

# May 17, 2022 Board Meeting

Agenda May 17, 2022 Meeting	1
Minutes April 19, 2022 Meeting	2
HEAP Public Hearing memorandum to Board	4
Chapter 24 HEAP Rule	6
Maine LIHEAP State Model Plan FFY2023 Proposed	56
Chapter 35 State LIHTC Rule	133
Chapter 16 QAP Rule	142
Commence Rulemaking Multi-Family Mortgage Loans Rule Chapter 29	
Memorandum	191
Chapter-29-Multi-family Mortgage Loans Rule - REDLINE- 5.9.22	192
Board Legislative Summary Full 130th Leg	204
Asset Management	215
Communications and Planning	217
Development	225
Energy and Housing Services	227
Finance Monthly Report	233
Financial & Budget Report	234
Finance Delinquency Report & Charts	242
Homeless Initiatives	252
Homeownership	256
Housing Choice Vouchers	261
Human Resources & Facilities	264
Information Technology	266
2022 Calendar	267



**Board of Commissioners Meeting – May 17, 2022 9:00 a.m. to 12:00 p.m.**

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

9:00	<b>Adopt Agenda (VOTE)</b>	All
	Remote Commissioners	Frank O'Hara
	- Reason remote	
	- Any other persons at their location	
	Approve minutes of April 19, 2022 meeting (VOTE)	All
	Communications and Conflicts	All
	Audit Committee Openings	Frank O'Hara
	Chair of the Board Updates	Frank O'Hara
	Director Updates	Dan Brennan
9:30	Public Hearing – HEAP Rule and State Plan	Ashley Janotta/Troy Fullmer
	Public Hearing – State Low Income Housing Tax Credit Rule	Ashley Janotta/Mark Wiesendanger
	Public Hearing – Low Income Housing Tax Credit Rule – QAP	Ashley Janotta/Mark Wiesendanger
10:30	Commence Rulemaking – Multi-Family Mortgage Loans (VOTE)	Ashley Janotta
10:45	2021 Financial Audit Results Review	Tom Cary
11:15	Legislation Final Report	Erik Jorgensen
11:30	Fair Housing /Diversity Equity Inclusion Efforts	Lauren Bustard
	Future Presentations/Topics	All
	<u>Department Reports:</u>	All
	Asset Management	
	Communications and Planning	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Vouchers	
	Human Resources & Facilities	
	Information Technology	
	2022 Board Calendar	
An <b>EXECUTIVE SESSION</b> will be held following all business items, followed by a (VOTE)		
	Adjourn (VOTE)	All

The next meeting of the Board is scheduled for June 14, 2022  
virtually and in person at 26 Edison Drive, Augusta, Maine

community based organizations around the state. This month we focused on homeownership.

## **LEGISLATIVE UPDATE**

Director of Government Relations, Erik Jorgensen, the legislations statutory adjournment date is tomorrow (April 20). Erik thinks this actually may happen. The supplemental budget came out last week and will probably be voted on tomorrow. There are no red flags for MaineHousing. The largest item is the \$22 million for housing which is in the supplemental budget. Erik highlighted LD 2003, the zoning bill entitled An Act To Implement the Recommendations of the Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions. That came through in a modified version but what was passed was important. Erik will have a final report for the Board at the May meeting.

## **COMMENCE RULEMAKING – CHAPTER 16, LOW-INCOME HOUSING TAX CREDIT PROGRAM (QAP)**

Director of Development, Mark Wiesendanger reviewed for the Commissioners the proposed changes to the 2023-2024 Qualified Allocation Plan (QAP). With the unprecedented construction costs, we had anticipated increasing the total development cost by 15% but learned that 25% was more in line of where things are right now so we did increase them by 25%. Important changes to Section 6: Scoring Criteria. 6C we increased the scoring points for Populations with Special Needs from 3 to 6 and instead of it being a preference we made it a set-aside so those units must be used for folks with special needs. We deleted Section 6J regarding New Project-Based Rental Assistance as a scoring criteria.

*Chief Counsel Ashley Janotta read the proposed motion, to authorize MaineHousing to commence the rulemaking process to repeal Chapter 16 of MaineHousing's rules and replace it with the form provided to the Commissioners described in the memorandum from Development Director Mark Wiesendanger to the Commissioners dated April 19, 2022 and incorporating any wordsmithing suggestions from State Treasurer Henry Beck or any other member of the Board. Commissioner Buxbaum said "so moved" and it was seconded by Commissioner Lewis. Chair O'Hara then asked for a vote with 6 members voting in favor of the motion and 2 members abstained.*

## **COMMENCE RULEMAKING – CHAPTER 35, STATE LOW INCOME HOUSING TAX CREDIT RULE**

Director of Development, Mark Wiesendanger explained the need to repeal and replace Chapter 35 of MaineHousing's rules, the State Low Income Housing Tax Credit Rule. The law establishing the state low income housing tax credit requires MaineHousing to recapture the credit if there is noncompliance during the first 15 years, includes a recapture formula, and provides for a lien to enforce recapture, but it is unclear about what constitutes noncompliance or when recapture is calculated or collected. The new rule will clarify that.

*Chief Counsel Ashley Janotta read the proposed motion, to authorize MaineHousing to commence the rulemaking process to repeal Chapter 35 of MaineHousing's rules and replace it with the proposed Chapter 35 provided to the Commissioners in the Board packet. Commissioner Harrison said "so moved" and it was seconded by Commissioner Lewis. Chair O'Hara then asked for a vote with 7 members voting in favor of the motion and 1 member abstained.*

## **COMMENCE RULEMAKING – CHAPTER 24, HOME ENERGY ASSISTANCE PROGRAM (HEAP)**

Manager of HEAP, Troy Fullmer highlighted for the Commissioners his memorandum of changes that were included in the Board packet. There was discussion regarding income limits and categorical eligibility.

*Chief Counsel Ashley Janotta read the proposed motion, to authorize MaineHousing to commence the rulemaking process to repeal Chapter 24 of MaineHousing's rules and replace it with the proposed Chapter 24 provided to the Commissioners in the Board packet and described in the memorandum from Manager of HEAP, Troy Fullmer, to the Commissioners dated April 12, 2022. Commissioner Dietz said "so moved" and it was seconded by Commissioner Buxbaum. The vote carried unanimously.*

## **PROJECT LABOR AGREEMENTS PROPOSED CHANGES TO THE MULTI-FAMILY MORTGAGE LOANS RULE**

Chief Counsel, Ashley Janotta explained to the Commissioners how new legislation requires funding for housing projects, project labor agreements, and workforce diversity which includes \$50 million for MaineHousing. It provides \$10 million in fiscal year 2022 and \$40 million in fiscal year 2023 to develop housing using existing MaineHousing financing programs. It also specified that \$20 million of the total must be awarded under project labor agreements. MaineHousing must adopt and implement a rule for Project Labor Agreements Funds. MaineHousing's Chapter 29, Multi-Family Mortgage Loans rule governs MaineHousing's allocation of resources under programs for acquisition, construction, rehabilitation, and preservation of rental housing for low income persons. Chief Counsel Janotta explained that Chapter 29 is the best place to incorporate project labor agreements and workforce diversity. After discussion, Ashley told the Commissioners that she will seek authorization to commence rulemaking at the May meeting with a public hearing at the June meeting.

## **2021 YEAR-END BUDGET AND AUDIT REPORT**

Darren Brown, Director of the Finance Department, welcomed and introduced Jason Emery, Managing Director, with the public accounting firm Baker Newman & Noyes and began the annual financial and audit report. It was noted that this year's report was being done in two parts. The budget results as well as the audit work and results are being presented today and the financial results will be reviewed at next month's meeting.

The budgets were impacted by the low interest rate environment and the continuation of the pandemic, which contributed to the major budget variances. Each budget schedule was reviewed and explanations were provided for the larger variances. Revenues were under budget by 3% due mainly to lower interest income from mortgages. Expenses were under budget by 6%. Although operating expenses were over budget due to a need for additional staff to accommodate an increase in program activities, program administrative expenses were significantly under budget due to lower expenses associated with single-family loans. Revenues exceeded expenses by approximately \$6.4 million, which was \$1.5 million above budget.

Mr. Emery reviewed the work performed for and the results of the audits. Mr. Emery reported that two audits are performed each year – an audit of the financial statements that are prepared by MaineHousing staff and a federal compliance audit. Mr. Emery reported that the financial statements were presented fairly in all material respects and MaineHousing was given a "clean opinion" consistent with last year. No material weaknesses were noted. There were two deficiencies in internal controls and both were addressed and corrected by MaineHousing.

Mr. Emery next reviewed the results for the 2020 federal compliance audit. 2020 audits were extended by up to six months due to the pandemic and the audit reports were issued last month. The audit had one finding. The finding involved no questioned costs and was not considered a material weakness. MaineHousing drafted and implemented a corrective action plan related to the finding. Mr. Emery noted that the 2021 federal compliance audit is currently in process. Mr. Emery said that the audits went smoothly and thanked all of the MaineHousing staff.

## Energy & Housing Services Department Memorandum

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

**From:** Troy Fullmer, Manager of HEAP *T.F.*

**Date:** May 17, 2022

**Subject:** HEAP Rule and State Plan Public Hearing: Public Participation and Proposed Changes

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In preparation of the Public Hearing for the Home Energy Assistance Program (HEAP) Rule – Chapter 24 and the Low Income Home Energy Assistance Program State Model Plan for PY2023, MaineHousing provided opportunities for engagement with stakeholders and partners. These opportunities provided interested parties a venue in which to comment on and recommend changes to the aforementioned Rule and Plan in preparation for HEAP PY2023, which will commence on October 1, 2022.

**Major Changes to the HEAP Rule and Model Plan:** In addition to minor changes relating to definitions, clarifications and corrections, MaineHousing is recommending the following substantive changes to the HEAP Rule and Model Plan:

- Proposing to allow Categorical Income Eligibility as a method to establish Household income for HEAP eligibility purposes for Households applying for HEAP that also receive TANF or SNAP assistance;
- Proposing to expand the period in which medical expenses can be deducted for Households found ineligible due to being over income, from the income period (1-month or 30-day period prior to date of application), to the 12-month period prior to the date of application;
- Proposing to strike language related to MaineHousing or Subgrantees being able to require Households to repay the amount of an Energy Crisis Intervention Program (ECIP) fuel delivery if a Household receives an ECIP deliver and it is subsequently determined that the Household was not eligible;
- Proposing to remove the income eligibility requirement for HEAP Weatherization, Central Heating Improvement Program (CHIP) and the Heat Pump Program (HPP) that household income is less than or equal to 200% Federal Poverty Level. Households that are eligible for HEAP Fuel Assistance will be income eligible for HEAP Weatherization, CHIP and the HPP; and
- Proposing to distribute TANF Supplemental Benefits to HEAP Vendors prior to delivery, in the same manner as regular HEAP Benefits.

**Public Participation:** Below is a list of events and key dates related to stakeholders and partners providing comments and recommendations on the Rule and State Model Plan:

**1/7/2022** MaineHousing and the Maine Community Action Partnership's Energy and Housing Councils had initial discussions regarding the PY2023 rulemaking and HEAP State Plan process and recommendations.

- 1/14/2022** MaineHousing sent an invitation to HEAP stakeholders and partners announcing the HEAP Stakeholder Meeting scheduled for February 17, 2022. The invitation included the solicitation of comments and recommendations for the Rule and State Plan due to MaineHousing on or before February 10, 2022 in order for MaineHousing to compile the input and share it at the Stakeholder Meeting.
- 2/17/2022** The HEAP Stakeholder Meeting was conducted virtually via an online meeting platform and was attended by representatives from Maine Community Action Agencies, HEAP fuel vendors, MaineHousing personnel, Maine Community Action Partnership, and other interested parties including Maine Equal Justice Partners. Comments and recommendations received by February 10, 2022 were compiled and distributed to participants at the meeting. The discussion and input at the Stakeholder Meeting was coordinated by MaineHousing's Energy and Housing Department and all comments and recommendations were compiled by MaineHousing staff.
- 3/31/2022** MaineHousing provided a written compilation of the comments and recommendations from the February 17, 2022 Stakeholder Meeting, which included information provided at the meeting and written submissions by interested parties. The compilation included MaineHousing's responses to the comments and recommendations.
- 4/19/2022** MaineHousing sought and received MaineHousing Board of Commissioners' approval to commence the rulemaking process. A draft of the proposed Chapter 24-HEAP Rule was provided to the Board of Commissioners. The Public Hearing for the HEAP Rule and State Model Plan was scheduled for May 17, 2022.
- 4/27/2022** Pursuant to Maine statutory requirements and provisions of HEAP regulations, legal notification for the Public Hearing were published on MaineHousing's website, sent to Maine newspapers for publication, and a Notice to Interested Parties was distributed via email and the USPS. Copies of the proposed HEAP Rule and HEAP State Model Plan were made available on MaineHousing's website. The public notification announced the date and time of the Public Hearing and informed interested parties that comments and recommendations would be received until 5:00 p.m., Friday, May 27, 2022.

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

1. Definitions.

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

- L. “BTU” means British Thermal Unit.
- M. “Camper” means a trailer, semitrailer, truck camper, or motor home primarily designed and originally constructed to provide temporary living quarters for recreational, camping, or travel use regardless of modification(s) or length.
- N. “Categorical Income Eligibility” means an Applicant has a Household member who receives either TANF or SNAP assistance. The Household is considered income eligible for HEAP, as the Household income has already been vetted by Maine Department of Health and Human Services, and it is permissible under the HEAP Act for Households receiving TANF or SNAP assistance to be considered income eligible for HEAP.
- O. “CHIP” means the Central Heating Improvement Program component of HEAP.
- P. “Contractor” means a provider of materials or services to Eligible Households.
- Q. “Countable Asset” means a resource that is available to meet the immediate and urgent needs of a Household, and includes: cash and funds on prepaid debit cards, money in a checking or savings account (health savings accounts, educational funds, and burial accounts are excluded), stocks or bonds, U.S. Treasury bills, money market funds, and retirement accounts provided there are no penalties or fees for withdrawals.
- R. “Close-out” means the reconciliation of receipts and use of all Fuel Assistance and ECIP funds by Vendor. It is Vendor’s responsibility to keep this information by Eligible Household and provide it to MaineHousing upon request.
- S. “Consumption Based” means the method for determining an Eligible Household’s Home Energy consumption using actual energy deliveries as reported by the Vendor.
- T. “Credit Notification Report” means the document sent to the Vendor guaranteeing payment post-delivery for Eligible Households. The Credit Notification Report lists each Primary Applicant’s name, address, Home Energy type, account information, and, as applicable, Benefit or TANF Supplemental Benefit.
- U. “CTE” means to clean, tune, and evaluate a Heating System to ensure safe and efficient operation.
- V. “Date of Application” means the date an Application is received by the Subgrantee.
- W. “Date of Discovery” means the date MaineHousing receives information relating to suspected fraud.
- X. “DHLC” means the design heat load calculation method for estimating Home Energy consumption.
- Y. “Direct Energy Cost” means an Energy Cost that is directly paid by the Household.
- Z. “Dwelling Unit” means an occupied residential housing structure with one or more rooms that is used customarily as a domicile for one or more persons, when permanently



connected to the required utilities (including plumbing, electricity and Heating Systems) and contains bathroom and kitchen facilities specific to that unit. A Dwelling Unit has its own private entrance from the outside or off an enclosed hallway leading from the outside that does not pass through or offer an open access to any other unit within the structure. A Dwelling Unit does not include a Camper, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.

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

- OO. “Heat Pump” means a ductless heating system that provides heat by extracting heat from outside air and delivering it indoors as needed.
- PP. “Home Energy” means a source of heating or cooling in residential dwellings as set forth in [42 U.S.C.A. §8622\(6\)](#), as same may be amended from time to time.
- QQ. “Household” means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent as set forth in [42 U.S.C.A. §8622\(5\)](#), as same may be amended from time to time.
- RR. “Household Income” means the total income from all sources before taxes and deductions as further defined in this Rule.
- SS. “Incidental Costs” means costs of services billed to a Household by a Vendor related to the use or delivery of Home Energy including, but not limited to: surcharges, penalty charges, reconnection charges, clean and repair service charges, security deposits, delivery charges, and insurance.
- TT. “Incidental Repairs” means those repairs necessary for the effective performance or preservation of weatherization materials.
- UU. “Indirect Determinable Energy Cost” means a cost for Home Energy used by the Household that is not directly paid for by the Household. For example, heat included as part of the rent for a Rental Unit.
- VV. “Invitation to Bid” or “Request for Proposals” means the process to solicit bids or proposals to satisfy the requirements of this Rule.
- WW. “Live-in Care Attendant” means a person, not considered part of the household, who; (i) provides needed health/supportive services to a member of the households as documented by a qualified professional; (ii) would not be living in the unit except to provide the necessary supportive services; and (iii) does not contribute financially to the household.
- XX. “Life Threatening Crisis” means the household is currently without heat or utility service to operate a Heating Source or a Heating System.
- YY. “Low-cost/no-cost Weatherization Activities” means those activities authorized pursuant to [10 C.F.R. §440.20](#), as may be amended from time to time.
- ZZ. “MaineHousing” means the Maine State Housing Authority.
- AAA. “Manufactured/Mobile Home” means a residence that is constructed at a manufacturing facility on a permanent chassis (i.e. the wheel assembly necessary to transport the residence is removable, but the steel undercarriage remains intact as a necessary structural component) and is transportable in one or more sections, which in traveling mode is 12 body feet or more in width and as erected on site is 600 or more square feet.
- BBB. “Modular” means a residence that is constructed at a manufacturing facility, but not

constructed on a permanent chassis, and is transportable in one or more sections on an independent chassis such as a truck or train.

- CCC. “Native American Tribal Organization” means the Penobscot Indian Nation, the Passamaquoddy Indian Tribe, and the Houlton Band of Maliseet Indians as defined in the Maine Indian Claims Settlement Act, [30 M.R.S.A. §6201 et seq.](#), and the Aroostook Band of Micmacs as defined in the Micmac Settlement Act, [30 M.R.S.A. §7201 et seq.](#)
- DDD. “Non-occupying Co-owner” means a person who shares a legal ownership interest in the Dwelling Unit occupied by the Applicant Household. The Non-occupying Co-owner does not reside in the Dwelling Unit being considered for CHIP services.
- EEE. “Notice of Termination of Subgrantee” means a written statement notifying the Subgrantee of the cause and effective date of its termination.
- FFF. “Open Enrollment” means period of time a vendor can request and/or file an application to participate as a contracted Vendor.
- GGG. “Overpayment” means any HEAP benefits paid to, or on behalf of, any Applicant or Household that exceeds the amount the Applicant or Household was eligible to receive.
- HHH. “Person with a Disability” means a person who (1) has a physical or mental impairment that substantially limits one or more of a person’s major life activities; (2) has a physical or mental impairment that significantly impairs physical or mental health, which means having an actual or expected duration of more than 6 months and impairing health to a significant extent as compared to what is ordinarily experienced in the general population; (3) has a physical or mental impairment that requires special education, vocational rehabilitation or related services; (4) has without regard to severity unless otherwise indicated, absent, artificial or replacement limbs, hands, feet or vital organs; alcoholism; amyotrophic lateral sclerosis; autism, bipolar disorder; blindness or abnormal vision loss; cancer; cerebral palsy; chronic obstructive pulmonary disease; Crohn’s disease; cystic fibrosis; deafness or abnormal hearing loss; diabetes; substantial disfigurement; drug addiction; emotional illness; epilepsy; heart disease; HIV or AIDS; kidney or renal diseases; lupus; major depressive disorder; mastectomy; mental retardation; multiple sclerosis; muscular dystrophy; paralysis; Parkinson’s disease; pervasive development disorders; rheumatoid arthritis; schizophrenia; speech impairment, and acquired brain injury; (5) has a record of any of the physical or mental impairments described in the foregoing clauses (1) through (4); or (6) is regarded as having or is likely to develop any of the physical or mental impairments described in the foregoing clauses (1) through (4). The existence of a physical or mental disability is determined without regard to the ameliorative effects of mitigating measures such as medication, auxiliary aids or prosthetic devices.

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

engaging in such use; is participating in a supervised rehabilitation program and is no longer engaging in such use; is erroneously regarded as engaging in such use, but is not engaging in such use; or in the context of a reasonable accommodation in employment is seeking treatment or has successfully completed treatment.

- III. “Price Protection Plan” means an agreement between Vendor and a customer to purchase Home Energy at an agreed upon price.
- JJJ. “Primary Applicant” means a person who signs the completed Application.
- KKK. “Priority Applicant” means a Household with a direct energy cost as well as a member in a household who is (i) an elderly person, or (ii) has a disability, or (iii) 72 months (6 years) or younger.
- LLL. “Programs” means Fuel Assistance, ECIP, CHIP, and HEAP Weatherization.
- MMM. “Program Year” means the period of time beginning October 1 and ending September 30.
- NNN. “Rental Unit” means a Dwelling Unit that is rented.
- OOO. “Reporting Vendor” means a Vendor who is contractually obligated to report the Home Energy deliveries the Vendor has made on behalf of an Eligible Household.
- PPP. “Retail Cash Price” means the posted price a Vendor charges for Home Energy per gallon.
- QQQ. “Roomer” means a person who qualifies as a separate Household and pursuant to a rental agreement rents no more than two rooms in a Dwelling Unit occupied as separate living quarters and who may, depending upon the rental agreement, be granted privileges to use, but not reside in, other rooms located in the same Dwelling Unit. A Roomer cannot be related by birth, marriage or adoption to any member of the lessor’s Household.
- RRR. “Service Area” means the geographic area, as defined by MaineHousing, within which the Subgrantee operates and administers the Programs.
- SSS. “Social Security Benefits” means social security income benefits pursuant to Title II of the United States Social Security Act of 1935 and supplemental security income benefits pursuant Title XVI of the United States Social Security Act of 1935, as amended, [42 U.S.C. §1381 et seq.](#), and State supplemental income benefits provided pursuant to [22 M.R.S.A. §3201 et seq.](#), all as may be amended from time to time.
- TTT. “State” means the State of Maine.
- UUU. “Subgrantee” means a public or private nonprofit agency, or municipality, selected by MaineHousing to administer the Programs.
- VVV. “Subsidized Housing” means Households whose rent is based on their income or the subsidy pays for any portion of their mortgage. Housing in which a tax credit or federal/state loan is applied to reduce debt burden on the property is not considered Subsidized Housing. A resident of a residential housing facility including without

limitation group homes, homeless shelters, and residential care facilities or a Tenant who pays below market rent or no rent due to the landlord receiving a federal or state subsidy for rent is living in Subsidized Housing.

WWW. “Supplemental Benefits” means the benefits that are funded with supplemental HEAP funds (beyond the original grant award).

XXX. “Supplemental Nutrition Assistance Program (SNAP)” means the nutrition assistance program administered by the United States Department of Agriculture. The goals of SNAP are to improve participants' food security and their access to a healthy diet.

YYY. “TANF” means payments under the Temporary Assistance for Needy Families program as defined in [22 M.R.S.A., Chapter 1053-B, § 3762 et seq.](#), as same be amended from time to time.

ZZZ. “TANF Supplemental Benefits” means the benefits that are funded with TANF funds pursuant to [22 M.R.S.A., Chapter 1053-B, § 3769-E.](#)

AAAA. “Tenant” means an Applicant who resides in a Rental Unit or Apartment.

BBBB. “Vendor” means an energy supplier that has entered into a Vendor Agreement with MaineHousing to provide Home Energy to Eligible Households.

CCCC. “Vendor Agreement” means a signed agreement between MaineHousing and a Vendor that contains terms and conditions by which the Vendor will provide Home Energy to Eligible Households.

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

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

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

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

2. Application.

- A. An Applicant may have only one certified eligible Application per Program Year.
- B. An Applicant may resubmit a new Application if the Household's Application has either been denied or withdrawn any time prior to the issuance of a Benefit.
- C. The Application will be processed in accordance with the requirements of this Section:
  - 1. The Subgrantee will begin taking Applications as prescribed by MaineHousing each Program Year.
  - 2. A Subgrantee will continue taking Applications until July 15 (or the first business day following July 15 if it falls on a weekend) of the Program Year.
  - 3. The Subgrantee must use forms provided or approved by MaineHousing to administer the Programs. Additional forms may be used by the Subgrantee provided the forms have been reviewed and approved by MaineHousing. Forms will be submitted for review and approval annually prior to the commencement of taking applications each Program Year.
  - 4. The Subgrantee will make a reasonable and good-faith effort during the first ninety (90) days it takes Applications to interview, process, and serve new and returning Priority Applicants who have a Direct Energy Cost.
  - 5. The Subgrantee will make a reasonable and good-faith effort to conduct outreach activities and process applications for any Household that has wood as its primary Home Energy source within the first ninety (90) days of taking Applications for the Program Year.
  - 6. At Applicant's request, and as otherwise appropriate, the Subgrantee must make reasonable accommodations for a Person with a Disability.
  - 7. Any Applicant may apply via telephone. The telephone Application process includes completing the Application over the telephone with the Subgrantee administering the Programs in the Service Area in which the Household resides; the Subgrantee sends the completed Application and other appropriate documents to the Primary Applicant for review, signature, and date.
  - 8. Limited English Proficiency (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HEAP program. In order to address this concern Subgrantees must comply with MaineHousing's Language Assistance Plan.
  - 9. Application must be made with the Subgrantee administering the Programs in the Service Area in which the Household resides. In the event an Application is received by a Subgrantee for a Household residing in a Service Area other than the Subgrantee's designated Service Area, the Subgrantee shall notify the

Primary Applicant of the error and forward the Application and supporting documentation to the applicable Subgrantee.

10. Primary Applicant is responsible for providing all information necessary to establish the eligibility of a Household. The Subgrantee must verify the income and identity of the Applicant(s) as prescribed by HEAP Handbook.

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

- a. Driver's license;
  - b. State issued ID card;
  - c. Passport or passport card;
  - d. U.S. Military ID; or
  - e. SNAP electronic benefit transfer (EBT) card with photo.
11. All Applicant(s) two years of age or older must provide proof of their Social Security Number (SSN). One of the following documents is acceptable provided it contains all nine digits of the Applicant's SSN and the Applicant's full name:
    - a. Social Security Card issued by the Social Security Administration;
    - b. SSA 1099 tax form;
    - c. Non SSA-1099 tax form;
    - d. Medicare card with number ending with the suffix "A";
    - e. Valid unexpired U.S. Military documents such as DD Form 214 Certificate of Release or Discharge from Active Duty issued by the U.S. Department of Defense;
    - f. Bank tax form; or
    - g. W-2 (wage and tax statement).

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

If a Household member is not a U.S. citizen, Applicant must provide a Social Security card issued by the Social Security Administration or an unexpired foreign passport with a valid unexpired U.S. Visa affixed accompanied by the approved I-94 form documenting the Applicant's most recent admittance into the

United States, and documentation of Applicant's status as a qualified alien pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, [8 USC §1641](#), such as a legal permanent resident, a refugee, an asylee, an individual paroled into the U.S. for a period of at least one (1) year, an individual whose deportation has been withheld, or an individual granted conditional entry.

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

D. The information on an Application may be considered conflicting if it is inconsistent with verbal information provided by an Applicant, with other information on the Application, with prior Program Year Applications, or with information received from a third party.

1. No information received from a third party, other than a government agency, will be used to determine eligibility, unless it is verified by an independent, reliable source.
2. In the case where an Applicant's eligibility is in question because of conflicting information received from a third party, the Subgrantee or MaineHousing shall allow the Primary Applicant an opportunity to amend the current Application or reaffirm the information on it. Primary Applicant may also withdraw Application at any time (prior to payment of Benefit). A new Application (rather than amended) would be required should an Applicant pursue assistance after withdrawal.
3. If the Primary Applicant elects not to amend the Application, eligibility shall be based on information contained in the Application and documentation provided by the Primary Applicant, documentation provided by a government agency, or information verified by other sources.
4. If verified information results in the Household being ineligible or determines the existence of Errors and Program Abuse or willful misrepresentation, the Application may be subject to denial or termination of Benefits.



- E. The Subgrantee must certify or deny an Application within thirty (30) business days from the Date of Application.
1. Written notification of eligibility will be sent to the Primary Applicant within (10) ten calendar days of the decision or when funding is available, whichever is later. The benefit notification shall:
    - a. State the Benefit amount;
    - b. State the date the Benefit or a Credit Notification was sent to the Vendor;
    - c. State the approved Home Energy type;
    - d. State the manner by which the Primary Applicant can request an appeal, if applicable.
  2. Written notification of denial must be sent to the Primary Applicant within (3) three business days whether funding is available or not. The denial notification shall:
    - a. State the facts surrounding the decision;
    - b. State the reason(s) for the decision;
    - c. State the manner by which the Applicant can request an appeal.

A denial for missing information will be rescinded if the required information is received by the Subgrantee within (15) fifteen business days from the date of the denial notification.
3. Eligibility.
- A. Except as may be expressly provided for elsewhere in this Rule, eligibility shall be determined on the basis of information submitted by the Primary Applicant as of the Date of Application. MaineHousing and Subgrantees reserve the right to ask for additional or clarifying information from Primary Applicant, Applicant(s), or third parties to determine eligibility.
  - B. A Household may be eligible for Supplemental Benefits or TANF Supplemental Benefits if available.
  - C. MaineHousing uses the federal Poverty Income Guidelines and State Median Income Guidelines as reported annually by the United States Department of Health and Human Services. MaineHousing reserves the right to manage the Programs within those guidelines when determining benefits. MaineHousing will determine eligibility based on the availability of federal funding for the Programs during each Program Year.
  - D. Households in which at least one member receives TANF or SNAP assistance will have Categorical Income Eligibility for HEAP. Households providing documentation of receiving TANF or SNAP assistance on the Date of Application may have their HEAP

Benefit determined at a pre-established percentage of the federal poverty level, or using actual vetted income if provided by Maine DHHS. If documentation of receiving TANF or SNAP assistance is not provided by the Applicant, the Applicant must provide income documentation as outlined in Section G.

E. Dwelling Unit Eligibility.

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

F. Household Eligibility.

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

- b. it has a Direct Energy Cost or Indirect Determinable Energy Cost.
- 2. Pursuant to definition of Household, Eligible Household Members may also include:
  - a. aliens who have obtained the status of an alien lawfully admitted for temporary residence under Section 210 of the Immigration and Nationality Act by approval of an application and are categorized as Special Agricultural Workers (SAW) who perform seasonal agricultural work during a specified period of time;
  - b. an alien who has obtained the status of an alien lawfully admitted for temporary residence under Section 245A of the Immigration and Nationality Act by approval of an application and who is aged, blind and/or disabled as defined in Section 1605 of the Social Security Act ([Public Law 74-271](#)) or Cuban or Haitian aliens as defined in [Public Law 96-422](#), Section 501 (e). Applicants are considered eligible if they have a Social Security card issued by the Social Security Administration, Green Card or show permanent Residents (I-551 Alien Registration Card, Passport, I-688B Employment authorization card, I-766 Employment Authorization Document, I-94 with R-1 or R-2 status designation). I-94 documents with no status designated only show permission to enter the U.S. but do not establish residency;
  - c. Eligible minor children residing with ineligible non-citizens;
  - d. a member of the Household who is away from the home part of the time is included as a Household member and their income must be included on the Application;
  - e. a live-in care attendant will be considered part of the Household if the live-in care attendant does not meet the definition of a Live-in Care Attendant in Section 1 of this Rule.
- 3. A full-time college student, up to age 23 years old, or more than 23 years of age if permanently and totally disabled, who is a dependent of the Household and resides in the Dwelling Unit on the Date of Application, may be excluded from the Household if the Primary Applicant chooses as long as the college student is not the Primary Applicant. If excluded from the Household, his or her income would not be counted. The Applicant must provide proof of student status and enrollment at a university, vocational college, business college, or other accredited institution for twelve (12) credit hours or more per semester.
- 4. If otherwise eligible, Roomers and Boarders are eligible for a Benefit to the extent such Applicants prove that the rental arrangement giving rise to their Roomer or Boarder status was in existence for at least sixty (60) days prior to the Date of Application. At a minimum, such proof shall include verification that a reasonable market rate rent amount was paid by the Roomer or Boarder pursuant to the terms and conditions of the rental agreement for the entire sixty (60) day period. Roomers and Boarders cannot commingle funds or share expenses with

lessor's Household.

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

Household excluding loans;

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

3. Exemptions from Household Income include:

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

- k. Bank loans, reverse mortgages, and home equity loans;
- l. Reimbursement for expenses incurred in connection with employment;
- m. Reimbursement for medical expenses;
- n. Any funds received for education from grants, loans and scholarships, and work study;
- o. Retroactive payments and overpayment adjustments from an entitlement program for a time period outside of the period being considered for HEAP eligibility (i.e. worker's comp, Social Security Benefits, etc.);
- p. Income earned by an Applicant who is a full time high school student;
- q. Income earned by a full-time college student who is not counted as a Household member pursuant to Section E.3 of this Rule;
- r. Combat zone pay to the military;
- s. Credit card loans/advances;
- t. All income used to fulfill a Social Security Administration Program to Achieve Self-Sufficiency (PASS);
- u. Federal payments or benefits excluded by law as set forth below:
  - 1. Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1902, [42 U.S.C. 4636](#)).
  - 2. Payments of land settlement judgments distributed to or held in trust for members of certain Indian Tribes under Public Laws [92-254](#), [93-134](#), [93-531](#), [94-114](#); [94-540](#), [97-458](#), [98-64](#), [98-123](#) and [98-124](#).
  - 3. Funds available or distributed pursuant to [Public Law 96-420](#), the Maine Indian Claims Settlement Act of 1980 ([25 U.S.C. 1721 et. seq.](#)) to members of the Passamaquoddy Tribe, the Penobscot Nation and the Houlton Band of Maliseet Indians.
  - 4. The value of the allotment provided a household under the Supplemental Nutrition Assistance Program ([7 U.S.C.A. 51](#)).
  - 5. The value of assistance to children as excluded under the National School Lunch Act ([42 U.S.C. 1760\(e\)](#)) and under the Child Nutrition Act of 1966 ([42 U.S.C. 1780\(b\)](#)).

6. The value of commodities distributed under the Temporary Emergency Food Assistance Act of 1983 ([Public Law. 98-8, 7 U.S.C. 612c](#)).
7. Allowances, earnings and payments to individuals participating in programs under the Workforce Innovation and Opportunity Act <https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf>
8. Program benefits received under the Older Americans Act of 1965 ([42 U.S.C. sub-section 3020\(a\)\(b\)](#)) as wages under the Senior Community Service Employment Program (SCSEP).
9. Payments to volunteers under the Domestic Volunteer Service Act of 1973 ([Public Law 93-113, 42 U.S.C. 5044](#)).
10. The value of any assistance paid with respect to a Dwelling Unit under the United States Housing Act of 1937, the National Housing Act, Section 101 of the Housing and Urban Development Act of 1965, or Title V of the Housing Act of 1949.
11. The tax-exempt portions of payments made pursuant to the provisions of the Alaska Native Claims Settlement Act ([Public Law 92-203, 43U.S.C. 1620\(a\)](#)).
12. Payments for supportive services or reimbursement of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs under Titles II and III, pursuant to Section 418 of [Public Law 93-113](#).
13. Any wages, allowances or reimbursement for transportation and attendant care costs, unless accepted on a case-by-case basis, when received by an eligible handicapped individual employed in a project under Title VI of the Rehabilitation Act of 1973 as amended by Title II of [Public Law No. 95-602](#).
14. All student financial assistance including the following programs funded under Title IV of the Higher Education Act as amended:
  - a. Pell Grants;
  - b. Supplemental Educational Opportunity Grants;
  - c. Grants to States for State Student Incentives;
  - d. Special Programs for Students from Disadvantaged

Backgrounds;

- e. Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farm work;
  - f. Robert C. Byrd Honors Scholarship Program;
  - g. Assistance to Institutions of Higher Education;
  - h. Veterans Education Outreach Program;
  - i. Special Child Care Services for Disadvantaged College Students.
  - j. Payments to veterans for Aid and Attendance benefits.
4. For any Applicant who pays court ordered child support, the Subgrantee will deduct paid and documented child support payments made during the income period from the Applicant's gross income.
- H. For any Household found ineligible due to being over income, the Subgrantee will deduct paid and documented medical expenses not reimbursed for the 12-month period prior to the Date of Application from the gross income in an amount only enough to make Household eligible. Medical expenses may include medical and dental insurance premiums and transportation to medical appointments. Subgrantees will use Internal Revenue Service Publication 502, as same may be amended from time to time, to identify eligible medical and dental expenses.
- I. Primary Applicants may be required to refund any Overpayment. A Household's Eligibility to receive benefits from Programs is contingent on the resolution of any Overpayment.
- 1. MaineHousing will recoup all outstanding Overpayments from any current or future Benefits until the Overpayment is paid in full. MaineHousing will recoup 50% of a Household's current Program Year's Benefit and 50% of a Household's future Program Years' Benefits until the Overpayment has been paid in full.
  - 2. The Household will be eligible for ECIP if they have entered into and are in compliance with the terms of a repayment agreement with MaineHousing to resolve the Overpayment or the Overpayment has been paid in full.
  - 3. The Household will not be eligible to receive benefits under the Weatherization Assistance Program, CHIP, or Heat Pump Program until the Overpayment is paid in full.
4. Benefit Determination.
- A. Benefits are determined to ensure that Eligible Households with the lowest income and the highest Energy Cost in relation to income, taking into account family size, will receive



a higher Benefit.

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

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

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

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

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

75%; income at 100.6% will be rounded to 101%.
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All final point results that are fractional will be rounded up to the nearest whole number.

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

Reporting Vendor(s) for the previous Annual Consumption Report period; and

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

The DHLC is based on the following factors:

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

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

3. The heating degree days for the Service Area. Heating degree days are updated annually using data reported by National Weather Stations in Maine;
4. The estimated BTUs required to heat the Dwelling Unit;
5. Average cost per one million BTU. MaineHousing determines the average costs per one million BTU annually. Oil, kerosene, and propane costs are obtained by averaging the costs reported by the Governor's Energy Office (GEO). Average costs for all other fuel types are based on a representative survey of Vendors' pricing;
6. The efficiency rate for the primary Home Energy type listed on the Application. The Energy Cost per one million BTU and efficiency rate are based on the primary Home Energy type specified on the Eligible Household's Application.

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

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

5. Payment of Benefits.

- A. A Primary Applicant shall select a Vendor that will deliver Home Energy to the Eligible Household. Payment of Benefits will be made directly to the Vendor. Except as set forth below, Vendors may be provided the option to choose to receive HEAP Benefits prior to delivery or post-delivery at MaineHousing's discretion.
  - 1. For payment prior to delivery, MaineHousing, or a Subgrantee as allowed by MaineHousing, will pay a Benefit to the Vendor or within ten (10) business days of the date the Application is certified eligible or when HEAP grant funds are available, whichever is later.
  - 2. For payment post-delivery, MaineHousing, or a Subgrantee as allowed by MaineHousing, will provide a Credit Notification Report within ten (10) business days of the date the Application is certified eligible or when HEAP grant funds are available, whichever is later. MaineHousing will make payment for HEAP Benefits after the Vendor makes delivery as authorized by MaineHousing.
  - 3. In the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for a Benefit after the Vendor makes delivery as authorized by MaineHousing and/or the Subgrantee. The Vendor must return a completed purchase order, including Applicant and Vendor signatures, to MaineHousing, or a Subgrantee as allowed by MaineHousing, within sixty (60) calendar days of the date of purchase order issuance. Receipt of the purchase order must be entered into the MaineHousing database. Contingent on database entry, MaineHousing, or the Subgrantee as allowed by MaineHousing, will make payment within ten (10) business days of the signed purchase order receipt date. If the purchase order is not returned within sixty (60) calendar days of the date of issuance it may be considered void. Extensions may be granted by the MaineHousing on a case-by-case basis.
- B. If there is no Vendor that serves the area in which the Eligible Household resides then MaineHousing, or the Subgrantee as allowed by MaineHousing, may pay Benefits directly to the Primary Applicant.
- C. Payment of Benefits may be made directly to Tenants with an Indirect Determinable Energy Cost.

6. TANF Supplemental Benefits.

- A. Except as may be expressly provided for elsewhere in this Rule, the use and administration of TANF Supplemental Benefits is subject to the standards for HEAP Benefits set forth in this Rule.
- B. Eligibility. A Household may be eligible for a TANF Supplemental Benefit if its Application for HEAP has been certified eligible in the current Program Year and if on the Date of Application:
  - 1. it included at least one member who was under the age of eighteen (18); and

2. it did not reside in Subsidized Housing with heat included.
  - C. Benefit Determination. The TANF Supplemental Benefit per Eligible Household per Program Year shall be determined each Program Year by MaineHousing based on the projected number of Households eligible for TANF Supplemental Benefits and available funding.
  - D. Payment of Benefits. TANF Supplemental Benefits will be sent directly to Vendors in the same manner as regular HEAP Benefits as outlined in Section 5 above.
7. Benefit Returns and Transfer.
- A. Program benefits may not be sold, released or otherwise conveyed, with or without consideration, by the Eligible Household or the Vendor without written authorization from MaineHousing. MaineHousing will only authorize such conveyances when circumstances arise that prevent the Eligible Household from using the Benefit and MaineHousing determines such conveyance is in the best interest of the Eligible Household and is consistent with the intent of the HEAP Act.
  - B. Program benefits may be available for reissue or transfer during the Program Year of issue and up until April 30<sup>th</sup> of the Program Year immediately following when:
    1. All Applicant(s) move in State but continue with same Vendor.
    2. All Applicant(s) move in State and change Home Energy vendors.
    3. Household changes Vendor.
    4. All Applicant(s) move in State from a Dwelling Unit with Direct Energy Cost to a Dwelling Unit with heat included in their rent (not including Subsidized Housing).
    5. All Applicant(s) move in State to Subsidized Housing with Direct Energy Cost.
    6. Household changes Home Energy type.
    7. Primary Applicant has deceased and there are surviving Applicants remaining in the Household (unless surviving Applicant moves in State to a Household that has received a Benefit in the current Program Year).
  - C. Household may be required to provide in writing the following in order to receive a Benefit reissue or transfer:
    1. Primary Applicant's name.
    2. Previous address.
    3. Current address.
    4. Current phone number.

5. Current rental agreement or current property tax bill, whichever is relevant.
6. Current electric/utility company name and account number.
7. Name on the electric/utility company account.
8. Primary Heating System and Home Energy type.
9. Fuel tank location.
10. Current Home Energy Vendor name, address, and account number.
11. Primary Applicant's signature and date submitted.

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

D. Benefits may not be eligible for reissue or transfer when:

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

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

E. In the event Vendor receives a Benefit return form requesting the return of Benefits paid to Vendor on behalf of Eligible Households, Vendor shall return such Benefits to

MaineHousing within fifteen (15) business days of date of Benefit return form. Once the funds are received, MaineHousing will process the reissue or transfer as appropriate within fifteen (15) calendar days.

8. Energy Crisis Intervention Program (ECIP).

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

1. To determine if Household is in Energy Crisis:

- a. Reading of 1/4 tank or less on a standard 275 gallon heating oil tank;
- b. Reading of 25% or less on a propane tank;
- c. 7-day or less supply for other delivered Home Energy types.

2. To determine an Energy Crisis with respect to utility terminations:

- a. Household has received a disconnection notice; and
- b. Household has exhausted its ability to negotiate and pay the terms of a reasonable payment arrangement.

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

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



includes heat and is facing eviction due to nonpayment of rent.

C. Unallowable Expenditures:

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

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

E. ECIP will be administered pursuant to HEAP:

1. ECIP timeframe is November 1 through the following April 30;
2. Conditioned on the availability of ECIP funds, some form of assistance that will resolve the Energy Crisis, if Household is eligible to receive such benefits, will be provided within 48 hours after Household has been certified eligible for ECIP;
3. Conditioned on the availability of ECIP funds, some form of assistance that will resolve the Energy Crisis, if Household is eligible to receive such benefits and is in a Life Threatening Crisis situation, will be provided within 18 hours after a Household has been certified eligible for ECIP.

F. The Subgrantee will provide the Primary Applicant written notice of ECIP denial within three (3) business days.

G. ECIP Payment to Vendors.

1. Except in the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for ECIP after the Vendor makes delivery as authorized by MaineHousing/Subgrantee. The Vendor must return a completed purchase order and a delivery ticket to MaineHousing/Subgrantee. The Vendor must also submit an invoice if the total amount on the delivery ticket is greater than the ECIP purchase order amount or the delivery ticket does not account for all the charges that were approved on the purchase order. Receipt of the purchase order must be entered into the MaineHousing database. Contingent

on database entry, MaineHousing will make payment within ten (10) business days of the receipt of the completed purchase order, a delivery ticket, and invoice (if applicable).

2. In the case of wood Vendors, MaineHousing, or a Subgrantee as allowed by MaineHousing, will make payment for ECIP after the Vendor makes delivery as authorized by MaineHousing/Subgrantee. The Vendor must return a completed purchase order, including Applicant and Vendor signatures, to MaineHousing/Subgrantee. Receipt of the purchase order must be entered into the MaineHousing database. Contingent on database entry, MaineHousing/Subgrantee will make payment within ten (10) business days of the signed purchase order receipt date.

9. Central Heating Improvement Program (CHIP).

A. Eligibility. A Household may be eligible for CHIP if the Household:

1. is eligible for HEAP Fuel Assistance benefits;
2. has an eligible Application that was certified within the preceding twelve (12) months; and
3. does not have a more recent Application that has been certified-denied.

B. Subgrantees shall provide CHIP services based on the following priority order:

1. Eligible Households experiencing an Energy Crisis caused by Heating System malfunction or failure.
2. Non-wood Heating Systems that cannot achieve a minimum steady state efficiency of 70% (as determined by a CTE).
3. Preventative CTE and minor repairs on a non-emergency basis (owner-occupied dwelling units only). Date of the last CTE by a licensed technician must be more than twelve (12) months prior to the initiation of services date.
4. The installation of a Heat Pump.

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Dwelling Unit is a Rental Unit that has received prior CHIP services to the life-time maximum benefit;

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

I. CHIP Allowable Uses:

1. Cleaning, tuning, and evaluating oil or gas systems;
2. Cleaning, evaluating, and servicing solid fuel systems;
3. Replacing oil or gas burners;
4. Replacing cracked heat exchangers;
5. Replacing oil, gas, electric or solid fuel Heating Systems;
6. Sealing and insulating Heating System pipes or ducts in unconditioned spaces;
7. Installing electrical or mechanical Heating System ignition systems;

8. Replacing or relocating thermostats and anticipator adjustment;
9. Baffling of the combustion chamber;
10. Optimizing the firing rate;
11. Cleaning of the chimney;
12. Smoke Alarms;
13. Fire extinguishers;
14. Carbon Monoxide detectors;
15. Gas detectors;
16. Oil tanks;
17. Oil tank gauges;
18. Installation of a Heat Pump;
19. Temporary relocation provided the Eligible Household is experiencing a Life Threatening Crisis that cannot be adequately addressed through ECIP measures;
20. Other measures necessary to bring Heating Systems into compliance with applicable State and local codes and Maine Fuel Board requirements; and
21. Other measures necessary to correct any Heating System problems that pose an immediate threat to the health and safety of the Eligible Household.

