

November 16, 2021 Board Meeting

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Board of Commissioners Meeting – November 16, 2021 9:00 A.M. – 12:00 P.M.

MEMBERS OF THE BOARD: Lincoln Merrill, Jr. (Chair), Daniel Brennan, Henry Beck, Bonita Usher (Vice Chair), Kevin P. Joseph (Secretary), Laura Buxbaum, Nancy Harrison, and John Wasileski

9:00	Adopt Agenda (VOTE)	Lincoln Merrill
	Approve minutes of October 19, 2021 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Lincoln Merrill
	Director Updates	Dan Brennan
9:30	DOE Weatherization State Plan Public Hearing	Kim Ferenc/Linda Uhl
9:45	Review Preliminary 2022 Budget	Darren Brown
10:45	HEAP Vendor Presentation	Daniel Drost
	Eric Poirier, Mainely Mobile (Weatherization Vendor)	
	Monica Grady, KVCAP (Community Action Agency Partner)	
	Future Presentations/Topics	All
	<u>Department Reports:</u>	All
	Asset Management	
	Communications and Planning	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Voucher	
	Human Resources and Facilities	
	Information Technology	
	2021 Board Calendar	
	Adjourn (VOTE)	All

*The next meeting of the Board is scheduled for December 21, 2021
virtually and in person at 26 Edison Drive, Augusta, Maine*



Minutes of the Board of Commissioners Meeting October 19, 2021

MEETING CONVENED

A meeting of the Board of Commissioners for MaineHousing convened on October 19, 2021 at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on October 8, 2021 in Central Maine newspapers. Notice of Board of Commissioners meetings are also on MaineHousing's website at www.mainehousing.org.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. Chair Merrill, Director Dan Brennan, and Commissioner Kevin Joseph attended in person. Commissioners Laura Buxbaum and John Wasileski and State Treasurer Henry Beck attended remotely due to COVID concerns. Commissioner Nancy Harrison attended remotely due to other work related obligations that prevented her travel to Augusta. There were no other persons at the location of any of the Commissioners attending remotely. Commissioner Bonita Usher was absent. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting included: Linda Uhl, Chief Counsel; Peter Merrill, Deputy Director; Adam Krea, Senior Director of Finance and Lending; Denise Lord, Senior Director of Strategic Initiatives; Daniel Drost, Director of Energy and Housing Services; Linda Grotton, Director of Audit and Compliance; Jane Whitley, Director of Human Resources and Facilities; Erik Jorgensen, Director of Government Relations and Communication; Karen Lawlor, Executive Administrator; Tom Cary, Treasurer; Mark Wiesendanger, Director of Development; Allison Gallagher, Director of Housing Choice Vouchers; Lauren Bustard, Senior Director of Homeless Initiatives; Steven McDermott, Strategic and Planning Team Leader; Kim Ferenc, Manager of Housing and Compliance; Ashley Janotta, Counsel; Jason Stonier, Operations Manager – Building and Grounds; DeAnna Trask, Weatherization Program Officer; Brenda Sylvester, Community Housing of Maine; Robyn Wardell, Community Housing of Maine; Liza Fleming-Ives, The Genesis Fund; Stephanie Primm, Chair of Statewide Homeless Council; Erin Healy, Consultant with Community Solutions; and Gerrylynn Ricker, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Joseph made a motion seconded by Commissioner Wasileski to adopt the October 19, 2021 agenda. The vote carried unanimously.

APPROVE MINUTES OF SEPTEMBER 21, 2021 MEETING

Commissioner Buxbaum made a motion seconded by Commissioner Wasileski to accept the September 21, 2021 minutes as written. The vote carried unanimously.

COMMUNICATIONS AND CONFLICTS

Commissioner Wasileski released a disclosure statement stating, among other things, that at present he does not have any interest in any MaineHousing financed properties. Commissioner Harrison stated she is an employee of Bangor Savings Bank and that the bank does participate in programs offered by MaineHousing.

CHAIR OF THE BOARD UPDATES

Chair Merrill reported he has received several inquiries about emergency rental assistance and heating assistance.

DIRECTOR UPDATES

Director Brennan reported issues, his activities and upcoming matters as follows:

- Welcomed Adam Krea as Senior Director of Finance and Lending.
- Presented at the Wisdom summit.
- Met with Senator Hickman who is Chair of the Labor and Housing Committee.
- Went to Bangor and met with representatives of the Bangor Area Homeless Shelter; the City of Bangor; Senator Baldacci; and Penobscot Community Health Center.
- NCSHA held its annual conference and MaineHousing won two national awards: An award for how MaineHousing dealt with migrant workers coming to Maine during the pandemic; and a legislative award on how MaineHousing successfully campaigned for the State Low Income Housing Tax Credit.
- The Maine Climate Council is having quarterly meetings now that their report has been submitted. This is relevant to our QAP rule. Our meetings with our partners are: October 29, November 18, and December 14. These will be informal discussions with interested parties as we start to develop our updated QAP for next year.
- The Maine Real Estate Developers Association Board of Directors meeting was held. The topic of discussion was the passage of the Portland referendum and how it could impact housing.
- Speaker Fecteau's zoning commission for affordable housing has met several times.
- Attended the Efficiency Maine Trust board meeting and discussed their triennial plan, a three year strategic plan.
- The FUSE Collaborative (Frequent User System Engagement) met. Another meeting is set for the beginning of November.
- Attended a ribbon cutting in Bangor at Newton Place, a Penquis CAP project.
- Attended the Evernorth advisory group meeting.
- Presented at the Maine Municipal Association forum on the American Rescue Plan housing money.
- Met with the Maine Association of Public Housing Directors at their quarterly meeting. Fair housing was the topic of discussion.
- Met with a professor from Colby College, who asked if Director Brennan would speak to his class about government and housing. That may take place in November.
- Dan Burgess of the Governor's Energy Office called a meeting of state agency heads to talk about rising energy costs.
- The U.S. Treasury has published their methodology and how they may consider reallocating emergency rental assistance ERA-1 funds.
- From the American Rescue Plan we have another \$16 million in federal home funds coming to us specifically for homelessness. HUD guidance will include public outreach.
- Our affordable housing conference is tomorrow and Thursday virtually.
- Will be attending this Friday a ribbon cutting in Westbrook for two projects.
- Will be speaking to the Portland Rotary on Friday.
- Next Tuesday, Governor Mills will attend the ground breaking at St. Mary's in Skowhegan, which is the first project to be financed with State Low Income Housing Tax Credits.

ADOPT HOUSING CHOICE VOUCHER ANNUAL PLAN

Director of Housing Choice Vouchers Allison Gallagher, told the Board that no additional comments were received at the Public Hearing and through the end of the comment period. She asked the Commissioners to adopt the PHA plan as presented to them.

Commissioner Joseph made a motion seconded by Commissioner Harrison to adopt the 2022 PHA Annual Plan for the Housing Choice Voucher program as presented. The vote carried unanimously.

ADOPT AMENDMENT TO MAINE PERS RETIREMENT PLAN

Chief Counsel Linda Uhl explained to the Commissioners that MaineHousing rejoined the Maine Public Employees Retirement System (“MainePERS”) in 2005. Recent legislation gives subsequent opportunities to employees to join MainePERS. MainePERS requires authorization from the Board of Commissioners to incorporate the new provisions into our agreement with MainePERS.

Commissioner Buxbaum made a motion seconded by Commissioner Wasileski to adopt the Resolution of the Commissioners of the Maine State Housing Authority Approving the Amendment of the Maine State Housing Authority’s Participation in the Maine Public Employees Retirement System dated October 19, 2021 as presented to the Board in the Board packet on Page 19. The vote carried unanimously.

2022 DOE WEATHERIZATION STATE PLAN INTENT TO PROCEED

Manager of Housing Services, Kim Ferenc, gave an overview of the 2022 Department of Energy’s (DOE) Weatherization State Plan using the guidance received from DOE. Ms. Ferenc reviewed the changes in the plan and presented a slide show. A public hearing will be held at the November Board meeting.

HOMELESS RESPONSE SYSTEM REDESIGN INITIATIVE PRESENTATION

Senior Director of Homeless Initiatives Laure Bustard introduced Steph Primm, who is head of the Statewide Homeless Council and Erin Healy who is with Community Solutions an organization that MaineHousing is working with to redesign the homeless response system. Ms. Primm thanked MaineHousing and its leadership team and explained that the number one reason for homelessness in midcoast Maine is the lack of accessible affordable housing. Maine has 54 units for every 100 extremely low income renter households in need; 74% of working people in Rockland cannot afford the average two-bedroom apartment. In 2020, nearly 60% of the renter households in Maine could not afford the median 2 bedroom rent. The primary goal is to bring homelessness to functional zero which is defined as when the number of new individuals accessing homeless services is less than or equal to the number of individuals exiting homelessness through being housed or leaving the region. Ms. Primm reviewed for the Commissioners all that has gone into a system redesign, the service hub structure, roles of the service hubs, funding the redesign effort, and first steps toward implementation of the redesign. Ms. Healy introduced the Built for Zero Initiative. Built for Zero is a rigorous national change effort to help a core group of US communities end chronic and veteran homelessness. Ms. Healy introduced the Maine Service Hub structure – 9 hubs as follows: York; Cumberland; Midcoast; Androscoggin; Western; Central; Penquis; Downeast; and Aroostook.

RURAL HOUSING IN MAINE

Ms. Warzinsky and Mr. Weatherbee of US Rural Development were unable to present as scheduled. Liza Fleming-Ives, the Executive Director of the Genesis Fund presented a slide show outlining their strategic partnership with MaineHousing. The Genesis Fund is a mission driven lender and a technical assistance provider bringing together resources to create housing and other economic and social opportunities for underserved people and communities throughout northern New England. Ms. Fleming-Ives reviewed Genesis capital sources and their sectors of lending and rural designation; 1 in 3 loans in the Genesis Fund portfolio is in partnership with MaineHousing.

FUTURE PRESENTATIONS/TOPICS

Director Brennan wants to try to get EHS oil vendors or weatherization providers to give a presentation. Commissioner Wasileski asked that Director Brennan please keep providing ribbon cutting and ground breaking ceremony information to the Commissioners. Commissioner Wasileski is also interested in funding sources, populations being served, floor plans, and photographs.

ADJOURN

Commissioner Joseph made a motion seconded by Commissioner Harrison to adjourn the meeting. The meeting was adjourned at 11:46 a.m. by unanimous vote of the Board.

Respectfully submitted,

Kevin P. Joseph, Secretary



Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: November 9, 2021

Subject: 2022 Budgets - Preliminary

Preliminary budgets for Fiscal Year 2022 are attached for your review and consideration. The attachments include information on Fiscal Year 2020 (actual results), Fiscal Year 2021 (approved budgets and forecasted results), and the proposed Fiscal Year 2022 budgets. The 2021 forecasted amounts take into account the first nine months of actual results and three months of projections using current trends and expected activities through the end of the year, and serve as the basis for the 2021 to 2022 comparisons on the attachments.

This year's profitability will be below the established budget amount due to an extremely low interest rate environment, which has had an impact on the mortgage lending segment of operations. A continuation of lower interest rates is anticipated for 2022. The COVID-19 pandemic also impacted operations again this year. New federal program revenues provided for a significant increase in program activities, which contributed to an increase in operating costs. Federal funding of COVID-19 programs will continue through next year and program revenues will be higher in 2022.

In spite of the economic challenges caused by prevailing low interest rates and the continuation of COVID-19, MaineHousing is expected to generate net operating income of approximately \$4 million this year. A moderately higher amount is projected for 2022 and total revenues are budgeted to exceed expenses by approximately \$5 million.

MaineHousing's two primary business segments consist of mortgage lending activities and the administration of various federal and other programs. The following is an overview of projected activities for each segment:

Mortgage Lending Activities

Net interest income, which is the difference between income from mortgage and non-mortgage investments and the interest paid on bonds, is generated from lending activities and is used to pay for related operating and administrative expenses.

Low interest rates impacted this year's activities by lowering interest income from investments and contributing to loan runoffs. A large volume of single-family borrowers refinanced and paid-off their loans, which lowered average outstanding loans and yields. A similar rate environment is assumed for 2022. The current interest rate environment also lowered borrowing costs on new bonds and provided opportunities to refinance and redeem higher rate outstanding bonds. This lowered interest expense this year and will further reduce interest expense in 2022.

The following presents the major components and factors used in the development of the 2022 budgets for mortgage lending activities.

- The loan portfolio is budgeted to increase by a net amount of \$60 million in 2022, which is consistent with the average annual increase for the past several years. New loan production is projected at approximately \$215 million and loan reductions from scheduled repayments, prepayments, and foreclosures are estimated at \$155 million.
- Interest income from investments is projected to remain flat and at a relatively low level based on a continuation of lower interest rates.
- Interest expense is projected to decrease by approximately \$1 million due to lower average rates and outstanding bonds, as a result of this year's redemption and refinancing activities.

Program Administration Activities

MaineHousing administers numerous federal and state funded programs and receives fee income for the administration of these programs. This fee income is used to pay for related operating and program administrative costs.

Program revenues and activities will be at higher levels in 2022 based on available federal COVID-19 awards. Many of the COVID-19 programs were new in 2021 and were in place for a portion of the year. These programs will be available throughout 2022. The following are the major factors associated with program activities for 2022:

- Program revenues (Federal Rent Subsidy and Grant Income) are projected to increase by approximately \$68.6 million and amount to \$420 million. The increase is due primarily to the following:
 1. \$60 million increase from the various COVID-19 programs.
 2. \$1.1 million combined increase for two new HUD programs: The Recovery Housing and Older Adult Homes Modification programs.
 3. \$7 million increase from carryforward amounts associated with the federal LIHEAP and Weatherization programs.
- Fee income will increase by approximately \$2.9 million to \$14 million, as a result of the higher program revenues noted above.

BUDGET ATTACHMENTS

MaineHousing's 2022 budgets consist of the following attachments:

- Consolidated Revenues and Expenses Budget (**Attachment A**)
- Operating and Direct Program Administrative Expenses Budget (**Attachment B**)
- Capital Budget (**Attachment C**)
- Itemization of Certain Revenues (**Attachment D**)
- Revenues and Expenses Budget by Fund Group (**Attachment E**)

The following presents a brief summary and the major components for each attachment.

Consolidated Revenues and Expenses Budget – Attachment A

This attachment provides a macro view of the agency's budget and it presents total consolidated revenues and expenses for all activities. Total combined revenues and expenses are budgeted at \$496.1 million and \$491.1 million, respectively. The total budget amounts for both revenues and expenses reflect an increase of 17% over the forecasted actual amounts for this year. The increases are attributed mostly to higher program revenues and expenditures.

Total revenues are projected to sufficiently cover all expenses and profitability is expected to increase in 2022, with revenues exceeding expenses by approximately \$5 million.

Operating Expenses Budget – Attachment B (Top Section)

The Operating Expenses Budget presents the agency's overhead and operational costs. The total 2022 budget amount is \$21.8 million, which is an increase of \$1.9 million or 10% over forecasted actual expenses.

The increase is attributed primarily to higher salaries and employee benefit expenses due to an increase in staff. Additional staff is needed because of the significant increase in program activities associated with the federal funds provided in response to the pandemic and multifamily lending. Additionally, expenses for staff education, trainings and conferences, partner and client trainings and meetings, and staff events will be higher in 2022. These expenses were again curtailed this year because of COVID-19 and activities in these areas are expected to be at higher level in 2022.

The following provides a description of each expense and a summary of the major components and assumptions used for the 2022 budget:

1. Salaries – Based on a staff level of 191 full-time equivalent (FTE) positions. This is an increase of 19 FTEs compared to the approved 2021 budget. Actual salary expenses are expected to be over budget this year by approximately 8 FTEs due mainly to higher federal program funding and activities. The proposed budget also includes approximately \$430,000 for merit adjustments.
2. Payroll taxes – Employer portion of Federal Insurance Contribution Act (FICA) taxes.
3. Health, dental and other insurance benefits – Includes costs for health, dental, life, long-term care, and disability insurance benefits. Includes the following for 2022:
 - A. Health insurance – a 2% premium increase with no coverage changes and no change with the current provider, Anthem BC/BS.
 - B. Dental insurance – no premium increase and no coverage changes and no change with the current provider, Delta Dental.
4. Retirement – Employees have an option to participate in one of two retirement plans offered: (1) a defined contribution plan (Lincoln Financial Group) or (2) a defined benefit plan (MEPERS). There are no benefit or contribution rate changes for either plan.
5. Other fringe benefits – Costs associated with the Employee Wellness Program, which provides employees a maximum annual amount of \$280 for wellness activities like exercise, weight loss, and smoking cessation programs. Payments to employees under this program are a taxable fringe benefit.
6. Office supplies – Costs for standard small expendable office supplies as well as office equipment and furnishings.
7. Printing – Printing costs for various items including: informational pamphlets and brochures, legal and public notices, the annual report, envelopes, business cards, checks and other business forms.
8. Memberships, dues and fees – Membership fees to professional associations for the agency and employees, as well as professional licensing dues. Approximately \$30,000 of the total is for the agency's annual membership fee to the National Council of State Housing Agencies (NCSHA).

