

Minutes of the Board of Commissioners Meeting January 16, 2018

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on January 16, 2018 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on January 5, 2018 in Central Maine newspapers.

Chair Peter Anastos called the meeting to order at 9:00 a.m. The meeting convened with Commissioners Sheryl Gregory, Terry Hayes, Kevin Joseph, Lincoln Merrill, and Interim Director Peter Merrill in attendance. Commissioner Laurence Gross attended by telephone due to an unavoidable last minute scheduling conflict. There were no other persons present as his location. Donna Talarico also attended by telephone because she was traveling out of state. There were no other persons at her location. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting include: Linda Uhl, Chief Counsel; Daniel Brennan, Senior Director of Programs; Daniel Drost, Director of Energy and Housing Services; Troy Fullmer, Manager of Housing and Compliance; Mark Wiesendanger, Director of Development; Bill Glover, Manager of Lending; Tom Cary, Treasurer; Karen Lawlor, Executive Assistant; Rick Churchill, Multi-Family Loan Officer; Jane Whitley, Director of Human Resources and Facilities; Linda Grotton, Manager of Audit and Compliance; Al Gleason, Technical Services Specialist; Liz Moberg, Technical Services Specialist; Richard Taylor, Communications and Research Manager; Clyde Barr, Policy Analyst; Don McGilvery, Construction Services Manager; Bill Crandall, Vice Chair Housing Council and Western Maine Community Action Program; Avery Arena, guest of Commissioner Hayes; and Gerrylynn Ricker, Paralegal and Note taker.

ADOPT AGENDA

Chair Anastos asked that the need for a vote regarding the Fox School, South Paris discussion be removed. *Commissioner Joseph made a motion seconded by Commissioner Hayes to adopt the January 16, 2018 agenda with the need to vote regarding Fox School, South Paris removed. The vote carried unanimously.*

COMMUNICATIONS CONFLICTS

There were no communications or conflicts reported.

APPROVE MINUTES OF DECEMBER 19, 2017

Commissioner Joseph made a motion seconded by Commissioner Gregory to accept the December 19, 2017 minutes as written. The vote carried unanimously.

CHAIRMAN OF THE BOARD UPDATES

Chair Anastos provided the following updates:

- The Governor's office called Chair Anastos. The Governor's office has asked him to keep the conversations regarding a new director confidential. The Board will go into executive session at the end of today's meeting to discuss the Governor's conversations.
- Chair Anastos met with the audit committee, Peter Merrill and Jason Dupuy. That went well.
- Chair Anastos has been doing some research/reading on LIHTC.

INTERIM DIRECTOR UPDATES

Interim Director Merrill provided the following updates:

- Interim Director Merrill wanted to comment on recent news articles regarding marijuana. He reminded the Commissioners that where we stand hasn't changed. We do not throw people out for growing at this time. We are waiting until we get further guidance from Washington. Commissioner Joseph thinks we should talk about it further at a future meeting. Mr. Merrill informed the Commissioners that most units already have smoking prohibitions so the problem for us is not the smoking of marijuana; it is the growing.
- Interim Director Merrill informed the Commissioners regarding the federal government shutdown. He doesn't think we have much to worry about. It shouldn't last more than a week. Our funding for Section 8 comes in monthly and the monies for the LIHEAP program are in an account that we draw from so there shouldn't be any problem.
- Interim Director Merrill spoke of the new office building. The seller asked for the closing to be postponed until Thursday. We've published an RFP for architectural services. The deadline is February 2, 2018. Commissioner Lincoln Merrill will be a good resource having just completed his new office building.
- The state legislators are back in session. There isn't anything that we are too worried about. There is a proposal to create a State LIHTC. We've met with Bill Shanahan of Northern New England Housing Investment Fund. We could make it work if it were to pass. There is another housing bond in the amount of \$50,000,000 which had a hearing last week. The last housing bond was primarily for seniors but this one has a little something for everybody.
- Interim Director Merrill met with MaineHousing's Leadership Team on January 8, 2018. He informed the team what the process is for picking a new director and advised them to proceed as normal; he would like the agency to keep going in the same direction.

