

**Agency:** Department of Housing and Community Development (DHCD)

Following is a summary of issues discussed at the DHCD Stat on August 10, 2010. Analysis is provided by StateStat and the Governor’s Delivery Unit (GDU).

**Follow-up Items**

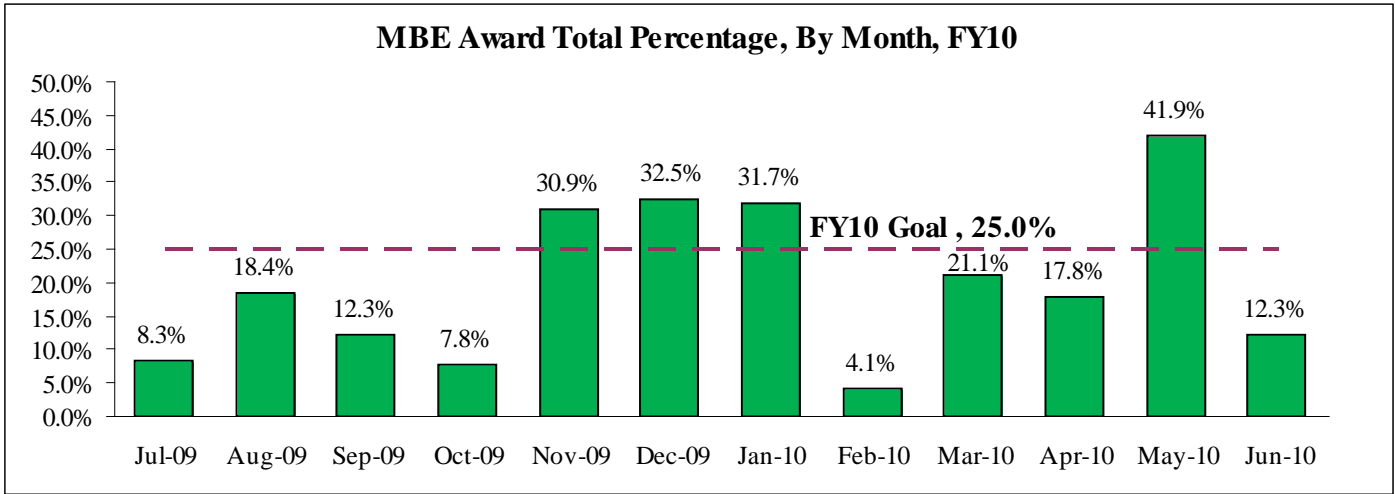
- **Local Government Infrastructure Program (LGIF).** The agency received an indicative bond rating for the LGIF program on May 27, which assigned an Aa2 rating to LGIF senior bonds, and an Aa3 rating to subordinate bonds. Resolution of Moody’s bond rating review of the LGIF program has allowed the department to move forward and close the LGIF 2010 Series A Bond Issue. The bond issue will begin on August 13, and grant \$27 million to localities that will be used to publicly beneficial capital projects and enhance the delivery of essential services to support the community.
- **Energy Efficiency Conservation Block Grant.** Plans for the implementation of the EECBG program are well underway. The agency has begun the hiring process for one part-time position and 5 new full-time EECBG staff. The agency is also exploring the use of various lending mechanisms and is meeting with possible lending partners in developing their lending model.

**Minority Business Enterprises (MBE’s)**

- **MBE Production and Goals.** The agency closed FY10 short of the state-wide MBE goal of 25%, with 19.4% of total awards dollars going to certified MBE’s. The agency reported that MBE performance fell from FY09’s 33% figure largely because of a significant contract awarded to Hancock Energy Software, who was a prime contractor qualifying as an MBE. The agency is mindful of its MBE performance and state-wide goals, and will take measures in the upcoming months to ensure increased performance.

