. To the extent practicable, MaineHousing will contract with Subgrantees for the purpose of administering the Programs and may require the Subgrantee to provide benefits in connection therewith, including Supplemental Benefits if such benefits become available during the Program Year, to Eligible Households. MaineHousing may, in its discretion, provide benefits in connection with the Programs and make prepayments, installment payments and advances with or without interest in connection therewith, including without limitation, payment of direct benefits to Eligible Households or Vendors, or may contract with other entities, such as municipalities, to administer the Programs and provide benefits.
- D. Conflict of Interest. No employee, officer, board member, agent, consultant or other representative of Subgrantee, Vendor, or Contractor who exercises or has exercised any function or responsibility with respect to Programs' activities or who is in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from Programs' activities or have an interest in any contract, subcontract or agreement regarding the Programs' activities, or the proceeds there under, which benefits him or her or any person with whom he or she has business or family ties. Subgrantees, Vendors, and Contractors shall notify MaineHousing of any potential conflict of interest.
- E. Confidentiality. Subgrantees, Vendors, Contractors, and their employees and agents shall keep confidential:

Applicant or beneficiary information obtained in the administration of the Programs, including without limitation, an individual's name, address and phone number, household income, assets or other financial information, and benefits received ("Confidential Information").

Subgrantees, Vendors, Contractors, and their employees and agents shall safeguard and protect from disclosure at all times Confidential Information including, without limitation, taking the following steps:

1. Put measures in place to prevent the loss, theft, misappropriation or inadvertent disclosure of Confidential Information.
2. Encrypt all Confidential Information contained on computers, laptops, and other electronic devices and media used in whole or in part, in the operation or administration of the Programs.
3. Send e-mail or e-mail attachments containing Confidential Information only if encrypted

or only through a secure e-mail server.

4. Make their employees, officers, agents, contractors, sub-contractors and other representatives who operate or administer any of the Programs or otherwise provide services under the Programs aware that the responsibility to safeguard and protect Confidential Information applies at all times, whether or not they are at a work location during normal business hours.
  5. Limit disclosure to persons with a direct need to know.
- F. MaineHousing will conduct program and fiscal monitoring of Subgrantees and Vendors to ensure compliance with Federal, State, and MaineHousing rules and regulations in a manner consistent with applicable State law, as may be amended from time to time, and the HEAP Act.

### 13. Subgrantees.

- A. Service Areas. MaineHousing will select at least one Subgrantee to administer the Programs in each Service Area.
- B. Selection of Subgrantees. Subgrantees will be selected annually based on the following criteria:
  1. Experience with providing Fuel Assistance or similar programs to low-income persons;
  2. Current capacity to administer a timely and effective Fuel Assistance program for the intended Service Area;
  3. Demonstrated capacity to adequately serve low-income persons residing in their Service Areas;
  4. The availability of other qualified entities to service a particular area;
  5. The geographic area customarily serviced by the potential Subgrantee;
  6. Cost efficiency in administering a Fuel Assistance program;
  7. The ability to enhance accessibility to other low-income programs administered by the Subgrantee;
  8. Acceptable schedule for taking Applications; and
  9. The ability to perform outreach activities and serve homebound recipients.

Subgrantees shall make annual, written applications to MaineHousing that address each of the criteria listed above. Subgrantee applications must be received no later than June 1 of each year.

- C. Allocation to Each Subgrantee. MaineHousing will determine the annual allocation of HEAP funds to each Subgrantee, the amount of which annual allocation shall not include any amount of HEAP funds allocated to MaineHousing to pay Benefits in the event MaineHousing elects to provide Benefits directly. MaineHousing may base any allocation determination on the number of Applications certified eligible in the Service Areas in the previous Program Year.

- D. Subgrantee Administrative and Program Expenses. Subgrantees shall be permitted administrative and program expenses necessary to carry out their responsibilities under this Rule and the Programs. Such expenses will be allowed in a manner consistent with the provisions of the HEAP Act and must be reasonable in amount as determined by MaineHousing following its review of the Subgrantee work plans and budgets. Allowable administrative and program expenses for each of the Programs are listed below. Other expenses may be allowed if authorized by MaineHousing before the expenses are incurred.

<b>Fuel Assistance and ECIP</b>	<b>Expense Category</b>
Salary and fringe benefit costs for the actual time an individual performs intake, processing, or eligibility determination functions associated with an active Application	Program
Salary and fringe benefit costs for the actual time an individual participates in administering Fuel Assistance or ECIP and is not performing functions associated with an active Application	Program
Salary and fringe benefits and other related and reasonable costs for specific HEAP and ECIP training and professional development of individuals performing intake, application processing, eligibility determination, and administration of HEAP fuel assistance and ECIP	Program
Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, data processing/computer costs, equipment repairs and maintenance, equipment purchase/lease, and consultants/professional services associated with the above referenced activities.	Program
Indirect costs	Administrative
Salary and fringe benefits and other related and reasonable costs for specific HEAP and ECIP training and professional development for individuals whose salary and fringe benefits are budgeted directly to Administrative Costs or for whom salary and fringe are included in the agency's Indirect Rate	Administrative
Salary and fringe costs, space costs, rent, telephone, copying, printing, office supplies, postage, transportation, travel, data processing, computer costs, equipment repairs and maintenance, equipment purchase or lease, consultant fees and professional services associated with the administration of HEAP not included in the agency's Indirect Rate or allowable from program funding	Administrative
<b>HEAP Weatherization, CHIP, and Heat Pump Program</b>	<b>Expense Category</b>
Material/labor costs for Heating system repairs/replacements and measures installed as part of weatherization	Program

Either salary and fringe benefit costs for the actual time staff participates in administering HEAP Weatherization, CHIP, Heat Pump Program or a program management fee established by MaineHousing.	Program
Space costs/ rent, telephone, copier/printing, office supplies, postage, transportation/travel, equipment purchase/lease, liability insurance, pollution occurrence insurance, and consultants/professional services.	Program
Indirect costs	Administrative
<b>Assurance 16 Services</b>	<b>Expense Category</b>
Salary and fringe benefit costs for staff providing direct services and the direct administrative costs associated with providing the services, such as the costs for supplies, equipment, travel, postage, utilities, rental and maintenance of office space	Program

- E. Assurance 16 Activities. Subgrantees may submit annual proposals, for MaineHousing’s consideration, describing their planned activities and expenses associated with providing services to Applicants pursuant to Assurance 16 of the HEAP Act.
- F. Subgrantee’s Responsibilities. The responsibilities of the Subgrantee include, but are not limited to, the following and as further defined in the annual Subgrant Agreement:
1. To conduct client outreach in a manner consistent with the HEAP Act and as prescribed in this Rule.
  2. To accept and verify Applications from Primary Applicants in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
  3. To determine Household eligibility in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
  4. To pay benefits, if required by MaineHousing, to or on behalf of Eligible Households in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
  5. To provide documentation and assistance as needed for MaineHousing to conduct informal reviews and fair hearings.
  6. To pay Supplemental Benefits, if required by MaineHousing, if such benefits become available during the Program Year.
  7. To use MaineHousing database software and equipment.
  8. To address no-heat emergencies.
  9. To cost effectively administer and operate the Programs.

10. To prioritize Eligible Households for HEAP Weatherization services in accordance with the HEAT Enterprise software.
11. To coordinate services between Programs.
12. To submit to MaineHousing production schedules for the Programs.
13. To submit to MaineHousing work plans and budgets, monthly status reports and any other such reports or information required in connection with the Programs.
14. To submit to MaineHousing billing information, including zero billings, for open contracts by 20th of each month.
15. To use forms provided or approved by MaineHousing to administer the Programs.
16. To protect personally identifiable information.
17. At Applicant's request, to make reasonable accommodations for a Person with a Disability.
18. To ensure that procurement of materials and services is conducted in a manner to provide open and free competition and to avoid any appearance of impropriety, the Subgrantee shall be bound by general federal procurement principles at [45 CFR §§ 75.327](#) to 75.335 and property management principles at [45 CFR §§ 75.316](#) to 75.323..

G. Recordkeeping, Reporting and Accounting. Subgrantee shall comply with the following requirements:

1. Subgrantee shall maintain comprehensive and accurate documentation, payroll reports, financial statements, and other records in connection with its administration of the Programs, including at a minimum, the amount and disposition of the Programs' funds received by the Subgrantee and the total cost necessary to administer the Programs. Subgrantee shall keep such records separate and identifiable from the records of Subgrantee's other business and activities. MaineHousing and its representatives shall have the right to examine such records at reasonable times upon reasonable notice by MaineHousing. Subgrantee shall furnish copies of any such records requested by MaineHousing. All records must be retained by the Subgrantee for a minimum of three (3) years from the end of relevant contract period. In cases of litigation, other claims, audits, or other disputes the Subgrantee will retain all relevant records for at least one (1) year after the final disposition thereof.
2. Subgrantee shall comply with all reporting requirements of MaineHousing. Subgrantee shall submit to MaineHousing an annual budget prior to each Program Year. Within ninety (90) calendar days after the close of the Subgrantee's fiscal year, Subgrantee shall furnish to MaineHousing an annual financial statement of Subgrantee, prepared by an independent certified public accountant in accordance with audit requirements at 45 CFR Part 75, Subpart F.

H. Funds for administrative expenses for the Program Year and supplemental funding received, if any, may be spent only between October 1 and the following September 30 of the applicable Program Year, unless otherwise authorized by MaineHousing.

I. Noncompliance.

1. MaineHousing shall have the right to terminate the Subgrantee Agreement in its sole discretion if it determines the Subgrantee has failed to perform one or more of its obligations to include malfeasance or misappropriation of funds. A written Notice of Termination of Subgrantee will set forth the specific violation.
2. For non-compliance other than those which MaineHousing determines are subject to immediate termination, a deficiency notice will be sent to the Subgrantee in the event it fails to comply with any provision of this Rule, the Subgrantee Agreement, the Program Handbook, and the provisions of other applicable law. The Notice will set forth the specific violation and allow a reasonable time period for response by the Subgrantee. Upon review and consideration of any responses, MaineHousing will notify the Subgrantee in writing of any action to be taken and may establish a reasonable time period within which remedial action must be taken. Failure of Subgrantee to comply will result in a Notice of Termination of Subgrantee stating the cause and effective date of its termination.
3. MaineHousing shall have the right to suspend in whole or in part the Subgrantee's performance of one or more services provided under the Agreement whenever MaineHousing determines such suspension is in MaineHousing's best interest.
4. MaineHousing may bar a Subgrantee's participation in programs administered by MaineHousing for its malfeasance or misfeasance with respect to the administration or operation of any of the Programs.

#### 14. Native American Tribal Organizations.

- A. Direct Allocation to Native American Tribal Organizations. Native American Tribal Organizations may receive a direct allocation of HEAP funds from the Secretary of the United States Department of Health and Human Services pursuant to the HEAP Act. The amount of the direct allocation is determined by the percentage of Maine's total annual LIHEAP award that MaineHousing indicates will be awarded to Maine's Native American Tribal Organizations. In its determination MaineHousing will consider the number of Eligible Households during the previous Program Year that include an Applicant who is a member of the Native American Tribal Organization, when that information is available.
- B. Agreements with Native American Tribal Organizations. When a Native American Tribal Organization receives a direct allocation of Fuel Assistance and ECIP, MaineHousing will enter into an agreement with the Native American Tribal Organization that, at a minimum, provides for the coordination of services and administration of the Fuel Assistance and ECIP by the Native American Tribal Organization and Subgrantees to prevent duplication of services.

#### 15. Vendors.

- A. Vendor Eligibility. A vendor interested in becoming a Vendor must demonstrate the capacity and stability of its business to MaineHousing's satisfaction. The vendor must supply a credit report and a business plan. The vendor must be in business for one year prior to becoming a Vendor.

MaineHousing reserves the right to exclude a vendor for the following, not limited to:

1. Any bankruptcies or judgments;
2. Owners and/or officers of vendor were previously owner/officer of terminated Vendor;

3. Failure to comply with Close-Out requirements.

B. Enrollment.

1. Open Enrollment for new vendors: vendors may enter into a Vendor Agreement during the time period as prescribed by MaineHousing. If the vendor does not submit accurate and complete documentation the vendor may not be allowed to participate in the current Program Year.
2. Re-Enrollment for Vendors: Vendors who have a current Program Year contract may enroll as prescribed by MaineHousing. Continued participation is contingent upon performance and compliance with terms of Vendor Agreement.

C. MaineHousing, at its discretion, may terminate any Vendor:

1. That does not comply with the terms and conditions of the Vendor Agreement;
2. That fails to provide documentation and cooperate with any audit/investigation and/or the return of unused Benefits as determined by any audit/investigation. In addition, MaineHousing may undertake any of the following:
  - a. Bar the Vendor from future participation;
  - b. Refer the case to State or federal officials for criminal prosecution or civil action; and
  - c. Pursue other remedies as determined by MaineHousing.

D. Vendors must comply with State law concerning consumer home heating rights, which is described in Office of the Maine Attorney General Consumer Law Guide Chapter 19.

E. Vendor may not consider an Eligible Household's outstanding indebtedness to Vendor in calculating the Retail Cash Price applicable to a delivery of Home Energy to that Eligible Household.

F. Return of Payments.

1. In the event Vendor receives a Benefit Return form requesting the return of Benefits paid to Vendor on behalf of Eligible Households, Vendor shall return such Benefits to MaineHousing, or Subgrantee as allowed by MaineHousing, within fifteen (15) business days of date of Benefit Return form.
2. In the event Vendor becomes aware of any of the events listed below affecting an Eligible Household, Vendor shall within fifteen (15) business days of the date that Vendor becomes aware of any such event, submit to MaineHousing a completed Benefit Return form and return any remaining Benefits paid to Vendor on behalf of the affected Eligible Household, unless the remaining Benefits are less than \$25.

Vendor may aggregate any remaining Benefits with a balance less than \$25 and return the balance to MaineHousing when the Annual Consumption Report is submitted. All related recordkeeping must clearly show all remaining benefit balances.

- a. The death of an individual who was the sole member of an Eligible Household;
  - b. The institutionalization of an individual who was the sole member of an Eligible Household;
  - c. Vendor's receipt of a written notice from an Eligible Household that it no longer desires to receive Home Energy deliveries from Vendor;
  - d. An Eligible Household has not received deliveries of Home Energy for twelve (12) consecutive months;
  - e. An Eligible Household has moved out of Vendor's Service Area;
  - f. An Eligible Household has moved out of State;
  - g. Vendor has been paid an excessive Benefit on behalf of the Eligible Household.
3. Vendor shall return to MaineHousing all unused Benefits in its possession or custody, whether directly or indirectly, within fifteen (15) business days of the termination of the Vendor Agreement.
  4. With respect to each return of Benefits, the Vendor agrees to provide in writing: the name and address of the Vendor; the name and address of the Eligible Household; the Eligible Household's account number; the Benefit amount being returned; and a concise explanation for the return of funds. In addition Vendor must include a detailed account history showing delivery activity and payment activity from twelve (12) months prior to the date the Benefit was received by Vendor to the current date. Vendor must also provide any other information required by MaineHousing related thereto.
  5. Vendors may refund credit balances to Eligible Households only to the extent that such credit balances can be documented and demonstrated to be the Eligible Household's funds and not Fuel Assistance funds.
- G. As part of the Annual Consumption Report process, Vendors must review Eligible Household accounts and identify any remaining Benefits that were issued in or prior to the preceding Program Year. All such unused Benefits must be returned to MaineHousing no later than June 30.
- H. Use of Benefits.
1. Program benefits may not be sold, released or otherwise conveyed, with or without consideration, by the Eligible Household or the Vendor without written authorization from MaineHousing. MaineHousing will only authorize such conveyances when circumstances arise that prevent the Eligible Household from using the benefit and MaineHousing determines such conveyance is in the best interest of the Eligible Household and is consistent with the intent of the HEAP Act.
  2. Benefits cannot be used to pay Incidental Costs.
  3. Unless otherwise authorized by MaineHousing, the Vendor may only deliver the product stated on the Vendor Voucher Report, the Credit Notification Report, or the purchase order for wood or ECIP.
  4. Vendor may deliver the entire Benefit if the Household has placed an order (for

partial Benefit) or if the Household is on automatic delivery unless:

- a. The Household advises the Vendor all Applicants are moving;
  - b. The Household advises the Vendor that Household's Heating System has mechanical difficulties;
  - c. The Household's Home Energy storage tanks are either being replaced or do not meet code.
- I. In the case of electricity and natural gas Vendors, the Vendor may apply HEAP Benefit funds received for the account of the Eligible Household to past due charges for Home Energy deliveries to the Eligible Household, with the oldest charges being paid first. HEAP Benefits cannot be applied to Incidental Costs.
- J. Vendor Watch List. In the event MaineHousing determines, in its sole judgment based on Vendor's actions or omissions or other information obtained by MaineHousing directly or from any third party, that such actions, omissions or other information raises issues concerning Vendor's continued ability to make Home Energy deliveries or otherwise comply with the terms of the Vendor Agreement, or that Vendor's performance is out of compliance with the requirements of the Vendor Agreement, MaineHousing may place, in its sole discretion, Vendor on a Watch List.
- K. Prohibited Discrimination. The Vendor is prohibited from discriminating against any Eligible Household regarding the extension of credit to purchase Home Energy or other services, the price of Home Energy or other services, or the terms or conditions of the delivery of Home Energy or other services solely on the basis of its being an Eligible Household.

## 16. Errors and Program Abuse.

### A. Reports of Errors and Program Abuse:

1. Subgrantees must report in writing to MaineHousing suspected Errors and Program Abuse related to Programs.
2. Any individual may report to MaineHousing suspected Errors and Program Abuse related to Programs:
  - a. By telephone at 1-800-452-4668 or (207) 626-4600
  - b. In writing to MaineHousing, ATTN: HEAP Errors and Program Abuse, 26 Edison Drive, Augusta, Maine 04330
  - c. By e-mail to [LIHEAPcompliance@mainehousing.org](mailto:LIHEAPcompliance@mainehousing.org);
  - d. Or via MaineHousing's website at <http://mainehousing.org/contact/info-request-form>

The report must include the name of the person being reported, their county of residence, and details of the suspected Errors and Program Abuse.

- B. MaineHousing will investigate all reported Errors and Program Abuse. If there is documented information to indicate Errors and Program Abuse, MaineHousing may notify the Applicant and provide them an opportunity to respond. Based on the response, MaineHousing will

determine what, if any, appropriate action should be taken.

- C. Once Errors and Program Abuse is confirmed or if an Applicant fails to respond to inquiries regarding suspected Errors and Program Abuse, an Overpayment will be calculated and communicated to the Applicant. In addition to the Overpayment, the communication will include: 1) the facts surrounding the decision, 2) the reason for the decision, and 3) the manner by which the Applicant can request an appeal. MaineHousing may investigate the previous three (3) Program Years from the Date of Discovery. The Overpayment may include any or all of those three (3) years.
- D. When calculating an Overpayment MaineHousing will use the HEAP Handbook in effect for the applicable years the Overpayment occurred.
- E. An Applicant may request a fair hearing to dispute an Overpayment. The Applicant must submit to MaineHousing a written request for a fair hearing no later than thirty (30) calendar days from the postmark date of the first notification from MaineHousing of suspected Errors and Program Abuse. All requests for fair hearing shall follow the Rule as set forth in Section 15.
- F. MaineHousing will pursue recouping of Overpayments by any and all of the following:
  - 1. Applicant may pay MaineHousing the full amount an Overpayment.
  - 2. Applicant may enter into a payment arrangement. Minimum monthly payment allowed will be set at \$5.00 a month.
  - 3. Despite the existence of a repayment agreement, MaineHousing will recoup any current and future Benefits to offset against an Overpayment balance. MaineHousing will recoup 50% of a Household's current Program Year's Benefit and 50% of a Household's future Program Years' Benefits until the Overpayment has been paid in full.
  - 4. MaineHousing will recoup Benefits on account with the Applicant's Vendor to offset against an Overpayment balance.
- G. When Applicant fails to repay Overpayment, the case may be referred to other parties for additional action.
- H. MaineHousing may close an Overpayment for any of the following reasons:
  - 1. Overpayment has been paid in full.
  - 2. The overpayment is determined to be invalid based on a fair hearing decision or a court decision.
  - 3. All adult persons(s) responsible for Overpayment are deceased.

## 17. Appeal.

- A. The benefit notification shall:
  - 1. State the Benefit amount;

2. State the date the Benefit was sent to the Vendor;
  3. State the approved Home Energy type;
  4. State the manner by which the Applicant can request an informal review, if applicable;
  5. State the manner by which the Applicant can request an appeal, if applicable.
- B. The denial notification shall:
1. State the facts surrounding the decision;
  2. State the reason(s) for the decision;
  3. State the manner by which the Applicant can request an appeal, if applicable.
- C. The Applicant must submit a written appeal request for an informal review no later than:
1. Thirty (30) calendar days from the postmarked date of the denial notification;
  2. Thirty (30) calendar days from the postmarked date of the benefit notification;
  3. Ninety (90) calendar days from the Date of Application, if the Application has not been approved or denied; or
  4. Ninety (90) calendar days from the postmarked date of the request for refund of an Overpayment.
- D. Written requests for appeal may be mailed to MaineHousing, 26 Edison Drive, Augusta, Maine 04330; or emailed to [LIHEAPcompliance@mainehousing.org](mailto:LIHEAPcompliance@mainehousing.org).
- E. Informal Review. Informal reviews are intended to provide a minimum hearing requirement and need not be as elaborate as the fair hearing. An Applicant may request, in writing, an informal review for any dispute other than a dispute regarding TANF Supplemental Benefits.

The informal review will be conducted by a person other than the one who made or approved the decision under review or a subordinate of this person. MaineHousing will review the file, conduct necessary research, and give the Applicant an opportunity to present written or oral objections to the decision under review. In rendering a decision MaineHousing will evaluate the accuracy of the calculations, the level of documentation provided by the Applicant, and the accuracy of the decision. MaineHousing will communicate the results of the research/review to the Applicant.

F. Fair Hearing.

Pursuant to the HEAP Act, [42 USC §8624\(b\)\(13\)](#), MaineHousing will provide an Applicant an opportunity for a fair administrative hearing if the Applicant's claim for assistance has been denied or not acted upon with reasonable promptness. MaineHousing will also provide an Applicant an opportunity for a fair administrative hearing if the Applicant disputes the amount of their Benefit or if the Applicant is required to refund an Overpayment.

1. Fair hearings shall be conducted in accordance with the Maine Administrative Procedures Act, Title 5, Chapter 375 by the Director of MaineHousing (or his/her designee) or such other contractor selected by MaineHousing. The parties may receive a transcript of the hearing upon payment of the reasonable cost for the

production thereof.

2. Within thirty (30) calendar days of the hearing's conclusion the hearing officer will prepare a recommended hearing decision. Copies of the recommended decision will be provided to the appellant.
3. A final decision and order will be made by the Director of MaineHousing in writing within sixty (60) calendar days of receipt of the hearing officer's recommendation. In the event the Director of MaineHousing presides over a hearing, she/he shall render his/her decision and order within sixty (60) calendar days of the hearing's conclusion or sixty (60) calendar days of the recommended decision. The Director's decision and order shall include findings of fact sufficient to apprise the parties of its basis. A copy of the decision and order will be provided promptly to each party to the proceeding or his representative of record. Written notice of the party's right to appeal the decision and other relevant information will be provided to the parties at the time of the decision and order. The decision and order will be implemented by the Subgrantee no later than ten (10) calendar days after receipt if it is in the Appellant's favor and otherwise forty-five (45) calendar days unless stayed on appeal.

G. TANF Supplemental Benefits are not subject to appeal.

#### 18. Additional Provisions.

- A. Other Laws. If this Rule conflicts with any provision of applicable federal or State law, including without limitation the Act and the HEAP Act, such federal or State law shall control.
- B. Additional Requirements. This Rule does not preclude such additional or alternative requirements as may be necessary to comply with the Act and the HEAP Act.
- C. Pool of Eligible Households. This Rule establishes a pool of eligible applicants but does not preclude additional reasonable criteria and does not confer any automatic right or entitlement on any person or entity eligible hereunder.
- D. Availability of Funds. Assistance provided pursuant to this Rule is conditioned on the availability of HEAP funds.
- E. Waivers. Upon determination for good cause, the Director of MaineHousing, or the Director's designee, may, subject to statutory limitations, waive any provision of this Rule. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds for the waiver.
- F. Final Action. The Director of MaineHousing, individually or by exercise of the delegation powers contained in the Act, shall make all decisions and take all action necessary to implement this Rule. Such action of the Director shall constitute final agency action.

STATUTORY AUTHORITY: 30-A MRSA §§4722(1)(W), 4741(1) and (15), and 4991 et seq.; 42 U.S.C.A. §§8621, et seq.

BASIS STATEMENT: This replacement rule repeals and replaces in its entirety the current Home Energy Assistance Program Rule. The rule establishes standards for administering fuel assistance, emergency fuel assistance, TANF Supplemental Benefits, weatherization, heat pumps, and heating system repair and replacement funds to income eligible households in the State of Maine. This replacement rule: allows for Categorical Income Eligibility for Households receiving TANF or SNAP assistance; expands the time period in which eligible medical expenses can be deducted for income

determination; allows for HEAP Categorical Income Eligibility for Weatherization, CHIP and Heat Pump programming; and permits TANF Supplemental Benefits to be sent to HEAP Vendors pre-delivery in the same manner as regular HEAP Benefits. Other changes correct errors or provide clarification to the previous version of the rule.

#### PUBLIC COMMENT:

##### *Process:*

Notice of Agency Rule-Making Proposal (MAPA-3) was submitted to the Secretary of State for publication in the April 27, 2022 edition of the appropriate newspapers. Additionally, MaineHousing send the proposed rule to Interested Parties on April 27, 2022, and published the proposed rule on its website on April 27, 2022. MaineHousing held a public hearing on May 17, 2022. The comment period was held open until May 27, 2022 at 5:00 PM.

##### *Summary of Comments and Responses to Comments:*

*Comment:* Testimony from Joby Thoyalil, Senior Policy Advocate with Maine Equal Justice shared that Maine Equal Justice Partners (MEJP) has asked for categorical income eligibility for HEAP for households receiving assistance through the Temporary Assistance for Needy Families (TANF) program and the Supplemental Nutrition Assistance Program (SNAP) for years, and MEJP is supportive of this proposed change in the HEAP Rule. Mr. Thoyalil shared that MEJP also supports other proposed changes in the HEAP Rule including expanding the time period in which eligible medical expenses can be deducted for HEAP income determination and to have TANF supplemental benefits sent to HEAP vendors pre-delivery in the same manner as regular HEAP benefits. Mr. Thoyalil shared that for years, MEJP has been making this recommendation and MEJP believes this would make the biggest impact on increasing access to HEAP assistance to financially eligible households that do not receive HEAP. MEJP envisions that this integration would allow individuals applying to DHHS programs through DHHS's My Maine Connection online portal to also apply for HEAP at the same time and for MaineHousing to accept DHHS verified data. Mr. Thoyalil expressed MEJP's appreciation to MaineHousing and Maine DHHS for their efforts to move towards this integration. MEJP understands that there are related technical, confidentiality, and legal issues related to this type of integration, and Mr. Thoyalil said that MEJP will continue to be a resource to both agencies as they work through these important issues.

*Response:* MaineHousing and Maine DHHS have had several meetings this past year to discuss opportunities that may exist for integration of client intake systems and for Maine DHHS verified data to be used to determine income eligibility for HEAP. Issues related to sharing confidential client information and the logistics of integrating systems such as timing and costs still need to be worked through. Under the current circumstances, MaineHousing is unable to accommodate the requested change; however, MaineHousing and Maine DHHS will continue to work together to towards integrating systems and data.

*Comment:* Testimony from Lynn Lugdon, Chair, Maine Community Action Partnership- Energy Council thanked MaineHousing's Energy and Housing Services Department (EHS) for changes made in the HEAP Rule for PY2022 and some changes that really helped this year. Ms. Lugdon shared support for categorical income eligibility for HEAP for households receiving TANF or SNAP; and categorical eligibility for HEAP weatherization and Central Heating Improvement Program services for households who are approved for HEAP. Ms. Lugdon expressed a concern regarding the online HEAP application for the upcoming HEAP program year, that when people apply, they all can't be first in line to be served. She said that CAAs are hoping that the online HEAP application will be designed so that applications can be filtered and prioritized, so that applications can be processed in a more timely manner.

*Response:* MaineHousing is working with Hancock Software, Inc., the developer of the HEAP Cloud product used by MaineHousing and CAAs, to build an online HEAP application. The online application is being designed so that CAAs can filter for priority applicants and those living in subsidized housing with heat included who may be eligible for a nominal HEAP benefit. The online HEAP application process will have a manual component that will be handled by CAA HEAP personnel. CAAs will be able to use filters in the online HEAP application system to prioritize and manage intake appointments. Therefore, no change is needed to the proposed rule.

*Comment:* Lynn Lugdon, Chair, Maine Community Action Partnership- Energy Council submitted follow-up input via email during the public comment period. She said that Community Action Agencies (CAAs) are requesting a year-round program with an end date of May 15 or May 31, certifying HEAP applications by July 15. This would support MaineHousing and the CAAs with finishing up PY2023 and getting ready for PY2024 with training. Ms. Lugdon shared that when CAAs used to start HEAP in July, the intake process ended on April 30. CAP Recommendation- End the HEAP Program Year on May 31 instead of July 15.

*Response:* For the past several years, CAAs have taken HEAP applications starting at the end of August through July 15, certifying all applications by July 31, yielding about five weeks where applications are not actively taken. CAAs submit annual staffing plans and budgets to ensure they have adequate resources, including personnel to take and process applications within established timeframes, and keeping personnel on board year-round as needed to support delivering the HEAP. The timeline for PY2023 has CAAs starting to take applications on July 18, 2022. Starting to take applications in mid-July is one of several strategies being implemented in PY2023 as to address the bottleneck of HEAP application appointments that is traditionally experienced from about November through January. MaineHousing is not making any changes to the Chapter 24- HEAP Rule or HEAP State Model Plan for PY2023 related to this recommendation. In PY2023, MaineHousing will assess the effectiveness of starting to take applications in mid-July and the implementation of an online HEAP application before considering any other potential changes with program year start and end dates.

*Comment:* Testimony from Jackie Watson, Chair, Maine Community Action Partnership-Housing Council expressed thanks on behalf of the CAA Energy and Housing Councils for the great partnership that MaineHousing Energy and Housing Services Department has had with them. Ms. Watson expressed that changes in PY2022 and PY2023 are going to be great changes that could not have happened without CAAs and MaineHousing working together.

*Response:* MaineHousing values and appreciates the partnership and work between MaineHousing and the CAA Energy and Housing Councils. MaineHousing is not making any changes in the Chapter 24- HEAP Rule based on the testimony from Ms. Watson.

FISCAL IMPACT NOTE: The replacement HEAP Rule will not impose any cost on municipalities or counties for implementation or compliance.

EFFECTIVE DATE:

**DETAILED MODEL PLAN (LIHEAP)**

Program Name: Low Income Home Energy Assistance  
Grantee Name: ME ST HOUSING AUTHORITY  
Report Name: DETAILED MODEL PLAN (LIHEAP)  
Report Period: 10/01/2022 to 09/30/2023  
Report Status: Proposed

**Report Sections**

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## Mandatory Grant Application SF-424

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 09/30/2023

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

<b>* 1.a. Type of Submission:</b> <input checked="" type="radio"/> Plan	<b>* 1.b. Frequency:</b> <input checked="" type="radio"/> Annual	<b>* 1.c. Consolidated Application/Plan/Funding Request?</b> Explanation: 2. Date Received: 3. Applicant Identifier:	<b>* 1.d. Version:</b> <input checked="" type="radio"/> Initial <input type="radio"/> Resubmission <input type="radio"/> Revision <input type="radio"/> Update State Use Only: 5. Date Received By State: 6. State Application Identifier:
<b>4a. Federal Entity Identifier:</b>			
<b>4b. Federal Award Identifier:</b>			

#### 7. APPLICANT INFORMATION

<b>* a. Legal Name:</b> Maine State Housing Authority			
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> 01-0312916		<b>* c. Organizational DUNS:</b> 086877115	
<b>* d. Address:</b>			
<b>* Street 1:</b>	ENERGY AND HOUSING SERVICES	<b>Street 2:</b>	26 Edison Drive
<b>* City:</b>	AUGUSTA	<b>County:</b>	Kennebec
<b>* State:</b>	ME	<b>Province:</b>	
<b>* Country:</b>	United States	<b>* Zip Code:</b>	04330 - 6046

#### e. Organizational Unit:

<b>Department Name:</b> Energy and Housing Services	<b>Division Name:</b> Energy and Housing Services
--	--

#### f. Name and contact information of person to be contacted on matters involving this application:

<b>Prefix:</b> Mr.	<b>* First Name:</b> Michael	<b>Middle Name:</b> Troy	<b>* Last Name:</b> Fullmer
<b>Suffix:</b>		<b>Title:</b> Manager of HEAP	
<b>Organizational Affiliation:</b>			

Phone Number: (207) 624-5720  
624-5720

Fax Number: (207) 624-5780

\* Email: [tfullmer@mainehousing.org](mailto:tfullmer@mainehousing.org)

<b>* 8a. TYPE OF APPLICANT:</b> A: State Government		
<b>b. Additional Description:</b>		
<b>* 9. Name of Federal Agency:</b>		
	<b>Catalog of Federal Domestic Assistance Number:</b>	<b>CFDA Title:</b>
<b>10. CFDA Numbers and Titles</b>	93.568	Low-Income Home Energy Assistance
<b>11. Descriptive Title of Applicant's Project</b> LIHEAP Administration		
<b>12. Areas Affected by Funding:</b> Statewide		
<b>13. CONGRESSIONAL DISTRICTS OF:</b>		

* a. Applicant 1		b. Program/Project: Statewide	
Attach an additional list of Program/Project Congressional Districts if needed. 2			
14. FUNDING PERIOD:		15. ESTIMATED FUNDING:	
a. Start Date: 10/1/2022	b. End Date: 09/30/2023	* a. Federal (\$): \$0	b. Match (\$): \$0
<b>* 16. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS?</b>			
a. This submission was made available to the State under the Executive Order 12372			
Process for Review on :			
b. Program is subject to E.O. 12372 but has not been selected by State for review.			
c. Program is not covered by E.O. 12372.			
<b>* 17. Is The Applicant Delinquent On Any Federal Debt?</b>			
<input type="radio"/> YES <input checked="" type="radio"/> NO			
<b>Explanation:</b>			
18. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) <b>**I Agree</b> <input checked="" type="checkbox"/>			
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.			
18a. Typed or Printed Name and Title of Authorized Certifying Official Daniel Brennan, Director		18c. Telephone (area code, number and extension) (207) 626-4611	
		18d. Email Address <a href="mailto:dbrennan@mainehousing.org">dbrennan@mainehousing.org</a>	
18b. Signature of Authorized Certifying Official		18e. Date Report Submitted (Month, Day, Year) TBD	

## Section 1 - Program Components

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01

OMB Clearance No.: 0970-0075

Expiration Date: 09/30/2023

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Washington, DC 20201

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01  
OMB Approval No. 0970-0075  
Expiration Date: 09/30/2023

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13) Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

### Section 1 Program Components

Program Components, 2605(a), 2605(b)(1) - Assurance 1, 2605(c)(1)(C)

1.1 Check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)		Dates of Operation	
		Start Date	End Date
<input checked="" type="checkbox"/>	Heating assistance	10/01/2022	09/30/2023
<input type="checkbox"/>	Cooling assistance		
<input checked="" type="checkbox"/>	Crisis assistance	11/01/2022	04/30/2023
<input checked="" type="checkbox"/>	Weatherization assistance	10/01/2022	09/30/2023

Provide further explanation for the dates of operation, if necessary

**Heating Assistance:** For FFY 2023, Subgrantees will begin taking applications on July 18, 2022 and will continue taking applications through July 15, 2023.

**Weatherization Assistance Component:** End date 09/30/2023 unless MaineHousing extends beyond 09/30/2023.

Estimated Funding Allocation, 2604(C), 2605(k)(1), 2605(b)(9), 2605(b)(16) - Assurances 9 and 16

1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%.	Percentage ( % )
Heating assistance	58.00%
Cooling assistance	0.00%
Crisis assistance	5.00%
Weatherization assistance	15.00%

Carryover to the following federal fiscal year	7.00%
Administrative and planning costs	10.00%
Services to reduce home energy needs including needs assessment (Assurance 16)	5.00%
Used to develop and implement leveraging activities	0.00%
<b>TOTAL</b>	<b>100.00%</b>

Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C)

**1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:**

<input checked="" type="checkbox"/>	Heating assistance	<input type="checkbox"/>	Cooling assistance
<input type="checkbox"/>	Weatherization assistance	<input checked="" type="checkbox"/>	Other (specify:) Home Energy Crisis Assistance

**Categorical Eligibility, 2605(b)(2)(A) - Assurance 2, 2605(c)(1)(A), 2605(b)(8A) - Assurance 8**

**1.4 Do you consider households categorically eligible if one household member receives one of the following categories of benefits in the left column below?**  Yes  No

If you answered "Yes" to question 1.4, you must complete the table below and answer questions 1.5 and 1.6.

	Heating	Cooling	Crisis	Weatherization
TANF	<input checked="" type="radio"/> Yes <input type="radio"/> No			
SSI	<input type="radio"/> Yes <input checked="" type="radio"/> No			
SNAP	<input checked="" type="radio"/> Yes <input type="radio"/> No			
Means-tested Veterans Programs	<input type="radio"/> Yes <input checked="" type="radio"/> No			
Other(Specify) 1	Heating	Cooling	Crisis	Weatherization
	<input type="radio"/> Yes <input type="radio"/> No			

**1.5 Do you automatically enroll households without a direct annual application?**  Yes  No

If Yes, explain:

**1.6 How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts?**

Income used for LIHEAP eligibility purposes is either actual household income vetted by Maine DHHS for TANF or SNAP eligibility if available from LIHEAP applicants; documented income for households receiving TANF or SNAP if they don't have documentation of services from Maine DHHS or if they choose to provide income documentation; using an income banding method for households receiving TANF or SNAP that provide documentation of service receipt from Maine DHHS, but not actual vetted income; or income documentation from the established income verification period.

SNAP Nominal Payments

**1.7a Do you allocate LIHEAP funds toward a nominal payment for SNAP households?**  Yes  No

If you answered "Yes" to question 1.7a, you must provide a response to questions 1.7b, 1.7c, and 1.7d.

**1.7b Amount of Nominal Assistance:** \$21.00

**1.7c Frequency of Assistance**

<input checked="" type="checkbox"/>	Once Per Year
-------------------------------------	---------------

<input type="checkbox"/>	Once every five years
<input type="checkbox"/>	Other - Describe:
<b>1.7d How do you confirm that the household receiving a nominal payment has an energy cost or need?</b> Applicants residing in subsidized housing with heat included must provide the following to verify that the applicant has an indirect energy cost: <ol style="list-style-type: none"> <li>One of the following documents is required to verify the applicant's/tenant's responsibilities for monthly rent and/or utilities: a) MaineHousing's <i>HEAP Subsidized Housing</i> form; b) housing subsidy recertification worksheet; or c) recertification form (HUD 50058/50059 or RD 3560-8).</li> <li>Copy of a current electric utility bill (if applicant is responsible for electricity).</li> </ol>	
<b>Determination of Eligibility - Countable Income</b>	
<b>1.8. In determining a household's income eligibility for LIHEAP, do you use gross income or net income?</b>	
<input checked="" type="checkbox"/>	Gross Income
<input type="checkbox"/>	Net Income
<b>1.9. Select all the applicable forms of countable income used to determine a household's income eligibility for LIHEAP</b>	
<input checked="" type="checkbox"/>	Wages
<input checked="" type="checkbox"/>	Self - Employment Income
<input checked="" type="checkbox"/>	Contract Income
<input checked="" type="checkbox"/>	Payments from mortgage or Sales Contracts
<input checked="" type="checkbox"/>	Unemployment insurance
<input checked="" type="checkbox"/>	Strike Pay
<input checked="" type="checkbox"/>	Social Security Administration (SSA ) benefits
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Including MediCare deduction <input type="checkbox"/> Excluding MediCare deduction
<input checked="" type="checkbox"/>	Supplemental Security Income (SSI )
<input checked="" type="checkbox"/>	Retirement / pension benefits
<input type="checkbox"/>	General Assistance benefits
<input type="checkbox"/>	Temporary Assistance for Needy Families (TANF) benefits
<input type="checkbox"/>	Supplemental Nutrition Assistance Program (SNAP) benefits
<input type="checkbox"/>	Women, Infants, and Children Supplemental Nutrition Program (WIC) benefits
<input type="checkbox"/>	Loans that need to be repaid
<input checked="" type="checkbox"/>	Cash gifts
<input type="checkbox"/>	Savings account balance
<input checked="" type="checkbox"/>	One-time lump-sum payments, such as rebates/credits, winnings from lotteries, refund deposits, etc.
<input checked="" type="checkbox"/>	Jury duty compensation

<input checked="" type="checkbox"/>	Rental income
<input type="checkbox"/>	Income from employment through Workforce Investment Act (WIA)
<input type="checkbox"/>	Income from work study programs
<input checked="" type="checkbox"/>	Alimony
<input checked="" type="checkbox"/>	Child support
<input checked="" type="checkbox"/>	Interest, dividends, or royalties
<input checked="" type="checkbox"/>	Commissions
<input type="checkbox"/>	Legal settlements
<input type="checkbox"/>	Insurance payments made directly to the insured
<input type="checkbox"/>	Insurance payments made specifically for the repayment of a bill, debt, or estimate
<input checked="" type="checkbox"/>	Veterans Administration (VA) benefits
<input type="checkbox"/>	Earned income of a child under the age of 18
<input type="checkbox"/>	Balance of retirement, pension, or annuity accounts where funds cannot be withdrawn without a penalty.
<input type="checkbox"/>	Income tax refunds
<input type="checkbox"/>	Stipends from senior companion programs, such as VISTA
<input type="checkbox"/>	Ameri-Corp Program payments for living allowances, earnings, and in-kind aid
<input type="checkbox"/>	Reimbursements (for mileage, gas, lodging, meals, etc.)
<input type="checkbox"/>	Other:

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 2 - HEATING ASSISTANCE

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
 OMB Clearance No.: 0970-0075  
 Expiration Date: 09/30/2023

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 2 - Heating Assistance

Eligibility, 2605(b)(2) - Assurance 2

**2.1 Designate the income eligibility threshold used for the heating component:**

Add	Household size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	HHS Poverty Guidelines	The greater of 150% of Federal Poverty Level or 60% State Median Income

**2.2 Do you have additional eligibility requirements for Heating Assistance?**  Yes  No

**2.3 Check the appropriate boxes below and describe the policies for each.**

**Do you require an Assets test?**  Yes  No

**Do you have additional/differing eligibility policies for:**

**Renters?**  Yes  No

**Renters Living in subsidized housing?**  Yes  No

**Renters with utilities included in the rent?**  Yes  No

**Do you give priority in eligibility to:**

**Elderly?**  Yes  No

**Disabled?**  Yes  No

**Young children?**  Yes  No

**Households with high energy burdens?**  Yes  No

**Other?**  Yes  No

**Explanations of policies for each "yes" checked above:**

Subgrantee will make reasonable and good-faith effort during the first ninety (90) days it takes applications to interview, process, and serve households with direct energy costs and members who are:

- Elderly- at least 60 years of age
- Young Children- 72 months (6 years of age) or younger
- Disabled

**Determination of Benefits 2605(b)(5) – Assurance 5, 2605(c)(1)(B)**

**2.4 Describe how you prioritize the provision of heating assistance to vulnerable populations, e.g., benefit amounts, early application periods, etc.**

Intake/Application Process: Subgrantee will make reasonable and good-faith effort during the first ninety (90) days it takes applications to interview, process, and serve households with direct energy costs and members who are most susceptible to hypothermia (elderly, disabled, and families with children 72 months of age (6 years) or under).

Maine uses a tiered benefit calculation that assures the highest benefits go to households with the highest heating energy costs and the lowest income. Household applications are entered into MaineHousing's centralized LIHEAP database, which automatically calculates household benefit amounts. As set forth in Chapter 24 of MaineHousing's Rules, the benefit calculation takes into account the following factors: i) Household's actual fuel consumption data collected from energy vendors or estimated annual heating costs calculated by using the Design Heat Load formula; ii) Household income; and iii) Household size.

**2.5 Check the variables you use to determine your benefit levels. (Check all that apply):**

- Income
- Family (household) size
- Home energy cost or need:
  - Fuel type
  - Climate/region
  - Individual bill
  - Dwelling type
  - Energy burden (% of income spent on home energy)
  - Energy need
- Other - Describe:

Other (description): Benefit levels are based on the household's percent of poverty and actual consumption of primary heating fuel type for the prior heating season or by the Design Heat Load formula.

Benefit Levels, 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

**2.6 Describe estimated benefit levels for FY 2023:**

Minimum Benefit	\$152	Maximum Benefit	\$2,116

**2.7 Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits? Yes X No**

If yes, describe.

Subgrantees provide a number of in-kind and/or other benefits including:

- Private contributions for fuel assistance

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

### Section 3 - COOLING ASSISTANCE

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01

OMB Clearance No.: 0970-

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## LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

### Section 3 - Cooling Assistance

Eligibility, 2605(c)(1)(A), 2605 (b)(2) - Assurance 2

**3.1 Designate The income eligibility threshold used for the Cooling component: N/A Maine does not provide Cooling Assistance.**

Add	Household size	Eligibility Guideline	Eligibility Threshold
1			0.00%

**3.2 Do you have additional eligibility requirements for Cooling Assistance?**  Yes  No

**3.3 Check the appropriate boxes below and describe the policies for each.**

**Do you require an Assets test?**  Yes  No

**Do you have additional/differing eligibility policies for:**

**Renters?**  Yes  No

**Renters Living in subsidized housing?**  Yes  No

**Renters with utilities included in the rent?**  Yes  No

**Do you give priority in eligibility to:**

**Elderly?**  Yes  No

**Disabled?**  Yes  No

**Young children?**  Yes  No

**Households with high energy burdens?**  Yes  No

**Other?**  Yes  No

**Explanations of policies for each "yes" checked above:**

**3.4 Describe how you prioritize the provision of cooling assistance to vulnerable populations, e.g., benefit amounts, early application periods, etc.**

Determination of Benefits 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

**3.5 Check the variables you use to determine your benefit levels. (Check all that apply):**

- Income
- Family (household) size
- Home energy cost or need:
  - Fuel type
  - Climate/region
  - Individual bill
  - Dwelling type
  - Energy burden (% of income spent on home energy)
  - Energy need
  - Other - Describe:

Benefit Levels, 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

**3.6 Describe estimated benefit levels for FY 2022: N/A Maine does not provide Cooling Assistance**

<b>Minimum Benefit</b>	\$0	<b>Maximum Benefit</b>	\$0
------------------------	-----	------------------------	-----

**3.7 Do you provide in-kind (e.g., fans, air conditioners) and/or other forms of benefits?**  Yes  No

**If yes, describe.**

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 4 - CRISIS ASSISTANCE

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

August 1987, revised 05/92,02/95,03/96,12/98,11/01  
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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 4: CRISIS ASSISTANCE

Eligibility - 2604(c), 2605(c)(1)(A)

#### 4.1 Designate the income eligibility threshold used for the crisis component

Add	Household size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	HHS Poverty Guidelines	The greater of 150% Federal Poverty Level or 60% State Median Income

#### 4.2 Provide your LIHEAP program's definition for determining a crisis.

Energy Crisis shall have the same meaning as set forth in 42 U.S.C.A. §8622(3), as same may be amended from time to time. The term "energy crisis" means weather-related and supply shortage emergencies and other household energy-related emergencies.

A household may be eligible for crisis assistance if there is an imminent loss of heat due to: i) Less than 7-day supply of fuel (e.g. reading of 1/4 tank or less on a standard 275 gallon heating oil tank; reading of 25% or less on a propane tank; "7-day or less" supply standard applies to other delivered fuel types) ii.) Disconnection of service notice from natural gas or electric utility if the household's heating system requires electricity/natural gas, iii.) Dysfunctional or unsafe primary heating system and no other operable heating system capable of heating the dwelling adequately during severe cold weather, iv.) Eviction due to nonpayment of rent if heat is included in the household's rent.

A household is not considered to be in an energy crisis if: i.) Household has any other heating system that is safe, operable, and capable of heating the dwelling adequately during severe cold weather, and has a supply of product for that heating system; ii.) Household has financial means to purchase fuel, iii.) Household has financial means to pay rent and avert eviction.

#### 4.3 What constitutes a life-threatening crisis?

- Household is currently without heat or utility service to operate a heating source or heating system.
- Household is tenant whose rent includes heat and is facing eviction within 24 hours for nonpayment of rent.

#### Crisis Requirement, 2604(c)

4.4 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households? 48 hours

4.5 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households in life-threatening situations? 18 hours

Crisis Eligibility, 2605(c)(1)(A)

4.6 Do you have additional eligibility requirements for CRISIS ASSISTANCE?

Yes     No

#### 4.7 Check the appropriate boxes below and describe the policies for each

Do you require an Assets test?

Yes     No

Do you give priority in eligibility to :

Elderly?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Disabled?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Young Children?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Households with high energy burdens?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Other?	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>In Order to receive crisis assistance:</b>	
Must the household have received a shut-off notice or have a near empty tank?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Must the household have been shut off or have an empty tank?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Must the household have exhausted their regular heating benefit?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Must renters with heating costs included in their rent have received an eviction notice?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Must heating/cooling be medically necessary?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Must the household have non-working heating or cooling equipment?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Other? see attached	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Do you have additional / differing eligibility policies for:</b>	
Renters?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Renters living in subsidized housing?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Renters with utilities included in the rent?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Explanations of policies for each "yes" checked above:	

Allowable expenditures must be related to averting an Energy/Life-Threatening Crisis and may include:

1. Home Energy deliveries provided the Eligible Household has exhausted any remaining Benefits previously paid to a Vendor on behalf of the Eligible Household;
2. Surcharges, reconnection charges, or penalties related to a final utility disconnection notice;
3. Crisis benefits may be paid to a natural gas or an electric utility to prevent disconnection of service if the household's Heating System requires electricity/natural gas;
4. Heating System repairs;
5. Purchasing space heaters;
6. Rental payment assistance provided the household is a tenant whose rent includes heat and is facing eviction due to nonpayment of rent;
7. Temporary relocation provided the household is experiencing a Life Threatening Crisis that cannot be averted within 18 hours by one of the above measures.

Crisis funds cannot be used to pay for Home Energy deliveries or Heating System repairs if the Applicant resides in Subsidized Housing with heat included or a Rental Unit with heat included.

Determination of Benefits	
<b>4.8 How do you handle crisis situations?</b>	
<input checked="" type="checkbox"/>	Separate component
<input type="checkbox"/>	Fast Track
<input type="checkbox"/>	Other - Describe:
<b>4.9 If you have a separate component, how do you determine crisis assistance benefits?</b>	
<input type="checkbox"/>	Amount to resolve the crisis.

<input checked="" type="checkbox"/>	<b>Other - Describe:</b> The maximum (crisis) benefit amount is determined annually based on economic conditions, available funding, and the average cost of a minimum delivery of home energy.
-------------------------------------	--

Crisis Requirements, 2604(c)

**4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?**

Yes     No    **Explain.**

Crisis applications are given priority at all intake and processing steps. Crisis procedures include home visits if necessary, referrals, or communication with vendors.

Subgrantees take crisis applications by one of the following methods:

- 1) If the household has previously completed an application and has been certified eligible for heating assistance in the current program year, they may apply for crisis assistance over the telephone. In such cases, Subgrantees complete a LIHEAP Emergency Worksheet to assess and document the crisis situation.
- 2) If the household does not have a current certified heating assistance application on file, they may apply for crisis assistance over the telephone. In such cases, the applicant will need to make arrangements to go into the Subgrantee's office or remote intake site to complete the application process - i.e. sign the application documents and provide any required documentation to verify the household's eligibility. Signing and submitting/verifying documents are accommodated remotely with technology as needed and available.
- 3) Elderly or disabled applicants may apply over the telephone. If necessary, the Subgrantee will make arrangements for a home visit to secure the applicant's signature on the application documents and any required documentation to verify the household's income-eligibility. Signing and submitting/verifying documents are accommodated remotely with technology as needed and available.

