

# December 20, 2022 Board Packet

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**Board of Commissioners Meeting – December 20, 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

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9:00	Adopt Agenda (VOTE)	All
	Remote Commissioners	Frank O'Hara
	- Reason remote	
	- Any other persons at their location	
	Approve minutes of November 15, 2022 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Frank O'Hara
	- Choose new Audit Committee member	
	- Elect Officers (Secretary and Vice Chair) of the Board (VOTE)	
9:30	Director Updates	Dan Brennan
10:00	Adopt Chapter 27 – Transfer of Ownership Interests Rule (VOTE)	Ashley Janotta
10:05	Adopt DOE Weatherization State Plan (VOTE)	Kim Ferenc/Ashley Janotta
10:15	New Series Resolution (VOTE)	Tom Cary
10:45	Final Review & Adoption of the 2023 Budget (VOTE)	Darren Brown
	<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	
	2023 Board Calendar	
	Adjourn (VOTE)	All

The next meeting of the Board is scheduled for January 17, 2023  
virtually and in person at 26 Edison Drive, Augusta, Maine

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Minutes of the Board of Commissioners Meeting November 15, 2022

### **MEETING CONVENED**

A meeting of the Board of Commissioners for MaineHousing convened on November 15, 2022 at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on November 4, 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).

State Treasurer Henry Beck, filling in as Chair for Frank O'Hara, called the meeting to order at 9:00 a.m. Treasurer Beck, Director Dan Brennan, Commissioners Betty Dietz, Renee Lewis, Laura Buxbaum, Paul Shepherd, and Nancy Harrison attended in person. Commissioner Deb Ibonwa attended remotely due to scheduling conflicts, there were no other persons at her location. Chair Frank O'Hara and Commissioner Noël Bonam were 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; Craig Given, Director of Information Technologies; Karen Lawlor, Executive Administrator; Jason Stonier, Operations Manager – Building & Grounds; Lauren Bustard, Senior Director of Homeless Initiatives; Kim Ferenc, Manager of Housing & Weatherization; Genevieve Soucy, Interim Director of Energy & Housing Services; Scott Thistle, Communications Director; Erik Jorgensen, Senior Director of Government Relations & Communications; Joshua Pinkerton, Data Analyst; DeAnna Trask, Weatherization Program Officer; Troy Fullmer, Manager of HEAP; Charles Ransom, Downeast Community Partners; Ross Anthony, Maine Governor's Energy Office; Megan Hannan, Maine Community Action Partnership; Jackie Watson and Heidi Jackson, York County Community Action; Todd Gandler, Efficiency Maine Trust; Laura Mitchell, Executive Director Maine Affordable Housing Coalition; and Gerrylynn Ricker, Paralegal and Note taker.

### **ADOPT AGENDA**

*Commissioner Buxbaum made a motion seconded by Commissioner Dietz to adopt the November 15, 2022 agenda. The vote carried unanimously.*

### **APPROVE MINUTES OF OCTOBER 18, 2022 MEETING**

*Commissioner Dietz made a motion seconded by Commissioner Buxbaum to accept the October 18, 2022 minutes as written. The vote carried unanimously.*

### **COMMUNICATIONS AND CONFLICTS**

None

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

None

## **SELECT VICE CHAIR AND CHAIR OF THE AUDIT COMMITTEE**

*Commissioner Harrison made a motion seconded by Commissioner Dietz to elect Commissioner Buxbaum as Vice Chair and Chair of the Audit Committee. The vote carried unanimously.*

## **DIRECTOR UPDATES**

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

- Visited Lewiston/Auburn and met with Fatuma Hussein of the Immigrant's Rights Coalition in Auburn as well as city officials.
- Attended and presented at the homeless conference held by Preble Street in Portland.
- Had lunch with Governor Mills and others from Waterville (the Mayor, local legislative representatives) regarding a project that will be coming into our pipeline and located downtown.
- Attended the National Council of State Housing Agencies ("NCSHA") annual conference in Houston. We received an award for our Family Self Sufficiency program. Director Brennan also reported he was elected to the NCSHA Board of Directors, it is a two year term.
- Met with Rebecca Hatfield, the new Executive Director of Avesta Housing; and Brian Frost, the new Director of Portland Housing Authority.
- Attended Maine Real Estate Developers Association 35<sup>th</sup> annual gala in their 38<sup>th</sup> year of existence because of COVID. Commissioner Lewis was recognized – she was named to the Board Emeritus.
- Held a successful Board orientation for our two new Commissioners, Paul Shepherd and Deb Ibonwa.
- Met with Julie Hasham, Economic Development Director in Rockland and a former MaineHousing employee. Julie brought with her two MaineHealth officials who own two buildings in Rockland who are looking to do housing.
- Gave a presentation to the Senate Majority Office. They are receiving a lot of constituent calls around the Emergency Rental Assistance program and Heating Assistance program.
- We are closing the Emergency Rental Assistance program. We are not going to receive any more money from US Treasury. We are making progress in preserving a portion of the \$26 Million that they were asking to take back. We are hopeful we can salvage around \$17 Million.
- The Home Energy Assistance Program ("HEAP") is off to a great start. We started taking applications back in July which is about five weeks earlier than they normally do. We are about 20% ahead of where we were last year. The federal government did get us an additional \$6.5 Million on top of our normal allocation (around \$35 Million).
- Performance Based Contract Administration (PBCA) update – we are still waiting for HUD's response to all the public input. In the meantime we are working with the folks in the six New England states that make up the New England region in preparation to apply if we have to.
- We are continuing to do our due diligence in taking over the Housing Assistance Fund (HAF) program from the Bureau of Consumer Credit Protection to help single family homeowners with making their mortgage payments. We are actively looking at what it would mean to MaineHousing if we were to take over the administration of that program.
- We have the Maine Water Assistance Program up and running which is almost \$5 Million to help people with their water and sewer bills.
- We are waiting our committee assignment from the current legislative session – what the committee will be called and who will be on it. Historically, our committee was the Labor and Housing Committee.
- Short Term Rental Commission that Erik Jorgensen has been part of has completed its

meetings and they are finalizing their report.

- The Maine Affordable Housing Coalition is doing a post-election discussion later this week that Director Brennan will plan on attending.
- Several of MaineHousing staff will be going to Orono to see a 3-D printed house.
- Early December Director Brennan will be attending a NCSHA executive directors workshop in Washington, D.C.

## **CHAPTER 27 – TRANSFER OF OWNERSHIP INTERESTS RULE PUBLIC HEARING**

Chief Counsel Ashley Janotta explained that we would hold a hearing on the repeal and the replacement of our Transfer of Ownership Interests Rule. Chief Counsel Janotta introduced the Commissioners and staff representing MaineHousing. A draft of the proposed Rule was sent to interested parties on September 7, 2022, we received some stakeholder comments and the Rule was further revised based on some of those comments and was resent to interested parties again on October 7, 2022 and no further comments were received. Notice of the hearing was published on our website and in newspapers statewide on October 26, 2022. The comment period expires next Friday, November 25, 2022 at 5:00 p.m. There was no testimony and the public hearing closed at 9:35 a.m.

## **CHAPTER 19 – HOMELESS SOLUTION RULE ADOPTION**

Senior Director of Homeless Initiatives, Lauren Bustard came to ask the Board to adopt the Chapter 19, Homeless Solutions Rule as drafted and provided in this month's Board packet. She explained that a public hearing was held at the October 18, 2022 Board meeting; the comment period expired October 28, 2022 and no comments were received.

*State Treasurer Henry Beck read the 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's Board of Commissioners from Lauren Bustard and Ashley Janotta dated November 8, 2022, Commissioner Lewis said so moved and Commissioner Harrison second the motion. The vote carried unanimously.*

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

Chief Counsel Ashley Janotta opened the public hearing. She introduced the Commissioners; and Manager of Housing Services, Kim Ferenc. Kim Ferenc reviewed the stakeholder process. There being no comments from the public, the hearing was adjourned at 9:49 a.m.

## **PRELIMINARY 2023 BUDGETS**

Director of Finance Darren Brown presented the 2023 preliminary budgets. Darren highlighted the cover memorandum and five attachments included in the Board packet. He explained that the 2023 preliminary budgets reflect continuing improvements 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. 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 this year of approximately \$7 million 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. Darren reviewed the major components of the two primary business segments – mortgage lending activities and the program administration activities. The Commissioners had the opportunity to ask questions and provide input prior to the final budget presentation and vote at the December 20<sup>th</sup> meeting.

## **2023 RESOURCE ALLOCATION/GOAL SETTING COMPLETION**

Director Brennan began the discussion regarding the 2023 goal setting exercise that was started at the August Board meeting. Adam Krea summarized the current housing market in Maine and what that is telling us and what we are looking at heading into 2023. The Board priorities set at the September meeting were discussed and ways to get to the 'next level' as well as the staff takeaways and additional actions staff will be considering in 2023. Director Brennan also presented a 2023 resource allocation summary and the initial plans in allocating MaineHousing's discretionary resources in 2023.

## **ADJOURN**

*Commissioner Buxbaum made a motion seconded by Commissioner Dietz to adjourn the meeting. The meeting was adjourned at 11:30 a.m. by unanimous vote of the Board.*

Respectfully submitted,

Nancy Y. Harrison

**Energy & Housing Services Department Memorandum**

**To:** Dan Brennan, Director

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

**Date:** November 15, 2022

**Subject:** Sole Source Procurement for Weatherization Training

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**Background:**

Each year, MaineHousing is required to submit a State Plan to the U.S. Department of Energy (DOE) explaining how we plan to administer the Weatherization Assistance Program (WAP). The State Plan does require MaineHousing to submit a Training & Technical Assistance (T&TA) plan listing the various activities we plan to conduct throughout the year. The Energy and Housing Services Department (EHS) submitted 2022 T&TA plan that included a “Mobile Home Installer Training.” The last time EHS provided this training was in 2019 and we secured Cal Steiner as the trainer. Our subgrantees have stated the training made a difference in the quality of weatherization measures installed in mobile homes.

Since 2019, many of our community action partner agencies have hired new technical staff and they requested MaineHousing offer the Mobile Home Installer Training again. The EHS Weatherization Team began planning for the Mobile Home Installer Training in April 2022. Cal Steiner holds licenses in all 50 states to provide this training and is currently the only person across the nation that offers this training.

**Issue:**

EHS was able to secure Cal Steiner’s services for the October 2022 Mobile Home Installer Training. Unfortunately, I misunderstood MaineHousing’s Sole Source Procurement requirement. I thought I needed to obtain Sole Source Procurement approval if there were multiple organizations/individuals who could provide the same services. Since I had only the one option, I did not seek prior approval.

**Request:**

I am requesting approval, after the fact for a single source procurement to secure Cal Steiner as the trainer for the Mobile Home Installer Training MaineHousing conducted for the DOE WAP Program staff, subgrantee staff, and our WAP contractors.



Daniel Brennan, Director

11/16/2022

Date

**Legal Department Memorandum**

**To:** MaineHousing Board of Commissioners

**From:** Ashley Janotta, Chief Counsel

**Date:** December 7, 2022

**Subject:** Adoption of the Transfers of Ownership Interests Rule – Chapter 27

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At your meeting on December 20, 2022, we will ask you to adopt the attached *Transfers of Ownership Interests Rule*, Chapter 27. The attached Rule repeals and replaces the existing rule and applies to changes in ownership of multifamily and supportive housing projects that are subject to MaineHousing financial or regulatory oversight.

As you know, the public hearing was held on November 15, 2022. The comment period expired on November 25, 2022 and MaineHousing did not receive any public comments. A comment was made by Commissioner Renee Lewis regarding clarification on whether or not the Rule applied to upper-tier investors. MaineHousing made one non-substantive change to the Rule to clarify that a transfer of the interests of an upper-tier investor in a tax credit fund that has a direct or indirect limited partner or non-managing member interest in the owner of a tax credit project is not subject to the Rule. These ownership interests have never been subject to MaineHousing's ownership transfer Rule and the expansion of the ownership interests made subject to this Rule was not intended to include them.

The change has been added to the Definitions Section (1)(I)(9) and reads as follows:

“a Subsidiary Interest, **specifically excluding an upper-tier limited partner or non-managing member interest of an investor in a tax credit fund that has a limited partner or non-managing member interest in the Owner of a Tax Credit Project;**”

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 Transfers of Ownership Interests Rule, Chapter 27 of MaineHousing's rules, and replace it with a new Transfers of Ownership Interests Rule as described in the memorandum to MaineHousing Board of Commissioners from Ashley Janotta dated December 7, 2022.*

## 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, specifically excluding an upper-tier limited partner or non-managing member interest of an investor in a tax credit fund that has a limited partner or non-managing member interest in the Owner of a Tax Credit Project;
- 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 October 26, 2022 edition of the appropriate newspapers. Additionally, MaineHousing sent the proposed rule to Interested Parties and initially published the proposed rule on its website on October 26, 2022.

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. No one testified at the public hearing and MaineHousing did not receive any other comments from the public.

MaineHousing made one non-substantive change to the rule to clarify that a transfer of the interests of an upper-tier investor in a tax credit fund that has a direct or indirect limited partner or non-managing member interest in the owner of a tax credit project is not subject to the Rule. These ownership interests have never been subject to MaineHousing's ownership transfer rule and the expansion of the ownership interests made subject to this Rule was not intended to include them.

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

EFFECTIVE DATE:

**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		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
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
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
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**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**  
**(Grant Number: \_\_\_\_\_, State: ME, Program Year: 2023)**

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>

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

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

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## 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 WPNSs. 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.

## Treasury Department Memorandum

**To:** MaineHousing Commissioners

**From:** Tom Cary, Treasurer

**Date:** December 13, 2022

**Subject:** Approval of the Mortgage Purchase Program Series Resolution, dated December 20, 2022

At the December 20, 2022 meeting you will be asked to approve the attached Series Resolution which authorizes the issuance of up to \$400 million of Bonds and Notes in the Mortgage Purchase Program (“MPP”) for a period of approximately 14 months, commencing on the date of your approval through February 28, 2024. The Bonds and Notes may be either fixed or variable rate and may be either taxable or tax-exempt. The proceeds of the debt may be used to fund multi-family or single family first lien mortgages, refund outstanding Mortgage Purchase Program Bonds, fund the debt service reserve fund and pay the costs of issuing the bonds. The Series Resolution also authorizes entering into new Swaps in a Notional amount not to exceed \$150 million during the same 14 month period.

Approving a Series Resolution is the mechanism by which the Commissioners authorize Bonds and Swaps in the Mortgage Purchase Program Bond Resolution. It has been our practice to ask for this authority on an annual basis. The proposed Series Resolution is substantially similar to what has been proposed in recent years, except for the London Inter Bank Offered Rate (“LIBOR”) reference in Section 505. US one-month and three-month LIBOR is scheduled to go away on June 30, 2023. The new International Swap Dealers Association (“ISDA”) Swap protocols address the language changes needed in our \$193 million of Swaps which are LIBOR indexed. The language in Section 505 gives us the authority to make changes required to other contracts such as those governing some direct placement bonds.

During 2022 MaineHousing issued seven series of bonds in the Mortgage Purchase Program Bond Resolution in the total amount of \$393,290,000. The 2022 issuances are listed below.

<u>Series</u>	<u>Program</u>	<u>Issuance Date</u>	<u>Issuance Amount</u>
2022 Series A	M/F	February 9, 2022	\$50,000,000
2022 Series B	M/F (Taxable)	February 9, 2022	50,000,000
2022 Series C	M/F (Refunding)	April 21, 2022	69,865,000
2022 Series D	S/F	July 13, 2022	49,245,000
2022 Series E	S/F	August 24, 2022	54,180,000
2022 Series F	M/F	October 20, 2022	60,000,000
2022 Series G	S/F	December 1, 2022	60,000,000
		TOTAL	\$393,290,000

The 2022 Series A and 2022 Series B bonds were issued under the Series Resolution adopted in December, 2020. The subsequent five series of bonds issued in 2022 used authority from the most recent Series Resolution adopted at the December 21, 2021 Commissioner’s meeting. It authorized the issuance of up to \$400 million Bonds and Notes in the Mortgage Purchase Program, with a 14 month period ending February 28, 2023. To date, we have issued \$293,290,000 under this Series Resolution.

We did not execute any new swaps in 2022. We have one swap with a Notional amount of \$15 million that will reach maturity in 2023. JP Morgan Chase is the counter-party on the maturing swap. We expect to replace this swap.

Currently, only \$282 million, or about 16% of the \$1.7 billion bonds outstanding in the Mortgage Purchase Program are variable rate bonds. This is a very conservative amount. If we choose to issue additional variable rate bonds in 2023, these bonds would most likely be turned into synthetic fixed rate bonds by executing additional swaps. The use of synthetic fixed rate bonds is more advantageous in higher interest rate environments.

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

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

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**SERIES RESOLUTION**

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

Adopted December 20, 2022

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

BE IT RESOLVED BY THE COMMISSIONERS OF MAINE STATE HOUSING AUTHORITY (“MaineHousing”) on December 20, 2022 that, pursuant to the General Mortgage Purchase Bond Resolution adopted on February 4, 1972, as amended and supplemented (the “Resolution”), this Series Resolution (this “Series Resolution”) is adopted as follows:

**ARTICLE I**

**DEFINITIONS AND AUTHORITY**

**Section 101.** Definitions.

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

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

“*Act*” means the Maine Housing Authorities Act, Maine Revised Statutes, Title 30-A, Chapter 201, as same may be amended.

