



Minutes of the Board of Commissioners Meeting January 20, 2009

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on January 20, 2009 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on January 13, 2009 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, Sheryl Gregory, and John Sevigny present. Don Gean and Elizabeth Mahoney were absent. A quorum was present with six Commissioners.

PUBLIC ATTENDANCE

Other guests and staff present at the meeting include: Margaret Bean & Adam Krea, Deputy Directors; Jo-Ann Choate, Energy Programs Manager of EHS; Kimberly Weed, Director of Energy & Housing Services; Bob Conroy, Director of Asset Management; Linda Grotton, Internal Audit Manager; Linda Uhl, Chief Counsel; Tom Cary, Treasurer; Dan Brennan, Director of Development; Darren Brown, Controller; Laurie Murray, Loan Servicing Manager; Peter Merrill, Director of Communications and Planning; John Bobroweicki, Counsel; Barbara Berry; and Jody Rollins, Office Administrator and note taker.

AGENDA

Commissioner Lemoine made a motion seconded by Commissioner Gregory to accept the agenda. All Commissioners voted to accept the agenda. The motion carried 5-0.

COMMUNICATIONS/CONFLICTS

There were no communications or conflicts to report.

MINUTES OF THE MEETING

Commissioner Gregory made a motion seconded by Commissioner McCormick to accept the minutes as presented. All Commissioners voted to accept the minutes. The motion carried 5-0.

EXECUTIVE SESSION

Commissioner McCormick made a motion to enter into Executive Session pursuant to 1MRSA405.6.E to discuss the Liberty litigation. Commissioner Sevigny seconded the motion. Commissioners Kontos, Lemoine, McLean, Sevigny, and Gregory all voted to go into Executive Session. The motion carried 5 – 0.

When the Commissioners came out of Executive Session, Commissioner Sevigny made a motion (resolve) and expressed deep concern about delays in resolving management issues as well as pending and unresolved liens in the Liberty property, and supports assertive legal action to settle these matters. Commissioner Lemoine seconded the motion. The motion carried 5 – 0.

ENERGY UPDATES

Commissioner McCormick provided updates on a number of energy initiatives. The Stimulus package will infuse \$32 million per year nationally to weatherize homes. Maine's will receive \$3 million. Maine is the only state that had the capacity to use extra DOE money by March 31st. We will need to weatherize 420 homes by March 31st. MaineHousing will have to ramp up for increased weatherizing, auditing and administration; which means we may have to beef up on staff.

Commissioner Lemoine expressed his support for MaineHousing to gear-up as necessary for these weatherization efforts. Dale reported on a good partner meeting with the CAP agencies. MaineHousing has formed a partnership with Department of Energy nationally who will help us with the carbon methodology. Dale was pleased with the Legislative Breakfast and turnout since there were three competing events. An agency-wide effort to create meaningful messages was successful. There was no money taken from the HOME Fund, only a reforecast downward of \$8 million. We are operating under Scenario #2 of the Resource Allocation proceedings and departments were notified.

FINANCIAL REPORT & UPDATE

Commissioner McCormick prefaced the financial report by saying these are incredible times and both Darren and Tom have been fabulous to remain vigilant and aware of the serious challenges we face.

Darren Brown reported on delinquencies in all portfolios. The single-family delinquency rate increased due to current economic conditions and reductions in household income. MaineHousing's overall delinquency and foreclosure rates remain well below the reported rates for all Maine loans. MaineHousing is proactively working to keep borrowers out of foreclosure with an assortment of workout options. Consequently, our workout numbers for 2008 have increased significantly to 389, while the foreclosure rates are trending below the previous years. Darren provided a handout on safeguards against rising delinquencies and foreclosures and reviewed the initiatives with the group. Commissioner Kontos expressed her appreciation to Darren and his staff for presenting technical information in a form that is easy to follow.

Tom Cary prepared an analysis of MaineHousing's financial capacity to absorb losses. He talked about the Mortgage Purchase Program's fund balance and the ratio as a percentage of assets and mortgages. He then reviewed the breakdown of the mortgage portfolio with single-family being 72% of MMPP and multi-family 28% of MPP.

DEPARTMENT OF ENERGY STATE PLAN UPDATE

Jo-Ann Choate provided an update on the public hearing held on January 7. One person attended the hearing, and there was no public comment. The plan is approved as presented.

AMENDMENT TO VOUCHER ADMINISTRATION PLAN

Maureen Brown reviewed proposed revisions to the Section 8 Admin Plan to incorporate a Code of Conduct and add program-specific steps to affirmatively further fair housing in the programs.

Commissioner Gregory made a motion seconded by Commissioner McCormick to accept the revisions as presented. All Commissioners voted to accept the revisions. The motion carried 5-0.

LEGISLATIVE UPDATE

Peter Merrill presented the following information in his update:

- The supplemental budget was released. We did not lose the Home fund.

REPORTS

None

OTHER BUSINESS

None

Commissioner Sevigny made a motion seconded by Commissioner McCormick to adjourn the meeting at 10:50 a.m.

NEXT MEETING

The next meeting of the Board of Commissioners will be held on February 17, 2009 at the offices of MaineHousing.

Respectfully submitted,

Donald Gean, Secretary