



Minutes of the Board of Commissioners Meeting

January 20, 2015

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on January 20, 2015 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. Chairman Peter Anastos called the meeting to order at 9:00 a.m. with Commissioners Donna Talarico, Kevin P. Joseph, Sheryl Gregory, Adam Bradstreet, John Marsh, Terry Hayes and Director John Gallagher in attendance. Commissioner Lincoln Merrill called into the meeting at 10:20 a.m. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present included: Peter Merrill, Deputy Director; Margaret Bean, Deputy Director; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Denise Lord, Director of Housing Choice Vouchers; Michael Baran, Director of Energy and Housing Services; Linda Grotton, Internal Audit Manager; Dan Brennan, Director of Development; Richard Taylor, Communications and Research Manager; Deb Turcotte, Public Information Manager; Gerrylynn Ricker, Paralegal, and Karen Vigue, EHS Programs Assistant and note taker.

ADOPT AGENDA

Commissioner Joseph made a motion seconded by Commissioner Talarico to accept the agenda. The vote carried 6 – 0.

COMMUNICATIONS AND CONFLICTS

There were no communications or conflicts.

MINUTES OF THE DECEMBER 16, 2014 MEETING

A motion was made and seconded to accept the minutes as written. The vote carried 5 – 0. Commissioner Hayes abstained.

CHAIRMAN OF THE BOARD UPDATES

Washington, D.C. – On a recent trip to Washington, Chair Anastos met with former Treasurer Bruce Poliquin, who is already making an impression. Chair Anastos was contacted by Dirigo Blue regarding the budget and forwarded the communication to Peter Merrill and others. At a recent charity event, Chair Anastos spoke with Winxnet, a new technology company in Portland, who expressed an interest in contract work with MaineHousing.

LEGISLATIVE UPDATES

Deputy Director Peter Merrill provided an overview of the upcoming legislative session, including the organizational structure, committee dynamics, and timeline as it pertains to MaineHousing programs and operations. Peter reported on the following activity in the Legislature over the next six months:

- *Budget* – Peter explained that in the 1980s Legislature created the HOME Fund which provides MaineHousing with a dedicated source of revenue. The fund was created by doubling the amount of the real estate transfer tax. The tax goes up and down with the

economy. In good years Governors often will take money from the Fund to help balance the state budget. This budget proposes to take just over \$6,000,000 per year. Some advocates believe that a way to avoid these re-directions would be to create a state voucher program. Peter noted that this proposal causes concern for MaineHousing for a variety of reasons and intends to work with members in the Legislature to make sure MaineHousing's concerns are addressed in any bill that may be introduced in the Legislature.

- *MaineHousing Bills:*

- An Act to Increase Government Efficiency authorizes MaineHousing's board to conduct public proceedings with members participating via telephone or other remote access. This would clarify existing law, which is not specific.
- State historic credit for a certified affordable housing project: provides a technical amendment clarifying that when the 30% credit rate increases to incent affordable housing, the increase is permanent.
- An Act to Provide for the 2015 and 2016 Allocation of the State Ceiling on Private Activity Bonds establishes the allocation of the state ceiling on issuance of tax-exempt private activity bonds for calendar year 2015 and 2016 among the state-level issuers of tax-exempt bonds.

- *Other Bills:*

- Several homeless shelters in Maine want an appropriation from the General Fund of \$4 million a year.
- A CHIP furnace replacement lien bill is being resurrected which requires that a lien be placed on property benefiting from a furnace replacement to recoup funds in the event the homeowner sells the property. Peter expressed concern that placing liens on property is burdensome for MaineHousing with little if any advantage since only 370 units averaging \$3,000 each benefit from the program each year.
- A domestic violence bill is being introduced which is designed to make it easier for landlords to evict perpetrators. The bill provides that the victim can "self-certify" that he/she is a victim of domestic violence, which is sufficient grounds for a landlord to evict the perpetrator or take other actions.
- There are two bills pertaining to arsenic water filtration system programs: one would provide a revolving loan fund for MaineHousing and the other bill would require the testing of wells for arsenic prior to sales.
- There are four bills which address service animals for rental units. Peter noted that many landlords are concerned about tenant abuse.
- There are 11 or 12 foreclosure bills, four of which are put in by Maine Bankers Association. Peter noted that these bills are going to a different committee than in the last Legislature.
- Grow Smart put forth a bill that would address building codes to make it easier to rehabilitate downtown storefronts.
- There are several bills addressing marijuana. Peter noted that MaineHousing is concerned generally with marijuana because federal law conflicts with state law as it pertains to Section 8 (subsidized housing).
- There is a bill to allow municipalities to create their own local real estate transfer tax.

