

Meeting Summary

Following is a summary of issues discussed at DHCD Stat on January 5, 2012. Analysis is provided by StateStat.

Emergency Mortgage Assistance

- **Loans Made Post-Deadline.** The agency identified 18 cases of Emergency Mortgage Assistance (EMA) where loans were committed after the September 30, 2011 deadline. The agency received federal funds to cover these cases. The agency stated that it was working with mortgage servicers to ensure that the process of applying EMA funds to delinquent mortgages was going smoothly.

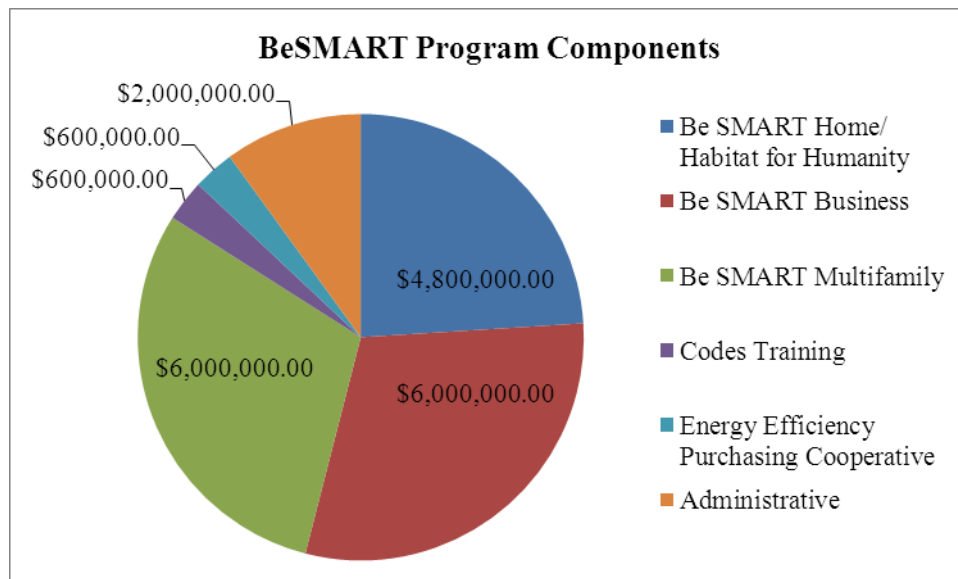
Minority Business Enterprise

- **Minority Business Enterprise Awards.** In September 2011, the Governor's Office of Minority Affairs (GOMA) raised concerns with the low percentage of awards which were made by the agency to certified minority business enterprises (MBEs). In September, only 6.6 percent of year-to-date awards were made to MBEs. The agency cited a new contract with M&T Bank, which is not a certified MBE, as the reason for the low September number. In October, the year-to-date percent of awards made to MBEs climbed to 13 percent, and in November, it climbed again to 17.5 percent. The agency provided a projection to StateStat and GOMA showing a projected 18.1 percent of contracts awarded to MBEs by the end of FY12. The agency stated that they would continue to pursue opportunities to invite its contractors to MBE outreach and procurement opportunities (ex. MBE University, MWBE Small Business Forum).

Energy Efficiency Community Block Grant (EECBG) / BeSMART

- **Overview.** In June 2010, the agency was awarded \$20 million in competitive EECBG funds for their BeSMART energy efficiency program. The program is a supplement to the traditional EECBG block grant program. Through the traditional block grant, several jurisdictions in the State receive funding for energy efficiency. At least 60 percent of the agency's EECBG funds must be directed towards jurisdictions which did not receive block grant funds. Therefore, BeSMART programs target 15 of the 23 Main Street Maryland communities, listed below. The agency has asked the federal Department of Energy (DOE) for permission to expand the program statewide, and is awaiting a final decision from them. The agency has broken down the award into six program components, shown below with the respective allocations. To date only \$3,415,949, or 17 percent, of the \$20 million allocation has been spent. The funds must be fully spent by June 2013.

