



Minutes of the Board of Commissioners Meeting June 19, 2012

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on June 19, 2012 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 Lincoln Merrill, John Turner, Bruce Poliquin, Mark Samson, Donald Gean, Sheryl Gregory, and Acting Director Peter Merrill in attendance. Commissioners Donald Capoldo and Nikki McLean were absent. There was a quorum present.

PUBLIC ATTENDANCE

Other guests and staff present included: Margaret Bean, Deputy Director; Tom Cary, Treasurer; Dan Brennan, Director of Development; Craig Reynolds, Director of Homeownership; Kirsten Figueroa, Director of Energy and Housing Services; Denise Lord, Director of Housing Choice Vouchers; Linda Grotton, Internal Audit Manager; Linda Uhl, Chief Counsel; John Bobrowiecki, Counsel; Kathy Kinch, Manager of Program Operations for Energy and Housing Services; William Glover, Manager of Lending; Don McGilvery, Manager of Construction Services; Deb Turcotte, Public Information Manager; Jody Rollins, Office Administrator and note taker; Barbara Berry, Maine Association of Realtors; Dennis Marble, Bangor Area Homeless Shelter; Tim Feeley, American Lung Association of Maine; Tom Donahue, CEI; John Eagan, CEI; Tim O'Neil; Sarah Mayberry, Smoke-Free Housing Coalition; Bill Shanahan, Northern New England Housing Investment Fund; Nathan Szanton, TSC; Greg Paxton, Maine Preservation; Greg Payne, Maine Affordable Housing Coalition; Tina Pettingill, MPHA; Lisa McGee, CCI; and Rick McCarthy, Maine Community Action Association.

ADOPT AGENDA

Commissioner Turner made a motion seconded by Commissioner Gregory to accept the agenda. The Commissioners voted in favor of adopting the agenda as written. The motion carried 6 – 0.

APPROVE MINUTES OF APRIL 17, 2012

Commissioner Turner made a motion seconded by Commissioner Gregory to accept the minutes as written. Commissioners Merrill, Poliquin, Turner, and Gregory voted in favor of approving the minutes as written and Commissioners Samson and Gean abstained because they were not present at the May meeting. The vote was 4-0-2.

COMMUNICATIONS AND CONFLICTS

There were no communications or conflicts to report.

UPDATE FROM CHAIRMAN OF THE BOARD

Chair Anastos stated his appreciation for the hard work the staff is doing.

UPDATE FROM THE DIRECTOR

Peter Merrill provided the following updates:

- The first of four Consolidated Plan Public Forums was held in Biddeford on Monday. The forums give the public an opportunity to provide input about affordable housing. The remaining three will be held in Bangor, Augusta, and Presque Isle. Senior managers attend to hear comments and are available to answer questions.
- Mr. Merrill distributed a handout that features MaineHousing accomplishments in all program areas.
- Mr. Merrill reported that MaineHousing will be working with Northern New England Housing Investment Fund (NNEHIF) and the New Hampshire Housing Finance Authority to redesign the membership structure at NNEHIF.
- OPEGA has completed the rapid response audit of MaineHousing. The Government Oversight Committee voted to accept the report. They are beginning to ask for additional information in preparation for the full audit.
- General Assistance – The Legislature created a work group to look at General Assistance when they passed the supplemental budget. Mr. Merrill is representing MaineHousing and attending weekly meetings that are scheduled from now until November. He reported that there was a significant deficit of \$8-14 million per year and the DHHS Commissioner is looking to change the system.

2013 QUALIFIED ALLOCATION PLAN OVERVIEW AND PUBLIC HEARING

Mr. Brennan provided an overview of the Qualified Allocation Plan and the accomplishments of the partner work group. A recommendation was made that if the tax credit equity market drops MaineHousing will consider using subsidy in historic tax credit projects. There was consensus among the Commissioners.

Chief Counsel Linda Uhl opened the public hearing. She introduced the Board of Commissioners and MaineHousing staff, reviewed the process and conducted the hearing. The following members of the public provided testimony: Tim O'Neil; John Eagan, CEI; Greg Paxton, Maine Preservation; and Greg Payne, MAHC. Ms. Uhl stated that written comment would be accepted until June 29 at 5:00 PM. The public hearing was closed at 10:00 AM. She announced that a full audio transcript of the public hearing will be available on MaineHousing's website.

