



Minutes of the Board of Commissioners Meeting January 19, 2010

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on January 19, 2010 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on January 7, 2010 in the Central Maine Newspapers.

Chair Kontos called the meeting to order at 9:05 a.m. with Commissioners David Lemoine, Sheryl Gregory, Donald Gean, Nikki McLean, Elizabeth Mahoney and Dale McCormick in attendance. There was a quorum present.

PUBLIC ATTENDANCE

Other guests and staff present at the meeting include: Margaret Bean & Adam Krea, Deputy Directors; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Darren Brown, Controller; Peter Merrill, Director of Communications & Planning; Nancy Fritz, Director of Homeless Initiatives; Laurie Murray, Deputy Controller; Dan Brennan, Director of Development; Bill Glover, Manager of Lending; and Jody Rollins, Office Administrator and note taker.

AGENDA

Commissioner Lemoine made a motion seconded by Commissioner Gregory to accept the agenda. All Commissioners were in favor of accepting the agenda. The motion carried 6-0.

COMMUNICATIONS/CONFLICTS

There were no communications or conflicts to report.

MINUTES OF THE MEETING

Commissioner McCormick made a motion seconded by Commissioner Gean to accept the December minutes as presented. All Commissioners voted to accept the minutes. The motion carried 6-0.

REVIEW 2010 QUALIFIED ALLOCATION PLAN FOR LOW INCOME HOUSING TAX CREDITS (QAP)

Chair Kontos welcomed the public to the meeting for a conversation about the QAP. The Board of Commissioners and staff at the table introduced themselves to the attendees.

Dan Brennan, Director of Development briefly summarized the major proposed changes to the QAP.

Jodie Stevens, Counsel, reviewed the rulemaking process. Notice was sent to multi-family interested parties on December 17, 2009, followed by notice posted on the Secretary of State Website and publication in major newspapers in the state on December 30, 2009. We have received written comments and will continue accepting them until 5PM on January 29, 2010. MaineHousing will respond to all comments. If a substantive change is made to the rule, we will reopen or extend the comment period for 30 days, but if we don't we'll be back at the next Board Meeting to adopt the rule.

PUBLIC HEARING FOR 2010 QAP

The hearing on the 2010 Qualified Allocation Plan for Low Income Tax Credit was called to order at 9:35AM.

Testimonials were presented by the following individuals: Kevin Bunker, Developers Collaborative; Locke Kiernmaier, Grow Smart Maine; John Eagan, Coastal Enterprises, Inc.; Nathan Szanton, Maine Workforce Housing, and Deborah Keller, Avesta Housing. A transcript of the Public Hearing is attached.

Chair Kontos thanked the public for their attendance as well as providing testimony and announced that written comments will be accepted until 5:00PM on January 29, 2010. The Public Hearing was closed at 10:15AM.

FINANCIAL REPORT & UPDATE

Darren Brown provided an update on delinquency and foreclosures for all three portfolios. The 60-day SF delinquencies rose from 6.91% to 7.24%, which is the first recorded rate over 7%. Darren noted that the year-end rate, which will be provided next month could even be higher because of seasonality reasons. The in-foreclosure rate decreased. Multi-family delinquencies remain stable – under 1% for 60 days and unchanged for 30 days. The Home Improvement 60-day delinquency rate rose from 8.60% to 10.33%. Factors for the significant change include the state of the economy, an unstable job market, the portfolio size has decreased by approximately 15% in 2009, and FISC has had staff turnovers resulting in no collection calls in 60 days.

Darren distributed the December 2009 *Moody's U.S. Public Finance* report and summarized the highlights. Moody's compared the delinquency and foreclosure rates of 30 HFA's and concluded that although rates have increased significantly during the first half of 2009, they do not expect any significant impact to the majority of the HFA's credit ratings.

DIRECTOR UPDATES

Director McCormick provided the following updates:

- Copenhagen – Europe is far ahead of the USA in green and carbon initiatives and there is much tension between rich and poor nations.
- DOE Training Grant – MaineHousing is working on a grant proposal for \$1 million which will be used to partner with community colleges to build weatherization training laboratories.
- Law suit – a lawsuit has been filed against MaineHousing to collect said increases in rent subsidies due owners after the government ceased automatic rent increases in 1994. Maine is the 4th state that has been sued. A response is due by the end of February. Discussion followed on whether we should involve HUD, NCSHA and the Congressional Delegation.
- Governor Baldacci Nominations – Peter Merrill reported the following nominations had been made by the Governor:
Dale McCormick, Carol Kontos and Don Gean were nominated for reappointment and Raymond Cota and Barbara Berry were nominated for appointment as Commissioners of the Board of Directors. The hearing could be during the first week of February. One open slot remains on the Board.

COMMISSIONER UPDATES

Chair Kontos testified at a DOC public hearing as an advocate for good pre-release programs for the Women's Correctional Center.

Commissioner Lemoine was asked at an Appropriations Meeting if MaineHousing had any available resources for municipalities to bridge revenue gaps. The recommended MH program was a TIF loan.

DEPARTMENT REPORTS

Nancy Fritz, Director of Homeless Initiatives, reported on the significant budget impacts to the homeless. She also was pleased to announce the opening of a warming center at 70 State Street in Augusta.

OTHER

Commissioner Gregory expressed her appreciation for an excellent report on the 2009 efficiencies and accomplishments of MaineHousing and inquired about the referral line.

NEXT MEETING

The next meeting of the Board of Commissioners will be held on February 23 at the offices of MaineHousing.

ADJOURN

Commissioner McCormick made a motion seconded by Commissioner Gregory to adjourn the meeting. All Commissioners voted unanimously to adjourn the meeting. The motion carried 6-0.

Respectfully submitted,

Donald Gean, Secretary