

# November 15, 2022 Board Packet

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**Board of Commissioners Meeting – November 15, 2022 9:00 a.m. to 12:00 p.m.**

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

9:00	Welcome new Commissioner Deborah Ibonwa	
	Adopt Agenda (VOTE)	All
	Remote Commissioners	Frank O’Hara
	- Reason remote	
	- Any other persons at their location	
	Approve minutes of October 18, 2022 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Frank O’Hara
	- Select Vice Chair/Chair of Audit Committee position	
	Director Updates	Dan Brennan
9:30	Chapter 27 – Transfer of Ownership Interests Rule Public Hearing	Ashley Janotta
9:45	DOE Weatherization State Plan Public Hearing	Kim Ferenc/Ashley Janotta
10:00	Chapter 19 – Homeless Solution Rule Adoption (VOTE)	Lauren Bustard/Ashley Janotta
10:15	Review Preliminary 2023 Budgets	Darren Brown
11:15	2023 Resource Allocation/Goal Setting Completion	Dan Brennan
	<u>Department Reports:</u>	All
	Asset Management	
	Communications and Planning	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Vouchers	
	Human Resources & Facilities	
	Information Technology	
	2022 Board Calendar	
	Adjourn (VOTE)	All

The next meeting of the Board is scheduled for December 20, 2022  
virtually and in person at 26 Edison Drive, Augusta, Maine



Minutes of the Board of Commissioners Meeting October 18, 2022

### **MEETING CONVENED**

A meeting of the Board of Commissioners for MaineHousing convened on October 18, 2022 at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on October 7, 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 Betty Dietz, Renee Lewis, Noël Bonam, Paul Shepherd, Nancy Harrison and State Treasurer Henry Beck attended in person. Commissioner Bonita Usher attended remotely due to covid concerns, there were no other persons at her location. Commissioner Laura Buxbaum was absent. There was a quorum present.

### **PUBLIC ATTENDANCE**

Guests and staff present for all or part of the meeting included: Ashley Janotta, Chief Counsel; Adam Krea, Senior Director of Finance and Lending; Jimmy Puckette, Counsel; Jodie Stevens, Counsel; Linda Grotton, Director of Audit and Compliance; Jamie Johnson, Senior Director of Operations, Tom Cary, Treasurer; Allison Gallagher, Director of Housing Choice Voucher; Mark Wiesendanger, Director of Development; Jane Whitley, Director of Human Resources & Facilities; Karen Lawlor, Executive Administrator; Jason Stonier, Operations Manager – Building & Grounds; Lauren Bustard, Senior Director of Homeless Initiatives; Craig Reynolds, Director of Homeownership; Kim Ferenc, Manager of Housing & Weatherization; Kelly Watson, Operations Manager; Michael Shaughnessy, Program Manager; Amanda Ouellette, Webmaster; Genevieve Soucy, Interim Director of Energy & Housing Services; Scott Thistle, Communications Director; Erik Jorgensen, Senior Director of Government Relations & Communications; Nick Keefe, Senior Vice President Redstone Equity Partners; Laura Mitchell, Executive Director Maine Affordable Housing Coalition; and Gerrylynn Ricker, Paralegal and Note taker.

Chair Frank O'Hara welcomed new Commissioner Paul Shepherd.

### **ADOPT AGENDA**

*Commissioner Dietz made a motion seconded by Commissioner Lewis to adopt the October 18, 2022 agenda. The vote carried unanimously.*

### **APPROVE MINUTES OF SEPTEMBER 20, 2022 MEETING**

*Commissioner Dietz made a motion seconded by Commissioner Harrison to accept the September 20, 2022 minutes as written. The vote carried unanimously.*

### **COMMUNICATIONS AND CONFLICTS**

None

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

Chair O'Hara recognized Bonita Usher as this was her last meeting as a Commissioner. Chair O'Hara thanked Bonita for all she has done for the people of Maine. Chair O'Hara told the Commissioners he had originally planned to discuss the goal setting at this meeting but would put it

off until the November meeting so it can be tied in with resource allocation. Also, next month we will need to appoint a Vice Chair. The Vice Chair position also serves as the Chair of the Audit Committee.

## **DIRECTOR UPDATES**

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

- Director Brennan thanked Bonita for her service and let her know a token of our appreciation will be sent to her at a later date – a beautiful print of the Saco River from Buxton.
- Genevieve Soucy has been appointed Interim Director of Energy and Housing Services department.
- Emergency Rental Assistance (ERA) program update – we have closed the program to new applications; we are quickly running out of money; and we have been told by Treasury we will not be receiving any more funds at this time. We’re trying to get Treasury to let us keep the \$25 million they are trying to take back. We have a meeting tomorrow with our congressional delegation and the Governor’s Office to strategize what we can do.
- Performance Based Contract Administration (PBCA) update – all four members of our delegation have signed letters against HUD taking these contracts away. HUD has closed its comment period and we are waiting to see what they’re next move is going to be. We will respond to HUD with the other 6 New England states. The Executive Directors of the New England states have been meeting weekly.
- Home Energy Assistance Program (HEAP) update – Congress in passing the continued resolution added another billion dollars nationally – we think that will equate about another \$8 million dollars to Maine. The Federal fiscal year begins October 1<sup>st</sup> and it takes about until mid-November for us to receive the money, however, it gets cold in Maine now. Thanks to Tom, Adam and Darren we are able to start making payments now by fronting the money. We know going into the start of the program that with prices as high as they are, we will not be able to assist as much as we have in the past, a full tank to a full tank and a half last year may only be a half a tank or three-quarters of a tank this year. That is going to create more emergencies.
- Housing Assistance Fund (HAF) program update – This program is not administered by MaineHousing but we are offering assistance to the Bureau of Consumer Credit Protection to help single family homeowners with paying their mortgage payments. Senior Director of Operations, Jamie Johnson and our former Director of Information Technology is assisting that agency with the administration of that program. Director Brennan advised the Commissioners that MaineHousing may be asked to pick up the administration of that program.
- We offered the Project Labor Agreements RFP and were oversubscribed immediately, within minutes. There is a demand out there and developers have been looking at this.
- The single family pipeline remains very big and very strong.
- Met with the City of Lewiston Mayor, City Manager, and Economic Development Director.
- Had the quarterly meeting with the Maine Public Housing Directors. Seventeen deals that we have in the multi-family pipeline are with eight public housing authorities.
- Erik Jorgensen continues to serve on the short term rental and land use zoning regulation commission.
- Director Brennan reported on happenings for the rest of the month: He and Greg Payne from the Governor’s office are going to Lewiston to meet with the immigration community; Director Brennan will be presenting at Preble Street in Portland at their homeless conference; will be meeting with the cabinet on aging that Governor Mills put together; and will be going

to Houston to the NCSHA conference. Director Brennan also brought to the Commissioners attention that the Maine Affordable Housing Coalition will be having its conference on November 17<sup>th</sup>.

## **CHAPTER 19 – HOMELESS SOLUTIONS RULE PUBLIC HEARING**

Chief Counsel Ashley Janotta explained that we would hold a hearing on the repeal and the replacement of our Homeless Solutions Rule. Chief Counsel Janotta introduced the Commissioners and staff representing MaineHousing. Notice of the hearing was published on our website September 23, 2022; sent to interested parties on September 20, 2022; and published in newspapers statewide on September 28, 2022. Chief Counsel Janotta opened the hearing at 9:30 a.m. Ms. Janotta asked Senior Director of Homeless Initiatives Lauren Bustard to describe to the Board the stakeholder process. There was no testimony and the public hearing closed at 9:35 a.m.

## **ADOPT HOUSING CHOICE VOUCHER ANNUAL PLAN**

Director of Housing Choice Vouchers Allison Gallagher, told the Board that no additional comments were received at the Public Hearing and through the end of the comment period. She asked the Commissioners to adopt the PHA plan as presented to them.

*Commissioner Dietz made a motion seconded by Commissioner Harrison to adopt the PHA Annual Plan for the Housing Choice Voucher program as presented. The vote carried unanimously.*

## **CHAPTER 27 – TRANSFER OF OWNERSHIP INTERESTS RULE COMMENCE RULEMAKING**

Chief Counsel Ashley Janotta highlighted for the Commissioners her memorandum requesting commencement of rulemaking for the Transfers of Ownership Interests Rule explaining the changes that were included in the Board packet. Chief Counsel Janotta reviewed the major changes to the Rule and the aggregator language that supplements the 2023/2024 Qualified Allocation Plan. We sent the draft Rule out to interested parties and received a few comments back and made changes accordingly to the draft presented to the Board. There was discussion regarding transfers already incorporated into operating agreements and/or limited partnership agreements.

*Chief Counsel Ashley Janotta read the proposed motion, to authorize MaineHousing to commence the rulemaking process to repeal the existing Transfers of Ownership Interests Rule Chapter 27 of MaineHousing's rules, and replace it with a new Transfers of Ownership Interests Rule substantially in the form provided to the Commissioners in the Board packet and described in the memorandum from Ashley Janotta to the Commissioners dated October 11, 2022. State Treasurer Henry Beck said "so moved" and it was seconded by Commissioner Dietz. The vote carried unanimously.*

## **2023 DOE WEATHERIZATION STATE PLAN INTENT TO PROCEED**

Manager of Housing Services, Kim Ferenc, gave an overview of the 2023 Department of Energy's (DOE) Weatherization State Plan using the guidance received from DOE. Ms. Ferenc reviewed the changes in the plan and presented a slide show. Kim handed out a 3 year WAP summary showing \$2.9 million was expended in 2019; serving 288 households; \$2.8 million in 2020 with 256 households and \$3.2 million in 2021 serving 281 households. Kim finished with a success story of how weatherizing an older mobile home allowed for an elderly couple to stay warm and remain in their home. A public hearing will be held at the November Board meeting.

## **COMMUNICATIONS AND PLANNING DEPARTMENT AD CAMPAIGN UPDATE**

Senior Director of Government Relations & Communications, Erik Jorgensen and Webmaster, Amanda Ouellette gave a presentation on our current 2022 MaineHousing – Home is Key campaign. The campaign rolled out during September and should last for several years. All avenues of

MaineHousing marketing and design – social, programmatic and print advertising, including reports and the MaineHousing website. Several video spots with two MaineHousing borrowers are currently in production. Amanda showed the Commissioners a two minute video ad promoting the First Home program as well as the advantage down payment program that gives \$5,000 toward the down payment if the borrower takes the homebuyers education class.

### **HARP/COMMUNITY AGING IN PLACE UPDATE**

Manager of Housing Services, Kim Ferenc, gave an overview of our Home Accessibility & Repair Program (HARP). She presented a slideshow highlighting the program: HARP is funded with State HOME funds; program year 2022 we received \$4.5 million and is currently administered by eight community action agencies across the state. The purpose of the HARP program is to provide grants to income eligible homeowners for professional home repairs and/or accessibility modifications. The HARP program is divided into five (5) components: Home Repair; Elderly Home Repair; Emergency Home Repair; Emergency Manufactured Home Repair and Accessibility. Kim reviewed for the Commissioners the different eligibility requirements for each component.

Kim then presented a slideshow and overview of the Community Aging in Place Program (CAIP). The program's purpose is many older adults want to "age in place" – stay in their homes as they get older but may have concerns about safety, getting around, or other daily activities. The program can provide eligible low-income elderly homeowners with low-cost, high-impact home modifications to make their homes safe. Kim reviewed the funding and the eligibility.

### **ADJOURN**

*Commissioner Usher made a motion seconded by Commissioner Lewis to adjourn the meeting. The meeting was adjourned at 11:25 a.m. by unanimous vote of the Board.*

Respectfully submitted,

Nancy Y. Harrison

CHAPTER 27 TRANSFERS OF OWNERSHIP INTERESTS

Summary of Rule: This Rule sets forth the requirements and procedures for obtaining the consent of MaineHousing to changes of ownership interests in multifamily and supportive housing projects that have funding or an allocation of tax credits from MaineHousing. The Rule applies to the transfer of a project to a new owner along with the assumption by the new owner of the existing MaineHousing obligations. The Rule also applies to the transfer of a direct or indirect ownership interest in a business entity that continues to own the project. This Rule does not address criteria for modifying the term or amount of any MaineHousing obligation in connection with a proposed change of ownership interest.

1. Definitions. The following terms have the following meanings in this Rule:
  - A. "Additional Circumstances" means any one or more of the following in connection with the Transfer of an Ownership Interest: (i) a request for additional funding or tax credit allocation from MaineHousing or for the modification, assumption or refinancing by MaineHousing of existing MaineHousing obligations; (ii) the existence of HUD project-based rental assistance for the Project; (iii) management deficiencies in the Project; (iv) a Project that is financially unstable, on MaineHousing's watch list or in default; or (v) increased risks to a Project as assessed by MaineHousing.
  - B. "Affiliate" means, with respect to any entity: (i) another entity which has a Controlling Interest in the entity; (ii) another entity in which the entity has a Controlling Interest; or (iii) another entity that is subject to a common Controlling Interest with the entity.
  - C. "Application" means the form of application required by MaineHousing and any other information required or considered by MaineHousing in connection with the Transfer of an Ownership Interest in a Project.
  - D. "Code" means the Internal Revenue Code of 1986, as amended.
  - E. "Controlling Interest" means an Ownership Interest, contractual right, or other interest with respect to an entity which confers upon its holder the authority or right, directly or indirectly, to manage or otherwise direct any material part of all of the business or financial affairs and policies of the entity and/or any material part of or all of the day-to-day or long-term operation of the entity's business or assets.
  - F. "HUD" means the United States Department of Housing and Urban Development.

- G. "MaineHousing" means Maine State Housing Authority.
- H. "Owner" means a person or entity having an Ownership Interest in a Project.
- I. "Ownership Interest" means any right or indicia of ownership, possession or title of any kind or nature in a Project or Owner, including without limitation:
- (1) a fee simple interest;
  - (2) a leasehold or sub-leasehold interest;
  - (3) a general partner interest or a limited partner interest in a limited partnership;
  - (4) the partner interest of a partner in a general partnership;
  - (5) the member or manager interest in a limited liability company;
  - (6) the interest of a shareholder in a for-profit corporation ;
  - (7) a voting member or director in a non-profit corporation;
  - (8) a beneficial interest in a trust; or
  - (9) a Subsidiary Interest;
- J. "Project" means a multifamily or supportive housing project that has funding or an allocation of tax credits, or a commitment or reservation thereof, from MaineHousing at the time of the request for MaineHousing consent to the Transfer.
- K. "Qualified Rural Development Preservation Project" has the same meaning as set forth in Chapter 35 of MaineHousing's rules, the *State Low Income Housing Tax Credit Rule*.
- L. "Sponsor" means the entity that is the designated developer of a Tax Credit Project or has a Controlling Interest in the general partner of a limited partnership or the manager or managing member of a limited liability company that owns a Tax Credit Project.
- M. "Subsidiary Interest" means the direct or indirect interest of any person or entity in an entity that has an Ownership Interest as determined by MaineHousing.
- N. "Tax Credit Investor Transfer" means a Transfer of the Ownership Interest of

a limited partner of a limited partnership or a non-managing member of a limited liability company that owns a Tax Credit Project.

- O. "Tax Credit Project" means a Project for which MaineHousing allocated federal low-income housing tax credits pursuant to Section 42 of the Code or State of Maine affordable housing tax credits pursuant to 36 M.R.S. §5219-WW and 30-A M.R.S. §4722(1)(GG).
- P. "Transfer" means a change, whether voluntary or involuntary, of all or part of an Ownership Interest in a Project regardless of the type or nature of the change or the means used to accomplish it, including but not limited to a change made by sale, mortgage, lease (except residential tenant leases in the ordinary course of business of operating a Project as a residential rental project), sub-lease, assignment, bond or contract for deed, land installment contract, like-kind (1031) exchange, merger, conversion, dissolution, substitution of partners or members, consolidation, submission to a condominium or land trust or similar construct, change of control (other than incremental change through occasional individual vacancies due to resignations or expirations of terms in the ordinary course of voting members or directors of corporations), gift, grant, death, creation of an estate or inheritance resulting from the death of an Owner, or operation of law.

## 2. Background.

MaineHousing provides funding and/or tax credits for affordable multifamily and supportive housing projects through a number of multifamily and supportive housing programs.

MaineHousing documents evidencing and securing this funding or tax credits typically prohibit the assumption of these obligations in the Transfer of an Ownership Interest without MaineHousing's prior written consent.

MaineHousing will consider a request for consent to a Transfer as set forth in this Rule and the associated procedures established by MaineHousing. MaineHousing may consent to the Transfer request, with or without conditions or restrictions, or may withhold its consent to the Transfer, except that MaineHousing's consent will not be unreasonably withheld.

MaineHousing's consent to a Transfer does not automatically constitute MaineHousing's consent to an assignment or assumption of any funding or tax credits. MaineHousing may require payment or satisfaction of any funding, recapture or other obligation in connection with a Transfer.

## 3. Application for Ownership Transfer.

- A. (1) MaineHousing's written consent to a Transfer of an Ownership Interest is required prior to the Transfer.
- (2) Owners requesting MaineHousing's consent to a Transfer will be required to

submit an Application. The form and content of the Application will be determined by MaineHousing and may differ depending on the type of Ownership Interest or Transfer involved or whether the Transfer involves any Additional Circumstances. MaineHousing may at any time require additional information from the Owner, any other party to the Transfer, or any third party, that is reasonable or necessary to fully evaluate the request for MaineHousing's consent to the Transfer.

- (3) The process for obtaining MaineHousing consent is simplified for the Transfers described in subsection (a) below.
  - (a) The following Transfers, provided no Additional Circumstances exist as determined by MaineHousing, must comply with the requirements of subsection (b) below:
    - (i) Transfer of the Ownership Interest of a general partner of a limited partnership to its Affiliate;
    - (ii) Transfer of the Ownership Interest of a limited partner of a limited partnership to its Affiliate;
    - (iii) Transfer of the Ownership Interest of a manager or managing member of a limited liability company to its Affiliate;
    - (iv) Transfer of the Ownership Interest of a non-managing member of a limited liability company to its Affiliate;
    - (v) for a Tax Credit Investor Transfer, Transfer of the Ownership Interest of a limited partner of a limited partnership to the Sponsor of the Project owned by the limited partnership or the Sponsor's Affiliate;
    - (vi) for a Tax Credit Investor Transfer, Transfer of the Ownership Interest of a non-managing member of a limited liability company to the Sponsor of the Project owned by the limited liability company or the Sponsor's Affiliate;
    - (vii) Transfer of an Ownership Interest in a Qualified Rural Development Preservation Project;
    - (viii) Transfer of less than a Controlling Interest in an Owner, as determined by MaineHousing, with the exception of a Tax Credit Investor Transfer and, a Transfer of the Ownership Interest of any partner, member, or manager of a limited partnership or limited liability company that owns a Tax Credit Project; or

- (ix) any other Transfers expressly allowed in writing by MaineHousing.

Transfers with Additional Circumstances, as determined by MaineHousing, including the above Transfers without limitation, are not eligible for the simplified process set forth in subsection (b) below.

- (b) The following are required for MaineHousing to consent to the Transfers described in subsection (a) above:
  - (i) Written notice of the proposed Transfer and request for MaineHousing's consent, which must be submitted by all of the general partners for a Transfer of Ownership Interest of any partner in a limited partnership or all of the managers or managing members for a Transfer of Ownership Interest of any member or manager of a limited liability company, including without limitation, any Transfer in connection with a Tax Credit Investor Transfer;
  - (ii) a written description of the proposed Transfer, including the Ownership Interest to be transferred, the transferor(s) of the Ownership Interest, the transferee(s) of the Ownership Interest, any consideration for the Transfer, any transfer taxes or other amounts due in connection with the Transfer, source(s) of funding to pay any such consideration and other amounts due, and any conditions of the Transfer;
  - (iii) all instruments and documents evidencing the Transfer, including without limitation, any assignment and assumption of the Ownership Interest and any amendments to the organizational documents of the entity that owns the Project in which the Ownership Interest is being transferred, all of which instruments and documents must be on terms and conditions acceptable to MaineHousing;
  - (iv) written consent of any lender, regulatory agency, or other person or entity that is required in connection with the Transfer; and
  - (v) any other information or requirements that are reasonably related to the Transfer.
- (c) MaineHousing will consent to the Transfer of an Ownership Interest in a Qualified Rural Development Preservation Project if (i) the conditions of subsection (b) above are satisfied, (ii) Rural Development consents to the

proposed Transfer, and (iii) when the Owner of the Qualified Rural Development Preservation Project changes, the new Owner executes and delivers a written assumption of all of the MaineHousing obligations in connection with the Qualified Rural Development Preservation Project.

- B. All Applications will be subject to a non-refundable application fee to be determined by MaineHousing.
- C. If MaineHousing consents to the Transfer, a processing fee will be charged. The amount of the processing fee for Transfers will be established by MaineHousing from time to time and will be based in part upon the estimated cost of processing Transfer Applications.
- D. MaineHousing will notify each Owner requesting MaineHousing's consent to the Transfer when the Application is complete and upon receipt of the required Transfer documents, provide an estimated date or date range by which MaineHousing will make a decision on the Transfer request.

4. Criteria for Consent to an Application for Transfer.

In determining whether or not to consent to a request for a Transfer, MaineHousing will be guided by the following, to the extent applicable to a specific Transfer as determined by MaineHousing:

- A. whether consenting to the request is consistent with the objectives and eligibility requirements of the applicable multifamily or supportive housing loan program under which the Project was funded or allocated tax credits;
- B. whether, in MaineHousing's judgment, a more efficient use of public resources will result by consenting to rather than denying the Application;
- C. the creditworthiness of any proposed new Owner;
- D. the management experience of any proposed new Owner;
- E. regulatory findings and other determinations, including but not limited to debarment or other ineligibility, by MaineHousing, HUD or any other federal, state or local government agency;
- F. the Application, including any additional information required by MaineHousing;
- G. whether the person or entity to whom the Transfer will be made, or any Affiliate thereof, has sought to achieve early termination of an extended low-income housing commitment, as defined in Section 42(h)(6)(B) of the Code, through a written request to a housing credit agency to present a qualified contract, as defined in Section 42(h)(6)(F) of the Code, or otherwise;

- H. whether the person or entity to whom the Transfer will be made, or any Affiliate thereof, has sought to undermine the exercise of a right of first refusal or purchase option with respect to any Tax Credit Project by refusing to honor a right of first refusal or purchase option, by involvement in a lawsuit challenging the exercise of a right of first refusal or purchase option, or otherwise;
  - I. whether the Transfer will result in a loss of affordability or adversely affect the financial stability of the Project as determined by MaineHousing;
  - J. whether the Transfer will adversely affect satisfaction of all applicable regulatory and contractual obligations;
  - K. whether the Transfer will reduce the likelihood the Project will continue to serve the lowest income tenants for the longest period of time;
  - L. whether the new Owner was responsible for (1) the physical or financial condition of another project not being maintained in a satisfactory manner, (2) the capital needs of another project not being met, or (3) another project not complying with applicable regulatory or contractual obligations, with the term “responsible for” meaning causing or not making a good faith event to prevent such events;
  - M. the existence of any Additional Circumstances; and
  - N. any additional information available to MaineHousing from any source, including third parties.
5. Terms of MaineHousing Consent to a Transfer Request.

MaineHousing will notify each Owner requesting consent to the Transfer in writing of MaineHousing’s decision on the Transfer Application, including any conditions or restrictions, or, if the request is denied, the reason for the denial, within a reasonable time after a completed Application has been submitted.

If MaineHousing consents to the Transfer, MaineHousing may require the parties to the Transfer to execute assignment and assumption agreements, amendments to the existing loan or regulatory documents for the Project, additional security documents, extensions of affordability or use covenants, guaranties of payment, intercreditor and subordination agreements, and other documents, and may require new or updated title insurance policies and property and liability insurance, adequate funding and control of Project reserves, escrows and other accounts, evidence of and legal opinions concerning entity authority, and the satisfaction of other requirements relating to the Project.

MaineHousing’s approval of a Transfer is not intended to override any conditions to the Transfer that are contained in the limited partnership agreement, limited liability company agreement or other organizational documents of an Owner, and MaineHousing’s

conditions set out in this Rule are in addition to any that are contained in the organizational documents.

6. Waiver.

Upon a determination of good cause, the Director of MaineHousing or the Director's designee may waive any provision of this Rule. The waiver must be in writing and must be supported by documentation of the pertinent facts and grounds.

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

BASIS STATEMENT: This Rule, which replaces the prior rule, sets forth the policies and procedures for approving changes in ownership of multifamily and supportive housing projects that are subject to MaineHousing financial or regulatory oversight. The changes in this Rule reinforce protections against the transfer of ownership interests in projects or the owners of projects that could undermine the public benefit of the projects during the period committed by the owners when they received assistance from MaineHousing. This Rule applies to projects that have an allocation of federal or state tax credits from MaineHousing as well as projects with financing or grants from MaineHousing. The application of the Rule to transfers of ownership interests in an entity that owns a project is expanded to include any direct or indirect change in the entity, not just controlling interests in the entity. This Rule also eliminates all exceptions contained in the prior rule, but does maintain simplified procedures for certain transfers, such as transfers to affiliates, transfers of investor interests in tax credit projects to the project sponsors, and transfers of certain non-controlling interests.

PUBLIC COMMENT:

*Process:*

Notice of Agency Rule-making Proposal (MAPA-3) was published in the \_\_\_\_\_ edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed rule to Interested Parties on \_\_\_\_\_, and published the proposed rule on its website on \_\_\_\_\_.

MaineHousing held a public hearing on Tuesday, November 15, 2022, to receive testimony on its proposal to repeal and replace the Rule. The comment period was held open until 5:00 p.m. on Friday, November 25, 2022. MaineHousing received comments from \_\_\_\_\_

*Summary of Comments on the Proposed Rule and MaineHousing's Response:*

STATUTORY AUTHORITY: 30-A M.R.S.A. §4741.1.

EFFECTIVE DATE:

## Energy & Housing Services Department Memorandum

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

**From:** Kim R. Ferenc, Manager of Housing and Weatherization

**Date:** November 9, 2022

**Subject:** 2023 Maine DOE WAP Application and State Plan Public Hearing

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

### State Plan Submission

MaineHousing’s State Plan will provide information as to how the Grantee plans to utilize the funding provided and conduct our weatherization program in accordance with DOE guidance. DOE will notify the States of funding levels through a formal notice at a later time but has asked States to complete their current applications using the same funding that was granted in 2022.

MaineHousing’s 2022 DOE allocation was \$3,957,849, any remaining 2022 funds will be carried over to the 2023 program per DOE notification (memo 079). MaineHousing anticipates allocating approximately \$3,254,416 of the 2023 award to the Sub-Grantees for program operations and administration as well as training & technical assistance. MaineHousing will retain the balance for our administrative and training & technical assistance costs.

The application consist of the following sections:

- Budget Summary – detail of how the grant funds will be used by the Grantee and the Sub-Grantee
- Annual File – details 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 MaineHousing and CAA weatherization staff responsibilities, client eligibility, monitoring activities; audit procedures and tools; MaineHousing policies; and how MaineHousing and CAA’s will adhere to DOE Health and Safety requirements.

Attached for your reference is the draft 2023 DOE State Plan. The following program changes are being planned for 2023:

- Per the Department of Energy (DOE) recommendation, MaineHousing will implement categorical income eligibility for HUD means-tested programs.
- Eligible Dwellings: In addition to a stationary manufactured home and stick built single family houses (1-4 units), MaineHousing will expand an eligible dwelling to include multi-family buildings (5 plus units).
- Added Special Materials: MaineHousing received approval from DOE to use Rigid Foam Board Insulation.
- Removed outdated language no longer required by DOE
- Minor technical edits, clarifications and clean up.

### **Rule**

MaineHousing will not be making any changes to the current Rule, chapter 25 at this time.

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
(Grant Number: \_\_\_\_\_,) State: ME, Program Year: 2023

**II.3 Subgrantees**

Subgrantee	City	Tentative	
		Funding	Units
Aroostook County Action Program	Presque Isle	\$507,437.00	45
Community Concepts, Inc.	South Paris	\$937,208.00	86
Downeast Community Partners	Ellsworth	\$397,739.00	32
Kennebec Valley Community Action Program	Waterville	\$763,418.00	69
Penquis Community Action Program	Bangor	\$771,502.00	72
Waldo Community Action Partners	Belfast	\$145,936.00	9
Western Maine Community Action	East Wilton	\$160,452.00	11
York County Community Action Corporation	Sanford	\$370,724.00	31
<b>Total:</b>		<b>\$4,054,416.00</b>	<b>355</b>

**II.4 Production Schedule**

Weatherization Plans	Units
Total Units (excluding reweatherized units)	355
Rewatherized Units	0

Average Unit Costs, Units subject to DOE Project Rules		
<b>VEHICLE &amp; EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)</b>		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B	Total Units Weatherized	355
C	Total Units Reweatherized	0
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	355
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
<b>AVERAGE COST PER DWELLING UNIT (DOE RULES)</b>		
F	Total Funds for Program Operations	\$2,846,334.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	355
H	Average Program Operations Costs per Unit (F divided by G)	\$8,017.84
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$8,017.84

**II.5 Energy Savings**

**U.S. Department of Energy  
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Method used to calculate savings: . WAP algorithm Other (describe below)			
	Units	Savings Calculator (MBtus)	Energy Savings
This Year Estimate	1628	29.3	47700
Prior Year Estimate	499	29.3	14621
Prior Year Actual	325	29.3	9522

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

See Maine 2022 DOE State Plan Master File.

**11.7 DOE-Funded Leveraging Activities**

See Maine 2022 DOE State Plan Master File.

