



## **Minutes of the Board of Commissioners Meeting February 26, 2013**

### **MEETING CONVENED**

A regular meeting of the Board of Commissioners for MaineHousing convened on February 26, 2013, at the offices of MaineHousing, 353 Water Street, Augusta, Maine.

Chair Peter Anastos called the meeting to order at 9:05 a.m. with Commissioners Donald Gean, Adam Bradstreet, Sheryl Gregory, Lincoln Merrill, Neria Douglass, Mark Samson and Director John Gallagher in attendance. Commissioners Capoldo and Turner were absent. There was a quorum present.

### **PUBLIC ATTENDANCE**

Other guests and staff present included: Margaret Bean, Deputy Director; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Peter Merrill, Deputy Director and Director of Communications and Planning; Dan Brennan, Director of Development; Denise Lord, Director of Housing Choice Vouchers; Craig Reynolds, Director of Homeownership; Cindy Namer, Director of Homeless Initiatives; Darren Brown, Director of Finance; Kristen Figueroa, Director of Energy and Housing Services; Laurie Murray, Assistant Director of Finance; Linda Grotton, Internal Audit Manager; Jodie Stevens, Counsel; John Bobrowiecki, Counsel; Jane Whitley, HR Manager; Deb Turcotte, Public Information Manager; Jody Rollins, Office Administrator and note taker; Allison Gallagher, HCV Program Manager; Lauren Bustard, HCV Program Manager; and Bruce Poliquin.

### **ADOPT AGENDA**

*Commissioner Gregory made a motion seconded by Commissioner Merrill to accept the agenda. Commissioners Merrill, Bradstreet, Samson, Gregory, Gean, and Douglass voted in favor of accepting the agenda. The vote carried 6 – 0.*

### **COMMUNICATIONS AND CONFLICTS**

Commissioner Gregory reported receiving communication from an individual concerned about a Section 8 Voucher. She provided them with referral information

Internal Audit Manager Linda Grotton reviewed a communication with DHHS relative to the reporting issues with the REACH grant. All reports are complete and the grant has been closed. A letter was sent to DHHS under Secretary Gean's signature with the unspent funds and accrued interest. MaineHousing has made changes since 2008 which include staffing, more controls, and a compliance committee Chaired by Ms. Grotton.

### **APPROVE MINUTES OF January 18, 2012**

*Commissioner Gregory made a motion seconded by Commissioner Douglass to accept the January 18 minutes as written. All Commissioners voted in favor of accepting the minutes. The vote carried 6 – 0.*

### **COMMISSIONER SERVICE ACKNOWLEDGEMENT**

Chair Anastos presented outgoing Commissioners Mark Samson and Bruce Poliquin with parting gifts and thanked them for their dedicated service to MaineHousing and the people we serve.

## **DIRECTOR UPDATES**

Director John Gallagher provided the following updates:

- MH received a Freedom of Information Request (FOIA) from the Maine Heritage Policy Center on February 18<sup>th</sup>. They requested 2012 compensation, invoices and vendor information. We have responded and will comply with the request. Payroll information will be sent soon at no charge and MH estimated that the vendor data would take approximately 30 hours to compile for a cost of \$450. The vendor information will be supplied after the annual audit is complete.
- Compensation and benefit comparisons were provided by MH's benefit broker and included in the Board packet. We should receive a draft of the compensation and benefit survey soon. Out of the 48 companies polled, 24 replied. *The Commissioners requested the list of respondents, compensation study, and an acronym list be sent to them.* There was discussion about having good results because of the response ratio. *Commissioner Merrill made a motion seconded by Commissioner Samson to extend the compensation study by 30 days with a report back on April 23. The Commissioners voted in favor of accepting the motion. 5-0*
- Out of necessity, IT contracts are being extended through June to maintain the systems we have and keep them functional pending the results of the audit recommendations by Cohn Reznick.
- Chief Counsel Linda Uhl provided a memo in the Board packet that identified the issues around marijuana use by persons with a section 8 voucher. The Commissioners are immune from liability. Director Gallagher suggested we place a moratorium on decision making until we have additional information. He will seek direction when he visits D.C. in March. *Commissioner Gregory made a motion seconded by Commissioner Douglass to extend the moratorium for 6 months unless there is a definitive direction or legislation action taken. Commissioners Samson, Gregory, Douglass, Bradstreet, and Gean voted in favor of the motion. Commissioner Merrill voted in opposition. The motion carried 5 – 1.*

## **HOUSING CHOICE VOUCHER DEPARTMENT OVERVIEW**

Director of the Housing Choice Voucher Department Denise Lord and Program Team Supervisors Allison Gallagher and Lauren Bustard presented an overview of the HCV department. The rental housing assistance program is administered jointly by the U.S. Department of Housing and Urban Development and state and local housing agencies to assist about 12,200 households in Maine. The program is meant to serve the lowest income earners and there are not enough vouchers to serve everyone in need. Ms. Lord began her presentation describing how the program works and how the funds and vouchers are allocated and distributed. She reviewed the type and use of vouchers that we administer. She informed the Commissioners how the HCV department is organized in program teams and what their work involves. A review of annual funding occurred with projections for 2013. MH was recently informed by HUD that we will be receiving reduced administrative fees due to sequestration. She reviewed the considerable amount of work that is required prior to receiving the administrative fee. Ms. Lord gave a snapshot of the clients served in 2012 and the over 1600 landlords who serve them. The six challenges identified by the HCV team were discussed, along with the steps taken and the progress made to address them.