BeSMART Target Communities	
Community	County
Berlin	Worcester
Cambridge	Dorchester
Chestertown	Kent
Cumberland	Allegany
Denton	Caroline
Easton	Talbot
Elkton	Cecil
Frostburg	Allegany
Oakland	Garrett
Princess Anne	Somerset
Dundalk	Baltimore Co.
Westminister	Carroll
Havre de Grace	Harford
Salisbury	Wicomico
Takoma Park	Montgomery

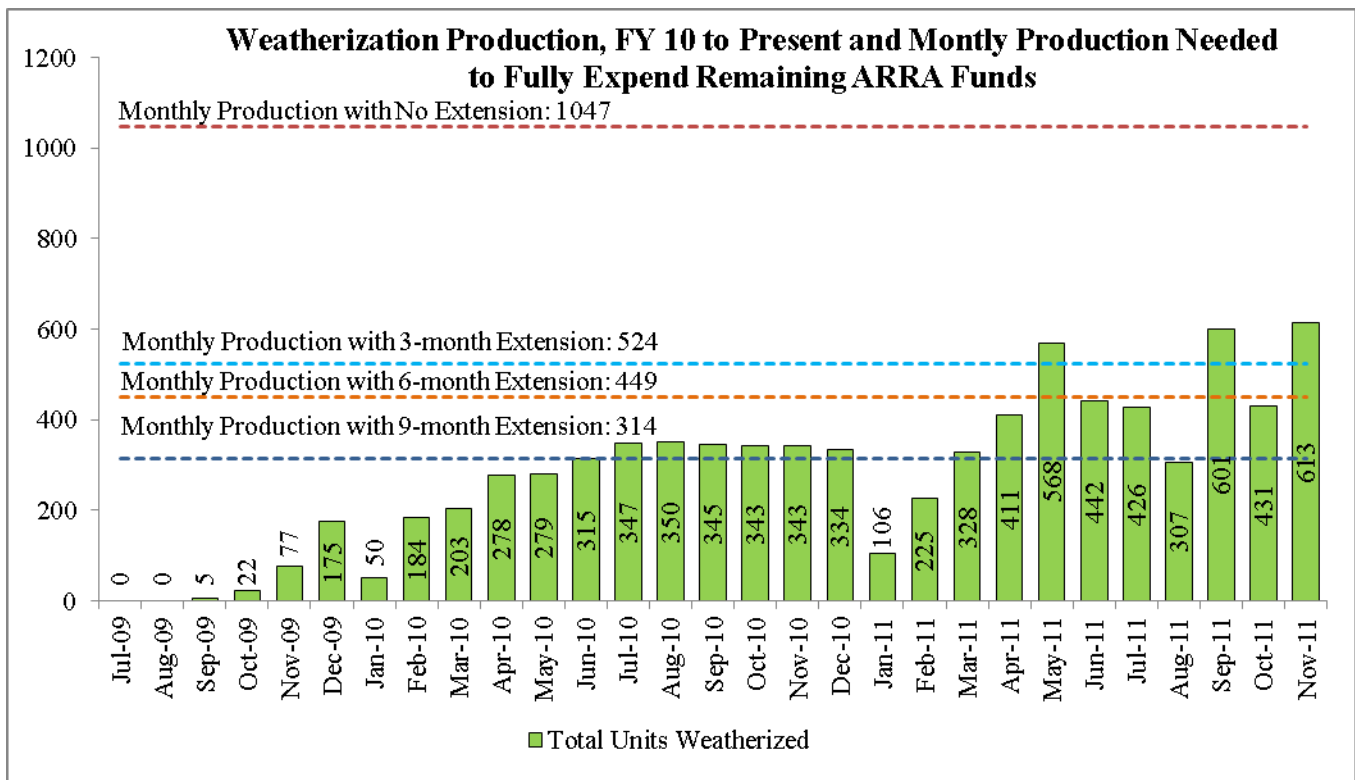


- BeSMART Loan Programs.** Loan programs for single-family homes, multifamily homes, and businesses make up the bulk of BeSMART. These programs combine grant funds with private loans to provide low-cost financing or credit enhancements for energy audits and energy efficiency retrofits, including appliances, HVAC, or building envelope upgrades. The loan programs officially launched in May 2011. To date, only four projects have been completed, including two single-family, one multifamily, and one business. Together, these projects represent \$2.28 million in loans, or 13.6 percent of the \$16.8 million dedicated to the loan programs. The agency has suggested that the down economy has created an environment where even low-cost loans for energy efficiency are difficult to make.