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

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

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

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

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

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

housing for persons and families of low income, as determined by MaineHousing pursuant to the Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II

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

**Section 201. Authorization, Principal Amount, Designation and Series.** In order to provide funds necessary for the Mortgage Purchase Program under the Resolution, in accordance with and subject to the terms, conditions and limitations established in the Resolution and this Series Resolution, one or more Series of Bonds or Notes, whether of a Taxable Series or a Tax Exempt Series, or a Single-Family Series or a Multi-Family Series or a combination thereof, are hereby authorized to be issued for a period commencing on the date hereof and ending on February 28, 2024, in an aggregate principal amount not to exceed \$400,000,000 and with the maximum interest rate payable in any year on any Bond or Note of any such Tax Exempt Series not to exceed 8%, provided that any Tax Exempt Series which bears interest at a Variable Interest Rate shall not exceed 12% payable in any year, and with the maximum interest rate on any Bond or Note of any such Taxable Series not to exceed 9% payable in any year, provided that any Taxable Series which bears interest at a Variable Interest Rate shall not exceed 12% payable in any year. Provided that the aggregate amount thereof does not exceed the amount set forth in the previous sentence, subseries of any Series of the Bonds or Notes may be designated in the amounts as may be set forth in the applicable Series Certificate. MaineHousing is of the opinion and hereby determines that the issuance of each such Series of Bonds or Notes as provided herein, not to exceed such foregoing amount, is necessary to provide sufficient funds to be used and expended for the Mortgage Purchase Program. Each Bond of each such Series of Bonds shall be entitled “Mortgage Purchase Bond, \_\_\_\_ Series \_\_” and each Note shall be entitled “Mortgage Purchase Notes, \_\_\_\_ Series \_\_,” with applicable Series designation(s) to be made in the applicable Series Certificate. The Bonds or Notes shall be issued only in fully registered form.

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

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

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

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

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

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

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

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

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

**Section 210. Moneys Deposited to Credit of General Redemption Account of Redemption Fund.** Moneys in an amount sufficient to effect payment at the applicable Redemption Price of any bonds to be refunded with proceeds of the Bonds shall be deposited in

the Redemption Fund for the credit of the General Redemption Account and in no other Fund or Account.

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

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

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

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

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

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

## ARTICLE III

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

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

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

## ARTICLE IV

### FORM AND EXECUTION OF BONDS OR NOTES

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

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

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

## ARTICLE V

### SPECIAL COVENANTS

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

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

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

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

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

**Section 505. Additional Authorizations.** Any Authorized Officer may make modifications to this Series Resolution (as evidenced by a certificate), if deemed advisable, with respect to the terms of the Bonds or Notes and other matters (including to assure the tax-exempt status of the interest on the Bonds or Notes of a Tax Exempt Series). All Commissioners of MaineHousing, each Authorized Officer, and all employees of MaineHousing, are hereby authorized to make such additional determinations (including declarations of intent to use proceeds of Notes or Bonds to reimburse MaineHousing to the extent it has financed Mortgage Loans with moneys which are not Note or Bond proceeds under the Code), perform such acts and execute such certificates, protocols and other documents as may be necessary or desirable to carry out the issuance of the Bonds and the Notes, during the period commencing on the date hereof and ending on February 28, 2024, to enter into new Swaps or Swap Facilities in a notional amount not exceeding \$150,000,000 and to modify, novate or replace existing Swaps or Swap Facilities in notional amounts not exceeding the notional amount of the Swaps or Swap Facilities being modified, novated or replaced (all in accordance with the Guidelines for the Use of Interest Rate Exchange Agreements as then in effect, and provided that the total notional amount of Swaps outstanding may not exceed the principal amount of outstanding Bonds bearing a Variable Interest Rate), to enter into, modify or replace liquidity agreements (including without limitation standby bond purchase agreements), to modify any other obligation (including Notes or Bonds) to

substitute a comparable interest rate index for the London Inter Bank Offered Rate (“LIBOR”) if LIBOR is discontinued, or to assure the tax-exempt status of the interest on the Bonds or Notes of a Tax Exempt Series.

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

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





## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** December 12, 2022

**Subject:** Proposed 2023 Budgets

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We will be requesting your approval of the 2023 budgets at this month's meeting. At the November meeting, preliminary budget information was presented and reviewed. The majority of the preliminary information provided last month has not changed. However, several changes were made based in part on your feedback.

It was noted at the last meeting that the volume of program activities this year will reach an all-time high level due to the administration of a number of federal and state funded COVID-related programs. Some of the challenges associated with the current labor market were also mentioned. In consideration of these circumstances, together with an extraordinary time of high inflation, the following changes are being proposed and have been included in the attached 2023 budgets:

1. Adopted the recommendations from the compensation market study, which increased salaries expense by approximately \$270,000. An independent consulting firm was retained to conduct a compensation study to assess the market competitiveness of the agency's current salaries and pay structure. Based on their results, it is recommended that the minimum and maximum of each pay range be increased by a percentage factor and that all current positions be adjusted accordingly. These market adjustments are in addition to the planned annual merit base adjustments. The details for the market adjustments will be provided at the meeting.
2. A one-time supplemental payment for employees has been added at the Board's request and approximately \$790,000 is included in salaries expense for a proposed payment plan. This payment is to provide additional recognition to staff for their continued hard work in meeting the many challenges associated with the extraordinary volume of program activities this year. An approach similar to the one used for the 2022 budgets is planned. This approach is designed to provide the greatest impact to those who earn the least. The details for this payment will be provided at the meeting.
3. Increased grant income and expense by \$10 million for the federal Homeowner Assistance Fund (HAF). The State of Maine was awarded \$50 million for this program from the American Rescue Plan Act. MaineHousing will take over the administration of the program from the Bureau of Consumer Credit Protection in early 2023 and has until 2025 to distribute the funds. The program provides administrative fee income to pay for related operating costs and a total of \$150,000 has been added to 2023 budgets.

Salaries, payroll taxes, and retirement expenses in the Operating Expenses section (Attachment B) of the budgets increased by a combined amount of approximately \$1.2 million as a result of the first two changes noted above. Net operating income for 2023 decreased from the approximately \$9.6 million in the preliminary budgets to \$8.6 million, as a result of all the changes noted above, and represents improvement of \$1.6 million over estimated net operating income for this year.

Except for the changes noted, the following presents the same information provided and reviewed at the November meeting.

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 ten months of actual results and two 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 \$8.6 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 \$185 million and amount to \$315 million. The change is due primarily to the following:
  1. \$217 million decrease for various COVID-19 programs.
  2. \$10 million increase for new Homeowner Assistance Fund (Total Award \$50 million).
  3. \$6 million increase for new federal Infrastructure Weatherization program (Total Award \$31 million).
  4. \$2 million increase from new federal Low Income Water Assistance Programs (Total Awards \$6 million).
  5. \$7 million increase from new state Emergency Housing Relief Fund (Total Award \$22 million).
  6. \$5 million increase from carryforward amounts associated with federal LIHEAP and Weatherization programs.
- Fee income is projected to be \$14.2 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 \$408.7 million and \$400.1 million, respectively. The total budget amounts for both revenues and expenses reflect a decrease of 30% over the forecasted 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 \$8.6 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 \$24.3 million, which is an increase of approximately \$1.6 million or 7% 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 \$2 million or 9% over total forecasted expenses.

The majority of the increase is attributed to higher salaries and related benefit expenses associated with the changes noted on page one. In addition, expenses for staff trainings and conferences, partner and client trainings and meetings, and staff events are higher for 2023 by approximately \$0.4 million. 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.
- Includes approximately \$570,000 for merit adjustments, which provides for pay adjustments at the same percentage level approved for this year.
- Includes approximately \$270,000 for the compensation market study adjustments and \$790,000 for a one-time supplemental payment to employees described on page one.

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 in 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 \$1.3 million, which is an increase of approximately \$544,000 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)

	<b>2021 Actual</b>	<b>2022 Budget</b>	<b>2022 Forecast</b>	<b>2023 Budget</b>	<b>\$ Increase¹ (Decrease)</b>	<b>% Increase¹ (Decrease)</b>
<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 income²	109,705	109,296	110,393	112,979	2,586	
Grant income²	254,876	311,042	390,537	202,594	(187,943)	
Fee income²	12,420	14,046	12,902	14,153	1,251	
Other income²	328	65	155	160	5	
Total Revenues	<u>438,551</u>	<u>496,139</u>	<u>580,367</u>	<u>408,691</u>	<u>(171,676)</u>	<u>(30%)</u>
<b>EXPENSES:</b>						
Operating expenses³	19,752	22,708	22,309	24,294	1,985	
Direct program administrative expenses³	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	202,594	(187,500)	
Total Expenses	<u>432,176</u>	<u>492,094</u>	<u>573,338</u>	<u>400,071</u>	<u>(173,267)</u>	<u>(30%)</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>8,620</b></u>	<u><b>1,591</b></u>	<u><b>23%</b></u>

¹ 2022 Forecast Vs. 2023 Budget

² Amounts are itemized on Attachment D.

³ Amounts are itemized on Attachment B.

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND DIRECT PROGRAM ADMINISTRATIVE EXPENSES BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 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	13,517,480	699,777	
2. Payroll taxes	854,728	956,112	943,484	994,335	50,851	
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	1,273,244	42,004	
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>24,293,850</b>	<b>1,984,601</b>	<b>9%</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	16,232	45,000	30,000	70,000	40,000	133%
<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	256,913	511,484	627,926	1,116,721	488,795	78%
<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	24,460		
Patio repair/resurface		0	0	46,000		
Total office building	53,379	0	55,074	70,460	15,386	n/a
<b>Total</b>	<b>326,524</b>	<b>556,484</b>	<b>713,000</b>	<b>1,257,181</b>	<b>544,181</b>	<b>76%</b>

<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
<b>Federal rent subsidy income:</b>	<b>Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>	<b>(Decrease)</b>	<b>(Decrease)</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		
Total Grant income - Federal (Non-COVID-19)	48,229	58,735	55,857	66,912	11,055	20%
<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 - Homeowners Assistance Fund	0	0	0	10,000		
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		
Total Grant income - Federal (COVID-19)	169,220	214,895	288,194	81,265	(206,929)	(72%)
Total Grant income - Federal	217,449	273,630	344,051	148,177	(195,874)	(57%)
<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		
Total Grant Income - Non-Federal	37,427	37,412	46,486	54,417	7,931	17%
<b>Total Grant income</b>	<b>254,876</b>	<b>311,042</b>	<b>390,537</b>	<b>202,594</b>	<b>(187,943)</b>	<b>(48%)</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		
Total HUD Section 8 Programs (all programs)	5,644	5,233	5,493	5,974	481	9%
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		
ARP Act - Homeowners Assistance Fund	0	0	0	150		
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>14,153</b>	<b>1,251</b>	<b>10%</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)

	2023 Budget	Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
<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	202,594	0	0	0	32,500	148,177	17,598	4,319
Fee income	14,153	1,500	0	1,470	0	10,655	528	0
Other income	160	50	0	110	0	0	0	0
Total Revenues	408,691	78,250	160	2,370	33,060	271,811	18,266	4,774
<b>EXPENSES</b>								
Operating expenses	24,294	0	0	24,294	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	202,594	0	0	0	33,060	148,177	17,598	3,759
Allocated operating costs	0	12,147	121	(22,364)	0	9,731	364	0
Total Expenses	400,071	70,650	121	1,955	33,060	271,258	18,252	4,774
<b>Net Operating Income</b>	<b>8,620</b>	<b>7,600</b>	<b>39</b>	<b>415</b>	<b>0</b>	<b>553</b>	<b>14</b>	<b>0</b>

Operating Budget - Attachment B

## **Asset Management Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Robert Conroy – Director, Asset Management  
**Date:** December 13, 2022  
**Subject:** December Board Report - Asset Management

### **Performance-Based Contract Administration (PBCA) Update**

Although we have not learned of any recent updates from HUD regarding the PBCA Draft Rebid that was issued last August, we continue to work with our New England Regional partners on a contract administration business model that would allow the 6 New England states the ability to collectively administer the contract on a regional basis.

HUD's Draft rebid criteria proposed a regional model that focused on a 'lowest cost' bidding approach. Therefore our efforts have been centered on evaluating each step in each task required in the contract and determining the lowest cost approach applicable to each step. It was challenging for each State to step away from their current business model mindset and reimagine the work process through an entirely different structure.

We have now finished our analysis on work processes and have turned them over to Cyber Analytics, the consultant working with us through the Federal procurement process. They are distilling the information from the 6 States and creating both the model and the bid criteria to be used when HUD issues the final PBCA rebid.

## Communications & Planning Department Memorandum

**To:** Board of Commissioners

**From:** Erik C. Jorgensen, Senior Director of Government Relations and Communication

**Date:** DEC 12, 2022

**Subject:** DEC 2022 Board Report

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

### **Government Affairs:**

The swearing-in of a new legislature is normally a ceremonial event devoid of much substance and characterized by goodwill gestures and pledges to get along. This year, those aspects were present in the morning, where people were clearly aware of the historic nature of Rachel Talbot Ross' election as the first African-American speaker of the House. That sense of camaraderie frayed and ultimately disintegrated in the afternoon and evening during deliberations on a significant policy proposal from the Governor's office aimed at providing emergency winter heating and housing assistance. Bills do not normally get taken up on opening day, and this bill proved to be a cautionary tale about the difficulty of passing a large package with a brand-new group of lawmakers. Passing by a very high margin in the House, the measure failed in the Senate and died when Republican senators voted as a bloc to stop the bill on procedural grounds. This was an extraordinarily early test of the new legislative leadership, and the bill's failure pointed up some potential rifts, not just between the parties but between the chambers and the branches.

Though we try hard to avoid any involvement in the political aspects of policymaking, Mainehousing supported this bill as an answer to its warnings about the reduced buying power of households in the HEAP program during a period of unusually high heating fuel prices. The centerpiece of the legislation was a provision to send direct checks to a majority of Maine households to assist with heating costs at a time when fuel costs are causing challenges for households well above the income cut-offs in the HEAP program. There were also two parts of the bill that directly affected MaineHousing. The first was a HEAP supplement: facing a situation where HEAP households are receiving a reduced amount of cash and around half the amount of benefit (in terms of purchasing power) that they received last year, we had worked with the administration to include in this package a provision to provide an automatic state supplemental benefit to everyone who had been signed up in the program last year. The package also provided an additional benefit for new program participants,

and what would have comprised a substantial beefing-up and broadening of the emergency fuel assistance available through the Community Action Agencies for families in imminent danger of running out of fuel. In addition, MaineHousing supported a \$10mm measure that would have provided additional emergency housing assistance necessitated by the end of the ERA program. This would have supported emergency measures, including the cost of community warming shelters and support for people who are currently in hotels and who have no other alternatives. Federal ERA benefits will mostly expire at the end of December for this group of people, and the failure of this bill poses significant local challenges for that population at a particularly difficult time of the year. We expect that the Legislature will pick up a new version of this legislation, in some form, early in January.

While the special opening day session provided a focus of activity for the past month, we have also been meeting with legislators and assisting with a high level of constituent requests and legislation concepts. We will be working with two (not just one) housing committees this session, with the advent of a Joint Special Committee on housing, as well as the usual committee on Labor and Housing, and housing promises to be an ongoing source of sustained legislative interest in the coming year. The challenge will be for the legislature to remain focused during a time when a lot of ideas will be flying around.

### **Website**

Webmaster Amanda Ouellette reports that hits were down this month when compared to October of 2022 but when compared to November of 2021 we're the same, actually up a tiny amount.

"It's definitely HEAP all the time now" she says, "all the time ERA steadily raised the awareness level of MaineHousing, and this month really illustrates that point. I went back to 2019 and copied the top list of hit pages for November. Compare that to November of 2022 and you can really see how HEAP has risen and the hit counts to that program's pages are nearly 3 times higher (see the list of search terms on the next page). Even first home is pulling in much higher numbers than before. Although oil prices and interest rates do play into it, I think it really comes down to more people being aware of us and our programs now." One of the drivers for the significant increase in hits at the end of the month has been the launch of the new HEAP online portal, which went live in the last week of November.

### **Data and Research**

MaineHousing has, working with colleagues in State Government, begun the work to finalize a contract for a major benchmark report on Maine Statewide and Regional Housing Production Goals. The winning bidder was HR&A Advisors, Inc., a research firm headquartered in Washington, D.C. The report will be based on research that has not been conducted in Maine for many years, including statewide housing supply gaps, supply and demand analysis, and projected supply and demand and production goals for the future. This work will be done with a goal of completion by summer of 2023.



The project will be managed by a client team consisting of representatives from MaineHousing, the Governor's Office of Policy, Innovation and the Future, and the Maine Department of Economic and community Development, where two new housing analysts have just been hired. All of this is an outgrowth of LD 2003, the special legislative commission from 2021-22 that examined issues around housing and zoning in the 13<sup>th</sup> legislature.