J. CHIP Unallowable Uses:

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

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

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

1. Compliance with applicable codes;
  2. That all work performed was authorized by the Subgrantee; and
  3. The combustion efficiency level of the Heating System where technically feasible.
- M. Specific Procurement Requirements. Prior to the performance of CHIP services, the Subgrantee shall follow the procedures below:
1. Procurement less than or equal to \$10,000. Procurement of services, including materials, equipment and services from specialized trades, such as electricians, plumbers, masons and oil burner repair people shall be performed in accordance with the following procedures.
    - a. Solicit by phone, email, vendor website, catalog, or price list, or similar means one price quote for the required materials, equipment and services.
    - b. Determine if the quoted price is reasonable based on one or more factors identified by Subgrantee, such as recent purchases of, or research on, goods or services of the same kind or related knowledge or expertise; otherwise, solicit two price quotes by similar means.
    - c. Copies of all procurement records, including basis for the contractor selection and factors used to determine if the quoted price is reasonable, must be retained in the Subgrantee files.
  2. Procurement over \$10,000. Procurement of services, including materials, equipment and services from specialized trades, such as electricians, plumbers, masons and oil burner repair people shall be performed in accordance with the following procedures.
    - a. Perform a price survey for the required materials, equipment and services.
    - b. Make every reasonable attempt to receive price quotations or bids from at least three (3) reputable Contractors and fully document the bid process and all bids received on a survey sheet.
    - c. Purchase the materials, equipment or services from the Contractor whose bid or proposal is the lowest, taking into consideration the Contractor's performance record and other relevant factors. Fully document the selection process.
    - d. Copies of all procurement records, including basis for contractor selection must be retained in the Subgrantee files.
  3. The Subgrantee must prepare an Invitation to Bid or a Request for Proposal, which:
    - a. Identifies all requirements which prospective bidders must fulfill,

including the due dates for bids; and

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

10. HEAP Weatherization.

- A. The purpose of HEAP Weatherization is to reduce Eligible Households' need for Fuel Assistance, particularly those with the lowest Household Incomes that pay a high proportion of Household Income for Home Energy and those that include Priority Applicants.
- B. Using HEAP Weatherization in conjunction with U.S. Department of Energy (DOE)

funds: If the requirements in this Rule conflict with those required by [10 CFR Part 440](#), DOE requirements shall have precedence, with the exception to variations listed and approved in the LIHEAP State Model Plan Weatherization Assistance Section. HEAP Weatherization funds may only be used to weatherize Dwelling Units occupied by Eligible Households.

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

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

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

- F. A Dwelling Unit will not be eligible under HEAP Weatherization if:
  - 1. Dwelling Unit received weatherization services under HEAP Weatherization or another MaineHousing program within fifteen (15) years of the date of Application;
  - 2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
  - 3. Dwelling Unit has been designated for foreclosure;
  - 4. Dwelling Unit is for sale;
  - 5. Dwelling Unit is vacant;
  - 6. Dwelling Unit is uninhabitable as determined by a local municipality, State Agency, MaineHousing, or a Community Action Agency;
  - 7. Dwelling Unit is in poor structural condition making the installation of HEAP Weatherization services impractical, impossible, or ineffective;
  - 8. Dwelling Unit is in such poor structural condition that the proposed HEAP



Weatherization services would have a longer life expectancy than the Dwelling Unit;

9. Dwelling Unit has been damaged by fire, flood or an act of God and repair of the damage is covered by insurance;
10. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the HEAP Weatherization process. The Subgrantee must resolve any discrepancies before work can continue.

G. Allowable Uses:

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

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

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

1. the reopening occurs within six (6) months of completion of the original weatherization service; and

2. The reopening is required because the previous service is the proximate cause of an immediate threat to the health and safety of the occupants; or
  3. The quality of weatherization material or its installation is deemed deficient by MaineHousing.
- J. Subgrantees shall administer and operate HEAP Weatherization in their Service Areas, unless otherwise authorized by MaineHousing.
- K. For the purposes of HEAP Weatherization, Subgrantees must conduct a public bid process to secure weatherization contractors at least annually as prescribed by MaineHousing.
11. Heat Pump Program.
- A. The purpose of the Heat Pump Program is to help reduce Eligible Households' overall home energy costs.
- B. Eligibility. A Household may be eligible for the Heat Pump Program if the Household:
1. is eligible for Benefits pursuant to this Rule;
  2. has an Application certified-eligible within the twelve (12) months preceding the date of the Subgrantee's energy audit of the Dwelling Unit;
  3. does not have a more recent Application that has been certified-denied; and
  4. has a working primary heating system.
- C. Proof of Ownership. Ownership of all Dwelling Units shall be verified prior to any work being performed. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.
- Life estates and leases require a copy of the document conferring the Applicant's rights.
- D. A Dwelling Unit will not be eligible under the Heat Pump Program if:
1. Dwelling Unit already is equipped with a heat pump;
  2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
  3. Dwelling Unit has been designated for foreclosure;
  4. Dwelling Unit is for sale;
  5. Dwelling Unit is vacant;
  6. Dwelling Unit is uninhabitable as determined by a local municipality, State Agency,

MaineHousing, or a Community Action Agency;

7. Dwelling Unit is in poor structural condition making the installation of a heat pump impractical, impossible, or ineffective;
8. Dwelling Unit is in such poor structural condition that the proposed Heat Pump Program services would have a longer life expectancy than the Dwelling Unit;
9. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the HEAP Weatherization process. The Subgrantee must resolve any discrepancies before work can continue.

E. Allowable Uses:

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

12. Administration of the Program.

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

keep confidential:

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

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

1. Put measures in place to prevent the loss, theft, misappropriation or inadvertent disclosure of Confidential Information.
  2. Encrypt all Confidential Information contained on computers, laptops, and other electronic devices and media used in whole or in part, in the operation or administration of the Programs.
  3. Send e-mail or e-mail attachments containing Confidential Information only if encrypted or only through a secure e-mail server.
  4. Make their employees, officers, agents, contractors, sub-contractors and other representatives who operate or administer any of the Programs or otherwise provide services under the Programs aware that the responsibility to safeguard and protect Confidential Information applies at all times, whether or not they are at a work location during normal business hours.
  5. Limit disclosure to persons with a direct need to know.
- F. MaineHousing will conduct program and fiscal monitoring of Subgrantees and Vendors to ensure compliance with Federal, State, and MaineHousing rules and regulations in a manner consistent with applicable State law, as may be amended from time to time, and the HEAP Act.

13. Subgrantees.

- A. Service Areas. MaineHousing will select at least one Subgrantee to administer the Programs in each Service Area.
- B. Selection of Subgrantees. Subgrantees will be selected annually based on the following criteria:
  1. Experience with providing Fuel Assistance or similar programs to low-income persons;
  2. Current capacity to administer a timely and effective Fuel Assistance program for the intended Service Area;
  3. Demonstrated capacity to adequately serve low-income persons residing in their Service Areas;

4. The availability of other qualified entities to service a particular area;
5. The geographic area customarily serviced by the potential Subgrantee;
6. Cost efficiency in administering a Fuel Assistance program;
7. The ability to enhance accessibility to other low-income programs administered by the Subgrantee;
8. Acceptable schedule for taking Applications; and
9. The ability to perform outreach activities and serve homebound recipients.

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

- C. Allocation to Each Subgrantee. MaineHousing will determine the annual allocation of HEAP funds to each Subgrantee, the amount of which annual allocation shall not include any amount of HEAP funds allocated to MaineHousing to pay Benefits in the event MaineHousing elects to provide Benefits directly. MaineHousing may base any allocation determination on the number of Applications certified eligible in the Service Areas in the previous Program Year.
- D. Subgrantee Administrative and Program Expenses. Subgrantees shall be permitted administrative and program expenses necessary to carry out their responsibilities under this Rule and the Programs. Such expenses will be allowed in a manner consistent with the provisions of the HEAP Act and must be reasonable in amount as determined by MaineHousing following its review of the Subgrantee work plans and budgets. Allowable administrative and program expenses for each of the Programs are listed below. Other expenses may be allowed if authorized by MaineHousing before the expenses are incurred.

<b>Fuel Assistance and ECIP</b>	<b>Expense Category</b>
Salary and fringe benefit costs for the actual time an individual performs intake, processing, or eligibility determination functions associated with an active Application	Program
Salary and fringe benefit costs for the actual time an individual participates in administering Fuel Assistance or ECIP and is not performing functions associated with an active Application	Program
Salary and fringe benefits and other related and reasonable costs for specific HEAP and ECIP training and professional development of individuals performing intake, application processing, eligibility determination, and administration of HEAP fuel assistance and ECIP	Program

Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, data processing/computer costs, equipment repairs and maintenance, equipment purchase/lease, and consultants/professional services associated with the above referenced activities.	Program
Indirect costs	Administrative
Salary and fringe benefits and other related and reasonable costs for specific HEAP and ECIP training and professional development for individuals whose salary and fringe benefits are budgeted directly to Administrative Costs or for whom salary and fringe are included in the agency's Indirect Rate	Administrative
Salary and fringe costs, space costs, rent, telephone, copying, printing, office supplies, postage, transportation, travel, data processing, computer costs, equipment repairs and maintenance, equipment purchase or lease, consultant fees and professional services associated with the administration of HEAP not included in the agency's Indirect Rate or allowable from program funding	Administrative
<b>HEAP Weatherization, CHIP, and Heat Pump Program</b>	<b>Expense Category</b>
Material/labor costs for Heating system repairs/replacements and measures installed as part of weatherization	Program
Either salary and fringe benefit costs for the actual time staff participates in administering HEAP Weatherization, CHIP, Heat Pump Program or a program management fee established by MaineHousing.	Program
Space costs/rent, telephone, copier/printing, office supplies, postage, transportation/travel, equipment purchase/lease, liability insurance, pollution occurrence insurance, and consultants/professional services.	Program
Indirect costs	Administrative
<b>Assurance 16 Services</b>	<b>Expense Category</b>
Salary and fringe benefit costs for staff providing direct services and the direct administrative costs associated with providing the services, such as the costs for supplies, equipment, travel, postage, utilities, rental and maintenance of office space	Program

- E. Assurance 16 Activities. Subgrantees may submit annual proposals, for MaineHousing's consideration, describing their planned activities and expenses associated with providing services to Applicants pursuant to Assurance 16 of the HEAP Act.
- F. Subgrantee's Responsibilities. The responsibilities of the Subgrantee include, but are not limited to, the following and as further defined in the annual Subgrant Agreement:

1. To conduct client outreach in a manner consistent with the HEAP Act and as prescribed in this Rule.
2. To accept and verify Applications from Primary Applicants in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
3. To determine Household eligibility in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
4. To pay benefits, if required by MaineHousing, to or on behalf of Eligible Households in a manner consistent with provisions of the HEAP Act and as prescribed in this Rule.
5. To provide documentation and assistance as needed for MaineHousing to conduct informal reviews and fair hearings.
6. To pay Supplemental Benefits, if required by MaineHousing, if such benefits become available during the Program Year.
7. To use MaineHousing database software and equipment.
8. To address no-heat emergencies.
9. To cost effectively administer and operate the Programs.
10. To prioritize Eligible Households for HEAP Weatherization services in accordance with the HEAT Enterprise software.
11. To coordinate services between Programs.
12. To submit to MaineHousing production schedules for the Programs.
13. To submit to MaineHousing work plans and budgets, monthly status reports and any other such reports or information required in connection with the Programs.
14. To submit to MaineHousing billing information, including zero billings, for open contracts by 20th of each month.
15. To use forms provided or approved by MaineHousing to administer the Programs.
16. To protect personally identifiable information.
17. At Applicant's request, to make reasonable accommodations for a Person with a Disability.
18. To ensure that procurement of materials and services is conducted in a manner to provide open and free competition and to avoid any appearance of impropriety, the Subgrantee shall be bound by general federal procurement principles at [45 CFR §§ 75.327](#) to 75.335 and property management principles at [45 CFR §§ 75.316](#) to 75.323.

- G. Recordkeeping, Reporting and Accounting. Subgrantee shall comply with the following requirements:
1. Subgrantee shall maintain comprehensive and accurate documentation, payroll reports, financial statements, and other records in connection with its administration of the Programs, including at a minimum, the amount and disposition of the Programs' funds received by the Subgrantee and the total cost necessary to administer the Programs. Subgrantee shall keep such records separate and identifiable from the records of Subgrantee's other business and activities. MaineHousing and its representatives shall have the right to examine such records at reasonable times upon reasonable notice by MaineHousing. Subgrantee shall furnish copies of any such records requested by MaineHousing. All records must be retained by the Subgrantee for a minimum of three (3) years from the end of relevant contract period. In cases of litigation, other claims, audits, or other disputes the Subgrantee will retain all relevant records for at least one (1) year after the final disposition thereof.
  2. Subgrantee shall comply with all reporting requirements of MaineHousing. Subgrantee shall submit to MaineHousing an annual budget prior to each Program Year. Within ninety (90) calendar days after the close of the Subgrantee's fiscal year, Subgrantee shall furnish to MaineHousing an annual financial statement of Subgrantee, prepared by an independent certified public accountant in accordance with audit requirements at [45 CFR Part 75, Subpart F](#).
- H. Funds for administrative expenses for the Program Year and supplemental funding received, if any, may be spent only between October 1 and the following September 30 of the applicable Program Year, unless otherwise authorized by MaineHousing.
- I. Noncompliance.
1. MaineHousing shall have the right to terminate the Subgrantee Agreement in its sole discretion if it determines the Subgrantee has failed to perform one or more of its obligations to include malfeasance or misappropriation of funds. A written Notice of Termination of Subgrantee will set forth the specific violation.
  2. For non-compliance other than those which MaineHousing determines are subject to immediate termination, a deficiency notice will be sent to the Subgrantee in the event it fails to comply with any provision of this Rule, the Subgrantee Agreement, the Program Handbook, and the provisions of other applicable law. The Notice will set forth the specific violation and allow a reasonable time period for response by the Subgrantee.  
  
Upon review and consideration of any responses, MaineHousing will notify the Subgrantee in writing of any action to be taken and may establish a reasonable time period within which remedial action must be taken. Failure of Subgrantee to comply will result in a Notice of Termination of Subgrantee stating the cause and effective date of its termination.
  3. MaineHousing shall have the right to suspend in whole or in part the Subgrantee's



performance of one or more services provided under the Agreement whenever MaineHousing determines such suspension is in MaineHousing's best interest.

4. MaineHousing may bar a Subgrantee's participation in programs administered by MaineHousing for its malfeasance or misfeasance with respect to the administration or operation of any of the Programs.

14. Native American Tribal Organizations.

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

15. Vendors.

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

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

1. Any bankruptcies or judgments;
2. Owners and/or officers of Vendor were previously owner/officer of terminated Vendor;
3. Failure to comply with Close-Out requirements.

B. Enrollment.

1. Open Enrollment for new Vendors: Vendors may enter into a Vendor Agreement during the time period as prescribed by MaineHousing. If the Vendor does not submit accurate and complete documentation the Vendor may not be allowed to participate in the current Program Year.

2. Re-Enrollment for Vendors: Vendors who have a current Program Year contract may enroll as prescribed by MaineHousing. Continued participation is contingent upon performance and compliance with terms of Vendor Agreement.
- C. MaineHousing, at its discretion, may terminate any Vendor:
1. That does not comply with the terms and conditions of the Vendor Agreement;
  2. That fails to provide documentation and cooperate with any audit/investigation and/or the return of unused Benefits as determined by any audit/investigation. In addition, MaineHousing may undertake any of the following:
    - a. Bar the Vendor from future participation;
    - b. Refer the case to State or federal officials for criminal prosecution or civil action; and
    - c. Pursue other remedies as determined by MaineHousing.
- D. Vendors must comply with State law concerning consumer home heating rights, which is described in Office of the Maine Attorney General Consumer Law Guide Chapter 19.
- E. Vendor may not consider an Eligible Household's outstanding indebtedness to Vendor in calculating the Retail Cash Price applicable to a delivery of Home Energy to that Eligible Household.
- F. Return of Payments.
1. In the event Vendor receives a Benefit Return form requesting the return of Benefits paid to Vendor on behalf of Eligible Households, Vendor shall return such Benefits to MaineHousing, or Subgrantee as allowed by MaineHousing, within fifteen (15) business days of date of Benefit Return form.
  2. In the event Vendor becomes aware of any of the events listed below affecting an Eligible Household, Vendor shall within fifteen (15) business days of the date that Vendor becomes aware of any such event, submit to MaineHousing a completed Benefit Return form and return any remaining Benefits paid to Vendor on behalf of the affected Eligible Household, unless the remaining Benefits are less than \$25.
- Vendor may aggregate any remaining Benefits with a balance less than \$25 and return the balance to MaineHousing when the Annual Consumption Report is submitted. All related recordkeeping must clearly show all remaining benefit balances.
- a. The death of an individual who was the sole member of an Eligible Household;
  - b. The institutionalization of an individual who was the sole member of an Eligible Household;

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

the purchase order for wood or ECIP.

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

16. Errors and Program Abuse.

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

[request-form](#)

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

- B. MaineHousing will investigate all reported Errors and Program Abuse. If there is documented information to indicate Errors and Program Abuse, MaineHousing may notify the Applicant and provide them an opportunity to respond. Based on the response, MaineHousing will determine what, if any, appropriate action should be taken.
- C. Once Errors and Program Abuse is confirmed or if an Applicant fails to respond to inquiries regarding suspected Errors and Program Abuse, an Overpayment will be calculated and communicated to the Applicant. In addition to the Overpayment, the communication will include: 1) the facts surrounding the decision, 2) the reason for the decision, and 3) the manner by which the Applicant can request an appeal. MaineHousing may investigate the previous three (3) Program Years from the Date of Discovery. The Overpayment may include any or all of those three (3) years.
- D. When calculating an Overpayment MaineHousing will use the HEAP Handbook in effect for the applicable years the Overpayment occurred.
- E. An Applicant may request a fair hearing to dispute an Overpayment. The Applicant must submit to MaineHousing a written request for a fair hearing no later than thirty (30) calendar days from the postmark date of the first notification from MaineHousing of suspected Errors and Program Abuse. All requests for fair hearing shall follow the Rule as set forth in Section 17.
- F. MaineHousing will pursue recouping of Overpayments by any and all of the following:
  - 1. Applicant may pay MaineHousing the full amount an Overpayment.
  - 2. Applicant may enter into a payment arrangement. Minimum monthly payment allowed will be set at \$5.00 a month.
  - 3. Despite the existence of a repayment agreement, MaineHousing will recoup any current and future Benefits to offset against an Overpayment balance. MaineHousing will recoup 50% of a Household's current Program Year's Benefit and 50% of a Household's future Program Years' Benefits until the Overpayment has been paid in full.
  - 4. MaineHousing will recoup Benefits on account with the Applicant's Vendor to offset against an Overpayment balance.
- G. When Applicant fails to repay Overpayment, the case may be referred to other parties for additional action.
- H. MaineHousing may close an Overpayment for any of the following reasons:
  - 1. Overpayment has been paid in full.

2. The overpayment is determined to be invalid based on a fair hearing decision or a court decision.
3. All adult persons(s) responsible for Overpayment are deceased.

17. Appeal.

A. The benefit notification shall:

1. State the Benefit amount;
2. State the date the Benefit was sent to the Vendor;
3. State the approved Home Energy type;
4. State the manner by which the Applicant can request an informal review, if applicable;
5. State the manner by which the Applicant can request an appeal, if applicable.

B. The denial notification shall:

1. State the facts surrounding the decision;
2. State the reason(s) for the decision;
3. State the manner by which the Applicant can request an appeal, if applicable.

C. The Applicant must submit a written appeal request for an informal review no later than:

1. Thirty (30) calendar days from the postmarked date of the denial notification;
2. Thirty (30) calendar days from the postmarked date of the benefit notification;
3. Ninety (90) calendar days from the Date of Application, if the Application has not been approved or denied; or
4. Ninety (90) calendar days from the postmarked date of the request for refund of an Overpayment.

D. Written requests for appeal may be mailed to MaineHousing, 26 Edison Drive, Augusta, Maine 04330; or emailed to [LIHEAPcompliance@mainehousing.org](mailto:LIHEAPcompliance@mainehousing.org)

E. Informal Review. Informal reviews are intended to provide a minimum hearing requirement and need not be as elaborate as the fair hearing. An Applicant may request, in writing, an informal review for any dispute other than a dispute regarding TANF Supplemental Benefits.

The informal review will be conducted by a person other than the one who made or approved the decision under review or a subordinate of this person. MaineHousing will

review the file, conduct necessary research, and give the Applicant an opportunity to present written or oral objections to the decision under review. In rendering a decision MaineHousing will evaluate the accuracy of the calculations, the level of documentation provided by the Applicant, and the accuracy of the decision. MaineHousing will communicate the results of the research/review to the Applicant.

F. Fair Hearing.

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

1. Fair hearings shall be conducted in accordance with the Maine Administrative Procedures Act, Title 5, Chapter 375 by the Director of MaineHousing (or his/her designee) or such other contractor selected by MaineHousing. The parties may receive a transcript of the hearing upon payment of the reasonable cost for the production thereof.
2. Within thirty (30) calendar days of the hearing's conclusion the hearing officer will prepare a recommended hearing decision. Copies of the recommended decision will be provided to the appellant.
3. A final decision and order will be made by the Director of MaineHousing in writing within sixty (60) calendar days of receipt of the hearing officer's recommendation. In the event the Director of MaineHousing presides over a hearing, she/he shall render his/her decision and order within sixty (60) calendar days of the hearing's conclusion or sixty (60) calendar days of the recommended decision. The Director's decision and order shall include findings of fact sufficient to apprise the parties of its basis. A copy of the decision and order will be provided promptly to each party to the proceeding or his representative of record. Written notice of the party's right to appeal the decision and other relevant information will be provided to the parties at the time of the decision and order. The decision and order will be implemented by the Subgrantee no later than ten (10) calendar days after receipt if it is in the Appellant's favor and otherwise forty-five (45) calendar days unless stayed on appeal.

G. TANF Supplemental Benefits are not subject to appeal.

18. Additional Provisions.

- A. Other Laws. If this Rule conflicts with any provision of applicable federal or State law, including without limitation the Act and the HEAP Act, such federal or State law shall control.
- B. Additional Requirements. This Rule does not preclude such additional or alternative requirements as may be necessary to comply with the Act and the HEAP Act.
- C. Pool of Eligible Households. This Rule establishes a pool of eligible applicants but does

not preclude additional reasonable criteria and does not confer any automatic right or entitlement on any person or entity eligible hereunder.

- D. Availability of Funds. Assistance provided pursuant to this Rule is conditioned on the availability of HEAP funds.
- E. Waivers. Upon determination for good cause, the Director of MaineHousing, or the Director's designee, may, subject to statutory limitations, waive any provision of this Rule. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds for the waiver.
- F. Final Action. The Director of MaineHousing, individually or by exercise of the delegation powers contained in the Act, shall make all decisions and take all action necessary to implement this Rule. Such action of the Director shall constitute final agency action.

**BASIS STATEMENT:** This replacement rule repeals and replaces in its entirety the current Home Energy Assistance Program Rule. The rule establishes standards for administering fuel assistance, emergency fuel assistance, TANF Supplemental Benefits, weatherization, heat pumps, and heating system repair and replacement funds to low-income households in the State of Maine. This replacement rule: allows for Categorical Income Eligibility for Households receiving TANF or SNAP assistance; expands the time period in which eligible medical expenses can be deducted for income determination; allows for HEAP categorical income eligibility for Weatherization, CHIP and Heat Pump programming; and permits TANF Supplemental Benefits to be sent to HEAP Vendors pre-delivery in the same manner as regular HEAP Benefits. Other changes correct errors or provide clarification to the previous version of the rule.

**PUBLIC COMMENT:**

*Process:*

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

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

**EFFECTIVE DATE:**



## DETAILED MODEL PLAN (LIHEAP)

Program Name: Low Income Home Energy Assistance

Grantee Name: ME ST HOUSING AUTHORITY

Report Name: DETAILED MODEL PLAN (LIHEAP)

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

Report Status: Draft

### Report Sections

1. Mandatory Grant Application SF-424.....	2
2. Section 1 - Program Components .....	4
3. Section 2 - HEATING ASSISTANCE .....	8
4. Section 3 - COOLING ASSISTANCE.....	10
5. Section 4 - CRISIS ASSISTANCE .....	12
6. Section 5 - WEATHERIZATION ASSISTANCE.....	16
7. Section 6 - Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A).....	18
8. Section 7 - Coordination, 2605(b)(4) - Assurance 4.....	19
9. Section 8 - Agency Designation,, 2605(b)(6) - Assurance 6.....	20
10. Section 9 - Energy Suppliers, 2605(b)(7) - Assurance 7 .....	22
11. Section 10 - Program, Fiscal Monitoring, and Audit, 2605(b)(10) - Assurance 10.....	24
12. Section 11 - Timely and Meaningful Public Participation, 2605(b)(12) - Assurance 12, 2605(c)(2)...	27
13. Section 12 - Fair Hearings, 2605(b)(13) - Assurance 13 .....	29
14. Section 13 - Reduction of home energy needs, 2605(b)(16) - Assurance 16 .....	30
15. Section 14 - Leveraging Incentive Program, 2607A.....	32
16. Section 15 - Training .....	33
17. Section 16 - Performance Goals and Measures, 2605(b).....	35
18. Section 17 - Program Integrity, 2605(b)(10).....	36
19. Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters .....	42
20. Section 19: Certification Regarding Drug-Free Workplace Requirements .....	46
21. Section 20: Certification Regarding Lobbying .....	50
22. Assurances .....	52

# Mandatory Grant Application SF-424

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 09/30/2023

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

<b>* 1.a. Type of Submission:</b> <input checked="" type="radio"/> Plan	<b>* 1.b. Frequency:</b> <input checked="" type="radio"/> Annual	<b>* 1.c. Consolidated Application/Plan/Funding Request?</b>  <b>Explanation:</b>	<b>* 1.d. Version:</b> <input checked="" type="radio"/> Initial <input type="radio"/> Resubmission <input type="radio"/> Revision <input type="radio"/> Update
		<b>2. Date Received:</b>	<b>State Use Only:</b>
		<b>3. Applicant Identifier:</b>	
		<b>4a. Federal Entity Identifier:</b>	<b>5. Date Received By State:</b>
		<b>4b. Federal Award Identifier:</b>	<b>6. State Application Identifier:</b>
<b>7. APPLICANT INFORMATION</b>			
<b>* a. Legal Name:</b> Maine State Housing Authority			
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> 01-0312916		<b>* c. Organizational DUNS:</b> 086877115	
<b>* d. Address:</b>			
<b>* Street 1:</b>	ENERGY AND HOUSING SERVICES	<b>Street 2:</b>	26 Edison Drive
<b>* City:</b>	AUGUSTA	<b>County:</b>	Kennebec
<b>* State:</b>	ME	<b>Province:</b>	
<b>* Country:</b>	United States	<b>* Zip Code:</b>	04330 - 6046
<b>e. Organizational Unit:</b>			
<b>Department Name:</b> Energy and Housing Services		<b>Division Name:</b> Energy and Housing Services	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>			
<b>Prefix:</b> Mr.	<b>* First Name:</b> Michael	<b>Middle Name:</b> Troy	<b>* Last Name:</b> Fullmer
<b>Suffix:</b>	<b>Title:</b> Manager of HEAP	<b>Organizational Affiliation:</b>	

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

**Fax Number:** (207) 624-5780

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

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

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

## Section 1 - Program Components

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 09/30/2023

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

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

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

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

### Section 1 Program Components

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

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

Provide further explanation for the dates of operation, if necessary

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

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

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

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

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

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

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

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

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

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

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

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

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

If Yes, explain:

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

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

SNAP Nominal Payments

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

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

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

**1.7c Frequency of Assistance**

☒ Once Per Year

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

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

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

## Section 2 - HEATING ASSISTANCE

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

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

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

#### Section 2 - Heating Assistance

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

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

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

##### 2.2 Do you have additional eligibility requirements for Heating Assistance?

☐ Yes ☒ No

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

###### Do you require an Assets test?

☐ Yes ☒ No

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

###### Renters?

☐ Yes ☒ No

###### Renters Living in subsidized housing?

☐ Yes ☒ No

###### Renters with utilities included in the rent?

☐ Yes ☒ No

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

###### Elderly?

☒ Yes ☐ No

###### Disabled?

☒ Yes ☐ No

###### Young children?

☒ Yes ☐ No

###### Households with high energy burdens?

☐ Yes ☒ No

###### Other?

☐ Yes ☒ No

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

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

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



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

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

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

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

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

☒ **Income**

☒ **Family (household) size**

☒ **Home energy cost or need:**

☒ **Fuel type**

☒ **Climate/region**

☒ **Individual bill**

☒ **Dwelling type**

☐ **Energy burden (% of income spent on home energy)**

☐ **Energy need**

☒ **Other - Describe:**

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

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

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

<b>Minimum Benefit</b>	\$152	<b>Maximum Benefit</b>	\$2,116

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

If yes, describe.

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

- Private contributions for fuel assistance

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

## Section 3 - COOLING ASSISTANCE

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

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

OMB Clearance No.: 0970-

0075 Expiration Date: 09/30/2023

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

#### Section 3 - Cooling Assistance

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

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

Add	Household size	Eligibility Guideline	Eligibility Threshold
1			0.00%

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

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

Do you require an Assets test? ☐ Yes ☐ No

Do you have additional/differing eligibility policies for:

Renters? ☐ Yes ☐ No

Renters Living in subsidized housing? ☐ Yes ☐ No

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

Do you give priority in eligibility to:

Elderly? ☐ Yes ☐ No

Disabled? ☐ Yes ☐ No

Young children? ☐ Yes ☐ No

Households with high energy burdens? ☐ Yes ☐ No

Other? ☐ Yes ☐ No

Explanations of policies for each "yes" checked above:

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

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

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

☐ Income

☐ Family (household) size

☐ Home energy cost or need:

☐ Fuel type

☐ Climate/region

☐ Individual bill

☐ Dwelling type

☐ Energy burden (% of income spent on home energy)

☐ Energy need

☐ Other - Describe:

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

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

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

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

**If yes, describe.**

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

## Section 4 - CRISIS ASSISTANCE

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

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

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

#### Section 4: CRISIS ASSISTANCE

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

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

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

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

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

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

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

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

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

##### Crisis Requirement, 2604(c)

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

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

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

4.6 Do you have additional eligibility requirements for CRISIS ASSISTANCE?

☐ Yes ☒ No

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

Do you require an Assets test?

☐ Yes ☒ No

Do you give priority in eligibility to :

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

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

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

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

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

<input checked="" type="checkbox"/>	<b>Other - Describe:</b>	<p>The maximum (crisis) benefit amount is determined annually based on economic conditions, available funding, and the average cost of a minimum delivery of home energy.</p>
Crisis Requirements, 2604(c)		
<b>4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?</b>		
<input checked="" type="radio"/>	Yes	No    Explain.
<p>Crisis applications are given priority at all intake and processing steps. Crisis procedures include home visits if necessary, referrals, or communication with vendors.</p> <p>Subgrantees take crisis applications by one of the following methods:</p> <ol style="list-style-type: none"> <li>1) If the household has previously completed an application and has been certified eligible for heating assistance in the current program year, they may apply for crisis assistance over the telephone. In such cases, Subgrantees complete a LIHEAP Emergency Worksheet to assess and document the crisis situation.</li> <li>2) If the household does not have a current certified heating assistance application on file, they may apply for crisis assistance over the telephone. In such cases, the applicant will need to make arrangements to go into the Subgrantee's office or remote intake site to complete the application process - i.e. sign the application documents and provide any required documentation to verify the household's eligibility. Signing and submitting/verifying documents are accommodated remotely with technology as needed and available.</li> <li>3) Elderly or disabled applicants may apply over the telephone. If necessary, the Subgrantee will make arrangements for a home visit to secure the applicant's signature on the application documents and any required documentation to verify the household's income-eligibility. Signing and submitting/verifying documents are accommodated remotely with technology as needed and available.</li> </ol> <p>Conditioned on the availability of crisis funds, some form of assistance that will resolve the Energy Crisis will be provided within 48 hours after household has been certified eligible for the Energy Crisis Intervention Program (ECIP). In Life Threatening Crisis situations some form of assistance that will resolve the crisis will be provided within 18 hours after a Household has been certified eligible for ECIP.</p>		
<b>4.11 Do you provide individuals who are physically disabled the means to:</b>		
<b>Submit applications for crisis benefits without leaving their homes?</b>		
<input checked="" type="radio"/>	Yes	<input type="radio"/> No    If No, explain.
<b>Travel to the sites at which applications for crisis assistance are accepted?</b>		
<input type="radio"/>	Yes	<input checked="" type="radio"/> No    If No, explain.
<p><b>If you answered "No" to both options in question 4.11, please explain alternative means of intake to those who are homebound or physically disabled?</b></p> <p>At applicant's request, the Subgrantee must make reasonable accommodations for a person with a disability.</p> <p>Elderly or disabled individuals may apply over the telephone. If necessary, the Subgrantee will make arrangements for a home visit to secure the applicant's signature on the application documents and to obtain any required documentation to verify the household's income-eligibility. Signing and submitting/verifying documents are accommodated remotely with technology as needed and available.</p>		
Benefit Levels, 2605(c)(1)(B)		
<b>4.12 Indicate the maximum benefit for each type of crisis assistance offered.</b>		
Winter Crisis	\$600	
Summer Crisis	\$0.00 maximum benefit	
Year-round Crisis	\$0.00 maximum benefit	
<b>4.13 Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?</b>		
<input checked="" type="radio"/>	Yes	<input type="radio"/> No    If yes, Describe
<p>If the crisis cannot be resolved within the required timeframe, space heaters may be provided for the household's use until such time as a fuel delivery can be made or the heating system is repaired.</p>		
<b>4.14 Do you provide for equipment repair or replacement using crisis funds?</b>		

☒ Yes ☐ No

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

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

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

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

☒ Yes ☐ No

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

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

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

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

## Section 5 - WEATHERIZATION ASSISTANCE

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 09/30/2023

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

#### Section 5: WEATHERIZATION ASSISTANCE

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

5.1 Designate the income eligibility threshold used for the Weatherization component

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

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

5.3 If yes, name the agency.

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

WEATHERIZATION - Types of Rules

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

☐ Entirely under LIHEAP (not DOE) rules

☐ Entirely under DOE WAP (not LIHEAP) rules

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

☐ Income Threshold

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

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

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

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

5.6 Do you require an assets test? ☒ Yes ☐ No

5.7 Do you have additional/differing eligibility policies for :

Renters ☐ Yes ☒ No

Renters living in subsidized housing? ☒ Yes ☐ No

5.8 Do you give priority in eligibility to:

Elderly? ☒ Yes ☐ No

Disabled? ☒ Yes ☐ No



Young Children?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Households with high energy burdens?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Other? Young children 72 months (6 years) of age or less	<input checked="" type="radio"/> Yes <input type="radio"/> No

If you selected "Yes" for any of the options in questions 5.6, 5.7, or 5.8, you must provide further explanation of these policies in the text field below.

**5.6 Asset test:** Applies to heating system replacement under the Central Heating Improvement Program activities (see attached - Section 5.5 Weatherization)

**5.7 Renters living in subsidized housing** with heat included (see attached - Section 5 Multifamily Weatherization)

**5.8 Priority Applicant** means a Household with a Direct Energy Cost as well as a member in the Household who is (i) an Elderly Person 60 years of age or older, or (ii) disabled, or (iii) 72 months (6 years) of age or under.

Subgrantees are required to prioritize their wait list of eligible households for weatherization services in accordance with the HEAT Enterprise software, which ranks an eligible household's priority by taking into account household income, home energy costs, and any household members considered to be Priority Applicants. Households on the Subgrantee's wait list are weatherized in order of priority. A Subgrantee may move up an eligible household's priority based on travel considerations (e.g. Subgrantee's next weatherization project is out of town; another dwelling with a lower priority number in the same area may also be weatherized during the program year to save on travel costs) or due to co-funding a project with other program resources.

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

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

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 09/30/2023

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Not applicable. Maine does not offer cooling assistance.

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

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

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

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

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

Subgrantees will be selected annually based on the following criteria:

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

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

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

- ☐ Yes  
☒ No

**8.9 If so, why?**

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

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

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

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

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

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

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

Heating ☒ Yes ☐ No

Cooling ☐ Yes ☒ No

Crisis ☒ Yes ☐ No

Are there exceptions? ☒ Yes ☐ No

If yes, Describe.

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

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

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

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

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

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

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

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

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

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

☐ Yes ☒ No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



#### Audit Process

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

☐ Yes ☒ No

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

No Findings ☒

Finding	Type	Brief Summary	Resolved?	Action Taken

#### 10.4. Audits of Local Administering Agencies

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

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

#### Compliance Monitoring

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

Grantee employees:

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

Local Administering Agencies / District Offices:

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

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

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

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

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

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

**Site Visits:**

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

**Desk Reviews:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Prior to the public hearing process, MaineHousing worked with its Subgrantees, vendors, vendor industry agency, and representatives from Maine Equal Justice, Maine Public Advocates office, other State agencies and interested parties. As a result of these meetings, MaineHousing proposed a number of changes, including:

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

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

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

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

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

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

TBD

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

1. TBD

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

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

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

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

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

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

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

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

To Be Determined

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Allowable Costs:**

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

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

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

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

MaineHousing has established the following requirements to ensure compliance:

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

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

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

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

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

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

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

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

## Section 14 - Leveraging Incentive Program, 2607A

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

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

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

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

☒ Yes ☐ No

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

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

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

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

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

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



## Section 15 - Training

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

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

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

#### Section 15: Training

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

**a. Grantee Staff:**

☒ **Formal training on grantee policies and procedures**

**How often?**

☒ **Annually**

☐ **Biannually**

☒ **As needed**

☐ **Other - Describe:**

☒ **Employees are provided with policy manual**

☒ **Other-Describe:**

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

**b. Local Agencies:**

☒ **Formal training conference**

**How often?**

☒ **Annually**

☐ **Biannually**

☐ **As needed**

☐ **Other - Describe:**

☒ **On-site training**

**How often?**

☐ **Annually**

☐ **Biannually**

☒ **As needed**

☐ **Other - Describe:**

☒ **Employees are provided with policy manual**

☒ **Other - Describe**

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

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

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

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

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

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

OMB Clearance No.: 0970-0075

Expiration Date: 09/30/2023

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

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

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

##### **Energy Cost Data:**

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

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

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

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

##### **Home Energy Status**

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

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

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

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

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

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

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

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

##### 17.1 Fraud Reporting Mechanisms

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



Online Fraud Reporting



Dedicated Fraud Reporting Hotline



Report directly to local agency/district office or Grantee office



Report to State Inspector General or Attorney General



Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse



Other - Describe:

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

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

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



Printed outreach materials



Addressed on LIHEAP application



Website



Other - Describe:

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

### 17.2. Identification Documentation Requirements

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

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

b. Describe any exceptions to the above policies.

See attachment - Section 17 Program Integrity

### 17.3 Identification Verification

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

☐ Verify SSNs with Social Security Administration

☐ Match SSNs with death records from Social Security Administration or state agency

☐ Match SSNs with state eligibility/case management system (e.g., SNAP, TANF)

☐ Match with state Department of Labor system

☐ Match with state and/or federal corrections system

☐ Match with state child support system

☐ Verification using private software (e.g., The Work Number)

☐ In-person certification by staff (for tribal grantees only)

☐ Match SSN/Tribal ID number with tribal database or enrollment records (for tribal grantees only)

☒ Other - Describe: All Applicants two years of age or older must provide proof of Social Security Number (SSN). Any document used to prove SSN must contain all nine (9) digits and the Applicant's full name. SSN documentation is saved in MaineHousing's centralized LIHEAP database.

**17.4. Citizenship/Legal Residency Verification**

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

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

**17.5. Income Verification**

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

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

**17.6. Protection of Privacy and Confidentiality**

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

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

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

**17.7. Verifying the Authenticity**

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

☒ **All vendors must register with the State/Tribe.**

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

☐ **Vendors are verified through energy bills provided by the household**

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

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

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

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

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

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

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

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

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

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

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

#### 17.10. Investigations and Prosecutions

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

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





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

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

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

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

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

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



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



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



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



**Other - Describe:**

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

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

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

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

##### Instructions for Certification

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

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

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

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

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

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

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

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

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

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

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

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

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

##### Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment,

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

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

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

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

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

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

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

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

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

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

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

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

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

identified the workplaces in question (see paragraph five).

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

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

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

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

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

#### Certification Regarding Drug-Free Workplace Requirements

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

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

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

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

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

26 Edison Drive

Address Line 2

Address Line 3

Augusta

ME

04330

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

Alternate II. (Grantees Who Are Individuals)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other



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

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

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

## Section 20: Certification Regarding Lobbying

### Section 20: Certification Regarding Lobbying

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

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

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

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

#### Statement for Loan Guarantees and Loan Insurance

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

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

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

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

## Assurances

### Assurances

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

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

(B) intervene in energy crisis situations;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) provide assurances that,

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

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

(9) provide that--

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

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

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

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

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

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

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

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

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

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

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

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

**Grantee Name:** Maine State Housing Authority

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

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

## **Section 2 Heating Assistance**

### **2.1 Eligibility Guideline**

Maine will use the following standards to determine income eligibility:

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

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



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

**Grantee Name:** Maine State Housing Authority

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

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

## **Section 5.5 Weatherization**

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

### **HEAP Weatherization**

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

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

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

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

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

4. Allowable Uses:

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

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

### **Central Heating Improvement Program (CHIP)**

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 10. CHIP Allowable Uses:

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

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

11. CHIP Unallowable Uses:

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

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

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

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

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

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

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

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

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

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

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

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

- iv. Copies of all procurement records, including basis for contractor selection must be retained in the Subgrantee files.

C. The Subgrantee must prepare an Invitation to Bid or a Request for Proposal, which:

- i. Identifies all requirements which prospective bidders must fulfill, including the due dates for bids; and

- ii. Identifies all factors which the Subgrantees will consider in evaluating and awarding bids.

D. The Invitation to Bid or Request for Proposal must be mailed, faxed or emailed to no less than three (3) prospective contractors who may reasonably be expected to submit a bid.

E. All bids must be received by the Subgrantee contact person via mail, fax or e-mail prior to a specified time for a bid opening at a specified time and location. All bids received must be kept in a secure location prior to all bids being received and tabulated. In addition, all correspondence relating to the procurement action must be retained in the bid files.

F. Sole Source Procurement. Subgrantee may solicit a proposal from only one source for one of the following reasons.

- i. Sole source procurement may be used in the following instances:



- ii. Emergency or Urgent Need. An emergency situation or other urgent need exists and only one known source can provide the required goods or services within the time needed. Emergency or urgent situations include, but are not limited to, natural disasters or a Life Threatening Crisis.
- iii. Uniqueness. The item or service is available from only one source, based on a reasonable, good faith review of the market for the type of item or service needed.
- iv. Inadequate Competitive Proposals. After evaluation of all proposals submitted in a competitive procurement, all proposals are determined to be inadequate.
- v. Subgrantee shall submit a written statement justifying the use and approval of all sole source procurements, in excess of \$10,000, to MaineHousing for its consideration prior to the installation of services.
- vi. Subgrantee will retain a copy of the solicitation and the proposal received in response, a record of the approval by MaineHousing in Subgrantee's records.

### **Heat Pump Program (HPP)**

- A. Eligibility. A Household may be eligible for the Heat Pump Program if the Household:
  - 1. is eligible for HEAP/fuel assistance;
  - 2. has an Application certified-eligible within the twelve (12) months preceding the date of the Subgrantee's energy audit of the Dwelling Unit;
  - 3. does not have a more recent Application that has been certified-denied; and
  - 5. has a working primary heating system.
- B. Proof of Ownership. Ownership of all Dwelling Units shall be verified prior to any work being performed. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry.

Life estates and leases require a copy of the document conferring the Applicant's rights.
- C. A Dwelling Unit will not be eligible under the Heat Pump Program if:
  - 1. Dwelling Unit already is equipped with a heat pump;
  - 2. Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
  - 3. Dwelling Unit has been designated for foreclosure;
  - 4. Dwelling Unit is for sale;
  - 5. Dwelling Unit is vacant;

6. Dwelling Unit is uninhabitable as determined by a local municipality, State Agency, MaineHousing, or a Community Action Agency ;
7. Dwelling Unit is in poor structural condition making the installation of a heat pump impractical, impossible, or ineffective;
8. Dwelling Unit is in such poor structural condition that the proposed Heat Pump Program services would have a longer life expectancy than the Dwelling Unit;
9. There are obvious discrepancies found between the information supplied on the Application and observed conditions during the HEAP Weatherization process. The Subgrantee must resolve any discrepancies before work can continue.

D. Allowable Uses:

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

**File Attachment:** Low Income Home Energy Assistance  
**Grantee Name:** Maine State Housing Authority  
**Report Name:** Detailed Model Plan (LIHEAP)  
**Report Period:** 10/01/2022 to 09/30/2023

## **Section 5                      Multifamily Weatherization**

MaineHousing's goal for the weatherization of multifamily units is for the low income tenants to receive a direct benefit. Multifamily properties are those with two or more units. If the owner occupies one of the units in a two to four unit rental property, the property will be considered a single family dwelling provided the owner is LIHEAP eligible.

MaineHousing allows for the weatherization of the entire building rather than just the low income units. If a property consists of more than one building, each building will need to qualify on its own.

The purpose of HEAP Weatherization is to reduce Eligible Households' need for Fuel Assistance, particularly those that include Priority Applicants and pay a high proportion of Household Income for Home Energy. Therefore, the primary focus is on properties where the low income tenants see a direct financial benefit. For these reasons, HEAP Weatherization funding may be used to weatherize multifamily units according to the following guidelines:

1. Not less than 66% (or 50% in the case of multi-family units of 2 or 4 dwelling units), must be LIHEAP eligible (all buildings if a multi-building property).

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

**Grantee Name:** Maine State Housing Authority

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

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

## **Section 5.5 Weatherization – Quality Assurance and Training Protocols**

MaineHousing administers the HEAP Weatherization and other energy-related home repair, including the Central Heating Improvement Program (CHIP) mostly under LIHEAP rules. Pursuant to the requirements of the HEAP State Model Plan, MaineHousing has established quality control, training, inspection, and installation protocols to ensure program integrity and work quality.

### **1. HEAP Weatherization Protocols:**

- a. **Maine State Housing 2020 Maine Weatherization Standards (“Standards”):** HEAP Weatherization work shall comply with all applicable codes and Standards. The Standards provide guidelines to local administering agencies and contractors regarding the proper delivery of weatherization services for residential buildings. The purpose of the Standards is to ensure that high quality service is given at a reasonable cost and is delivered uniformly throughout Maine. The success of this program depends upon agencies and contractors having a full understanding of these weatherization standards.

The objective of the Standards is twofold. First, it serves to define the appropriate application of weatherization measures for each residence serviced. The Standards delineate material specifications as well as the steps that should be followed to complete each measure. Alternative methods will be allowed, but whatever method is used must meet or exceed the standard described in the relevant section of this document. Second, the Standards set guides for the expectation of quality of the installed product. Procedures are included for evaluating the quality of each installed conservation measure and the overall quality of the completed job. Additionally, the Standards help ensure that weatherization program funds are used in the most cost-effective manner possible.

The Standards are intended to be a dynamic document, changing as necessary to reflect advances in best practices for weatherization and the health and safety of clients and weatherization personnel.