## **OVERVIEW OF THE PROPOSED HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER ADMINISTRATIVE PLAN**

Ms. Lord discussed the purpose of the plan and MaineHousing's administrative responsibilities. The proposed plan must be approved by the Board of Commissioners and a copy provided to HUD. Adoption of the revised administrative plan is a significant step toward satisfying the OIG Audit recommendations. MH worked with Nan McKay and Associates when developing it to assure

compliance with HUD regulations and to incorporate best practices. This plan replaces the 2010 plan. She talked about how it was organized and the significant changes that were made. We are proposing new preferences for residents in MaineHousing's jurisdiction, victims of domestic violence, and veterans. The current preference for homeless applicants is continued in the proposed plan.

Chair Anastos thanked Denise, Allison and Lauren for the informative presentation.

### **APPROVE MORTGAGE PURCHASE PROGRAM (MPP) SERIES RESOLUTION**

Treasurer Tom Cary provided background information to the Commissioners on previous bond sales and refundings. The last Series Resolution was adopted at the March 20, 2012 Board meeting and it authorized the issuance of up to \$400 million in the MPP. There have been 4 bonds issued under the 2012 Series Resolution, with approximately \$130 million of unused authority remaining, which is due to expire in March 2013. Tom reviewed near term usage plans stating that there are two issues under consideration which could generate up to \$200 million of issuance in the coming several months. He asked the Board to approve a Series Resolution which authorizes the issuance of up to \$400 million of Bonds and Notes in the Mortgage Purchase Program for a period of one year. *Commissioner Gean made a motion seconded by Commissioner Douglass to approve the Mortgage Purchase Series Resolution dated February 26, 2013. All Commissioners voted to accept the motion. The motion passed unanimously 6 – 0.*

### **2013 DEPARTMENT OF ENERGY (DOE) STATE PLAN FOR WEATHERIZATION**

Energy and Housing Services Director Kirsten Figueroa presented an overview of the DOE State Plan application process for the 2013 Weatherization Assistance Program. DOE has not announced funding levels. MaineHousing will proceed with a public hearing in March 19<sup>th</sup> assuming the 2013 program will be administered the same as in 2012. She does not expect opposition because there are no significant changes to the proposed plan. There is not enough money for all states to have a viable program; however, she is confident that Maine will receive adequate funds because we have a history of spending the money allocated to us.

Ms. Figueroa gave a brief update on ECOS. She reported that all users are on board. ECOS can be used for all major components of Weatherization. It is a new process and there have been some bumps; however, out of the 85 issues encountered 65 have been resolved. She thinks that the process will be even better by June and will provide consistency across the state.

### **DEPARTMENT REPORTS & OTHER UPDATES**

- The Commissioners may need to meet in July to approve the LIHEAP plan and review the tax credit application.
- MH carbon standards have been utilized in other areas and MaineHousing will be receiving a royalty of 2 cents per credit and has earned \$140.15. We will not receive money until the pot reaches \$5,000. The good news is that the program is working.
- A meeting was held on February 21 with 25-30 partners to discuss the 2013 Qualified Allocation Plan. There was broad discussion and consideration of all ideas. Smaller group meetings will occur in March that will go into greater depth on specific areas of the QAP. Some focus will be on cost containment, acquisition rehab scoring, needs analysis and data that determine where projects are located, push between new units and acquisition rehab and whether or not to focus on units at risk. Several developers commented that the push should be on creating new units not rehabbing. The goal is to have many of the areas flushed out so we will be prepared to have a discussion at the April Board meeting with the formal process beginning in May. Chair Anastos requested that significant partner meetings not be

scheduled during school vacation week. He asked that a list of attendees and meeting notes be sent to the Commissioners.

- MH is conducting a series of “lessons learned” meetings with partners to receive their feedback on our programs and processes with an eye toward using their feedback to become more efficient. We have had recent positive comments on shortening our closing times.
- Homeownership production is up significantly in comparison to last year at this same time. MH has lowered the rate to 3.25% which puts us in direct competition with FHA and VA. The outreach we’ve done with the lending community will help us tailor our program better. We are trying to make changes to address delinquency issues. We want to improve the quality of our portfolio and are looking at doing some overlays with Rural Development. A challenge for us is to hold onto customers without refinancing.
- The Maine Affordable Housing Coalition led a letter sign-on campaign in support of the moral obligation that was sent to the Governor. A copy was distributed the Board.
- The Legislature’s Labor/Commerce Committee will be considering the nomination of Donna Talarico, Mark Samson’s replacement. Ms. Talarico is familiar with MH programs and is well regarded.

## **ADJOURN**

*Commissioner Douglass made a motion seconded by Commissioner Gregory to adjourn the meeting. All Commissioners voted in favor of the motion. The motion carried 5 – 0. The meeting adjourned at 12:30 p.m.*

Respectfully submitted,

Donald Gean, Secretary