DHCD MBE/WBE Participation: FY10						
MBE/WBE Indicators	Agency Total	Ethnic/Disabled	Women	Other	Total MBE/WBE	%
<b>Award Totals</b>	\$4,448,182	\$445,420	\$418,421	\$789	\$864,629	19.4%

DHCD MBE/WBE Participation: June 2010						
MBE/WBE Indicators	Agency Total	Ethnic/Disabled	Women	Other	Total MBE/WBE	%
<b>Award Totals</b>	\$287,296	\$26,953	\$8,376	\$56	\$35,385	12.3%

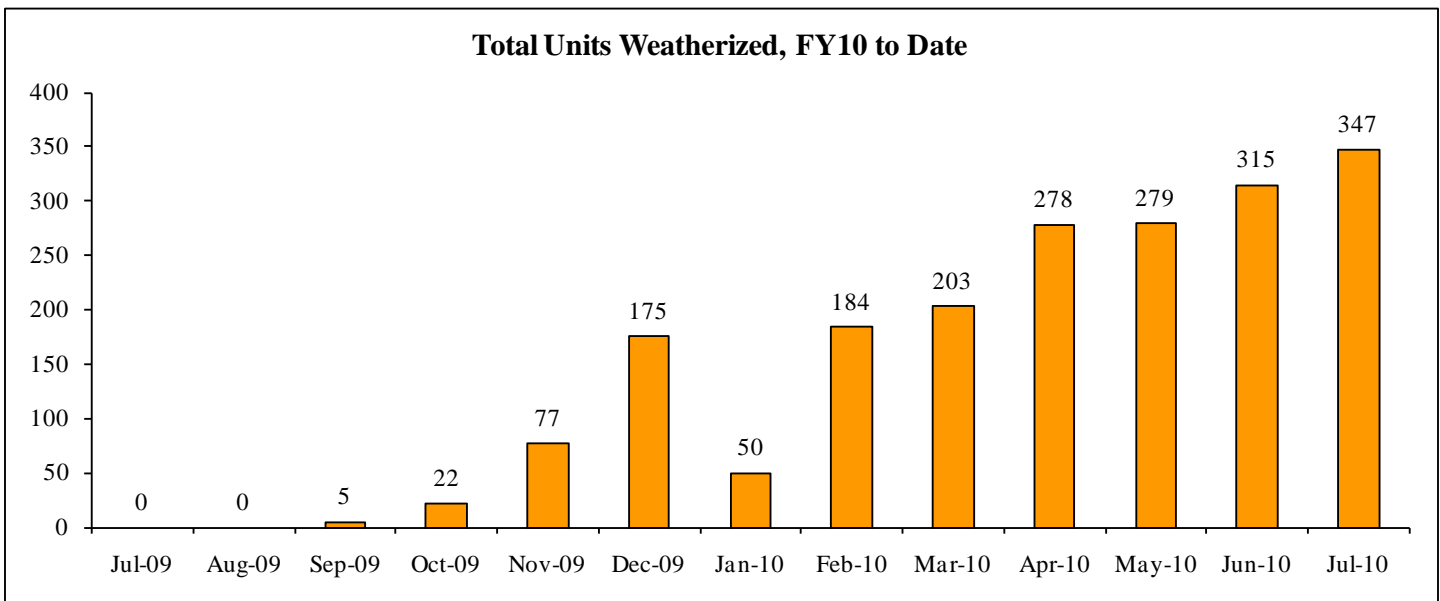


- Local Weatherization Agencies (LWA's) as MBE's.** At the last StateStat meeting, the MBE participation of LWA's was discussed. The agency reported that MBE participation for MBE's should be well over 25%, but that several LWA's that would qualify as MBE's weren't certified. At the request of the panel, the agency reported that a list of MBE-certified weatherization vendors and a list of vendors whom the agency believed were MBE-eligible was sent to GOMA on July 27<sup>th</sup>. Per current measures, the agency reported that 27% of weatherization dollars spent go to MBEs.

**Weatherization Issues**

(Suggested Discussion Length: 20 Minutes)