- b. **Final Inspection:** No dwelling unit may be billed under HEAP Weatherization until the subgrantee has performed a final inspection and certified that the applicable work was performed in an acceptable manner.
- c. **Desk Reviews:** MaineHousing staff performs a comprehensive compliance and technical (desk) review of jobs submitted for billing. This review verifies weatherization services were administered and installed in accordance with program requirements; verifies eligibility of dwelling unit and household, required documentation has been signed by the appropriate parties, and the pre- and post-weatherization testing and measures installed were consistent/compliant with program requirements. Any identified issues or questions must be addressed with and resolved by the subgrantee prior to payment.
- d. **Monitoring:** MaineHousing’s Technical Service Specialists do quality control. At a minimum, 5% of all units billed as completed will receive State unit inspections. If the work does not comply with program requirements and Standards, the MaineHousing Technical Service Specialist will require the subgrantee to issue an add-work/rework order or de-bill the job.

e. **Training:**

- i. MaineHousing organizes specialized trainings as determined necessary.
- ii. MaineHousing conducts ongoing assessment of subgrantee training needs during onsite inspections, audits, desk reviews, and joint meetings. MaineHousing's Technical Service Specialists work in the field with subgrantee staff to provide training and support as needed.
- iii. Maine Community Action Partnership's (MeCAP) Building Technical Committee (BTC) meets on a monthly basis to discuss all aspects of the weatherization program. The committee consists of a technical representative from each subgrantee. MaineHousing participates in the monthly BTC meetings where production, training, and other programmatic developments and standards are discussed. Through this venue subgrantees are continually updated with information and techniques regarding energy conservation and health and safety issues. This ensures that all subgrantees are receiving the same information and creates consistency for a quality program across the state.
- iv. MaineHousing participates in monthly meetings with the MeCAP Housing Council. This council consists of weatherization managers from each subgrantee. This serves as a forum for discussing policy issues, identifying training needs, and for sharing information.

2. **Central Heating Improvement Program (CHIP) Protocols:**

- a. **Final Inspections:** Subgrantee must perform a final inspection on all CHIP services for heating system replacements. Inspections will include an evaluation to determine:
  - i. Compliance with applicable codes;
  - ii. That all work performed was authorized by the subgrantee; and
  - iii. The combustion efficiency level of the Heating System (when technically feasible).
- b. **Desk Reviews:** The EHS Weatherization Program Officer performs desk audits of 25% of the CHIP job billings. This review verifies – i) services were procured, administered and installed in accordance with program requirements; ii) eligibility of dwelling unit and household; and iii) required documentation has been signed by the appropriate parties. Any identified issues or questions must be addressed with and resolved by the subgrantee prior to payment.
- c. **Monitoring:** MaineHousing performs onsite inspections as deemed necessary.

3. **Heat Pump Program (HPP) Protocols:**

- a. **Final Inspections:** Subgrantee must perform a final inspection on a minimum of 5% of all HPP jobs. Inspections will include an evaluation to determine:
  - i. Compliance with applicable standards and regulations; and
  - ii. That all work performed was authorized by the subgrantee.
- b. **Desk Reviews:** The EHS Weatherization Program Officer performs desk audits of 25% of the HPP job billings. This review verifies – i) services were procured, administered and installed in accordance with program requirements; ii) eligibility of dwelling unit and household; and iii) required documentation has been signed by the appropriate parties. Any identified issues or questions must be addressed with and resolved by the subgrantee prior to payment.
- c. **Monitoring:** MaineHousing performs onsite inspections on a minimum of 5% of all HPP jobs.

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

**Grantee Name:** Maine State Housing Authority

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

**Report Period:** 10/1/2022 to 9/30/2023

**Section 10:** Program Monitoring Schedule PY2023 (tentative)

Maine State Housing Authority – FFA 2023 LIHEAP Program Monitoring Schedule		
Subgrantee	From	To
Aroostook County Action Program	11/8/2022	11/10/2022
Community Concepts, Inc.	1/3/2023	1/5/2023
Downeast Community Partners	11/15/2022	11/17/2022
Kennebec Valley Community Action Program	12/13/2022	12/15/2022
Penquis Community Action Program	1/10/2023	1/12/2023
The Opportunity Alliance	11/29/2022	12/1/2022
Waldo Community Action Program	1/24/2023	1/26/2023
Western Maine Community Action	1/17/2023	1/19/2023
York County Community Action Corp.	12/6/2022	12/8/2022

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

**Grantee Name:** Maine State Housing Authority

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

**Report Period:** 10/1/2022 to 9/30/2023

**Section 10:** Fiscal Monitoring Schedule PY2023 (tentative)

Maine State Housing Authority – FY 2023 LIHEAP Fiscal Monitoring Schedule		
Subgrantee	From	To
Aroostook County Action Program	8/15/2022	8/19/2022
Community Concepts, Inc.	9/5/2022	9/9/2022
Downeast Community Partners	9/26/2022	9/30/2022
Kennebec Valley Community Action Program	10/10/2022	10/14/2022
Penquis Community Action Program	10/31/2022	11/4/2022
The Opportunity Alliance	11/28/2022	12/2/2022
Waldo Community Action Program	1/9/2023	1/13/2023
Western Maine Community Action	1/30/2023	2/3/2023
York County Community Action Corp.	2/20/2023	2/24/2023

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

**Grantee Name:** Maine State Housing Authority

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

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

## **Section 17 Program Integrity**

### **17.2 Identification Documentation Requirements**

#### **Social Security Numbers:**

All Applicants 24 months of age or older must provide proof of Social Security Number (SSN). Any document used to prove SSN must contain all nine (9) digits and the Applicant's full name.

Acceptable documents are:

- a. Social Security Card issued by the Social Security Administration;
- b. SSA 1099 tax form;
- c. Non SSA-1099 tax form;
- d. Medicare card with number ending with the suffix "A";
- e. Valid U.S. Military documents such as DD 214 Certificate of Release or Discharge from Active Duty issued by the U.S. Department of Defense;
- f. Bank tax form; or
- g. W-2 (current wage and tax statement).

If the household includes a child under the age of 24 months old who has not received a SSN, the application is processed. However, the applicant must provide the child's SSN for subsequent program year applications, after the child reaches the age of 24 months old.

#### **Verification of Primary Applicant's Identity:**

Subgrantees shall verify Primary Applicants' identities by requesting government-issued photo identification cards. One of the following can be provided to establish the identity of the Primary Applicant:

- Driver's license;
- State issued ID card;
- Passport or passport card;
- U.S. Military ID; or
- SNAP electronic benefit transfer (EBT) card with photo.

#### **Non-U.S. Citizens:**

If a Household member is not a U.S. citizen, Applicant must provide a Social Security Card issued by the Social Security Administration or one of the following:

1. Permanent Resident Card (I-551)
2. Unexpired foreign passport with a valid unexpired U.S. Visa affixed accompanied by the approved I-94 form, documenting the Applicant's most recent admittance into the United States.
3. Permanent resident Re-entry Permit (I-327)



4. Arrival Departure Form I-94 with “Temporary I-551” stamp and holder’s photograph affixed
5. Travel Document issued to Permanent Residents (I-327)
6. Travel Document issued to Refugees (I-571) Form
7. I-94 stamped with one of the following statuses: Asylee, Parolee or Parole, Refugee, Asylum, HP-humanitarian parolee, PIP-public interest parolee, or Cuban-Haitian Entrant

### **17.6 Protection of Privacy and Confidentiality**

Any information obtained by grantee or Subgrantee, its employees, agents, contractors, or any other representatives in the administration of Programs, whether obtained from the applicant or household or from a third-party, shall be kept confidential and shall not be made available for public inspection or released to any person, entity or agency unless: there is written consent to do so; information is required for an audit or the like; applicant or household has released such information for participation in a fair hearing; or disclosure of said information is required by law.

Any statements of financial condition or information concerning LIHEAP or Energy Crisis Intervention Program (ECIP) applicants or recipients submitted to vendors, or its employees, agents, contractors or other representatives is kept confidential.

Contracts with Subgrantees and energy vendors include specific guidelines for protecting client confidentiality and personally identifiable information. Keeping protected information secure is an obligation mandated by contractual agreements between MaineHousing and its partners.

Additionally, MaineHousing has an Acceptable Use Policy in-place with Subgrantees.

### **17.9 Benefits Policy**

MaineHousing uses Vendor Agreements, annual reports provided by all contracted vendors, and on-site monitoring. LIHEAP household shall select vendor who has entered into a Vendor Agreement to provide Home Energy; HEAP benefits are paid directly to vendor.

Vendors must maintain records, including delivery tickets, for all customer deliveries. Each year MaineHousing audits a number of vendors on a rotating basis. MaineHousing verifies the vendor’s compliance with LIHEAP policies and procedures and selects for review, at a minimum, a 10% sample of client accounts. Delivery tickets are verified to ensure that the vendor is making deliveries and is providing the required discount.

If significant problems are found, MaineHousing places the vendor on a “Watch List”. The vendor will receive benefit payments post-delivery and will be closely monitored by MaineHousing.

MaineHousing investigates any and all client, Subgrantee, or third-party reports of vendor issues and pursues corrective action with the vendor as warranted (including placement on the Watch List).

### **17.10 Investigations and Prosecutions (Other description)**

Primary Applicants will be required to refund any overpayment. A Household's eligibility to receive benefits from Programs is contingent on the resolution of any overpayment.

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

“Overpayment” means any HEAP benefit paid to, or on behalf of, any Applicant or Household that exceeds the amount the Applicant or Household was eligible to receive.

## BENEFIT DETERMINATION

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

Calculated or Reported Energy Cost	Points
\$0.01-\$400	5
\$401-\$800	10
\$801-\$1200	15
\$1201-\$1600	20
\$1601-\$2000	25
\$2001-\$2500	30
\$2501 and over	35
Calculated or Reported Energy Cost falling between brackets will be rounded to the next higher or lower dollar amount, as appropriate. For example: \$400.01-\$400.49 will be rounded to \$400; \$400.50-\$400.99 will be rounded to \$401.	

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

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

Final point results will be multiplied by a dollar-per-point value, which is set by MaineHousing upon confirmation of LIHEAP grant/award amount.

## **Section 2.6 of the Model Plan:**

FFY 2022 minimum and maximum benefits were calculated using the tables above and point values for the Consumption based and Design Heat Load Calculation method, which were \$46 and \$38 per point respectively.

<b>FFY 2022</b>	<b>Minimum Benefit = \$152</b>	<b>Maximum Benefit = \$2,116</b>
<b>Consumption</b>	Lowest consumption (\$.01-\$400) = 5 points	Highest consumption (\$2,501+) = 35 points
<b>Income</b>	Highest income (greater of 150% FPL or 60% AMI) = 70% of points	Lowest income (0%-25% FPL) = 130% of points
<b>Final points</b>	5 x 0.70 = 4 points	35 x 1.30 = 46 points
<b>Benefit</b>	\$38 x 4 points = \$152	\$46 x 46 = \$2,116

2. Calculating Energy Costs. Energy Costs are calculated by the Consumption Based or DHLC method.

A. Consumption Based. Energy Costs will be based on the Eligible Household's actual Home Energy deliveries, as reported on the Annual Consumption Report, for the primary Heating System as declared on the Eligible Household's Application.

1. If the primary Heating System is electric, Energy Costs will be calculated by deducting 30% of the Household's annual electricity cost as reported by the Vendor on the Annual Consumption Report from the total annual electricity cost as reported by the Vendor on the Annual Consumption Report. The 30% deduction accounts for the non-heating usage of electricity.
2. If an Eligible Household resides in Subsidized Housing and has a Direct Energy Cost, any annual utility allowance for heating will be deducted from the Eligible Household's Energy Cost reported by the Vendor on the Annual Consumption Report.
3. If after 30% of annual electricity cost is deducted for non-heating usage of electricity when applicable, and after annual utility allowances for heating are deducted from annual Household Energy Cost reported by the Vendor on the Annual Consumption report, the Household has a calculated energy cost of less than or equal to zero (0), the Household is only eligible to receive a Benefit in an amount to maximize benefits under the Supplemental Nutrition Assistance Program (SNAP)
4. Energy Cost will be calculated using the Consumption Based method provided the Eligible Household meets the following requirements:
  - i. The Eligible Household has a Direct Energy Cost and;
  - ii. An Applicant occupied the residence for the entire previous Heating Season and;
  - iii. The Eligible Household purchased all of their Home Energy for their primary Heating System from a Reporting Vendor(s) for the previous Heating Season and;
  - iv. Reporting Vendor(s) submitted an Annual Consumption Report to MaineHousing that provided the Eligible Household's Home Energy delivery information and;
  - v. The Eligible Household's Energy Costs, as reported by Vendor(s) to MaineHousing, is for their residence only and;
  - iv. The Eligible Household's primary Heating System does not use wood, wood pellets, corn, coal, or bio-bricks.

B. Design Heat Load Calculation. DHLC shall be used to estimate the Energy Costs for Eligible Households that do not meet the requirements of the Consumption Based method. Under the

DHLC, the number of rooms occupied by the Eligible Household shall be multiplied by the number of BTUs needed to heat an average sized room in a Dwelling Unit. That product will then be multiplied by the number of square feet of an average sized room in a Dwelling Unit. Next, that second product will be multiplied by the number of heating degree days of the Service Area in which the Eligible Household's Dwelling Unit is located. That third product is then divided by one million BTUs. The quotient is then multiplied by the cost of the Eligible Household's primary Home Energy type per one million BTUs. That fourth product is then divided by the efficiency rate of the primary Home Energy type to arrive at the Eligible Household's amount of energy consumption. The cost per one million BTUs and efficiency rate of the Applicant's Home Energy type will be periodically established by MaineHousing. The DHLC is based on the following factors:

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

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

3. The heating degree days for the Service Area. Heating degree days are updated annually using data reported by National Weather Stations in Maine.
4. The estimated BTUs required to heat the Dwelling Unit;
5. Average cost per one million BTU. MaineHousing determines the average costs per one million BTU annually. Oil, kerosene, and propane costs are obtained by averaging the costs reported by the Governor's Energy Office (GEO). Average costs for all other fuel types are based on a representative survey of Vendors' pricing.
6. The efficiency rate for the primary Home Energy type listed on the Application. The Energy Cost per one million BTU and efficiency rate are based on the primary Home Energy type specified on the Eligible Household's Application.

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

Summary: The state low income housing tax credit law was enacted to provide funds for the development and preservation of multi-family affordable housing. Under the law, at least 80% of the credit to be allocated in a calendar year must be set aside for the construction or adaptive reuse of buildings for new rental units. Over time, MaineHousing must seek to allocate 30% of the credit for new rental units to senior housing and 20% of the credit for new rental units to “rural areas.” In addition, at least 10% of the credit to be allocated in a calendar year, must be set aside for qualified rural development preservation projects that incur at least \$100,000 in improvements. This rule defines “rural areas” and provides for the allocation and administration of the credit and procedures for recapturing the credit for noncompliance.

1. Definitions. The following terms shall have the following meanings:
  - a. “Affordable Housing Project” means a qualified low-income housing project, as defined by Section 42(g) of the Code.
  - b. “Allocation of Credit Certification” means a certification that a project is allowed the State Low Income Housing Tax Credit and includes information required by the State of Maine Department of Administrative and Financial Services, Bureau of Revenue Services.
  - c. “Area Median Gross Income” has the same meaning as in Section 42 of the Code, as adjusted for family size.
  - d. “Code” means the United State Internal Revenue Code of 1986, as amended.
  - e. “Compliance Period” means
    - i. For a Qualified Maine Project, the period beginning on the date the first building of the project is placed in service and ending on the date that is 15 years after the last building in the project is placed in service; and
    - ii. For a Qualified Rural Development Preservation Project, the period beginning on the date the rehabilitation of the first building of the project receives a certificate of occupancy, if required, or the date of Rural Development’s notice of final inspection of the building and ending on the date that is 15 years from the date the last building of the project receives a certificate of occupancy, if required, or the date of Rural Development’s notice of final inspection of the building.
  - f. “Credit-qualified Affordable Housing Project” means a Qualified Maine Project or a Qualified Rural Development Preservation Project, as applicable to the project.

- g. “Credit Units” means all of the Federal Low-Income Housing Tax Credit units in a Qualified Maine Project or all of the units in a Qualified Rural Development Preservation Project that are assisted or financed by Rural Development.
- h. “Difficult Development Area” has the same meaning as in Section 42(d) of the Code.
- i. “Director” means the director of MaineHousing.
- j. “Federal Low-Income Housing Tax Credit” means the federal tax credit as provided in Section 42 of the Code.
- k. “MaineHousing” means the Maine State Housing Authority.
- l. “Owner” is the person or entity that holds legal title to the Credit-qualified Affordable Housing Project.
- m. “Qualified Allocation Plan” means the applicable Federal Low-Income Housing Tax Credit rule adopted by MaineHousing.
- n. “Qualified Census Tract” has the same meaning as in Section 42(d) of the Code.
- o. “Qualified Maine Project” means an Affordable Housing Project that is:
  - i. Either the construction of one or more new buildings or the adaptive reuse of one or more previously constructed buildings that have not been previously used for residential purposes;
  - ii. Subject to a restrictive covenant requiring an income mix in which at least 60% of the units in the project to which credits are allocated are restricted to households with income at or below 50% of Area Median Gross Income; and
  - iii. Eligible for the 30% present value credit as described in Section 42 of the Code as a result of tax-exempt financing described in Section 42(h)(4)(B) of the Code.
- p. “Qualified Rural Development Preservation Project” means an Affordable Housing Project in which at least 75% of the residential units are assisted or financed under a Rural Development program.
- q. “Rural Areas” are all parts of the State of Maine that are deemed rural for purposes of Rural Development multi-family housing  
 (<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=mfhc>).
- r. “Rural Development” means the United States Department of Agriculture, Office of Rural Development, Rural Housing Service.

- s. “Rural Development Headquarters” means the national office of Rural Development.
- t. “Rural Development Section 515 Properties” means rental housing projects financed under Section 515 of the Housing Act of 1949 (42 U.S.C. 1498).
- u. “Rural Development State Director” means the state director of the Rural Development state office for the State of Maine.
- v. “Senior Housing” means multifamily affordable rental housing units serving seniors that receive funding and project-based rental assistance under a Rural Development program or a United States Department of Housing and Urban Development multifamily elderly housing program or that meet the definition of “housing for older persons” under the federal Fair Housing Act, 42 United States Code, Section 3607(b)(2) and the Maine Human Rights Act.
- w. “State Credit” means the tax credits awarded pursuant to the State Low Income Housing Tax Credit Law and this rule.
- x. “State Low Income Housing Tax Credit Law” means 36 M.R.S. §5219-WW and 30-A M.R.S. §4722, sub-§1, ¶GG, as may be amended from time to time.
- y. “Supportive Housing” means housing to assist persons with special needs in achieving housing stability, including persons who have experienced chronic homelessness or who are displaced, have a disability, are a victim of domestic violence or who have other special housing needs.
- z. “UPCS” means Uniform Physical Condition Standards, the physical inspection standards established by the United States Department of Housing and Urban Development for decent, safe and sanitary housing pursuant to 24 C.F.R. §5.703, as may be amended from time to time.

## 2. Set Asides.

- a. Eighty percent of the State Credit available to be allocated in any calendar year, including any State Credit that has been carried forward or returned, is set aside for Qualified Maine Projects that use the Federal Low-Income Housing Tax Credit in conjunction with tax-exempt bonds issued by MaineHousing.
- b. Ten percent of the State Credit first available to be allocated in any calendar year is set aside for Qualified Rural Development Preservation Projects, and if not allocated in that calendar year must be carried forward and be available to be allocated in subsequent calendar years for Qualified Rural Development Preservation Projects. Upon January 1, 2029, any amount previously set aside under this section 2.b. and not previously allocated to a Qualified Rural Development Preservation Project is released from the set aside and need not be allocated to a Qualified Rural Development Preservation Project.



3. Priorities.

- a. In reserving and allocating the State Credit for Qualified Maine Projects, MaineHousing will prioritize:
  - i. use of the State Credit in Qualified Census Tracts and Difficult Development Areas;
  - ii. efficient use of MaineHousing resources including without limitation the Federal Low-Income Housing Tax Credit, the State Credit, and 0% deferred financing resources to maximize the number of new residential units created;
  - iii. project readiness including approvals and financing in place;
  - iv. over time, 30% of the cumulative State Credit for Qualified Maine Projects Credits allocated to Senior Housing and 20% of the cumulative State Credit for Qualified Maine Projects allocated to Rural Areas; and
  - v. projects with an occupancy preference for persons who qualify for Supportive Housing in the greater of 4 units or 20% of the total number of units.
- b. In reserving and allocating State Credit for Qualified Rural Development Preservation Projects, MaineHousing will prioritize projects that:
  - i. are Rural Development Section 515 Properties being transferred to a new Owner in accordance with Rural Development requirements;
  - ii. incur a minimum of \$100,000 in property improvements in accordance with the State Low Income Housing Tax Credit Law; and
  - iii. are not claiming the Federal Low Income Housing Tax Credit.

4. Notice of Reservation of Credit.

- a. MaineHousing will issue a notice of reservation of State Credit for Qualified Maine Projects as follows:
  - i. the notice of reservation will be issued at the same time as the Notice to Proceed described in the Qualification Allocation Plan;
  - ii. the notice of reservation will remain in effect as long as the Notice to Proceed remains in effect; and
  - iii. the notice of reservation may include State Credit to be allocated in future years.

- b. MaineHousing will issue a notice of reservation of State Credit for Qualified Rural Development Preservation Projects after receipt of the following:
    - i. An approval of transfer issued by Rural Development Headquarters;
    - ii. Current appraisal and capital needs assessment in compliance with Rural Development requirements;
    - iii. Repair plan approved by Rural Development; and
    - iv. Any additional documents needed by MaineHousing to determine the amount of credit.
- 5. Allocation of Credit.
  - a. MaineHousing will issue an Allocation of Credit Certification for a Qualified Maine Project after:
    - i. MaineHousing issues a Form 8609 for the Federal Low Income Housing Tax Credit; and
    - ii. A restrictive covenant meeting the requirements of the State Low Income Housing Tax Credit Law and this rule is executed by the Owner and MaineHousing and recorded in the appropriate registry of deeds.
  - b. MaineHousing will issue an Allocation of Credit Certification for a Qualified Rural Development Preservation Project after:
    - i. receipt of a notice of final inspection from the Rural Development State Director;
    - ii. Calculation by MaineHousing of the amount of State Low Income Housing Tax Credit to be awarded to the Qualified Rural Development Preservation Project; and
    - iii. A restrictive covenant meeting the requirements of the State Low Income Housing Tax Credit Law and this rule is executed by the Owner and MaineHousing and recorded in the appropriate registry of deeds.
- 6. Recapture.
  - a. MaineHousing may recapture State Credit in accordance with this section if any one or more of the following occurs:
    - i. For a Qualified Maine Project, failure to comply with any one or more of the following as determined in accordance with Section 42(g) of the Code;

1. The applicable income limitation on any of the Credit Units;
  2. The next available unit rule; or
  3. The rent restriction on any of the Credit Units;
- ii. For a Qualified Rural Development Preservation Project, a notice of violation or default of the Rural Development financing or rental assistance contract for the project that is not cured within any cure period specified by Rural Development in the notice, as may be extended by Rural Development;
  - iii. Failure to maintain the project in a safe, decent, sanitary condition and in good repair in accordance with UPCS;
  - iv. Disposition of the project through sale, foreclosure, deed-in-lieu of foreclosure, or otherwise unless the project continues to be a Credit-qualified Affordable Housing Project;
  - v. Failure to comply with the minimum election made by Owner pursuant Section 42(g)(1) of the Code or the project otherwise fails to qualify as an Affordable Housing Project, as determined by MaineHousing;
  - vi. Loss of the project, any of the Credit Units, or any required amenities included in the eligible basis of the project that MaineHousing determines are essential to the operation of the project through damage, destruction, eminent domain, condemnation, or other action or event;
  - vii. Dissolution, liquidation, termination of existence, insolvency, or business failure of or assignment for the benefit of creditors by Owner;
  - viii. Any bankruptcy, receivership, reorganization, arrangement, insolvency, dissolution, or liquidation proceeding, or any other proceedings for the relief of debtors, under the U.S. Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, is instituted by or against Owner; or
  - ix. Any other action or event that results in the project no longer being maintained as a Credit-qualified Affordable Housing Project.

The event of noncompliance in the above clause iv. of this subsection if the project will not continue to be a Credit-qualified Affordable Housing Project and the events of noncompliance in the above clauses v. through ix. of this subsection are considered egregious noncompliance for purposes of this section.

- b. MaineHousing will not recapture State Credit for any noncompliance that is corrected by Owner before MaineHousing discovers the noncompliance.

- c. MaineHousing will give Owner written notice of noncompliance and a reasonable period of time established by MaineHousing to correct the noncompliance. The notice will specify each event of noncompliance and the period of time for correcting the noncompliance, which may be different for each event. The period of time for correcting an event of noncompliance may be extended by MaineHousing. Any extension will be written and provide the reason for the extension.
- d. If all of the events of noncompliance specified in the notice are corrected within their respective correction periods, MaineHousing will not recapture State Credit.
- e. If any of the events of noncompliance specified in the notice are not corrected within the respective period for correcting the noncompliance, MaineHousing will recapture State Credit. Except for egregious noncompliance set forth in subsection a. above, MaineHousing will defer recapture of the State Credit until the earliest of:
  - i. The end of the Compliance Period;
  - ii. Disposition of the project through sale, foreclosure, deed-in-lieu of foreclosure, or otherwise;
  - iii. Transfer of any interest in Owner that must be approved by MaineHousing pursuant to the MaineHousing *Transfers of Ownership Interests Rule*;
  - iv. MaineHousing determines there is a pattern of uncorrected noncompliance by the Owner; or
  - v. Any egregious noncompliance set forth in subsection a. above.
- f. The amount of the recapture of State Credit will be calculated when it is collected as follows:
  - i. The amount of recapture is the difference between (a) the total State Credit allocated to the project and (b) an amount equal to the product of the total State Credit allocated to the project multiplied by a fraction, the numerator of which is the number of months the project remained a Credit-qualified Affordable Housing Project since the project was placed in service and the denominator of which is 180, which difference is then prorated in proportion to the number of Credit Units that do not remain in compliance.
  - ii. The number of months in which the project has remained a Credit-qualified Affordable Housing Project is the Compliance Period less the period of noncompliance.

The period of noncompliance is the period of time from the first day of the month in which the noncompliance first occurred, not when it was discovered, to the last day of the month in which the noncompliance is corrected. If there are multiple events of noncompliance, the period of noncompliance is the first day of the first month in which any event of

noncompliance, not corrected within the applicable correction period, began to the last date of the month in which all noncompliance is corrected.

If recapture is collected before the end of the Compliance Period for any egregious noncompliance or other reason that results in the project no longer being maintained as a Credit-qualified Affordable Housing Project, the period of noncompliance will also include the period beginning on the first day of the month in which MaineHousing notifies Owner that recapture is due and ending on the last day of the Compliance Period.

- g. MaineHousing will give Owner written notice of the recapture amount and how the recapture amount was calculated. Owner must pay the recapture amount within the period of time set forth in the notice, which will not be less than 30 days and may be extended in writing by MaineHousing. If Owner does not pay the full amount of the recapture within the required period of time, MaineHousing may lien the project for the recapture amount plus accrued interest at the pre-judgment interest rate, in effect on the date of the lien as calculated in accordance with 14 M.R.S. §1602-B, until the lien is paid in full as set forth in the State Low Income Housing Tax Credit Law.
- h. All notices to Owner will be sent by registered mail or certified mail, return receipt requested, to Owner's last known address and will be deemed received within three (3) business days of being mailed.

7. General.

- a. MaineHousing may publish program guides for the allocation of the State Credit in accordance with the State Low Income Housing Tax Credit Law and this rule.
- b. MaineHousing will track annual allocations and provide information required by the State of Maine Department of Administrative and Financial Services, Bureau of Revenue Services to determine eligibility and amount of credit allocated each calendar year.
- c. MaineHousing will charge a reasonable fee for each State Credit project to defray its increased costs due to the State Credit.

8. Rule Limitations.

- a. Other Laws. If this rule conflicts with any provision of applicable federal or state law, such federal or state law shall control.
- b. Waivers. Upon determination for good cause, the Director of MaineHousing, or the Director's designee, may, subject to statutory limitations, waive any provision of this rule. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds for the waiver.
- c. Full Discretion. MaineHousing is entitled to the full discretion allowed by law in making all decisions and interpretations under this rule.

- d. Final Agency Action. The Director of MaineHousing, individually or by exercise of the delegation of powers contained in the Act, shall make all decisions and take all action necessary to implement this rule. Such action of the Director shall constitute final agency action.
- e. Freedom of Access Act. MaineHousing is subject to the Freedom of Access Act, 1 M.R.S.A. §401 *et seq.*, which requires the disclosure of all information provided to MaineHousing that is not specifically excluded, such as confidential information under the Act. MaineHousing shall not be liable for the disclosure of any information that it determines must be disclosed under the Freedom of Access Act.
- f. Liability. Compliance with State Low Income Housing Tax Credit Law is the responsibility of the Owner. MaineHousing is in no way responsible for an Owner's compliance or liable for an Owner's noncompliance. Any allocation, review or inspection by MaineHousing and any determination made by MaineHousing pursuant to this rule is for the sole benefit of MaineHousing. No liability or responsibility for Owner compliance with applicable requirements and no representation or warranty of a project's feasibility or viability, eligibility for State Credit, or compliance shall be implied or construed from any such actions and determinations by MaineHousing.
- g. Headings/Context. The headings in this rule are for convenience only and do not define or limit the scope of the provisions of this rule.

**BASIS STATEMENT:** This replacement rule repeals and replaces in its entirety the current State Low Income Housing Tax Credit Rule. The rule provides for the allocation and administration of the state affordable housing tax credit, a refundable credit for the development and preservation of certain affordable multifamily rental housing in Maine. The law establishing the credit requires MaineHousing to recapture credit for noncompliance and provides for a lien to enforce repayment of recapture. The replacement rule adds procedures for determining what constitutes noncompliance that causes recapture and when recapture is calculated and collected. The new procedures limit recapture to material noncompliance that is not corrected within a reasonable period of time and, except in cases of severe or repeated noncompliance, defer recapture to the end of the 15-year compliance period and limit recapture to the period of noncompliance to maintain the affordability of the projects, particularly the very low-income units, to the greatest extent possible during the compliance period and to minimize the financial impact on the projects.

**PUBLIC COMMENT:**

*Process*

**STATUTORY AUTHORITY:** 30-A M.R.S. §§4722(1)(GG) and 4741(1) and 36 M.R.S. §5219-WW.

**FISCAL IMPACT NOTE:** \$10,000,000 per year tax credits.

**EFFECTIVE DATE:** \_\_\_\_\_, 2022.



# **2023-2024 Low Income Housing Tax Credit Qualified Allocation Plan**

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## CHAPTER 16 LOW-INCOME HOUSING TAX CREDIT RULE

### Table of Contents

SECTION 1: INTRODUCTION .....	1
SECTION 2: HOUSING NEEDS AND PRIORITIES .....	1
SECTION 3: SET-ASIDES AND MAXIMUM CREDIT AMOUNT .....	1
SECTION 4: ALLOCATION PROCESS .....	2
SECTION 5: THRESHOLD REQUIREMENTS .....	6
SECTION 6: SCORING CRITERIA .....	11
SECTION 7: PROJECT EVALUATION .....	19
SECTION 8: ALLOCATION OF CREDIT .....	21
SECTION 9: TAX-EXEMPT BOND FINANCED PROJECTS .....	22
SECTION 10: MONITORING .....	23
SECTION 11: GENERAL .....	26
STATUTORY AUTHORITY .....	27
BASIS STATEMENT .....	26
FISCAL IMPACT OF THE RULE .....	29
APPENDICES:	
APPENDIX A: Definitions	
APPENDIX B: Pre-Application Submission Requirements	
APPENDIX C: Capital Needs Assessment Requirements	
APPENDIX D: Owner's Certificate of Continuing Program Compliance	
APPENDIX E: Requirements for Purchase Options and Rights of First Refusal	



**Chapter 16: LOW-INCOME HOUSING TAX CREDIT RULE**

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**SECTION 1: INTRODUCTION**

The federal Low-Income Housing Tax Credit (LIHTC) was created by the Tax Reform Act of 1986 to encourage private capital investment in the development of affordable rental housing. It is governed by [Section 42](#) of the Internal Revenue Code of 1986, as amended, and associated regulations. As the designated housing credit agency for the State of Maine, MaineHousing is required by [Section 42](#) of the Code and [30-A MRSA §§4741\(1\) and \(14\)](#) to adopt a Qualified Allocation Plan (QAP) for allocating and administering LIHTC; this rule is the State's QAP.

This rule repeals and replaces in its entirety the prior Chapter 16, *Low Income Housing Tax Credit Rule*, except that the allocation provisions continue to apply to projects that were awarded LIHTC under a prior rule, or a program subject to a prior rule.

Capitalized terms used in this rule are defined in **Appendix A**, unless the context otherwise indicates, or if not defined therein, have the same meaning as set forth in [Section 42](#) of the Code.

**SECTION 2: HOUSING NEEDS AND PRIORITIES**

MaineHousing and the Department of Economic and Community Development annually complete a statewide needs assessment as part of the Consolidated Housing and Community Development Plan. *Maine Consolidated Plan (2020-2024)* establishes the following housing priorities:

- A. expand affordable housing opportunities;
- B. improve and preserve the quality of housing; and
- C. help Maine people attain housing stability.

**SECTION 3: SET-ASIDES AND MAXIMUM CREDIT AMOUNT**

- A. Nonprofit Set-Aside. MaineHousing will set aside ten percent (10%) of the annual State Ceiling for Projects in which a Qualified Nonprofit Organization owns an interest and materially participates in the development and operation throughout the Compliance Period in accordance with [Section 42\(h\)\(5\)\(B\)](#) of the Code. An Applicant will qualify if it is owned by either a Qualified Nonprofit Organization, or a business corporation which is 100% owned by one or more Qualified Nonprofit Organization(s), and (in accordance with [Section 42\(h\)\(5\)\(C\)](#) of the Code) it is the general partner or manager/managing member and controls the Project's development and day-to-day operation.

- B. Preservation Set-Aside. MaineHousing will set aside up to \$300,000 of the annual State Ceiling for the preservation and rehabilitation of one existing multifamily rental housing project if the scope of rehabilitation meets the minimum requirements set forth in Section 5.D.2. and one of the following:
1. at least 25% of its units, or those in a Related Development, are assisted under a Rural Development program; or
  2. at least 25% of its units will be converted to Section 8 under HUD's Rental Assistance Demonstration (RAD) Program, Section 18 Demolition/Disposition Program or other HUD conversion programs.

Demolition and reconstruction on an existing housing site will be treated as new construction and is not eligible for this set-aside.

- C. Maximum Credit Amount. The maximum amount of Credit that will be allocated for each Project is the least of (i) \$20,000 per Credit Unit, (ii) 25% of the State Ceiling, and (iii) the amount MaineHousing determines is necessary to ensure the Project's financial feasibility and long-term viability.

#### **SECTION 4: ALLOCATION PROCESS**

- A. Pre-Application Submission. Each Project must undergo a mandatory Pre-Application review by MaineHousing to assess its feasibility, suitability for housing, and eligibility for Credit. Applicants must submit the information and documents set forth in **Appendix B** with the pre-application fee specified in Section 4.C. to MaineHousing by Thursday, July 7, 2022 for the 2023 round and by Thursday, July 6, 2023 for the 2024 round. An Applicant will not be eligible for Credit if
1. it fails to provide a complete Pre-Application submission in accordance with this subsection, or
  2. there is any material change in the Project between the Pre-Application submission and the Application unless required by MaineHousing.
- B. Application. Applications are subject to the following limitations, conditions and requirements:
1. Existing Housing.
    - a) Acquisition and Rehabilitation Projects. Projects that involve the acquisition and rehabilitation of Affordable Housing must include the addition of at least 20 new units, or meet the requirements of the Preservation Set-Aside in Section 3.B.

- b) **Demolition of Existing Housing.** Demolition of existing housing that has not been condemned or declared blight by a municipality is not eligible unless approved by MaineHousing.
  - 2. **Deadline.** The deadlines for submitting Applications are Thursday, September 22, 2022 for the 2023 State Ceiling and Thursday, September 21, 2023 for the 2024 State Ceiling.
  - 3. **Format.** The Application must be completed and submitted electronically in the form and manner prescribed by MaineHousing. MaineHousing may require the Applicant to submit additional information.
- C. **Fees.** Applicants must pay the following fees when due. All fees are non-refundable.

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>
Pre-application Fee	\$2,000	By Pre-application deadline in Section 4.A.
Application Fee	\$2,500	Postmarked for delivery by Application deadline in Section 4.B.2
Allocation Fee	7.5% of Credit	Earlier of Carryover Allocation (Section 8.B.) or Final Allocation (Section 8.A.)
Monitoring Fee*	\$1,000 per Credit Unit	Final Allocation (Section 8.A.)

\*MaineHousing may charge an additional monitoring fee to cover any increased costs due to income averaging or other extraordinary monitoring requirements during the Compliance Period.

- D. **Ineligible Applicants.** An Application will be deemed ineligible if one or more of the following has occurred:
- 1. The Applicant, any Principal thereof, or Affiliates of either
    - a) has an uncorrected IRS Form 8823 in connection with any LIHTC Project to the extent it is correctable unless previously waived by MaineHousing;
    - b) has been declared in default or has been 60 calendar days or more delinquent on any loan with MaineHousing, unless the default or delinquency has been cured or there is an approved payment or workout plan in good standing prior to the Application deadline;
    - c) has ever been the owner of any project in which MaineHousing has foreclosed a mortgage interest or received a deed-in-lieu of foreclosure of a mortgage interest unless previously waived by MaineHousing;

- d) is presently debarred, suspended, proposed for debarment, or excluded from participation in any federal or state programs;
  - e) has sought to achieve early termination of an Extended Use Agreement through the written request to a housing credit agency to present a Qualified Contract;
  - f) has in the last 10 years either commenced or had commenced against it any proceeding in or for bankruptcy, receivership, reorganization or any other arrangement for relief from creditors commenced against it that affected a MaineHousing-funded project that was not dismissed within 90 calendar days; or
2. The tax credit syndicator, investor, or Affiliates of either
- a) transferred its interest in any LIHTC Project after March 25, 2014 in violation of the Ownership Transfer Rule;
  - b) failed to make any required capital contributions with respect to any LIHTC Project, and has not corrected such actions prior to the Application deadline;
  - c) has sought to achieve early termination of an Extended Use Agreement through the written request to a housing credit agency to present a Qualified Contract; or
  - d) has sought to undermine the exercise of a right of first refusal or purchase option with respect to any LIHTC Project by: (i) refusing to honor a right of first refusal or purchase option; or (ii) involvement in a lawsuit challenging the exercise of a right of first refusal or purchase option.

MaineHousing may reject the Application if it determines the deficiencies are not addressed. MaineHousing may also require financial statements from the Applicant, Principal thereof, or Affiliates of either.

- E. Notice to Local Jurisdiction. Upon receipt of an Application, MaineHousing will notify the Chief Executive Officer of the municipality with jurisdiction over the location of the proposed Project. The notice will provide for a 15-day comment period. MaineHousing will consider any comments received.
- F. Selection Process. Applications for the State Ceiling with the highest scores will be awarded Credit until the applicable State Ceiling is fully awarded.
  - 1. The preservation set-aside is limited to one Project. If the set-aside is not sufficient to complete the Project proposed in the highest scoring eligible Application, MaineHousing may allocate additional Credit, allocate the Credit under the set-aside to the next highest-scoring eligible Application that does not need more than the set aside, or not allocate any Credit under the preservation set-aside. All Applications that participate in the preservation set-aside and do not win will be placed on a waiting list.

2. The highest scoring Qualified Nonprofit Organization will be the winner of the nonprofit set-aside regardless of its ranking among other Applicants. If the set-aside is not fully awarded to the highest scoring eligible Applicant, MaineHousing may allocate additional Credit to the next highest scoring eligible Applicant for the set-aside, not fully allocate Credit under the set-aside, or require an Applicant that has not indicated that it is participating in the set-aside to participate in the set-aside. MaineHousing may, if necessary, require the Applicant to change its ownership structure. All Applications that participate in the nonprofit set-aside and do not win will be scored with the other Applications.
  3. Except as set forth above, MaineHousing will make awards in score order to select threshold-eligible Applications. If the last Application selected for an award of Credit needs more Credit than remains under the applicable State Ceiling, MaineHousing may elect to either (a) not award the remaining Credit to any Application, or (b) award additional Credit under the next annual State Ceiling to the Application. All threshold-eligible Applications that are not selected will be placed on a waiting list. Any Credit that is returned or is otherwise unused will be made available to waiting list Applications using this process.
- G. Notice to Proceed. MaineHousing will meet with each Applicant selected for a Credit award. If the Applicant accepts the Credit award conditions, MaineHousing will issue a Notice to Proceed. Applicants must execute and return the Notice within the time period specified.
- H. Credit Allocation. Upon receipt of the fully executed Notice to Proceed, MaineHousing will evaluate the Application pursuant to Section 7 to determine the amount of Credit, if any, to be allocated.
- I. Termination of Application or Notice to Proceed. MaineHousing will deem an Application withdrawn and any Notice to Proceed cancelled if one or more of the following occur without MaineHousing's written approval after the Application is submitted:
1. The Application or the Notice to Proceed is assigned or the Applicant or any Principal thereof changes;
  2. The location of the Project changes from the location identified in the Application;
  3. There is any change which would result in a net reduction in the Application's score except as provided in Section 6.H;
  4. There is a change in the Project's design or financing from what was in the Application which MaineHousing determines would result in a substantial increase in the amount of Credit or other MaineHousing funding;

5. The Project's TDC Index exceeds the TDC Index Cap, or any other failure to meet the threshold requirements in Section 5;
6. There is any other material or substantive amendment or change to the Application; or
7. Any event in Section 4.D. occurs and is not cured within any applicable cure period

## SECTION 5: THRESHOLD REQUIREMENTS

Applications must meet the following threshold requirements to be eligible for Credit:

### A. Affordability.

1. The Project will comply with [Section 42](#) of the Code and this QAP for a minimum period of 45 years to maintain the Project as residential rental housing, keep at least 60% of the total Credit Units in a Project occupied by persons with 50% area median income and keep the Credit Units in the Project rent-restricted in accordance with [Section 42](#) of the Code.
2. The Applicant waives the right to request MaineHousing to present a Qualified Contract under [Section 42\(h\)\(6\)](#) of the Code.
3. The Applicant must submit a letter of intent from an investor (and, in the event of any change in investor, the replacement investor) in which the investor agrees to the granting of an option to purchase: (i) the Project; and (ii) the partnership interest of the limited partner(s) or membership interest of the non-managing member(s) of the Project owner ("Purchase Options"), to one or more of the general partner, managing member, developer or sponsor on terms that comply with the provisions set forth in **Appendix E**. The investor must also agree in the letter of intent that the Purchase Options complying with the provisions in **Appendix E** will be included in the Project owner's limited partnership agreement or limited liability company operating agreement.
4. If the Applicant, general partner, managing member, developer, or sponsor of the Project is a Qualified Nonprofit Organization, the Applicant must submit a letter of intent from an investor (and, in the event of any change in investor, the replacement investor) in which the investor agrees to the granting of a right of first refusal ("ROFR") to the Qualified Nonprofit Organization on terms that comply with the provisions set forth in **Appendix E**. The investor must also agree in the letter of intent that the ROFR complying with the provisions in **Appendix E** will be included in the Project owner's limited partnership agreement or limited liability company operating agreement.

- B. Section 811. For Family Housing, the Applicant agrees to accept HUD Section 811 Project Rental Assistance (PRA) and comply with the program requirements, if made available by MaineHousing. This does not necessarily constitute a commitment of PRA funding.

- C. Total Development Cost (TDC). Cost reasonableness will be evaluated using an index, which is the weighted average of the TDC per unit and the TDC per bedroom. For mixed-use projects, the TDC for only the residential portion of the project, including common areas, will be used for this calculation. The weighted average will be calculated as follows:

$$([2 \times \text{TDC/unit}] + [\text{TDC/bedroom}]) \text{ divided by } 3.$$

The product of this calculation will be referred to throughout this document as the “TDC Index”. An Application will be rejected if the TDC Index exceeds the TDC Index Cap below for a project of its type at any time prior to the later of the construction loan closing or carryover allocation.

Type of Project	TDC Index Cap
Adaptive Reuse	\$337,500 per unit
New construction	\$318,750 per unit
Acquisition and rehabilitation of existing housing	\$206,250 per unit

Demolition and reconstruction of all housing on the same site or another site will be treated as new construction. If a Project involves more than one project type, the TDC Index Cap for the Project is the average of the TDC Index Caps allocable to each type, weighted by the number of units of each type. TDC Index Caps are increased by 3% for Projects that receive Passive House Certification.

- D. Acquisition and Rehabilitation of Existing Housing. Projects that involve the acquisition and rehabilitation of existing multifamily housing are subject to the following:
1. Capital Needs Assessment. The Application must include a capital needs assessment satisfying the requirements set forth in **Appendix C**.
  2. Minimum Rehabilitation Requirements. The Rehabilitation Costs per unit of existing housing must be at least \$50,000.
  3. Relocation/Displacement. The Project must comply with MaineHousing’s *Temporary Relocation and Permanent Displacement Policies* and, if the Project is federally-assisted, all applicable federal requirements, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The Applicant must take reasonable steps to minimize the displacement of existing tenants of the Project. The Application must identify any tenants who will be permanently displaced and the reason for the displacement. The Project’s TDC must include all costs associated with permanent and temporary displacement or relocation. MaineHousing will not allocate Credit until it has approved a project’s relocation plan.

- E. Development and Management Experience and Capacity. Applicant teams must have sufficient knowledge, experience and capacity to adequately design, develop, complete, maintain, manage, and operate LIHTC Projects and to provide related services, such as accounting, tax and legal advice, and resident service coordination. If the Project will involve multiple subsidy sources in addition to LIHTC which results in overlapping targeting and rental restrictions, the Applicant team must have sufficient knowledge, experience and capacity to handle the increased complexity. If MaineHousing determines the Applicant's team lacks sufficient qualifications, the team may be required to
1. hire a qualified consultant,
  2. hire additional qualified staff, or
  3. replace a team member.
- F. Site Control. The Applicant must have site control of the Project throughout the Application process in the form of an option, a purchase and sale contract, ownership, or long-term lease. The Applicant, its agents, and MaineHousing must have access to the Project site, and if the Project is an existing occupied property, access to records and other information about the existing tenants, including current rent and income information.
- G. Growth Management Limitations. A Project that involves the new construction or acquisition of newly-constructed residential rental property or the conversion of existing buildings to residential rental property must comply with the State's Growth Management Law, [30-A M.R.S.A. §4349-A](#), as amended. Projects must meet one of the following two sets of criteria to be eligible for a Credit allocation:
1. If the municipality in which the Project is located has adopted a comprehensive plan or growth management plan that is consistent with applicable State law, then the Project must be in a designated growth area as identified in such plan; or
  2. Otherwise the Project must be located in an area
    - a) served by a public sewer system with existing capacity for the Project,
    - b) identified as a census-designated place in the latest Federal Decennial Census, or
    - c) in an urban municipality and defined under [23 M.R.S.A. §754](#) as compact.
- The law exempts projects that exclusively serve certain populations, such as persons with disabilities, who are homeless, or are wards of the State.
- H. Project Feasibility. The Applicant must have the financial ability to develop and complete the Project and to operate it throughout the Compliance Period.