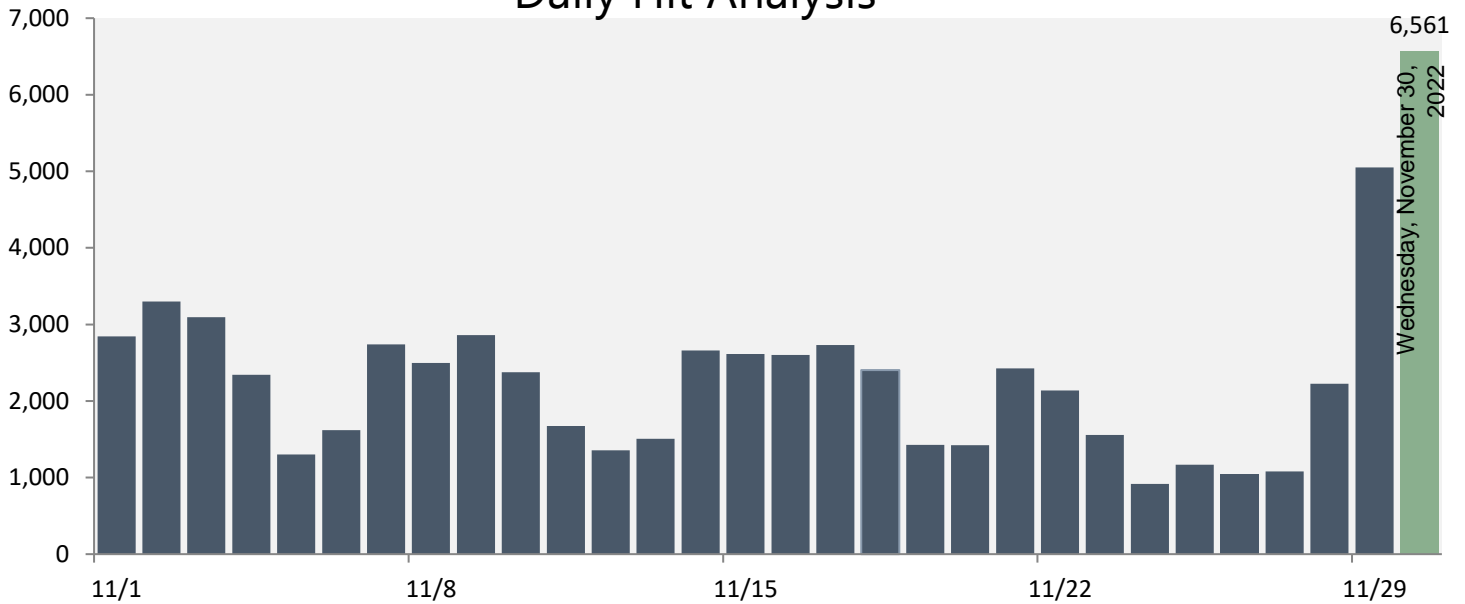
Comparative Tables showing web searches in 2019 and 2022 (see narrative above)

2019		2022	
Page Title	Hits	Page Title	Hits
MaineHousing Website	6,350	MaineHousing Website	15,783
First Home Loan	3,824	HEAP Income Eligibility	11,517
HEAP - Do you need help heating your home	3,203	HEAP - Do you need help heating your home	10,051
First Home Loan	3,068	Home Energy Assistance Program	8,173
Subsidized Housing	2,503	HEAP Program	7,852
HEAP Income Eligibility	2,338	Emergency Rental Assistance Program	7,128
Home Energy Assistance Program	1,959	HEAP Agency Contacts	5,818
Rental Assistance	1,842	Rental Assistance	5,175
HEAP Agency Contacts	1,681	First Home Loan Landing Page	5,014
Housing Choice Vouchers	1,663	First Home Loan Program	4,014
Homebuyer Income & Purchase Limits	1,155	Housing Choice Vouchers	3,237
Homeless Initiatives	1,147	Subsidized Housing	2,986
AccessAble Home	1,129	Weatherization Program	2,213
Home Energy Assistance Program	1,088	Contact MaineHousing	1,882
Emergency Shelters	1,033	MaineHousing Lenders	1,749
MaineHousing Lenders	994	Home Repair	1,631
Contact MaineHousing	809	Homebuyer Income & Purchase Limits	1,589
Weatherization	683	First Home Loan	1,481
Maine Community Agencies	673	Emergency Shelters	1,451
hoMEworks Homebuyer Education Classes	670	Heat Pump Program	1,415
Homebuyer Programs	626	Maine Water Assistance Program	1,333
Rent - Income Charts	616	Low Income Assistance Program	1,325
Current Interest Rates	595	Error - Page Cannot Be Found	1,233
Mortgage Calculator	545	Homeless Initiatives	1,166
Steps to Homeownership	530	Rent - Income Charts	1,110

# November 2022 - MaineHousing Website Statistics

## Hit Summary

### Daily Hit Analysis

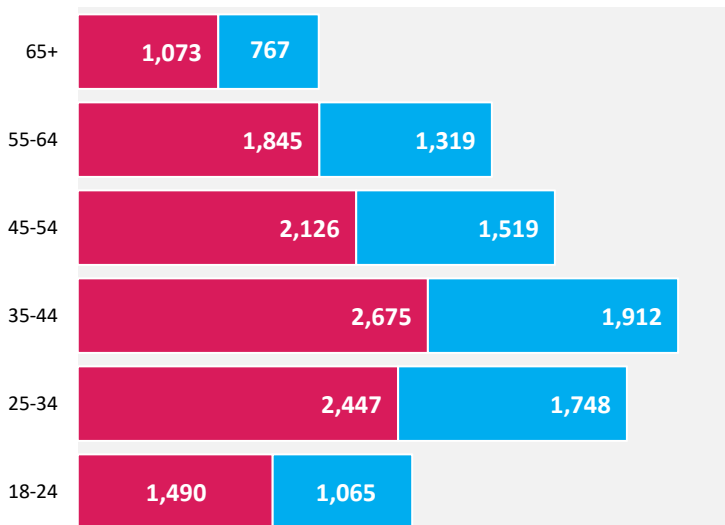


Hits	Unique Hits	Page Loads	Avg Page Views	Avg Duration	Avg Bounce
66,683	56,204	131,348	1.94	0:01:37	60.8%

## 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



58%



42%

### TOP CITIES

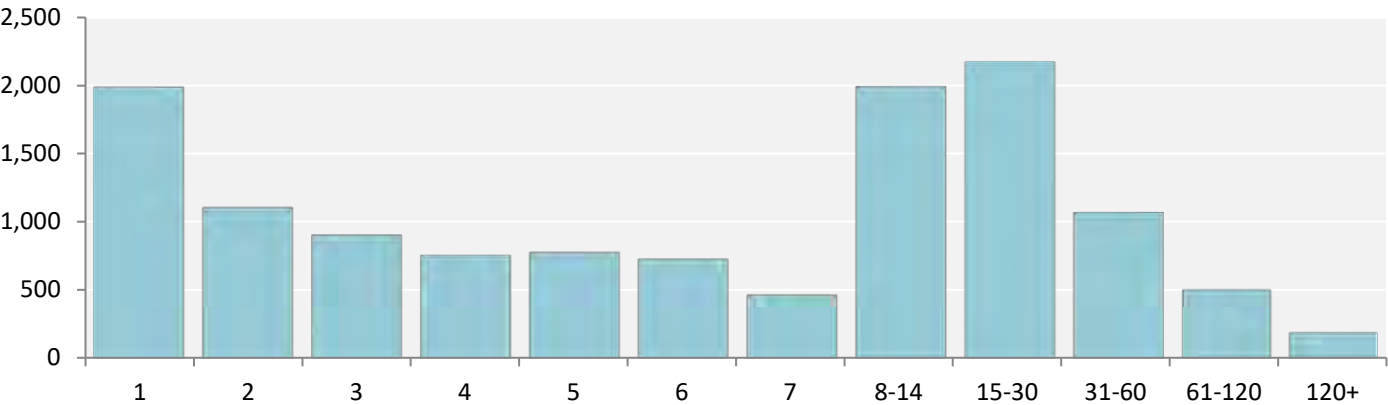
Boston, MA	6,020
Portland, ME	2,580
New York, NY	2,071
Bangor, ME	2,023
Lewiston, ME	1,966
Augusta, ME	1,763
Waterville, ME	1,037
Sanford, ME	998
South Portland, ME	808
Biddeford, ME	654

Top Cities account for 29.87% of all website traffic.

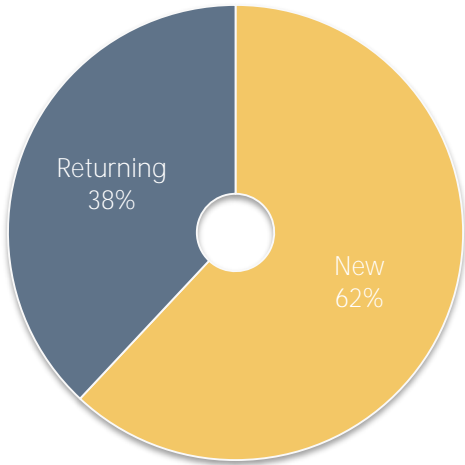
# Visitor Engagement

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.

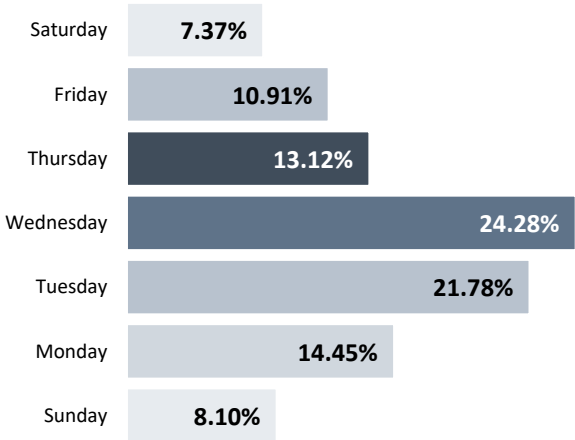
## DAYS SINCE LAST SESSION



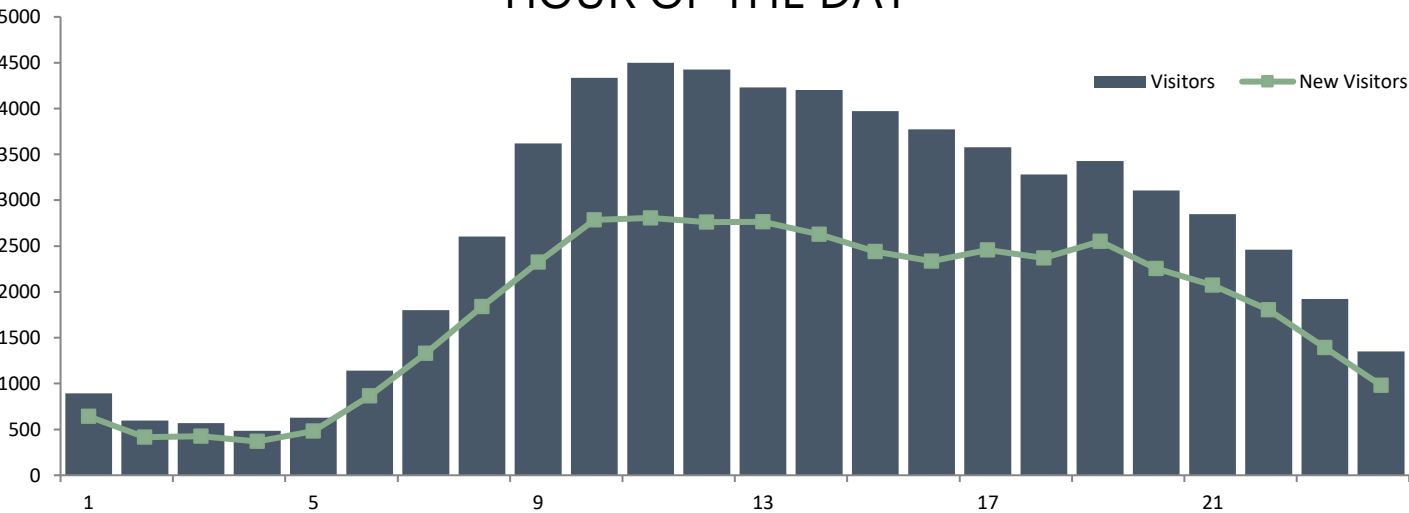
## NEW & RETURNING VISITORS



## DAYS OF THE WEEK



## HOUR OF THE DAY

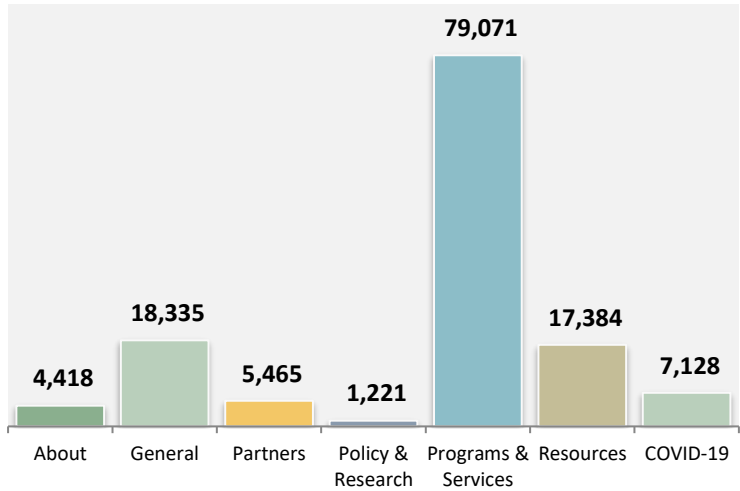


## Popular Content

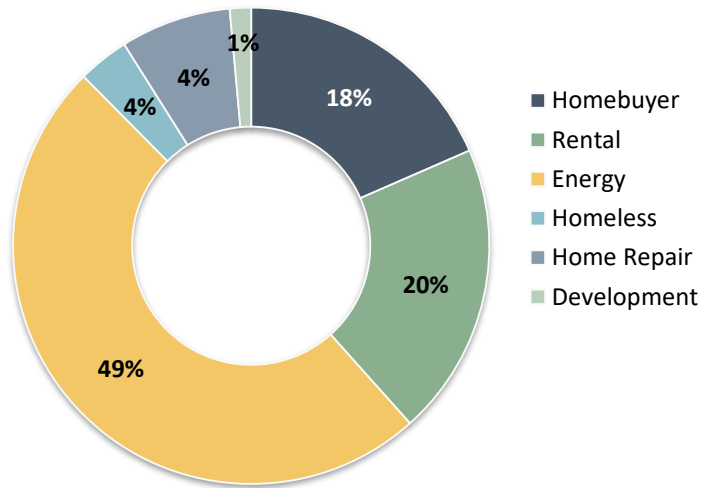
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
MaineHousing Website	15,783
HEAP Income Eligibility	11,517
HEAP - Do you need help heating your home	10,051
Home Energy Assistance Program	8,173
HEAP Program	7,852
Emergency Rental Assistance Program	7,128
HEAP Agency Contacts	5,818
Rental Assistance	5,175
First Home Loan Landing Page	5,014
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First Home Loan	1,481
Emergency Shelters	1,451
Heat Pump Program	1,415
Maine Water Assistance Program	1,333
Low Income Assistance Program	1,325
Error - Page Cannot Be Found	1,233
Homeless Initiatives	1,166
Rent - Income Charts	1,110

Popular Content By Program

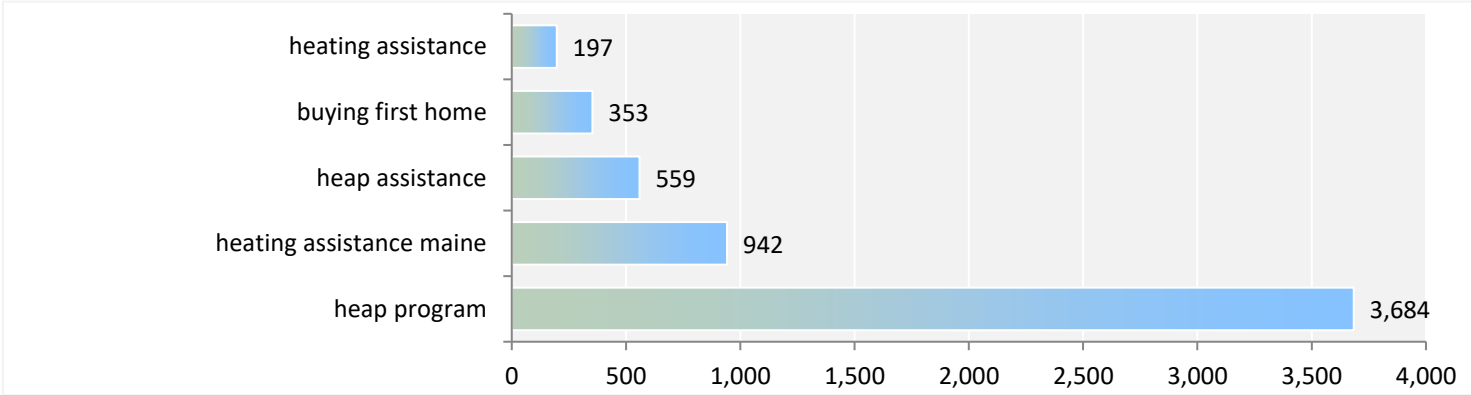


Popular Content By Section



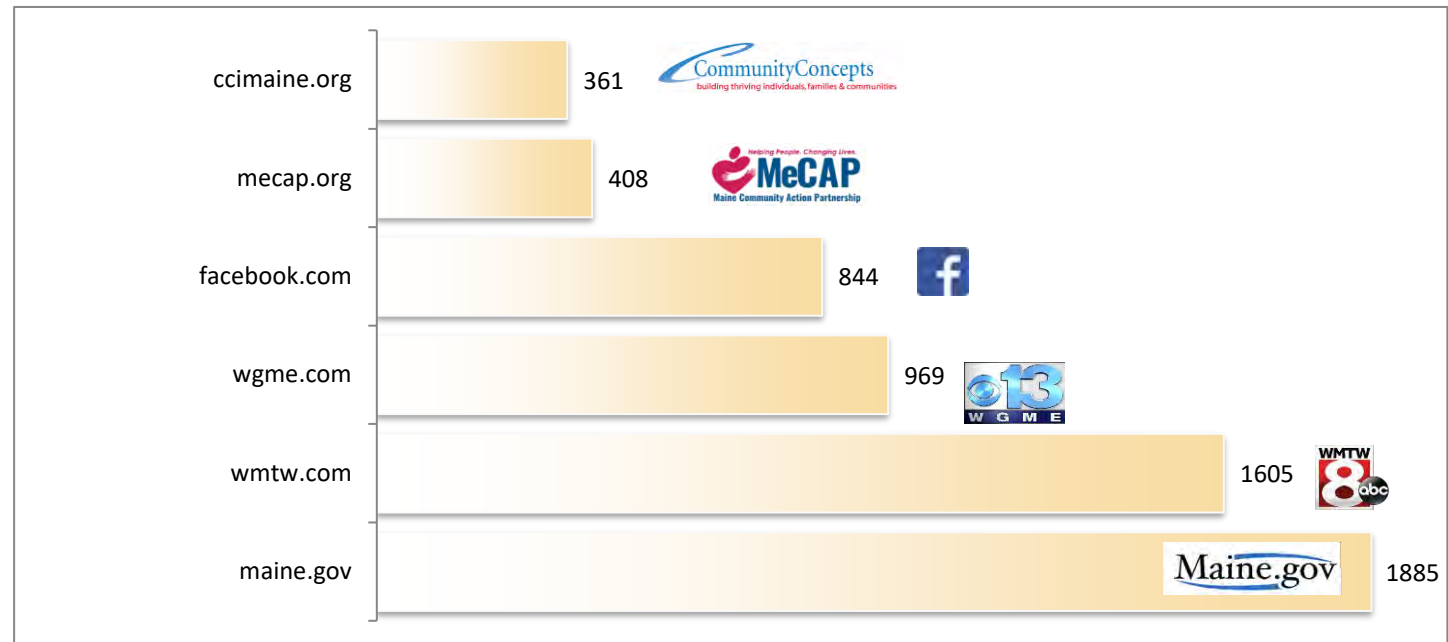
## Search Keywords

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.

