



Minutes of the Board of Commissioners Meeting February 26, 2008

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened February 26, 2008 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on February 21, 2008 in the Central Maine Newspapers.

Chair Barbara Trafton called the meeting to order at 9:15 a.m. with Commissioner and Director Dale McCormick, Commissioners Don Gean, Carol Kontos, David Lemoine, John Sevigny, Sheryl Gregory, and Elizabeth Mahoney present. Commissioner Timothy O'Neil was absent. A quorum was present with eight Commissioners.

PUBLIC ATTENDANCE

Other staff present at the meeting include: Adam Krea & Margaret Bean, Deputy Directors; Linda Uhl, Chief Counsel; Tom Cary, Treasurer; Peter Merrill, Director of Communications & Planning; Nancy Fritz, Director of Homeless Initiatives; Dan Brennan, Director of Development; Kimberly Weed, Director of Energy and Housing Services; Jo-Ann Choate, Energy Programs Manager; Darren Brown, Controller; Laurie Murray, Loan Servicing Manager; Jane Whitley, Human Resources Manager; Deb Gallant, d. Gallant Management Associates; and Jody Rollins, Office Administrator and Notetaker.

AGENDA/COMMUNICATIONS/CONFLICTS/MINUTES OF THE MEETING

Commissioner Gregory made a motion, seconded by Commissioner Sevigny, to adopt the agenda. All voted in favor. The motion carried 6-0. Secretary Gean stated there were no communications to report. Director McCormick updated the Board that the Conflict of Interest waiver submitted to HUD for Commissioner O'Neil was denied. It is her understanding that the Governor can appeal to the Undersecretary in D.C., but she wasn't certain how we would proceed.

WEATHERIZATION STATE PLAN PUBLIC HEARING

At 9:30a.m. Chair Trafton declared the 2008 Weatherization Assistance Program Public Hearing was in session. Kimberly Weed, Director of Energy and Housing Services reviewed the four proposed changes:

- Elimination of the Policy Advisory Committee and adoption of the use of the existing Energy Resources Council as the new advisory board.
- Elimination of the Senior Energy Auditor designation.
- The DOE established per unit average for PY2008 is \$2,966 (a 2.8% increase over PY2007).
- Total DOE funding for 2008-09 is \$3,053,961, which represents an 11.3% increase over 2007.

There were no public comments. Director McCormick noted that at her request we had extensive outreach to the CAPs this year to engage them in discussion about the plan, which addressed any concerns they may have had. Chair Trafton adjourned the hearing at 9:35a.m.

CHAIR REMARKS

1. **HOME Fund Letter** - The Chair asked if all Board members received a copy of her letter reviewing a recent meeting with the Governor about the HOME Fund. She asked if there were any questions or comments. Commissioner Mahoney said she was troubled by the letter. She represents people with disabilities and has strong feelings about the HOME funds being used for historic preservation tax credit. She noted that she testified to the Appropriations Committee on behalf of a parents of disabilities group.
2. **Minutes of the Meeting** – The Chair declared the Minutes of the January 15th Board meeting approved as presented following a clarification to Commissioner Gregory relative to the request that Board communications to internal staff flow through Director McCormick.
3. **Audit Committee Report** – Commissioner Kontos reported that the Audit Committee had a very productive 2 hour meeting on February 12. She stated that Linda is doing a great job in organization and work load. She invited all to join them at the next meeting. She asked if the equal access and fair housing information was on the MaineHousing web site. Staff will follow up.

DIRECTOR UPDATE

1. **MaineHousing Budget** - Director McCormick presented a MaineHousing budget update in conjunction with the Historic Preservation Tax Credit allocation from the HOME Fund. The 2008 MaineHousing Resource Allocation has been adjusted accordingly. Commissioner Lemoine cautioned us that there will be another revised budget in March and our allocations may need to be revisited. Commissioner Gean met with the Governor and requested half of the BRAP vouchers be targeted to homeless individuals with mental illness living in shelters, and that fifty percent of the housing units created by the Historic Tax Credit Renovation Program be targeted to formerly homeless people leaving emergency shelters within the last eighteen months. The Governor indicated that he was supportive of both of these qualifications to the BRAP and Historic Tax Credit uses of HOME Fund monies. Commissioner Gean also suggested we look at additional support for Homeless programs in anticipation of cuts and said we need to prepare.
2. **Construction Loans** - MaineHousing is proceeding in attaining statutory authority to make construction loans. It is projected to bring in revenue of \$2 million. Currently 32 out of 36 HFA's polled are doing construction loans. Dale asked for ideas on other ways MaineHousing can raise funds. Commissioner Lemoine suggested offering distressed homeowners a fixed rate mortgage on refinancing. Commissioner Mahoney offered her assistance in any way helpful as an advocate.
3. **Carbon Market Exchange Program** - Director McCormick reviewed a proposal to the Ford Foundation to support a research on a methodology for MaineHousing to develop a carbon market exchange program. We will continue to determine ways to aggregate carbon to make the exchange worthwhile. MaineHousing will use money earned to fund more weatherization projects.
4. **Mortgage Purchase Program Bond Resolution (MPP)** – Director McCormick provided a handout prepared by Treasurer Cary and reviewed the bond issue and steps to resolve it.
5. An **“At Work in Your Area 2007”** information sheet was distributed to Board members showing how MaineHousing funds were used in the area they live and work.