1. Development Budget. The Applicant must identify
    - a) all sources of funding for development and completion, whether direct or indirect, including the amount, timing, terms, conditions, and status (e.g. “applied for” or “committed”) as of the date of the Application and uses of the funding based on the projected costs of and schedule for developing and completing the Project; and
    - b) all sources and uses of funding for the Project, whether direct or indirect and whether they are included in the development budget for the Project.
  2. Operating Budget. The Applicant must identify all
    - a) sources of income, including rent from the residential units, any income from commercial or non-residential space, and the amount, terms and conditions of rental or operating assistance; and
    - b) costs of operating the Project as projected over the Compliance Period. The Applicant also must identify all forms of property tax relief (such as a PILOT, tax abatement or exemption, or Tax Increment Financing) and other assistance that reduces operating costs.
  3. Related Development. Any Related Development must be completed prior to or concurrently with the completion of the Project, and there must be sufficient funding to operate the Related Development.
  4. Financial Re-Characterization. MaineHousing may re-characterize any information about the sources and uses for a Project and any Related Development, such as information that is inconsistent with the requirements of a funding source or is unreasonable based on comparable LIHTC Projects, industry standards, or market conditions. The Applicant must address all development and operating deficits identified by MaineHousing.
- I. Project Design. The design and construction or rehabilitation of the Project must comply with MaineHousing’s Construction Standards and all applicable local, state and federal codes, regulations, statutes and ordinances. In addition, all Projects must include:
1. Electrical raceways/conduits from the electrical panel to terminal units at the parking area for the future installation of Level 2 electric vehicle charger(s) and have an electrical panel that is adequately sized to provide for the future installation of Level 2 electric vehicle charger(s); and
  2. Electrical raceways/conduits from the electrical panel to terminal units at the roof for the future installation of PV solar panels and have an electrical panel that is adequately sized to provide for the future installation of PV solar panels.

J. Project Amenities. The Project must have the following amenities and services:

1. Community Room. The Project must include an on-site community room with sufficient capacity to serve tenants' needs. For a scattered-site Project, only one community room is required and should be centrally located to the greatest extent possible to best serve all tenants.
2. Laundry Facilities. The Project must include either a washer/dryer hook-up in each unit or a fully accessible, centrally located laundry facility with sufficient capacity to serve all tenants.
3. Telemedicine Capabilities. The Project must include broadband infrastructure with capacity sufficient to support the provision of Telemonitoring and/or Telehealth services.

Broadband infrastructure includes cables, fiber optics, CAT5e (or greater) interior wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, as long as the installation results in broadband infrastructure in each dwelling unit sufficient for the build-to standard of The Maine Connectivity Authority and ConnectMaine.

The healthcare service providers and the tenants may not be charged for the use of the internet or wireless and telephone services provided for telemedicine services.

4. Shared Facilities. An amenity will meet the requirements if the amenity:
  - a) is fully accessible and located on an accessible path to the Project,
  - b) is within an existing multifamily housing project adjacent to the subject site,
  - c) has sufficient capacity to serve both the Project's tenants and the existing project,
  - d) will be available to the Project's tenants during the Compliance Period on the same terms as the residents of the existing multifamily project, and
  - e) will not charge the tenants to use the shared amenity other than a reasonable fee that does not exceed the amount charged to any others for the same use.
5. Recreational Activities. An area(s) of recreational activity must be located on the Project site or within a ½ mile. The area(s) and activities must be free of charge to the tenants and not require membership. Projects with single-family detached style units satisfy this requirement if each unit has a private lawn with sufficient room for playground equipment, gardening or other activities acceptable to MaineHousing.

6. Exceptions. The requirements of this subsection do not apply to existing multifamily housing projects if the Applicant cannot comply with the requirements because of the nature of the site, structural limitations, zoning restrictions or other land use limitations.
- K. Resident Service Coordination. The Applicant must make a resident service coordinator available to the tenants on-site a minimum of one (1) hour per week for every five (5) Credit Units over an appropriate number of days each week acceptable to MaineHousing. The coordinator shall meet with tenants in a private and confidential manner to evaluate individual needs and make appropriate referrals. The services provided must be free of charge to the tenants. The Applicant must maintain adequate funding throughout the Compliance Period.
- L. Smoke-free Housing. The Applicant must
1. implement a written occupancy policy prohibiting smoking in the units and common areas,
  2. include a non-smoking clause in the lease for every household, and
  3. make educational materials on tobacco treatment programs (including the phone number for the statewide Maine Tobacco HelpLine) available to all tenants through the resident service coordinator.
- M. Waiting List Preference. The Applicant must give an occupancy preference to eligible persons whose names are on a public housing or Section 8 waiting list, except for Projects: (i) financed by Rural Development, or (ii) with Section 8 Project-Based Rental Assistance (preference will apply to any Credit Unit without project-based rental assistance).

## SECTION 6: SCORING CRITERIA

The Applicant must complete all information and submit all documentation required to be eligible for points.

### Project Characteristics

- A. Rehabilitation or Reuse of Existing Housing, Structure or Site. **4 Points**

The Project site exhibits one or more of the following characteristics:

1. Replacement or rehabilitation of existing rental housing containing 5 or more units without permanently displacing any existing tenants or increasing their housing costs (including rent and all other charges paid by the tenant) by more than 10%;
2. Rehabilitation, remediation, or reuse of an existing building or structure that has a current use other than multifamily rental housing;

3. One or more buildings or structures used for purposes other than single family residential housing or agriculture purposes, have been or will be demolished or removed for purposes of redeveloping the site;
4. Left vacant or nearly vacant in the development of a downtown or other city or town center, such as vacant lots or parking lots abutting commercial buildings and/or multifamily rental housing; or
5. Specifically designated by a municipality for redevelopment to renew a blighted area or remediate environmental risks to the occupants.

Vacant lots in single-family residential areas are not eligible for points under this subsection. Undeveloped portions of existing sites are not eligible for points unless the existing project on the site previously satisfied one of the above criteria.

**B. Historic Rehabilitation. 4 points**

The Project includes the rehabilitation of a certified historic structure using capital contributions generated from federal and state historic rehabilitation tax credits.

**C. Populations with Special Needs. 6 points**

The Project provides a set-aside for at least 20%, but not less than 4 of the units, for Persons Experiencing Homelessness or persons who have disabilities, are victims of domestic violence, or have other special housing needs, to create permanent supportive housing for persons who require that level of intervention within the special needs populations.

The Applicant must set aside units for the specific population(s) that qualify for the set-aside, maintain a separate waiting list for these units and make appropriate, voluntary services available through a qualified third-party provider other than the resident service coordinator required under Section 5.L. Additional funding from the Housing Trust Fund and/or Project-based Vouchers will be made available as necessary.

**D. National Housing Trust Fund. 1 point**

The Applicant agrees to accept and use any funding from MaineHousing's National Housing Trust Fund program for the Project. Any funding award will require a certain number of units in the Project to be affordable to and occupied by Extremely Low Income households. Awarding points is not a commitment of funding from the National Housing Trust Fund.

**E. Family Housing. Up to 6 points**

The Project is for families and a minimum percentage of the Credit Units are two and/or three or more bedroom units as follows:

<b>Project for Families with Minimum Percentage of Credit Units by Bedroom Size</b>	<b>Points</b>
At least 50% of the Credit Units are two or more bedroom units and at least 20% of the Credit Units are three or more bedroom units	<b>6 points</b>
At least 70% of the Credit Units are two or more bedroom units	<b>3 points</b>

F. Readiness. **8 points**

MaineHousing must approve both the design to be submitted to the municipality and the State and the final design, including all plans, details and specifications. The Project and any Related Developments must have all

1. municipal land use approvals (except building and other permits customarily issued during construction), and
2. State land use approvals (such as site plan, subdivision, storm water, or wetlands approvals) required to proceed with and complete construction.

As of the Application date, the timeframe to appeal all such approvals must have expired with no appellate action being taken, or all appeals have been resolved.

G. Accessibility. **Up to 12 points**

One (1) point for each unit that

1. exceeds the minimum number of such units required by applicable federal and state accessibility laws, and
2. meets the requirements for a Type A unit under ANSI Standard A117.1-2009, up to the maximum points by project type below.

<b>Type of Project</b>	<b>Maximum Points</b>
Projects providing Housing for Older Adults	<b>12 points</b>
Other Projects	<b>6 points</b>

### **Financial Characteristics**

H. Acquisition Cost. **Up to 4 points**

Points are based on the percentage by which the acquisition costs are less than the average acquisition costs for a project of its type as follows:

<b>Type of Project</b>	<b>Average Acquisition Cost</b>
Acquisition and rehabilitation of existing housing	\$47,000 per unit
New construction	\$14,000 per unit
Adaptive Reuse	\$12,000 per unit

For purposes of this subsection, acquisition costs include

1. the purchase price for all of the land and any existing building(s) even if donated or leased to the Applicant at below market value,
2. the cost of razing or demolishing any building(s) and structure(s), or any part thereof, on the Project site, and
3. the Capitalized Lease Value of all leases of land or land and building(s) that are part of the Project, with the exception of parking spaces.

The value of any project reserves transferred to the Project as part of the acquisition and included in the purchase price will not be included for purposes of this subsection.

<b>Percentage of Project's Acquisition Cost to Average Acquisition Cost</b>	<b>Points</b>
0% to 1% (nominal)	<b>4 points</b>
>1% to <25%	<b>3 points</b>
25% to 50%	<b>2 points</b>
>50% to 75%	<b>1 point</b>

**I. Property Tax Relief. Up to 3 points**

Points are based on the percentage of the Project's annual incremental property tax revenue returned to the Applicant or foregone by the taxing authority as follows:

<b>Percentage and Duration of Tax Benefit or Relief</b>	<b>Points</b>
50% to <75% for at least 15 years	<b>1 point</b>
50% to <75% for at least 30 years	<b>2 points</b>
≥ 75% for at least 15 years	<b>2 points</b>
≥ 75% for at least 30 years	<b>3 points</b>

Only Tax Increment Financing, payment in lieu of taxes, abatement, or other property tax relief arrangement approved by the taxing authority and all other applicable governing entities is eligible. A Project that is either a) located in a jurisdiction that does not assess property taxes or b) exempt from property taxes will be awarded one (1) point.

Funding made possible by an Affordable Housing TIF will not be eligible unless the Applicant submits a complete application for the TIF at least 30 calendar days before the

applicable Application deadline (Tuesday, August 23, 2022 for the 2023 State Ceiling and Tuesday, August 22, 2023 for the 2024 State Ceiling).

## Project Location

J. Housing Need.

**Up to 10 points**

Points are based on the need for the type of housing in an area as follows:

1. Projects providing Housing for Older Adults located in the following Service Center Communities:

<b>Projects providing Housing for Older Adults</b>			
<b>Service Center Community</b>			<b>Points</b>
Auburn	Madawaska	Topsham	<b>10 points</b>
Augusta	Old Orchard Beach	Waterville	
Bangor	Portland	Windham	
Biddeford	Rumford		
Brunswick	Saco		
Caribou	Sanford		
Falmouth	Scarborough		
Freeport	Skowhegan		
Kennebunk	South Portland		
Kittery			
Lewiston			
Bar Harbor	Gardiner	Presque Isle	<b>8 points</b>
Bath	Hermon	Rockland	
Belfast	Houlton	Rockport	
Brewer	Lincoln	Van Buren	
Bridgton	Mexico	Westbrook	
Camden	Millinocket	Wiscasset	
Ellsworth	Norway		
Farmington	Oxford		
Bethel	Eastport	Mount Desert	<b>6 points</b>
Bingham	Fort Kent	Newport	
Blue Hill	Guilford	Orono	
Boothbay Harbor	Jackman	Pittsfield	
Cornish	Limestone	Rangeley	
Damariscotta	Mars Hill	Southwest Harbor	
Dexter	Millbridge	Thomaston	
Dover-Foxcroft			

2. Other Housing Projects in the following Service Center Communities:

<b>Other Housing Projects (not specifically for Older Adults)</b>			
<b>Service Center Community</b>			<b>Points</b>
Auburn	Farmington	Saco	<b>10 points</b>
Augusta	Kittery	Sanford	
Bangor	Lewiston	Skowhegan	
Bath	Old Orchard Beach	South Portland	
Biddeford	Orono	Waterville	
Brewer	Portland	Westbrook	
Brunswick	Rumford	Windham	
Bar Harbor	Hermon	Oxford	<b>8 points</b>
Calais	Houlton	Presque Isle	
Caribou	Limestone	Rockland	
Ellsworth	Lincoln	Scarborough	
Falmouth	Madawaska	Topsham	
Fort Kent	Mexico	Wiscasset	
Gardiner	Norway		
Ashland	Dexter	Pittsfield	<b>6 points</b>
Bethel	Dover-Foxcroft	Rangeley	
Blue Hill	Greenville	Rockport	
Boothbay Harbor	Kennebunk	Southwest Harbor	
Bridgton	Millinocket	Thomaston	
Cornish	Mount Desert	Van Buren	
Damariscotta	Newport		

3. Projects located on Native American tribal lands will be awarded **10 points**.

For each QAP round, municipalities receive their Housing Need score from the immediately preceding QAP if that score was higher.

K. Community Revitalization. **Up to 3 points**

**Two (2) points** if the Project is located within the boundaries of and contributes to the revitalization goals and efforts identified in a Community Revitalization Plan.

**One (1) extra point** if the Project also involves the preservation of existing Affordable Housing or is located in a QCT and at least 20% of the units are market rate.

L. Smart Growth. **Up to 15 points**

<b>Smart Growth Feature</b>	<b>Points</b>
Access to Public Transportation. The Project is located within a Safe Walking Distance (½ mile or less) of a designated pick-up location for existing Fixed-route Public Transportation.	<b>5 points</b>



Demand Response Transportation. Demand Response Transportation is available to all tenants with no eligibility criteria that would limit or deny service.	<b>5 points</b>
Proximity to Activities Important to Daily Living. The Project is located within not more than a ½ mile of at least 3 Activities Important to Daily Living.	<b>5 points</b>

### Sponsor Characteristics

#### M. Developer Capacity. **Up to 5 points**

Points are based on the development experience of the Applicant, any Principal thereof, or Affiliates of either as follows:

Successfully completed at least one multifamily rental housing project with MaineHousing funding or completed at least one LIHTC Project in another state(s).	<b>5 points</b>
Experience developing and operating multifamily rental housing or experience managing Affordable Housing, <i>and</i> the Applicant has a contract with a qualified LIHTC consultant to develop the Project.	<b>4 points</b>
Experience developing and operating multifamily rental housing.	<b>3 points</b>

#### N. Owner Performance. **Up to 5 Points**

Points are based on the recent performance of the Applicant. MaineHousing may reject the Application if it determines outstanding deficiencies are not addressed, or require financial statements from the Applicant, Principals thereof, or Affiliates.

Has not been 60 calendar days or more delinquent in the payment of any MaineHousing loan since September 22, 2014 (except delinquencies resulting from the delay or loss of Section 8 housing assistance payments), declared in default by MaineHousing, nor had a municipal tax lien placed on any housing funded by MaineHousing.	<b>2 points</b>
No LIHTC Projects still in their Compliance Period had a year-end operating deficit, in the last full Fiscal Year, unless the operating deficit was fully funded by the Application deadline.	<b>2 point</b>
Was not (a) issued an IRS Form 8823 for any reason other than a violation of UPCS or local inspection standards (box 11c) that was subsequently reported as “noncompliance corrected” within the correction period, nor (b) had an IRS audit finding resulting in a recapture event, since September 22, 2016.	<b>1 point</b>

O. Management Experience. **Up to 5 points**

The company that will manage the Project has at least

one (1) staff person with a minimum of three (3) years of experience successfully managing at least one (1) LIHTC Project.	<b>3 points</b>
one (1) staff person with LIHTC training for every 150 units in LIHTC Project(s) the company plans to manage.	<b>2 points</b>

P. Management Performance. **Up to 3 points**

Management Companies which have shown exceptional performance in their management of LIHTC Projects still in their Compliance Period are eligible for points as follows.

The average of the most recent physical plant inspection scores as of June 30 before the Application deadline is equal to Above Average or better.	<b>1 point</b>
The average of Project Reports submission scores for the last reporting period as of June 30 before the Application deadline is equal to Above Average or better.	<b>1 point</b>
The average of the most recent Management and Occupancy Review scores as of June 30 before the Application deadline is equal to Above Average or better.	<b>1 point</b>

Q. Tie Breaker.

If more than one Application has the same score, the Application for the least amount of Credit and 0% deferred debt from MaineHousing per unit will have priority. If the Applications request the same amount of these resources, the Application with the most acceptable plan to convert the Project to affordable homeownership for the residents after the Extended Use Period will have priority. The plan must describe the process for transferring ownership to the residents, the purchase price or process for determining it, any financial assistance available for residents (including any reserves), how the affordability will be maintained, and must provide for homebuyer counseling and professional representation of the residents at the time of the conversion.

R. Review Process.

MaineHousing will notify each Applicant of its initial score in writing. If MaineHousing assigns a score in a scoring category which is lower than the score the Applicant assigned itself in the scoring category, the Applicant will have five business days from such written notice to demonstrate to MaineHousing that the Application as submitted should receive the higher score. MaineHousing will then make a final determination of scores and the ranking of Applications.

## SECTION 7: PROJECT EVALUATION

A. Amount of Credit. The amount of Credit allocated will be determined as follows:

1. The calculation of the amount of Credit will be based on 130% of Eligible Basis. MaineHousing has designated the entire State as a DDA under [Section 42\(d\)\(5\)\(B\)\(v\)](#) of the Code because of the high cost of developing housing, the low median income, and the high annual operating costs for housing relative to other states;
2. To determine the amount of Credit, MaineHousing will use the lesser of (a) the market rent, based on the Application market study as approved by MaineHousing, and (b) the maximum Credit rent. For three or more bedroom units MaineHousing will use the maximum Credit rent for two-bedroom units plus \$50.00;
3. The amount of Credit allocated for a Project will not exceed the least of
  - a) the amount the Project is eligible to receive under [Section 42](#) of the Code,
  - b) the amount MaineHousing determines is necessary for financial feasibility and viability throughout the Credit Period, and
  - c) the Maximum Credit Amount;
4. The Applicant must submit financial and all other required information. MaineHousing will evaluate the need for Credit based on
  - a) all sources of financing, including the terms and conditions,
  - b) equity expected to be generated by reason of tax benefits, and
  - c) the uses of funds, including the reasonableness of development costs and operating expenditures; and
5. In order to determine the amount of Credit, MaineHousing must identify a gap between development sources and uses absent a Credit allocation. MaineHousing may limit recognition of Intermediary Costs, re-characterize Project sources and uses and make reasonable assumptions with respect to projected revenues and expenses. MaineHousing will also take into consideration any federal limitations when combining the Credit with other federal assistance (i.e. “subsidy layering” guidelines).

B. Developer Fee. Developer Fee will be determined as follows:

1. Maximum Developer Fee. The total Developer Fee may not exceed the sum of 15% of the Housing Development Costs, plus 10% of the costs of acquisition of land, existing buildings and equipment, determined without regard to the Developer Fee.
2. Net Developer Fee. The amount of Developer Fee not deferred may not exceed \$750,000 plus any unused construction contingency returned to the Applicant after completion.

3. Additional Developer Fee. An Applicant is eligible for Developer Fee in excess of the Net Developer Fee calculated above only if it is deferred and used to increase the tax credit basis.
- C. General Contractor Intermediary Costs. The general contractor's Intermediary Costs must be:
1. separated from other construction and rehabilitation costs,
  2. with general conditions and overhead and profit parsed out, and
  3. no more than 14% of the Total Construction Cost, within the following ranges:
    - a) General conditions up to 6% of Total Construction Cost, and
    - b) Overhead and profit up to 8% of Total Construction Cost
- D. Time of Credit Determination. MaineHousing will determine the amount of Credit at the time of
1. Application, which will be evidenced by the Notice to Proceed;
  2. the allocation of Credit, including any carryover allocation;
  3. the date each Qualified Building is Placed in Service; and
  4. if a Qualified Building is allocated Credit pursuant to Section 9, the date of issuance of the tax-exempt bonds.
- Prior to each determination, the Applicant must certify the full amounts of all funding sources and provide any other information required by MaineHousing.
- E. Market Study. The applicant must submit a comprehensive market study prepared by a qualified professional in accordance with the *National Council of Housing Market Analysis Model Standards for Market Studies for Rental Housing*. MaineHousing may require the Applicant to either correct any inadequacies it identifies or submit a new market study. MaineHousing also may elect to commission its own market study.
- F. Construction Cost Increases. MaineHousing may allocate additional Credit to a Project if its construction costs increase after the Application date and the increase is the result of market conditions or other circumstances beyond the Applicant's control. Any additional Credit will not exceed an amount necessary to generate equity equal to 5% of the Total Construction Cost based on construction bids.

## SECTION 8: ALLOCATION OF CREDIT

- A. Allocation. MaineHousing will issue one or more IRS Form(s) 8609 after receipt of the following:
1. A complete request for allocation of Credit in a form prescribed by MaineHousing.
  2. An audit report on the schedule of project costs prepared by an independent, third party certified public accountant including all associated costs (such as commissions, due diligence, legal, accounting, reserves, and other similar items).
  3. Certification of the Project's sources, including all federal, state and local subsidies in any stage of commitment. This certification must include income, operating and development cost projections and methods for satisfying any deficits.
  4. The allocation fee and monitoring fee less the amount of any allocation fee paid in connection with the issuance of a carryover allocation.
- B. Carryover Allocation.
1. The Applicant must submit the following to receive a carryover allocation:
    - a) A complete request for carryover allocation in the form prescribed by MaineHousing no later than the first day of December of the year in which the carryover allocation is made.
    - b) Certification of the Project's sources, including all federal, state and local funding. This certification must include income, operating and development cost projections and methods for satisfying any deficits.
    - c) Development progress report, including completion likelihood.
  2. The applicant must execute a carryover allocation and return it to MaineHousing, together with the allocation fee, no later than December 31 of the year in which the carryover allocation is made.
  3. A carryover allocation will be subject to the following conditions:
    - a) satisfactory evidence that more than 10% of the Project's reasonably expected basis is incurred within 12 months of the carryover allocation, including an audit report prepared by an independent, certified public accountant; and
    - b) any performance conditions MaineHousing may require.

Failure to comply with these conditions may result in termination of the carryover allocation.

- C. Tax Credit Compliance Experience. Prior to an allocation the Applicant must demonstrate that the entity managing the Project has sufficient Credit compliance experience and training. The entity must complete a Credit compliance training or receive a certification from a MaineHousing-approved trainer.
- D. Extended Use Agreement. Prior to an allocation of Credit, the Owner must enter into an Extended Use Agreement with MaineHousing obligating the Owner to comply with [Section 42](#) of the Code, the threshold requirements in Section 5, and commitments for which the Application was awarded points. The Extended Use Agreement must be recorded in the appropriate registry of deeds prior to all mortgage liens and encumbrances on the Project and before MaineHousing issues any IRS Form 8609 for the Project.
- E. Converting a Carryover Allocation. MaineHousing may convert a carryover allocation to the year in which it is terminated or the following year if there are extenuating circumstances beyond the Applicant's control. The carryover allocation must be rescinded by the mutual consent of MaineHousing and the Applicant. There can be no change in the design or financing that would render the Application withdrawn under Section 4.I. The Project will be subject to the QAP in effect at the time of the original allocation.
- F. Forward Allocation of Credit. MaineHousing may issue a binding commitment to allocate State Ceiling available in the subsequent year upon determining that the amount of Credit in the current year's State Ceiling is insufficient.

## **SECTION 9: TAX-EXEMPT BOND FINANCED PROJECTS**

Projects financed with tax-exempt bond proceeds must satisfy all QAP requirements except

- A. the Maximum Credit Amount limitation in Section 3.C.,
- B. the application limits in Section 4.B.1.,
- C. the application deadlines in Section 4.B.2.,
- D. the selection process described in Sections 4.F.,
- E. the affordability threshold requirement set forth in Section 5.A.,
- F. the requirement of a minimum \$50,000 per unit of Rehabilitation Costs for Projects involving the acquisition and rehabilitation of existing housing in Section 5.D.2.,
- G. the scoring criteria in Section 6, and

H. the Developer Fee limits in Section 7.B.

## SECTION 10: MONITORING

A. Compliance with Applicable Laws. Owners must comply with all local, state and federal laws and regulations, including without limitation:

1. [Section 42](#) of the Code and associated regulations and guidance;
2. UPCS and all other local, state and federal health, safety and building codes applicable to the Project;
3. the [Federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968](#), as amended by the Fair Housing Amendments Act of 1988 ([42 U.S.C. §3601 et seq.](#)), Title II of the Americans with Disabilities Act of 1990 ([42 U.S.C. §12101 et seq.](#)), and the Maine Human Rights Act ([5 M.R.S.A., Chapter 337, Subchapter IV](#)) and all other applicable federal, state and local fair housing and accessibility requirements, and the regulations, guidance and standards associated with all of the foregoing; and
4. Title VI of the Violence Against Women Reauthorization Act of 2013, [42 USC Chapter 136, Subchapter III, Part M](#), and all associated regulations and guidance, as may be amended (VAWA).

B. Recordkeeping and Record Retention. Each Owner must keep on file and available to MaineHousing upon request the following records for each Qualified Building in its LIHTC Project(s) for each year in the Extended Use Period:

1. The total number of residential rental units including the number of bedrooms and the square footage of each unit;
2. The number of low-income units;
3. The rent charged for each unit including any utility allowances;
4. The number of occupants in each low-income unit;
5. The number of low-income unit vacancies and information showing when, and to whom, the next available units were rented;
6. Income certification and third-party documentation verifying the income of each household occupying a Credit Unit at the time of initial occupancy and for each new person added to the household after initial occupancy;
7. Annual income certifications and third-party documentation verifying the income of each household occupying a Credit Unit in a LIHTC Project are required if not all of the units

in the LIHTC Project are Credit Units, or the LIHTC Project is financed or assisted under a state or federal program that requires annual certifications.

For a LIHTC Project with 100% Credit Units that are subject to more than one income limit, annual income certifications are only required for the households occupying the Credit Units subject to the lower income limits. The annual certification may be a self-certification, except that third-party documentation verifying the income of the household is required every 6 years from the date the LIHTC Project is Placed in Service and otherwise upon request by MaineHousing. The self-certification must be

- a) in writing,
- b) include the size of the household and annual household income,
- c) state that the information is complete and accurate,
- d) indicate that third-party source documentation will be provided if requested by the Owner or MaineHousing, and
- e) witnessed.

Annual income certifications are not required for a LIHTC Project with 100% Credit Units subject to the same income limit.

- 8. The Eligible Basis and Qualified Basis of each Qualified Building at the end of the first year of the Credit Period;
- 9. The character and use of the nonresidential portion of a Qualified Building included in its Eligible Basis;
- 10. A determination of the student status of the resident household;
- 11. The tenant occupancy policies and procedures and lease. The lease form and content must be acceptable to MaineHousing and comply with all applicable federal, state and local laws (including VAWA); and
- 12. All other disclosures to tenants, certifications and other records required by applicable local, state and federal laws.

Owners must maintain these records throughout the Extended Use Period for at least 6 years after the due date (with extensions) for filing the federal income tax return for that year, except that the records for the Credit Period's first year must be retained at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period.



- C. Annual Reports. Each Owner must submit the following to MaineHousing by March 1<sup>st</sup> of each year throughout the Extended Use Period:
1. Certification for the prior calendar year that the Owner's LIHTC Project(s) comply with IRS Treasury Regulation §1.42-5(c)(1) and *MaineHousing's Low Income Housing Tax Credit Program Owner's Certificate of Continuing Program Compliance* attached hereto as **Appendix D**. A completed and executed IRS Form 8609 for each Qualified Building must be submitted with the first certification; and
  2. Certain information and data about the tenants in Credit Units for the prior calendar year, including household income; monthly rental payments; family composition; use of Section 8 rental assistance and other similar assistance; the race, ethnicity, age and disability status of the members of the households; and all other occupancy information required by MaineHousing.
- D. Review. For new LIHTC Projects, MaineHousing will complete a review of tenant records within two (2) years following the year the last Qualified Building is Placed in Service. MaineHousing will give owners reasonable prior written notice of a review. To the extent required by the Internal Revenue Service (IRS), MaineHousing will inspect low income certifications and tenant records in accordance with IRS Treasury Regulation §1.42 5(c)(2)(iii)(A) through (D) and §1.42 5(d) and will give no more than 15 calendar days prior notice.
- E. Inspections. Every one to three years after a Project is Placed in Service, MaineHousing will inspect LIHTC Projects. For new LIHTC Projects, MaineHousing will inspect Credit Units by the end of the second calendar year following the year the last Qualified Building is Placed in Service. MaineHousing will give reasonable prior written notice. To the extent required by the Internal Revenue Service, MaineHousing will inspect the LIHTC Projects in accordance with IRS Treasury Regulation §1.42 5(c)(2)(iii)(A) through (D) and §1.42 5(d) and will give no more than 15 calendar days prior notice.
- F. Notification of Noncompliance. MaineHousing will notify an Owner in writing of any failure to
1. submit any complete certifications or information required by MaineHousing when due,
  2. allow MaineHousing to perform any review or inspection required under this Section, or
  3. comply with [Section 42](#) of the Code or any others requirements under this QAP.

The Owner will have a reasonable period of time to correct the noncompliance identified in the notice. MaineHousing will file a Form 8823, "Low-Income Housing Credit Agencies Report of Noncompliance" with the Internal Revenue Service within 45 calendar days of the end of the correction period.

## SECTION 11: GENERAL

- A. Conflicts. If this rule conflicts with [Section 42](#) of the Code or any other provision of federal or State law, the federal or State law shall control.
- B. Full Discretion. MaineHousing is entitled to the full discretion allowed by law in making all decisions and interpretations under this rule.
- C. Not an Entitlement. This rule establishes a pool of eligible Applicants but does not preclude additional reasonable criteria and does not confer any automatic right or entitlement to Credit on any person or entity eligible hereunder. MaineHousing may reject any and all Applications and may refuse to award any or all of the Credit.
- D. Final Agency Action. The director of MaineHousing, individually or by exercise of the delegation of powers contained in the Act, shall make all decisions and take all action necessary to implement this rule. Such action of the director shall constitute final agency action.
- E. Waiver. Upon a determination of good cause, the director of MaineHousing or the director's designee may, subject to statutory limitations, waive any provision of this rule. The waiver must be in writing and must be supported by documentation of the pertinent facts and grounds.
- F. Freedom of Access Act. MaineHousing is subject to the Freedom of Access Act, [1 M.R.S.A. §401 et seq.](#), which requires the disclosure of all information provided to MaineHousing that is not specifically excluded, such as confidential information under the Act. MaineHousing shall not be liable for the disclosure of any information that it determines must be disclosed under the Freedom of Access Act.
- G. Liability. Compliance with [Section 42](#) of the Code is the responsibility of the Owner. MaineHousing is in no way responsible for an Owner's compliance or liable for an Owner's noncompliance. Any allocation, review or inspection by MaineHousing and any determination made by MaineHousing pursuant to this QAP is for the sole benefit of MaineHousing. No liability or responsibility for Owner compliance with [Section 42](#) of the Code or other applicable requirements and no representation or warranty of a Project's feasibility or viability, eligibility for Credit, or compliance shall be implied or construed from any such actions and determinations by MaineHousing.
- H. Headings/Context. The headings in this rule are for convenience only and do not define or limit the scope of the provisions of this rule. The use of Section, Subsection or Appendix without a reference to another document or source refers to a section, subsection and Appendix of this rule.

**STATUTORY AUTHORITY:** [30-A MRSA §§4741\(1\) and 4741\(14\)](#), [Section 42](#) of the Internal Revenue Code of 1986, as amended

**BASIS STATEMENT:** This rule is the qualified allocation plan for allocating and administering federal low income housing tax credits (“LIHTC”) in the State of Maine, which MaineHousing, as the State’s designated housing credit agency, is required to adopt pursuant to [Section 42](#) of the Internal Revenue Code and the above-referenced sections of the Maine Housing Authorities Act.

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

Throughout:

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

Section 3B: Added HUD’s Section 18 Demolition/Disposition Program and other HUD conversion programs to the Preservation Set-Aside eligibility.

Section 4A: Pre-apps due July 7, 2022 and July 6, 2023. Deleted deadline for pre-app discussions with MaineHousing.

Section 4B: Applications due September 22, 2022 and September 21, 2023.

Section 4D: Expanded factors for deeming Applicants and Investors ineligible to include seeking early termination of an Extended Use Agreement through the Qualified Contract process and undertaking efforts to undermine the exercise of a right of first refusal or purchase option.

Section 5A: Expanded Threshold Requirements to include submission of an investor letter of intent committing to the granting of purchase options and, when an eligible nonprofit organization is involved, a right of first refusal.

Section 5C: Increased the TDC Index caps.

Section 5E: Clarified the management experience and capacity requirements when multiple subsidy sources create overlapping targeting and rental restrictions.

Section 5I: Added installation of electrical raceways/conduits for electrical vehicle chargers and PV solar panels to the Project Design requirements.

Section 5J: Standards for broadband infrastructure required for telemedicine will be those established by the Maine Connectivity Authority in addition to ConnectMaine.

- Section 5M: Clarified that the preference for public housing or Section 8 waiting list in Projects with Section 8 project-based rental assistance will apply to any Credit Units without project-based rental assistance.
- Section 6A: Increased the scoring points for Rehabilitation or Reuse of Existing Housing, Structure or Site from 3 to 4.
- Section 6B: Increased the scoring points for Historic Rehabilitation from 3 to 4.
- Section 6C: Increased the scoring points for Populations with Special Needs from 3 to 6, revised the criteria from requiring a waiting list for special populations to creating a set-aside of those units. Funding from Housing Trust Fund and/or Project-Based Vouchers will be available as necessary.
- Section 6F: Increased the scoring points for Readiness from 6 to 8.
- Section 6H: Deleted Below Market Capital as a scoring criteria.
- Section 6J: Deleted New Project-Based Rental Assistance as a scoring criteria.
- Section 6K: Reduced the maximum scoring points for Property Tax Relief from 4 to 3, revised the scoring categories and added the dates of the application deadlines for approval of Affordable Housing TIFs.
- Section 6L: Increased the maximum scoring points for Housing Need from 8 to 10, clarified the ability of a municipality to carry over its scoring points for one year if the prior year was higher and revised the breakdown of municipalities in each scoring block.
- Section 6O: Deleted High Opportunity Areas as a scoring criteria.
- Section 6P: Increased the maximum scoring points for Developer Capacity from 4 to 5.
- Section 6Q: Increased the maximum scoring points for Owner Performance from 4 to 5.
- Section 6R: Increased the maximum scoring points for Management Experience from 3 to 5.
- Section 7A: Dropped the reference to the monthly Applicable Percentage in calculating Credit amounts as both the 9% and 4% credit percentages are now fixed.
- Section 7E: Deleting the Binding Agreement/Rate Lock for the Applicable Percentage as both the 9% and 4% credit percentages are now fixed.
- Definitions: Deleted definitions of “Below Market Capital” and “High Opportunity Areas”, added definitions of “Compliance Period”, “Credit Period”, “Persons Experiencing Homelessness”, “Qualified Contract” and “Qualified Nonprofit Organization” and

clarified that MaineHousing's Construction Standards include its accessibility policy and procedures.

Appendix E: Added to set forth the requirements for Purchase Options and Rights of First Refusal.

**PUBLIC COMMENT:**

*Process:*

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

**FISCAL IMPACT OF THE RULE:** The 2023 State of Maine ceiling of federal low-income housing tax credits is projected to raise approximately \$30,500,000 of private investor capital, and the 2024 State of Maine ceiling of federal low-income housing tax credits is projected to raise approximately \$31,000,000 of private investor capital. The private investor capital generated by the federal low-income housing tax credits will be used to develop affordable housing for low-income persons. Additionally, it is estimated that 1,400 jobs a year will be created with this investment. The rule will not impose any costs on municipalities or counties for implementation or compliance.

**EFFECTIVE DATE:**

## APPENDIX A

### Definitions

“Above Average” means an average overall score of 4 in the rating category - Physical plant inspections, Project Reports submissions, or Management and Occupancy Reviews. Physical plant inspections, and Management Occupancy Reviews are scored on the following scale: 1- Unsatisfactory, 2 – Below Average, 3 – Average, 4 – Above Average, and 5 – Superior. Project Reports submissions are scored as 5-Timely Submission and 1-Late Submission for each required submission report – Audited Financial Review (AFR), Budget, and Owner Certification of Continued Compliance.

“Act” means the Maine Housing Authorities Act, [30-A M.R.S.A. §4701 et seq.](#), as may be amended from time to time.

“Activities Important to Daily Living” means activities or destinations that are important to the course of daily living of the population served by the Project, which include a grocery store, a public school only if the Project is housing for families, a daycare only if the Project is housing for families, a senior center only if the Project is Housing for Older Adults, a pharmacy, a bank or credit union, a post office, a retail store, a general health care practitioner’s office, a public library, a location where people socialize, a hospital and other activities or destinations approved by MaineHousing. Convenience stores and gas stations are not eligible destinations for purposes of this subsection. If there is more than one activity or destination important to the course of daily living within a single establishment, each activity or destination will be counted separately (e.g. a retail store that also includes a pharmacy and a bank branch will be treated as 3 destinations important to the course of daily living).

“Adaptive Reuse” means the conversion of an existing non-housing building or structure to multi-family residential rental housing or the reconstruction of existing housing that has become functionally obsolete, as determined by MaineHousing.

“Affiliates” means any person or entity directly or indirectly controlling, controlled by, or under common control with another person or entity.

“Affordable Housing” means multi-family rental housing that has five or more units and is assisted under a HUD or Rural Development program or is subject to a restrictive covenant requiring units in the housing to be restricted to households with income at or below 60% of area median income, as determined by HUD.

“Affordable Housing TIF” means an affordable housing development district and development program approved by MaineHousing pursuant to MaineHousing’s Affordable Housing Tax Increment Financing Program, [30-A M.R.S.A., Chapter 206, Subchapter 3](#) and the Act, as may be amended.

“Applicant” means the entity applying for Credit, its successors and assigns, which must be the entity that will be the owner of the Project for tax purposes; must be duly organized and validly existing under the laws of the state in which it is formed, and if not formed in this State, must be

duly authorized to conduct business in this State; and must be in good standing under the laws of this State and its state of formation, if not this State.

“Application” means an application to MaineHousing for an allocation of Credit.

“Capitalized Lease Value” means the net present value of all lease payments under a lease calculated over the term of the lease using the 10-year Treasury note rate 60 calendar days before the Application deadline plus 300 basis points.

“Code” means the Internal Revenue Code, Title 26 of the United States Code, and applicable regulations promulgated pursuant thereto, as may be amended.

“Community Revitalization Plan” means (1) a community that has been designated by HUD or RD as an Empowerment Zone, a Renewal Community or Enterprise Community, or a Neighborhood Revitalization Strategy Area; or (2) a written plan that was formally adopted by the governing body of a municipality no more than twelve (12) years prior to the Application deadline following a concerted planning process and public input, specifically targets a neighborhood or area in the community (not a single building or site or the entire municipality) for redevelopment or revitalization, and includes (a) an assessment of the existing physical structures and infrastructure of the area, (b) detailed policy goals with respect to economic redevelopment, the rehabilitation or development of housing (including multi-family rental housing) and the improvement or expansion of infrastructure, and (c) proposed activities and a timetable for implementing the policy goals. Plans for a single development and plans formulated by or on behalf of the Applicant are not Community Revitalization Plans. A comprehensive plan that meets all of the requirements in (2) may qualify.

“Compliance Period” means the period defined in Section 42(i)(1) of the Code.

“Credit” or “LIHTC” means the low-income housing tax credit established pursuant to [Section 42](#) of the Code and allocated pursuant to this rule.

“Credit Period” means the period defined in Section 42(f)(1) of the Code.

“Credit Units” means units in a Project that are eligible for Credit.

“Demand Response Transportation” means on-call transportation services that operate at least 3 days per week and provide service throughout the day.

“Developer Fee” means the total compensation for the work, costs and risks associated with developing a Project, including without limitation, creating the Project concept, identifying and acquiring the Project site, obtaining construction and permanent financing, obtaining necessary subsidies, negotiating the syndication of investment interests in the Project, obtaining all necessary regulatory approvals, constructing and/or rehabilitating the Project and marketing, and includes all amounts paid to consultants to perform this work, except fees for professional services such as environmental assessments, rental market studies, soil tests, and water tests, and includes all reserves, in the form of cash, expected to be paid to the tax credit developer from the Project.

“DDA” means an area of the State that is designated by HUD as a difficult development area

pursuant to [Section 42\(d\)\(5\)\(B\)\(iii\)](#) of the Code or an area of the State that is designated by MaineHousing as a difficult-to-develop area in Section 7.A.3 pursuant to [Section 42\(d\)\(5\)\(B\)\(v\)](#) of the Code.

“Extended Use Agreement” means an agreement that satisfies the requirements of [Section 42\(h\)\(6\)\(B\)](#) of the Code.

“Extended Use Period” means the period of time specified by MaineHousing in the Extended Use Agreement executed in connection with a Project pursuant to [Section 42\(h\)\(6\)\(D\)](#) of the Code, which is the period set forth in Section 5.A. for Projects allocated Credit under the State Ceiling.

“Extremely Low Income” means income that is at or below 30% of the area median income as determined pursuant to the regulations and guidance governing the National Housing Trust Fund.

“Family Housing” means housing for families that qualifies for points under the Family Housing scoring criteria set forth in Section 6.E.

“Fiscal Year” means the fiscal year for a LIHTC Project as defined in the Owner’s organizational documents.

“Fixed-route Public Transportation” means year-round, regularly scheduled public transportation that operates at least 5 days per week and provides regular service throughout the day.

“Housing Development Costs” means the total of all direct and indirect costs incurred in financing, creating, purchasing or rehabilitating a LIHTC Project except the costs attributable to the acquisition of the land and any existing buildings as determined by MaineHousing.

“Housing for Older Adults” means a Project that is designated as elderly or senior housing and receives funding and project-based rental assistance under a RD or HUD multi-family elderly housing program (such as [RD’s Section 515 Rural Rental Housing Program](#) and [HUD’s Section 202 Supportive Housing for the Elderly Program](#)) or that meets the definition of “housing for older persons” under the federal [Fair Housing Act, 42 U.S.C. §3607\(b\)\(2\)](#) and the Maine Human Rights Act, [5 M.R.S.A. §4581 et seq.](#) and all associated regulations, as may be amended.

“HUD” means the United States of America acting through the United States Department of Housing and Urban Development.

“Intermediary Costs” means all Housing Development Costs except the actual construction costs or eligible rehabilitation costs under [Section 42\(e\)](#) of the Code attributable to the development of the units.

“IRS” means the United States Department of Treasury, Bureau of Internal Revenue Service.

“LIHTC Project” means a qualified low-income housing project as defined in and governed by [Section 42\(g\)](#) of the Code.

“MaineHousing” means Maine State Housing Authority.



“MaineHousing’s Construction Standards” means MaineHousing’s [Quality Standards and Procedures Manual](#) in effect 60 calendar days prior to the applicable deadline for an Application for Credit which include without limitation certain energy efficiency standards and UPCS and incorporate MaineHousing’s accessibility policy and procedures.

“Maximum Credit Amount” means the maximum amount of Credit a Project is eligible to receive pursuant to Section 3.C.

“National Housing Trust Fund” means the Housing Trust Fund established under Title I of the Housing and Economic Recovery Act of 2008, [12 U.S.C. §4568](#), together with associated regulations and guidance now or hereafter promulgated pursuant thereto.

“Net Developer Fee” means the Developer Fee with respect to a Project that does not exceed the applicable limit set forth in Section 7.B.2., including any portion thereof that is deferred or loaned to pay for costs associated with the Project (and does not include any additional Developer Fee allowed under Section 7.B.3).

“Notice to Proceed” means the notice that a Project has been selected for further evaluation to determine the Project’s eligibility for Credit and the amount of Credit to be allocated for the Project. The Notice to Proceed will require the submission of all information necessary for MaineHousing to determine the amount of Credit, if any, to be allocated to the Project, obligate the Applicant to fulfill all commitments made in the Application, and require the Applicant to promptly and diligently develop and complete the Project according to the deadlines specified in the notice.

“Owner” means the legal owner of a LIHTC Project or Qualified Building for which an Application has been submitted to MaineHousing or which has received an allocation of Credit from MaineHousing pursuant to this Qualified Allocation Plan or a prior Qualified Allocation Plan for the State.

“Ownership Transfer Rule” means Chapter 27 of MaineHousing’s rules, *Transfers of Ownership Interests*, and the policies and procedures related thereto, all as may be amended.

“Passive House Certification” means certification from Passive House Institute US, Inc. (PHIUS) or Passive House Institute (PHI) prior to MaineHousing’s issuance of IRS Form 8609.

“Persons Experiencing Homelessness” means persons sleeping in a place not meant for human habitation, in an Emergency Shelter, or in other emergency housing; persons exiting an institution where they resided for 90 days or less and who had resided in an Emergency Shelter, other emergency housing, or place not meant for human habitation before entering that institution; and persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual’s or family’s current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.

“Placed in Service” means the date on which a Qualified Building is suitable and available for occupancy as determined in accordance with [Section 42](#) of the Code.

“Principal” means any person or entity with a controlling interest in another entity, including without limitation, a person or entity with an ownership interest in an Applicant that controls the development and day-to-day operation of a Project, such as the general partner(s) of a limited partnership or the manager(s) or member(s) invested with the management authority of a limited liability company, and all persons and entities with an ownership interest in or control of said entity.

“Project” means the property described in the Application, which must be a qualified low-income housing project as defined in and governed by [Section 42\(g\)](#) of the Code.

“Project Reports” means the annual certification and tenant data required under Section 10.C., and if required for the LIHTC Project, the audited financial report (AFR) and the annual project budget.

“QCT” means an area of the State designated by HUD as a qualified census tract pursuant to [Section 42\(d\)\(5\)\(B\)\(ii\)](#) of the Code.

“Qualified Allocation Plan” or “Plan” means the plan for allocating and administering the Credit adopted by the housing credit agency pursuant [Section 42\(m\)\(1\)\(B\)](#) of the Code.

“Qualified Building” means a qualified low-income building as defined in and governed by [Section 42\(c\)\(2\)](#) of the Code.

“Qualified Contract” means a contract as defined in Section 42(h)(6)(F) of the Code.

“Qualified Nonprofit Organization” means a qualified nonprofit organization as defined in Section 42(h)(5)(C) of the Code.

“Rehabilitation Costs” means with respect to a Project (1) the site costs, (2) the costs of complying with the construction requirements of other funding sources except those required by the Applicant, any Principal thereof or Affiliates of either, (3) contractor profit, overhead and general conditions, and (4) certain costs identified in the capital needs assessment required under Section 5.D.1. of the QAP, including (a) the cost of correcting all violations of applicable federal, state and local health, safety and building codes and correcting deferred maintenance, (b) the rehabilitation or replacement of all structures, systems, facilities and components that have reached or exceed their useful life or will reach their useful life within 5 years, (c) the cost of complying with MaineHousing’s Construction Standards, (d) the cost of complying with the most current accessibility requirements for new construction projects under applicable federal, state and local accessibility laws, regulations, standards and guidance, and (e) the remediation and disposal of any environmental or other hazards identified in environmental reports. Rehabilitation Costs do not include construction contingency, relocation costs, or other soft costs.

“Related Development” means any development of which the Project is a part or is related and the Project cannot be completed, either structurally or financially, without the completion of the development.

“RD” or “Rural Development” means the United States of America acting through the United States Department of Agriculture, Rural Housing Services.

“Safe Walking Distance” means a pedestrian route appropriate to the area, as determined by MaineHousing, with sidewalks, crosswalks and traffic signals at busy roads or intersections and year-round walkability, which includes being plowed during the winter.

“Section 8” means Section 8 of the United States Housing Act of 1937, [42 U.S.C. §1437f](#), as may be amended.

“Service Center Community” means an entire municipality that provides jobs and retail to surrounding areas and is a center for education, health care, cultural, recreational and social services, designated pursuant to the Municipal Planning Assistance Program of the State’s Department of Agriculture, Conservation and Forestry as a Regional Service Center as of January 2013.

“State” means the State of Maine.

“State Ceiling” means the State’s housing credit ceiling established pursuant to [Section 42\(h\)\(3\)\(C\)](#) of the Code.