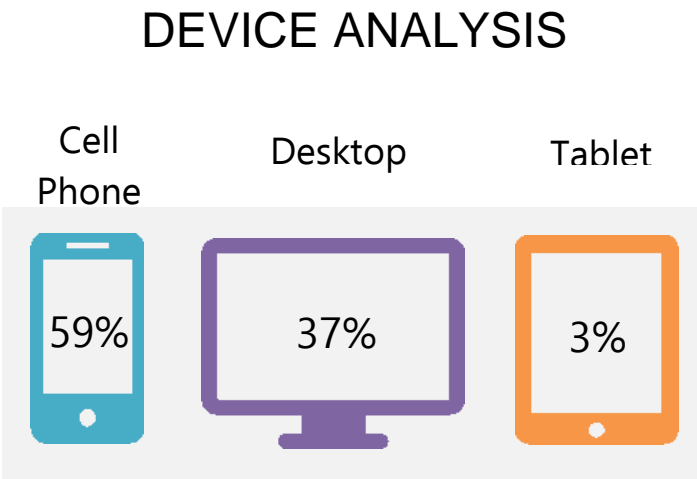
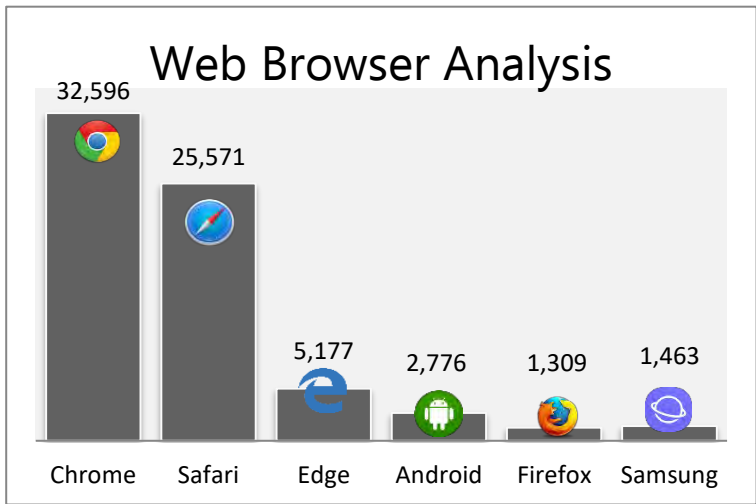


## Referring Websites

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



## Development Department Memorandum

**To:** MaineHousing Board of Commissioners

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

**Date:** December 20, 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.

The first Full Application received, for 89 Elm Street Apartments, requested the entire \$20M in funding. Should the project not prove feasible, other Applicants will be processed as well.

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>	

### **2023 Supportive Housing Program**

A new Supportive Housing Program (SHP) has been released. We have made up to \$6M of State HOME funds available for the construction of units serving households making 30% of Area Median Income (AMI) or less, with specific housing needs. Other recent iterations of this program have been funded with Housing Trust Fund (HTF) money. Due to HTF programmatic requirements that are not well-suited to smaller supportive housing projects, we have determined that HTF is better used to create deeper affordability within LIHTC projects.



**Energy & Housing Services Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Genevieve Soucy, Interim Director  
**Date:** December 12, 2022  
**Subject:** EHS Monthly Report – December 2022

**HOME ENERGY ASSISTANCE PROGRAM (HEAP)**

Number of Applications (program start July 18,2022)	PY 2023 (Week 21) THRU 12/13/2022	PY 2022 (Week 21) THRU 1/18/2022	+/-	% change
Total Applications Taken	37,527	31,759	+ 5,768	+ 18.2%
Confirmed Eligible/Paid	21,189	17,787	+ 3,402	+ 19.1%
Pending (in process)	13,008	10,735	+ 2,273	+ 21.2%
Other (ineligible, denied, void, etc.)	3,330	3,237	+ 93	+ 2.9%
<b>Amount Distributed</b>	<b>\$21,681,032</b>	<b>\$12,063,150</b>		
<b>Applicants new to Program</b>	<b>7,265</b>			

**Additional information:**

- **Online Application** – The online HEAP application became live for applicants Monday November 28<sup>th</sup>. As of Friday December 9<sup>th</sup>, there have been over 1,265 applicants who have started their self intake process online.
- **Emergency Crisis Intervention Program (ECIP) component** – Maine’s ECIP program runs from November 1 – April 30 and provides HEAP eligible households who do not have heat, or are at risk of running out of fuel, 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 six weeks of the ECIP program, there have been obligations for \$475,570.00 of fuel deliveries to households in need.
- **State Supplemental Funding** - while the initial funding bill for the State Supplemental money for the HEAP program has been rejected by the Senate in its current form, EHS staff are continuing to work on preparation for a potential Supplemental heating benefit to Maine Households.
- **Additional funding from Federal source** – The National Energy Assistance Directors Association (NEADA) has indicated that there is a bill being presented to provide a supplemental \$500 million LIHEAP award. This is half of the funding from the CR bill of which Maine received \$6.5 million. It is anticipated that this amount will be added to the current Fuel Assistance budget and we are hopeful that it will be, at a minimum, \$2 million which will make up the difference for the CR reduced funding Maine received.



## TANF Heating Supplemental

Maine DHHS makes available \$3,000,000 of TANF (Temporary Assistance for Needy Families) block grant funds to MaineHousing to provide a supplemental heating assistance benefit for low-income families with children. Each HEAP eligible household with a child 17 years of age or under receives a \$350 credit for their fuel vendor.

Program Year 2022 has provided 7,980 households with an additional \$2,677,949 in heating assistance. Credit notification for Program Year 2022 may be redeemed until April 30, 2023. Program Year 2023 will commence upon the finalization of the new contract.

## Home Accessibility and Repair Program (HARP)

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

PROJECT PROGRESS BY CAA						
Reporting Period: January 1, 2022 – December 8, 2022						
Agency	Projects	Project Cost	Home Repair & Accessibility		Emergency	
ACAP	46	\$501,291.00	5	\$150,919.00	41	\$350,372.00
CCI-ANDROSCOGGIN	29	\$613,396.00	6	\$200,484.00	23	\$412,912.00
CCI-CUMBERLAND	18	\$359,696.00	3	\$69,478.00	15	\$290,218.00
DCP	10	\$190,226.00	3	\$59,414.00	7	\$130,812.00
KVCAP	25	\$496,932.00	3	\$184,400.00	22	\$312,532.00
PCAP	53	\$656,244.00	22	\$362,463.00	31	\$293,781.00
WCAP	7	\$59,070.00	0	\$0.00	7	\$59,070.00
WMCA	10	\$181,632.00	1	\$21,300.00	9	\$160,332.00
YCCAC	14	\$246,168.00	3	\$91,830.00	11	\$154,338.00
<b>TOTAL</b>	<b>212</b>	<b>\$3,304,655.00</b>		<b>\$1,140,288.00</b>		<b>\$2,164,367.00</b>

### Additional Information:

- HARP Training** - EHS delivered annual HARP training for Community Action Agencies (CAAs) on November 29, 2022. The training was delivered virtually and in-person. Thirteen CAA personnel attended in-person at MaineHousing's building and seven additional attendees joined remotely. In addition to the November 28<sup>th</sup> training, EHS is developing a training module that will be deployed through the Bridge learning management system. All CAAs participated in the training and the training was well received overall.

## Weatherization Assistance Programs (WAP)

The Weatherization Assistance Programs consist of two funding streams which are braided together to leverage the best results for grant recipients. The Department of Energy Weatherization Assistance Program, as well as the HEAP funded Weatherization Program, work together to provide 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 CAAs.

(WAP Continued)

PROJECT PROGRESS BY CAA				
Reporting Period: January 1, 2022 – November 30, 2022				
Agency	Projects	Total Cost	DOE Funded	HEAP Funded
ACAP	42	\$771,012.00	\$445,482.00	\$325,531.00
CCI-ANDROSCOGGIN	39	\$763,217.00	\$423,764.00	\$339,453.00
CCI-CUMBERLAND	5	\$303,033.00	\$68,778.00	\$234,255.00
DCP	6	\$331,336.00	\$59,170.00	\$272,166.00
KVCAP	57	\$875,424.00	\$339,880.00	\$535,544.00
PCAP	37	\$670,235.00	\$355,890.00	\$314,345.00
WCAP	1	\$46,441.91	\$20,424.00	\$26,018.00
WMCA	17	\$364,468.00	\$189,278.00	\$175,190.00
YCCAC	13	\$376,344.00	\$160,069.00	\$216,275.00
<b>TOTAL</b>	<b>217</b>	<b>\$4,501,510.91</b>	<b>\$2,062,735.00</b>	<b>\$2,438,777.00</b>

**Additional information:**

- **DOE-BIL State Plan** – An initial review of the submitted plan has been completed by Program and Technical staff at DOE. Maine Housing is in process of responding to questions from the DOE Staff and will be resubmitting for final approval by mid-December.

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

MaineHousing's Low Income Water Assistance Program launched in September. The funding for this program comes from HHS and is currently considered a one-time program set to run through September 30, 2023. The MEWAP is being administered in-house, and to date there have been over 500 applicants and over \$270,000 in benefits payable. 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 175 units that have been completed and an addition 70 that are under contract for abatement for a total of 245 units.

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.

## HEAP PY2023 Rule and State Plan Review Process Tentative Key Dates

DATE	MILESTONE/KEY EVENT
1/7/2022	Maine Community Action Agency (CAA) Housing and Energy Council Meeting - initial discussions about process and recommendations for PY2023
1/17/2022	Invitation to HEAP Stakeholders' Meeting – Announcement of HEAP Working Group on February 17, 2022, meeting held virtually from 1:00-4:00 p.m.
2/10/2022	All Stakeholders, including CAAs – submit input/recommendations in writing to Troy Fullmer, Manager of HEAP, at <a href="mailto:tfullmer@mainehousing.org">tfullmer@mainehousing.org</a>
2/15/2022	Meeting of MaineHousing Board of Commissioners – Introduction of HEAP Rulemaking and State Plan* Review process – <i>agenda will be available on MH's website prior to the meeting</i>
2/17/2022	HEAP Working Group Meeting for stakeholder input. Includes distribution of written input from all stakeholders received by 2/10. Meeting held virtually from 1:00-4:00 p.m.
3/8/2022	Distribute summary of proposed changes and recommendations from Stakeholders to MaineHousing Board of Commissioners
3/15/2022	Meeting of MaineHousing Board of Commissioners – HEAP discussion and Board input - <i>agenda will be available on website prior to meeting</i>
3/31/2022	Written response to CAA Housing and Energy Councils' and HEAP Working Group's recommendations
4/12/2022	Distribution of information to MaineHousing Board of Commissioners – summary of proposed changes and drafts of HEAP Rule and State Plan*
4/12/2022	Submit proposed Rule to Attorney General's Office- notice of rulemaking
4/19/2022	Meeting of MaineHousing Board of Commissioners – Seek approval to commence Rule Making process – <i>agenda will be available on website prior to meeting</i>
4/19/2022	Email Notice of Public Hearing on the Rule with proposed Rule to the Secretary of State's Office
4/27/2022	Interested Parties Mailing – PY2023 State Plan*
5/17/2022	Meeting of MaineHousing Board of Commissioners - Public Hearing: HEAP Rule, PY2023 State Plan* - <i>agenda will be available on website and public notices published prior to meeting</i>
5/27/2022	Comment Period for Public Hearing* submissions ends
6/21/2022	Meeting of MaineHousing Board of Commissioners – Seek approval of Rule and State Plan*
8/8-10, 2022	HEAP CAA Training
8/22/2022	CAAs begin taking PY2022 HEAP Applications
TBD	HEAP Vendor Training

**\*NOTE:** If it is determined that MaineHousing will seek a waiver to reallocate fuel assistance funding to the weatherization program, this recommendation will be included in public hearings and opportunities and notifications for comment will be provided within the prescribed timeframes.

## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** December 12, 2022

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

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### ACCOUNTING AND FINANCIAL REPORTING (AFR):

- The financial statement audit for 2022 is underway and the Accounting and Financial Reporting (AFR) staff have been performing preparation work for the audit. An audit planning meeting with Baker Newman & Noyes (BNN) was held to discuss the year-to-date financial results, new programs, results of internal and other external audits, staffing changes and new Governmental Accounting Standards Board (GASB) pronouncements.

BNN auditors started their interim field work on November 28<sup>th</sup>. This work includes audit planning, documenting and assessing internal controls, and performing various audit procedures and confirmations on account balances. The interim phase should conclude by December 23<sup>rd</sup> and year-end field work will take place over a six-week period beginning on January 30, 2023.

- Work also continued on MaineHousing's 2023 budgets. Preliminary budgets were presented and reviewed at the November Board meeting. Several changes have been made to the preliminary budgets, which are summarized in the budget report that is included in this month's packet. The budgets will be presented at the December meeting for a vote.
- AFR staff also began work on several year-end processes. These included completing abandoned property reporting for checks issued by MaineHousing that were never cashed, gathering information from the departments for preparation of the IRS 1099 tax forms, and obtaining and verifying W-9 tax forms from our vendors. The W-9 forms are needed from all parties that receive an IRS reportable payment from MaineHousing during the year and are used to prepare the 1099 forms.

### LOAN ADMINISTRATION:

- Staff are participating on a committee that is working to transition the Homeowner Assistance Fund (HFA) program from the State's Bureau of Consumer Credit Protection (BCCP). The HFA program was part of the *American Rescue Plan Act of 2021* and is intended to help homeowners behind on their mortgage and utility payments and avoid foreclosure and eviction. Maine was awarded \$50 million for this program and has until 2025 to distribute the funds. In November, staff participated in several partner meetings to discuss the current procedural process, evaluate the software portal being used to capture HAF applications, review standing legal contracts, and to determine best strategies for a smooth transition. MaineHousing will take over the administration of the program in early 2023.
- We recently completed recruitment activities to fill the vacant Financial Reporting Specialist position. This position performs financial servicing and loan purchasing functions for MaineHousing's residential

loan portfolio. It also performs work to ensure compliance with federal loan origination and servicing regulations and mortgage insurers requirements. Tracy Snowden has accepted the position. Tracy holds a Bachelor of Science degree in Business Management from the University of Maine. Tracy join MaineHousing in 2020 as the Office Coordinator in the Human Resource and Facilities Department. We are very excited to have Tracy join the Loan Administration team.

- As part of ongoing training initiatives in Loan Administration, we have been working with MaineHousing's Program Training & Quality Control Coordinator to convert training presentations and materials for the Home Affordable Modification Program (HAMP) and the HomeOwnership Protection for unemployment Program (HOPE) into a webinar. Once completed, the webinar will be made available to MaineHousing's Loan Servicers.

## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** December 12, 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 ten-month period ended October 31, 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 \$2.26 billion and total combined liabilities approximate \$1.85 billion. Total net assets amount to approximately \$408 million. Total combined revenues approximate \$465 million and total expenses amount to approximately \$463.8 million, which results in net operating income of \$1.2 million. For this ten-month period in 2021, total combined net operating income was \$18.9 million. Net operating income is \$17.7 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 \$11.2 million. This is a \$13.6 million decrease compared to net operating income of \$2.4 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 \$17.1 million has been recorded for 2022, which is \$16.3 million larger than the paper loss of \$0.8 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 \$5.9 million at this point in 2022 compared to \$3.2 million in 2021. Net operating income is \$2.7 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 \$8.3 million, which is a decrease of \$3.9 million compared with net operating income of \$12.2 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 \$2.6 million higher, program expenditures are \$6.5 million higher at this point in 2022 compared to 2021.

## **BUDGET RESULTS**

Also attached are the budget variance results for the period ended October 31, 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 October 31, 2022 amount to \$64.8 million, while total expenses amount to \$58.4 million. For the ten-month period ended October 31, 2022, revenues exceed expenses by approximately \$6.4 million.

Total revenues are above budget due to higher income from non-mortgage investments. Interest rates have increased significantly this year and average yields from investments are higher than projected.

Total expenses are under budget 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 October 31, 2022, approximately \$18.5 million or 81% of the total budget has been used. Overall, operating expenses are below budget at this point and are projected to be under budget for the year by approximately \$400,000 or 2%. Full-time equivalents will 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 are projected to be below budget due to COVID-19 and restrictions on gatherings and travel during the early part of the year. Expenses for professional services will also be under budget because services for developing a 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 \$7.2 million as of October 31, 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 \$544,000 as of October 31, 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 October 31, 2022.