UPDATE ON HUD OIG AUDIT

Director of HCV Programs Denise Lord provided an update to the Commissioners on the significant changes made in the administration of the Section 8 voucher program. She reviewed her initial goals for the program which were to build organizational capacity, to have high quality housing stock that meets Federal HQS standards, and to transition the Section 8 agent contract work to MaineHousing. She reported hiring 24 quality, high-skilled full-time staff plus two one-year inspectors to meet workload demand. By the end of June the caseload will increase from 850 to 2,400. There are 2 contracts representing 800 vouchers left that should be at MaineHousing by the end of September. There has been a strong focus on professional development.

The HUD program office is inspecting every MaineHousing Section 8 voucher unit in the state. MaineHousing's responsibilities include scheduling, informing landlords and tenants, and responding to failures. Ms. Lord reported that HUD inspected 400 units and 150 failed which represents a 38-40% fail rate. Although there is room for improvement, this is not a bad rate. The national rate is 30-40%.

Ms. Lord is working with partners on maintaining a community presence. She also reported initiating an outreach education program to landlords and hopes to develop relationships with partners to provide additional tools to address poor tenant behavior. Ms. Lord is very confident that we've made significant improvements.

Chair Anastos requested Ms. Lord be on the agenda at all Board meetings to provide an update.

UPDATE ON SOCIAL SECURITY ADMINISTRATION REVIEW

Internal Audit Manager Linda Grotton provided an update regarding the Social Security Administration (SSA) review of our LIHEAP client data verification process through DHHS. Discussions at the July, 2011 meeting with SSA auditors focused on system access controls, contract language with LIHEAP agents, and data security training for all employees who have access to SSA information. The lack of an audit trail within the MERAC system (which houses LIHEAP data) was identified as an issue and the SSA requested that we develop a plan to address this concern. Lynn Kinney is researching to see if there is a product we can purchase off-the-shelf, or alternatively looking into building a functionality that will provide an audit trail. Although Ms. Grotton never received a formal audit report from the SSA, she recently provided them with a status update report. They responded that our efforts are on the "right track."

Commissioner Gean departed the meeting at 11:05 a.m.

BOND COUNSEL RFP UPDATE

Treasurer Tom Cary gave an update on the Bond Counsel RFP process. He sent the RFP to eleven firms on May 22 and received 6 responses. He incorporated the suggestion of Commissioner Poliquin to invite Maine firms. Mr. Cary distributed a handout of quantifiable information that summarized the responses he received. There was a discussion on the qualities and differences of the competing firms.

Commissioner Poliquin made a motion seconded by Commissioner Turner to interview four firms: Hawkins, Delafield & Wood; Kutack Rock LLP; Edwards Wildman; and McCarter & English LLP. All Commissioners voted in favor of the motion. The motion carried 5 – 0.

Mr. Cary and Ms. Uhl will work on the details and topics to be covered at the July 17 interviews.

LIHEAP STATE PLAN OVERVIEW AND PUBLIC HEARING

Chief Counsel Linda Uhl welcomed public to the Low Income Heating Assistance Program (LIHEAP) and the Program Integrity Assessment for LIHEAP Public Hearing. She introduced the Board of Commissioners and MaineHousing staff and conducted the hearing. Ms. Uhl reviewed the process and purpose of the hearing and stated the three changes to the application.

Rick McCarthy represented the Maine Community Action Association and provided testimony in favor of the proposed changes to the LIHEAP Application. He noted that federal subsidy for assistance has been reduced and that this will be a challenge that everyone must continue to address.

MaineHousing will accept public comment until July 2 at 4:00 p.m. Ms. Uhl adjourned the public hearing at 11:44 a.m. She announced that a full audio transcript of the public hearing will be available on MaineHousing's website.

STATUS OF CARBON PROJECT

Acting Director Peter Merrill and Carbon Quantification Project Coordinator Steve Erario updated the Board of Commissioners on the Carbon Project. Two handouts were distributed – one showing budget and expenses by funding source and expenses by vendor from January 2008 – March, 2012, and another providing an overall update with short-term recommendations. Mr. Merrill and Mr. Erario discussed the two recommendations to the Board. The first recommendation is that MaineHousing not sell carbon in 2013 and 2014. MaineHousing will plan to sell carbon from 2012 – 2014 to Chevy in 2015 but re-evaluate it in mid-2014. The second recommendation is that MaineHousing fulfill obligations under the ARRA grant. Commissioners agreed to proceed with the recommendations.

Chair Anastos requested Mr. Erario to do as much of the remaining work as possible without hiring outside consultants.

Commissioner Turner departed the meeting at 12:03 p.m.

ADJOURN MEETING

Commissioner Poliquin made a motion seconded by Commissioner Samson to adjourn the meeting. All Commissioners present voted in favor of the motion. The meeting was adjourned at 12:05 p.m.

Respectfully submitted,

Donald Gean, Secretary