LEGISLATIVE UPDATE

Peter Merrill, Director of Communications and Planning provided an update on the following work at the Legislature:

1. LIHEAP

2. Working on making an addition to our Authority to clarify our ability to do energy programs and to allow us to participate in the carbon trading markets.
3. LD 262 – “Act To Amend the Credit for Rehabilitation of Historic Properties” proposes to use a portion of the HOME Fund.
4. The State is asking for an additional \$15,000 out of SOS. Whether the request is to fill a gap or if it is permanent is not yet known.
5. Director McCormick, Deputy Director Adam Krea, and Peter Merrill will be in D.C. next week at the NCSHA Legislative Conference and to visit with Maine’s Congressional delegation.
6. We will be up for Sunset Review soon, possibly the 2nd week in March.
7. Four to five additional non-controversial law changes in the mix of work - - one regarding privacy with LIHEAP applicants and another would clarify our statute to follow Roberts Rules to allow limited voting by our Chair.

FINANCE REPORT

Chair Trafton began this portion of the meeting by thanking Darren Brown for his effort in creating a comprehensive financial handout for the Board. Controller Brown revamped the report with additional information to make it more helpful and easy to read. The cover memo has a brief summary of each area. He reported no significant changes in the delinquency rate.

Darren distributed a handout titled “Behind the Numbers” which is an overview of MaineHousing’s bond fund groups. He reviewed the four fund groups (Mortgage Purchase Fund Group [MPP], General Housing Draw Down Bond Fund, Housing Finance Revenue Fund Group[HFR], and the Bondholder Reserve Fund [BHR]) and how each fund can be used.

Chair Trafton stated this was a wonderful education and looked forward to Part II at the March meeting.

COMPENSATION STUDY

Deb Gallant of d. Gallant Management Associates addressed the Board and reviewed steps taken in 2006 when MaineHousing conducted a market compensation study. The results of the study indicated MaineHousing lagged the market by 12%. The final recommendation to the Board was a 6% market adjustment for all employees with 3% given in 2007 and 3% in 2008.

2008 A&B SWAP REPORT

Treasurer Tom Cary presented the 2008 Series B Swap information to the Board. The last swap had more benefit than any other. Our Bonds are up 50 basis points. The MaineHousing goal is to keep below 30% in swaps. Tom stated that the market is the worst he’s seen in 23 years.

REPORTS

The Chair asked if there were any questions on the reports submitted. There were none.

LIHEAP UPDATE

Kimberly Weed referenced the LIHEAP weekly update. At the last report date of 2/19/08 there were 45,000 consumers entered into the system with another 4-5,000 entries yet to be made by the CAPs. There is an additional \$3.84 in federal LIHEAP money coming to Maine. At this time it is the intent to use these funds for emergencies and people who apply for benefits. MaineHousing contacted the Office of the Inspector General as soon as we knew of the problems with Veilleux Oil in Biddeford. We are working with the CAP agency, Irving Oil, and Citizens Energy to make good on oil purchased by LIHEAP customers.

SUPPORTIVE HOUSING OVERVIEW

Dan Brennan, Director of Development, and Nancy Fritz, Director of Homeless Initiatives, provided an overview of MaineHousing's supportive housing initiatives. MaineHousing has been allocating resources for the creation of supportive housing since 1984 to serve special needs populations. Populations served are broadly represented. In 2007, the supportive housing portfolio included 275 projects offering nearly 2,000 beds and units. MaineHousing is putting together an RFP for homeless housing that will be distributed in April/May. For 2008, MaineHousing budgeted nearly \$8 million to serve homeless populations and \$1.6 million to serve non-homeless special needs populations. Commissioner Mahoney would like to see a more balanced allocation of this resource.

The Rental Assistance Coupon Plus (RAC+ Program) is a transitional housing subsidy program for individuals and families who have been homeless for seven or more consecutive days. There were 935 households served from 2002 through 2007 with 344 households currently on the program. We need \$2.2 million in 2008 to maintain current rents, plus add a few new clients. We will be pulling back on the program because we cannot sustain staffing and the renewal burden. We will add 50 new households this year, compared to last year's 200+. Forty percent of the clients have served at a Corrections facility in Maine. In 2008, we will limit the number of Corrections applicants we serve to 20% (12-15 individuals). Commissioner Kontos commented we need to think creatively to get additional funds. The Chair thanked Dan and Nancy for their presentation.

OTHER BUSINESS

No other business was reported.

ADJOURN

The meeting adjourned at 12:20p.m. The next regular meeting of the Board of Commissioners is scheduled for March 18, 2008 at the offices of MaineHousing, 353 Water Street, in Augusta beginning at 9:00 a.m.

Respectfully submitted,

Donald Gean
Secretary