9. Subscriptions – Trade, legal and other technical periodicals and publications for staff to stay current on industry requirements and trends.
10. Sponsorships – Expenses associated with sponsoring housing or program-related events for the purpose of promoting MaineHousing and its programs. Includes the following for 2022:
 - \$2,500 - State Affordable Housing Conference
 - \$2,000 - GrowSmart Maine Annual Summit
 - \$1,000 - Maine Real Estate and Development Association Annual Conference
 - \$3,000 - New England Resident Services Coordinators Conference
 - \$2,500 - Maine Resident Services Coordinators Conference
 - \$3,000 - Maine Real Estate Managers Annual Conference
 - \$1,500 - Maine Wisdom Summit/Council on Aging
 - \$1,500 – Northern New England Community Action Agencies Conference
11. Staff Education/Training/Conferences – All costs (e.g. registration fees and tuition) associated with necessary training for staff, except for the travel and meal costs. Related travel and meal costs are separated due to a law requirement (see next line).
12. Staff Education/Training/Conferences – Travel and Meals - Travel and meal costs associated with staff training (e.g. meals, lodging, mileage, airfare, and parking).

The combined increase of \$252,000 for lines 11 and 12 is based on a resumption of activities to approximately pre-COVID levels. However, since these activities will likely remain limited for a portion of the year, a COVID reduction adjustment of \$89,000 has been included. This approach is consistent with this year's budget. An adjustment factor of 25% of the total combined cost is being used for 2022. A 50% factor was used for 2021.

13. Partner and Client Trainings/Meetings – All costs associated with business partner or client trainings and meetings (e.g. lenders/homebuyers/agents/CAA agencies), other than travel and meals. Costs include things such as facility rental and material costs. Related travel and meal costs are separated due to a law requirement (see next line).
14. Partner and Client Trainings/Meetings – Travel and Meals - Travel and meal costs associated with partner/client trainings and meetings with outside partners and clients.

The combined increase of \$76,000 for lines 13 and 14 is based on a resumption of activities to approximately pre-COVID levels. However, since these activities will likely remain limited for a portion of the year, a COVID reduction adjustment of \$34,500 has been included. This approach is consistent with this year's budget. An adjustment factor of 25% of the total combined cost is being used for 2022. A 50% factor was used for 2021.

15. Staff events –All costs, other than meals, associated with agency-sponsored employee recognition events or meetings. The cost for food associated with staff events are accounted for separately (see next line).
16. Staff events - Meals - Meals associated with an agency-sponsored employee recognition event or meeting

The combined increase for lines 15 and 16 is \$26,000 and is based on a resumption of activities to approximately pre-COVID levels. However, since these activities will likely remain limited for a portion of the year, a COVID reduction adjustment of \$10,500 has been included. This approach is consistent with this year's budget. An adjustment factor of 25% of the total combined cost is being used for 2022. A 50% factor was used for 2021.

17. Leased vehicles- Certain employees are provided with a leased vehicle to fulfill their job requirements. All vehicles are leased through the State of Maine Central Fleet Division. There's both a fixed and variable cost associated with leased vehicles. The variable cost is based on actual mileage, which were down in 2021 due to COVID-19 and are expected to be higher in 2022.
18. Computer supplies – Includes desktop computers, monitors, as well as other computer-related items.
19. Software licenses (SAAS) – Costs for software that is provided as a service on a subscription basis.
20. Computer maintenance - MaineHousing maintains a significant computer network and most of the computer systems and applications have annual maintenance and support agreements.
21. Building rent and utilities – Expenses associated with leasing the Water Street office building, which expired on June 30, 2020, and are no longer applicable.
22. Building repairs and maintenance – Building maintenance costs associated with the leased Water Street office building, which are no longer applicable. Repairs and maintenance costs for the Edison Drive office building are included on line 24.
23. Interest expense – Interest expense for the \$16 million loan used for the acquisition and rehabilitation of the Edison Drive office building. The loan is an amortizing 15-year note with a fixed rate of 3.2%.
24. Office building property expenses – Costs associated with owning and operating the Edison Drive office building. Includes: payments in lieu of taxes, services for cleaning and groundskeeping, utilities, and other maintenance. The increase is due to higher costs for electricity and natural gas.
25. Depreciation – Capital expenditures are recorded as assets and then depreciated (expensed) over their useful life. The budget amount is based on actual depreciation schedules for existing assets and estimates for new capital expenditures in 2022 (see Capital Budget).
26. Rent - other – Primarily rental of archive storage space and a disaster recovery backup facility.
27. Telephone - Costs for the agency's RingCentral phone system, wireless phones, land-lines, and internet connections.
28. Employment advertisements –Advertising cost associated with filling vacant positions. Employment advertisements are mainly handled via online job advertising websites.
29. Postage and shipping – Costs for postage as well as UPS mailings and other shipments. Additional mailings for benefit notification letters and vendor reports for some of the COVID-19 programs are projected.
30. Insurance – Premiums for worker's compensation, property, liability, crime, fidelity bond and auto insurance. Also, as a governmental agency, MaineHousing directly pays unemployment insurance claims.
31. Recording fees – Fees paid for certain UCC and deed filings and discharge recordings.
32. Payroll services – Costs associated with using Paylocity, which is an external payroll system and service provider.

33. Audit services – Costs associated with the annual audits, which includes an audit of the financial statements audit and a compliance audit of federal programs. Additional costs for the federal compliance audit are estimated due to the substantial increase of programs.

34. Professional services – Includes amounts for various contract services and consultants. The increase is due primarily to new contract services for developing a State Fair Housing plan and translating program materials, and for additional legal, temporary employment, and Davis Bacon monitoring services. The following are the major items budgeted for 2022:

Legal services	\$75,000
Translation services	30,000
State Fair Housing Plan	50,000
Davis Bacon monitoring	20,000
Rent affordability data collection	12,000
Hearing Officers and fraud investigation services	18,000
Internships	15,000
Defined contribution retirement plan advisors	25,000
Information Technology security and monitoring work	64,000
Temporary employment services	46,000

Direct Program Administrative Expenses Budget – Attachment B (Bottom Section)

Direct program administrative expenses are costs that are specifically related to the administration of a particular program. Budgeted expenses for 2022 amount to \$9.1 million, which is an increase of approximately \$1.1 million over projected actual expenses for this year. The increase is attributed primarily to the loan portfolio growth and higher program advertisements and outreach initiatives associated with several COVID-19 programs. The following is a summary of each expense:

1. Loan foreclosure expenses – Costs associated with foreclosing on loans, which includes expenses for attorney fees, appraisals, property inspections, clean-ups, and preservation work. The increase is for a potential higher level of activity due to the expiration of the moratorium on foreclosures.
2. REO expenses – Real estate owned expenses are incurred when the property title associated with a foreclosed or defaulted loan is transferred to MaineHousing. Consist of property maintenance, taxes, marketing, and other disposition costs.
3. Provision for losses on loans and REOs – Expenses associated with writing-off uncollectible loans and REO assets and is based in part on delinquency rates and the volume of loans in foreclosure.
4. Mortgage servicing fees – Fees paid to six servicers to perform loan servicing work associated with the single-family loan portfolio. The increase is due mainly to a higher average number of loans in 2022.
5. Loan origination expenses – Origination fee of 1.5% and servicing release fee of 0.5% paid to lenders for underwriting and closing single-family loans. An increase in loan purchases is projected for next year.
6. Bond issuance expenses – Expenses associated with preparing and selling bonds, which includes legal, underwriting, commission, printing, and registration fees.
7. Trustee/Bank fees – Fee payments to U.S. Bank for trustee services associated with the Mortgage Purchase Bond Fund (MPP).

8. Program advertisements– Expenses associated with promoting the First Home Loan program and certain COVID-19 programs. Costs may include print and online venues, broadcast time, radio time and direct mail advertising. The increase is due to advertisements and outreach initiatives associated with some of the COVID-19 programs.
9. Bond and mortgagee insurance – Insurance costs associated with certain bonds and mortgage loan programs.
10. Variable rate bond remarketing & liquidity facilities – Costs associated with variable rate demand notes (VRDN's). Includes fees payments to remarketing agents for resetting interest rates and liquidity facilities expenses. The cost increase is due to the addition of a new Standby Purchase Agreement (SPA).
11. Cash flow/arbitrage/swap consultants/legal – Includes costs for bond cash flows and arbitrage tax services, consulting services associated with interest rate swap instruments, and legal cost associated with SPAs.
12. Homebuyer education – Education classes for the First Home Loan program. This training covers all aspects of the home buying process and provides consumers with knowledge about homeownership costs and responsibilities.
13. Program administrator fees– Payments to outside agents to perform administrative work associated with several programs, which include portability fee payments for the Section 8 HCV program. When voucher recipients relocate and leave MaineHousing's portfolio, the administration fees associated with the voucher are paid to the housing authority in the relocated area.
14. Section 8 security deposits - Security deposit assistance provided to Section 8 Voucher program participants. Administrative fees are no longer used to provide this assistance.

Capital Budget – Attachment C

The Capital Budget is for items that provide the agency with an economic benefit over a period of time. Items are recorded as assets and then depreciated and expensed over their estimated useful life. The proposed Capital Budget for 2022 is approximately \$556,000, which is an increase of approximately \$207,000 over capital expenditures for 2021.

Most of the capital expenditures for 2022 are for computer software items. A large portion of the budget is for replacing and upgrading the multi-family housing system, which is a system that links the various sources of multi-family loan data throughout the agency and provide for a centralized repository of related information. There are also amounts to make modifications and upgrades to the Hancock system used to administer the federal LIHEAP and weatherization programs and the Salesforce software used to track and account for activities associated with several federal programs.

Itemization of Certain Revenues – Attachment D

This attachment is for informational purposes and presents an itemized listing of the following revenues that are presented on Attachment A: Federal rent subsidy income, Grant income (grouped by federal and non-federal programs), Fee income, and Other income.

Revenues and Expenses Budget by Fund Group – Attachment E

This attachment presents projected revenues and expenses for each of MaineHousing's seven Fund Groups, which from an accounting perspective represent separate and stand-alone entities. The purpose of this attachment is to illustrate how operating costs for 2022 will be allocated to the different internal entities and ultimately paid. Also, MaineHousing's Bond Resolution requires that a budget be prepared for the Mortgage Purchase Fund Group (MPP) as part of the agency's annual budget process. The MPP budget is presented in the second column from the left.

The total amounts presented in the left-hand column of this attachment are the same as the 2022 budget consolidated amounts presented on Attachment A.

**MAINE STATE HOUSING AUTHORITY
CONSOLIDATED REVENUES AND EXPENSES BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

(IN THOUSANDS OF DOLLARS)

	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	\$ Increase¹ (Decrease)	% Increase¹ (Decrease)
REVENUES:						
Interest from mortgages and notes	62,407	64,125	60,200	60,390	190	
Income from investments	2,198	1,545	1,220	1,300	80	
Federal rent subsidy income²	107,533	108,780	108,810	109,296	486	
Grant income²	109,508	120,533	242,909	311,042	68,133	
Fee income²	9,638	10,764	11,177	14,046	2,869	
Other income²	1,314	140	432	65	(367)	
Total Revenues	<u>292,598</u>	<u>305,887</u>	<u>424,748</u>	<u>496,139</u>	<u>71,391</u>	<u>17%</u>
EXPENSES:						
Operating expenses³	19,111	19,462	19,823	21,764	1,941	
Direct program administrative expenses³	7,751	8,859	8,004	9,093	1,089	
Interest expense	45,725	44,048	41,835	40,795	(1,040)	
Federal rent subsidy expense	107,533	108,780	108,810	109,296	486	
Grant expense	108,627	119,900	242,249	310,202	67,953	
Total Expenses	<u>288,747</u>	<u>301,049</u>	<u>420,721</u>	<u>491,150</u>	<u>70,429</u>	<u>17%</u>
Net Operating Income	<u>3,851</u>	<u>4,838</u>	<u>4,027</u>	<u>4,989</u>	<u>962</u>	<u>24%</u>

¹ 2021 Forecast Vs. 2022 Budget

² Amounts are itemized on Attachment D.

³ Amounts are itemized on Attachment B.

**MAINE STATE HOUSING AUTHORITY
OPERATING AND DIRECT PROGRAM ADMINISTRATIVE EXPENSES BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

ATTACHMENT B

	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	\$ Increase¹ (Decrease)	% Increase¹ (Decrease)
Operating Expenses						
1. Salaries	10,577,182	10,777,009	11,245,520	12,127,284	881,764	
2. Payroll taxes	752,574	788,606	824,006	890,216	66,210	
3. Health, dental and other insurance benefits	2,709,752	2,619,299	2,674,300	2,932,952	258,652	
4. Retirement	990,614	1,065,276	1,103,492	1,231,608	128,116	
5. Other fringe benefits	9,226	10,000	10,000	10,000	0	
6. Office supplies	44,947	54,095	48,860	51,700	2,840	
7. Printing	111,226	69,879	69,535	71,430	1,895	
8. Membership, dues and fees	50,911	61,745	61,745	65,554	3,809	
9. Subscriptions	20,342	22,660	21,418	26,440	5,022	
10. Sponsorships	12,000	13,500	9,500	17,000	7,500	
11. Staff Education/Training/Conferences	88,698	188,374	99,153	179,786	80,633	
12. Travel/Meals - Staff Educ/Train/Conferences	40,093	149,603	5,448	176,014	170,566	
11./12. COVID-19 Adj-Staff Education/Training/Conferences	0	(149,000)	0	(88,950)	(88,950)	
13. Partner/Client Trainings/Meetings	18,284	113,947	46,996	78,000	31,004	
14. Travel/Meals - Partner/Client Train/Meetings	19,433	92,650	14,784	60,024	45,240	
13./14. COVID-19 Adj-Partner/Client Trainings/Meetings	0	(103,600)	0	(34,506)	(34,506)	
15. Staff events	17,723	20,450	10,225	19,960	9,735	
16. Meals - Staff events	9,662	28,350	6,114	22,000	15,886	
15./16. COVID-19 Adj-Staff Events	0	(22,400)	0	(10,490)	(10,490)	
17. Leased vehicles	105,532	141,429	121,793	143,417	21,624	
18. Computer supplies	65,819	19,300	20,000	25,312	5,312	
19. Software licenses (SAAS)	180,079	177,415	187,325	185,827	(1,498)	
20. Computer maintenance contracts	650,109	622,493	641,151	653,846	12,695	
21. Building rent & utilities	425,332	0	0	0	0	
22. Building repairs and maintenance	49,633	0	0	0	0	
23. Interest expense - office building	512,030	491,495	491,495	473,524	(17,971)	
24. Property expenses - office building	315,195	410,779	410,779	460,085	49,306	
25. Depreciation	601,502	940,000	924,929	1,020,000	95,071	
26. Rent - other	32,553	34,130	34,130	37,430	3,300	
27. Telephone	119,317	125,384	125,384	132,384	7,000	
28. Employment advertisements	3,534	3,400	3,400	1,000	(2,400)	
29. Postage and shipping	75,665	97,050	102,136	115,650	13,514	
30. Insurance	94,020	90,935	80,956	93,010	12,054	
31. Recording fees	1,210	1,300	1,000	1,000	0	
32. Payroll services	27,753	36,075	41,790	44,365	2,575	
33. Audit services	142,642	153,800	153,400	169,800	16,400	
34. Professional services	236,887	316,088	232,728	380,886	148,158	
Total Operating Expenses	19,111,479	19,461,516	19,823,492	21,763,558	1,940,066	10%
Direct Program Administrative Expenses						
1. Loan foreclosure expenses	63,559	200,000	112,500	200,000	87,500	
2. REO expenses	35,437	50,000	30,000	50,000	20,000	
3. Provision for losses on loans and REOs	11,262	175,000	100,000	125,000	25,000	
4. Mortgage servicing fees	1,704,649	1,820,000	1,735,000	1,860,000	125,000	
5. Loan origination expenses	2,643,598	3,000,000	2,450,000	3,020,000	570,000	
6. Bond issuance expenses	933,581	900,000	900,000	900,000	0	
7. Trustee/Bank fees	167,695	158,000	165,000	170,000	5,000	
8. Program advertisements	110,307	195,665	243,000	424,750	181,750	
9. Bond and mortgagee insurance	14,974	15,200	15,900	17,000	1,100	
10. Variable rate bond remarket/liquidity facilities	911,582	1,175,000	1,050,000	1,100,000	50,000	
11. Cash flow/arbitrage/swap consultants/legal	641,244	600,000	645,000	645,000	0	
12. Homebuyer education	63,450	110,000	110,000	120,000	10,000	
13. Program administrator fees	438,873	447,000	447,573	461,000	13,427	
14. Section 8 security deposits	10,432	13,000	0	0	0	
Total Direct Program Administrative Expenses	7,750,643	8,858,865	8,003,973	9,092,750	1,088,777	14%