BeSMART Loan Program Activity, FY09 - FY12 YTD				
Program	# Projects Completed	Loan Amount Closed	Allocation	% Spent
Single Family	2	\$ 39,031.36	\$ 4,800,000.00	0.8%
Multifamily	1	\$ 2,062,500.00	\$ 6,000,000.00	34.4%
Business	1	\$ 184,454.00	\$ 6,000,000.00	3.1%
Total	4	\$ 2,285,985.36	\$ 16,800,000.00	13.6%

Weatherization

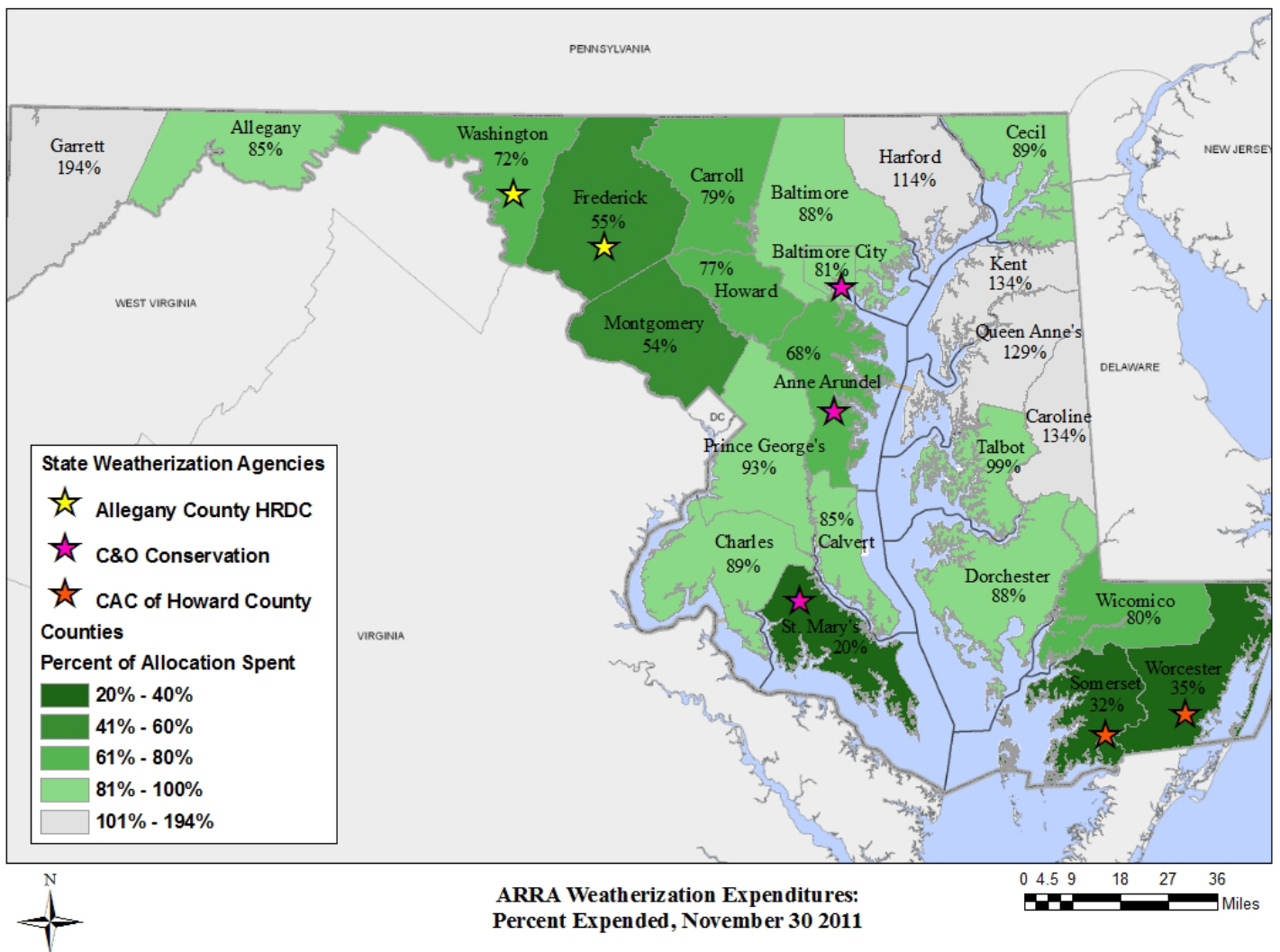
- Production.** The agency completed 613 units in November. Using the total of \$14,443,790 in unspent funds, at the average cost of \$4,595 per unit (cumulative average over the life of the program), the agency would need to complete 1,047 units per month to fully expend funds by February 29, 2012 (no extension); 524 units per month to fully expend funds by May 31, 2012 (3-month extension); 449 units per month to fully expend funds by June 30, 2012 (6-month extension); and 314 units per month to fully expend by September 30, 2012 (9-month extension). Note that in the latter two scenarios, the six-month and nine-month extensions, the agency has stated that it would end production three months before the DOE deadline in order to deal with compliance, including inspections and reviewing invoices. The agency is awaiting a final decision from DOE on an extension.