“Tax Increment Financing” means any type of tax increment financing, including without limitation an Affordable Housing TIF, a development district and development program approved by a municipality or a tax increment financing district approved by the State’s Department of Economic and Community Development pursuant to [30-A M.R.S.A., Chapter 206](#), as may be amended.

“TDC Index” means the calculation described in Section 5.C.

“TDC Index Cap” means the limit on Total Development Cost set forth in Section 5.C.

"Telehealth" means the use of interactive real-time visual and audio or other electronic media for the purpose of consultation and education concerning and diagnosis, treatment, care management, and self-management of a patient's physical and mental health and includes real-time interaction between the patient and the telehealth provider, synchronous encounters, asynchronous encounters, store and forward transfers and remote patient monitoring. Telehealth includes telephonic services when interactive telehealth services are unavailable or when a telephonic service is medically appropriate for the underlying covered service.

"Telemonitoring," means the use of information technology to remotely monitor a patient's health status via electronic means through the use of clinical data while the patient remains in a residential setting, allowing the provider to track the patient's health data over time. Telemonitoring may or may not take place in real time.

“Total Construction Cost” means the sum of site costs, costs of constructing or rehabilitating structures, systems, facilities, units and components, general requirements, bond premiums, and contractor overhead and profit as determined by MaineHousing.

“Total Development Cost” or “TDC” means Total Project Cost less (1) the fees required by MaineHousing, (2) the Project’s operating deficit account to the extent required by MaineHousing and (3) the costs associated with any commercial space developed in connection with the Project.

“Total Project Cost” means the sum of all costs associated with the development, construction and rehabilitation of a Project, as determined by MaineHousing. Total Project Cost includes, without limitation, acquisition costs, the Capitalized Lease Value of all leases of land and building(s), demolition costs, Total Construction Cost, construction contingency, costs associated with community service facilities included in the Eligible Basis of the Project, soft costs (such as permits, design and engineering fees, environmental reports, appraisals, market studies and legal fees), syndication costs, Developer Fee, financing costs and project reserves. Community service facilities are not considered commercial space for purposes of Total Project Cost.

“UPCS” means the Uniform Physical Conditions Standards established by HUD pursuant to [24 CFR §5.703](#), as may be amended.

## APPENDIX B

### Pre-Application Submission Requirements

Applicants must submit a request for pre-application review and the following information to MaineHousing **at least 60 calendar days before the applicable Application deadline.**

1. A narrative description of the Project and any Related Development, including, the location, type of housing, total number of units by bedroom size, breakdown of required and/or pledged accessible units by type and location, total number of income-restricted units by bedroom size, proposed affordability, any existing affordability restrictions, any existing or proposed use restrictions, common areas and amenities at the Project, any community service facilities, any commercial space and other unique features of the Project.
2. Conceptual, Diagrammatic Site Plan and Conceptual Floor Plans and Conceptual Building Elevations in accordance with the requirements set forth in MaineHousing's [\*Quality Standards and Procedures Manual\*](#).
3. The status of applicable federal, State and local land use approvals for the Project and any Related Development, and any site, subdivision and other plans for the Project and any Related Development that have been prepared for submission or have been submitted to applicable municipal, state and federal governmental entities.
4. Details about the parking for the Project, including the number, type and location of all on-site parking and off-site parking and the terms and conditions thereof.
5. An explanation and all supporting documentation for any exceptions from the requirement to provide a community room, laundry facilities, telemedicine facilities or area activities in accordance with Section 5.J of the QAP.
6. All available information about any known or suspected environmental conditions on the Project site and any Related Development or adjacent sites that may impact the Project site or any Related Development, including any environmental reports. To the extent feasible, identify any and all visible (both on and off-site) fuel oil and propane tanks and include them on the site plan.
7. A capital needs assessment for any existing housing that meets the requirements in Section 5.D. and Appendix C.
8. A conceptual construction estimate(s) prepared by a qualified general contractor or third-party estimator for the Project and any Related Development, including trade breakdowns in the form of a schedule of values and a reasonable estimating contingency, if applicable, with sufficient detail to demonstrate expected construction-related costs. All exclusions and qualifications, if any, must be clearly stated in the estimate. The estimate is to be the basis of the hard cost line items contained in the project underwriting without exception.
9. A projected development and operating budget(s) for the Project and any Related Development which must be submitted electronically in the format prescribed by MaineHousing.

## APPENDIX C

### Capital Needs Assessment Requirements

1. The assessment must include a site visit, an interview with the on-site property manager and maintenance personnel concerning prior and pending repairs and improvements and existing or chronic physical deficiencies, and a physical inspection of the interior and exterior of at least 20% of the units and all other structures, facilities, systems and components that will be part of the Project, including the following:

- a) Site, including without limitation topography, drainage, pavement, curbing, walkways, sidewalks, parking, accessible parking, accessible routes, landscaping, amenities, water, sewer, storm drainage, and all utility lines;
- b) Structural systems and components, both substructure and superstructure, including without limitation foundations, exterior walls, balconies, porches, and stairways, exterior doors and windows, chimneys and roofing;
- c) Interiors, including without limitation unit and common area finishes and substrata (e.g. flooring, underlayment, carpeting, plaster or drywall, wall coverings and paint condition), and unit and common area kitchen finishes, cabinets, countertops and appliances, and unit and common area bathroom finishes, fixtures and accessories, laundry facilities, and common area lobbies and corridors; and
- d) Building systems, including without limitation plumbing supplies and drainage, domestic hot water production, heating, ventilating and air-conditioning production and distributions systems, fuel storage and delivery systems, electrical power distribution and metering systems, lighting controls and fixtures, smoke, fire and any other alarm systems, fire protection systems, security systems, and elevators.

The capital needs assessment must specifically identify all structures, systems, facilities, units and components that were inspected and must include a concise overview of the physical and operational condition of the existing housing and a detailed assessment of the expected useful life and the remaining useful life of each structure, system, facility, unit and component inspected. The assessment must also consider the presence of environmental and other hazards, including without limitation, asbestos, lead paint, mold, water damage and insect infestations.

2. The capital needs assessment must include a recommended scope of work and a cost estimate to complete the scope of work that addresses the following capital needs of the Project, without consideration of financial feasibility:

- a) Correction of all violations of applicable federal, state and local building, health and life safety codes and correction of all deferred maintenance;
- b) Rehabilitation or replacement of all structures, systems, facilities, units and components that have reached or exceeded their useful lives or will reach their useful lives within 5 years;
- c) Rehabilitation of all units and common areas and facilities to bring them into compliance with MaineHousing's Construction Standards to the maximum extent feasible;
- d) Rehabilitation of the minimum number of units and all common areas and facilities that are necessary to comply with the most current requirements for new construction projects under applicable federal, state and local accessibility laws, regulations, standards and guidance (which include without limitation, [Section 504 of the Rehabilitation Act of 1973](#), HUD's housing regulations at [24 C.F.R. Part 8](#) and any accessibility standard designated by HUD; Title II and Title III of the Americans with Disabilities Act of 1990 and the 2010 Standards of Accessible Design; and if the Project involves substantial rehabilitation, the Maine Human Rights Act, the Maine Human Rights Commission's Chapter 8, Housing Regulations, and ANSI Standard A117.1-2009); and

e) Remediation and disposal of any environmental or other hazards identified in the assessment.

3. The capital needs assessment must also identify any structures, systems, facilities, units and components with a remaining useful life of less than 30 years. The Application must include a plan for future rehabilitation or replacement of any identified structure, system, facility, unit and component with a useful life of less than 30 years that is not included in the scope of work for the Project, including possible funding sources, which will be considered in establishing the appropriate funding amounts for the Project's reserve accounts.

**APPENDIX D**  
**LOW INCOME HOUSING TAX CREDIT PROGRAM**  
**OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

To: *MaineHousing*  
*26 Edison Drive*  
*Augusta, ME 04330*

<b>Certification Dates:</b>	<b>From:</b> January 1, 20_____	<b>To:</b> December 31, 20_____		
<b>Project Name:</b>			<b>Project No:</b>	
<b>Project Address:</b>		<b>City:</b>	<b>County:</b>	<b>Zip:</b>
<b>Tax ID # of Ownership Entity:</b>				
<b>Building Identification Number(s):</b>	(1)	(2)	(3)	
	(4)	(5)	(6)	
	(7)	(8)	(9)	
	(10)	(11)	(12)	

☐ No buildings have been Placed in Service  
☐ At least one building has been placed in Service but owner elects to begin credit period in the following year.  
 If either of the above applies, please check the appropriate box, and proceed to page 2 to sign and date this form.

The undersigned\_\_\_\_\_ on behalf of

\_\_\_\_\_ (the "Owner"), hereby certifies that:

1. The project meets the minimum requirements of: (check one)
  - ☐ 20 - 50 test under Section 42(g)(1)(A) of the Code
  - ☐ 40 - 60 test under Section 42(g)(1)(B) of the Code
  - ☐ 15 - 40 test for "deep rent-skewed" projects under Section 42(g)(4) and 142(d)(4)(B) of the Code
  - ☐ Income Averaging
2. There has been **no change in the applicable fraction** (as defined in Section 42(c)(1)(B) of the Code) for any building in the project:
 

☐ NO CHANGE    ☐ CHANGE

If **"Change"**, list the applicable fraction to be reported to the IRS for each building in the project for the certification year on page 4:
3. There have been no changes in the building's eligible basis under Section 42(d) of any building in the project.
 

☐ NO CHANGE    ☐ CHANGE

If **"Change"**, list the changes on page 4:
4. The owner has received an annual Tenant Income Certification from each low-income resident and documentation to support that certification, or the owner has a re-certification waiver letter from the IRS in good standing, has received an annual Tenant Income Certification from each low-income resident, and



documentation to support the certification at their initial occupancy.

☐ YES

☐ NO

5. Each low-income unit in the project has been rent-restricted under Section 42(g)(2) of the Code:

☐ YES

☐ NO

6. All low-income units in the project are and have been for use by the general public and used on a non-transient basis (except for transitional housing for the homeless provided under Section 42 (i)(3)(B)(iii) of the Code):

☐ YES

☐ NO

☐ HOMELESS

7. There has been no finding of discrimination under the Fair Housing Act, 42 U.S.C 3601-3619 with respect to this project. A finding of discrimination includes an adverse final decision by the Secretary of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C 3616a(a)(1), or an adverse judgment from a federal court:

☐ FINDING

☐ NO FINDING

If "**Finding**", please explain the nature of the violation and attach a copy of the decision or judgment.

8. There has been no finding of discrimination under any other applicable local, State or federal equal access or nondiscrimination law with respect to this project. A finding of discrimination includes an adverse final decision by the governmental agency responsible for administering such law, or an adverse judgment from a court with jurisdiction over such law:

☐ FINDING

☐ NO FINDING

If "**Finding**", please explain the nature of the violation and attach a copy of the decision or judgment.

9. Each building in the project is and has been suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the state or local government unit responsible for making building code inspections did not issue a report of a violation for any building or low income unit in the project:

☐ YES

☐ NO

If "**No**", explain the nature of violation on page 4 and attach a copy of the violation report as required by 26 CFR 1.42-5 and any documentation of correction.

10. Each building and all FedHome (HOME) assisted units are suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the participating jurisdiction (MaineHousing) to meet the requirements of 24 CFR, Part 92, HOME Investment Partnership Program, Section 92.251.

☐ YES

☐ NO

☐ N/A

11. There has been **no change in the eligible basis** (as defined in Section 42(d) of the Code) of any building in the project since last certification submission:

☐ NO CHANGE

☐ CHANGE

If "**Change**", state nature of change (e.g., a common area has become commercial space, a fee is now charged for a tenant facility formerly provided without charge, or the project owner has received federal

subsidies with respect to the project which had not been disclosed to the allocating authority in writing) on page 4:

12. All tenant facilities included in the eligible basis under Section 42(d) of the Code of any building in the project, such as swimming pools, other recreational facilities, parking areas, washer/dryer hookups, and appliances were provided on a comparable basis without charge to all tenants in the buildings:  
☐ YES ☐ NO
13. If a low-income unit in the project has been vacant during the year, reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units were or will be rented to tenants not having a qualifying income:  
☐ YES ☐ NO
14. If the income of tenants of a low-income unit in any building increased above the limit allowed in Section 42(g)(2)(D)(ii) of the Code, the next available unit of comparable or smaller size in that building was or will be rented to residents having a qualifying income:  
☐ YES ☐ NO
15. Project complies with an extended low-income housing commitment as described in section 42(h)(6) (not applicable to buildings with tax credits from years 1987-1989):  
☐ YES ☐ NO ☐ N/A
16. In the prior 12 month period, the owner has:
- a) terminated the tenancy of a tenant in a low income unit, including without limitation, non-renewal of the lease of an existing tenant in a low income unit, for other than good cause;
  - b) increased the gross rent of a tenant with respect to a low income unit not otherwise permitted under Section 42 of the Code and any other applicable program (e.g. HOME, HUD Section 8);
  - c) denied tenancy to any applicant or terminated the tenancy of any tenant solely because the applicant or tenant had a Section 8 voucher or certificate; or
  - d) denied tenancy to any applicant, terminated the tenancy of any tenant, or failed to assist a tenant in finding alternative appropriate housing in violation of Title VI of the Violence Against Women Reauthorization Act of 2013, 34 USC Subpart 2 – housing rights Chapter 121 and applicable regulations (VAWA), as amended.
- ☐ YES ☐ NO

If “Yes”, please explain the nature of the violation on page 4.

17. The project complies with the requirements of all applicable Federal and State Housing Programs included in the development (e.g., Rural Housing Services, HOME, HUD Section 8, or Tax-Exempt Bonds).  
☐ YES ☐ NO
- If “No”, please explain the nature of the violation on page 4.
18. The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42(h)(5) of the code and its non-profit entity materially participated in the operation of the development within the meaning of Section 469(h) of the Code.  
☐ YES ☐ NO ☐ N/A

19. The property has not suffered a casualty loss resulting in the displacement of residents.  
☐ YES ☐ NO

If “Yes”, please explain the nature of the loss on page 4.

20. There has been no change in the ownership or management of the project:

☐ NO CHANGE    ☐ CHANGE

If "**Change**", complete page 4 detailing the changes in ownership or management of the project.

**Note: Failure to complete this form in its entirety will result in noncompliance with program requirements. In addition, any individual other than an owner or general partner of the project is not permitted to sign this form, unless permitted by the state agency.**

The project is otherwise in compliance with the Code, including any Treasury Regulations, the applicable State Allocation Plan, and all other applicable laws, rules and regulations. This Certification and any attachments are made UNDER PENALTY OF PERJURY.

\_\_\_\_\_  
(Ownership Entity)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PLEASE PROVIDE ANY CHANGES OR EXPLANATIONS REQUIRED UNDER QUESTIONS 1-19.**

Question #	Explanation

**CHANGE IN MANAGEMENT CONTACT**

Date of Change:	
Management Co. Name:	
Management Address:	
Management city, state, zip:	
Management Contact:	
Management Contact Phone:	
Management Contact Fax:	
Management Contact Email:	

1. **CHANGES IN OWNERSHIP OR MANAGEMENT**

(to be completed **ONLY** if **"CHANGE"** marked for question 20 above)

2. **TRANSFER OF OWNERSHIP**

Date of Change:	
Taxpayer ID Number:	
Legal Owner Name:	
Address:	
Phone:	
General Partnership:	
Status of Partnership (LLC, etc.):	

**CHANGE IN OWNER CONTACT**

Date of Change:	
Owner Contact:	
Owner Contact Phone:	
Owner Contact Fax:	
Owner Contact Email:	

## APPENDIX E

### REQUIREMENTS FOR PURCHASE OPTIONS/RIGHTS OF FIRST REFUSAL

#### I. The Purchase Options must:

- 1) grant to one or more of the general partner, managing member, developer or sponsor an irrevocable option to purchase the Project at the greater of: (a) its fair market value as encumbered by the Extended Use Agreement; and (b) the sum of: (i) the outstanding debt secured by the Project, (ii) the amount of the limited partner's or non-managing member's federal, state and local tax liability resulting from the sale of the Project, and (iii) all amounts owed to the limited partner or non-managing member under the limited partnership agreement or limited liability company operating agreement (the "Project Option Price");
- 2) grant to one or more of the general partner, managing member, developer or sponsor an irrevocable option to purchase the interest of the limited partner(s) or non-managing member(s) in the Project ownership entity ("Ownership Interest") at the purchase price equal to the amount the limited partner(s) or non-managing member(s) would have received on an after-tax basis if the Project had been sold at the Project Option Price and the proceeds distributed pursuant to the terms of the limited partnership agreement or limited liability company operating agreement;
- 3) be exercisable beginning at the earlier of: (a) the expiration of the Compliance Period; or (b) the exit of or change of controlling interest in the limited partner or non-managing member occurring after the expiration of the Credit Period;
- 4) expire no earlier than 36 months after the expiration of the Compliance Period; and
- 5) give the holder of the option a minimum of 12 months to close on the purchase of the Project or the Ownership Interest after exercise of the option or such longer period required by any lender(s) or other party whose consent to the transfer is required.

#### II. The right of first refusal (ROFR) must:

- 1) grant to a Qualified Nonprofit Organization an irrevocable and exclusive ROFR to purchase the Project at the lesser of: (a) its fair market value as encumbered by the Extended Use Agreement; and (b) the Minimum Purchase Price as defined in Section 42(i)(7) of the Code but in no event less than the outstanding debt secured by the Project (the "ROFR Price");
- 2) be exercisable beginning at the expiration of the Compliance Period;
- 3) expire no earlier than 36 months after the later of: (i) the public offer of the Project for sale by the general partner or managing member; and (ii) the expiration of the Compliance Period;
- 4) give the holder of the ROFR a minimum of 90 days to exercise its ROFR and a minimum of 12 months to close on the purchase of the Project after exercise of the ROFR or such longer period required by any lender(s) or other party whose consent to the transfer is required; and

5) not require more than a nominal earnest money deposit in order to exercise the ROFR.

III. The Project owner's limited partnership agreement or limited liability company operating agreement must provide that:

- 1) the holder of the ROFR may assign the ROFR to a governmental unit, tenant organization or resident management corporation of the Project, or another Qualified Nonprofit Organization without the consent of the limited partner(s) or non-managing member(s);
- 2) the general partner or managing member may elect to do any of the following:
  - a) subject to the consent of the limited partner(s) or non-managing member(s), which consent shall not be unreasonably withheld, conditioned, or delayed, sell the Project to the holder of the ROFR in connection with the exercise of the ROFR (the limited partner(s) or non-managing member(s) may not withhold consent for a non-material breach of the Project owner's organizational documents);
  - b) at its discretion, without the consent of the limited partner(s) or non-managing member(s), sell the Project to the holder of the ROFR in connection with the exercise of the ROFR following the general partner's or managing member's receipt of a bona fide third party offer to purchase the Project, which offer may be solicited by the general partner/managing member or the holder of the ROFR; or
  - c) at its discretion, without the consent of the limited partner(s) or non-managing member(s), offer the Project for sale publicly at any time following the expiration of the Compliance Period and thereafter accept an offer from the highest bidder to purchase the Project, as long as the sale price is not less than the ROFR Price, and provided such acceptance is subject to the rights of the holder of the ROFR to exercise the ROFR and purchase the Project at the ROFR Price;
- 3) the general partner or managing member is directed and authorized to execute all documents necessary to effect the sale of the Project pursuant to the ROFR or Purchase Options;
- 4) the limited partner(s) or non-managing member(s) affirmatively agree not to challenge: (i) the sale of the Project pursuant to the terms of the ROFR by the general partner or managing member to the holder of the ROFR even if the holder of the ROFR is affiliated with the general partner or managing member; (ii) the general partner's or managing member's acceptance of an offer from the highest bidder in response to the general partner's or managing member's public offer of the Project for sale and/or the exercise of the ROFR by the holder of the ROFR after any such acceptance; and (iii) the exercise of the Purchase Options by the holder(s) thereof;
- 5) in the event Section 42(i)(7) of the Code is amended to permit a Qualified Nonprofit Organization to hold a purchase option after the expiration of the Compliance Period, and only to the extent permitted under such revised Section 42(i)(7) of the Code, the holder of the ROFR shall be entitled to purchase the Project, or at its option, all of the interests in the owner, in either case at the ROFR Price, in lieu of exercising the ROFR;

- 6) neither the ROFR or Purchase Options will be adversely affected or limited by any other rights of the limited partner(s) or non-managing member(s), or any owner of any interest in any limited partner or non-managing member, such as forced sale rights, and there are no conditions to the exercise of the ROFR or Purchase Options except as explicitly identified in the limited partnership agreement or limited liability company operating agreement; and
- 7) any amendment that would modify any term or condition related to the ROFR or Purchase Options requires the prior written consent of MaineHousing.

## Legal Department Memorandum

**To:** MaineHousing Board of Commissioners

**From:** Ashley Janotta, Chief Counsel

**Date:** May 11, 2022

**Subject:** Request to Commence Rulemaking – Multi-Family Mortgage Loans

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At the May 17, 2022 Board meeting, we will ask you to authorize MaineHousing to commence rulemaking to repeal the *Multi-family Mortgage Loans* rule, Chapter 29 of MaineHousing's rules and replace it with the attached *Multi-family Mortgage Loans* rule.

This rule applies to our multi-family programs and is referred to in our multi-family program guides. Our statute requires us to have a rule for interest-bearing multi-family mortgage loans. We are revising the rule to comply with LD 1733, An Act to Provide Allocations for the Distribution of State Fiscal Recovery Funds which Governor Mills signed into law on July 19, 2021.

My memorandum to you dated April 14, 2022 highlighted the major changes being proposed to the Multi-Family Mortgage Loans Rule. With your approval we will publish a notice of public hearing to repeal and replace the current rule with the proposed rule. The public hearing will be held at the next meeting of the Board on June 14, 2022. We will keep the public comment period open for a period of 10 days following the public hearing. If there are no significant changes to the proposed rule after the hearing and comment period, we will ask the Board to adopt the proposed rule at the following Board meeting.

We look forward to discussing the proposed rule with you.

### **PROPOSED MOTION:**

*To authorize MaineHousing to commence the rulemaking process to repeal and replace Chapter 29 of MaineHousing's rules as described in the memorandums from Ashley Janotta, Chief Counsel to the Commissioners dated April 14, 2022 and May 11, 2022.*



99 INDEPENDENT AGENCIES - NOT PART OF STATE GOVERNMENT

346 MAINE STATE HOUSING AUTHORITY

Chapter # 29 Multi-family Mortgage Loans

Summary:

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

1. Definitions.

- A. "Act" means the Maine Housing Authorities Act, [30-A M.R.S.A. § 4701](#), *et seq.*
- B. "Applicant" means the individual, municipality or entity, or their assigns, applying for financing governed by this Rule.
- C. "CMF" means the Capital Magnet Fund established by the federal Housing and Economic Recovery Act of 2008.
- D. "Code" means the Internal Revenue Code of 1986, as amended.
- E. "Commissioners" means the Director, the Treasurer of the State of Maine, and the eight other persons appointed to the MaineHousing board of commissioners pursuant to [30-A M.R.S.A. § 4723](#), *et seq.*
- F. "Developer" means an Applicant, or an assign of the Applicant, who has received a Term Sheet.
- G. "Development" means the land and buildings an Applicant or Developer intends to acquire, construct, rehabilitate, or preserve as rental units for Low-income Persons with funding from a Program.
- H. "Development Team" means Applicants and Developers and those working in conjunction with them on a Development, including, without limitation, consultants, architects, engineers, attorneys, real estate agents and brokers, management and marketing agents, contractors, financial institutions, insurance agents, investment brokers, and service providers.
- I. "Director" means the director of MaineHousing.
- J. "General Mortgage Purchase Bond Resolution" means a resolution adopted by MaineHousing on February 4, 1972, as amended and supplemented, which authorizes MaineHousing to issue bonds for the purchase of first lien single-family and multifamily mortgages.
- K. "HOME Investment Partnerships Act" means Title II of the Cranston-Gonzales National Affordable Housing Act, as amended, [42 U.S.C. 12701](#), *et seq.*, and implementing regulations including [24 C.F.R. Part 92](#), all as may be amended.

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

## 2. Program Design.

- A. **Programs.** MaineHousing shall design and offer Programs based upon available funds, restrictions attached to such funds, and State housing needs.
- B. **Program Guides.** MaineHousing shall publish a Program Guide with respect to each Program and shall distribute the Program Guide to parties who have expressed an interest to

MaineHousing in connection with the type of housing eligible under the Program, to parties MaineHousing selects for marketing the particular Program, and upon request.

3. **Development Funding.**

- A. **Processing of Applications.** MaineHousing may process applications on a first come first served basis or may set an application due date described in the Program Guide for submission for review by a scoring committee.
- B. **Selection for Funding.** The Director shall retain final discretion as to whether or not to offer financing to a particular Applicant for a particular Development.
- C. **Availability of Funds.** Financing is always subject to the availability of funds.

4. **Sources of Funds.** Funds from the following sources may be made available under this rule:

- taxable bonds issued by MaineHousing pursuant to [30-A M.R.S.A. §4871 et seq.](#), the refunding of such taxable bonds, and other surplus funds which are considered non tax-exempt funds;
- tax-exempt 501(c)(3) bonds issued by MaineHousing pursuant to [30-A M.R.S.A. §4871 et seq.](#) and [Section 145](#) of the Code and the refunding of tax-exempt bonds;
- tax-exempt residential rental project bonds, issued by MaineHousing pursuant to [30-A M.R.S.A. §4871 et seq.](#), [Section 142 \(d\)](#) of the Code;
- tax-exempt essential function bonds issued by MaineHousing pursuant to [30-A M.R.S.A. §4871 et seq.](#) and the Code and the refunding of such tax-exempt bonds;
- Housing Opportunities for Maine Fund established pursuant to [30-A M.R.S.A. § 4851 et seq.](#);
- HOME Investment Partnerships Act;
- HTF;
- MEHER;
- ~~CMF; and~~
- [Project Labor Agreement Funds established pursuant to PL 2021, Chapter 483; and](#)
- other funds.

5. **Types of Programs.** MaineHousing may offer a Program for any of the following, any combination of the following, any subset of the following, or any combination of subsets of the following:

- A. **Preservation of Affordability.** Programs may provide financing to add or preserve low income or use restrictions pertaining to a target population or supportive services in existing housing.

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

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

- A. **Low-income Restrictions.** Developments shall benefit Low-income Persons as required by applicable laws, funding source restrictions, applicable Program Guides, and the Developer's commitments.
  - B. **Use Restrictions.** Developments may be required to serve a target population and provide supportive services as required by applicable laws, funding source restrictions, applicable Program Guides, and the Developer's representations.
  - C. **Assurance of Continued Restrictions.** The Developer shall provide any certifications, reports, or other assurances MaineHousing requires to ensure compliance with low-income restrictions and use restrictions, including without limitation, an agreement to be recorded in the appropriate registry of deeds which will obligate the Developer and its successors to comply with the restrictions for a period of time within the applicable Program Guide.
7. **Eligible Applicants.** To be eligible for funding, Applicants must satisfy the following:
- A. **Creditworthiness.** Applicants must demonstrate credit worthiness and repayment ability acceptable to MaineHousing. MaineHousing may independently verify credit information.
  - B. **Funding Source Restrictions.** Applicants must satisfy any criteria for qualification for receipt of funding attached by law or regulation to the funds the Applicant seeks.
  - C. **Program Qualifications.** Developments must meet the objectives of the Program under which they are applying as set forth in the applicable Program Guide.
  - D. **Outstanding or Prior Defaults.** MaineHousing will not consider the application of an Applicant if the Applicant, or any other entity in which the Applicant or one of its affiliates has a controlling interest, (i) at any time during the previous 6 months, (a) has been more than 60 days delinquent on MaineHousing financing, or (b) has been issued a notice of default; or (ii) is otherwise disqualified as described in the Program Guide.
  - E. **Debarment.** An Applicant or member of a Development Team may not participate in Programs governed by this rule if the Applicant or Development Team member (i) is debarred, suspended, or voluntarily excluded from any federal program; (ii) has ever had a professional license to provide the nature of services the party seeks to provide in the Development suspended or revoked; or (iii) is debarred, suspended, or voluntarily excluded from MaineHousing Programs.
  - F. **Debt Concentration.** If the Applicant and its affiliates have, or would have after the additional loan, loans outstanding from MaineHousing's General Mortgage Purchase Bond Resolution in an amount equal to or greater than 25% of the Mortgage Purchase Program Fund Balance, additional review will be triggered which will include an analysis of the Applicant and its affiliates as a whole and consultation with the Commissioners, and may result in denial of the loan by the Director.
  - G. **Supportive Housing Project Concentration.** If the Applicant and its affiliated entities own, or would own after the additional financing, greater than 25% of the housing units or projects for Low-income Persons with Supportive Service Needs financed by MaineHousing, additional review will be triggered which will include an analysis of the Applicant and its affiliates as a whole and consultation with the Commissioners, and may result in denial of the financing by the Director.

- H. **Conflict of Interest.** Applicants shall disclose their current and recent financial, business, professional, and family relationships and associations with any MaineHousing employee or commissioner and comply with any restrictions imposed by MaineHousing on account of conflict of interest concerns.
- I. **Identity of interest.** Applicants shall disclose the nature of the relationship between them and any of their principals, proposed sellers, contractors, suppliers, and service providers. MaineHousing may, at its discretion, impose restrictions, or require independent appraisals, or other third party verifications on account of identity of interest concerns.
8. **Interest-bearing Debt.** When MaineHousing financing includes interest-bearing debt payable to MaineHousing, the financing shall be subject to the following standards:
- A. **Underwriting Standards.** MaineHousing will assess whether, in its sole discretion, a Development has an acceptable probability of providing rental units for Low-income Persons for the term required. In its assessment, MaineHousing may consider any combination of the following: capital budgets; operating budgets; long term projected cash flows; collateral value; debt service coverage ratios; the Applicant's credit; market evaluations; the capacity of the Development Team; the capacity of proposed owners; performance history of the Applicant and its affiliates on MaineHousing financed Developments; credit enhancements such as guarantees, mortgage insurance, and letters of credit; the prior performance of the Development; the prior performance of comparable projects; the presence of rental assistance or other operating funds and the likelihood the funding will continue; a capital needs assessment; and additional factors that MaineHousing deems necessary for a thorough evaluation of an application.
- B. **Appraisals.** MaineHousing may obtain an appraisal or appraisals to determine whether there is adequate value in a Development. Such appraisals shall conform to the then current Uniform Standards of Professional Appraisal Practice and MaineHousing's requirements. Applicants shall reimburse MaineHousing for appraisal costs.
9. **Financing Standards.** Financing of Developments will be subject to the following:
- A. **Documents Evidencing Obligations of Developer.** The Developer shall execute the documents MaineHousing determines are necessary or in its best interest including, without limitation and as applicable, promissory notes; mortgage and security agreements; financial assistance agreements; declarations of covenants, conditions, and restrictions; financing statements; regulatory agreements; participation agreements; escrow agreements; and certifications.
- B. **Developer and Consultant Fees.** MaineHousing may condition financing upon a reduction of developer or consultant fees that MaineHousing finds in its discretion are excessive.
- C. **Title Insurance.** MaineHousing may require a lender's title insurance policy with mechanics' lien and survey exceptions deleted.
- D. **Property Insurance.** The Developer shall obtain and provide evidence of fire, hazard, extended coverage, and liability insurance acceptable to MaineHousing and such other insurance as MaineHousing in its discretion may reasonably require all containing the standard Maine mortgagee clause.
- E. **Authority Legal Opinion.** For Developers which are other than individuals, MaineHousing shall require a legal opinion regarding the Developer's legal status and authority to receive the

financing.

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

- the reasonableness of costs;
- the efficiency of the use of proposed non-interest bearing resources;
- financial feasibility of the Development;
- income targeting;
- community preference and support;
- support of a state agency;
- the need for the Development;
- the capacity of the Development Team;
- the capacity of the Applicant to own and operate;
- extent of tenant displacement; and
- other criteria required by a funding source or established by MaineHousing.

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

- A. **Minimizing Displacement.** Applicants must take all reasonable steps to minimize the displacement of persons from their homes as a result of rehabilitation, change of use, or rent increases.
- B. **Federally-assisted Developments.** Developers of Developments assisted with federal funds shall comply with applicable requirements including without limitation: the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended, [42 U.S.C. § 4601 et seq.](#), and the Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted Programs Final Rule, [49 C.F.R. 24](#), published March 2, 1989, as amended; §104(d) of the Housing and Community Development Act of 1974, as amended, [42 U.S.C. 5304\(d\)\(4\)](#), and the Displacement Relocation Assistance, and Real Property Acquisition for HUD and HUD-Assisted Program Final Rule, [24 C.F.R. 42](#), as amended.
- C. **MaineHousing Financing.** Developers of Developments financed by MaineHousing and not subject to 11.B. above shall comply with the following:
  - i. **Temporary Tenant Relocation.** If tenants are not required to move permanently but must relocate temporarily because of rehabilitation to a Development, the Applicant shall provide the tenants with (a) reimbursement for all reasonable out-of-pocket expenses and increased costs incurred in connection with the temporary relocation; and (b) appropriate advisory services including reasonable advance notice of the date and approximate duration of the temporary relocation; the location of a suitable, decent, safe and sanitary dwelling to be made available for the temporary period; the terms and conditions under which the tenant may lease and occupy a bed or unit in the Development upon completion of the Development; and the provisions for reimbursement of expenses and increased costs.



ii. **Displaced Persons.** If an individual moves from a property or moves personal property from real property permanently and involuntarily as a direct result of a Developer's acquisition, relocation, or demolition of such real property financed in whole or in part by MaineHousing, the Developer shall do the following:

- (1) The Developer shall provide in a form satisfactory to MaineHousing initial notices to all tenants. Failure to send such notices may cause tenants to be deemed displaced.
- (2) The Developer shall send each tenant a 90-day advanced written notice of the date by which the tenant must move in a form satisfactory to MaineHousing.
- (3) If the displaced person's income is below 80% of area median income, the Developer must do the following: (i) prior to sending the 90-day notice, contact the person to be displaced to explain the benefits, ascertain needs, and offer transportation for up to 3 available comparable units and (ii) pay either the tenant's actual reasonable out-of-pocket moving and related expenses or a one-time payment determined by MaineHousing.
- (4) If the displaced person's income is below 60% of median family income for the area, the Developer shall in addition to 11.C. ii. (1), (2), and (3) above, make 12 months of replacement housing payments to the displaced person. The Developer may make the payments in a lump sum or on a monthly basis. The amount of the replacement housing payments is the difference between the rent and utilities at either the replacement unit or a unit comparable to the vacated unit found by the Developer, whichever is less, and the monthly rent and utilities of the vacated unit multiplied by 12.

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

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

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

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

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

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

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

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

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

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

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

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

**14. Maintenance Requirements.**

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

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

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

**16. Rule Limitations.**

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

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

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

**PROCESS:** ~~The draft rule was distributed to partners at a meeting and by email on \_\_\_\_\_, 2022 October 30, 2018. Notice of Agency Rule-making Proposal (MAPA-3) was submitted to the Secretary of State for publication in the \_\_\_\_\_, 2022 edition of the appropriate newspapers was published on our website and in newspapers statewide, on \_\_\_\_\_, 2022 November 28, 2018. MaineHousing sent the The proposed rule to Interested Parties was emailed to interested parties on \_\_\_\_\_, 2022, and published the proposed rule on its website on \_\_\_\_\_, 2022 November 29, 2018.~~

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

**SUMMARY OF COMMENTS AND MAINEHOUSING'S RESPONSES:**

**Section 5.E. Construction Loans**

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

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

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

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

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

**EFFECTIVE DATE:**

## MAINEHOUSING FINAL LEGISLATIVE SUMMARY

130<sup>th</sup> Legislature

The 130<sup>th</sup> Legislature convened in its first regular session and first special sessions between January and July of 2021. The second regular session ran from January-April of 2022, adjourning *sine die* after a Veto Day on May 9th. While MaineHousing monitored bills in addition to the ones shown in this document, these represent those legislative items in which MSHA had a particular interest. Bill provisions that specifically require action of MSHA are shown in bold.

In addition to the bills shown below, which we monitored, MaineHousing also supported a handful of bond proposals, all of which were unsuccessful. These include our bill, **LD 175, to Create and Enhance Regional Homeless Shelters (Cloutier); LD 218, to Accelerate Weatherization Efforts (Kessler) and Rep. Babbidge's bill for a senior housing bond.** There was little appetite for new bonding this session given the presence of a billion dollar surplus. If you are viewing this document electronically, the LD numbers shown in the leftmost column are linked to the legislature's bill tracking system, which provides broader information, bill status, and testimony.

LD	TITLE	CHIEF SPONSOR	STATUS
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<a href="#">20</a>	An Act To Provide for the 2021 and 2022 Allocations of the State Ceiling on Private Activity Bonds	Curry	IN LAW
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This is a special law bill, a version of which is passed annually to set allocations authorizing entities in Maine that sell private activity bonds to proceed with bond sales for the coming year. Routine but important. MSHA POSITION: Support

<a href="#">32</a>	An Act Regarding Remote Participation in Public Proceedings	Trey Stewart	IN LAW
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This was the surviving bill out of several statutes aimed at codifying remote meeting standards for agencies with rulemaking authority. MaineHousing was concerned that the authority that we currently have to hold remote meetings might be altered or eliminated. The intent was to focus this measure on elected officials rather than entities like MaineHousing. The final legislation left us alone. MSHA POSITION: Support as amended

<a href="#">201</a>	An Act To Reduce Greenhouse Gas Emissions and Promote Weatherization in the Buildings Sector by Extending the Sunset Date for the Historic Property Rehabilitation Tax Credit	Libby	IN LAW
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This bill extends the popular and effective historic preservation rehabilitation tax credit, a measure that has allowed for the restoration, to National Park Service standards, of historic structures around Maine. Many of these have provided new affordable housing units due to an affordable housing incentive included in the law. Because this tax credit is undergoing a routine OPEGA evaluation this year, the bill was amended from a 2040 Sunset to a 2030 sunset in order to give the legislature a chance to complete and analyze the assessment. For unknown reasons the bill was carried over on the table and will not go into effect this year. MSHA POSITION: Support

<a href="#"><u>211</u></a>	An Act To Support Emergency Shelter Access for Persons Experiencing Homelessness	Cloutier	DEAD
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This bill proposes to increase the shelter **operating subsidy, administered by MaineHousing**, to provide more operating funds for Maine's homeless shelters. It includes a straight \$3 million General Fund appropriation per year for this purpose. While the bill passed, it has not yet been funded and remains tabled. MSHA POSITION: Support

<a href="#"><u>463</u></a>	An Act To Better House Maine Residents (Carryover)	Sylvester	DEAD
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This bill proposes grants for MaineHousing to award to residents to pay for water PFAS/PFOA testing. We testified that we did not believe that MH would be the correct entity to administer such a program, but that it should be better placed with DHHS or CDC, which it ultimately was. The bill passed then died on the table for want of funding.

<a href="#"><u>473</u></a>	An Act To Create the Maine Rental Assistance and Voucher Guarantee Program	Morales	DEAD
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LD 473 is a bill that is aimed at establishing a state-level housing voucher program through the Maine State Housing Authority. This is a perennial proposal, and with Housing Choice vouchers costing around \$8,000 each per year, the fiscal logistics of providing this form of assistance at a state level are daunting. The bill proposed a \$9M per year General Fund appropriation. We were happy to see that 200 new housing choice vouchers have been provided to Maine through ARPA which might help meet this need using federal funds. **If this is funded MSHA will be responsible for administering the program.** MSHA POSITION: Support, though we expressed concern about long-term feasibility of using state funds for this purpose.

<a href="#"><u>475</u></a>	Resolve, To Create the Frequent Users System Engagement Collaborative	Morales	IN LAW
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This bill seeks to address the problem of frequent users of the highest-cost services in the homelessness support system, such as emergency shelters, psychiatric hospitals, emergency departments, jails and prisons. The "collaborative" is a commission **appointed by the director of MaineHousing** which will plan to provide stable housing for 200 persons who are homeless or at risk of homelessness. MSHA POSITION: Support

<a href="#"><u>484</u></a>	An Act To Change Maine's Tax Laws (Carryover)	Chipman	IN LAW
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This bill went from Concept to a plan to allot 100% of the Real Estate Transfer Tax to the HOME Fund. The Committee insisted on using a portion of funds for development subsidy. This bill left committee with a unanimous OTP report, but also clear desire from the committee to require MaineHousing to allocate 25% of the HOME fund for housing production. We do not generally support any statutory requirements in the HOME Fund. We carefully negotiated a six year sunset on that requirement and added some additional guardrails to protect us in the event of a significant decline in RETT revenue. This would have create a significant general fund budget hole and we expected that if it made it off the table, would be vetoed on the basis of sustainability.

**In an unexpected, unannounced, and very unwelcome move, the Appropriations Committee amended the bill off the table *without funding* but retaining the 25% requirement, causing serious concerns about what might have to be cut from the HOME Fund in the future, if revenues drop. We objected strenuously, given that we have more than adequate funds for subsidy from other sources, but the bill went into law and the problems it created will need to be addressed in the next legislature.**

<a href="#"><u>609</u></a>	Resolve, To Establish a Commission To Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions	R. Fecteau	IN LAW
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This high-profile bill will establish a commission appointed by the legislature to study barriers to housing that are caused by land use regulation. The commission will examine the factors that prevent housing development, review conditions in other states, consider the impact of race and racism, and consider measures that would increase housing options. **The commission will include the Director of the Maine State Housing Authority or his designee.** MSHA POSITION: Support

<a href="#"><u>654</u></a>	An Act To Create a 24-hour Shelter Capital Project Funding Program	Arford	DEAD
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Rep. Arford's bill seeks to provide **Maine State Housing Authority** with a one-time General Fund appropriation of \$3,000,000 to support capital improvements at emergency homeless shelters around Maine. We would gladly use and distribute these funds but the bill is not likely to be funded due to its cost. MSHA POSITION: Support

<a href="#"><u>660</u></a>	An Act Regarding Protection from Power Outages for Tenants 65 Years of Age and Older in Subsidized Housing	Head	DEAD
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This bill sought to require emergency electrical generators in all subsidized housing projects for the elderly. MaineHousing testified neither for nor against the measure, noting that while well intentioned, it would place a significant burden on facility owners and managers and that many of these structures are already so equipped. The bill collapsed under its own weight, having left many details unconsidered. MSHA POSITION: Neither For Nor Against

<a href="#"><u>681</u></a>	An Act Clarifying the Removal Process of Individuals from Certain Facilities Not Governed By Title 14 of the Maine Revised Statutes	Libby	DEAD
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With this bill, Senator Nate Libby originally sought to align policies for evictions at rooming houses with analogous policies at hotels and motels, asserting that the arrangements in these facilities are closer to "innkeeper/guest" than "landlord/tenant." Advocates for low-income and homeless persons opposed the bill, seeing it as an abridgement of anti-eviction protections that would be available to tenants in other types of long term housing. The bill was amended into a study commission to "Explore Safe and Stable Housing in Lodging Facilities." MaineHousing did not testify on this bill, but included it in this list as the **study commission will include the Director of the Maine State Housing Authority or his designee.** MSHA POSITION: Did not testify

<a href="#"><u>773</u></a>	An Act To Assist Public School Students and Families Who Are Homeless	Brennan	DEAD
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Sponsored by Rep. Michael Brennan of Portland, this bill will assist homeless students and their families in accessing housing assistance. **Local schools will refer eligible students to MSHA for this assistance.** The bill was amended to be funded by ARPA money to the extent permitted by law and would create **a non-lapsing fund at MSHA seeded with \$2,000,000.** MSHA POSITION: Support

<a href="#"><u>787</u></a>	An Act To Comprehensively Address Homelessness and Affordable Housing in Maine	Morales	AMD to LETTER
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This bill started life as a blank concept, and on the last day of committee hearings was modified without warning into a comprehensive study to be conducted by MSHA on the state of affordable housing in Maine. We opposed this last-minute idea, and in the end, the committee killed the bill and converted the concept into a letter to our agency requesting that **we report back to them on best practices being used to develop affordable housing across the**



country, as well as recommend legislative proposals to foster the same in Maine. The report will be due on February 1 2022. MSHA POSITION: Accept the Letter

<a href="#"><u>819</u></a>	An Act To Reduce Lung Cancer Rates in Maine by Requiring Testing for the Mitigation of Radon in Residential Buildings by Landlords	Baldacci	IN LAW
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This bill originally mandated all Maine landlords to conduct annual radon measurements in their apartment units along with appropriate mitigation for properties in which radon levels exceed 4 picocuries per liter of air. The landlord community responded with howls of opposition, and the bill was amended into an incentive program, whereby voluntary biennial radon testing by landlords could lead to “Gold Standard” certification for radon mitigation that would be recognized by DHHS and posted on a website. MSHA POSITION: Did not testify.

<a href="#"><u>875</u></a>	An Act To Protect Taxpayers in the Privatization of Services and To Establish the State Procurement Review Committee	Baldacci	IN LAW
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This bill was a priority for labor unions, who sought to prevent unnecessary privatization of state government services. Though neither agency would likely have been affected by this measure, MaineHousing and FAME are always concerned about being casually lumped in as state government agencies. Accordingly, we offered an amendment, which was accepted, to exclude all of Maine’s quasi-governmental entities from this legislation. MSHA POSITION: Support as Amended.

<a href="#"><u>898</u></a>	An Act To Provide Incentives to Unemployed Workers To Become Part of the Caregiver Workforce	Fay	IN LAW
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This concept bill is not officially about housing, but relates to measures that the state might take to encourage workers to choose employment in the caregiver workforce. An amendment proposed to prioritize caregivers for housing vouchers. We are generally suspicious of bills that seek to privilege one group of low-income people over another, and in this case, the measure would confuse our existing prioritization system for vouchers. The bill has been carried over and is therefore something we will have to deal with in 2022. MSHA POSITION: No hearing yet, but will oppose attempts to monkey with voucher priorities.

<a href="#"><u>953</u></a>	An Act To Improve Affordable Housing Options and Services to Address Homelessness (TIF Bill)	Deschambault	IN LAW
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This bill expanded the parameters of a development TIF district by allowing for the inclusion of affordable housing as a permitted activity within the district, even if the affordable housing project is physically located elsewhere in a municipality. This expansion of scope is not intended to change the affordable housing TIF statute found elsewhere in state law, but to provide some additional flexibility around housing in the context of business development. Don Guild was instrumental in drafting a technical amendment to assure that the changes proposed by this bill could co-exist with the existing housing TIF statute. MSHA POSITION: Support with our amendment

<a href="#"><u>964</u></a>	An Act To Expand Access to Certified Substance Use Disorder Recovery Residence Services	J. Fecteau	IN LAW
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LD 964 sets standards for recovery residences in order for them to receive housing vouchers, DHHS contracts and other support, while also clarifying that residents of recovery residences, whether those are certified or not, are eligible for General Assistance. This bill originally had a provision that would have put MSHA in potential conflict with federal law around distribution of vouchers, but that was corrected in the final version of the bill. MSHA POSITION: Support as amended.



