

## Minutes of the Board of Commissioners Meeting September 16, 2008

### **MEETING CONVENED**

A regular meeting of the Board of Commissioners for MaineHousing convened on September 16, 2008 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on July 23, 2008 in the Central Maine Newspapers.

Vice-Chair Carol Kontos called the meeting to order at 9:15 a.m. with Commissioner and Director Dale McCormick, Commissioners David Lemoine, Nikki McLean, Don Gean, and Elizabeth Mahoney present. Chair Trafton, Commissioner Sheryl Gregory and Commissioner John Sevigny were absent. A quorum was present with six Commissioners.

### **PUBLIC ATTENDANCE**

Other guests and staff present at the meeting include: Margaret Bean & Adam Krea, Deputy Directors; Linda Grotton, Internal Audit Manager; Linda Uhl, Chief Counsel; Jodie Stevens, Counsel; Tom Cary, Treasurer; Dan Brennan, Director of Development; Darren Brown, Controller; Laurie Murray, Loan Servicing Manager; Nancy Fritz, Director of Homeless Initiatives; Diane Townsend, Tax Credit Administrator; Peter Merrill, Director of Communications and Planning; Jody Rollins, Office Administrator and Notetaker; Clayton Cleaves, Tom MacDonald; Linda Gifford; Barbara Berry; Nathan Szanton; John Moore; Amy Cole Ives; Ernest Neptune; and Stephanie Meader.

### **AGENDA**

*Commissioner Mahoney made a motion seconded by Commissioner Lemoine to accept the agenda. Following the removal of the "Potential of LIHEAP Emergency Rulemaking" from the agenda, all Commissioners voted to accept the amended agenda. The motion carried 5-0.*

### **MINUTES OF THE MEETING**

*Commissioner Lemoine made a motion seconded by Commissioner Mahoney to accept the minutes as presented. After a discussion, the minutes were accepted as amended with the reference under "Other" deleted.*

### **COMMUNICATIONS**

Secretary Gean stated there were no communications to report.

### **CONFLICTS**

There were no conflicts to report.

### **PUBLIC HEARING ON CHANGES TO LOW INCOME HOUSING TAX CREDIT QUALIFIED ALLOCATION PLAN**

Dan Brennan provided an overview of the proposed changes to the Qualified Allocation Plan in response to the new federal housing legislation and two other modifications reflecting an extension in the deadline for applications, and the growth management law.

Attorney Stevens declared the Public Hearing open for comment and stated the purpose of the hearing was to receive testimony. MaineHousing will accept written comments through 5:00PM on October 2, 2008. If no substantive changes are made to the QAP as a result of the comments, the plan will be presented at the October 21<sup>st</sup> Board meeting for approval. The three testimonies heard

were from Amy Cole Ives of Sutherland Consulting, Clayton Cleaves of the Pleasant Point Passamaquoddy Reservation Housing Authority, and Nathan Szanton of The Szanton Company.

The Public Hearing was declared closed at 9:40 a.m.

## **FINANCE REPORT**

Darren Brown reported preparations for the New Year have begun with work being done on the 2009 Operating and Capital Budgets in conjunction with reviewing programs for resource allocation. The budget timeline has changed by one month. The preliminary budget will be presented at the October meeting, and the Board will be asked to vote on the final budget in November. The Board has a statutory obligation to approve the budget by the end of the calendar year. The new timeline is intended to offer Commissioners more flexibility in reviewing a significant amount of complex material. Darren projects a 4-5% increase in the operating budget which is consistent with previous years.

Darren reviewed the Resource Allocation Process, which is the distribution of our discretionary funds. We first identify and quantify money available for 2009 from StateHOME, FedHOME and FAF. He compared resources available for the past three years. Resource Allocation will be reviewed at the November meeting. Commissioner Lemoine requested that the Board be able to review a range of options possible with the resource allocation information. Vice-Chair Kontos requested a historic tax credit discussion be added to the October agenda. Other agenda suggestions can be forwarded to Margaret Bean.

Tom provided a financial markets update. He discussed how MaineHousing was being affected. The single-family homeownership program is running at a record rate - up by 30%. This increase comes in spite of a slower real estate market. Much of the market competition for our mortgage product is no longer available. If sales continue at the current rate, we will need to either sell bonds to fund the program, or curtail it. Tom noted that only a small percent of our bonds are variable, which lowers our risk.