**II.8 Policy Advisory Council Members**

Suzanne MacDonald, Chair	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376-2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Joan Welsh, Vice Chair	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376-2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Glenn Poole, Treasurer	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376-2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Kenneth Colburn, Secretary	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376-2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Heather Furth	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (207) 376-2463 Email: <a href="mailto:efficiency@efficiencymaine.com">efficiency@efficiencymaine.com</a>

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Mark Isaacson	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376-2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Christopher Rauscher	Type of organization: Efficiency Maine Trust, Board of Directors Phone: (866) 376-2463 Email: <a href="mailto:efficiencymaine@efficiencymaine.com">efficiencymaine@efficiencymaine.com</a>
Daniel Brennan (Maine State Housing Authority Ex Officio)	Type of organization: Unit of State Government, Maine State Housing Authority Phone: (207) 626-4600 Email: <a href="mailto:dbrennan@mainehousing.org">dbrennan@mainehousing.org</a>
Dan Burgess (Governor's Energy Office Ex Officio)	Type of organization: Unit of State Government, Governor's Energy Office Phone: (207) 624-7446 Email: <a href="mailto:daniel.burgess@maine.gov">daniel.burgess@maine.gov</a>

**II.9 State Plan Hearings**

Date Held	Newspapers that publicized the hearings and the dates the notice ran
November 15, 2022	<p><i>Notice of Public Hearing was published on November 4, 2022 in the following daily newspapers:</i></p> <p>Kennebec Journal Waterville Morning Sentinel Portland Press Herald Bangor Daily News Brunswick Times</p> <p><i>The public hearing transcript will be sent to the DOE Regional Office as part of Maine's DOE BIL Application.</i></p>

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

**II.11 Miscellaneous**

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

Genevieve Soucy is named as MaineHousing's Recipient Principal Investigator and is the technical representative authorized to act on behalf of MaineHousing as project manager for the award. The Recipient Principal Investigator is

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the prime point of contact for the DOE Project Officer during the project period of performance and will receive a copy of all DOE official correspondence related to the award.

**Program Partners:**

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

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

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

**(Grant Number: DE-EE0009906, State: ME, Program Year: 2023)**

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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. Maine will follow DOE 22-5 Expansion of Client Eligibility in the Weatherization Assistance Program (WAP). Only those households who have Categorical Income Eligibility or whose income has been verified within the previous 12 months will be considered for weatherization services.

Subgrantees are required to ensure applicant eligibility during the period in which services are delivered. Applicants that choose not to apply for HEAP, but still want weatherization services will be required to complete a DOE Weatherization Assistance Program only application and provide all required documentation to determine Program eligibility.

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

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

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

A household may include:

- a. An alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 210 of the Immigration and Nationality Act by approval of an application and are categorized as Special Agricultural Workers (SAWS) who perform seasonal agricultural work during a specified period of time; or
- b. An alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 245A and 210A of the Immigration and Nationality Act by approval of an application and who is aged, blind and/or 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:

- a. A dwelling unit shall be eligible for weatherization assistance if it is occupied by a household who has Categorical Income Eligibility or whose income is at or below 200 percent of the poverty level and/or meets the eligibility for assistance under the Low Income Home Energy Assistance Act of 1981 as determined in accordance with criteria established by the Director of the Office of Management and Budget; or
- b. Prior to weatherizing entire rental buildings, a specific eligibility test will be applied. Not less than 66 percent (or 50 percent in the case of rental dwellings of two (2) or four (4) dwelling units), must be eligible

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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

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 (homeowners and renters), as well as *WAP 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 Subgrantee 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 Subgrantees in determining compliance with the re-weatherization requirements. For weatherization jobs completed in the prior 15 years Grantee and Subgrantee rely primarily on records maintained by the Subgrantee. Weatherization jobs completed between 1998-2008 are tracked in Grantee’s Central Heating Improvement Program and Weatherization Jobs SIR database. Weatherization jobs completed 2009-September 2016 are tracked in Grantee’s ECOS database. Weatherization jobs completed October 2016 to present are tracked in Hancock Software’s web-based energy audit software system referred to as HEAT Enterprise (HEAT Enterprise). Multi-family projects will be tracked in the DOE Multea database upon DOE’s approval for the use of the database.

## **3. Describe what structures are eligible for weatherization**

Grantee defines an eligible structure as a dwelling unit, including a stationary manufactured home, single family, and multi-family buildings. 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 who has Categorical Income Eligibility or 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.

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**

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

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

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

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

Grantee will consider using a competitive process to attract a new Subgrantee or Subgrantees to weatherize multifamily units. WAP will be working closely with the DOE Project Officer and the new multifamily Subgrantee(s) to ensure that all DOE approvals and training needs are met. Priority will be given to identifying and providing weatherization assistance to: 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 units/multifamily buildings occupied by income eligible (low-income) tenant(s), providing a direct benefit to the low-income tenant(s). In the event of 2-4 unit buildings, one of the units may be occupied by the owner. Grantee, consistent with Department of Energy guidance, requires the weatherization of the entire building not just the low-income units.

Prioritization. 2-4 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 2-4 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. To proceed with weatherization measures Subgrantee must secure landlord's/owner's and tenant's consent in writing. In addition, the landlord and tenant are required to sign a *Weatherization Rental Agreement* before the Subgrantee can proceed with weatherization. The provisions of this Agreement include:

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

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

#### **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 an excel spreadsheet developed by DOE and electronically in the appropriate system of record (HEAT Enterprise or ORNL's MulTEA when approved).

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

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

Clients have the right to appeal the decision to defer WAP services. They must make this request by contacting the Manager of 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: 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 DOE weatherization program 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 categorically eligible or at 200% or below poverty guidelines that do not meet HEAP fuel assistance income eligibility and/or who have not applied for fuel assistance. Upon receipt of the applications/information, audits and weatherization jobs may 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 currently serves all counties statewide through eight (8) Subgrantees. Each Subgrantee is, in fact, a Community Action Agency or other public or non-profit entity. Grantee intends to expand the Subgrantee Network to add additional non-profit organizations to provide WAP services.

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

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

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

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

**Subgrantee Removal.** In the event that a Subgrantee is unable to complete the terms of its Subgrantee Agreement, or if Grantee determines that the Subgrantee cannot fulfill its obligations under the Subgrantee Agreement, Grantee will reach out to other Subgrantees to fulfill the terms of their Subgrantee Agreement and work with the Subgrantees to extend their WAP services into the territory needing service coverage. 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.** Subgrantees are required to develop and maintain a wait list consisting of HEAP eligible households. Households on the Subgrantees wait list should be weatherized in order of ranking according to HEAT Enterprise. Households with the highest WAP ranking have the highest priority. A Subgrantee may move up an eligible household's priority based on geographic considerations (e.g., if a high priority weatherization project is out of town, another dwelling with a lower priority ranking in the same area may also be weatherized during at the same time to save on travel costs) or because the Subgrantee is funding the project with additional other resources.

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

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

Maine's Hancock Software Energy Audit Tool (HEAT Enterprise) accounts for localized climatic variances by using climate data from the National Oceanic and Atmospheric Administration (NOAA). Heating degree hours are calculated using state climate data associated with each Maine zip code. The data set that is used to determine HDD can be found at [NOAA.org](http://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/County	Heating Degree Days
Aroostook County Action Program	Aroostook	9543
Community Concepts, Inc.	Androscoggin, Oxford	7373
Community Concepts, Inc.	Cumberland	7426
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
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 Directors 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

Special Materials/Audit Procedures Approvals

Item	Comments
Rigid Foam Board Insulation complying with ASTM C 1289	Approved 8/24/2022
Lifetime Changes	Approved 7/30/2020
Spray Foam Insulation	Approved 11/27/2018

**V.5.2 Energy Audit Procedures**

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

Audit Procedure: Single-Family

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

Approval Date: 9/13/2022 DOE unconditionally approved HEAT v1.0.1(G015-SP4) Approval Date: 12/5/2016

Audit Procedure: Manufactured Housing

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

Approval Date: 9/13/2022 DOE unconditionally approved HEAT v1.0.1(G015-SP4)

Audit Procedure: Multi-Family

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

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

For Multifamily, MaineHousing will treat such situations on a case-by-case basis with DOE approval as needed. Currently, MaineHousing does not have a well-qualified energy auditor for multifamily buildings. MaineHousing will contract for auditing and inspections services as needed until a well-qualified multifamily energy auditor can be trained or hired. MaineHousing will submit all multifamily projects to the DOE Project Officer for approval in the absence of a multifamily protocol.

**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 15-4, Section 1. The Subgrantee is notified of any job not in compliance and is required to take the steps necessary to complete the job. In addition, the Grantee will perform quality assurance inspection reviews of at least 5 percent of completed units and 10 percent of all completed units of Subgrantees that allow the audit and inspection to be done by the same person.

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

If a Subgrantee weatherizes 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 minor health and safety hazards, which is necessary before or because of installation of weatherization materials, is an allowable expense. Definitions of “minor” or allowable Health & Safety related repairs, and at what point repairs are considered beyond the scope of weatherization are included in the applicable sections of Grantee’s 2023 Health and Safety Plan Template, (4.0, 7.6, 7.9, 7.14, 7.16), and are aligned with the Maine Weatherization Standards. Updates related to COVID 19 are in the updated 2023 Grantee 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 Grantee’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 2023

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 2023 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 2023 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 2023 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 2023 Grantee Health and Safety Plan Template, 7.20
10. Worker Safety. Updates related to COVID 19 safe work practices are in the updated 2023 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 or friable asbestos).
12. Spray Polyurethane. Grantee must follow EPA recommendations and manufactures specifications (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 an annual Work Plan and Budget for the 2023 DOE program as part of the Subgrantee Agreement. Grantee will review the Work Plan and Budget and request any updates, if necessary, for the program year. No funds will be advanced to Subgrantees until the Work Plan and Budget is reviewed and approved by Grantee. Grantee's EHS staff will perform comparisons of Subgrantees monthly billings versus their approved budgets to identify financial or compliance variances. EHS staff will work with Subgrantees to correct/understand variances as they are identified during this process.

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

#### **Competitive Process for Subgrantees**

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

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

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

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

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

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

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

Grantee may allow up to an additional 5% of 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 5% (20% 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. Reweatheringization
- c. Deferrals
- d. Contractors & Procurement
- e. Required Documents
- f. Energy Audits
- g. Field Notes
- h. Licensing & Certifications
- i. HEAT Audits
- j. Photo Documentation
- k. Equipment Compliance

2. Each comprehensive monitoring visit will include an exit interview during which the WAP Program Officer apprises Subgrantee personnel of any findings 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 submitted 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 submitted 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 #3	1,206	58.00%	33.00%	25.00%	Performs compliance desk review of submitted 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 has access to the back end of the approved energy audit software and is working on creating reports. 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 2023 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 2023 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. Collaboration with the State's Community College System and other training organizations to expand the pool of qualified weatherization contractors may also be pursued. . Training areas will be addressed through Comprehensive and/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, but not limited to, EPA RRP training which requires EPA certified trainers and other specialized training as they become 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 initiated by state or federal declarations, Grantee will ensure that use of WAP funds adhere to the procedures outlined in WPN 12-7.

**To:** MaineHousing Board of Commissioners

**From:** Lauren Bustard, Senior Director of Homeless Initiatives  
Ashley Janotta, Chief Counsel

**Date:** November 8, 2022

**Subject:** Adoption of the Homeless Solutions Rule

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At your meeting on November 15, 2022, we will ask you to adopt the attached *Homeless Solutions Rule*, Chapter 19. The attached rule repeals and replaces the existing rule and applies to our homeless programs and is referred to in the September 13, 2022 memorandum to you requesting authority to commence rulemaking.

As you know, the public hearing was held on October 18, 2022. The comment period expired October 28, 2022. No comments were received.

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 repeal the existing Homeless Solutions Rule, Chapter 19 of MaineHousing's rules, and replace it with the Homeless Solutions Rule as described in the memorandum to MaineHousing Board of Commissioners from Lauren Bustard and Ashley Janotta dated November 8, 2022.*

# 99-346 MAINE STATE HOUSING AUTHORITY

## Chapter 19: HOMELESS SOLUTIONS RULE

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**Summary:** The Maine State Housing Authority uses funds from certain federal and state resources to give grants to agencies for a variety of activities to assist people who are experiencing homelessness. This Rule governs MaineHousing’s allocation of resources for such programs, program design, the publication and distribution of program guides, basic criteria for determining eligible recipients, and potential selection criteria. Some resources are distributed according to a funding formula set forth in the Rule. Other resources may be distributed according to programs designed by MaineHousing.

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### 1. Definitions

- A. “Act” means the Maine Housing Authorities Act, 30-A M.R.S.A. §4701, *et seq.* as amended.
- B. “Agency Participation Agreement” is a document that sets forth the obligations of service providers participating in HMIS and governs how information regarding clients and the services they receive is treated.
- C. “Applicant” means the municipality or non-profit corporation applying for funds governed by this Rule.
- D. “Bed Capacity” means the maximum number of beds in an Emergency Shelter as indicated on the agency’s Program Guide and Application; provided, however, for purposes of this Rule, the Bed Capacity of a Low Barrier Shelter means its maximum number of beds as indicated on the Program Guide and Application, multiplied by 125%.
- E. “Clients Assessed and Stabilized” means clients who were assessed for program eligibility, and who are receiving housing stabilization services.
- F. “Continuum of Care” or “CoC” is the group organized to carry out the responsibilities required under the CoC Program Interim Rule (24 CFR Part 578) and comprises representatives of organizations that provide a full range of emergency, transitional, and permanent housing and other service resources to address the various needs of Persons Experiencing Homelessness within the State of Maine.
- G. “Coordinated Entry Process” means a process designed to coordinate program participant intake, assessment, and provision of referrals within a geographic area. A Coordinated Entry Process covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.
- H. “Emergency Shelter” means any facility, the primary purpose of which is to provide a temporary shelter for Persons Experiencing Homelessness or for specific populations of Persons Experiencing Homelessness and which meets the criteria set forth in section 3 of this Rule.

- I. “Emergency Solutions Grant” means a grant available under the federal Emergency Solutions Grants Program of the McKinney-Vento Act as amended by the HEARTH Act.
- J. “Funding Formula Allocation” means an annual allocation of funds by MaineHousing for Emergency Shelters as further described in section 4 of this Rule.
- K. “HEARTH Act” means the Homeless Emergency and Rapid Transition to Housing Act of 2009 (P.L. 111-22), and the regulations promulgated thereunder.
- L. “HMIS” means the Homeless Management Information System as further defined in the McKinney-Vento Act as amended by the HEARTH Act.
- M. “HMIS Data Standards” means the baseline data collection requirements developed by each of the federal partners which require participation in HMIS, or a comparable database for those serving survivors of domestic violence, as a condition of their funding.
- N. “Homeless Prevention” means activities or programs designed to prevent persons from experiencing homelessness including without limitation subsidies for rent, utilities, security deposits, and mortgage payments.
- O. “Homeless Service Hub” also referred to as “Hub” or “Service Hub” means a group of regional providers that creates local foundation for the prioritization and case conferencing of the Coordinated Entry Process, as well as working collectively toward ending homelessness. Each Hub supports regional coordination and resource alignment and provides system level data used to improve performance. Maine has nine Service Hubs: 1- York County; 2- Cumberland County minus the towns of Brunswick and Harpswell; 3(Midcoast)-Sagadahoc, Lincoln, Waldo and Knox Counties, plus the towns of Brunswick and Harpswell; 4- Androscoggin County minus the towns of Livermore and Livermore Falls; 5(Western Maine)- Franklin and Oxford Counties, plus the towns of Livermore and Livermore Falls; 6(Central Maine)- Kennebec and Somerset Counties; 7(Penquis)- Penobscot and Piscataquis Counties; 8(Downeast)- Hancock and Washington Counties; 9- Aroostook County.
- P. “Housing First” is an approach to quickly and successfully connect Persons Experiencing Homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements.
- Q. “Housing Inventory Count” (HIC) is a point-in-time inventory of beds and units for Persons Experiencing Homelessness within a Continuum of Care categorized by five program types: Emergency Shelter; transitional housing; Rapid Re-housing; safe haven; and permanent supportive housing.
- R. “Housing Stabilization” means assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing.
- S. “HUD” means the United States Department of Housing and Urban Development.

- T. “Low Barrier Shelter” means an Emergency Shelter that does not require any of the following for a client to stay at the shelter: (i) criminal background checks, (ii) credit checks or income verification, (iii) program participation, (iv) sobriety, or (v) identification. Low Barrier Shelters may, however, enforce safety requirements for self, staff, place, and others.
- U. “MaineHousing” means Maine State Housing Authority.
- V. “Maine Consolidated Plan” is a plan prepared by MaineHousing and the Maine Department of Community and Economic Development (“DECD”) and approved by HUD in accordance with 24 CFR part 91. The Consolidated Plan serves as the framework for a statewide dialogue to identify housing and community development priorities that align and focus funding from the Community Development Block Grant Program administered by DECD, the HOME Investment Partnerships Program, the Housing Trust Fund, and the Emergency Solutions Grant Program, which are administered by MaineHousing.
- W. “Mainstream Resources” means a variety of Federal and state benefit government assistance programs Persons Experiencing Homelessness may be eligible to receive. These include but are not limited to: Temporary Assistance For Needy Families (TANF), Food Supplement Program, veterans’ benefits, MaineCare, General Assistance, Supplemental Security Income Program (SSI), Social Security Disability Insurance (SSDI), and Housing Choice Voucher Program.
- X. “Maine’s Job Bank” is an on-line job posting and job search system provided by Maine CareerCenter.
- Y. “McKinney-Vento Act” means the Stewart B. McKinney-Vento Homeless Assistance Act, 42 U.S.C. §11301 *et seq.*, and the regulations promulgated thereunder.
- Z. “Persons Experiencing Homelessness” means:
- i. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
    1. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
    2. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
    3. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

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- ii. An individual or family who will imminently lose their primary nighttime residence, provided that:
    1. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
    2. No subsequent residence has been identified; and
    3. The individual or family lacks the resources or support networks; e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;
  - iii. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
    1. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
    2. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
    3. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
    4. Can be expected to continue such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
  - iv. Any individual or family who:
    1. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

2. Has no other residence; and
3. Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

As defined in 24 CFR §576.2. Should the applicable federal regulation be changed or amended, this Rule will adhere to the most current regulation.

- AA. “Program” means an offering of grants subject to recapture available to prospective eligible Applicants on certain terms and for certain purposes determined by MaineHousing pursuant to this Rule.
- BB. “Program Guide and Application” means the written procedural and administrative guide for a particular Program governed by the terms and conditions of this Rule. It includes the annual application completed by Applicants.
- CC. “Rapid Re-housing” means housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help Persons Experiencing Homelessness move as quickly as possible into permanent housing and achieve stability in that housing.
- DD. “Regional Homeless Council” means one of the following three advisory committees concerning homelessness: Region I comprising York and Cumberland Counties; Region II comprising Androscoggin, Franklin, Kennebec, Knox, Lincoln, Sagadahoc, Somerset, Oxford, and Waldo Counties; and Region III comprising Penobscot, Piscataquis, Aroostook, Washington, and Hancock Counties.
- EE. “Shelter Operations” are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of an Emergency Shelter.
- FF. “Statewide Homeless Council” means the advisory committee created pursuant to §5046 of the Act.
- GG. “Victim Service Provider” means a private nonprofit organization whose primary mission is to provide direct services to victims of domestic violence.
- HH. “Violence Against Women Act “or “VAWA” is a United States federal law (Title IV, sec. 40001-40703 of the Violent Crime Control and Law Enforcement Act of 1994, H.R. 3355).

## 2. Eligible Applicants

To be eligible to receive funds, an Applicant must:

- A. be a non-profit corporation in good standing in the State of Maine qualified for tax exemption under 501(c)(3) of the Internal Revenue Code or a municipal corporation;
- B. be eligible in accordance with the HEARTH Act;

- C. be a provider of homeless services with at least one (1) year of experience providing emergency housing, street outreach, Homeless Prevention, or Rapid Re-housing activities;
- D. be a regular and active participant in the Maine Continuum of Care, in accordance with its governance charter and performance criteria;
- E. be a regular and active participant in their local Homeless Service Hub by participating in Hub meetings and providing relevant data to the Hubs for the generation of a by-name list of Persons Experiencing Homelessness;
- F. have board and or advisory board representation from Persons Experiencing Homelessness or formerly experiencing homelessness who are involved in policy or planning of the organization;
- G. participate in Coordinated Entry Process by acting as an access point to the Coordinated Entry Process, administering the common assessment tools, placing eligible participants on the housing prioritization list, participating in case conferencing meetings, and completing housing referrals utilizing the process and procedures designated by the Maine Continuum of Care;
- H. have the administrative and financial management capacity necessary to administer and to account for the use of the applicable grant in accordance with the funding requirements;
- I. operate in accordance with the homelessness strategy outlined in the Maine Consolidated Plan;
- J. meet the objectives of the Program under which they are applying as set forth in the applicable Program Guide;
- K. participate in and meet the performance and reporting requirements of the Homeless Management Information System (HMIS) or a comparable database if the Applicant is a Victim Service Provider;
- L. not engage in any explicitly religious activities, such as worship, religious instruction, or proselytization, as part of the activities and services funded with any grant for activities or services covered by this Rule; and if religious activities are offered, they must be offered at a separate time or location from the activities and services covered by this Rule; and participation in those religious activities must be voluntary for persons receiving assistance with funds covered by this Rule;
- M. operate its programs free from discrimination on the basis of age, race, color, religion, national origin, physical or mental disability, sexual orientation, or gender in accordance with applicable federal and state fair housing laws;
- N. comply with Section 504 of the Rehabilitation Act of 1973, which prohibits disability discrimination in programs that receive HUD funds; and

- O. comply with MaineHousing requirements.

### 3. Emergency Shelter Requirements

Applicants that are Emergency Shelters must do the following:

- A. provide access 365 days per year to assist Persons Experiencing Homelessness meet basic emergency shelter needs;
- B. provide adequate sleeping space or beds, and clean and functioning shower and toilet facilities;
- C. provide safe and nutritious food, including breakfast or access to breakfast and, if open 24 hours, also provide lunch and dinner or access to lunch and dinner;
- D. treat all guests with dignity and respect, regardless of religious or political beliefs, cultural background, disability, gender identity or sexual orientation;
- E. provide shelter and housing services based upon a Rapid Re-housing or Housing First approach;
- F. have admittance and stay policies that are appropriate for the population served and do not create unnecessary barriers to guests staying;
- G. provide linkages and access to community resources such as health care, job readiness and employment services, Mainstream Resources, and educational services to assist guests in achieving housing stability;
- H. assess guests for program eligibility and services to enable mobility to permanent housing with adequate supports;
- I. inform guests of their rights and responsibilities, including specific shelter policies and house rules;
- J. accept eligible persons regardless of their ability to pay or their eligibility for reimbursement or actual reimbursements from any third party source, including local, municipal, state, or federal funding sources;
- K. have no lease requirements for guests;
- L. if serving families with children, provide space other than open dormitory style and do not require involuntary family separation for admission;
- M. provide separate accommodations for male and female consumers consistent with their gender identity;
- N. protect the privacy and confidentiality of guests and their personal information;
- O. provide training, policies, procedures and regular maintenance to encourage, improve, and maintain the health and safety of guests, volunteers and staff;

- P. post fire, disaster, and other emergency procedures in a conspicuous place and review the procedures with each guest;
- Q. maintain a daily and confidential census of shelter clients including precise sleeping locations;
- R. operate in compliance with all applicable federal, state and local codes, laws and regulations; and
- S. have written policies and procedures for standards that address the following areas: non-discrimination, client grievance and appeal of termination, approval of financial transactions, record retention, procurement, whistleblowers, access to shelter and services, client rights and responsibilities, program personnel and facility operations, health and safety, food preparation and distribution, electronic data and security, Fair Housing, and Drug Free Workplace. All policies must meet federal guidelines.

#### 4. **Funding Formula Allocation**

From time to time MaineHousing will allocate a certain amount of funds to be distributed, subject to availability, pursuant to the following funding methodology:

- A. **Shelter Operations.** An amount equal to 45% of the Funding Formula Allocation will be disbursed among Emergency Shelters, such that each Emergency Shelter will receive a percentage equal to its Bed Capacity divided by a number equal to the total Bed Capacity available statewide for the calendar year. MaineHousing will review the number of beds reported, along with occupancy data to ensure that bed utilization is commensurate with community need. If a persistent discrepancy is observed, MaineHousing, at its sole discretion, reserves the right to reduce the number of funded beds. Agencies will receive scheduled payments on a quarterly basis.
- B. **Housing Stabilization Share.** An amount equal to 45% of the Funding Formula Allocation will be disbursed among eligible agencies, such that each agency providing staffing for Rapid Re-housing, Housing First and Housing Stabilization services operated by the agency will be eligible to receive a percentage equal to the agency's total number of Clients Assessed and Stabilized, divided by the total number of Clients Assessed and Stabilized statewide. The number of Clients Assessed and Stabilized will be based upon the most recent four quarters of data available to MaineHousing at the start of the grant year. Agencies are reimbursed for costs on a quarterly basis.
- C. **Performance Share.** An amount equal to 10% of the Funding Formula Allocation will be allocated among eligible applicants that in the previous 6 months maintained or increased their data quality for the following data points: Date of Birth, Race, Veteran Status, Destination, Relationship to Head of Household, and Client Location. In January and July of each year, Maine HMIS will report to each eligible applicant their error rate for each of those data points. Victim Service Providers will report from their comparable database. At the conclusion of the six month period, any eligible applicant whose data error rate is equal to or less than it was at the beginning of the period, will be eligible for a portion of Performance Share funds equal to the percentage of the number of Clients

Assessed and Stabilized by the eligible applicant, divided by the number of Clients Assessed and Stabilized by all eligible applicants. The performance share for the first half of the calendar year will be calculated in July and the performance share for the second half of the calendar year will be calculated in the following January.

## 5. Program Design

- A. **Allocation.** In addition to the Funding Formula Allocation, MaineHousing may allocate other funds for Programs to assist Persons Experiencing Homelessness in accordance with applicable federal and state laws.
- B. **Programs.** MaineHousing shall design and offer Programs based upon available funds, restrictions attached to such funds, best practices, and needs. The funds may be used for shelter services and outreach activities; for Homeless Prevention and Rapid Re-housing activities such as rental assistance, housing search, mediation, outreach to property owners, legal services, security on utility deposits, and moving costs; and to support entities that offer an integrated array of services to meet the health, housing, employment, and other basic needs of Persons Experiencing Homelessness.
- C. **Program Guides.** MaineHousing shall publish on MaineHousing's website a Program Guide with respect to each Program and shall distribute the Program Guide to parties who may be eligible for the Program and who have expressed an interest to MaineHousing in connection with the type of activities eligible under the Program, to parties MaineHousing selects for marketing the particular Program, and upon request.

## 6. 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. The selection process will be outlined in the Program Guide.
- B. **Selection for Funding.** MaineHousing shall retain final discretion as to whether or not to offer funds to a particular Applicant for a particular purpose.
- C. **Availability of Funds.** Grants are always subject to the availability of funds.
- D. **Selection Criteria.** MaineHousing will set forth requirements and selection and approval criteria germane to a particular Program in the applicable Program Guide. Selection criteria may include but are not limited to the following:
  - i. **Mainstream Resources**
    - 1. how well the Applicant assists clients in the completion and submission of applications for Mainstream Resources; and
    - 2. how well the Applicant captures the results of the actual benefits received.

ii. **Housing**

1. how well the Applicant assists clients in the completion and submission of applications for client appropriate housing;
2. how well the Applicant assists clients with housing searches;
3. how well the Applicant assists clients with landlord relationships; and
4. how well the Applicant has developed and maintained effective working relationships with local General Assistance offices in assisting clients with access and applications.

iii. **Health Care**

1. Applicant's relationships and links with one or more local health care providers who provide treatment for clients; and
2. Applicant's ability to provide or refer clients for mental health or substance abuse assessments and treatment.

iv. **Employment**

1. how well the Applicant assists clients with employment searches, including registering with Maine's Job Bank;
2. how well the Applicant has developed and maintained effective working relationships with local Career Centers in assisting clients; and
3. how well the Applicant has developed and maintained effective working relationships with local employers or employment agencies in assisting clients.

v. **Prevention**

1. Applicant's knowledge of and ability to refer clients to Pine Tree Legal Assistance for eviction prevention and other legal assistance; and
2. Applicant's knowledge of and ability to actively refer clients to other local and regional resources, as appropriate.

**7. Data Collection Requirements**

In order to receive funding, eligible Applicants must do the following, unless prohibited by VAWA:

- A. Enter into an Agency Participation Agreement to share certain Homeless Management Information System (HMIS) data with other Emergency Shelters and other providers of services for Persons Experiencing Homelessness;

- B. Enter client data as prescribed by MaineHousing and HUD in accordance with requirements set forth in the HMIS Data Standards as revised, and the HEARTH Act, and ensure data completeness and quality in regard to program performance measures on a monthly basis and submit reports as prescribed by MaineHousing or HUD;
- C. Enter client data on outcomes and housing stability as prescribed by MaineHousing or HUD, which will be used for performance measurement, research, or evaluation;
- D. Have the capacity to enter client level data into the system of the CoC designated vendor for HMIS data entry; and
- E. Submit de-duplicated aggregate reports as required by MaineHousing.

Providers of shelter to victims of domestic violence are required to have the capacity of a comparable database that collects client level data and provides aggregate, de-duplicated data to MaineHousing in electronic form.

## 8. Reporting Requirements

- A. **General Reporting Requirements.** An Applicant who receives a grant (“Grantee”) must provide client data prescribed by MaineHousing in a form or forms prescribed by MaineHousing to centralized data collection systems prescribed by MaineHousing as often as required by MaineHousing.
- B. **Missing Reports or Data.** A Grantee must provide all reports and all required client data in accordance with the reporting requirements at the time of funds disbursement in order to receive funding.
- C. **Complete Report.** A report will not be considered submitted unless MaineHousing determines that the report is sufficiently complete and all client data is valid.
- D. **Final Reports.** A Grantee must submit a final report showing its use of a grant within 30 days of the end of the term of the grant.