2018 DOE WEATHERIZATION APPLICATION AND STATE PLAN

Daniel Drost, Director of Energy and Housing, and Troy Fullmer, Manager of Housing and Compliance, presented the 2018 Department of Energy State Plan, which is an overview of how Maine will utilize the funds. There were no substantive changes to last year's Plan. Mr. Drost's team will notify interested parties, hold the public hearing at the February 20, 2018 Board meeting, accept comments from the public, and then ask the Board to adopt the State Plan at the Board's March, 2018 meeting. Mr. Fullmer handed out an estimated budget summary. DOE instructed MaineHousing to use the 2016 figures because the actual 2018 amount is not out yet. There was discussion around a proposed change in the 2018 Plan which would have prioritized children up to age five. Currently children up to age two are prioritized. Daniel's office will do more investigation as to what other states do and the impact of raising the age for purposes of prioritization.

TAX CREDITS – SMALL RURAL PROJECTS / FOX SCHOOL, SOUTH PARIS

Interim Director Peter Merrill gave some background information. We tried to target rural areas in an RFP for the 4% tax credit program; they have been very challenging in the past. Mark Wiesendanger, Director of Development, briefly discussed small projects and total development cost (TDC) concerns. For projects with fewer than 20 units we have fixed soft costs that have to be spread out over fewer units, thereby contributing to a larger amount per unit. A year and a half ago when Fox School came in it was under our TDC cap limits, but in that year and a half, costs went up. Construction costs went up, materials and labor costs went up, and they changed architects. Chair Anastos questioned the need to change architects. Commissioner Joseph asked if we can expect more of this type of project. Mark noted that the need is statewide. John Gallagher visited with Avesta and gave them the option of pulling out but Avesta wanted to push forward. Commissioner Talarico asked if any seniors would be displaced. Mark Wiesendanger said no. Avesta has a list of seniors but no one had been committed to. Chair Anastos noted that \$292,000 for 600 square feet is

just too much. Commissioners expressed interest in future discussions on a higher TDC for historic projects; TDC's in other states that have rural areas like Maine; and a set aside for rural areas.

COMMENCE RULEMAKING

Interim Director Peter Merrill introduced Linda Uhl's presentation by explaining that with the re-writing of our statute completed, we need to review and update our rules. Over the next six months we will be revamping our rules. Linda Uhl told the Board members that we have had 33 rules over time and currently have 19 existing rules some of which are required by our statute. In some cases we have rules that were adopted but not required. When we eliminated obsolete provisions in our statute, there were rules associated with those obsolete provisions. Attorney Uhl went over the four rules proposed for repeal and explained the proposed changes to the home modification tax credit rule.

Commissioner Hayes made a motion seconded by Commissioner Gregory to authorize MaineHousing to commence the rulemaking process to (1) repeal Chapters 2, 13, 17, and 21 of MaineHousing's rules and (2) repeal Chapter 33 of MaineHousing's rules, the Home Modification Tax Credit, and replace it with the proposed AccessAble Home Tax Credit Rule, all as described in the memorandum from MaineHousing's Chief Counsel, Linda Uhl to the Commissioners dated January 10, 2018. The vote carried unanimously.

EXECUTIVE SESSION

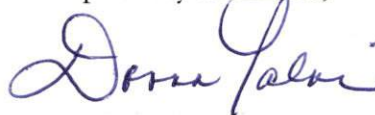
Commissioner Hayes made a motion seconded by Commissioner Gregory to enter into an Executive Session pursuant to 1 MRS.A 405.6.A to discuss a personnel matter. Commissioners Gregory, Joseph, Merrill, Gross, Talarico and Hayes voted unanimously in favor of the motion. The Board of Commissioners entered into Executive Session at 10:30 a.m.

The Board of Commissioners came out of Executive Session at 10:55 p.m.

ADJOURN

Commissioner Merrill made a motion seconded by Commissioner Hayes to adjourn the meeting. The meeting was adjourned at 10:58 a.m. by a unanimous vote of the Board.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Donna Talarico".

Donna Talarico, Secretary