**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**OCTOBER 31, 2022**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2021</b>	<b>2022</b>							
<b>ASSETS:</b>									
Cash, principally time deposits	60,704	93,998	16,860	1	70,049	0	7,088	0	0
Investments	544,802	549,750	447,769	8,009	18,068	27,702	0	6,570	41,632
Accounts receivable - Government	15,520	34,587	0	0	0	2,541	31,727	319	0
Accrued interest and other assets	19,976	14,187	13,724	10	76	120	171	6	80
Mortgage notes receivable, net	1,410,362	1,530,117	1,475,489	0	3,857	32,900	0	717	17,154
Other notes receivable, net	70	41	0	0	41	0	0	0	0
Land, equipment and improvements, net	17,771	17,369	22	0	17,347	0	0	0	0
Other real estate owned	64	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	2,741	2,394	2,394	0	0	0	0	0	0
Total Assets	<u>2,084,648</u>	<u>2,262,397</u>	<u>1,975,564</u>	<u>8,024</u>	<u>109,573</u>	<u>63,263</u>	<u>38,986</u>	<u>8,121</u>	<u>58,866</u>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	18,246	19,069	18,580	0	0	0	0	0	489
Accounts payable - Federal	351	323	0	0	0		323	0	0
Accounts payable & accrued liabilities	5,730	28,874	316	2	17,228	0	11,328	0	0
Unearned income	26,052	58,020	0	0	0	819	27,973	29,228	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	3,893	22	39,914	(21,926)	(5,456)	(22,131)	5,684
Mortgage bonds and notes payable, net	1,620,033	1,726,807	1,658,089	0	14,365	0	0	0	54,353
Deferred grant income	18	0	0	0	0	0	0	0	0
Deferred loan origination points	18	14	14	0	0	0	0	0	0
Total Liabilities	<u>1,685,571</u>	<u>1,854,836</u>	<u>1,701,094</u>	<u>34</u>	<u>71,824</u>	<u>(21,107)</u>	<u>34,168</u>	<u>8,297</u>	<u>60,526</u>
<b>NET ASSETS:</b>									
Restricted Net Assets	362,130	369,812	274,470	7,990	0	84,370	4,818	(176)	(1,660)
Unrestricted Net Assets	36,947	37,749	0	0	37,749	0	0	0	0
Total Net Assets	<u>399,077</u>	<u>407,561</u>	<u>274,470</u>	<u>7,990</u>	<u>37,749</u>	<u>84,370</u>	<u>4,818</u>	<u>(176)</u>	<u>(1,660)</u>
Total Liabilities and Net Assets	<u>2,084,648</u>	<u>2,262,397</u>	<u>1,975,564</u>	<u>8,024</u>	<u>109,573</u>	<u>63,263</u>	<u>38,986</u>	<u>8,121</u>	<u>58,866</u>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED OCTOBER 31, 2022**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2021</b>	<b>2022</b>							
<b>REVENUES:</b>									
Interest from mortgages and notes	50,289	49,685	49,361	0	232	57	0	0	35
Income from investments	1,038	5,886	5,006	74	107	259	2	71	367
Net increase (decrease) in the fair value of investments	(808)	(17,076)	(17,076)	0	0	0	0	0	0
Fee income	9,049	9,974	1,043	0	507	0	8,194	230	0
Other revenue	195	38	0	0	1	36	0	1	0
Grant income	174,368	296,273	0	0	0	1,762	289,632	4,879	0
Income from State	26,044	28,239	0	0	0	23,920	0	0	4,319
Federal rent subsidy income	91,513	91,780	0	0	0	0	91,780	0	0
Gain on bond redemption	439	210	210	0	0	0	0	0	0
<b>Total Revenues</b>	<b>352,127</b>	<b>465,009</b>	<b>38,544</b>	<b>74</b>	<b>847</b>	<b>26,034</b>	<b>389,608</b>	<b>5,181</b>	<b>4,721</b>
<b>EXPENSES:</b>									
Operating expenses	16,301	18,484	0	0	18,484	0	0	0	0
Other program administrative expenses	4,763	5,664	5,273	0	5	0	227	133	26
Mortgage servicing fees	1,432	1,468	1,457	0	11	0	0	0	0
Provision for losses on loans	17	0	0	0	0	0	0	0	0
Losses on foreclosed real estate	(58)	25	25	0	0	0	0	0	0
Interest expense	35,398	33,871	33,014	0	0	0	0	0	857
Grant expense	184,566	311,733	0	0	0	17,781	289,668	4,162	122
Federal rent subsidy expense	90,845	92,562	0	0	0	0	92,562	0	0
Allocated operating costs	0	0	9,983	59	(16,523)	0	6,384	97	0
<b>Total Expenses</b>	<b>333,264</b>	<b>463,807</b>	<b>49,752</b>	<b>59</b>	<b>1,977</b>	<b>17,781</b>	<b>388,841</b>	<b>4,392</b>	<b>1,005</b>
<b>Net Operating Income (Loss)</b>	<b>18,863</b>	<b>1,202</b>	<b>(11,208)</b>	<b>15</b>	<b>(1,130)</b>	<b>8,253</b>	<b>767</b>	<b>789</b>	<b>3,716</b>
<b>Transfers between funds, net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>790</b>	<b>0</b>	<b>(790)</b>	<b>0</b>	<b>0</b>
<b>Change in net assets</b>	<b>18,863</b>	<b>1,202</b>	<b>(11,208)</b>	<b>15</b>	<b>(340)</b>	<b>8,253</b>	<b>(23)</b>	<b>789</b>	<b>3,716</b>
<b>Net assets at beginning of year</b>	<b>380,214</b>	<b>406,359</b>	<b>285,678</b>	<b>7,975</b>	<b>38,089</b>	<b>76,117</b>	<b>4,841</b>	<b>(965)</b>	<b>(5,376)</b>
<b>Net assets at end of period</b>	<b>399,077</b>	<b>407,561</b>	<b>274,470</b>	<b>7,990</b>	<b>37,749</b>	<b>84,370</b>	<b>4,818</b>	<b>(176)</b>	<b>(1,660)</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE PERIOD ENDED OCTOBER 31, 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	49,593	0	49,593	60,300	10,707	18%
Income from investments	5,187	73	5,260	1,235	(4,025)	(326%)
Fee income	1,550	8,424	9,974	14,046	4,072	29%
Other revenue	1	1	2	65	63	97%
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	56,331	8,498	64,829	75,646	10,817	14%
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENSES:</b>						
Operating expenses	12,003	6,481	18,484	22,708	4,224	19%
Direct program administrative expenses	6,771	386	7,157	9,093	1,936	21%
Interest expense	32,804	0	32,804	39,800	6,996	18%
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	51,578	6,867	58,445	71,601	13,156	18%
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Excess Revenues Over Expenses</b>	<u>          4,753          </u>	<u>          1,631          </u>	<u>          6,384          </u>	<u>          4,045          </u>	<u>          (2,339)          </u>	<u>          (58%)          </u>

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND OTHER PROGRAM ADMINISTRATIVE  
FOR THE PERIOD ENDED OCTOBER 31, 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	10,728,559	2,260,705	17%
Payroll Taxes	956,112	800,281	155,831	16%
Retirement	1,247,720	1,017,257	230,463	18%
Medical and Life Insurance	2,932,952	2,350,738	582,214	20%
Other Fringe Benefits	10,000	5,055	4,945	49%
Office Supplies	51,700	49,237	2,463	5%
Printing	71,430	56,897	14,533	20%
Membership and Dues	65,554	56,087	9,467	14%
Subscriptions	26,440	14,300	12,140	46%
Sponsorships	17,000	13,600	3,400	20%
Staff Educ/Train/Conf	134,838	81,583	53,255	39%
Travel/Meals - Staff Educ/Train/Conf	132,010	39,588	92,422	70%
Partner/Client Train/Meetings	58,500	17,611	40,889	70%
Travel/Meals - Partner/Client Training	45,018	45,659	(641)	(1%)
Staff Events	14,970	2,709	12,261	82%
Meals - Staff Events	16,499	8,035	8,464	51%
Leased Vehicles	143,417	138,712	4,705	3%
Computer Supplies	25,312	27,760	(2,448)	(10%)
Computer License SAAS	185,827	220,655	(34,828)	(19%)
Rent-Other	37,430	31,755	5,675	15%
Computer Maintenance	653,846	547,798	106,048	16%
Depreciation	1,020,000	806,211	213,789	21%
Telephone	132,384	98,286	34,098	26%
Employment Advertising	1,000	985	15	2%
Postage and Shipping	115,650	103,980	11,670	10%
Insurance	93,010	79,087	13,923	15%
Recording Fees	1,000	732	268	27%
Payroll Services	44,365	38,608	5,757	13%
Audit Services	169,800	133,800	36,000	21%
Property Expenses	460,085	383,887	76,198	17%
Professional Services	380,886	190,681	190,205	50%
Building Interest Expense	473,524	394,389	79,135	17%
<b>Total Operating Expenses</b>	<b>22,707,543</b>	<b>18,484,522</b>	<b>4,223,021</b>	<b>19%</b>
<b>Other Program Administrative Expenses</b>				
Loan foreclosure expenses	200,000	38,812	161,188	81%
REO expenses	50,000	6,650	43,350	87%
Provision for losses on loans & REOs	125,000	25,000	100,000	80%
Mortgage Servicing fees	1,860,000	1,467,595	392,405	21%
Loan Origination expenses	3,020,000	2,517,290	502,710	17%
Bond Issuance Costs	900,000	887,734	12,266	1%
Trustee/Bank fees	170,000	152,992	17,008	10%
Program advertising/printing	424,750	249,792	174,958	41%
Bond and mortgagee insurance	17,000	17,607	(607)	(4%)
Variable rate bond remarket/liquidity facilities	1,100,000	885,365	214,635	20%
Cash flow/arbitrage/swap consultants/legal	645,000	555,224	89,776	14%
Homebuyer education	120,000	100,050	19,950	17%
Program administrator fees	461,000	252,401	208,599	45%
<b>Total Other Program Administration Expenses</b>	<b>9,092,750</b>	<b>7,156,512</b>	<b>1,936,238</b>	<b>21%</b>

**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE PERIOD ENDED OCTOBER 31, 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	15,296	21,704	
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>465,634</u>	<u>45,851</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)	
Workstations & furniture	0	6,975	(6,975)	
	<u>0</u>	<u>51,541</u>	<u>(51,541)</u>	<u>0%</u>
<b>Total</b>	<u><u>556,484</u></u>	<u><u>543,840</u></u>	<u><u>12,644</u></u>	<u><u>98%</u></u>

**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE PERIOD ENDED OCTOBER 31, 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
passivhausMaine - employee annual membership	175
Maine Department of Environmental Protection - lead inspector license renewal	200
Maine State Bar Association - (7) employee annual memberships	1,585
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
Mortgage Bankers Association - annual affiliate membership	1,350
Maine Association of Public Housing Directors - annual membership	1,000
Association of Certified Fraud Examiners - (2) employee annual membership	595
Total	<u><u>\$ 56,087</u></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 - Wisdom Summit sponsorship	500
National Association of State and Local Equity Funds - conference sponsorship	1,500
Maine Real Estate Management Association - 2021/2022 conference sponsorship	5,500
New England Resident Service Coordinator - conference sponsor	3,000
Total	<u><u>\$ 13,600</u></u>



## Finance Department Memorandum

**To:** Board of Commissioners  
**From:** Darren Brown  
**Date:** December 2, 2022  
**Subject:** Monthly Delinquencies Report

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### MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$788 million with 1,253 loans as of November 30, 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 \$933 million with 9,642 loans as of October 31, 2022. The over 60-day delinquencies decreased from 2.59% to 2.51%, and the in-foreclosures decreased from 0.69% to 0.64%. The over 60-day delinquencies amount to \$23 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 2.51%; and the overall delinquency rate by loan count is 2.79%. 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 October 31, 2022, Bank of America (BOA) had the highest overall delinquency rate of 12.78%, with an in-foreclosure rate of 3.35%. BOA's high delinquency rate is due to the small size of their portfolio. The portfolio consists of approximately 100 loans.

Delinquencies for our largest servicer, Mortgage Servicing Solutions, decreased from 3.19% to 2.94%, while the in-foreclosure rate decreased from 0.78% to 0.71%. Bangor Savings Bank QS portfolio had a rate of 0.00%, which was the lowest rate for the month. Delinquency rates for each servicer are shown in ***Exhibit 3***.

**Delinquencies by Insurance Type** – In October 2022, FHA insured loans had the highest delinquency rate by total insurance type of 3.83%, with in-foreclosures at 1.09%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.53%, with in-foreclosures at 0.37%. 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 25% of delinquencies, while RD insured loans comprise 59% of the portfolio and represent 61% of all delinquent loans. The

current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in ***Exhibit 7***.

**Foreclosure Prevention Activities** – ***Exhibit 8*** summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of the end of month October 2022, we have assisted 846 borrowers with various foreclosure preventions options.



# Multi-Family Delinquent Loans

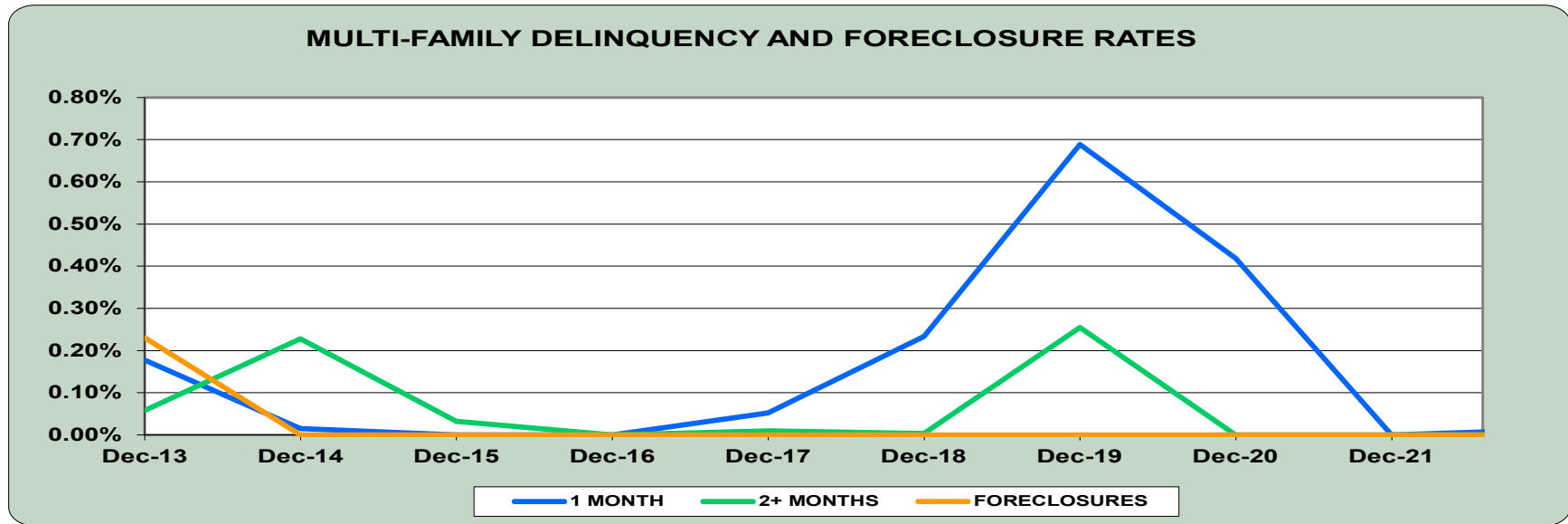
<b>MAINE STATE HOUSING AUTHORITY</b> <b>MULTI-FAMILY DELINQUENCIES</b> <b>11/30/2022</b>								
<b>Section 8</b>								
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00
<b>Rental Housing</b>								
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	1 MONTH	2 MONTHS	3+ MONTHS
WATER ST APARTMENTS*	8,053.13	05/01/22	AUGUSTA	WATER STREET APARTMENTS LLC	09/28/07	7,818.00	0.00	0.00
						7,818.00	0.00	0.00
<b>Supportive Housing &amp; Other</b>								
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	1 MONTH	2 MONTHS	3+ MONTHS
MOUSAM ST, 5**	761.20	11/01/22	SANFORD	YORK COUNTY SHELTER PROGRAM	02/20/92	0.00	0.00	5,310.00
WEST MAIN ST HOME	1,981.16	10/01/22	GREENE	RELATIVES AND FRIENDS TOGETHER	02/28/95	54,993.00	0.00	0.00
W VALENTINE ST, 216	568.74	10/01/22	WESTBROOK	MORRISON CENTER	04/18/97	25,902.00	0.00	0.00
						80,895.00	0.00	5,310.00
<b>Grand Total</b>						88,713.00	0.00	5,310.00
<b>% of Portfolio Delq 60+ days</b>	<b>0.00%</b>							
<b>Total Number of Loans</b>	<b>1,253</b>							

\* Semi-annual payment, final payment for this loan.

\*\*Current loan, past maturity date of 06/01/22.