Conditioned on the availability of crisis funds, some form of assistance that will resolve the Energy Crisis will be provided within 48 hours after household has been certified eligible for the Energy Crisis Intervention Program (ECIP). In Life Threatening Crisis situations some form of assistance that will resolve the crisis will be provided within 18 hours after a Household has been certified eligible for ECIP.

**4.11 Do you provide individuals who are physically disabled the means to:**

**Submit applications for crisis benefits without leaving their homes?**

Yes     No    **If No, explain.**

**Travel to the sites at which applications for crisis assistance are accepted?**

Yes     No    **If No, explain.**

**If you answered "No" to both options in question 4.11, please explain alternative means of intake to those who are homebound or physically disabled?**

At applicant's request, the Subgrantee must make reasonable accommodations for a person with a disability.

Elderly or disabled individuals may apply over the telephone. If necessary, the Subgrantee will make arrangements for a home visit to secure the applicant's signature on the application documents and to obtain any required documentation to verify the household's income-eligibility. Signing and submitting/verifying documents are accommodated remotely with technology as needed and available.

**Benefit Levels, 2605(c)(1)(B)**

**4.12 Indicate the maximum benefit for each type of crisis assistance offered.**

Winter Crisis	\$600
Summer Crisis	\$0.00 maximum benefit
Year-round Crisis	\$0.00 maximum benefit

**4.13 Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?**

Yes     No    **If yes, Describe**

If the crisis cannot be resolved within the required timeframe, space heaters may be provided for the household's use until such time as a fuel delivery can be made or the heating system is repaired.

**4.14 Do you provide for equipment repair or replacement using crisis funds?**

Yes  No

If you answered "Yes" to question 4.14, you must complete question 4.15.

4.15 Check appropriate boxes below to indicate type(s) of assistance provided.

	Winter Crisis	Summer Crisis	Year-round Crisis
Heating system repair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heating system replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cooling system repair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cooling system replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wood stove purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pellet stove purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Solar panel(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Utility poles / gas line hook-ups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify): Gas line hook-ups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4.16 Do any of the utility vendors you work with enforce a moratorium on shut offs?

Yes  No

If you responded "Yes" to question 4.16, you must respond to question 4.17.

4.17 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period.

November 15 through April 15 - Disconnect not permitted if income-eligible customer agrees to a special payment arrangement. Requires Public Utilities Commission (PUC) approval. 30 day delay, with renewals up to 90 days, if physician certifies that disconnect would adversely affect the health of a household member. Cannot disconnect if an overdue amount is less than \$50, unless the overdue amount is more than 90 days old or the utility company bills four times a year or less.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 5 - WEATHERIZATION ASSISTANCE

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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#### Section 5: WEATHERIZATION ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) - Assurance 2

5.1 Designate the income eligibility threshold used for the Weatherization component

Add	Household Size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	HHS Poverty Guidelines	The greater of 150% Federal Poverty Level or 60% State Median Income

5.2 Do you enter into an interagency agreement to have another government agency administer a WEATHERIZATION component?  Yes  No

5.3 If yes, name the agency.

5.4 Is there a separate monitoring protocol for weatherization?  Yes  No

**WEATHERIZATION - Types of Rules**

5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)

Entirely under LIHEAP (not DOE) rules

Entirely under DOE WAP (not LIHEAP) rules

Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ (Check all that apply):

Income Threshold

Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit.

Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.

**Other - Describe:** Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days. Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).

Eligibility, 2605(b)(5) - Assurance 5

5.6 Do you require an assets test?  Yes  No

5.7 Do you have additional/differing eligibility policies for :

Renters  Yes  No

Renters living in subsidized housing?  Yes  No

5.8 Do you give priority in eligibility to:

Elderly?  Yes  No

Disabled?  Yes  No

Young Children?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Households with high energy burdens?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Other? Young children 72 months (6 years) of age or less	<input checked="" type="radio"/> Yes <input type="radio"/> No
<p>If you selected "Yes" for any of the options in questions 5.6, 5.7, or 5.8, you must provide further explanation of these policies in the text field below.</p> <p><b>5.6 Asset test:</b> Applies to heating system replacement under the Central Heating Improvement Program activities (see attached - Section 5.5 Weatherization)</p> <p><b>5.7 Renters living in subsidized housing</b> with heat included (see attached - Section 5 Multifamily Weatherization)</p> <p><b>5.8 Priority Applicant</b> means a Household with a Direct Energy Cost as well as a member in the Household who is (i) an Elderly Person 60 years of age or older, or (ii) disabled, or (iii) 72 months (6 years) of age or under.</p> <p>Subgrantees are required to prioritize their wait list of eligible households for weatherization services in accordance with the HEAT Enterprise software, which ranks an eligible household's priority by taking into account household income, home energy costs, and any household members considered to be Priority Applicants. Households on the Subgrantee's wait list are weatherized in order of priority. A Subgrantee may move up an eligible household's priority based on travel considerations (e.g. Subgrantee's next weatherization project is out of town; another dwelling with a lower priority number in the same area may also be weatherized during the program year to save on travel costs) or due to co-funding a project with other program resources.</p>	

<b>Benefit Levels</b>	
5.9 Do you have a maximum LIHEAP weatherization benefit/expenditure per household? <input type="radio"/> Yes <input checked="" type="radio"/> No	
5.10 If yes, what is the maximum? \$0	
<b>Types of Assistance, 2605(c)(1), (B) &amp; (D)</b>	
5.11 What LIHEAP weatherization measures do you provide? (Check all categories that apply.)	
<input checked="" type="checkbox"/> Weatherization needs assessments/audits	<input checked="" type="checkbox"/> Energy related roof repair
<input checked="" type="checkbox"/> Caulking and insulation	<input checked="" type="checkbox"/> Major appliance Repairs
<input checked="" type="checkbox"/> Storm windows	<input checked="" type="checkbox"/> Major appliance replacement
<input checked="" type="checkbox"/> Furnace/heating system modifications/ repairs	<input checked="" type="checkbox"/> Windows/sliding glass doors
<input checked="" type="checkbox"/> Furnace replacement	<input checked="" type="checkbox"/> Doors
<input type="checkbox"/> Cooling system modifications/ repairs	<input checked="" type="checkbox"/> Water Heater
<input type="checkbox"/> Water conservation measures	<input type="checkbox"/> Cooling system replacement
<input checked="" type="checkbox"/> Compact florescent light bulbs	<input checked="" type="checkbox"/> Other - Describe: Heat pump installation
<p>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</p>	

**Section 6 - Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A)**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
MODEL PLAN  
SF - 424 - MANDATORY**

**Section 6: Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A)**

**6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:**

- Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
- Publish articles in local newspapers or broadcast media announcements.
- Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- Mass mailing(s) to prior-year LIHEAP recipients.
- Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- Execute interagency agreements with other low-income program offices to perform outreach to target groups.
- Other (specify):

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

**Section 7 - Coordination, 2605(b)(4) - Assurance 4**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
MODEL PLAN  
SF - 424 - MANDATORY**

**Section 7: Coordination, 2605(b)(4) - Assurance 4**

**7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.).**

<input type="checkbox"/>	Joint application for multiple programs
<input checked="" type="checkbox"/>	Intake referrals to/from other programs
<input type="checkbox"/>	One - stop intake centers
<input type="checkbox"/>	Other - Describe:

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 8 - Agency Designation, 2605(b)(6) - Assurance 6

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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#### Section 8: Agency Designation, 2605(b)(6) - Assurance 6 (Required for state grantees and the Commonwealth of Puerto Rico)

**8.1 How would you categorize the primary responsibility of your State agency?**

<input type="checkbox"/>	Administration Agency
<input type="checkbox"/>	Commerce Agency
<input type="checkbox"/>	Community Services Agency
<input type="checkbox"/>	Energy / Environment Agency
<input checked="" type="checkbox"/>	Housing Agency
<input type="checkbox"/>	Welfare Agency
<input type="checkbox"/>	Other - Describe:

**Alternate Outreach and Intake, 2605(b)(15) - Assurance 15**

If you selected "Welfare Agency" in question 8.1, you must complete questions 8.2, 8.3, and 8.4, as applicable.

**8.2 How do you provide alternate outreach and intake for Heating Assistance?**

Subgrantees partner with community based programs including social service organizations and town offices to provide applicants with alternate venues to apply for heating assistance.

**8.3 How do you provide alternate outreach and intake for Cooling Assistance?**

Not applicable. Maine does not offer cooling assistance.

**8.4 How do you provide alternate outreach and intake for Crisis Assistance?**

Subgrantees have other funds (non-LIHEAP) funds available to provide crisis assistance. Additionally, Subgrantees keep community partners informed about the availability of crisis assistance funds.

8.5 LIHEAP Component Administration.	Heating	Cooling	Crisis	Weatherization
8.5a Who determines client eligibility?	Community Action Agencies	Non-Applicable	Community Action Agencies	Community Action Agencies
8.5b Who processes benefit payments to gas and electric vendors?	State Housing Agency	Non-Applicable	State Housing Agency	
8.5c who processes benefit payments to bulk fuel vendors?	State Housing Agency	Non-Applicable	State Housing Agency	
8.5d Who performs installation of weatherization measures?				Community Action Agencies, Contractors

**If any of your LIHEAP components are not centrally-administered by a state agency, you must complete questions 8.6, 8.7, 8.8, and if applicable, 8.9.**

**8.6 What is your process for selecting local administering agencies?**

Subgrantees will be selected annually based on the following criteria:

1. Experience with providing Fuel Assistance or similar programs to low-income persons;
2. Current capacity to administer a timely and effective Fuel Assistance program for the intended Service Area;
3. Demonstrated capacity to adequately serve low-income persons residing in their Service Areas;
4. The availability of other qualified entities to service a particular area;
5. The geographic area customarily serviced by the potential Subgrantee;
6. Cost efficiency in administering a Fuel Assistance program;
7. The ability to enhance accessibility to other low-income programs administered by the Subgrantee;
8. Acceptable schedule for taking Applications; and
9. The ability to perform outreach activities and serve homebound recipients.

**8.7 How many local administering agencies do you use? 9**

**8.8 Have you changed any local administering agencies in the last year?**

- Yes  
 No

**8.9 If so, why?**

<input type="checkbox"/>	Agency was in noncompliance with grantee requirements for LIHEAP -
<input type="checkbox"/>	Agency is under criminal investigation
<input type="checkbox"/>	Added agency
<input type="checkbox"/>	Agency closed
<input type="checkbox"/>	Other - describe

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 9 - Energy Suppliers, 2605(b)(7) - Assurance 7

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 9: Energy Suppliers, 2605(b)(7) - Assurance 7

##### 9.1 Do you make payments directly to home energy suppliers?

Heating  Yes  No

Cooling  Yes  No

Crisis  Yes  No

Are there exceptions?  Yes  No

If yes, Describe.

MaineHousing may issue direct checks to LIHEAP recipients who do not have a designated vendor in their area or who pay rent with heat included.

MaineHousing and Subgrantees encourage recipients to apply their benefits to their electric utility account if their benefit cannot be used for their primary heating system and the eligible household is responsible for their electric utility bill. Benefits are determined based on a household's designated primary fuel type.

##### 9.2 How do you notify the client of the amount of assistance paid?

Once the client's application has been approved for payment, MaineHousing mails a benefit notification letter to the Primary Applicant. The benefit notification letter shall:

- State the Benefit amount;
- State the date the Benefit was sent to the Vendor;
- State the approved Home Energy type;
- State the time period for the Benefit; and
- State the manner by which the Primary Applicant can request an appeal.

##### 9.3 How do you assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment?

Vendor performance is ensured through Vendor Agreements, annual reports provided by contracted vendors, and on-site or desk monitoring. Additionally, vendors must submit detailed transactions reports with benefit returns to show delivery and payment activity/history for the LIHEAP client's account.

##### 9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance?

The contract between MaineHousing and the vendor explicitly prohibits discrimination. Participating vendors must agree not to discriminate against any eligible household regarding the extension of credit to purchase Home Energy or other services, the price of Home Energy or other services, or the terms or conditions of the delivery of Home Energy or other services solely on the basis of its being an eligible household.

**9.5. Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households?**

Yes  No

**If so, describe the measures unregulated vendors may take.**

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 10 - Program, Fiscal Monitoring, and Audit, 2605(b)(10) - Assurance 10

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10)

##### 10.1. How do you ensure good fiscal accounting and tracking of LIHEAP funds?

In order to ensure good fiscal accounting and tracking around Heating Assistance, Crisis Assistance, Weatherization, and Central Heating Improvement Program, MaineHousing performs onsite and/or desk reviews of each Subgrantee which include, a review of agency fiscal policies and procedures; a reconciliation of billings submitted to agency general ledger detail and supporting documentation; and an examination of each Subgrantee's Uniform Grant Guidance Audit (2CFR 200). Additionally, six-month Corrective Action Reviews are required in the event MaineHousing identifies significant compliance concerns with an individual Subgrantee.

Each onsite visit may include an entrance and exit interview. Onsite monitoring includes, but is not limited to: review of the previous audit report to identify focus areas for the review; analyzing the data used by each Subgrantee to determine client income eligibility and benefit determination; observation of the applicant intake process; and other monitoring steps to ensure overall program compliance. Additionally, desk reviews may be completed periodically and would include such things as checking application data residing in MaineHousing's centralized LIHEAP database for anomalies using pre-determined indicators or specific data points (i.e. duplicate addresses, certification outside the required 30 business day period, etc.).

The fair hearing process in place at MaineHousing provides an opportunity to conduct additional in-depth client file monitoring because a thorough analysis is completed by the MaineHousing Compliance Officer of each filed complaint to ensure that the Subgrantee followed program rules in determining client eligibility and benefit determination.

The monitoring of energy suppliers is conducted in a number of ways:

- Onsite visits to vendors (those deemed high risk as well as a sampling of others);
- Desk reviews of vendors: a random sample of client accounts are reviewed to assess the vendor practices and determine vendor risk rating;
- Review of submitted annual vendor reports using data points to identify anomalies;
- Review of transaction reports (delivery and payment activity) from May 1st forward for the benefit year(s) being returned.

After each conducted monitoring, MaineHousing issues a written report containing all findings to the Subgrantee/vendor. The report will establish a reasonable time period for comment and the required corrective action(s) by the Subgrantee/vendor.

Upon request from the Subgrantee/vendor, MaineHousing will provide technical assistance in all areas needing corrective action.

Depending upon the significance of the issue(s), failure to comply with the required corrective action plans could result in a notice of termination of the contract.

##### **Management of Vendor Refunds (Benefit Returns):**

All benefit returns must be submitted to MaineHousing. Benefit returns are tracked and reconciled to the appropriate fiscal year. Any expired funds or any amounts exceeding the 10% carryover limit will be returned to DHHS.

**Audit Process**

10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A - 133?

Yes  No

10.3. Describe any audit findings rising to the level of material weakness or reportable condition cited in the A-133 audits, Grantee monitoring assessments, inspector general reviews, or other government agency reviews of the LIHEAP agency from the most recently audited fiscal year.

No Findings

Finding	Type	Brief Summary	Resolved?	Action Taken

**10.4. Audits of Local Administering Agencies**

What types of annual audit requirements do you have in place for local administering agencies/district offices? Select all that apply.

- Local agencies/district offices are required to have an annual audit in compliance with Single Audit Act and OMB Circular A-133
- Local agencies/district offices are required to have an annual audit (other than A-133)
- Local agencies/district offices' A-133 or other independent audits are reviewed by Grantee as part of compliance process.
- Grantee conducts fiscal and program monitoring of local agencies/district offices

**Compliance Monitoring**

10.5. Describe the Grantee's strategies for monitoring compliance with the Grantee's and Federal LIHEAP policies and procedures: Select all that apply

Grantee employees:

- Internal program review
- Departmental oversight
- Secondary review of invoices and payments
- Other program review mechanisms are in place. Describe:

Local Administering Agencies / District Offices:

- On - site evaluation
- Annual program review
- Monitoring through central database
- Desk reviews
- Client File Testing / Sampling
- Other program review mechanisms are in place. Describe:

10.6 Explain, or attach a copy of your local agency monitoring schedule and protocol.

MaineHousing's Program Compliance Officers performs onsite audits of the Subgrantees. These field audits allow for first-hand observation of program activity. Monitoring tasks include:

- Reviewing procedures and client file documentation
- Confirming and evaluating use of LIHEAP statewide database
- Verifying Subgrantees are knowledgeable of regulations
- Confirming that quality of work meets minimum program standards

Additionally, each Subgrantee is audited by an independent public accountant who performs single audit test work. MaineHousing reviews each Subgrantee's independent audit, noting any findings and following up on all findings/questioned costs to ensure that they are addressed and corrected in a timely manner.

**10.7. Describe how you select local agencies for monitoring reviews.**

**Site Visits:**

Onsite program and fiscal monitoring reviews are conducted annually at all local agencies. Additional reviews may be conducted if major issues are identified during the annual review.

**Desk Reviews:**

MaineHousing conducts desk reviews throughout the program year to ensure compliance with program requirements. MaineHousing's Program Compliance Officers conduct desk audits of the following application files:

- Fair Hearing Requests: applicants submit requests for fair hearings if their claim for assistance has been denied or not acted upon with reasonable promptness, or they dispute the amount of their benefit. The Program Compliance Officers will review the file for accuracy and completeness.
- Computer generated reports: MaineHousing generates periodic healthy data queries to identify and resolve potential compliance issues - ex. duplicate social security numbers, Applicant/Landlord same address, and Medical Deduction for analysis. The Program Compliance Office or Program Officers review these reports and application files as necessary.
- Files involving reports of alleged fraud.
- Files where questions arise during billing reviews of Weatherization, Central Heating Improvement Program or Heat Pump Program jobs.

**10.8. How often is each local agency monitored?**

MaineHousing conducts program and fiscal monitoring of Subgrantees at least once per year for compliance with Federal and State rules and regulations in a manner consistent with applicable state law and the HEAP Act.

**10.9. What is the combined error rate for eligibility determinations? OPTIONAL**

**10.10. What is the combined error rate for benefit determinations? OPTIONAL**

**10.11. How many local agencies are currently on corrective action plans for eligibility and/or benefit determination issues? 0**

**10.12. How many local agencies are currently on corrective action plans for financial accounting or administrative issues? 0**

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

**Section 11 - Timely and Meaningful Public Participation, 2605(b)(12) - Assurance 12, 2605(c)(2)**

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**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP)  
 MODEL PLAN  
 SF - 424 - MANDATORY**

**Section 11: Timely and Meaningful Public Participation, 2605(b)(12), 2605(C)(2)**

**11.1 How did you obtain input from the public in the development of your LIHEAP plan?  
 Select all that apply.**

- Tribal Council meeting(s)
- Public Hearing(s)
- Draft Plan posted to website and available for comment
- Hard copy of plan is available for public view and comment
- Comments from applicants are recorded
- Request for comments on draft Plan is advertised
- Stakeholder consultation meeting(s)
- Comments are solicited during outreach activities
- Other - Describe:

**11.2 What changes did you make to your LIHEAP plan as a result of this participation?**

1. Implementing “Categorical Income Eligibility” for HEAP applicants in which at least one household member currently receives TANF or SNAP assistance.
2. Permitting Subgrantees to deduct paid and documented medical expenses not reimbursed for the 12-month period prior to the Date of Application verses only allowing deductions for medical expenses paid during the 1-month/30-day income verification period.

**Public Hearings, 2605(a)(2) - For States and the Commonwealth of Puerto Rico Only**

**11.3 List the date and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?**

	Date	Event Description
1	5/17/2022	Public Hearing to be held at MaineHousing 26 Edison Dr., Augusta, ME 04330

**11.4. How many parties commented on your plan at the hearing(s)?** 3

**11.5 Summarize the comments you received at the hearing(s).**

Community Action Agencies (CAAs) commented on how helpful changes made in PY2022 and proposed changes in PY2023, including implementation of categorical income eligibility and expanding the time-period in which medical deductions can be made have been and will be to applicants. CAAs shared that they appreciate the working relationship they have with MaineHousing. CAAs said they have some concerns about deploying an online HEAP application and want to ensure that the online application will support filtering to help manage and prioritize applicants. Maine Equal Justice Partners (MEJ) shared their support of categorical income eligibility. MEJ asks MaineHousing to continue working with Maine DHHS regarding integration of intake systems and use of Maine DHHS vetted data to help streamline the HEAP application process for households that receive Maine DHHS services.

**11.6 What changes did you make to your LIHEAP plan as a result of the comments received at the public hearing(s)?**

1. Changed the end date for taking PY2023 HEAP applications to June 30, 2023. This is part of adjusting annual start and end dates for CAAs to take HEAP applications to start taking applications annually August 1 through June 30.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 12 - Fair Hearings, 2605(b)(13) - Assurance 13

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 12: Fair Hearings, 2605(b)(13) - Assurance 13

**12.1 How many fair hearings did the grantee have in the prior Federal fiscal year? 1**

**12.2 How many of those fair hearings resulted in the initial decision being reversed? TBD**

**12.3 Describe any policy and/or procedural changes made in the last Federal fiscal year as a result of fair hearings?**

To Be Determined

**12.4 Describe your fair hearing procedures for households whose applications are denied.**

Fair hearings will be conducted by MaineHousing, in accordance with the Maine Administrative Procedures Act, Title 5, Chapter 375, upon request of any applicant in accordance with the Maine State Housing Authority, Home Energy Assistance Program Rule, Chapter 24, as amended.

**12.5 When and how are applicants informed of these rights?**

Applicants are notified of their fair hearing rights at the time of application and through the benefit determination process. An Appeal Information sheet is provided to the applicant at the time of application. The benefit notification and denial notice provide the applicant information about their rights to an appeal/fair hearing.

**12.6 Describe your fair hearing procedures for households whose applications are not acted on in a timely manner.**

MaineHousing requires each applicant requesting a fair hearing be contacted by telephone and receive a letter. If an application is not acted on in a timely manner, MaineHousing works directly with the Subgrantee to help facilitate/expedite the application process.

**12.7 When and how are applicants informed of these rights?**

Applicants are notified of their fair hearing rights at the time of application and through the benefit determination process. Fair hearing rights information is provided to the applicant at the time of application, the benefit notification, and the denial notice.

## Section 13 - Reduction of home energy needs, 2605(b)(16) - Assurance 16

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 13: Reduction of home energy needs, 2605(b)(16) - Assurance 16

**13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?**

Subgrantees may submit annual proposals for MaineHousing's consideration, describing their planned activities and expenses associated with providing services to applicants pursuant to Assurance 16 of the LIHEAP Act. Assurance 16 funds may only be used to fund activities that encourage and enable eligible households to reduce their home energy needs and thereby the need for energy assistance.

Only LIHEAP eligible households may receive Assurance 16 services. Services funded by Assurance 16 must be energy related and may include family development case management and educational activities. Subgrantees are required to have proper fiscal controls to ensure the LIHEAP funds are expended proportional to the overall funding sources using proper cost allocation methodology. There must be proper documentation of participation and a methodology to measure outcomes from the Assurance 16 activities.

Allowable Costs:

- Salaries and benefit costs for any staff directly providing services "that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance is allowable".
- Additionally, direct costs associated with providing these services, including supplies, equipment, postage, utilities, rental office space, and travel costs incurred for official business are allowable.

Unallowable Costs: Services that are already provided as part of the delivery of other federal programs cannot be charged to Assurance 16. Examples:

- Working with an electric utility to forestall a shut-off as part of providing an Energy Crisis Intervention Program (ECIP) benefit cannot be charged to Assurance 16 because this activity is already required and funded under ECIP.
- Outreach/Intake services, regardless of where they are provided, or who (which staff member/position) provides them, cannot be charged to Assurance 16. These activities are already required under HEAP fuel assistance, and therefore, do not provide an additional benefit to eligible households.
- Mailed out applications are not allowed to be charged to Assurance 16.
- Indirect charges cannot be charged to Assurance 16.
- Client referrals to other programs or resources that are not related to clients' home energy needs or do not reflect an additional net benefit for the client.

**13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities?**

MaineHousing has established the following requirements to ensure compliance:

- Budget up to 5% of Maine's LIHEAP funds for Assurance 16 activities; Subgrant agreements specify the allocation amount for these activities.
- Subgrantees are required to submit budgets and work-plans that outline their processes for administering these activities.
- Monitor Subgrantees' expenditures monthly.
- Subgrantee's record-keeping must demonstrate a direct link between services provided to clients and costs charged to Assurance 16. Salary costs for providing Assurance 16 services must be supported by timesheet documentation.

**13.3 Describe the impact of such activities on the number of households served in the previous Federal fiscal year.**

MaineHousing provides its Subgrantees with an opportunity to develop/submit proposals and funding requests for Assurance 16 (A16) initiatives. Six (6) Subgrantees were awarded funds for Assurance 16 activities. Activities included short-term case management, comprehensive energy saving education/counseling, and providing participants with energy kits.

**13.4 Describe the level of direct benefits provided to those households in the previous Federal fiscal year.**

Some subgrantees offer incentives to households that complete milestones/modules of financial literacy education and demonstrate a reduction in their home energy costs. Incentives range from \$50- \$425 (depending on the subgrantee's incentive model and the number of milestones achieved by a household) that are issued to the household's fuel or electricity vendor.

**13.5 How many households applied for these services? To Be Determined**

**13.6 How many households received these services? To Be Determined**

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 14 - Leveraging Incentive Program, 2607A

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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#### Section 14: Leveraging Incentive Program, 2607(A)

**14.1 Do you plan to submit an application for the leveraging incentive program?**

Yes  No

**14.2 Describe instructions to any third parties and/or local agencies for submitting LIHEAP leveraging resource information and retaining records.**

If leveraging awards become available, MaineHousing will collect leveraging information from Subgrantees. Subgrantees will maintain and provide the following information:

1. Identify and describe each resource/benefit;
2. Identify the source(s) of each resource; and
3. Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).

**14.3 For each type of resource and/or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. § 96.87(d)(2)(iii), describe the following:**

Resource	What is the type of resource or benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with LIHEAP?
1	Home Repair	State funds	Home Repair funds are administered by the Subgrantees operating the LIHEAP /Weatherization programs. MaineHousing's Home Repair Program funds may be used in conjunction with HEAP weatherization for repairs and weatherization measures.
2	Heating Assistance	Local organizations/ partnerships, including United Way, fuel vendors, and faith-based organizations	Subgrantees appropriate and distribute these funds to low-income households as supplements and/or alternatives to the LIHEAP program.
3	Discount rates and debt forgiveness for electricity	Maine's public utility companies	Coordinated through the utility company and Subgrantee. Outreach and intake are incorporated in the LIHEAP application process.
4	Winterization assistance	Donations from local church groups and other organizations.	Donated materials or volunteer labor for the installation of winterization measures.
5	In-kind and other benefits, including blankets, sleepers, snow suits, and sweatshirts, which are intended to improve client comfort and reduce heating costs.	Fund-raising initiatives and drives; examples Project Santa and American Red Cross.	Subgrantees ensure LIHEAP clients are aware of and have access to these benefits.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 15 - Training

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 15: Training

**15.1 Describe the training you provide for each of the following groups:**

**a. Grantee Staff:**

**Formal training on grantee policies and procedures**

**How often?**

**Annually**

**Biannually**

**As needed**

**Other - Describe:**

**Employees are provided with policy manual**

**Other-Describe:**

MaineHousing's participation in monthly Maine Community Action Partnership's Energy Council meetings provides venue for additional training and feedback throughout the program year.

**b. Local Agencies:**

**Formal training conference**

**How often?**

**Annually**

**Biannually**

**As needed**

**Other - Describe:**

**On-site training**

**How often?**

**Annually**

**Biannually**

**As needed**

**Other - Describe:**

**Employees are provided with policy manual**

**Other - Describe**

MaineHousing provides annual LIHEAP training for Subgrantees. MaineHousing also provides training and technical assistance to all Subgrantees through regular monthly meetings and through monitoring visits. Additionally, MaineHousing will, upon request from the Subgrantee or in response to needs identified by MaineHousing, provide technical assistance.

<b>c. Vendors</b>
<input checked="" type="checkbox"/> <b>Formal training conference</b>
<b>How often?</b>
<input checked="" type="checkbox"/> <b>Annually</b>
<input type="checkbox"/> <b>Biannually</b>
<input type="checkbox"/> <b>As needed</b>
<input type="checkbox"/> <b>Other - Describe:</b>
<input checked="" type="checkbox"/> <b>Policies communicated through vendor agreements</b>
<input checked="" type="checkbox"/> <b>Policies are outlined in a vendor manual</b>
<input checked="" type="checkbox"/> <b>Other - Describe:</b> MaineHousing provides annual training for vendors. MaineHousing also provides training and technical assistance to vendors through monitoring visits. Additionally, MaineHousing will, upon request from the vendor or in response to needs identified by MaineHousing, provide technical assistance.

<b>15.2 Does your training program address fraud reporting and prevention?</b>
<input checked="" type="radio"/> Yes <input type="radio"/> No
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 16 - Performance Goals and Measures, 2605(b)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 16: Performance Goals and Measures, 2605(b) - Required for States Only

16.1 Describe your progress toward meeting the data collection and reporting requirements of the four required LIHEAP performance measures. Include timeframes and plans for meeting these requirements and what you believe will be accomplished in the coming federal fiscal year.

##### Energy Cost Data:

MaineHousing's centralized LIHEAP database and application documents require the following information:

- Main fuel type and vendor account number;
- As part of the application process applicants age 18 years or older are required to sign a release permitting the Subgrantee and MaineHousing to provide information to and obtain information from other parties or agencies; and
- Electric utility account information.

**Home Energy Consumption:** Per the vendor agreement, vendors are contractually obligated to submit Annual Consumption Reports to MaineHousing to report deliveries for a household's main fuel, from May 1 through April 30. The consumption data is entered/imported into MaineHousing's centralized LIHEAP database.

Electricity vendors are required to provide non-heat usage data for clients. Household Income is entered into MaineHousing's centralized LIHEAP database. LIHEAP benefits are calculated by and stored in MaineHousing's centralized LIHEAP database.

##### Home Energy Status

**Crisis Assistance:** MaineHousing's centralized LIHEAP database and Crisis application documents capture the number of households without home energy service (disconnected, out of fuel, inoperable equipment) and the number of households at risk of losing home energy (past due/disconnect notice, nearly out of fuel, at risk equipment).

**Heating Assistance:** MaineHousing's centralized LIHEAP database supports the collection and reporting of the LIHEAP Performance Measures Restoration and Prevention data requirements.

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 17 - Program Integrity, 2605(b)(10)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

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### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN SF - 424 - MANDATORY

#### Section 17: Program Integrity, 2605(b)(10)

##### 17.1 Fraud Reporting Mechanisms

**a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse. Select all that apply.**

- Online Fraud Reporting**
- Dedicated Fraud Reporting Hotline**
- Report directly to local agency/district office or Grantee office**
- Report to State Inspector General or Attorney General**
- Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse**
- Other - Describe:**

MaineHousing has zero tolerance for fraud. MaineHousing's Compliance Program Officer investigates any concerns reported by energy vendors, Subgrantees, or third-parties.

Suspected fraud and abuse may be reported to a dedicated email address: [LIHEAPcompliance@mainehousing.org](mailto:LIHEAPcompliance@mainehousing.org)

**b. Describe strategies in place for advertising the above-referenced resources. Select all that apply**

- Printed outreach materials**
- Addressed on LIHEAP application**
- Website**
- Other - Describe:**

The LIHEAP Handbook for Subgrantees and the Vendor guide, which are distributed annually and maintained on MaineHousing's website portal to accommodate real-time changes, include information about reporting suspected fraud, misuse, and abuse.

**17.2. Identification Documentation Requirements**

a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.

Type of Identification Collected	Collected from Whom?						
	Applicant Only		All Adults in Household		All Household Members		
Social Security Card is photocopied and retained	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required	
	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	<input checked="" type="checkbox"/>	Requested	
Social Security Number (Without actual Card)	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required	<input checked="" type="checkbox"/>	Required	
	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	
Government-issued identification card (i.e.: driver's license, state ID, Tribal ID, passport, etc.)	<input checked="" type="checkbox"/>	Required	<input type="checkbox"/>	Required		Required	
	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested		Requested	
Other		Applicant Only Required	Applicant Only Requested	All Adults in Household Required	All Adults in Household Requested	All Household Members Required	All Household Members Requested
1		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b. Describe any exceptions to the above policies.

See attachment - Section 17 Program Integrity

**17.3 Identification Verification**

Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Select all that apply

- Verify SSNs with Social Security Administration
- Match SSNs with death records from Social Security Administration or state agency
- Match SSNs with state eligibility/case management system (e.g., SNAP, TANF)
- Match with state Department of Labor system
- Match with state and/or federal corrections system
- Match with state child support system
- Verification using private software (e.g., The Work Number)
- In-person certification by staff (for tribal grantees only)
- Match SSN/Tribal ID number with tribal database or enrollment records (for tribal grantees only)
- Other - Describe: All Applicants two years of age or older must provide proof of Social Security Number (SSN). Any document used to prove SSN must contain all nine (9) digits and the Applicant's full name. SSN documentation is saved in MaineHousing's centralized LIHEAP database.

**17.4. Citizenship/Legal Residency Verification**

What are your procedures for ensuring that household members are U.S. citizens or aliens who are qualified to receive LIHEAP benefits? Select all that apply.

- Clients sign an attestation of citizenship or legal residency
- Client's submission of Social Security cards is accepted as proof of legal residency
- Noncitizens must provide documentation of immigration status
- Citizens must provide a copy of their birth certificate, naturalization papers, or passport
- Noncitizens are verified through the SAVE system
- Tribal members are verified through Tribal enrollment records/Tribal ID card
- Other - Describe:

**17.5. Income Verification**

What methods does your agency utilize to verify household income? Select all that apply.

- Require documentation of income for all adult household members
  - Pay stubs
  - Social Security award letters
  - Bank statements
  - Tax statements
  - Zero-income statements
  - Unemployment Insurance letters
  - Other - Describe: Odd Job Income Worksheet and/or Self-Employment Worksheet are used for applicable situations. Department of Labor history report required for all applicants who self-declare receipt of unemployment benefits. Applicants who claim zero income or self-declare they are unemployed must sign an affidavit. Applicants who self-declare receipt of Social Security income and/or Supplemental Security Income are required to provide a copy of their Social Security award letter.
- Computer data matches:
  - Income information matched against state computer system (e.g., SNAP, TANF)
  - Proof of unemployment benefits verified with state Department of Labor
  - Social Security income verified with SSA
  - Utilize state directory of new hires
  - Other - Describe:

**17.6. Protection of Privacy and Confidentiality**

Describe the financial and operating controls in place to protect client information against improper use or disclosure. Select all that apply.

- Policy in place prohibiting release of information without written consent
- Grantee LIHEAP database includes privacy/confidentiality safeguards
- Employee training on confidentiality for:
  - Grantee employees
  - Local agencies/district offices
- Employees must sign confidentiality agreement
  - Grantee employees
  - Local agencies/district offices
- Physical files are stored in a secure location

**Other - Describe:** Mandatory cybersecurity training for all users of MaineHousing's centralized LIHEAP database system.

**17.7. Verifying the Authenticity**

What policies are in place for verifying vendor authenticity? Select all that apply.

All vendors must register with the State/Tribe.

All vendors must supply a valid SSN or TIN/W-9 form

Vendors are verified through energy bills provided by the household

Grantee and/or local agencies/district offices perform physical monitoring of vendors

**Other - Describe and note any exceptions to policies above:**

MaineHousing runs a background check for all new vendors to verify there are no civil or federal judgments or bankruptcies.

Contracts are made only with vendors who possess the ability to perform successfully under the terms and conditions of a proposed procurement with consideration given to matters such as vendor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. All vendors must supply valid TIN number, or Social Security number, in the contracting process.

**17.8. Benefits Policy - Gas and Electric Utilities**

What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients? Select all that apply.

- Applicants required to submit proof of physical residency
- Applicants must submit current utility bill
- Data exchange with utilities that verifies:
  - Account ownership
  - Consumption
  - Balances
  - Payment history
  - Account is properly credited with benefit
  - Other - Describe:
- Centralized computer system/database tracks payments to all utilities
- Centralized computer system automatically generates benefit level
- Separation of duties between intake and payment approval
- Payments coordinated among other energy assistance programs to avoid duplication of payments
- Payments to utilities and invoices from utilities are reviewed for accuracy
- Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities
- Direct payment to households are made in limited cases only
- Procedures are in place to require prompt refunds from utilities in cases of account closure
- Vendor agreements specify requirements selected above, and provide enforcement mechanism
- Other - Describe:

**17.9. Benefits Policy - Bulk Fuel Vendors**

What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel vendors? Select all that apply.

- Vendors are checked against an approved vendors list
- Centralized computer system/database is used to track payments to all vendors
- Clients are relied on for reports of non-delivery or partial delivery
- Two-party checks are issued naming client and vendor
- Direct payment to households are made in limited cases only
- Vendors are only paid once they provide a delivery receipt signed by the client
- Conduct monitoring of bulk fuel vendors
- Bulk fuel vendors are required to submit reports to the Grantee
- Vendor agreements specify requirements selected above, and provide enforcement mechanism
- Other - Describe:

Wood vendors are paid after they provide a delivery receipt signed by the client.

**17.10. Investigations and Prosecutions**

Describe the Grantee's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients/staff/vendors found to have committed fraud. Select all that apply.

- Refer to state Inspector General
- Refer to local prosecutor or state Attorney General
- Refer to US DHHS Inspector General (including referral to OIG hotline)
- Local agencies/district offices or Grantee conduct investigation of fraud complaints from public

**Grantee attempts collection of improper payments. If so, describe the recoupment process**

MaineHousing will investigate all reported Errors and Program Abuse. If there is documented information to indicate Errors and Program Abuse, MaineHousing will notify the Applicant and provide them an opportunity to respond. Based on the response, MaineHousing will determine what, if any, appropriate action should be taken.

Once Errors and Program Abuse is confirmed or if an Applicant fails to respond to inquiries regarding suspected Errors and Program Abuse, an overpayment will be calculated and communicated to the Applicant. In addition to the overpayment, the communication will include: 1) the facts surrounding the decision, 2) the reason for the decision, and 3) the manner by which the Applicant can request an appeal. MaineHousing may investigate the previous three (3) Program Years from the Date of Discovery. The overpayment may include any or all of those three (3) years.

- Applicant may pay MaineHousing the full amount of an overpayment.
- Applicant may enter into a payment arrangement. Minimum monthly payment allowed will be set at \$5.00 a month.
- Despite the existence of a repayment agreement, MaineHousing will recoup 50% of any current and future Benefits to offset against an overpayment balance.
- MaineHousing will recoup Benefits on account with the Applicant's Vendor to offset against an overpayment balance. When Applicant fails to repay overpayment, the case may be referred to other internal and external groups for additional action.

MaineHousing may close an overpayment for any of the following reasons:

- Overpayment has been paid in full;
- The overpayment is determined to be invalid based on a fair hearing decision or a court decision; or
- All adult persons(s) responsible for overpayment are deceased.

**Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned?**

**Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated**

**Vendors found to have committed fraud may no longer participate in LIHEAP**

**Other - Describe:**

If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

## Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters

### Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters

#### Certification Regarding Debarment, Suspension, and Other Responsibility Matters- Primary Covered Transactions

##### Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

#### Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

##### Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment,

Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

#### Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

By checking this box, the prospective primary participant is providing the certification set out above.

## Section 19: Certification Regarding Drug-Free Workplace Requirements

### Section 19: Certification Regarding Drug-Free Workplace Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

#### Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

- By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
- The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
- For grantees other than individuals, Alternate I applies.
- For grantees who are individuals, Alternate II applies.
- Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
- Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
- If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously

identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

*Controlled substance* means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

*Conviction* means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

*Criminal drug statute* means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

*Employee* means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of sub-recipients or subcontractors in covered workplaces).

#### Certification Regarding Drug-Free Workplace Requirements

##### Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about:
  - (1) The dangers of drug abuse in the workplace;
  - (2) The grantee's policy of maintaining a drug-free workplace;
  - (3) Any available drug counseling, rehabilitation, and employee assistance programs;and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
- (1) Abide by the terms of the statement; and
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted --
- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
- (B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

26 Edison Drive		
Address Line 2		
Address Line 3		
Augusta	ME	04330

Check if there are workplaces on file that are not identified here.

**Alternate II. (Grantees Who Are Individuals)**

- (a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;
- (b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other

designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

By checking this box, the prospective primary participant is providing the certification set out above.

## Section 20: Certification Regarding Lobbying

### Section 20: Certification Regarding Lobbying

The submitter of this application certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying," in accordance with its instructions

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any

person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By checking this box, the prospective primary participant is providing the certification set out above.

## Assurances

### Assurances

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of -

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

(except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that -

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning

and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) \* beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

\* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

**File Attachment:** Low Income Home Energy Assistance

**Grantee Name:** Maine State Housing Authority

**Report Name:** Detailed Model Plan (LIHEAP)

**Report Period:** 10/01/2022 to 09/30/2023

## **Section 2 Heating Assistance**

### **2.1 Eligibility Guideline**

Maine will use the following standards to determine income eligibility:

- i. the greater of 150% of Federal poverty guidelines or 60% of State median income.

MaineHousing will establish eligibility guidelines based on the availability of federal funding for the programs during each program year. MaineHousing strives to provide an average benefit in an amount to purchase at least 100 gallons of fuel. MaineHousing reserves the right to lower the percent of poverty criteria for HEAP eligibility to manage funding, benefit levels, and eligibility.

**File Attachment:** Low Income Home Energy Assistance

**Grantee Name:** Maine State Housing Authority

**Report Name:** Detailed Model Plan (LIHEAP)

**Report Period:** 10/01/2022 to 09/30/2023

### **Section 5.5 Weatherization**

Maine will allocate up to 15% of the FFY 2023 grant for HEAP Weatherization and other energy-related home repair, including the Central Heating Improvement Program (CHIP) and Heat Pump Program.

#### **HEAP Weatherization**

1. The purpose of HEAP Weatherization is to reduce Eligible Households' need for Fuel Assistance, particularly those with the lowest Household Incomes that pay a high proportion of Household Income for Home Energy and those that include Priority Applicants.
  - a. Using HEAP Weatherization in conjunction with DOE funds: If the HEAP Weatherization guidelines conflict with those required by 10 CFR Part 440, DOE requirements shall have precedence, with the exception to variations listed and approved in the LIHEAP State Model Plan: weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit; and weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards. HEAP Weatherization funds may only be used to weatherize Dwelling Units occupied by HEAP income-eligible households.
  - b. Weatherization measures must be installed in accordance with the Maine Weatherization Standards, as may be amended from time to time.
  - c. A Household may be eligible for HEAP Weatherization if the Household:
    - i. is eligible for HEAP/fuel assistance;
    - ii. has a HEAP application certified-eligible within the twelve (12) months preceding the date of the Subgrantee's energy audit of the Dwelling Unit; and
    - iii. does not have a more recent Application that has been certified-denied.
  - d. Income Eligibility. MaineHousing uses HEAP income eligibility to determine income eligibility for HEAP Weatherization.
2. Proof of Ownership. The Subgrantee shall verify ownership of all Dwelling Units and Rental Units prior to performing any work. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.

Life estates and leases require a copy of the document conferring the Applicant's rights.

The Subgrantee must obtain the written permission of the owner of the Rental Unit prior to performing any work.

3. A Dwelling Unit will not be eligible under HEAP Weatherization if:

- a. Dwelling Unit received weatherization services under HEAP Weatherization or another MaineHousing program within the prior fifteen (15) year period.
- b. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
- c. Dwelling Unit has been designated for foreclosure;
- d. Dwelling Unit is for sale;
- e. Dwelling Unit is vacant;
- f. Dwelling Unit is uninhabitable as determined by a local municipality, State Agency, MaineHousing, or a Community Action Agency;
- g. Dwelling Unit is in poor structural condition making the installation of HEAP Weatherization services impractical, impossible, or ineffective;
- h. Dwelling Unit is in such poor structural condition that the proposed HEAP Weatherization services would have a longer life expectancy than the Dwelling Unit;
- i. Dwelling Unit has been damaged by fire, flood or an act of God and repair of the damage is covered by insurance;
- j. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the HEAP Weatherization process. The Subgrantee must resolve any discrepancies before work can continue.

4. Allowable Uses:

- a. Weatherization needs assessments/audits;
- b. Air sealing and insulation;
- c. Storm windows;
- d. Heating System modifications/repairs;
- e. Heating System replacements;
- f. Heating System cleaning, tuning, and evaluating;
- g. Compact fluorescent light bulbs;

- h. Energy related roof repairs;
  - i. Major appliance repairs/replacements, up to two appliances, with one being a water heater;
  - j. Incidental Repairs;
  - k. Health and safety measures;
  - l. Replacement windows and doors are allowable only under exceptional circumstances and only after all other reasonable repair options have been considered and rejected.
5. Fuel Switching: As a general guideline, the practice of fuel switching when replacing Heating Systems is not allowed. However, if the Subgrantee determines that the switching of a fuel source is warranted, then a written waiver request must be submitted to MaineHousing for review and consideration (on a case-by-case basis) prior to the installation.
6. Work on an eligible Dwelling Unit previously weatherized under a MaineHousing program may be reopened if:
- a. the reopening occurs within six (6) months of completion of the original weatherization service; and
  - b. The reopening is required because the previous service is the proximate cause of an immediate threat to the health and safety of the occupants; or
  - c. The quality of weatherization material or its installation is deemed deficient by MaineHousing.
7. Subgrantees shall administer and operate HEAP Weatherization in their Service Areas, unless otherwise authorized by MaineHousing.
8. For the purposes of HEAP Weatherization, Subgrantees must conduct a public bid process to secure weatherization contractors at least annually as prescribed by MaineHousing.

**Central Heating Improvement Program (CHIP)**

- 1. A Household may be eligible for CHIP services if the Household:
  - A. is eligible for HEAP/fuel assistance;
  - B. has a HEAP application certified-eligible within the prior twelve (12) months; and
  - C. does not have a more recent Application that has been certified-denied.

2. Subgrantees shall provide CHIP services based on the following priority order:
  - A. Eligible Households experiencing an Energy Crisis caused by Heating System malfunction or failure.
  - B. Non-wood Heating Systems that cannot achieve a minimum steady state efficiency of 70% (as determined by a CTE).
  - C. Preventative CTE and minor repairs on a non-emergency basis (owner-occupied dwelling units only). Date of the last CTE by a licensed technician must be more than 12 months prior to the initiation of services date.
  - D. The installation of a Heat Pump.
3. Eligible Households shall be served on a first-come, first-served basis with respect to each level of priority except when the Subgrantee is providing weatherization services to a Dwelling Unit. In this case, CHIP activities to Eligible Households that enable the Subgrantee to leverage funds may be served first.
4. Subgrantees shall administer and operate CHIP in their Service Areas unless otherwise determined by MaineHousing.
5. Heating System Replacement. Household may be eligible for assistance to replace a Heating System if the Household is eligible for HEAP/fuel assistance benefits. The amount of assistance shall take into account the Household's and non-occupying co-owner's countable assets.

The overall purpose of these asset limitations is to encourage a Household's contribution to meeting their needs, when possible, and at the same time recognize that household assets represent needed income and insurance against financial calamities, and that it is prudent to retain these assets to some extent.

- A. The Household will be required to contribute toward the cost of replacing the Heating System if the Household has countable assets in excess of \$5,000 or \$50,000 if a member of the Applicant Household is an Elderly Person. The same guidelines apply to Non-occupying Co-owner's Countable Assets. Countable assets are resources that are available to meet the immediate and urgent needs of the Household, and include:
  - ii. Cash and funds on prepaid debit cards;
  - iii. Money in a checking or savings account (health savings accounts, educational funds, and burial accounts are excluded);
  - iv. Stocks or bonds;
  - v. U.S. Treasury bills;
  - vi. Money market funds; and
  - vii. Retirement accounts if there are no penalties or fees for withdrawals.
- B. A Household's contribution shall be determined by subtracting \$5,000 or \$50,000 (whichever is applicable) from its total countable assets. That difference will then be multiplied by the

Household's percentage of ownership. A non-occupying co-owner's contribution shall be similarly calculated. The maximum CHIP benefit amount shall be determined by subtracting the sum of the Household's and non-occupying co-owner's contributions from the total replacement costs.

6. Rental Units Occupied By An Eligible Household: A life-time maximum benefit of \$400 for an Eligible Household. The maximum allowed in a non-owner occupied multi-family building is the lesser of \$400 times the number of Heating Systems that provide heat to Eligible Households or \$1,600.

7. If an Eligible Household member holds a life estate or life lease interest in and occupies the Dwelling Unit, the Dwelling Unit may be eligible if:

- the document conferring the Applicant's rights of the life estate or life lease states that the Eligible Household member is responsible for maintaining the Dwelling Unit, or is silent as to who is responsible for maintenance, or
- the Dwelling Unit is owned by an Eligible Household.

8. Proof of Ownership. The Subgrantee shall verify ownership of all Dwelling Units and Rental Units prior to performing any work. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.

9. A Dwelling Unit will not be eligible under CHIP if:

- A. Dwelling Unit is a Rental Unit that has received prior CHIP services to the life-time maximum benefit;
- B. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
- C. Dwelling Unit has been designated for foreclosure;
- D. Dwelling Unit is for sale;
- E. Dwelling Unit is vacant;
- F. Dwelling Unit is uninhabitable as deemed by a local municipality, State Agency, MaineHousing, or a Community Action Agency;
- G. Dwelling Unit is in poor structural condition making the installation of CHIP services impractical, impossible, or ineffective;
- H. Dwelling Unit is in such poor structural condition that the proposed CHIP services would have a longer life expectancy than the Dwelling Unit;
- I. Dwelling Unit has been damaged by fire, flood or an act of God and repair of the damage is covered by insurance;

- J. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the CHIP process. The Subgrantee must resolve any discrepancies before work can continue;
- K. Dwelling Unit has any other Heating System that is safe, operable, and is capable of heating the dwelling adequately during severe cold weather; or
- L. Subgrantee determines the Applicant failed to properly maintain a Heating System that was previously repaired or replaced under CHIP.

Eligible Households who apply for CHIP services for more than one Dwelling Unit will be subject to additional review to ensure the requested services are consistent with the intent of the program.

10. CHIP Allowable Uses:

- A. Cleaning, tuning, and evaluating oil or gas systems;
- B. Cleaning, evaluating, and servicing solid fuel systems;
- C. Replacing oil or gas burners;
- D. Replacing cracked heat exchangers;
- E. Replacing oil, gas, electric or solid fuel Heating Systems;
- F. Sealing and insulating Heating System pipes or ducts in unconditioned spaces;
- G. Installing electrical or mechanical Heating System ignition systems;
- H. Replacing or relocating thermostats and anticipator adjustment;
- I. Baffling of the combustion chamber;
- J. Optimizing the firing rate;
- K. Cleaning of the chimney;
- L. Smoke Alarms;
- M. Fire extinguishers;
- N. Carbon Monoxide detectors;
- O. Gas detectors;
- P. Oil tanks;
- Q. Oil tank gauges;
- R. Installation of a heat pump;

- S. Temporary relocation provided the Eligible Household is experiencing a Life Threatening Crisis that cannot be adequately addressed through ECIP Measures;
- T. Other measures necessary to bring Heating Systems into compliance with applicable State and local codes and Maine Fuel Board requirements; and
- U. Other measures necessary to correct any Heating System problems that pose an immediate threat to the health and safety of the Eligible Household.

11. CHIP Unallowable Uses:

- A. Reimbursement or payment for purchases made by or costs incurred by an Applicant.
- B. Replacement of a Heating System if the Dwelling Unit received a prior Heating System replacement funded by CHIP unless the Heating System is near the end of or beyond its estimated useful life as defined by [EUL\\_FOR\\_CNA\\_E\\_TOOL.PDF \(hud.gov\)](#)

12. Fuel Switching. As a general guideline, the practice of fuel switching is not allowed. However, if the Subgrantee determines that the switching of a fuel source is warranted, then a written waiver request must be submitted to MaineHousing for review and consideration (on a case-by-case basis) prior to the installation.