- State Weatherization Agencies.** Production has started in all State Weatherization Agency (SWA) areas. According to data submitted to StateStat, SWAs only produced a total of five units in October and five units in November as shown in the chart below.

State Weatherization Agencies				
County	October Production		November Production	
	Projected	Actual	Projected	Actual
C&O Conservation				
Anne Arundel County	10	5	15	4
Baltimore City	0	0	0	0
St. Mary's County	13	0	20	1
Allegany County HRDC				
Frederick County	10	0	15	0
Washington County	9	0	13	0
CAC of Howard County				
Somerset County	8	0	13	0
Worcester County	8	0	13	0
Total	58	5	89	5

- Expenditures by County.** Five counties have fully expended their allocation, shown in grey in the map below. The remaining counties have not yet reached their expenditure goals. Three counties in southern Maryland - St. Mary's, Somerset and Worcester - have spent less than 40 percent of their original allocation. All three of these counties have a State Weatherization Agency working to complete units and expend funds; however, production by the SWAs has been much slower than projected. Two counties in central Maryland - Frederick and Montgomery - have spent less than 60 percent of their allocation. Frederick County has a SWA working to assist in expending the allocation, but Montgomery County does not.



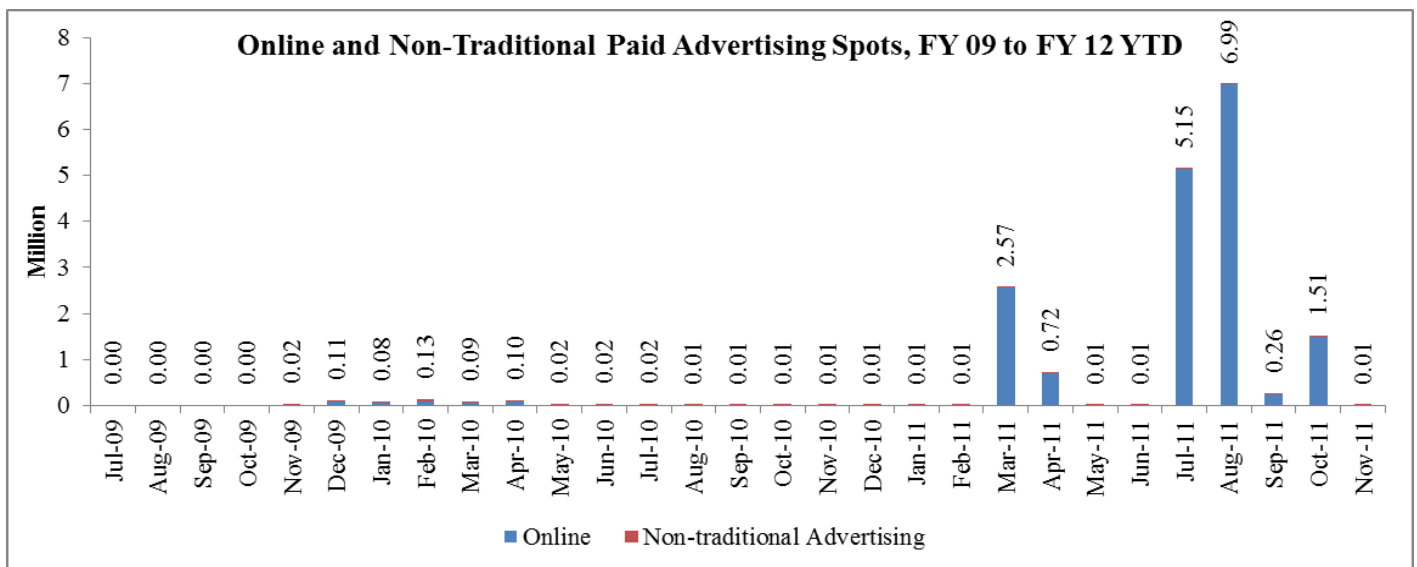
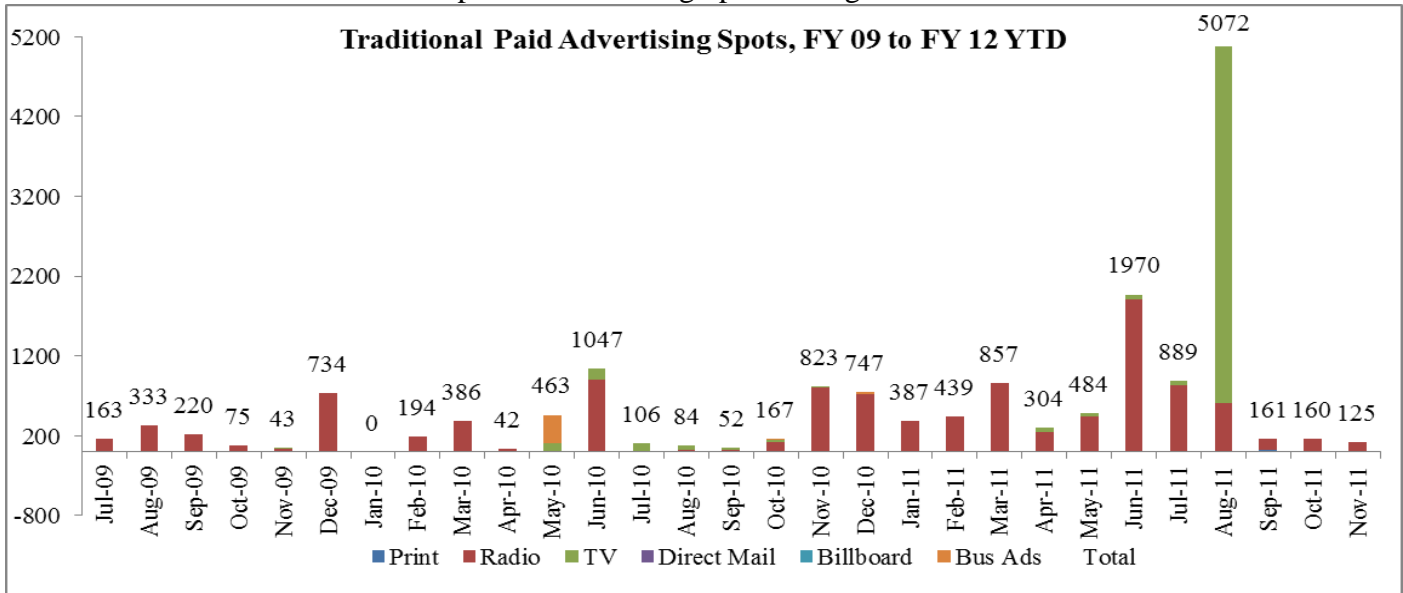
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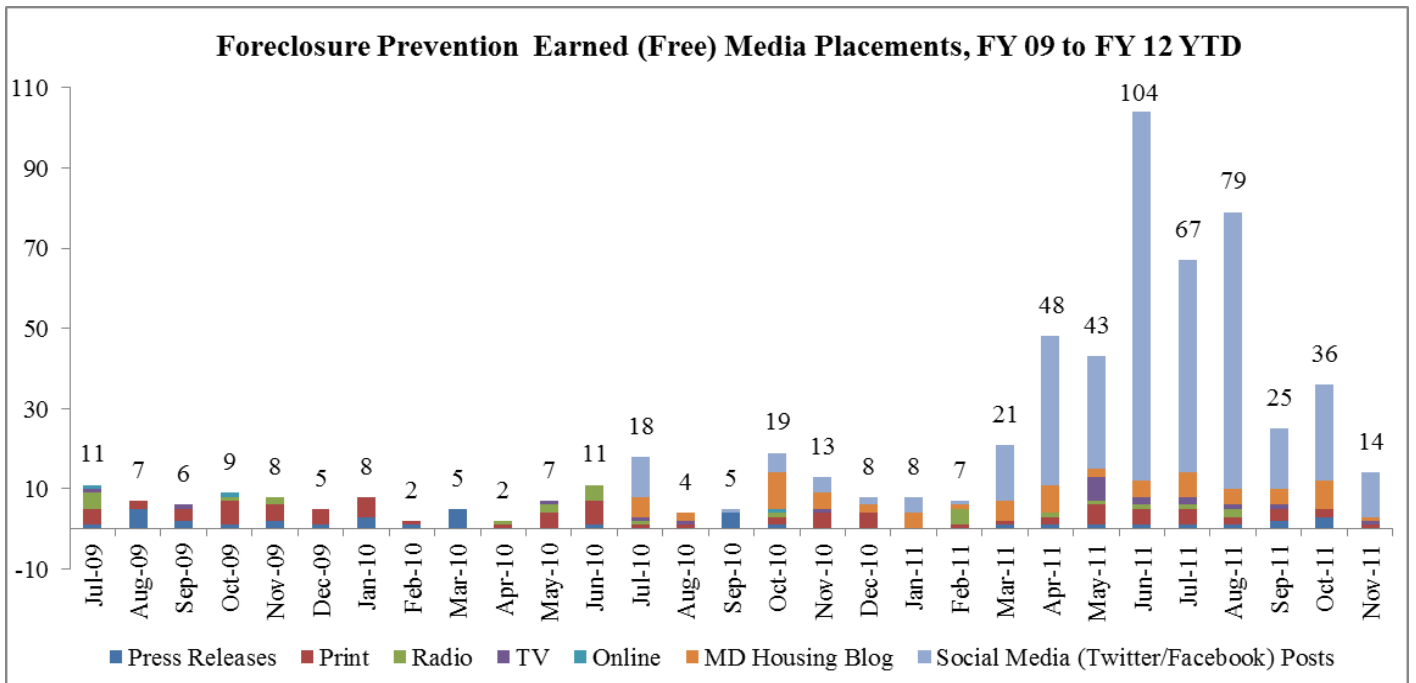
- EmPOWER Maryland.** On December 22, 2011 the Public Service Commission (PSC) filed an order directing the agency to assume responsibility for all low-income energy efficiency programs previously run by electric utilities in the State. The PSC approved the agency’s request for \$70.6 million over three years to run the single-family home retrofits and Maryland Energy Efficiency and Housing Affordability (MEEHA) programs, as shown in the chart below. The agency stated in its initial request to take over the low-income programs that it expects to complete 9,800 units with these funds. This translates to 272 units per month over 36 months. The PSC has directed the agency to convene a work group in order to “resolve matters such as reporting methods, interim milestones, software compatibility, accountability, contractual arrangements, possible budget amendment issues, and quality control procedures.” The work group has been directed to submit a transition plan with details to the PSC by February 15, 2012.

