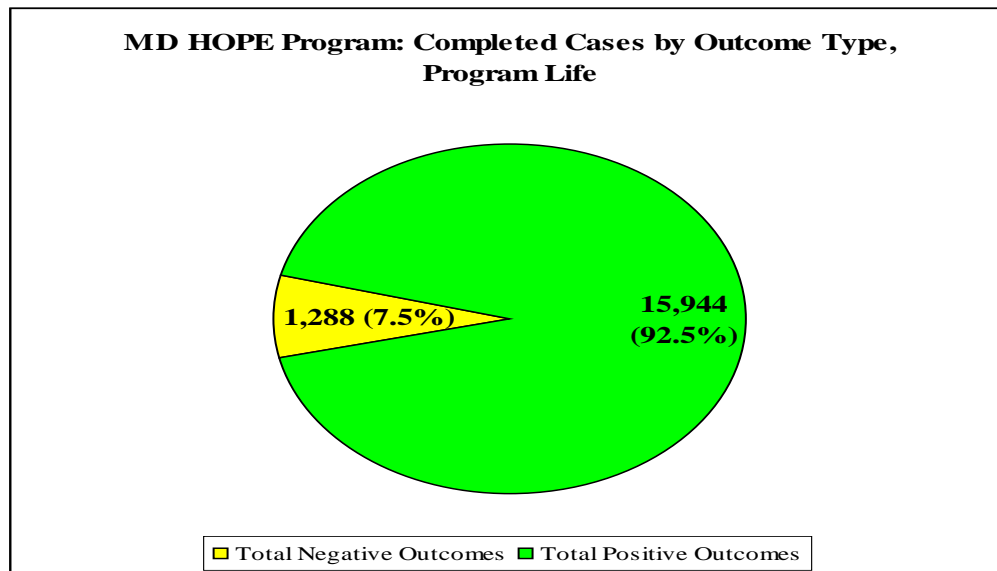


Meeting Summary

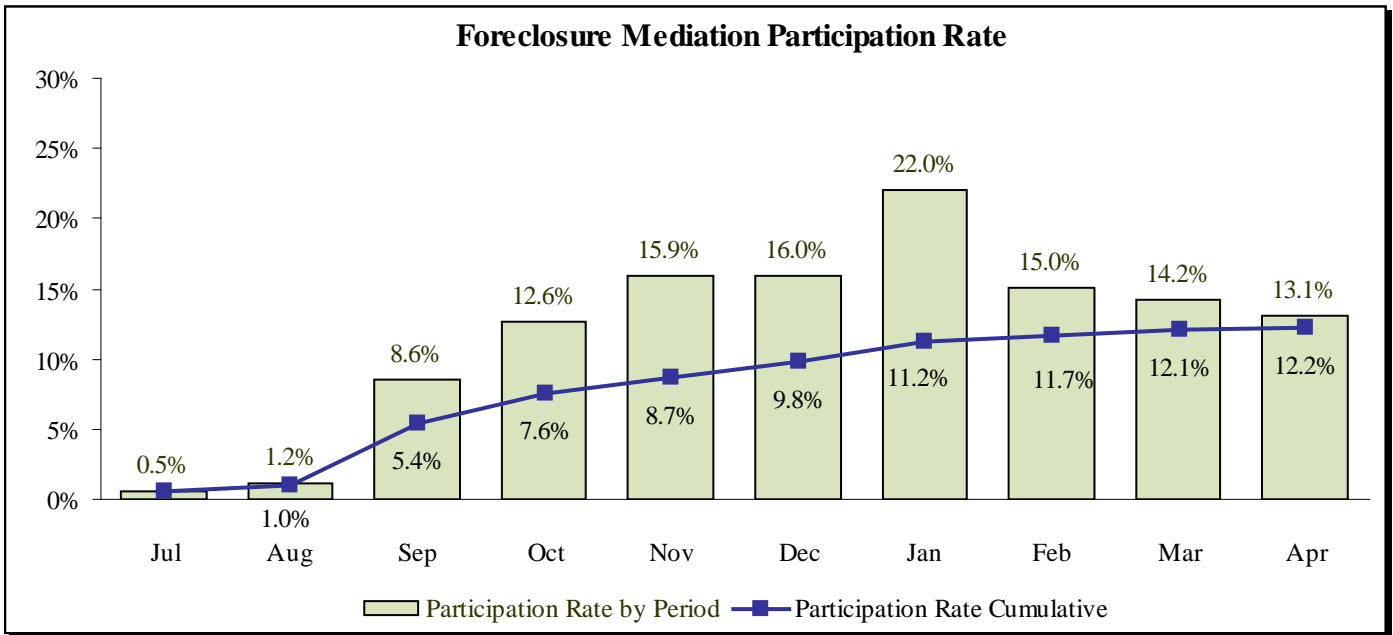
Following is a summary of issues discussed at the DHCD Stat on May 3, 2011. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

