

Notice of Agency Rule-making Proposal

AGENCY: 99-346 Maine State Housing Authority

CHAPTER NUMBER AND TITLE: Chapter 16, Low-Income Housing Tax Credit Rule

PROPOSED RULE NUMBER (*leave blank; assigned by Secretary of State*):

CONTACT PERSON FOR THIS FILING: Ashley Carson, Chief Counsel, Maine State Housing Authority, State House Station #89, 26 Edison Drive, Augusta, Maine, 04330-6046, (207) 626-4600 (telephone), Maine Relay 711, acarson@mainehousing.org (e-mail)

Upon sufficient notice, this notice and the proposed rule will be made available in alternative formats for persons with disabilities and in alternative languages for persons with limited English proficiency.

CONTACT PERSON FOR SMALL BUSINESS INFORMATION (if different): Same as Contact Person

PUBLIC HEARING (if any): A public hearing will be held on Tuesday, April 16, 2024 at 9:30 a.m. at Maine State Housing Authority, 26 Edison Drive, Augusta, Maine. To listen or testify virtually, please contact the Board Administrator before the hearing at MaineHousing, 26 Edison Drive, Augusta, Maine 04330-6046; (207) 626-4600 (voice); 1-800-452-4668 (voice in state only); or 711 (Maine Relay) or via e-mail: BoardAdmin@mainehousing.org.

Upon sufficient notice, appropriate communication auxiliary aids and services will be provided to persons with disabilities and persons with limited English proficiency.

COMMENT DEADLINE: Friday, April 26, 2024 at 5:00 p.m.

BRIEF SUMMARY: The rule repeals and replaces the current Chapter 16, *Low-Income Housing Tax Credit Rule*. The rule is the qualified allocation plan for allocating and administering the federal low-income housing tax credit in the State of Maine, including the State's housing credit ceiling for calendar years 2025 and 2026, as required pursuant to Section 42 of the Internal Revenue Code.

IMPACT ON MUNICIPALITIES OR COUNTIES (if any) None

STATUTORY AUTHORITY FOR THIS RULE: 30-A M.R.S. §4741(1), 30-A M.R.S. §4741(14) and Section 42 of the Internal Revenue Code of 1986, as amended

SUBSTANTIVE STATE OR FEDERAL LAW BEING IMPLEMENTED (if different): Same as above

E-MAIL FOR OVERALL AGENCY RULE-MAKING LIAISON: acarson@mainehousing.org

* Check one of the following two boxes.

☐ The above summary is for use in both the newspaper and website notices.

☒ The above summary is for the newspaper notice only. A more detailed summary / basis statement is attached

Please approve bottom portion of this form and assign appropriate AdvantageME number.

APPROVED FOR PAYMENT _____ DATE: _____
(authorized signature)

FUND	AGENCY AMOUNT	ORG	APP	JOB	OBJT
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DETAILED BASIS STATEMENT/SUMMARY: This rule is the qualified allocation plan for allocating and administering federal low income housing tax credits (“LIHTC”) in the State of Maine, which MaineHousing, as the State’s designated housing credit agency, is required to adopt pursuant to Section 42 of the Internal Revenue Code and the above-referenced sections of the Maine Housing Authorities Act.

This rule replaces the prior rule and includes the following changes:

Throughout:

- Updated deadlines
- Repaired grammatical errors (punctuation, typos, correcting defined terms, etc.)

Section 3B:	Updated Preservation Set-Aside amount to \$750,000.
Section 3C:	Increased the amount of credit per unit to \$30,000 from \$20,000, and changed the maximum amount of credit per project to \$1,200,000.
Section 4A:	Pre-apps due July 3, 2024 and July 3, 2025.
Section 4B2:	Applications due September 19, 2024 and September 18, 2025.
Section 4B3:	Added language: “Submitted exhibits must include proper documentation to provide evidence of all funding sources and official approvals.”
Section 4I4:	Updated language to clarify.
Section 4I5:	Added language “in the case of a TDC Index Cap waiver, the TDC Index increases substantially”
Section 5A:	Removed Section 811 language.
Section 5B:	Increased the TDC Index caps.
Section 5C:	Increased Rehabilitation Costs per unit of existing housing from \$50,000 to \$75,000.
Section 5G:	Updated and clarified re-characterization language.
Section 5H:	Added a link to the latest version of the Quality Standards and Procedures Manual and noted energy efficiency standards. Additionally, updated Build America, Buy America requirements, removed electrical raceway/conduits language and relocated and updated Section 3 language.
Section 5I:	Changed Telemedicine Capabilities to “Broadband Access”
Section 5J:	Added that the resident service coordinator must be available twice weekly which is the appropriate number of days each week acceptable to MaineHousing.
Section 6:	Renumbered and reorganized the scoring criteria.
Section 6A:	Increased the scoring points for Rehabilitation or Reuse of Existing Housing, Structure or Site from 4 to 5.
Section 6B:	Increased the scoring points for Historic Rehabilitation from 4 to 5.

Section 6E:	Updated the scoring points for Accessibility to increase 6 points to 9 points for Projects that are not specifically for Older Adults or Families, having only 1 BR and/or efficiency units and to add 6 points for Family Projects.
Section 6F:	Increased the scoring points for National Housing Trust Fund from 1 to 2.
Section 6G:	Increased the scoring points for Acquisition Cost from 4 to 5, increased the average acquisition cost per unit and increased the percentage of project's acquisition cost as compared to average acquisition cost and the associated points.
Section 6I:	Decreased the scoring points for Housing Need from 10 to 8 and updated the Service Center Community Cities/Towns for both Project providing housing for Older Adults and Other Housing Projects and the associated points. Additionally, adjusted the points for Projects located on Native American tribal lands from 10 points to 8 points.
Section 6J:	Increased the scoring points for Community Revitalization from 3 to 5 and added two points for Projects located in a QCT with at least 20% of the units at market rate.
Section 6K:	Adjusted the scoring points and criteria for proximity to activities important to daily living to up to 5 points for activities important for daily living that are located within not more than a ½ mile of the Project, 1 point per activity.
Section 6L:	Increased the scoring points for Readiness and provided a breakdown of the points for different categories.
Section 6M:	Added the word “successfully” to the scoring criteria for two categories.
Section 6N:	Changed to negative points for bad performance.
Section 6O:	Reduced the weight of the scoring criterion from 5 points to 2.
Section 6P:	Changed to negative points for bad performance.
Section 10F:	Added Utility Monitoring to begin in Year 2 of the QAP.
Appendix A:	Change made to “Activities Important to Daily Living” definition adjusting retail store to a store that offers regularly purchased household supplies.
Appendix B:	Language was added to require any available radon test results for the Project site.