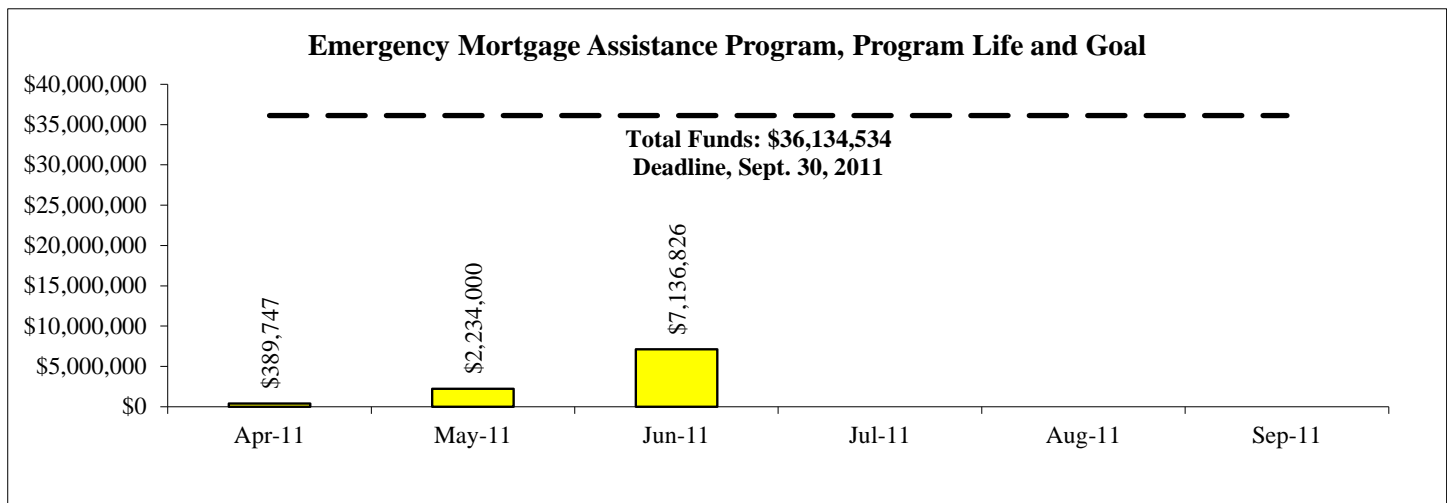


## Meeting Summary

Following is a summary of issues discussed at the DHCD Stat on August 2, 2011. Analysis is provided by Statestat and the Governor's Delivery Unit (GDU).