13. Subgrantee must perform a final inspection on all CHIP services for heating system replacement jobs. Inspections will include an evaluation to determine:

- A. Compliance with applicable codes;
- B. That all work performed was authorized by the Subgrantee; and
- C. The combustion efficiency level of the Heating System where technically feasible.

14. Specific Procurement Requirements. Prior to the performance of CHIP services, the Subgrantee shall follow the procedures below:

- A. Procurement less than or equal to \$10,000. Procurement of services, including materials, equipment and services from specialized trades, such as electricians, plumbers, masons and oil burner repair people shall be performed in accordance with the following procedures.
  - i. Solicit by telephone, email, vendor website, catalog, price list, or similar means one price quote for the required materials, equipment and services.
  - ii. Determine if the quoted price is reasonable based on one or more factors identified by Subgrantee, such as recent purchases of, or research on, goods or services of the

same kind or related knowledge or expertise; otherwise, solicit two price quotes by similar means.

- iii. Copies of all procurement records, including basis for the contractor selection and factors used to determine if the quoted price is reasonable, must be retained in the Subgrantee files.

B. Procurement over \$10,000. Procurement of services, including materials, equipment and services from specialized trades, such as electricians, plumbers, masons and oil burner repair people shall be performed in accordance with the following procedures.

- i. Perform a price survey for the required materials, equipment and services.

- ii. Make every reasonable attempt to receive price quotations or bids from at least three (3) reputable Contractors and fully document the bid process and all bids received on a survey sheet.

- iii. Purchase the materials, equipment or services from the Contractor, whose bid or proposal is the lowest, taking into consideration the Contractor's performance record and other relevant factors. Fully document the selection process.

- iv. Copies of all procurement records, including basis for contractor selection must be retained in the Subgrantee files.

C. The Subgrantee must prepare an Invitation to Bid or a Request for Proposal, which:

- i. Identifies all requirements which prospective bidders must fulfill, including the due dates for bids; and

- ii. Identifies all factors which the Subgrantees will consider in evaluating and awarding bids.

D. The Invitation to Bid or Request for Proposal must be mailed, faxed or emailed to no less than three (3) prospective contractors who may reasonably be expected to submit a bid.

E. All bids must be received by the Subgrantee contact person via mail, fax or e-mail prior to a specified time for a bid opening at a specified time and location. All bids received must be kept in a secure location prior to all bids being received and tabulated. In addition, all correspondence relating to the procurement action must be retained in the bid files.

F. Sole Source Procurement. Subgrantee may solicit a proposal from only one source for one of the following reasons.

- i. Sole source procurement may be used in the following instances:

- ii. Emergency or Urgent Need. An emergency situation or other urgent need exists and only one known source can provide the required goods or services within the time needed. Emergency or urgent situations include, but are not limited to, natural disasters or a Life Threatening Crisis.
- iii. Uniqueness. The item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.
- iv. Inadequate Competitive Proposals. After evaluation of all proposals submitted in a competitive procurement, all proposals are determined to be inadequate.
- v. Subgrantee shall submit a written statement justifying the use and approval of all sole source procurements, in excess of \$10,000, to MaineHousing for its consideration prior to the installation of services.
- vi. Subgrantee will retain a copy of the solicitation and the proposal received in response, a record of the approval by MaineHousing in Subgrantee's records.

**Heat Pump Program (HPP)**

- A. Eligibility. A Household may be eligible for the Heat Pump Program if the Household:
  - 1. is eligible for HEAP/fuel assistance;
  - 2. has an Application certified-eligible within the twelve (12) months preceding the date of the Subgrantee's energy audit of the Dwelling Unit;
  - 3. does not have a more recent Application that has been certified-denied; and
  - 5. has a working primary heating system.
- B. Proof of Ownership. Ownership of all Dwelling Units shall be verified prior to any work being performed. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.
 

Life estates and leases require a copy of the document conferring the Applicant's rights.
- C. A Dwelling Unit will not be eligible under the Heat Pump Program if:
  - 1. Dwelling Unit already is equipped with a heat pump;
  - 2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
  - 3. Dwelling Unit has been designated for foreclosure;
  - 4. Dwelling Unit is for sale;
  - 5. Dwelling Unit is vacant;

6. Dwelling Unit is uninhabitable as determined by a local municipality, State Agency, MaineHousing, or a Community Action Agency ;
7. Dwelling Unit is in poor structural condition making the installation of a heat pump impractical, impossible, or ineffective;
8. Dwelling Unit is in such poor structural condition that the proposed Heat Pump Program services would have a longer life expectancy than the Dwelling Unit;
9. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the HEAP Weatherization process. The Subgrantee must resolve any discrepancies before work can continue.

D. Allowable Uses:

1. Installation of a Heat Pump; and
2. Installation of electric subpanel for heat pump if needed.

**File Attachment:** Low Income Home Energy Assistance  
**Grantee Name:** Maine State Housing Authority  
**Report Name:** Detailed Model Plan (LIHEAP)  
**Report Period:** 10/01/2022 to 09/30/2023

**Section 5 Multifamily Weatherization**

MaineHousing’s goal for the weatherization of multifamily units is for the low income tenants to receive a direct benefit. Multifamily properties are those with two or more units. If the owner occupies one of the units in a two to four unit rental property, the property will be considered a single family dwelling provided the owner is LIHEAP eligible.

MaineHousing allows for the weatherization of the entire building rather than just the low income units. If a property consists of more than one building, each building will need to qualify on its own.

The purpose of HEAP Weatherization is to reduce Eligible Households’ need for Fuel Assistance, particularly those that include Priority Applicants and pay a high proportion of Household Income for Home Energy. Therefore, the primary focus is on properties where the low income tenants see a direct financial benefit. For these reasons, HEAP Weatherization funding may be used to weatherize multifamily units according to the following guidelines:

1. Not less than 66% (or 50% in the case of multi-family units of 2 or 4 dwelling units), must be LIHEAP eligible (all buildings if a multi-building property).

**File Attachment:** Low Income Home Energy Assistance

**Grantee Name:** Maine State Housing Authority

**Report Name:** Detailed Model Plan (LIHEAP)

**Report Period:** 10/01/2022 to 09/30/2023

## **Section 5.5 Weatherization – Quality Assurance and Training Protocols**

MaineHousing administers the HEAP Weatherization and other energy-related home repair, including the Central Heating Improvement Program (CHIP) mostly under LIHEAP rules. Pursuant to the requirements of the HEAP State Model Plan, MaineHousing has established quality control, training, inspection, and installation protocols to ensure program integrity and work quality.

### **1. HEAP Weatherization Protocols:**

- a. **Maine State Housing 2020 Maine Weatherization Standards (“Standards”):** HEAP Weatherization work shall comply with all applicable codes and Standards. The Standards provide guidelines to local administering agencies and contractors regarding the proper delivery of weatherization services for residential buildings. The purpose of the Standards is to ensure that high quality service is given at a reasonable cost and is delivered uniformly throughout Maine. The success of this program depends upon agencies and contractors having a full understanding of these weatherization standards.

The objective of the Standards is twofold. First, it serves to define the appropriate application of weatherization measures for each residence serviced. The Standards delineate material specifications as well as the steps that should be followed to complete each measure. Alternative methods will be allowed, but whatever method is used must meet or exceed the standard described in the relevant section of this document. Second, the Standards set guides for the expectation of quality of the installed product. Procedures are included for evaluating the quality of each installed conservation measure and the overall quality of the completed job. Additionally, the Standards help ensure that weatherization program funds are used in the most cost-effective manner possible.

The Standards are intended to be a dynamic document, changing as necessary to reflect advances in best practices for weatherization and the health and safety of clients and weatherization personnel.

- b. **Final Inspection:** No dwelling unit may be billed under HEAP Weatherization until the subgrantee has performed a final inspection and certified that the applicable work was performed in an acceptable manner.
- c. **Desk Reviews:** MaineHousing staff performs a comprehensive compliance and technical (desk) review of jobs submitted for billing. This review verifies weatherization services were administered and installed in accordance with program requirements; verifies eligibility of dwelling unit and household, required documentation has been signed by the appropriate parties, and the pre- and post-weatherization testing and measures installed were consistent/compliant with program requirements. Any identified issues or questions must be addressed with and resolved by the subgrantee prior to payment.
- d. **Monitoring:** MaineHousing’s Technical Service Specialists do quality control. At a minimum, 5% of all units billed as completed will receive State unit inspections. If the work does not comply with program requirements and Standards, the MaineHousing Technical Service Specialist will require the subgrantee to issue an add-work/rework order or de-bill the job.

e. **Training:**

- i. MaineHousing organizes specialized trainings as determined necessary.
- ii. MaineHousing conducts ongoing assessment of subgrantee training needs during onsite inspections, audits, desk reviews, and joint meetings. MaineHousing's Technical Service Specialists work in the field with subgrantee staff to provide training and support as needed.
- iii. Maine Community Action Partnership's (MeCAP) Building Technical 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. MaineHousing participates in the monthly BTC meetings where production, training, and other programmatic developments and standards are discussed. Through this venue subgrantees are continually updated with information and techniques regarding energy conservation and health and safety issues. This ensures that all subgrantees are receiving the same information and creates consistency for a quality program across the state.
- iv. MaineHousing participates in monthly meetings with the MeCAP Housing Council. This council consists of weatherization managers from each subgrantee. This serves as a forum for discussing policy issues, identifying training needs, and for sharing information.

2. **Central Heating Improvement Program (CHIP) Protocols:**

- a. **Final Inspections:** Subgrantee must perform a final inspection on all CHIP services for heating system replacements. Inspections will include an evaluation to determine:
  - i. Compliance with applicable codes;
  - ii. That all work performed was authorized by the subgrantee; and
  - iii. The combustion efficiency level of the Heating System (when technically feasible).
- b. **Desk Reviews:** The EHS Weatherization Program Officer performs desk audits of 25% of the CHIP job billings. This review verifies – i) services were procured, administered and installed in accordance with program requirements; ii) eligibility of dwelling unit and household; and iii) required documentation has been signed by the appropriate parties. Any identified issues or questions must be addressed with and resolved by the subgrantee prior to payment.
- c. **Monitoring:** MaineHousing performs onsite inspections as deemed necessary.

3. **Heat Pump Program (HPP) Protocols:**

- a. **Final Inspections:** Subgrantee must perform a final inspection on a minimum of 5% of all HPP jobs. Inspections will include an evaluation to determine:
  - i. Compliance with applicable standards and regulations; and
  - ii. That all work performed was authorized by the subgrantee.
- b. **Desk Reviews:** The EHS Weatherization Program Officer performs desk audits of 25% of the HPP job billings. This review verifies – i) services were procured, administered and installed in accordance with program requirements; ii) eligibility of dwelling unit and household; and iii) required documentation has been signed by the appropriate parties. Any identified issues or questions must be addressed with and resolved by the subgrantee prior to payment.
- c. **Monitoring:** MaineHousing performs onsite inspections on a minimum of 5% of all HPP jobs.

**File Attachment:** Low Income Home Energy Assistance

**Grantee Name:** Maine State Housing Authority

**Report Name:** Detailed Model Plan (LIHEAP)

**Report Period:** 10/1/2022 to 9/30/2023

**Section 10:** Program Monitoring Schedule PY2023 (tentative)

<b>Maine State Housing Authority – FFA 2023 LIHEAP Program Monitoring Schedule</b>		
<b>Subgrantee</b>	<b>From</b>	<b>To</b>
Aroostook County Action Program	11/8/2022	11/10/2022
Community Concepts, Inc.	1/3/2023	1/5/2023
Downeast Community Partners	11/15/2022	11/17/2022
Kennebec Valley Community Action Program	12/13/2022	12/15/2022
Penquis Community Action Program	1/10/2023	1/12/2023
The Opportunity Alliance	11/29/2022	12/1/2022
Waldo Community Action Program	1/24/2023	1/26/2023
Western Maine Community Action	1/17/2023	1/19/2023
York County Community Action Corp.	12/6/2022	12/8/2022

**File Attachment:** Low Income Home Energy Assistance

**Grantee Name:** Maine State Housing Authority

**Report Name:** Detailed Model Plan (LIHEAP)

**Report Period:** 10/1/2022 to 9/30/2023

**Section 10:** Fiscal Monitoring Schedule PY2023 (tentative)

<b>Maine State Housing Authority – FY 2023 LIHEAP Fiscal Monitoring Schedule</b>		
<b>Subgrantee</b>	<b>From</b>	<b>To</b>
Aroostook County Action Program	8/15/2022	8/19/2022
Community Concepts, Inc.	9/5/2022	9/9/2022
Downeast Community Partners	9/26/2022	9/30/2022
Kennebec Valley Community Action Program	10/10/2022	10/14/2022
Penquis Community Action Program	10/31/2022	11/4/2022
The Opportunity Alliance	11/28/2022	12/2/2022
Waldo Community Action Program	1/9/2023	1/13/2023
Western Maine Community Action	1/30/2023	2/3/2023
York County Community Action Corp.	2/20/2023	2/24/2023

**File Attachment:** Low Income Home Energy Assistance

**Grantee Name:** Maine State Housing Authority

**Report Name:** Detailed Model Plan (LIHEAP)

**Report Period:** 10/01/2022 to 09/30/2023

## Section 17 Program Integrity

### 17.2 Identification Documentation Requirements

#### **Social Security Numbers:**

All Applicants 24 months of age or older must provide proof of Social Security Number (SSN). Any document used to prove SSN must contain all nine (9) digits and the Applicant's full name.

Acceptable documents are:

- a. Social Security Card issued by the Social Security Administration;
- b. SSA 1099 tax form;
- c. Non SSA-1099 tax form;
- d. Medicare card with number ending with the suffix "A";
- e. Valid U.S. Military documents such as DD 214 Certificate of Release or Discharge from Active Duty issued by the U.S. Department of Defense;
- f. Bank tax form; or
- g. W-2 (current wage and tax statement).

If the household includes a child under the age of 24 months old who has not received a SSN, the application is processed. However, the applicant must provide the child's SSN for subsequent program year applications, after the child reaches the age of 24 months old.

#### **Verification of Primary Applicant's Identity:**

Subgrantees shall verify Primary Applicants' identities by requesting government-issued photo identification cards. One of the following can be provided to establish the identity of the Primary Applicant:

- Driver's license;
- State issued ID card;
- Passport or passport card;
- U.S. Military ID; or
- SNAP electronic benefit transfer (EBT) card with photo.

#### **Non-U.S. Citizens:**

If a Household member is not a U.S. citizen, Applicant must provide a Social Security Card issued by the Social Security Administration or one of the following:

1. Permanent Resident Card (I-551)
2. Unexpired foreign passport with a valid unexpired U.S. Visa affixed accompanied by the approved I-94 form, documenting the Applicant's most recent admittance into the United States.
3. Permanent resident Re-entry Permit (I-327)

4. Arrival Departure Form I-94 with “Temporary I-551” stamp and holder’s photograph affixed
5. Travel Document issued to Permanent Residents (I-327)
6. Travel Document issued to Refugees (I-571) Form
7. I-94 stamped with one of the following statuses: Asylee, Parolee or Parole, Refugee, Asylum, HP-humanitarian parolee, PIP-public interest parolee, or Cuban-Haitian Entrant

### **17.6 Protection of Privacy and Confidentiality**

Any information obtained by grantee or Subgrantee, its employees, agents, contractors, or any other representatives in the administration of Programs, whether obtained from the applicant or household or from a third-party, shall be kept confidential and shall not be made available for public inspection or released to any person, entity or agency unless: there is written consent to do so; information is required for an audit or the like; applicant or household has released such information for participation in a fair hearing; or disclosure of said information is required by law.

Any statements of financial condition or information concerning LIHEAP or Energy Crisis Intervention Program (ECIP) applicants or recipients submitted to vendors, or its employees, agents, contractors or other representatives is kept confidential.

Contracts with Subgrantees and energy vendors include specific guidelines for protecting client confidentiality and personally identifiable information. Keeping protected information secure is an obligation mandated by contractual agreements between MaineHousing and its partners.

Additionally, MaineHousing has an Acceptable Use Policy in-place with Subgrantees.

### **17.9 Benefits Policy**

MaineHousing uses Vendor Agreements, annual reports provided by all contracted vendors, and on-site monitoring. LIHEAP household shall select vendor who has entered into a Vendor Agreement to provide Home Energy; HEAP benefits are paid directly to vendor.

Vendors must maintain records, including delivery tickets, for all customer deliveries. Each year MaineHousing audits a number of vendors on a rotating basis. MaineHousing verifies the vendor’s compliance with LIHEAP policies and procedures and selects for review, at a minimum, a 10% sample of client accounts. Delivery tickets are verified to ensure that the vendor is making deliveries and is providing the required discount.

If significant problems are found, MaineHousing places the vendor on a “Watch List”. The vendor will receive benefit payments post-delivery and will be closely monitored by MaineHousing.

MaineHousing investigates any and all client, Subgrantee, or third-party reports of vendor issues and pursues corrective action with the vendor as warranted (including placement on the Watch List).

### **17.10 Investigations and Prosecutions (Other description)**

Primary Applicants will be required to refund any overpayment. A Household's eligibility to receive benefits from Programs is contingent on the resolution of any overpayment.

1. MaineHousing will recoup 50% of all outstanding overpayments from any current or future Benefits until the overpayment is paid in full.
2. The Household may be eligible for ECIP if they have entered into and are in compliance with the terms of a repayment agreement with MaineHousing to resolve the overpayment or the overpayment has been paid in full.
3. The Household will not be eligible to receive benefits under the Weatherization Assistance Program, CHIP, or the Heat Pump Program until the overpayment is paid in full.

“Overpayment” means any HEAP benefit paid to, or on behalf of, any Applicant or Household that exceeds the amount the Applicant or Household was eligible to receive.

## BENEFIT DETERMINATION

- The number of points assigned to an Eligible Household will be determined pursuant to the following:

Calculated or Reported Energy Cost	Points
\$0.01-\$400	5
\$401-\$800	10
\$801-\$1200	15
\$1201-\$1600	20
\$1601-\$2000	25
\$2001-\$2500	30
\$2501 and over	35
Calculated or Reported Energy Cost falling between brackets will be rounded to the next higher or lower dollar amount, as appropriate. For example: \$400.01-\$400.49 will be rounded to \$400; \$400.50-\$400.99 will be rounded to \$401.	

Poverty Level as Calculated under the Federal Poverty Income Guidelines	Percentage of Points
0%-25%	130%
26%-50%	120%
51%-75%	110%
76%-100%	100%
101%-125%	90%
126%-150%	80%
>than 150% FPIG but not exceeding the maximum of the greater of 150% FPIG or 60% State Median Income	70%
Calculated poverty level amounts falling between brackets will be rounded to the next higher or lower amount. For example: income at 75.1% will be rounded to 75%; income at 100.6% will be rounded to 101%.	

All final point results that are fractional will be rounded up to the nearest whole number.

Final point results will be multiplied by a dollar-per-point value, which is set by MaineHousing upon confirmation of LIHEAP grant/award amount.

**Section 2.6 of the Model Plan:**

FFY 2022 minimum and maximum benefits were calculated using the tables above and point values for the Consumption based and Design Heat Load Calculation method, which were \$46 and \$38 per point respectively.

<b>FFY 2022</b>	<b>Minimum Benefit = \$152</b>	<b>Maximum Benefit = \$2,116</b>
<b>Consumption</b>	Lowest consumption (\$.01-\$400) = 5 points	Highest consumption (\$2,501+) = 35 points
<b>Income</b>	Highest income (greater of 150% FPL or 60% AMI) = 70% of points	Lowest income (0%-25% FPL) = 130% of points
<b>Final points</b>	5 x 0.70 = 4 points	35 x 1.30 = 46 points
<b>Benefit</b>	\$38 x 4 points = \$152	\$46 x 46 = \$2,116

2. Calculating Energy Costs. Energy Costs are calculated by the Consumption Based or DHLC method.

A. Consumption Based. Energy Costs will be based on the Eligible Household’s actual Home Energy deliveries, as reported on the Annual Consumption Report, for the primary Heating System as declared on the Eligible Household’s Application.

1. If the primary Heating System is electric, Energy Costs will be calculated by deducting 30% of the Household’s annual electricity cost as reported by the Vendor on the Annual Consumption Report from the total annual electricity cost as reported by the Vendor on the Annual Consumption Report. The 30% deduction accounts for the non-heating usage of electricity.
2. If an Eligible Household resides in Subsidized Housing and has a Direct Energy Cost, any annual utility allowance for heating will be deducted from the Eligible Household’s Energy Cost reported by the Vendor on the Annual Consumption Report.
3. If after 30% of annual electricity cost is deducted for non-heating usage of electricity when applicable, and after annual utility allowances for heating are deducted from annual Household Energy Cost reported by the Vendor on the Annual Consumption report, the Household has a calculated energy cost of less than or equal to zero (0), the Household is only eligible to receive a Benefit in an amount to maximize benefits under the Supplemental Nutrition Assistance Program (SNAP)
4. Energy Cost will be calculated using the Consumption Based method provided the Eligible Household meets the following requirements:
  - i. The Eligible Household has a Direct Energy Cost and;
  - ii. An Applicant occupied the residence for the entire previous Heating Season and;
  - iii. The Eligible Household purchased all of their Home Energy for their primary Heating System from a Reporting Vendor(s) for the previous Heating Season and;
  - iv. Reporting Vendor(s) submitted an Annual Consumption Report to MaineHousing that provided the Eligible Household’s Home Energy delivery information and;
  - v. The Eligible Household’s Energy Costs, as reported by Vendor(s) to MaineHousing, is for their residence only and;
  - iv. The Eligible Household’s primary Heating System does not use wood, wood pellets, corn, coal, or bio-bricks.

B. Design Heat Load Calculation. DHLC shall be used to estimate the Energy Costs for Eligible Households that do not meet the requirements of the Consumption Based method. Under the

DHLC, the number of rooms occupied by the Eligible Household shall be multiplied by the number of BTUs needed to heat an average sized room in a Dwelling Unit. That product will then be multiplied by the number of square feet of an average sized room in a Dwelling Unit. Next, that second product will be multiplied by the number of heating degree days of the Service Area in which the Eligible Household's Dwelling Unit is located. That third product is then divided by one million BTUs. The quotient is then multiplied by the cost of the Eligible Household's primary Home Energy type per one million BTUs. That fourth product is then divided by the efficiency rate of the primary Home Energy type to arrive at the Eligible Household's amount of energy consumption. The cost per one million BTUs and efficiency rate of the Applicant's Home Energy type will be periodically established by MaineHousing. The DHLC is based on the following factors:

1. The total number of rooms in the Dwelling Unit as listed on the Application.  
Hallways, bathrooms, and closets are not counted in the total number of rooms;
2. An assumed standard room size for the Dwelling Unit type. Standard room sizes and BTUs required to heat a Dwelling Unit vary by Dwelling Unit type because average room size and surface area exposure to the elements vary by Dwelling Unit type. The standard room sizes and BTUs used for each Dwelling Unit type are as:

<b>Dwelling Unit Type</b>	<b>Standard Room Size</b>	<b>BTUs</b>
Stick-built/Modular	144 square feet	14.3
Manufactured Home/mobile home	100 square feet	13
Apartment	120 square feet	8.3

3. The heating degree days for the Service Area. Heating degree days are updated annually using data reported by National Weather Stations in Maine.
4. The estimated BTUs required to heat the Dwelling Unit;
5. Average cost per one million BTU. MaineHousing determines the average costs per one million BTU annually. Oil, kerosene, and propane costs are obtained by averaging the costs reported by the Governor's Energy Office (GEO). Average costs for all other fuel types are based on a representative survey of Vendors' pricing.
6. The efficiency rate for the primary Home Energy type listed on the Application. The Energy Cost per one million BTU and efficiency rate are based on the primary Home Energy type specified on the Eligible Household's Application.

<b>Home Energy Type</b>	<b>Efficiency Rate</b>
Oil	65%
Kerosene	65%
Propane	65%
Natural Gas	65%
Biodiesel	65%
Electric	100%
Firewood	50%
Corn	60%
Wood Pellets	80%
Bio-bricks	80%



**To:** MaineHousing Board of Commissioners

**From:** Mark Wiesendanger, Development Director  
Ashley Janotta, Chief Counsel

**Date:** June 8, 2022

**Subject:** Adoption of the 2023 and 2024 Qualified Allocation Plan

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At your meeting on June 14, 2022, we will ask you to repeal the existing Low Income Housing Tax Credit Rule and replace it with the attached Low Income Housing Tax Credit Rule. The attached rule is the qualified allocation plan (QAP) for allocating and administering the 2023 and 2024 State ceiling of federal low income housing tax credits, pursuant to Section 42 of the Internal Revenue Code.

As you know, the public hearing was held on May 17, 2022. We continued to receive written comments through the close of business on May 27, 2022. A summary of the comments and staff's proposed responses to the comments is in the attached rule, beginning on page 27. The following revisions were made to the QAP in response to the comments received:

1. Language was added in Appendix E and in Section 5, paragraphs 3 and 4, to clarify that the provisions for purchase options and rights of first refusal are minimum threshold requirements and permit negotiation of more favorable terms.
2. Language was also added in Appendix E indicating that fair market value will be determined as encumbered by all restrictions of record, not just the Extended Use Agreement.
3. Language was added to the definition of Minimum Purchase Price for a ROFR in Appendix E to clarify that indebtedness incurred in the immediately preceding 5-year period will be excluded from the purchase price calculation.
4. Some minor clarification edits were accepted in Part III, Section 4 of Appendix E.
5. Revisions were also made to Section 5, subsection J, paragraph 3, to retain the broadband infrastructure requirement but remove the sole emphasis on telemedicine.

This reflects the changes that were discussed at the Special Board Meeting of the Commissioners held on June 7, 2022.

State law and the Governor's Executive Order on rulemaking state that prior to adopting a final rule, MaineHousing should:

- consider all relevant information available, including, but not limited to, economic, environmental, fiscal and social impact analyses;

- prioritize the health, safety, and welfare of Maine people in conducting these environmental and social impact analyses; and
- consider the extent to which existing law addresses the matter and the rules impact on the ability of Maine employers to retain and attract a skilled workforce, including by reducing compliance burdens on small businesses in conducting the economic and fiscal impact analysis.

After the Board adopts the attached rule, the rule must be approved by the Governor's office pursuant to Section 42 of the Internal Revenue Code and by the Attorney General's office pursuant to the Maine Administrative Procedures Act. Upon final approval, the rule will be published by the Secretary of State's office.

PROPOSED MOTION:

*To repeal the existing Low Income Housing Tax Credit Rule, Chapter 16 of MaineHousing's rules, and replace it with the Low Income Housing Tax Credit Rule as described in the memorandum to the MaineHousing Board of Commissioners from Mark Wiesendanger and Ashley Janotta dated June 8, 2022.*



# 2023-2024 Low Income Housing Tax Credit Qualified Allocation Plan

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**CHAPTER 16 LOW-INCOME HOUSING TAX CREDIT RULE**

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## SECTION 1: INTRODUCTION

The federal Low-Income Housing Tax Credit (LIHTC) was created by the Tax Reform Act of 1986 to encourage private capital investment in the development of affordable rental housing. It is governed by [Section 42](#) of the Internal Revenue Code of 1986, as amended, and associated regulations. As the designated housing credit agency for the State of Maine, MaineHousing is required by [Section 42](#) of the Code and [30-A MRSA §§4741\(1\) and \(14\)](#) to adopt a Qualified Allocation Plan (QAP) for allocating and administering LIHTC; this rule is the State's QAP.

This rule repeals and replaces in its entirety the prior Chapter 16, *Low Income Housing Tax Credit Rule*, except that the allocation provisions continue to apply to projects that were awarded LIHTC under a prior rule, or a program subject to a prior rule.

Capitalized terms used in this rule are defined in **Appendix A**, unless the context otherwise indicates, or if not defined therein, have the same meaning as set forth in [Section 42](#) of the Code.

## SECTION 2: HOUSING NEEDS AND PRIORITIES

MaineHousing and the Department of Economic and Community Development annually complete a statewide needs assessment as part of the Consolidated Housing and Community Development Plan. *Maine Consolidated Plan (2020-2024)* establishes the following housing priorities:

- A. expand affordable housing opportunities;
- B. improve and preserve the quality of housing; and
- C. help Maine people attain housing stability.

## SECTION 3: SET-ASIDES AND MAXIMUM CREDIT AMOUNT

- A. Nonprofit Set-Aside. MaineHousing will set aside ten percent (10%) of the annual State Ceiling for Projects in which a Qualified Nonprofit Organization owns an interest and materially participates in the development and operation throughout the Compliance Period in accordance with [Section 42\(h\)\(5\)\(B\)](#) of the Code. An Applicant will qualify if it is owned by either a Qualified Nonprofit Organization, or a business corporation which is 100% owned by one or more Qualified Nonprofit Organization(s), and (in accordance with [Section 42\(h\)\(5\)\(C\)](#) of the Code) it is the general partner or manager/managing member and controls the Project's development and day-to-day operation.

- B. Preservation Set-Aside. MaineHousing will set aside up to \$300,000 of the annual State Ceiling for the preservation and rehabilitation of one existing multifamily rental housing project if the scope of rehabilitation meets the minimum requirements set forth in Section 5.D.2. and one of the following:
1. at least 25% of its units, or those in a Related Development, are assisted under a Rural Development program; or
  2. at least 25% of its units will be converted to Section 8 under HUD's Rental Assistance Demonstration (RAD) Program, Section 18 Demolition/Disposition Program or other HUD conversion programs.

Demolition and reconstruction on an existing housing site will be treated as new construction and is not eligible for this set-aside.

- C. Maximum Credit Amount. The maximum amount of Credit that will be allocated for each Project is the least of (i) \$20,000 per Credit Unit, (ii) 25% of the State Ceiling, and (iii) the amount MaineHousing determines is necessary to ensure the Project's financial feasibility and long-term viability.

#### **SECTION 4: ALLOCATION PROCESS**

- A. Pre-Application Submission. Each Project must undergo a mandatory Pre-Application review by MaineHousing to assess its feasibility, suitability for housing, and eligibility for Credit. Applicants must submit the information and documents set forth in **Appendix B** with the pre-application fee specified in Section 4.C. to MaineHousing by Thursday, July 7, 2022 for the 2023 round and by Thursday, July 6, 2023 for the 2024 round. An Applicant will not be eligible for Credit if
1. it fails to provide a complete Pre-Application submission in accordance with this subsection, or
  2. there is any material change in the Project between the Pre-Application submission and the Application unless required by MaineHousing.
- B. Application. Applications are subject to the following limitations, conditions and requirements:
1. Existing Housing.
    - a) Acquisition and Rehabilitation Projects. Projects that involve the acquisition and rehabilitation of Affordable Housing must include the addition of at least 20 new units, or meet the requirements of the Preservation Set-Aside in Section 3.B.

- b) Demolition of Existing Housing. Demolition of existing housing that has not been condemned or declared blight by a municipality is not eligible unless approved by MaineHousing.
  - 2. Deadline. The deadlines for submitting Applications are Thursday, September 22, 2022 for the 2023 State Ceiling and Thursday, September 21, 2023 for the 2024 State Ceiling.
  - 3. Format. The Application must be completed and submitted electronically in the form and manner prescribed by MaineHousing. MaineHousing may require the Applicant to submit additional information.
- C. Fees. Applicants must pay the following fees when due. All fees are non-refundable.

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>
Pre-application Fee	\$2,000	By Pre-application deadline in Section 4.A.
Application Fee	\$2,500	Postmarked for delivery by Application deadline in Section 4.B.2
Allocation Fee	7.5% of Credit	Earlier of Carryover Allocation (Section 8.B.) or Final Allocation (Section 8.A.)
Monitoring Fee*	\$1,000 per Credit Unit	Final Allocation (Section 8.A.)

\*MaineHousing may charge an additional monitoring fee to cover any increased costs due to income averaging or other extraordinary monitoring requirements during the Compliance Period.

- D. Ineligible Applicants. An Application will be deemed ineligible if one or more of the following has occurred:
- 1. The Applicant, any Principal thereof, or Affiliates of either
    - a) has an uncorrected IRS Form 8823 in connection with any LIHTC Project to the extent it is correctable unless previously waived by MaineHousing;
    - b) has been declared in default or has been 60 calendar days or more delinquent on any loan with MaineHousing, unless the default or delinquency has been cured or there is an approved payment or workout plan in good standing prior to the Application deadline;
    - c) has ever been the owner of any project in which MaineHousing has foreclosed a mortgage interest or received a deed-in-lieu of foreclosure of a mortgage interest unless previously waived by MaineHousing;

- d) is presently debarred, suspended, proposed for debarment, or excluded from participation in any federal or state programs;
  - e) has sought to achieve early termination of an Extended Use Agreement through the written request to a housing credit agency to present a Qualified Contract;
  - f) has in the last 10 years either commenced or had commenced against it any proceeding in or for bankruptcy, receivership, reorganization or any other arrangement for relief from creditors commenced against it that affected a MaineHousing-funded project that was not dismissed within 90 calendar days; or
2. The tax credit syndicator, investor, or Affiliates of either
- a) transferred its interest in any LIHTC Project after March 25, 2014 in violation of the Ownership Transfer Rule;
  - b) failed to make any required capital contributions with respect to any LIHTC Project, and has not corrected such actions prior to the Application deadline;
  - c) has sought to achieve early termination of an Extended Use Agreement through the written request to a housing credit agency to present a Qualified Contract; or
  - d) has sought to undermine the exercise of a right of first refusal or purchase option with respect to any LIHTC Project by: (i) refusing to honor a right of first refusal or purchase option; or (ii) involvement in a lawsuit challenging the exercise of a right of first refusal or purchase option.

MaineHousing may reject the Application if it determines the deficiencies are not addressed. MaineHousing may also require financial statements from the Applicant, Principal thereof, or Affiliates of either.

- E. Notice to Local Jurisdiction. Upon receipt of an Application, MaineHousing will notify the Chief Executive Officer of the municipality with jurisdiction over the location of the proposed Project. The notice will provide for a 15-day comment period. MaineHousing will consider any comments received.
- F. Selection Process. Applications for the State Ceiling with the highest scores will be awarded Credit until the applicable State Ceiling is fully awarded.
  - 1. The preservation set-aside is limited to one Project. If the set-aside is not sufficient to complete the Project proposed in the highest scoring eligible Application, MaineHousing may allocate additional Credit, allocate the Credit under the set-aside to the next highest-scoring eligible Application that does not need more than the set aside, or not allocate any Credit under the preservation set-aside. All Applications that participate in the preservation set-aside and do not win will be placed on a waiting list.

2. The highest scoring Qualified Nonprofit Organization will be the winner of the nonprofit set-aside regardless of its ranking among other Applicants. If the set-aside is not fully awarded to the highest scoring eligible Applicant, MaineHousing may allocate additional Credit to the next highest scoring eligible Applicant for the set-aside, not fully allocate Credit under the set-aside, or require an Applicant that has not indicated that it is participating in the set-aside to participate in the set-aside. MaineHousing may, if necessary, require the Applicant to change its ownership structure. All Applications that participate in the nonprofit set-aside and do not win will be scored with the other Applications.
  3. Except as set forth above, MaineHousing will make awards in score order to select threshold-eligible Applications. If the last Application selected for an award of Credit needs more Credit than remains under the applicable State Ceiling, MaineHousing may elect to either (a) not award the remaining Credit to any Application, or (b) award additional Credit under the next annual State Ceiling to the Application. All threshold-eligible Applications that are not selected will be placed on a waiting list. Any Credit that is returned or is otherwise unused will be made available to waiting list Applications using this process.
- G. Notice to Proceed. MaineHousing will meet with each Applicant selected for a Credit award. If the Applicant accepts the Credit award conditions, MaineHousing will issue a Notice to Proceed. Applicants must execute and return the Notice within the time period specified.
- H. Credit Allocation. Upon receipt of the fully executed Notice to Proceed, MaineHousing will evaluate the Application pursuant to Section 7 to determine the amount of Credit, if any, to be allocated.
- I. Termination of Application or Notice to Proceed. MaineHousing will deem an Application withdrawn and any Notice to Proceed cancelled if one or more of the following occur without MaineHousing's written approval after the Application is submitted:
1. The Application or the Notice to Proceed is assigned or the Applicant or any Principal thereof changes;
  2. The location of the Project changes from the location identified in the Application;
  3. There is any change which would result in a net reduction in the Application's score except as provided in Section 6.H;
  4. There is a change in the Project's design or financing from what was in the Application which MaineHousing determines would result in a substantial increase in the amount of Credit or other MaineHousing funding;

5. The Project's TDC Index exceeds the TDC Index Cap, or any other failure to meet the threshold requirements in Section 5;
6. There is any other material or substantive amendment or change to the Application; or
7. Any event in Section 4.D. occurs and is not cured within any applicable cure period

## SECTION 5: THRESHOLD REQUIREMENTS

Applications must meet the following threshold requirements to be eligible for Credit:

### A. Affordability.

1. The Project will comply with [Section 42](#) of the Code and this QAP for a minimum period of 45 years to maintain the Project as residential rental housing, keep at least 60% of the total Credit Units in a Project occupied by persons with 50% area median income and keep the Credit Units in the Project rent-restricted in accordance with [Section 42](#) of the Code.
2. The Applicant waives the right to request MaineHousing to present a Qualified Contract under [Section 42\(h\)\(6\)](#) of the Code.
3. The Applicant must submit a letter of intent from an investor (and, in the event of any change in investor, the replacement investor) in which the investor agrees to the granting of an option to purchase: (i) the Project; and (ii) the partnership interest of the limited partner(s) or membership interest of the non-managing member(s) of the Project owner ("Purchase Options"), to one or more of the general partner, managing member, developer or sponsor on terms that at a minimum satisfy the threshold requirements set forth in **Appendix E**. The investor must also agree in the letter of intent that the Purchase Options complying at a minimum with the threshold requirements in **Appendix E** will be included in the Project owner's limited partnership agreement or limited liability company operating agreement.
4. If the Applicant, general partner, managing member, developer, or sponsor of the Project is a Qualified Nonprofit Organization, the Applicant must submit a letter of intent from an investor (and, in the event of any change in investor, the replacement investor) in which the investor agrees to the granting of a right of first refusal ("ROFR") to the Qualified Nonprofit Organization on terms that at a minimum satisfy the threshold requirements set forth in **Appendix E**. The investor must also agree in the letter of intent that the ROFR complying at a minimum with the threshold requirements in **Appendix E** will be included in the Project owner's limited partnership agreement or limited liability company operating agreement.

- B. Section 811. For Family Housing, the Applicant agrees to accept HUD Section 811 Project Rental Assistance (PRA) and comply with the program requirements, if made available by MaineHousing. This does not necessarily constitute a commitment of PRA funding.
- C. Total Development Cost (TDC). Cost reasonableness will be evaluated using an index, which is the weighted average of the TDC per unit and the TDC per bedroom. For mixed-use projects, the TDC for only the residential portion of the project, including common areas, will be used for this calculation. The weighted average will be calculated as follows:

$$[(2 \times \text{TDC/unit}) + (\text{TDC/bedroom})] \text{ divided by } 3.$$

The product of this calculation will be referred to throughout this document as the “TDC Index”. An Application will be rejected if the TDC Index exceeds the TDC Index Cap below for a project of its type at any time prior to the later of the construction loan closing or carryover allocation.

Type of Project	TDC Index Cap
Adaptive Reuse	\$337,500 per unit
New construction	\$318,750 per unit
Acquisition and rehabilitation of existing housing	\$206,250 per unit

Demolition and reconstruction of all housing on the same site or another site will be treated as new construction. If a Project involves more than one project type, the TDC Index Cap for the Project is the average of the TDC Index Caps allocable to each type, weighted by the number of units of each type. TDC Index Caps are increased by 3% for Projects that receive Passive House Certification.

- D. Acquisition and Rehabilitation of Existing Housing. Projects that involve the acquisition and rehabilitation of existing multifamily housing are subject to the following:
  1. Capital Needs Assessment. The Application must include a capital needs assessment satisfying the requirements set forth in **Appendix C**.
  2. Minimum Rehabilitation Requirements. The Rehabilitation Costs per unit of existing housing must be at least \$50,000.
  3. Relocation/Displacement. The Project must comply with MaineHousing’s *Temporary Relocation and Permanent Displacement Policies* and, if the Project is federally-assisted, all applicable federal requirements, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The Applicant must take reasonable steps to minimize the displacement of existing tenants of the Project. The Application must identify any tenants who will be permanently displaced and the reason for the displacement. The Project’s TDC must include all costs associated with permanent

and temporary displacement or relocation. MaineHousing will not allocate Credit until it has approved a project's relocation plan.

- E. Development and Management Experience and Capacity. Applicant teams must have sufficient knowledge, experience and capacity to adequately design, develop, complete, maintain, manage, and operate LIHTC Projects and to provide related services, such as accounting, tax and legal advice, and resident service coordination. If the Project will involve multiple subsidy sources in addition to LIHTC which results in overlapping targeting and rental restrictions, the Applicant team must have sufficient knowledge, experience and capacity to handle the increased complexity. If MaineHousing determines the Applicant's team lacks sufficient qualifications, the team may be required to
1. hire a qualified consultant,
  2. hire additional qualified staff, or
  3. replace a team member.
- F. Site Control. The Applicant must have site control of the Project throughout the Application process in the form of an option, a purchase and sale contract, ownership, or long-term lease. The Applicant, its agents, and MaineHousing must have access to the Project site, and if the Project is an existing occupied property, access to records and other information about the existing tenants, including current rent and income information.
- G. Growth Management Limitations. A Project that involves the new construction or acquisition of newly-constructed residential rental property or the conversion of existing buildings to residential rental property must comply with the State's Growth Management Law, [30-A M.R.S.A. §4349-A](#), as amended. Projects must meet one of the following two sets of criteria to be eligible for a Credit allocation:
1. If the municipality in which the Project is located has adopted a comprehensive plan or growth management plan that is consistent with applicable State law, then the Project must be in a designated growth area as identified in such plan; or
  2. Otherwise the Project must be located in an area
    - a) served by a public sewer system with existing capacity for the Project,
    - b) identified as a census-designated place in the latest Federal Decennial Census, or
    - c) in an urban municipality and defined under [23 M.R.S.A. §754](#) as compact.

The law exempts projects that exclusively serve certain populations, such as persons with disabilities, who are homeless, or are wards of the State.

H. Project Feasibility. The Applicant must have the financial ability to develop and complete the Project and to operate it throughout the Compliance Period.

1. Development Budget. The Applicant must identify

- a) all sources of funding for development and completion, whether direct or indirect, including the amount, timing, terms, conditions, and status (e.g. “applied for” or “committed”) as of the date of the Application and uses of the funding based on the projected costs of and schedule for developing and completing the Project; and
- b) all sources and uses of funding for the Project, whether direct or indirect and whether they are included in the development budget for the Project.

2. Operating Budget. The Applicant must identify all

- a) sources of income, including rent from the residential units, any income from commercial or non-residential space, and the amount, terms and conditions of rental or operating assistance; and
- b) costs of operating the Project as projected over the Compliance Period. The Applicant also must identify all forms of property tax relief (such as a PILOT, tax abatement or exemption, or Tax Increment Financing) and other assistance that reduces operating costs.

3. Related Development. Any Related Development must be completed prior to or concurrently with the completion of the Project, and there must be sufficient funding to operate the Related Development.

4. Financial Re-Characterization. MaineHousing may re-characterize any information about the sources and uses for a Project and any Related Development, such as information that is inconsistent with the requirements of a funding source or is unreasonable based on comparable LIHTC Projects, industry standards, or market conditions. The Applicant must address all development and operating deficits identified by MaineHousing.

I. Project Design. The design and construction or rehabilitation of the Project must comply with MaineHousing’s Construction Standards and all applicable local, state and federal codes, regulations, statutes and ordinances. In addition, all Projects must include:

1. Electrical raceways/conduits from the electrical panel to terminal units at the parking area for the future installation of Level 2 electric vehicle charger(s) and have an electrical panel that is adequately sized to provide for the future installation of Level 2 electric vehicle charger(s); and

2. Electrical raceways/conduits from the electrical panel to terminal units at the roof for the future installation of PV solar panels and have an electrical panel that is adequately sized to provide for the future installation of PV solar panels.

J. Project Amenities. The Project must have the following amenities and services:

1. Community Room. The Project must include an on-site community room with sufficient capacity to serve tenants' needs. For a scattered-site Project, only one community room is required and should be centrally located to the greatest extent possible to best serve all tenants.
2. Laundry Facilities. The Project must include either a washer/dryer hook-up in each unit or a fully accessible, centrally located laundry facility with sufficient capacity to serve all tenants.
3. Broadband Capabilities. The Project must include broadband infrastructure which includes cables, fiber optics, CAT5e (or greater) interior wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, as long as the installation results in broadband infrastructure in each dwelling unit sufficient for the build-to standard of The Maine Connectivity Authority and ConnectMaine.

If the broadband capabilities are used for telemedicine services, the healthcare service providers and the tenants may not be charged for the use of the internet or wireless and telephone services provided for telemedicine services.

4. Shared Facilities. An amenity will meet the requirements if the amenity:
  - a) is fully accessible and located on an accessible path to the Project,
  - b) is within an existing multifamily housing project adjacent to the subject site,
  - c) has sufficient capacity to serve both the Project's tenants and the existing project,
  - d) will be available to the Project's tenants during the Compliance Period on the same terms as the residents of the existing multifamily project, and
  - e) will not charge the tenants to use the shared amenity other than a reasonable fee that does not exceed the amount charged to any others for the same use.
5. Recreational Activities. An area(s) of recreational activity must be located on the Project site or within a ½ mile. The area(s) and activities must be free of charge to the tenants and not require membership. Projects with single-family detached style units satisfy this requirement if each unit has a private lawn with sufficient room for playground equipment, gardening or other activities acceptable to MaineHousing.

6. Exceptions. The requirements of this subsection do not apply to existing multifamily housing projects if the Applicant cannot comply with the requirements because of the nature of the site, structural limitations, zoning restrictions or other land use limitations.
- K. Resident Service Coordination. The Applicant must make a resident service coordinator available to the tenants on-site a minimum of one (1) hour per week for every five (5) Credit Units over an appropriate number of days each week acceptable to MaineHousing. The coordinator shall meet with tenants in a private and confidential manner to evaluate individual needs and make appropriate referrals. The services provided must be free of charge to the tenants. The Applicant must maintain adequate funding throughout the Compliance Period.
- L. Smoke-free Housing. The Applicant must
1. implement a written occupancy policy prohibiting smoking in the units and common areas,
  2. include a non-smoking clause in the lease for every household, and
  3. make educational materials on tobacco treatment programs (including the phone number for the statewide Maine Tobacco HelpLine) available to all tenants through the resident service coordinator.
- M. Waiting List Preference. The Applicant must give an occupancy preference to eligible persons whose names are on a public housing or Section 8 waiting list, except for Projects: (i) financed by Rural Development, or (ii) with Section 8 Project-Based Rental Assistance (preference will apply to any Credit Unit without project-based rental assistance).

## **SECTION 6: SCORING CRITERIA**

The Applicant must complete all information and submit all documentation required to be eligible for points.

### **Project Characteristics**

- A. Rehabilitation or Reuse of Existing Housing, Structure or Site. **4 Points**

The Project site exhibits one or more of the following characteristics:

1. Replacement or rehabilitation of existing rental housing containing 5 or more units without permanently displacing any existing tenants or increasing their housing costs (including rent and all other charges paid by the tenant) by more than 10%;
2. Rehabilitation, remediation, or reuse of an existing building or structure that has a current use other than multifamily rental housing;

3. One or more buildings or structures used for purposes other than single family residential housing or agriculture purposes, have been or will be demolished or removed for purposes of redeveloping the site;
4. Left vacant or nearly vacant in the development of a downtown or other city or town center, such as vacant lots or parking lots abutting commercial buildings and/or multifamily rental housing; or
5. Specifically designated by a municipality for redevelopment to renew a blighted area or remediate environmental risks to the occupants.

Vacant lots in single-family residential areas are not eligible for points under this subsection. Undeveloped portions of existing sites are not eligible for points unless the existing project on the site previously satisfied one of the above criteria.

**B. Historic Rehabilitation. 4 points**

The Project includes the rehabilitation of a certified historic structure using capital contributions generated from federal and state historic rehabilitation tax credits.

**C. Populations with Special Needs. 6 points**

The Project provides a set-aside for at least 20%, but not less than 4 of the units, for Persons Experiencing Homelessness or persons who have disabilities, are victims of domestic violence, or have other special housing needs, to create permanent supportive housing for persons who require that level of intervention within the special needs populations.

The Applicant must set aside units for the specific population(s) that qualify for the set-aside, maintain a separate waiting list for these units and make appropriate, voluntary services available through a qualified third-party provider other than the resident service coordinator required under Section 5.L. Additional funding from the Housing Trust Fund and/or Project-based Vouchers will be made available as necessary.

**D. National Housing Trust Fund. 1 point**

The Applicant agrees to accept and use any funding from MaineHousing’s National Housing Trust Fund program for the Project. Any funding award will require a certain number of units in the Project to be affordable to and occupied by Extremely Low Income households. Awarding points is not a commitment of funding from the National Housing Trust Fund.

**E. Family Housing. Up to 6 points**

The Project is for families and a minimum percentage of the Credit Units are two and/or three or more bedroom units as follows:

<b>Project for Families with Minimum Percentage of Credit Units by Bedroom Size</b>	<b>Points</b>
At least 50% of the Credit Units are two or more bedroom units and at least 20% of the Credit Units are three or more bedroom units	<b>6 points</b>
At least 70% of the Credit Units are two or more bedroom units	<b>3 points</b>

F. Readiness. **8 points**

MaineHousing must approve both the design to be submitted to the municipality and the State and the final design, including all plans, details and specifications. The Project and any Related Developments must have all

1. municipal land use approvals (except building and other permits customarily issued during construction), and
2. State land use approvals (such as site plan, subdivision, storm water, or wetlands approvals) required to proceed with and complete construction.

As of the Application date, the timeframe to appeal all such approvals must have expired with no appellate action being taken, or all appeals have been resolved.

G. Accessibility. **Up to 12 points**

One (1) point for each unit that

1. exceeds the minimum number of such units required by applicable federal and state accessibility laws, and
2. meets the requirements for a Type A unit under ANSI Standard A117.1-2009, up to the maximum points by project type below.

<b>Type of Project</b>	<b>Maximum Points</b>
Projects providing Housing for Older Adults	<b>12 points</b>
Other Projects	<b>6 points</b>

**Financial Characteristics**

H. Acquisition Cost. **Up to 4 points**

Points are based on the percentage by which the acquisition costs are less than the average acquisition costs for a project of its type as follows:

<b>Type of Project</b>	<b>Average Acquisition Cost</b>
Acquisition and rehabilitation of existing housing	\$47,000 per unit
New construction	\$14,000 per unit
Adaptive Reuse	\$12,000 per unit

For purposes of this subsection, acquisition costs include

1. the purchase price for all of the land and any existing building(s) even if donated or leased to the Applicant at below market value,
2. the cost of razing or demolishing any building(s) and structure(s), or any part thereof, on the Project site, and
3. the Capitalized Lease Value of all leases of land or land and building(s) that are part of the Project, with the exception of parking spaces.

The value of any project reserves transferred to the Project as part of the acquisition and included in the purchase price will not be included for purposes of this subsection.

<b>Percentage of Project's Acquisition Cost to Average Acquisition Cost</b>	<b>Points</b>
0% to 1% (nominal)	<b>4 points</b>
>1% to <25%	<b>3 points</b>
25% to 50%	<b>2 points</b>
>50% to 75%	<b>1 point</b>

I. **Property Tax Relief. Up to 3 points**

Points are based on the percentage of the Project's annual incremental property tax revenue returned to the Applicant or foregone by the taxing authority as follows:

<b>Percentage and Duration of Tax Benefit or Relief</b>	<b>Points</b>
50% to <75% for at least 15 years	<b>1 point</b>
50% to <75% for at least 30 years	<b>2 points</b>
≥ 75% for at least 15 years	<b>2 points</b>
≥ 75% for at least 30 years	<b>3 points</b>

Only Tax Increment Financing, payment in lieu of taxes, abatement, or other property tax relief arrangement approved by the taxing authority and all other applicable governing entities is eligible. A Project that is either a) located in a jurisdiction that does not assess property taxes or b) exempt from property taxes will be awarded one (1) point.