¹ 2021 Forecast vs. 2022 Budget

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

ATTACHMENT C

Description	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	\$ Increase¹ (Decrease)	% Increase¹ (Decrease)
Computer Hardware:						
Network backup hardware - Data Domain		50,000	0	15,000		
Laptop replacements		18,000	21,832	30,000		
Total computer hardware	390,153	68,000	21,832	45,000	23,168	106%
Computer Software:						
Enterprise multi-family housing system - initial costs		170,000	0	170,000		
Coordinated Entry Portal - client list software homeless programs		10,000	0	10,000		
Mobile device management software		5,000	0	8,000		
Website redesign		27,000	27,000	37,000		
Single Family loan servicing system modifications		10,000	2,508	10,000		
Single Family lender & loan tracking systems mods		10,200	9,875	10,000		
Hancock systems mods (LIHEAP & Wx Programs)		50,000	224,700	119,484		
Community Outreach Dashboard		25,000	0	25,000		
Salesforce software upgrades		10,000	10,000	122,000		
Total computer software	31,600	317,200	274,083	511,484	237,401	87%
Office Equipment:						
New Office Building - window shades		0	53,379			
Total office equipment	1,202,861	0	53,379	0	(53,379)	(100%)
New Office Building: - Acquisition/Rehab	3,817,770	0	0	0	0	n/a
Total	5,442,384	385,200	349,294	556,484	207,190	59%

¹ 2021 Forecast Vs. 2022 Budget

**MAINE STATE HOUSING AUTHORITY
ITEMIZATION OF CERTAIN REVENUES
FOR THE YEAR ENDING DECEMBER 31, 2022**

ATTACHMENT D

(IN THOUSANDS OF DOLLARS)

	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	\$ Increase¹ (Decrease)	% Increase¹ (Decrease)
Federal rent subsidy income:						
HUD Section 8 Housing Choice Vouchers	29,644	29,086	30,212	29,700		
HUD Section 8 Emergency Housing Vouchers-ARP Act	0	0	279	557		
HUD Section 8 New Construction	13,437	6,915	1,000	0		
HUD Section 8 Performance Based Contract Admin	63,826	71,865	76,489	78,200		
HUD Section 8 COVID 19 Supplemental - CARES Act	32	0	60	0		
HUD Section 811 - Project Rental Assistance	14	120	26	74		
HUD Section 8 Moderate Rehabilitation	580	634	616	630		
HUD Section 8 Mainstream Vouchers	0	160	128	135		
Total Federal rent subsidy income	107,533	108,780	108,810	109,296	486	0%
Grant Income - Federal (Non-COVID-19):						
HUD Home Investment Partnership Program (HOME)	1,329	3,870	3,807	3,807		
HUD National Housing Trust Fund	0	2,700	2,792	2,792		
HUD Homeless Management Info System	100	132	132	132		
HUD Lead-Based Hazard Program	628	1,073	1,275	1,272		
HUD Older Adult Home Modification Program	0	0	0	274		
HUD Emergency Solutions Grant	1,287	1,287	1,287	1,287		
HUD Housing Counseling Grant	2	14	5	8		
HUD Continuum of Care Planning Grant	50	50	50	65		
HUD Tenant-Based Rental Assistant	434	424	424	456		
HUD Youth Homeless Demonstration	21	3,250	3,250	0		
HUD Recovery House Program	0	0	0	875		
DHHS Low Income Home Energy Assistance (LIHEAP)	43,104	38,564	34,000	39,200		
DHHS Maine Association of Recovery Residences	429	450	660	843		
DOE Weatherization	2,340	2,590	1,674	4,650		
DOE Weatherization Training Centers	0	308	145	354		
State - Federal TANF/LIHEAP Supplement	1,649	2,825	1,500	2,720		
State - Federal TANF/Family Unification Program	6	4	0	0		
Total Grant income - Federal (Non-COVID-19)	51,379	57,541	51,001	58,735	7,734	15%
Grant Income - Federal (COVID19):						
CARES Act Emergency Solutions Grant	3,294	9,628	3,621	6,007		
ARP Act - Home Investment Partnership Program	0	0	0	3,975		
CARES Act - FEMA-COVID-19 Homeless Initiatives	7,890	0	19,500	5,000		
ARP Act - Community Development Block Grant - SHP	0	0	0	3,000		
CARES Act - Rent Relief Program	15,359	0	8,094	0		
CA Act - Emergency Rental Assistance 1.0	0	0	51,000	0		
ARP Act - Emergency Rental Assistance 2.0	0	0	40,000	110,985		
ARP Act - Low Income Home Energy Assistance	0	0	21,000	33,547		
CA Act - Low Income Water Assistance Program 1.0	0	0	900	1,631		
ARP Act - Low Income Water Assistance Program 2.0	0	0	0	0		
State ARP Allocation - Expand Housing Options	0	0	0	50,000		
State ARP Allocation - Shelter Operating Subsidy	0	0	10,000	0		
State ARP Allocation - Housing Navigators	0	0	750	750		
COVID-19 Budget Estimate	0	25,000	0	0		
Total Grant income - Federal (COVID-19)	26,543	34,628	154,865	214,895	60,030	39%
Total Grant income - Federal	77,922	92,169	205,866	273,630	67,764	33%
Grant income - Non-Federal:						
Real Estate Transfer Taxes	21,321	19,000	28,500	28,500		
Maine Energy Housing & Economic Recovery	4,316	4,319	4,319	4,319		
Utilities - Low Income Assistance Plan (LIAP)	1,552	1,105	1,170	1,136		
State - Shelter Operating Subsidy	2,500	2,500	2,500	2,500		
State - Home Repair Program (Arsenic)	120	90	30	43		
State - Revolving loan State G.O. funds	259	0	0	0		
State - Lead Abatement Program	1,320	1,200	400	756		
State - Rapid Re-Housing Program	75	0	0	0		
State - Maine Association of Recovery Residences	123	150	124	158		
Total Grant Income - Non-Federal	31,586	28,364	37,043	37,412	369	1%
Total Grant income	109,508	120,533	242,909	311,042	68,133	28%
Fee income:						
HUD Section 8 Vouchers	2,948	2,626	2,625	2,945		
HUD Section 8 Emergency Housing Vouchers-ARP Act	0	0	27	54		
HUD Section 8 FSS	63	62	62	82		
HUD Section 8 Mod Rehab.	78	65	68	69		
HUD Section 8 New Construction	91	63	8	0		
HUD Section 8 New Construction - MPP	86	54	13	0		
HUD Section 811 - Project Rental Assistance	16	14	6	14		
HUD Section 8 PBCA	1,760	1,848	2,012	2,066		
HUD Section 8 Mainstream Vouchers	0	2	6	3		
Total HUD Section 8 Programs (all programs)	5,042	4,734	4,827	5,233	406	8%
HUD Home Investment Partnership Program (HOME)	196	430	423	423		
HUD National Housing Trust Fund	215	300	310	310		
HUD Homeless Management Info System	226	213	213	213		
HUD Lead-Based Hazard Program	129	150	126	91		
HUD Older Adult Home Modification Program	0	0	0	126		
HUD Emergency Solutions Grant	165	105	105	105		
HUD Housing Counseling Grant	22	10	15	16		
HUD Continuum of Care Planning Grant	310	321	321	337		
HUD Tenant-Based Rental Assistant	73	21	44	45		
HUD Coordinated Entry Grant	29	25	25	15		
HUD Youth Homeless Demonstration	39	72	72	0		
HUD Recovery House Program	0	0	0	76		
DHHS Low Income Home Energy Assistance (LIHEAP)	1,130	1,380	1,072	2,000		
DHHS Maine Association of Recovery Residences	0	0	27	33		
DOE Weatherization	120	229	140	321		
DOE Weatherization Training Centers	66	103	46	354		
CARES Act - FEMA-COVID-19 Homeless Initiatives	0	0	0	125		
CA Act - Emergency Rental Assistance 1.0	0	0	530	0		
ARP Act - Emergency Rental Assistance 2.0	0	0	365	650		
ARP Act - Low Income Home Energy Assistance	0	0	275	350		
ARP Act - Home Investment Partnership Program	0	0	0	395		
CAA Act - Low Income Water Assistance Program 1.0	0	0	20	113		
State - Federal TANF/LIHEAP Supplement	137	280	70	280		
Utilities - Low Income Assistance Plan (LIAP)	311	290	291	346		
State - Home Repair Program (Arsenic)	17	64	10	45		
Home Modification Certification Program	8	0	6	4		
State - Lead Abatement Program	78	215	60	100		
State - Recovery House Program	20	0	5	6		
Multi-family loan origination fees	486	600	600	720		
Low income housing tax credit fees	704	1,101	1,060	1,095		
Conduit bonds servicing fees - Princeton Properties	114	116	114	114		
Other fees	1	5	5	5		
Total Fee income	9,638	10,764	11,177	14,046	2,869	26%
Other Income						
Real estate owned income	11	50	60	60		
Affordable Housing Conference	0	85	47	0		
Federal Home Loan Bank - Helping to House NE	500	0	100	0		
Gain on Bond Redemption	403	0	220	0		
UBS LIBOR Settlement	250	0	0	0		
Miscellaneous	150	5	5	5		
Total Other income	1,314	140	432	65	(367)	(85%)

¹ 2021 Forecast Vs. 2022 Budget

**MAINE STATE HOUSING AUTHORITY
REVENUES AND EXPENSES BUDGET BY FUND GROUP
FOR THE YEAR ENDING DECEMBER 31, 2022**

ATTACHMENT E

(IN THOUSANDS OF DOLLARS)

	Total Budget	Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
REVENUES:								
Interest from mortgages and notes	60,390	59,995	0	305	50	0	0	40
Income from investments	1,300	1,150	45	35	25	0	5	40
Federal rent subsidy income	109,296	0	0	0	0	109,296	0	0
Grant income	311,042	0	0	0	31,000	273,630	2,093	4,319
Fee income	14,046	720	0	1,214	0	11,611	501	0
Other income	65	60	0	5	0	0	0	0
Total Revenues	496,139	61,925	45	1,559	31,075	394,537	2,599	4,399
EXPENSES								
Operating expenses	21,764	0	0	21,764	0	0	0	0
Direct program expenses	9,093	8,300	0	45	0	458	290	0
Interest expense	40,795	39,800	0	0	0	0	0	995
Federal rent subsidy expense	109,296	0	0	0	0	109,296	0	0
Grant expense	310,202	0	0	0	31,075	273,630	2,093	3,404
Allocated operating costs	0	10,625	40	(20,762)	0	9,886	211	0
Total Expenses	491,150	58,725	40	1,047	31,075	393,270	2,594	4,399
Net Operating Income	4,989	3,200	5	512	0	1,267	5	0

Operating Budget - Attachment B

Asset Management Department Memorandum

To: MaineHousing Board of Commissioners
From: Robert Conroy – Director, Asset Management
Date: November 8, 2021
Subject: November Board Report - Asset Management

HUD Performance-Based Contract Administration (PBCA) Update

On October 26, 2021 HUD issued its most recent extension of the PBCA contract to MaineHousing. This is a one year extension and represents the 5th extension to the contract that was initially executed on October 1, 2011. There are no major revisions in this Amendment, but does contain the option by HUD for four additional six month extensions. If all the extensions are exercised, the term of the contract will extend through January 1, 2025. There has been some industry speculation that HUD would soon be preparing to initiate a rebidding process for the PBCA contracts nationwide. But our receipt of this extension appears to indicate that a rebid process will likely not begin anytime soon.

Asset Management Staffing Update

We are pleased to announce that we have two new Asset Managers joining the Asset Management Team In the coming weeks. Ty Heaward and Christina Roy have accepted positions as Asset Managers.

Ty Heaward will be joining us on November 29th. Ty, a native of Maine, is relocating back to Maine from a brief stint in Connecticut. Ty graduated from Central Maine Community College with a degree in accounting. He has held finance positions with the Town of Oxford, Community Concepts Finance Corporation and most recently as an Assistant Director for a soup kitchen in Connecticut. His background in finance and passion for humanity make him a great fit for the Team.

Christina Roy is coming over from the Housing Choice Voucher (HCV) Team on November 15th. Christina, a graduate of University of New England and KVCC has been with MaineHousing in the HCV Department for five years. She began as an HCV Assistant and worked her way into the role of HCV Occupancy Specialist adding on the specialty role of Administration of the STEP program. She is fluent in compliance and passionate about the MaineHousing mission. We are excited to be able to have Christina join our team and continue her growth within the agency.

Please help us in welcoming Ty and congratulating Christina.

Communications & Planning Department Memorandum

To: Board of Commissioners
From: Erik C. Jorgensen
Date: November, 2021
Subject: November 2021 Board Report

Transitions at CPD part II

On November 8th, our two newest employees started, bringing the department's staffing back to a full complement for the first time since summer. Becky Dydasco is our new data analyst, and Scott Thistle is directing our communications. We could not be happier about having this pair of talented and experienced professionals on the CPD team.

Becky, as was noted in last month's report, is a familiar face at MaineHousing. This is her fourth position here, having previously worked as a systems analyst, a data architect, and as Director of Information Technology, before leaving for a job in the private sector a few years ago.

She will be working on a wide range of data-related projects for us. Among the first of these will be documenting both the effectiveness and challenges of our recovery residence pilot program, and collecting information from departments for our annual agency accomplishments list, which is the first step in developing our annual report.

Scott may also be familiar to the board, as he has served since 2016 as the State government and political reporter for the *Portland Press Herald* and *Maine Sunday Telegram*. Prior to that he served as a regional editor and state politics editor for the *Sun Journal*, following a stint in Duluth, Minnesota.

With the current level of interest in affordable housing, we have been fielding numerous press calls. They don't necessarily fall into neat categories, but tend to relate to the situation with quarantine and isolation and other issues surrounding hotel-based emergency shelter; the general lack of affordable housing; the situation with evictions; and rent relief.

Affordable Housing Conference

On October 20 and 21, MaineHousing held its first ever Virtual Maine Affordable Housing Conference. The conference consisted of 4 keynote speakers and 14 breakout sessions held over two

half days. Amanda Ouellette in the CPD office led the process of developing the program and making it happen.

We received 385 registrations for the conference and by the end of the second day, nearly 83% of all registrants had signed into the portal to attend at least one session. Our keynote speaker, Dr. Tiffany Manuel was the second most watched session, surpassed only by the opening remarks from Governor Mills. Both the Legislative session (which featured a discussion on various affordable housing topics from legislators of different perspectives) and *Growing Our Tree Streets* (a program on the highly publicized Lewiston Tree Streets Development Plans) were highly watched and well-rated sessions. Many comments on the post-conference survey indicated that people were grateful to have any conference experience but there was a clear message that they missed the atmosphere and value of an in-person conference.

Given the current COVID-19 situation we are confident that a virtual conference was the right approach to take this year, though we hope to return to an in-person conference in 2023.

So much of an event like this is valuable for what occurs around the refreshment tables and in the halls between sessions, and both staff and participants missed this element, for which there is no virtual substitute.

State Government / ARPA

As one of its final actions over the summer, the Legislature passed a large and detailed bill specifying how Maine will spend its share of funding from the American Rescue Plan Act (ARPA). The challenge in this is to assure the Federal government that funds are being spent in accordance with the US Treasury's guidance. On the surface, the charge is easy: to allocate funds to projects that will reach people who have been disproportionately impacted by the pandemic. In practice, this is more challenging, as Treasury has added substantial regulation that could get in the way of achieving this goal. For us, the most significant obstacle is a requirement that affordable housing projects be placed in so-called "qualified census tracts" – areas designated to have particular economic hardship. That might make sense on paper, but due to its rural nature, Maine has only a handful of such tracts, and this requirement has caused concern with housing agencies across the country. There is a strong sense, however, that Treasury will be receptive to arguments that can expand these limitations while still serving economically distressed and COVID affected populations.

We have been working with the Governor's office to develop arguments that logically broaden the Treasury's guidance, in order to expand the places where these funds might be used for housing. Policy Analyst Clyde Barr has been working with a team from the Governor's Office of Policy, Innovation, and the Future to find an appropriate path forward.

Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Mark C. Wiesendanger, Director of Development

Date: November 16, 2021

Subject: Monthly Report

2023 Qualified Allocation Plan Discussion

The first of three QAP discussions with external partners took place on October 29th. It was well-attended and a robust conversation. Items of interest included:

- Low net developer fee
- Non-amortizing debt
- TIFs are cumbersome and unfair for some. There are other means of bringing in municipal capital and support.
- Fewer points for non-senior efficiencies and 1 bedroom units
- Cost caps
- Energy efficiency
- MaineHousing PBVs in LIHTC
- Paying for air conditioning
- How will project labor agreements come in to play

The partners' comments and questions were very thoughtful and complimentary of recent changes to our programs.

The next two meetings will be held on November 18th and December 14th.

2022 9% Low Income Housing Tax Credit Program (LIHTC) Applications

We received 10 full applications on September 9th for the 2022 9% LIHTC program. Scoring has been completed. Developers have been informed of their scores and were given a week to discuss where we differ and afforded the opportunity to show how the information provided in the application meets threshold and scoring requirements.