## 9. Monitoring and Assessment.

- A. MaineHousing will review for program compliance at least every two years at reasonable times.
- B. MaineHousing may copy and examine all of a Grantee’s records other than medical or other confidential client information protected by privacy laws.
- C. Grantees will maintain records sufficient to meet monitoring and auditing requirements of MaineHousing and HUD including without limitation daily rosters and client files.

In the case of a physical shelter program facility, MaineHousing will inspect to a minimum for compliance with HUD’s minimum emergency shelter standards pursuant to [24 CFR §576.403\(b\)](#).

## 10. 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.

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**BASIS STATEMENT:** This Rule repeals and replaces in its entirety the current *Homeless Solutions Rule*. MaineHousing uses funds from certain federal and state resources to give grants to agencies for a variety of activities to assist people who are experiencing homelessness or the risk of becoming homeless. The Rule governs MaineHousing's allocation of resources for such programs. The new Rule (i) revises and updates language where appropriate; (ii) adds language regarding the new regionalized homeless response system; (iii) addresses concerns regarding bed utilization; and (iv) makes changes to the funding formula allocation.

**PUBLIC COMMENT:**

*Process:*

Notice of Agency Rule-making Proposal (MAPA-3) was published in the Wednesday, September 28, 2022 edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed rule to Interested Parties on Tuesday, September 20, 2022, and published the proposed rule on its website on Wednesday, September 28, 2022.

MaineHousing held a public hearing on Tuesday, October 18, 2022, to receive testimony on its proposal to repeal and replace the Rule. The comment period was held open until 5:00 p.m. on Friday, October 28, 2022. MaineHousing received comments from \_\_\_\_\_

*Summary of Comments and Responses to Comments:*

**STATUTORY AUTHORITY:** 30-A M.R.S.A. §§4741 (1) and (18); 42 U.S.C.A. §§11301, *et seq.*

**EFFECTIVE DATE:**



## Finance Department Memorandum

**To:** Board of Commissioners  
**From:** Darren R. Brown  
**Date:** November 8, 2022  
**Subject:** 2023 Budgets - Preliminary

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Preliminary budgets for Fiscal Year 2023 are attached for your review and consideration. The attachments include information on Fiscal Year 2021 (actual results), Fiscal Year 2022 (approved budgets and forecasted results), and the proposed Fiscal Year 2023 budgets. The 2022 forecasted amounts take into account the first nine months of actual results and three months of projections using current trends and expected activities through the end of the year, and serve as the basis for the 2022 to 2023 comparisons on the attachments.

The 2023 budgets reflect continuing improvement with MaineHousing's financial position and performance. This year's profitability will be above the established budget amount due to a higher interest rate environment, which has had a favorable impact on the mortgage lending segment of operations. A continuation of higher interest rates is anticipated for 2023. The COVID-19 pandemic also impacted operations again this year. Federal and state funds for programs will reach an all-time high level this year and will be lower in 2023 due to the completion of some of the COVID-related programs.

MaineHousing is expected to generate net operating income of approximately \$7 million this year, which is \$3 million above this year's budget. A higher amount is projected for 2023 and total revenues are budgeted to exceed expenses by approximately \$9.6 million.

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

### Mortgage Lending Activities

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

Higher interest rates impacted this year's activities by increasing interest income. A similar rate environment is assumed for 2023. The interest rate environment has also increased borrowing costs associated with bonds. Interest expense has increased this year and will increase further in 2023.

The following presents the major components and factors used in the development of the 2023 budgets for mortgage lending activities.

- Interest income from mortgages is projected to increase by approximately \$6.1 million. The loan portfolio is expected to increase by a net amount of \$135 million in 2023. New loan production is projected at approximately \$255 million, which is a small increase compared with current year activity. Loan reductions

from scheduled repayments, prepayments, and foreclosures combined are estimated at \$120 million, which reflects a small decrease due to lower prepayments compared with current year activity.

- Interest income from investments is projected to increase by \$6.3 million based on a continuation of higher investment rates over the course of the year in 2023.
- Interest expense is projected to increase by approximately \$9.4 million due to higher outstanding bonds, which will increase as new bonds are issued to fund loan production. The average rate on bonds will also increase in 2023.

#### Program Administration Activities

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

Program revenues will be at lower levels in 2023 due to the completion of some of the federal COVID-related programs. New federal and state program funds will offset some of the reduction of COVID programs. The following are the major factors associated with program activities for 2023:

- Program revenues (Federal Rent Subsidy and Grant Income) are projected to decrease by \$195 million and amount to \$305 million. The change is due primarily to the following:
  1. \$217 million decrease for various COVID-19 programs.
  2. \$6 million increase from new federal Infrastructure Weatherization program (Total Award \$31 million).
  3. \$2 million increase from new federal Low Income Water Assistance Programs (Total Awards \$6 million).
  4. \$7 million increase from new state Emergency Housing Relief Fund (Total Award \$22 million).
  5. \$5 million increase from carryforward amounts associated with federal LIHEAP and Weatherization programs.
- Fee income is projected to be \$14 million. Although fees from some of the COVID programs end this year, these will be offset by fees from new programs and higher fees associated with Low Income Housing Tax Credits and the administration of the Section 8 Performance-Based Contract Administration Program.

### **BUDGET ATTACHMENTS**

MaineHousing's 2023 budgets consist of the following attachments:

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

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

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

This attachment provides a macro view of the agency's budget and it presents total consolidated revenues and expenses for all activities. Total combined revenues and expenses are budgeted at \$398.5 million and \$388.9 million, respectively. The total budget amounts for both revenues and expenses reflect a decrease of 32% over the forecasted actual amounts for this year. These decreases are attributed to lower program revenues and expenditures.

Total revenues are projected to sufficiently cover all expenses and profitability is expected to increase in 2023, with revenues exceeding expenses by approximately \$9.6 million.

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

The Operating Expenses Budget presents the agency's overhead and operational costs. The total 2023 budget amount is \$23.1 million, which is an increase of approximately \$0.4 million or 2% over the approved 2022 budget. Total actual expenses for this year are projected to be below budget by approximately \$0.4 million or 2% and the 2023 budget is an increase of \$0.8 million or 4% over forecasted actual expenses.

The majority of the increase is attributed to higher expenses for staff trainings and conferences, partner and client trainings and meetings, and staff events, which combined are approximately \$0.4 million higher for 2023. These expenses were again curtailed this year and will be below budget due to a continuation of COVID-19 restrictions on gatherings and travel during the early part of the year. The 2023 budget reflects a full resumption of these activities to pre-COVID levels.

The following provides a description of each expense and a summary of the major components and assumptions used for the 2023 budget:

#### 1. Salaries

- Based on a staff level of 193 full-time equivalent (FTE) positions. This is an increase of 2 FTEs compared to the approved 2022 budget. Actual salary expenses are expected to be under budget this year by approximately 3 FTEs due to a number of position turnovers and internal position changes throughout the year. Some positions were vacant for an extended period due to the tight labor market in central Maine.
- The budget also includes approximately \$570,000 for merit adjustments, which provides for pay adjustments at the same percentage level approved for this year.
- The total net decrease for 2023 is due largely to one-time bonus payments to employees in 2022, which totaled approximately \$750,000.

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

#### 3. Health, dental and other insurance benefits – Includes costs for health, dental, life, long-term care, and disability insurance benefits. Includes the following for 2023:

- A. Health insurance – a 7% premium increase with no coverage changes and no change with the current provider, Anthem BC/BS.
- B. Dental insurance – no premium increase and no coverage changes and no change with the current provider, Delta Dental.

#### 4. Retirement – Employees have an option to participate in one of two retirement plans offered: (1) a defined contribution plan (Lincoln Financial Group) or (2) a defined benefit plan (MEPERS). There are no benefit or contribution rate changes for either plan.

#### 5. Other fringe benefits – Costs associated with the Employee Wellness Program, which provides employees a maximum annual amount of \$280 for wellness activities like exercise, weight loss, and smoking cessation programs. Payments to employees under this program are a taxable fringe benefit.

#### 6. Office supplies – Costs for standard small expendable office supplies as well as office equipment and furnishings.

7. Printing – Printing costs for various items including: informational pamphlets and brochures, legal and public notices, the annual report, envelopes, business cards, checks and other business forms.
8. Memberships, dues and fees – Membership fees to professional associations for the agency and employees, as well as professional licensing dues. Approximately \$32,000 of the total is for the agency’s annual membership fee to the National Council of State Housing Agencies (NCSHA).
9. Subscriptions – Trade, legal and other technical periodicals and publications for staff to stay current on industry requirements and trends. A new legal library subscription is included for 2023.
10. Sponsorships – Expenses associated with sponsoring housing or program-related events for the purpose of promoting MaineHousing and its programs. Includes the following for 2023:
  - \$2,000 - GrowSmart Maine Annual Summit
  - \$1,600 - Maine Real Estate and Development Association Annual Conference
  - \$3,000 - New England Resident Services Coordinators Conference
  - \$3,000 - Maine Resident Services Coordinators Conference
  - \$3,000 - Maine Real Estate Managers Annual Conference
  - \$1,500 – Northern New England Community Action Agencies Conference
  - \$500 - Maine Wisdom Summit/Council on Aging
11. Staff Education/Training/Conferences – All costs (e.g. registration fees and tuition) associated with necessary training for staff, except for the travel and meal costs. Related travel and meal costs are separated due to a law requirement (see next line).
12. Staff Education/Training/Conferences – Travel and Meals - Travel and meal costs associated with staff training (e.g. meals, lodging, mileage, airfare, and parking).

The combined increase of \$198,000 for lines 11 and 12 is based on a resumption of activities to pre-COVID levels. Expenses in this area were impacted by COVID-19 and some restrictions on gatherings and travel for a part of this year. For 2022, the budget included a reduction offset of \$89,000 for a potential reduction in activities due to COVID. A COVID reduction adjustment has not been included for 2023.

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

The combined increase of \$180,000 for lines 13 and 14 is based on a resumption of activities to pre-COVID levels. Expenses in this area were impacted by COVID-19 and some restrictions on gatherings and travel for a part of this year. For 2022, the budget included a reduction offset of \$35,000 for a potential reduction in activities due to COVID. A COVID reduction adjustment has not been included for 2023.

Additionally, the budget includes the following new activities for 2023:

- MaineHousing will host the State Affordable Housing Conference. The total cost for the conference is approximately \$75,000 and is covered by sponsorships and participants fees. The related revenues are included in “Other income”.
- Additional technical trainings associated with the implementation of new federal programs are planned for 2023.

15. Staff events –All costs, other than meals, associated with agency-sponsored employee recognition events or meetings. The cost for food associated with staff events are accounted for separately (see next line).
16. Staff events - Meals - Meals associated with an agency-sponsored employee recognition event or meeting

The combined increase for lines 15 and 16 is \$38,000 and is based on a resumption of activities to pre-COVID levels. Expenses in this area were impacted by COVID-19 and some restrictions on gatherings this year. For 2022, the budget included a reduction offset of \$10,000 for a potential reduction in activities due to COVID. A COVID reduction adjustment has not been included for 2023.

17. Leased vehicles- Certain employees are provided with a leased vehicle to fulfill their job requirements. All vehicles are leased through the State of Maine Central Fleet Division.
18. Computer supplies – Includes desktop computers, monitors, as well as other computer-related items. The increase is due to equipping additional employee workstations in 2023.
19. Software licenses (SAAS) – Costs for software that is provided as a service on a subscription basis. Several new software subscriptions are planned for 2023.
20. Computer maintenance - MaineHousing maintains a significant computer network and most of the computer systems and applications have annual maintenance and support agreements. The increase is due to an agency upgrade and conversion to Microsoft Office 365 in 2023.
21. Interest expense – Interest expense for the \$16 million loan used for the acquisition and rehabilitation of the Edison Drive office building. The loan is an amortizing 15-year note with a fixed rate of 3.2%.
22. Office building property expenses – Costs associated with owning and operating the Edison Drive office building. Includes: payments in lieu of taxes, services for cleaning and groundskeeping, utilities, and other maintenance. The increase is due to higher costs for electricity and natural gas.
23. Depreciation – Capital expenditures are recorded as assets and then depreciated (expensed) over their useful life. The budget amount is based on actual depreciation schedules for existing assets and estimates for new capital expenditures in 2023 (see Capital Budget).
24. Rent – Primarily rental of archive storage space and a disaster recovery backup system/storage.
25. Telecommunications - Costs for the agency’s RingCentral phone system, wireless phones, land-lines, and internet connections.
26. Employment advertisements –Advertising cost associated with filling vacant positions. Employment advertisements are mainly handled via online job advertising websites.
27. Postage and shipping – Costs for postage as well as UPS mailings and other shipments. Additional bulk mailings for certain program outreach and survey initiatives are planned for 2023.
28. Insurance – Premiums for worker’s compensation, property, liability, crime, fidelity bond and auto insurance. Also, as a governmental agency, MaineHousing directly pays unemployment insurance claims.
29. Recording fees – Fees paid for certain UCC and deed filings and discharge recordings.
30. Payroll services – Costs associated with using Paylocity, which is an external payroll system and service provider.

31. Audit services – Costs associated with the annual audits, which includes an audit of the financial statements audit and a compliance audit of federal programs.
32. Professional services – Includes amounts for various contract services and consultants. The increase is due primarily to new contract services for language translations of program materials and additional legal and information technology consultant services. The following are the major items budgeted for 2023:

Legal services	\$60,000
Translation services	30,000
Information Technology consultants	45,000
Davis Bacon monitoring	20,000
Rent affordability data collection	21,000
Hearing Officers and fraud investigation services	20,000
Housing research services	17,000
Defined contribution retirement plan advisors	25,000
Information Technology security and monitoring work	60,000
Temporary employment services	43,000

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

Direct program administrative expenses are costs that are specifically related to the administration of a particular program. Budgeted expenses for 2023 amount to \$8.9 million, which is an increase of approximately \$0.3 million or 3% over projected actual expenses for this year. The increase is attributed primarily to the growth of the single-family loan portfolio and potential increases for loan defaults and foreclosures. The following is a summary of each expense:

1. Loan foreclosure expenses – Costs associated with foreclosing on loans, which includes expenses for attorney fees, appraisals, property inspections, clean-ups, and preservation work.
2. REO expenses – Real estate owned expenses are incurred when the property title associated with a foreclosed or defaulted loan is transferred to MaineHousing. Consist of property maintenance, taxes, marketing, and other disposition costs.
3. Provision for losses on loans and REOs – Expenses associated with writing-off uncollectible loans and REO assets and is based in part on delinquency rates and the volume of loans in foreclosure.
4. Mortgage servicing fees – Fees paid to six servicers to perform loan servicing work associated with the single-family loan portfolio. The increase is due mainly to a higher average number of loans in 2023.
5. Loan origination expenses – Origination fee of 1.5% and servicing release fee of 0.5% paid to lenders for underwriting and closing single-family loans. The increase is based on projected loan purchases for 2023.
6. Bond issuance expenses – Expenses associated with preparing and selling bonds, which includes legal, underwriting, commission, printing, and registration fees. The decrease is attributed to the inadvertent need to record certain 2021 bond issuance costs in 2022.
7. Trustee/Bank fees – Fee payments to U.S. Bank for trustee services associated with the Mortgage Purchase Bond Fund (MPP).
8. Program advertisements– Expenses associated with promoting the First Home Loan program and various other programs. Costs may include print and online venues, broadcast time, radio time and direct mail advertising.

9. Bond and mortgagee insurance – Insurance costs associated with certain bonds and mortgage loan programs.
10. Variable rate bond remarketing & SBPAs – Costs associated with variable rate demand notes (VRDN's). Includes fees payments to remarketing agents for resetting interest rates and liquidity facilities expenses. The decrease is due to the restructuring of a Standby Bond Purchase Agreements (SBPAs) at lower rates this year.
11. Cash flow/arbitrage/swap consultants/legal – Includes costs for bond cash flows and arbitrage tax services, consulting services associated with interest rate swap instruments, and legal cost associated with the remarketing of bonds and SBPAs.
12. Homebuyer education – Education classes for the First Home Loan program. This training covers all aspects of the home buying process and provides consumers with knowledge about homeownership costs and responsibilities.
13. Program administrator fees– Payments to outside agents to perform administrative work associated with several programs, which include portability fee payments for the Section 8 HCV program. When voucher recipients relocate and leave MaineHousing's portfolio, the administration fees associated with the voucher are paid to the housing authority in the relocated area.

### **Capital Budget – Attachment C**

The Capital Budget is for items that provide the agency with an economic benefit over a period of time. Items are recorded as assets and then depreciated and expensed over their estimated useful life. The proposed Capital Budget for 2023 is approximately \$1.2 million, which is an increase of approximately \$524,000 over capital expenditures for this year.

Most of the capital expenditures for 2023 are for computer software items. A large portion of the budget is for replacing and upgrading the multi-family housing system and the systems used to administer the federal LIHEAP and Weatherization program. The multi-family housing system is used to link the various sources of loan data throughout the agency and provide for a centralized repository of related information.

There are also amounts to make modifications and upgrades to the Hancock system used to administer the federal LIHEAP and weatherization programs and the Salesforce software used to track and account for activities associated with a number of federal programs. Modification to the Hancock system are needed until the new system can be placed into service, which will likely be in early 2024.

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

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

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

This attachment presents projected revenues and expenses for each of MaineHousing's seven Fund Groups, which from a financial structure perspective represent separate and stand-alone entities. The purpose of this attachment is to illustrate how operating costs for 2023 will be allocated to the different internal entities and ultimately paid. Also, MaineHousing's Bond Resolution requires that a budget be prepared for the Mortgage Purchase Fund Group (MPP) as part of the agency's annual budget process. The MPP budget is presented in the second column from the left.

The total amounts presented in the left-hand column of this attachment are the same as the 2023 budget amounts presented on Attachment A.

**MAINE STATE HOUSING AUTHORITY  
CONSOLIDATED REVENUES AND EXPENSES BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2023**

(IN THOUSANDS OF DOLLARS)

	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>	<u>\$ Increase<sup>1</sup> (Decrease)</u>	<u>% Increase<sup>1</sup> (Decrease)</u>
<b>REVENUES:</b>						
Interest from mortgages and notes	60,031	60,390	60,400	66,500	6,100	
Income from investments	1,191	1,300	5,980	12,305	6,325	
Federal rent subsidy income <sup>2</sup>	109,705	109,296	110,393	112,979	2,586	
Grant income <sup>2</sup>	254,876	311,042	390,537	192,594	(197,943)	
Fee income <sup>2</sup>	12,420	14,046	12,902	14,003	1,101	
Other income <sup>2</sup>	328	65	155	160	5	
Total Revenues	<u>438,551</u>	<u>496,139</u>	<u>580,367</u>	<u>398,541</u>	<u>(181,826)</u>	<u>(32%)</u>
<b>EXPENSES:</b>						
Operating expenses <sup>3</sup>	19,752	22,708	22,309	23,122	813	
Direct program administrative expenses <sup>3</sup>	7,367	9,093	8,592	8,864	272	
Interest expense	41,134	40,795	41,950	51,340	9,390	
Federal rent subsidy expense	109,705	109,296	110,393	112,979	2,586	
Grant expense	254,218	310,202	390,094	192,594	(197,500)	
Total Expenses	<u>432,176</u>	<u>492,094</u>	<u>573,338</u>	<u>388,899</u>	<u>(184,439)</u>	<u>(32%)</u>
<b>Net Operating Income</b>	<u><b>6,375</b></u>	<u><b>4,045</b></u>	<u><b>7,029</b></u>	<u><b>9,642</b></u>	<u><b>2,613</b></u>	<u><b>37%</b></u>

<sup>1</sup> 2022 Forecast Vs. 2023 Budget

<sup>2</sup> Amounts are itemized on Attachment D.

<sup>3</sup> Amounts are itemized on Attachment B.

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND DIRECT PROGRAM ADMINISTRATIVE EXPENSES BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2023**

**ATTACHMENT B**

	<b>2021</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>	<b>\$ Increase<sup>1</sup></b>	<b>% Increase<sup>1</sup></b>
	<b>Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>	<b>(Decrease)</b>	<b>(Decrease)</b>
<b>Operating Expenses</b>						
1.	Salaries	11,215,293	12,989,264	12,817,703	12,455,888	(361,815)
2.	Payroll taxes	854,728	956,112	943,484	914,098	(29,386)
3.	Health, dental and other insurance benefits	2,607,163	2,932,952	2,820,207	3,116,854	296,647
4.	Retirement	1,092,228	1,247,720	1,231,240	1,242,963	11,723
5.	Other fringe benefits	9,608	10,000	10,000	10,000	0
6.	Office supplies	54,289	51,700	50,697	51,365	668
7.	Printing	68,709	71,430	72,031	75,560	3,529
8.	Membership, dues and fees	53,433	65,554	62,930	63,811	881
9.	Subscriptions	19,896	26,440	21,812	32,077	10,265
10.	Sponsorships	7,500	17,000	14,500	14,600	100
11.	Staff Education/Training/Conferences	97,654	179,786	105,238	180,131	74,893
12.	Travel/Meals - Staff Educ/Train/Conferences	4,800	176,014	75,050	197,859	122,809
11./12.	COVID-19 Adj-Staff Education/Training/Conferences	0	(88,950)	0	0	0
13.	Partner/Client Trainings/Meetings	45,959	78,000	26,216	138,510	112,294
14.	Travel/Meals - Partner/Client Train/Meetings	15,838	60,024	44,665	112,546	67,881
13./14.	COVID-19 Adj-Partner/Client Trainings/Meetings	0	(34,506)	0	0	0
15.	Staff events	12,284	19,960	11,552	28,580	17,028
16.	Meals - Staff events	5,504	22,000	12,514	33,130	20,616
15./16.	COVID-19 Adj-Staff Events	0	(10,490)	0	0	0
17.	Leased vehicles	128,224	143,417	172,752	177,773	5,021
18.	Computer supplies	33,396	25,312	28,703	39,812	11,109
19.	Software licenses (SAAS)	188,659	185,827	230,386	254,048	23,662
20.	Computer maintenance contracts	628,855	653,846	717,317	789,721	72,404
21.	Interest expense - office building	491,522	473,524	473,524	458,669	(14,855)
22.	Property expenses - office building	416,582	460,085	489,847	522,435	32,588
23.	Depreciation	932,522	1,020,000	1,019,141	1,200,000	180,859
24.	Rent - storage and disaster recovery	35,576	37,430	35,673	39,430	3,757
25.	Telecommunications	123,032	132,384	123,769	125,584	1,815
26.	Employment advertisements	3,674	1,000	1,000	1,000	0
27.	Postage and shipping	109,199	115,650	130,662	141,022	10,360
28.	Insurance	80,440	93,010	96,260	105,748	9,488
29.	Recording fees	730	1,000	1,000	1,000	0
30.	Payroll services	40,717	44,365	46,711	49,418	2,707
31.	Audit services	145,800	169,800	164,400	172,000	7,600
32.	Professional services	228,452	380,886	258,265	376,108	117,843
	<b>Total Operating Expenses</b>	<b>19,752,266</b>	<b>22,707,546</b>	<b>22,309,249</b>	<b>23,121,740</b>	<b>812,491</b>
						<b>4%</b>
<b>Direct Program Administrative Expenses</b>						
1.	Loan foreclosure expenses	47,874	200,000	76,500	200,000	123,500
2.	REO expenses	3,794	50,000	12,000	50,000	38,000
3.	Provision for losses on loans and REOs	17,713	125,000	50,000	125,000	75,000
4.	Mortgage servicing fees	1,728,664	1,860,000	1,760,000	1,850,000	90,000
5.	Loan origination expenses	2,116,099	3,020,000	3,135,000	3,230,000	95,000
6.	Bond issuance expenses	665,876	900,000	956,000	900,000	(56,000)
7.	Trustee/Bank fees	161,408	170,000	165,000	170,000	5,000
8.	Program advertisements	310,480	424,750	335,000	343,450	8,450
9.	Bond and mortgagee insurance	15,872	17,000	17,600	19,550	1,950
10.	Variable rate bond remarket/SBPAs	1,078,009	1,100,000	885,000	710,000	(175,000)
11.	Cash flow/arbitrage/swap consultants/legal	666,224	645,000	642,825	675,000	32,175
12.	Homebuyer education	113,600	120,000	120,000	135,000	15,000
13.	Program administrator fees	442,060	461,000	437,300	455,610	18,310
	<b>Total Direct Program Administrative Expenses</b>	<b>7,367,673</b>	<b>9,092,750</b>	<b>8,592,225</b>	<b>8,863,610</b>	<b>271,385</b>
						<b>3%</b>

<sup>1</sup> 2022 Forecast vs. 2023 Budget

**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2023**

**ATTACHMENT C**

Description	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	\$ Increase <sup>1</sup> (Decrease)	% Increase <sup>1</sup> (Decrease)
<b>Computer Hardware:</b>						
Network backup hardware - Data Domain		15,000	0	15,000		
Laptop replacements		30,000	30,000	55,000		
Total computer hardware	<u>16,232</u>	<u>45,000</u>	<u>30,000</u>	<u>70,000</u>	<u>40,000</u>	<u>133%</u>
<b>Computer Software:</b>						
Enterprise multi-family housing system		170,000	235,675	240,679		
Amplifund grant management software		0	79,100	45,600		
Coordinated Entry Portal - client list software homeless programs		10,000	0	0		
Mobile device management software		8,000	0	8,000		
Website redesign		37,000	19,775	7,000		
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	171,376	100,442		
Community Outreach Dashboard		25,000	0	0		
Salesforce software upgrades		122,000	122,000	120,000		
New LIHEAP & Wx system		0	0	575,000		
Total computer software	<u>256,913</u>	<u>511,484</u>	<u>627,926</u>	<u>1,116,721</u>	<u>488,795</u>	<u>78%</u>
<b>Office Building:</b>						
Server room upgrades		0	27,923	0		
Audio visual equipment upgrade		0	20,176	0		
Additional workstations & furnitures		0	6,975	50,000		
Total office building	<u>53,379</u>	<u>0</u>	<u>55,074</u>	<u>50,000</u>	<u>(5,074)</u>	<u>n/a</u>
<b>Total</b>	<u><u>326,524</u></u>	<u><u>556,484</u></u>	<u><u>713,000</u></u>	<u><u>1,236,721</u></u>	<u><u>523,721</u></u>	<u><u>73%</u></u>

<sup>1</sup> 2022 Forecast Vs. 2023 Budget

**MAINE STATE HOUSING AUTHORITY  
ITEMIZATION OF CERTAIN REVENUES  
FOR THE YEAR ENDING DECEMBER 31, 2023**

ATTACHMENT D

(IN THOUSANDS OF DOLLARS)