Funding made possible by an Affordable Housing TIF will not be eligible unless the Applicant submits a complete application for the TIF at least 30 calendar days before the

applicable Application deadline (Tuesday, August 23, 2022 for the 2023 State Ceiling and Tuesday, August 22, 2023 for the 2024 State Ceiling).

**Project Location**

J. Housing Need. **Up to 10 points**

Points are based on the need for the type of housing in an area as follows:

1. Projects providing Housing for Older Adults located in the following Service Center Communities:

<b>Projects providing Housing for Older Adults</b>			
<b>Service Center Community</b>			<b>Points</b>
Auburn	Madawaska	Topsham	<b>10 points</b>
Augusta	Old Orchard Beach	Waterville	
Bangor	Portland	Windham	
Biddeford	Rumford		
Brunswick	Saco		
Caribou	Sanford		
Falmouth	Scarborough		
Freeport	Skowhegan		
Kennebunk	South Portland		
Kittery			
Lewiston			
Bar Harbor	Gardiner	Presque Isle	<b>8 points</b>
Bath	Hermon	Rockland	
Belfast	Houlton	Rockport	
Brewer	Lincoln	Van Buren	
Bridgton	Mexico	Westbrook	
Camden	Millinocket	Wiscasset	
Ellsworth	Norway		
Farmington	Oxford		
Bethel	Eastport	Mount Desert	<b>6 points</b>
Bingham	Fort Kent	Newport	
Blue Hill	Guilford	Orono	
Boothbay Harbor	Jackman	Pittsfield	
Cornish	Limestone	Rangeley	
Damariscotta	Mars Hill	Southwest Harbor	
Dexter	Millbridge	Thomaston	
Dover-Foxcroft			

2. Other Housing Projects in the following Service Center Communities:

<b>Other Housing Projects (not specifically for Older Adults)</b>			
<b>Service Center Community</b>			<b>Points</b>
Auburn	Farmington	Saco	<b>10 points</b>
Augusta	Kittery	Sanford	
Bangor	Lewiston	Skowhegan	
Bath	Old Orchard Beach	South Portland	
Biddeford	Orono	Waterville	
Brewer	Portland	Westbrook	
Brunswick	Rumford	Windham	
Bar Harbor	Hermon	Oxford	
Calais	Houlton	Presque Isle	
Caribou	Limestone	Rockland	
Ellsworth	Lincoln	Scarborough	
Falmouth	Madawaska	Topsham	
Fort Kent	Mexico	Wiscasset	
Gardiner	Norway		
Ashland	Dexter	Pittsfield	<b>6 points</b>
Bethel	Dover-Foxcroft	Rangeley	
Blue Hill	Greenville	Rockport	
Boothbay Harbor	Kennebunk	Southwest Harbor	
Bridgton	Millinocket	Thomaston	
Cornish	Mount Desert	Van Buren	
Damariscotta	Newport		

3. Projects located on Native American tribal lands will be awarded **10 points**.

For each QAP round, municipalities receive their Housing Need score from the immediately preceding QAP if that score was higher.

K. Community Revitalization. **Up to 3 points**

**Two (2) points** if the Project is located within the boundaries of and contributes to the revitalization goals and efforts identified in a Community Revitalization Plan.

**One (1) extra point** if the Project also involves the preservation of existing Affordable Housing or is located in a QCT and at least 20% of the units are market rate.

L. Smart Growth. **Up to 15 points**

<b>Smart Growth Feature</b>	<b>Points</b>
Access to Public Transportation. The Project is located within a Safe Walking Distance (½ mile or less) of a designated pick-up location for existing Fixed-route Public Transportation.	<b>5 points</b>

Demand Response Transportation. Demand Response Transportation is available to all tenants with no eligibility criteria that would limit or deny service.	<b>5 points</b>
Proximity to Activities Important to Daily Living. The Project is located within not more than a ½ mile of at least 3 Activities Important to Daily Living.	<b>5 points</b>

### Sponsor Characteristics

M. Developer Capacity. **Up to 5 points**

Points are based on the development experience of the Applicant, any Principal thereof, or Affiliates of either as follows:

Successfully completed at least one multifamily rental housing project with MaineHousing funding or completed at least one LIHTC Project in another state(s).	<b>5 points</b>
Experience developing and operating multifamily rental housing or experience managing Affordable Housing, <i>and</i> the Applicant has a contract with a qualified LIHTC consultant to develop the Project.	<b>4 points</b>
Experience developing and operating multifamily rental housing.	<b>3 points</b>

N. Owner Performance. **Up to 5 Points**

Points are based on the recent performance of the Applicant. MaineHousing may reject the Application if it determines outstanding deficiencies are not addressed, or require financial statements from the Applicant, Principals thereof, or Affiliates.

Has not been 60 calendar days or more delinquent in the payment of any MaineHousing loan since September 22, 2014 (except delinquencies resulting from the delay or loss of Section 8 housing assistance payments), declared in default by MaineHousing, nor had a municipal tax lien placed on any housing funded by MaineHousing.	<b>2 points</b>
No LIHTC Projects still in their Compliance Period had a year-end operating deficit, in the last full Fiscal Year, unless the operating deficit was fully funded by the Application deadline.	<b>2 point</b>
Was not (a) issued an IRS Form 8823 for any reason other than a violation of UPCS or local inspection standards (box 11c) that was subsequently reported as “noncompliance corrected” within the correction period, nor (b) had an IRS audit finding resulting in a recapture event, since September 22, 2016.	<b>1 point</b>

O. Management Experience. **Up to 5 points**

The company that will manage the Project has at least

one (1) staff person with a minimum of three (3) years of experience successfully managing at least one (1) LIHTC Project.	<b>3 points</b>
one (1) staff person with LIHTC training for every 150 units in LIHTC Project(s) the company plans to manage.	<b>2 points</b>

P. Management Performance. **Up to 3 points**

Management Companies which have shown exceptional performance in their management of LIHTC Projects still in their Compliance Period are eligible for points as follows.

The average of the most recent physical plant inspection scores as of June 30 before the Application deadline is equal to Above Average or better.	<b>1 point</b>
The average of Project Reports submission scores for the last reporting period as of June 30 before the Application deadline is equal to Above Average or better.	<b>1 point</b>
The average of the most recent Management and Occupancy Review scores as of June 30 before the Application deadline is equal to Above Average or better.	<b>1 point</b>

Q. Tie Breaker.

If more than one Application has the same score, the Application for the least amount of Credit and 0% deferred debt from MaineHousing per unit will have priority. If the Applications request the same amount of these resources, the Application with the most acceptable plan to convert the Project to affordable homeownership for the residents after the Extended Use Period will have priority. The plan must describe the process for transferring ownership to the residents, the purchase price or process for determining it, any financial assistance available for residents (including any reserves), how the affordability will be maintained, and must provide for homebuyer counseling and professional representation of the residents at the time of the conversion.

R. Review Process.

MaineHousing will notify each Applicant of its initial score in writing. If MaineHousing assigns a score in a scoring category which is lower than the score the Applicant assigned itself in the scoring category, the Applicant will have five business days from such written notice to demonstrate to MaineHousing that the Application as submitted should receive the higher score. MaineHousing will then make a final determination of scores and the ranking of Applications.

## SECTION 7: PROJECT EVALUATION

- A. Amount of Credit. The amount of Credit allocated will be determined as follows:
1. The calculation of the amount of Credit will be based on 130% of Eligible Basis. MaineHousing has designated the entire State as a DDA under [Section 42\(d\)\(5\)\(B\)\(v\)](#) of the Code because of the high cost of developing housing, the low median income, and the high annual operating costs for housing relative to other states;
  2. To determine the amount of Credit, MaineHousing will use the lesser of (a) the market rent, based on the Application market study as approved by MaineHousing, and (b) the maximum Credit rent. For three or more bedroom units MaineHousing will use the maximum Credit rent for two-bedroom units plus \$50.00;
  3. The amount of Credit allocated for a Project will not exceed the least of
    - a) the amount the Project is eligible to receive under [Section 42](#) of the Code,
    - b) the amount MaineHousing determines is necessary for financial feasibility and viability throughout the Credit Period, and
    - c) the Maximum Credit Amount;
  4. The Applicant must submit financial and all other required information. MaineHousing will evaluate the need for Credit based on
    - a) all sources of financing, including the terms and conditions,
    - b) equity expected to be generated by reason of tax benefits, and
    - c) the uses of funds, including the reasonableness of development costs and operating expenditures; and
  5. In order to determine the amount of Credit, MaineHousing must identify a gap between development sources and uses absent a Credit allocation. MaineHousing may limit recognition of Intermediary Costs, re-characterize Project sources and uses and make reasonable assumptions with respect to projected revenues and expenses. MaineHousing will also take into consideration any federal limitations when combining the Credit with other federal assistance (i.e. “subsidy layering” guidelines).
- B. Developer Fee. Developer Fee will be determined as follows:
1. Maximum Developer Fee. The total Developer Fee may not exceed the sum of 15% of the Housing Development Costs, plus 10% of the costs of acquisition of land, existing buildings and equipment, determined without regard to the Developer Fee.
  2. Net Developer Fee. The amount of Developer Fee not deferred may not exceed \$750,000 plus any unused construction contingency returned to the Applicant after completion.

3. Additional Developer Fee. An Applicant is eligible for Developer Fee in excess of the Net Developer Fee calculated above only if it is deferred and used to increase the tax credit basis.
- C. General Contractor Intermediary Costs. The general contractor's Intermediary Costs must be:
1. separated from other construction and rehabilitation costs,
  2. with general conditions and overhead and profit parsed out, and
  3. no more than 14% of the Total Construction Cost, within the following ranges:
    - a) General conditions up to 6% of Total Construction Cost, and
    - b) Overhead and profit up to 8% of Total Construction Cost
- D. Time of Credit Determination. MaineHousing will determine the amount of Credit at the time of
1. Application, which will be evidenced by the Notice to Proceed;
  2. the allocation of Credit, including any carryover allocation;
  3. the date each Qualified Building is Placed in Service; and
  4. if a Qualified Building is allocated Credit pursuant to Section 9, the date of issuance of the tax-exempt bonds.
- Prior to each determination, the Applicant must certify the full amounts of all funding sources and provide any other information required by MaineHousing.
- E. Market Study. The applicant must submit a comprehensive market study prepared by a qualified professional in accordance with the *National Council of Housing Market Analysis Model Standards for Market Studies for Rental Housing*. MaineHousing may require the Applicant to either correct any inadequacies it identifies or submit a new market study. MaineHousing also may elect to commission its own market study.
- F. Construction Cost Increases. MaineHousing may allocate additional Credit to a Project if its construction costs increase after the Application date and the increase is the result of market conditions or other circumstances beyond the Applicant's control. Any additional Credit will not exceed an amount necessary to generate equity equal to 5% of the Total Construction Cost based on construction bids.

## SECTION 8: ALLOCATION OF CREDIT

- A. Allocation. MaineHousing will issue one or more IRS Form(s) 8609 after receipt of the following:
1. A complete request for allocation of Credit in a form prescribed by MaineHousing.
  2. An audit report on the schedule of project costs prepared by an independent, third party certified public accountant including all associated costs (such as commissions, due diligence, legal, accounting, reserves, and other similar items).
  3. Certification of the Project's sources, including all federal, state and local subsidies in any stage of commitment. This certification must include income, operating and development cost projections and methods for satisfying any deficits.
  4. The allocation fee and monitoring fee less the amount of any allocation fee paid in connection with the issuance of a carryover allocation.
- B. Carryover Allocation.
1. The Applicant must submit the following to receive a carryover allocation:
    - a) A complete request for carryover allocation in the form prescribed by MaineHousing no later than the first day of December of the year in which the carryover allocation is made.
    - b) Certification of the Project's sources, including all federal, state and local funding. This certification must include income, operating and development cost projections and methods for satisfying any deficits.
    - c) Development progress report, including completion likelihood.
  2. The applicant must execute a carryover allocation and return it to MaineHousing, together with the allocation fee, no later than December 31 of the year in which the carryover allocation is made.
  3. A carryover allocation will be subject to the following conditions:
    - a) satisfactory evidence that more than 10% of the Project's reasonably expected basis is incurred within 12 months of the carryover allocation, including an audit report prepared by an independent, certified public accountant; and
    - b) any performance conditions MaineHousing may require.

Failure to comply with these conditions may result in termination of the carryover allocation.

- C. Tax Credit Compliance Experience. Prior to an allocation the Applicant must demonstrate that the entity managing the Project has sufficient Credit compliance experience and training. The entity must complete a Credit compliance training or receive a certification from a MaineHousing-approved trainer.
- D. Extended Use Agreement. Prior to an allocation of Credit, the Owner must enter into an Extended Use Agreement with MaineHousing obligating the Owner to comply with [Section 42](#) of the Code, the threshold requirements in Section 5, and commitments for which the Application was awarded points. The Extended Use Agreement must be recorded in the appropriate registry of deeds prior to all mortgage liens and encumbrances on the Project and before MaineHousing issues any IRS Form 8609 for the Project.
- E. Converting a Carryover Allocation. MaineHousing may convert a carryover allocation to the year in which it is terminated or the following year if there are extenuating circumstances beyond the Applicant's control. The carryover allocation must be rescinded by the mutual consent of MaineHousing and the Applicant. There can be no change in the design or financing that would render the Application withdrawn under Section 4.I. The Project will be subject to the QAP in effect at the time of the original allocation.
- F. Forward Allocation of Credit. MaineHousing may issue a binding commitment to allocate State Ceiling available in the subsequent year upon determining that the amount of Credit in the current year's State Ceiling is insufficient.

## **SECTION 9: TAX-EXEMPT BOND FINANCED PROJECTS**

Projects financed with tax-exempt bond proceeds must satisfy all QAP requirements except

- A. the Maximum Credit Amount limitation in Section 3.C.,
- B. the application limits in Section 4.B.1.,
- C. the application deadlines in Section 4.B.2.,
- D. the selection process described in Sections 4.F.,
- E. the affordability threshold requirement set forth in Section 5.A.,
- F. the requirement of a minimum \$50,000 per unit of Rehabilitation Costs for Projects involving the acquisition and rehabilitation of existing housing in Section 5.D.2.,
- G. the scoring criteria in Section 6, and

H. the Developer Fee limits in Section 7.B.

## **SECTION 10: MONITORING**

A. Compliance with Applicable Laws. Owners must comply with all local, state and federal laws and regulations, including without limitation:

1. [Section 42](#) of the Code and associated regulations and guidance;
2. UPCS and all other local, state and federal health, safety and building codes applicable to the Project;
3. the [Federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968](#), as amended by the Fair Housing Amendments Act of 1988 ([42 U.S.C. §3601 et seq.](#)), Title II of the Americans with Disabilities Act of 1990 ([42 U.S.C. §12101 et seq.](#)), and the Maine Human Rights Act ([5 M.R.S.A., Chapter 337, Subchapter IV](#)) and all other applicable federal, state and local fair housing and accessibility requirements, and the regulations, guidance and standards associated with all of the foregoing; and
4. Title VI of the Violence Against Women Reauthorization Act of 2013, [42 USC Chapter 136, Subchapter III, Part M](#), and all associated regulations and guidance, as may be amended (VAWA).

B. Recordkeeping and Record Retention. Each Owner must keep on file and available to MaineHousing upon request the following records for each Qualified Building in its LIHTC Project(s) for each year in the Extended Use Period:

1. The total number of residential rental units including the number of bedrooms and the square footage of each unit;
2. The number of low-income units;
3. The rent charged for each unit including any utility allowances;
4. The number of occupants in each low-income unit;
5. The number of low-income unit vacancies and information showing when, and to whom, the next available units were rented;
6. Income certification and third-party documentation verifying the income of each household occupying a Credit Unit at the time of initial occupancy and for each new person added to the household after initial occupancy;
7. Annual income certifications and third-party documentation verifying the income of each household occupying a Credit Unit in a LIHTC Project are required if not all of the units

in the LIHTC Project are Credit Units, or the LIHTC Project is financed or assisted under a state or federal program that requires annual certifications.

For a LIHTC Project with 100% Credit Units that are subject to more than one income limit, annual income certifications are only required for the households occupying the Credit Units subject to the lower income limits. The annual certification may be a self-certification, except that third-party documentation verifying the income of the household is required every 6 years from the date the LIHTC Project is Placed in Service and otherwise upon request by MaineHousing. The self-certification must be

- a) in writing,
- b) include the size of the household and annual household income,
- c) state that the information is complete and accurate,
- d) indicate that third-party source documentation will be provided if requested by the Owner or MaineHousing, and
- e) witnessed.

Annual income certifications are not required for a LIHTC Project with 100% Credit Units subject to the same income limit.

8. The Eligible Basis and Qualified Basis of each Qualified Building at the end of the first year of the Credit Period;
9. The character and use of the nonresidential portion of a Qualified Building included in its Eligible Basis;
10. A determination of the student status of the resident household;
11. The tenant occupancy policies and procedures and lease. The lease form and content must be acceptable to MaineHousing and comply with all applicable federal, state and local laws (including VAWA); and
12. All other disclosures to tenants, certifications and other records required by applicable local, state and federal laws.

Owners must maintain these records throughout the Extended Use Period for at least 6 years after the due date (with extensions) for filing the federal income tax return for that year, except that the records for the Credit Period's first year must be retained at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period.

- C. Annual Reports. Each Owner must submit the following to MaineHousing by March 1<sup>st</sup> of each year throughout the Extended Use Period:
1. Certification for the prior calendar year that the Owner’s LIHTC Project(s) comply with IRS Treasury Regulation §1.42-5(c)(1) and *MaineHousing’s Low Income Housing Tax Credit Program Owner’s Certificate of Continuing Program Compliance* attached hereto as **Appendix D**. A completed and executed IRS Form 8609 for each Qualified Building must be submitted with the first certification; and
  2. Certain information and data about the tenants in Credit Units for the prior calendar year, including household income; monthly rental payments; family composition; use of Section 8 rental assistance and other similar assistance; the race, ethnicity, age and disability status of the members of the households; and all other occupancy information required by MaineHousing.
- D. Review. For new LIHTC Projects, MaineHousing will complete a review of tenant records within two (2) years following the year the last Qualified Building is Placed in Service. MaineHousing will give owners reasonable prior written notice of a review. To the extent required by the Internal Revenue Service (IRS), MaineHousing will inspect low income certifications and tenant records in accordance with IRS Treasury Regulation §1.42 5(c)(2)(iii)(A) through (D) and §1.42 5(d) and will give no more than 15 calendar days prior notice.
- E. Inspections. Every one to three years after a Project is Placed in Service, MaineHousing will inspect LIHTC Projects. For new LIHTC Projects, MaineHousing will inspect Credit Units by the end of the second calendar year following the year the last Qualified Building is Placed in Service. MaineHousing will give reasonable prior written notice. To the extent required by the Internal Revenue Service, MaineHousing will inspect the LIHTC Projects in accordance with IRS Treasury Regulation §1.42 5(c)(2)(iii)(A) through (D) and §1.42 5(d) and will give no more than 15 calendar days prior notice.
- F. Notification of Noncompliance. MaineHousing will notify an Owner in writing of any failure to
1. submit any complete certifications or information required by MaineHousing when due,
  2. allow MaineHousing to perform any review or inspection required under this Section, or
  3. comply with [Section 42](#) of the Code or any others requirements under this QAP.

The Owner will have a reasonable period of time to correct the noncompliance identified in the notice. MaineHousing will file a Form 8823, “Low-Income Housing Credit Agencies Report of Noncompliance” with the Internal Revenue Service within 45 calendar days of the end of the correction period.

## SECTION 11: GENERAL

- A. Conflicts. If this rule conflicts with [Section 42](#) of the Code or any other provision of federal or State law, the federal or State law shall control.
- B. Full Discretion. MaineHousing is entitled to the full discretion allowed by law in making all decisions and interpretations under this rule.
- C. Not an Entitlement. This rule establishes a pool of eligible Applicants but does not preclude additional reasonable criteria and does not confer any automatic right or entitlement to Credit on any person or entity eligible hereunder. MaineHousing may reject any and all Applications and may refuse to award any or all of the Credit.
- D. Final Agency Action. The director of MaineHousing, individually or by exercise of the delegation of powers contained in the Act, shall make all decisions and take all action necessary to implement this rule. Such action of the director shall constitute final agency action.
- E. Waiver. Upon a determination of good cause, the director of MaineHousing or the director's designee may, subject to statutory limitations, waive any provision of this rule. The waiver must be in writing and must be supported by documentation of the pertinent facts and grounds.
- F. Freedom of Access Act. MaineHousing is subject to the Freedom of Access Act, [1 M.R.S.A. §401 et seq.](#), which requires the disclosure of all information provided to MaineHousing that is not specifically excluded, such as confidential information under the Act. MaineHousing shall not be liable for the disclosure of any information that it determines must be disclosed under the Freedom of Access Act.
- G. Liability. Compliance with [Section 42](#) of the Code is the responsibility of the Owner. MaineHousing is in no way responsible for an Owner's compliance or liable for an Owner's noncompliance. Any allocation, review or inspection by MaineHousing and any determination made by MaineHousing pursuant to this QAP is for the sole benefit of MaineHousing. No liability or responsibility for Owner compliance with [Section 42](#) of the Code or other applicable requirements and no representation or warranty of a Project's feasibility or viability, eligibility for Credit, or compliance shall be implied or construed from any such actions and determinations by MaineHousing.
- H. Headings/Context. The headings in this rule are for convenience only and do not define or limit the scope of the provisions of this rule. The use of Section, Subsection or Appendix without a reference to another document or source refers to a section, subsection and Appendix of this rule.

**STATUTORY AUTHORITY:** [30-A MRSA §§4741\(1\) and 4741\(14\)](#), [Section 42](#) of the Internal Revenue Code of 1986, as amended

**BASIS STATEMENT:** This rule is the qualified allocation plan for allocating and administering federal low income housing tax credits (“LIHTC”) in the State of Maine, which MaineHousing, as the State’s designated housing credit agency, is required to adopt pursuant to [Section 42](#) of the Internal Revenue Code and the above-referenced sections of the Maine Housing Authorities Act.

**PUBLIC COMMENT:**

*Process:*

Notice of Agency Rule-making Proposal (MAPA-3) was submitted to the Secretary of State for publication in the April 27, 2022 edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed rule to Interested Parties on April 27, 2022, and published the proposed rule on its website on April 27, 2022. MaineHousing held a public hearing on May 17, 2022. The comment period was held open until May 27, 2022 at 5:00 PM.

*Summary of Comments and Responses to Comments:*

*Comment:* Beth Boutin, Vice President of Community Investments for Evernorth, Inc., and Laura Mitchell, Executive Director of the Maine Affordable Housing Coalition, submitted written comments sharing the HFA Toolkit for addressing Year 15 Issues put together by the National Housing Trust and recommended that the provisions required for Rights of First Refusal in Appendix E of the Qualified Allocation Plan (QAP) be based on the approach of other states described in the Toolkit.

*Response:* The language proposed in Appendix E was based almost exclusively on the summary of provisions in the Toolkit which had been previously provided to MaineHousing.

*Comment:* Ms. Boutin also recommended that the QAP include provisions similar to that adopted in other states requiring credit applicants to use equity providers who have not been involved in “aggregator” activity, sought to achieve early termination of LIHTC extended use agreements through the qualified contract process or sought to undermine the exercise of a right of first refusal or option to purchase.

*Response:* The proposed QAP includes such language in the Ineligible Applicant provisions of Section 4, subsection D.

*Comment:* Ms. Boutin and Ms. Mitchell also recommended that MaineHousing should require approval for any transfer of investor interests in existing projects to protect against aggregators replacing original investors.

*Response:* Chapter 27 of MaineHousing’s rules deals with Transfers of Ownership Interests. MaineHousing is in the process of reviewing that rule and anticipates future rulemaking to address the concerns raised by this comment. Changes to the Transfer of Ownership Interests rule will go through a similar public process to that of the QAP.

*Comment:* Ms. Mitchell also recommended that MaineHousing create greater flexibility in the program funding limits to address the escalating cost of construction.

*Response:* The TDC Index Caps in the Section 5 Threshold Requirements have been increased by 25% over the prior QAP to address the reality of increased construction costs. Additionally, MaineHousing will continue to entertain waivers of the TDC Index caps on a project-by-project basis.

*Comment:* Nathan S. Szanton of The Szanton Company and Maine Workforce Housing, LLC provided testimony at the public hearing and submitted written comments making several recommendations. He first requested a clarification that the specific Year 15 provisions in Appendix E be minimum threshold requirements leaving open the option for project developers to be able to negotiate terms more beneficial for the project's long term affordability.

*Response:* MaineHousing agrees with this request and has added clarifying language to that effect in Appendix E and in Section 5, subsection A., paragraphs 3 and 4 which incorporate the provisions of Appendix E.

*Comment:* Mr. Szanton also requested that the reference in Appendix E to the "as encumbered" fair market value be extended to all applicable restrictions of record and not be limited to the Extended Use Agreement.

*Response:* MaineHousing agrees with this request and has added language to Appendix E expanding the scope of "as encumbered".

*Comment:* Mr. Szanton also requested that the provision in Appendix E defining the price to be paid pursuant to an option to purchase the investor's interest in the ownership entity be revised to add an option for the fair market value of such interest.

*Response:* Since clarification has been added to Section 5 and Appendix E that the requirements set forth in Appendix E are merely minimum threshold requirements, developers will have the option of negotiating the requested option if they feel it is more beneficial. If they can negotiate something more favorable, they may do so. MaineHousing does not feel at this time that this language should be added as a required minimum threshold.

*Comment:* Susan Lea Riggs, Senior Director of Housing Policy at the American Society for the Prevention of Cruelty to Animals, provided testimony at the public hearing and submitted written comments along with Bill Ketzer, Senior Director of State Legislation, asking that a pet-friendly preference or requirement be added to the QAP.

*Response:* MaineHousing does not prohibit pets in projects it finances. Requiring a project to allow pets raises issues involving security deposits, "house pet rules" and addressing tenants with pet allergies. Such decisions will be left to the discretion of the project ownership and management.

*Comment:* Rebecca Price, State Advocacy Specialist for the U.S. Green Building Council, provided testimony at the public hearing and submitted written comments requesting that a scoring criteria be added awarding points for achieving third-party certification of high-performing building standards such as Leadership in Environmental and Energy Design (LEED). Ms. Price pointed to the just enacted Maine PL2021, chapter 718, An Act to Promote Energy-efficient Affordable Housing in support of this request.

*Response:* MaineHousing's current Construction Standards already require projects to be built to high standards, including maximizing energy efficiency. The referenced Act takes effect on August 8, 2022. It requires MaineHousing to collaborate with Efficiency Maine Trust and to promulgate rules by January 1, 2024. MaineHousing will be proceeding in accordance with the new statute to assess the building standards required under the QAP and declines to make any changes to the Construction Standards in advance of that process.

*Comment:* Dana Totman, President of Avesta Housing Development Corporation, provided testimony at the public hearing and submitted written comments recommending several revisions to the QAP. The first recommendation was to eliminate the current Preservation set-aside or expand the eligible projects beyond Rural Development/HUD's RAD program and establish a minimum score to qualify for the set-aside.

*Response:* MaineHousing continues to believe that preserving existing housing is important and warrants a set-aside of a small portion of the annual credit ceiling. The proposed QAP already included an expansion of eligible projects to include HUD's Section 18 Demolition/Disposition program and any other HUD conversion program. Since the set-aside is not mandatory, MaineHousing can reject all set-aside applications in a particular funding round if none meet threshold acceptability so MaineHousing does not believe a minimum qualifying score is needed.

*Comment:* Mr. Totman also recommended that the requirement for projects to include broadband capability be dropped since it is tied to the provision of telemedicine which should not be a goal of the tax credit program.

*Response:* MaineHousing feels that the recent pandemic has shown how critically important broadband capability is for any number of reasons, telemedicine being only one among many. Some revisions have been made to Section 5, subsection J, paragraph 3 to retain the broadband infrastructure requirement but to remove the sole emphasis on telemedicine.

*Comment:* Mr. Totman also requested that the requirement for an occupancy preference for eligible persons on a public housing or Section 8 waiting list be dropped because the waiting period is so long eligible people do not add their names and it creates a bias against asylum seekers who are not eligible.

*Response:* While the length of time on waiting lists and inability of asylum seekers to be added are clearly legitimate issues, public housing waiting lists is a required selection criterion for QAPs under Section 42 of the Internal Revenue Code which governs the tax credit program.

*Comment:* Mr. Totman also recommended that a scoring category be included for an applicant's financial contributions beyond just the current criteria for low priced land and tax relief.

*Response:* The decision to drop two scoring criteria from the Financial Characteristics section of the QAP, Below Market Capital and New Project Based Rental Assistance, has created greater emphasis on the two remaining criteria, Acquisition Cost and Property Tax Relief. The Below Market Capital criteria incentivized applicants to seek funding sources that in many cases added significant complexities and obstacles to the transaction with decreasing benefits as interest rates have risen above the rates offered by MaineHousing. Project-based rental assistance disproportionately favored applicants with access to their own project-based vouchers. While MaineHousing agrees that additional resources/contributions can be beneficial to a project, it has been difficult to develop a

quantifiable measurement for such resources like those for Acquisition Cost and Property Tax Relief. MaineHousing will continue to work to consider additional financial criteria for future QAPs.

*Comment:* Mr. Totman also recommended that the list of municipalities under the Housing Need criteria be revised or, in the alternative, the point totals be reduced from 10/8/6 to 3/2/1 to lessen the disadvantage to communities that are not on the list.

*Response:* Housing Need is a required selection criteria under Section 42 of the Internal Revenue Code. MaineHousing has tried several different approaches over the years, with the assistance of consultants and industry partners, to come up with the best methodology. The current list of municipalities is taken from the list of Service Centers put together by the Municipal Planning Assistance Program within the Maine Department of Agriculture, Conservation and Forestry. While certainly not perfect, MaineHousing feels it is the best available standard at this time and continues to warrant the assigned scoring points.

*Comment:* Mr. Totman also recommended that the criteria for projects in a community revitalization plan be eliminated as an outdated concept.

*Response:* Per Section 42 of the Internal Revenue Code, QAPs must give a preference for properties located in qualified census tracts (QCTs), the development of which contributes to a concerted community revitalization plan (CCRP).

*Comment:* Mr. Totman also recommended that, given the broad scope of his comments, this QAP be limited to one year, rather than the proposed two, to allow more time to consider implementation of his recommendations.

*Response:* MaineHousing, in response to comments from various members of the development community over the years, feels the adoption of a two-year QAP provides the development community with greater continuity in the project planning process, allowing them to better anticipate how they might best address housing needs in future competitive funding rounds. The fact that the QAP is initially adopted for two years does not prevent MaineHousing from continuing to assess its provisions and propose revisions next year as necessary or warranted.

*Comment:* Cheryl A. Sessions, Executive Director of Portland Housing Authority, submitted written comments making several recommendations. The first recommendation was to make the provisions of Appendix E a minimum set of protections and guidelines rather than prescriptive.

*Response:* As stated in earlier responses, that was the intent of the new provisions and clarifying language has been added in Section 5 and Appendix E which will permit negotiation of more favorable terms.

*Comment:* Ms. Sessions also expressed agreement with the previous comments from Ms. Boutin of Evernorth, Inc., that policies similar to those in other states to restrict or eliminate “aggregator” activities be added.

*Response:* As stated in earlier responses, the recommended language was already included in the eligible applicant provisions of Section 4.

*Comment:* Ms. Sessions also recommended revising the project cost caps to a methodology that is more immediately reflective of the current cost environment and which permits waivers.

*Response:* The proposed QAP has increased the TDC caps by 25% over the previous QAP to address project cost increases being experienced in the marketplace. Additionally, MaineHousing will continue to entertain waivers of the TDC Index caps on a project-by-project basis. MaineHousing believes the current proposal will provide the necessary flexibility to address fluctuations in the market as it continues to monitor the situation.

*Comment:* Ms. Sessions also recommended retaining the preservation set-aside and public housing waiting list preference.

*Response:* MaineHousing appreciates these recommendations and has stated in earlier responses its decision to retain these provisions.

*Comment:* Cullen Ryan, Executive Director of Community Housing of Maine, submitted written comments expressing support for shifting the Populations with Special Needs criteria from a preference to a set-aside.

*Response:* MaineHousing appreciates the support for that change.

*Comment:* Mr. Ryan also expressed support for Ms. Boutin's earlier comments regarding the provisions in Appendix E.

*Response:* MaineHousing has responded to Ms. Boutin's comments in earlier responses.

*Comment:* Emily Flinkstrom, Executive Director of Fair Tide, submitted written comments supporting shifting the Populations with Special Needs criteria from a preference to a set-aside.

*Response:* MaineHousing appreciates the support for that change.

*Comment:* Bill Shanahan, Co-President of Evernorth, Inc., provided testimony at the public hearing expressing concern over the prescriptive nature of the new Appendix E provisions.

*Response:* As stated in earlier responses, language has been added in Section 5 and Appendix E clarifying that the provisions set forth in the Appendix are minimum threshold requirements which will permit negotiation of more favorable terms.

*Comment:* Jeff Levine of the Maine Affordable Housing Coalition, provided testimony at the public hearing on various aspects of the QAP. First, he seconded the comments made by Dana Totman concerning the limited scoring options under the Financial Characteristics section and the need to add additional options.

*Response:* As stated in earlier responses, MaineHousing will continue to evaluate additional scoring criteria that can be added to this category and welcomes suggestions from development partners.

*Comment:* Mr. Levine also expressed concern about the provisions in Appendix E being too prescriptive and not offering negotiating flexibility.

*Response:* As stated in earlier responses, language has been added in Section 5 and Appendix E clarifying that the provisions set forth in the Appendix are minimum threshold requirements which will permit further negotiation of more favorable terms.

*Comment:* Mr. Levine also expressed support for the recommendation from Evernorth that the QAP include language that “bad actors” not be eligible to work on QAP projects.

*Response:* As stated in earlier responses, the recommended language was already included in the eligible applicant provisions of Section 4.

*Comment:* Mr. Levine also commented on the need for flexibility on cost caps to avoid the unintended consequence of driving affordable housing out of places where costs are high but the need is also high.

*Response:* As stated in earlier responses, MaineHousing feels the proposed 25% increase in the TDC caps and the on-going ability to issue project-specific waivers, offers sufficient flexibility on cost caps.

*Comment:* Gary Vogel, attorney with Drummond Woodsum, provided testimony at the public hearing expressing concern about the provisions in Appendix E being too prescriptive and not offering negotiating flexibility.

*Response:* As stated in earlier responses, language has been added in Section 5 and Appendix E clarifying that the provisions set forth in the Appendix are minimum threshold requirements which will permit further negotiation of more favorable terms.

*Comment:* Norman E. Maze, Jr., Deputy Director/Housing Director of Shalom House, Inc., submitted written comments expressing support for shifting the Populations with Special Needs criteria from a preference to a set-aside but recommended that scoring priority be given for persons being released from jail or prison.

*Response:* The set-aside in the scoring criteria for Populations with Special Needs, in addition to Persons Experiencing Homelessness, persons who have disabilities, or are victims of domestic violence, can be for persons that “have other special housing needs”. The definition of Persons Experiencing Homelessness includes persons exiting an institution where they have resided for 90 days or less. MaineHousing feels that this scoring criteria already captures a broad spectrum of populations with special needs.

*Comment:* Beth Boutin, Vice President of Community Investments for Evernorth, Inc., supplemented her earlier written comments by submitting a series of specific requested edits to Appendix E. The first edit is to replace the purchase price formula in paragraphs 1) and 2) of Part I with “an agreed upon amount (or if no agreement than by a fair market value (FMV) appraisal)”.

*Response:* MaineHousing declines to make this change because the fair market value calculation needs to take into account the impact of any current encumbrances on the property and any agreement to sell the project for less than fair market value to other than qualified entities under the provisions of Section 42 can create tax issues.

*Comment:* Ms. Boutin’s next edit is in paragraph 3) of Part I which requires that a purchase option be exercisable beginning at the earlier of the expiration of the Compliance Period or the exit of or

change of controlling interest in the investor occurring after the expiration of the Credit Period. Her recommendation is to remove “after the expiration of the Credit Period”.

*Response:* Extending the start of the option period from year 15 back to year 10 is already a significant extension from current practice. MaineHousing does not feel that extending it further is warranted. Given that these requirements are only minimum thresholds, parties to a transaction are free to negotiate a further extension.

*Comment:* Ms. Boutin’s next edit is to paragraph 5) of Part I which would insert a prescriptive outside period (18 months) in which to close on the purchase of the project after exercising the option.

*Response:* MaineHousing feels a minimum of 12 months or such longer period as is necessary to obtain the required consent of any lenders or other parties whose consent is required is a reasonable standard to provide for a smooth ownership transfer and therefore declines to make this change.

*Comment:* Ms. Boutin’s next edit is to insert in paragraph 1) of Part II other eligible recipients of a ROFR authorized under Section 42 of the Internal Revenue Code.

*Response:* At this time, MaineHousing is only requiring the granting of a ROFR if the Applicant or any affiliate is a Qualified Nonprofit Organization. Tenant organizations and government agencies are eligible recipients of a ROFR under Section 42 of the Internal Revenue Code. Applicants that do not include a Qualified Nonprofit Organization are permitted to grant a ROFR to any eligible recipient. However, including these eligible recipients under the threshold ROFR requirements might imply that all applicants have to grant a ROFR to such recipients which is not intended.

*Comment:* Ms. Boutin’s next edit is to insert in paragraph 1) of Part II the specific indebtedness exclusion to the Minimum Purchase Price set forth in Section 42(i)(7) of the Internal Revenue Code.

*Response:* MaineHousing agrees with this suggestion and has added the specific indebtedness exclusion language.

*Comment:* Ms. Boutin’s next edit is to paragraph 3) of Part II to delete the “later of the public offer of the project for sale” option and limit the expiration of the ROFR to 36 months after the expiration of the Compliance Period.

*Response:* To the extent that the ROFR is triggered by receipt of a bona fide third party offer, MaineHousing feels that the ROFR should not expire 36 months from the end of the Compliance Period if the Project has not been publicly offered for sale and therefore declines to make this change.

*Comment:* Ms. Boutin’s next edit is to paragraph 4) of Part II to insert the same prescriptive outside period in which to close on the purchase of the Project after exercising the ROFR.

*Response:* As stated in the earlier response, MaineHousing feels a minimum of 12 months or such longer period as is necessary to obtain the required consent of any lenders or other parties whose consent is required is a reasonable standard to provide for a smooth ownership transfer and therefore declines to make this change.

*Comment:* Ms. Boutin next made a comment that the provisions in Appendix E should be able to be implemented in a standalone agreement rather than required to be in the governing document of the ownership entity.

*Response:* As long as the rights are incorporated in the organizational document, MaineHousing does not feel that there is anything in the QAP prohibiting the implementation through a standalone document.

*Comment:* Ms. Boutin's next edit is in paragraph 1) of Part III to insert a limitation on the ability to assign the ROFR that the holder not be in default under the terms of the organizational documents or ROFR.

*Response:* One of the ways that investors are restricting or inhibiting the exercise of these options and rights of refusal in other states is to raise questionable claims of defaults and thereby refusing to honor the terms as written. A successor holder of a ROFR is going to be bound by the terms of the ROFR so any default by the original holder should not prevent their being able to assign the rights to another qualified entity. MaineHousing declines to make this change.

*Comment:* Ms. Boutin next made a comment that paragraph 2, subparagraph a., of Part III should be deleted because it will cause tax issues under Section 42.

*Response:* This provision was taken directly from language in the National Housing Trust HFA Toolkit provided to MaineHousing by Evernorth. MaineHousing does not believe this language will cause tax issues and declines to delete it.

*Comment:* Ms. Boutin's next edits are some minor clarification revisions to paragraph 4) of Part III.

*Response:* MaineHousing has no objection to these revisions and has included the changes.

*Comment:* Ms. Boutin's next edit is to insert in paragraph 5) of Part III the additional eligible holders of a ROFR and to make revisions to the purchase price language in that paragraph

*Response:* MaineHousing has explained in an earlier response why the other eligible holders of a ROFR are not being included. The other revisions are not necessary because the defined term "ROFR Price" is already tied to Section 42(i)(7) of the Code.

*Comment:* Ms. Boutin's last edit is to insert language in paragraph 7) of Part III indicating that only amendments to a ROFR or Purchase Option that are inconsistent with the requirements of the QAP will require the prior written consent of MaineHousing.

*Response:* Whether an amendment will cause the ROFR or Purchase Option to no longer comply with the requirements of the QAP can be a matter of opinion. MaineHousing prefers that all amendments be submitted to MaineHousing so it can determine if the modification is acceptable and therefore declines to make this change.

*Comment:* Frank D'Alessandro, Legal Service Director of Maine Equal Justice, submitted written comments supporting some aspects of the QAP and recommending some revisions. The first item was the increase in points for projects involving rehabilitation or reuse of existing housing from 3

points to 4 points. Mr. D'Alessandro expressed strong support for this increase but recommended that the points for this category be increased even further.

*Response:* MaineHousing believes that the proposed point value for this category is appropriate and declines to increase it any further.

*Comment:* Mr. D'Alessandro also noted the increase in points for projects involving rehabilitation of certified historic structures from 3 points to 4 points and recommended that this category be eliminated due to the expense of historic rehabilitation.

*Response:* Section 42 of the Internal Revenue Code requires that projects of an historic nature be addressed in the QAP. The state historic tax credit for affordable housing and the federal historic tax credit provide significant additional resources to offset the increase costs of historic rehabilitation projects.

*Comment:* Mr. D'Alessandro expressed strong support for shifting the Populations with Special Needs criteria from a preference to a set-aside and increasing the points from 3 to 6.

*Response:* MaineHousing appreciates the support for that change.

*Comment:* Mr. D'Alessandro also noted the scoring criteria for family housing containing units with two or more bedrooms and three or more bedrooms and recommended a separate category for single room occupancies designed to provide housing for persons experiencing homelessness.

*Response:* The scoring criteria for family housing projects is designed to address a shortage of affordable family units. The QAP now includes a scoring criteria for projects setting aside at least 20% of the units for Persons Experiencing Homelessness or persons with other special housing needs. MaineHousing believes this is a better way to utilize the tax credit program to address homelessness than creating SRO projects designed exclusively for persons experiencing homelessness.

*Comment:* Mr. D'Alessandro expressed strong opposition to removing the scoring category for New Project-Based Rental Assistance and recommended it be reinstated.

*Response:* Project-based rental assistance has disproportionately favored applicants with access to their own project-based vouchers. Removing the category is designed to level the playing field. There is still a significant financial incentive to obtaining project-based rental assistance for a Project. MaineHousing does not anticipate the amount project-based rental assistance will be reduced because the scoring criteria is being eliminated.

*Comment:* Mr. D'Alessandro pointed out that the initial tiebreaker in the QAP gives priority to the applicants requesting the least amount of Credit and 0% deferred debt. He recommended that the tiebreaker criteria be revised to first, the number of units provided to serve families and individuals who experience long-term homelessness, and secondly, to low- and very-low income families and individuals.

*Response:* MaineHousing has incorporated the financial resources tiebreaker in order to create the greatest number of overall housing units by prioritizing projects requesting fewer scarce resources. The scoring criteria already provide incentives for applicants to serve Persons Experiencing

Homelessness, and yet must still address the needs of individuals up to 60% of Area Median Income (AMI). MaineHousing offers other funding resources to more specifically address the needs of Persons Experiencing Homelessness.

*Comment:* Claude Rwaganje, Executive Director of ProsperityME, submitted written comments recommending the elimination of the preference for persons on Section 8 waiting lists because it creates a hardship for asylum seekers who are ineligible to get on the waiting lists.

*Response:* While the inability of asylum seekers to be added to the waiting lists is clearly a legitimate issue, public housing waiting lists is a required selection criterion for QAPs under Section 42 of the Internal Revenue Code. MaineHousing is working with other available resources to address people experiencing homelessness, including asylum seekers.

**FISCAL IMPACT OF THE RULE:** The 2023 State of Maine ceiling of federal low-income housing tax credits is projected to raise approximately \$30,500,000 of private investor capital, and the 2024 State of Maine ceiling of federal low-income housing tax credits is projected to raise approximately \$31,000,000 of private investor capital. The private investor capital generated by the federal low-income housing tax credits will be used to develop affordable housing for low-income persons. Additionally, it is estimated that 1,400 jobs a year will be created with this investment. The rule will not impose any costs on municipalities or counties for implementation or compliance.

**EFFECTIVE DATE:**

## APPENDIX A

### Definitions

“Above Average” means an average overall score of 4 in the rating category - Physical plant inspections, Project Reports submissions, or Management and Occupancy Reviews. Physical plant inspections, and Management Occupancy Reviews are scored on the following scale: 1- Unsatisfactory, 2 – Below Average, 3 – Average, 4 – Above Average, and 5 – Superior. Project Reports submissions are scored as 5-Timely Submission and 1-Late Submission for each required submission report – Audited Financial Review (AFR), Budget, and Owner Certification of Continued Compliance.

“Act” means the Maine Housing Authorities Act, [30-A M.R.S.A. §4701 et seq.](#), as may be amended from time to time.

“Activities Important to Daily Living” means activities or destinations that are important to the course of daily living of the population served by the Project, which include a grocery store, a public school only if the Project is housing for families, a daycare only if the Project is housing for families, a senior center only if the Project is Housing for Older Adults, a pharmacy, a bank or credit union, a post office, a retail store, a general health care practitioner’s office, a public library, a location where people socialize, a hospital and other activities or destinations approved by MaineHousing. Convenience stores and gas stations are not eligible destinations for purposes of this subsection. If there is more than one activity or destination important to the course of daily living within a single establishment, each activity or destination will be counted separately (e.g. a retail store that also includes a pharmacy and a bank branch will be treated as 3 destinations important to the course of daily living).

“Adaptive Reuse” means the conversion of an existing non-housing building or structure to multi-family residential rental housing or the reconstruction of existing housing that has become functionally obsolete, as determined by MaineHousing.

“Affiliates” means any person or entity directly or indirectly controlling, controlled by, or under common control with another person or entity.

“Affordable Housing” means multi-family rental housing that has five or more units and is assisted under a HUD or Rural Development program or is subject to a restrictive covenant requiring units in the housing to be restricted to households with income at or below 60% of area median income, as determined by HUD.

“Affordable Housing TIF” means an affordable housing development district and development program approved by MaineHousing pursuant to MaineHousing’s Affordable Housing Tax Increment Financing Program, [30-A M.R.S.A., Chapter 206, Subchapter 3](#) and the Act, as may be amended.

“Applicant” means the entity applying for Credit, its successors and assigns, which must be the entity that will be the owner of the Project for tax purposes; must be duly organized and validly existing under the laws of the state in which it is formed, and if not formed in this State, must be

duly authorized to conduct business in this State; and must be in good standing under the laws of this State and its state of formation, if not this State.

“Application” means an application to MaineHousing for an allocation of Credit.

“Capitalized Lease Value” means the net present value of all lease payments under a lease calculated over the term of the lease using the 10-year Treasury note rate 60 calendar days before the Application deadline plus 300 basis points.

“Code” means the Internal Revenue Code, Title 26 of the United States Code, and applicable regulations promulgated pursuant thereto, as may be amended.

“Community Revitalization Plan” means (1) a community that has been designated by HUD or RD as an Empowerment Zone, a Renewal Community or Enterprise Community, or a Neighborhood Revitalization Strategy Area; or (2) a written plan that was formally adopted by the governing body of a municipality no more than twelve (12) years prior to the Application deadline following a concerted planning process and public input, specifically targets a neighborhood or area in the community (not a single building or site or the entire municipality) for redevelopment or revitalization, and includes (a) an assessment of the existing physical structures and infrastructure of the area, (b) detailed policy goals with respect to economic redevelopment, the rehabilitation or development of housing (including multi-family rental housing) and the improvement or expansion of infrastructure, and (c) proposed activities and a timetable for implementing the policy goals. Plans for a single development and plans formulated by or on behalf of the Applicant are not Community Revitalization Plans. A comprehensive plan that meets all of the requirements in (2) may qualify.

“Compliance Period” means the period defined in Section 42(i)(1) of the Code.

“Credit” or “LIHTC” means the low-income housing tax credit established pursuant to [Section 42](#) of the Code and allocated pursuant to this rule.

“Credit Period” means the period defined in Section 42(f)(1) of the Code.

“Credit Units” means units in a Project that are eligible for Credit.

“Demand Response Transportation” means on-call transportation services that operate at least 3 days per week and provide service throughout the day.

“Developer Fee” means the total compensation for the work, costs and risks associated with developing a Project, including without limitation, creating the Project concept, identifying and acquiring the Project site, obtaining construction and permanent financing, obtaining necessary subsidies, negotiating the syndication of investment interests in the Project, obtaining all necessary regulatory approvals, constructing and/or rehabilitating the Project and marketing, and includes all amounts paid to consultants to perform this work, except fees for professional services such as environmental assessments, rental market studies, soil tests, and water tests, and includes all reserves, in the form of cash, expected to be paid to the tax credit developer from the Project.

“DDA” means an area of the State that is designated by HUD as a difficult development area

pursuant to [Section 42\(d\)\(5\)\(B\)\(iii\)](#) of the Code or an area of the State that is designated by MaineHousing as a difficult-to-develop area in Section 7.A.3 pursuant to [Section 42\(d\)\(5\)\(B\)\(v\)](#) of the Code.

“Extended Use Agreement” means an agreement that satisfies the requirements of [Section 42\(h\)\(6\)\(B\)](#) of the Code.

“Extended Use Period” means the period of time specified by MaineHousing in the Extended Use Agreement executed in connection with a Project pursuant to [Section 42\(h\)\(6\)\(D\)](#) of the Code, which is the period set forth in Section 5.A. for Projects allocated Credit under the State Ceiling.

“Extremely Low Income” means income that is at or below 30% of the area median income as determined pursuant to the regulations and guidance governing the National Housing Trust Fund.

“Family Housing” means housing for families that qualifies for points under the Family Housing scoring criteria set forth in Section 6.E.

“Fiscal Year” means the fiscal year for a LIHTC Project as defined in the Owner’s organizational documents.

“Fixed-route Public Transportation” means year-round, regularly scheduled public transportation that operates at least 5 days per week and provides regular service throughout the day.

“Housing Development Costs” means the total of all direct and indirect costs incurred in financing, creating, purchasing or rehabilitating a LIHTC Project except the costs attributable to the acquisition of the land and any existing buildings as determined by MaineHousing.

“Housing for Older Adults” means a Project that is designated as elderly or senior housing and receives funding and project-based rental assistance under a RD or HUD multi-family elderly housing program (such as [RD’s Section 515 Rural Rental Housing Program](#) and [HUD’s Section 202 Supportive Housing for the Elderly Program](#)) or that meets the definition of “housing for older persons” under the federal [Fair Housing Act, 42 U.S.C. §3607\(b\)\(2\)](#) and the Maine Human Rights Act, [5 M.R.S.A. §4581 et seq.](#) and all associated regulations, as may be amended.

“HUD” means the United States of America acting through the United States Department of Housing and Urban Development.

“Intermediary Costs” means all Housing Development Costs except the actual construction costs or eligible rehabilitation costs under [Section 42\(e\)](#) of the Code attributable to the development of the units.

“IRS” means the United States Department of Treasury, Bureau of Internal Revenue Service.

“LIHTC Project” means a qualified low-income housing project as defined in and governed by [Section 42\(g\)](#) of the Code.

“MaineHousing” means Maine State Housing Authority.

“MaineHousing’s Construction Standards” means MaineHousing’s [Quality Standards and Procedures Manual](#) in effect 60 calendar days prior to the applicable deadline for an Application for Credit which include without limitation certain energy efficiency standards and UPCS and incorporate MaineHousing’s accessibility policy and procedures.

“Maximum Credit Amount” means the maximum amount of Credit a Project is eligible to receive pursuant to Section 3.C.

