

Meeting Summary

Following is a summary of issues discussed at the DHCD Stat on August 25, 2011. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

Emergency Mortgage Assistance Program (EMA)

- **August Performance to Date.** At the last StateStat meeting, the agency reported that through July 536 EMA applications had been approved, totalling \$18.1 million in assistance. The agency reported that they had an additional 434 applications in processing, with an approval rate of approximately 50 percent. Since the end of July, 90 EMA applications have been approved and 280 denied, registering an approval rating of just 24.3 percent. Additionally, the agency is reporting that the processing time per application from receipt to decision has increased to 3 weeks due to delays in applicants providing requested information. The number of applications received over the past two weeks is 172 applications per week, which is a slight increase over the 160 applications per week the agency received in July. The agency reported at the StateStat meeting that HUD granted the agency an additional \$5.5 million to Maryland to support its EMA efforts. The agency estimated that it would need to field just over 800 more EMA applications in order to reach \$41.6 million expenditure goal by the end of September, and it believed it would receive a high volume of applications at an event on August 27 in Prince George's County.

EMA Program: Cumulative Performance through July, Aug. 5 and Aug. 12			
Metric	Through July	5-Aug	12-Aug
# Applications Received	1,529	1676	1873
# Applications Approved	536	577	626
# Applications Denied/Cancelled	537	667	817
# Applications Obligated	328	377	416
# Loans Closed	269	301	338
\$ Amount Obligated	\$11,070,554	\$12,632,141	\$13,924,934
\$ Amount Closed	\$9,170,475	\$10,171,666	\$11,471,581
\$ Amount Disbursed	\$3,313,568	\$3,541,543	\$4,037,124

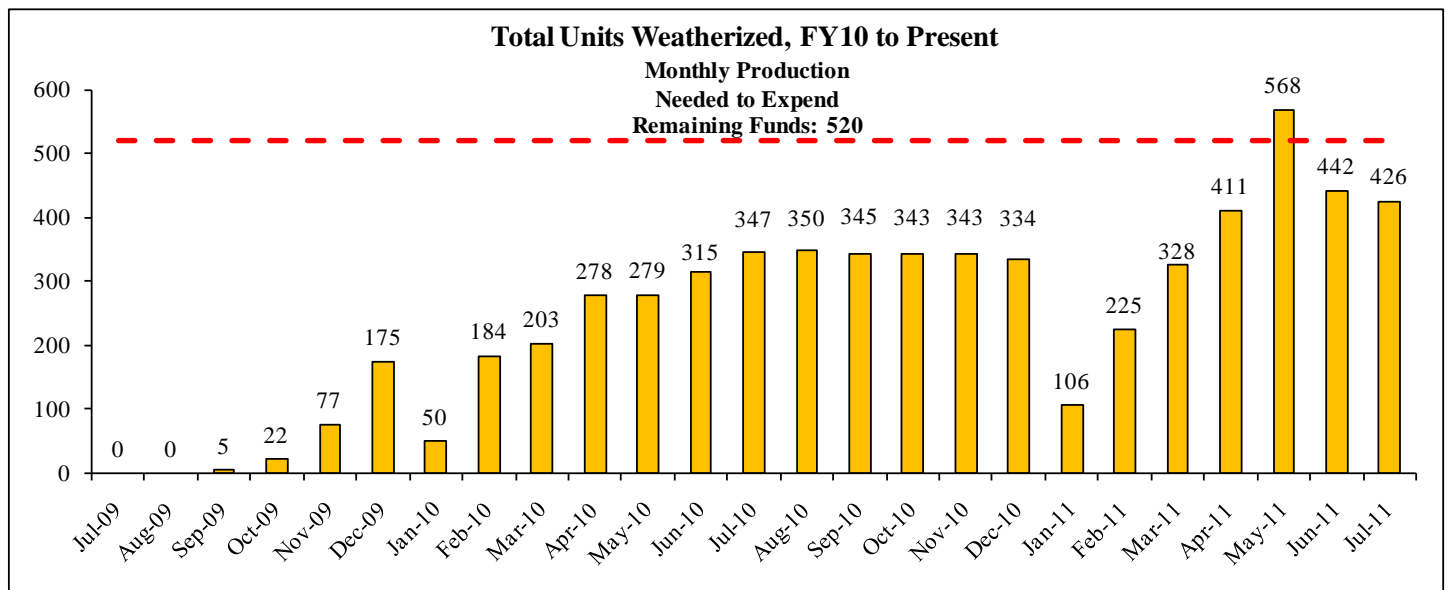
Performance Based Contract Administration

- **HUD to Re-Bid Performance-Based Contract Administration (PBCA) contract.** On August 10, HUD announced that the PBCA contract would be re-bid due to the high number of protests received on the award. The agency had reported at the last StateStat meeting that HUD had previously selected Ohio nonprofit Summit Multifamily Housing Corporation to take over Maryland's PBCA contract¹, which had been held by DHCD since 2000. HUD selected Summit largely on the basis that their bid was significantly lower than the agency's, which the agency protested because cost was not listed prominently as a primary selection criterion. The agency is reporting that HUD will issue a 'Notice of Funds Available' (NOFA) within the next 60 days, and that efforts are underway to lower the agency's bid to a more competitive level.