	2021	2022	2022	2023	\$ Increase¹	% Increase¹
	Actual	Budget	Forecast	Budget	(Decrease)	(Decrease)
<b>Federal rent subsidy income:</b>						
HUD Section 8 Housing Choice Vouchers	30,656	29,700	31,007	30,900		
HUD Section 8 Emergency Housing Vouchers-ARP Act	348	557	521	550		
HUD Section 8 New Construction	1,001	0	0	0		
HUD Section 8 Performance Based Contract Admin	76,964	78,200	78,045	80,669		
HUD Section 811 - Project Rental Assistance	28	74	110	164		
HUD Section 8 Moderate Rehabilitation	624	630	579	564		
HUD Section 8 Mainstream Vouchers	84	135	131	132		
<b>Total Federal rent subsidy income</b>	<b>109,705</b>	<b>109,296</b>	<b>110,393</b>	<b>112,979</b>	<b>2,586</b>	<b>2%</b>
<b>Grant Income - Federal (Non-COVID-19):</b>						
HUD Home Investment Partnership Program (HOME)	1,303	3,807	4,211	3,955		
HUD National Housing Trust Fund	0	2,792	2,684	2,695		
HUD Homeless Management Info System	111	132	132	132		
HUD Lead-Based Hazard Program	1,384	1,272	1,506	1,000		
HUD Older Adult Home Modification Program	0	274	100	262		
HUD Emergency Solutions Grant	1,387	1,287	1,287	1,287		
HUD Housing Counseling Grant	1	8	2	0		
HUD Continuum of Care Planning Grant	11	65	65	68		
HUD Tenant-Based Rental Assistant	438	456	424	0		
HUD Youth Homeless Demonstration	33	0	0	0		
HUD Recovery House Program	0	875	875	1,734		
DHHS Low Income Home Energy Assistance (LIHEAP)	38,242	39,200	40,595	43,636		
DHHS Maine Association of Recovery Residences	705	843	212	0		
DOE Weatherization	2,967	4,650	1,616	3,254		
DOE Weatherization Training Centers	0	354	0	288		
DOE Weatherization - Infrastructure	0	0	0	5,413		
DOE Weatherization Training Centers - Infrastructure	0	0	0	468		
State - Federal TANF/LIHEAP Supplement	1,647	2,720	2,148	2,720		
<b>Total Grant income - Federal (Non-COVID-19)</b>	<b>48,229</b>	<b>58,735</b>	<b>55,857</b>	<b>66,912</b>	<b>11,055</b>	<b>20%</b>
<b>Grant Income - Federal (COVID19):</b>						
CARES Act Emergency Solutions Grant	6,371	6,007	2,813	0		
ARP Act - Home Investment Partnership Program	0	3,975	3,975	9,325		
CARES Act - FEMA-COVID-19 Homeless Initiatives	20,251	5,000	21,204	3,040		
ARP Act - Community Development Block Grant - SHP	3	3,000	432	2,565		
CARES Act - Rent Relief Program	8,093	0	0	0		
CA Act - Emergency Rental Assistance 1.0	76,653	0	114,347	0		
ARP Act - Emergency Rental Assistance 2.0	36,564	110,985	109,736	0		
ARP Act - Low Income Home Energy Assistance	21,285	33,547	15,112	14,000		
CA Act - Low Income Water Assistance Program 1.0	0	1,631	200	1,585		
ARP Act - Low Income Water Assistance Program 2.0	0	0	0	0		
State ARP Allocation - Expand Housing Options	0	50,000	10,000	40,000		
State ARP Allocation - Shelter Operating Subsidy	0	0	10,000	0		
State ARP Allocation - Housing Navigators	0	750	375	750		
<b>Total Grant income - Federal (COVID-19)</b>	<b>169,220</b>	<b>214,895</b>	<b>288,194</b>	<b>71,265</b>	<b>(216,929)</b>	<b>(75%)</b>
<b>Total Grant income - Federal</b>	<b>217,449</b>	<b>273,630</b>	<b>344,051</b>	<b>138,177</b>	<b>(205,874)</b>	<b>(60%)</b>
<b>Grant income - Non-Federal:</b>						
Real Estate Transfer Taxes	28,536	28,500	30,000	30,000		
Maine Energy Housing & Economic Recovery	4,319	4,319	4,319	4,319		
Utilities - Low Income Assistance Plan (LIAP)	1,138	1,136	1,047	1,919		
State - Shelter Operating Subsidy	2,500	2,500	2,500	2,500		
State - Emergency Housing Relief Fund	0	0	7,250	14,211		
State - Home Repair Program (Arsenic)	51	43	0	0		
State - Well Water Treatment Program	0	0	30	100		
State - Revolving loan State G.O. funds	98	0	0	0		
State - Lead Abatement Program	734	756	571	1,098		
State - CHIP Lead Program	0	0	0	270		
State - Maine Association of Recovery Residences	51	158	769	0		
<b>Total Grant Income - Non-Federal</b>	<b>37,427</b>	<b>37,412</b>	<b>46,486</b>	<b>54,417</b>	<b>7,931</b>	<b>17%</b>
<b>Total Grant income</b>	<b>254,876</b>	<b>311,042</b>	<b>390,537</b>	<b>192,594</b>	<b>(197,943)</b>	<b>(51%)</b>
<b>Fee income:</b>						
HUD Section 8 Vouchers	2,824	2,945	2,815	2,810		
HUD Section 8 Emergency Housing Vouchers-ARP Act	244	54	42	57		
HUD Section 8 FSS	62	82	82	94		
HUD Section 8 Mod Rehab.	82	69	66	78		
HUD Section 8 New Construction - MPP	13	0	0	0		
HUD Section 811 - Project Rental Assistance	6	14	30	30		
HUD Section 8 PBCA	2,399	2,066	2,447	2,892		
HUD Section 8 Mainstream Vouchers	14	3	11	13		
<b>Total HUD Section 8 Programs (all programs)</b>	<b>5,644</b>	<b>5,233</b>	<b>5,493</b>	<b>5,974</b>	<b>481</b>	<b>9%</b>
HUD Home Investment Partnership Program (HOME)	234	423	468	440		
HUD National Housing Trust Fund	251	310	298	300		
HUD Homeless Management Info System	217	213	213	213		
HUD Lead-Based Hazard Program	105	91	75	50		
HUD Older Adult Home Modification Program	3	126	40	94		
HUD Emergency Solutions Grant	4	105	105	105		
HUD Housing Counseling Grant	14	16	5	0		
HUD Continuum of Care Planning Grant	360	337	337	358		
HUD Tenant-Based Rental Assistant	81	45	45	0		
HUD Coordinated Entry Grant	43	15	15	0		
HUD Youth Homeless Demonstration	7	0	0	0		
HUD Recovery House Program	3	76	30	30		
DHHS Low Income Home Energy Assistance (LIHEAP)	980	2,000	1,015	1,091		
DHHS Maine Association of Recovery Residences	23	33	7	0		
DOE Weatherization	173	321	200	360		
DOE Weatherization Training Centers	60	354	67	288		
DOE Weatherization - Infrastructure	0	0	30	199		
DOE Weatherization Training Centers - Infrastructure	0	0	0	468		
CARES Act Emergency Solutions Grant	0	0	75	75		
CARES Act - FEMA-COVID-19 Homeless Initiatives	0	125	0	75		
CA Act - Emergency Rental Assistance 1.0	432	0	176	0		
ARP Act - Emergency Rental Assistance 2.0	335	650	455	0		
ARP Act - Low Income Home Energy Assistance	422	350	415	93		
ARP Act - Home Investment Partnership Program	11	395	100	100		
CAA Act - Low Income Water Assistance Program 1.0	34	113	10	86		
State - Federal TANF/LIHEAP Supplement	106	280	95	106		
Utilities - Low Income Assistance Plan (LIAP)	284	346	346	356		
State - Home Repair Program (Arsenic)	14	45	0	0		
State - Well Water Treatment Program	0	0	10	51		
Home Modification Certification Program	5	4	0	0		
State - Lead Abatement Program	76	100	60	91		
State - CHIP Lead Program	0	0	0	30		
State - Recovery House Program	2	6	12	0		
Multi-family loan origination fees	1,494	720	1,500	1,500		
Low income housing tax credit fees	887	1,095	1,086	1,349		
Conduit bonds servicing fees - Princeton Properties	114	114	114	116		
Other fees	2	5	5	5		
<b>Total Fee income</b>	<b>12,420</b>	<b>14,046</b>	<b>12,902</b>	<b>14,003</b>	<b>1,101</b>	<b>9%</b>
<b>Other Income</b>						
Real estate owned income	157	60	50	75		
Affordable Housing Conference	40	0	0	80		
Federal Home Loan Bank - Helping to House NE	100	0	100	0		
UBS LIBOR Settlement	21	0	0	0		
Miscellaneous	10	5	5	5		
<b>Total Other income</b>	<b>328</b>	<b>65</b>	<b>155</b>	<b>160</b>	<b>5</b>	<b>3%</b>

¹ 2022 Forecast Vs. 2023 Budget

**MAINE STATE HOUSING AUTHORITY  
REVENUES AND EXPENSES BUDGET BY FUND GROUP  
FOR THE YEAR ENDING DECEMBER 31, 2023**

ATTACHMENT E

(IN THOUSANDS OF DOLLARS)

	<b>2023 Budget</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>REVENUES:</b>								
Interest from mortgages and notes	66,500	66,000	0	400	60	0	0	40
Income from investments	12,305	10,700	160	390	500	0	140	415
Federal rent subsidy income	112,979	0	0	0	0	112,979	0	0
Grant income	192,594	0	0	0	32,500	138,177	17,598	4,319
Fee income	14,003	1,500	0	1,470	0	10,505	528	0
Other income	160	50	0	110	0	0	0	0
<b>Total Revenues</b>	<b>398,541</b>	<b>78,250</b>	<b>160</b>	<b>2,370</b>	<b>33,060</b>	<b>261,661</b>	<b>18,266</b>	<b>4,774</b>
<b>EXPENSES</b>								
Operating expenses	23,122	0	0	23,122	0	0	0	0
Direct program expenses	8,864	8,178	0	25	0	371	290	0
Interest expense	51,340	50,325	0	0	0	0	0	1,015
Federal rent subsidy expense	112,979	0	0	0	0	112,979	0	0
Grant expense	192,594	0	0	0	33,060	138,177	17,598	3,759
Allocated operating costs	0	11,561	116	(21,268)	0	9,245	347	0
<b>Total Expenses</b>	<b>388,899</b>	<b>70,064</b>	<b>116</b>	<b>1,879</b>	<b>33,060</b>	<b>260,772</b>	<b>18,235</b>	<b>4,774</b>
<b>Net Operating Income</b>	<b>9,642</b>	<b>8,186</b>	<b>44</b>	<b>491</b>	<b>0</b>	<b>889</b>	<b>31</b>	<b>0</b>

Operating Budget - Attachment B

**Director's Department Memorandum**

**To:** MaineHousing Board of Commissioners

**From:** Daniel Brennan, Director

**Date:** November 9, 2022

**Subject:** 2023 Goal Setting

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Attached are four documents resulting from our 2023 goal setting exercise we started at the August Board meeting which we will be discussing and finalizing at our November meeting. These documents are:

- The Housing Market in Maine – Adam Krea will summarize what the current market is telling us and what we are looking at heading into 2023.
- 2023 Goal Setting – Board Priorities – at the September meeting, the Board set three specific areas for us to prioritize in 2023 and ways we can get to the ‘next level’.
- 2023 Goal Setting – Staff Takeaways – beyond the priorities, this document captures the full discussion we had in August and additional actions staff will be considering in 2023.
- 2023 Resource Allocation summary – this draft will show our initial plans in allocating our discretionary resources in 2023 and, if additional funding is received, how we will focus them on the three priority areas.

I look forward to our discussion.

# THE HOUSING MARKET IN MAINE

## NOVEMBER 4, 2022

There has been a lot written in recent months about the slowing – or even declining – housing market. A prolonged period of incredibly low mortgage rates accelerated the rise of home values and the unexpected and dramatic surge of home prices during the pandemic made 2021 and the first half of 2022 one of the hottest housing market in memory. In Maine, a family that purchased a home in 2016 could have seen their home value double in that five year period. For the most part, homes were on the market for less than a week with multiple offers received – often substantially over the asking price and many times included at least one cash offer. Contingencies such as home inspections, surveys, and appraisals were waived by homebuyers in an attempt to gain an edge over competing buyers on the same home.

Rents increased dramatically as well and, coupled with the lack of available rental units, priced many renters out of the market. There is still debate about the cause of this lack of supply and increased demand. Logically it appeared to be a combination of factors: less folks could afford to purchase a home, so they did not move out of rental units; long-term rental units had been converted to short-term rentals decreasing supply; and more people moved to states such as Maine with the greater acceptance of teleworking.

The high demand and flooding of resources into the market created many new “housing starts” – from single family homes to multifamily properties – but this caused construction to become very expensive and project progress to slow dramatically. This was attributed mostly to labor and material shortages. Contractors did not have enough employees to have full crews on each jobsite and materials manufacturers did not have the employees or raw materials to turn out supply to meet demand.

The question now is: what’s next? How is Maine faring as the real estate market slows? While there is no absolute answer to these questions, through the hundreds of transactions in MaineHousing’s single family mortgage and multifamily development pipeline, as well as the constant conversations with our Realtor, mortgage lender, developer, and contractor partners, the following findings have emerged as of early November 2022.

### **HOMEBUYERS**

While the second half of 2022 did not bring about a decline in Maine’s real estate market, the frantic pace did slow. This gave some hope to first-time homebuyers who had been competing with other buyers able to offer cash, submit offers well above the asking price, and waive conditions such as home inspections or an appraisal. As a result, hopeful MaineHousing borrowers saw the opportunity to take part in a more “normal” market without feeling the extreme pressure to make an immediate decision lacking adequate thought or placing common sense precautions in any purchase offer they made, for fear of losing the home to another buyer.

MaineHousing set the First Home Loan program income limits \$5,000 above the IRS limit in 2022 as home prices increased far faster than incomes. This allowed individuals and families just above the IRS limits the ability to afford a home purchase using the program. As of November 1, MaineHousing has purchased almost \$19 million of loans with surplus funds in the bond resolution as these loans are ineligible for tax-exempt bond financing.

Interest rates began climbing in 2022 as well, with conventional 30-year fixed rate mortgages more than doubling from around 3% at the beginning of 2022 to an average of about 7.125% today. MaineHousing's traditional First Home Loan program rate has increased from 2.875% at the start of 2022 to 5.5% today. While this rate has almost doubled, the spread between the First Home Loan program rate and market rates has increased from 12.5 basis points to more than 150 basis points. When combined with the \$5,000 Advantage down payment and closing cost assistance grant, MaineHousing's First Home Loan program is making a significant difference in the marketplace and offers first time buyers an affordable choice which is reflected in the large pipeline of new loan reservations.

Looking into 2023, with a general consensus that rate increases will continue at least in the short-term, conventional wisdom tells us that if mortgage rates increase dramatically, meaning there will be fewer buyers in the marketplace, home values will decrease as sellers look to attract buyers. To date, Maine is just starting to see a decrease in home prices even with the doubling of mortgage rates. There is, of course, a downside for MaineHousing's first-time homebuyers. The rising interest rates are occurring in concert with a serious spike in inflation including food, consumer goods, and energy prices, all of which can have a negative impact on consumer spending habits and housing affordability.

The monthly principal and interest payments on a \$200,000 mortgage have increased \$306 per month, from \$830 at 2.875% to \$1,136 at 5.50%. To combat the declining affordability caused by increasing mortgage rates without the offsetting decrease in home prices, MaineHousing will continue to keep the First Home Loan program rate as low as possible. Maine's rate continues to be one of the lowest in the country, which is possible through a combination of efficiencies and strategies employed by our highly skilled financial team. This expertise allows MaineHousing to take less of a spread to pay for operating costs, which is an important component of fulfilling the First Home Loan program goal of maintaining rates that are as low as possible in 2023. In addition, while IRS income limits are catching up to the home purchase price limits, the increase in mortgage rates is a new barrier to purchasing a home. For this reason, MaineHousing is considering the amount of surplus funds in the bond resolution to see if the income limit can exceed the IRS limits again in 2023.

## **RENTERS**

Renters in Maine have not had it any easier. Rent escalation in almost every market in Maine is bad enough, but add to that the very limited supply, and many renters are without a suitable home. The immediate and obvious result of this is increased homelessness in Maine. Over the past 18 months federal rent subsidies have kept many individuals and families warm, safe, and dry. Those federal programs have been fully spent and there is no plan to renew them. Housing Choice Voucher clients have the safety of knowing their out-of-pocket rent will be 30% of their income, however there is no guarantee of finding a unit. Many folks have been looking for months and have not had success. MaineHousing-funded properties report record low vacancy rates – and the vacancy rates are a mathematical vacancy resulting from longer timeframes to turn units over due to labor shortages, not because there are units available to rent.

Longer term effects of high rents may include renters' inability to save for a down payment on a home as rents consume a greater percentage of an individual or family's income. Less ability to save coupled with higher borrowing rates means less folks will be able to transition from renter to home buyer. The

less units are vacated, the less availability there is for a new renter to move in, creating a “log jam” in the housing continuum.

In 2023 MaineHousing plans to continue programs and increase resources – both capital and human – in the areas of Housing Navigation, Rapid Rehousing, and Homeless Diversion. This effort will assist in moving individuals and families experiencing, or at risk of experiencing, homelessness into permanent housing. It is not possible for the State or MaineHousing to pay even a fraction of the federal rent subsidies that have ended, but these programs lead to stable, permanent housing, which is the ultimate goal of MaineHousing’s work.

Resources will continue to be directed towards multifamily development to increase the supply of rental units. As in the First Home Loan Program, MaineHousing does not take a full spread on multifamily loans, which keeps our interest rate lower than allowed by the IRS. This directly impacts the amount of paying debt a project can afford, which stretches our non-paying subsidy further. Construction costs, on average, increased almost 25% from 2021 to 2022 and project timelines continue to lengthen as supply chain issues along with labor and material shortages impede progress. For developments that are responsibly designed, MaineHousing has increased resources to pay for the rising construction costs beyond the developers’ control; rising rents have allowed some projects to take on more paying debt, while other projects have needed additional tax credit allocations or subsidy. MaineHousing currently has over \$100 million in bond proceeds for multifamily lending available for projects in the pipeline. As developers move these projects forward, the resources are ready to fund them. Continuing to fund the creation of new units, even in this expensive environment, is necessary due to the critical need of additional rental housing.

## MaineHousing Board of Commissioners Goal Setting Summary

### Homelessness

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#### Current situation

MaineHousing has a leadership role in addressing homelessness in the State. We serve as the Collaborative Applicant for Maine's Continuum of Care, we partner with the Statewide Homeless Council, and we work closely with Community Solutions in implementing the homeless system redesign.

#### Goals for 2023 (status quo)

During 2023 we will work to assure that the new hub system is fully implemented and successful. This will require:

- Continued ongoing work with Community Solutions;
- Continued leadership with the hub coordinators and other partners to regionalize homeless services in nine areas statewide;
- Finalizing the development of 76 units of supportive housing started during 2022; and
- Continued leadership in implementation of the statewide coordinated entry system, homeless outreach, and housing navigation services.

MaineHousing will also continue to prioritize vouchers for homeless. This will require:

- Continued allocation of 60% of its available Housing Choice Vouchers for homeless referrals from MaineHousing's homeless service partners through the Home to Stay Program and the Homeless Priority Waitlist; and
- Continued allocation of FED Home for the Stability through Engagement Program (STEP).

Getting to the next level:

- Increase activity in shaping a robust state level response to the continued arrival of asylum seekers. This will require deeper collaboration with DHHS, the Governor's office, City of Portland officials, developers and non-profits as they address this as a human service issue; and
- Promote Single Room Occupancy units as one new piece of the homelessness puzzle. This will require developing a standalone program to create SROs (will require new funding) or incent SROs as an effective and efficient type of housing within our annual supportive housing program. 100 SRO units is projected to require \$5 million in subsidy funding.

## Homeownership

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### Current situation

The First Home Loan suite of mortgage products continues to be MaineHousing's flagship program. Homeownership is a critical tool in allowing families to build equity. The First Home Loan offerings make owning a home accessible to first-time buyers, while also freeing affordable rental units for new tenants. This movement through the housing continuum is an essential part of a healthy housing ecosystem.

### 2023 Goals (status quo)

In 2023, we will continue our Advantage down-payment assistance program at \$5000/loan. Over 96% of loans purchased utilize this product. Our goal for 2023 is 1000 loans purchased.

### Getting to the next level:

Dramatically increasing the level of loans purchased is very challenging and potentially very costly. Tools to attract more loans include increased marketing efforts and subsidizing the interest rate offered to well below market rate. Use of subsidy in this fashion may not be in MaineHousing's best financial interests.

Focus on furthering fair housing and identifying biases imbedded in traditional loan products and loan underwriting. This will require:

- Creating new loan products to support affordable Home Ownership
  - Continue the work started in 2022 that looks at built-in biases in traditional credit scores;
  - Partner with Genesis or a similar lender with experience in Sharia-compliant financing to develop fee-only financing products;
  - Establish a lower interest rate option for lower income borrowers which could be cross subsidized by the higher rate for higher income borrowers. This would depend on having adequate rate spreads in the market in order to not negatively impact MaineHousing.
- Continuing our fair housing and cultural working groups to support under-served populations
  - Continue to consider consistent history of on time rent/housing payments as a positive credit factor in the FHL underwriting risk assessment process; and
  - Work with ethnic and community-based organizations that assist underserved and New Mainer populations to bring in established members of the underserved community to help teach basic financial literacy and the economics and responsibilities of homeownership. The next step would be to provide additional, more advanced housing education opportunities including a homebuyer education class for qualified individuals who are ready to pursue homeownership. The goal of this program is to provide underserved and New Mainer populations with a graduated educational process, conducted in culturally focused groups that include trusted members of their own community helping to prepare them to be successful homeowners. \$300,000 would fund three organizations statewide at \$100,000 per organization.

## Production

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### Current situation:

MaineHousing plays a critical role in producing affordable housing in the state of Maine. We have, however, committed almost all of the funding available to us and with that have increased production to unprecedented levels. To accomplish this we have doubled the size of our production team.

### 2023 Goals (status quo)

During 2023, we will allocate available resources to fully utilize the 9% Low Income Housing Tax Credit (LIHTC) and the State LIHTC. We anticipate being able to fund 4 projects with 162 funds in 2023. (We forward allocated 2022 funds into 2023 for the 4% applications received in 2022, and have since closed the program pending the availability of more funds).

### Getting to the next level:

Advocate for additional resources to increase production of both non-LIHTC and LIHTC programs. This will require working with state government to identify and advocate for new resources for the small rural program and the affordable homeownership program. If we are able to receive \$50 million we could produce 135 units with \$25 million in Rural rental, 120 units with \$15 million in a 4% LIHTC walk-in program, and 150 units with \$10 million in the affordable homeownership program.

Provide technical assistance to developers. This will require continuing to support our existing partners to increase their capacity;

- Piloting the Technical Assistance program, that will employ an organization to assist municipalities and regional groups with training and matchmaking with developers and train new or inexperienced developers; and
- Developing educational programming for real estate CEUs to help Realtors become new small developers.

This is our initial summary of the board planning exercise that was held on August 16, 2022.

**What makes home “home” to you?**

- Context, historic buildings and people
- Rural, land, choices about where you live and connecting with people
- Personal stability
- Space to enjoy without distractions
- Sanctuary and community
- Socializing, friends and safety
- Attributes to allow you to strive outside of the home
- Security

**Greg Payne – Governor’s Office Housing Goals**

- Increased Production
- Energy Efficiency- Multifamily Design Standards
- Weatherization – \$31.2 Million (BIL Funding)



Around the Room for 2023: Commissioners were asked to provide two initial priorities:

- Renee: (1) Ramp up production: look at costs, focus on “new, smaller, rural” projects  
(2) Focus on the long-term benefits of homeownership
- Laura: (1) Increase production, especially in rural areas  
(2) Reduce Homelessness – keep doing the creative work we are doing  
(2.5) Promote Homeownership
- Dan: (1) Increase the rate of Black homeownership in Maine.  
(2) Focus on the Hub/Built for zero approach to solving homelessness
- Frank (1) Focus on housing production  
(2) Enhance our state leadership role, in particular with an annual report on state of housing in Maine
- Nancy (1) Focus on homeownership and first time home buyers  
(2) Black Homeownership – lead on DEI issues in housing
- Betty (1) Black Homeownership – work on areas of disparate homeownership levels  
(2) Work around Mental Health and Homelessness
- Henry (1) Production, especially workforce housing  
(2) Homelessness – Urban Homelessness
- Bonita (1) Mental illness leading to homelessness: Housing with Services

Other themes mentioned in passing but not captured in the exercise:

- MSHA should be regarded as a thought leader and statewide information resource regarding affordable housing.
- Need to have an internal goal of identifying and fighting log-jams to keep things moving.
- How do we better promote our program profiles? Navigators? Media?
- Finding ways to support preservation of USDA properties as a critical rural resource.
- “We are truly impressed with the staff and the impact you all have on our communities, and understand how difficult this work is.

<b>Homelessness</b>			
<b>Commissioner' Comments</b>	<b>MaineHousing Staff Response</b>	<b>Currently in Progress</b>	<b>Proposed Action Steps/Potential Solutions</b>
<p>MaineHousing should maintain a leadership role in addressing homelessness in the State.</p>	<p>We are a leader in this area. We serve as the collaborative applicant for Maine's continuum of care, partner with the Statewide Homeless Council, and work closely with Community Solutions in developing and implementing the homeless system redesign.</p>	<ul style="list-style-type: none"> <li>• HCV prioritizes 60% of its available vouchers for homeless, currently housing over 800 through this initiative.</li> <li>• We are working directly with the Governor's office on an unprecedented \$22 million emergency homeless initiative. We are collaborating with cities and towns to use these funds to develop appropriate local solutions in those municipalities.</li> </ul>	<ul style="list-style-type: none"> <li>• 2023 – Remain closely engaged with State team and HUB Coordinators and begin to assess and analyze data.</li> </ul>
<p>Implementation of hubs – MaineHousing should work to assure that the hub system is fully implemented.</p>			
<p>Asylum Seekers: MH Should be partnering and working with other agencies.</p>	<p>We should not be the lead agency in this effort, but we should continue as an active participant, along with governor's office and state agencies. We believe this should not be seen as a homeless issue, but rather a human service issue.</p>	<ul style="list-style-type: none"> <li>• We are working with the Governor's office, City of Portland Officials, developers and nonprofit organizations to utilize a significant portion of the \$22 million emergency homeless initiative to fund both temporary and permanent housing for asylum seekers.</li> </ul>	<ul style="list-style-type: none"> <li>• We will continue to work with DHHS to create a robust state level response to the asylum issue.</li> </ul>
<p>Explore the options of congregate housing and Single Room Occupancy units as one piece of the homelessness puzzle.</p>	<p>This is an important model to explore for supportive housing first projects for those experiencing homelessness, particularly unsheltered homelessness.</p> <p>SRO's tend to be an urban solution and can be seen as an adjunct to the shelter system.</p> <p>Congregate facilities need federal funding and there is diversity of opinion on that.</p>	<ul style="list-style-type: none"> <li>• HCV currently houses 38 people in SRO units through our Project Based Voucher program (Portland, Waterville, Leeds and Sanford).</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a standalone program to create SROs that will provide housing to those experiencing homelessness.</li> <li>• Consider use of any leftover ERA funds for congregate shelter support for municipalities that show leadership and action in this area.</li> </ul>

<b>Homelessness</b>			
<b>Commissioner' Comments</b>	<b>MaineHousing Staff Response</b>	<b>Currently in Progress</b>	<b>Proposed Action Steps/ Potential Solutions</b>
Role of hotels: We use hotels extensively at the moment.	Hotels are not an optimal business model for long term housing, however they have played an invaluable role during the pandemic.	<ul style="list-style-type: none"> <li>• We have expanded our HCV homeless priority list to include referrals from the CAA's from ERA hotels.</li> <li>• We have completed three conversion projects (one in Bangor and two in Farmington).</li> </ul>	<ul style="list-style-type: none"> <li>• Work to phase out support for hotels as a long term solution.</li> </ul>
Mental health and addiction – expand opportunities for group, transitional and recovery housing.	We agree on the critical nature of serving this population and will continue to collaborate and follow the lead of DHHS in this area.	<ul style="list-style-type: none"> <li>• Working closely with DHHS on our recovery housing program.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the collaboration between the Homeless Initiatives and Asset Management departments, along with DHHS, on recovery housing projects and integration into the hub system.</li> </ul>

Home Ownership			
Commissioners' Comments	MaineHousing Staff Response	Currently in Progress	Proposed Action Steps/ Potential Solutions
<p>We should emphasize furthering fair housing – supporting underserved communities and groups.</p> <p>Consider fee-based financing vs interest based to provide options for buyers whose religions prohibit payment of interest.</p> <p>Increase the term of a mortgage (40 years) in order to reduce monthly costs.</p>	<p>This is a major priority – especially given disparate populations in homeownership.</p> <p>2020 Maine Home Ownership Rates: White Americans 76% Black Americans 19% Asian Americans 26% Hispanic Americans 67%</p> <p>A fee-based product, though not without logistical challenges, would be a useful option to reach new Mainers.</p> <p>An increased term may impact bond terms and could add cost.</p>	<ul style="list-style-type: none"> <li>• We have our fair housing and cultural working groups.</li> <li>• Assessments are underway of: <ul style="list-style-type: none"> <li>• Education</li> <li>• Loan Products</li> <li>• Credit</li> </ul> </li> <li>• We currently consider consistent history of on time rent/housing payments as a positive credit factor in the FHL underwriting risk assessment.</li> <li>• Genesis has developed a commercial product.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a bifurcated loan interest structure when the environment for medium income buyer's rate can cross subsidize lower income buyer's lower rate.</li> <li>• Work with ethnic and community-based organizations that assist underserved and New Mainer populations to bring in established members of the underserved community to help teach basic financial literacy and the economics and responsibilities of homeownership.</li> <li>• Have Genesis develop a proposal for fee-based financing for residential mortgages and servicing.</li> <li>• Offer an increased term if the financial feasibility is in the homeowner's best interest.</li> </ul>
<p>Increase production of mortgages to about 1,500 per year.</p>	<p>Increasing the number of FHL mortgages is a continued and important goal. Production goals can be subject to market and other conditions not under our control.</p> <p>Subsidizing the MH interest rate to several points below market would help, but is costly.</p>	<ul style="list-style-type: none"> <li>• We are currently collaborating with the HCV Restart program to promote Homeownership as a goal while participants are working with their financial coaches toward self-sufficiency.</li> <li>• We finance manufactured homes on owned land.</li> </ul>	<ul style="list-style-type: none"> <li>• 1,500 will likely not be achievable in 2023, however 1,000 is and will serve as our goal for 2023.</li> </ul>

<b>Home Ownership</b>			
<b>Commissioners' Comments</b>	<b>MaineHousing Staff Response</b>	<b>Currently in Progress</b>	<b>Proposed Action Steps/ Potential Solutions</b>
Consider incentives to support responsible homeownership.	These could add value to our program but bring costs and possible unintended consequences.		<ul style="list-style-type: none"> <li>• Consider a home loan that borrowers could use for emergency repairs in the form of a small credit line or separate loan, providing there have not been missed payments.</li> <li>• Larger down payment assistance options when courses on homeownership or other education programs about financial responsibility are completed.</li> </ul>
Explore program to finance homes on leased land.	We do finance manufactured homes on leased land.		<ul style="list-style-type: none"> <li>• Continue to grow the program.</li> </ul>
Rent credit toward homeownership: lot rent as down payment for Manufactured Housing.	This is a relationship with landlords and renters - not clear what our role would be.		<ul style="list-style-type: none"> <li>• Further investigate for feasibility.</li> </ul>
State and Federal policy that MaineHousing can support? New Tax Credits?	MaineHousing will act as a resource to congressional delegation and state legislature on housing issues whenever needed.		