Project	City/Town	Developer	Tenants	Total Units	Affordable	TDC Index	LIHTC
115 Congress St	Belfast	Developers Collaborative	Family	36	36	\$ 211,405	\$ 720,000
Adams Point	Biddeford	Biddeford Housing	Family	39	39	\$ 256,975	\$ 780,000
Avesta US Route One	Scarborough	Avesta Housing	Older Adults	31	31	\$ 264,826	\$ 620,000
Belfast Birches	Belfast	Realty Resources	Older Adults	24	24	\$ 182,456	\$ 290,938
Choice Neighborhoods I	Lewiston	Lewiston Housing (Avesta)	Family	71	53	\$ 258,517	\$ 960,000
Choice Neighborhoods II	Lewiston	Lewiston Housing (Avesta)	Family	74	49	\$ 276,620	\$ 960,000
Equinox	Portland	CHOM	Family	43	43	\$ 264,049	\$ 860,000
Milford Place	Bangor	Penquis CAP	Older Adults	40	40	\$ 255,178	\$ 799,480
Picker House Lofts	Lewiston	The Szanton Company	Family	72	46	\$ 264,171	\$ 920,000
Winter Landing	Portland	CHOM	Older Adults	52	52	\$ 262,176	\$ 851,911
				482	413	\$ 215,668	\$ 7,762,329

Affordable Subdivision Program

We are circulating a revised Affordable Subdivision Program internally. We hope to make use of a new funding resource to offer subdivision developers more money per unit to keep prices affordable on new single family housing. The money must be used for land acquisition, soft costs, and infrastructure. We are also testing a new internal program review process.

Staff

We currently are hiring another Loan Officer and Construction Analyst, and expect to hire additional Development staff as workload increases.



Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners
From: Daniel Drost, Director of Energy and Housing Services
Date: November 16, 2021
Subject: EHS Monthly Report – November 2021

HOME ENERGY ASSISTANCE PROGRAM (HEAP)

PRODUCTION STATISTICS FOR PROGRAM YEAR 2022 (BEGUN AUGUST 23, 2021)

Number of Applications	PY 2022 THRU 11/4/2021	PY 2021 THRU 11/6/2020	+/-	% change
Total Applications Taken	17,477	18,852	-1,375	-7.3%
Confirmed Eligible/Paid	8,003	7,324	679	+9.3%
Pending (in process)	8,533	10,161	-1,628	-16.0%
Other (ineligible, denied, void, etc.)	941	1,367	-426	-31.2%

PROGRAM YEAR 2022 HEAP FUNDING:

On November 1, 2021, the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services (OCS), Division of Energy Assistance (DEA), announced the release of approximately \$3.37 billion of Federal Fiscal Year (FY) 2022 regular block grant funding to HEAP grantees. MaineHousing was awarded \$35,028,729 and Maine's Tribal Organizations were awarded \$1,329,119, for a total of \$36,357,848 for Maine. This funding is provided under the Extending Government Funding and Delivering Emergency Assistance Act (Public Law 117-43) that provides funding for HEAP until December 3, 2021. This release reflects 90 percent of the total amount of funds available under the legislation to recipients at the beginning of the program year. The amount of regular block grant funding for Maine's HEAP for PY2022 will be a slight increase (~\$38,000) in funding compared to the initial amount awarded to MaineHousing for PY2021.

ELDERLY HOME MODIFICATION PROGRAMS:

Community Aging in Place Grant Program is funded with State Home funds and the Older Adult Home Modification Grant Program (OAHM) is funded with federal Housing and Urban Development (HUD) funds. Both programs offer no-cost home safety checks, minor maintenance repairs, and accessibility modifications to eligible low-income elderly and disabled homeowners. These services enable recipients to continue to live safely and comfortably in their homes. The EHS housing team is currently developing 2022 partner contracts, Program Guide and forms for both programs.

DOE WEATHERIZATION ASSISTANCE PROGRAM (WAP):

The Department of Energy (DOE) requires a field guide that details the Standard Work Specifications for Single Family and Manufactured Homes. MaineHousing's weatherization team has combined the Single Family and Manufactured standards into one guide and completed required updates. DOE approved our new Field Guide for five years.

WEATHERIZATION ASSISTANCE PROGRAM TRAINING:

On November 4, 2021, MaineHousing's weatherization team hosted a Maine Fuel Board question and answer (Q&A) session for our Subgrantee Technical staff. MaineHousing invited Community Action Agency technical staff from all our programs including Weatherization, Central Heating and Improvement Program (CHIP), Home Accessibility and Repair Program (HARP), and Lead Hazard Reduction Program.

HOME ACCESSIBILITY AND REPAIR PROGRAM (HARP):

The Home Accessibility and Repair Program (HARP) provides grants to income eligible homeowners for professional home repairs; assistance with home replacement when deemed necessary, and accessibility modifications. HARP is funded with State Home funds and the program period runs from January 1 through December 31. There are five components: Home Repair, Elderly, Accessibility, Emergency Home Repair, and Emergency Manufactured Home Repair. HARP is delivered statewide through the network of Community Action Agencies (CAAs).

TOTAL UNITS BY PROJECT TYPE		
Report Date: November 8, 2021		
HARP Project Type	Completed	In Progress
Home Repair	38	21
Elderly Home Repair	5	19
Accessibilty	14	15
Emergency Home Repair	58	34
Emergency Manufactured Home Repair	49	9
Total Projects	164	98

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Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: November 9, 2021

Subject: Monthly Report – Finance Department

ACCOUNTING AND FINANCIAL REPORTING (AFR):

- The agency's preliminary budgets for 2022 have been completed. The AFR staff worked closely with the various departments to compile the necessary information for inclusion in the agency-wide budgets. A report on the preliminary 2022 budgets has been prepared and is included in this month's packet. The report will be presented and reviewed at the meeting for your input and feedback. The final budgets will be presented for a vote at the December meeting.
- The audit of MaineHousing's federally funded programs for the year ended December 31, 2021 is in the final stage. Draft reports are expected within the next couple of weeks and the final reports should be issued by the end of November or in early December. The federal compliance audit typically needs to be completed and filed with the Federal Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after year end. However, an automatic extension of six months is available because of COVID-19. All submission and reporting requirements will be met.
- Planning and preparation has begun for this year's annual audit of the financial statements. The necessary records and information are being compiled and prepared for the auditors. A planning meeting with the auditors will be held later this month and they will begin the interim phase of the audit the last week of November. This phase involves documenting and assessing internal controls and performing various audit procedures on the September and October account balances. The year-end audit work will take place over an eight-week period starting in February, 2022. Most of the audit work is expected to again be handled remotely.
- The closing of the agency's general ledger and accounting systems for the third quarter-end was completed and the financial statements for the nine-month period ended September 30, 2021 are being finalized. Draft financial statements have been prepared and the preliminary results are included in the Financial and Budget Results section of this packet.

LOAN ADMINISTRATION:

- The number of MaineHousing single-family loans in forbearance due to COVID-19 continues to decline. There were 105 loans in forbearance at the end of October. These loans amount to approximately \$9.5 million and represent about 1.05% of the portfolio. This is a decrease of 8 basis points from the rate at the end of last month. As of the end of October, a total of 548 borrowers have been provided COVID-19 financial hardship assistance since the start of the pandemic and 443 or 81% of these borrowers have

subsequently brought their loan current and are no longer in forbearance or delinquent status. The national forbearance rate is also declining and the Mortgage Bankers Association reported that loans in forbearance decrease from 2.96% at the end of September to a current rate of 2.15%.

- The federal mortgage guarantors extended the date that borrowers are allowed to request an initial forbearance under a COVID-19 hardship from September 30, 2021 to the date that the national emergency is declared over. Under the current guidelines, if a borrower attests to experiencing a financial hardship due to COVID-19 and makes a request for a forbearance, it must be granted.
- Staff continued work on the annual Housing and Urban Development (HUD) and Rural Development (RD) Quality Control Review for the portfolio of loans that is being sub-serviced by Mortgage Servicing Solutions (MSS). This is a system and operational review of MSS's servicing procedures and it entails conducting interviews with MSS's key personnel to ensure staff are knowledgeable of HUD and RD servicing requirements and that they are adhering to their respective processing guides. It also involves performing individual loan file reviews to confirm that MSS is compliant with federal guidelines and that the procedures they have in place are sufficient and proper. Initial interviews with MSS staff and a review of their internal processes and procedures were performed in October. The review is being conducted remotely again this year and is expected to be completed by the end of November.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: November 9, 2021

Subject: Monthly Financial and Budget Report

FINANCIAL RESULTS

Attached are the Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Assets for the nine-month period ended September 30, 2021.

MaineHousing's programs are accounted for in Fund Groups, based on funding sources. For financial reporting purposes, each Fund Group is a separate and standalone entity. There are seven Fund Groups and the individual Balance Sheets and Statements of Revenues, Expenses and Changes in Net Assets for each are presented in columns on the attachments (pages 1 and 2). The following is a summary of MaineHousing's total combined financial position and operating results for the current year and a brief explanation for the changes between the current and prior year net operating results.

Total combined assets are approximately \$2.0 billion and total combined liabilities are \$1.7 billion. Total net assets amount to approximately \$399 million. Total combined revenues approximate \$312.5 million and total expenses amount to \$294.2 million, which results in net operating income of \$18.3 million. For this nine-month period in 2020, total combined net operating income was \$6.2 million. Net operating income is \$12.1 million higher in 2021 and the increase is attributed primarily to the following:

The HOME Fund has net operating income of \$11.8 million, which is an increase of \$11.3 million compared with net operating income of \$0.5 million in 2020. MaineHousing's portion of the real estate transfer taxes received from the State are accounted for in this Fund Group. The increase in net operating income is due to higher real estate transfer tax receipts and timing differences with the expending of funds and the recognition of grant expenses. Income from the State is \$6.5 million higher, while program grant expenditures are \$4.8 million lower at this point in 2021.

The net operating income for the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, is approximately \$2.3 million compared to net operating income of \$1.9 million in 2020. The net operating income include amounts for changes in the carrying values of non-mortgage investments. A paper loss of \$0.6 million has been recognized in 2021, which represents an increase of approximately \$0.6 million compared to the paper loss of \$0.1 million recorded in 2020. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

The recording of paper gains and losses is required for accounting purposes. However, because MaineHousing does not actively buy and sell related investments, actual gains and losses will not occur and these amounts are ignored by the rating agencies, bond analysts, and management when assessing profitability.

Excluding the paper losses, MPP's net operating income is \$2.9 million as of September 30, 2021 compared to \$2 million at the end September 2020. This \$0.9 million increase is due largely to lower bond issuance and single-family loan origination expenses at this point in 2021. Expenses associated with single-family loan defaults are also below last year's amounts due to lower delinquencies and foreclosure activities.

BUDGET RESULTS

Also attached are the budget variance results for the period ended September 30, 2021. These results are summarized and presented on the attachment described below:

OPERATING REVENUES AND EXPENSES BUDGET

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and other programs. All operating and program administrative costs are paid by either the net interest income from mortgage lending activities, which is the difference between interest income earned from mortgage and non-mortgage investment assets and the interest paid on bonds, or fee income received for the administration of federal and other programs.

The Operating Revenues and Expenses Budget, **Attachment A**, presents the revenues available to pay operating and administrative expenses. It also presents the aggregate operating and administrative expenses. Total budgeted revenues for 2021 are \$76.4 million and total expenses are budgeted at \$71.6 million. Total revenues as of September 30, 2021 amount to \$54.7 million, while total expenses amount to \$51.3 million. For the nine-month period ended September 30, 2021, revenues exceed expenses by approximately \$3.4 million.

Revenues are under budget at this point due largely to lower interest income from investments. Interest rates have decreased during the year and average yields from investments are lower than projected. Interest income from mortgages is below budget at this point due to lower than projected average yields and outstanding loan balances. Balances are lower due to a higher level of single-family loan prepayments caused by the low interest rate environment and new loan purchases are currently running below budget projections.

Expenses are also below budget at this time due mainly to lower other program administrative expenses. The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and summarized below. Interest expense is also below budget as a result of lower interest rates on new bond issues and a higher level of bond redemptions, which lowered average outstanding balances.

OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES

MaineHousing's overhead and operational costs for the year as well as other program administrative expenses, which are costs that are specifically and exclusively related to a particular program, are itemized on **Attachment B**.

Operating expenses are budgeted at approximately \$19.5 million. As of September 30, 2021, \$14.7 million or 75% of the total operating budget has been used. In total, operating expenses are in line with the established budget at this point. However, expenses are projected to exceed the budget by approximately \$350,000 or 2%. This overage is attributed to higher salaries and benefits expenses as a result of an increase in staff. Additional staff has been needed because of a substantial increase in program activities and federal funds provided in response to the pandemic. The federal funds provide additional

administrative fee income to pay for related operating costs. The estimated overage with operating expenses is expected to be offset by lower program administrative expenses.

Program administrative expenses are budgeted at \$8.9 million and actual expenses amount to \$3.6 million as of September 30, 2021. Expenses in this area are running below budget and are projected to be under budget for the year by approximately \$850,000. The underage is due to lower than projected delinquency and foreclosure activities and lower related expenses. Loan origination and servicing expenses are also projected to be below budget due to lower outstanding single-family loans as a result of lower than estimated production and a higher volume of loan prepayments.

CAPITAL BUDGET

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over an estimated useful life. The total authorized capital budget for 2021 is \$385,000. Expenditures amount to \$306,000 as of September 30, 2021 and were mainly for software upgrades to the Hancock systems used to administer the federal LHEAP and Weatherization programs and window shades for the office building.

The Hancock system upgrades are over budget because of unplanned modifications needed to accommodate requirements associated with the COVID-19 supplemental LIHEAP funds that were made available this year. The federal supplemental funds provide additional administrative fees to pay for the required modifications.

Capital expenditures are expected to remain within the established budget this year. The acquisition of the enterprise multi-family housing system will not occur until 2022 and several other software items will not be acquired as planned.

MEMBERSHIPS, DUES AND SPONSORSHIPS

In accordance with MaineHousing's Contributions Policy, all payments for memberships, dues and sponsorship are required to be reported to the Commissioners each month as part of the budget variance reports. **Attachment D** presents an itemized listing of the membership, dues, and sponsorship expenses as of September 30, 2021.

MAINE STATE HOUSING AUTHORITY
BALANCE SHEETS
SEPTEMBER 30, 2021
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2020	2021							
ASSETS:									
Cash, principally time deposits	37,107	69,991	23,769	2	38,852	0	7,368	0	0
Investments	458,181	498,747	442,528	8,012	13,627	22,842	0	8,530	3,208
Accounts receivable - Federal	6,813	15,698	0	0	0	0	15,698	0	0
Assets held for sale	2,600	0	0	0	0	0	0	0	0
Accrued interest and other assets	21,597	18,322	9,085	2	83	7,092	1,140	3	917
Mortgage notes receivable, net	1,462,440	1,412,039	1,368,806	0	4,802	28,813	0	0	9,618
Other notes receivable, net	223	73	0	0	73	0	0	0	0
Land, equipment and improvements, net	18,043	17,851	22	0	17,829	0	0	0	0
Other real estate owned	112	0	0	0	0	0	0	0	0
Accumulated decrease in fair value of hedging derivatives	22,311	12,061	12,061	0	0	0	0	0	0
Deferred pension expense	610	577	319	2	54	0	0	202	0
Deferred amount on debt refundings	3,272	2,779	2,779	0	0	0	0	0	0
Total Assets	2,033,309	2,048,138	1,859,369	8,018	75,320	58,747	24,206	8,735	13,743
LIABILITIES AND NET ASSETS:									
Accrued interest payable	16,659	15,101	14,879	0	0	0	0	0	222
Accounts payable - Federal	345	347	0	0	0	0	347	0	0
Accounts payable & accrued liabilities	3,169	9,547	308	4	3,645	0	5,590	0	0
Unearned income	12,451	27,991	0	0	0	348	15,405	12,238	0
Net pension liability	2,282	2,819	1,558	9	266	0	0	986	0
Deferred pension credit	867	243	134	1	23	0	0	85	0
Derivative instrument - interest rate swaps	22,311	12,061	12,061	0	0	0	0	0	0
Interfund	0	0	4,297	15	15,071	(12,895)	(2,383)	(3,541)	(564)
Mortgage bonds and notes payable, net	1,599,951	1,581,211	1,542,729	0	19,227	0	0	0	19,255
Deferred grant income	0	255	0	0	0	0	255	0	0
Deferred loan origination points	24	19	19	0	0	0	0	0	0
Total Liabilities	1,658,059	1,649,594	1,575,985	29	38,232	(12,547)	19,214	9,768	18,913
NET ASSETS:									
Restricted Net Assets	339,119	361,456	283,384	7,989	0	71,294	4,992	(1,033)	(5,170)
Unrestricted Net Assets	36,131	37,088	0	0	37,088	0	0	0	0
Total Net Assets	375,250	398,544	283,384	7,989	37,088	71,294	4,992	(1,033)	(5,170)
Total Liabilities and Net Assets	2,033,309	2,048,138	1,859,369	8,018	75,320	58,747	24,206	8,735	13,743