“National Housing Trust Fund” means the Housing Trust Fund established under Title I of the Housing and Economic Recovery Act of 2008, [12 U.S.C. §4568](#), together with associated regulations and guidance now or hereafter promulgated pursuant thereto.

“Net Developer Fee” means the Developer Fee with respect to a Project that does not exceed the applicable limit set forth in Section 7.B.2., including any portion thereof that is deferred or loaned to pay for costs associated with the Project (and does not include any additional Developer Fee allowed under Section 7.B.3).

“Notice to Proceed” means the notice that a Project has been selected for further evaluation to determine the Project’s eligibility for Credit and the amount of Credit to be allocated for the Project. The Notice to Proceed will require the submission of all information necessary for MaineHousing to determine the amount of Credit, if any, to be allocated to the Project, obligate the Applicant to fulfill all commitments made in the Application, and require the Applicant to promptly and diligently develop and complete the Project according to the deadlines specified in the notice.

“Owner” means the legal owner of a LIHTC Project or Qualified Building for which an Application has been submitted to MaineHousing or which has received an allocation of Credit from MaineHousing pursuant to this Qualified Allocation Plan or a prior Qualified Allocation Plan for the State.

“Ownership Transfer Rule” means Chapter 27 of MaineHousing’s rules, *Transfers of Ownership Interests*, and the policies and procedures related thereto, all as may be amended.

“Passive House Certification” means certification from Passive House Institute US, Inc. (PHIUS) or Passive House Institute (PHI) prior to MaineHousing’s issuance of IRS Form 8609.

“Persons Experiencing Homelessness” means persons sleeping in a place not meant for human habitation, in an Emergency Shelter, or in other emergency housing; persons exiting an institution where they resided for 90 days or less and who had resided in an Emergency Shelter, other emergency housing, or place not meant for human habitation before entering that institution; and persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual’s or family’s current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.

“Placed in Service” means the date on which a Qualified Building is suitable and available for occupancy as determined in accordance with [Section 42](#) of the Code.

“Principal” means any person or entity with a controlling interest in another entity, including without limitation, a person or entity with an ownership interest in an Applicant that controls the development and day-to-day operation of a Project, such as the general partner(s) of a limited partnership or the manager(s) or member(s) invested with the management authority of a limited liability company, and all persons and entities with an ownership interest in or control of said entity.

“Project” means the property described in the Application, which must be a qualified low-income housing project as defined in and governed by [Section 42\(g\)](#) of the Code.

“Project Reports” means the annual certification and tenant data required under Section 10.C., and if required for the LIHTC Project, the audited financial report (AFR) and the annual project budget.

“QCT” means an area of the State designated by HUD as a qualified census tract pursuant to [Section 42\(d\)\(5\)\(B\)\(ii\)](#) of the Code.

“Qualified Allocation Plan” or “Plan” means the plan for allocating and administering the Credit adopted by the housing credit agency pursuant [Section 42\(m\)\(1\)\(B\)](#) of the Code.

“Qualified Building” means a qualified low-income building as defined in and governed by [Section 42\(c\)\(2\)](#) of the Code.

“Qualified Contract” means a contract as defined in Section 42(h)(6)(F) of the Code.

“Qualified Nonprofit Organization” means a qualified nonprofit organization as defined in Section 42(h)(5)(C) of the Code.

“Rehabilitation Costs” means with respect to a Project (1) the site costs, (2) the costs of complying with the construction requirements of other funding sources except those required by the Applicant, any Principal thereof or Affiliates of either, (3) contractor profit, overhead and general conditions, and (4) certain costs identified in the capital needs assessment required under Section 5.D.1. of the QAP, including (a) the cost of correcting all violations of applicable federal, state and local health, safety and building codes and correcting deferred maintenance, (b) the rehabilitation or replacement of all structures, systems, facilities and components that have reached or exceed their useful life or will reach their useful life within 5 years, (c) the cost of complying with MaineHousing’s Construction Standards, (d) the cost of complying with the most current accessibility requirements for new construction projects under applicable federal, state and local accessibility laws, regulations, standards and guidance, and (e) the remediation and disposal of any environmental or other hazards identified in environmental reports. Rehabilitation Costs do not include construction contingency, relocation costs, or other soft costs.

“Related Development” means any development of which the Project is a part or is related and the Project cannot be completed, either structurally or financially, without the completion of the development.

“RD” or “Rural Development” means the United States of America acting through the United States Department of Agriculture, Rural Housing Services.

“Safe Walking Distance” means a pedestrian route appropriate to the area, as determined by MaineHousing, with sidewalks, crosswalks and traffic signals at busy roads or intersections and year-round walkability, which includes being plowed during the winter.

“Section 8” means Section 8 of the United States Housing Act of 1937, [42 U.S.C. §1437f](#), as may be amended.

“Service Center Community” means an entire municipality that provides jobs and retail to surrounding areas and is a center for education, health care, cultural, recreational and social services, designated pursuant to the Municipal Planning Assistance Program of the State’s Department of Agriculture, Conservation and Forestry as a Regional Service Center as of January 2013.

“State” means the State of Maine.

“State Ceiling” means the State’s housing credit ceiling established pursuant to [Section 42\(h\)\(3\)\(C\)](#) of the Code.

“Tax Increment Financing” means any type of tax increment financing, including without limitation an Affordable Housing TIF, a development district and development program approved by a municipality or a tax increment financing district approved by the State’s Department of Economic and Community Development pursuant to [30-A M.R.S.A., Chapter 206](#), as may be amended.

“TDC Index” means the calculation described in Section 5.C.

“TDC Index Cap” means the limit on Total Development Cost set forth in Section 5.C.

"Telehealth" means the use of interactive real-time visual and audio or other electronic media for the purpose of consultation and education concerning and diagnosis, treatment, care management, and self-management of a patient's physical and mental health and includes real-time interaction between the patient and the telehealth provider, synchronous encounters, asynchronous encounters, store and forward transfers and remote patient monitoring. Telehealth includes telephonic services when interactive telehealth services are unavailable or when a telephonic service is medically appropriate for the underlying covered service.

"Telemonitoring," means the use of information technology to remotely monitor a patient's health status via electronic means through the use of clinical data while the patient remains in a residential setting, allowing the provider to track the patient's health data over time. Telemonitoring may or may not take place in real time.

“Total Construction Cost” means the sum of site costs, costs of constructing or rehabilitating structures, systems, facilities, units and components, general requirements, bond premiums, and contractor overhead and profit as determined by MaineHousing.

“Total Development Cost” or “TDC” means Total Project Cost less (1) the fees required by MaineHousing, (2) the Project’s operating deficit account to the extent required by MaineHousing and (3) the costs associated with any commercial space developed in connection with the Project.

“Total Project Cost” means the sum of all costs associated with the development, construction and rehabilitation of a Project, as determined by MaineHousing. Total Project Cost includes, without limitation, acquisition costs, the Capitalized Lease Value of all leases of land and building(s), demolition costs, Total Construction Cost, construction contingency, costs associated with community service facilities included in the Eligible Basis of the Project, soft costs (such as permits, design and engineering fees, environmental reports, appraisals, market studies and legal fees), syndication costs, Developer Fee, financing costs and project reserves. Community service facilities are not considered commercial space for purposes of Total Project Cost.

“UPCS” means the Uniform Physical Conditions Standards established by HUD pursuant to [24 CFR §5.703](#), as may be amended.

## APPENDIX B

### Pre-Application Submission Requirements

Applicants must submit a request for pre-application review and the following information to MaineHousing **at least 60 calendar days before the applicable Application deadline.**

1. A narrative description of the Project and any Related Development, including, the location, type of housing, total number of units by bedroom size, breakdown of required and/or pledged accessible units by type and location, total number of income-restricted units by bedroom size, proposed affordability, any existing affordability restrictions, any existing or proposed use restrictions, common areas and amenities at the Project, any community service facilities, any commercial space and other unique features of the Project.
2. Conceptual, Diagrammatic Site Plan and Conceptual Floor Plans and Conceptual Building Elevations in accordance with the requirements set forth in MaineHousing's [\*Quality Standards and Procedures Manual\*](#).
3. The status of applicable federal, State and local land use approvals for the Project and any Related Development, and any site, subdivision and other plans for the Project and any Related Development that have been prepared for submission or have been submitted to applicable municipal, state and federal governmental entities.
4. Details about the parking for the Project, including the number, type and location of all on-site parking and off-site parking and the terms and conditions thereof.
5. An explanation and all supporting documentation for any exceptions from the requirement to provide a community room, laundry facilities, telemedicine facilities or area activities in accordance with Section 5.J of the QAP.
6. All available information about any known or suspected environmental conditions on the Project site and any Related Development or adjacent sites that may impact the Project site or any Related Development, including any environmental reports. To the extent feasible, identify any and all visible (both on and off-site) fuel oil and propane tanks and include them on the site plan.
7. A capital needs assessment for any existing housing that meets the requirements in Section 5.D. and Appendix C.
8. A conceptual construction estimate(s) prepared by a qualified general contractor or third-party estimator for the Project and any Related Development, including trade breakdowns in the form of a schedule of values and a reasonable estimating contingency, if applicable, with sufficient detail to demonstrate expected construction-related costs. All exclusions and qualifications, if any, must be clearly stated in the estimate. The estimate is to be the basis of the hard cost line items contained in the project underwriting without exception.
9. A projected development and operating budget(s) for the Project and any Related Development which must be submitted electronically in the format prescribed by MaineHousing.

## APPENDIX C

### Capital Needs Assessment Requirements

1. The assessment must include a site visit, an interview with the on-site property manager and maintenance personnel concerning prior and pending repairs and improvements and existing or chronic physical deficiencies, and a physical inspection of the interior and exterior of at least 20% of the units and all other structures, facilities, systems and components that will be part of the Project, including the following:

- a) Site, including without limitation topography, drainage, pavement, curbing, walkways, sidewalks, parking, accessible parking, accessible routes, landscaping, amenities, water, sewer, storm drainage, and all utility lines;
- b) Structural systems and components, both substructure and superstructure, including without limitation foundations, exterior walls, balconies, porches, and stairways, exterior doors and windows, chimneys and roofing;
- c) Interiors, including without limitation unit and common area finishes and substrata (e.g. flooring, underlayment, carpeting, plaster or drywall, wall coverings and paint condition), and unit and common area kitchen finishes, cabinets, countertops and appliances, and unit and common area bathroom finishes, fixtures and accessories, laundry facilities, and common area lobbies and corridors; and
- d) Building systems, including without limitation plumbing supplies and drainage, domestic hot water production, heating, ventilating and air-conditioning production and distributions systems, fuel storage and delivery systems, electrical power distribution and metering systems, lighting controls and fixtures, smoke, fire and any other alarm systems, fire protection systems, security systems, and elevators.

The capital needs assessment must specifically identify all structures, systems, facilities, units and components that were inspected and must include a concise overview of the physical and operational condition of the existing housing and a detailed assessment of the expected useful life and the remaining useful life of each structure, system, facility, unit and component inspected. The assessment must also consider the presence of environmental and other hazards, including without limitation, asbestos, lead paint, mold, water damage and insect infestations.

2. The capital needs assessment must include a recommended scope of work and a cost estimate to complete the scope of work that addresses the following capital needs of the Project, without consideration of financial feasibility:

- a) Correction of all violations of applicable federal, state and local building, health and life safety codes and correction of all deferred maintenance;
- b) Rehabilitation or replacement of all structures, systems, facilities, units and components that have reached or exceeded their useful lives or will reach their useful lives within 5 years;
- c) Rehabilitation of all units and common areas and facilities to bring them into compliance with MaineHousing's Construction Standards to the maximum extent feasible;
- d) Rehabilitation of the minimum number of units and all common areas and facilities that are necessary to comply with the most current requirements for new construction projects under applicable federal, state and local accessibility laws, regulations, standards and guidance (which include without limitation, [Section 504 of the Rehabilitation Act of 1973](#), HUD's housing regulations at [24 C.F.R. Part 8](#) and any accessibility standard designated by HUD; Title II and Title III of the Americans with Disabilities Act of 1990 and the 2010 Standards of Accessible Design; and if the Project involves substantial rehabilitation, the Maine Human Rights Act, the Maine Human Rights Commission's Chapter 8, Housing Regulations, and ANSI Standard A117.1-2009); and

e) Remediation and disposal of any environmental or other hazards identified in the assessment.

3. The capital needs assessment must also identify any structures, systems, facilities, units and components with a remaining useful life of less than 30 years. The Application must include a plan for future rehabilitation or replacement of any identified structure, system, facility, unit and component with a useful life of less than 30 years that is not included in the scope of work for the Project, including possible funding sources, which will be considered in establishing the appropriate funding amounts for the Project's reserve accounts.

**APPENDIX D  
LOW INCOME HOUSING TAX CREDIT PROGRAM  
OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

To: *MaineHousing*  
26 Edison Drive  
Augusta, ME 04330

<b>Certification Dates:</b>	From: <b>January 1, 20</b> _____	To: <b>December 31, 20</b> _____		
<b>Project Name:</b>			<b>Project No:</b>	
<b>Project Address:</b>		<b>City:</b>	<b>County:</b>	<b>Zip:</b>
<b>Tax ID # of Ownership Entity:</b>				
<b>Building Identification Number(s):</b>	(1)	(2)	(3)	
	(4)	(5)	(6)	
	(7)	(8)	(9)	
	(10)	(11)	(12)	

No buildings have been Placed in Service  
 At least one building has been placed in Service but owner elects to begin credit period in the following year.  
 If either of the above applies, please check the appropriate box, and proceed to page 2 to sign and date this form.

The undersigned \_\_\_\_\_ on behalf of \_\_\_\_\_

\_\_\_\_\_ (the "Owner"), hereby certifies that:

1. The project meets the minimum requirements of: (check one)
  - 20 - 50 test under Section 42(g)(1)(A) of the Code
  - 40 - 60 test under Section 42(g)(1)(B) of the Code
  - 15 - 40 test for "deep rent-skewed" projects under Section 42(g)(4) and 142(d)(4)(B) of the Code
  - Income Averaging
  
2. There has been **no change in the applicable fraction** (as defined in Section 42(c)(1)(B) of the Code) for any building in the project:
 

**NO CHANGE**     **CHANGE**

If **"Change"**, list the applicable fraction to be reported to the IRS for each building in the project for the certification year on page 4:
  
3. There have been no changes in the building's eligible basis under Section 42(d) of any building in the project.
 

**NO CHANGE**     **CHANGE**

If **"Change"**, list the changes on page 4:
  
4. The owner has received an annual Tenant Income Certification from each low-income resident and documentation to support that certification, or the owner has a re-certification waiver letter from the IRS in good standing, has received an annual Tenant Income Certification from each low-income resident, and

documentation to support the certification at their initial occupancy.

YES  NO

5. Each low-income unit in the project has been rent-restricted under Section 42(g)(2) of the Code:

YES  NO

6. All low-income units in the project are and have been for use by the general public and used on a non-transient basis (except for transitional housing for the homeless provided under Section 42 (i)(3)(B)(iii) of the Code):

YES  NO  HOMELESS

7. There has been no finding of discrimination under the Fair Housing Act, 42 U.S.C 3601-3619 with respect to this project. A finding of discrimination includes an adverse final decision by the Secretary of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C 3616a(a)(1), or an adverse judgment from a federal court:

FINDING  NO FINDING

If "**Finding**", please explain the nature of the violation and attach a copy of the decision or judgment.

8. There has been no finding of discrimination under any other applicable local, State or federal equal access or nondiscrimination law with respect to this project. A finding of discrimination includes an adverse final decision by the governmental agency responsible for administering such law, or an adverse judgment from a court with jurisdiction over such law:

FINDING  NO FINDING

If "**Finding**", please explain the nature of the violation and attach a copy of the decision or judgment.

9. Each building in the project is and has been suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the state or local government unit responsible for making building code inspections did not issue a report of a violation for any building or low income unit in the project:

YES  NO

If "**No**", explain the nature of violation on page 4 and attach a copy of the violation report as required by 26 CFR 1.42-5 and any documentation of correction.

10. Each building and all FedHome (HOME) assisted units are suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the participating jurisdiction (MaineHousing) to meet the requirements of 24 CFR, Part 92, HOME Investment Partnership Program, Section 92.251.

YES  NO  N/A

11. There has been **no change in the eligible basis** (as defined in Section 42(d) of the Code) of any building in the project since last certification submission:

NO CHANGE  CHANGE

If "**Change**", state nature of change (e.g., a common area has become commercial space, a fee is now charged for a tenant facility formerly provided without charge, or the project owner has received federal

subsidies with respect to the project which had not been disclosed to the allocating authority in writing) on page 4:

12. All tenant facilities included in the eligible basis under Section 42(d) of the Code of any building in the project, such as swimming pools, other recreational facilities, parking areas, washer/dryer hookups, and appliances were provided on a comparable basis without charge to all tenants in the buildings:  
 YES                       NO
13. If a low-income unit in the project has been vacant during the year, reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units were or will be rented to tenants not having a qualifying income:  
 YES                       NO
14. If the income of tenants of a low-income unit in any building increased above the limit allowed in Section 42(g)(2)(D)(ii) of the Code, the next available unit of comparable or smaller size in that building was or will be rented to residents having a qualifying income:  
 YES                       NO
15. Project complies with an extended low-income housing commitment as described in section 42(h)(6) (not applicable to buildings with tax credits from years 1987-1989):  
 YES                       NO                       N/A
16. In the prior 12 month period, the owner has:
- a) terminated the tenancy of a tenant in a low income unit, including without limitation, non-renewal of the lease of an existing tenant in a low income unit, for other than good cause;
  - b) increased the gross rent of a tenant with respect to a low income unit not otherwise permitted under Section 42 of the Code and any other applicable program (e.g. HOME, HUD Section 8);
  - c) denied tenancy to any applicant or terminated the tenancy of any tenant solely because the applicant or tenant had a Section 8 voucher or certificate; or
  - d) denied tenancy to any applicant, terminated the tenancy of any tenant, or failed to assist a tenant in finding alternative appropriate housing in violation of Title VI of the Violence Against Women Reauthorization Act of 2013, 34 USC Subpart 2 – housing rights Chapter 121 and applicable regulations (VAWA), as amended.
- YES                       NO

If “Yes”, please explain the nature of the violation on page 4.

17. The project complies with the requirements of all applicable Federal and State Housing Programs included in the development (e.g., Rural Housing Services, HOME, HUD Section 8, or Tax-Exempt Bonds).  
 YES                       NO

If “No”, please explain the nature of the violation on page 4.

18. The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42(h)(5) of the code and its non-profit entity materially participated in the operation of the development within the meaning of Section 469(h) of the Code.  
 YES                       NO                       N/A

19. The property has not suffered a casualty loss resulting in the displacement of residents.  
 YES                       NO

If “Yes”, please explain the nature of the loss on page 4.

20. There has been no change in the ownership or management of the project:

NO CHANGE     CHANGE

If "**Change**", complete page 4 detailing the changes in ownership or management of the project.

**Note: Failure to complete this form in its entirety will result in noncompliance with program requirements. In addition, any individual other than an owner or general partner of the project is not permitted to sign this form, unless permitted by the state agency.**

The project is otherwise in compliance with the Code, including any Treasury Regulations, the applicable State Allocation Plan, and all other applicable laws, rules and regulations. This Certification and any attachments are made UNDER PENALTY OF PERJURY.

\_\_\_\_\_  
(Ownership Entity)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PLEASE PROVIDE ANY CHANGES OR EXPLANATIONS REQUIRED UNDER QUESTIONS 1-19.**

Question #	Explanation

**CHANGE IN MANAGEMENT CONTACT**

Date of Change:	
Management Co. Name:	
Management Address:	
Management city, state, zip:	
Management Contact:	
Management Contact Phone:	
Management Contact Fax:	
Management Contact Email:	

**1. CHANGES IN OWNERSHIP OR MANAGEMENT**

(to be completed **ONLY** if **“CHANGE”** marked for question 20 above)

**2. TRANSFER OF OWNERSHIP**

Date of Change:	
Taxpayer ID Number:	
Legal Owner Name:	
Address:	
Phone:	
General Partnership:	
Status of Partnership (LLC, etc.):	

**CHANGE IN OWNER CONTACT**

Date of Change:	
Owner Contact:	
Owner Contact Phone:	
Owner Contact Fax:	
Owner Contact Email:	

## APPENDIX E

### THRESHOLD REQUIREMENTS FOR PURCHASE OPTIONS/RIGHTS OF FIRST REFUSAL

#### I. The Purchase Options must:

- 1) grant to one or more of the general partner, managing member, developer or sponsor an irrevocable option to purchase the Project at a purchase price not more than the greater of: (a) its fair market value as encumbered by the Extended Use Agreement and any other restrictions of record; and (b) the sum of: (i) the outstanding debt secured by the Project, (ii) the amount of the limited partner's or non-managing member's federal, state and local tax liability resulting from the sale of the Project, and (iii) all amounts owed to the limited partner or non-managing member under the limited partnership agreement or limited liability company operating agreement (the "Project Option Price");
- 2) grant to one or more of the general partner, managing member, developer or sponsor an irrevocable option to purchase the interest of the limited partner(s) or non-managing member(s) in the Project ownership entity ("Ownership Interest") at a purchase price not more than the amount the limited partner(s) or non-managing member(s) would have received on an after-tax basis if the Project had been sold at the Project Option Price and the proceeds distributed pursuant to the terms of the limited partnership agreement or limited liability company operating agreement;
- 3) be exercisable beginning at the earlier of: (a) the expiration of the Compliance Period; or (b) the exit of or change of controlling interest in the limited partner or non-managing member occurring after the expiration of the Credit Period;
- 4) expire no earlier than 36 months after the expiration of the Compliance Period; and
- 5) give the holder of the option a minimum of 12 months to close on the purchase of the Project or the Ownership Interest after exercise of the option or such longer period required by any lender(s) or other party whose consent to the transfer is required.

#### II. The right of first refusal (ROFR) must:

- 1) grant to a Qualified Nonprofit Organization an irrevocable and exclusive ROFR to purchase the Project at the lesser of: (a) its fair market value as encumbered by the Extended Use Agreement and any other restrictions of record; and (b) the Minimum Purchase Price as defined in Section 42(i)(7) of the Code but in no event less than the outstanding debt secured by the Project, excluding any indebtedness incurred within the 5-year period ending on the date of the sale pursuant to the ROFR (the "ROFR Price");
- 2) be exercisable beginning at the expiration of the Compliance Period;
- 3) expire no earlier than 36 months after the later of: (i) the public offer of the Project for sale by the general partner or managing member; and (ii) the expiration of the Compliance Period;

- 4) give the holder of the ROFR a minimum of 90 days to exercise its ROFR and a minimum of 12 months to close on the purchase of the Project after exercise of the ROFR or such longer period required by any lender(s) or other party whose consent to the transfer is required; and
  - 5) not require more than a nominal earnest money deposit in order to exercise the ROFR.
- III. The Project owner's limited partnership agreement or limited liability company operating agreement must provide that:
- 1) the holder of the ROFR may assign the ROFR to a governmental unit, tenant organization or resident management corporation of the Project, or another Qualified Nonprofit Organization without the consent of the limited partner(s) or non-managing member(s);
  - 2) the general partner or managing member may elect to do any of the following:
    - a) subject to the consent of the limited partner(s) or non-managing member(s), which consent shall not be unreasonably withheld, conditioned, or delayed, sell the Project to the holder of the ROFR in connection with the exercise of the ROFR (the limited partner(s) or non-managing member(s) may not withhold consent for a non-material breach of the Project owner's organizational documents);
    - b) at its discretion, without the consent of the limited partner(s) or non-managing member(s), sell the Project to the holder of the ROFR in connection with the exercise of the ROFR following the general partner's or managing member's receipt of a bona fide third party offer to purchase the Project, which offer may be solicited by the general partner/managing member or the holder of the ROFR; or
    - c) at its discretion, without the consent of the limited partner(s) or non-managing member(s), offer the Project for sale publicly at any time following the expiration of the Compliance Period and thereafter accept an offer from the highest bidder to purchase the Project, as long as the sale price is not less than the ROFR Price, and provided such acceptance is subject to the rights of the holder of the ROFR to exercise the ROFR and purchase the Project at the ROFR Price;
  - 3) the general partner or managing member is directed and authorized to execute all documents necessary to effect the sale of the Project pursuant to the ROFR or Purchase Options;
  - 4) the limited partner(s) or non-managing member(s) affirmatively agree not to challenge: (i) the sale of the Project pursuant to the terms of the ROFR by the general partner or managing member to the holder of the ROFR even if the holder of the ROFR is affiliated with the general partner or managing member; (ii) the general partner's or managing member's acceptance of an offer from the highest bidder in response to the general partner's or managing member's public offer of the Project for sale, provided the offer price is not less than the ROFR Price, and/or the exercise of the ROFR by the holder of the ROFR after any such acceptance; and (iii) the exercise of the Purchase Options by the holder(s) thereof pursuant to the terms of the Purchase Option;

- 5) in the event Section 42(i)(7) of the Code is amended to permit a Qualified Nonprofit Organization to hold a purchase option after the expiration of the Compliance Period, and only to the extent permitted under such revised Section 42(i)(7) of the Code, the holder of the ROFR shall be entitled to purchase the Project, or at its option, all of the interests in the owner, in either case at the ROFR Price, in lieu of exercising the ROFR;
- 6) neither the ROFR or Purchase Options will be adversely affected or limited by any other rights of the limited partner(s) or non-managing member(s), or any owner of any interest in any limited partner or non-managing member, such as forced sale rights, and there are no conditions to the exercise of the ROFR or Purchase Options except as explicitly identified in the limited partnership agreement or limited liability company operating agreement; and
- 7) any amendment that would modify any term or condition related to the ROFR or Purchase Options requires the prior written consent of MaineHousing.

**To:** MaineHousing Board of Commissioners

**From:** Mark Wiesendanger, Development Director  
Ashley Janotta, Chief Counsel

**Date:** June 8, 2022

**Subject:** Adoption of the State Low Income Housing Tax Credit Rule, Chapter 35

---

At your meeting on June 14, 2022, we will ask you to adopt the attached *State Low Income Housing Tax Credit Rule*, Chapter 35. The attached rule repeals and replaces the existing rule and establishes recapture procedures, which are described in the Basis Statement on page 9 of the rule and the April 13, 2022 memorandum to you requesting authority to commence rulemaking.

As you know, the public hearing was held on May 17, 2022. The comment period expired May 27, 2022. We received no comments.

State law and the Governor's Executive Order on rulemaking state that prior to adopting a final rule, MaineHousing should:

- consider all relevant information available, including, but not limited to, economic, environmental, fiscal and social impact analyses;
- prioritize the health, safety, and welfare of Maine people in conducting these environmental and social impact analyses; and
- consider the extent to which existing law addresses the matter and the rules impact on the ability of Maine employers to retain and attract a skilled workforce, including by reducing compliance burdens on small businesses in conducting the economic and fiscal impact analysis.

**PROPOSED MOTION:**

*To adopt the State Low Income Housing Tax Credit Rule, Chapter 35 of MaineHousing's rules, attached to this memorandum.*

Summary: The state low income housing tax credit law was enacted to provide funds for the development and preservation of multi-family affordable housing. Under the law, at least 80% of the credit to be allocated in a calendar year must be set aside for the construction or adaptive reuse of buildings for new rental units. Over time, MaineHousing must seek to allocate 30% of the credit for new rental units to senior housing and 20% of the credit for new rental units to “rural areas.” In addition, at least 10% of the credit to be allocated in a calendar year, must be set aside for qualified rural development preservation projects that incur at least \$100,000 in improvements. This rule defines “rural areas” and provides for the allocation and administration of the credit and procedures for recapturing the credit for noncompliance.

1. Definitions. The following terms shall have the following meanings:
  - a. “Affordable Housing Project” means a qualified low-income housing project, as defined by Section 42(g) of the Code.
  - b. “Allocation of Credit Certification” means a certification that a project is allowed the State Low Income Housing Tax Credit and includes information required by the State of Maine Department of Administrative and Financial Services, Bureau of Revenue Services.
  - c. “Area Median Gross Income” has the same meaning as in Section 42 of the Code, as adjusted for family size.
  - d. “Code” means the United State Internal Revenue Code of 1986, as amended.
  - e. “Compliance Period” means
    - i. For a Qualified Maine Project, the period beginning on the date the first building of the project is placed in service and ending on the date that is 15 years after the last building in the project is placed in service; and
    - ii. For a Qualified Rural Development Preservation Project, the period beginning on the date the rehabilitation of the first building of the project receives a certificate of occupancy, if required, or the date of Rural Development’s notice of final inspection of the building and ending on the date that is 15 years from the date the last building of the project receives a certificate of occupancy, if required, or the date of Rural Development’s notice of final inspection of the building.

- f. “Credit-qualified Affordable Housing Project” means a Qualified Maine Project or a Qualified Rural Development Preservation Project, as applicable to the project.
- g. “Credit Units” means all of the Federal Low-Income Housing Tax Credit units in a Qualified Maine Project or all of the units in a Qualified Rural Development Preservation Project that are assisted or financed by Rural Development.
- h. “Difficult Development Area” has the same meaning as in Section 42(d) of the Code.
- i. “Director” means the director of MaineHousing.
- j. “Federal Low-Income Housing Tax Credit” means the federal tax credit as provided in Section 42 of the Code.
- k. “MaineHousing” means the Maine State Housing Authority.
- l. “Owner” is the person or entity that holds legal title to the Credit-qualified Affordable Housing Project.
- m. “Qualified Allocation Plan” means the applicable Federal Low-Income Housing Tax Credit rule adopted by MaineHousing.
- n. “Qualified Census Tract” has the same meaning as in Section 42(d) of the Code.
- o. “Qualified Maine Project” means an Affordable Housing Project that is:
  - i. Either the construction of one or more new buildings or the adaptive reuse of one or more previously constructed buildings that have not been previously used for residential purposes;
  - ii. Subject to a restrictive covenant requiring an income mix in which at least 60% of the units in the project to which credits are allocated are restricted to households with income at or below 50% of Area Median Gross Income; and
  - iii. Eligible for the 30% present value credit as described in Section 42 of the Code as a result of tax-exempt financing described in Section 42(h)(4)(B) of the Code.
- p. “Qualified Rural Development Preservation Project” means an Affordable Housing Project in which at least 75% of the residential units are assisted or financed under a Rural Development program.
- q. “Rural Areas” are all parts of the State of Maine that are deemed rural for purposes of Rural Development multi-family housing (<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=mfhc>).

- r. “Rural Development” means the United States Department of Agriculture, Office of Rural Development, Rural Housing Service.
- s. “Rural Development Headquarters” means the national office of Rural Development.
- t. “Rural Development Section 515 Properties” means rental housing projects financed under Section 515 of the Housing Act of 1949 (42 U.S.C. 1498).
- u. “Rural Development State Director” means the state director of the Rural Development state office for the State of Maine.
- v. “Senior Housing” means multifamily affordable rental housing units serving seniors that receive funding and project-based rental assistance under a Rural Development program or a United States Department of Housing and Urban Development multifamily elderly housing program or that meet the definition of “housing for older persons” under the federal Fair Housing Act, 42 United States Code, Section 3607(b)(2) and the Maine Human Rights Act.
- w. “State Credit” means the tax credits awarded pursuant to the State Low Income Housing Tax Credit Law and this rule.
- x. “State Low Income Housing Tax Credit Law” means 36 M.R.S. §5219-WW and 30-A M.R.S. §4722, sub-§1, ¶GG, as may be amended from time to time.
- y. “Supportive Housing” means housing to assist persons with special needs in achieving housing stability, including persons who have experienced chronic homelessness or who are displaced, have a disability, are a victim of domestic violence or who have other special housing needs.
- z. “UPCS” means Uniform Physical Condition Standards, the physical inspection standards established by the United States Department of Housing and Urban Development for decent, safe and sanitary housing pursuant to 24 C.F.R. §5.703, as may be amended from time to time.

2. Set Asides.

- a. Eighty percent of the State Credit available to be allocated in any calendar year, including any State Credit that has been carried forward or returned, is set aside for Qualified Maine Projects that use the Federal Low-Income Housing Tax Credit in conjunction with tax-exempt bonds issued by MaineHousing.
- b. Ten percent of the State Credit first available to be allocated in any calendar year is set aside for Qualified Rural Development Preservation Projects, and if not allocated in that calendar year must be carried forward and be available to be allocated in subsequent calendar years for Qualified Rural Development Preservation Projects.

Upon January 1, 2029, any amount previously set aside under this section 2.b. and not previously allocated to a Qualified Rural Development Preservation Project is released from the set aside and need not be allocated to a Qualified Rural Development Preservation Project.

3. Priorities.

- a. In reserving and allocating the State Credit for Qualified Maine Projects, MaineHousing will prioritize:
  - i. use of the State Credit in Qualified Census Tracts and Difficult Development Areas;
  - ii. efficient use of MaineHousing resources including without limitation the Federal Low-Income Housing Tax Credit, the State Credit, and 0% deferred financing resources to maximize the number of new residential units created;
  - iii. project readiness including approvals and financing in place;
  - iv. over time, 30% of the cumulative State Credit for Qualified Maine Projects Credits allocated to Senior Housing and 20% of the cumulative State Credit for Qualified Maine Projects allocated to Rural Areas; and
  - v. projects with an occupancy preference for persons who qualify for Supportive Housing in the greater of 4 units or 20% of the total number of units.
- b. In reserving and allocating State Credit for Qualified Rural Development Preservation Projects, MaineHousing will prioritize projects that:
  - i. are Rural Development Section 515 Properties being transferred to a new Owner in accordance with Rural Development requirements;
  - ii. incur a minimum of \$100,000 in property improvements in accordance with the State Low Income Housing Tax Credit Law; and
  - iii. are not claiming the Federal Low Income Housing Tax Credit.

4. Notice of Reservation of Credit.

- a. MaineHousing will issue a notice of reservation of State Credit for Qualified Maine Projects as follows:
  - i. the notice of reservation will be issued at the same time as the Notice to Proceed described in the Qualification Allocation Plan;

- ii. the notice of reservation will remain in effect as long as the Notice to Proceed remains in effect; and
    - iii. the notice of reservation may include State Credit to be allocated in future years.
  - b. MaineHousing will issue a notice of reservation of State Credit for Qualified Rural Development Preservation Projects after receipt of the following:
    - i. An approval of transfer issued by Rural Development Headquarters;
    - ii. Current appraisal and capital needs assessment in compliance with Rural Development requirements;
    - iii. Repair plan approved by Rural Development; and
    - iv. Any additional documents needed by MaineHousing to determine the amount of credit.
- 5. Allocation of Credit.
  - a. MaineHousing will issue an Allocation of Credit Certification for a Qualified Maine Project after:
    - i. MaineHousing issues a Form 8609 for the Federal Low Income Housing Tax Credit; and
    - ii. A restrictive covenant meeting the requirements of the State Low Income Housing Tax Credit Law and this rule is executed by the Owner and MaineHousing and recorded in the appropriate registry of deeds.
  - b. MaineHousing will issue an Allocation of Credit Certification for a Qualified Rural Development Preservation Project after:
    - i. receipt of a notice of final inspection from the Rural Development State Director;
    - ii. Calculation by MaineHousing of the amount of State Low Income Housing Tax Credit to be awarded to the Qualified Rural Development Preservation Project; and
    - iii. A restrictive covenant meeting the requirements of the State Low Income Housing Tax Credit Law and this rule is executed by the Owner and MaineHousing and recorded in the appropriate registry of deeds.
- 6. Recapture.

- a. MaineHousing may recapture State Credit in accordance with this section if any one or more of the following occurs:
  - i. For a Qualified Maine Project, failure to comply with any one or more of the following as determined in accordance with Section 42(g) of the Code;
    - 1. The applicable income limitation on any of the Credit Units;
    - 2. The next available unit rule; or
    - 3. The rent restriction on any of the Credit Units;
  - ii. For a Qualified Rural Development Preservation Project, a notice of violation or default of the Rural Development financing or rental assistance contract for the project that is not cured within any cure period specified by Rural Development in the notice, as may be extended by Rural Development;
  - iii. Failure to maintain the project in a safe, decent, sanitary condition and in good repair in accordance with UPCS;
  - iv. Disposition of the project through sale, foreclosure, deed-in-lieu of foreclosure, or otherwise unless the project continues to be a Credit-qualified Affordable Housing Project;
  - v. Failure to comply with the minimum election made by Owner pursuant Section 42(g)(1) of the Code or the project otherwise fails to qualify as an Affordable Housing Project, as determined by MaineHousing;
  - vi. Loss of the project, any of the Credit Units, or any required amenities included in the eligible basis of the project that MaineHousing determines are essential to the operation of the project through damage, destruction, eminent domain, condemnation, or other action or event;
  - vii. Dissolution, liquidation, termination of existence, insolvency, or business failure of or assignment for the benefit of creditors by Owner;
  - viii. Any bankruptcy, receivership, reorganization, arrangement, insolvency, dissolution, or liquidation proceeding, or any other proceedings for the relief of debtors, under the U.S. Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, is instituted by or against Owner; or
  - ix. Any other action or event that results in the project no longer being maintained as a Credit-qualified Affordable Housing Project.

The event of noncompliance in the above clause iv. of this subsection if the project will not continue to be a Credit-qualified Affordable Housing Project and the events

of noncompliance in the above clauses v. through ix. of this subsection are considered egregious noncompliance for purposes of this section.

- b. MaineHousing will not recapture State Credit for any noncompliance that is corrected by Owner before MaineHousing discovers the noncompliance.
- c. MaineHousing will give Owner written notice of noncompliance and a reasonable period of time established by MaineHousing to correct the noncompliance. The notice will specify each event of noncompliance and the period of time for correcting the noncompliance, which may be different for each event. The period of time for correcting an event of noncompliance may be extended by MaineHousing. Any extension will be written and provide the reason for the extension.
- d. If all of the events of noncompliance specified in the notice are corrected within their respective correction periods, MaineHousing will not recapture State Credit.
- e. If any of the events of noncompliance specified in the notice are not corrected within the respective period for correcting the noncompliance, MaineHousing will recapture State Credit. Except for egregious noncompliance set forth in subsection a. above, MaineHousing will defer recapture of the State Credit until the earliest of:
  - i. The end of the Compliance Period;
  - ii. Disposition of the project through sale, foreclosure, deed-in-lieu of foreclosure, or otherwise;
  - iii. Transfer of any interest in Owner that must be approved by MaineHousing pursuant to the MaineHousing *Transfers of Ownership Interests Rule*;
  - iv. MaineHousing determines there is a pattern of uncorrected noncompliance by the Owner; or
  - v. Any egregious noncompliance set forth in subsection a. above.
- f. The amount of the recapture of State Credit will be calculated when it is collected as follows:
  - i. The amount of recapture is the difference between (a) the total State Credit allocated to the project and (b) an amount equal to the product of the total State Credit allocated to the project multiplied by a fraction, the numerator of which is the number of months the project remained a Credit-qualified Affordable Housing Project since the project was placed in service and the denominator of which is 180, which difference is then prorated in proportion to the number of Credit Units that do not remain in compliance.
  - ii. The number of months in which the project has remained a Credit-qualified Affordable Housing Project is the Compliance Period less the period of

noncompliance.

The period of noncompliance is the period of time from the first day of the month in which the noncompliance first occurred, not when it was discovered, to the last day of the month in which the noncompliance is corrected. If there are multiple events of noncompliance, the period of noncompliance is the first day of the first month in which any event of noncompliance, not corrected within the applicable correction period, began to the last date of the month in which all noncompliance is corrected.

If recapture is collected before the end of the Compliance Period for any egregious noncompliance or other reason that results in the project no longer being maintained as a Credit-qualified Affordable Housing Project, the period of noncompliance will also include the period beginning on the first day of the month in which MaineHousing notifies Owner that recapture is due and ending on the last day of the Compliance Period.

- g. MaineHousing will give Owner written notice of the recapture amount and how the recapture amount was calculated. Owner must pay the recapture amount within the period of time set forth in the notice, which will not be less than 30 days and may be extended in writing by MaineHousing. If Owner does not pay the full amount of the recapture within the required period of time, MaineHousing may lien the project for the recapture amount plus accrued interest at the pre-judgment interest rate, in effect on the date of the lien as calculated in accordance with 14 M.R.S. §1602-B, until the lien is paid in full as set forth in the State Low Income Housing Tax Credit Law.
- h. All notices to Owner will be sent by registered mail or certified mail, return receipt requested, to Owner's last known address and will be deemed received within three (3) business days of being mailed.

7. General.

- a. MaineHousing may publish program guides for the allocation of the State Credit in accordance with the State Low Income Housing Tax Credit Law and this rule.
- b. MaineHousing will track annual allocations and provide information required by the State of Maine Department of Administrative and Financial Services, Bureau of Revenue Services to determine eligibility and amount of credit allocated each calendar year.
- c. MaineHousing will charge a reasonable fee for each State Credit project to defray its increased costs due to the State Credit.

8. Rule Limitations.

- a. Other Laws. If this rule conflicts with any provision of applicable federal or state law, such federal or state law shall control.

- b. Waivers. Upon determination for good cause, the Director of MaineHousing, or the Director's designee, may, subject to statutory limitations, waive any provision of this rule. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds for the waiver.
- c. Full Discretion. MaineHousing is entitled to the full discretion allowed by law in making all decisions and interpretations under this rule.
- d. Final Agency Action. The Director of MaineHousing, individually or by exercise of the delegation of powers contained in the Act, shall make all decisions and take all action necessary to implement this rule. Such action of the Director shall constitute final agency action.
- e. Freedom of Access Act. MaineHousing is subject to the Freedom of Access Act, 1 M.R.S.A. §401 *et seq.*, which requires the disclosure of all information provided to MaineHousing that is not specifically excluded, such as confidential information under the Act. MaineHousing shall not be liable for the disclosure of any information that it determines must be disclosed under the Freedom of Access Act.
- f. Liability. Compliance with State Low Income Housing Tax Credit Law is the responsibility of the Owner. MaineHousing is in no way responsible for an Owner's compliance or liable for an Owner's noncompliance. Any allocation, review or inspection by MaineHousing and any determination made by MaineHousing pursuant to this rule is for the sole benefit of MaineHousing. No liability or responsibility for Owner compliance with applicable requirements and no representation or warranty of a project's feasibility or viability, eligibility for State Credit, or compliance shall be implied or construed from any such actions and determinations by MaineHousing.
- g. Headings/Context. The headings in this rule are for convenience only and do not define or limit the scope of the provisions of this rule.

**BASIS STATEMENT:** This replacement rule repeals and replaces in its entirety the current State Low Income Housing Tax Credit Rule. The rule provides for the allocation and administration of the state affordable housing tax credit, a refundable credit for the development and preservation of certain affordable multifamily rental housing in Maine. The law establishing the credit requires MaineHousing to recapture credit for noncompliance and provides for a lien to enforce repayment of recapture. The replacement rule adds procedures for determining what constitutes noncompliance that causes recapture and when recapture is calculated and collected. The new procedures limit recapture to material noncompliance that is not corrected within a reasonable period of time and, except in cases of severe or repeated noncompliance, defer recapture to the end of the 15-year compliance period and limit recapture to the period of noncompliance to maintain the affordability of the projects, particularly the very low-income units, to the greatest extent possible during the compliance period and to minimize the financial impact on the projects.

PUBLIC COMMENT:

Notice of Agency Rule-making Proposal was published on MaineHousing's website and in appropriate newspapers on Wednesday, April 27, 2022, and sent to interested parties on Thursday, April 21, 2022.

MaineHousing held a public hearing on Tuesday, May 17, 2022, to receive testimony on the proposed rule. Written comments were accepted until 5:00 p.m. EST on Friday, May 27, 2022.

No one testified or provided written comment on the rule.

STATUTORY AUTHORITY: 30-A M.R.S. §§4722(1)(GG) and 4741(1) and 36 M.R.S. §5219-WW.

FISCAL IMPACT NOTE: \$10,000,000 per year tax credits.

EFFECTIVE DATE: \_\_\_\_\_, 2022.

HCV Annual Plan Process  
5 Year Plan-2020-2025

**Goals and Objectives:**

Goal 1: Improve Housing Quality

- MaineHousing has established inspection standards above HQS requirements- These can be found in section 8-I.B of the HCV Administrative Plan

Goal 2: Expand the Supply of Affordable Housing

- MaineHousing administers VASH, Mainstream and FUP vouchers
- Offer landlord incentives and a damage repair program
- Work with homeless providers and housing navigators utilizing homeless priority vouchers

Goal 3: Help Maine People Attain Housing Stability

- PBV for supportive services
- PBV for homeless families
- PBV from QAP process

Goal 4: Provide Leadership to the Housing Field

- High performer on SEMAP for 3 years
- Extended landlord incentives to Maine PHAs

**Operational Priorities:**

Service:

- Shared work model
- Priority vouchers are referred to MaineHousing from community partners

People:

- Facilitate Community of Practice opportunities to share resources, program and software updates

Financial Capacity:

- MaineHousing requests a blended admin fee rate each year

Resource Optimization:

- 70% of our tenant files are electronic
- Using RingCentral to manage tasks

## **Annual Plan Process**

August 1, 2022	Public Notice of Public Hearing Public availability of Proposed Plan including feedback/recommendations from Resident Advisory Board (8 members representing Somerset, Knox, Kennebec, Franklin, Penobscot and Waldo counties)
August 16, 2022	Submit draft plan to Board for review prior to Public Hearing
September 20, 2022	Public Hearing
October 18, 2022	Board adoption

**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** Form HUD-50075-5Y is to be completed once every 5 PHA fiscal years by all PHAs.

<b>A.</b>	<b>PHA Information.</b>																																
A.1	<p><b>PHA Name:</b> Maine State Housing Authority <b>PHA Code:</b> ME901</p> <p><b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): 01/01/2020  <b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> 5-Year Plan Submission <input type="checkbox"/> Revised 5-Year Plan Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official websites. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 20%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 20%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 30%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 15%;">PH</th> <th style="width: 15%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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Lead PHA:																																	

<b>B.</b>	<b>5-Year Plan.</b> Required for <u>all</u> PHAs completing this form.
<b>B.1</b>	<p><b>Mission.</b> State the PHA’s mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA’s jurisdiction for the next five years.  MaineHousing’s mission is to assist Maine people in obtaining and maintaining quality affordable housing and services suitable to their housing needs. Housing Choice Vouchers assist very low income individuals and families to choose and lease safe and affordable privately owned rental housing and to achieve self-sufficiency and maintain housing stability.</p>
<b>B.2</b>	<p><b>Goals and Objectives.</b> Identify the PHA’s quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years.  <b>MaineHousing’s Program Goals:</b></p> <p>Goal 1: Improve Housing Quality  - <b>Ensure decent and safe housing by enforcing the compliance of inspection standards above HQS requirements</b>  - Maintain an inspections process that is efficient, consistent and conduct timely inspections</p> <p>Goal 2: Expand the Supply of Affordable Housing  - <b>Apply for new vouchers-</b> project-based VASH, Mainstream, FUP Youth or others that are available through HUD NOFA  - <b>Offer landlord incentives to attract new landlords and retain existing landlords</b>  - <b>Partner with agencies to increase set-aside opportunities for targeted populations.</b></p> <p>Goal 3: Help Maine People Attain Housing Stability  - <b>Award project-based vouchers in properties that provide supportive services to homeless families</b> (approximately 50)  - <b>Award project-based vouchers to existing Low Income Tax Credit properties with a preference for homeless families</b> ( up to 50)  - <b>Award project-based vouchers to properties selected through MaineHousing’s QAP process</b> (up to 40)  - Continue to administer the Family Self Sufficiency Program  - Fully utilize specialty vouchers (NED, VASH, Family Unification, Mainstream, 811)</p> <p>Goal 4: Provide Leadership in the Housing Field  - Contribute to ongoing analysis of housing needs  - <b>Maintain high performance score under SEMAP</b>  - Ensure EHO and Fair Housing by offering reasonable accommodations  - <b>Foster collaborative relationships with housing and service providers state wide</b></p> <p><b>MaineHousing’s Operational Priorities:</b></p> <p>Service  - <b>Strive for and monitor customer satisfaction through feedback, surveys and a call distribution line and an information box via our website</b>  - Provide training to staff to better serve clients through a case management model similar to resident service coordination.  - <b>Work with partners in providing services and outreach to low-income families via –Community Action Agencies, homeless shelters, landlord associations, 211 site and other Public Housing Authorities as well as offering options for electronic communications (conference calling, on-line applications, etc.)</b>  - Offer MaineHousingSearch.org to tenants looking for housing in Maine. It is an on-line registry of available housing  - Hired a housing navigator to assist voucher holders with their housing search and build on our landlord outreach efforts</p> <p>People  - Provide customer service and communications (MI) training to staff  - <b>Provide staff and contractors with excellent tools to enable service (software, training, education and technical assistance)</b>  - Utilizing a coaching model for staff performance improvement</p> <p>Financial Capacity  - Support funding shortfalls through administrative fee reserves as needed  - <b>Request when appropriate for higher administrative fees or blended rates (statewide jurisdiction)</b></p> <p>Resource Optimization  - Provide incentives for both tenants and landlords to comply with program requirements (Security Deposit, Owner Excellence programs and landlord repair grants)  - <b>Continue to look for process improvements through LEAN initiatives</b></p>

<p><b>B.3</b></p>	<p><b>Progress Report.</b> Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.</p> <ul style="list-style-type: none"> <li>- Provided excellent customer service by hiring staff competent in customer service delivery</li> <li>- Awarded 17 Project-based vouchers to permanent supportive housing projects for homeless and or disabled families</li> <li>-Awarded 73 Project-based vouchers to housing projects for homeless and or disabled families</li> <li>- SEMAP score has been high performing</li> <li>- Ensure EHO and Fair Housing by reviewing requests for reasonable accommodations</li> <li>- Continue to administer and coordinate the Family Self Sufficiency Program, enrolled 75+ participants</li> <li>- Work with partners in providing services and outreach to low-income families via –Community Action Agencies, homeless shelters, domestic violence agencies, landlord associations, 211 site, statewide conferences, and other Public Housing Authorities</li> <li>- Offer MaineHousingSearch.org to tenants looking for housing in Maine. It is an on-line registry of available housing. Hired a Housing navigator.</li> <li>- Used administrative fee reserves and other state funding to provide security deposits and landlord repair money as needed</li> <li>- Provided staff and contractors with excellent tools to enable service (software, training, education and technical assistance) including updated HQS software to assist our inspectors in the field.</li> <li>- Utilize additional preferences to apply to applicants. The highest preferences are elderly/disabled/families and a preference for US military veterans.</li> <li>- 60% of available HCV vouchers are set aside for homeless applicants and those experiencing domestic violence</li> <li>- Set aside 20 Non-Elderly Disabled Vouchers to assist families that participate in the Money-follows-the-person grant through the Maine DHHS Homeward Bound program. (11 currently housed)</li> <li>-Set aside 33 Non-Elderly Disabled Vouchers to assist families that qualify under the 811 waiver program (29 currently housed)</li> <li>-Set aside 40 vouchers for a pilot program for working families who may be interested in joining the FSS program (Waterville, Aroostook, Washington counties)</li> <li>-Awarded 5 year mainstream vouchers (approx. 22 available) 5 currently leased</li> <li>- Published 2 Landlord newsletters per year</li> <li>- Regularly hold Landlord forums and PHA inspector forums</li> <li>- Staff attend industry meetings, conferences, and trainings</li> </ul>
<p><b>B.4</b></p>	<p><b>Violence Against Women Act (VAWA) Goals.</b> Provide a statement of the PHA’s goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. MaineHousing has a homeless priority of 60% of its available vouchers set aside which includes child and adult victims of domestic violence, dating violence, sexual assault, or stalking. As part of our transition plan MaineHousing offers a Security Deposit of \$1000 to allow a family to move who are victims of domestic violence, dating violence, sexual assault, or stalking. We support 15 PBV units that provide preference to victims of domestic violence, dating violence, sexual assault, or stalking.</p>
<p><b>B.5</b></p>	<p><b>Significant Amendment or Modification.</b> Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.</p> <p>A “significant amendment” to our plan would be a policy change in our delivery of the program that would have an impact on the applicants and participants we currently serve in the areas we serve.</p> <p>A “substantial deviation/modification” to our plan would be a change in our current policy that would change the number of units that we allow for optional program opportunities or set-asides (project-base, homeownership, FSS, population specific).</p>
<p><b>B.6</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the 5-Year PHA Plan?</p> <p>Y   N  <input checked="" type="checkbox"/>   <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
<p><b>B.7</b></p>	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD 50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>

# Instructions for Preparation of Form HUD-50075-5Y

## 5-Year PHA Plan for All PHAs

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### A. PHA Information [24 CFR §903.23\(4\)\(c\)](#)

**A.1** Include the full PHA Name, PHA Code, PHA Fiscal Year Beginning (MM/YYYY), PHA Plan Submission Type, and the Availability of Information, specific location(s) of all information relevant to the hearing and proposed PHA Plan.