<b>Production</b>			
<b>Commissioners' Comments</b>	<b>MaineHousing Staff Response</b>	<b>Currently in Progress</b>	<b>Proposed Action Steps/ Potential Solutions</b>
Stretch the dollar (LIHTC) – there is concern about the rising costs of construction – how to value engineer?	<p>We see this as a critical issue and this approach has driven our underwriting. We are fortunate to have a very involved Construction Services team, unlike many states.</p> <p>Some developers would say we are already too aggressive.</p> <p>At this time of extremely high costs MaineHousing's development and financial teams work to scrutinize projects even more than ever.</p>	<ul style="list-style-type: none"> <li>• We have been working with UMaine on creating 3D printed homes.</li> <li>• ASCC is creating the \$100M Factory of the Future which will be half dedicated to producing new ways of building housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Stop financing projects in expensive markets.</li> <li>• Partner with low cost labor solutions – Habitat, vocational programs.</li> <li>• Enhance guidance to developers to incent submission of more simply designed buildings.</li> </ul>
Small rural housing programs have been well received – increase the rural non-tax-credit program	<p>This is a large opportunity and attractive for state level funding.</p> <p>It works very well in the more rural areas, and anywhere that LIHTC is too big and/or expensive. Also, it is easier for less experienced developers.</p> <p>Conceptually very positive. But we haven't yet seen any actual performance.</p>	<ul style="list-style-type: none"> <li>• This program has been funded so far by pandemic / ARPA funding. In addition, funds have largely been used already.</li> </ul>	<ul style="list-style-type: none"> <li>• We need a new (large) subsidy source. Advocate with the legislature for state level funding.</li> </ul>
Explore options for supporting co-operative resident-owned communities (mobile home parks).	<p>We can and have supported cooperative projects if they meet our affordability requirements. The two parks we have financed are doing well.</p>		<ul style="list-style-type: none"> <li>• Grow program with projects that meet our affordability.</li> </ul>
Provide technical assistance to developers.	<p>We support this idea and to some extent, especially with new partners, we do guide the design, underwriting, financing, and construction processes.</p>	<ul style="list-style-type: none"> <li>• We are developing an RFP to hire an organization to assist municipalities and regional groups with training new or inexperienced developers.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide training in tax credits and energy efficient construction.</li> <li>• Develop or partner with universities to offer adult education courses for real estate CEUS to help Realtors become new small developers.</li> </ul>

Production			
Commissioners' Comments	MaineHousing Staff Response	Currently in Progress	Proposed Action Steps/ Potential Solutions
Workforce housing should be a priority.	<p>We agree that this population is important.</p> <p>Our housing largely is “workforce housing” – the tenants have jobs. In addition, we frequently have market rate units in our projects (especially in areas with higher rents).</p> <p>We believe there is greater need at the lower income levels, and that the private sector needs to step up.</p> <p>The mixed-income properties in portfolio generally perform well. Higher market rent help subsidize operations.</p>	<ul style="list-style-type: none"> <li>• Currently through the HCV Program we support market landlords with incentive programs and landlord repair grants to increase and maintain units.</li> <li>• We have had initial conversations with Northern Forest Products who have a business model for workforce they are exploring.</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage non subsidized development efforts of employers like BIW, LL Bean, Sugarloaf, JAX, etc.</li> </ul>
Increase all programs' production.	<p>We have committed all of the funding given to us and have increased production to unprecedented levels.</p> <p>We have doubled the size of our production team.</p> <p>The projects won't be completed for another couple years, especially in this time of a labor shortage.</p> <p>The increase of production may be contributing to labor shortage and high costs.</p>	<ul style="list-style-type: none"> <li>• We are developing an RFP to hire an organization to assist municipalities and regional groups with training new or inexperienced developers.</li> </ul>	<ul style="list-style-type: none"> <li>• Seek more funding and development partners.</li> <li>• Support our existing partners to increase their capacity.</li> <li>• Support the increase of contractors, subcontractors (especially drywall), architects, engineers, real estate lawyers, and syndicators.</li> <li>• Create an affordable housing development program within the University of Maine system.</li> </ul>

**MAINE STATE HOUSING AUTHORITY  
DISCRETIONARY RESOURCE ALLOCATION  
For the Year Ending December 31, 2023**

(In Thousands of Dollars)

	# of Units/ People Served	Program Total	"Next Level"	
			Funding	Source
<b>Asset Management</b>				
Supportive Housing and Shelter Repair	50 Properties	2,200		
<b>Development</b>				
New 2023 Rental Units	177 Units	17,150		
Resources for 2022 Deals in Pipeline*	232 Units*	22,290		
<u>Next Level:</u> Additional Units Funded	405 Units		50,000	State
<b>EHS</b>				
Home Accessibility and Repair	310 Clients	7,000		
Lead Remediation	125 Clients	3,000		
Aging in Place/Home Modification	325 Clients	1,200		
<b>Finance</b>				
Mortgage Assistance	50 Borrowers	305		
<b>HCV</b>				
Landlord Incentives	1,372 Renters housed	1,805		
STEP Rental Assistance	134 Renters housed	1,400		
Housing Navigators	675 Renters housed	750		
<b>Homeless Initiatives</b>				
Shelter Operating / Housing Navigation Funds	3,800 clients	3,500		
Homeless System Hub Coordinators	9 Service Hubs	800		
Diversion (keeping people out of the homeless response system)	275 clients	750		
Rapid ReHousing (getting people permanently housed)	300 clients	2,037		
<u>Next Level:</u> Asylum Seeker support system			TBD	State
SRO Units	100 Units		5,000	State
<b>Homeownership</b>				
Down Payment Assistance Grants	970 Grants	5,180		
Mobile Home Replacements	43 Grants	1,500		
<u>Next Level:</u> Financial Literacy for New Mainers	12 Classes	300		MaineHousing
New Loan Product for Disadvantaged Communities	25 Loans		5,000	FHLBB
<b>Other</b>				
Eviction Prevention (Pine Tree & Legal Svcs for Elderly)		780		
Grants to Municipalities/Tribes/ECBOs		4,000		
Family Development Accounts/Technical Assistance Grants		150		
<b>TOTAL REQUESTED</b>		<b>76,097</b>		
<b>TOTAL AVAILABLE</b>		<b>76,097</b>		
<b>Breakdown of Available Sources:</b>				
	<u>Amount</u>			
StateHOME	49,250			
FedHOME	9,825			
Housing Trust Fund	2,725			
MEHER (Bonds from State)	9,300			
State Senior Housing GO Bond	<u>4,997</u>			
	76,097			

\* In addition to \$86MM of discretionary funds allocated in 2022 for approximately 1,000 units. There are over 2,000 add'l units in the pipeline - some from prior years and some that do not have discretionary resources allocated to them.

## **Asset Management Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Robert Conroy – Director, Asset Management  
**Date:** November 8, 2022  
**Subject:** November Board Report - Asset Management

### **Maine Resident Service Coordinators Association Update**

On October 27<sup>th</sup> two staff from Asset Management presented at the annual Maine Resident Service Coordinators Association (MRSCA) meeting. While not often recognized for their contributions to affordable housing, Resident Service coordinators at many MaineHousing financed properties play an integral role in connecting residents with the services available to them in the community. This provides an opportunity for successful tenancies and improved quality of life for many residents.

Kim Whitley and Melissa Lizotte are the Asset Management contacts for MRSCA and presented our view of the importance of how the services benefit residents.

MRSCA’s Kathleen Arabaz conveyed this message to Kim and Melissa after their presentation:

“On behalf of MRSCA, I can’t thank you enough for meeting with our membership and for your commitment to the Resident Service Coordination profession. Your presence at the meeting was well received and the MaineHousing update was reassuring and encouraging. I was personally gratified by your clarity regarding the RSC role and the expectations of the RSC as part of the property management team. Honestly, your session was everything we were looking for and more. Thank you both! “

MaineHousing’s continued commitment and support for the role of the RSC is reflected in the Qualified Allocation Plan for the Low Income Housing Tax Credit program.

**Communications & Planning Department Memorandum**

**To:** Board of Commissioners  
**From:** Erik C. Jorgensen, Senior Director of Government Relations and Communication  
**Date:** Nov 7, 2022  
**Subject:** Nov 2022 Board Report

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The Communications and Planning Department is pleased to report on selected activities during late October and early November of 2022.

**Government Affairs:**

As candidates from the top of the ballot to the bottom are knocking on doors for the election, we have been receiving a very high rate of constituent inquiries. These cluster around the subjects of people on wait lists for services, people reaching the end of their emergency rent relief and people seeking housing. We can't always help these cases, but we can follow up and often get answers or make referrals to where answers might be available. Our goal is always to respond to legislative and constituent requests as quickly as possible.

Once the results of this week's election are clear, we will move into a phase of organizing for the new legislature, including outreach to new and returning members.

**Website**

Webmaster Amanda Ouellette reports that October 2022 brought the highest traffic of the year to our website, and the 3<sup>rd</sup> highest month of hits overall on record for the site since our current tracking protocols began in 2008. The month was characterized by an ongoing high level of visitation rather than a specific peak day, and while we had expected additional traffic around the end of the ERA program, we were surprised to see the sustained level of activity. Perhaps this is a result of the return of general advertising programming for the agency, which has resumed following a pandemic hiatus.

HEAP and heating assistance continue to drive our search terms, accounting for almost 40% of this month's traffic. The Emergency Rental Assistance page also received a very high percentage of visits, though many of these were referred from entities like CAP agencies and not through general searches.

CPD staff was involved this past month in discussions with the IT Department to discuss information security and to assure that the new website is as secure as possible.

### **Short Term Rental Commission**

Data Analyst Josh Pinkerton has been developing a new dashboard for Air DNA data. Air DNA is a commercial data service that provides information on short-term rental units in Maine. It tracks geographical location, days rented, revenue and other metrics for every unit provided through the major short term rental platforms, AirB&B and VRBO. We are currently in the quality assurance phase of the project, making sure that the information from this massive data source tracks properly through to the dashboard. We anticipate posting it publicly later this month.

### **Statewide and Regional Housing Production Goals Project**

We are collaborating with both the Governor's office and the Department of Economic and Community Development in requesting and scoring proposals for a study of statewide and regional housing production goals. This project is pursuant to a provision within LD 2003, the zoning and housing reform bill that passed last year. We will be meeting in the coming weeks with representatives from the State Government to review the proposals that have been submitted and, hopefully award a contract, with the work to be completed within about six months' time.

### **Media Requests**

Since the last Board of Commissioners meeting on Oct. 18 until Nov. 7 (23 days) we fielded 34 media requests. Most resulted in MaineHousing providing a person to speak in detail about a program, program change or to provide detailed data sets on program results. These interviews were by video, phone and in person.

We have also collaborated with partners and peers in state and local government and the non-profit world to share information and news about housing and housing-related issues or events.

The issue drawing the most attention was [the pause](#) and then closure of the ERA program as we ran out of funding. In all there were 20 requests from the media on a range of ERA-related subjects.

The second hot topic was the HEAP program, we received a fair amount of positive coverage from the agency's decision to shift \$10.5 million from development to HEAP to help cover the startup of HEAP to 10,000 households in October, nearly month ahead of our federal grant and a month ahead of the regular schedule.

While the bulk of our media request during this period came from Maine reporters both television, online and print we also field requests from national and international outlets, including **NBC**

**Universal**, who asked us about oil heating, the price of fuel and HEAP and a **Wired Magazine** reporter based in London, who was interested in the research work MaineHousing has been doing around Short-term Rentals and the STR Commission of the Maine Legislature, which finished its work in November.

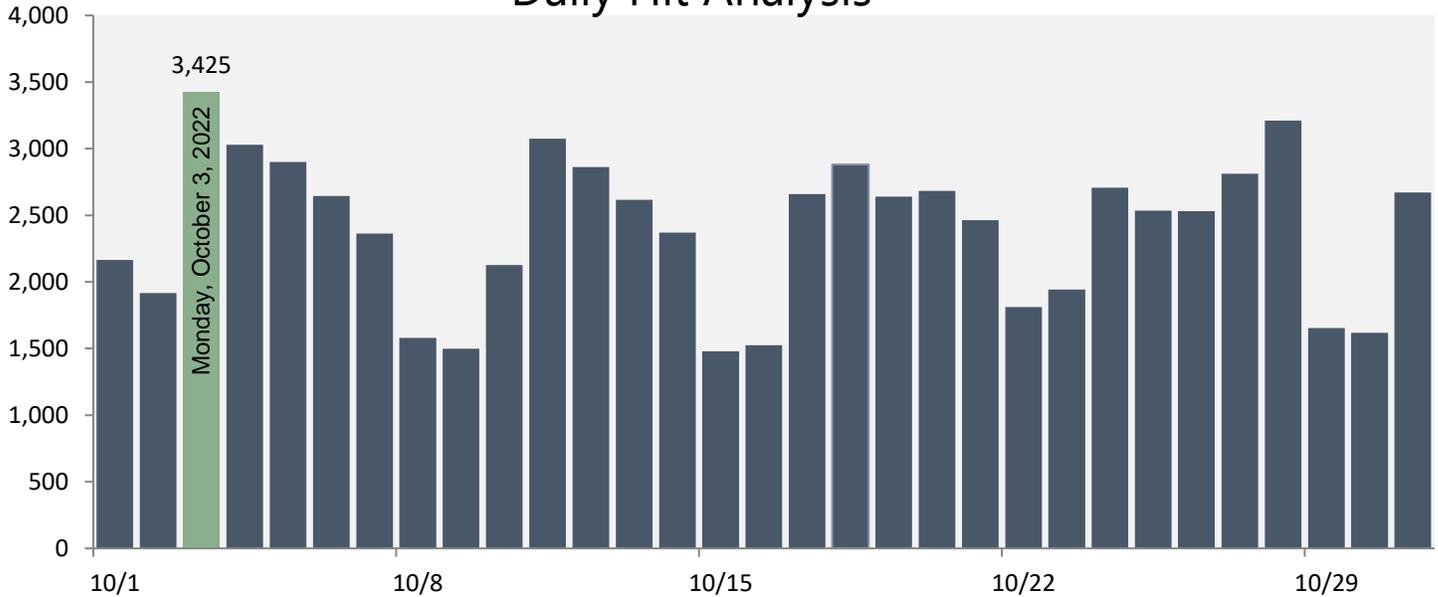
From March 1 through Nov. 7 we have responded to 192 media requests in CPD. During the period we also helped our partners and grant winners share their news helping with press releases for both the Maine Affordable Housing Coalition and the City Auburn.

Those releases and all of our releases can be found in our [press room](#) or in the highlights at the bottom of our [home page](#).

# October 2022 - MaineHousing Website Statistics

## Hit Summary

### Daily Hit Analysis

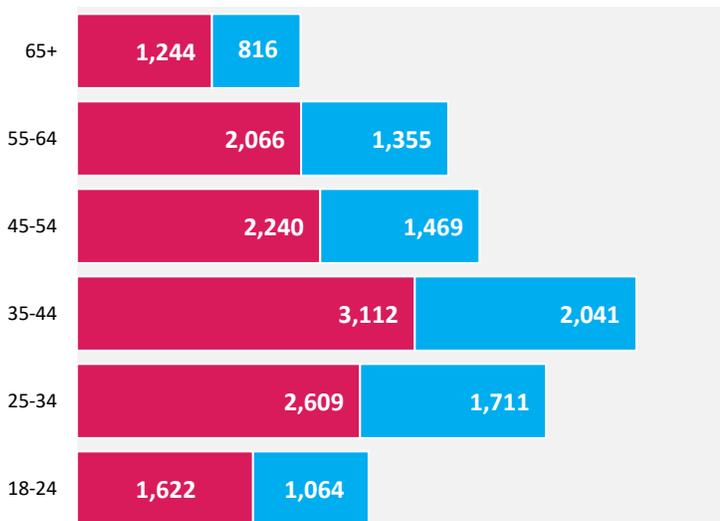


Hits	Unique Hits	Page Loads	Avg Page Views	Avg Duration	Avg Bounce
72,227	60,034	251,737	3.45	0:01:37	13.4%

## 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



60%



40%

### TOP CITIES

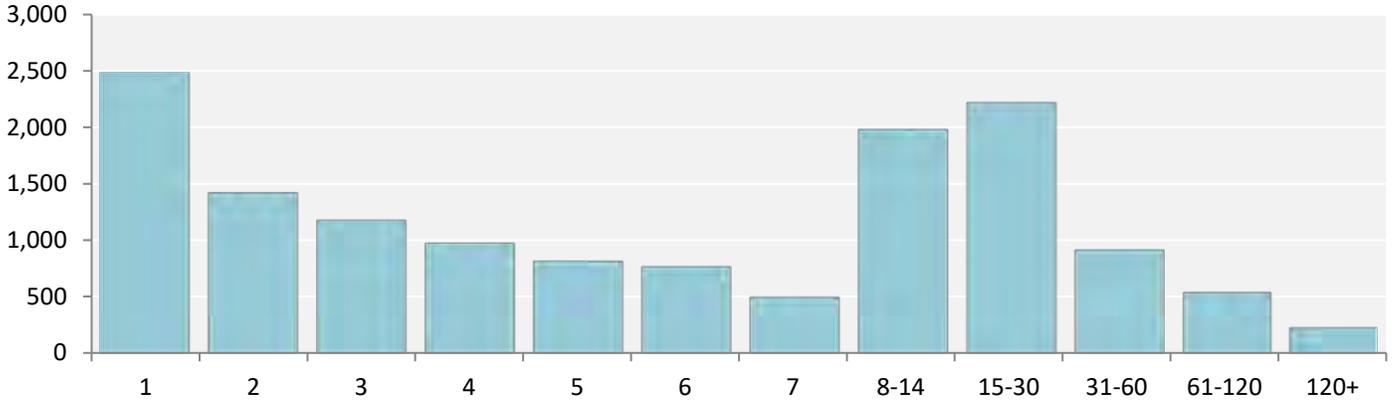
Boston, MA	5,295
Portland, ME	3,038
New York, NY	2,618
Bangor, ME	2,434
Lewiston, ME	2,076
Augusta, ME	1,953
Waterville, ME	1,147
Sanford, ME	855
Scarborough, ME	809
South Portland, ME	707

Top Cities account for 28.98% 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.

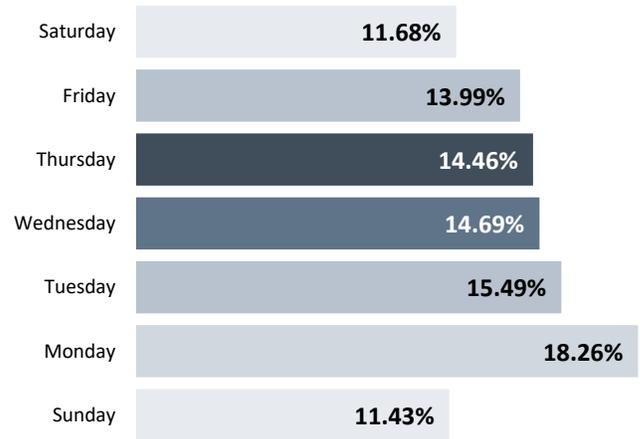
## DAYS SINCE LAST SESSION



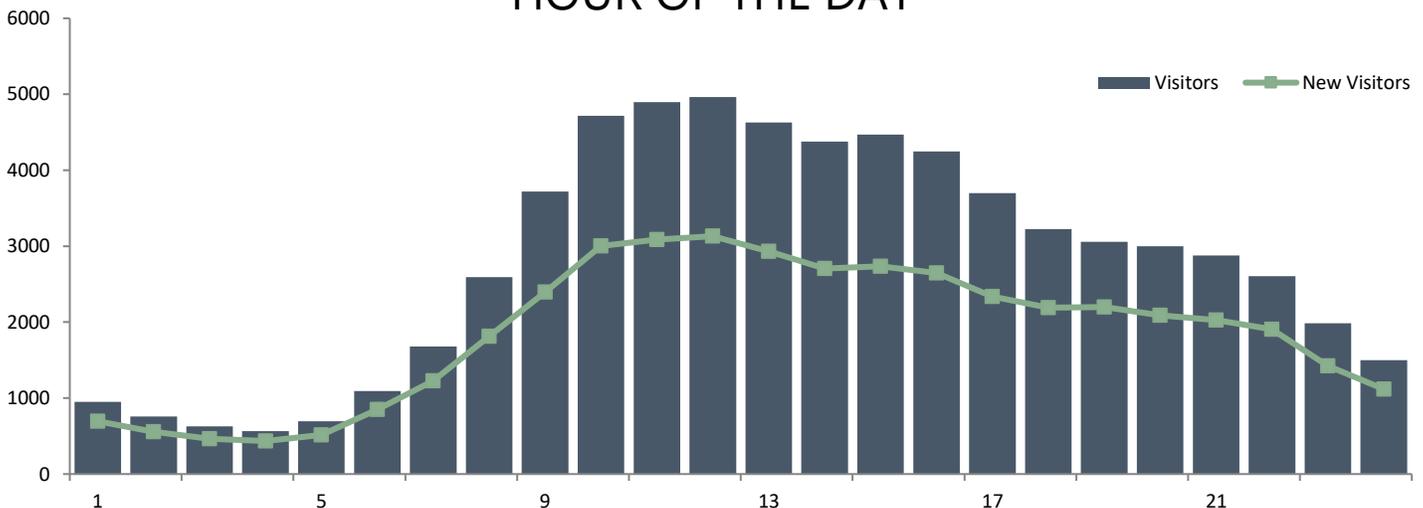
## NEW & RETURNING VISITORS



## DAYS OF THE WEEK



## HOUR OF THE DAY

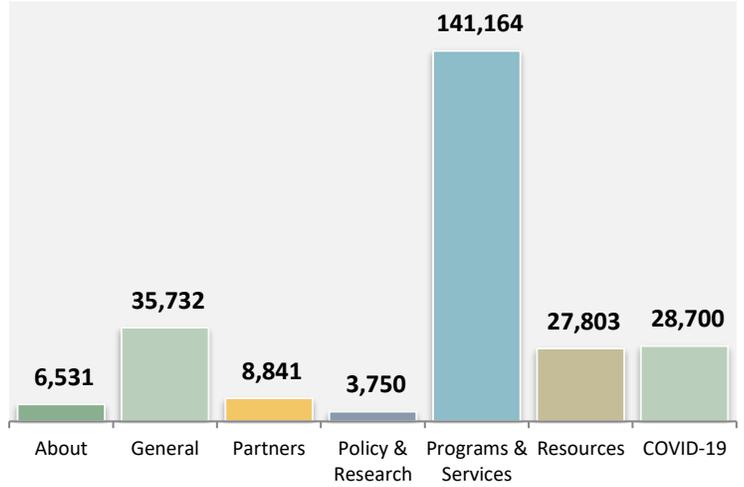


## Popular Content

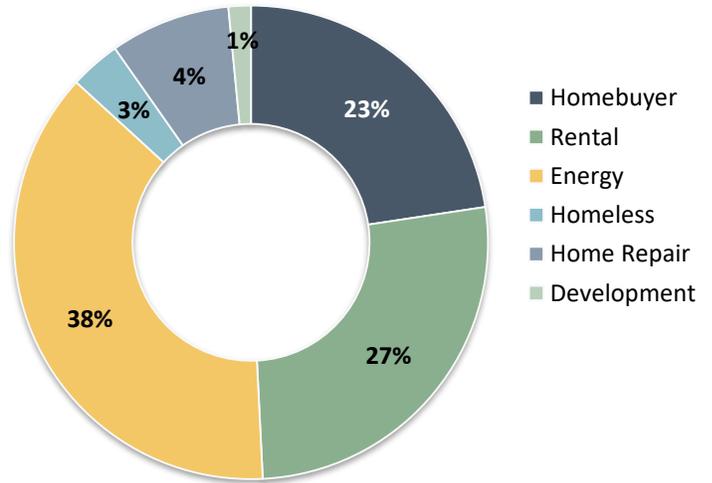
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
MaineHousing Website	29,330
Emergency Rental Assistance Program	25,977
HEAP - Do you need help heating your home	18,298
HEAP Income Eligibility	15,514
Home Energy Assistance Program	13,657
First Home Loan	11,121
HEAP Agency Contacts	10,830
First Home Loan Program	9,046
Rental Assistance	7,939
Subsidized Housing	5,639
Housing Choice Vouchers	5,242
Weatherization Program	4,664
First Home Loan	4,643
MaineHousing Lenders	4,287
Home Repair	3,746
Error - Page Cannot Be Found	3,730
Homebuyer Income & Purchase Limits	3,579
Contact MaineHousing	3,533
Heat Pump Program	3,176
Maine Water Assistance Program	3,116
Low Income Assistance Program	2,931
Emergency Shelters	2,836
Current Interest Rates	2,424
Rent - Income Charts	2,273
hoMEworks Homebuyer Education Classes	2,151

### Popular Content By Program

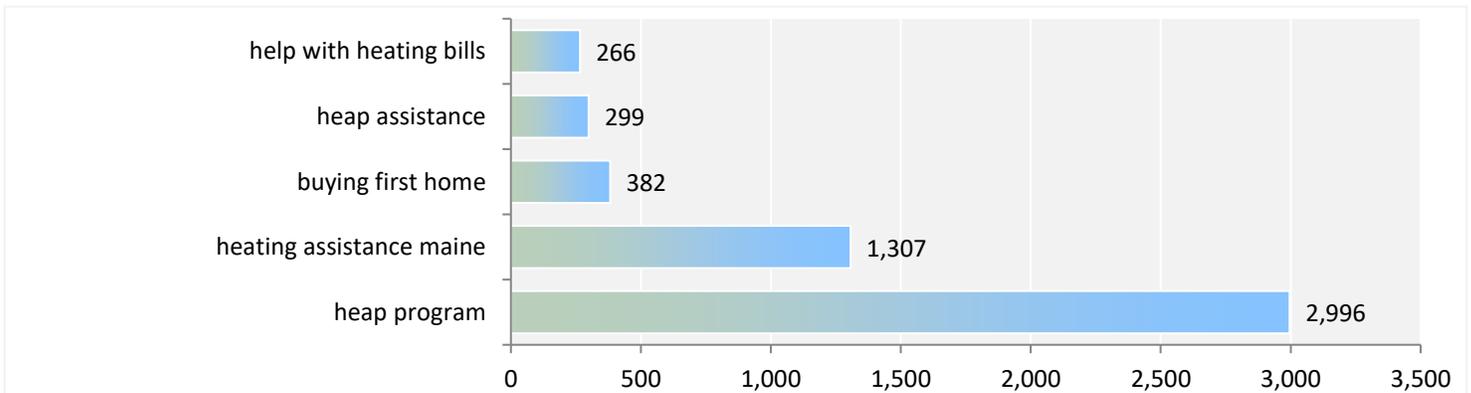


### Popular Content By Section



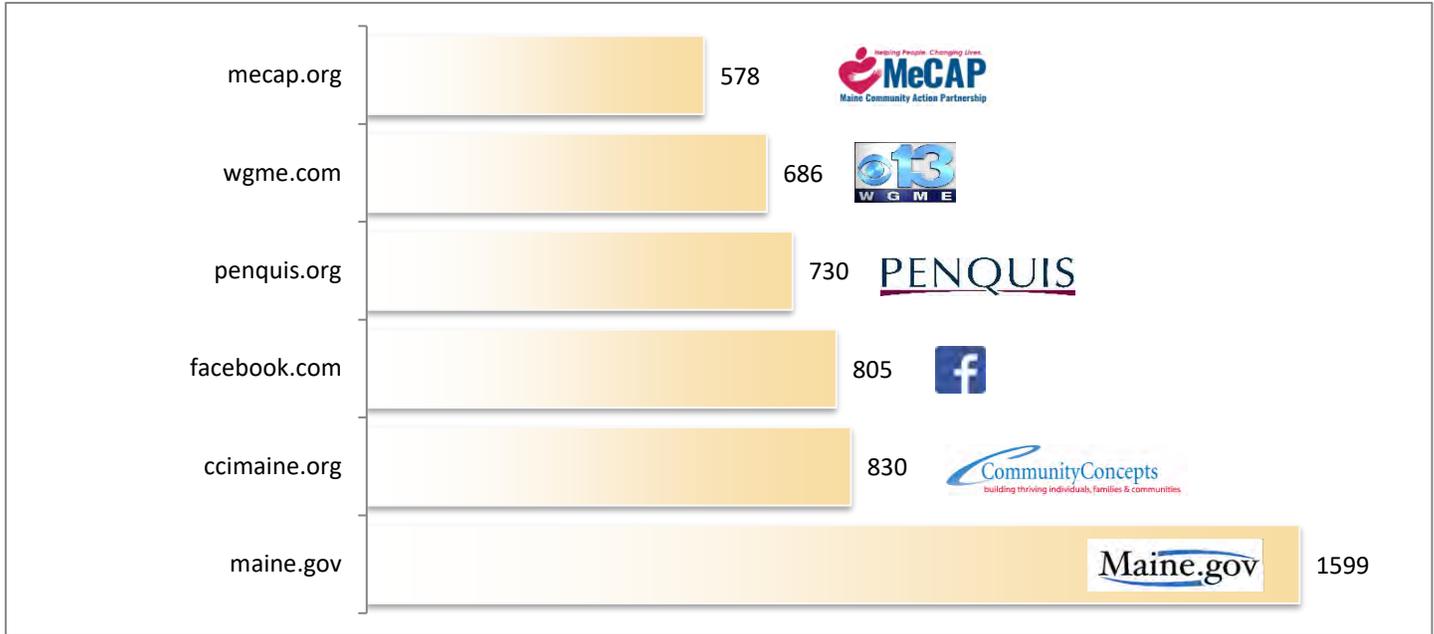
## Search Keywords

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.

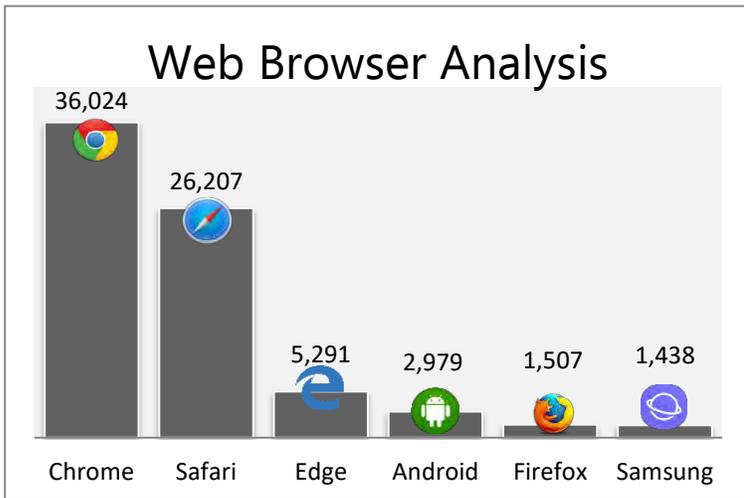


## Referring Websites

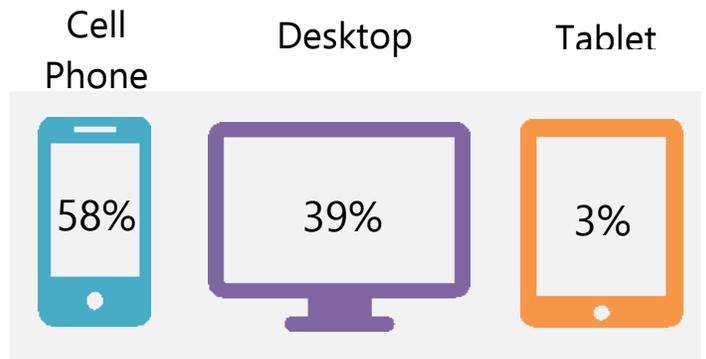
Referring websites are sites that link to our own website. When a visitor clicks on that link and visits our website, the site they came from becomes a referring site. Below are highlighted a few of the top referring sites.