Foreclosure Prevention

- **HOPE (Home Owners Preserving Equity) Program.** The agency provided a Powerpoint presentation reviewing its foreclosure prevention efforts to date. The agency's HOPE program has counseled over 57,000 clients since its inception. Of the 17,232 cases completed by HOPE counselors, 15,944 have received positive outcomes, for a positive outcome rate of 92.5%. Additionally, the agency's HOPE Hotline has received over 38,000 calls during the existence of the HOPE program. A report written last May by NeighborWorks, who manages the National Foreclosure Mitigation Program (NFMC), cited Maryland as one of the top 10 states nationally in clients served.



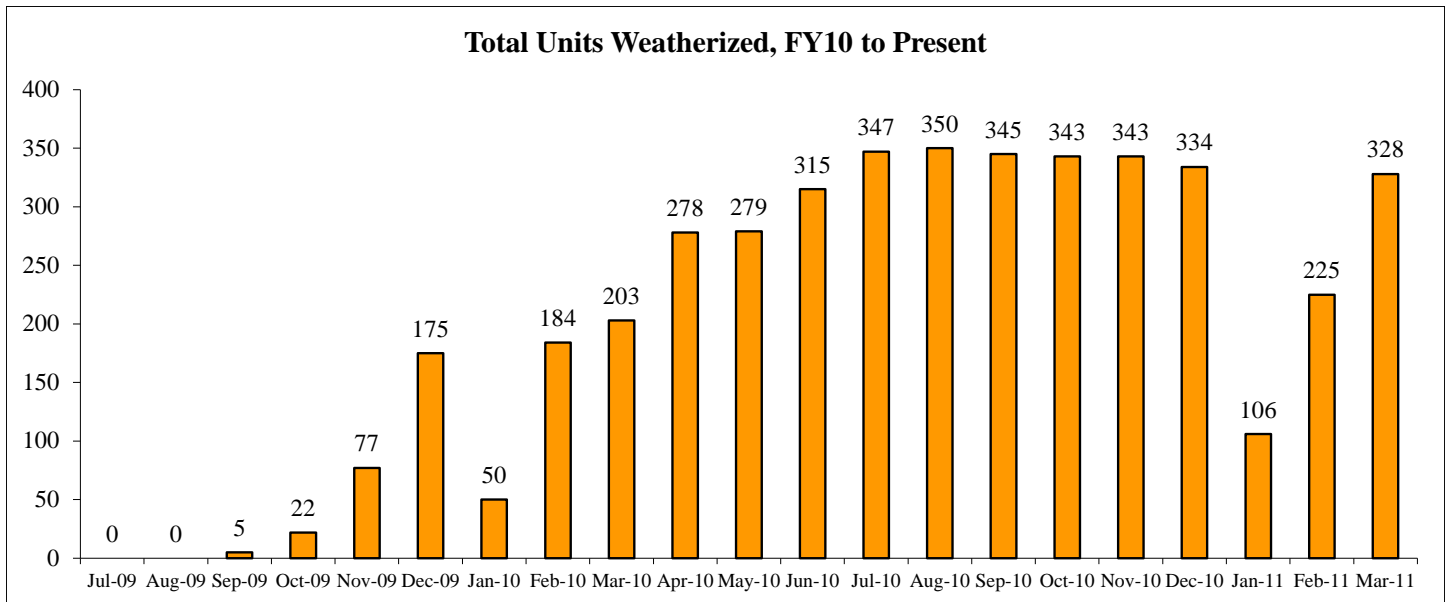
- **Foreclosure Mediation Program.** Maryland enacted the Foreclosure Mediation Act on July 1, 2010 to compel mortgage servicers to be responsive to homeowners facing foreclosure. The goal of the Foreclosure Mediation Program is to help homeowners get relief through a loan modification if they qualify or to find an alternative to foreclosure. Data presented by the agency indicated that the total number of borrowers opting into mediation (847) in FY11 to date was well below the total year projection of 4,351 requests. However, mediation requests appear to be lower than expected because of a significant decline in the number of foreclosures filed after the mediation law was implemented in July. Despite a lower number of mediation participants than expected, the Foreclosure Mediation Program's cumulative participation rate has increased in every month since the program began.