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table.

### B. 5-Year Plan.

**B.1 Mission.** State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years. ([24 CFR §903.6\(a\)\(1\)](#))

**B.2 Goals and Objectives.** Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years. ([24 CFR §903.6\(b\)\(1\)](#)) For Qualified PHAs only, if at any time a PHA proposes to take units offline for modernization, then that action requires a significant amendment to the PHA's 5-Year Plan.

**B.3 Progress Report.** Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5- Year Plan. ([24 CFR §903.6\(b\)\(2\)](#))

**B.4 Violence Against Women Act (VAWA) Goals.** Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. ([24 CFR §903.6\(a\)\(3\)](#))

**B.5 Significant Amendment or Modification.** Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.

#### B.6 Resident Advisory Board (RAB) comments.

(a) Did the public or RAB provide comments?

(b) If yes, submit comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. ([24 CFR §903.17\(a\)](#), [24 CFR §903.19](#))

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year PHA Plan. The 5-Year PHA Plan provides the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families and the progress made in meeting the goals and objectives described in the previous 5-Year Plan.

Public reporting burden for this information collection is estimated to average .76 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

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**Asset Management Department Memorandum**

**To:** MaineHousing Board of Commissioners

**From:** Robert Conroy – Director, Asset Management

**Date:** June 7, 2022

**Subject:** June Board Report - Asset Management

**HUD Section 8 Subsidy Transfer**

In past years, when an Owner had opted out of their Section 8 Housing Assistance Payments Contract (HAP) at the end of the contract term, the rental assistance connected to that HAP contract would effectively be extinguished and the community would permanently lose the rental affordability provided by that subsidy.

More recently, under Section 8bb of the Regulations, when an Owner decides to opt out of their HAP contract HUD is now able to move the Budget Authority, the subsidy dollars attached to the HAP Contract, to a different property. This allows the rental assistance to continue to be utilized, just at a different location.

Maine has seen several Contract opt-outs over the past decade but we have never been able to exercise the transfer of the HAP Budget Authority to a different property. Often it was because the Owner was unwilling to do the required work at their end to facilitate the transfer. Recently however we have been working with the HUD Boston Office, the Owner of two properties that have opted out of their HAP contracts and the owner of a recently-purchased property in Augusta to effect the transfer of the HAP Budget Authority from the two opt-out properties to the Augusta property.

The opt-out properties include Bayview Apts, in Belfast, a 24 unit Family property that opted out of the program in 2020 and Knox St. Apts in Rockland, a 16 unit Family property that opted out of the program in 2021. This month HUD gave approval to proceed to transfer the Budget Authority from those two properties to Glenridge Gardens, a 120 unit property in Augusta that has 24 Section 8 units currently in place. This transfer has the potential to add subsidy for an additional 40 units in place at the property.

We are very pleased that we are able to help keep this valuable housing resource available to some of Maine's most vulnerable residents.

## Communications & Planning Department Memorandum

**To:** Board of Commissioners

**From:** Erik C. Jorgensen

**Date:** June 6, 2022

**Subject:** June 2022 Board Report

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The Communications and Planning Department is pleased to report on selected activities during May of 2022.

### **Staffing:**

We have initiated a search to fill the open data analyst position. The search is scheduled to close on June 10, but we are always interested in learning about good candidates, so feel free to forward this link to our careers page to anyone who might be interested in this or one of the other posted positions: [Careers at MaineHousing](#)

### **2021 Annual Report:**

MaineHousing's 2021 Annual Report has arrived from the printer and is also available on the [web](#). It is another opportunity for us to highlight the work we do. The report was written by the entire CPD department and beautifully designed by Linnea Rogers, our polyvalent data technician, whose skill set ranges from number crunching to graphic art.

It opens with a message from Director Brennan championing both the work we accomplished in 2021 and where we are headed in the future. Each year we feature a few programs and stories; for this edition we focused on profiling the ReStart program, MaineHousing's work in making the transition to a hybrid workspace, and our work in publicizing the Emergency Rental Assistance Program. Together these features provide a more detailed look at some of MaineHousing programs and operations.

A concise summary of our 2021 achievements is included and is grouped according to strategic areas, *Expand Affordable Housing Opportunities*, *Help Maine People Attain Housing Stability*, and *Improve & Preserve Housing Quality*. Of course no annual report would be complete without a Financial Summary, highlighting that our net position increased by more than \$26 Million. This edition closes with a message from the Chair of the Board of Commissioners, Frank O'Hara, presenting a vision for MaineHousing in 2022.

## Media Coverage:

Communications Director Scott Thistle has been operating at full tilt to keep up with all the media requests that have been coming in. Since the last board meeting on May 17, we have had more than 20 media interviews that resulted in news stories, these include television, print, and radio, with Dan Brennan either appearing or being quoted as a source in stories or reports more than seven times. During Dan’s vacation, Scott did 10 different media interviews and appearances.

The topics ranged from ERA Fraud Prevention, to changes to the ERA program, to home buying in a rural market (This was a *Bloomberg News Market Watch* report that Dan participated in), to the new Rural Affordable Rental Program being run by development, to the annual Point In Time homeless report.

ERA program changes (four different reports) and ERA fraud prevention (seven reports) dominated the reporting period.

Stories appeared with MaineHousing as a key information source in every Maine media market and in some national-level reporting as well – including the Portland Press Herald, the Bangor Daily News, the Sun Journal, Spectrum News, WMTW, WGME, WCSH, FOX NEWS 23, WAGM – Bloomberg News and the Associated Press national wire.

5/17/2022+ D57A45:F58	Maine Public	Point in Time	Nicole Ogrysko	Scott Thistle	Connected Reporter to Cullen Ryan
5/18/2022	WAGM	Rural Affordable Rental Program	Corey Bouchard	Dan Brennan	Interview with Dan
5/18/2022	Bangor Daily News	Point in Time	David Marino	Scott Thistle	Provided answers on data
5/19/2022	WGME	ERA/background questions	Mal Meyer	Scott Thistle	Provided answers to ERA questions
5/20/2022	WGME	ERA program changes/Wells hotels	Mal Meyer	Dan Brennan	interview with Dan
5/23/2022	WGME	ERA program changes/Wells hotels	Mal Meyer	Peter Merrill	provided data on GSA per diem
5/24/2022	Bangor Daily News	ERA program changes/Wells hotels	Lia Russell	Scott Thistle	interview with Scott
5/24/2022	Forecaster	Scarborough hotels and TOA	Drew Johnson	Scott Thistle	interview with Scott
5/25/2022	Maine Public	ERA program changes	Robbie Feinberg	Dan Brennan	interview with Dan
5/25/2022	MarketWatch/Bloomberg News	Homebuying market in rural Maine	Katie Marriner	Dan Brennan	interview with Dan
5/25/2022	Portland Press Herald	Asylum seekers/Portland shelter	Randy Billings	Dan Brennan	interview with Dan
5/29/2022	NewsCenter WCSH	ERA program changes	Chloe Teboe	Scott Thistle	interview with Scott
5/30/2022	WMTW	FEMA hotels South Portland	Talia Clarke	Scott Thistle	interview with Scott
5/31/2022	WGME	FEMA hotels South Portland	Marissa Bodnar	Scott Thistle	interview with Scott
6/1/2022	Bangor Daily News	ERA fraud prevention	Sawyer Loftus	Scott Thistle	Interview with Scott
6/2/2022	Portland Press Herald	ERA fraud prevention	Randy Billings	Scott Thistle	interview with Scott
6/2/2022	Maine Public	ERA fraud prevention	Patty Wight	Scott Thistle	Phone interview with Scott
6/2/2022	WMTW	ERA fraud prevention	Talia Clarke	Scott Thistle	Zoom interview with Scott
6/2/2022	Kennebec Journal	ERA fraud prevention	Jennifer Lowell	Scott Thistle	Interview/info from Scott
6/2/2022	Sun Journal	ERA fraud prevention	Andrew Rice	Scott Thistle	Interview/info from Scott
6/2/2022	WGME	ERA Fraud prevention	Kate DeGroot	Scott Thistle	Interview/info from Scott

## **Marketing:**

While we regularly advertise in a variety of outlets, board members might soon hear mention of MaineHousing on **Maine Public**. This is a new media outlet for us, and while our underwriting on the main network will provide an opportunity to promote the First Home Loan Program, we are chiefly there in order to promote our services through the Maine Public News Connect service, where the spots are translated into Spanish, French, Portuguese, Somali, Arabic and Khmer. This represents an important cost effective opportunity to help members of the New Mainer community learn about MaineHousing programs, from Emergency Rent Relief, to HEAP, to First Home Loan.

## **News from the House of Lean:**

Seven MaineHousing staff have now completed their White Belt Certifications, which moves forward the goal to instill a culture of continuous process improvement across the agency.

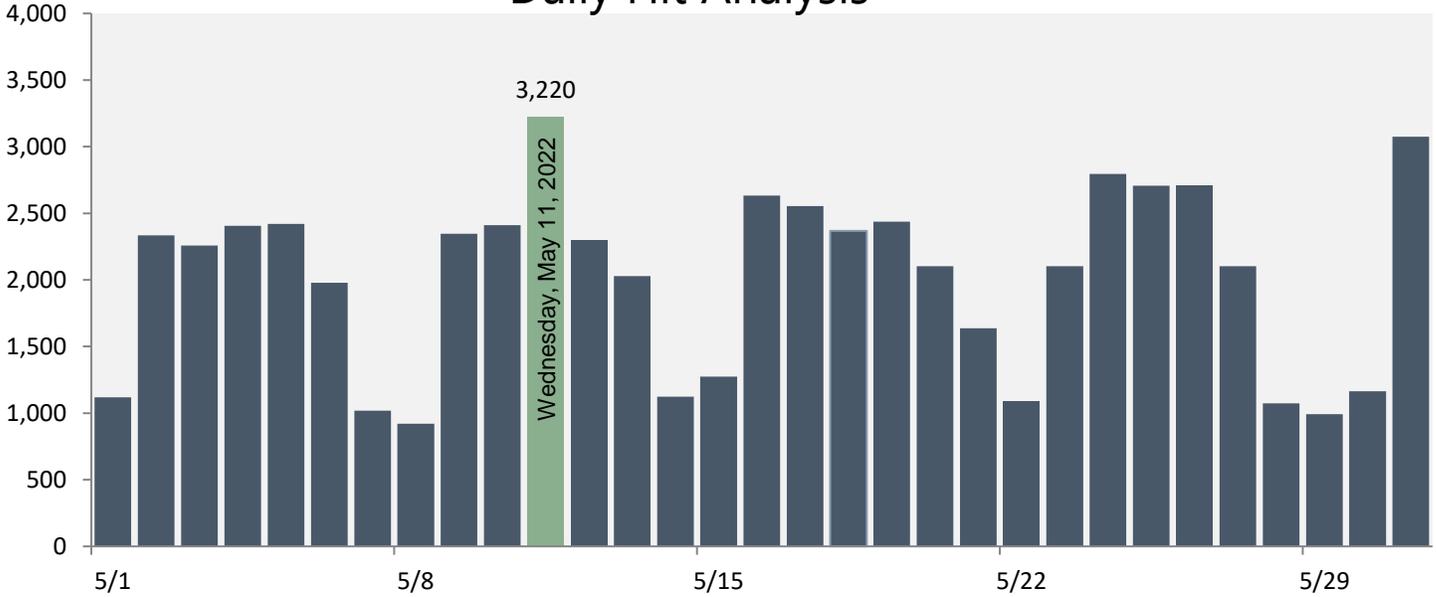
In addition to overseeing the Lean program, Jamie Johnson, our Planning and Operations Director, has been supporting departments in the process improvement efforts. The Asset Management Department implemented a RingCentral workflow tool to reduce waste, increase visual management and better serve our partners. In addition, the Housing Choice Voucher Department completed a current state map of the initial and annual inspection process. This allows the team to streamline the flow in a hybrid work model by understanding the why and identifying value added steps. The Energy and Housing Services Department is working to increase efficiencies by streamlining workflow and reducing extra processing.

A cross departmental team has joined together and kicked off a Lean project to ensure the guidelines for Procurement are followed by establishing quality control and standard operating procedures for process flow approval and documentation.

# May 2022 - MaineHousing Website Statistics

## Hit Summary

### Daily Hit Analysis

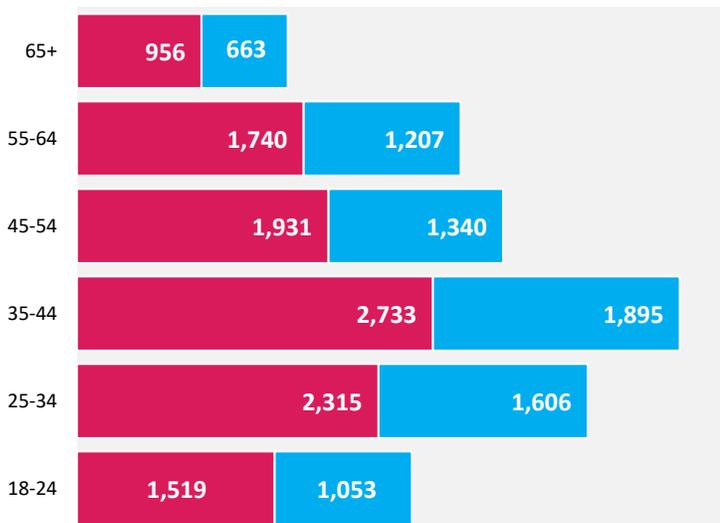


Hits	Unique Hits	Page Loads	Avg Page Views	Avg Duration	Avg Bounce
61,574	48,867	118,221	1.91	0:01:57	54.2%

## Demographics Summary

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

### AGE & GENDER



59%



41%

### TOP CITIES

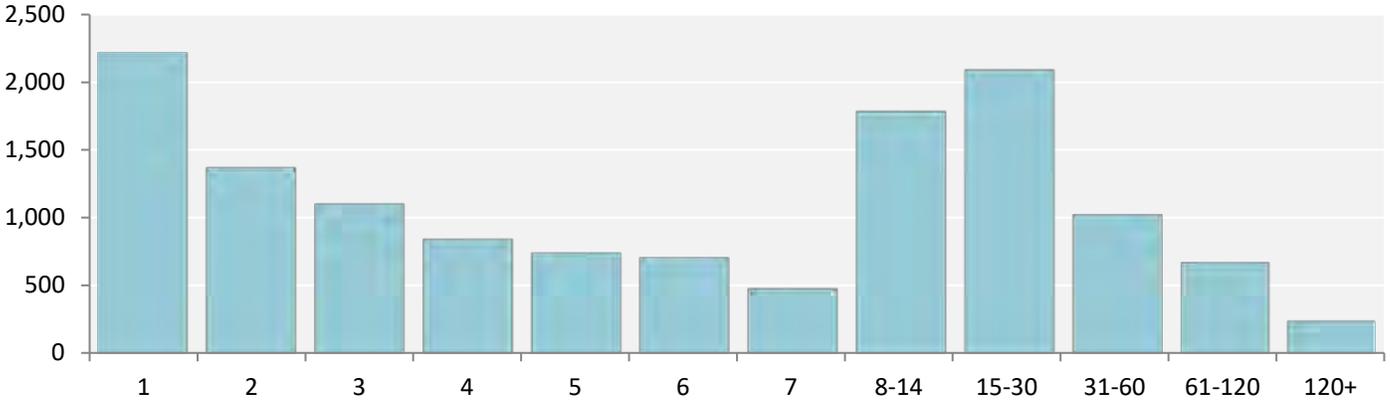
Portland, ME	3,835
Bangor, ME	2,741
Lewiston, ME	2,359
New York, NY	2,334
Augusta, ME	1,791
Boston, MA	1,712
Waterville, ME	1,059
South Portland, ME	986
Sanford, ME	982
Auburn, ME	942

Top Cities account for 30.44% of all website traffic.

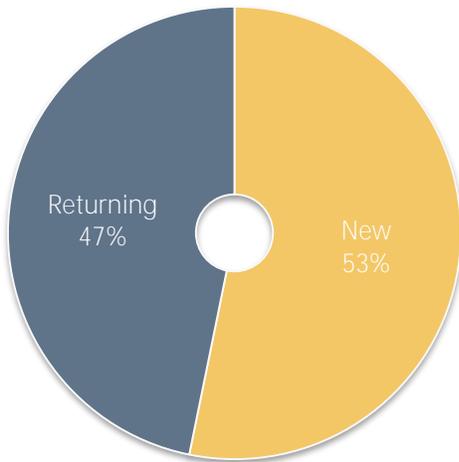
# Visitor Engagement

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

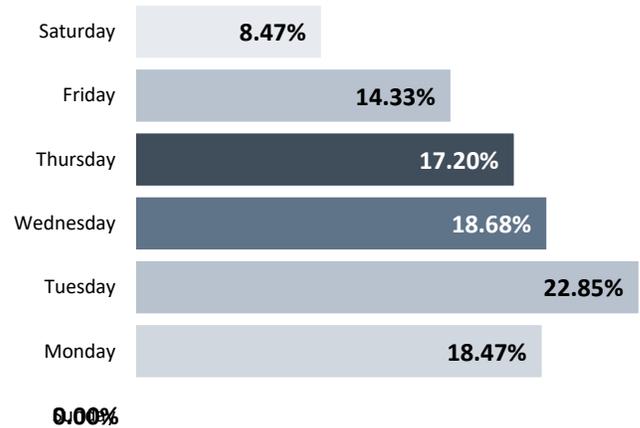
## DAYS SINCE LAST SESSION



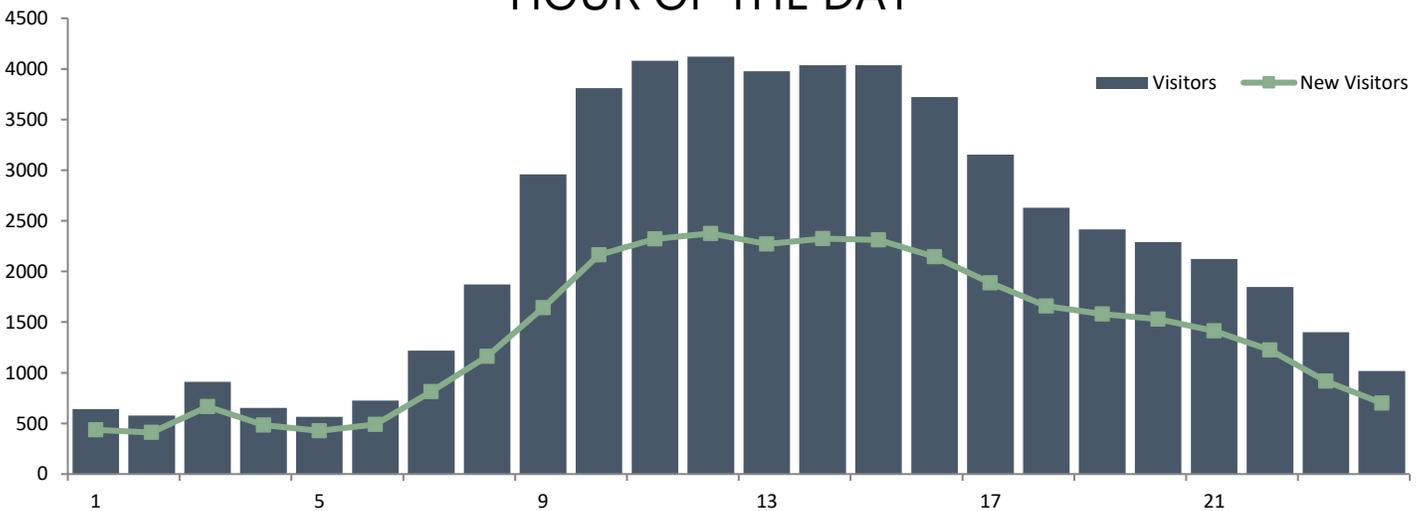
## NEW & RETURNING VISITORS



## DAYS OF THE WEEK



## HOUR OF THE DAY

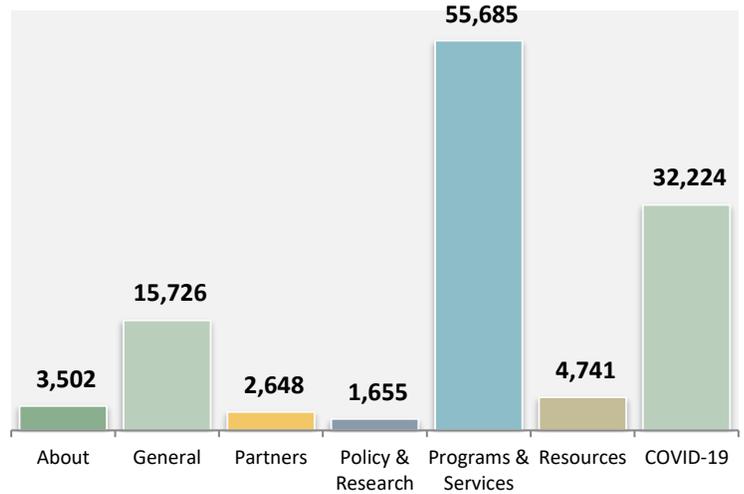


## Popular Content

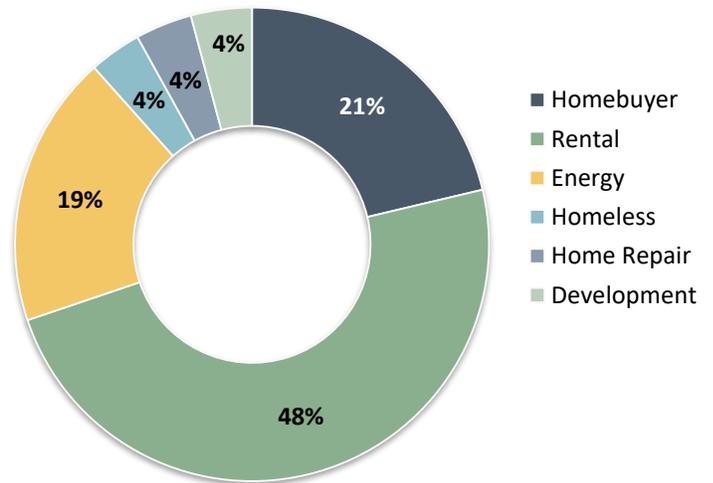
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
Emergency Rental Assistance Program	24,238
MaineHousing Website	12,291
First Home Loan Program	5,369
First Home Loan	4,622
ERA Program Calculator	4,234
Subsidized Housing	3,813
Home Energy Assistance Program	3,377
Rental Assistance	3,193
HEAP - Do you need help heating your home	2,972
HEAP Income Eligibility	2,748
Housing Choice Vouchers	2,399
MaineHousing Highlights	2,364
HEAP Agency Contacts	2,276
MaineHousing Lenders	2,011
Homebuyer Income & Purchase Limits	1,853
Contact MaineHousing	1,687
Home Repair	1,467
Rent - Income Charts	1,430
(not set)	1,291
Current Interest Rates	1,287
Emergency Shelters	1,232
Homeless Initiatives	1,143
HEAP - Do you need help heating your home	1,124
Leaving MaineHousing Website	1,037
Heat Pump Program	1,015

### Popular Content By Program

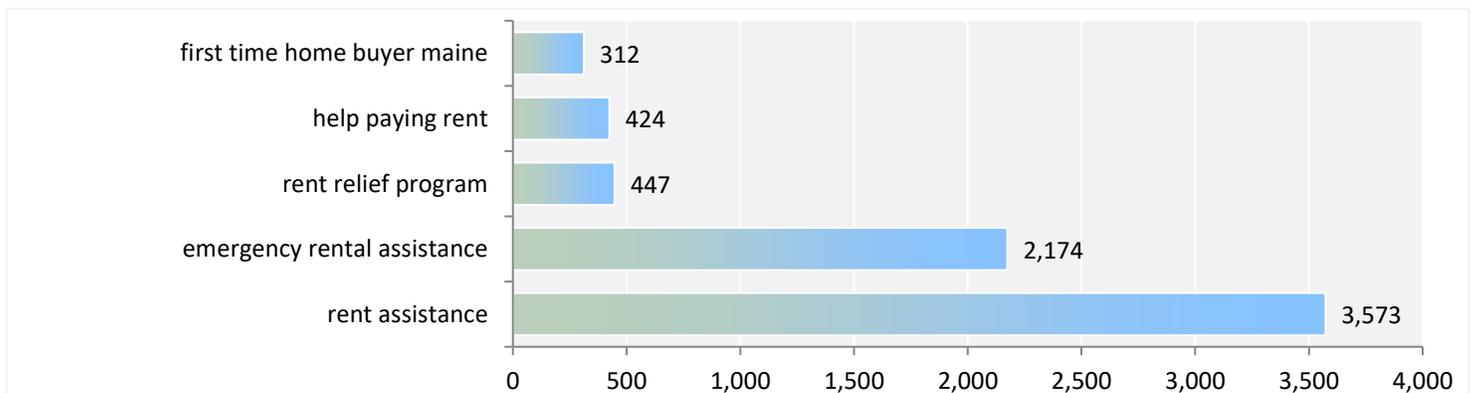


### Popular Content By Section



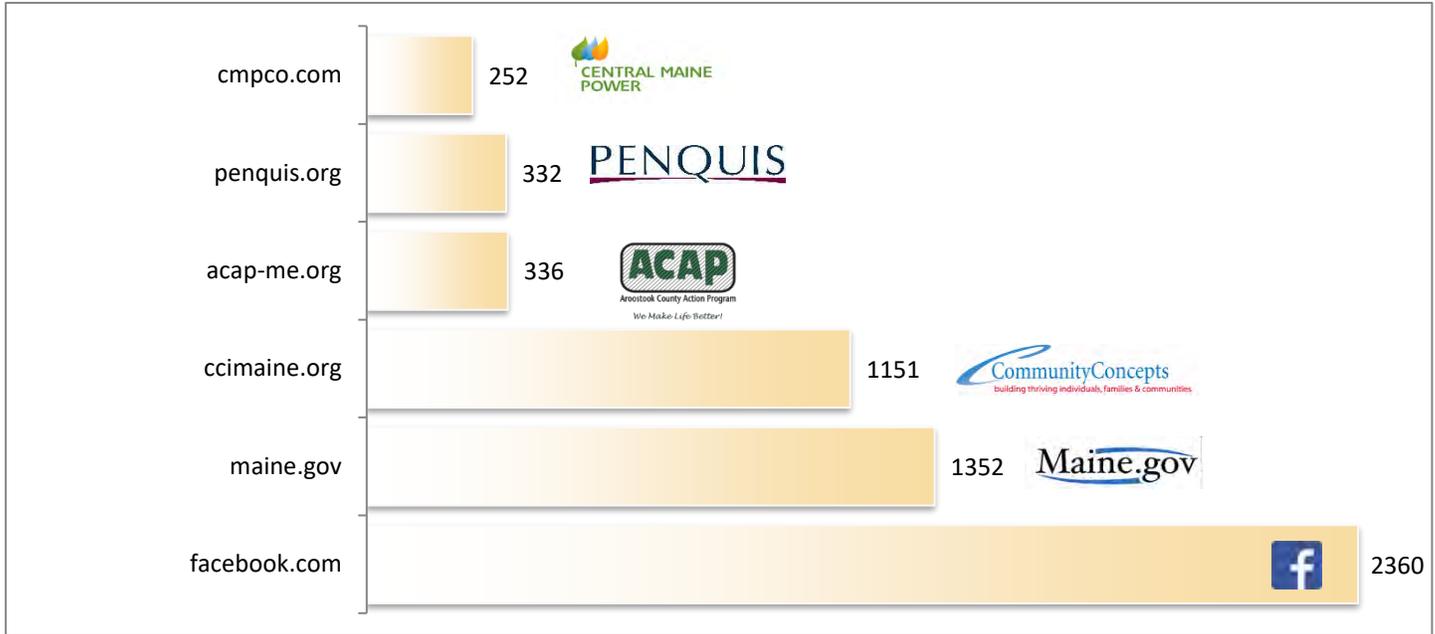
## Search Keywords

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

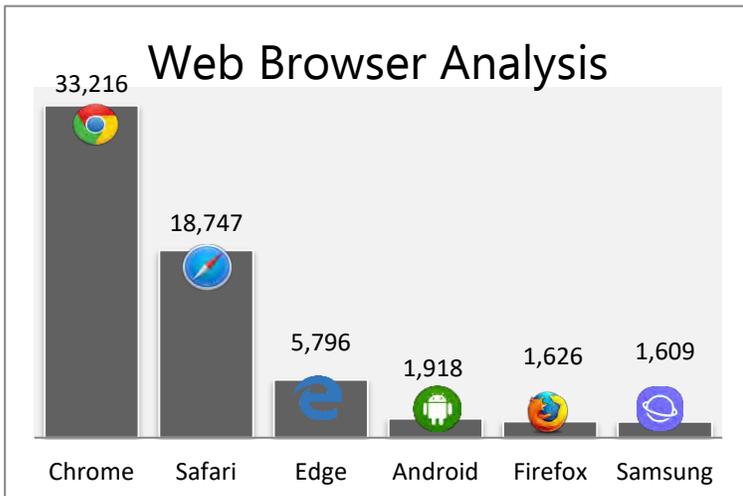


## Referring Websites

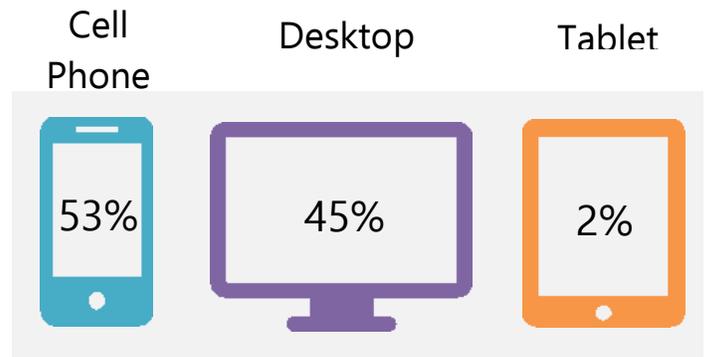
Referring websites are sites that link to our own website. When a visitor clicks on that link and visits our website, the site they came from becomes a referring site. Below are highlighted a few of the top referring sites.



## Visitor Technology Summary



### DEVICE ANALYSIS





**To:** MaineHousing Board of Commissioners  
**From:** EHS Department: Troy Fullmer, Director of HEAP;  
 Kim Ferenc, Director of Housing and Weatherization  
**Date:** June 14, 2022  
**Subject:** EHS Monthly Report – June, 2022

**HOME ENERGY ASSISTANCE PROGRAM (HEAP)**

**PRODUCTION STATISTICS FOR PROGRAM YEAR 2022 (BEGUN AUGUST 23, 2021)**

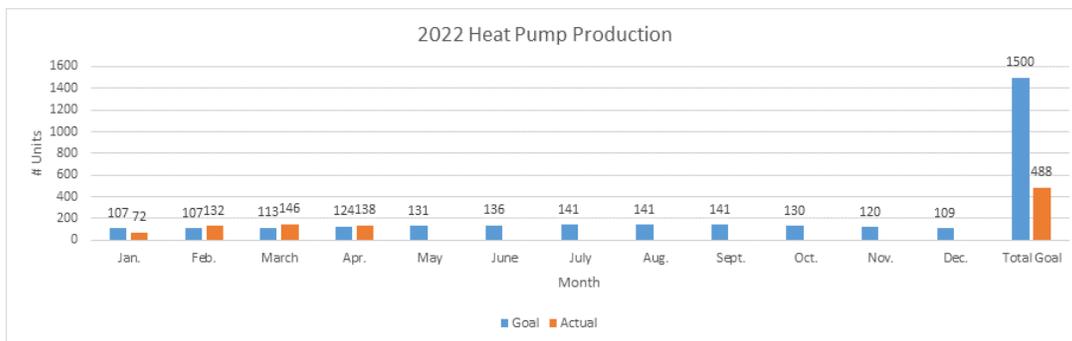
Number of Applications	PY 2022 THRU 6/3/2022	PY 2021 THRU 6/2/2021	+/-	% change
Total Applications Taken	50,402	47,163	3,239	+6.9%
Confirmed Eligible/Paid	37,417	35,104	2,313	+6.6%
Pending (in process)	5,122	3,468	1,654	+47.7%
Other (ineligible, denied, void, etc.)	7,863	8,591	-728	-8.5%

**PY2022 HEAP Payments through May 31, 2022- \$24,338,602.**

**HEAT PUMP PROGRAM**

MaineHousing’s Heat Pump Program (HPP) 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 HPP also aligns and assists with the Maine Climate Council’s *Plan for Climate Action* Strategy B- Modernize Maine’s Buildings: Energy-Efficient, Smart and Cost Effective Homes and Businesses, by supporting transitioning to cleaner heating and cooling systems. The Program is administered statewide by local Community Action Agencies (CAAs).

The HPP targets serving HEAP eligible households, and the HPP production goal for calendar year 2022 is 1,500 heat pump projects completed. The HPP production goal for January- April 2022 was 451 units installed. As of the end of April 2022, 488 units were completed (108% of target) and CAAs had 634 projects in their production pipelines.



**HOME ACCESSIBILITY AND REPAIR PROGRAM (HARP):**

The Home Accessibility and Repair Program (HARP) provides grants to income eligible homeowners for professional home repairs and accessibility modifications. The HARP is funded with State Home funds and the program period of performance is January 1 through December 31. The HARP program is comprised of five components: Home Repair, Elderly Home Repair, Accessibility, Emergency Home Repair, and Emergency Manufactured Home Repair. The HARP is delivered statewide through the network of Community Action Agencies (CAAs). MaineHousing does require the CAAs to provide services from each of the five categories.

<b>HARP PROJECT PROGRESS BY CAA</b>				
<b>Reporting Date: January , 2022 - June 7, 2022</b>				
<b>Agency</b>	<b>Complete</b>	<b>In Process</b>	<b>TOTAL</b>	<b>Project Cost</b>
ACAP	4	2	6	\$ 30,912.32
CCI-ANDROSCOGGIN	6	4	10	\$ 134,926.17
CCI-CUMBERLAND	3	4	7	\$ 95,406.00
DCP	0	3	3	\$ 45,120.00
KVCAP	7	4	11	\$ 180,057.60
PCAP	15	7	22	\$ 316,229.87
WCAP	0	0	0	\$ -
WMCA	1	7	8	\$ 134,671.92
YCCAC	3	4	7	\$ 117,240.00
<b>TOTAL</b>	<b>39</b>	<b>35</b>	<b>74</b>	<b>\$ 1,054,563.88</b>

**DOE WEATHERIZATION ASSISTANCE PROGRAM (WAP):**

MaineHousing’s Weatherization Program provides grants to low-income homeowners and renters with installation of energy conservation measures in their homes. The weatherization measures installed are intended to reduce the home’s energy costs by improving home energy efficiency. The Weatherization Program is delivered statewide through the network of Community Action Agencies (CAAs). DOE PY2022 Program work plans were approved and contracts have been fully executed.

**WEATHERIZATION GRANT – BIPARTISAN INFRASTRUCTURE LAW (BIL):**

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act (Public Law 117-58). Within this legislation, the Department of Energy was allocated \$3.5 billion in funding for its Weatherization Assistance Program (WAP). On March 30, 2022, MaineHousing received notification of the availability of these funds, the proposed allocation for the State of Maine and information on how to apply for the funding. The proposed allocation, pursuant to WPN BIL 22-2 is a total of \$31,245,144 for a five (5) year period. The allocation allows \$25,758,760 for program expenditures and \$5,486,384 for training and technical assistance.

As part of the BIL application process, MaineHousing must submit to the Department of Energy (DOE) a State Plan application detailing how we will utilize the funds and conduct our weatherization program in accordance with DOE guidance. DOE extended the original application deadline of July 1, 2022 to October 1, 2022. There are several parts to the grant application:

- Budget Summary – details how the grant funds will be spent by the grantee (MaineHousing – MH) and the sub-grantees (the Community Action Agencies – CAA’s).
- Annual File – describes changes to the program from the previous year’s application
- Master File – a detailed plan of Maine’s Weatherization Assistance Program (WAP) with descriptions of how Maine will meet the guidelines/requirements of the Department of Energy. This includes, but is not limited to: MH and CAA weatherization staff responsibilities, client eligibility, monitoring activities; audit procedures and tools; MH policies; and how MH and CAA’s will adhere to DOE Health and Safety requirements.

MaineHousing will continue to administer, partnering with our sub-grantees, a quality weatherization program designed to make energy improvements to Maine’s aging housing stock. These improvements assist households in reducing the overall energy consumption and costs of heating their homes. Priority households are HEAP eligible households with a high energy burden that includes a household member who is elderly, a person with disabilities, or a child under 6 years old.

Attached for your reference is the draft 2022 DOE BIL Master File. MaineHousing is proposing the following changes for the DOE BIL funding:

- Multifamily Buildings  
Expand MaineHousing’s Weatherization Program to include multifamily buildings (5 units or more). This would provide an opportunity to increase unit production and help keep the per unit average down. This will help more low-income Mainers with their energy costs.
- Contractor Incentive Program  
Contractor capacity has been an issue in Maine for some time. MaineHousing has had conversations with the Maine State Energy Office and The Building Performance Association and learned there are quite a few small contractors who would like to participate in MaineHousing’s Programs, but they cannot afford to purchase the liability insurance and equipment. Assisting contractors with these costs would potentially increase the number of available contractors and once in the program the contractor would be able to maintain the insurances and equipment costs.
- Invest in Training  
DOE has put a lot of emphasis on workforce development. MaineHousing is considering the possibility of investing in a Training Center. This will allow training to be done in state.

### **Public Hearing:**

A public hearing, allowing interested parties an opportunity to comment on the State Plan will be held on Tuesday, August 16, 2022 at 9:30 a.m.

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

**(Grant Number: DE-EE0009906 , State: ME, Program Year: BIL 2022)**

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## V.1 Eligibility

### V.1.1 Approach to Determining Client Eligibility

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

Definition of Low Income. Grantee has chosen to use the definition of household income, as described in the Home Energy Assistance Program Rule. Incomes calculated using this definition are adjusted as needed to align with WPN 22-3 PY 2022 *Poverty Income Guidelines and Definition of Income*<sup>1</sup>, and any related DOE guidance thereafter, to determine household energy burden and eligibility.

Income Verification. Subgrantees obtain required income documentation and verify income eligibility as part of the intake process to certify households eligible to receive fuel assistance benefits from the Department of Health and Human Services' Low-Income Home Energy Assistance Program (HEAP). 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.

WPN 22-5 extended categorical income eligibility to HUD means-tested programs. WAP Subgrantees may certify that applicants have met the income requirements of HUD means-tests programs through mechanisms including, but not limited to, applicant documentation, interagency lists of recipients, shared system databases, etc. Method of verification of eligibility must be included in the client file.

Subgrantees are required to ensure client eligibility during the period in which services are delivered. Clients that do not qualify for LIHEAP, but are still at or below 200% of poverty or for those that choose not to apply for LIHEAP, but still want WAP services will be required to complete a WAP only application and provide all required documentation to determine Program eligibility.

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

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

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

A household may include:

- a. An alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 210 of the Immigration and Nationality Act by approval of an application and are categorized as Special Agricultural Workers (SAWS) who perform seasonal agricultural work during a specified period of time; or
- b. An alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 245A and 210A of the Immigration and Nationality Act by approval of an application and who is aged, blind and/or 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 501(e).

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

### V.1.2 Approach to Determining Building Eligibility

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

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

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<sup>1</sup> The final version of WPN 22-1, PY 2022 is expected to be released by DOE on November 30, 2020

- a. A dwelling unit shall be eligible for weatherization assistance if it is occupied by a household whose income is at or below 200 percent of the poverty level and/or meets the eligibility for assistance under the Low Income Home Energy Assistance Act of 1981 as determined in accordance with criteria established by the Director of the Office of Management and Budget; or
- b. Prior to weatherizing entire rental dwellings of 2-4 units, a specific eligibility test will be applied. Not less than 66 percent (or 50 percent in the case of rental dwellings of two (2) or four (4) dwelling units), must be eligible or must become eligible dwelling units within 180 days under a federal, state or local program for rehabilitating the building or making similar improvements to the building.

Eligibility Documentation. All subgrantee files and records contain authorized HEAP applications with verified income documentation (home owners and renters), as well as *Consent Form, Proof of Ownership and Landlord/Tenant Agreement* (if applicable). All documents are available for review by state or federal staff as needed.

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

## **2. Describe re-weatherization compliance**

The Consolidation Appropriations Act of 2021 allows Grantee to weatherize units 15 years after the date of such previous weatherization was completed to receive further financial assistance for weatherization utilizing DOE and other federal program funds. Grantee 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 (Grantee) maintains available data of previously weatherized homes and assists Community Action Agencies (Subgrantee) in determining compliance with the re-weatherization requirements. For weatherization jobs completed in the prior 15 years Grantee and Subgrantee rely primarily on records maintained by the Subgrantee. Weatherization jobs completed between 1998-2008 are tracked in Grantee's Central Heating Improvement Program and Weatherization Jobs SIR database. Weatherization jobs completed 2009-September 2016 are tracked in Grantee's ECOS database. Weatherization jobs completed October 2016 to present are tracked in Hancock Software's web-based energy audit software system referred to as HEAT Enterprise (HEAT Enterprise).

## **3. Describe what structures are eligible for weatherization**

Grantee defines an eligible structure as a dwelling unit, including a stationary manufactured home, stick built house, and buildings with up to four rental units. Rental unit properties include structures with four (4) or less units, and three (3) stories or less. In the event of 2-4 unit buildings, one of the units may be occupied by the owner. Grantee, consistent with Department of Energy guidance, requires the weatherization of the entire building not just the low-income units. An eligible dwelling does not include a camper, or other structures designed and constructed to provide temporary living quarters. All dwelling units will have a permanent physical address documented by a current tax bill or confirmation from a municipal official.

A dwelling unit is eligible for weatherization assistance if it is occupied by a family whose income is at or below 200 percent of the poverty level and/or is eligible for assistance under the Low-Income Home Energy Assistance Program.

Large multi-family buildings and non-traditional dwelling units such as shelters and units with a business component will be discussed with DOE prior to commencement of the project.

Maine WAP includes the following components:

- a. An individual audit for each dwelling unit;
- b. Energy savings calculations based on the American Society of Heating and Refrigerating and Air Conditioning Engineers (ASHRAE) fundamentals; and
- c. A comprehensive health and safety protocol. Prior to initiating any weatherization activities, Subgrantees are required to evaluate the physical condition of the home, the mechanical systems, and building tightness.

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

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

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

Rental units are eligible providing that the Subgrantee has obtained written authorization from landlords/building owners and said landlords agree to the stipulation regarding rent increases in the Landlord Agreement form. The Maine WAP Manual contains the policy for renters and the Landlord Agreement form as an appendix to the manual (which is in adherence to 440.22 (b)(3) and 440.22 (c)(e)). The Landlord Agreement is provided as an attachment to this Plan. The policy for renters is located in the Maine WAP Manual, Section XXX. In situations where Maine weatherizes rental units, the Subgrantee is required to ensure that the benefits of the weatherization assistance accrue primarily to the low income tenants. No undue enhancement to the property should occur beyond the scope of energy conservation. Owners may not increase rent for a period of two years after completion of the unit's weatherization. Unless increases are demonstrably related to matters other than the weatherization work performed, the owner will have to repay the full cost of weatherization if rent is increased. Any dispute of the circumstances for a rent increase will be reviewed by the Subgrantee. The determination may also be reviewed by MaineHousing, if requested by the Subgrantee, landlord or tenant. Landlords are not required to contribute toward the cost of weatherization. Beginning in Program Year 2022, Maine will be undertaking weatherizing multifamily dwellings (as allowed under WPN 11-4). If Maine proceeds with this new extension to WAP services, WAP may consider using a competitive process to attract a new Subgrantee or Subgrantees to weatherize multifamily units. WAP will be working closely with the DOE Project Officer and the new multifamily Subgrantee(s) to ensure that all DOE approvals and training needs are met. Priority will be given to identifying and providing weatherization assistance to: elderly persons, persons with disabilities, families with children, high residential energy users, and households with high energy burden. Multifamily buildings because of their size and character, may offer an opportunity to meet many of these priorities. When addressing "significant energy improvements" in multifamily dwellings, WAP will contact the DOE Project Officer and refer to the WPN 16-5 Multifamily Weatherization and WPN 16-6 Weatherization of Rental Units.

Eligible Dwelling Units. Grantee intends to weatherize rental dwellings containing **5 or more** units occupied by income eligible (low-income) tenant(s), providing a direct benefit to the low-income tenant(s).

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

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

- a. *Rent Increases:* Secure landlord's/owner's and tenant's signature on a *Weatherization Rental Agreement* that prohibits an increase for two (2) years because of any increase in the value of the property due solely to the weatherization work.
- b. *Sale of Property.* If the property is sold within one (1) year of the completion of weatherization work, the owner may be required to reimburse the Grantee for the cost of the weatherization material installed.

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

#### **5. Describe the deferral process**

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

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

Deferral Tracking. All deferred jobs, including the reason for deferral, are entered and tracked in Heat Enterprise.

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

Weatherization Assistance Program Guidance Section J 1 e&f states:

e. Once the applicant notifies the CAA that the deferral reason(s) have been resolved/addressed the applicant will receive priority for WAP providing they still meet WAP eligibility and there is a valid certified HEAP application.

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

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

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

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

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

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

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

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

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

Grantee's WAP serves all counties statewide through nine (9) Subgrantees. Each Subgrantee is, in fact, a Community Action Agency 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 Community Action Agency or other public or non-profit entity, which has, or is currently administering, an effective program under this part or under Title II of the Economic Opportunity Act of 1964. Program effectiveness is evaluated by consideration of factors including, but not necessarily limited to the following:

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

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

### **V.3 Priorities**

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

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

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

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

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

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

Subgrantee	Service Area - counties	Heating Degree Days
Aroostook County Action Program	Aroostook	9543
Community Concepts, Inc.	Androscoggin, Oxford	7373
Downeast Community Partners	Washington, Hancock	7771
Kennebec Valley Community Action Program	Kennebec, Somerset	7680
Kennebec Valley Community Action Program	Lincoln, Sagadahoc	7420
Penquis Community Action Program	Penobscot, Piscataquis	8245
Penquis Community Action Program	Knox	7359
The Opportunity Alliance	Cumberland	7426
Waldo Community Action Partners	Waldo	7297
Western Maine Community Action	Franklin	8866
York County Community Action Corporation	York	7012

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

**V.5.1 Technical Guides and Materials**

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

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

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

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

Program updates and notifications are emailed to Subgrantee Housing and Finance Directors

Required Language. All Subgrantee Agreements 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 Subgrantee Agreement, Work Plan, and Budget are understood. The Subgrantee must deliver the executed Agreement, with Work Plan and Budget to the Grantee for approval before WAP funds will be disseminated.

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

NEPA Review. Sugrantees may only perform activities identified in the current NEPMaineA Determination.

Maine Field Guide type approval dates.

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

Supplemental DOE Approval for Spray Foam as an Air Sealing (Infiltration) Material as well as Insulation Material approved November 27, 2018

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

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

Audit Procedure: Single-Family  
Audit Name: Other (specify) 12/5/2016 Hancock Software

Approval Date: 12/5/2016  
Audit Procedure: Manufactured Housing  
Audit Name: Other (specify) May 22, 2017 Hancock Software  
Approval Date: 5/22/2017

Audit Procedure: Multi-Family  
Audit Name: Other (specify) 12/5/2016 Hancock Software would be the system used to conduct multi-family audits. Grantee does not do multi-family units  
Approval Date: Not applicable

MaineHousing does not intend to fund weatherization of multifamily buildings of 5 or more units or more than 3 stories in the DOE annual formula WAP award. In the event that such a project is considered, MaineHousing will submit to the DOE Project Officer the necessary material to approve the multifamily project prior to commencing weatherizing the building (e.g., engineering assessment, data collection, energy audit etc.) DOE will review and approve/reject such a project on a case by case basis.

MaineHousing is actively working with Hancock Software, LLC to have an energy software model approved by DOE.

### ***Comments***

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

home becomes eligible for weatherization, 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.

5. Grantee standard work specifications are embodied in the Field Guide and is posted on the Grantee's website. This measures selection system applies to all types of dwelling units and is based on instrumented audits interacted with ASHRAE 62.2–2016 based calculations for energy use, actual installation and energy costs and material lifetimes to produce a savings investment ratio (SIR)-driven work order. These calculations will be conducted using HEAT Enterprise.
6. 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.
7. Grantee's HEAT Enterprise uses the basic heat loss equation for conductive heat loss, (BTU/hr times area times degrees Fahrenheit over "R") taken from the ASHRAE 62.2–2016 Fundamentals Handbook, for pre and post weatherization energy use. Included in the calculations are heating degree-day correction factors and a blower door "N" factor when necessary. The results are checked against actual consumption whenever possible (HEAP vendors are required to provide consumption data; clients are asked to provide fuel bills during the audit). As the database grows, any necessary adjustments to correction factors will be made. Grantee's energy audit calculates SIRs for each contemplated weatherization measure, which reflect local heating degree-day figures and a heating degree-day correction factor.
8. 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.
9. 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.
10. Projected incidental repair costs are also calculated and added to the total cost. Incidental repair costs are capped at 15 percent of the total cost of weatherization tasks being completed (conductive + air infiltration + mechanical tasks) in a contract period. Overall calculated SIR for activities excluding health and safety must be equal to or greater than 1. Grantee's audit system assigns an energy savings to air infiltration reduction as determined by reduction of the CFM50 figure from blower door testing. As there is no way to accurately predict a post weatherization CFM50 figure, Grantee may waive the SIR requirement for the aggregate of air infiltration reduction measures on a case-by-case basis if the overall payback requirement is not met by the post blower door test.
11. All weatherization work is performed in accordance to DOE approved energy audit procedures and 10 CFR 440 Appendix A. Supplemental DOE Approval for Spray Foam as an Air Sealing (Infiltration) Material as well as Insulation Material approved November 27, 2018

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

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

Grantee conducts desk reviews on up to 100 percent of completed jobs, based on Subgrantee performance. Grantee will only authorize payment to the Subgrantee when satisfied that all work is completed in accordance with the work quality requirements outlined in WPN 15-422-4, Section 42. The Subgrantee is notified of any job not in compliance and is required to take the steps necessary to complete the job. In addition, the Grantee will perform quality assurance inspection reviews of at least 5 percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.

Subgrantee Agreements outline disciplinary action for inadequate inspection practices, as well as other duties not performed in accordance with expectations contained in the Agreement. *To wit:* Grantee shall notify the Subgrantee of the respects in which the Subgrantee's performance is deficient and the time period Subgrantee

has to conform its performance. In the event the Subgrantee fails to correct deficiencies in its performance within the specified time, Grantee may withhold Subgrantee's funding under the Agreement until Subgrantee is in compliance.

If a Subgrantee weatherizes 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.

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

## V.6 Weatherization Analysis of Effectiveness

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

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

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

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

## V.7 Health and Safety

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

1. Subgrantees will be allowed to expend program funds for the abatement of energy related health and safety hazards up to an average of \$1,200 per unit. Grantee health and safety related costs will be charged to either the administrative or training and technical assistance cost category. It is the responsibility of Subgrantees to manage the health and safety expenditure report as part of the billing process. The health and safety costs excluded from the cost effective calculations are tracked separately.
2. The cost of eliminating health and safety hazards, which is necessary before or because of installation of weatherization materials, is an allowable expense. Definitions of "minor" or allowable Health & Safety related repairs, and at what point repairs are considered beyond the scope of weatherization are included in the applicable sections of Grantee's 2022 Health and Safety Plan Template, (4.0, 7.6, 7.9, 7.14, 7.16), and are aligned with the Maine Weatherization Standards. Updates related to COVID 19 are in the updated 2022Grantee Health and Safety Plan Template.