MAINE STATE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2020	2021							
REVENUES:									
Interest from mortgages and notes	47,135	45,355	45,043	0	247	34	0	0	31
Income from investments	2,061	928	909	2	8	5	1	2	1
Net increase (decrease) in the fair value of investments	(98)	(645)	(646)	0	1	0	0	0	0
Fee income	7,197	8,054	293	0	670	0	6,883	208	0
Other revenue	412	185	70	0	59	47	0	0	9
Grant income	43,429	151,155	0	0	0	1,580	148,462	1,113	0
Income from State	17,902	24,818	0	0	0	20,499	0	0	4,319
Federal rent subsidy income	80,249	82,318	0	0	0	0	82,318	0	0
Gain on bond redemption	205	365	349	0	0	0	0	0	16
Total Revenues	198,492	312,533	46,018	2	985	22,165	237,664	1,323	4,376
EXPENSES:									
Operating expenses	14,294	14,666	0	0	14,666	0	0	0	0
Other program administrative expenses	4,372	3,958	3,582	0	4	0	267	105	0
Mortgage servicing fees	1,278	1,293	1,281	0	12	0	0	0	0
Provision for losses on loans	166	18	0	0	11	0	0	7	0
Losses on foreclosed real estate	0	(58)	(58)	0	0	0	0	0	0
Interest expense	34,526	32,050	31,422	0	0	0	0	0	628
Grant expense	57,369	160,488	0	0	0	10,389	148,981	1,113	5
Federal rent subsidy expense	80,299	81,788	0	0	0	0	81,788	0	0
Allocated operating costs	0	0	7,498	44	(13,240)	0	5,595	103	0
Total Expenses	192,304	294,203	43,725	44	1,453	10,389	236,631	1,328	633
Net Operating Income (Loss)	6,188	18,330	2,293	(42)	(468)	11,776	1,033	(5)	3,743
Transfers between funds, net	0	0	0	0	657	0	(657)	0	0
Change in net assets	6,188	18,330	2,293	(42)	189	11,776	376	(5)	3,743
Net assets at beginning of year	369,062	380,214	281,091	8,031	36,899	59,518	4,616	(1,028)	(8,913)
Net assets at end of period	375,250	398,544	283,384	7,989	37,088	71,294	4,992	(1,033)	(5,170)

**MAINE STATE HOUSING AUTHORITY
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

(IN THOUSANDS OF DOLLARS)

	Mortgage Lending Activities Actual	Federal & Other Program Administration Actual	Total Combined Actual	Total Annual Budget	Total Under/(Over)	% Variance
REVENUES:						
Interest from mortgages and notes	45,290	0	45,290	64,025	18,735	29%
Income from investments	919	3	922	1,500	578	39%
Fee income	963	7,091	8,054	10,764	2,710	25%
Other revenue	478	0	478	140	(338)	(241%)
Total Revenues	47,650	7,094	54,744	76,429	21,685	28%
EXPENSES:						
Operating expenses	8,968	5,698	14,666	19,462	4,796	25%
Other program administrative expenses	4,832	379	5,211	8,859	3,648	41%
Interest expense	31,422	0	31,422	43,270	11,848	27%
Total Expenses	45,222	6,077	51,299	71,591	20,292	28%
Excess Revenues Over Expenses	2,428	1,017	3,445	4,838	1,393	29%

**MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

ATTACHMENT B

	Total Annual Budget	Total Year to Date Actual	Budget Available	Percentage of Budget Available
Operating Expenses				
Salaries	10,777,009	8,302,699	2,474,310	23%
Payroll Taxes	788,606	641,664	146,942	19%
Retirement	1,065,276	828,423	236,853	22%
Medical and Life Insurance	2,619,299	1,925,505	693,794	26%
Other Fringe Benefits	10,000	3,730	6,270	63%
Office Supplies	54,095	35,922	18,173	34%
Printing	69,879	51,101	18,778	27%
Membership and Dues	61,745	50,333	11,412	18%
Subscriptions	22,660	13,632	9,028	40%
Sponsorships	13,500	3,500	10,000	74%
Staff Educ/Train/Conf	114,176	72,129	42,047	37%
Travel/Meals - Staff Educ/Train/Conf	74,801	3,704	71,097	95%
Partner/Client Train/Meetings	56,672	35,659	21,013	37%
Travel/Meals - Partner/Client Training	46,325	11,739	34,586	75%
Staff Events	10,225	7,601	2,624	26%
Meals - Staff Events	16,175	2,667	13,508	84%
Leased Vehicles	141,429	93,422	48,007	34%
Computer Supplies	19,300	19,823	(523)	(4%)
Computer License SAAS	177,415	161,286	16,129	9%
Rent-Other	34,130	26,287	7,843	23%
Computer Maintenance	622,493	427,468	195,025	31%
Depreciation	940,000	692,851	247,149	26%
Telephone	125,384	92,709	32,675	26%
Employment Advertising	3,400	3,274	126	4%
Postage and Shipping	97,050	97,507	(457)	0%
Insurance	90,935	67,344	23,591	26%
Recording Fees	1,300	572	728	56%
Payroll Services	36,075	32,254	3,821	11%
Audit Services	153,800	90,000	63,800	41%
Building Interest Expense	491,495	369,458	122,037	25%
Property Expenses	410,779	323,979	86,800	21%
Professional Services	316,088	178,240	137,848	44%
Total Operating Expenses	19,461,516	14,666,482	4,795,034	25%
Other Program Administrative Expenses				
Loan foreclosure expenses	200,000	47,219	152,781	76%
REO expenses	50,000	2,718	47,282	95%
Mortgage Servicing fees	1,820,000	1,293,553	526,447	29%
Provision for losses on loans & REOs	175,000	(39,582)	214,582	123%
Loan Origination expenses	3,000,000	1,587,422	1,412,578	47%
Bond Issuance Costs	900,000	410,197	489,803	54%
Trustee/Bank fees	158,000	127,456	30,544	19%
Program advertising/printing	195,665	171,554	24,111	12%
Bond and mortgagee insurance	15,200	15,872	(672)	(4%)
Variable rate bond remarket/liquidity facilities	1,175,000	802,000	373,000	32%
Cash flow/arbitrage/swap consultants/legal	600,000	529,613	70,387	12%
Homebuyer education	110,000	46,400	63,600	58%
Program administrator fees	447,000	255,491	191,509	43%
Section 8 security deposits/landlord incentives	13,000	0	13,000	100%
Total Other Program Administration Expenses	8,858,865	5,249,913	3,608,952	41%
Total Operating and Administrative Expenses	28,320,381	19,916,395	8,403,986	30%

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

ATTACHMENT C

Description	2021 Budget	2021 Actual	Budget Available	% Expended
Computer Hardware:				
Network backup hardware - Data Domain	50,000	0	50,000	
Laptops	18,000	16,232	1,768	
Total computer hardware	<u>68,000</u>	<u>16,232</u>	<u>51,768</u>	<u>24%</u>
Computer Software:				
Enterprise multi-family housing system	170,000	0	170,000	
Coordinated Entry Portal - client list software homeless programs	10,000	0	10,000	
Mobile device management system	5,000	0	5,000	
Website redesign	27,000	25,780	1,220	
Hancock system upgrades (LIHEAP & Wx Programs)	50,000	202,825	(152,825)	
Salesforce software upgrades (Lead Program)	10,000	0	10,000	
Single Family loan servicing system modifications	10,000	2,508	7,492	
Community Outreach Dashboard	25,000	0	25,000	
Emphasys (AOD) Single Family lender (LOL) & tracking (LT) systems modifications	10,200	4,875	5,325	
Total computer software	<u>317,200</u>	<u>235,988</u>	<u>81,212</u>	<u>74%</u>
Office Building:				
Window Shades	0	53,379	(53,379)	
	<u>0</u>	<u>53,379</u>	<u>(53,379)</u>	<u>N/A</u>
Total	<u>385,200</u>	<u>305,599</u>	<u>79,601</u>	<u>79%</u>

**MAINE STATE HOUSING AUTHORITY
MEMBERSHIPS, DUES, AND SPONSORSHIPS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Description	Amount
Memberships and Dues		
	Kennebec Valley Board of Realtors - annual affiliate membership	171
	Maine Association of Mortgage Professionals - annual membership	375
	Maine Bankers Association - annual affiliate membership	950
	Maine Real Estate Management Association - annual membership	125
	National Leased Housing Association - annual membership	600
	National Association for State Community Services Programs - annual membership	2,603
	National Energy Assistance Directors' Association - annual membership	6,341
	International Code Council - annual membership	145
	Construction Specifications Institute - employee annual membership	325
	Council of State Community Development Agencies - annual membership	1,500
	Maine Real Estate & Development Association - annual membership	1,200
	National Affordable Housing Management Association - affiliate membership	1,075
	Maine Department of Environmental Protection - lead inspector license renewal	200
	Association of Government Accountants - (6) employee annual memberships	660
	American Payroll Association - employee annual membership	261
	Society for Human Resource Management - employee annual membership	219
	Institute of Internal Auditors - employee annual membership	175
	Association of Certified Fraud Examiners - (2) employee annual membership	420
	Maine Public Relations Council - employee annual membership	90
	American College of Mortgage Attorneys - employee dues	525
	Board of Overseers of the Bar - (5) employee annual registration	1,325
	Maine State Bar Association - (3) employee annual memberships	520
	American Bar Association - (1) employee annual membership	275
	Access to Maine State House - employee	125
	American College of Real Estate Lawyers - employees dues	225
	Maine Society of CPAs - employee annual membership	250
	Maine State Treasurer - employee annual CPA license renewal	35
	Maine Building Officials and Inspectors Association - (5) employee membership	195
	Notary Public - (1) employee renewal fee	50
	National Council of State Housing Agencies - annual membership	29,372
	Total	<u>\$ 50,333</u>
Sponsorships		
	New England Resident Service Coordinator - conference sponsor	3,000
	Maine Council on Aging - Wisdon Summit	500
	Total	<u>\$ 3,500</u>



Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: November 1, 2021
Subject: Monthly Delinquencies Report

MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$684 million with 1,164 loans as of October 31, 2021. There are no 60+ days delinquent loan, as shown in *Exhibit 1*. The current Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$904 million with 9,994 loans as of September 30, 2021. The over 60-day delinquencies decreased from 2.88% to 2.81% and the in-foreclosures increased from 0.38% to 0.40%. The over 60-day delinquencies amount to \$25 million, with approximately \$4 million representing accounts in foreclosure. The over 60-day and in-foreclosure historic rates are shown in *Exhibit 4*. MaineHousing's overall delinquency rate by loan dollars is 2.81%; and the overall delinquency rate by loan count is 2.99%. As reflected in *Exhibit 5*, the overall delinquency rate by loan count is below the delinquency rate for all Maine Loans.

Servicer Delinquencies – As of September, 2021, Bank of America, NA had the highest overall delinquency rate of 17.17%, with an in-foreclosure rate of 2.69%. Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 3.35% to 3.37%, while the in-foreclosure rate stayed at 0.38%. In May, Bangor Savings Bank began retaining the servicing rights and servicing new loan originations under a Qualified Servicer (QS) arrangement. The Bangor Savings Bank QS portfolio has no delinquencies at the end of September. The Bangor Savings Bank sub-serviced (SS) portfolio has the lowest rate of delinquencies at 0.80%. Delinquency rates for each servicer are shown in *Exhibit 3*.

Delinquencies by Insurance Type – In September 2021, FHA insured loans had the highest delinquency rate by total insurance type of 5.61%, with in-foreclosures at 0.60%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.48%, with in-foreclosures at 0.25%. Delinquencies by insurance type and the portfolio as a whole are shown in *Exhibit 6*.

FHA insured loans comprise 16% of the Single-Family portfolio and 32% of delinquencies, while RD insured loans comprise 60% of the portfolio and represent 53% of all delinquent loans. The

current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in *Exhibit 7*.

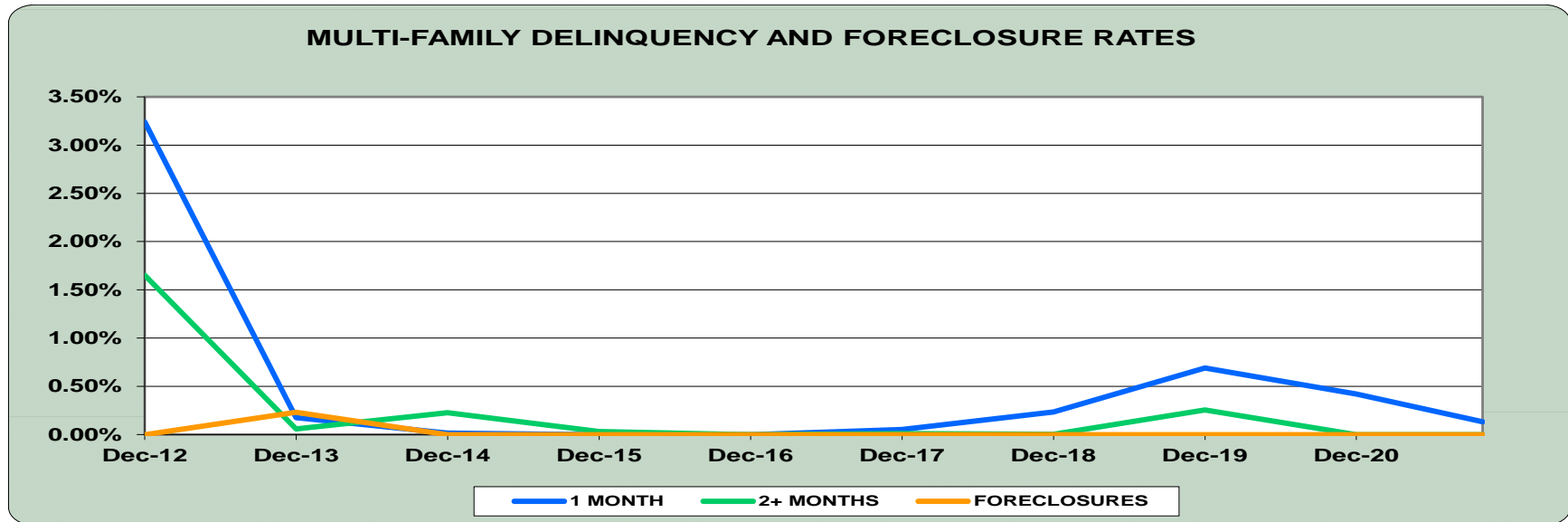
Foreclosure Prevention Activities – *Exhibit 8* summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of September 2021, we have assisted 962 borrowers with various foreclosure preventions options. In 2020, we assisted a total of 1,652 borrowers. Foreclosure prevention activity increased in 2020 due to financial hardship requests associated with the COVID-19 pandemic.

Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 10/31/2021									
Section 8						ORIGINATION	-----	DELINQUENT	-----
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS	
NONE									
						0.00	0.00	0.00	
Rental Housing						ORIGINATION	-----	DELINQUENT	-----
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS	
THE PINES	4,500.00	09/01/21	OLD ORCHARD BCH	THE PINES AT OCEAN PARK LP	12/08/15	900,000.00			
						900,000.00	0.00	0.00	
Supportive Housing & Other						ORIGINATION	-----	DELINQUENT	-----
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS	
NONE									
						0.00	0.00	0.00	
						900,000.00	0.00	0.00	
Grand Total									
% of Portfolio Delq 60+ days						0.00%			
Total Number of Loans						1,164			



Multi-Family Delinquency & Foreclosure Trends



	OUTSTANDING			1 MONTH		2+ MONTHS		FORECLOSURES	
	PRINCIPAL	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Oct-21	\$ 683,861,902	\$ 900,000	0.13%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177	\$ 2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774	\$ 4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%	\$ -	0.00%
Dec-18	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%	\$ -	0.00%
Dec-16	\$ 579,916,852	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-15	\$ 573,932,384	\$ -	0.00%	\$ 185,320	0.03%	\$ -	0.00%	\$ -	0.00%
Dec-14	\$ 513,937,525	\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%	\$ -	0.00%
Dec-13	\$ 506,871,177	\$ 896,386	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%	\$ -	0.00%
Dec-12	\$ 487,638,082	\$ 15,815,491	3.24%	\$ 8,056,115	1.65%	\$ -	0.00%	\$ -	0.00%