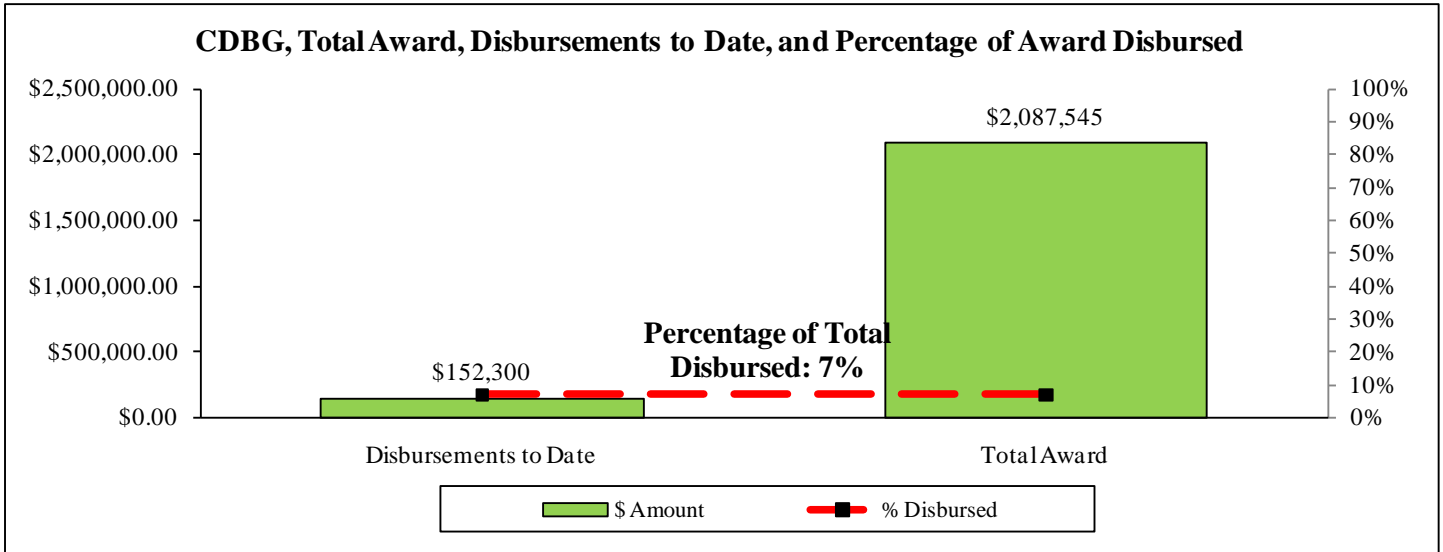
- Production.** Weatherization production met both its goal of 305 in June (315) and 347 in July (349). Through the end of July, the agency has reached 82.7% of its projected ARRA production. The agency believes weatherization production in August should again exceed 347 units. If the agency exceeds 347 units in August, production will have increased beyond 30% of the overall DOE goal and will allow the agency to access the remaining 50% balance of Maryland's total weatherization allocation. The agency is projecting an average of 305 homes weatherized per month from June to December, including July and August where they should exceed 347 units.



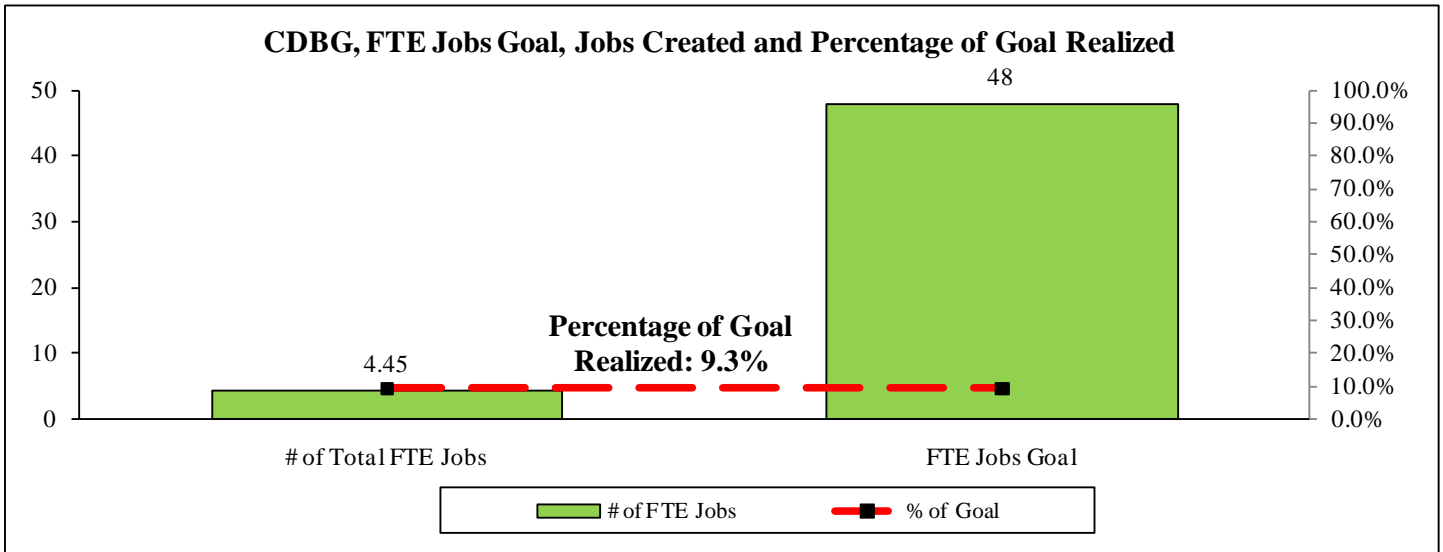
**ARRA Issues**

(Suggested Discussion Length: 20 Minutes)