# Multi-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		FORECLOSURES	
	DOLLARS		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Nov-22	\$ 788,275,494		\$ 88,713	0.01%	\$ 5,310	0.00%	\$ -	0.00%
Dec-21	\$ 696,004,882		\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177		\$ 2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774		\$ 4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%
Dec-18	\$ 630,936,475		\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257		\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%
Dec-16	\$ 579,916,852		\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-15	\$ 573,932,384		\$ -	0.00%	\$ 185,320	0.03%	\$ -	0.00%
Dec-14	\$ 513,937,525		\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%
Dec-13	\$ 506,871,177		\$ 896,386	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%



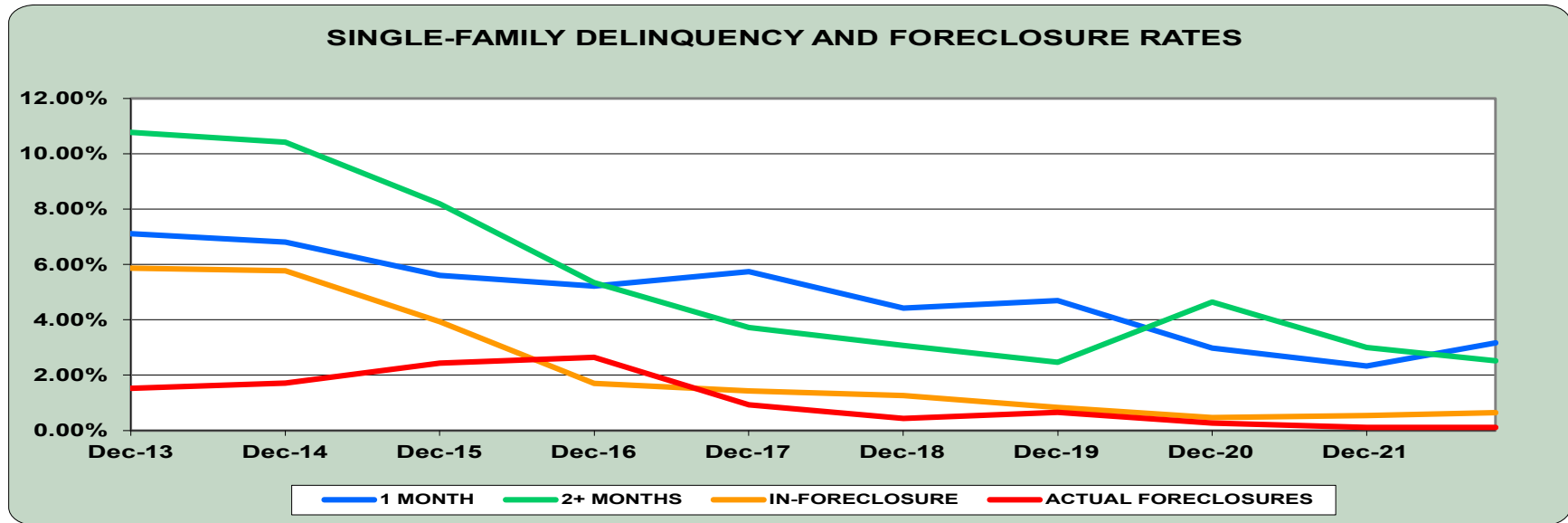
# Single-Family Delinquent Loans

## Maine State Housing Authority Single-Family Delinquencies by Servicer 10/31/2022

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	66.30%	2.94%	618,427,401.49	22,405,569.24	5,571,434.89	8,238,445.33	4,393,166.89
BANGOR SAVINGS BANK	13.23%	0.97%	123,373,709.87	2,486,499.93	697,400.71	241,328.46	252,924.00
CAMDEN NATIONAL BANK UK	8.71%	1.41%	81,236,873.89	2,297,349.66	207,748.06	479,000.33	459,169.23
MACHIAS SAVINGS BANK	7.10%	3.22%	66,187,839.98	1,695,262.46	914,790.57	520,569.73	693,458.74
BANGOR SAVINGS BANK QS	3.99%	0.00%	37,235,109.73	31,505.71	0.00	0.00	0.00
BANK OF AMERICA NA	0.63%	12.78%	5,903,435.27	615,353.87	65,709.02	490,739.74	197,840.09
SALEM FIVE MORTGAGE CORP	0.05%	3.25%	441,586.54	36,926.08	14373.60	0.00	0.00
TOTAL	100.00%	2.51%	932,805,956.77	29,568,466.95	7,471,456.85	9,970,083.59	5,996,558.95



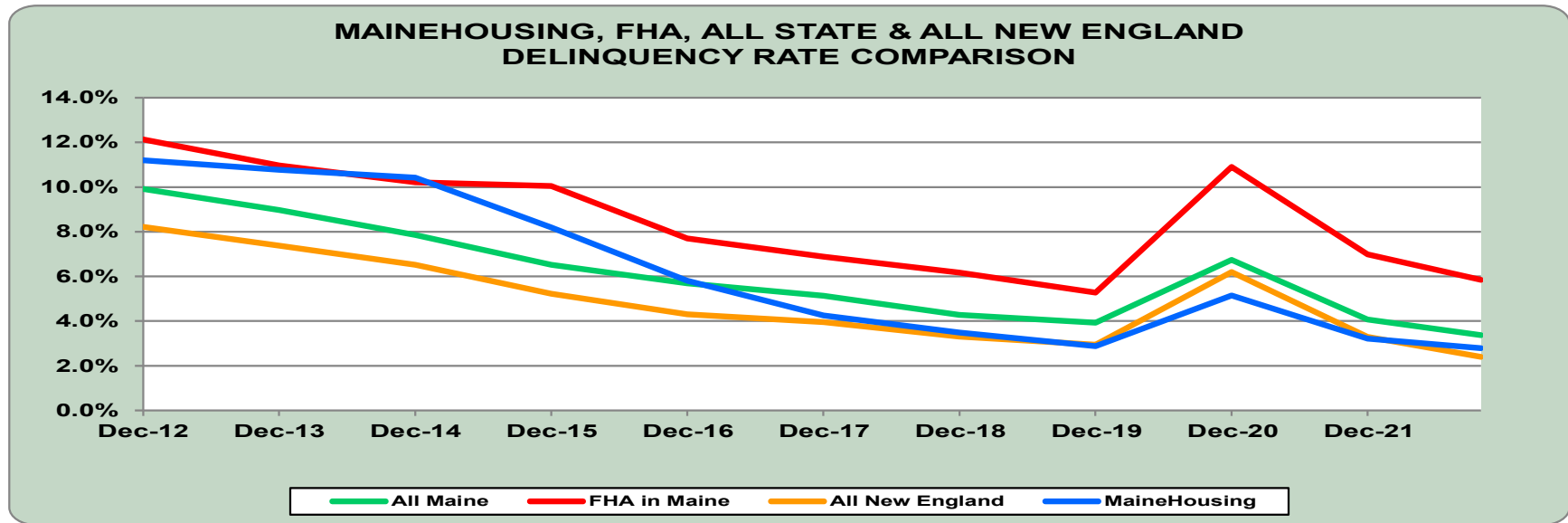
# Single-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL	1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Oct-22	\$ 932,805,957	\$ 29,568,467	3.17%	\$ 23,438,099	2.51%	\$ 5,996,559	0.64%	\$ 1,018,078	0.11%
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*	120,604	0.58%	1.54%	1.25%	3.37%
FHA for State*	15,902	1.26%	2.91%	1.68%	5.85%
All New England*	1,716,134	0.51%	1.28%	0.62%	2.41%
MaineHousing**	9,642	0.85%	1.22%	0.72%	2.79%

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

\*\*MaineHousing's overall delinquency rate based on loan dollars is 2.51%, whereas rates in this exhibit are based on loan count.



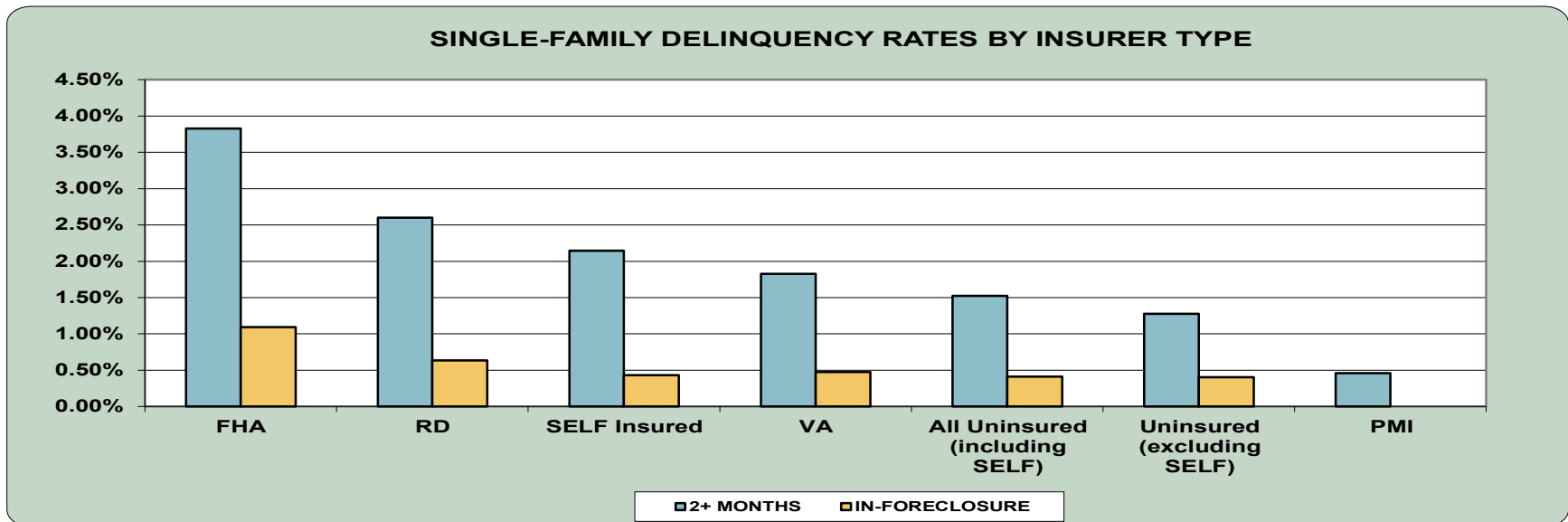
# Single-Family Delinquencies by Mortgage Insurer

**As A Percent of Total Insurance Type**  
**10/31/2022**

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	3.83%	1.09%
RD	2.60%	0.63%
SELF Insured	2.14%	0.43%
VA	1.83%	0.48%
All Uninsured (including SELF)	1.53%	0.41%
Uninsured (excluding SELF)	1.28%	0.40%
PMI	0.46%	0.00%

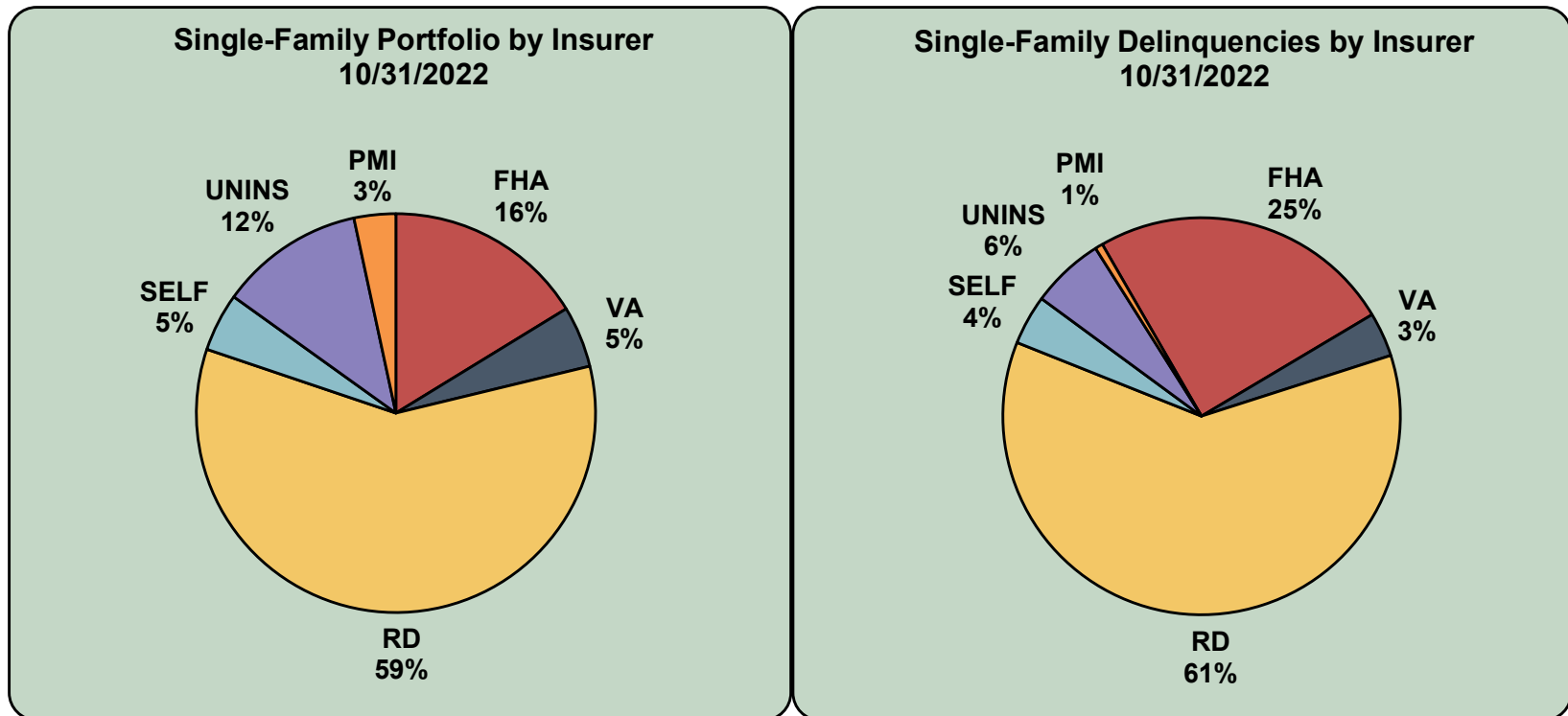
**As A Percent of Total Loan Portfolio**  
**10/31/2022**

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.53%	0.37%
FHA	0.62%	0.18%
All Uninsured (including SELF)	0.25%	0.07%
Uninsured (excluding SELF)	0.15%	0.05%
SELF Insured	0.10%	0.05%
VA	0.09%	0.02%
PMI	0.02%	0.00%

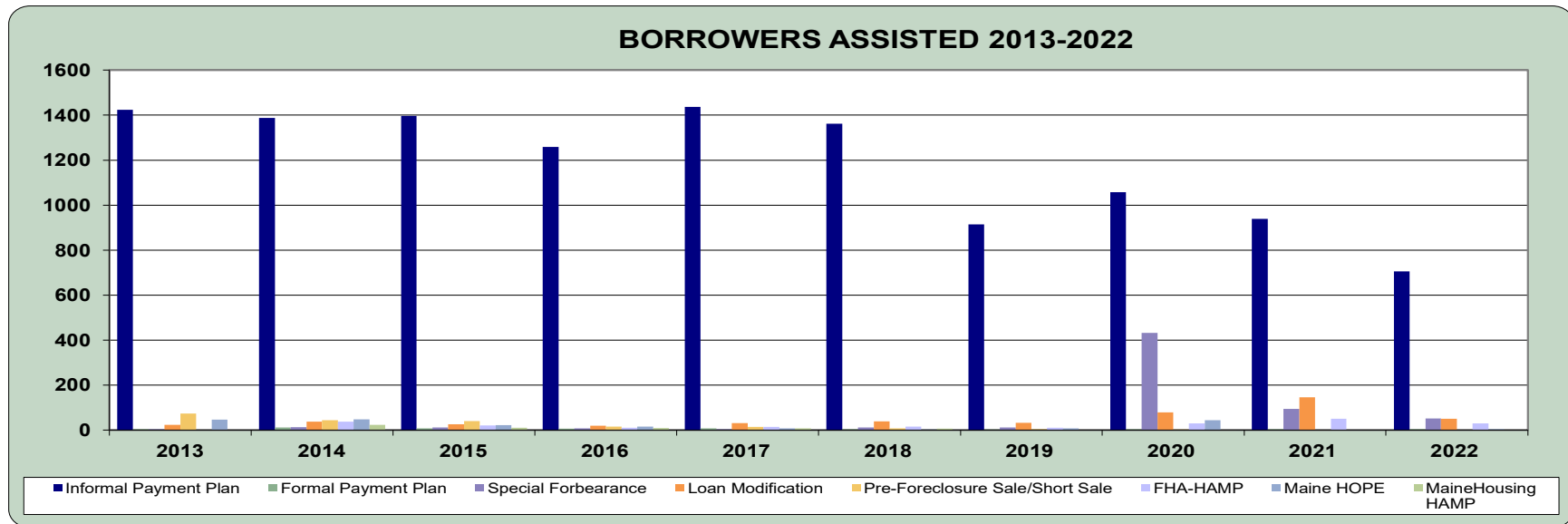


# Single-Family Delinquencies by Mortgage Insurer

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	MaineHousing HAMP	Total Workouts
Oct-22	706	5	51	50	0	30	4	0	846
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
Oct-22	13	9,642	0.13%
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%





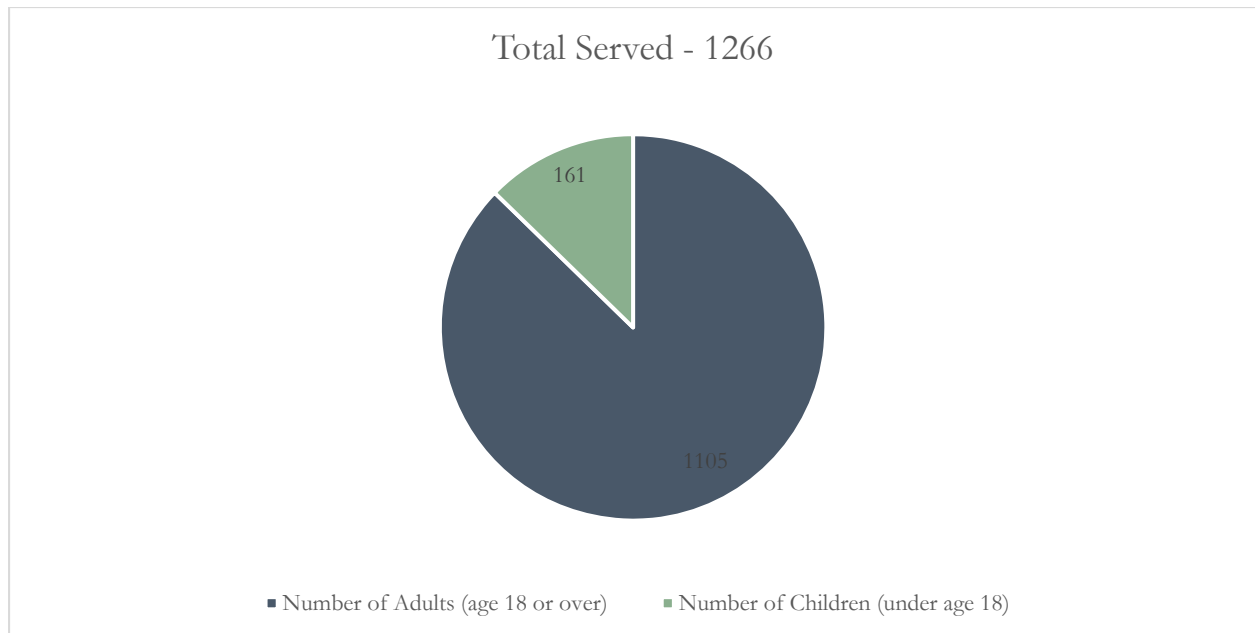
## Homeless Initiatives Department Memorandum

**To:** Board of Commissioners  
**From:** Lauren Bustard, Senior Director of Homeless Initiatives  
**Date:** December 13, 2022  
**Subject:** Homeless Initiatives Report