¹ Under PBCA contracts, agencies process housing-assistance payments and conduct management and occupancy reviews of public housing in project-based rental assistance under Section 8. Contractors are paid a percentage of the fair market rent of all the units they administer.

Weatherization

- Production.** The agency completed 426 units in July. Based on the monthly weatherization spreadsheet provided by the agency, 520 units per month will need to be produced over the next 8 months in order to expend remaining funds from the ARRA grant. The production goal increased over the past month after \$5.7 million weatherization funds were converted to benefit dollars. Monthly production has exceeded 520 units just once since the beginning of the ARRA weatherization program, and the 568 units produced in May was likely influenced by the processing of a backlog of invoices submitted for work completed in prior months. July production was concentrated in Baltimore City and Montgomery County, which produced a combined 258 units (61 percent of total production). The agency reported that they are confident that production can escalate to the level needed to complete expenditure of the grant. The agency will shift its focus more toward production over quality assurance review, and recent re-allocations of funds between local weatherization agencies (LWAs) should further boost production.



Weatherization: Notable July Production

LWA	Units Projected	Units Produced
Baltimore City DHCD	123	199
Montgomery County DHCA	54	59

- LWA (Local Weatherization Agency) Funding Reallocations.** The panel will recall the discussion at the last StateStat meeting about proposed reallocation from underperforming LWAs. The agency is reporting that reallocations have been finalized from Anne Arundel County, Washington County, Shore-Up! and Southern Maryland Tri-County CAC. Funds have not yet been reallocated from Frederick CAC, which is under watch until September. Shore-Up! (Somerset, Wicomico, Worcester), Anne Arundel County and Frederic CAC were well below projection in July, while Southern-Maryland Tri-County CAC (Calvert, Charles, St. Mary's) was near projection last month. The agency reported that reallocations from Washington County CAC, Shore-Up! and Southern Maryland Tri-County CAC should occur within the next few weeks, and that the reallocation from Anne Arundel County (MEC) to C&O Construction has already occurred.

Weatherization: Funds Reallocated or Shifted Between LWAs

LWA	Amount	Recipient
Anne Arundel County (MEC)	\$300,000	?
Washington County CAC	\$260,000	Alleghany County CAA
Shore Up!	\$500,000	Howard County CAA
Southern Maryland Tri-County CAC	\$400,000	C&O Conservation

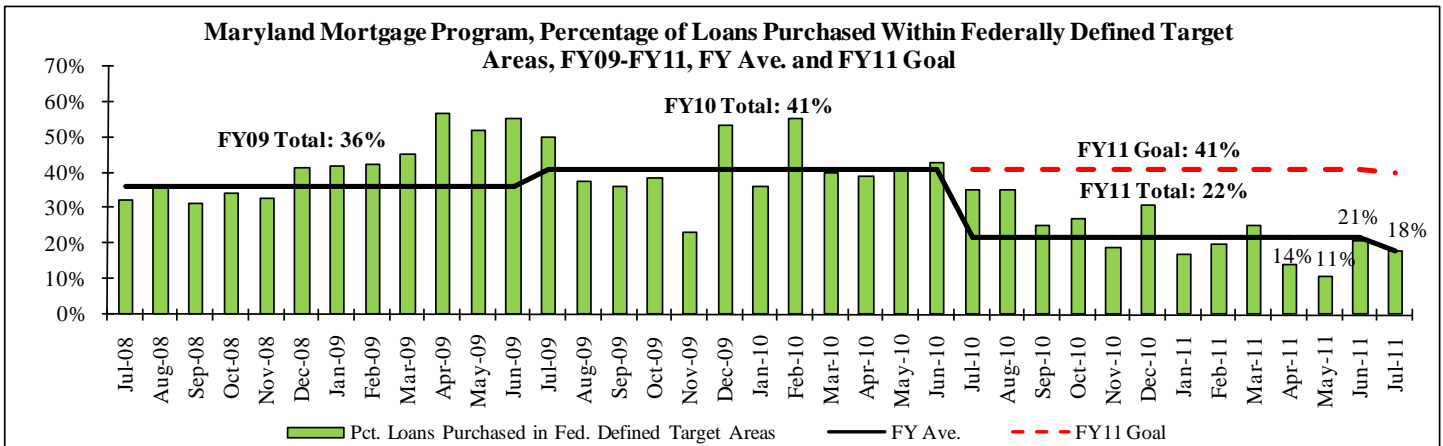
Weatherization: July Production

LWA	Units Projected	Units Produced
Frederick Community Action Agency	10	0
Shore-Up!	24	9
Southern Maryland Tri-County CAC	18	15
Anne Arundel County (MEC)	24	9