<a href="#"><u>1132</u></a>	An Act To Encourage the Renovation of Available Housing Stock	Morales	IN LAW
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This is a bill that seeks to increase available housing stock by reducing the amount of time needed for a town to take possession of abandoned properties. As originally drafted, these properties would have been conveyed to MSHA for resale. Since we are not in the real estate flipping business, we encouraged an amendment allowing towns to dispose of the properties themselves. **Municipalities certifying abandoned property under this statute shall submit to MSHA address and parcel data for use in determining redevelopment opportunities, programs for first-time buyers, and data analysis.** MSHA POSITION: Support

<a href="#"><u>1201</u></a>	Resolve, Directing the Maine State Housing Authority To Engage Stakeholders in an Examination of Fair Chance Housing Policy Options	Talbot Ross	IN LAW
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This represents continuation of legislation that was introduced in the 129<sup>th</sup> legislature wherein MaineHousing convened a stakeholder group to explore “Fair Chance” policy options. These options relate to reducing the negative effect of prior incarceration on applicants for housing by making a criminal record the last thing asked about in a landlord’s screening process. The earlier group met several times and had little success finding common ground before the session ended in the COVID pandemic. This bill is intended to re-start these discussions. **MSHA has been assigned to lead and continue to serve as the facilitator for this process.** MSHA POSITION: Support

<a href="#"><u>1240</u></a>	Resolve: to Review Barriers to Regional Solutions for Housing Choices	Vitelli	IN LAW
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Senator Vitelli’s bill provides for a study to be conducted by the Department of Economic and Community Development in review of barriers to regional solutions to making housing affordable, accessible and compatible with the Maine Climate Action plan. The study shall also present possible solutions. The bill was carried over from the first session in passed in the second. MSHA position: Support, but did not testify

<a href="#"><u>1246</u></a>	Resolve, To Study best Practices and Different Area Needs for Development of Affordable Homes and Expanding Home Ownership in Maine Communities	Gere	DEAD
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This resolve creates a commission to study housing in Maine and elsewhere to explore best practices and needs in affordable housing. Initially conceived as a legislative study, the resolve did not leave the study table. Subsequently it was amended into a study funded by private foundations and using hired consultant expertise. **MSHA will provide technical support for the committee and serve as the fiscal agent for any grants received as part of this project.**

<a href="#"><u>1269</u></a>	An Act To Preserve Fair Housing in Maine	Talbot Ross	IN LAW
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During the Trump administration, HUD moved away from an explicit commitment to assuring fair housing. While MaineHousing never reduced its focus in that area, the purpose of this bill was to assure that, regardless of changes to Federal policy, Maine would continue to adhere to fair housing standards. HUD has since re-established its fair housing rules, making this bill largely unnecessary. Nonetheless **MSHA has been assigned the task of reporting on its fair housing efforts as well as compiling similar efforts from other PHA’s in Maine with a report due to the Legislature by January 15 2022. The committee wants to get copied on annual fair housing reports from every public housing authority in the state going forward.** MSHA POSITION: Neither For Nor Against.

<a href="#">1305</a>	An Act To Streamline Requests for Housing Assistance	Morales	IN LAW
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This bill started as an attempt to make it easier for people applying to DHHS for public benefits to more easily qualify for housing assistance. But given that different programs often have vastly different enrollment and documentation requirements, the practicalities of such an approach are complicated. The bill was amended into a resolve “to increase communication between the Maine State Housing Authority and the Department of Health and Human Services.” Under its provisions, **MSHA and DHHS are required to collaborate on a report to the legislature exploring ways to better work together on programming, I.T. coordination and outreach, and to measure how such collaboration can result in increased use of each agency’s programs. The report will be authored by DHHS but will be the result of a joint process and provided to the Legislature no later than January 15 2022.** MSHA POSITION: Neither For Nor Against

<a href="#">1312</a>	An Act To Remove Barriers to Accessory Dwelling Units and Allow Accessory Dwelling Units where Single-family Houses are Allowed	Geiger	DEAD
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LD 1312 is part of a suite of bills aimed at making it easier to develop affordable housing. In this case the bill seeks to streamline the path to allowing accessory dwelling units wherever single homes are permitted. It does not allow for the sidestepping of shore-land zoning or environmental regulations. It pre-empts towns from adopting ordinances to avoid this bill. MSHA POSITION: Did not testify

<a href="#">1322</a>	Resolve, Directing the Maine State Housing Authority To Allow Rental Housing Owners To Apply for Emergency Rental Relief Assistance	Drinkwater	DEAD
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This bill, by Representative Drinkwater, was built on a basic premise: why shouldn’t landlords be able to access federal rental assistance themselves in cases where tenants do not want to participate? The answer: federal regulations expressly prohibit this. Tenants may, in cases where landlords do not wish to participate, access funds themselves, but no parallel rule exists for landlords, who must approach the program in cooperation with their tenants. MSHA POSITION: Oppose, not because we disagree with the premise, but because we can’t do this.

<a href="#">1337</a>	An Act To Increase Affordable Housing and Reduce Property Taxes through an Impact Fee on Vacant Residences	Kessler	DEAD
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This is a proposal to levy a fee on certain unoccupied residential properties, with the proceeds from the fee to be split between the HOME Fund to fund affordable housing activities, and the Local Government Fund to support the Homestead Exemption. This bill is modeled on a measure passed in Vancouver, British Columbia, and has been carried over. It probably faces some tough sledding in the second session. MSHA POSITION: Neither For Nor Against

<a href="#">1342</a>	An Act To Authorize a Local Option Sales Tax on Lodging and Other Goods and Provide Funding for Tax Abatement and Rental Relief	Sylvester	DEAD
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This bill is a variation on a theme that has appeared in every session in recent memory: the local option sales tax, whereby municipalities might levy a small surtax on lodging or other goods. In this case, the bill provided for towns to have the option (via referendum) of imposing a 1% lodging surtax. 90% of the proceeds from this tax would be distributed to the municipality, with 10% going to MSHA for rent relief. This bill failed passage in both the House and Senate, in the latter by a margin of 29-4. MSHA POSITION: We supported additional funding for the HOME Fund but did not opine on the tax policy.

<a href="#">1397</a>	An Act Directing the Maine State Housing Authority To Create A Commission To Develop a Comprehensive Rental Registry for Multifamily Housing	Gere	MODIFIED IN LAW
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This bill originally called for MSHA to develop a comprehensive registry of all apartment units in Maine, their occupancy status, any violations they might have experienced, their owners, and all sorts of other information. We opposed it on the simple grounds that the task would be impossible in the absence of a significant permanent full-time staff, and maybe impossible period. In the end, the bill was modified into a resolve whereby **MSHA will provide technical support to the City of Lewiston, which is in the process of developing such a registry for their city.** MSHA POSITION: Oppose but support our amended role.

<a href="#">1464</a>	An Act To Improve Accessibility of Affordable Housing Data (Housing Voucher Reporting Bill)	R. Fecteau	DEAD
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This bill was predicated on the notion that somehow information on housing choice vouchers and emergency rental assistance was unavailable, despite MSHA's reporting on this. It specified that MSHA should be filing regular reports with the legislature on how these federal resources are being allocated. We objected to this on the basis of both redundancy and paperwork, and the important fact that MSHA manages only about 1/3 of the state's vouchers, and to have use report only from us would provide an incomplete picture. The Bill was killed in committee, **though a new reporting requirement for MSHA was amended into another bill, LD 1546.** MSHA POSITION: Oppose

<a href="#">1508</a>	An Act To Prevent Homelessness by Establishing an Eviction Mediation Program	Carney	IN LAW
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This bill initially called for a court-based mediation program for tenants facing potential eviction to be paid for from the HOME Fund. We objected to the funding source but offered to help find alternatives. In addition, the Judicial Branch did not have the capacity to take such a program on, and so it was pared down to having the courts create an eviction information sheet for tenants, **and for MSHA, through contracts with legal aid providers, to make attorneys available in courtrooms on days when eviction cases are being heard.** The program is now funded by housing stability funds that come through the federal Emergency Rental Assistance program. MSHA POSITION: Support

<a href="#">1530</a>	An Act To Allow People To Live in Tiny Homes as a Primary or Accessory Dwelling	McCrea	IN LAW
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This bill established standards for municipalities to follow regarding "tiny homes" – structures that are smaller than 400SF and which sometimes fall between the regulatory cracks; communities have seen them as being neither permanent homes nor mobile homes, and as such have run into problems in getting them sited, assessed and operating within code. With this bill, tiny homes are generally permitted wherever a single family home might be permitted, and they are subject to applicable land use laws. MSHA POSITION: Support

<a href="#">1546</a>	An Act To Prevent Homelessness by Establishing the Rental Relief Fund within the Maine State Housing Authority	Lookner	MODIFIED IN LAW
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This was a bill aimed at providing rental relief to tenants who had become housing unstable due to the COVID-19 pandemic or for other reasons. We opposed the bill on the grounds that it was unnecessary given the existence of more than \$300 million of federal rental relief funds in Maine for the next several years. **The bill was then modified using a part of LD 1464, providing that MSHA must provide at least an annual report to the legislature on federal rental relief, or to provide copies of reports we are otherwise required to file on this program.** MSHA POSITION: Oppose

<a href="#"><u>1638</u></a>	An Act To Help Seniors and Certain Persons with Disabilities Remain in Their Homes by Providing for the Deferral of Property taxes	Bailey	AFA TABLE
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**This bill is our most serious problem of the first session.** It proposes to provide property tax deferral to seniors and certain disabled homeowners at certain income and liquid asset levels. The deferrals will be paid for using the HOME Fund (and possibly ARPA), and when the property is eventually sold, the HOME Fund will be paid back. Despite our opposition to the use of the HOME Fund, the bill sailed out of the Taxation committee with unanimous support, and the sponsor, who has not been able to find alternative sources of funding other than maybe ARPA funds, has declined our urgent requests to modify the bill, which is essentially an entitlement that could benefit elderly people with bad cashflow but expensive appreciated properties and which will be paid for at the expense of the homeless, first-time homebuyers and other people in need. MSHA POSITION: We *strongly* opposed the funding source, not the policy. We will continue to fight to see the bill killed outright, carried over, or continued with different funding.

<a href="#"><u>1656</u></a>	An Act To Promote Energy-efficient Affordable Housing	Millett	IN LAW MODIFIED
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This is a bill that appeared late in the session proposing a \$100,000,000 General Fund appropriation to pay for affordable housing. As originally drafted it was unworkable (neither LIHTC nor Section 8 would have been accessible to projects built with this funding) – and after an extensive reworking it was only marginally better, the major remaining problem being that the bill required Project Labor Agreements in every project, regardless of whether the contractors are unionized. While we certainly applauded and supported the notion of \$100 million for housing and spoke in favor of that, the PLA's were a major sticking point for both us and the Maine Affordable Housing Coalition. The Governor is deeply opposed to PLA's in this circumstance and we don't expect this bill to go anywhere. MSHA POSITION: Neither for nor against/

**Ultimately the bill passed without funding but as a series of provisions to assure energy efficiency standards in construction financed by MaineHousing.**

<a href="#"><u>1673</u></a>	An Act To Create a Comprehensive Permit Process for the Construction of Affordable Housing	Talbot Ross	IN LAW
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This bill sought to reconceive permitting for affordable housing in the fashion of Massachusetts' "40-B" program, which is an expedited process allowing affordable housing projects to bypass local zoning restrictions. Representative Talbot Ross recognized that this bill in its original form was not going to pass. She amended the bill to have the Department of Agriculture's planning office (and not us) study the concept of rating communities on their affordable housing capacity. Our concerns were that potential conflicts of interest that could arise if we were to be rating towns where we were also financing projects. A 40B program might be a very good thing for affordable housing but it would be a large lift and more coalition building would be needed. MSHA POSITION: Neither for Nor Against

<a href="#"><u>16</u> <u>24</u></a>	An Act To Create the Maine Redevelopment Land Bank Authority	Sachs	IN LAW
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This bill establishes a state-level community redevelopment land bank authority, which will be charged with coordinating the acquisition of blighted and distressed properties and establishing statewide guidelines for community redevelopment. It has been carried over, and likely faces some obstacles around cost. MSHA POSITION: Support

<a href="#"><u>1695</u></a>	An Act To Improve Housing Security by Improving Access to General Assistance	Morales	DEAD
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This was a very complex bill that sought to modify the general assistance program, which is administered by DHHS and local municipalities. It also sought to prioritize certain individuals for housing vouchers from MSHA. The bill died in committee. MSHA POSITION: Oppose

<a href="#"><u>1704</u></a>	An Act To Change the Exclusion Amount under the Estate Tax and Provide Additional Funding for the Housing Opportunities for Maine Fund	Talbot Ross	DEAD
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This bill seeks to lower the state estate tax exclusion threshold from \$5MM to \$1MM with tax proceeds from the reduced exclusion amount being divided between the general fund and the HOME fund. The bill also directs MSHA to develop a racial equity assessment tool to use when evaluating project funding. This bill has been carried over and will likely run into serious gubernatorial headwinds if for no other reason than the tax increase. MSHA POSITION: No Hearing Yet

<a href="#"><u>1709</u></a>	An Act To Promote Homeownership by Minimizing Education Debt	Jackson	IN LAW
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This is a program proposed by Senate President Troy Jackson to promote homeownership by minimizing educational debt. Modeled on programs in Maryland and Illinois, the program would start with participants who qualify for MaineHousing's First Home Loan program. With the closing of the mortgage, qualifying student debt, up to a specific level, would be paid down in exchange for the borrowers agreeing to remain in their new home for a predetermined number of years. A second lien, based on the amount of student debt retired, would then be placed on the property, and that lien would be forgiven at the end of the residency requirement period. This would, by nature, be a "just add money" kind of program – more funding is equal to more student debt relief. **It was modified into a resolve directing MSHA and FAME to jointly design such a program and propose it to the legislature by December 30, 2021.** MSHA POSITION: Support

<a href="#"><u>1732</u></a>	An Act To Amend the Sales Tax Exemption for Nonprofit Housing Development Organizations	Gere	IN LAW
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A technical bill that amends the current sales tax exemption by defining the term "low income" to mean "having income that is less than 120% of the median income for the area, adjusted for family size. MRS says that the preliminary administrative cost for this bill is negligible and would be able to be absorbed within the Bureau's current budgetary restraints. Our testimony: <http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=10003621> MSHA POSITION: Support

<a href="#"><u>1733</u></a>	An Act To Provide Allocations for the Distributions of State Fiscal Recovery Funds	Pierce	IN LAW
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This bill was the plan for how the state will distribute its ARPA funding. We are included in this bill our proposal to refinance and reissue Part E bonds, while several other components will seek to secure funding for various legislative initiatives, including a \$50mm allotment to create affordable housing. MSHA POSITION: Support

<a href="#"><u>1786</u></a>	An Act To Maintain Consistency among Maine's nondiscrimination Statutes	Carney	IN LAW
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This is a bill that will update all of Maine's statutes to reflect uniform nondiscrimination language. We were concerned that provisions to prevent discrimination by age might hinder the development of elderly-only housing. We worked

with the sponsor to successfully submit a language amendment that would avoid that problem MSHA POSITION: Support the Amendment

<a href="#"><u>1811</u></a>	An Act To Provide for the 2022 and 2023 Allocations of the State Ceiling on Private Activity Bonds	Curry	IN LAW
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Annual Bond Cap Allocation Bill - Passed and Engrossed.  
MSHA POSITION: Support

<a href="#"><u>1871</u></a>	Resolve, Directing the Maine Human Rights Commission to Extend its Pilot Program To Investigate and Report on Incidents of Harassment Due to Housing Status, Lack of Employment and Other Issues	Talbot Ross	IN LAW
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We were monitoring this bill and did not testify on it.

<a href="#"><u>1884</u></a>	An Act To Create Affordable Agricultural Homesteads	Bickford	DEAD
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This is a bill that purported to be solving a statewide issue around agricultural laws that hinder housing development, though it appears in fact to be entirely about a zoning exclusion area in Auburn. We were asked to support it, but opted to stay out of this issue, which we deemed to be a local one.

<a href="#"><u>1891</u></a>	An Act To Continue Supporting Safe Drinking Water for Maine Families	Fay	IN LAW
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This is a bill that will extend MSHA's home well arsenic program and expand it to include other hazards. It provides funding for us to continue the service, which began five years ago with \$500,000. Received a unanimous ought to pass as amended vote out of committee, amended to double the funding to 1 million dollars. On final passage it received \$400,000 of General Fund money and \$100,000 from an Attorney General's office settlement fund, for a total of \$500,000. MSHA POSITION: Support

Our testimony is here: <http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=10002815>

<a href="#"><u>1895</u></a>	An Act To Prohibit Invasion of Privacy on Private Property by Cameras	Deschambault	DEAD
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The property management community came out swinging against this bill. Three Senators on the committee voted no, so not surprisingly, it died. The bill seemed focused on doorbell cameras. As an entity that does not own properties, we did not participate in the debate, but many of the properties we have financed have cameras.

<a href="#"><u>1961</u></a>	An Act To Help Alleviate Maine's Housing Shortage and Change the Membership of the Maine State Housing Authority	Hickman	IN LAW
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This was an over-the transom bill that came in without anyone talking to us about it. It modifies the growth management act and proposed to add four new members to our Board of Commissioners. The governor's office had serious concerns about this bill and we worked with them to suggest modifications to it. In the end, our board of Commissioners was not expanded, though the final bill was amended to a list of things that the governor might consider when making appointments in the future to assure a variety of professional skill-sets and diverse representation on our board. MSHA POSITION: Did not Testify



<a href="#">1966</a>	An Act To Facilitate Access to Heating Assistance	Curry	IN LAW
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This bill requires that we create an on-line application for the HEAP program. This is something that is already in our work plan, so we testified in support and declined the offer of state funding to do this. MSHA POSITION: Support

<a href="#">1968</a>	An Act To Expand Access to Mental Health and Crisis Care for Individuals in Jails and Individuals Experiencing Homelessness	Talbot Ross	IN LAW
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This bill was aimed at helping hard-to-house individuals who are “languishing” in jail for want of alternative supportive housing. It emerged from committee on a straight party line ought to pass divided report. The housing sections were largely as proposed and mirror the work we are doing under the FUSE bill (see LD 475, above) passed earlier in the session. The core of the bill was a provision, since eliminated, to create secure nonmedical housing for people who might otherwise be in jail. This part of the bill proved controversial in the community of social service providers and advocates. MSHA Position: Support

<a href="#">1978</a>	An Act To Promote Home Ownership by Reducing Education Debt	Curry	DEAD
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This bill operationalized LD 1709, using a plan for the Smart Buy program that we developed with FAME to provide debt relief for first time homebuyers. It seems to have a lot of interest but it is unlikely to prevail over some of the other student debt reduction bills. See information above on LD 1709. Testimony is here: <http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=10006230> MSHA POSITION: Neither for nor against

<a href="#">2003</a>	A/A To Implement Recommendations of the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions	Fecteau	IN LAW
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This is the marquee bill of the session, but in an effort to run it between the Scylla of the Maine Municipal Association and the Charybdis of organizations on the left who wanted more teeth to prevent exclusionary zoning, Speaker Fecteau navigated carefully and jettisoned several of the more controversial measures making the bill much more palatable for many but probably less effective in ultimately meeting its goals. Gone are bans on growth caps, provisions forcing towns to create priority growth areas, and a statewide zoning appeals board that would have been able to override local decisions. Still included are provisions that allow landowners to add ADU's and small multifamily properties wherever single family zoning is now permitted. The amended bill also still provides technical support for towns seeking to modernize their zoning ordinances. We supported it strongly, and Dan Brennan served on the commission that developed it through LD 609 above. MSHA POSITION: Support

<a href="#">2006</a>	A/A To Improve the Low-income Home Energy Assistance Program	LaRochelle	DEAD
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This was a late-breaking bill that proposed to provide \$2MM in additional administrative support for the HEAP program. **The bill emerged from committee with a fiscal note of \$1Million to support improvements to the HEAP program. It also covers the creation of an advisory group to help the legislature understand the changes that are being made, including categorical eligibility, possible expansion of providers and an online program application.** MSHA POSITION: Support

## **Asset Management Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Robert Conroy – Director, Asset Management  
**Date:** May 9, 2022  
**Subject:** May Board Report - Asset Management

### **Low Income Housing Tax Credit Program – Annual Reporting Data**

The IRS requires MaineHousing to obtain annual tenant status reports from the owners of Low Income Housing Tax Credit (LIHTC) properties. These reports contain occupancy and household data from the households occupying affordable apartments funded through the LIHTC program.

In September of each year MaineHousing is responsible for uploading this collected data to HUD. The data is then compiled by HUD into reports illustrating program performance, occupancy profiles and other information that the Federal Government can use to determine if the program is meeting its intended objectives.

Due to the nature of the work there is a lag time between our submission and the time that HUD issues their report. We recently received the data from our 2020 submission and wanted to highlight some informative areas of the attached report.

The first section identifies the percentages of the head of household race and ethnicity and is reflected as a percentage of all households reporting.

The second section identifies what percentage of all households reporting have at least one household member reported as having a disability.

The third section breaks down the percentage of households occupying one of five different household income groups common in LIHTC properties.

The fourth section reflects the percentage of households that fall under one of four LIHTC income eligibility targets as defined by LIHTC rules.

The fifth section identifies what percentage of household income is spent by the family on monthly rent payment.

We believe that this data is an interesting profile of the families served by the LIHTC program in Maine.



1 Head of Household Race and Ethnicity (in percentages)

<u>White Alone</u>	<u>Black Alone</u>	<u>Asian Alone</u>	<u>American Indian</u>	<u>Hawaiian Pacific Isl.</u>	<u>Other Multiple</u>	<u>Hispanic</u>	<u>Unreported</u>	<u>Percent TOTAL</u>
79	7.9	0.5	1.2	0	2.9	1.7	6.9	100

2 Disability Status of Households (in percentages)

<u>All Hsld Members Reported</u>	<u>Household Status Reported for at least one Member</u>	<u>At least one member reported as Disabled</u>
99.6	100	14.3

3 Distribution of Annual Household Income Ranges (by percentage)

Households with Reported Annual Income

<u>Project Median Income</u>	<u>&lt;=\$5,000</u>	<u>\$5,001 to \$10,000</u>	<u>\$10,001 to \$15,000</u>	<u>\$15,001 to \$20,000</u>	<u>&gt;\$20,000</u>
\$16,249	5.9	18.6	20	16.4	39

4 Reported Federal LIHTC Income Restriction (by percentage)

Unit's Federal Income Restriction:

<u>30% AMI</u>	<u>40% AMI</u>	<u>50% AMI</u>	<u>60% AMI</u>
1.9	3.8	34.3	60.1

5 Gross Rent as Percentage of Annual Household Income

Tenant Paid Rent as % of Total Annual Household Income

<u>0.1% to 30.0%</u>	<u>30.1% to 40.0%</u>	<u>40.1% to 50.0%</u>	<u>50.1% to 60.0%</u>	<u>60.1% to 70.0%</u>	<u>70.1% to 80.0%</u>	<u>80.1% &gt;</u>
70.80%	15%	5.90%	2.30%	1.20%	0.60%	1.9

## Communications & Planning Department Memorandum

**To:** Board of Commissioners

**From:** Erik C. Jorgensen

**Date:** May 10, 2022

**Subject:** May, 2022 Board Report

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The Communications and Planning Department is pleased to report on its activities during April of 2022.

### **Staffing:**

We were saddened to learn that our data analyst, Becky Dydasco has announced her departure in order to return to a former employer. We will miss her meticulous approach to data and her deep knowledge of IT and data architecture. Of course we will also miss her sense of humor and collegiality. Her departure leaves a hole, and we wish her the best.

We will be initiating a search for her replacement shortly.

### **Legislature:**

The 130<sup>th</sup> legislature has adjourned its second regular session *Sine Die*. It seems unlikely that they will come together again, given the fact that this is an election year and that there are no major areas of unfinished business still hanging out there.

Please find attached the complete legislative run-down of housing-related bills and their disposition for both sessions. I am particularly grateful to Peter Merrill, who provided endless guidance, assistance and support throughout the two years of this legislature. It was a fascinating contrast to witness the legislature from this side of the glass!

### **Media Coverage:**

Our Director of Communications, Scott Thistle, has compiled information on MaineHousing's appearances in the media this month. Continued public interest in housing issues, combined with stories around hotels, housing prices and the steady arrival of new Mainers in greater Portland have driven the stories. Since April 19, the date of the last board meeting, we were frequently featured in online, print, television and radio reports – on average once a day..

Scott writes: "My favorite of the period, so far, is the report by Marissa Bodnar, who included an interview with Dan Brennan and footage from some MaineHousing-financed affordable multi-

unit developments under construction in southern Maine. Bodnar not only gave this story fair treatment but highlights all the work we are doing it's a record amount for us and truly impressive when you consider how swollen the pipeline is:

[I-Team: At \\$295K, median price home unaffordable for 60 percent of Maine households | WGME](#)

On April 19 Spectrum News had this report – which was based in part on an interview Dan did earlier in the month with Sean Murphy. In it Sean is updating the efforts being made to help people who are experiencing homelessness in Maine.

[Homeless counts in Maine expected to go up in 2022 \(spectrumlocalnews.com\)](#)

Sean has shown a determined effort to really understand the situation in detail and has done several deep dives on homelessness. Spectrum is a new, and kind of interesting news service for Spectrum cable and internet customers – but it does a pretty straight job of covering the news in an even-handed manner – much like a traditional, mainstream media outlet.

Murphy also did this report on Built-For-Zero and our efforts around the homeless system redesign with Community Solutions. This report has a rather unfortunate --if true-- stereotype in it, implying that all veterans have mental health issues. But otherwise the report provided good exposure for our efforts to solve homelessness. It highlights our role as a national leader in trying this approach. [Homeless counts in Maine expected to go up in 2022 \(spectrumlocalnews.com\)](#)

April 21, David Guildford – of WCSH NewsCenter of Portland interviewed Dan about the ongoing efforts to rehouse people living in a pair of South Portland hotels, once our FEMA contracts there expire at the end of May. The report offered even handed tracking on this ongoing story that the southern Maine press has paid close attention to. Guildford was also on hand for a bill signing event for LD 2003, which Dan attended on April 27 at Hodgkins Apartments, a MaineHousing financed historic tax credit development, in a former elementary school in Augusta. [Gov. Janet Mills signs housing bills into law | newscentermaine.com](#)

Several outlets, including MainePublic, the local newspapers and the affiliate stations for NBC, CBS and ABC all covered the event.

This story also fetched national attention in Reason Magazine and in U.S. News and World Report

[Maine Could Be the Third State To End Single-Family-Only Zoning \(reason.com\)](#)

[Proposal to Expand Units Allowed on Housing Lots Becomes Law | Maine News | US News](#)

Other media highlights since the last board meeting include:

[With few houses and high prices, buying a Maine home is only getting harder - Portland Press Herald](#)

In a second day report Maine Public reflects on the Lewiston City Council's 4-3 in favor of a six-month moratorium on any new homeless shelter for that city. [Despite opposition, Lewiston council approves six-month moratorium on new homeless shelters | Maine Public](#)

Meanwhile in the Bangor area we learned a man charged with Paycheck Protection Program fraud has been arrested for violating his federal bail by applying for and receiving Emergency Rental Assistance funds – [Nathan Reardon threatened to evict tenants if he didn't get rental funds he was barred from seeking \(bangordailynews.com\)](#)

And this development in Westbrook is getting some attention from multiple news outlets – here's the PPH version: [120 apartments planned for Seavey Street in Westbrook - Portland Press Herald](#)

Cumberland County is using some of its pandemic relief funding for housing : [\\$7M in federal funds for affordable housing, childcare coming to Cumberland County | Maine Public](#)

The South Portland hotels that are housing refugees and other individuals experiencing homelessness continue to garner attention – after the South Portland City Council reviewed and then approved license renewals for the four hotels that have been helping house folks:

[Several South Portland hotels will face new security conditions \(wmtw.com\)](#)

[South Portland renews licenses for hotels sheltering homeless - Portland Press Herald](#)

We also got a nice mention in this report from Corey Bouchard at WAGM in Aroostook County on the homeless system redesign --- Corey wins the prize for being the first reporter to drill down a little on Built For Zero -- I wish the press in southern Maine would catch on a little more on this one:

["Built For Zero" A Nationwide Initiative to End Homelessness coming to The County \(wagmtv.com\)](#)

These two MaineBiz stories also stood out:

[The Maine Housing Crunch: We asked 3 leaders for 1 solution to the shortage | Mainebiz.biz](#)  
[The Maine Housing Crunch: From Augusta to Auburn, policymakers lay foundation for affordability | Mainebiz.biz](#)

On May 4 – Dan was also featured in two television reports that were covering the ribbon cutting at a supportive housing development in Bangor that we helped finance – You can read those stories and see those clips here:

[Penquis, Maine Housing unveil new home for adults with disabilities \(wabi.tv\)](#)  
[Penquis celebrates more affordable housing for disabled residents - WVII / Fox Bangor](#)

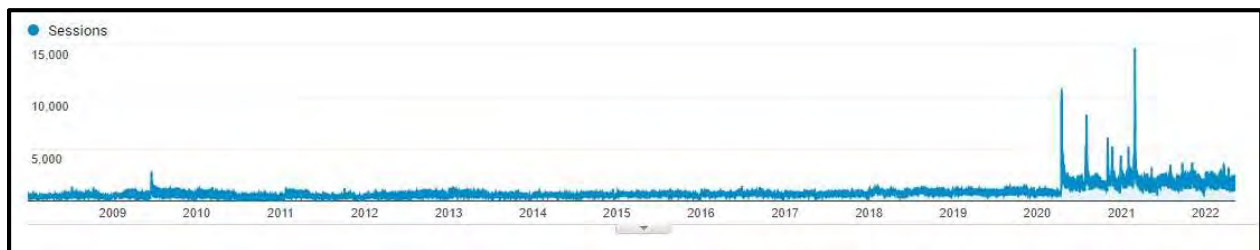
Here's your take-a-way quote:

"Meeting the people is what makes it all worth it," said MaineHousing Director Dan Brennan. "What we are doing is not producing a unit, we are providing a home."

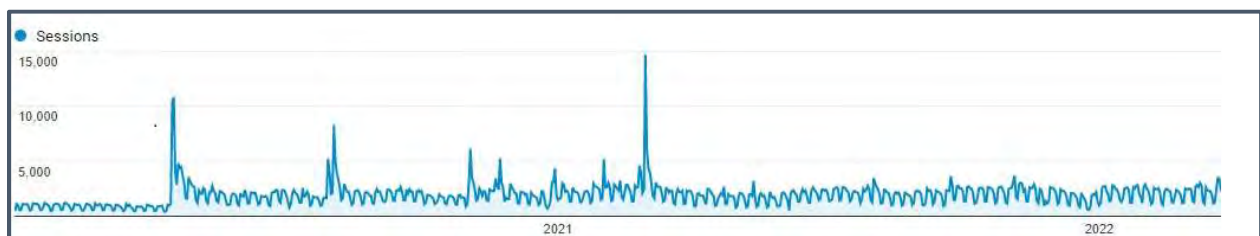
### Website:

The website metrics for the month of April are appended. In looking at some historical data with our Webmaster, Amanda Ouellette, I was fascinated to see the pattern of sessions on our website over time. The arrival of the pandemic and the onset of the most acute phase of Maine's housing shortage combine to tell a dramatic graphic story.

The first chart shows the comparative hits recorded each year since 2008. While there was some subtle variation from month to month, we were averaging between 12,000-15,000 sessions per month year in, year out -- up until COVID-19 exploded onto the scene. From the start of the first state-funded rent relief program, daily activity levels more than doubled, and some brief spikes showed activity in excess of 10 times the monthly averages.



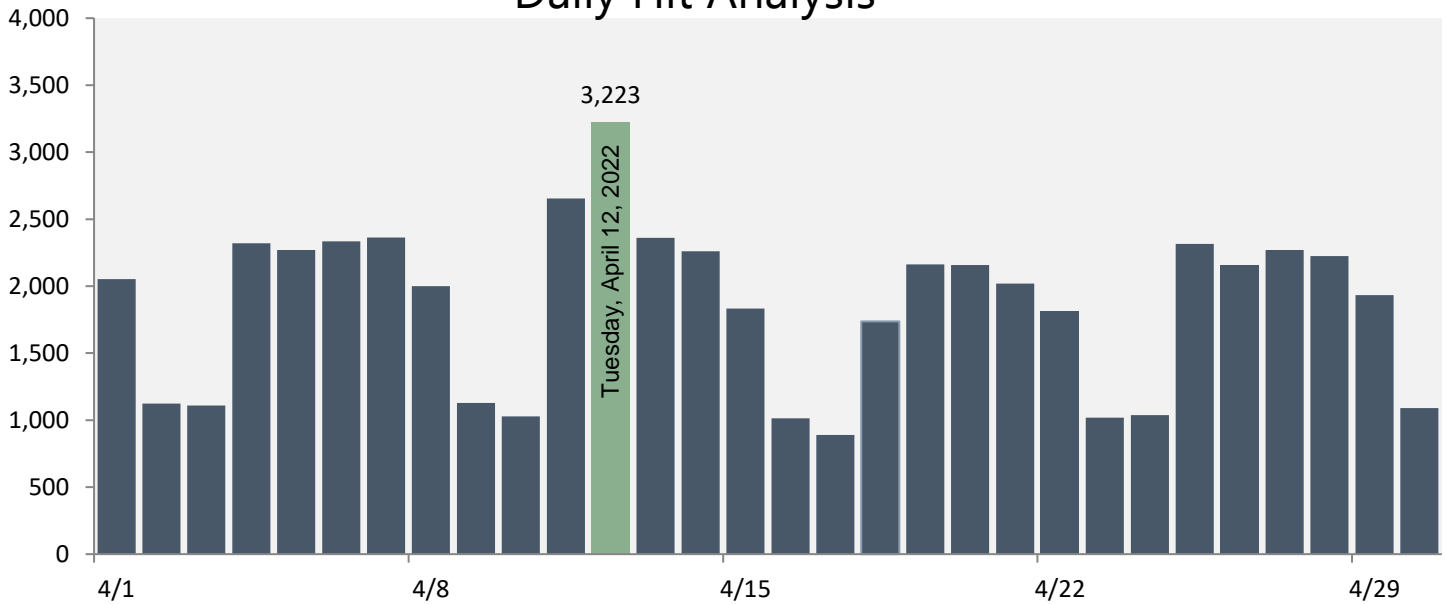
The second chart zooms in on the activity in 2020, 2021 and 2022. Here one can see clearly how the average activity has held steady at around double its pre-pandemic levels, with extreme spikes marking the beginning of different phases of emergency rental assistance. The first two large spikes took place around the start and the end of state-funded rental assistance. The most extreme of these spikes took place in March of 2021, when the federal ERA 1 program launched.



# April 2022 - MaineHousing Website Statistics

## Hit Summary

### Daily Hit Analysis

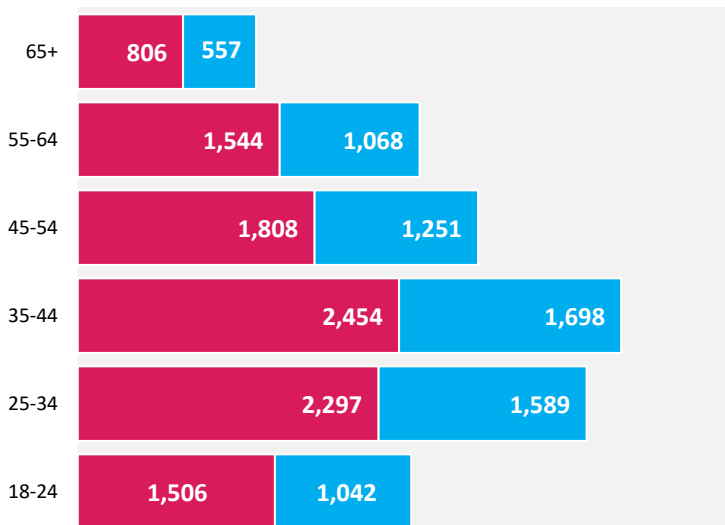


Hits	Unique Hits	Page Loads	Avg Page Views	Avg Duration	Avg Bounce
53,850	43,135	107,458	1.98	0:02:10	52.5%

## Demographics Summary

Demographic information collected by Google Analytics via a 3rd party collection tool. Age and gender are estimated numbers based upon several features present on a users mobile device, browser history, and other factors. Users must have previously allow this information to be collected through browser or app settings.

### AGE & GENDER



59%



41%

### TOP CITIES

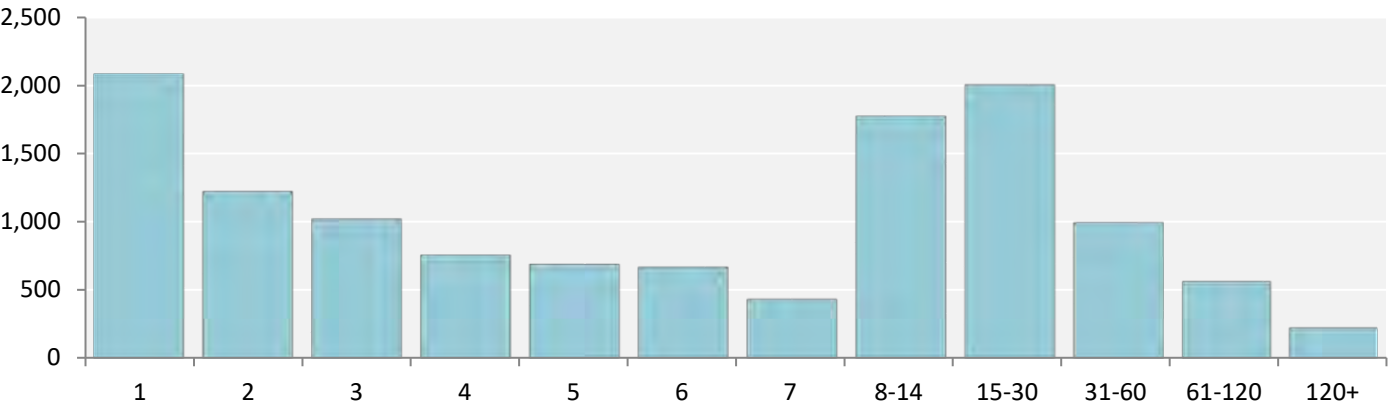
Portland, ME	3,353
Bangor, ME	2,405
Lewiston, ME	2,369
Boston, MA	1,776
Augusta, ME	1,660
New York, NY	1,459
Waterville, ME	1,063
Sanford, ME	939
South Portland, ME	886
Buddeford, ME	824

Top Cities account for 31.08% of all website traffic.

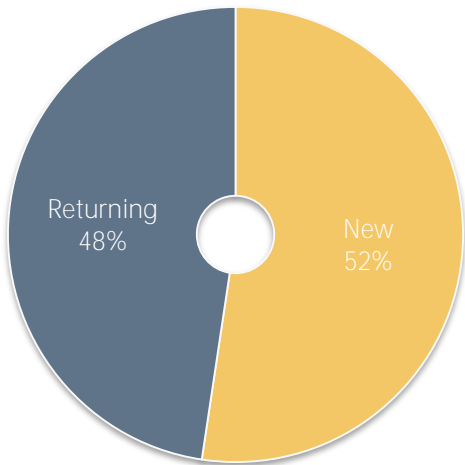
# Visitor Engagement

Demographic information collected by Google Analytics via a 3rd party collection tool. Age and gender are estimated numbers based upon several features present on a users mobile device, browser history, and other factors.

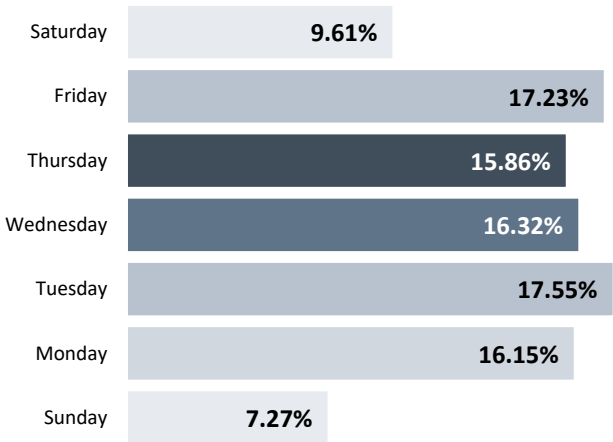
## DAYS SINCE LAST SESSION



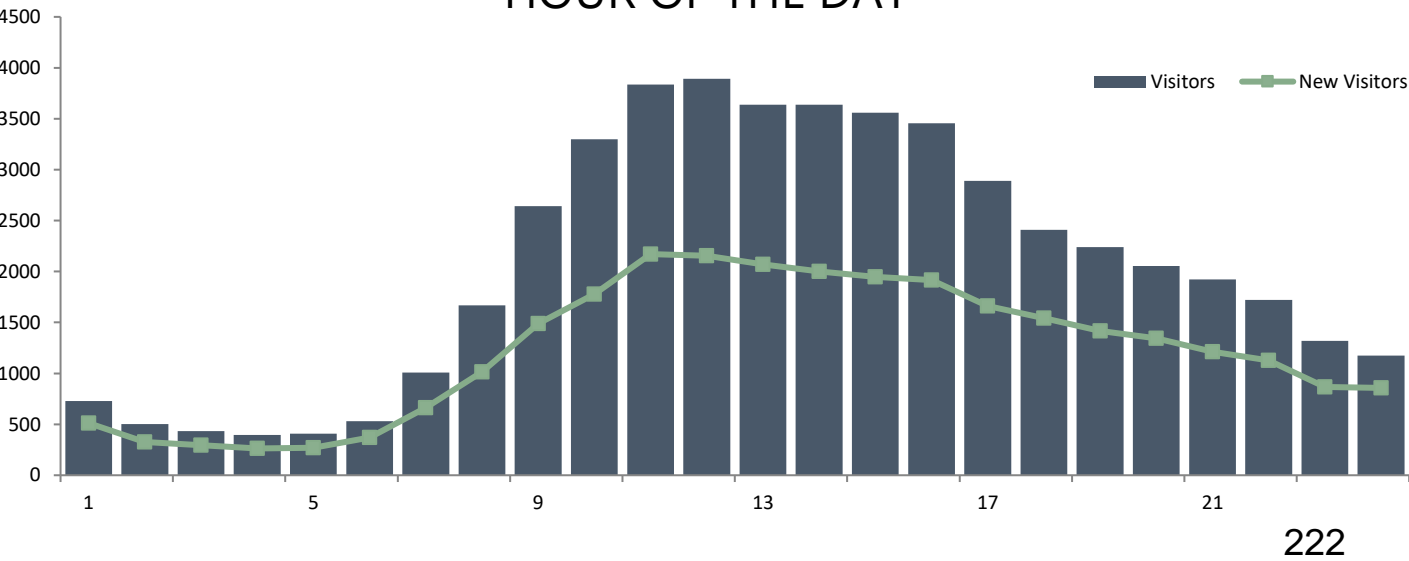
## NEW & RETURNING VISITORS



## DAYS OF THE WEEK



## HOUR OF THE DAY

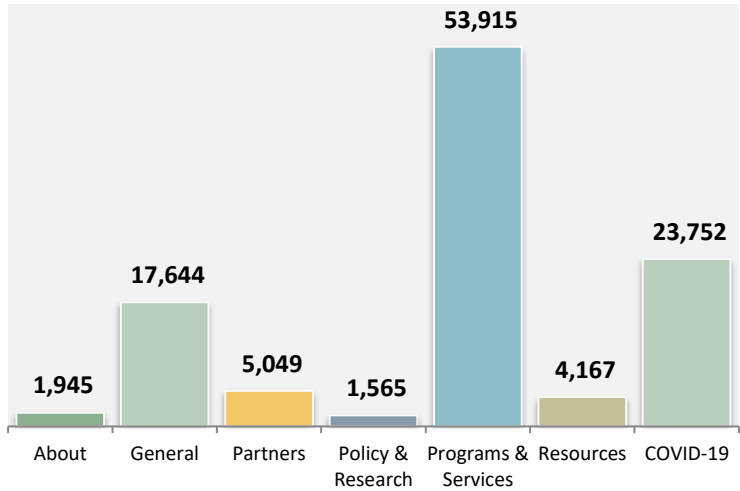


## Popular Content

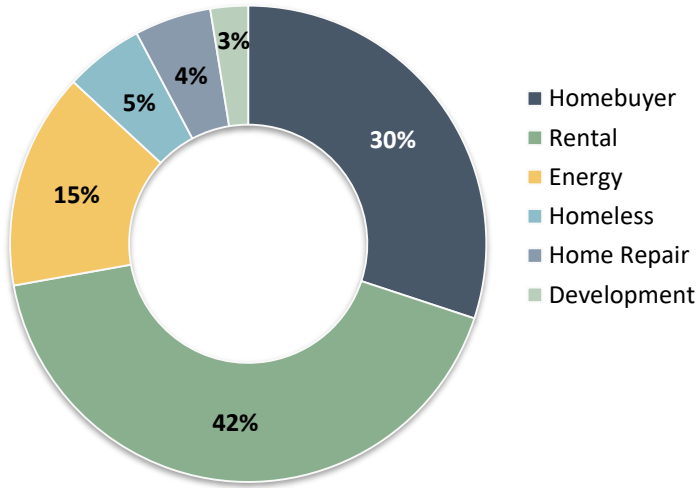
Popular content on our site is defined by pages and or sections of our site that have the highest visits. Below content has been categorized by page, program area and content sections. COVID-19 was added in March of 2020.

Page Title	Hits
Emergency Rental Assistance Program	19,940
MaineHousing Website	13,134
First Home Loan Program	6,960
First Home Loan	5,730
Subsidized Housing	3,659
ERA Program Calculator	3,628
HEAP - Do you need help heating your home	3,122
Rental Assistance	3,122
Housing Choice Vouchers	2,520
Homebuyer Income & Purchase Limits	2,496
MaineHousing Lenders	2,311
HEAP Income Eligibility	2,123
Home Energy Assistance Program	2,022
HEAP Agency Contacts	1,712
Contact MaineHousing	1,615
Current Interest Rates	1,451
Home Repair	1,337
Rent - Income Charts	1,293
Homeless Initiatives	1,224
Emergency Shelters	1,091
Leaving MaineHousing Website	1,090
Homebuyer Programs	1,035
Error - Page Cannot Be Found	890
hoMEworks Homebuyer Education Classes	869
Mortgage Calculator	868

Popular Content By Program

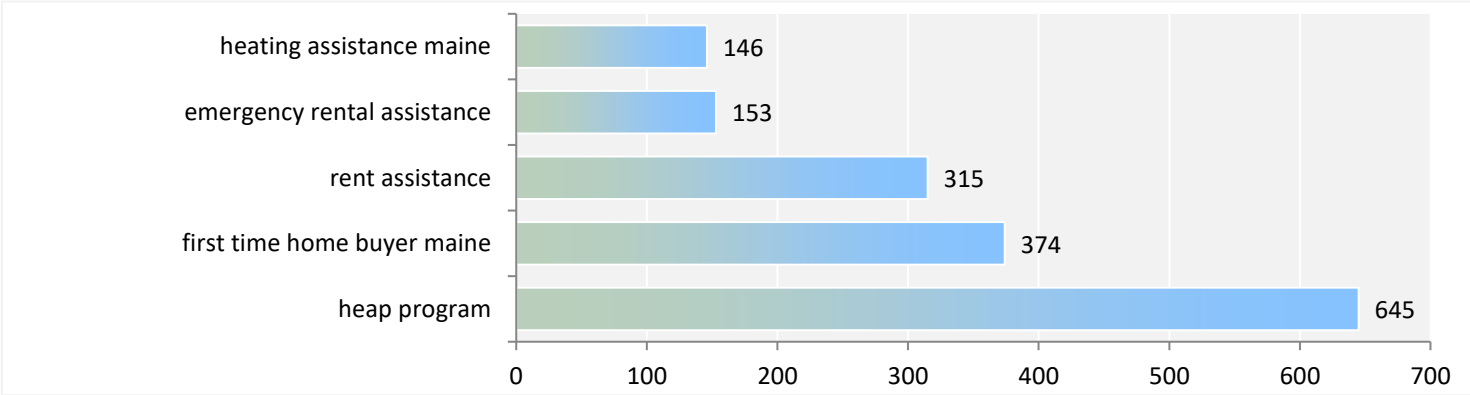


Popular Content By Section



## Search Keywords

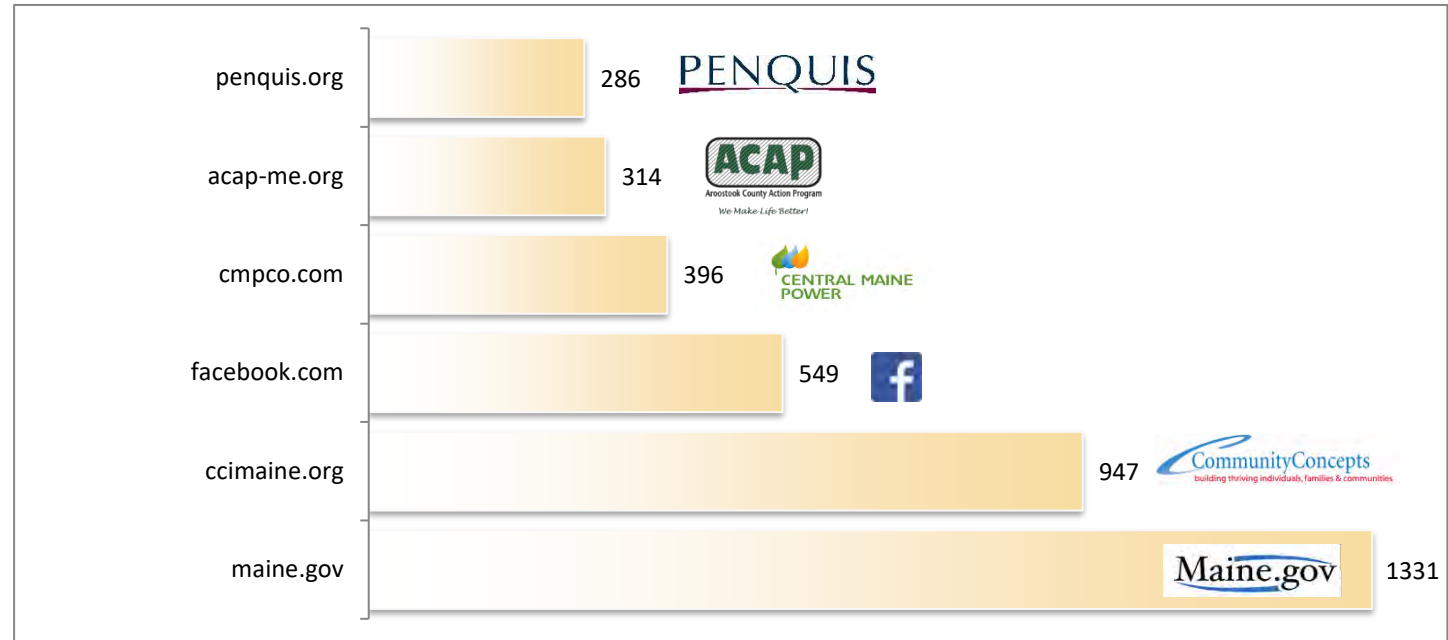
Below are some of the most popular phrases that people are typing into a search engine (such as google or bing) that then provide a search result for our site.