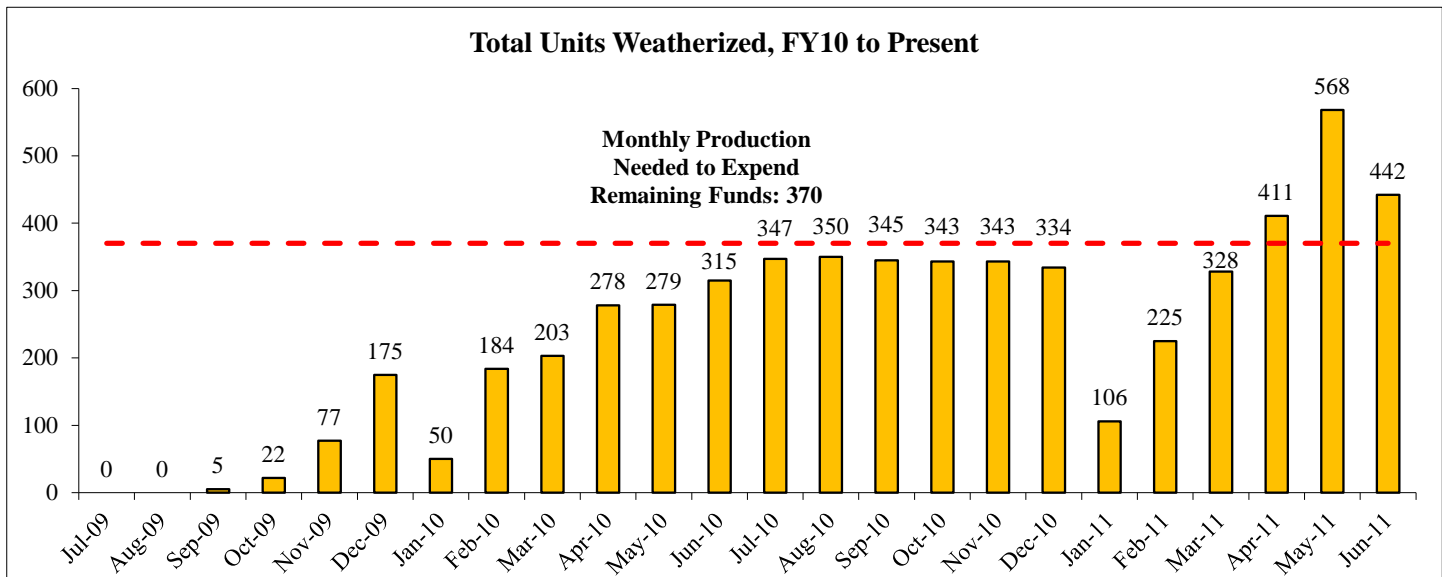
### Foreclosure Prevention

- **Emergency Mortgage Assistance (EMA) Program.** This program is available to homeowners at least three months behind in their mortgage payments due to job loss or a decrease in wages. All \$36.1 million of EMA funds must be obligated by September 30, or the remaining funds must be returned to the federal government. The agency reported their numbers as of July 29 at the meeting. 269 applications were closed in July resulting in \$11 million obligated. That brings the cumulative obligated total to \$18.4 million. They have 434 applications in the current pipeline and are maintaining a two week processing time. They have augmented the staff with temps to make this possible. The agency has kept a 50% approval rate, and they are confident that they will obligate all funds by September 30. They noted that they are doing everything in their power to advertise and promote the program. DHCD was asked to send a weekly EMA report and July's average application processing time to Statestat.



### Weatherization

- **Production.** The agency completed 442 units in June, and they reported at today's meeting that the July number is around 428-430. This supports the agency's contention that production should exceed 400 units a month going forward until the expiration of the weatherization ARRA grant. June production increases were a result of smaller jurisdictions substantially exceeding projections. The agency is projecting that it will need to produce 370 units per month over the next 9 months in order to completely expend its ARRA weatherization grant. The agency is well above pace to meet the DOE 36 month production goal of 6,800 units.



**Weatherization: Notable June Production**

LWA	Units Projected	Units Produced
Upper Shore	9	69
Frederick Community Action Agency	10	31
Harford County (MEC)	8	28

- LWA (Local Weatherization Agency) Funding Reallocations.** Reallocation from underperforming LWAs has been proposed. Weatherization work in St. Mary’s County, originally falling under Southern Maryland Tri-County CAC, would be re-assigned to C&O Conservation for a two month trial period. The agency reported that C&O Conservation will not begin performing work in St. Mary’s County until August.
- DOE Inspector General (IG) Audits.** The IG’s Office performed desk audits of weatherization processes and field audits of weatherized units. Detailed site visits were performed at Baltimore City HCD, Montgomery County DHCA and Prince George’s County DHCD. IG auditing activity concluded in early April. The next step will be for the IG’s to issue a preliminary written report. The agency reported that IG has not yet provided a timeline for submission of the preliminary report.