- Community Development Block Grant.** The CDBG program began disbursement in April, and to date has disbursed 7% of its total award. After making disbursements in April and May, no money was disbursed under the CDBG program in June. The agency must disburse all CDBG funds by September 30, 2012. The agency reported that it expected expenditures to increase dramatically over the remaining summer months.

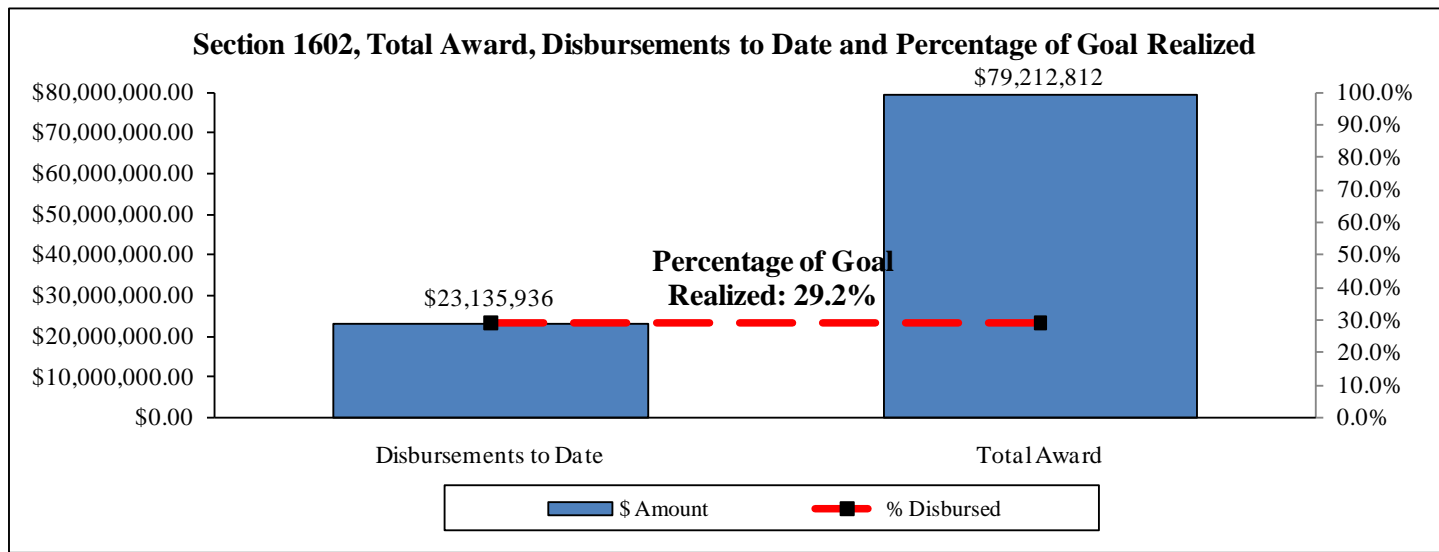


- Jobs Created.** The agency is reporting that 4.45 FTE jobs were created under the CDBG program from April to June. To date, the CDBG program has created 9.3% of its goal for FTE jobs created.