DHCD EmPOWER Allocation for Low-Income Programs, 2012 - 2014		
Program	Component	Allocation
Weatherization	Single-Family Home Retrofits	\$45 million
	Overhead	\$12.6 million
MEEHA	Multi-Family Retrofits	\$12.5 million
	Overhead	\$0.5 million
Total		\$70.6 million

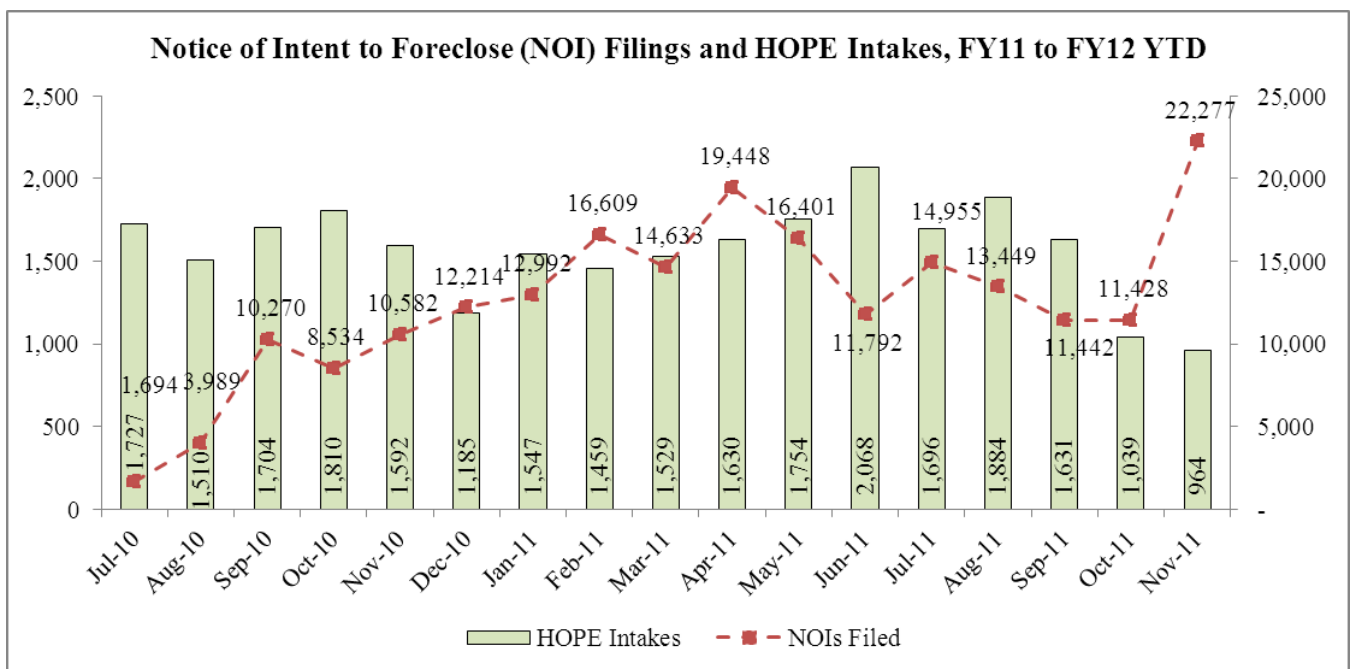
Foreclosures

- HOPE Advertising.** Media and advertising activity for foreclosure prevention and outreach was down in November. Traditional paid advertising spots, which include television and radio, were down from 160 in October to 125 in November. Other forms of paid advertising, including online spots, were down from 1.51 million in October to 10,000 in November. Earned media placements and other forms of free advertising were down from 36 in October to 14 in November. At the previous StateStat session, the agency stated that it had exhausted its advertising budget for foreclosure outreach, and that until its new advertising contract starts in March or April it would rely on earned media placements and other free forms of advertising, such as Twitter and Facebook feeds and promotions through partner organizations.





- HOPE Network Expansion.** HOPE Intakes were down in November, from 1,039 in October to 964 in November. However, Notice of Intent (NOI) filings were up 94 percent, from 11,428 in October to 22,277 in November. When a homeowner receives a NOI, they also receive information on foreclosure counseling services provided by the HOPE network. The agency has stated that it expects foreclosure filings to increase in the next year. They have also stated that they have the financial capacity to expand the HOPE counseling network if necessary. The agency recently issued an RFP to expand the HOPE Counseling Network. The agency asked for proposals that would expand the volume, strategies, and capacity of the network. Eligible activities include foreclosure prevention assistance, mediation assistance, post-foreclosure counseling, and outreach to distressed homeowners. In the RFP, the agency asked organizations to submit current and projected caseloads, number of projected clients, and the basis for projections. Proposals were due on December 19, 2011.



- Mediation.** Orders to Docket (OTDs) declined 21 percent in November, from 1,243 in October to 979 in November. When homeowners receive an OTD notice, they become eligible for foreclosure mediation. The opt-in rate for foreclosure mediation declined to 12.4 percent in November, the third-lowest participation rate since October 2010.