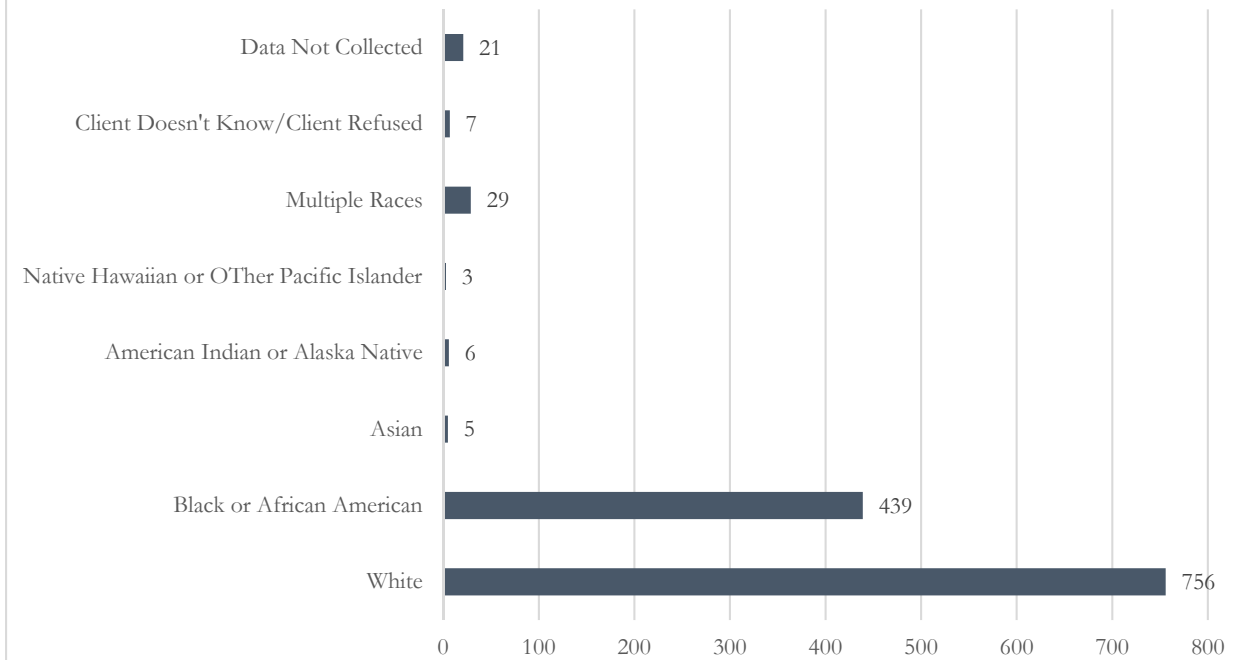
### Homeless Data – November 2022

The following are the monthly statistics for November:

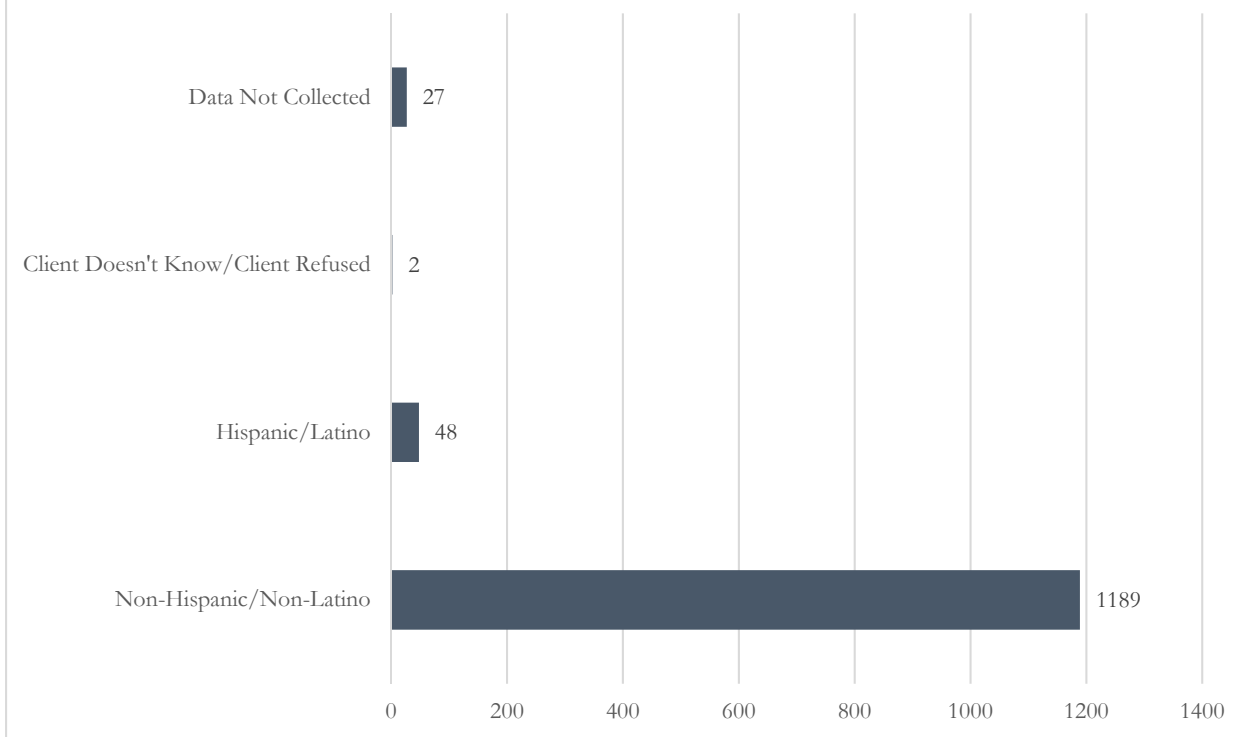
1. Total number of people served (1266) has increased by 53 individuals. The caveat here is that these are only the individuals that are being served by homeless service providers around the state who are mandated to record data in the HMIS (Homeless Management Information System) database. It does not 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 40% in October to 38.9% in November. 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 remained stable at 48 individuals.
3. We did not see a substantial increase in people coming out of hotels funded by ERA in November. Only an additional 6 individuals across the system came from a hotel setting in relation to October data.
4. After a significant increase in Exits to Permanent Housing in October the number decreased from that high of 100 down to 67 in November. This is still approximately 10 more households than was the average for previous months. Exits to other destinations remained stable.



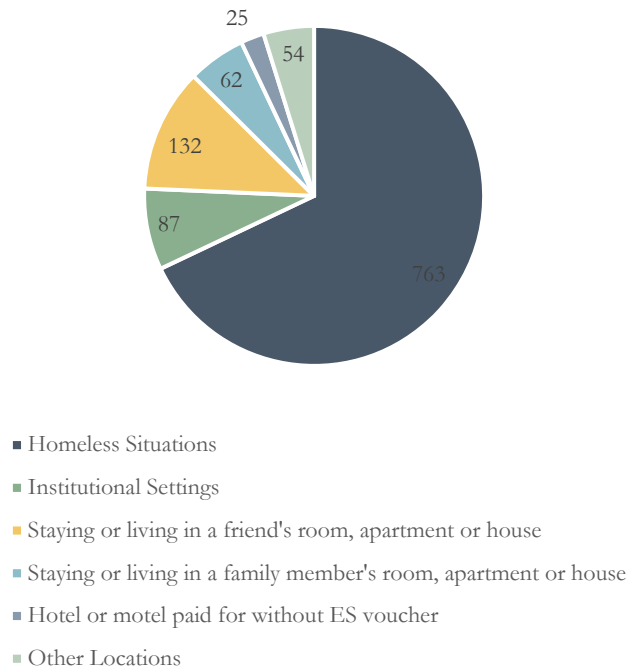
Number of People Served by Race



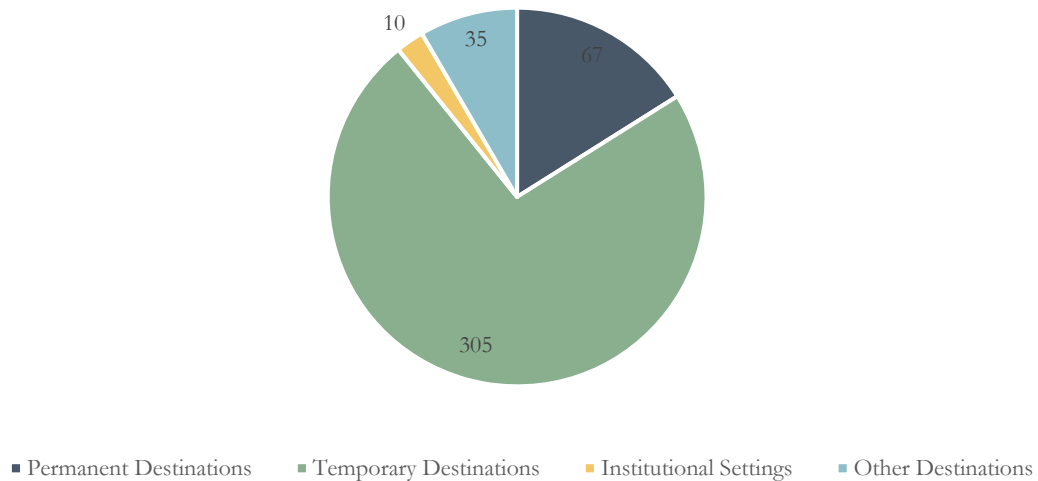
Number People Served by Ethnicity



Residence of Clients Prior to Entry



Residence of Clients after Entry



### 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 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 continue to work towards finding solutions to obtaining information from entities that do not currently enter homeless data into the Homeless Management Information System (HMIS) - such as General Assistance, Community Action Agencies, day centers, and others - to help build their Hub level By-Name Data sets.

Coordination, planning, and trainings are in motion for the 2023 Point In Time count – which will be led by the Hub Coordinators. Hub Coordinators are also working closely with communities that are planning winter warming shelters to ensure that people who are currently unsheltered can be inside for the winter months.

The State Strategy Team (SST) met in November and Action Teams will continue to work on their respective aims for Data Quality, Racial Equity, and Clear the Path work. An SST retreat is scheduled for Jan 24<sup>th</sup> at MaineHousing to discuss and determine short-term goals for the next 6-month action cycle.

## Homeownership Department Memorandum

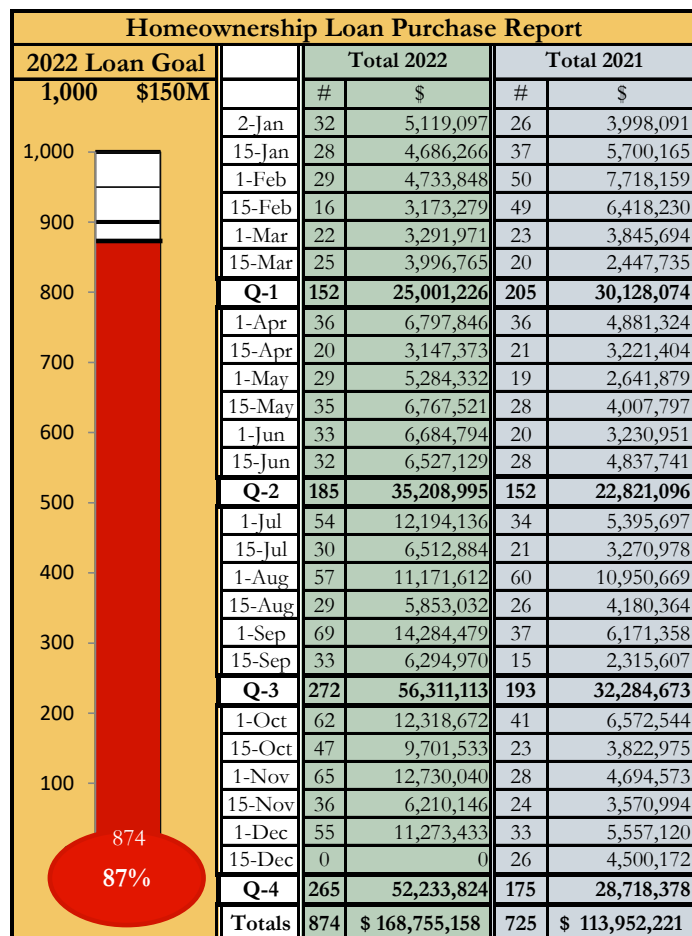
**To:** MaineHousing Board of Commissioners

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

**Date:** December 13, 2022

**Subject:** Monthly Report – Homeownership Department

### PRODUCTION UPDATE



Monthly Loan Reservations: 12/01/22	
#	\$ Volume
69	\$ 12,584,461

Loan Pipeline as of: 12/01/22	
#	\$ Volume
255	\$ 48,463,384

Loan Reservation Comparison					
November 2021		November 2022		2021 vs 2022	
#	\$ Volume	#	\$ Volume	#	\$ Volume
199	\$32,391,223	255	\$ 48,463,384	28%	50%

## **PROGRAM HIGHLIGHTS**

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

As we approach the end of 2022, Homeownership is very pleased to announce the achievement of setting a First Home Loan record for loan dollar volume which is expected to exceed \$170M once the final loan purchase of the year has been completed. The previous high volume record was \$152,985,403 set in pre-pandemic 2019. It is of interest to note that the total loan count in 2019 was 1,119, while it is anticipated that the 2022 loan count will be under 1,000. The apparent anomaly is a direct result of the significant increase in home sales prices since 2019, and the subsequent increase in the loan amount required to purchase a home. The number of loans purchased and the loan dollar volume for 2022 with one transfer remaining already far surpass the totals for 2021 as shown in the production update chart above.

I want to acknowledge and thank the Homeownership department team for their hard work, dedication and individual contributions that have resulted in such success during a very challenging, and at times, very difficult year. Congratulations go out to Tina Partridge, Lisa McKenna, Sue Mills, David Raynes, Angie Desrochers, Jessica Gurney and Dawn Libby-Lynch.

Mortgage industry analysts continue to speculate and often differ in opinion regarding the direction and/or leveling off point of interest rates in the coming year. The short view is that the Fed will continue to battle inflation with measured increases in its lending rate which are likely to trigger further increases in mortgage interest rates into early 2023.

Despite higher interest rates and a still limited inventory of homes for sale, overall home prices have continued to rise in Maine, although the pace has slowed significantly from last year and earlier this year. Home buying activity remains strong, particularly in the greater Portland area and much of southern Maine, however the number of home sales is down dramatically from this time last year. The real estate market is clearly in a transition that appears will slowly lead to a leveling, and eventual decrease in home prices from previous record highs with the exception again of greater Portland and southern Maine. The market shift should also result in an increased inventory of homes for buyers to choose from and hopefully a decrease in the intense level of competition to purchase one. Good news, especially for first home buyers.

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

#### **HOME VALUES REMAIN STRONG IN MAINE**

AUGUSTA (November 18, 2022)—Buyer demand remains healthy in Maine, while rising interest rates and tight inventory continue to affect the real estate market. Maine Listings today reported a 7.79 percent rise in the cost for a single-family existing home, which reached a median sales price (MSP) of \$332,000 in October 2022 compared to October 2021. The MSP indicates that half of the homes were sold for more and half sold for less. October 2022 sales dipped 23.41 percent compared to a year ago, due to the existing market factors.

“After a two-year streak of double-digit pricing increases, we’re finally seeing some relief,” says Madeleine Hill, 2022 President of the Maine Association of REALTORS® and Designated Broker at Roxanne York Real Estate in Harpswell.

“While demand remains steady for Maine’s tight for-sale inventory, increased mortgage interest rates have impacted the market,” added Hill. “Buyers who need to finance their home have less purchasing power, and the recent pricing deceleration indicates that sellers are adjusting.

“Sales volume last month outpaced the number of homes coming onto the market, and for-sale inventory remains tight with eight percent fewer homes on the market in October 2022 compared to September 2022 – and 58 percent fewer homes for sale than pre-pandemic October 2019.”

The National Association of Realtors reported a 28.2 percent decline in sales nationwide, with a national MSP of \$384,900—a rise of 6.2 percent in the past year. Regionally, sales in the Northeast reflected a similar trend, with a decline of 23 percent compared to October 2021. The regional MSP jumped 8.0 percent to \$408,700.

“With nearly 1,600 sales, October 2022 was the 7th best October in the 22 years of available records,” says Hill.

### **HoMEworks Homebuyer Education Report**

HoMEworks is a nonprofit group dedicated to consumer homebuyer education. HoMEworks believes the best place to start the home buying process is in the classroom. The hoMEworks mission is to develop a standardized, comprehensive, homeownership education program to be delivered by a network of industry professionals within neutral live and virtual classroom environments throughout Maine.

The hoMEworks Board of Directors met on November 7, 2022. At this meeting, the board voted to approve a new and updated PowerPoint Curriculum along with supporting documents including best practices and resource guides. This curriculum will be in effect for all classes starting after December 1, 2022, and used by all educators approved to teach hoMEworks approved classes. The revised curriculum was the focus of discussion at the fall Educator Meeting on November 15<sup>th</sup> attended by hoMEworks board members and approved educators from across the state.

Consumer Education Coordinator and hoMEworks Board Member, Jessica Gurney is also working on a sponsorship campaign to help the non-profit gain donors for 2023. Donor contributions will help hoMEworks fund a grant as an incentive for education provider agencies to offer additional in-person homebuyer education classes in 2023. In-person classes have been found to be the most effective and beneficial method of presenting the HBE curriculum to students. The grant will award \$1,000 per class to agencies hosting an in-person class from January 1- July 31, 2023. Each organization can receive up to two grants which will help meet the costs associated with in-person events.