Darren Brown reported delinquencies in the State of Maine continue to rise, while MaineHousing's overall delinquency and foreclosure rates continue to be well below the rates reported for all Maine loans.

## **ENERGY REPORT**

Director McCormick gave the following updates on energy.

- The Governor announced his Statewide Energy Plan. The Office of the Governor requested we help fund the initiatives and borrowed \$6.5 million from MH and will ask the Legislature to repay. \$4.25 will be allocated to LIHEAP and \$1.5 million to a weatherization plan that MH will administer.
- We are providing training for contractors in weatherization, dense pack cellulose, and blower doors in an effort to bring new contractors into the system. This program serves LIHEAP clients; trained weatherization technicians will be able to serve anyone.
- A survey of Energy Auditors is being conducted to determine what MH can do to help them do more audits.
- With oil at \$5.00/gallon we are working overtime to figure out programs to help. There are 800 multi-family projects with operating funds in the red. We need to help projects change heating systems to solar, etc.
- 80% of the Governor's Energy plan falls to us.
- Mid-coast CAP is not doing LIHEAP – MaineHousing will be taking over their programs. We are putting extra help in the EHS department and will hire a person for the Governor's Weatherization program. A meeting is planned with EHS to determine where help is needed, and we have asked the organization to be flexible and assist where needed.

- A proposal was brought forward by Irving to replace kerosene with diesel. We sought input from MODA who thought there was not a need to change because there was plenty of kerosene.
- Within one week we have identified 500 slots of training for weatherization contractors.

## **LEGISLATIVE UPDATE**

Peter Merrill provided a brief overview of what's on the legislative agenda.

- A plan for the state to re-pay MaineHousing \$6.5 million for the Governor's energy plan.
- Proposal to fund BRAP from the HOME Fund.
- Possible clean-up of the Affordable Housing TIF.
- Maine Revenue Service and Historic Preservation to implement rules on H.P. tax credit.
- Amend Motor Vehicle title law to better cover mobile homes.
- Long-term solutions on lead with Bureau of Health and DEP
- Management of expectations from outside – Statewide Homeless Council has an agenda of their own to protect the HOME fund. Maine Affordable Housing Coalition – HOME fund and bonds questions with possible GO bond proposal.

Vice-Chair Kontos suggested Legislative Updates be a standing agenda item. She also noted that the press clips being emailed in a timely fashion are very useful.

## **BOARD DISCUSSION OF CHANGES TO QUALIFIED ALLOCATION PLAN – SIDE-BY-SIDE ANALYSIS**

Dan Brennan asked if there were any questions from his earlier presentation. There was a conversation by Commissioners asking to look at the public hearing protocol and develop a plan whereby there can be exchange with the public. Commissioner Mahoney asked if more information could be provided about the issues prior to the hearing. Vice-Chair Kontos suggested we continue this discussion at the October or November meeting on how the Board can interact more spontaneously.

Jodie Stevens will send out questions and responses to the QAP as soon as possible.

## **VICE-CHAIR REMARKS**

- Chair Trafton is assisting her husband through accident recuperation at home.
- Vice-Chair congratulated Director McCormick on her nomination to receive the 2008 Catalyst for Change Award.

## **DIRECTOR UPDATES**

- An additional \$7 million in LIHEAP was awarded to Maine which brings the benefit to approximately \$600 per home.
- The 2008 Maine Affordable Housing Conference will be at the Holiday Inn by the Bay on Monday, September 29.
- The Board Retreat will be held on November 6<sup>th</sup> at the Harraseeket Inn in Freeport.

## **REPORTS**

There were no questions or discussion regarding the department reports.

## **OTHER BUSINESS**

It was suggested that we continue the hearing protocol discussion at the Board retreat and that Linda Uhl look at what other agencies do.

It was suggested that we have the Historic State Tax Credit conversation at the October meeting.

Commissioner Lemoine voiced his appreciation to the Board for their support on the Merrill Lynch action and to Dale for putting a letter together. Tom Cary announced that in order to maximize the State of Maine retail sales we will be bringing them back on.

*Dale McCormick made a motion seconded by David Lemoine that the meeting be adjourned at 11:55.*

**NEXT MEETING**

The next meeting of the Board of Commissioners will be held on October 21 at the offices of MaineHousing.

Respectfully submitted,

Donald Gean, Secretary