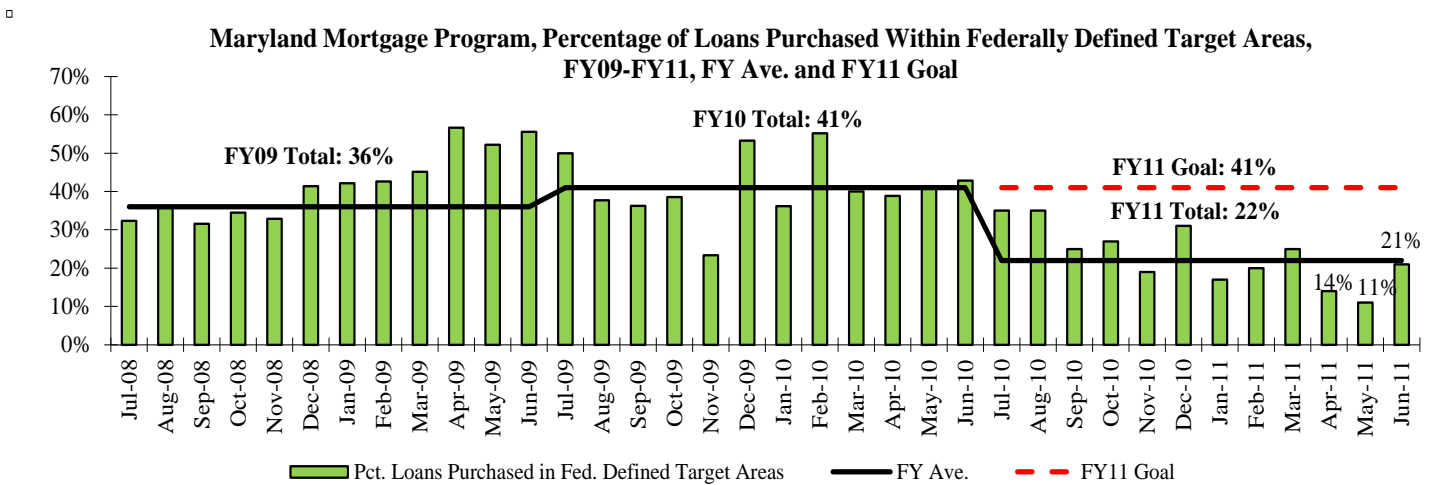
**ARRA**

- Energy Efficiency Community Block Grant (EECBG).** The EECBG program will provide financing for retrofits and the installation of energy efficiency measures in up to 640 single family homes, 540 commercial buildings and 14 multifamily buildings. The program held its formal launch on May 12 at DHCD headquarters, and has until June 2013 to complete expenditure of its \$20 million grant. Since the last StateStat meeting, the agency is reporting that it has dispersed half of its \$2 million sub-grant to Habitat for Humanity for single family home retrofitting, issued a commitment to a commercial project, and committed all MEEHA funds by its June 30 deadline.
- Commercial Projects.** DHCD indicated that it has issued a commitment to Jimmy and Sooks Restaurant in Cambridge. They plan on using this project as a major selling point to show benefits of energy efficiency. Construction is underway to perform retrofits on the restaurant.

- **Single-Family Projects/Habitat for Humanity Sub-Grant.** As part of the single-family component of the EECBG program, the agency has sub-granted \$2 million to Habitat for Humanity to find qualified contractors to perform energy efficiency work on homes. The agency reported that the deadline for the RFP for contractors has been extended as Habitat tries to reach out to a broader pool of bidders. The agency believes that single-family remains the most difficult sell within the EECBG program. They are currently targeting homeowners who require appliance replacements as their target to sell energy efficiency loans.
- **Multifamily Energy Efficiency and Housing Affordability (MEEHA).** Of the \$20 million EECBG grant, \$6 million was set aside for multifamily projects. They have two live applications in progress worth about \$700,000. DHCD reported that the MEEHA program fully committed its funds by the June 30 deadline and the unfunded applications exceed \$3.7 million. These applications represent another 10 projects and a potential of 1272 units to be funded. These 10 projects are currently under evaluation.

**Maryland Mortgage Program**

- **Federally Defined Target Areas.** The agency set a goal in FY11 to sell 41 percent of their loans purchased within federally defined target areas. To date, just 22 percent of loans have been purchased within federally defined target areas, with May’s 11 percent figure being the lowest recorded in several fiscal years. The agency reported that the data provided may be inaccurate due to the switch of the Maryland Mortgage Program to a mortgage-backed security platform. The agency indicated that they will double check this data prior to the next StateStat meeting.



**Performance Based Contract Administration**

- **Loss of HUD Performance-Based Contract Administration (PBCA) contract.** DHCD’s current PBCA contract expires September 30, 2011. On July 1, DHCD received notice from HUD that it had selected another bidder. The contract will be awarded to Summit Multifamily Housing Corporation, an Akron, Ohio nonprofit that was formed only in April and has no experience in Maryland. DHCD believes that the loss of the contract could result in 23 state employees losing their positions. Other impacts of the loss of the contract include the rushed renewal of Section 8 housing contracts because the owners are uncertain of how Summit will run the program and loss of jobs and revenue to out-of-state corporations.

- **PBCA contract protest.** DHCD filed a protest with the Government Accountability Office (GAO) on July 11, contending that HUD failed to disclose the importance that it would give to price in making its awards. HUD indicated price would be considered, but they included this information only in the foot notes. Nationally, over 20 state agencies have filed or intend to file formal protests with the GAO against the awards. If GAO does not have jurisdiction, the agency will appeal to the Court of Federal Claims. The agency indicated that they would report back to StateStat on the status of the protest at the next StateStat meeting.