- Emergency Mortgage Assistance Program (EMA).** The EMA Program, which is set to provide the state with \$40 million from the federal government to assist homeowners in getting current with back mortgage payments, was discussed. The agency reported that it currently had 177 applications in process, 17 applications approved and \$294,588 in funds obligated since the program’s roll-out on April 1st. Further, the agency reported that it was the first state in the nation to close a loan under the EMA program. To accommodate the rush of new activity from EMA, the agency brought on six temporary employees. The agency a September 30 deadline to expend the \$40 million in EMA funds granted by HUD.

Weatherization

- Production.** The agency completed 328 units in March, up from 225 units in February and 106 units in January. The agency predicted at the last StateStat meeting that unit production should increase again in April and possibly exceed 400 units. Unit production, which is measured by the number of invoices paid by the agency to LWAs (Local Weatherization Agencies), took a dramatic hit in January and February as staff from many LWAs were engaged in responding to requests from DOE (Dept. of Energy) auditors. The agency reported that any perceived production hit experienced during January and February due to audit requests should be made up for by the end of June.



- DOE Inspector General (IG) Audits.** The agency reported that auditing activity by the IG auditors is now complete, and that the next step will be for the IG's to issue a preliminary written report. The agency will then have 30 days to respond to the preliminary report, and the IG will issue a final report within 30 of receipt of the agency's written report. The agency is expecting to receive the preliminary written report at some point in early May.
- Montgomery County DHCA.** At prior StateStat meetings, the agency discussed issues it was having in securing access to weatherized units in Montgomery County in order to perform quality control inspections. The agency previously reporting that it was holding 37 invoices from Montgomery County that wouldn't be paid until the agency is able to complete audits of units weatherized by Montgomery County DHCA. The agency reported to the StateStat panel on May 3 that Montgomery County had satisfactorily resolved all issues, and that a meeting was scheduled for May 6 and that payment of outstanding invoices should occur shortly thereafter. Further, the agency reported that Montgomery County had continued production while resolving outstanding issues, and that an additional 60 units were produced in April that were also pending payment. The agency predicted that Montgomery County's May production data should increase dramatically.

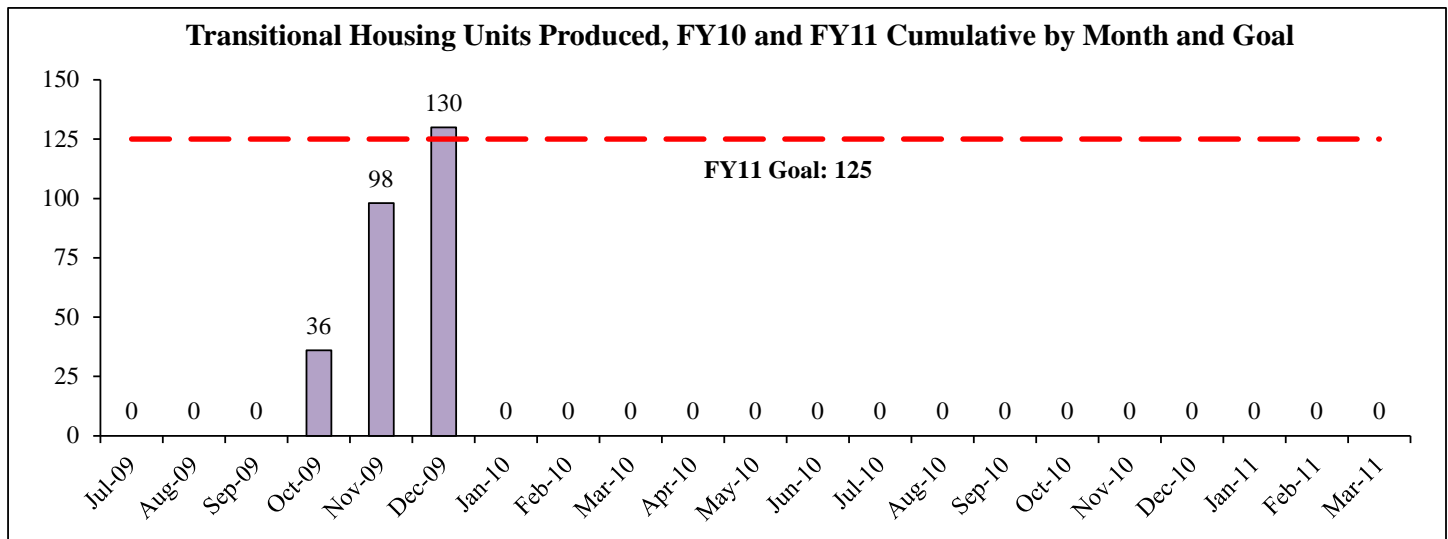
Montgomery County DHCA Weatherization Program Issues	
Issue	DHCA Proposed Resolution
Process: DHCA was allowing its contractors to weatherize units and perform audit of work performed	DHCA is now using its own staff to audit all units weatherized
HOC: DHCA was planning to allow MCHOC to weatherize all units under its control with its own contractors	DHCA has assigned one of its own contractors, Jackson and Associates, to weatherize all MCHOC owned units
Vacation/Leave: Several of DHCA's auditing staff will be taking leave during the month of January	DHCA will have two staff members on hand during January, and will seek assistance from an outside contractor if necessary