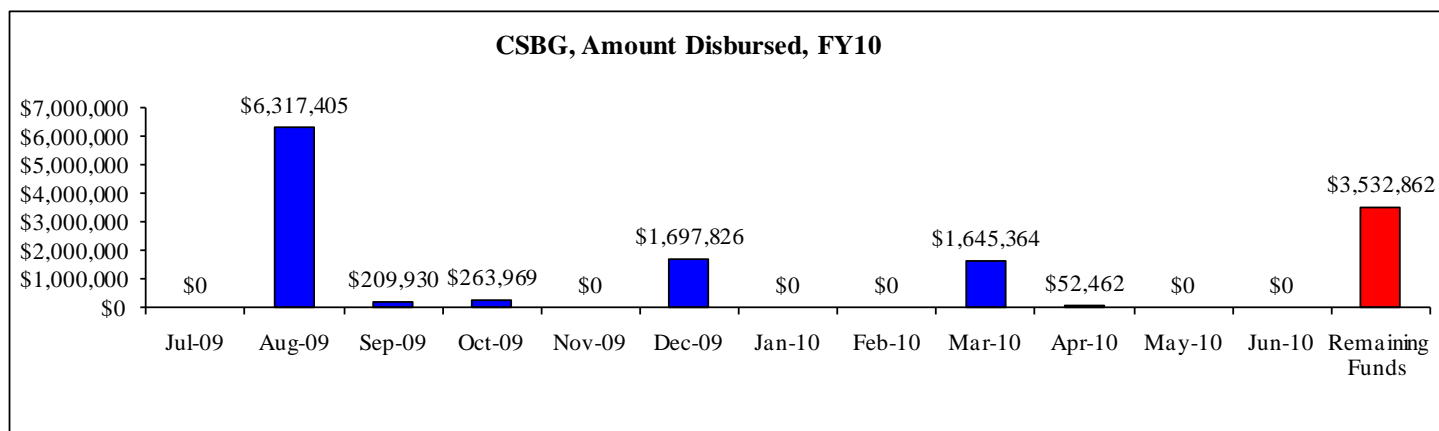


- Section 1602.** Since the last StateStat meeting, the agency is reporting that 4 additional 1602 projects have closed (Indian Bridge, Elkton Senior, St. Stephen's, and Hampden Lane), and that all 14 projects being funded by 1602 are now under construction. The agency also announced that the Baywood Village project, which will create 100 units, has been completed. Baywood Village is the first 1602 project to finish.

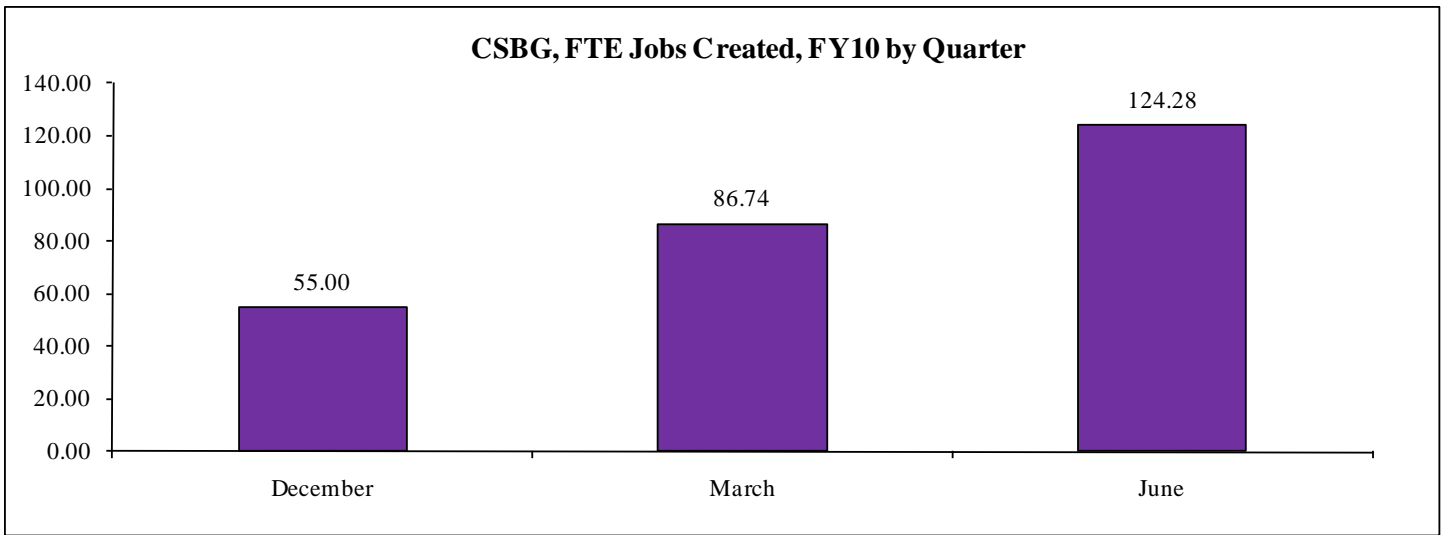
- Disbursements.** According to the StateStat template, 29.2% of funds awarded under the 1602 program have been disbursed. Similar to the CDBG program, the agency expects expenditures to continue to ramp up during the remaining summer months.