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

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

**Client Education and Training.** As outlined in WPN 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 Subgrantee after weatherization if they have any questions, concerns, or wish to report feedback on the conservation efforts.

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

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

**Subgrantee/Contractor Safety:** Subgrantees must comply with OSHA requirements in all weatherization activities. When contractors are employed by Subgrantees, those contractors are expected to comply with OSHA requirements as well. The contractors' costs to comply with OSHA, as applicable, are part of their bid price. Updates related to allowable costs associated with COVID 19 safe work practices are in the updated 2022 Grantee Health and Safety Plan Template 7.5 Related costs for Subgrantees to comply with OSHA requirements may be charged under section 440.18 as health and safety, tools and equipment, incidental repairs, etc.

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

subcontractor crews and Subgrantee direct hires) must be trained in Renovation, Repair and Painting (RRP). Updates related to COVID 19 safe work practices training are in the updated 2022 Grantee Health and Safety Plan Template, 7.5, 7.13, 7.23, 7.24.

3. Subgrantees and contractors are expected to follow the requirements of Construction Industry OSHA Safety and Health Standards (29 CFR 1926/1910). During COVID 19 pandemic conditions, additional guidance must be followed, including but not limited to: Federal and State CDC, FEMA, Maine COVID 19 Prevention Checklist Industry Guidance, and DOE Memorandum 062.
4. Subgrantees must comply with the OSHA Hazard Communication "Right to Know Program." The program requires chemical manufacturers or importers to assess the hazards of chemicals that they produce or import. It also requires that all employers provide information to their employees about the hazardous chemicals to which they are exposed, by means of a hazard communication program, labels and other forms of warning, material safety data sheets, and information and training. Subgrantees must follow the record keeping requirements for Occupational Injuries and Illnesses.
5. Subgrantees are responsible for maintaining vehicles purchased with federal funds so that they are in safe and proper operating condition.
6. Subgrantees are responsible for ensuring all work performed in client homes abides by federal, state, and local codes and regulations.
7. Grantee verifies contractor and Subgrantee compliance with OSHA 10, Safety Data Sheets (SDS), and RRP requirements as follows:
  - a. As part of the annual bid process, contractors are required to submit RRP certifications. Grantee reviews this documentation to ensure compliance.
  - b. Grantee conducts in-progress monitoring inspections to verify compliance with OSHA 1910 and 1926, RRP, and reviews/compares SDS information to actual products being installed.
  - c. Grantee conducts client interviews to confirm that they received SDS information prior to the installation of WAP measures.

Client Health and Safety. Client health and safety is a priority for Grantee WAP. Through DOE trainings, related trainings at Maine Safety Works, and field training, Grantee has developed a comprehensive plan to ensure safety in energy related areas. Updates related to COVID 19 safe work practices are in the updated 2022 Grantee Health and Safety Plan Template, 7.20. Subgrantees are required to have the proper equipment to perform the necessary weatherization tests. Subgrantee personnel are required to attend trainings as determined necessary. Homes constructed prior to 1978 are presumed to contain lead paint. All weatherization clients residing in homes constructed prior to 1978 will receive the EPA publication *The Lead-Safe Certified Guide to Renovate Right* prior to the commencement of any weatherization activities.

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

Health and Safety Guidance Grantee uses the Table of Issues (adopted in DOE WPN 17-7) as a reference of a majority of conditions that Grantee regards as hazardous. In all cases these conditions will determine the course that weatherization will take. The chart outlines the hazard, the importance of correction, if postponement of weatherization services is necessary, types of testing, and corrective procedures for each hazard. In addition to the prescribed guidance in the Table of Issues, the following will be assessed and addressed, as applicable:

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

2. Asbestos. According to the EPA's *Building Air Quality Guide*, the mere presence of asbestos in a building does not mean that the health of a building occupant is endangered. Asbestos-containing material in good condition, not damaged or disturbed, is not likely to release asbestos into the air.
3. Biologicals/Mold. Updates related to COVID 19 are in the updated 2022 Grantee Health and Safety Plan Template 7.5, 7.20.
4. Combustion Appliances and Combustion Gases. Grantee recognizes that combustion gases in homes pose the most serious hazard. As a result, Grantee has adopted a comprehensive plan to ensure safe operation of combustion appliances and to make sure that weatherization procedures do not contribute to a problem.
5. Per the SWS, (2.02 Combustion Safety) CO in the appliance vent, ambient CO and spillage testing must occur as part of a weatherization job. If the mandatory testing results are outside of the allowable limits, a clean, tune & evaluate (CTE) of the heating system must occur as part of a weatherization job.
6. Energy auditors must comply with the rules of the Maine Fuel Board: Prior to performing a combustion safety and efficiency test, a limited energy auditor technician shall obtain the manufacturer's installation and operating instructions for the specific equipment to be tested. Energy auditors must make every effort to obtain an equipment manual on site or online. When a manual is not obtainable, the energy auditor must order a CTE by a licensed Heating Technician. This CTE must be performed prior to invoicing the job. A visual inspection, CAZ pressure test, spillage test, and ambient CO measurement must still be conducted as part of the energy audit.
7. In addition, CTEs should also be conducted as part of routine maintenance and safety practices. Subgrantees must provide in their Work Plan established internal policies that describe how CTEs will be addressed for clients of the weatherization program. Of all the by-products of fuel combustion, carbon monoxide (CO) is deadly. Grantee views any ambient level of CO as potentially dangerous and will be considered a warning signal that a problem exists. Corrective procedures requiring special licensing will be referred to the appropriate authority. Grantee follows guidance provided in the ASHRAE standards.
8. 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.
9. Occupant Pre-existing or Potential Health Conditions. Updates related to COVID 19 safe work practices are in the updated 2022 Grantee Health and Safety Plan Template, 7.20
10. Worker Safety. Updates related to COVID 19 safe work practices are in the updated 2022 Grantee Health and Safety Plan Template, 7.5, 7.13, 7.23.
11. 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).
12. Spray Polyurethane. Grantee 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**

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

Since its inception, MaineHousing has provided housing for low and very low-income renters and the opportunity for low and moderate-income Maine families to purchase their own homes. In the more recent past, MaineHousing has expanded its programs to meet new challenges posed by various housing needs: people who are homeless; people with special housing needs (such as mental health consumers); 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 property owners, management corporations, and Community Action Agencies. With offices located throughout Maine, nine (9) of Maine's Community Action Agencies serve as Subgrantees for the DOE Weatherization and Low Income Home Energy Assistance Programs (HEAP).

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

Review of Subgrantee Work Plans, Budgets, and Reported Results - Grantee requires Subgrantees to provide a Work Plan and Budget for the 2022 DOE program as part of the Subgrantee Agreement. Grantee will review the Work Plan and Budget and request any updates, if necessary, for the program year. No funds will be advanced to Subgrantees until the Work Plan and Budget is reviewed and approved by Grantee. Grantee's EHS staff will perform comparisons of Subgrantees monthly billings versus their approved budgets to identify financial or compliance variances. EHS staff will work with Subgrantees to correct/understand variances as they are identified during this process.

Allocation of Funding to Subgrantees - Grantee will allocate program funding to Subgrantees based on the percentage of HEAP applications approved. Grantee reserves the right to re-allocate funding among Subgrantees during the program year based on program performance and need statewide. WAP is currently operating under a Continuing Resolution for Fiscal Year (FY) 2021 (WAP Memorandum 069). For planning purposes, until a final full year FY 2021 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 2020 Appropriated Funds outlined in WPN 20-2. While WPN 20-2 allocations will suffice for FY 2021 planning purposes, DOE will adjust these allocations to Grantees based on final FY 2021 appropriations. Once a FY 2021 budget is passed and signed by the President, DOE will issue WPN 20-2, Program Year 2021 Grantee Allocations.

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

Allocation of the funds for the current Program Year show all Subgrantees at seven and a half 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.

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

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

Any Subgrantee meeting criteria defined in 10 CFR 440.18(d) may receive increased administrative funding, not to exceed an additional five percent (20 percent total), based on actual costs incurred. The Grantee will require

the Subgrantees to submit a letter of application for additional administrative funding. This letter must address the impact on production and the need for the additional administrative funds as well as the three (3) criteria shown above.

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

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

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

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

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

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

1. Annual Subgrantee Administrative Monitoring Review
  - a. Priority & Wait List
  - b. Reweathering
  - c. Deferrals
  - d. Contractors & Procurement
  - e. Required Documents
  - f. Energy Audits
  - g. Field Notes
  - h. Licensing & Certifications
  - i. HEAT Audits
  - j. Photo Documentation
  - k. Equipment Compliance
2. Each comprehensive monitoring visit will include an exit interview during which the WAP Program Officer apprises Subgrantee personnel of any findings and recommended improvements, as applicable. Within 30 days of the Subgrantee Monitoring visit, the WAP Program Officer will prepare and deliver a report to the Subgrantee summarizing any findings and requesting corrective actions. The WAP Program Officer will perform a follow-up review of any corrective action plans within six months of the monitoring visit.

3. If significant issues are identified, Grantee requires the Subgrantee to submit a corrective action plan for Grantee's review/approval. Grantee will conduct a six (6) month follow-up review to ensure the plan was executed and effective in addressing the issues.
4. If Grantee is not able to conduct onsite administrative and/or programmatic monitoring remote desk monitoring will be performed. The same monitoring tools and criteria will be used as much as possible utilizing online software for individual meetings/interviews and information submissions to MaineHousing via Sharefile to obtain the same outcome as a physical onsite.

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

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

1. Annual Financial Monitoring review
  - a. Financial/Fiscal Accountability
  - b. Uniform Grant Guidance Audit prescribed by 2 CFR 200
  - c. General ledger
  - d. Payroll/Personnel/Timecards
  - e. Vehicles and equipment purchases
  - f. Indirect rate review to make sure it is being calculated correctly
  - g. Invoicing
  - h. Record retention
  - i. Corrective action plans
  - j. Contractor payments
2. Each comprehensive monitoring visit includes an exit interview during which the EHS Fiscal Compliance Specialist apprises Subgrantee personnel of pertinent findings and recommended improvements, as applicable. Within 30 days of the administrative/fiscal monitoring visit, the EHS Fiscal Compliance Specialist will prepare and deliver a report to the Subgrantee summarizing these findings and requesting corrective actions. Additionally, the Fiscal Compliance Specialist will perform a six (6) month follow-up review of corrective action plans, if applicable.
3. If significant issues are identified, Grantee requires the Subgrantee to submit a corrective action plan for Grantee's review/approval. Grantee will conduct a six (6) month follow-up review to ensure the plan was executed and effective in addressing the issues.
4. If Grantee is not able to perform fiscal monitoring onsite for numerous reasons all needed data for review will be sent to Grantee and a comprehensive desk review will be completed.

**Grantee Monitoring Personnel:**

TITLE/GROUP CATEGORY	HRS /YR	TIME %	ADMIN %	T&TA %	DESCRIPTION OF DUTIES
Fiscal Compliance Specialist	624	30.00%	25.00%	5.00%	Performs fiscal reviews of Subgrantees to ensure fiscal compliance to federal rules and regulations; provides Programmatic Guidance to Sub-Grantees.
Technical Services Specialists #1	1,456	70.00%	50.00%	20.00%	Primary responsibility for field inspections and monitoring of completed weatherized units to ensure quality and compliance with program regulations. Assists in technical training, such as conducting energy audits, contractor relations, including contractor bids

Technical Services Specialists #2	1,456	70.00%	50.00%	20.00%	Primary responsibility for field inspections and monitoring of completed weatherized units to ensure quality and compliance with program regulations. Assists in technical training, such as conducting energy audits, contractor relations, including contractor bids
WAP Program Officers #1	874	42.00%	32.00%	10.00%	Performs compliance desk review of completed jobs and onsite Grantee Programmatic compliance monitoring. Provide Subgrantee training to address administrative requirements, compliance issues, Heat Enterprise, and other areas as needed and/or requested by Subgrantee. Provides Programmatic Guidance to WAP Subgrantee
WAP Program Officers #2	1,206	58.00%	33.00%	25.00%	Performs compliance desk review of completed jobs and onsite Grantee Programmatic compliance monitoring. Provide Subgrantee training to address administrative requirements, compliance issues, Heat Enterprise, and other areas as needed and/or requested by Subgrantee. Provides Programmatic Guidance to WAP Subgrantee

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

1. Grantee State Monitors conduct a minimum of 10 percent and up to 100 percent desk/file review of the completed units submitted by each Subgrantee. The percentage of desk review depends on Subgrantees' performance, which is captured on Grantee's internal tracking sheet. This practice allows the Grantee to monitor best practices, identify concerns, and select/prioritize units for onsite inspections for each Subgrantee. *State Monitor Desk Review Checklists* provide Subgrantee with the desk review results for jobs reviewed, including job deficiencies. Deficiencies are tracked by number and level of concern of reviewed jobs on Grantee's internal tracking sheet. *State Monitor Review Checklists* are made available to the Subgrantee in HEAT Enterprise. Any deficiencies identified on the checklists must be addressed in the job file before payment can be issued.
2. EHS Technical Service Specialists will perform onsite unit inspections of completed and in-progress units statewide on a monthly basis. They will inspect a minimum of five percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.
3. If significant issues are identified, the Technical Services Specialists will expand the percentage of inspected units. Technical Guides and Materials (V.5.1) establishes the criteria for inspection procedures.
4. Capture and reporting of inspection data will be accomplished using the *Maine WAP QCI Field Form*, which provides a comprehensive checklist that includes:
  - a. Assessment of auditors' pre-existing R-values and accurate building model
  - b. Evaluation of auditors' approach for each distinct area of the structure, attic, walls, basement, site specifics, etc.
  - c. Verification and evaluation of each installed measure
  - d. Combustion appliance inspection and combustion safety testing data
  - e. Blower door, pressure pan and other applicable building diagnostics data
  - f. Exhaust device cfm measurement and confirmation of correct ASHRAE ventilation requirement
  - g. Confirmation of on-site documentation required by SWS such as Insulation Certificates

- h. Client comments, concerns and positive remarks
5. Within 30 days of the site inspection, the Grantee monitor submits a Unit Inspection Report to the Subgrantee. These reports include findings and any required corrective actions, communications with the client/owner and contractor, observations and an assessment of the auditor's performance. If a rework is ordered, the Subgrantee will have 30 days to complete the rework and notify EHS, in writing, of its completion. The Subgrantee may also contact the 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.
  - a. If the rework ordered is not rescinded following this appeal process, the Subgrantee will have 30 days from the date of the appeal resolution to complete the rework.
  - b. If reworks are not completed within 30 days, and the Subgrantee has not demonstrated reasonable cause for delay, a billing adjustment will be made for the entire dwelling unit. The unit will not be reinstated until the rework has been completed.
  - c. If there are significant deficiencies identified, the Grantee monitor will increase the number of units reviewed and frequency of monitoring visits to the Subgrantee until there are assurances that all deficiencies have been resolved.
6. Subgrantees are required to submit corrective action plans when there are indications that the Subgrantee has significant compliance issues.
7. EHS Technical Service Specialists conduct multi-day focused technical monitoring at each Subgrantee office on an annual basis. This includes face-to-face meetings and interviews with Subgrantee weatherization managers, field staff and contractors to evaluate processes and training needs. A written summary of the site visit is provided to the Subgrantee within 30 days. The Subgrantee must respond to any requests, concerns or findings within 30 days.

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

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

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

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

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

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

The T&TA plan incorporates results and information made available through EHS field monitoring visits and input from Subgrantees, weatherization contractors, and WPNs. All Comprehensive Training will be conducted by Interstate Renewable Energy Council (IREC) accredited training organizations. Specific trainings will be administered by qualified personnel as needed. Energy audit software training and field data collection have been added to resolve findings brought forth during 2021 DOE Technical Monitoring Assessment.

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

1. *BPI (HEP) Comprehensive Training.* Grantee will coordinate and fund mandatory accredited certifications for Grantee and Subgrantee staff as required by Weatherization Program Notices. Comprehensive training will be scheduled as current certifications are expiring or new staff/contractors are employed. Certification renewal is currently on a rolling three-year timeframe.
  - a. During the 2022 DOE plan year, Grantee anticipates coordinating and funding accredited trainings and testing for Grantee, Subgrantee technicians, Contractors, and Subgrantee Crew workers as detailed on Grantee's 2022 DOE T&TA Planning and Reporting Template.
  - b. Grantee will coordinate and fund Crew Leader (CL) and Retrofit Installer (RIT) Comprehensive Training and certification for Subgrantee crew workers and weatherization contractors as needed. Grantee makes training opportunities available annually. These Comprehensive Trainings will be provided to Grantee's weatherization network to ensure continuity and best practices across the work force for weatherization contractors and Subgrantee crews performing weatherization work. IREC accredited training will align with the NREL Job Task Analysis (JTAs) for the scope of work performed by the WAP professional.
2. *Grantee, Subgrantee and Contractor Training.* Grantee will coordinate and fund training to address the top training topics/needs identified by Subgrantees including: HEAT Enterprise software, monitoring and technical best practices, WPN guidance, and training needs identified through Grantee monitoring activities. Training topics will be addressed through Comprehensive or Specific training avenues as needed.
3. *National and Regional Conferences.* Grantee will send Grantee staff, and encourage Subgrantee technical and fiscal personnel and weatherization contractors to attend NASCSP and DOE approved training conferences, as well as other conferences relating to health and safety, air quality, energy audits and weatherization specific measures.
4. *In-House Training.* Grantee staff will provide training on-site as needed in technical and fiscal matters and to address acute deficiencies in the field such as combustion safety training, audit training, ASHRAE, etc..
5. *Online Training Modules.* Grantee continues to develop online training modules geared toward new staff orientations for Subgrantees and/or weatherization contractors, as well as modules focusing on technical, fiscal and overall program management to provide support for weatherization installation and standards on an as needed basis. These trainings are offered to the WAP network via MaineHousing's Bridge Learning Software. Training will be added to address building code compliance. This training is sponsored by the Maine Fuel Board and Maine Manufactured Housing Board at no cost and is virtual. This training is listed on the Maine T&TA Template.

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

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

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

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

The Grantee will continue to conduct surveys of all Subgrantees and solicit input from Grantee staff to identify training needs. This information is utilized to determine which topics the Grantee and Subgrantees will schedule

for trainings during this and future grant periods. The results of the survey will be shared with the Housing Council to assist with their employee and subcontractor trainings and meetings.

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

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

The effectiveness of T&TA activities is gauged by:

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

Contractor Training. Grantee requires that contractors receiving DOE T&TA funds for DOE approved training events sign a retention agreement confirming that the contractor will provide weatherization services for a period of not less than the current weatherization contract period the Contractor has with the Grantee and/or Subgrantee. The use of T&TA funds to reimburse contractors is limited to T&TA that supports the four Home Energy Professionals occupations (Retrofit Installer Technician, Crew Leader, Energy Auditor, Quality Control Inspector).

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

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

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

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

## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** June 7, 2022

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

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### ACCOUNTING AND FINANCIAL REPORTING:

- The Accounting and Financial Reporting (AFR) staff continued work on the A-133 Single Audit for the year ended December 31, 2021. This is an annual audit of MaineHousing’s federally funded programs to determine whether the programs have been administered in compliance with federal guidelines. MaineHousing administered and disbursed approximately \$330 million through thirty-six different federal programs in 2021. Major programs are audited on a rotating basis.

The major programs identified for the 2021 audit are the Section 8 Project Based Contract Administration (PBCA), Low Income Home Energy Assistance (LIHEAP), CARES Act – Rent Relief, and the Emergency Rental Assistance programs. The federal compliance audit needs to be completed and filed with the federal Single Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after year end, which is September 30<sup>th</sup> for MaineHousing.

- State agencies are required to prepare and submit annual Work Program Forms (WPFs) to the Bureau of the Budget at the beginning of the State’s fiscal year, which starts on July 1<sup>st</sup>. The planned distribution of funds across quarters and months need to be provided on the WPFs for the upcoming year. MaineHousing receives program funds from the State and the WPFs were completed and submitted for fiscal Year 2023. The WPFs are prepared based on the adopted State budget, which includes the following for MaineHousing:

1. \$32.2 million for Housing Opportunities for Maine (HOME)
2. \$4.3 million for the Maine Energy, Housing & Economic Recovery Fund (MEHER)
3. \$2.5 million for Shelter Operating Subsidy (SOS)
4. \$22 million for the Emergency Housing Relief Fund
5. \$40 million for the expansion of affordable housing
6. \$500 thousand for a well water treatment program

### LOAN ADMINISTRATION:

- Loan Administration’s Default servicing staff facilitated a meeting with attorneys from Eaton Peabody. Eaton Peabody is one of the primary law firms handling MaineHousing’s single-family loan foreclosures and bankruptcies. The purpose of the meeting was to review MaineHousing’s and mortgage insurers requirements associated with the First Home Program. The meeting also provided a forum to discuss legal questions we had on specific active cases as well as other general legal matters.

- Loan Administration staff are preparing a training for one of our servicing partners, Bangor Savings Bank. The training is scheduled for the end of this month and it will cover MaineHousing's servicing requirements regarding investor reporting, general servicing, and default servicing functions. This training will be conducted at MaineHousing's facility. Bangor Savings Bank has been a long time partner of MaineHousing, both with originating First Home Program loans and the servicing of loans.

**Finance Department Memorandum**

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** June 7, 2022

**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 four-month period ended April 30, 2022.

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

Total combined assets are approximately \$2.1 billion and total combined liabilities approximate \$1.7 billion. Total net assets amount to approximately \$404.2 million. Total combined revenues approximate \$176.1 million and total expenses amount to approximately \$178.2 million, which results in a net operating loss of \$2.1 million. For this four-month period in 2021, total combined net operating income was \$5 million. Net operating income is \$7.1 million lower in 2022 due primarily to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, and a decrease in the fair value of non-mortgage investments.

The MPP has a net operating loss of approximately \$5.3 million. This is a \$5.9 million decrease compared to net operating income of \$0.6 million in 2021. The net operating loss for 2022 is attributed to the recognition of a paper loss associated with adjusting the carrying values of non-mortgage investments. A paper loss of \$6.5 million has been recorded for 2022, which is \$6.3 million larger than the paper loss of \$0.2 million recorded in 2021. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

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

Excluding the paper losses, the MPP has net operating income of \$1.2 million at this point compared to \$0.8 million in 2021. Net operating income is higher in 2022 due to an increase in interest rates and income from non-mortgage investments.

The HOME Fund has net operating income of \$3.8 million, which is a decrease of \$1.1 million compared with net operating income of \$4.9 million in 2021. MaineHousing's portion of the real estate transfer taxes received from the State are accounted for in this Fund Group. The decrease in net operating income is due to timing differences with the expending of program funds and the recognition of grant expenses. Although income from the State is \$1.7 million higher, program expenditures are \$2.8 million higher at this point in 2022 compared to 2021.

## **BUDGET RESULTS**

Also attached are the budget variance results for the period ended April 30, 2022. 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 2022 are \$75.6 million and total expenses are budgeted at \$71.6 million. Total actual revenues as of April 30, 2022 amount to \$24.5 million, while total expenses amount to \$23.3 million. For the four-month period ended April 30, 2022, revenues exceed expenses by approximately \$1.2 million. Total revenues and expenses are in line with that anticipated for the period.

The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and summarized below:

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

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

Total 2022 operating expenses are budgeted at approximately \$22.7 million. As of April 30, 2022, approximately \$7.9 million or 35% of the total operating budget has been used. Total other program administrative expenses are budgeted at \$9.1 million and actual expenses amount to \$2.6 million as of April 30, 2022. Overall, expenditures in these areas are consistent with that anticipated for the period.

### **CAPITAL BUDGET**

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2022 is \$556,000. Expenditures amounted to \$365,000 as of April 30, 2022 and were mainly for the acquisition of the new multifamily loan system and modifications to the Hancock system, which is used to administer the federal LHEAP and Weatherization programs.

## **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 April 30, 2022.

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**APRIL 30, 2022**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2021</b>	<b>2022</b>							
<b>ASSETS:</b>									
Cash, principally time deposits	51,543	61,251	20,082	0	35,184	1	5,984	0	0
Investments	508,640	585,158	480,037	7,984	9,272	35,109	0	9,799	42,957
Accounts receivable - Government	10,533	32,686	0	0	0	5,454	27,232	0	0
Assets held for sale	0	0	0	0	0	0	0	0	0
Accrued interest and other assets	15,403	9,084	8,629	1	202	58	171	1	22
Mortgage notes receivable, net	1,442,768	1,436,088	1,391,220	0	4,519	30,700	0	0	9,649
Other notes receivable, net	199	57	0	0	57	0	0	0	0
Land, equipment and improvements, net	18,002	17,672	22	0	17,650	0	0	0	0
Other real estate owned	3	93	32	0	61	0	0	0	0
Derivative instrument - interest rate swaps	9,428	638	638	0	0	0	0	0	0
Net pension asset	0	217	112	1	22	0	0	82	0
Deferred pension expense	577	1,123	580	3	113	0	0	427	0
Deferred amount on debt refundings	2,969	2,529	2,529	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,060,065</b>	<b>2,146,596</b>	<b>1,903,881</b>	<b>7,989</b>	<b>67,080</b>	<b>71,322</b>	<b>33,387</b>	<b>10,309</b>	<b>52,628</b>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	19,452	17,243	16,750	0	0	0	0	0	493
Accounts payable - Federal	364	354	0	0	0	0	354	0	0
Accounts payable & accrued liabilities	4,203	5,763	199	1	4,892	7	664	0	0
Unearned income	31,281	42,331	0	0	0	431	29,048	12,852	0
Net pension liability	2,819	0	0	0	0	0	0	0	0
Deferred pension credit	243	3,159	1,632	10	317	0	0	1,200	0
Accumulated increase in fair value of hedging derivatives	9,428	638	638	0	0	0	0	0	0
Interfund	0	0	4,016	26	9,358	(8,990)	(1,653)	(2,783)	26
Mortgage bonds and notes payable, net	1,606,303	1,672,888	1,600,282	0	14,672	0	0	0	57,934
Deferred grant income	737	0	0	0	0	0	0	0	0
Deferred loan origination points	20	15	15	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,674,850</b>	<b>1,742,391</b>	<b>1,623,532</b>	<b>37</b>	<b>29,239</b>	<b>(8,552)</b>	<b>28,413</b>	<b>11,269</b>	<b>58,453</b>
<b>NET ASSETS:</b>									
Restricted Net Assets	348,553	366,364	280,349	7,952	0	79,874	4,974	(960)	(5,825)
Unrestricted Net Assets	36,662	37,841	0	0	37,841	0	0	0	0
<b>Total Net Assets</b>	<b>385,215</b>	<b>404,205</b>	<b>280,349</b>	<b>7,952</b>	<b>37,841</b>	<b>79,874</b>	<b>4,974</b>	<b>(960)</b>	<b>(5,825)</b>
<b>Total Liabilities and Net Assets</b>	<b>2,060,065</b>	<b>2,146,596</b>	<b>1,903,881</b>	<b>7,989</b>	<b>67,080</b>	<b>71,322</b>	<b>33,387</b>	<b>10,309</b>	<b>52,628</b>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED APRIL 30, 2022**  
*(IN THOUSANDS OF DOLLARS)*

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2021	2022							
<b>REVENUES:</b>									
Interest from mortgages and notes	20,546	19,519	19,365	0	110	30	0	0	14
Income from investments	330	732	695	3	4	12	0	3	15
Net increase (decrease) in the fair value of investments	(190)	(6,475)	(6,475)	0	0	0	0	0	0
Fee income	3,339	4,342	679	0	398	0	3,179	86	0
Other revenue	67	1	0	0	0	0	0	1	0
Grant income	46,946	112,891	0	0	0	896	111,540	455	0
Income from State	7,335	8,932	0	0	0	8,932	0	0	0
Federal rent subsidy income	36,423	36,122	0	0	0	0	36,122	0	0
Gain on bond redemption	18	4	4	0	0	0	0	0	0
<b>Total Revenues</b>	<b>114,814</b>	<b>176,068</b>	<b>14,268</b>	<b>3</b>	<b>512</b>	<b>9,870</b>	<b>150,841</b>	<b>545</b>	<b>29</b>
<b>EXPENSES:</b>									
Operating expenses	6,449	7,873	0	0	7,873	0	0	0	0
Other program administrative expenses	2,019	2,040	1,880	0	(1)	0	86	49	26
Mortgage servicing fees	588	582	577	0	5	0	0	0	0
Provision for losses on loans	0	0	0	0	0	0	0	0	0
Losses on foreclosed real estate	(16)	0	0	0	0	0	0	0	0
Interest expense	14,586	13,150	12,805	0	0	0	0	0	345
Grant expense	49,765	118,270	0	0	0	6,113	111,595	455	107
Federal rent subsidy expense	36,422	36,307	0	0	0	0	36,307	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	4,335	26	(7,044)	0	2,647	36	0
<b>Total Expenses</b>	<b>109,813</b>	<b>178,222</b>	<b>19,597</b>	<b>26</b>	<b>833</b>	<b>6,113</b>	<b>150,635</b>	<b>540</b>	<b>478</b>
Net Operating Income (Loss)	5,001	(2,154)	(5,329)	(23)	(321)	3,757	206	5	(449)
Transfers between funds, net	0	0	0	0	73	0	(73)	0	0
Change in net assets	5,001	(2,154)	(5,329)	(23)	(248)	3,757	133	5	(449)
Net assets at beginning of year	380,214	406,359	285,678	7,975	38,089	76,117	4,841	(965)	(5,376)
Net assets at end of period	385,215	404,205	280,349	7,952	37,841	79,874	4,974	(960)	(5,825)

**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE PERIOD ENDED APRIL 30, 2022**

*(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	19,475	0	19,475	60,300	40,825	68%
Income from investments	702	3	705	1,235	530	43%
Fee income	1,077	3,265	4,342	14,046	9,704	69%
Other revenue	4	1	5	65	60	92%
<b>Total Revenues</b>	<b>21,258</b>	<b>3,269</b>	<b>24,527</b>	<b>75,646</b>	<b>51,119</b>	<b>68%</b>
<b>EXPENSES:</b>						
Operating expenses	5,190	2,683	7,873	22,708	14,835	65%
Other program administrative expenses	2,461	161	2,622	9,093	6,471	71%
Interest expense	12,805	0	12,805	39,800	26,995	68%
<b>Total Expenses</b>	<b>20,456</b>	<b>2,844</b>	<b>23,300</b>	<b>71,601</b>	<b>48,301</b>	<b>67%</b>
<b>Excess Revenues Over Expenses</b>	<b>802</b>	<b>425</b>	<b>1,227</b>	<b>4,045</b>	<b>2,818</b>	<b>70%</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES  
FOR THE PERIOD ENDED APRIL 30, 2022**

**ATTACHMENT B**

	<b>Total Annual Budget</b>	<b>Total Year to Date Actual</b>	<b>Budget Available</b>	<b>Percentage of Budget Available</b>
<b>Operating Expenses</b>				
Salaries	12,989,264	4,803,200	8,186,064	63%
Payroll Taxes	956,112	360,538	595,574	62%
Retirement	1,247,720	424,727	822,993	66%
Medical and Life Insurance	2,932,952	925,155	2,007,797	68%
Other Fringe Benefits	10,000	2,494	7,506	75%
Office Supplies	51,700	17,702	33,998	66%
Printing	71,430	23,693	47,737	67%
Membership and Dues	65,554	17,983	47,571	73%
Subscriptions	26,440	7,231	19,209	73%
Sponsorships	17,000	3,100	13,900	82%
Staff Educ/Train/Conf	134,838	33,898	100,940	75%
Travel/Meals - Staff Educ/Train/Conf	132,010	6,457	125,553	95%
Partner/Client Train/Meetings	58,500	9,861	48,639	83%
Travel/Meals - Partner/Client Training	45,018	5,947	39,071	87%
Staff Events	14,970	1,388	13,582	91%
Meals - Staff Events	16,499	2,993	13,506	82%
Leased Vehicles	143,417	51,300	92,117	64%
Computer Supplies	25,312	9,042	16,270	64%
Computer License SAAS	185,827	82,221	103,606	56%
Rent-Other	37,430	11,793	25,637	68%
Computer Maintenance	653,846	183,035	470,811	72%
Depreciation	1,020,000	324,731	695,269	68%
Telephone	132,384	39,568	92,816	70%
Employment Advertising	1,000	575	425	43%
Postage and Shipping	115,650	39,160	76,490	66%
Insurance	93,010	8,997	84,013	90%
Recording Fees	1,000	48	952	95%
Payroll Services	44,365	15,773	28,592	64%
Audit Services	169,800	65,000	104,800	62%
Property Expenses	460,085	179,981	280,104	61%
Professional Services	380,886	58,379	322,507	85%
Building Interest Expense	473,524	157,334	316,190	67%
<b>Total Operating Expenses</b>	<b>22,707,543</b>	<b>7,873,304</b>	<b>14,834,239</b>	<b>65%</b>
<b>Other Program Administrative Expenses</b>				
Loan foreclosure expenses	200,000	6,573	193,427	97%
REO expenses	50,000	1,366	48,634	97%
Mortgage Servicing fees	1,860,000	581,893	1,278,107	69%
Provision for losses on loans & REOs	125,000	0	125,000	100%
Loan Origination expenses	3,020,000	623,026	2,396,974	79%
Bond Issuance Costs	900,000	387,686	512,314	57%
Trustee/Bank fees	170,000	60,230	109,770	65%
Program advertising/printing	424,750	56,416	368,334	87%
Bond and mortgagee insurance	17,000	0	17,000	100%
Variable rate bond remarket/liquidity facilities	1,100,000	518,330	581,670	53%
Cash flow/arbitrage/swap consultants/legal	645,000	254,380	390,620	61%
Homebuyer education	120,000	32,550	87,450	73%
Program administrator fees	461,000	100,143	360,857	78%
<b>Total Other Program Administration Expenses</b>	<b>9,092,750</b>	<b>2,622,593</b>	<b>6,470,157</b>	<b>71%</b>

**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE PERIOD ENDED APRIL 30, 2022**

**ATTACHMENT C**

Description	2022 Budget	2022 Actual	Budget Available	% Expended
<b>Computer Hardware:</b>				
Network backup hardware - Data Domain	15,000	0	15,000	
Laptop replacements	30,000	16,015	13,985	
Total computer hardware	<u>45,000</u>	<u>16,015</u>	<u>28,985</u>	<u>36%</u>
<b>Computer Software:</b>				
Enterprise multi-family housing system	170,000	235,675	(65,675)	
Coordinated Entry Portal - client list software homeless programs	10,000	0	10,000	
Mobile device management software	8,000	0	8,000	
Website redesign	37,000	6,525	30,475	
Single Family loan servicing system modifications	10,000	0	10,000	
Single Family lender & loan tracking systems mods	10,000	0	10,000	
Hancock systems mods (LIHEAP & Wx Programs)	119,484	72,563	46,922	
Community Outreach Dashboard	25,000	0	25,000	
Salesforce software upgrades	122,000	0	122,000	
Total computer software	<u>511,484</u>	<u>314,763</u>	<u>196,722</u>	<u>62%</u>
<b>Office Equipment:</b>				
Audio visual equipment upgrade	0	9,805	(9,805)	
	<u>0</u>	<u>9,805</u>	<u>(9,805)</u>	<u>N/A</u>
<b>Office Building:</b>				
Server room upgrades	0	24,390	(24,390)	
	<u>0</u>	<u>24,390</u>	<u>(24,390)</u>	<u>N/A</u>
<b>Total</b>	<u><u>556,484</u></u>	<u><u>364,972</u></u>	<u><u>191,512</u></u>	<u><u>66%</u></u>

**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE PERIOD ENDED APRIL 30, 2022**

Description	Amount
<b>Memberships and Dues</b>	
Maine Bankers Association - annual affiliate membership	950
Maine Real Estate Management Association - annual membership	125
National Leased Housing Association - annual membership	660
National Association for State Community Services Programs - annual membership	2,603
National Energy Assistance Directors' Association - annual membership	6,817
National Energy Assistance Directors' Association - annual LIHWAA membership	1,450
National Energy and Utility Affordability Coalition - annual membership	515
Maine Real Estate & Development Association - annual membership	1,200
National Affordable Housing Management Association - affiliate membership	1,125
Association of Government Accountants - (5) employee annual memberships	550
Maine Association of Non Profits - annual membership	100
American Payroll Association - employee annual membership	275
American College of Mortgage Attorneys - employee dues	225
Kennebec Board of Realtors - employee dues	188
Maine Association of Mortgage Professional - employee annual membership	375
Project management Institute - employee membership	60
Construction Specifications Institute - employee annual membership	325
Maine Department of Environmental Protection - lead inspector license renewal	200
Maine State Bar Association - (2) employee annual memberships	240
Total	<u>\$ 17,983</u>
<b>Sponsorships</b>	
Northern New England Community Action - training conference sponsor	\$ 1,500
Maine Real Estate and Development Association - conference sponsorship	1,600
Total	<u>\$ 3,100</u>

**Finance Department Memorandum**

**To:** Board of Commissioners  
**From:** Darren Brown  
**Date:** June 6, 2022  
**Subject:** Monthly Delinquencies Report

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**MULTI-FAMILY DELINQUENCIES**

The Multi-Family portfolio totals \$731 million with 1,218 loans as of May 31, 2022 and there are no delinquent loans. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

**SINGLE-FAMILY DELINQUENCIES**

The Single-Family portfolio totals \$885 million with 9,626 loans as of April 30, 2022. The over 60-day delinquencies decreased from 2.81% to 2.44%, and the in-foreclosures decreased from 0.73% to 0.69%. The over 60-day delinquencies amount to \$22 million, with approximately \$6 million representing accounts in foreclosure. The over 60-day and in-foreclosure historic rates are shown in *Exhibit 4*. MaineHousing's delinquency rate by loan dollars is 2.44% and the delinquency rate by loan count is 2.65%. As reflected in *Exhibit 5*, the overall delinquency rate by loan count is below the delinquency rate for all Maine Loans.

**Servicer Delinquencies** – As of April 30, 2022, Bank of America (BOA) had the highest overall delinquency rate of 14.70%, with an in-foreclosure rate of 3.03%. BOA's high delinquency rate is due to the small size of their portfolio. The portfolio consists of approximately 100 loans.

Delinquencies for our largest servicer, Mortgage Servicing Solutions, decreased from 3.43% to 2.96%, while the in-foreclosure rate decreased from 0.83% to 0.75%. In May 2021, Bangor Savings Bank began retaining the servicing rights and servicing new loan originations under a Qualified Servicer (QS) arrangement. The Bangor Savings Bank QS portfolio had a delinquency rate of 0.00% at the end of April. The Bangor Savings Bank sub-serviced (SS) portfolio had a rate of 1.05%. Delinquency rates for each servicer are shown in *Exhibit 3*.

**Delinquencies by Insurance Type** – In April 2022, FHA insured loans had the highest delinquency rate by total insurance type of 4.21%, with in-foreclosures at 1.07%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.37%, with in-foreclosures at 0.42%. Delinquencies by insurance type and the portfolio as a whole are shown in *Exhibit 6*.

FHA insured loans comprise 16% of the Single-Family portfolio and 27% of delinquencies, while RD insured loans comprise 60% of the portfolio and represent 56% of all delinquent loans. The current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in *Exhibit 7*.

**Foreclosure Prevention Activities** – *Exhibit 8* summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of the end of month April 2022, we have assisted 372 borrowers with various foreclosure prevention options.

# Multi-Family Delinquent Loans

**MAINE STATE HOUSING AUTHORITY  
MULTI-FAMILY DELINQUENCIES  
5/31/2022**

Section 8 BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION	DELINQUENT		
					DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE								
						0.00	0.00	0.00

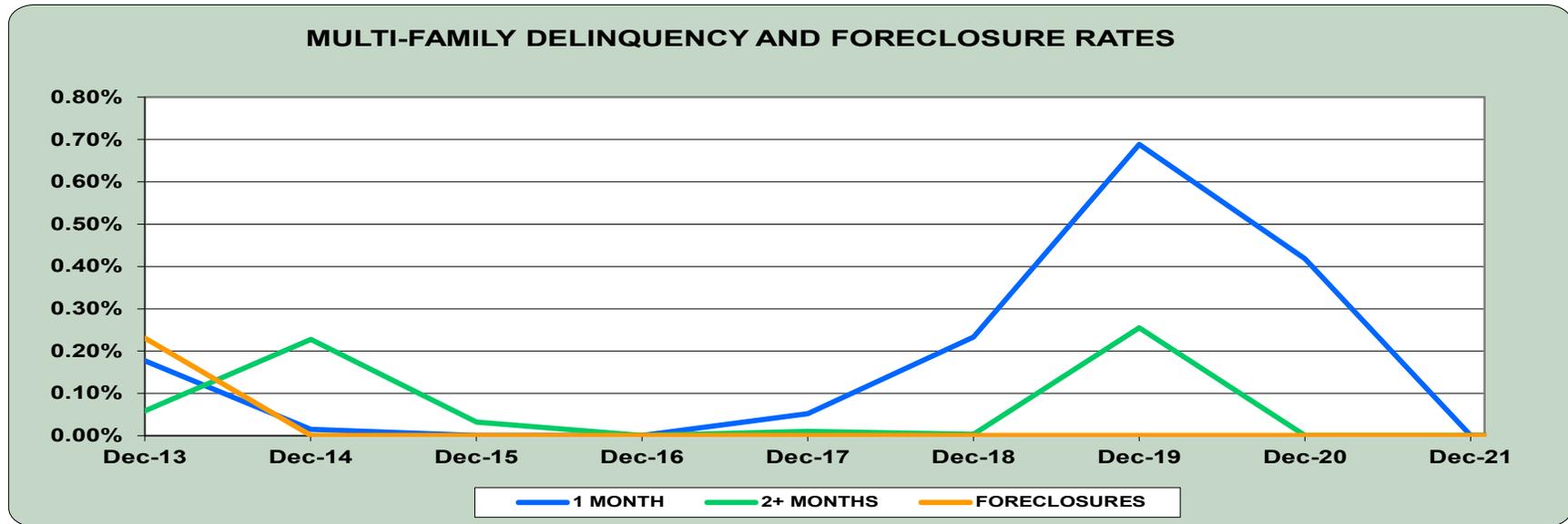
Rental Housing BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION	DELINQUENT		
					DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE								
						0.00	0.00	0.00

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

**Grand Total**  
 % of Portfolio Delq 60+ days      **0.00%**  
 Total Number of Loans                **1,218**



# Multi-Family Delinquency & Foreclosure Trends



	OUTSTANDING		1 MONTH		2+ MONTHS		FORECLOSURES	
	PRINCIPAL	DOLLARS	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
May-22	\$ 730,778,598	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-21	\$ 696,004,882	\$ -	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177	\$ 2,791,073	\$ -	0.42%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774	\$ 4,379,009	\$ 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%



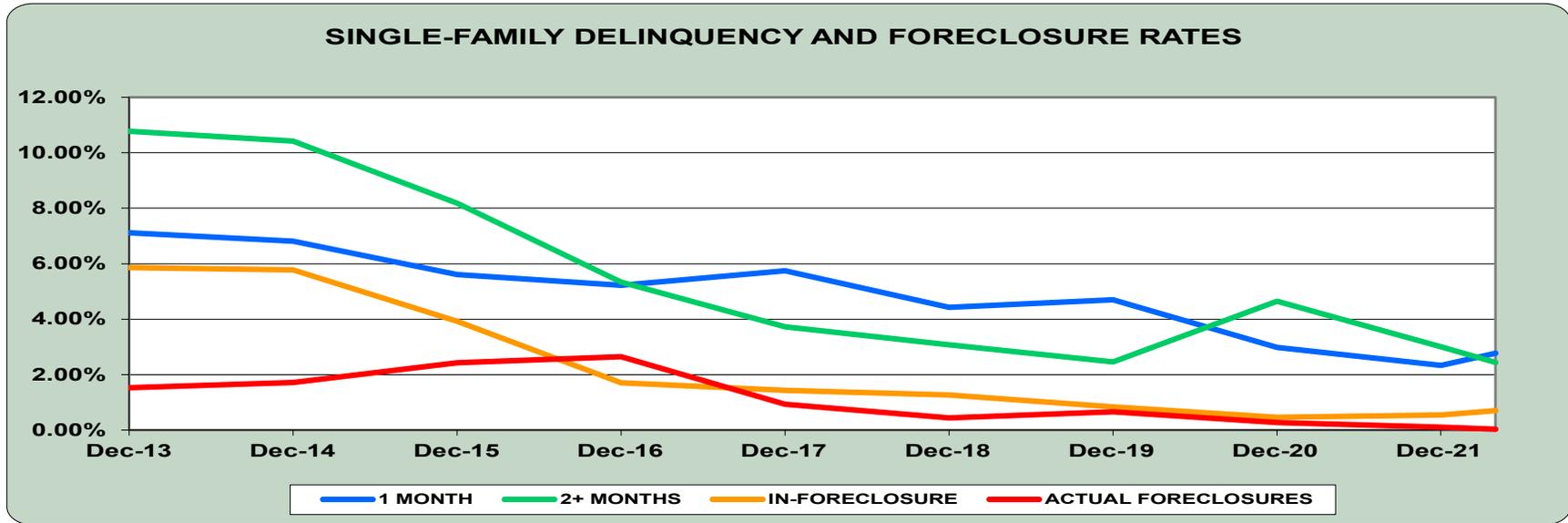
# Single-Family Delinquent Loans

**Maine State Housing Authority  
Single-Family Delinquencies by Servicer  
4/30/2022**

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	65.26%	2.96%	577,482,139.83	18,665,342.65	2,731,528.90	10,023,440.99	4,347,727.62
BANGOR SAVINGS BANK	14.95%	1.05%	132,269,434.72	2,724,617.06	913,864.28	195,086.17	280,370.60
CAMDEN NATIONAL BANK UK	9.13%	1.01%	80,770,897.89	1,240,829.31	62,188.36	228,233.91	521,926.00
MACHIAS SAVINGS BANK	7.24%	2.05%	64,031,642.96	1,184,438.07	201,280.24	304,948.59	804,465.12
BANGOR SAVINGS BANK QS	2.65%	0.00%	23,415,043.33	273,918.94	0.00	0.00	0.00
BANK OF AMERICA NA	0.72%	14.70%	6,386,096.15	368,532.42	130,455.03	614,563.83	193,427.97
SALEM FIVE MORTGAGE CORP	0.06%	0.00%	496,721.12	38,819.02	0.00	0.00	0.00
<b>TOTAL</b>	<b>100.00%</b>	<b>2.44%</b>	<b>884,851,976.00</b>	<b>24,496,497.47</b>	<b>4,039,316.81</b>	<b>11,366,273.49</b>	<b>6,147,917.31</b>



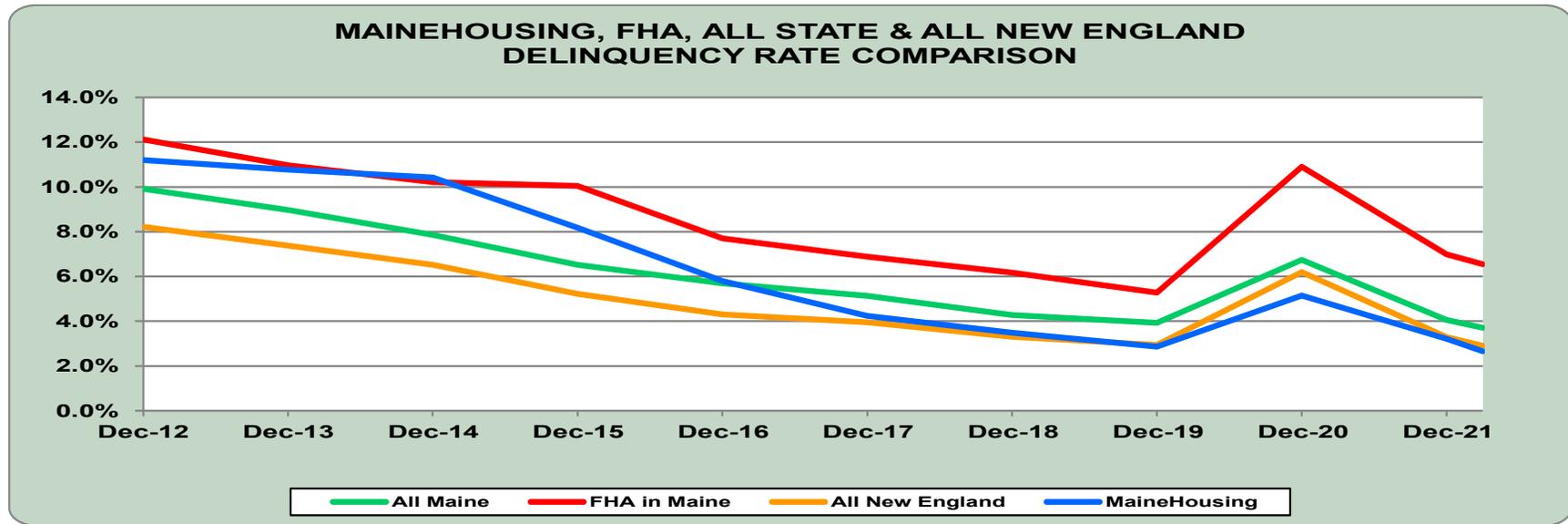
# Single-Family Delinquency & Foreclosure Trends



	<b>OUTSTANDING PRINCIPAL</b>	<b>1 MONTH</b>		<b>2+ MONTHS</b>		<b>IN-FORECLOSURE</b>		<b>ACTUAL FORECLOSURES</b>	
	<b>DOLLARS</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>Apr-22</b>	\$ 884,851,976	\$ 24,496,497	2.77%	\$ 21,553,508	2.44%	\$ 6,147,917	0.69%	\$ 270,135	0.03%
<b>Dec-21</b>	\$ 887,303,920	\$ 20,685,547	2.33%	\$ 26,645,647	3.00%	\$ 4,806,968	0.54%	\$ 941,490	0.11%
<b>Dec-20</b>	\$ 960,761,414	\$ 28,645,024	2.98%	\$ 44,603,599	4.64%	\$ 4,471,656	0.47%	\$ 2,617,001	0.27%
<b>Dec-19</b>	\$ 967,171,381	\$ 45,399,415	4.69%	\$ 23,774,547	2.46%	\$ 8,037,512	0.83%	\$ 6,357,994	0.66%
<b>Dec-18</b>	\$ 916,608,577	\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%
<b>Dec-17</b>	\$ 844,497,676	\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%
<b>Dec-16</b>	\$ 799,557,471	\$ 41,780,468	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%
<b>Dec-15</b>	\$ 790,409,905	\$ 44,303,365	5.61%	\$ 64,656,769	8.18%	\$ 31,066,182	3.93%	\$ 20,797,314	2.43%
<b>Dec-14</b>	\$ 810,139,060	\$ 55,171,703	6.81%	\$ 84,385,397	10.42%	\$ 46,711,687	5.77%	\$ 13,904,155	1.72%
<b>Dec-13</b>	\$ 849,385,825	\$ 60,378,599	7.11%	\$ 91,501,809	10.77%	\$ 49,783,071	5.86%	\$ 12,980,502	1.53%



# Single-Family Delinquency Comparison Trends



**MAINEHOUSING LOAN COUNT COMPARISON**

	<u>Loan Count</u>	<u>2 Months</u>	<u>3+ Months</u>	<u>In-Foreclosure</u>	<u>Totals</u>
All State*	119,940	0.50%	1.96%	1.25%	3.71%
FHA for State*	16,041	1.19%	3.70%	1.66%	6.55%
All New England*	1,695,613	0.51%	1.77%	0.62%	2.90%
MaineHousing**	9,626	0.54%	1.37%	0.74%	2.65%

\*This information is obtained from MBA's National Delinquency Survey for the first quarter of 2022.

\*\*MaineHousing's overall delinquency rate based on loan dollars is 2.44%, whereas rates in this exhibit are based on loan count.