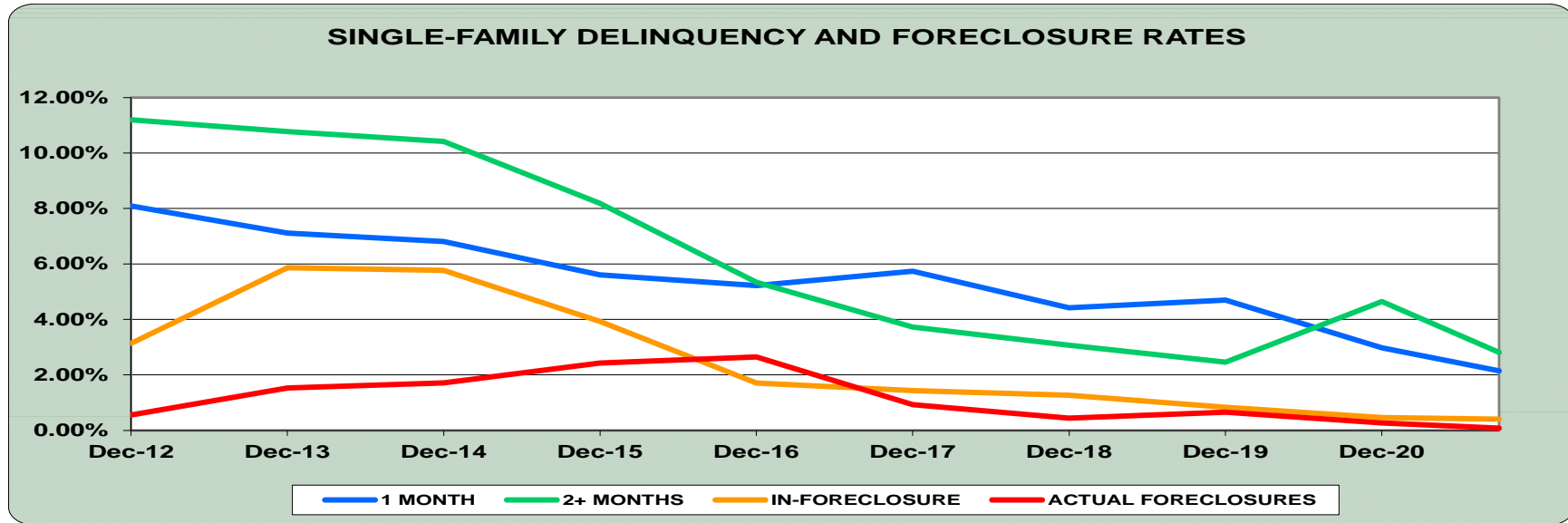
Single-Family Delinquent Loans

Maine State Housing Authority Single-Family Delinquencies by Servicer 9/30/2021

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTI	66.24%	3.37%	598,973,256.14	14,551,801.48	3,756,804.42	14,128,708.88	2,278,001.77
BANGOR SAVINGS BANK	15.98%	0.80%	144,527,000.68	2,212,172.91	0.00	939,148.99	215,787.00
CAMDEN NATIONAL BANK UK	8.96%	1.19%	81,005,528.00	1,291,378.70	354,777.55	261,437.54	347,354.96
MACHIAS SAVINGS BANK	6.92%	3.02%	62,592,501.39	870,583.81	236,089.22	1,064,289.22	587,415.68
BANGOR SAVINGS BANK QS	1.04%	0.00%	9,396,577.18	0.00	0.00	0.00	0.00
BANK OF AMERICA NA	0.79%	17.17%	7,184,022.46	487,236.92	122,060.35	917,870.48	193,427.97
SALEM FIVE MORTGAGE CORP	0.06%	3.50%	561,885.96	0.00	0.00	19645.95	0.00
TOTAL	100.00%	2.81%	904,240,771.81	19,413,173.82	4,469,731.54	17,331,101.06	3,621,987.38



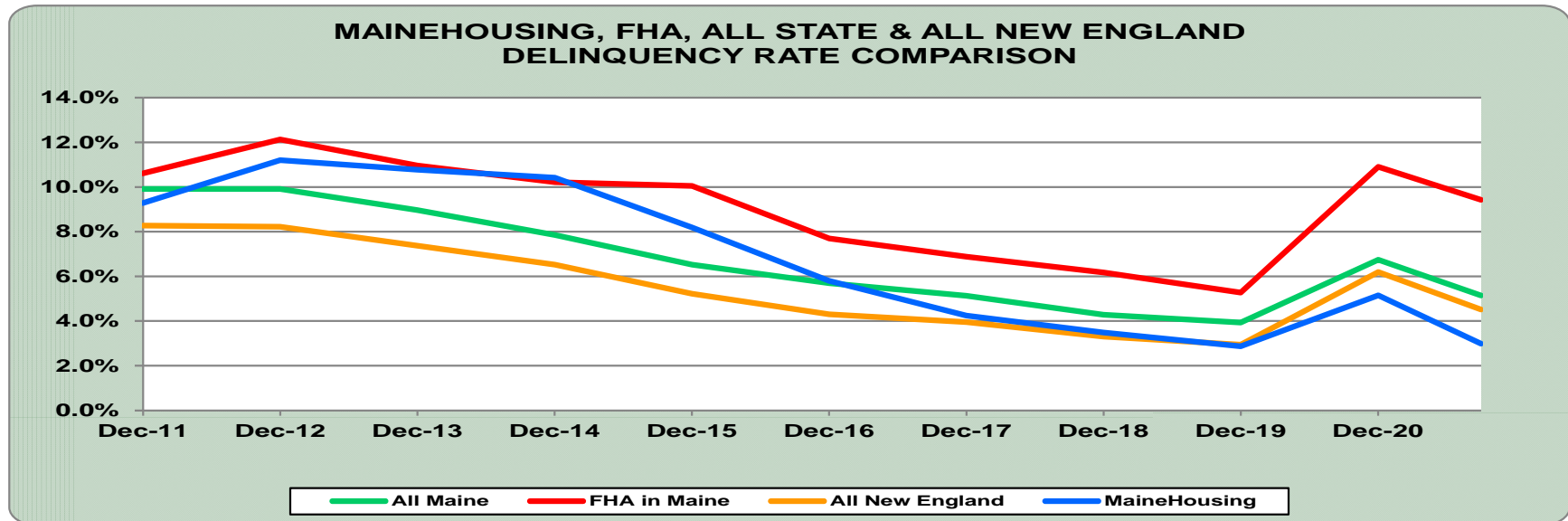
Single-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL	1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Sep-21	\$ 904,240,772	\$ 19,413,174	2.15%	\$ 25,422,820	2.81%	\$ 3,621,987	0.40%	\$ 737,080	0.08%
Dec-20	\$ 960,761,414	\$ 28,645,024	2.98%	\$ 44,603,599	4.64%	\$ 4,471,656	0.47%	\$ 2,617,001	0.27%
Dec-19	\$ 967,171,381	\$ 45,399,415	4.69%	\$ 23,774,547	2.46%	\$ 8,037,512	0.83%	\$ 6,357,994	0.66%
Dec-18	\$ 916,608,577	\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%
Dec-17	\$ 844,497,676	\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%
Dec-16	\$ 799,557,471	\$ 41,780,468	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%
Dec-15	\$ 790,409,905	\$ 44,303,365	5.61%	\$ 64,656,769	8.18%	\$ 31,066,182	3.93%	\$ 20,797,314	2.43%
Dec-14	\$ 810,139,060	\$ 55,171,703	6.81%	\$ 84,385,397	10.42%	\$ 46,711,687	5.77%	\$ 13,904,155	1.72%
Dec-13	\$ 849,385,825	\$ 60,378,599	7.11%	\$ 91,501,809	10.77%	\$ 49,783,071	5.86%	\$ 12,980,502	1.53%
Dec-12	\$ 899,788,247	\$ 72,815,090	8.09%	\$ 100,738,963	11.20%	\$ 28,237,109	3.14%	\$ 4,987,749	0.55%



Single-Family Delinquency Comparison Trends



MAINEHOUSING LOAN COUNT COMPARISON

	<u>Loan Count</u>	<u>2 Months</u>	<u>3+ Months</u>	<u>In-Foreclosure</u>	<u>Totals</u>
All State*	119,229	0.54%	3.27%	1.33%	5.14%
FHA for State*	17,208	1.00%	6.99%	1.44%	9.43%
All New England*	1,675,821	0.54%	3.30%	0.67%	4.51%
MaineHousing**	9,994	0.61%	1.97%	0.41%	2.99%

*This information is obtained from MBA's National Delinquency Survey for the second quarter of 2021.

**MaineHousing's overall delinquency rate based on loan dollars is 2.81%, whereas rates in this exhibit are based on loan count.



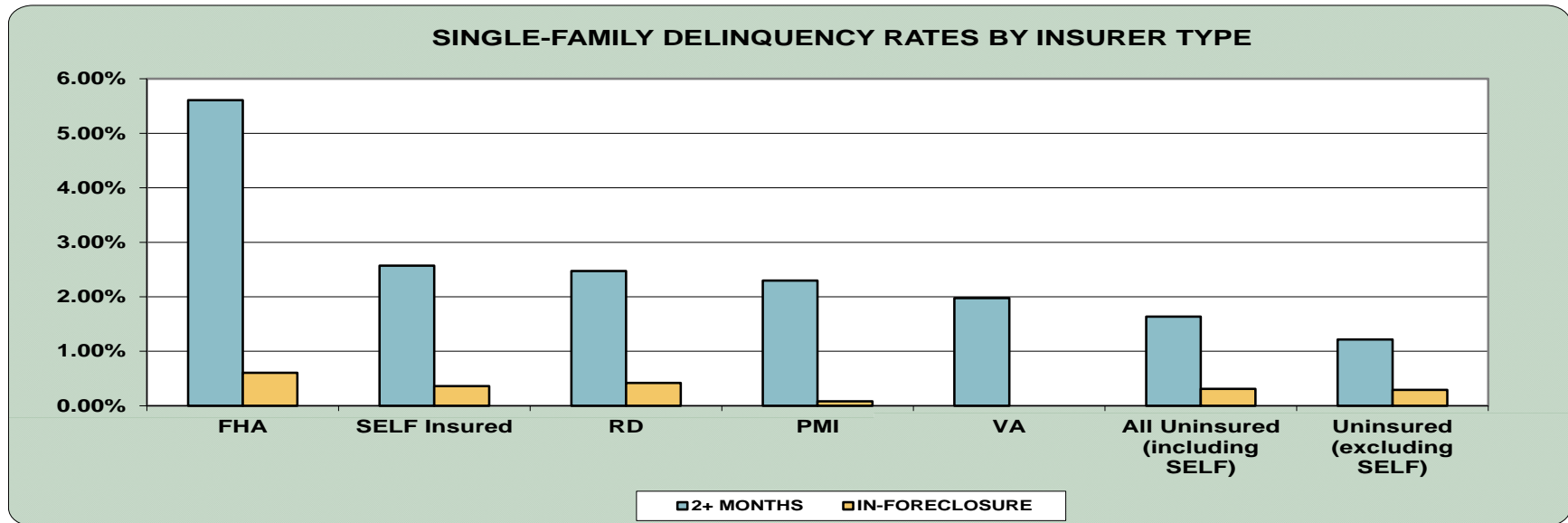
Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type
9/30/2021

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	5.61%	0.60%
SELF Insured	2.57%	0.36%
RD	2.47%	0.42%
PMI	2.30%	0.08%
VA	1.98%	0.00%
All Uninsured (including SELF)	1.63%	0.31%
Uninsured (excluding SELF)	1.21%	0.29%

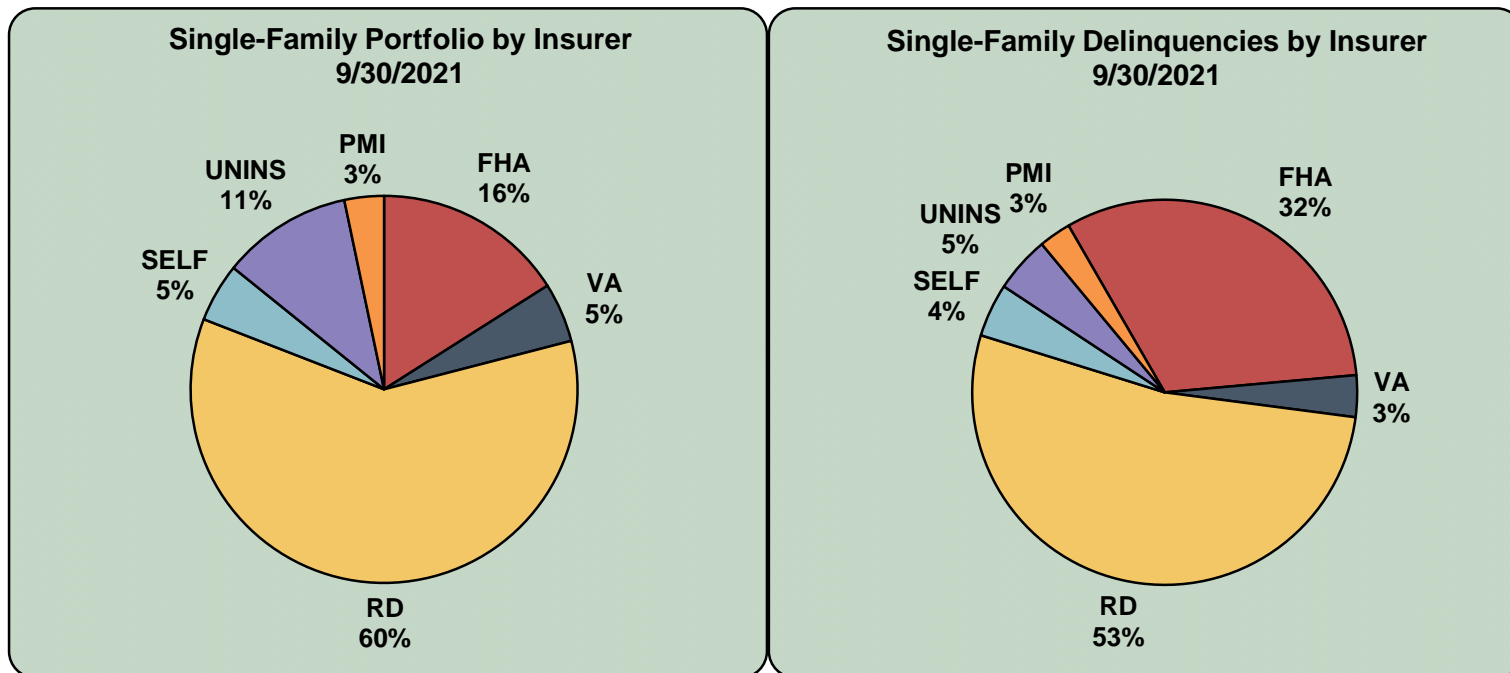
As A Percent of Total Loan Portfolio
9/30/2021

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.48%	0.25%
FHA	0.90%	0.10%
All Uninsured (including SELF)	0.26%	0.05%
Uninsured (excluding SELF)	0.13%	0.03%
SELF Insured	0.13%	0.03%
VA	0.10%	0.00%
PMI	0.08%	0.00%

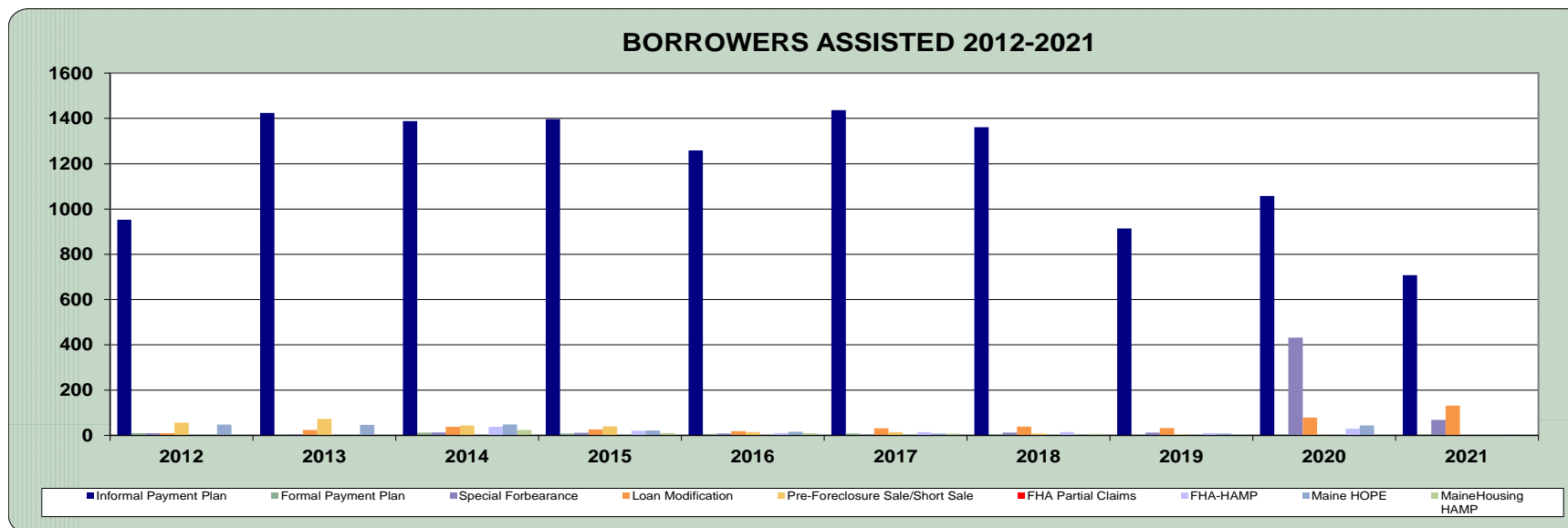


Single-Family Delinquencies by Mortgage Insurer

The following charts show the composition of MaineHousing loans by mortgage insurer. Self insured loans are mainly mobile homes. Uninsured loans are those not needing mortgage insurance (i.e. for loans under 80% property value). The following charts are in dollar amounts.



Single-Family Foreclosure Prevention Activities



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	FHA Partial Claims	FHA-HAMP	Maine HOPE	MaineHousing HAMP	Total Workouts
Sep-21	708	4	68	131	2		45	4	0	962
Dec-20	1058	5	432	79	3		29	44	2	1652
Dec-19	914	3	12	32	4		10	8	0	983
Dec-18	1361	4	12	39	8		15	3	6	1448
Dec-17	1437	8	4	31	14		14	8	7	1523
Dec-16	1259	6	8	19	15		10	16	9	1342
Dec-15	1397	8	11	26	40		21	22	10	1535
Dec-14	1388	12	13	38	44		38	48	24	1605
Dec-13	1424	4	5	24	73			46		1576
Dec-12	952	9	9	9	56			47		1082

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Sep-21	11	9,994	0.11%
Dec-20	38	10,668	0.36%
Dec-19	86	10,904	0.79%
Dec-18	57	10,673	0.53%
Dec-17	97	10,332	0.94%
Dec-16	258	10,097	2.56%
Dec-15	233	10,258	2.27%
Dec-14	162	10,526	1.54%
Dec-13	146	10,952	1.33%
Dec-12	60	11,571	0.52%



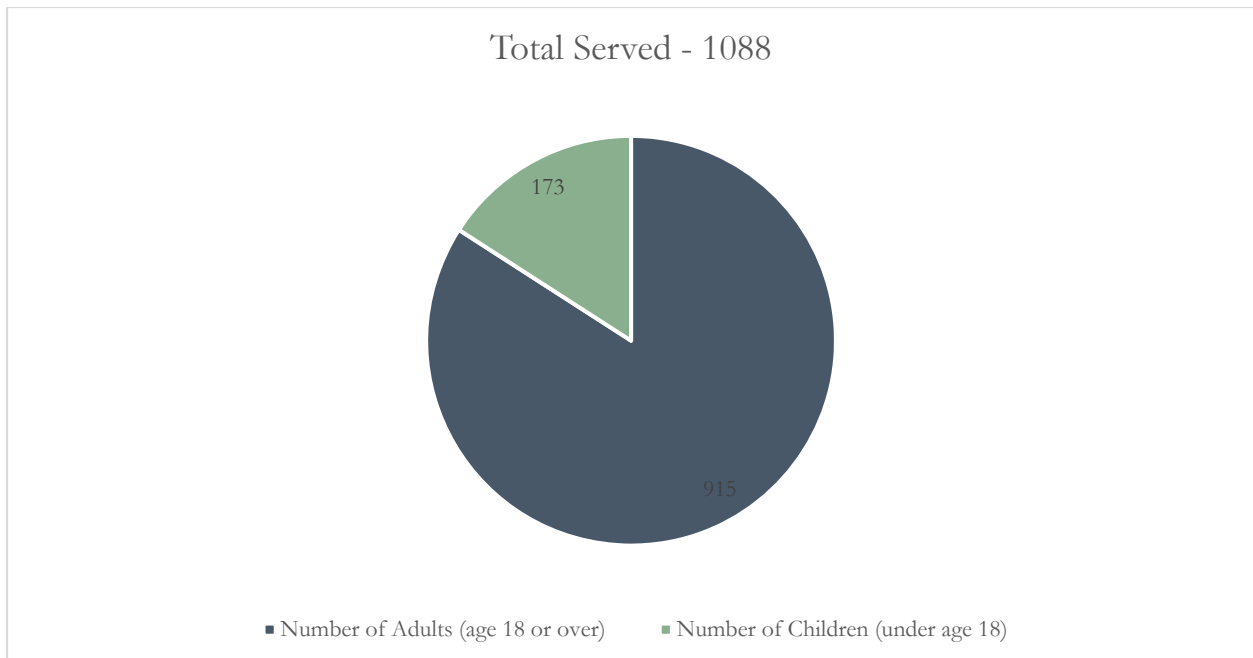
Homeless Initiatives Department Memorandum

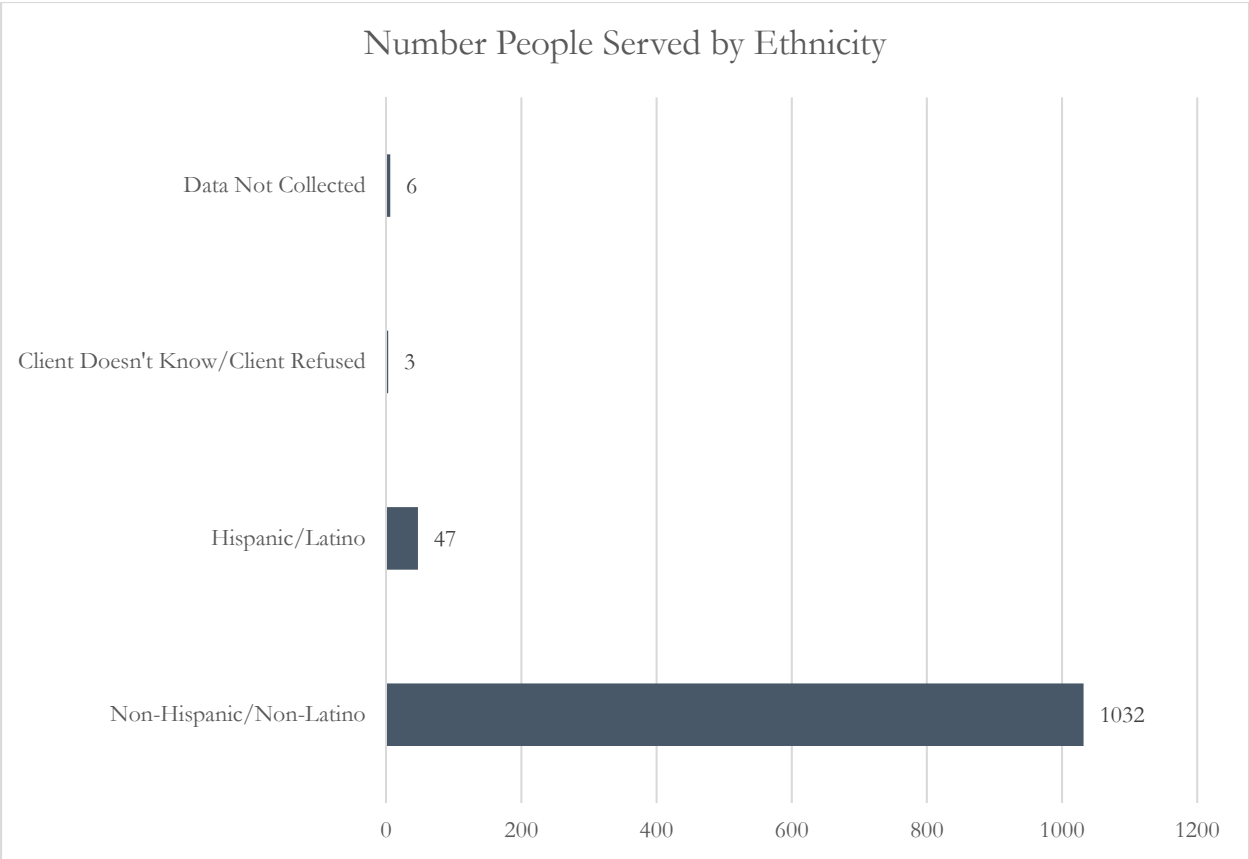
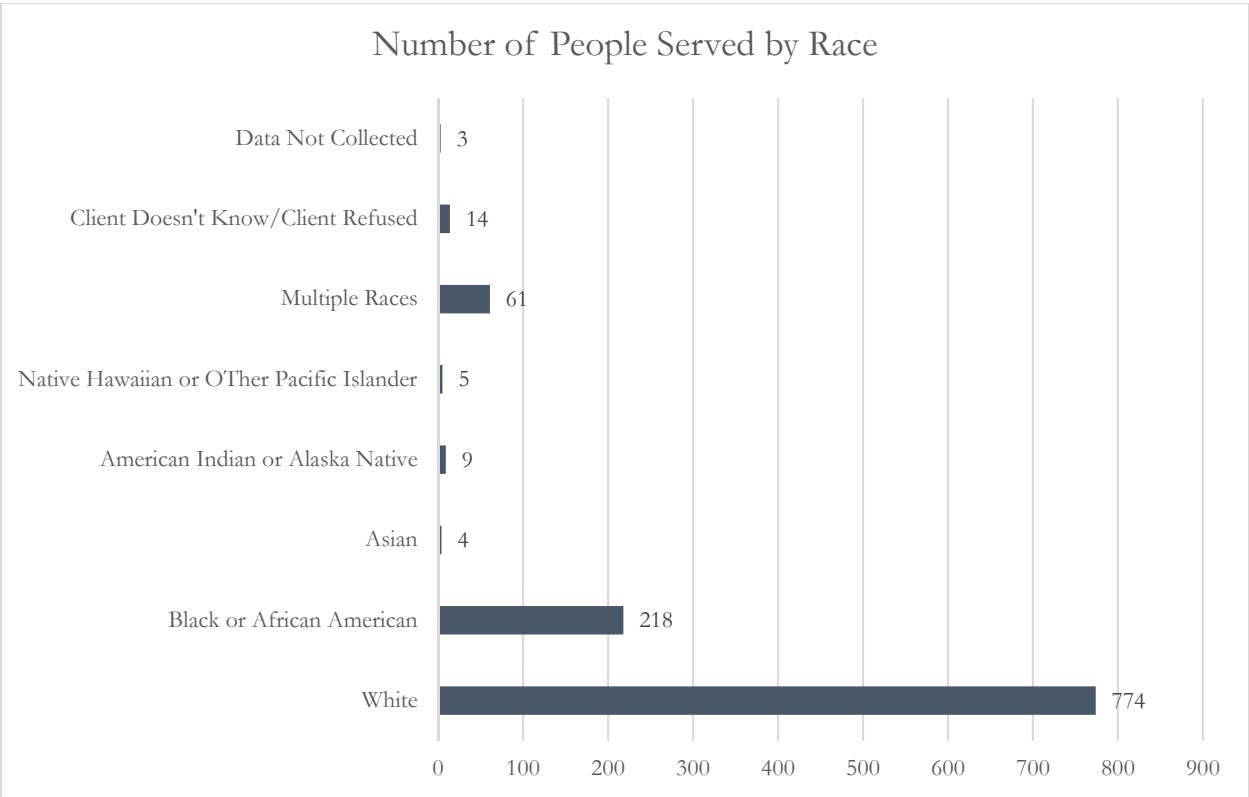
To: Board of Commissioners
From: Lauren Bustard, Senior Director of Homeless Initiatives
Date: November 8, 2021
Subject: Homeless Initiatives Report

Homeless Data – October 2021

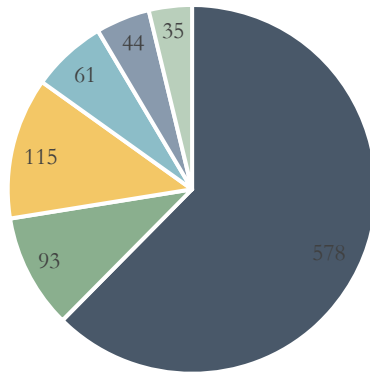
The following are the monthly statistics for September. Some of the things we are specifically tracking:

1. Total number of people served (1088) continues to decrease – 99 less than September. This is hard to explain as we are hearing about an increase in unsheltered people and requests for shelter from the shelter service providers we work with.
2. Racial equity – the percentage of people of color served continued to increase – up 2% to 27% in October.
3. The number of individuals entering the homeless system from institutional settings decreased by 6 in October and exiting to institutional settings decreased by 1 individual.
4. Our exits to permanent living situations finally shows an increase – from 46 in September to 77 in October. This is great news. Our Temporary Rapid ReHousing Program has now served a total of 228 households in Portland, Bangor and the Midcoast, comprised of 273 adults and 72 children. A total of 113 households have been successfully leased up through the program thus far.



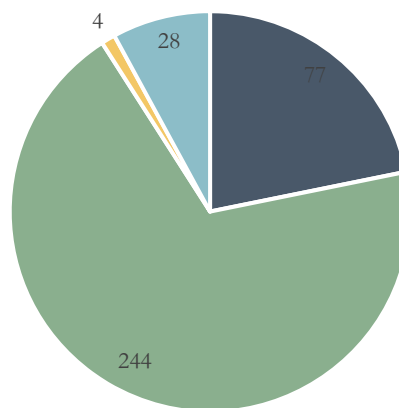


Residence of Clients Prior to Entry



- Homeless Situations
- Institutional Settings
- Staying or living in a friend's room, apartment or house
- Staying or living in a family member's room, apartment or house
- Hotel or motel paid for without ES voucher
- Other Locations

Residence of Clients after Entry



- Permanent Destinations
- Temporary Destinations
- Institutional Settings
- Other Destinations

2021 Emergency Shelter and Housing Assistance Program (ESHAP)

The Homeless Initiatives Department recently released the 3rd quarter shelter payments under our ESHAP Program. Payments were made from the Emergency Solutions Grant, State Home Funds and State Shelter Operating Subsidy (SOS) Funds. Payments for the 3rd quarter encompassed shares for Operations and Stabilization. Following is a breakdown of the payments:

		ESG	StateHOME	State General	Total Funding Disbursed
Quarter 3 (July- September)	Operations	\$ 643,237.14	\$ -	\$ 120,241.22	\$ 763,478.36
	Stabilization	\$ 643,237.13	\$ 30,917.53	\$ 89,323.70	\$ 763,478.36
					\$ 1,526,956.72

The Operating share contributes to shelter operating costs and the Stabilization share is disbursed to eligible shelters for Rapid Re-housing, Housing First, and Housing Stabilization services. Both the Operating and Stabilization shares are released quarterly.

Service Hub Launches

In October kickoff meetings began to initiate the nine homeless service hubs identified in the Homeless Response System Redesign plan. Meetings have had a good level of participation thus far and all hubs will have met at least once by mid-December. This is an important milestone in the statewide effort to improve the way that homeless services are delivered in Maine and ultimately decrease the incidence of homelessness across the state.

Homeownership Department Memorandum

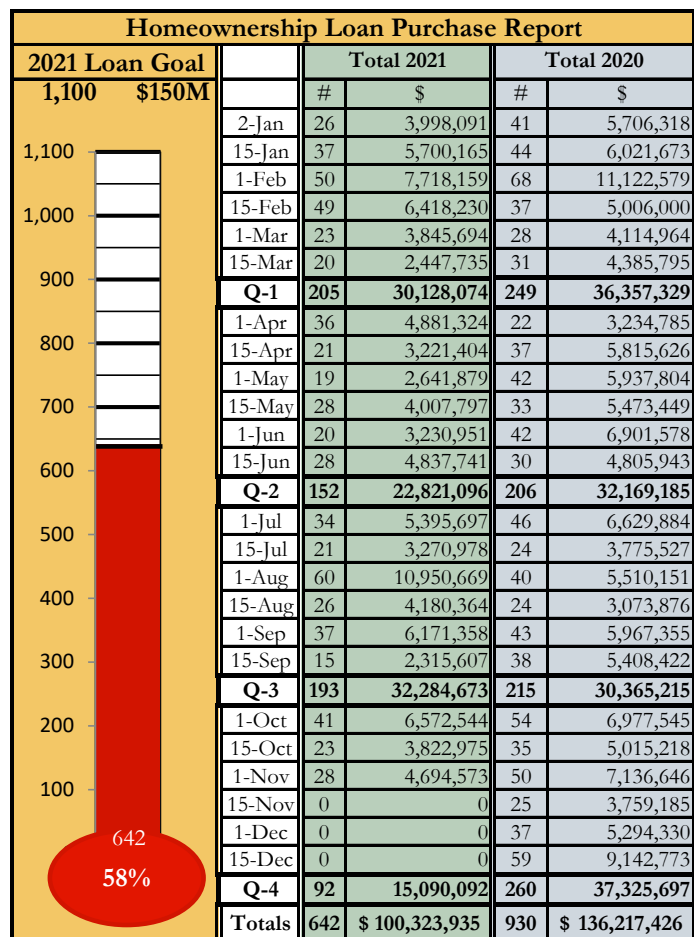
To: MaineHousing Board of Commissioners

From: Craig Reynolds, Director of Homeownership

Date: November 8, 2021

Subject: Monthly Report – Homeownership Department

PRODUCTION UPDATE



Monthly Loan Reservations: 11/01/21	
#	\$ Volume
71	\$ 12,810,232

Loan Pipeline as of: 11/01/21	
#	\$ Volume
220	\$ 36,014,367

YTD Loan Reservation Comparison					
October 2020		October 2021		2020 vs 2021	
#	\$ Volume	#	\$ Volume	#	\$ Volume
331	\$47,265,783	220	\$ 36,014,367	-34%	-24%

PROGRAM HIGHLIGHTS

Production Update & Market Status

October loan purchases and new loan reservations continued on pace with prior months in 2021, but still lag behind totals posted in 2020 as shown in the Production Update above. The dollar value of all loans purchased thus far in 2021 did pass the notable benchmark of \$100M with three loan purchase dates remaining in the year.

The following is an excerpt from the Maine Association of REALTORS® monthly press release in October regarding Maine's real estate market conditions and related regional and national statistics provided by the National Association of REALTORS®:

AUGUSTA (October 21, 2021)—Demand for single-family existing homes across Maine continues to be steady, exceeding pre-COVID numbers. According to Maine Listings, while sales statistics decreased 9.74 percent in September, prices increased 16.92 percent. The median sales price (MSP) for the 2,067 homes sold last month reached \$320,000. The MSP indicates that half of the homes were sold for more and half sold for less.

“There continues to be strong demand for Maine real estate,” says Aaron Bolster, Broker/Owner of Allied Realty in Skowhegan and 2021 President of the Maine Association of REALTORS. “Buyers are rapidly purchasing for-sale inventory as it comes on the market, and we’re experiencing a 2.1-month supply of for-sale single family properties—much lower than a six-month supply, which is considered a balanced market.

“Sales volume for September 2021 is 9.7 percent below September 2020 but is 10.7 percent above the pre-COVID September 2019, which is a better comparison since the third quarter of 2020 began the steep recovery from the COVID shutdowns. Overall, 2021 is strong for single family home sales. For January—September 2021, sales are 8.37 percent higher than January—September 2020, and sales are 11.19 percent higher than January—September 2019.”

Nationally, single-family existing home sales across the country dipped 3.1 percent over the past year. The National Association of Realtors today reported a national MSP of \$359,700—a jump of 13.8 percent. Sales across the regional Northeast eased 8.3 percent and the regional MSP of \$387,200 reflects a 9.2 percent increase.

The data above confirms the ongoing rise in home prices remains a challenge for Maine's homebuyers, especially for first time buyers who must save even more money to meet the resulting higher down payment required. However, the fact that sales volume has decreased may be a sign of 'price fatigue' becoming a factor for some homebuyers as they realize that home prices are at all-time highs and inevitably will slow and possibly begin to slide if demand also decreases. The decrease in sales volume may also indicate that basic affordability, the income needed to support the debt being taken on, has reached a critical point preventing or discouraging the average buyer from entering the market.

USDA Appraisal and Property Training

Mortgage Lending Officer, Casey Erlebach recently attended a USDA-Rural Development (RD) sponsored Appraisal and Property training course which covered standard RD appraisal and property site requirements including a discussion of common errors and frequently asked questions. Casey noted that during the Q&A session ending the course, she heard the housing term ‘shouse’ for the first time. She learned that ‘shouse’ is derived from ‘shop-house’ which is a barn shaped structure built as a primary residence while also serving utilitarian uses in some areas of the country.

Multi-Unit Advantage Program Launch

MaineHousing’s Homeownership Department announced a new **Multi-Unit Advantage Option** at the 2021 Maine Affordable Housing Conference held in October. The Multi-Unit Advantage Option promotes the purchase of owner occupied 2-4 unit residences and provides \$3,500 in closing costs and down payment assistance for each residential unit in these properties, with two units receiving \$7,000, three units \$10,500, and four units \$14,000 in Advantage down payment and closing cost assistance. Applicants must complete an approved landlord education course in addition to a hoMEworks-approved homebuyer education class prior to closing.

Manufactured Housing Association of Maine Annual Meeting

Homeownership Director, Craig Reynolds attended the Manufactured Housing Association of Maine (MHAM) annual meeting held in Freeport to present an update of MaineHousing’s programs and specifically those that involve manufactured homes. Stating that manufactured homes are the most affordable and practical housing option currently available, as well as being among the most energy efficient, several members of MHAM encouraged MaineHousing to design additional programs to promote and support the development of manufactured home communities in Maine. Manufactured home retailers in attendance confirmed that they, like so many other businesses today, are experiencing problems with construction material shortages which are causing lengthy home delivery times, as well as experiencing shortages of skilled labor needed for final installation on site.

Housing Choice Vouchers Department Memorandum

To: MaineHousing Board of Commissioners

From: Allison Gallagher - Director of HCV Programs

Date: November 8, 2021

Subject: Monthly Report – Housing Choice Voucher Program

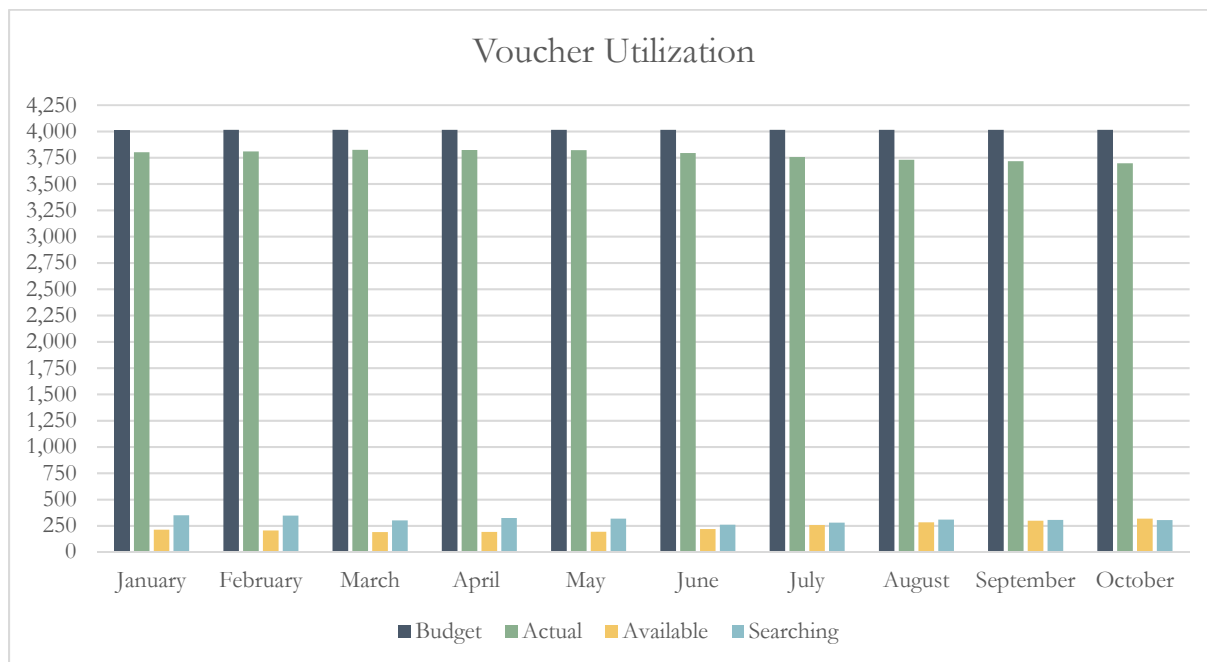
Program Updates:

PHA Plan- Board approved October 19th and plan sent to HUD.

HCV accepted an offer of 99 Emergency Housing Vouchers (EHV) from HUD.

- We have received 150 referrals
- We have issued 93 vouchers
 - 52 one bedroom vouchers
 - 22 two bedroom vouchers
 - 15 three bedroom vouchers
 - 3 four bedroom vouchers
- We have leased 7 families

Landlord Incentives-\$25,500 (34)



HCV (homeless initiatives)

STEP, Home to Stay, Homeless priority, EHV

	Leased	Searching
STEP	132	63
Home to Stay	171	79
Homeless Priority	232	70
EHV	7	91

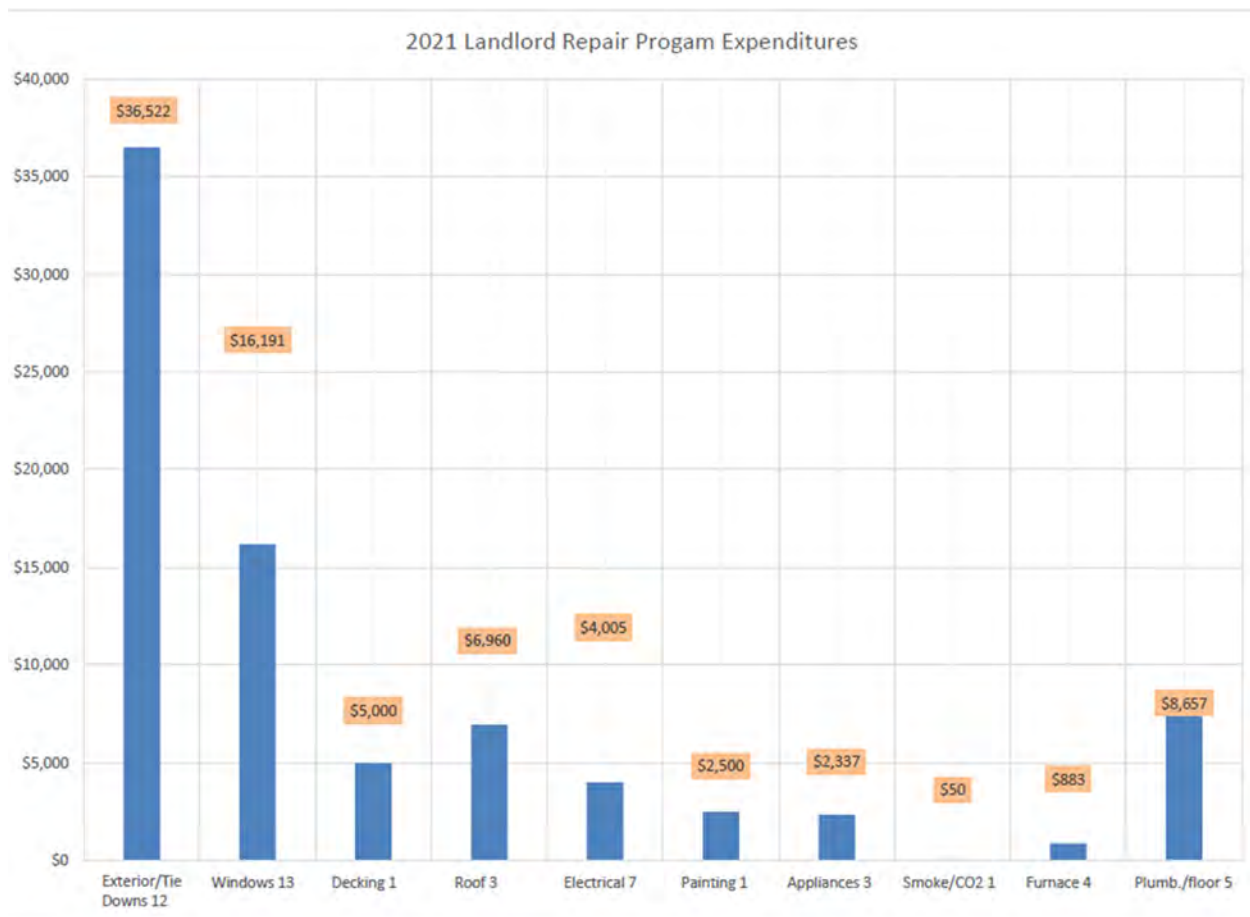
LEAN Update:

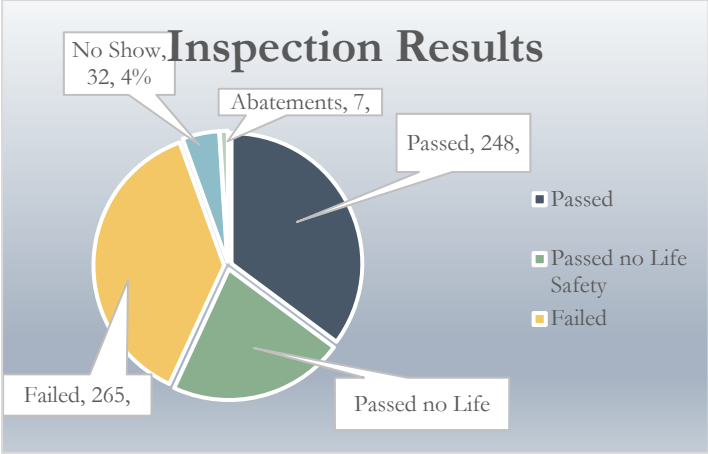
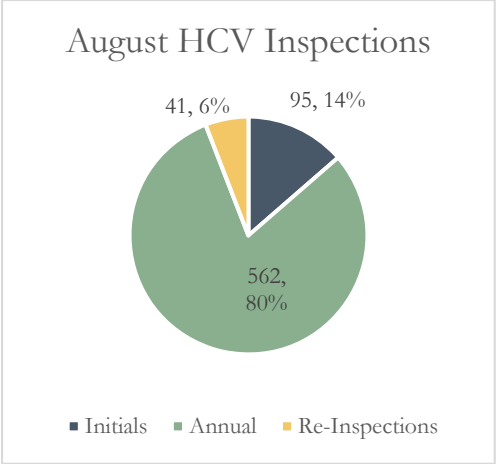
HCV staff are working on scanning all physical tenant files as a 2021 LEAN initiative. We have scanned 30% or 1,127 tenant files to date.

Inspection Updates:

- Days to schedule initial inspections: 3
- Days to schedule homeless initial inspections: 4

Landlord Repair Program: \$83,104/Damage Reimbursement Program: \$34,323





Human Resources and Facilities Department Memorandum

To: Board of Commissioners

From: Jane Whitley, Director of Human Resources & Facilities

Date: November 2021

Subject: Board Report

Human Resources Updates

STAFF ANNOUNCEMENTS

Welcome to our new hires, we are thrilled to have you here!

- ✓ Adam Krea, Senior Director of Finance & Lending
- ✓ Amber-Rae May, HEAP Program Officer: Compliance & Fraud Monitoring
- ✓ Peter Wilkins, Lead Paint & Housing Rehab Coordinator
- ✓ Becky Bolton-Dydasco, Data Analyst
- ✓ Scott Thistle, Communications Director
- ✓ Ty Heaward, Asset Manager

Congratulations to staff who have moved into a different position at MaineHousing, we wish you the best in your new adventure!

- ✓ Barbara Brann, Inspection Services Manager to ERA Programs Manager, HCV Department
- ✓ Kevin Bernier, HQS Inspector to Inspection Services Manager, HCV Department
- ✓ Christina Roy, HCV Occupancy Specialist, HCV Department to Asset Manager, Asset Management Department

We are currently advertising and/or interviewing for the following positions:

- HCV Occupancy Specialist
- Construction Analyst
- HEAP Program Assistant
- Multifamily Loan Officer
- Mortgage Accounting Officer
- Counsel
- HQS Inspector
- Consumer Outreach Coordinator



We are always looking for great people to fill our positions!

Please encourage your family and friends to visit our website at www.mainehousing.org/careers.

We also advertise on Indeed and Jobsinme.com.

COMPENSATION STUDY

MaineHousing contracted with Gallagher Benefit Services to conduct a compensation study. The survey has been completed, and we should be receiving their final report by Friday, November 12.

Learning & Development Updates

Chris Massaro, Learning & Development Coordinator, hosted another great virtual all staff day on Tuesday, November 9. We hope our spring all staff day can be in person.

Facilities Updates

- ✓ Fall clean-up has been completed on campus, and winter prep is underway.
- ✓ For the month of October:
 - 5,183 calls came in through our main phone number, 207-626-4600. Of those, the front desk team answered 988 calls, and the remaining calls went directly into one of our thirteen call queues. The top two call queues were: Rental Assistance/HCV Program with 3259 calls and HEAP Program with 691 calls.
 - The front desk team processed and mailed out 20,281 pieces of mail.



Information Technology Department Memorandum

To: Board of Commissioners

From: Sheila Nielsen, Director of IT

Date: November 8, 2021

Subject: Monthly Report

The IT Department has been working on the following efforts over the last month.

- Ongoing coordination of annual IT penetration testing with Illumant. IT team is addressing opportunities raised in interim reports. Final report is expected later this month.
- Published answers to vendor questions as a result of the Invitation for Proposal for a Multifamily Affordable Housing Software solution. Vendor submissions are due November 12, 2021.
- Communicated Employee Handbook, Acceptable Use Policy and IT Standard changes to agency leadership team and prepared presentation for All Staff Meeting.
- Completed two other presentations for All Staff Meeting – Phishing Trends and Ring Central Did you Know?
- Completed 3rd quarter phish testing of all staff, results continue to improve quarter over quarter.
- Implemented upgrades to Emphasys Elite system used for HCV, currently testing upgrade to eRequestor purchasing system.

Board Calendar 2021

JANUARY 19 <ul style="list-style-type: none"> • Adopt DOE Weatherization State Plan • Legislative Preview (P. Merrill) <p>NCSHA HFA Institute (Jan. 25-Feb. 5) Virtual</p>	FEBRUARY 16 <ul style="list-style-type: none"> • Introduce HEAP
MARCH 16 <ul style="list-style-type: none"> • HEAP discussion • Audit Committee update <p>NCSHA Legislative Conference (March 22-24) Washington, DC</p>	APRIL 20 <ul style="list-style-type: none"> • Commence rulemaking HEAP • 2020 Year-end Financials
MAY 18 <ul style="list-style-type: none"> • HEAP public hearing 	JUNE 15 <ul style="list-style-type: none"> • Adopt HEAP rule • HCV Annual Plan Timeline <p>NCSHA Credit Connect (June 22-25) Denver, CO</p>
JULY 20 <ul style="list-style-type: none"> • HEAP Weatherization Waiver public hearing • MEHER Bonds Resolution 	AUGUST 17 <ul style="list-style-type: none"> • HCV Annual Plan Review prior to Public Hearing • Approve HEAP Weatherization Waiver
SEPTEMBER 21 <ul style="list-style-type: none"> • HCV Annual Plan Public Hearing <p>NCSHA Annual Conf. (Sept. 25-27) - virtual</p>	OCTOBER 19 <ul style="list-style-type: none"> • Introduce DOE Weatherization State Plan • Adopt HCV Annual Plan
NOVEMBER 16 <ul style="list-style-type: none"> • Review Preliminary 2022 Budget • DOE Weatherization State Plan Public Hearing 	DECEMBER 21 <ul style="list-style-type: none"> • Approve 2022 Budget • Elect Officers • MPP Series Resolution • Adopt DOE Weatherization State Plan