## Visitor Technology Summary



### DEVICE ANALYSIS



## Development Department Memorandum

**To:** MaineHousing Board of Commissioners

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

**Date:** November 15, 2022

**Subject:** Monthly Report

### 2023 9% Low Income Housing Tax Credit Program (LIHTC) Full Applications

We received 7 Pre-Applications for the 2023 9% LIHTC program. Four applicants were encouraged to submit Full Applications. All four applicants will be issued a Notice to Proceed.

Project Name	Location	Developer	# of units	Tenants	Tax Credits Requested	Construction Type
Landry Woods	South Portland	South Portland Housing	43	Older Adults	\$ 860,000	New Constr
Peasley Park	Rockland	Developers Collaborative	54	Older Adults	\$ 1,080,000	New Constr
Rumford Senior Living	Rumford	Developers Collaborative	33	Older Adults	\$ 660,000	New Constr
Sturgeon Landing	Augusta	Augusta Housing	32	Family	\$ 640,000	New Constr

### Project Labor Agreement (PLA) Funding

MaineHousing received \$20M in American Rescue Plan Act (ARPA) funds from the Maine Jobs and Recovery Program that must be used for affordable housing built with Project Labor Agreements (PLAs). This funding will be used as subsidy in the final 4% Walk-In Program of 2022. We received six Pre-applications requesting a total of nearly \$45M before closing the program to additional applicants.

Project Name	Developer	Location	# of units	Tenants	Subsidy Requested	Construction Type
3iHoME at The Downs	POAH	Scarborough	51	Disabled	\$ 6,018,000	New Constr
89 Elm Apartments	Tom Watson & Co.	Portland	201	Family	\$ 20,000,000	New Constr
Essex View	Penquis CAP	Bangor	40	Family	\$ 5,680,000	New Constr
Ledgewood 2	Developers Collaborative	Damariscotta	32	Older Adults	\$ 4,544,000	New Constr
Mousam River Commons	Sanford Housing	Sanford	44	Older Adults	\$ 5,192,000	New Constr
White Rock Terrace	The Szanton Company	Cumberland	55	Older Adults	\$ 3,245,000	New Constr
<i>Total Request</i>					<i>\$ 44,679,000</i>	

We are reviewing Pre-Applications on a first come, first served basis. If projects are deemed to meet programmatic requirements, and their sites appropriate, Applicants are encouraged to submit Full Applications.

**Energy & Housing Services Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Genevieve Soucy, Interim Director  
**Date:** November 8, 2022  
**Subject:** EHS Monthly Report – November 2022

**HOME ENERGY ASSISTANCT PROGRAM (HEAP)**

Number of Applications (program start July 18,2022)	PY 2023 (Week 16) THRU 11/3/2022	PY 2022 (Week 16) THRU 12/17/2021	+/-	% change
Total Applications Taken	29,442	26,587	+2,855	+10.7%
Confirmed Eligible/Paid	13,756	13,694	+62	+.5%
Pending (in process)	13,813	10,512	+3,301	+31.4
Other (ineligible, denied, void, etc.)	1,873	2,381	-508	-21.3%

**PY2023 HEAP Payments-** First payment for the 2023 program was made on 10/18/2022, the amount issued on behalf of eligible households as of 10/25/2022 totaled \$11,643,507.

Demographics of Applicants who received Benefits.	Benefit Recipients	Elderly or Elderly & Disabled	Disabled	Children in Household
Households	10,818	8,759	1,393	1,090
Household Members	16,923	10,710	1,650	2,160

**Emergency Crisis Intervention Program (ECIP) component** – Maine’s ECIP program runs from November 1 – April 30 and provides households who do not have heat or are at risk of running out of fuel; and who have either exhausted their current year benefit or who have not yet completed the application process, with up to an \$800 benefit to address their heating crisis situation. This benefit may be accessed multiple times during the program year, with a program year maximum of \$800. In the first week of the ECIP, there have been obligations for \$114,000 of deliveries to Households in need.

**HEAP PY2023 Funding:**

MaineHousing received Notice of Funding Award on November 4, 2022, the amount awarded totaled \$42,484,225.

- 90% of Maine’s annual award - \$35,313,709 received anticipate remaining 10% of \$3,923,745 in February 2023.
- 100% of Maine’s allocation from the Continuing Resolution Supplemental - \$6,518,847. This was originally anticipated to be \$8mm. Funding for Supplemental bills is allocated based on the language written at the time of passing, this language determines how much of the total award

will run through different allocation formulas and does not result in the same allocation percentage as the annual award.

- 100% of Maine’s allocation for 2023 from the Infrastructure Investments Act - \$651,669. Infrastructure Investments Act awards Maine approximately \$650,000 each year for a total of 5 years. This is Maine’s second award from this Act.

**Additional information:**

- **Online Application** – The online HEAP application is currently in final testing phase with the Community Action Agencies. CAAs are testing the week of November 7<sup>th</sup> and will report back to MaineHousing any issues that are found. Anticipated go-live for the online application is November 28, 2022.
- **Vendor Challenges** – Some Vendors are reporting a periodic shortage of Kerosene. MaineHousing staff have been working with staff from the Governor’s Energy Office to keep them apprised of the situation. Approximately ¼ of HEAP recipients utilize Kerosene due to the location of their storage tanks. If a household has an oil burning furnace and the tank is located outside or in an unheated area, a benefit for Kerosene is issued to prevent gelling in the tanks during the winter months. MaineHousing has been working with vendors to allow a winter additive to be added to #2 heating oil to prevent gelling where appropriate and with the permission of the Household.

**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. 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.

HARP Project Status by CAA:

HARP PROJECT PROGRESS BY CAA						
Reporting Date: January 1, 2022 – November 7, 2022						
Agency	Projects	Project Cost	Home Repair & Accessibility		Emergency	
ACAP	43	\$ 466,718.00	5	\$150,919.00	38	\$315,799.00
CCI-ANDROSCOGGIN	29	\$ 613,396.00	6	\$200,484.00	23	\$412,912.00
CCI-CUMBERLAND	16	\$ 323,176.00	3	\$69,478.00	13	\$253,698.00
DCP	9	\$ 156,506.00	2	\$25,694.00	7	\$130,812.00
KVCAP	24	\$ 452,256.00	7	\$183,224.00	17	\$269,032.00
PCAP	49	\$ 611,422.00	22	\$362,463.00	27	\$248,959.00
WCAP	3	\$ 24,478.00	0	\$0.00	3	\$24,478.00
WMCA	11	\$ 179,112.00	1	\$19,380.00	10	\$159,732.00
YCCAC	15	\$ 246,168.00	3	\$91,830.00	12	\$154,338.00
<b>TOTAL</b>	<b>199</b>	<b>\$ 3,073,232.00</b>		<b>\$1,103,472.00</b>		<b>\$1,969,760.00</b>

**DOE Weatherization Assistance Program**

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).

Energy and Housing Services is preparing to generate and submit the 2023 DOE WAP State Plan. The Plan outlines key elements and activities that will be implemented for DOE WAP PY2023 that commences on April 1, 2023, including: budget, projected productions, health and safety plan, training & technical assistance plan. EHS is working to submit the final, approved 2023 DOE State Plan to DOE by the end of January 2023 to help ensure that contracts are fully executed with Subgrantees by April 1, 2023.

**Weatherization Subgrantee & Contractor Training:** EHS held a Mobile Home Weatherization training for Community Action Agencies (CAAs) and Contractors October 17-21. The training was an in-person five day training at MaineHousing's Office and in the field working on two local Mobile Homes, there were twenty two attendees.

### **Low Income Water Assistance Program (MEWAP)**

MaineHousing's Low Income Water Assistance Program was launched in September. The funding for this program comes from HHS funding and is considered a one-time program set to run through September 30, 2023, there are no current plans for additional ongoing funding for this program. The MEWAP is being administered in-house and to date there have been over 344 applicants. The program is able to pay all arrears to public sewer and water organizations, that have entered into a MEWAP contract, for eligible households as well as provide a one-time benefit up to \$500 to be put on account at the participants' Water Utility.

### **Lead Abatement Program**

MaineHousing currently has three lead abatement funding sources, HUD funded Lead Abatement, Maine State funded N261 Lead Abatement and Maine DHHS funded Lead Abatement for households with children who are determined MaineCare eligible.

The HUD funded program is a 3 year grant with a performance period set to end August 2023. Maine was awarded \$3.8 million to perform abatement on 240 units, currently there are 171 units that have been completed and an addition 71 that are under contract for abatement. During calendar year 2023, Maine is anticipating responding to the HUD published NOFA for an additional Lead Abatement grant to start after the period of performance for the current grant ends.

The State funded N261 program is a 4 year program with a performance period and funding set to end December 2022. MaineHousing was provided \$4 million to perform abatement on units that may not meet eligibility criteria of the HUD program, currently there are 185 units that have been completed and an addition 15 that are under contract for abatement.

Because of the high demand for lead abatement, EHS has asked for \$3mm of State HOME money to be used in calendar year 2023 while we secure additional Federal and State funding for lead abatement programs. The Maine DHHS funding will be leveraged with all of the above funding sources to assist with providing abatement for Maine families.

**Finance Department Memorandum**

**To:** Board of Commissioners  
**From:** Darren R. Brown  
**Date:** November 8, 2022  
**Subject:** Monthly Report – Finance Department

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

- The agency’s preliminary budgets for 2023 have been completed. The AFR staff worked closely with the various departments to compile the necessary information for inclusion in the agency-wide budgets. A report on the preliminary 2023 budgets has been prepared and is included in this month’s packet. The report will be presented and reviewed at the meeting for your input and feedback. The final budgets will be presented for a vote at the December meeting.
- Planning and preparation has begun for this year’s annual audit of the financial statements. The necessary records and information are being compiled and prepared for the auditors. A planning meeting with the auditors will be held later this month and they will begin the interim phase of the audit the last week of November. This phase involves documenting and assessing internal controls and performing various audit procedures on the September and October account balances. The year-end audit work will take place over an eight-week period starting in February, 2023.
- Quarter-end closing procedures for the agency’s general ledger and accounting systems were completed and the financial statements for the nine-month period ended September 30, 2022 are being finalized. Draft financial statements have been prepared and the preliminary results are included in the Financial and Budget Results section of this packet.

**LOAN ADMINISTRATION:**

- Recruitment activities to fill the vacant Special Asset Manager position in Finance were completed in October. The Special Asset Manager works closely with our loan servicing partners and oversee all aspects of defaulted loans including collections, foreclosures, bankruptcy, property preservation, title resolution, and various loss mitigation programs. We are very pleased that Patricia Harriman (Tricia) has accepted the position and will be joining MaineHousing on Monday, November 21, 2022.

Tricia comes to MaineHousing with over 25 years of experience in mortgage lending, managing collections, and compliance oversight. She holds a Bachelor’s degree in Business Administration from the University of Maine-Augusta. Tricia worked for Leader One and Polaris Home Loans as a mortgage loan originator where she was licensed to originate loans in five states. Prior to joining Leader One, Tricia was a Banking Center Manager where she was responsible for the management and oversight of Camden National Bank’s \$73 million portfolio and The Bank of Maine’s \$19.5 million portfolio. Tricia’s background, knowledge, and experience with mortgage loans, collections, and compliance will make her a great addition to our team.

- Staff continued work on the annual Housing and Urban Development (HUD) and Rural Development (RD) Quality Control Review for the portfolio of loans that is being sub-serviced by Mortgage Servicing Solutions (MSS). This is a system and operational review of MSS's servicing procedures and it entails conducting interviews with MSS's key personnel to ensure staff are knowledgeable of HUD and RD servicing requirements and that they are adhering to their respective processing guides. It also involves performing individual loan file reviews to confirm that MSS is compliant with federal guidelines and that the procedures they have in place are sufficient and proper. Initial interviews with MSS staff and a review of their internal processes and procedures were performed in October. The review is being conducted remotely again this year and is expected to be completed by the end of November.

**Finance Department Memorandum**

**To: Board of Commissioners**

**From: Darren R. Brown**

**Date: November 8, 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 nine-month period ended September 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 \$2.17 billion and total combined liabilities approximate \$1.76 billion. Total net assets amount to approximately \$408 million. Total combined revenues approximate \$404.8 million and total expenses amount to approximately \$402.9 million, which results in net operating income of \$1.9 million. For this nine-month period in 2021, total combined net operating income was \$18.3 million. Net operating income is \$16.4 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 \$9.5 million. This is an \$11.7 million decrease compared to net operating income of \$2.2 million in 2021. The net operating loss for 2022 is solely attributed to the recognition of a significant paper loss associated with adjusting the carrying values of non-mortgage investments. A paper loss of \$14.4 million has been recorded for 2022, which is \$13.7 million larger than the paper loss of \$0.7 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 \$4.9 million at this point in 2022 compared to \$2.9 million in 2021. Net operating income is \$2 million higher in 2022 due mainly to interest rate increases this year and higher income from non-mortgage investments.

The HOME Fund has net operating income of \$7.4 million, which is a decrease of \$4.4 million compared with net operating income of \$11.8 million in 2021. MaineHousing's portion of the real estate

transfer taxes received from the State is 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 \$1.3 million higher, program expenditures are \$5.7 million higher at this point in 2022 compared to 2021.

## **BUDGET RESULTS**

Also attached are the budget variance results for the period ended September 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 September 30, 2022 amount to \$57.4 million, while total expenses amount to \$52.1 million. For the nine-month period ended September 30, 2022, revenues exceed expenses by approximately \$5.3 million.

Revenues are above budget at this point due to higher income from non-mortgage investments. Interest rates have increased considerably this year and average yields from investments are higher than projected.

Total expenses are under budget at this point due mainly to lower operating and program administrative expenses. The operating and other program administration expenses are detailed on **Attachment B** and summarized below:

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

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

Operating expenses are budgeted at approximately \$22.7 million. As of September 30, 2022, approximately \$16.8 million or 74% of the total budget has been used. Overall, operating expenses are below budget at this point and are projected to be under for the year by 2%. Full-time equivalents are estimated to be under budget by approximately three positions. There were a number of position turnovers and internal position changes throughout the year. Some positions were vacant for an extended period due to a tight labor market in central Maine.

Additionally, costs associated with staff and partner trainings and meetings are expected to be below budget due to the continuation of COVID-19 and restrictions on gatherings and travel early in the year. Expenses for professional services will also be under budget because services for developing a State Fair Housing plan will not be needed and outside legal services will not be needed to the extent budgeted.

Program administrative expenses are budgeted at \$9.1 million and actual expenses amount to \$6.2 million as of September 30, 2022. Expenses in this area are running below budget and are projected to be under budget for the year by approximately \$500,000 or 6%. The underage is due to lower than projected delinquency and foreclosure activities and lower related expenses (first three lines). In addition, the restructuring of Standby Bond Purchase Agreements lowered the remarketing and liquidity facilities costs associated with variable rate bonds.

### **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 \$534,000 as of September 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.

Capital expenditures are expected to remain within the established budget for the year. The acquisition of the salesforce software, community outreach dashboard, and several other software items will not be acquired as planned.

### **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 September 30, 2022.

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**SEPTEMBER 30, 2022**  
*(IN THOUSANDS OF DOLLARS)*

	<u>Memorandum Only Combined Totals</u>		<u>Mortgage Purchase Fund Group</u>	<u>Bondholder Reserve Fund</u>	<u>General Fund</u>	<u>HOME Fund</u>	<u>Federal Programs Fund</u>	<u>Other Funds</u>	<u>Maine Energy Housing &amp; Economic Recovery Funds</u>
	<u>2021</u>	<u>2022</u>							
<b>ASSETS:</b>									
Cash, principally time deposits	69,991	84,670	13,689	1	65,280	1	5,699	0	0
Investments	498,747	509,796	411,818	7,990	18,032	26,863	0	7,102	37,991
Accounts receivable - Government	15,698	13,919	0	0	0	2,627	11,038	254	0
Accrued interest and other assets	18,322	9,278	8,802	9	100	118	172	6	71
Mortgage notes receivable, net	1,412,039	1,514,865	1,460,832	0	3,871	32,851	0	717	16,594
Other notes receivable, net	73	44	0	0	44	0	0	0	0
Land, equipment and improvements, net	17,851	17,436	22	0	17,414	0	0	0	0
Other real estate owned	0	44	44	0	0	0	0	0	0
Derivative instrument - interest rate swaps	12,061	18,570	18,570	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	2,779	2,428	2,428	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,048,138</b>	<b>2,172,390</b>	<b>1,916,897</b>	<b>8,004</b>	<b>104,876</b>	<b>62,460</b>	<b>16,909</b>	<b>8,588</b>	<b>54,656</b>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	15,101	15,271	14,890	0	0	0	0	0	381
Accounts payable - Federal	347	321	0	0	0	0	321	0	0
Accounts payable & accrued liabilities	9,547	17,083	299	1	16,595	88	100	0	0
Unearned income	27,991	42,398	0	0	0	236	12,691	29,471	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	12,061	18,570	18,570	0	0	0	0	0	0
Interfund	0	0	6,762	18	35,741	(21,373)	(840)	(21,889)	1,581
Mortgage bonds and notes payable, net	1,581,211	1,667,301	1,598,508	0	14,417	0	0	0	54,376
Deferred grant income	255	0	0	0	0	0	0	0	0
Deferred loan origination points	19	13	13	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,649,594</b>	<b>1,764,116</b>	<b>1,640,674</b>	<b>29</b>	<b>67,070</b>	<b>(21,049)</b>	<b>12,272</b>	<b>8,782</b>	<b>56,338</b>
<b>NET ASSETS:</b>									
Restricted Net Assets	361,456	370,468	276,223	7,975	0	83,509	4,637	(194)	(1,682)
Unrestricted Net Assets	37,088	37,806	0	0	37,806	0	0	0	0
<b>Total Net Assets</b>	<b>398,544</b>	<b>408,274</b>	<b>276,223</b>	<b>7,975</b>	<b>37,806</b>	<b>83,509</b>	<b>4,637</b>	<b>(194)</b>	<b>(1,682)</b>
<b>Total Liabilities and Net Assets</b>	<b>2,048,138</b>	<b>2,172,390</b>	<b>1,916,897</b>	<b>8,004</b>	<b>104,876</b>	<b>62,460</b>	<b>16,909</b>	<b>8,588</b>	<b>54,656</b>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**  
*(IN THOUSANDS OF DOLLARS)*

	<u>Memorandum Only Combined Totals</u>		<u>Mortgage Purchase Fund Group</u>	<u>Bondholder Reserve Fund</u>	<u>General Fund</u>	<u>HOME Fund</u>	<u>Federal Programs Fund</u>	<u>Other Funds</u>	<u>Maine Energy Housing &amp; Economic Recovery Funds</u>
	<u>2021</u>	<u>2022</u>							
<b>REVENUES:</b>									
Interest from mortgages and notes	45,355	44,459	44,169	0	211	48	0	0	31
Income from investments	928	4,530	3,897	54	70	191	0	54	264
Net increase (decrease) in the fair value of investments	(645)	(14,395)	(14,395)	0	0	0	0	0	0
Fee income	8,054	8,935	902	0	446	0	7,369	218	0
Other revenue	185	38	0	0	1	36	0	1	0
Grant income	151,155	252,799	0	0	0	1,720	246,632	4,447	0
Income from State	24,818	25,802	0	0	0	21,483	0	0	4,319
Federal rent subsidy income	82,318	82,461	0	0	0	0	82,461	0	0
Gain on bond redemption	365	211	211	0	0	0	0	0	0
<b>Total Revenues</b>	<b>312,533</b>	<b>404,840</b>	<b>34,784</b>	<b>54</b>	<b>728</b>	<b>23,478</b>	<b>336,462</b>	<b>4,720</b>	<b>4,614</b>
<b>EXPENSES:</b>									
Operating expenses	14,666	16,794	0	0	16,794	0	0	0	0
Other program administrative expenses	3,996	4,821	4,457	0	4	0	201	133	26
Mortgage servicing fees	1,293	1,320	1,310	0	10	0	0	0	0
Provision for losses on loans	18	0	0	0	0	0	0	0	0
Losses on foreclosed real estate	(58)	25	25	0	0	0	0	0	0
Interest expense	32,012	30,102	29,330	0	0	0	0	0	772
Grant expense	160,488	266,608	0	0	0	16,086	246,669	3,731	122
Federal rent subsidy expense	81,788	83,255	0	0	0	0	83,255	0	0
Allocated operating costs	0	0	9,117	54	(15,007)	0	5,751	85	0
<b>Total Expenses</b>	<b>294,203</b>	<b>402,925</b>	<b>44,239</b>	<b>54</b>	<b>1,801</b>	<b>16,086</b>	<b>335,876</b>	<b>3,949</b>	<b>920</b>
Net Operating Income (Loss)	18,330	1,915	(9,455)	0	(1,073)	7,392	586	771	3,694
Transfers between funds, net	0	0	0	0	790	0	(790)	0	0
Change in net assets	18,330	1,915	(9,455)	0	(283)	7,392	(204)	771	3,694
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	398,544	408,274	276,223	7,975	37,806	83,509	4,637	(194)	(1,682)

**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE PERIOD ENDED SEPTEMBER 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	44,380	0	44,380	60,300	15,920	26%
Income from investments	4,021	54	4,075	1,235	(2,840)	(230%)
Fee income	1,348	7,587	8,935	14,046	5,111	36%
Other revenue	1	1	2	65	63	97%
<b>Total Revenues</b>	<b>49,750</b>	<b>7,642</b>	<b>57,392</b>	<b>75,646</b>	<b>18,254</b>	<b>24%</b>
<b>EXPENSES:</b>						
Operating expenses	10,958	5,836	16,794	22,708	5,914	26%
Other program administrative expenses	5,806	360	6,166	9,093	2,927	32%
Interest expense	29,119	0	29,119	39,800	10,681	27%
<b>Total Expenses</b>	<b>45,883</b>	<b>6,196</b>	<b>52,079</b>	<b>71,601</b>	<b>19,522</b>	<b>27%</b>
<b>Excess Revenues Over Expenses</b>	<b>3,867</b>	<b>1,446</b>	<b>5,313</b>	<b>4,045</b>	<b>(1,268)</b>	<b>(31%)</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES  
FOR THE PERIOD ENDED SEPTEMBER 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	9,777,480	3,211,784	25%
Payroll Taxes	956,112	730,317	225,795	24%
Retirement	1,247,720	928,702	319,018	26%
Medical and Life Insurance	2,932,952	2,111,747	821,205	28%
Other Fringe Benefits	10,000	4,775	5,225	52%
Office Supplies	51,700	44,680	7,020	14%
Printing	71,430	53,741	17,689	25%
Membership and Dues	65,554	53,352	12,202	19%
Subscriptions	26,440	13,022	13,418	51%
Sponsorships	17,000	8,100	8,900	52%
Staff Educ/Train/Conf	134,838	63,901	70,937	53%
Travel/Meals - Staff Educ/Train/Conf	132,010	25,955	106,055	80%
Partner/Client Train/Meetings	58,500	16,091	42,409	72%
Travel/Meals - Partner/Client Training	45,018	38,728	6,290	14%
Staff Events	14,970	2,356	12,614	84%
Meals - Staff Events	16,499	7,427	9,072	55%
Leased Vehicles	143,417	124,822	18,595	13%
Computer Supplies	25,312	26,194	(882)	(3%)
Computer License SAAS	185,827	219,519	(33,692)	(18%)
Rent-Other	37,430	25,905	11,525	31%
Computer Maintenance	653,846	467,732	186,114	28%
Depreciation	1,020,000	731,275	288,725	28%
Telephone	132,384	88,118	44,266	33%
Employment Advertising	1,000	985	15	2%
Postage and Shipping	115,650	102,473	13,177	11%
Insurance	93,010	77,528	15,482	17%
Recording Fees	1,000	731	269	27%
Payroll Services	44,365	34,950	9,415	21%
Audit Services	169,800	133,800	36,000	21%
Property Expenses	460,085	350,203	109,882	24%
Professional Services	380,886	174,138	206,748	54%
Building Interest Expense	473,524	354,797	118,727	25%
<b>Total Operating Expenses</b>	<b>22,707,543</b>	<b>16,793,544</b>	<b>5,913,999</b>	<b>26%</b>
<b>Other Program Administrative Expenses</b>				
Loan foreclosure expenses	200,000	40,354	159,646	80%
REO expenses	50,000	6,617	43,383	87%
Mortgage Servicing fees	1,860,000	1,319,654	540,346	29%
Provision for losses on loans & REOs	125,000	25,000	100,000	80%
Loan Origination expenses	3,020,000	2,116,749	903,251	30%
Bond Issuance Costs	900,000	789,411	110,589	12%
Trustee/Bank fees	170,000	138,153	31,847	19%
Program advertising/printing	424,750	226,980	197,770	47%
Bond and mortgagee insurance	17,000	17,607	(607)	(4%)
Variable rate bond remarket/liquidity facilities	1,100,000	723,190	376,810	34%
Cash flow/arbitrage/swap consultants/legal	645,000	424,343	220,657	34%
Homebuyer education	120,000	97,650	22,350	19%
Program administrator fees	461,000	240,400	220,600	48%
<b>Total Other Program Administration Expenses</b>	<b>9,092,750</b>	<b>6,166,108</b>	<b>2,926,642</b>	<b>32%</b>

**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE PERIOD ENDED SEPTEMBER 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	23,133	6,867	
Server room power module	-	2,000	(2,000)	
Server room cameras	-	1,533	(1,533)	
Total computer hardware	<u>45,000</u>	<u>26,666</u>	<u>18,334</u>	<u>59%</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	12,774	24,226	
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	135,563	(16,079)	
Community Outreach Dashboard	25,000	0	25,000	
Salesforce software upgrades	122,000	0	122,000	
AmpliFund grant management software	0	79,100	(79,100)	
Total computer software	<u>511,484</u>	<u>463,112</u>	<u>48,373</u>	<u>91%</u>
<b>Office Building:</b>				
Audio visual equipment upgrades	0	20,176	(20,176)	
Computer room A/C upgrades	0	24,390	(24,390)	
	<u>0</u>	<u>44,566</u>	<u>(44,566)</u>	<u>0%</u>
<b>Total</b>	<u><u>556,484</u></u>	<u><u>534,343</u></u>	<u><u>22,141</u></u>	<u><u>96%</u></u>

**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE PERIOD ENDED SEPTEMBER 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
National Council of State Housing Agencies - annual membership	30,707
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
Society for Human Resource Management - employee annual membership	229
Information Systems Audit and Control Association - employee annual membership	305
Project management Institute - employee membership	60
Construction Specifications Institute - employee annual membership	325
Maine Building Officials and Inspectors Association - (7) employee membership	335
Maine Department of Environmental Protection - lead inspector license renewal	200
Maine State Bar Association - (6) employee annual memberships	1,375
Board of Overseers of the Bar - (6) employee annual registration	1,590
United States District Court - employee certification to practice law	188
Maine Society of CPAs - employee annual membership	250
Maine State Treasurer - employee annual CPA license renewal	35
Association of Certified Fraud Examiners - (2) employee annual membership	595
Total	<u>\$ 53,352</u>
<b>Sponsorships</b>	
Northern New England Community Action - training conference sponsor	\$ 1,500
Maine Real Estate and Development Association - conference sponsorship	1,600
Maine Council on Aging - Wisdon Summit	500
National Association of State and Local Equity Funds - conference sponsorship	1,500
New England Resident Service Coordinator - conference sponsor	3,000
Total	<u>\$ 8,100</u>



## Finance Department Memorandum

**To:** Board of Commissioners  
**From:** Darren Brown  
**Date:** November 3, 2022  
**Subject:** Monthly Delinquencies Report

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### MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$781 million with 1,245 loans as of October 31, 2022. There is one 60+ days delinquent loan, as shown in *Exhibit 1*. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

### SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$920 million with 9,614 loans as of September 30, 2022. The over 60-day delinquencies increased from 2.55% to 2.59%, and the in-foreclosures decreased from 0.73% to 0.69%. The over 60-day delinquencies amount to \$24 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 overall delinquency rate by loan dollars is 2.59%; and the overall delinquency rate by loan count is 2.81%. 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 September 30, 2022, Bank of America (BOA) had the highest overall delinquency rate of 11.43%, with an in-foreclosure rate of 3.29%. 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, increased from 3.15% to 3.19%, while the in-foreclosure rate decreased from 0.82% to 0.78%. Salem Five Mortgage Corp. and Bangor Savings Bank QS portfolios had rates of 0.00%, which were the lowest rates for the month. Delinquency rates for each servicer are shown in *Exhibit 3*.

**Delinquencies by Insurance Type** – In September 2022, FHA insured loans had the highest delinquency rate by total insurance type of 3.61%, with in-foreclosures at 1.28%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.62%, with in-foreclosures at 0.41%. 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 23% of delinquencies, while RD insured loans comprise 59% of the portfolio and represent 62% 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*.