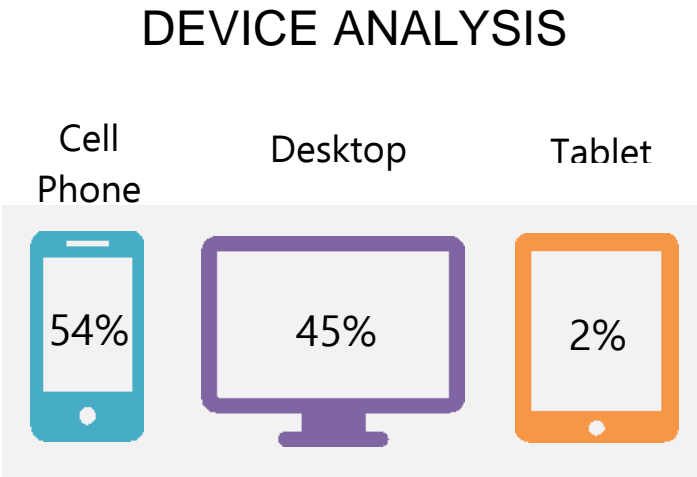
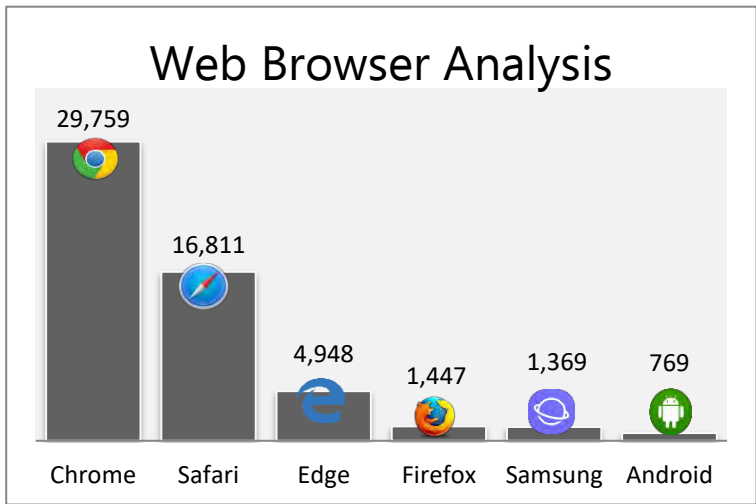


## Referring Websites

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:** May 17, 2022

**Subject:** Monthly Report

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**2023-2024 Qualified Allocation Plan (9% LIHTC)**

A public hearing will be held for the 2023-2024 Qualified Allocation Plan at the Maine State Housing Authority, 26 Edison Drive, Augusta, Maine, on Tuesday, May 17, 2022 at 9:30 AM. The public comment period ends on May 27<sup>th</sup>, 2022 at 5:00 PM. At this time, there are no substantive changes planned to the draft as presented to the Board in April.

**Rural Affordable Rental Housing Program**

The Rural Affordable Rental Housing Program was created to provide economic equity to rural areas of Maine, which are often left out of the Low Income Housing Tax Credit program as the size, scale and lack of investor interest makes them all but unworkable. The Program will provide subsidy in the form of zero interest forgivable loans as well as paying debt for the acquisition and substantial rehabilitation or construction of any units developed under the Program. Funding comes from the Maine Jobs and Recovery Plan to invest nearly \$1 billion in Federal American Rescue Plan funds.

<https://mainehousing.org/programs-services/housing-development/developmentdetails/rural-affordable-housing-rental-program>

**Affordable Housing Initiative for Maine Islands**

MaineHousing is making funding available to finance the creation or substantial rehabilitation of affordable multi-family rental housing units located on Maine's island communities. Rental housing units must remain as rental housing for a minimum of 45 years and must be leased to full-time island residents as their primary residence. Funding comes from the proceeds of taxable/tax-exempt bonds issued by MaineHousing pursuant to the Maine Energy, Housing and Economic Recovery Program, 30-A M.R.S.A. c. 201, sub-c. 7-A (Part E Bonds).

[https://mainehousing.org/docs/default-source/development/program-guides/2022-affordable-housing-initiative-for-maine-islands.pdf?sfvrsn=a0c18615\\_1](https://mainehousing.org/docs/default-source/development/program-guides/2022-affordable-housing-initiative-for-maine-islands.pdf?sfvrsn=a0c18615_1)

## **Staff**

We have hired a new Administrative Assistant. Amanda Bullock joins us with a work history in accounts payable and insurance claims processing. Combined with experience with educational and state agencies, and a Bachelor Degree in Early Childhood Development and Family Relations, she is well-suited to working with our team.



**Energy & Housing Services Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Daniel Drost, Director of Energy and Housing Services  
**Date:** May 17, 2022  
**Subject:** EHS Monthly Report – May, 2022

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**HOME ENERGY ASSISTANCE PROGRAM (HEAP)**

**PRODUCTION STATISTICS FOR PROGRAM YEAR 2022 (BEGUN AUGUST 23, 2021)**

Number of Applications	PY 2022 THRU 5/5/2022	PY 2021 THRU 5/5/2021	+/-	% change
Total Applications Taken	47,377	45,630	1,747	+3.8%
Confirmed Eligible/Paid	34,248	33,550	748	+2.2%
Pending (in process)	6,335	4,002	2,333	+58.3%
Other (ineligible, denied, void, etc.)	6,794	8,128	-1,334	-16.4%

**PY2022 HEAP Payments through May 3, 2022 \$22,460,816.**

**Low-Income Credit Program (\$90 Utility Credit Initiative):**

In response to recent increases in electric utility rates, MaineHousing was asked to facilitate an emergency, one-time nominal electric utility payment of \$90. The payment was intended to assist eligible Mainers at or below 150% of the Federal Poverty Level with their electricity costs. In collaboration with DHHS, the PUC and Maine's electric utilities, households currently enrolled in SNAP, TANF, MaineCare and the Low-Income Assistance Program (LIAP) were identified and provided with the \$90 credit by their utilities.

Funding for this one-time, emergency utility credit is provided through HEAP ARP supplemental funding and \$8,000,000 was set aside for this initiative. In order for this emergency initiative to proceed, MaineHousing was required by law to make minor, temporary revisions to ***Chapter 24: Home Energy Assistance Rule*** and the ***Detailed Model Plan for the Home Energy Assistance Program***. Comments were solicited from interested parties and comments were accepted from those attending the MaineHousing Board of Commissioners meeting on February 15, 2022. This initiative was subsequently approved by the Maine PUC.

Credits to eligible household accounts were made by the utilities in March and April. To date, the number of households provided these credits total 71,987 in the amount of \$6,479,010.

UTILITY COMPANY	CREDITS ISSUED	HOUSEHOLDS SERVED
Central Maine Power Company*	4,687,020	52,078
Eastern Maine Electric Cooperative	135,360	1,504
Fox Islands Electric Coop	4,230	45
Houlton Water Company	24,300	270
Isle Au Haut	0	0
Kennebunk Light and Power District	20,250	225
Madison Electric Works	34,020	378
Monhegan Plantation	0	0
VanBuren Light & Power district	7,290	81
Versant*	1,566,540	17,406
<b>TOTAL</b>	<b>\$6,479,010</b>	<b>71,987</b>

*\*Estimated. Final invoicing pending.*

### **Online HEAP Application- Request for Services:**

In early February 2022, MaineHousing engaged with Hancock Software, Inc., to commence working on an online HEAP application. Hancock Software, Inc. is the developer of the HEAP Cloud software product, which is currently used in Maine. Hancock Software, Inc. had the start of a basic online HEAP application interface, so it was logical and efficient to pursue working with Hancock, Software, Inc. for the project.

Individuals applying for HEAP traditionally apply with their local Community Action Agency (CAA) in-person or via telephone. Some people have been unable to connect in a timely manner with the CAA serving their area to schedule a HEAP application appointment and have their application completed. Adding an online option to apply for HEAP is a tool that will support people with requesting HEAP services.

As part of planning for and developing the online application portal, MaineHousing spoke with HEAP personnel at the Community and Economic Development Association of Cook County, Inc. (CEDA) in Cook County, Illinois. CEDA has an online “request for services” portal and “client journey” process that they have been building and refining over the past few years. CEDA’s online entry point is used to request a variety of services, including heating assistance. Information gathered by meeting with CEDA helped guide MaineHousing’s thinking regarding the online portal and experience for the people of Maine.

In March 2022, MaineHousing convened an online HEAP application/portal working group, which includes representation from CAAs’ HEAP Departments. CAAs have been actively involved with initial testing and development of the online request for services portal. The online portal working group has members who have experience working with the Emergency Rental Assistance Program (ERA), and MaineHousing is taking lessons learned from the launch of ERA to plan for the introduction of the online request for services portal.

In April 2022, LD 1966 ‘An Act to Facilitate Access to Heating Assistance’ was signed into law in Maine. This legislation requires MaineHousing to adopt rules requiring that online applications for fuel assistance be accepted beginning no later than the 2022/2023 winter season. There was no state funding allocated to support the online HEAP application.

The online HEAP request for services portal will allow people to provide basic information about their household, such as names; dates of birth; receipt of other services, such as TANF and SNAP; and contact information, including phone numbers and email address. Individuals will submit this information through the portal, and CAA HEAP personnel will pick up the request on their end through the HEAP Cloud system. CAAs will be able to filter, prioritize and manage requests for services submitted through the portal. CAAs will then contact households and schedule time with the applicant to complete the application process. The online portal will not accommodate people initiating and completing the application process entirely online. Due to the amount and type of information needed to apply for HEAP, the support of trained Intake personnel is needed to assist applicants through the entire application process.

The initial working prototype of the online request for services portal is being delivered to MaineHousing by mid-May, at which time, intensive testing will commence by both MaineHousing and CAA HEAP personnel. CAAs will begin taking HEAP applications for Program Year 2023 on July 18, 2022 (a “soft launch”). CAAs are starting to schedule priority returning HEAP applicants for the first six weeks of taking applications. CAAs will start taking applications for all other applicants beginning on August 29, 2022 (a “hard launch”). The online request for services will be deployed on this same date.

Focusing on serving returning priority applicants during the early start, soft launch period, will free up slots for other applicants, including new applicants sooner in the year. The combination of the early start; the focus on returning applicants during the initial six week soft launch; the introduction of the online request for services; and CAAs preparing for the new year, including staffing up as needed, are part of addressing the “bottleneck” of applicants traditionally experienced November-January.

### **HEAP Categorical Income Eligibility:**

The LIHEAP Statue allows HEAP grantees the option of implementing “categorical income eligibility” for HEAP for households that receive other types of services, including TANF and SNAP. Utilizing income eligibility for these means tested programs can increase efficiency and improve the application experience for households applying for HEAP.

Maine Equal Justice Partners (MEJ) has been an advocate for MaineHousing to adopt categorical eligibility for HEAP for several years. MaineHousing has considered this request and one of the challenges encountered has been securing permission from Maine DHHS clients to share their information with MaineHousing in order to determine HEAP benefit levels. MaineHousing, MEJ and Maine DHHS have met several times over the past few years to explore options to leverage data sharing and categorical eligibility as part of simplifying and streamlining the process to apply for HEAP.

MaineHousing is aware of several other states that implement HEAP categorical income eligibility, including Connecticut and Idaho. MaineHousing reached out to CT and ID to learn more about their experience and process with implement categorical eligibility. MaineHousing is leaning on CT’s model as can be integrated with existing systems and processes in Maine. MaineHousing has proposed and is pursuing using income/Federal Poverty Level (FPL) data for households receiving TANF or SNAP that is vetted and provided by Maine DHHS, or a “banding method” in situations where households provide documentation of receiving TANF or SNAP, but not actual vetted income/FPL data, to determine households’ HEAP benefit levels. MaineHousing, MEJ and Maine DHHS continue to meet and refine thinking and processes related to implementing categorical income eligibility in a consistent, fair and manageable manner for HEAP for Program Year 2023.

### Community Aging in Place Program (CAIP):

MaineHousing's Community Aging in Place Programs (CAIP) includes a HUD funded Older Adult Home Modification Grant Program and a state funded Community Aging in Place Program (CAIP). The CAIP provides grants to eligible older adult homeowners to enable them to remain in their homes. Through low-cost, high impact home modifications and limited repairs, the goal of the program is to increase safety and reduce older adults' risk of falling. The Energy and Housing Services Department (EHS) completed the analysis of PY2021 and compared it with the data from PY2020.

PROGRAM COMPARISON		2020	2021
# Partner Agencies		8	10
# Communities Served		182	194
# Households Served		115	201

Counties Served in 2020



Counties Served in 2021



County	# Households Served	
	2020	2021
Androscoggin	1	7
Aroostook	45	45
Cumberland	3	6
Franklin	22	51
Hancock	8	5
Kennebec	15	11
Lincoln	1	
Penobscot		29
Sagadahoc	5	21
Washington	15	8
York		3

### Age & Income of Households:

	2020	2021
Median Age	64	66
Median Income	\$12,430	\$15,942

### Home Accessibility and Repair Program (HARP):

The Home Accessibility and Repair Program (HARP) provides grants to income eligible homeowners for professional home repairs and accessibility modifications. The HARP is funded with State Home funds and the program period of performance is January 1 through December 31. The HARP program is comprised of five components: Home Repair, Elderly Home Repair, Accessibility, Emergency Home Repair, and Emergency Manufactured Home Repair. The HARP is delivered statewide through the network of Community Action Agencies (CAAs). MaineHousing does require the CAAs to provide services from each of the five categories.



<b>HARP PROJECT PROGRESS BY CAA</b>				
<b>Reporting Date: January 1, 2022 - May 9, 2022</b>				
<b>Agency</b>	<b>Complete</b>	<b>In Process</b>	<b>TOTAL</b>	<b>Project Cost</b>
ACAP	0	3	<b>3</b>	\$ 19,062.33
CCI-ANDROSCOGGIN	1	6	<b>7</b>	\$ 110,544.02
CCI-CUMBERLAND	0	3	<b>3</b>	\$ 59,406.00
DCP	0	3	<b>3</b>	\$ 45,120.00
KVCAP	4	6	<b>10</b>	\$ 165,219.60
PCAP	10	7	<b>17</b>	\$ 256,529.87
WCAP	0	0	<b>0</b>	\$ -
WMCA	0	5	<b>5</b>	\$ 81,061.92
YCCAC	3	4	<b>7</b>	\$ 117,240.00
<b>TOTAL</b>	<b>18</b>	<b>37</b>	<b>55</b>	<b>\$ 854,183.74</b>

### **DOE Weatherization Assistance Program:**

MaineHousing's Weatherization Program provides grants to low-income homeowners and renters with installation of energy conservation measures in their homes. The weatherization measures installed are intended to reduce the home's energy costs by improving home energy efficiency. The Weatherization Program is delivered statewide through the network of Community Action Agencies (CAAs).

The 2022 National Home Performance Conference & Trade Show brings together contractors, weatherization professionals, trainers, program administrators, energy auditors, and others working in residential energy efficiency for the latest developments and education in the industry. The 2022 conference was held in Tennessee and was the first in-person conference since March 2020. Two MaineHousing EHS weatherization staff attended the conference along with several CAAs, and Maine contractors.

MaineHousing has several programs that requires independent contractors to complete the work. Energy and Housing Services (EHS) is always looking for contractors to do general construction work, as well as contractors specializing in weatherization and lead remediation. MaineHousing's weatherization and housing teams had an opportunity to meet and chat with hundreds of contractors at the Annual Hammond Lumber Contractor Trade Show that took place on May 3, 2022. This was the first trade show since the onset of COVID-19. The Housing and Weatherization Teams spent the day at the Augusta Civic Center talking with upwards of 300 hundred contractors. It was a great day!

### **Client Program Survey Cards:**

The Community Action Agencies (CAAs) who administers our programs are required to leave a *Client Survey Card* with the client when the project is complete. The clients have the option to enter their responses electronically or they can complete the card and mail it to MaineHousing's office. The Energy and Housing Services (EHS) staff have implemented a process to share detailed client responses with the respective CAA. This information will allow the CAAs to analyze the information shared by the client to improve the delivery of MaineHousing's programs.



Statewide Client Survey Summary  
January 1, 2022 – April 30, 2022 (Qtr 1)

1. Total number of survey responses received: 156
2. Overall client experience:
  - a. 71% indicated the experience **exceeded** their expectations.
  - b. 25% indicated the experience **met** their expectations.
  - c. 3% did not answer this question.
  - d. 1% indicated their expectation was not met.
3. The person/people who completed the work were professional and courteous:
  - a. 66% indicated they **strongly agree** with the statement.
  - b. 31% indicated they **agree**.
  - c. 1% did not answer this question.
  - d. 2% disagreed with the statement.
4. The client felt involved in the process:
  - a. 65% indicated they **strongly agree** with the statement.
  - b. 30% indicated they **agree**.
  - c. 3% did not answer this question.
  - d. 2% disagreed with the statement.
5. The client indicated their home was comfortable and safe as a result of the work:
  - a. 66% indicated they **strongly agree** with the statement.
  - b. 31% indicated they **agree**.
  - c. 1% did not answer this question.
  - d. 2% disagreed with the statement.
6. The client indicated they would recommend this program to someone else:
  - a. 99% stated **Yes**, they would recommend the program.
  - b. 1% did not answer this question.

**Finance Department Memorandum**

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** May 10, 2022

**Subject:** Monthly Report – Finance Department

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

- Work continued on the federal compliance audit for the year ended December 31, 2021. This is an annual audit of MaineHousing's federally funded programs to determine whether the programs have been administered in compliance with federal guidelines. The AFR staff are coordinating activities between the auditors and program departments. They are also preparing and compiling requested information.

MaineHousing administered and disbursed approximately \$330 million through thirty-six different federal programs in 2021. Major federal programs are audited on a rotating basis. The major programs identified for the 2021 audit are the Section 8 Project Based Contract Administration (PBCA), Low Income Home Energy Assistance (LIHEAP), CARES Act – Rent Relief, and the Emergency Rental Assistance programs. The federal compliance audit needs to be completed and filed with the federal Single Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after year end, which is September 30<sup>th</sup> for MaineHousing.

- The AFR staff also completed the financial close for the first fiscal quarter of 2022 and the financial statements for the period ended March 31, 2022. The financial results for the quarter-ended March 31, 2022 are presented in the Financial and Budget Report section.

**LOAN ADMINISTRATION:**

- Staff facilitated a mortgage discharge training for Mortgage Servicing Solutions (MSS), MaineHousing's largest single-family loan servicer. MSS has experienced staff turnover and not all of their mortgage discharges were being performed properly and in a timely manner. The training covered the Maine Mortgage Discharge law timeline requirements, how to review the Registry of Deeds for recording information of the mortgage and assignment, and how to accurately prepare and record a mortgage discharge.
- MaineHousing's single-family loan delinquency rates have been stable and relatively low over the past year. To maintain the low rates and potentially reduce them further, an outreach initiative targeted at specific delinquent borrowers was conducted in April. Staff identified approximately seventy delinquent borrowers that have been unresponsive to previous collection efforts and sent out "Just Checking in" mailers to each in hope of engaging them. The mailer provides a reminder that there are alternatives to foreclosure, information on various workout options, and encourages them to open the lines of communication and to contact their servicer or MaineHousing for assistance.

**Finance Department Memorandum**

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** May 10, 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 three-month period ended March 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 \$2.1 billion and total combined liabilities approximate \$1.7 billion. Total net assets amount to approximately \$407.2 million. Total combined revenues approximate \$129.8 million and total expenses amount to approximately \$129 million, which results in net operating income of \$0.8 million. Total combined net operating income for this three-month period in 2021 was \$4.3 million. Net operating income for three-month is \$3.5 million lower in 2022 and the decrease is attributed primarily to the following:

The Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, has a net operating loss of approximately \$2.6 million. This is a \$3.1 million decrease compared to net operating income of \$0.5 million in 2021. The net operating loss for 2022 is due to the recognition of a paper loss associated with adjusting the carrying values of non-mortgage investments. A paper loss of \$3.3 million has been recorded for 2022, which is \$3.1 million larger than the paper loss of \$0.2 million recorded in 2021. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

The recording of paper gains and losses is required for accounting purposes. However, because MaineHousing does not actively buy and sell related investments, actual gains and losses will not occur and these amounts are ignored by the rating agencies, bond analysts, and management when assessing profitability.

Excluding the paper losses, MPP's adjusted net operating income for both 2022 and 2021 amounts to \$0.7 million at the end of March.

## **BUDGET RESULTS**

Also attached are the budget variance results for the period ended March 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 March 31, 2022 amount to \$18.3 million, while total expenses amount to \$17.6 million. For the three-month period ended March 31, 2022, revenues exceed expenses by approximately \$0.7 million. Total revenues and expenses are in line with that anticipated for the period.

The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and summarized below:

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

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

Total 2022 operating expenses are budgeted at approximately \$22.7 million. As of March 31, 2022, approximately \$6.2 million or 27% of the total operating budget has been used. Total other program administrative expenses are budgeted at \$9.1 million and actual expenses amount to \$1.8 million as of March 31, 2022. Overall, expenditures in these areas are consistent with that anticipated for the period.

### **CAPITAL BUDGET**

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2022 is \$556,000. Expenditures amounted to \$363,000 as of March 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.

### **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 March 31, 2022.

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**MARCH 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	48,490	45,484	15,126	1	23,473	1	6,883	0	0
Investments	544,092	525,822	422,469	7,982	9,291	33,984	0	9,149	42,947
Accounts receivable - Government	9,954	54,518	0	0	0	6,335	48,183	0	0
Assets held for sale	0	0	0	0	0	0	0	0	0
Accrued interest and other assets	17,061	9,149	8,619	1	281	55	171	1	21
Mortgage notes receivable, net	1,450,262	1,428,762	1,384,533	0	4,530	30,050	0	0	9,649
Other notes receivable, net	206	59	0	0	59	0	0	0	0
Land, equipment and improvements, net	18,073	17,752	22	0	17,730	0	0	0	0
Other real estate owned	0	94	32	0	62	0	0	0	0
Accumulated increase in fair value of hedging derivatives	9,428	(638)	(638)	0	0	0	0	0	0
Net pension asset	0	217	112	1	22	0	0	82	0
Deferred pension expense	577	1,123	580	3	113	0	0	427	0
Deferred amount on debt refundings	3,007	2,563	2,563	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,101,150</b>	<b>2,084,905</b>	<b>1,833,418</b>	<b>7,988</b>	<b>55,561</b>	<b>70,425</b>	<b>55,237</b>	<b>9,659</b>	<b>52,617</b>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	16,513	13,974	13,590	0	0	0	0	0	384
Accounts payable - Federal	582	353	0	0	0	0	353	0	0
Accounts payable & accrued liabilities	3,932	6,874	198	1	4,627	12	2,036	0	0
Unearned income	32,146	50,806	0	0	0	625	37,413	12,768	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
Derivative instrument - interest rate swaps	9,428	(638)	(638)	0	0	0	0	0	0
Interfund	0	0	5,107	21	(2,057)	(10,136)	10,385	(3,346)	26
Mortgage bonds and notes payable, net	1,650,208	1,603,194	1,530,515	0	14,722	0	0	0	57,957
Deferred grant income	731	0	0	0	0	0	0	0	0
Deferred loan origination points	21	15	15	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,716,623</b>	<b>1,677,737</b>	<b>1,550,419</b>	<b>32</b>	<b>17,609</b>	<b>(9,499)</b>	<b>50,187</b>	<b>10,622</b>	<b>58,367</b>
<b>NET ASSETS:</b>									
Restricted Net Assets	347,904	369,216	282,999	7,956	0	79,924	5,050	(963)	(5,750)
Unrestricted Net Assets	36,623	37,952	0	0	37,952	0	0	0	0
<b>Total Net Assets</b>	<b>384,527</b>	<b>407,168</b>	<b>282,999</b>	<b>7,956</b>	<b>37,952</b>	<b>79,924</b>	<b>5,050</b>	<b>(963)</b>	<b>(5,750)</b>
<b>Total Liabilities and Net Assets</b>	<b>2,101,150</b>	<b>2,084,905</b>	<b>1,833,418</b>	<b>7,988</b>	<b>55,561</b>	<b>70,425</b>	<b>55,237</b>	<b>9,659</b>	<b>52,617</b>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD ENDED MARCH 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	15,233	14,580	14,477	0	70	23	0	0	10
Income from investments	241	467	448	1	3	5	0	2	8
Net increase (decrease) in the fair value of investments	(192)	(3,335)	(3,335)	0	0	0	0	0	0
Fee income	2,328	3,267	412	0	379	0	2,418	58	0
Other revenue	60	1	0	0	0	0	0	1	0
Grant income	30,303	80,662	0	0	0	3	80,612	47	0
Income from State	5,530	6,959	0	0	0	6,959	0	0	0
Federal rent subsidy income	27,250	27,177	0	0	0	0	27,177	0	0
Gain on bond redemption	0	4	4	0	0	0	0	0	0
Total Revenues	80,753	129,782	12,006	1	452	6,990	110,207	108	18
<b>EXPENSES:</b>									
Operating expenses	4,879	6,204	0	0	6,204	0	0	0	0
Other program administrative expenses	1,237	1,310	1,188	0	1	0	64	31	26
Mortgage servicing fees	443	435	431	0	4	0	0	0	0
Provision for losses on loans	0	0	0	0	0	0	0	0	0
Losses on foreclosed real estate	(16)	0	0	0	0	0	0	0	0
Interest expense	10,964	9,872	9,613	0	0	0	0	0	259
Grant expense	31,709	83,989	0	0	0	3,183	80,652	47	107
Federal rent subsidy expense	27,224	27,163	0	0	0	0	27,163	0	0
Allocated operating costs	0	0	3,453	20	(5,547)	0	2,046	28	0
Total Expenses	76,440	128,973	14,685	20	662	3,183	109,925	106	392
Net Operating Income (Loss)	4,313	809	(2,679)	(19)	(210)	3,807	282	2	(374)
Transfers between funds, net	0	0	0	0	73	0	(73)	0	0
Change in net assets	4,313	809	(2,679)	(19)	(137)	3,807	209	2	(374)
Net assets at beginning of year	380,214	406,359	285,678	7,975	38,089	76,117	4,841	(965)	(5,376)
Net assets at end of period	384,527	407,168	282,999	7,956	37,952	79,924	5,050	(963)	(5,750)

**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE PERIOD ENDED MARCH 31, 2022**

*(IN THOUSANDS OF DOLLARS)*

	<b>Mortgage Lending Activities Actual</b>	<b>Program Administration Activities 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	14,547	0	14,547	60,300	45,753	76%
Income from investments	452	2	454	1,235	781	63%
Fee income	791	2,476	3,267	14,046	10,779	77%
Other revenue	4	1	5	65	60	92%
Total Revenues	15,794	2,479	18,273	75,646	57,373	76%
<b>EXPENSES:</b>						
Operating expenses	4,130	2,074	6,204	22,708	16,504	73%
Other program administrative expenses	1,624	121	1,745	9,093	7,348	81%
Interest expense	9,613	0	9,613	39,800	30,187	76%
Total Expenses	15,367	2,195	17,562	71,601	54,039	75%
<b>Excess Revenues Over Expenses</b>	<b>427</b>	<b>284</b>	<b>711</b>	<b>4,045</b>	<b>3,334</b>	<b>82%</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES  
FOR THE PERIOD ENDED MARCH 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	3,837,145	9,152,119	70%
Payroll Taxes	956,112	289,262	666,850	70%
Retirement	1,247,720	330,624	917,096	74%
Medical and Life Insurance	2,932,952	691,845	2,241,107	76%
Other Fringe Benefits	10,000	2,010	7,990	80%
Office Supplies	51,700	12,752	38,948	75%
Printing	71,430	20,504	50,926	71%
Membership and Dues	65,554	17,078	48,476	74%
Subscriptions	26,440	6,463	19,977	76%
Sponsorships	17,000	3,100	13,900	82%
Staff Educ/Train/Conf	134,838	26,938	107,900	80%
Travel/Meals - Staff Educ/Train/Conf	132,010	4,361	127,649	97%
Partner/Client Train/Meetings	58,500	361	58,139	99%
Travel/Meals - Partner/Client Training	45,018	4,084	40,934	91%
Staff Events	14,970	775	14,195	95%
Meals - Staff Events	16,499	2,068	14,431	87%
Leased Vehicles	143,417	36,350	107,067	75%
Computer Supplies	25,312	7,825	17,487	69%
Computer License SAAS	185,827	66,979	118,848	64%
Rent-Other	37,430	8,821	28,609	76%
Computer Maintenance	653,846	140,128	513,718	79%
Depreciation	1,020,000	242,764	777,236	76%
Telephone	132,384	29,854	102,530	77%
Employment Advertising	1,000	450	550	55%
Postage and Shipping	115,650	37,616	78,034	67%
Insurance	93,010	440	92,570	100%
Recording Fees	1,000	39	961	96%
Payroll Services	44,365	12,433	31,932	72%
Audit Services	169,800	65,000	104,800	62%
Building Interest Expense	473,524	118,208	355,316	75%
Property Expenses	460,085	149,389	310,696	68%
Professional Services	380,886	38,927	341,959	90%
<b>Total Operating Expenses</b>	<b>22,707,543</b>	<b>6,204,594</b>	<b>16,502,949</b>	<b>73%</b>
<b>Other Program Administrative Expenses</b>				
Loan foreclosure expenses	200,000	4,469	195,531	98%
REO expenses	50,000	1,027	48,973	98%
Mortgage Servicing fees	1,860,000	434,726	1,425,274	77%
Provision for losses on loans & REOs	125,000	0	125,000	100%
Loan Origination expenses	3,020,000	442,502	2,577,498	85%
Bond Issuance Costs	900,000	284,534	615,466	68%
Trustee/Bank fees	170,000	45,497	124,503	73%
Program advertising/printing	424,750	39,492	385,258	91%
Bond and mortgagee insurance	17,000	0	17,000	100%
Variable rate bond remarket/liquidity facilities	1,100,000	277,142	822,858	75%
Cash flow/arbitrage/swap consultants/legal	645,000	123,974	521,026	81%
Homebuyer education	120,000	22,500	97,500	81%
Program administrator fees	461,000	69,200	391,800	85%
<b>Total Other Program Administration Expenses</b>	<b>9,092,750</b>	<b>1,745,063</b>	<b>7,347,687</b>	<b>81%</b>



**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE PERIOD ENDED MARCH 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	16,015	13,985	
Total computer hardware	45,000	16,015	28,985	36%
<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	4,625	32,375	
Single Family loan servicing system modifications	10,000	0	10,000	
Single Family lender & loan tracking systems mods	10,000	0	10,000	
Hancock systems mods (LIHEAP & Wx Programs)	119,484	72,563	46,922	
Community Outreach Dashboard	25,000	0	25,000	
Salesforce software upgrades	122,000	0	122,000	
Total computer software	511,484	312,863	198,622	61%
<b>Office Equipment:</b>				
Audio visual equipment upgrade	0	9,805	(9,805)	
	0	9,805	(9,805)	N/A
<b>Office Building:</b>				
Server room upgrades	0	24,390	(24,390)	
	0	24,390	(24,390)	N/A
<b>Total</b>	<b>556,484</b>	<b>363,072</b>	<b>193,412</b>	<b>65%</b>

**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE PERIOD ENDED MARCH 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
Maine Association of Non Profits - annual membership	100
American College of Mortgage Attorneys - employee dues	225
Kennebec Board of Realtors - employee dues	188
Maine Association of Mortgage Professional - employee annual membership	375
Project management Institute - employee membership	60
Construction Specifications Institute - employee annual membership	325
Maine Department of Environmental Protection - lead inspector license renewal	200
Maine State Bar Association - (1) employee annual memberships	160
Total	<u>\$ 17,078</u>
<b>Sponsorships</b>	
Northern New England Community Action - training conference sponsor	\$ 1,500
Maine Real Estate and Development Association - conference sponsorship	1,600
Total	<u>\$ 3,100</u>



## Finance Department Memorandum

**To:** Board of Commissioners  
**From:** Darren Brown  
**Date:** May 4, 2022  
**Subject:** Monthly Delinquencies Report

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### MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$725 million with 1,214 loans as of April 30, 2022. There are no 60+ days delinquent loans, 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 \$884 million with 9,652 loans as of March 31, 2022. The over 60-day delinquencies decreased from 3.05% to 2.81%, and the in-foreclosures increased from 0.67% to 0.73%. The over 60-day delinquencies amount to \$25 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 2.81%; and the overall delinquency rate by loan count is 3.25%. 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 March 31, 2022, Bank of America (BOA) had the highest overall delinquency rate of 14.90%, with an in-foreclosure rate of 3.01%. 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 3.70% to 3.43%, while the in-foreclosure rate increased from 0.75% to 0.83%. In May 2021, Bangor Savings Bank began retaining the servicing rights and servicing new loan originations under a Qualified Servicer (QS) arrangement. The Bangor Savings Bank QS portfolio had a delinquency rate of 0.82% at the end of March. The Bangor Savings Bank sub-serviced (SS) portfolio also had a rate of delinquencies at 0.82%. Both portfolios have the lowest delinquency rate for March 2022. Delinquency rates for each servicer are shown in ***Exhibit 3***.

**Delinquencies by Insurance Type** – In March 2022, FHA insured loans had the highest delinquency rate by total insurance type of 5.01%, with in-foreclosures at 1.29%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.57%, with in-foreclosures at 0.42%. Delinquencies by insurance type and the portfolio as a whole are shown in ***Exhibit 6***.

FHA insured loans comprise 16% of the Single-Family portfolio and 28% of delinquencies, while RD insured loans comprise 60% of the portfolio and represent 56% of all delinquent loans. The current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in *Exhibit 7*.

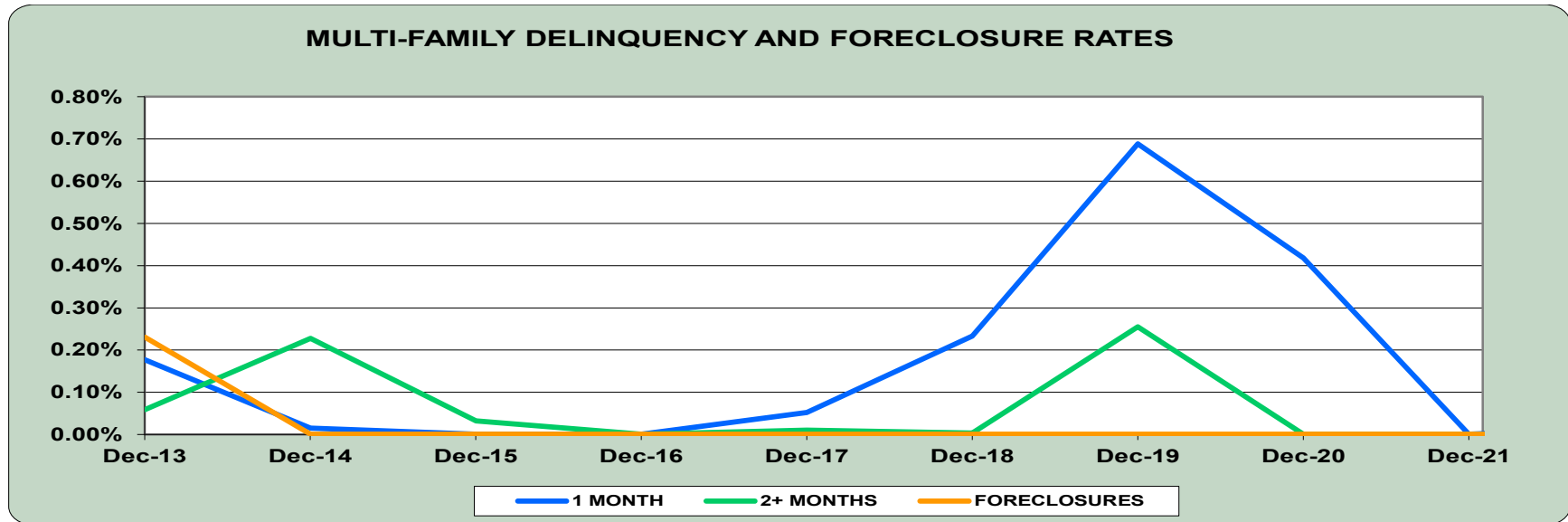
**Foreclosure Prevention Activities** – *Exhibit 8* summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of the end of month March 2022, we have assisted 291 borrowers with various foreclosure prevention options.

# Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 4/30/2022								
Section 8 BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00
Rental Housing BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
NONE						0.00	0.00	0.00
Supportive Housing & Other BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
ELM STREET, 63 (FNA PEACEFUL C	436.74	03/01/22	MACHIAS	DOWNEAST COMMUNITY PARTNERS	04/01/99	33,363.00	0.00	0.00
						33,363.00	0.00	0.00
						33,363.00	0.00	0.00
<b>Grand Total</b>								
<b>% of Portfolio Delq 60+ days</b>	<b>0.00%</b>							
<b>Total Number of Loans</b>	<b>1,214</b>							



# Multi-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		FORECLOSURES	
	DOLLARS		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Apr-22	\$ 725,283,374	\$ 33,363		0.00%	\$ -	0.00%	\$ -	0.00%
Dec-21	\$ 696,004,882	\$ -		0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177	\$ 2,791,073		0.42%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774	\$ 4,379,009		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%



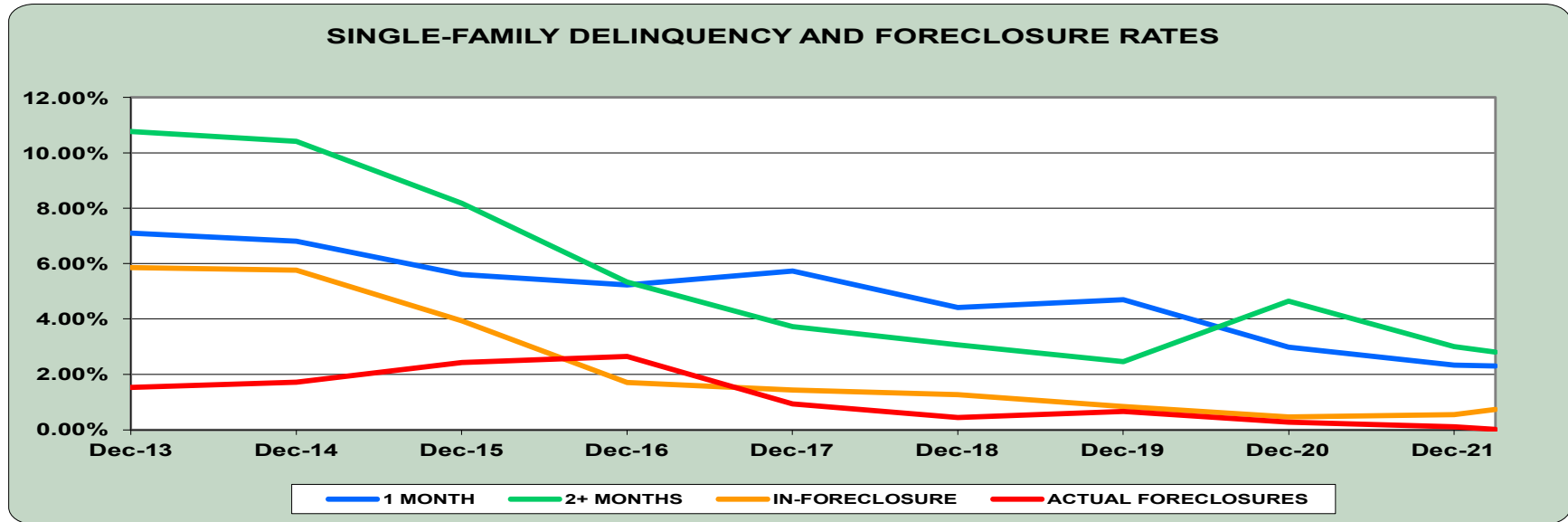
# Single-Family Delinquent Loans

## Maine State Housing Authority Single-Family Delinquencies by Servicer 3/31/2022

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	65.33%	3.43%	577,274,045.55	15,650,318.46	3,169,303.97	11,825,355.94	4,790,093.23
BANGOR SAVINGS BANK	15.12%	0.82%	133,611,358.97	2,730,881.75	357,259.80	453,107.49	280,370.60
CAMDEN NATIONAL BANK UK	9.16%	1.49%	80,953,479.71	815,371.65	537,832.75	146,290.52	522,793.37
MACHIAS SAVINGS BANK	7.23%	2.44%	63,896,168.58	720,556.68	357,051.13	506,367.28	694,531.53
BANGOR SAVINGS BANK QS	2.37%	0.82%	20,964,902.23	0.00	0.00	172,786.82	0.00
BANK OF AMERICA NA	0.73%	14.90%	6,423,494.68	416,530.98	194,140.72	569,524.96	193,427.97
SALEM FIVE MORTGAGE CORP	0.06%	3.86%	509,383.05	25,599.08	0.00	19,645.95	0.00
TOTAL	100.00%	2.81%	883,632,832.77	20,359,258.60	4,615,588.37	13,693,078.96	6,481,216.70



# Single-Family Delinquency & Foreclosure Trends

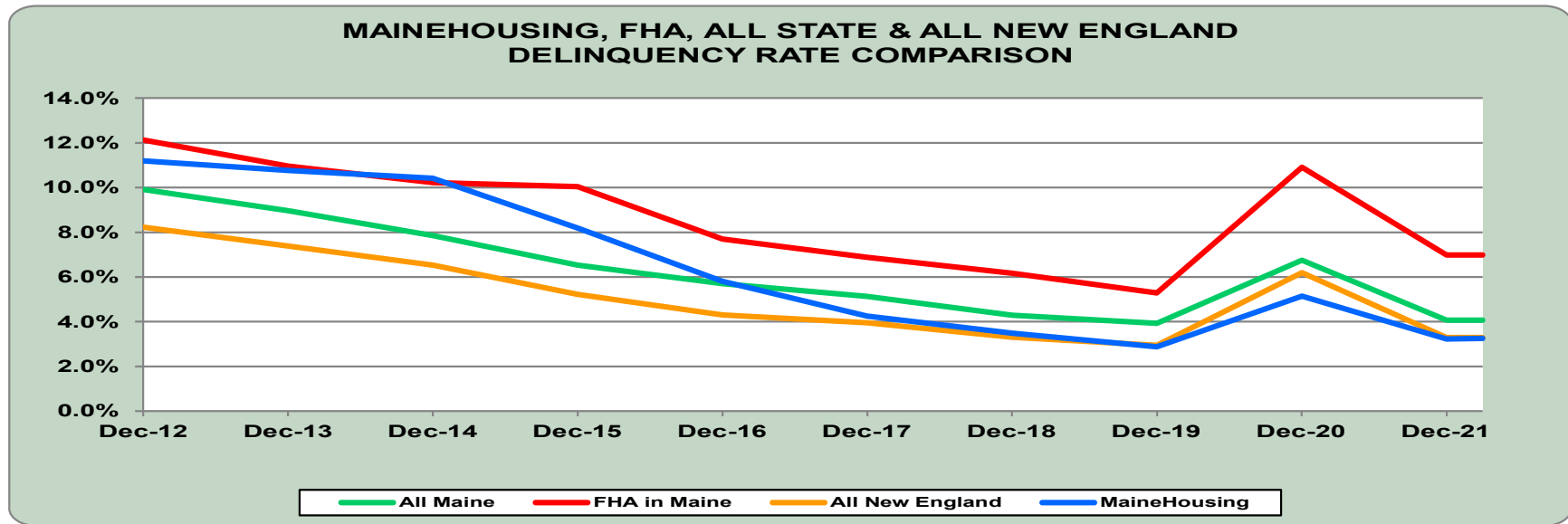


	OUTSTANDING PRINCIPAL	1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Mar-22	\$ 883,632,833	\$ 20,359,259	2.30%	\$ 24,789,884	2.81%	\$ 6,481,217	0.73%	\$ 106,380	0.01%
Dec-21	\$ 887,303,920	\$ 20,685,547	2.33%	\$ 26,645,647	3.00%	\$ 4,806,968	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*	120,807	0.56%	2.35%	1.16%	4.07%
FHA for State*	16,553	1.07%	4.57%	1.35%	6.99%
All New England*	1,706,762	0.55%	2.21%	0.53%	3.29%
MaineHousing**	9,652	0.59%	1.62%	0.76%	3.25%

\*This information is obtained from MBA's National Delinquency Survey for the fourth quarter of 2021.

\*\*MaineHousing's overall delinquency rate based on loan dollars is 2.81%, whereas rates in this exhibit are based on loan count.