- *Bonds:*
 - \$65 million senior housing bond comes to MaineHousing, providing at least one senior project in every county.
- *7-Year Program Review* – In 2015-16, MaineHousing is subject to an overall evaluation by the Legislature. This is a two year process.

INTRODUCE DEPARTMENT OF ENERGY STATE PLAN

Director of Energy and Housing Services Michael Baran reviewed the proposed DOE State Plan for FY 15, stating that MaineHousing will continue to administer in partnership with the Community Action Agencies. Mike noted that DOE has urged all states to begin the 2015 application process as early as possible this year because all 2014 and 2015 DOE WAP funds must be expended by March 31, 2016. Mike highlighted the changes in the plan for 2015:

- 2015 DOE Total Funding: \$2,594,260.
- 2014 DOE Carry-over Funds are added to the 2015 DOE allocation.
- Total projected weatherization units to be completed: 314.
- Quality Work Plans go into effect April 1, 2015, which require that (1) all units must be signed off by a BPI certified quality control inspectors; and (2) new Quality Work Standards must be adopted into current work plan.

EHS will schedule the official public hearing to take place at the February 17, 2015 Board of Commissioners' meeting. Prior to that date, EHS will be working with partners and interested parties to seek input and comments to assist in the process. EHS plans to seek approval and adoption by the Board of Commissioners at the March 17, 2015 Board meeting. Upon adoption, the 2015 application will be submitted for final approval by DOE.

Mike reported that MaineHousing provided QCI Certification testing and training for 24 candidates, with all candidates passing the field training part of the test; 15 candidates have received certification and 9 candidates are scheduled to retest on January 29, 2015.

The board requested that Mike Baran provide information regarding the energy savings resulting from weatherization initiatives for the next meeting.

MEDICAL MARIJUANA MORATORIUM EXTENSION

Denise Lord, Director of Housing Choice Voucher Programs, provided an overview of medical marijuana trends in the country. Denise reported that federal guidance clearly provides that anyone who applies for subsidized housing is not eligible if they are engaged in the use of medical marijuana. Where federal guidance is less clear, is how to handle subsidized tenants who are subsequently prescribed medical marijuana.

- Three years ago, the Board of Commissions adopted the following policy:
 “To terminate rental assistance to a tenant for using, possessing, or cultivating medical marijuana in their apartments but allowing a tenant to remain in the program if they were qualified to use medical marijuana but did not possess, use or cultivate it in their apartment.”

The Board subsequently approved a moratorium of this policy. In the interim, MaineHousing has been following HUD guidance. Denise put forth a recommendation that Mainehousing's Board of Commissioner extend the medical marijuana moratorium.

Commissioners asked Denise Lord to recommend a policy regarding MaineHousing's treatment of subsidized tenants prescribed medical marijuana for the May meeting, and requested Linda Uhl to look at other states' policies regarding subsidized tenants prescribed medical marijuana and report back at the May meeting.

Commissioner Hayes made a motion seconded by Commissioner Bradstreet to extend the Medical Marijuana Moratorium until May 2015, at which time the Commissioners will consider adopting a policy pertaining to MaineHousing's treatment of subsidized tenants prescribed medical marijuana. Commissioners Bradstreet, Hayes, Gregory, Marsh, Talarico, and Joseph voted in favor of the motion. Commissioner Merrill voted in opposition of the motion. The vote carried 6 – 1.

DIRECTOR UPDATES

Director Gallagher provided updates on the following:

- MaineHousing approached Southern Maine Community College a year ago about putting together a certification program on property management. SMCC agreed and put together a program which will commence in the spring for up to 30 students. SMCC has also made scholarships available.
- John congratulated the Legal and Development teams for their work on the Weston Associates transaction.
- John thanked Karen Vigue for stepping in to take the meeting minutes.

ADJOURN

Commissioner Joseph made a motion seconded by Commissioner Bradstreet to adjourn the meeting. The meeting Adjourned at 11:20 a.m.

Respectfully Submitted,



Donna Talarico, Secretary