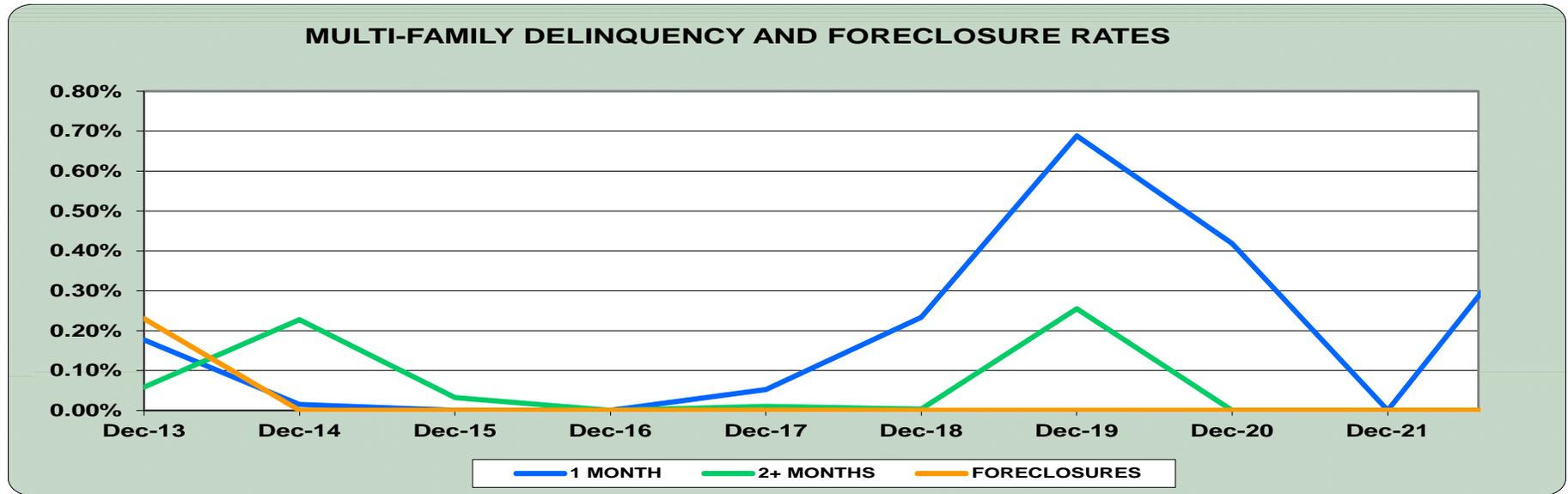
**Foreclosure Prevention Activities** – *Exhibit 8* summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of the end of month September 2022, we have assisted 756 borrowers with various foreclosure preventions options.

# Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 10/31/2022								
<b>Section 8</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
STRAWBERRY BLUFF	1,010.84	09/01/22	SOUTH PARIS	BAHRE, ROBERT P	06/09/99	86,107.00	0.00	0.00
						<u>86,107.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Rental Housing</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
THE UPLANDS	14,245.24	09/01/22	SCARBOROUGH	DC UPLANDS LP	11/06/20	3,108,053.00	0.00	0.00
						<u>3,108,053.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Supportive Housing &amp; Other</b>					ORIGINATION	DELINQUENT		
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
MOUSAM ST, 5	761.20	10/01/22	SANFORD	YORK COUNTY SHELTER PROGRAM IN	02/20/92	0.00	0.00	6,066.00
						<u>0.00</u>	<u>0.00</u>	<u>6,066.00</u>
<b>Grand Total</b>						<u>3,194,160.00</u>	<u>0.00</u>	<u>6,066.00</u>
<b>% of Portfolio Delq 60+ days</b>		<b>0.00%</b>						
<b>Total Number of Loans</b>		<b>1,245</b>						



# Multi-Family Delinquency & Foreclosure Trends



	<b>OUTSTANDING PRINCIPAL</b>	<b>1 MONTH</b>		<b>2+ MONTHS</b>		<b>FORECLOSURES</b>	
	<b>DOLLARS</b>	<b>DOLLARS</b>	<b>RATE</b>	<b>DOLLARS</b>	<b>RATE</b>	<b>DOLLARS</b>	<b>RATE</b>
<b>Oct-22</b>	\$ 781,316,037	\$ 3,194,160	0.41%	\$ 6,066	0.00%	\$ -	0.00%
<b>Dec-21</b>	\$ 696,004,882	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
<b>Dec-20</b>	\$ 666,678,177	\$ 2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%
<b>Dec-19</b>	\$ 635,961,774	\$ 4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%
<b>Dec-18</b>	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%
<b>Dec-17</b>	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%
<b>Dec-16</b>	\$ 579,916,852	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
<b>Dec-15</b>	\$ 573,932,384	\$ -	0.00%	\$ 185,320	0.03%	\$ -	0.00%
<b>Dec-14</b>	\$ 513,937,525	\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%
<b>Dec-13</b>	\$ 506,871,177	\$ 896,386	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%



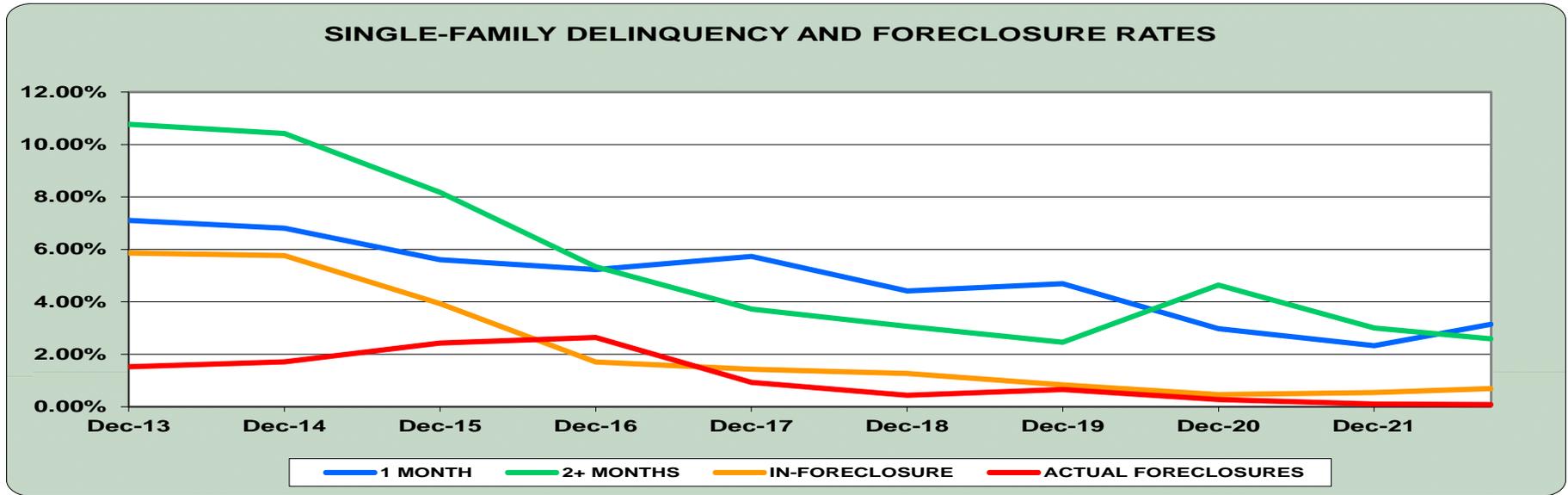
# Single-Family Delinquent Loans

**Maine State Housing Authority  
Single-Family Delinquencies by Servicer  
9/30/2022**

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	66.01%	3.19%	607,234,212.86	22,049,338.67	5,290,834.95	9,362,568.55	4,706,136.46
BANGOR SAVINGS BANK	13.58%	0.71%	124,914,229.46	2,175,852.44	363,732.87	265,434.41	252,924.00
CAMDEN NATIONAL BANK UK	8.80%	1.29%	81,000,488.94	1,913,624.50	438,724.24	145,604.88	460,261.68
MACHIAS SAVINGS BANK	7.16%	2.83%	65,883,979.49	1,841,112.79	417,247.09	680,157.13	767,353.69
BANGOR SAVINGS BANK QS	3.74%	0.00%	34,442,012.86	222,273.20	0.00	0.00	0.00
BANK OF AMERICA NA	0.66%	11.43%	6,026,786.21	694,471.20	62,564.58	428,533.75	198,013.35
SALEM FIVE MORTGAGE CORP	0.05%	0.00%	449,938.95	51,618.95	0.00	0.00	0.00
<b>TOTAL</b>	<b>100.00%</b>	<b>2.59%</b>	<b>919,951,648.77</b>	<b>28,948,291.75</b>	<b>6,573,103.73</b>	<b>10,882,298.72</b>	<b>6,384,689.18</b>



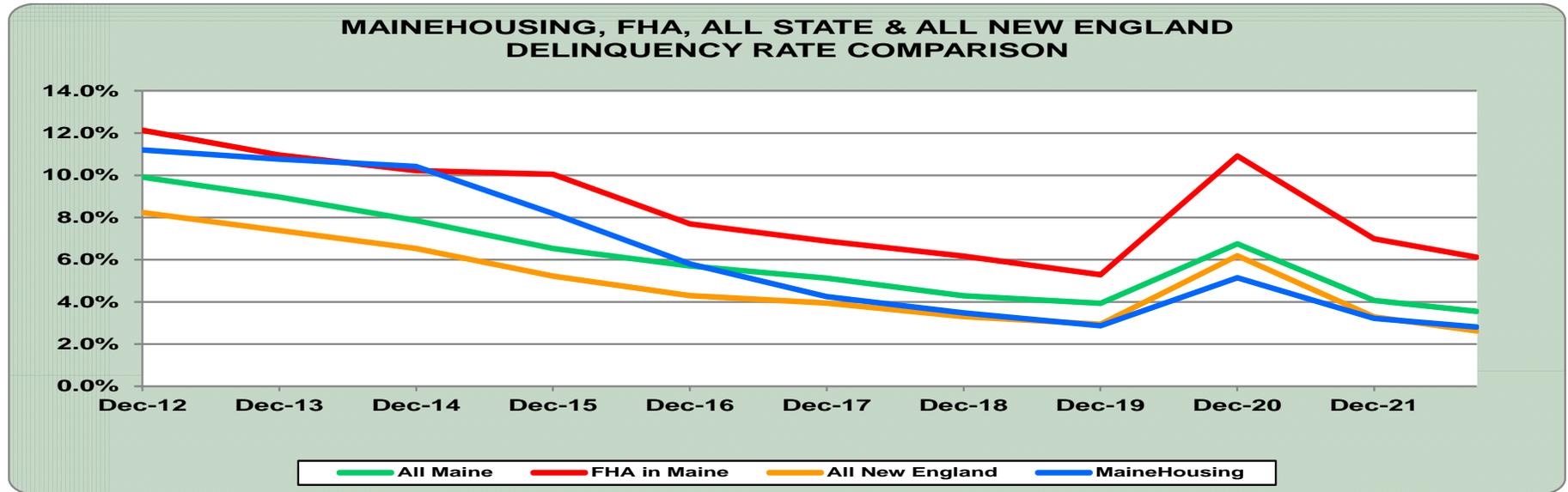
# Single-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL	1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Sep-22	\$ 919,951,649	\$ 28,948,292	3.15%	\$ 23,840,092	2.59%	\$ 6,384,689	0.69%	\$ 753,394	0.08%
Dec-21	\$ 887,303,920	\$ 20,685,547	2.33%	\$ 26,645,647	3.00%	\$ 4,806,968	0.54%	\$ 941,490	0.11%
Dec-20	\$ 960,761,414	\$ 28,645,024	2.98%	\$ 44,603,599	4.64%	\$ 4,471,656	0.47%	\$ 2,617,001	0.27%
Dec-19	\$ 967,171,381	\$ 45,399,415	4.69%	\$ 23,774,547	2.46%	\$ 8,037,512	0.83%	\$ 6,357,994	0.66%
Dec-18	\$ 916,608,577	\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%
Dec-17	\$ 844,497,676	\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%
Dec-16	\$ 799,557,471	\$ 41,780,468	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%
Dec-15	\$ 790,409,905	\$ 44,303,365	5.61%	\$ 64,656,769	8.18%	\$ 31,066,182	3.93%	\$ 20,797,314	2.43%
Dec-14	\$ 810,139,060	\$ 55,171,703	6.81%	\$ 84,385,397	10.42%	\$ 46,711,687	5.77%	\$ 13,904,155	1.72%
Dec-13	\$ 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*	120,289	0.53%	1.73%	1.29%	3.55%
FHA for State*	15,874	1.18%	3.21%	1.72%	6.11%
All New England*	1,702,190	0.50%	1.46%	0.66%	2.62%
MaineHousing**	9,614	0.80%	1.26%	0.75%	2.81%

\*This information is obtained from MBA's National Delinquency Survey for the second quarter of 2022.

\*\*MaineHousing's overall delinquency rate based on loan dollars is 2.59%, whereas rates in this exhibit are based on loan count.



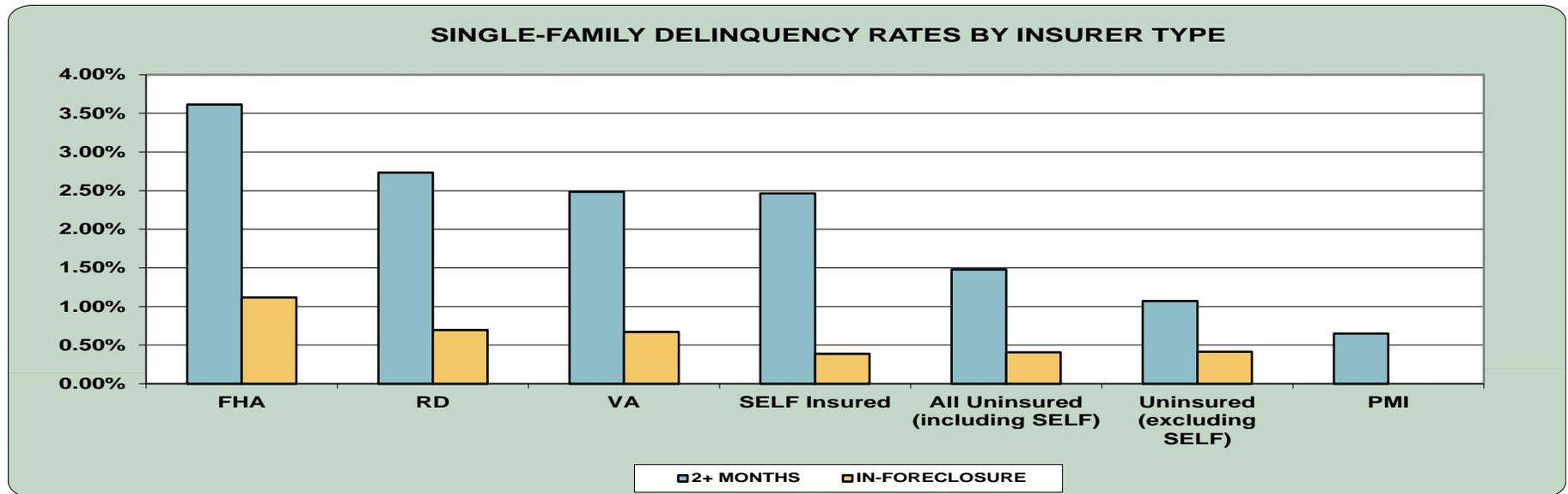
# Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type  
9/30/2022

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	3.61%	1.12%
RD	2.73%	0.70%
VA	2.48%	0.67%
SELF Insured	2.47%	0.39%
All Uninsured (including SELF)	1.48%	0.41%
Uninsured (excluding SELF)	1.07%	0.41%
PMI	0.65%	0.00%

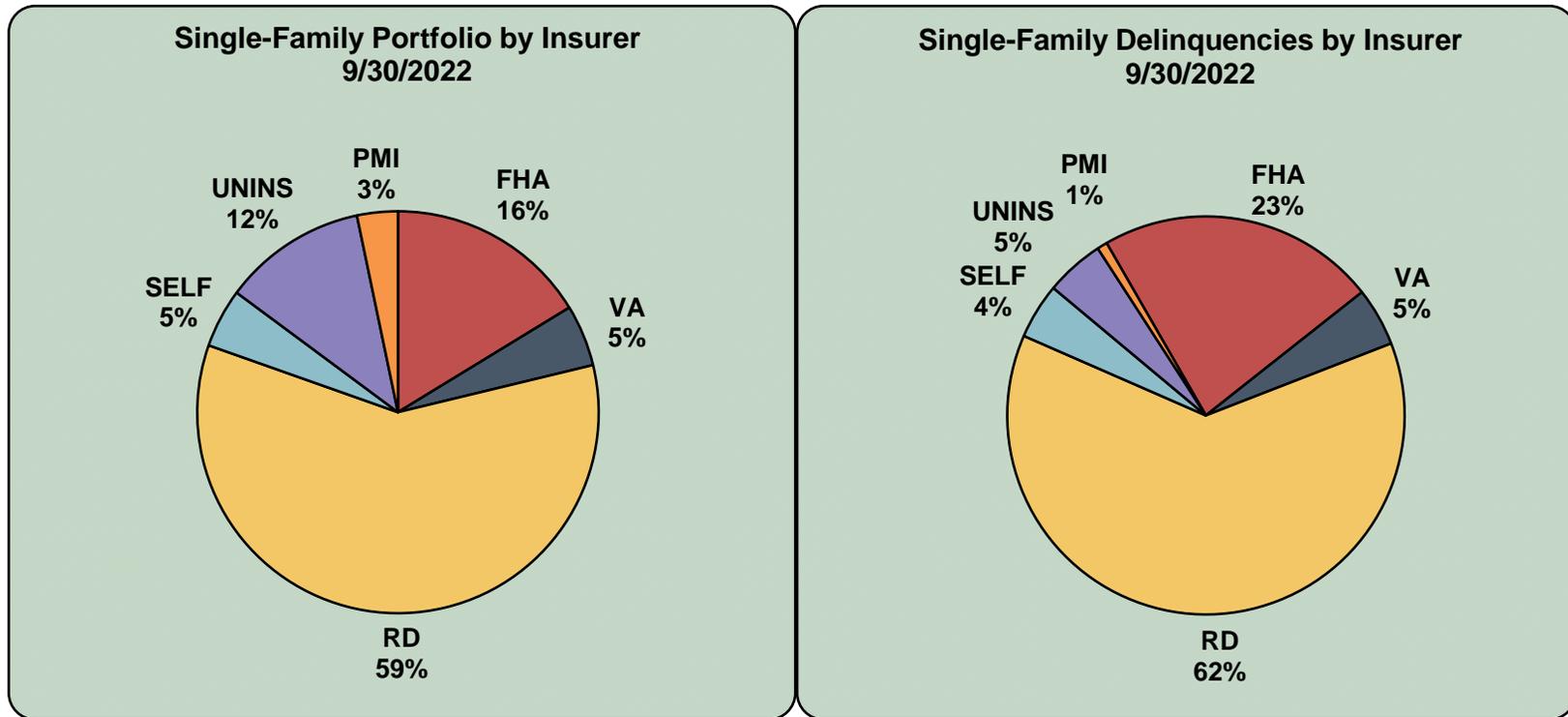
As A Percent of Total Loan Portfolio  
9/30/2022

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.62%	0.41%
FHA	0.59%	0.18%
All Uninsured (including SELF)	0.24%	0.07%
Uninsured (excluding SELF)	0.12%	0.05%
VA	0.12%	0.03%
SELF Insured	0.12%	0.05%
PMI	0.02%	0.00%

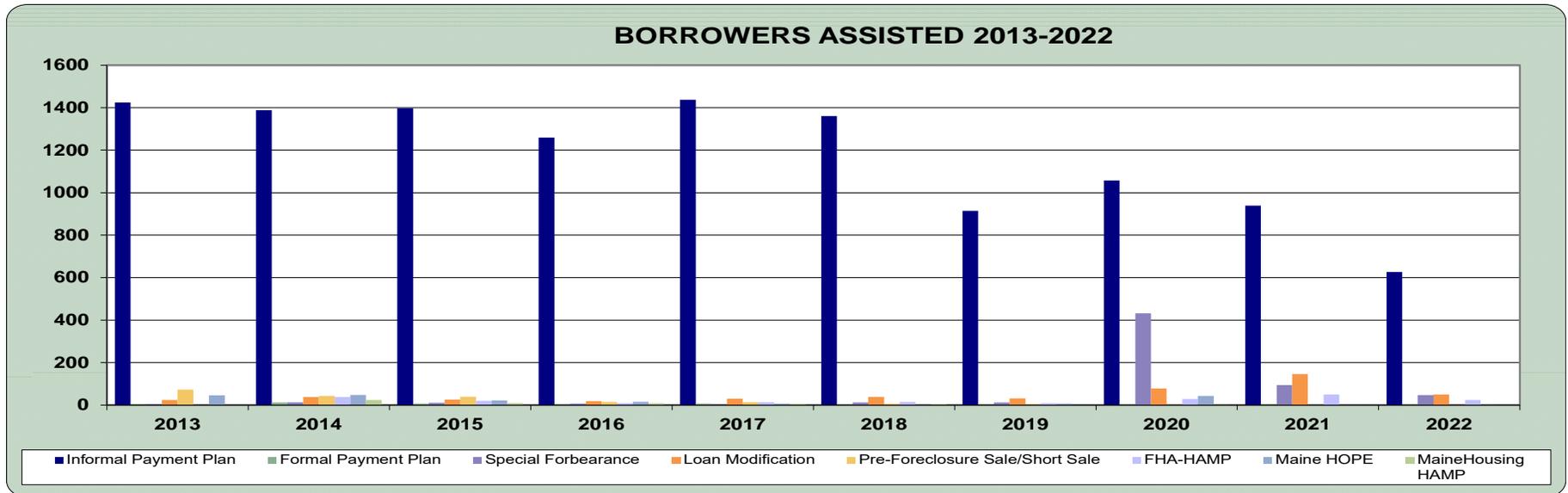


# Single-Family Delinquencies by Mortgage Insurer

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-HAMP	Maine HOPE	Maine Housing HAMP	Total Workouts
Sep-22	627	5	47	50	0	24	3	0	756
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	0	46	0	1576

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Sep-22	11	9,614	0.11%
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%



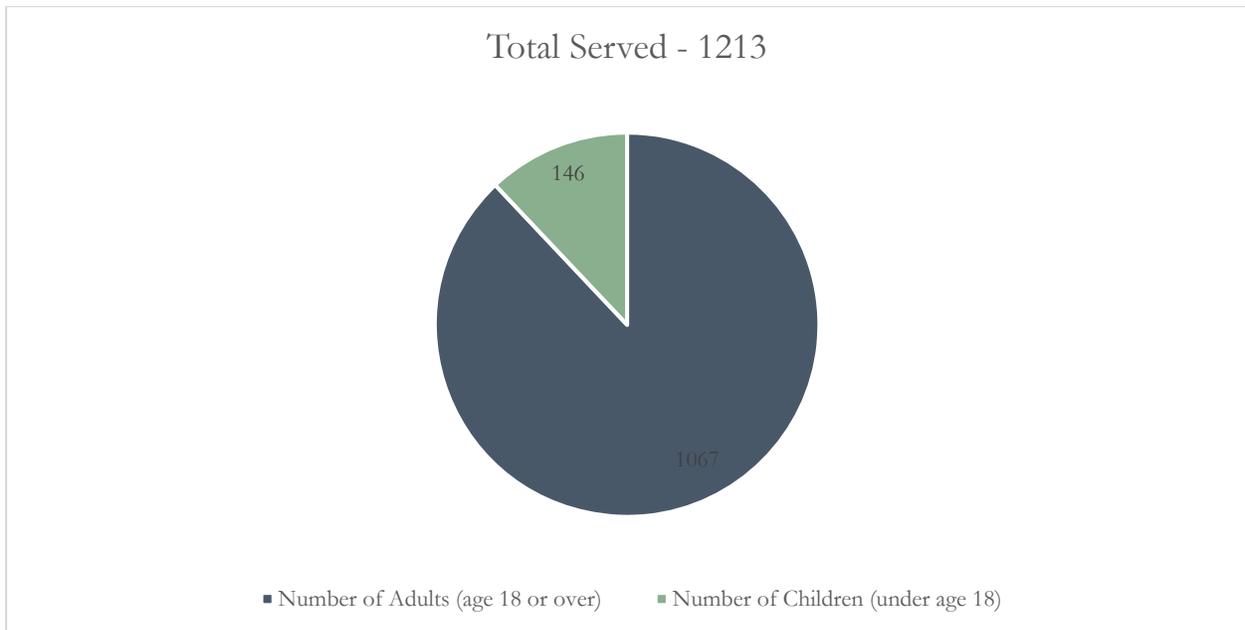
**Homeless Initiatives Department Memorandum**

**To:** Board of Commissioners  
**From:** Lauren Bustard, Senior Director of Homeless Initiatives  
**Date:** November 8, 2022  
**Subject:** Homeless Initiatives Report

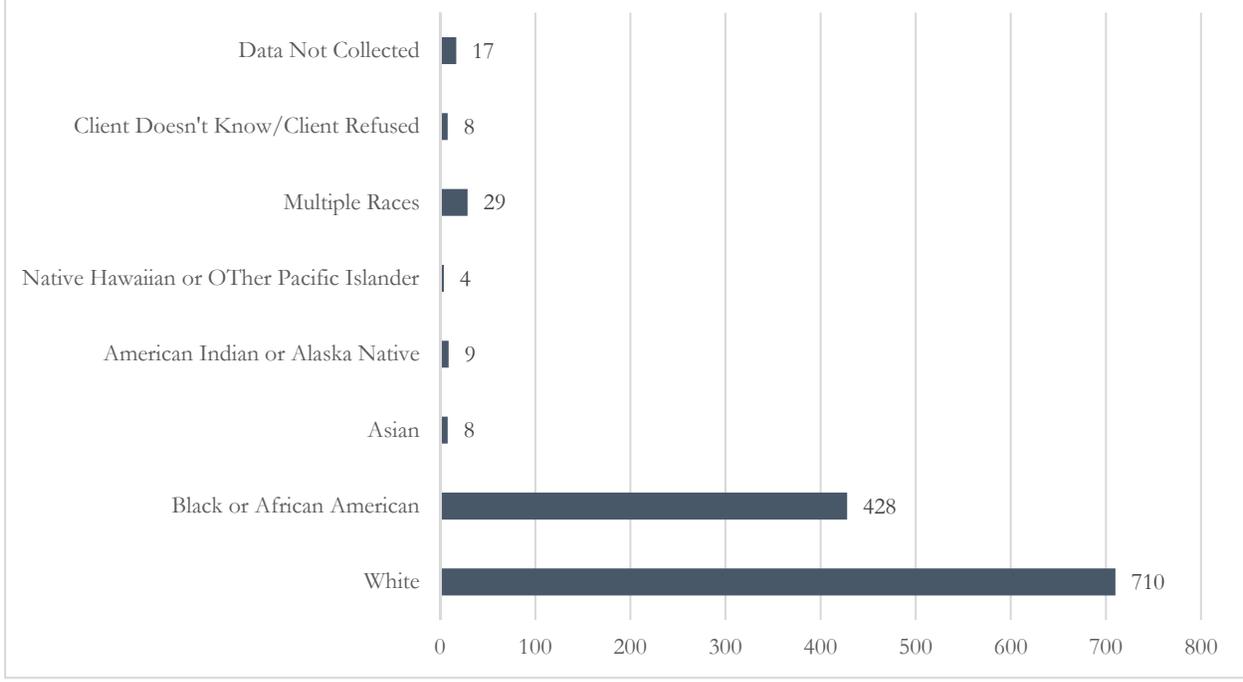
**Homeless Data – October 2022**

The following are the monthly statistics for October:

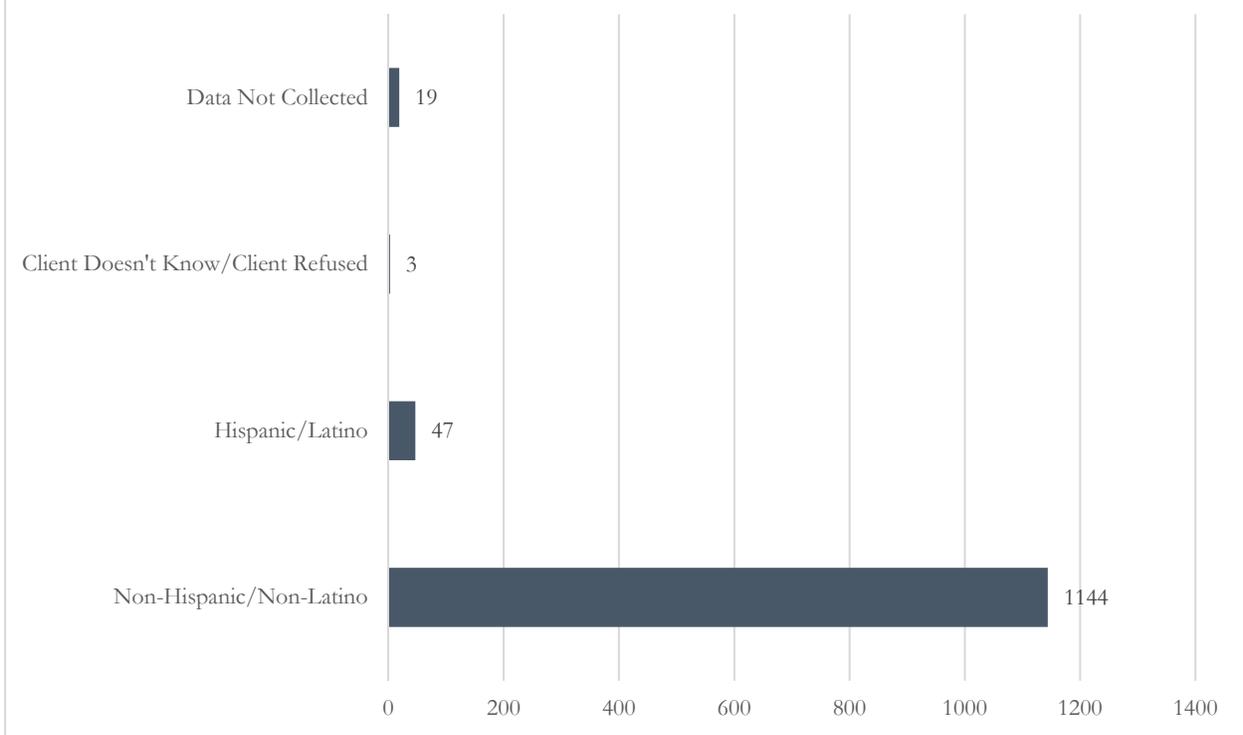
1. Total number of people served (1213) has decreased by 22 individuals. The caveat here is that these are only the individuals that are being served by homeless service providers around the state who are mandated to record data in the HMIS (Homeless Management Information System) database. It does not include people sheltered through GA, ERA or faith-based shelters that do not participate in the ESHAP program.
2. Racial equity – the percentage of people of color served decreased a little - from 42% in September to 40% in October. This includes a large group of Asylum Seekers from Angola and the Democratic Republic of Congo who have arrived in the Greater Portland area. The number for those who identify as Hispanic/Latino returned to the previous level of 47 individuals.
3. After six months at an average of 58 exits to permanent housing we finally saw a significant increase to 100. This is the highest number since April of 2021!