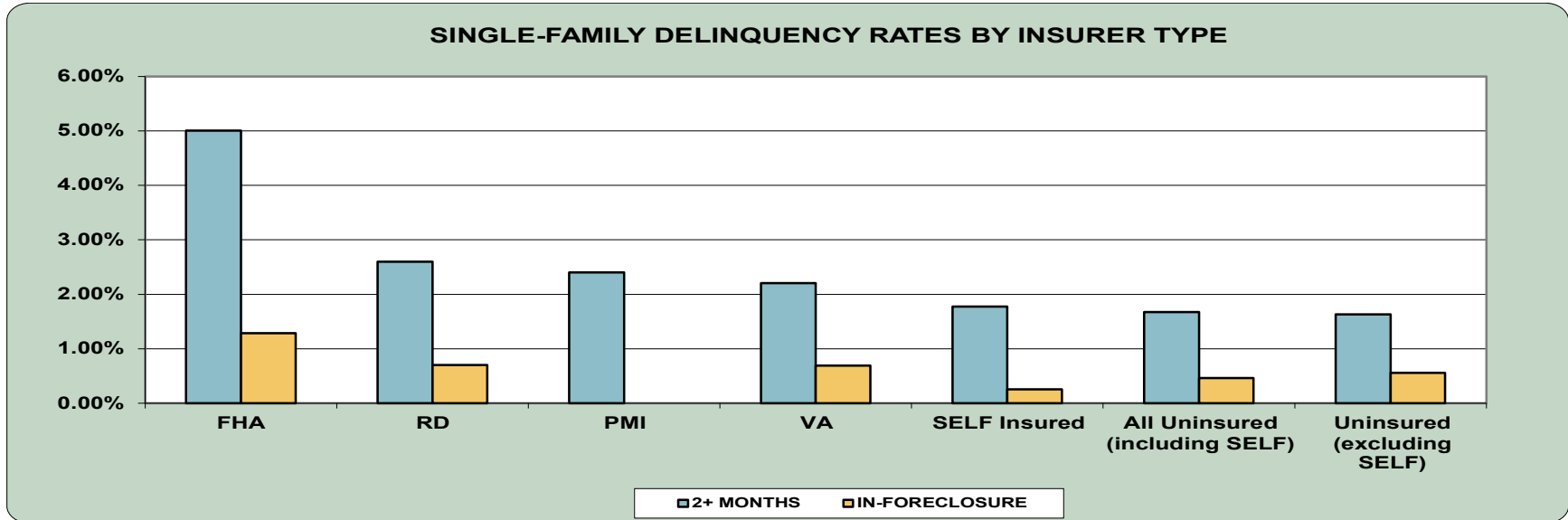
# Single-Family Delinquencies by Mortgage Insurer

**As A Percent of Total Insurance Type**  
**3/31/2022**

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	5.01%	1.29%
RD	2.60%	0.70%
PMI	2.40%	0.00%
VA	2.21%	0.69%
SELF Insured	1.77%	0.26%
All Uninsured (including SELF)	1.68%	0.46%
Uninsured (excluding SELF)	1.63%	0.56%

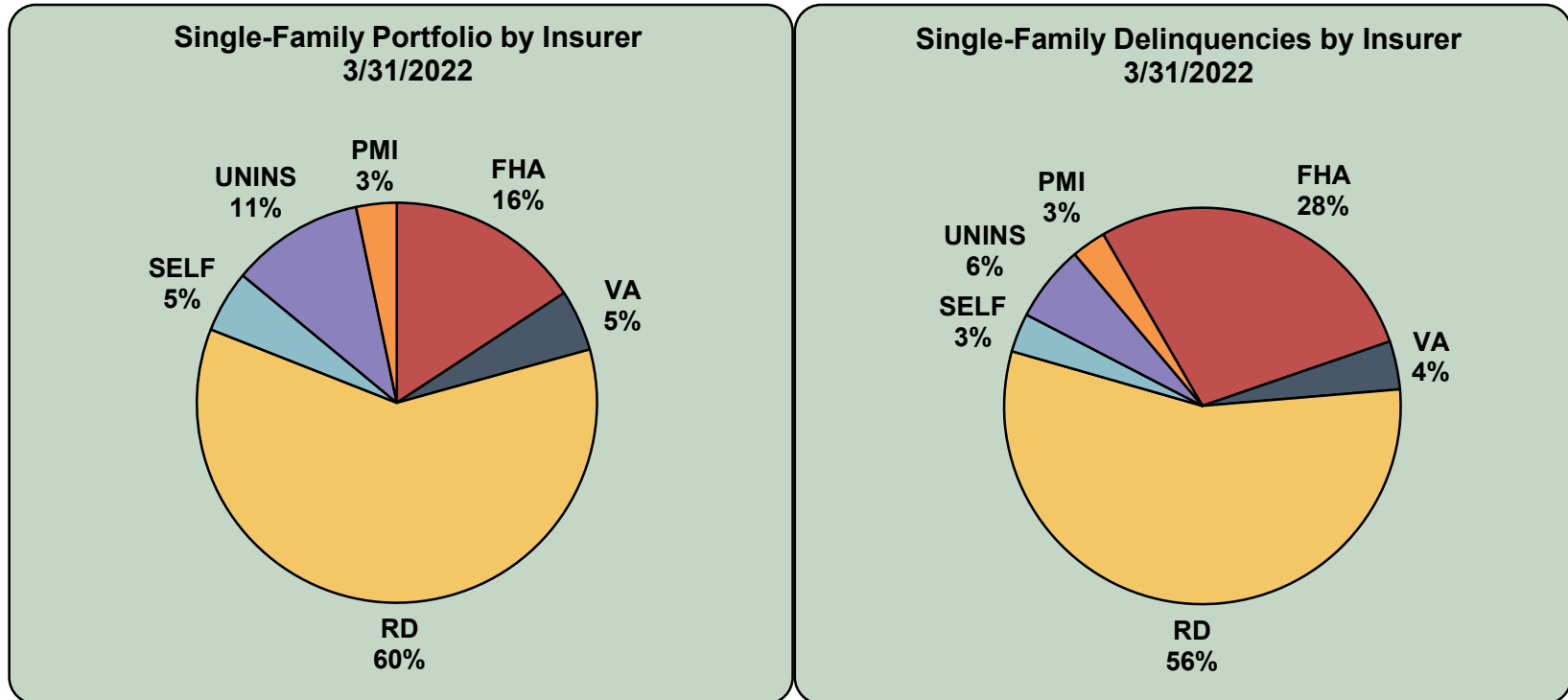
**As A Percent of Total Loan Portfolio**  
**3/31/2022**

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.57%	0.42%
FHA	0.79%	0.20%
All Uninsured (including SELF)	0.26%	0.07%
Uninsured (excluding SELF)	0.18%	0.06%
VA	0.11%	0.03%
SELF Insured	0.09%	0.06%
PMI	0.08%	0.00%

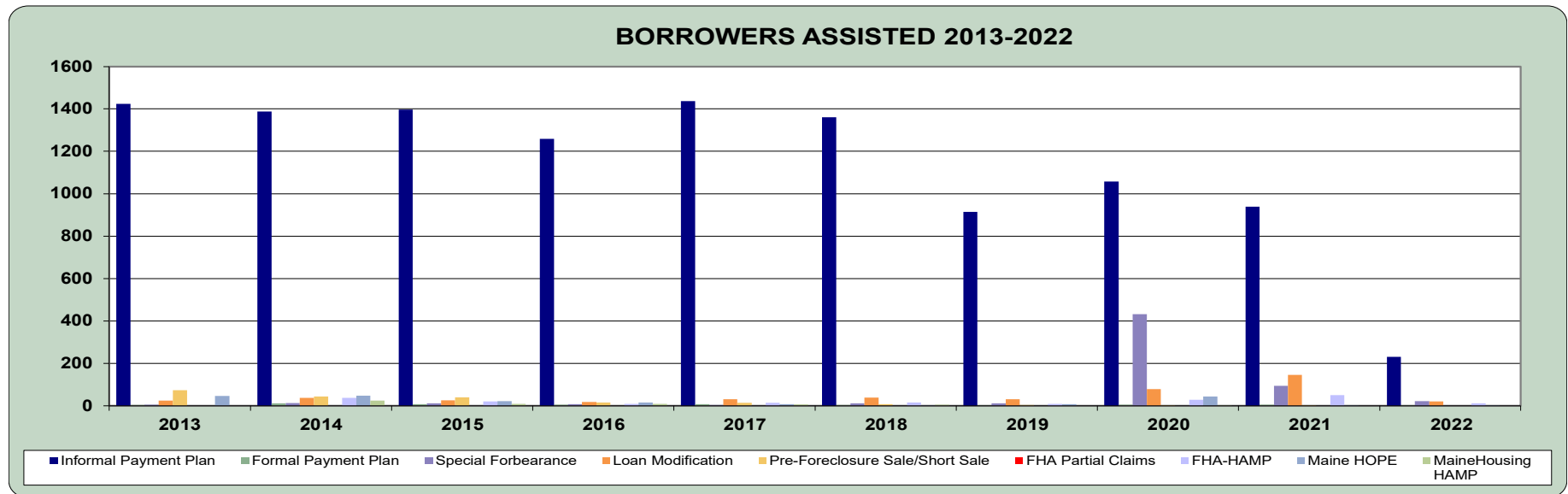


# Single-Family Delinquencies by Mortgage Insurer

The following charts show the composition of MaineHousing loans by mortgage insurer. Self insured loans are mainly mobile homes. Uninsured loans are those not needing mortgage insurance (i.e. for loans under 80% property value). The following charts are in dollar amounts.



# Single-Family Foreclosure Prevention Activities



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	FHA Partial Claims	FHA-HAMP	Maine HOPE	MaineHousing HAMP	Total Workouts
Mar-22	231	2	22	21	0		12	3	0	291
Dec-21	939	5	94	146	2		50	2	0	1238
Dec-20	1058	5	432	79	3		29	44	2	1652
Dec-19	914	3	12	32	4		10	8	0	983
Dec-18	1361	4	12	39	8		15	3	6	1448
Dec-17	1437	8	4	31	14		14	8	7	1523
Dec-16	1259	6	8	19	15		10	16	9	1342
Dec-15	1397	8	11	26	40		21	22	10	1535
Dec-14	1388	12	13	38	44		38	48	24	1605
Dec-13	1424	4	5	24	73			46		1576

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Mar-22	2	9,652	0.02%
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

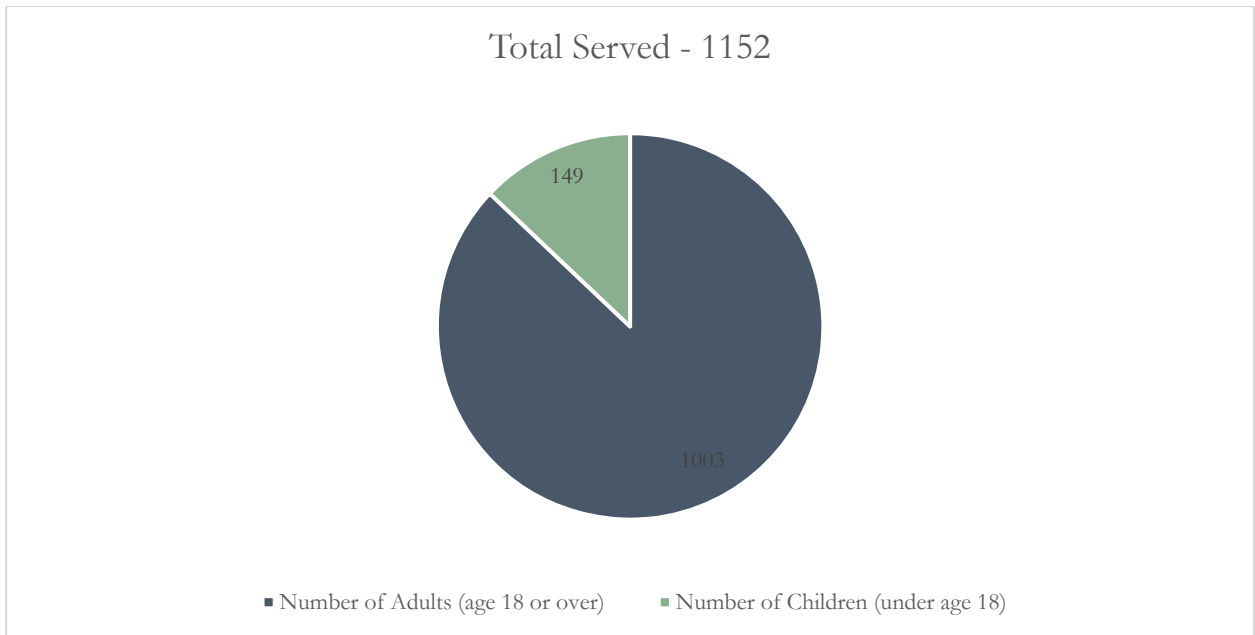
**To:** Board of Commissioners  
**From:** Lauren Bustard, Senior Director of Homeless Initiatives  
**Date:** May 10, 2022  
**Subject:** Homeless Initiatives Report

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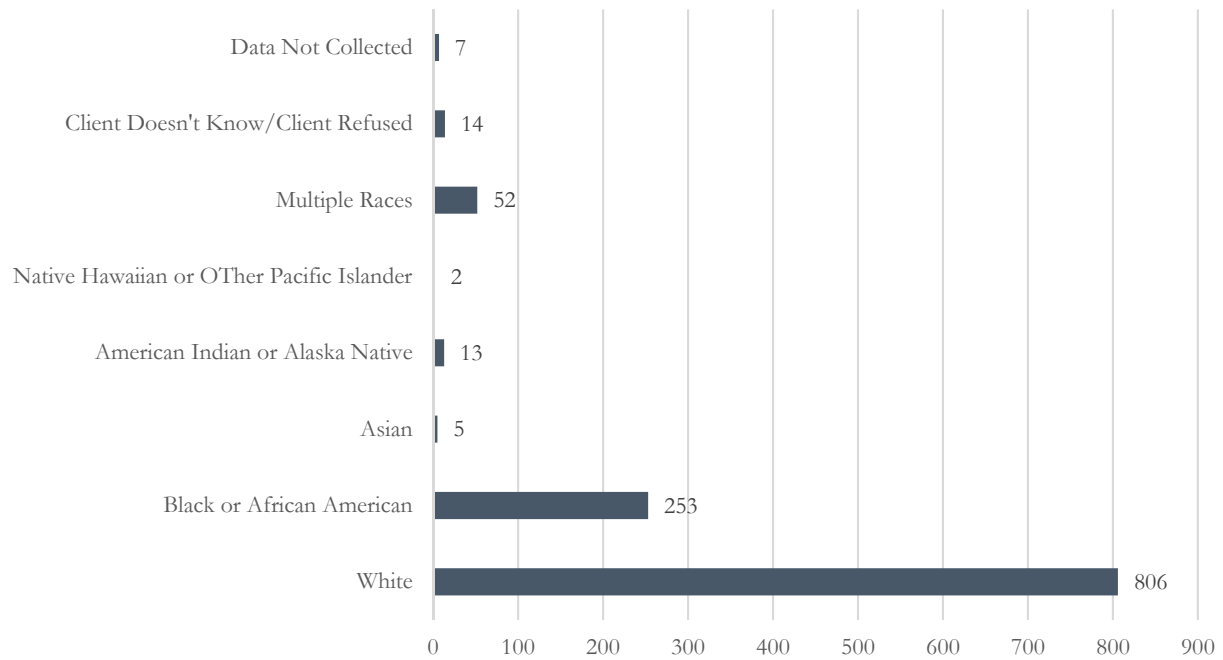
### Homeless Data – April 2022

The following are the monthly statistics for April:

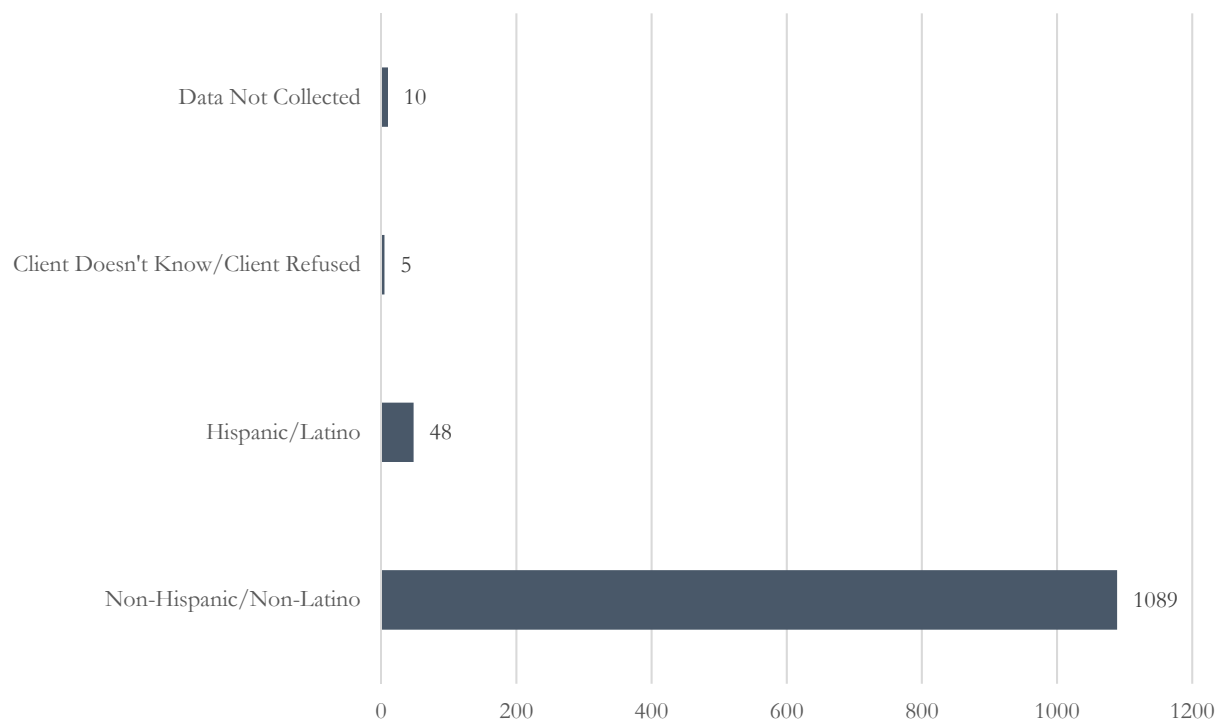
1. Total number of people served (1152) has increased by 92 from April. The caveat here is that these are only the individuals that are being served by homeless service providers around the state who are mandated to record data in the HMIS (Homeless Management Information System) database. It does not include people housed through GA and ERA.
2. Racial equity – the percentage of people of color served remains fairly stable at 28%.
3. Our exits to permanent living situations decreased again – from 77 in March to 60 in April. Locating affordable units continues to be the primary challenge in getting individuals and families into permanent housing.



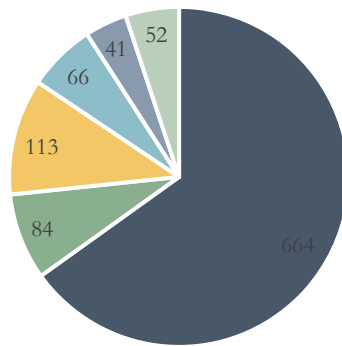
Number of People Served by Race



Number People Served by Ethnicity

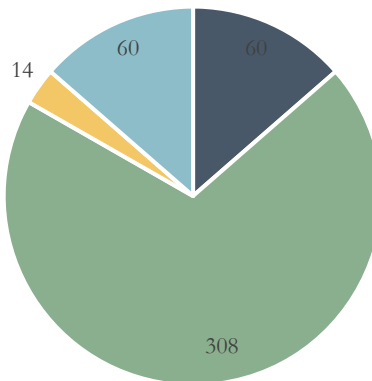


Residence of Clients Prior to Entry



- Homeless Situations
- Institutional Settings
- Staying or living in a friend's room, apartment or house
- Staying or living in a family member's room, apartment or house
- Hotel or motel paid for without ES voucher
- Other Locations

Residence of Clients after Entry



- Permanent Destinations
- Temporary Destinations
- Institutional Settings
- Other Destinations

### **Use of Hotels**

The two homeless overflow hotels in South Portland will be decommissioned at the end of May, when the owner will end his agreement with the City of Portland to house individuals experiencing homelessness. The Homeless overflow hotel in Augusta as well as the Quarantine and Isolation hotel in Lewiston will also be decommissioned at the end of May.

The City of Portland is working on a contract to acquire a warehouse space to meet the needs of the approximately 280 individuals who will be displaced from the two South Portland hotels in a congregate setting. Remaining guests at the overflow hotel in Augusta will be offered shelter space or other alternative arrangements when that hotel program closes.

### **2022 Emergency Shelter and Housing Assistance Program (ESHAP)**

The Homeless Initiatives Department recently released the 1<sup>st</sup> quarter shelter payments under our ESHAP Program. Payments were made from State Home Funds and State Shelter Operating Subsidy (SOS) Funds. Payments for the 1<sup>st</sup> quarter encompassed shares for Operations and Stabilization. Following is a breakdown of the payments:

<b>Source of Funds</b>	<b>Operations Share</b>	<b>Stabilization Share</b>	<b>Total</b>
State Home	\$819,728.36		\$819,728.36
State SOS		\$819,728.36	\$819,728.36
<b>TOTAL</b>	<b>\$819,728.36</b>	<b>\$819,728.36</b>	<b>\$1,639,456.72</b>

The Operating share contributes to shelter operating costs and the Stabilization share is disbursed to eligible shelters for Rapid Re-housing, Housing First, and Housing Stabilization services. Both the Operating and Stabilization shares are released quarterly.

The Performance Share provides funding to shelters that achieve specific performance measures that focus efforts on helping clients achieve permanent housing and remain in permanent housing. This share is released twice a year with the 2<sup>nd</sup> and 4<sup>th</sup> quarter payments.



## Homeownership Department Memorandum

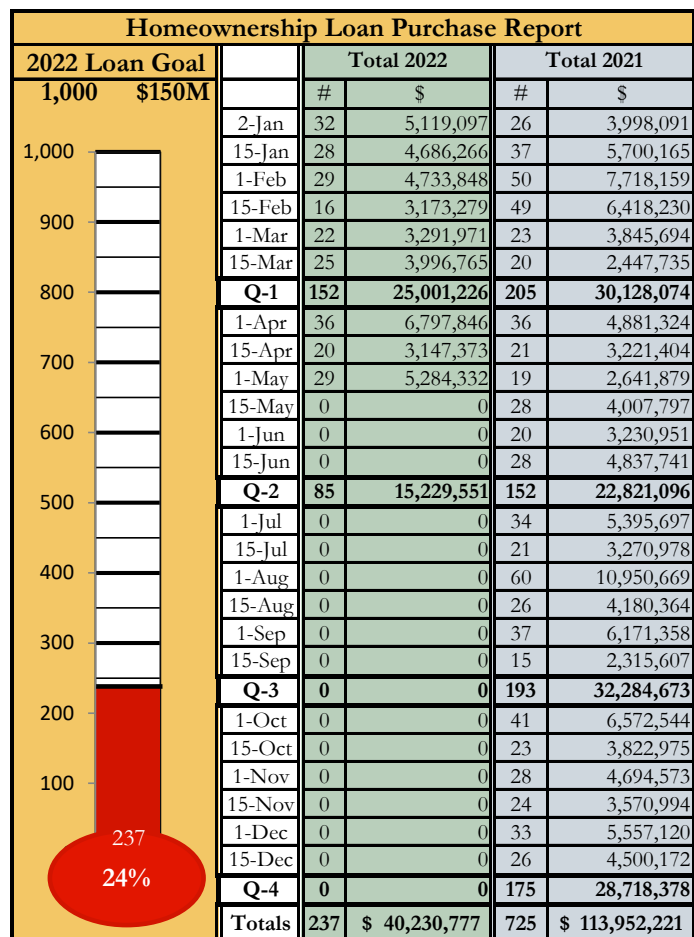
**To:** MaineHousing Board of Commissioners

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

**Date:** May 11, 2022

**Subject:** Monthly Report – Homeownership Department

### PRODUCTION UPDATE



Monthly Loan Reservations: 05/02/22	
#	\$ Volume
126	\$ 26,478,580

Loan Pipeline as of: 05/02/22	
#	\$ Volume
280	\$ 55,228,628

YTD Loan Reservation Comparison					
April 2021		April 2022		2021 vs 2022	
#	\$ Volume	#	\$ Volume	#	\$ Volume
220	\$34,407,491	280	\$ 55,228,628	27%	61%

## **PROGRAM HIGHLIGHTS**

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

First Home Loan program activity has been strong thus far in Q-2 with an encouraging upward trend in loan reservations, despite the continuing challenge of a low inventory of homes for sale. The number of loan reservations YTD is running 27% ahead of 2021 and \$ volume YTD is up an impressive 61% over 2021 as shown by the Production Update. The lack of inventory is the primary reason for a decline in the number of home sales statewide compared to this time last year according to the Maine Association of Realtors (MAR). However, home sales prices have continued to increase fueled by buyer demand and a still very competitive purchase process, often resulting in multiple offers on homes in any price range having a desirable location and other appealing features. In April MaineHousing increased its Advantage down payment and closing cost assistance grant option from \$3,500 to \$5,000 in an effort to help first time homebuyers offset rising home sales prices and the resulting higher down payment and associated costs required. Saving enough money for a down payment is the single greatest challenge faced by most first time buyers.

After the past year or more of relatively stable mortgage interest rates averaging in the range of 3% to 3.25%, market rates are now on the rise. Currently, market rates are generally in the mid 5% range with 6% being reached by a few local lenders in recent weeks. MaineHousing's First Home Loan base rate has also increased to its current 3.99%, but still remains well below market. Rising interest rates can have a negative impact on housing affordability and could cause many potential homebuyers to re-calculate the loan amount they will financially qualify for and thereby the home purchase price range they should realistically be looking at. With inflation also pushing the costs of energy prices related to home heating and other household necessities higher, some would-be buyers are likely to suspend their search altogether.

Should interest rates continue to rise, it may signal an eventual end to the frenzied seller's market of the past several years. A slowdown in the increase of home sales prices and fewer reports of multiple purchase offers, especially those well above asking price, will be the first indications of a coming market change. Although the change would be a slow process, the positive outlook for homebuyers is that prices should stabilize and the inventory of homes for sale should also start to increase.

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

### **MAINE HOME VALUES UP - SALES EASE DUE TO LACK OF INVENTORY**

AUGUSTA (April 20, 2022)—Single-family existing homes are gradually entering the market in more stable numbers. According to statistics released by Maine Listings, home sales declined 21.48 percent in March 2022 compared to March 2021, due to recent lack of for-sale inventory and pent-up buyer demand. Prices continue to increase, however. Realtors across the state sold 1,031 homes last month, and the median sales price (MSP) increased 21.04 percent to \$325,000 compared to March 2021. The MSP indicates that half of the homes were sold for more and half sold for less.

“Maine’s real estate markets continue to be fast-paced,” says Madeleine Hill, 2022 President of the Maine Association of REALTORS® and Designated Broker at Roxanne York Real Estate in Harpswell. “Across Maine, as quality homes become available for sale, potential buyers are ready and able to put homes under contract to purchase.”

“The statewide median days on market in March of 2022 was nine days compared to 11 days on market one year ago, and 70 days in pre-pandemic March of 2019. After seven consecutive months of declining for-sale inventory, March 2022 statistics showed a 5.2 percent increase in single family homes for sale (2,013 listings) from the prior month (1,913 listings).”

The National Association of Realtors reported a nationwide decline of 3.8 percent for the sales of single-family existing homes in March 2022 compared to March 2021. The national MSP increased 15.2 percent to \$382,000. Regionally, March 2022 sales in the Northeast eased 11.8 percent while the regional MSP rose 6.8 percent to \$390,200 compared to March 2021.

“Traditionally, we see more homes enter the for-sale market during the 2nd quarter, which will help meet the pent-up demand and work to balance the market,” says Hill.

### **eHome America Homebuyer Education**

Members of MaineHousing’s Homeownership department, including Director, Craig Reynolds; Manager, Tina Partridge; and Consumer Education Coordinator, Jessica Gurney met virtually with the eHome America team on 4/21. This eHome team included company President, Milt Sharp; Product Development Coordinator, Gary Throckmorton; VP of Customer Relations, Susan Lugo and Product Development Leader, Michael Berryman. eHome America was one of the first online platforms to offer homebuyer education classes beginning in 2008 which enabled clients to access high quality content without having to travel to attend an in-person class.

The eHome course is also approved by Maine’s hoMEworks homebuyer education oversight organization, making eHome acceptable for MaineHousing’s First Home Loan borrowers to complete it in order to qualify for our \$5,000 Advantage down payment and closing cost assistance program option. The eHome team, which works with over 600 non-profit organizations nationwide, announced several program enhancements at the meeting, such as the core course now being available in Spanish and the creation of 5 new stand-alone courses including Money Management, Post Purchase Homebuyer Education, Foreclosure Education, Manufactured Housing Homebuyer Education and an FHA 203K Loan Product Course. Consumer Education Coordinator, Jessica Gurney is planning to preview each one of these new course offerings.

### **2022 Maine Mortgage Expo**

Mortgage Lending Officer, Casey Erlebach; Mortgage Lending Coordinator, Dawn Libby-Lynch and Consumer Education Coordinator, Jessica Gurney representing MaineHousing and the Homeownership department, attended the annual Maine Association of Mortgage Professionals

(MAMP) Expo held at the Italian Heritage Center in Portland. MaineHousing attended as one of the 16 exhibitors and vendors exhibiting a variety of housing industry and mortgage financing related products and services. HoMEworks, an organization that promotes the benefits of pre-purchase homebuyer education and oversees the content and curriculum of the homebuyer education classes required of MaineHousing borrowers using the Advantage option, was also represented at the display table. Jessica Gurney also serves as the Secretary on the hoMEworks Board of Directors.

The all-day event featured several dynamic speakers addressing topics such as social media marketing, rebates for energy efficiencies, and updates concerning the Consumer Financial Protection Bureau (CFPB). Also in attendance were many of MaineHousing's First Home Loan lender partners including CUSO, Bangor Savings, Bath Savings, Norway Savings Bank, Gorham Savings Bank, and Arch PMI. The event is always a great opportunity for MAMP members and guests to network with all the exhibitors and with one another.

The day concluded with raffle prizes donated by the vendors and sponsors being drawn at random. Jessica Bedell Mongue from Black Point Title Co. (photo below right with Jessica Gurney) was the winner of MaineHousing's gift card to L.L. Bean.



*L to R - Casey Erlebach, Dawn Libby-Lynch and Jessica Gurney at MSHA's display table*



*MSHA Raffle winner Jessica Mongue (L) with Jessica Gurney*

### **MaineHousing Increases Advantage Grant**

Due to the challenges First Time Homebuyers are facing with record home sales prices, MaineHousing has increased its **Advantage** down payment and closing cost grant from \$3,500 to \$5,000 as of Monday, April 11, 2022. It is our hope that the increase in down payment and closing cost assistance will help first time homebuyers overcome the greatest obstacle they face in order to purchase a home in today's market, which is saving enough money to meet these rising costs.

In addition, the **Multi-Unit Advantage** grant option now offers \$8,000 in grant funds toward the down payment and closing costs for a 2-family unit, and adds \$3,000 for each additional residential

unit (up to 4) in a multi-unit building as shown in the table below. The goal of the **Multi-Unit Advantage** option program goal is to encourage and assist the purchases of owner occupied 2-4 unit residences. The **Multi-Unit Advantage** program requires the purchaser to complete both a homebuyer education class and a landlord education class prior to closing.

Multi-Unit Advantage Per # of Units	
2 unit	\$8,000
3 unit	\$11,000
4 unit	\$14,000

## Housing Choice Vouchers Department Memorandum

**To:** MaineHousing Board of Commissioners

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

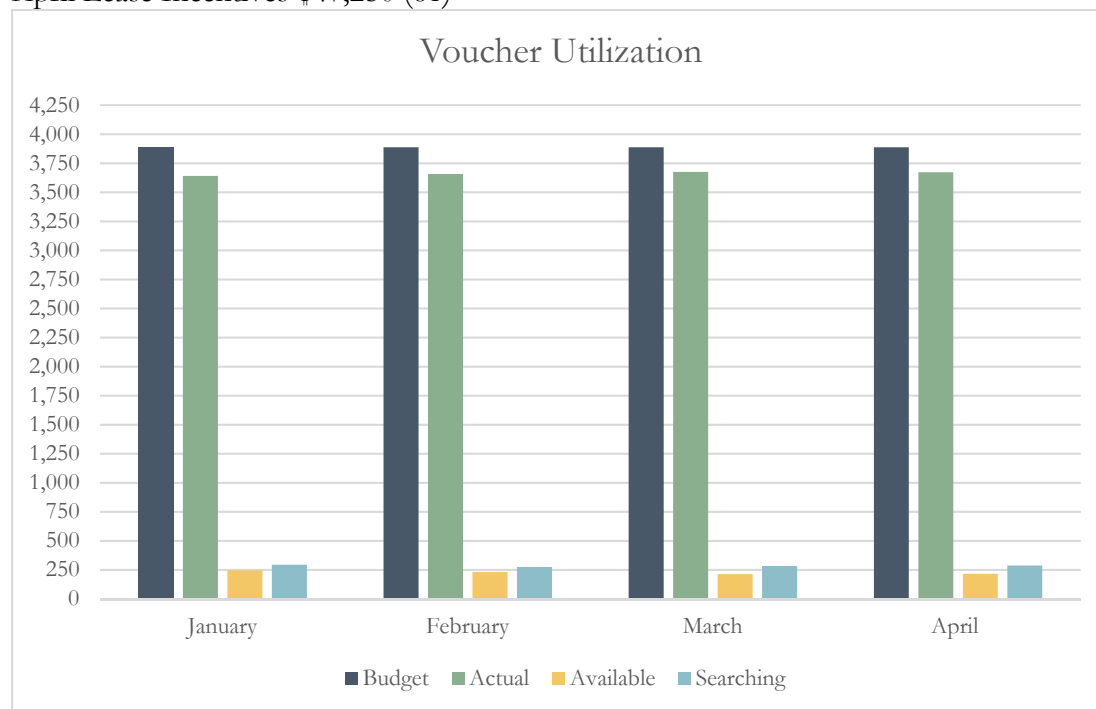
**Date:** May 17, 2022

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

### Program Updates:

Effective June 1, 2022 new Voucher Payment Standards and updated Utility Allowances have been posted to our website at <https://www.mainehousing.org/programs-services/rental/rentaldetail/housing-choice-vouchers>. The Payment Standards represent 120% of Fair Market Rents established by HUD and are allowed through a waiver extension good through December 2022.

April Lease Incentives-\$47,250 (61)



### HCV (homeless initiatives)

	Leased	Searching
<b>STEP</b>	114	32
<b>Home to Stay</b>	182	83
<b>Homeless Priority</b>	246	72
<b>EHV</b>	38	73

## LEAN Update:

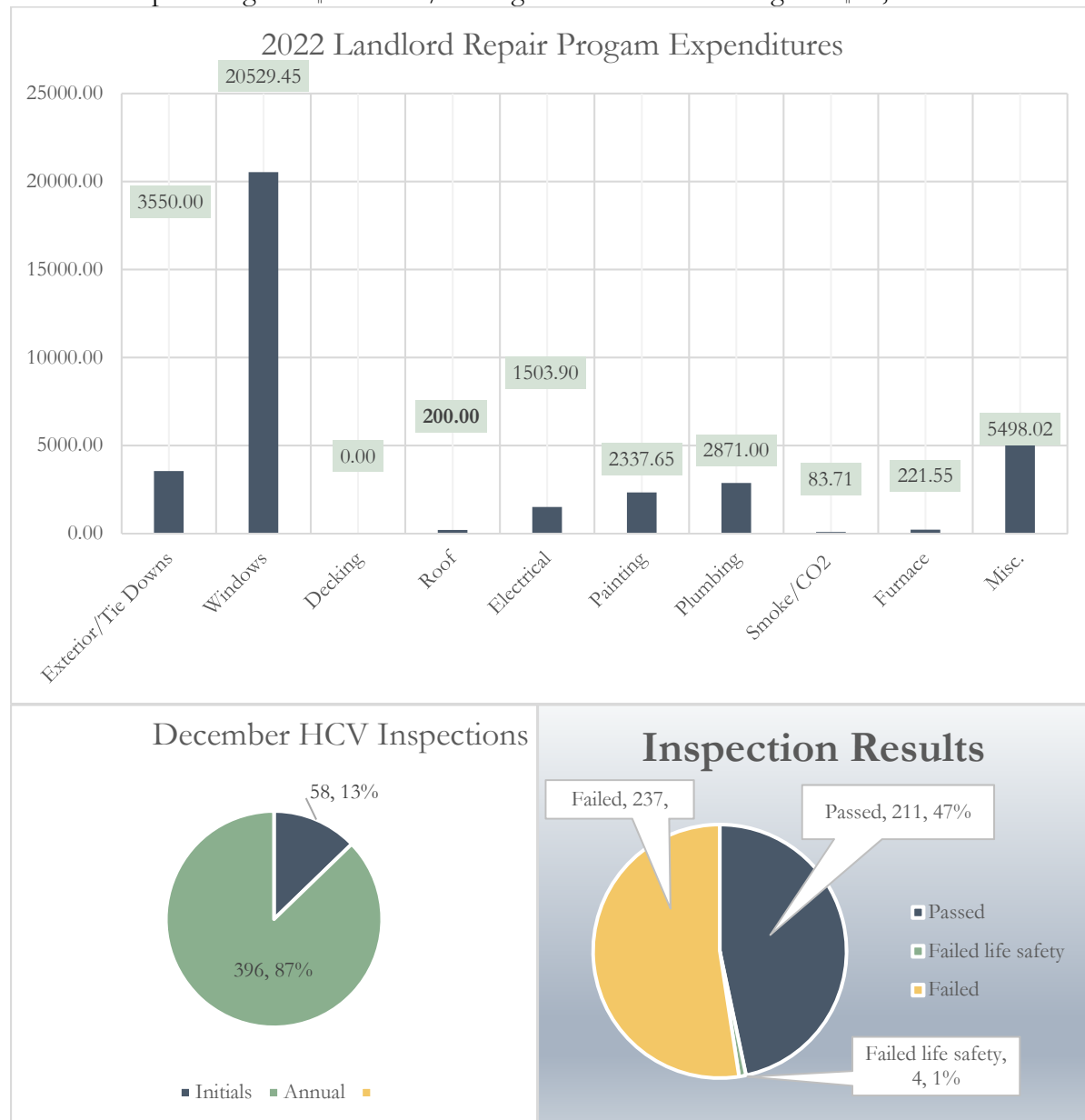
HCV staff are working on scanning all physical tenant files as a 2021/2022 LEAN initiative. We have scanned 54.8% of our tenant files to date.

## Housing Navigation Pilot:

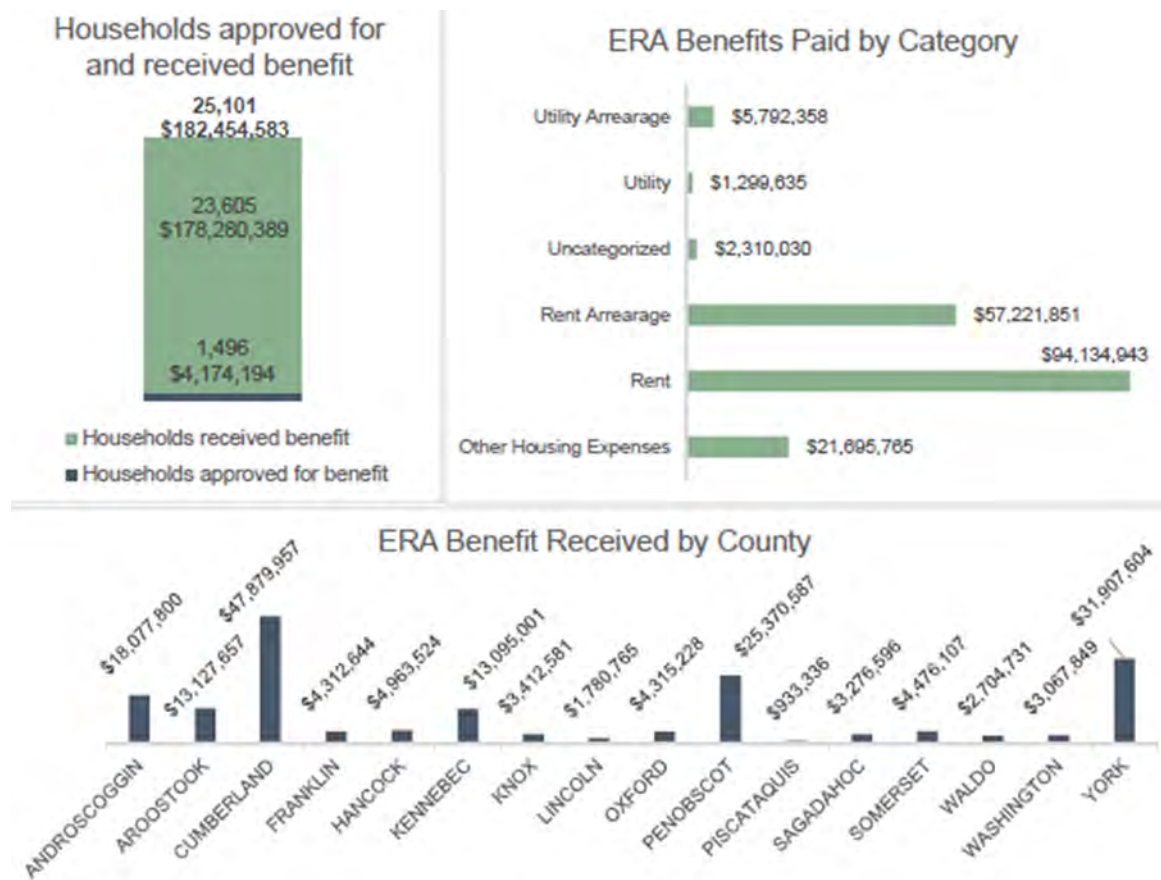
Contracts and funding will be sent to the 10 selected agencies over the next two weeks. Agencies will report quarterly on the number of people housed, length of time stably housed, barriers to housing, landlord engagement and household demographics.

## Inspection Updates:

Landlord Repair Program: \$35810.28/Damage Reimbursement Program: \$17,326.79



## Emergency Rental Assistance:



As of May 4, 2022



## Human Resources and Facilities Department Memorandum

**To:** Board of Commissioners

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

**Date:** May 2022

**Subject:** Board Report

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### Human Resources YTD Stats as of May 9



### Human Resources Updates

#### STAFF ANNOUNCEMENTS

Welcome to our new colleagues who started between April 12 and May 9, we are thrilled to have you here!

- ✓ Amanda Bullock, Development Assistant, Development Department
- ✓ Craig Given, Director of IT, IT Department

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

- Administrative Assistant – HEAP, EHS
- Asset Manager – PBCA, Asset Management
- Compliance Officer I, Audit & Compliance
- Commercial Loan Officer, Development
- Fiscal Officer, EHS

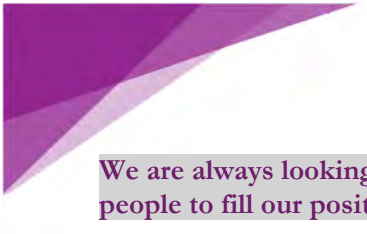
Congratulations to staff who have been recently promoted:

- Alex Cardali, Lead Paint Specialist to Lead Paint Coordinator

### Learning & Development Updates

Chris Massaro, Learning & Development Coordinator, will be offering the following in-house staff trainings courses:

- Tuesday May 10 - Emotional Intelligence (In-person)
- Thursday, May 12 - Writing Goals (Mini-Webinar)
- Tuesday May 17 - Interpersonal Communication (Webinar)



**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).**

**We also advertise on Indeed and Jobsinme.com.**

- Thursday, May 26 - Group Cohesion (Mini-Webinar)
- Thursday June 2 - Workplace Stress (Webinar) New Course
- Tuesday June 7 - Overcoming Procrastination (Mini-Webinar)
- Wednesday, June 15 - Communicating as a Leader (In-person) **New Course**
- Thursday June 23 - Deescalating a Difficult Conversation (Mini-Webinar)

### Facilities Updates

Some of the trees on the campus were treated on Friday, May 6 by Brownies Tree Service for Brown Tail Moth. We can expect to see the small caterpillars dropping all around the trees in the next few days.



**Information Technology Department Memorandum**

**To:** Board of Commissioners

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

**Date:** May 10, 2022

**Subject:** Monthly Report

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

- Prepared to onboard and welcomed new IT Director, Craig Given on May 9<sup>th</sup>.
- Conducted new employee Lean orientation for all new staff hired in the last quarter.
- Concluded email phish testing campaign.
- Added wide angle camera to State of Maine board room.
- Completed SQL update to eRequestor procurement system.
- Completed migration and upgrade to cloud mobile device management solution.
- Completed efforts to transfer Hancock HEAP data to EmpowOR (system used by Community Action Agencies to provide client benefits).

## Board Calendar 2022

<b>JANUARY 18</b>  <ul style="list-style-type: none"> <li>Legislative Preview</li> </ul> <p>NCSHA HFA Institute (Jan. 10-Jan. 14 and Jan. 24-Jan. 28) Virtual</p>	<b>FEBRUARY 15</b>  <ul style="list-style-type: none"> <li>Introduce HEAP</li> </ul>
<b>MARCH 22</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>Home Energy Assistance Program discussion</li> <li>Qualified Allocation Plan discussion</li> <li>Legislation update</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>Use of hotels during pandemic</li> </ul>	<b>APRIL 19</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>Rulemaking Commencement: <ul style="list-style-type: none"> <li>Home Energy Assistance Program (VOTE)</li> <li>Qualified Allocation Plan (VOTE)</li> <li>State Low Income Housing Tax Credit Rule (VOTE)</li> </ul> </li> <li>2021 Year-end Financials</li> <li>Legislation update</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>Non LIHTC Multi-Family programs</li> </ul>
<b>MAY 17</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>Rulemaking Public Hearings: <ul style="list-style-type: none"> <li>Home Energy Assistance Program</li> <li>Qualified Allocation Plan</li> <li>State Low Income Housing Tax Credit Rule</li> </ul> </li> <li>Legislation final report</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>Fair Housing / DEI efforts</li> </ul>	<b>JUNE 14</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>Rulemaking Adoption <ul style="list-style-type: none"> <li>Home Energy Assistance Program (VOTE)</li> <li>Qualified Allocation Plan (VOTE)</li> <li>State Low Income Housing Tax Credit Rule (VOTE)</li> </ul> </li> <li>HCV Annual Plan Draft Review/Timeline</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>Homeownership programs</li> </ul>
<b>JULY 19</b>  <p style="text-align: center;">If necessary</p>	<b>AUGUST 16</b> <u>Board Business:</u>  <p style="text-align: center;">GOAL SETTING EXERCISE</p>
<b>SEPTEMBER 20</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>HCV Annual Plan Public Hearing</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>HARP and Community Aging in Place</li> </ul> <p>NCSHA Annual Conference &amp; Showcase (Oct. 22-25)</p>	<b>OCTOBER 18</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>Introduce DOE Weatherization State Plan</li> <li>Adopt HCV Annual Plan (VOTE)</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>Homeless Rule/ESHAP Program</li> </ul>
<b>NOVEMBER 15</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>Review Preliminary 2023 Budget</li> <li>DOE Weatherization State Plan Public Hearing</li> </ul> <u>Program Presentations:</u> <ul style="list-style-type: none"> <li>TBD</li> </ul>	<b>DECEMBER 20</b> <u>Board Business:</u> <ul style="list-style-type: none"> <li>Approve 2023 Budget (VOTE)</li> <li>Elect Officers (VOTE)</li> <li>MPP Series Resolution (VOTE)</li> <li>Adopt DOE Weatherization State Plan (VOTE)</li> </ul>

Future Rulemaking:    Transfer of Ownership Interests  
Project Labor Agreement Rule