All hoMEworks approved agencies reported the following data from October 1, 2021-September 30, 2022:

**hoMEworks Data**  
**Oct 1, 2021- September 30, 2022**

<u><b>Organizations Data 2022</b></u>	# of Zoom HBE classes	# of live HBE classes	# of students in HBE Classes	# eHome Clients	Notes:
<b>Aroostock ACAP</b>	10	0	119	81	
<b>Avesta Housing</b>	25	0	542	155	6 LL Classes, 75 students,
<b>CEI</b>	17	0	205	176	6 LL Classes, 60 students,
<b>Community Concepts</b>	13	2	183	204	
<b>KVCAP</b>	5	5	172	187	
<b>Penquis</b>	30	1	386	233	
<b>York CAP</b>	15	0	261	80	Reports # down this year
<b>Total #</b>	<b>HBE Zoom Classes: 115</b>	<b>HBE Live Classes: 8</b>	<b>Total Students in HBE: 1868</b>	<b>Total eHome Students: 1116</b>	

**Summary:**

Total students HBE and eHome: 2,984 students

Total students HBE, LL, and eHome: 3,119 students

Total HBE classes offered: 123 hoMEworks classes

Total LL classes: 12 Landlord classes

Total LL Students: 135 students



## Housing Choice Vouchers Department Memorandum

**To:** MaineHousing Board of Commissioners

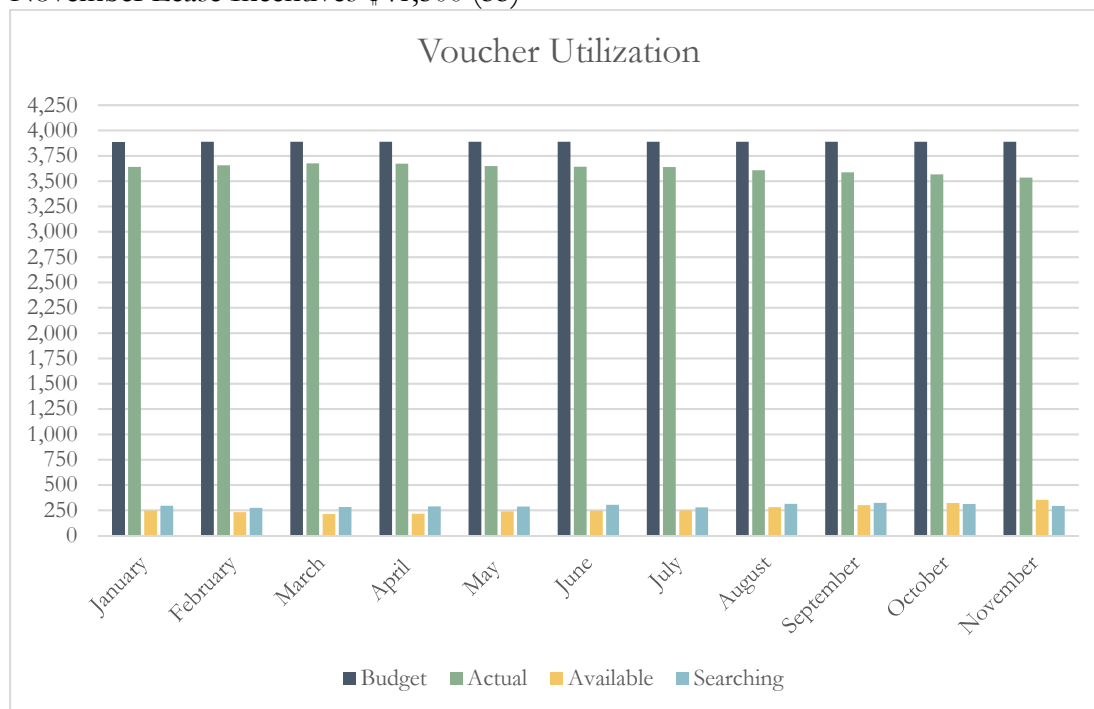
**From:** Allison Gallagher - Director of HCV Programs

**Date:** December 20, 2022

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

### Program Updates:

November Lease Incentives-\$41,500 (55)



### HCV (homeless initiatives)

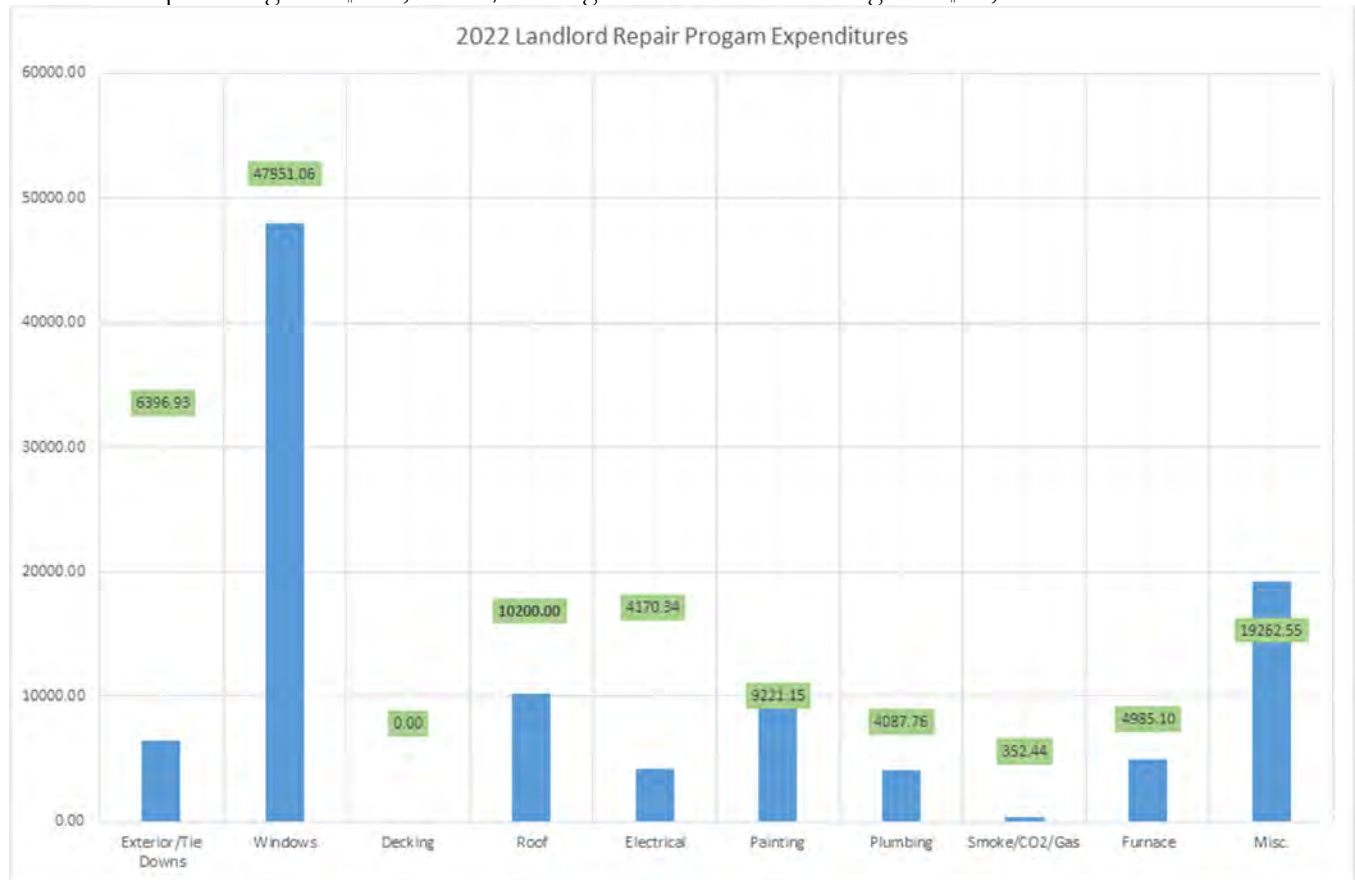
	Leased	Searching
<b>STEP</b>	78	42
<b>Home to Stay</b>	169	87
<b>Homeless Priority</b>	272	85
<b>EHV</b>	49	36

### LEAN Update:

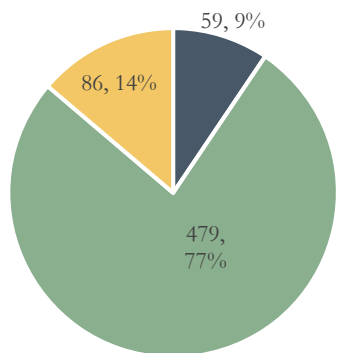
HCV staff are working on scanning all physical tenant files as a 2021/2022 LEAN initiative. We have scanned 97% of our physical tenant files to date. We are 100 tenant files away from being 100% electronic.

## Inspection Updates:

Landlord Repair Program: \$106,627.33/Damage Reimbursement Program: \$44,138.24

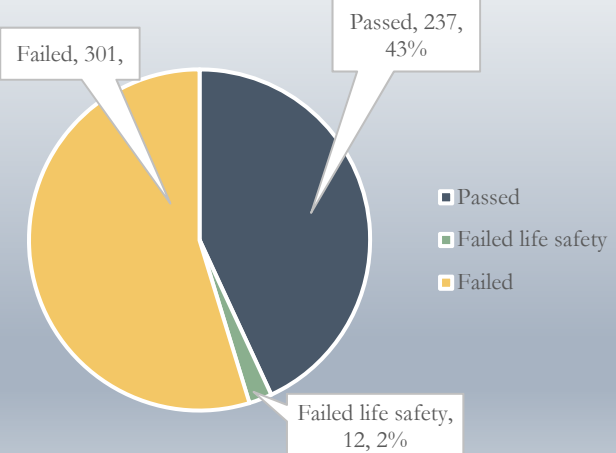


### November HCV Inspections

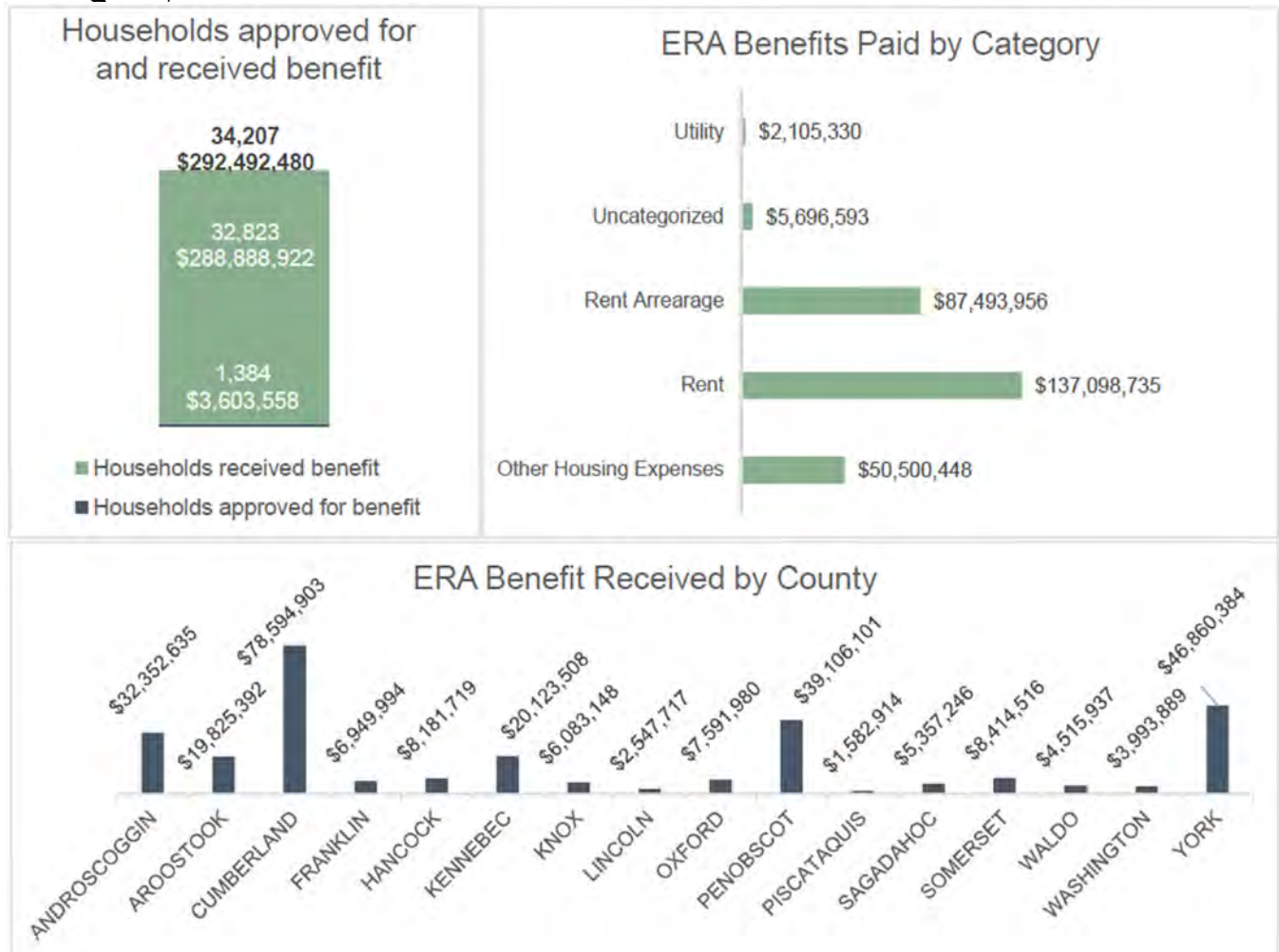


■ Initials ■ Annual ■ re-inspections

### Inspection Results



## Emergency Rental Assistance:



As of December 7, 2022

## Human Resources and Facilities Department Memorandum

**To:** Board of Commissioners

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

**Date:** December 2022

**Subject:** Board Report

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### Human Resources YTD Stats as of December 12

<b>Headcount</b> ⓘ 184 As of December 2022	<b>Hired</b> ⓘ 26	<b>Departures</b> ⓘ 20	<b>Growth Rate</b> ⓘ 3.4%	<b>Turnover Rate</b> ⓘ 10.8%	<b>Average Tenure</b> ⓘ 9.7 (Years)
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### Human Resources Updates

#### STAFF ANNOUNCEMENTS

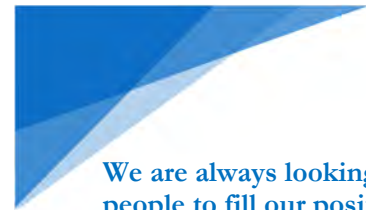
- Patricia Harriman joined the MaineHousing team on November 28 as the Special Assets Manager in Finance Department.

Congratulations to the following staff who have been recently promoted:

- Linnea Rogers from Information Technician to Data & Graphic Design Specialist, CPD
- Mary Wade from HMIS Systems Administrator to HMIS Project Specialist, Homeless
- Amanda Roy from Asset Manager to Manager of Weatherization, EHS
- Hannah Trickett from Office Assistant to Office Coordinator, HR & Facilities
  - Tracy Snowden current Office Coordinator will be joining the Finance Team as a Financial Reporting Specialist

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

- Administrative Assistant – Loan Servicing, Finance
- HQS Inspector, HCV
- HCV Inspections Assistant, HCV
- Weatherization & Housing Assistant, EHS
- Application Specialist, IT



**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).**

- HMIS Training & Support Specialist, Homeless
- Mortgage Lending Officer, Homeownership
- Asset Manager, Asset Management

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

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

### **Facilities Updates**

- ✓ No news to report.



**Information Technology Department Memorandum**

**To:** Board of Commissioners

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

**Date:** December 13, 2022

**Subject:** Monthly Report

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**Information Technology Updates:**

- In response to the Data Breach Response Plan test report, action items have been drawn up to address areas of the plan that require it.
- Assisted in the launch of the HEAP Online Application process. Expanded reports for HEAP and online application operational use.
- Continued review and discussion with community action agencies regarding security questionnaire.
- Revised Acceptable Use Policy training and quiz with scheduled January 1 launch for annual review by all staff.
- Addressed security changes as part of revised Information Security Program. Changes include improvements to password security and multi-factor standards.
- Completed quarterly coaching and professional development of Information Technology staff.
- External penetration testing and security assessment was completed during November, with an initial report expected in the coming months. Review and remediation will occur in the coming months in preparation for a final report.
- Applied security patches to critical systems to address identified vulnerabilities.

## Board Calendar 2023

<b>JANUARY 17</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>•</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>• HUB Coordinator update</li> <li>• SF Program 2022 review, 2023 preview</li> </ul> <p>NCSHA HFA Institute Washington, DC (Jan 8 – Jan 13)</p>	<b>FEBRUARY 21</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• Introduce HEAP Rule</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>• QAP (if needed)</li> </ul>
<b>MARCH 21</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• HEAP Rule Discussion</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>• QAP (if needed)</li> </ul> <p>NCSHA Legislative Conference Washington, DC (March 27- March 29)</p>	<b>APRIL 18</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• Commence Rulemaking HEAP Rule <b>(VOTE)</b></li> <li>• Executive Session – Dan’s performance evaluation</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>• 2022 Budget and Audit results</li> </ul>
<b>MAY 16</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• HEAP Rule Public Hearing</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>• 2022 Financial Overview</li> </ul>	<b>JUNE 20</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• Adopt HEAP Rule <b>(VOTE)</b></li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>• Housing Choice Voucher Dept. presentation</li> </ul> <p>NCSHA Housing Credit Connect Seattle, WA (June 13 – June 16)</p>
<b>JULY 18</b> <p style="text-align: center;">If necessary</p> <p>NCSHA Executive Directors Workshop Nashville, TN (July 16-July 19)</p>	<b>AUGUST 15</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• 2024 Goal Setting</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>•</li> </ul>
<b>SEPTEMBER 19</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• Commence Homeless Rule Revision</li> <li>• PHA Plan Public Hearing</li> <li>• 2024 Goal Setting</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>OCTOBER 17</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• Homeless Rule Public Hearing</li> <li>• Adopt PHA Plan <b>(VOTE)</b></li> <li>• 2024 Goal Setting</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>•</li> </ul> <p>NCSHA Annual Conference &amp; Showplace Boston, MA (Oct 14 – Oct 17)</p>
<b>NOVEMBER 21</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• Review Preliminary 2024 Budget</li> <li>• Resource Allocation</li> <li>• Adopt Homeless Rule <b>(VOTE)</b></li> <li>• 2024 Goal Setting</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>DECEMBER 19</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>• Approve 2024 Budget <b>(VOTE)</b></li> <li>• Elect Officers <b>(VOTE)</b></li> <li>• MPP Series Resolution <b>(VOTE)</b></li> </ul> <u>Program Presentations:</u> <p>NCSHA Special Board of Directors Meeting and Executive Directors Forum New Orleans, LA (Dec 3 – Dec 5)</p>