Energy Efficiency Community Block Grant

- **Program Launch.** The agency reported that a formal launch of the EECBG program will occur on May 12th at DHCD, where the Be SMART Initiative will be announced to “Green Teams” from the 15 Main Street Communities and to contractors interested in participating in the program. Additionally, the agency reported that it had sub-granted \$2 million to Habitat for Humanity to perform energy efficiency renovations on single family homes.
- **Takoma Park Multifamily Project.** The agency reported that it was expecting to close on its first multifamily project under EECBG during the week of May 9th. Energy efficiency measures will be installed at the Edinburgh House Apartments in Takoma Park, and will provide for added energy conservation capabilities for 45 housing units.

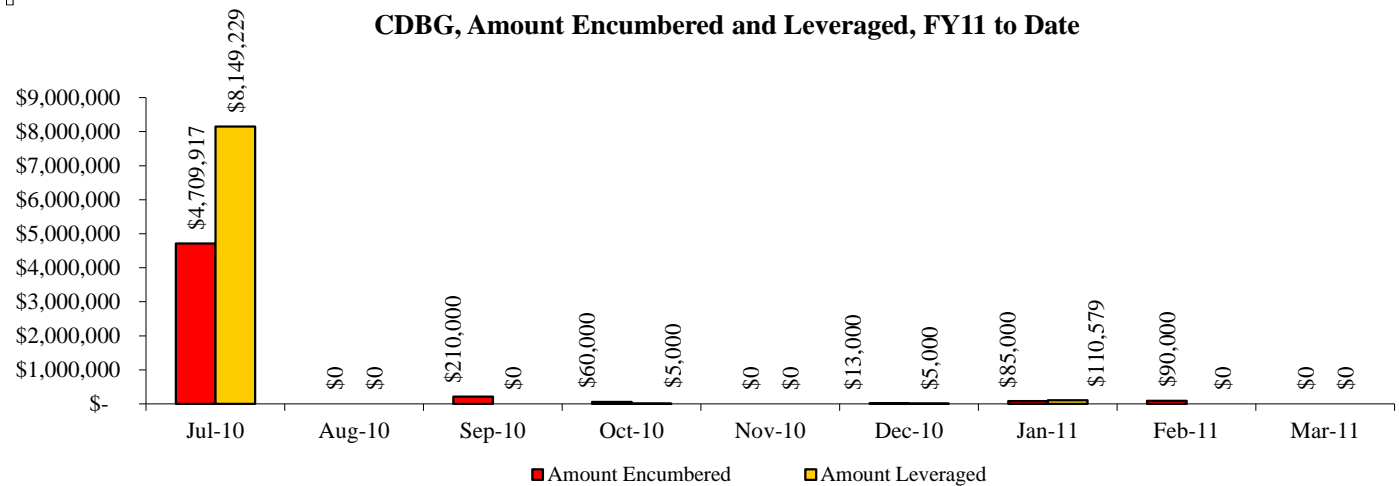
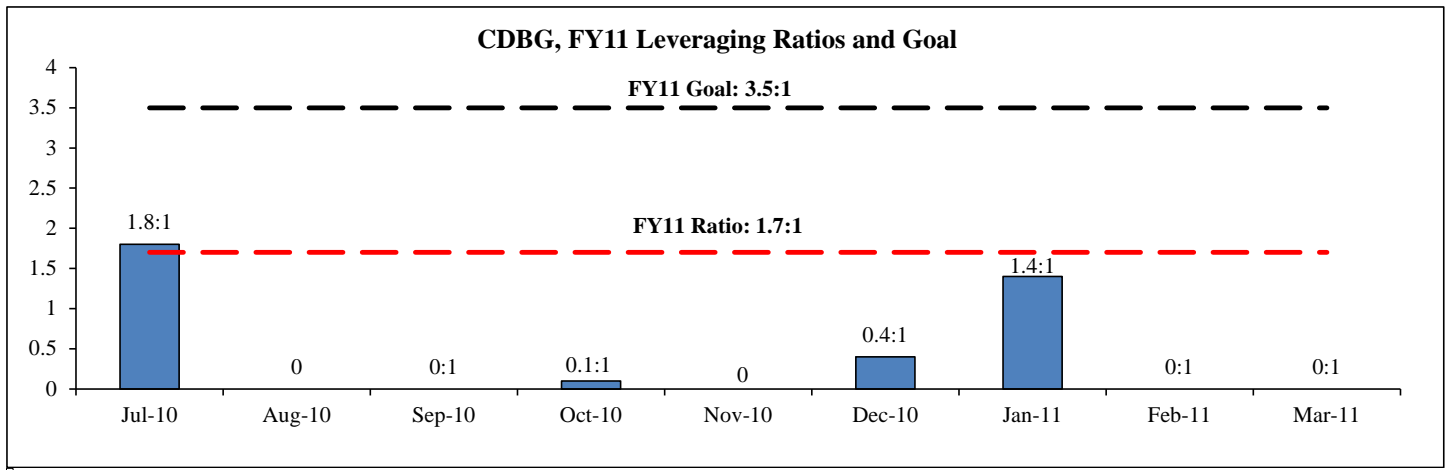
Transitional Housing