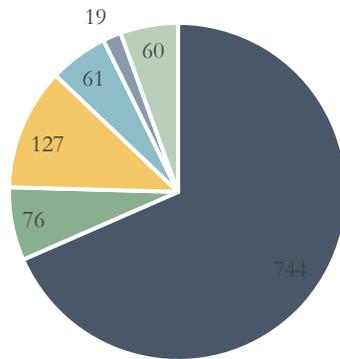
### Number of People Served by Race



### Number People Served by Ethnicity

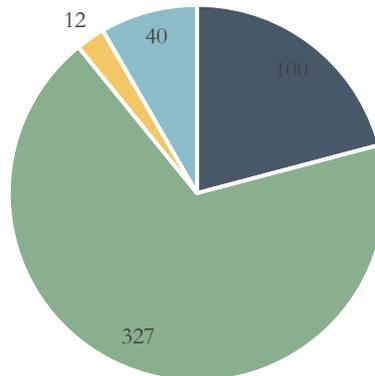


Residence of Clients Prior to Entry



- 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**

We continue to utilize two hotels in South Portland to house those single individuals experiencing homelessness in the Greater Portland area, funded through FEMA. Both hotels will be decommissioned by February 28, 2023 at the latest. We are now at capacity at the hotel in Saco utilized to provide one year of housing for Asylum Seeker families.

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

Hub Coordinators are busy convening meetings and hub level discussions around the following:

- Planning and coordination for January 2023 Point In Time count
- Planning/preparing for folks exiting hotels due to Emergency Rental Assistance program ending
- Potential winter warming centers – transportation and staffing continue to be barriers
- Data gathering from non-HMIS participating providers
- Identifying potential MCoC Coordinated Entry System access points

The State Strategy Team meets on Nov 15<sup>th</sup> for a bi-monthly check in to determine what progress has been made toward their goals of identifying resources to address gaps in outreach services, developing inter-agency data sharing protocols, and identifying barriers to racial equity within the homeless response system.

## Homeownership Department Memorandum

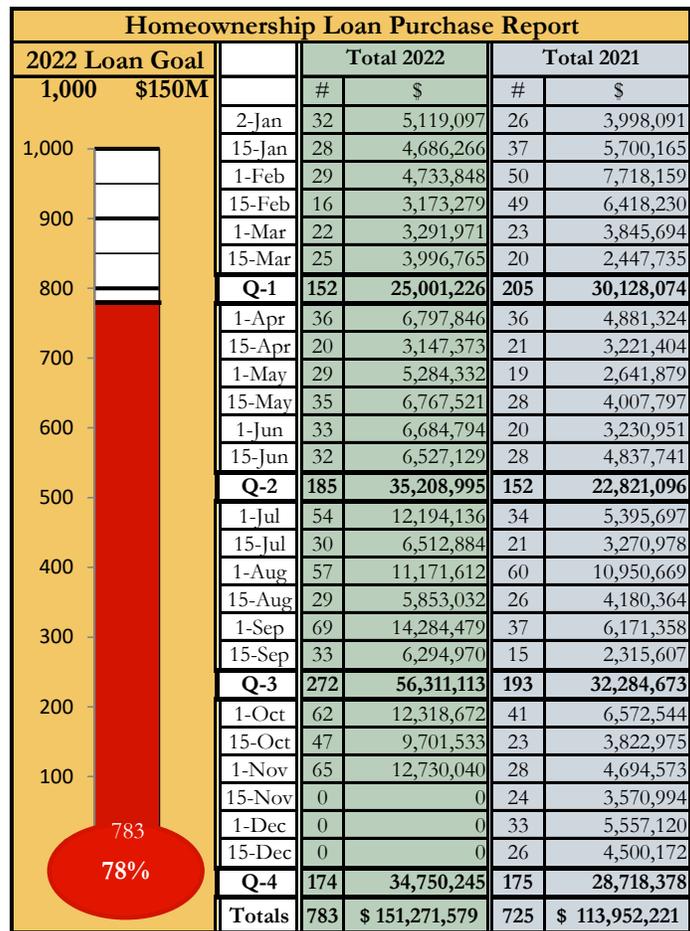
**To:** MaineHousing Board of Commissioners

**From:** Craig Reynolds, Director of Homeownership

**Date:** November 7, 2022

**Subject:** Monthly Report – Homeownership Department

### PRODUCTION UPDATE



Monthly Loan Reservations: 11/01/22	
#	\$ Volume
81	\$ 16,521,471

Loan Pipeline as of: 11/01/22	
#	\$ Volume
297	\$ 57,840,047

Loan Reservation Comparison					
October 2021		October 2022		2021 vs 2022	
#	\$ Volume	#	\$ Volume	#	\$ Volume
220	\$36,014,367	297	\$ 57,840,047	35%	61%

## **PROGRAM HIGHLIGHTS**

### **Production Update & Market Status**

First Home Loan production surpassed the entire 2021 loan total with the November 1<sup>st</sup> purchase with three scheduled purchases still remaining in 2022. Loan \$ volume for all of 2022 will easily surpass the previous record high program volume of just under \$153M set in 2019.

New loan reservations coming into the program have slowed in recent weeks, which is typical for the late fall season, and is a likely reflection of the rise in mortgage interest rates, which have doubled since the beginning of the year and are now averaging just above 7% in Maine. On the positive side for homebuyers is the slow decrease in home prices, and there are reports of some gain in the inventory of homes for sale which has been a huge obstacle for the past several years. As shown in the Production Update chart above, loan reservations are up 35% over this time last year and the \$ volume of the current pipeline is \$57.8M, a huge increase of 61% over last year.

As previously mentioned, mortgage interest rates in Maine are now averaging over 7% and are likely to rise even further if the Federal Reserve continues to increase its lending rate in an attempt to combat inflation. Despite a modest decrease in home sales prices, that improvement is offset somewhat by rising interest rates, which reduces overall housing affordability and has a particularly negative impact on first time homebuyers. As of writing this report, MaineHousing's First Home Loan (FHL) interest rate of 5.50% stands well below market rates and continues to offer \$5,000 in Advantage down payment and closing cost assistance to eligible borrowers. Although First Home Loan rates may also have to rise depending on any changes in the bond market, the program goal is to remain below market and always offer an affordable financing choice for Maine's first time home buyers.

The following is an excerpt from the Maine Association of REALTORS® monthly press release in October regarding Maine's real estate market activity and related regional and national statistics provided by the National Association of REALTORS®.

#### **MAINE HOME SALES EASE IN SEPTEMBER; PRICES UP 3.13 PERCENT**

AUGUSTA (October 20, 2022)—Home prices may be stabilizing, according to the Maine Association of Realtors. Sales remain strong; Maine Listings today reported a median sales price (MSP) of \$330,000 for the 1,890 single-family existing homes sold in September. The MSP indicates that half of the homes were sold for more and half sold for less. Comparing September 2022 to September 2021, sales did ease 8.56, through demand for homes resulted in a price increase of 3.13 percent.

“Nearly 1,900 homes were sold during September, the third best September in the 20 years since we’ve been keeping records” says Madeleine Hill, 2022 President of the Maine Association of REALTORS® and Designated Broker at Roxanne York Real Estate in Harpswell.

“For-sale inventory had been trending upward, but strong September sales slowed that momentum,” added Hill, “and demand remains active.”

The National Association of Realtors reported a 23 percent decline in sales nationally in September 2022 compared to September 2021. The national MSP rose 8.1 percent to \$391,000. Regionally, sales dipped 18.7 percent and the regional MSP of \$418,500 represents an increase of 8.3 percent comparing September 2022 to September a year ago.

“As we move into the 4th quarter, the silver lining of rising mortgage interest rates and the inflation-driven volatility of financial markets may be the stabilization of home sales prices,” says Hill. After 25 consecutive months of double-digit pricing increases, both August and September 2022 came in with single-digit price appreciation. Overall, REALTORS® across Maine are feeling a leveling in the marketplace.”

### **Lender Partner Training**

Mortgage Lending Team Leader, Lisa McKenna conducted four virtual trainings for several of our participating lender partners in October. Three of the trainings were focused on originating, processing & underwriting MaineHousing First Home Loans (FHL), while the fourth one focused on closing and delivery. Lenders holding various positions within their organizations in attendance were from Androscoggin Savings Bank, Mechanics Savings Bank (a division of Maine Community Bank), Northpoint Mortgage, and University Credit Union. Androscoggin Savings Bank, Northpoint Mortgage, and University Credit Union had experienced recent significant staff turnover and were focused on getting their new staff members introduced to our FHL program.

### **Mechanics Savings Bank Leadership Change**

Mechanics Savings Bank has been a long time participating lender, but with very low First Home Loan (FHL) production over the last several years. We have been informed that David Stolt, formerly of Northeast Bank, is now their SVP Director of Mortgage Lending. He is hoping to expand their FHL production to include RD loans, Arch PMI, more conventional loans and possibly utilizing MaineHousing’s Mobile Home Self-Insured and Purchase Plus Improvement options. Homeownership plans to assist Mechanics Savings Bank in this endeavor in any way possible.

### **Maine Association of Mortgage Professionals (MAMP) Breakfast Bash**

Consumer Education Coordinator, Jessica Gurney attended the Maine Association of Mortgage Professionals Big Bonus Breakfast Bash held on Wednesday, October 5<sup>th</sup>. This event was held at the Double Tree Hotel in



*MAMP Lender Panel. Shown seated L to R: Kyle Rucker from University Credit Union, Eric Andrews from Gorham Savings Bank, and Thomas Drew from Supreme Lending.*

Portland. MaineHousing was pleased to participate as a gold sponsor for this event. Presentation topics included 'Road to the Closing Table', 'It's All About The Rates', 'Get Ready, Cause Here I Come', 'Remote Online Notarization', and a lender panel also offered the opportunity to field Q&A.

### **2022 Maine Association of Realtors Convention**

The Maine Association of Realtors (MAR) held its 2022 Annual Convention and Trade Show at the Samoset Resort on Tuesday, October 11-13<sup>th</sup>. Mortgage Lending Coordinator, Dawn Libby-Lynch and Consumer Education Coordinator, Jessica Gurney represented MaineHousing as an exhibitor at the sold out event. They had the opportunity to network with dozens of Realtors attending from all over Maine, as well as with other exhibitors to promote MaineHousing's First Home Loan program.

### **Meeting Prosperity Maine**

Director of Homeownership, Craig Reynolds, Manager of Homeownership, Tina Partridge and Consumer Education Coordinator, Jessica Gurney invited members of the leadership team at Prosperity ME to a meeting held at our Edison Drive office.

This included Founder and Executive Director of Prosperity ME, Claude Rwaganje and Deputy Director, Ellen Billie. Claude Rwaganje is originally from the Democratic Republic of Congo, and learned through his own immigration experience that financial education and stability is essential to building a productive and successful life in the United States. It was his vision to create a non-profit organization where New Mainers from countries all over the world can obtain free financial education, information materials and support. The Homeownership team at MaineHousing looks forward to working with Prosperity ME to expand the financial literacy resources and information available to those served by the organization, which would also include our First Home Loan materials translated into other languages for those who aspire to own a home.



*Representing MaineHousing at the MAR Annual Convention (left) Consumer Education Coordinator, Jessica Gurney, and (right) Mortgage Lending Coordinator, Dawn Libby-Lynch*

## Housing Choice Vouchers Department Memorandum

**To:** MaineHousing Board of Commissioners

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

**Date:** November 15, 2022

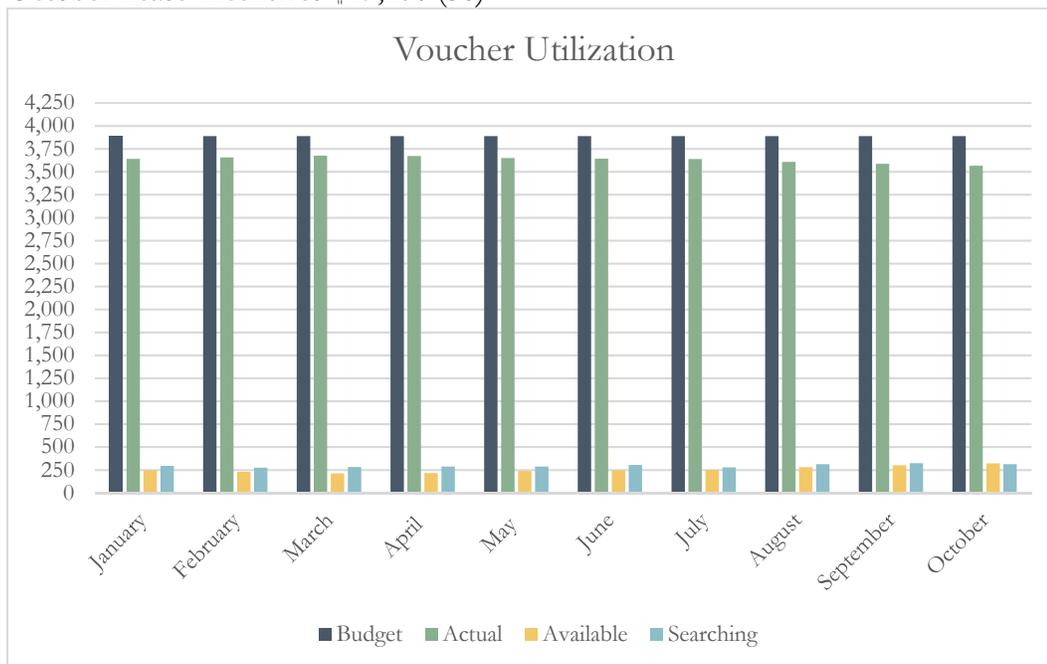
**Subject:** Monthly Report – Housing Choice Voucher Program

### Program Updates:

Laurie Glidden, Restart Coordinator, was part of a panel exploring the path to Homeownership at the NCSHA conference in Houston. I am excited to share that our Restart team received an award as part of the 2022 NCSHA Annual Awards for Program Excellence for Homeownership: Empowering New Buyers

“These award-winning programs demonstrate how the state housing finance agencies are rising to meet this most demanding moment in housing affordability, with resourcefulness and ingenuity,” said NCSHA Executive Director Stockton Williams.

### October Lease Incentives-\$29,250 (38)



### HCV (homeless initiatives)

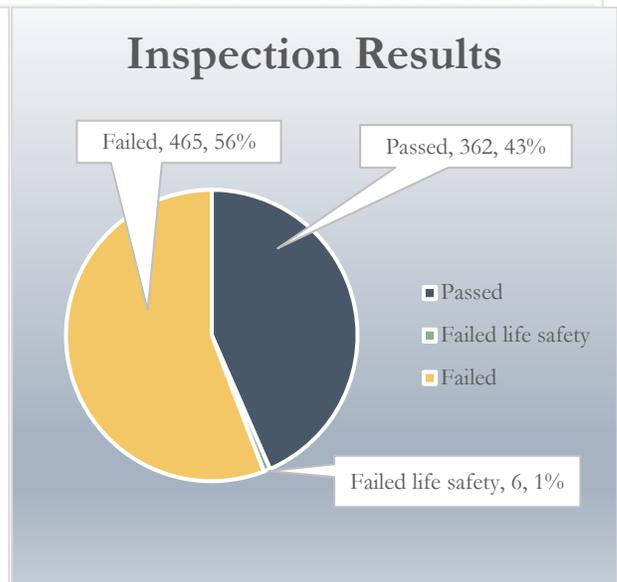
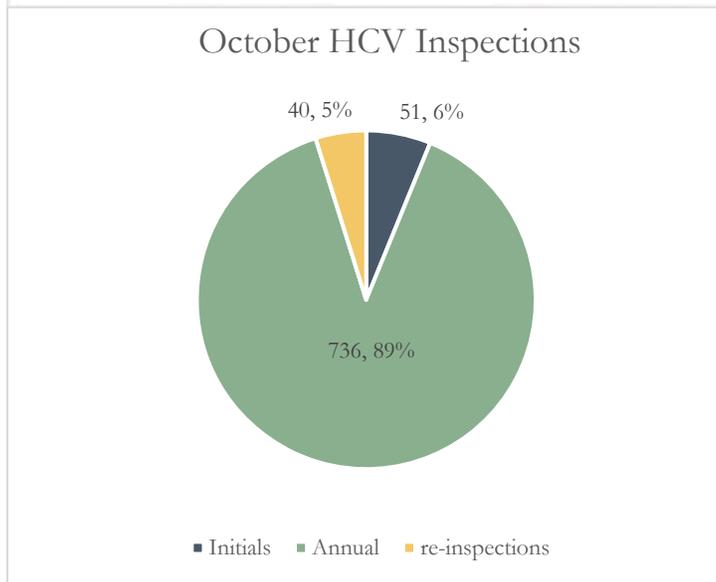
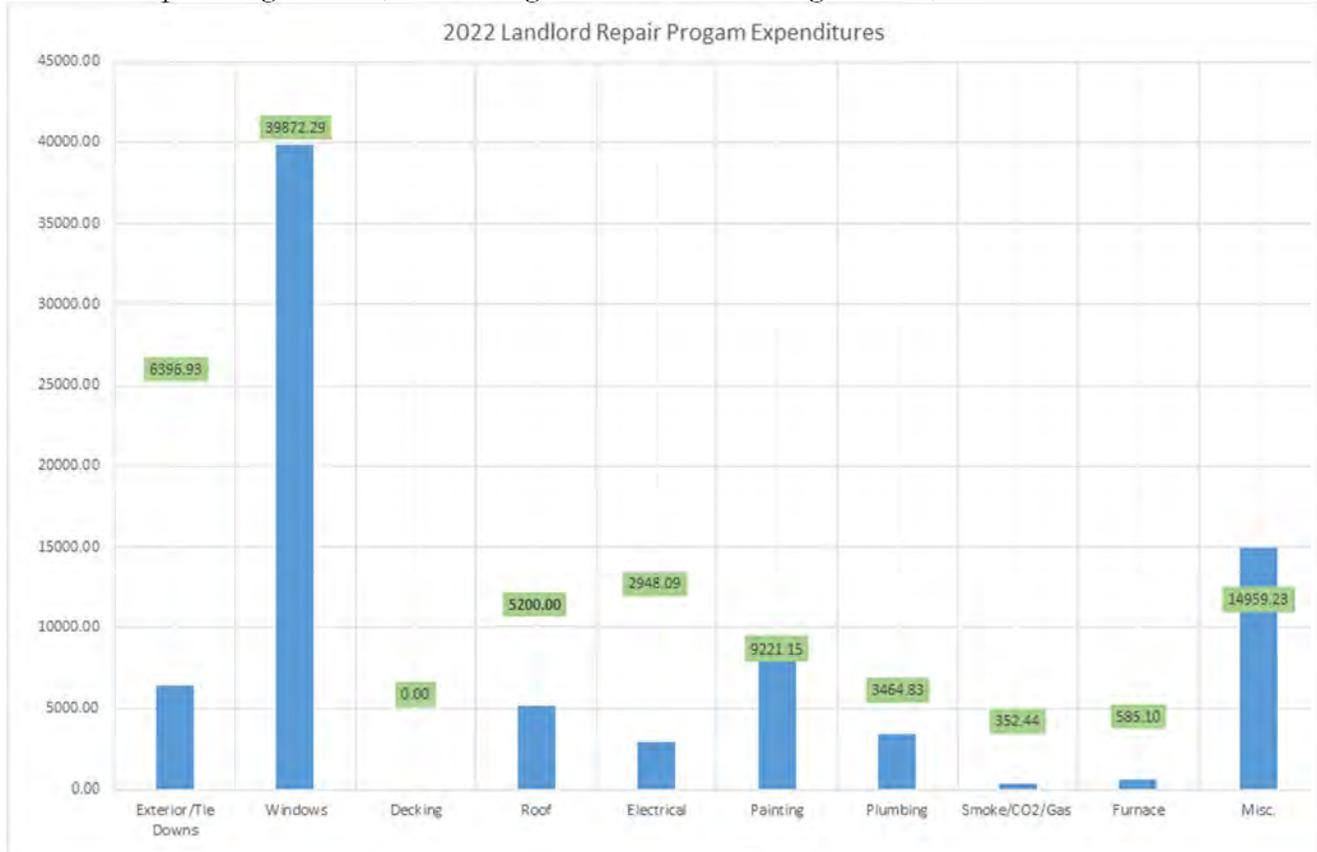
	Leased	Searching
<b>STEP</b>	115	30
<b>Home to Stay</b>	185	85
<b>Homeless Priority</b>	240	65
<b>EHV</b>	49	45

**LEAN Update:**

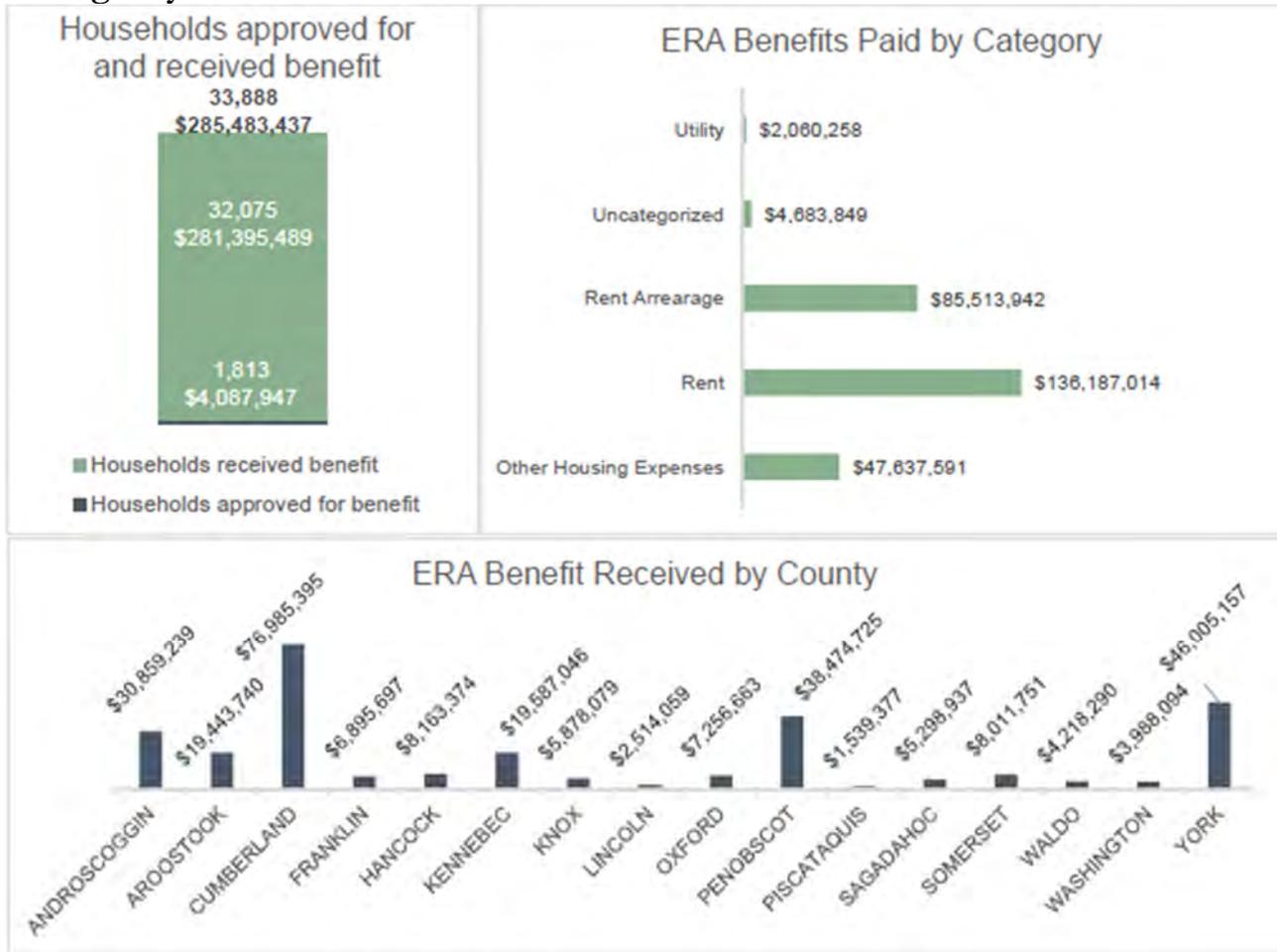
HCV staff are working on scanning all physical tenant files as a 2021/2022 LEAN initiative. We have scanned 90% of our physical tenant files to date. We are 284 tenant files away from being 100% electronic.

**Inspection Updates:**

Landlord Repair Program: \$83,000/Damage Reimbursement Program: \$40,931



## Emergency Rental Assistance:



As of November 2, 2022

**Human Resources and Facilities Department Memorandum**

**To:** Board of Commissioners  
**From:** Jane Whitley, Director of Human Resources & Facilities  
**Date:** November 2022  
**Subject:** Board Report

**Human Resources YTD Stats as of November 7**



**Human Resources Updates**

Congratulations to the following staff who have been promoted:

- Lori McPherson from HEAP Program Officer to HEAP Program Specialist, EHS
- Zach O’Ben from Program Assistant to HEAP Program Officer, EHS
- Christina Cary from Program Assistant to HEAP Program Officer, EHS
- Brandi Santo from HCV Inspections Assistant to HCV Financial Specialist, HCV
- Saige Knight from Financial Reporting Specialist to MPP Accountant, Finance

We are currently advertising and/or interviewing for the following positions:

- HCV Inspections Assistant, HCV
- Financial Reporting Specialist, Finance
- Administrative Assistant, EHS
- Weatherization & Housing Assistant, EHS
- Application Specialist, IT
- HMIS Training & Support Specialist, Homeless
- Mortgage Lending Officer, Homeownership



**We are always looking for great people to fill our positions!**

**Please encourage your family and friends to visit our website at [www.mainehousing.org/careers](http://www.mainehousing.org/careers).**

**Compensation Study**

Gallagher Benefit Services is currently conducting a compensation study to assess MaineHousing’s competitiveness with the current labor markets i.e. Augusta, ME and Portland, ME. Our goal is to ensure our current salary structure is competitive to recruit and retain employees. Our compensation program objectives are:

- Be fair, equitable, and sustainable for our current and future employees

- Be considered an employer of choice in the central Maine area

We hope to receive Gallagher's results in the next few weeks.

To learn more about Gallagher, please visit:

<https://www.ajg.com/us/services/compensation-consulting-and-total-rewards-programs/>

To learn more about the Decision Band Method Pay System, visit:

<https://www.ajg.com/us/news-and-insights/2021/apr/using-dbm-job-pay-inequity/>

### **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**

- ✓ Campus fall clean-up has begun!



**Information Technology Department Memorandum**

**To:** Board of Commissioners

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

**Date:** November 9, 2022

**Subject:** Monthly Report

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**Information Technology Updates:**

- Craig Given, Director of IT, participated in the panel “Emerging Data Management Trends” at NCSHA’s 2022 Annual Conference & Showplace in Houston.
- Members of the Data Security Breach Response Team performed a tabletop exercise to test the ability to respond to scenarios related to potential incidents. A report including action items was prepared by an independent consultant for review by the team.
- External penetration testing and security assessment was active during October, with an initial report expected in the coming month. Review and remediation will occur in the coming months in preparation for a final report.
- Members of the Information Security Committee attended the 2022 Cybercrime Symposium held by Tyler Cybersecurity.
- Infrastructure team implemented a single sign on infrastructure to improve and expand security controls across multiple internal and hosted systems.
- Applied security patches to critical systems to address identified vulnerabilities.
- Renewed MOU with partner organization for disaster emergency recovery site.
- For Cybersecurity month, education material was included in the monthly communication program.
- Processed updates and patches for telecommuting computer to ensure latest security patches in place.

## 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> <li>• Chapter 19 – Homeless Solutions Rule – commence rulemaking <b>(VOTE)</b></li> <li>• Goal Setting (1 hour)</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> <li>• Public Hearing – Homeless Solutions Rule</li> <li>• Chapter 27 – Transfer of Ownership Interests commence rulemaking <b>(VOTE)</b></li> </ul> <p><u>Program Presentations:</u></p> <ul style="list-style-type: none"> <li>• HARP and Community Aging in Place</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 Budgets</li> <li>• Public Hearing DOE Weatherization State Plan</li> <li>• Adopt Homeless Solutions Rule <b>(VOTE)</b></li> <li>• Public Hearing – Transfer of Ownership Interests Rule</li> <li>• Goal Setting (1/2 hour)</li> <li>• Resource Allocation</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> <li>• Adopt Transfer of Ownership Interests Rule <b>(VOTE)</b></li> </ul>	

Future Rulemaking: