

Minutes of the Board of Commissioners Meeting October 21, 2008

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on October 21, 2008 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on October 14, 2008 in the Central Maine Newspapers.

Vice-Chair Carol Kontos called the meeting to order at 9:05 a.m. with Commissioner and Director Dale McCormick, Commissioners David Lemoine, Nikki McLean, Don Gean, Elizabeth Mahoney, Sheryl Gregory, and John Sevigny present. Chair Trafton was absent. A quorum was present with eight Commissioners.

PUBLIC ATTENDANCE

Other guests and staff present at the meeting include: Margaret Bean & Adam Krea, Deputy Directors; Kimberly Weed, Director of EHS; Jo-Ann Choate, Manager of EHS; Bob King, Senior Research Analyst; Bill Glover, Manager of Lending; Gail McBride, Director of Homeownership; Linda Grotton, Internal Audit Manager; Linda Uhl, Chief Counsel; Jodie Stevens, Counsel; Tom Cary, Treasurer; Dan Brennan, Director of Development; Darren Brown, Controller; Laurie Murray, Loan Servicing Manager; Nancy Fritz, Director of Homeless Initiatives; Peter Merrill, Director of Communications and Planning; Jane Whitley, HR Manager and note taker; Barbara Berry; John Hennessy; and Jack Comart, Chris Hastedt, and Ana Hicks of MEJP.

AGENDA

Commissioner Mahoney made a motion seconded by Commissioner Lemoine to accept the agenda. All Commissioners voted to accept the agenda. The motion carried 7-0.

MINUTES OF THE MEETING

Commissioner Lemoine made a motion seconded by Commissioner Mahoney to accept the minutes as presented. All Commissioners voted to accept the minutes.

COMMUNICATIONS

Director McCormick distributed and read a letter from Chair Trafton. With regret, the Commissioners accepted her resignation.

CONFLICTS

There were no conflicts to report.

FINANCE REPORT

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

Tom Cary reviewed the results of the recent in-state bond sale. MaineHousing sold \$37 million of tax-exempt bonds to Maine people. The revenue from the sale enables MaineHousing to continue its low-interest rate First Time Homebuyer mortgage program. MaineHousing was the first housing finance agency in the country to sell bonds in this market. Our plan is to sell another \$23 million in variable rate bonds in early November. Commissioner Lemoine suggested we coordinate the timing of our bond sales with other agencies selling bonds in Maine.

PRELIMINARY 2009 BUDGETS

Darren Brown presented the preliminary operating and capital budget schedules. He reported an increase of 4%. This level of increase is 1% lower than last year's total percentage increase of 5%. Changes were explained, followed by a review of the Statement of Revenues and Expenses budget. Commissioner Gean expressed concern about public perception. Commissioner Gregory expressed concern about bringing work in-house, thus adding to head count, and spreading staff too thin. Commissioner Lemoine stated that the state is required to cut 10%, recommends a conservative budget, and stated he would like to see the budget if we received no state funds. Commissioner Kontos stated that the University has to cut 10%, and there is no travel or new hires. Commissioner Sevigny suggested we educate the public that we are a stand-alone entity. Questions were asked about Resource Allocation, and how this is represented in the budget. The Commissioners agreed to add this as an agenda item at the Board Retreat on November 6. The final budgets will be presented for board approval in November. A preliminary 2009 Resource Allocation schedule will also be presented.

ENERGY REPORT

Director McCormick gave the following updates on energy.

- Under the Governor's Weatherization Plan, we are providing training for contractors in weatherization, dense pack cellulose, and blower doors in an effort to bring new contractors into the system. This program serves LIHEAP clients; trained weatherization technicians will be able to serve anyone.
- The Regional Greenhouse Gas Initiative (RGGI) has \$2.6 million in revenue. Rulemaking is currently under way to determine how to spend this money.

LEGISLATIVE UPDATE

There were no legislative updates.

STATE HISTORIC TAX CREDIT DISCUSSION

Adam Krea distributed a report on the analysis of the impact of state historic credits on affordable housing, and provided an overview of the program. A discussion followed.

ADOPT LOW INCOME HOUSING TAX CREDIT QUALIFIED ALLOCATION PLAN

Jodie Stevens and Dan Brennan distributed a Resolution approving amendment to Chapter 16 – Allocation of State Ceiling for Low-Income Housing Tax Credit, and reviewed the proposed amendments. A brief discussion followed.

Commissioner Gregory made a motion seconded by Commissioner Sevigny to adopt the Resolution. All Commissioners voted to adopt the Resolution. The motion carried 7-0.

ADOPT EMERGENCY LIHEAP RULE

Linda Uhl, Kimberly Weed, and Jo-Ann Choate distributed information and reviewed the proposed amendment to increase income eligibility to 75% of the state median income. A brief discussion followed.

Commissioner Gregory made a motion seconded by Commissioner Sevigny to adopt the Emergency LIHEAP Rule. All Commissioners voted to adopt the Rule. The motion carried 7-0.

COMMENCE RULEMAKING FOR AMENDMENT TO LIHEAP RULE

Linda Uhl, Kimberly Weed, and Jo-Ann Choate distributed information and asked for approval to commence rulemaking.

Commissioner Lemoine made a motion seconded by Commissioner Mahoney to commence rulemaking to amend the LIHEAP Rule. All Commissioners voted to commence rulemaking. The motion carried 7-0.

UPDATES

- A card is circulating for Chair Barbara Trafton.
- Commissioner Mahoney, Vice Chair Kontos, and Margaret Bean will be meeting to discuss the Board Retreat agenda. The Board Retreat will be held on November 6th at the Harraseeket Inn in Freeport.
- Congratulations to everyone involved with the 2008 Maine Affordable Housing Conference. It was a success.
- The Kennebec Journal featured a very informative article quoting Dale, Tom, and Gail on the bond sale.

REPORTS

There were no questions or discussion regarding the department reports.

OTHER BUSINESS

- Another board member is needed for the Audit Committee.
- Linda Grotton stated pre-audit work will begin in December.

Commissioner Gregory made a motion seconded by Commissioner Sevigny that the meeting be adjourned at 11:55am.

NEXT MEETING

The next meeting of the Board of Commissioners will be held on November 18 at the offices of MaineHousing.

Respectfully submitted,

Donald Gean, Secretary