- **Unit Production.** The agency has an FY11 goal of producing 125 transitional housing units. As part of its goal to expand affordable rental housing, the agency offers grants for the construction and rehabilitation of shelters to benefit individuals in danger of becoming homeless. According to data provided on the template, the agency hadn’t produced a transitional housing unit since December 2009. The agency explained that it anticipated that units would be added in either April or May, as a project at Bay Spring in Baltimore City was expected to close. The Baltimore City project should provide 62 units. Additionally, the agency expects to close another project in late June/early July to provide 110 units. The agency reported that it will meet its fiscal year goal if it can get this second project to closing before the end of June.

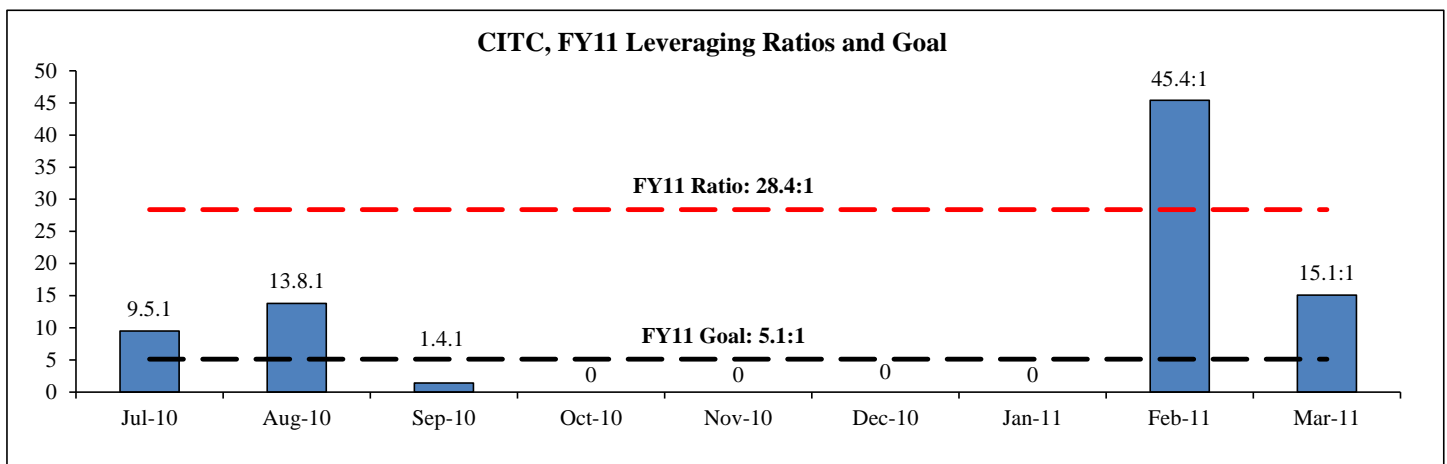


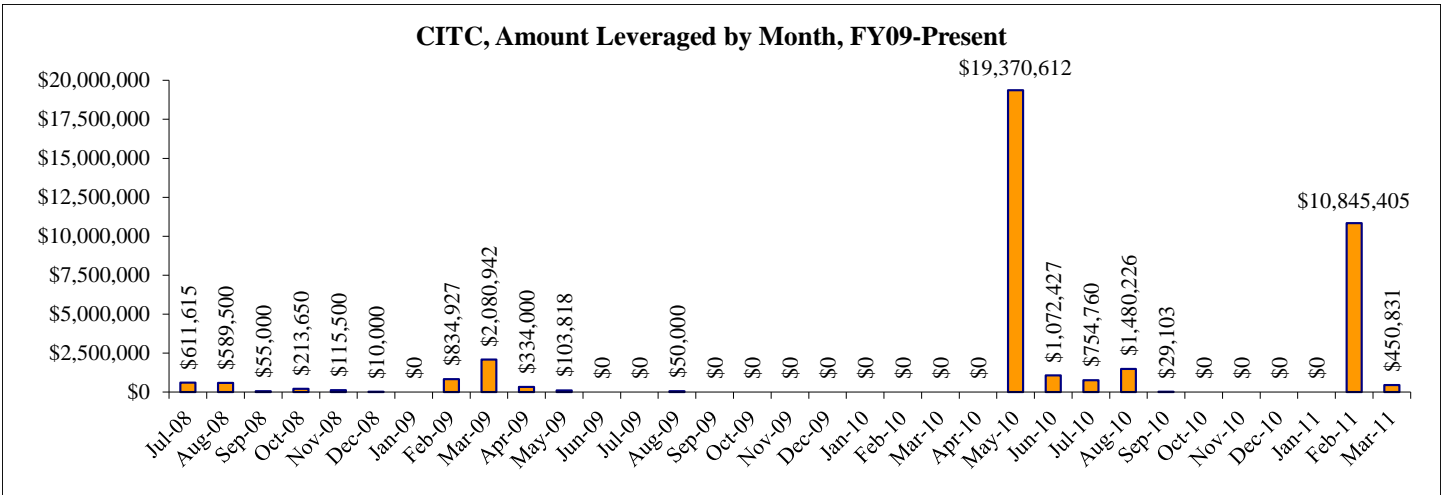
Neighborhood Revitalization Projects

- **Community Development Block Grant (CDBG).** As examined at past meetings, many agency programs are leveraging funds from non-state sources at above goal levels. Unlike these programs, CDBG has struggled to leverage funds in FY11, leveraging just \$1.70 of private/federal funding for every \$1 of State money spent. To date, just over \$5 million in state funds have been used to leverage approximately \$8 million in private/federal funding. In FY10, CDBG leveraged funds at a 4.1:1 ratio, with approximately \$9 million encumbered being used to leverage \$36 million. The agency reported that it was forced to take on projects with diminished leveraging capacity in FY11 to date due to drops in highway user funds.



- Community Investment Tax Credit (CITC).** The agency offers tax credits through its CITC program to non-profit organizations, who in turn use the tax credits as incentives to solicit donations of money, goods or real property. According to data submitted to StateStat, the agency's CITC program has leveraged funds at a 28.4:1 ratio to date in FY11, far exceeding the agency goal of 5.1:1. In February, nearly \$11 million was leveraged. The agency reported that its high February leveraging amounts were caused primarily by the issuance of tax credits to Habitat for Humanity Chesapeake, who leveraged over \$8.5 million in donations alone.





- Neighborhood BusinessWorks.** The Neighborhood BusinessWorks (NBW) program provides ‘gap financing’ to new/expanding businesses and non-profit organizations in sustainable communities throughout the State. To date, NBW has completed just 4 projects in FY11. The FY11 goal for completed projects was 11, and 33 and 20 NBW projects were completed respectively in FY09 and FY10. The agency reported that delays in the pipeline have caused completed project production to be slow to date, but that several additional projects should reach completion before the end of the fiscal year.