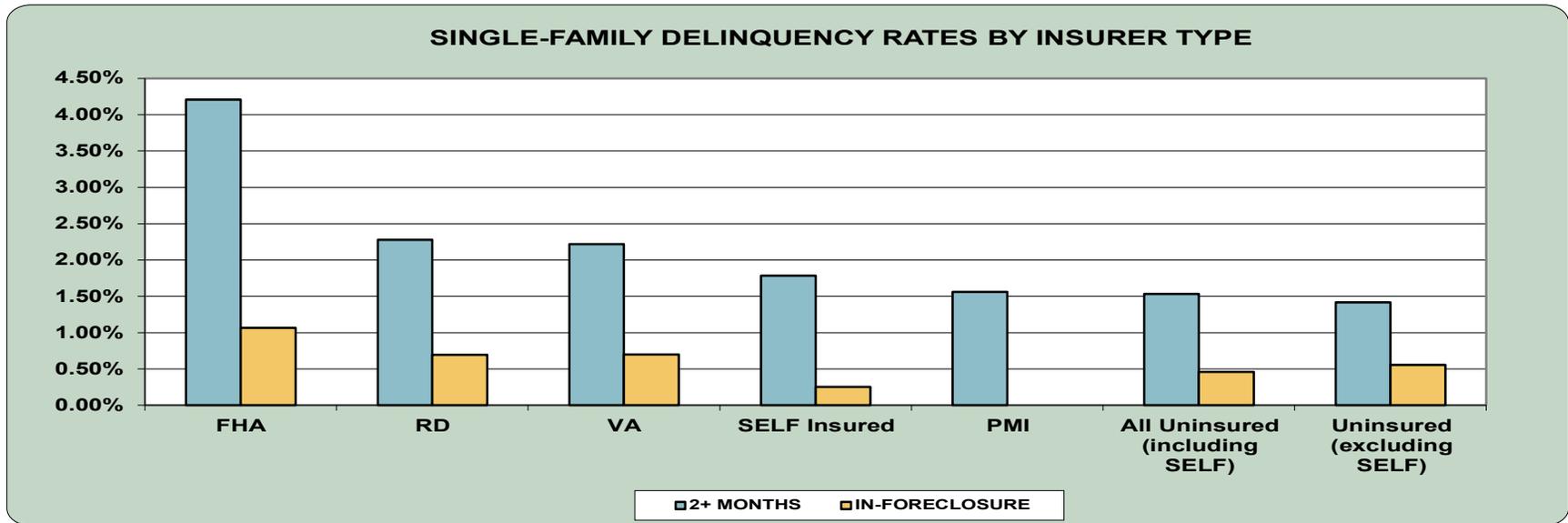
# Single-Family Delinquencies by Mortgage Insurer

**As A Percent of Total Insurance Type  
4/30/2022**

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	4.21%	1.07%
RD	2.28%	0.70%
VA	2.22%	0.70%
SELF Insured	1.78%	0.26%
PMI	1.56%	0.00%
All Uninsured (including SELF)	1.53%	0.46%
Uninsured (excluding SELF)	1.42%	0.56%

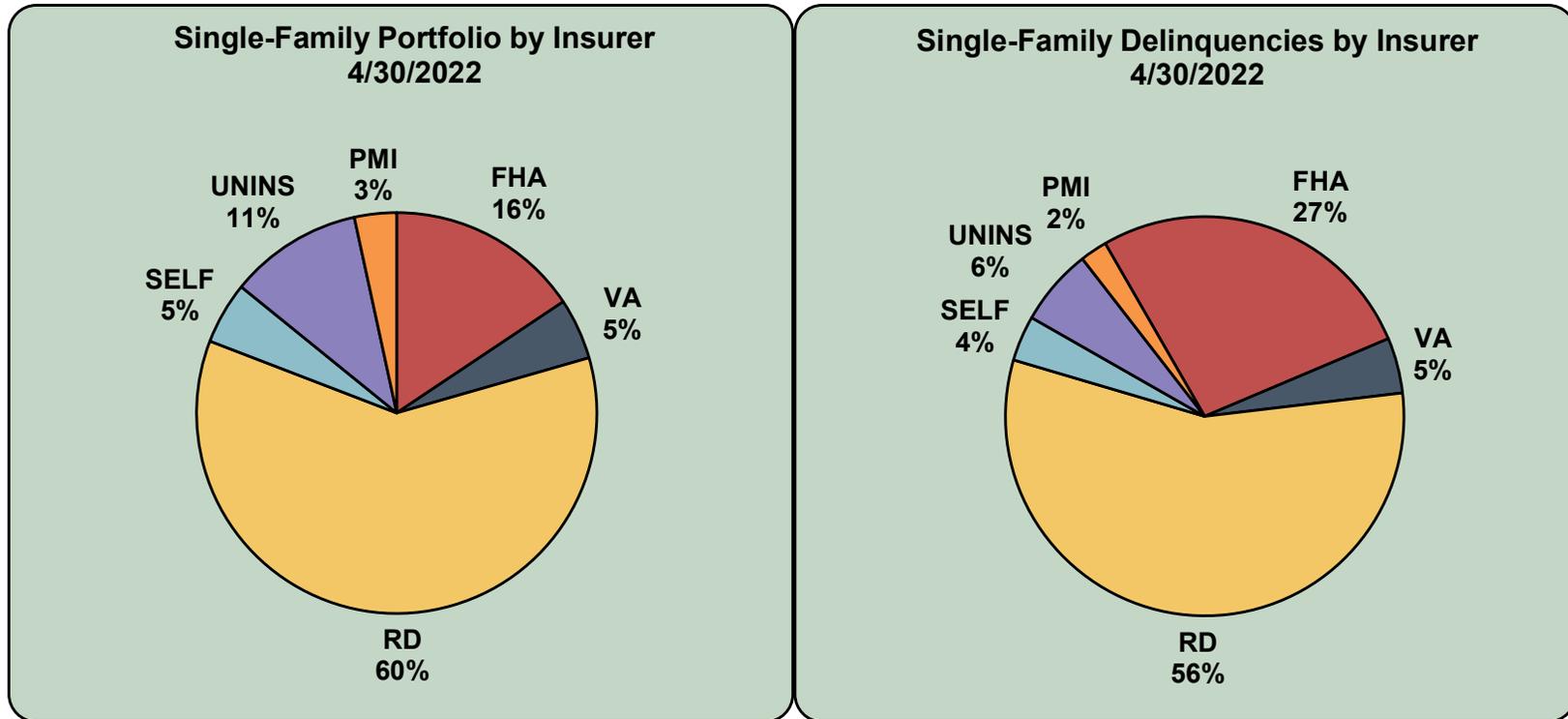
**As A Percent of Total Loan Portfolio  
4/30/2022**

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.37%	0.42%
FHA	0.66%	0.17%
All Uninsured (including SELF)	0.24%	0.07%
Uninsured (excluding SELF)	0.15%	0.06%
VA	0.11%	0.03%
SELF Insured	0.09%	0.06%
PMI	0.05%	0.00%

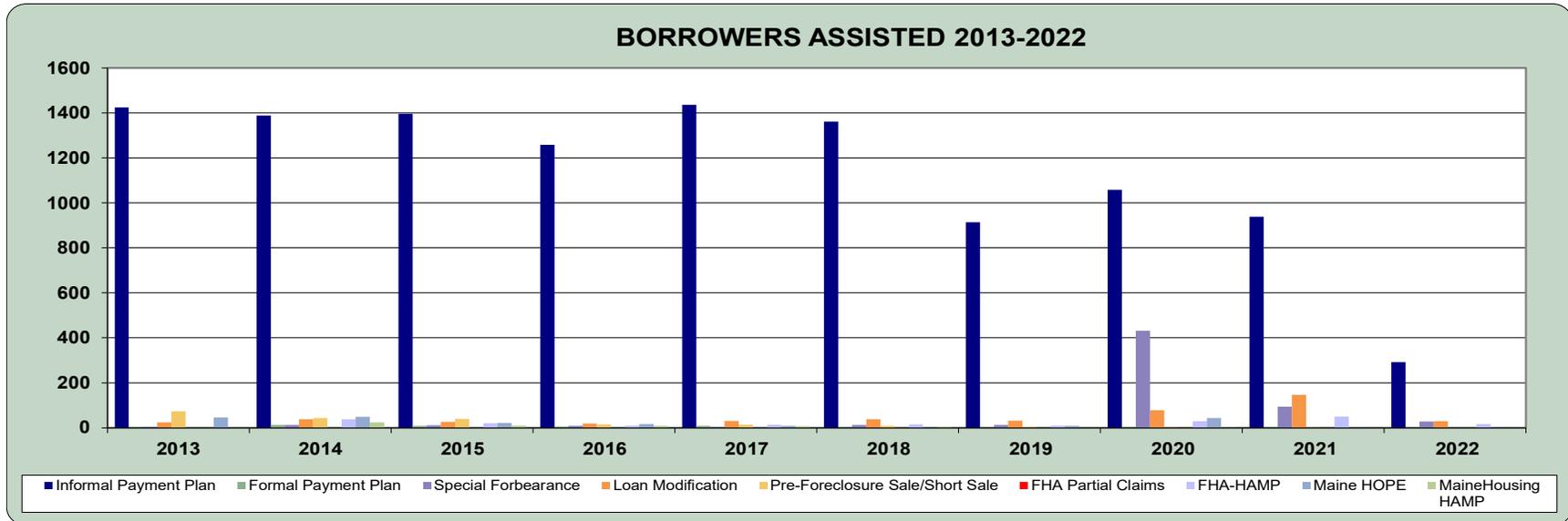


# Single-Family Delinquencies by Mortgage Insurer

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



# Single-Family Foreclosure Prevention Activities



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	FHA Partial Claims	FHA-HAMP	Maine HOPE	Maine Housing HAMP	Total Workouts
Apr-22	293	3	27	29	0		17	3	0	372
Dec-21	939	5	94	146	2		50	2	0	1238
Dec-20	1058	5	432	79	3		29	44	2	1652
Dec-19	914	3	12	32	4		10	8	0	983
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

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Apr-22	3	9,626	0.03%
Dec-21	14	9,750	0.14%
Dec-20	38	10,668	0.36%
Dec-19	86	10,904	0.79%
Dec-18	57	10,673	0.53%
Dec-17	97	10,332	0.94%
Dec-16	258	10,097	2.56%
Dec-15	233	10,258	2.27%
Dec-14	162	10,526	1.54%
Dec-13	146	10,952	1.33%



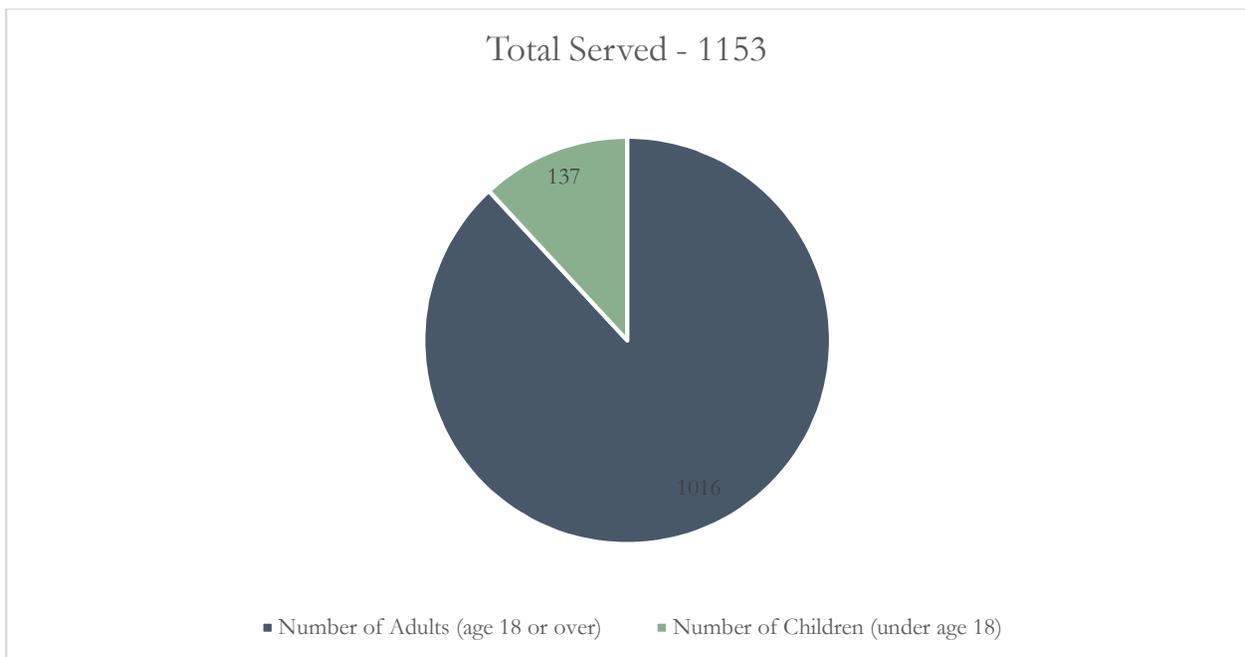
**Homeless Initiatives Department Memorandum**

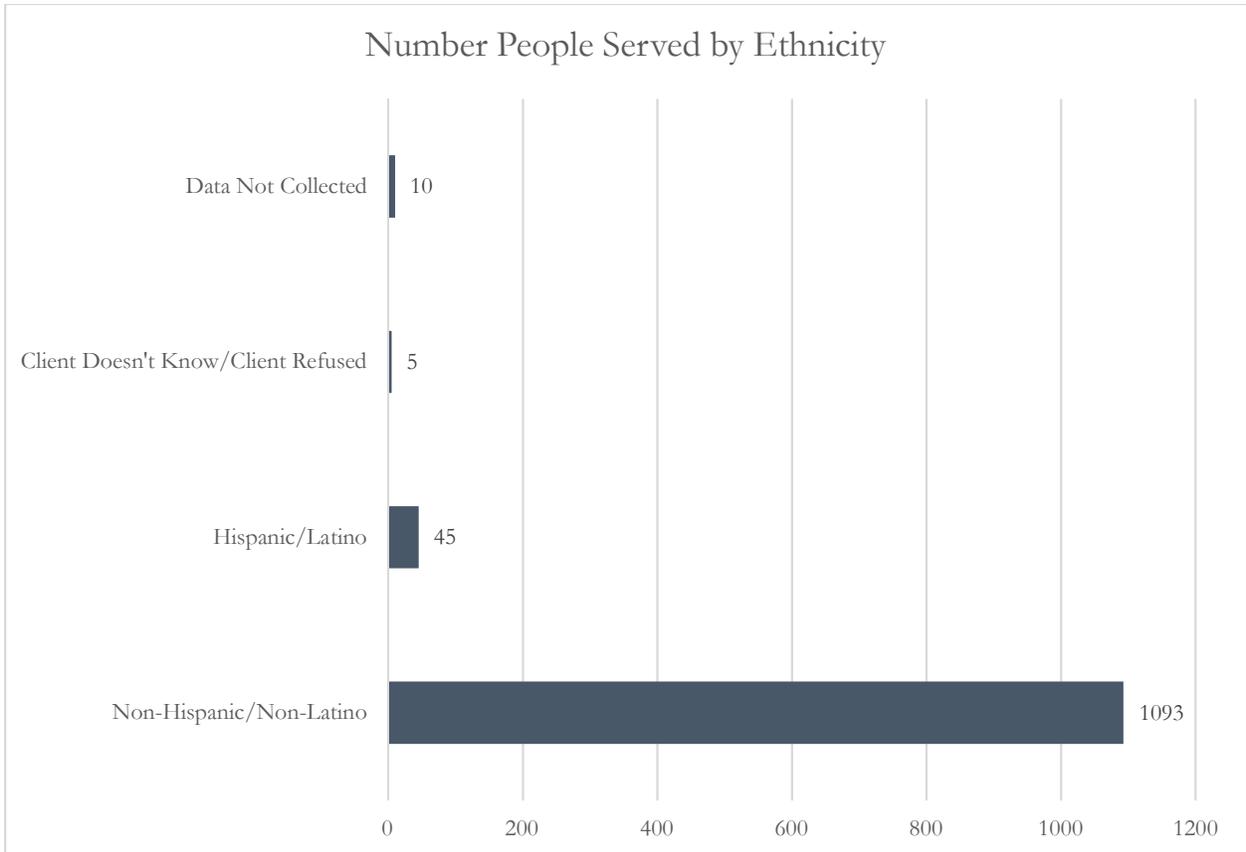
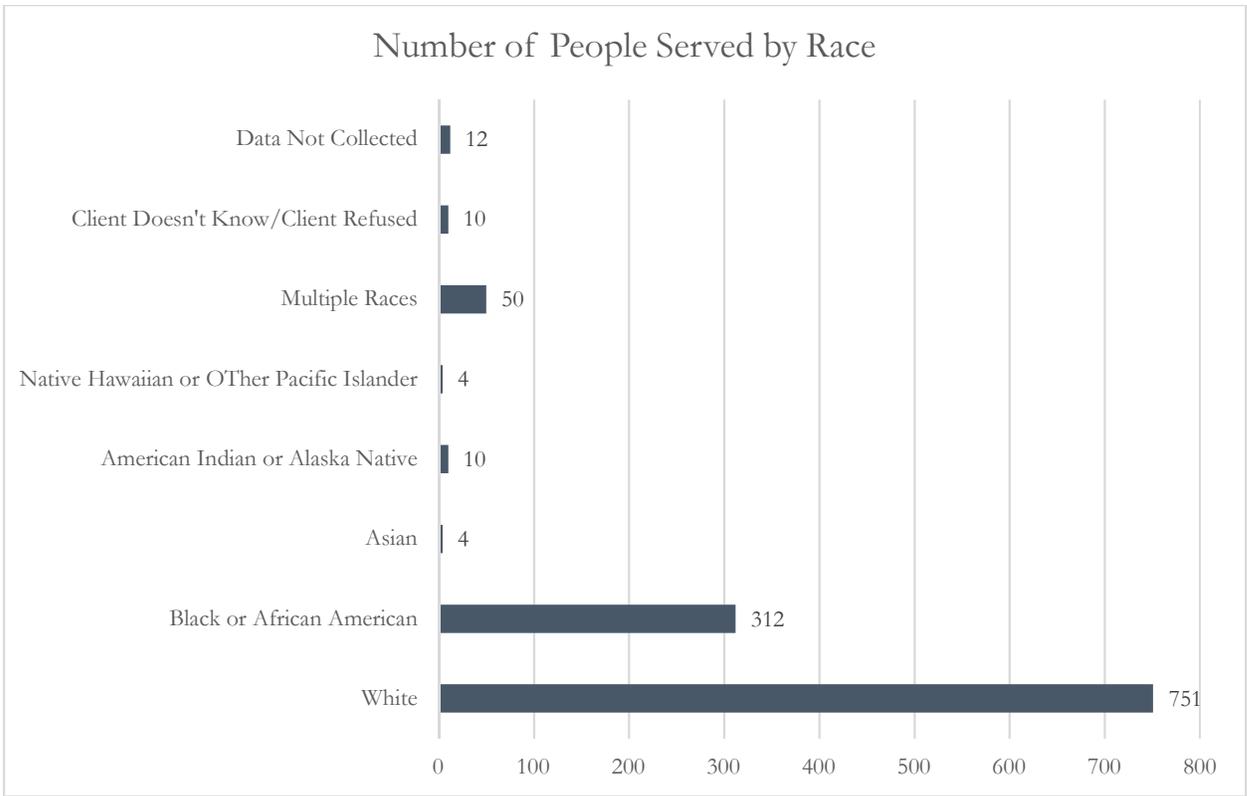
**To:** Board of Commissioners  
**From:** Lauren Bustard, Senior Director of Homeless Initiatives  
**Date:** June 7, 2022  
**Subject:** Homeless Initiatives Report

**Homeless Data – May 2022**

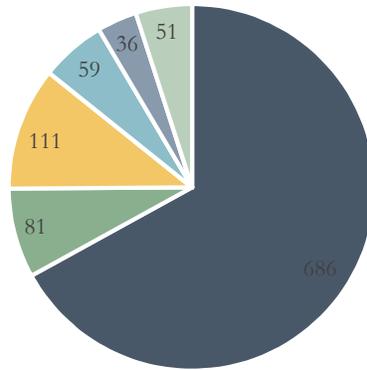
The following are the monthly statistics for May:

1. Total number of people served (1153) has remained stable. The caveat here is that these are only the individuals that are being served by homeless service providers around the state who are mandated to record data in the HMIS (Homeless Management Information System) database. It does not include people housed through GA and ERA.
2. Racial equity – the percentage of people of color served increased from 28% to 33.5%. The number of white individuals decreased by 55 while the number of black individuals increased by 59, possibly due to the continuing influx of Asylum Seekers from Angola and the Democratic Republic of Congo. The numbers for the other racial groups remained stable, as did the numbers for those who identify as Hispanic/Latino.
3. Our exits to permanent living situations increased only slightly - from 60 in April to 62 in May. This is approximately the same as the number from May of 2021. Locating affordable units continues to be the primary challenge in getting individuals and families into permanent housing.



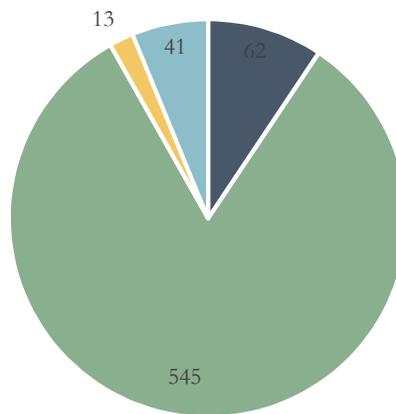


### Residence of Clients Prior to Entry



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

### Residence of Clients after Entry



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

### **Use of Hotels**

Contracts for the two homeless overflow hotels in South Portland were extended through the month of June, as state and local efforts to relocate the approximately 280 individuals staying there continue. The last remaining quarantine and isolation program at a hotel in Lewiston closed down at the end of May, as did a homeless overflow hotel in Augusta.

MaineHousing has contracted with a hotel in Saco to provide 100 hotel rooms for Asylum Seekers currently being served by the City of Portland. The contract is for one year and is being funded through the \$22M provided by the state to address homelessness.

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

The Homeless Service Hub implementation is going well. All nine service hub coordinators have been hired and are currently in their positions. Maine was well represented at the Community Solutions Learning Session in Chicago in May, where the five service hub teams who were chosen for the national Built for Zero initiative joined over 100 other communities across the country. Maine hub teams were there to learn about the Improvement System Shaper work of the Built for Zero model. The work of the first six-month 'Action Cycle' is to gather data for all who experience homelessness within a given hub in order to create an accurate By-Name List of all those individuals that will be utilized to track their progress through the homeless response system. Our next steps for the system re-design implementation include the June convening of the State Strategy Team for an in-person half day strategy and planning session, as well as an in-person learning session for the 4 hub teams who are not participating in the national Built for Zero effort. These four teams will be on a parallel learning track with the five official Built for Zero teams to achieve quality data on individuals experiencing homelessness. As the hubs are establishing themselves it is very encouraging to hear from the hub coordinators around the state that many community partners are eager to collaborate in the effort to decrease homelessness, and welcome the opportunity to network across the different service sectors.

## Homeownership Department Memorandum

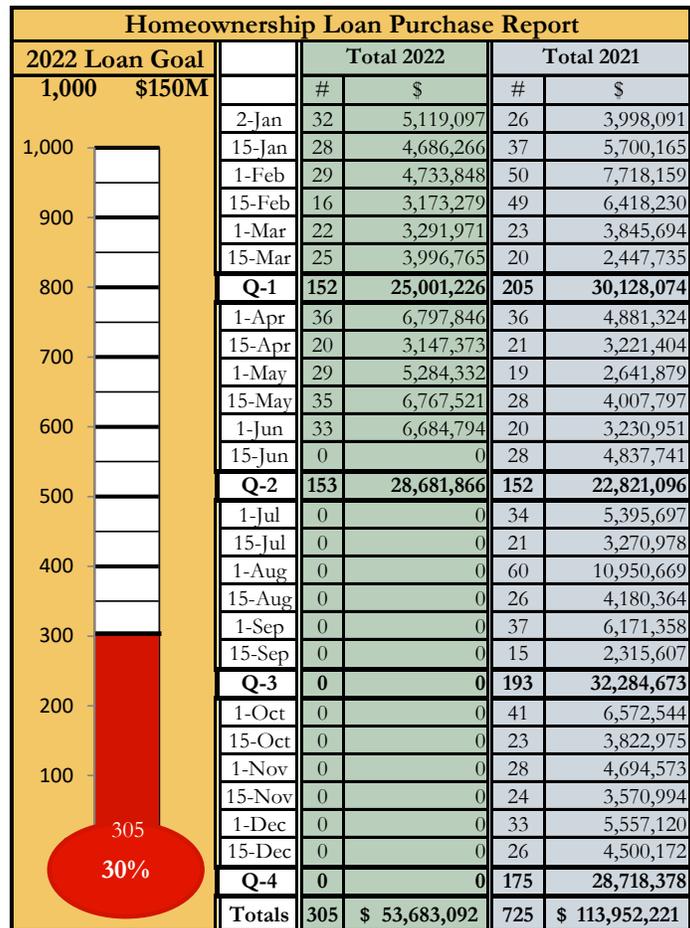
**To:** MaineHousing Board of Commissioners

**From:** Craig Reynolds, Director of Homeownership

**Date:** June 6, 2022

**Subject:** Monthly Report – Homeownership Department

### PRODUCTION UPDATE



Monthly Loan Reservations: 06/01/22	
#	\$ Volume
130	\$ 26,259,425

Loan Pipeline as of: 06/01/22	
#	\$ Volume
331	\$ 66,033,426

YTD Loan Reservation Comparison					
May 2021		May 2022		2021 vs 2022	
#	\$ Volume	#	\$ Volume	#	\$ Volume
250	\$40,198,336	331	\$ 66,033,426	32%	64%

## PROGRAM HIGHLIGHTS

### Production Update & Market Status

Homeownership is pleased to report that with one purchase date remaining in Q-2, the number of loans purchased exceeds all of Q-2 for 2021, as shown in the Production Update chart above. Even more notable is that the 2022 \$ volume for the nearly identical number of loans purchased YTD as in 2021, is nearly \$6M higher. The 2022 pipeline of loan reservations (not yet purchased) is equally impressive with an increase of 81 loans (+32%) at this same time in 2021, and a \$ volume of just over \$66M representing an astounding 64% increase over 2021!

Market mortgage interest rates have been on the rise over the past few months, but have in the past few weeks seemed to stabilize in the mid-5% range. MaineHousing's First Home Loan rate now stands at 4.50%, averaging 100 basis points below most market rates. With the low rate, combined with the recent increase in our Advantage down payment and closing cost assistance option to \$5,000, first time home buyers are clearly finding the First Home Loan to be a very appealing and affordable financing choice.

The ongoing low inventory of homes for sale and rising sales prices continues to impact market activity and are the primary causes for the decline in the number of home sales as cited in the Maine Association of Realtors monthly press release below. Rising inflation has caused dramatic increases in the cost of essential goods for all consumers and may ultimately play a role in slowing real estate activity as home affordability erodes as a result.

The following is an excerpt from the Maine Association of REALTORS® monthly press release in May regarding Maine's real estate market activity and related regional and national statistics provided by the National Association of REALTORS®.

#### MAINE HOME PRICES UP; SALES EASE DUE TO LACK OF INVENTORY

AUGUSTA (May 19, 2022)—The price for a single-family existing home in Maine increased 25.36 percent in April 2022 compared to April a year ago. The Maine Association of Realtors today announced that 1,143 homes changed hands in April 2022, a decrease of 20.90 percent over April of last year. The statewide median sales price (MSP) for homes sold reached \$346,000. The MSP indicates that half of the homes were sold for more and half sold for less.

“Despite the constrained for-sale inventory, Maine's real estate markets continue to be strong due to sustained demand,” says Madeleine Hill, 2022 President of the Maine Association of REALTORS® and Designated Broker at Roxanne York Real Estate in Harpswell. “The number of homes sold from January through April of 2022 is 4.5 percent higher than January through April 2019 which, prior to the pandemic, was Maine's top year for real estate sales.

“Maine's quality of life and the emergence of tele-working has resulted in unprecedented demand for Maine real estate for the past two years,” adds Hill. “However, this is our tenth consecutive month of year-over-year sales declines, and

seven of those months also showed a declining for-sale inventory. The supply and demand for single-family housing is out of balance.”

According to the National Association of Realtors, sales across the country eased by 4.8 percent in April 2022 compared to April 2021, and the national MSP rose 14.8 percent to \$397,600. Regionally, comparing April 2022 to April 2021, sales in the Northeast dipped 10.7 percent while the regional MSP increased 8.1 percent to \$412,100.

“During March and April of 2022, we experienced a slight uptick in for-sale listings. An increasing supply will continue to address the pent-up demand and may relieve some of the upward pricing pressures,” says Hill.

### **New Income & Purchase Price Limits Now In Effect**

In response to guidance received in an IRS advisory, revised Income and Purchase Price Limits for the First Home Loan program are now in effect. Income limits increased a modest amount and Purchase price limits were effectively unchanged from 2021. To review both sets of new limits please refer to the attached First Home Loan Rate Sheet.

### **Outreach Events**

Consumer Education Coordinator, Jessica Gurney recently attended a virtual HUD Conference, Servicing Communities through Housing Counseling. The conference focused on understanding the roles of housing counseling agencies in supporting homeless, rental and homebuyer programs, and building relationships on a local and state level.

Jessica also attended an orientation for new members of the Kennebec Board of Realtors held at the Augusta Armory. The guest speaker was Michael McCray from Advanced Inspection Inc. who shared many tips regarding things to look for when doing a walkthrough of a home.

### **Homebuyer Education Update**

In the effort to make the hoMEworks approved homebuyer education class accessible to all, Consumer Education Coordinator, Jessica Gurney has created a proposal to seek quotes from Language Line Services to have the class initially translated into 5 other languages for those who do not speak English as their first language.

Jessica reports that a Spanish version of the nationally distributed eHome America online education class is already available when our first Maine client is ready. eHome America and MaineHousing have partnered to bring the usual \$99 cost of the class down to \$35, matching the cost of the Maine based hoMEworks class.

Jessica has also spoken with Elan Gabel-Richards from Mano en Mano in Milbridge, who is working with a community of Spanish speaking residents in the area hoping to become homebuyers. In addition to having the Spanish version of the eHome America class now available, they are discussing ways to better help with the home buying process in general, starting with a number of basic translated materials not currently available.

## Income & Purchase Price Limits

Area	Income Limits		Purchase Price Limits*			
	1-2 Person	3 or more	1-Unit	2-Unit	3-Unit	4-Unit
<b>Portland HMFA</b>						
Cumberland County: Cape Elizabeth, Casco, Chebeague Island, Cumberland, Falmouth, Freeport, Frye Island, Gorham, Gray, Long Island, North Yarmouth, Portland, Raymond, Scarborough, South Portland, Standish, Westbrook, Windham, Yarmouth	\$117,700	\$134,600	\$404,950	\$492,940	\$595,000	\$695,000
York County: Buxton, Hollis, Limington, Old Orchard Beach						
<b>York/Kittery HMFA</b>						
Berwick, Eliot, Kittery, So. Berwick, York	\$120,000	\$137,250	\$404,950	\$492,940	\$595,000	\$695,000
<b>Other Areas</b>						
Cumberland County (excluding HMFA)	\$94,900	\$108,390	\$404,950	\$492,940	\$595,000	\$695,000
Sagadahoc County	\$92,400	\$105,500	\$404,950	\$492,940	\$595,000	\$695,000
York County (excluding HMFA)	\$96,700	\$110,450	\$404,950	\$492,940	\$595,000	\$695,000
All Other Counties	\$89,800	\$102,500	\$367,580	\$447,540	\$540,900	\$665,000

HMFA = HUD Metro Fair Market Rent Area

Eligible property types for the **Arch PMI Pilot** – 1 Unit Single Family homes located in the taxing communities of **Bangor, Lewiston, Auburn, Portland, South Portland, or Westbrook**

**\*New Construction** - Limited to single family homes and new mobile homes. Refer to 1-unit limits listed above.

**\*Mobile Home Self-Insured Option - Purchase Price Limit is \$200,000 for all areas.**

The Income and Purchase Price Limits establish maximum eligibility guidelines, not the price of the home you can afford. Your individual financial situation will determine the mortgage amount you can actually borrow. For more information, contact a MaineHousing lender.

Income and Purchase Price Limits are subject to change.

Income Limits may be higher in Federal Targeted Areas.

MaineHousing does not discriminate on the basis of race, color, religion, sex or gender, sexual orientation, gender identity or expression, national origin, ancestry, disability, age, familial status, marital status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex or gender, sexual orientation, gender identity or expression, national origin, ancestry, age, disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances:

Lauren Bustard, Maine State Housing Authority,  
26 Edison Drive, Augusta, Maine 04330-6046,  
Telephone Number 1-800-452-4668 (voice in state only),  
(207) 626-4600 (voice) or Maine Relay 711.



Interest Rates

MaineHousing Lenders

Homebuyer Education Providers

Income & Purchase Price Limits



26 Edison Drive  
Augusta, ME 04330-6046

207-626-4600  
1-800-452-4668  
Fax 207-626-4652  
Maine Relay 711

**AFFORDABLE MORTGAGES**

**Housing Choice Vouchers Department Memorandum**

**To:** MaineHousing Board of Commissioners

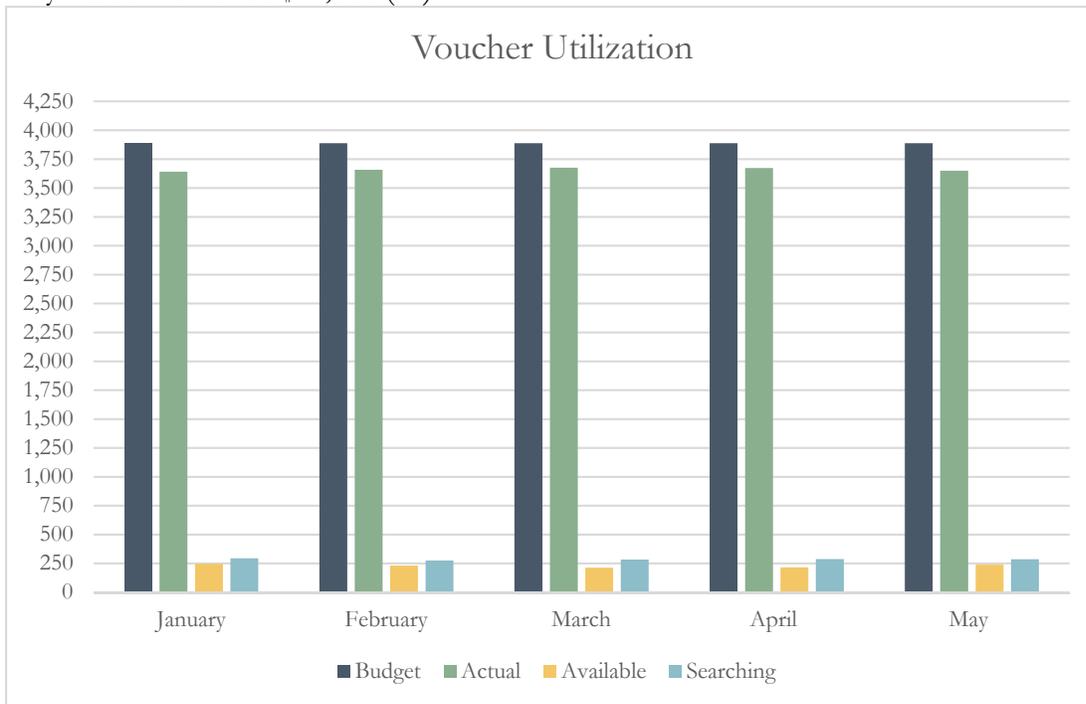
**From:** Allison Gallagher - Director of HCV Programs

**Date:** June 14, 2022

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

**Program Updates:**

May Lease Incentives-\$21,500 (27)



**HCV (homeless initiatives)**

	Leased	Searching
<b>STEP</b>	114	32
<b>Home to Stay</b>	182	83
<b>Homeless Priority</b>	246	72
<b>EHV</b>	39	62

**LEAN Update:**

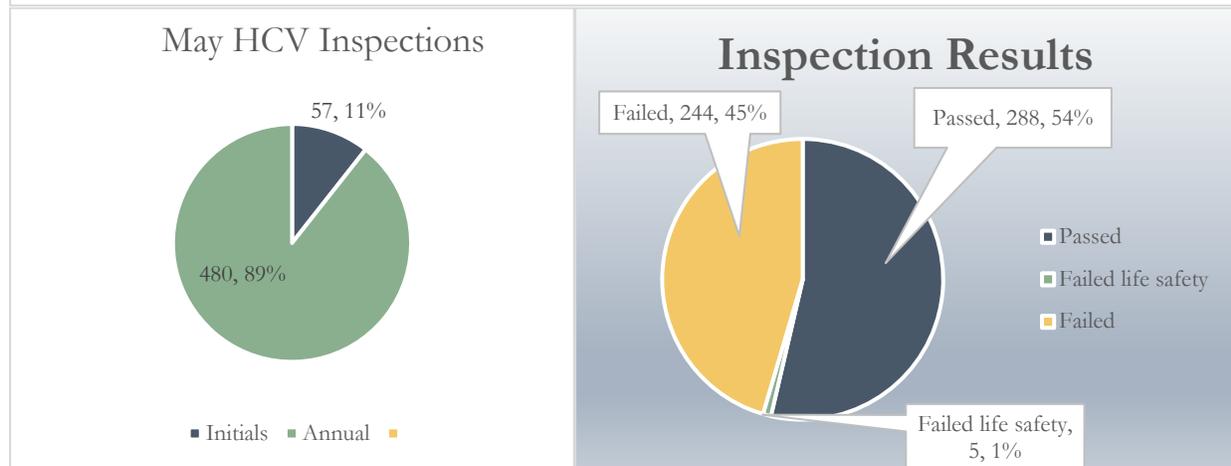
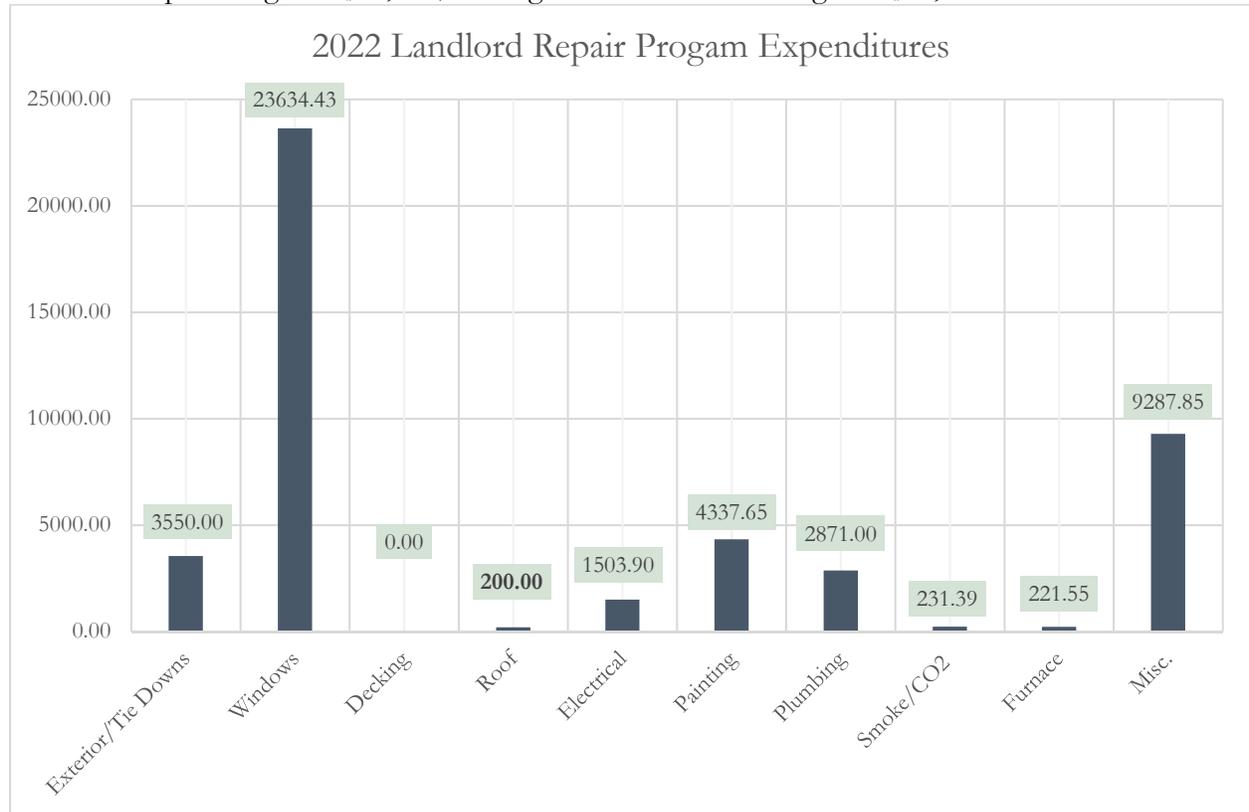
HCV staff are working on scanning all physical tenant files as a 2021/2022 LEAN initiative. We have scanned 60% or 2,200 tenant files or 11,560 certifications files to date.

## Housing Navigation Pilot:

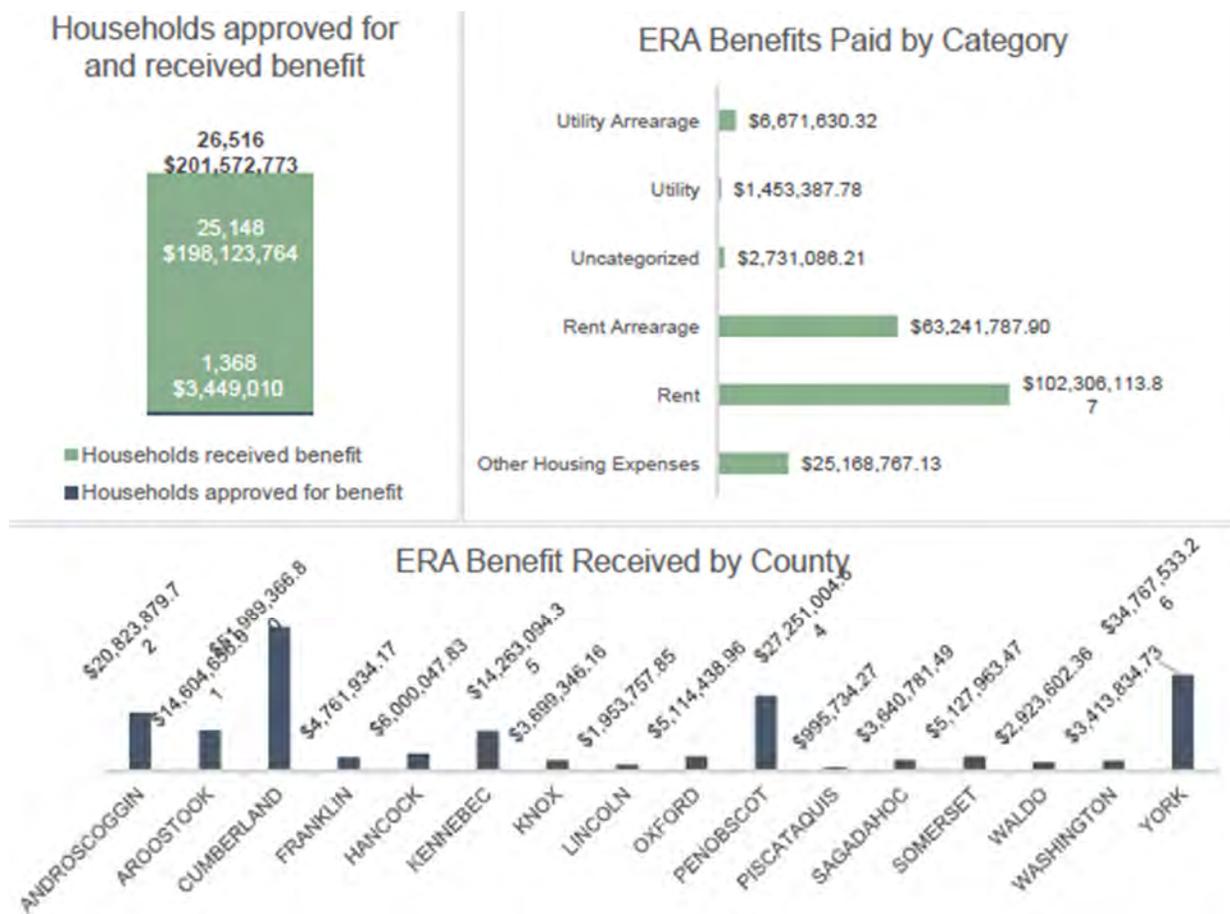
Contracts and funding has been sent to the 10 selected agencies. Agencies will report quarterly on the number of people housed, length of time stably housed, barriers to housing, landlord engagement and household demographics. The first report is due July 10<sup>th</sup>.

## Inspection Updates:

Landlord Repair Program: \$45,837/Damage Reimbursement Program: \$18,826



## Emergency Rental Assistance:



As of June 1, 2022

### Changes to the Emergency Rental Assistance Program effective June 1.

In an effort to extend the Emergency Rental Assistance Program (ERA), funded by the federal government, MaineHousing is announced new eligibility standards and benefit limits effective June, 1.

Four key changes are being made to the program including:

1. Payments to hotels will be capped to federal General Services Administration (GSA) limits based on season and location.
2. Participation in the ERA program will be limited to 12 months instead of 18 months.
3. Income eligibility for the program will be reduced from 80 percent of area median income (AMI) to 50 percent of AMI.
4. To increase efficiency the program will now only cover rent, back rent, security deposits and electric utility expenses.

## Human Resources and Facilities Department Memorandum

**To:** Board of Commissioners  
**From:** Jane Whitley, Director of Human Resources & Facilities  
**Date:** June 2022  
**Subject:** Board Report

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### Human Resources YTD Stats as of June 7



### Human Resources Updates

#### STAFF ANNOUNCEMENTS

Welcome to our new colleagues who started between May 10 and June 7, we are thrilled to have you here!

- ✓ Amanda Bullock, Development Assistant, Development
- ✓ Claudia Toppel, Asset Manager – PBCA, Asset Management
- ✓ Zachary O’Ben, HEAP Assistant, EHS
- ✓ Christina Cary, HEAP Assistant, EHS
- ✓ Jimmy Puckette, Counsel, Legal
- ✓ Matthew Emmons, Lead Paint & Housing Rehab Specialist, EHS

We are currently advertising and/or interviewing for the following positions:

- Housing & Weatherization Assistant, EHS
- Helpdesk Analyst I, IT
- Housing Program Officer, EHS
- Data Analyst, CPD
- Investor Reporting Specialist, Finance
- Asset Manager – PBCA, Asset Management
- Commercial Loan Officer, Development

Congratulations to staff who have been recently promoted:

- Shane Soiett, Investor Reporting Specialist to Fiscal Officer, EHS



## Learning & Development Updates

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

MaineHousing is offering a free Understanding of Fair Housing training program. This program is on demand and self-paced. It is available through our online learning portal. To register for the training, please visit our website:

<https://www.mainehousing.org/education/fair-housing-education>

## Facilities Updates

- Happy 2<sup>nd</sup> Anniversary to us, we opened our doors at 26 Edison Drive on Monday, June 8, 2020!

**Information Technology Department Memorandum**

**To:** Board of Commissioners

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

**Date:** June 7, 2022

**Subject:** Monthly Report

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**June Highlights:**

A new Director of Information Technology joined MaineHousing in May. Craig Given, brings thirty years of experience in non-profit technology leadership with a wide range of organizations. Thanks to good planning and hard work by Sheila Nielsen and the Tech Team, the transition of IT leadership was seamless and executed rapidly.

**Information Technology Updates:**

- Craig Given completed overview meetings with departmental heads to orient with program and support areas on technology requirements and needs.
- Two members of the IT Team (Jason Bullock and Charles Smith) completed LEAN White Belt certification with projects to improve the IT processes around phone provisioning and Active Directory account management.
- Sheila Nielsen transitioned to a role as Project Management consultant, and engaged as ProLink and LIHWAP project lead.
- Completed remediation of security audit items identified in annual penetration testing, resulting in a satisfactory security result from Illumant.
- Addressed results of anti-phishing campaign through staff communication and additional trainings.
- Applied security patches to critical systems to address identified vulnerabilities.
- Completed upgrades of key systems, including Microsoft Exchange, Cisco and eRequester.
- Initiated process to operationalize data retention policies for archived email messages.
- Implemented new processes to improve and monitor Help Desk tickets and key performance indicators.

## Board Calendar 2022

<p><b>JANUARY 18</b></p> <ul style="list-style-type: none"> <li>• Legislative Preview</li> </ul> <p>NCSHA HFA Institute (Jan. 10-Jan. 14 and Jan. 24-Jan. 28) Virtual</p>	<p><b>FEBRUARY 15</b></p> <ul style="list-style-type: none"> <li>• Introduce HEAP</li> </ul>
<p><b>MARCH 22</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Home Energy Assistance Program discussion</li> <li>• Qualified Allocation Plan discussion</li> <li>• Legislation update</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Use of hotels during pandemic</li> </ul>	<p><b>APRIL 19</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Rulemaking Commencement: <ul style="list-style-type: none"> <li>- Home Energy Assistance Program <b>(VOTE)</b></li> <li>- Qualified Allocation Plan <b>(VOTE)</b></li> <li>- State Low Income Housing Tax Credit Rule <b>(VOTE)</b></li> </ul> </li> <li>• 2021 Year-end Financials</li> <li>• Legislation update</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Non LIHTC Multi-Family programs</li> </ul>
<p><b>MAY 17</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Rulemaking Public Hearings: <ul style="list-style-type: none"> <li>- Home Energy Assistance Program</li> <li>- Qualified Allocation Plan</li> <li>- State Low Income Housing Tax Credit Rule</li> </ul> </li> <li>• <del>Legislation final report</del></li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• <del>Fair Housing / DEI efforts</del></li> </ul>	<p><b>JUNE 7 (Special Meeting)</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Chapter 16 – Qualified Allocation Plan discussion</li> </ul>
<p><b>JUNE 14</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Rulemaking Adoption <ul style="list-style-type: none"> <li>- Home Energy Assistance Program <b>(VOTE)</b></li> <li>- Qualified Allocation Plan <b>(VOTE)</b></li> <li>- State Low Income Housing Tax Credit Rule <b>(VOTE)</b></li> </ul> </li> <li>• Public Hearing – Multi-Family Mortgage Loans</li> <li>• HCV Annual Plan Draft Review/Timeline</li> <li>• Fair Housing / DEI Efforts</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Homeownership programs</li> </ul>	<p><b>JULY 19</b></p> <p style="text-align: center;">If necessary</p>
<p><b>AUGUST 16</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Adopt Multi-Family Mortgage Loans Rule <b>(VOTE)</b></li> </ul> <p style="text-align: center;">GOAL SETTING EXERCISE</p>	<p><b>SEPTEMBER 20</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• HCV Annual Plan Public Hearing</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• HARP and Community Aging in Place</li> <li>• Fair Housing / DEI efforts</li> </ul>

<p><b>OCTOBER 18</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Introduce DOE Weatherization State Plan</li> <li>• Adopt HCV Annual Plan <b>(VOTE)</b></li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• Homeless Rule/ESHAP Program</li> </ul> <p>NCSHA Annual Conference &amp; Showcase (Oct. 22-25)</p>	<p><b>NOVEMBER 15</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Review Preliminary 2023 Budget</li> <li>• DOE Weatherization State Plan Public Hearing</li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• TBD</li> </ul>
<p><b>DECEMBER 20</b></p> <p><u>Board Business:</u></p> <ul style="list-style-type: none"> <li>• Approve 2023 Budget <b>(VOTE)</b></li> <li>• Elect Officers <b>(VOTE)</b></li> <li>• MPP Series Resolution <b>(VOTE)</b></li> <li>• Adopt DOE Weatherization State Plan <b>(VOTE)</b></li> </ul>	

Future Rulemaking: Transfer of Ownership Interests