- Community Service Block Grant.** The CSBG program has a goal of disbursing the \$13.7 million sub-awarded by September 30, 2010. According to the StateStat template, \$10.1 million, or 74% of the total sub-awarded has been disbursed. The agency reported that it expects to expend all eligible funds before September 30.



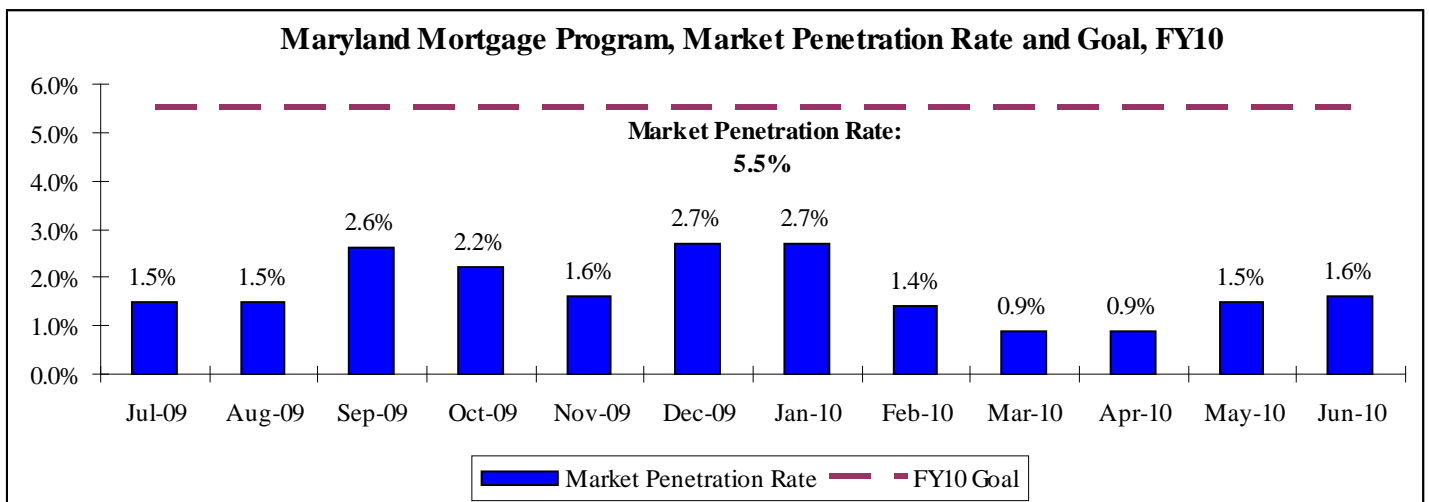
- Jobs Created.** The agency is reporting that 124.28 FTE jobs were created between April and June, and that the CSBG program has created a total of 266.02 FTE jobs to date.



### Maryland Mortgage Program

(Suggested Discussion Length: 15 Minutes)

- Interest Rates Lowered.** On August 9<sup>th</sup>, the agency announced that it would lower the interest rate lowered by the MMP program again to 4.25%. Additionally, the base amount for the DSELP program will be raised from \$3,500 to \$5,000. The agency discussed these recent actions and projected that interest in the program should steadily increase over the next several months.
- Market Penetration Rate Goal.** The panel will recall the discussion at the last StateStat meeting concerning the market penetration rate goal for the Maryland Mortgage Program. The agency reported at the last StateStat meeting that the 5.5% penetration goal for FY10 was likely too high, and that a new goal for FY11 would be set closer to 2%. The agency reported that after internal discussions, it would keep the FY11 goal at 5.5%. The agency explained that the 5.5% goal remained the same because the basis for the penetration ratio changed from the whole State to just the jurisdictions with exclusively targeted areas.



- **Down Payment Settlement and Loan Program.** According to the StateStat template, 678 out of 706 loans purchased through MMP made use of the DSELP program, lending credence to the theory discussed at the last StateStat meeting that DSELP is a driving force behind MMP production. Approximately \$4.3 million in DSELP loans were purchased in FY10, which bested the \$1.9 million in loans purchased in FY09 and \$3.9 million in loans purchased in FY08, but left the agency short of its \$5 million goal in FY10.