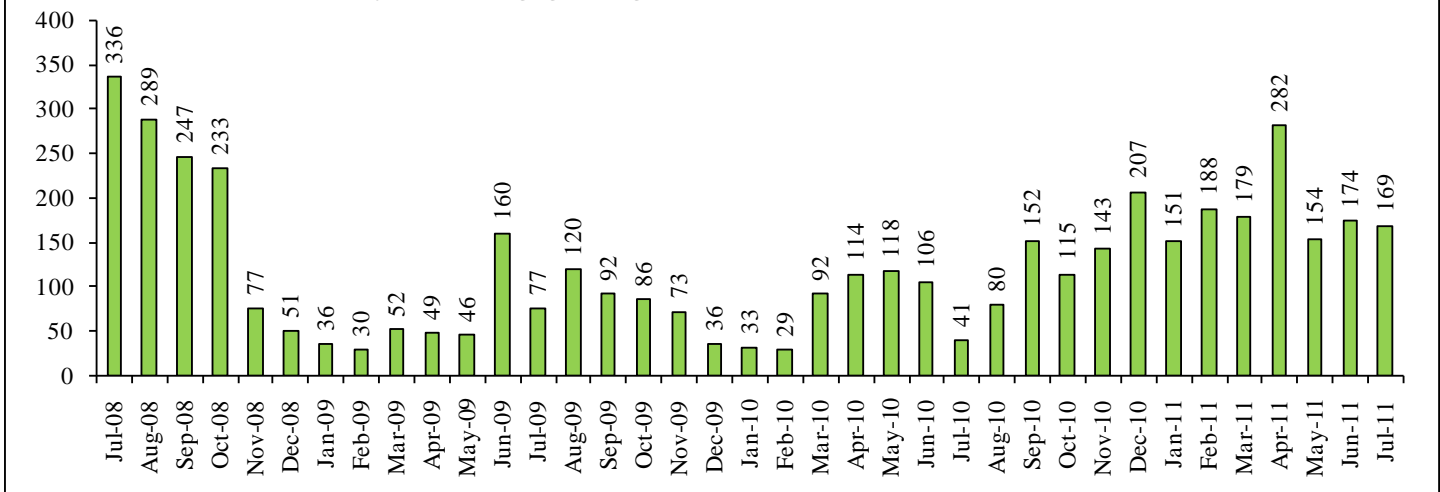
- DOE Inspector General (IG) Audits.** The IG’s Office performed desk audits of weatherization processes and field audits of weatherized units. Detailed site visits were performed at Baltimore City HCD, Montgomery County DHCA and Prince George’s County DHCD. IG auditing activity concluded in early April. The next step will be for the IG’s to issue a preliminary written report. The agency 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 reporting that the IG’s office has made requests for additional documents in recent weeks, but that it has yet to receive the preliminary audit report. The IG’s office has also indicated that they will grant the agency’s request for an exit interview.

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. In FY11, just 22 percent of loans were purchased within federally defined target areas, with May’s 11 percent figure being the lowest recorded in several fiscal years. 36 percent of MMP loans purchased were in federally defined target areas in FY09, and 41 percent of MMP loans purchased were in target areas in FY10. At the last StateStat meeting, the agency believed that the data demonstrated below may have been skewed by the MMP’s switch to a mortgage-backed security format. The agency reported that it has checked the data and confirmed its accuracy. The agency is reporting that decrease in activity in federally defined target areas is attributable to an increase in activity in Prince George’s County couple with a decrease in Baltimore City. The agency indicated that the federal government has set a goal that at least 20 percent of its activity occurs within federally defined target areas. The agency reported that they will focus on keeping activity above 20 percent in those areas.



Maryland Mortgage Program, Loan Reservations, FY09-Present



- Promotional Campaign.** The agency reported that they are starting a new promotional campaign for the Maryland Mortgage Program, to begin in September. The campaign will consist of a print campaign, search engine advertising and WBAL radio advertising. The promotional campaign comes on the heels of the program lowering interest rates to 3.5 percent, which is significantly better than standard market rates, which hover around 4.25 percent. MMP also offers closing cost assistance through the Down-payment Settlement Expense and Loan Program. The agency reported that it has set a goal of \$60 million in loans under MMP for FY12.