

## Minutes of the Board of Commissioners Meeting March 18, 2008

### **MEETING CONVENED**

A regular meeting of the Board of Commissioners for MaineHousing convened on March 18, 2008 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on March 11, 2008 in the Central Maine Newspapers.

Chair Barbara Trafton called the meeting to order at 9:15 a.m. with Commissioner and Director Dale McCormick, Commissioners Don Gean, John Sevigny, Sheryl Gregory, and Elizabeth Mahoney present. Commissioners Carol Kontos, Timothy O'Neil, and David Lemoine were absent. A quorum was present with six Commissioners.

### **PUBLIC ATTENDANCE**

Other staff present at the meeting include: Adam Krea & Margaret Bean, Deputy Directors; Linda Uhl, Chief Counsel; Tom Cary, Treasurer; Peter Merrill, Director of Communications & Planning; Linda Grotton, Internal Audit Manager; Nancy Fritz, Director of Homeless Initiatives; Kimberly Weed, Director of Energy and Housing Services; Jo-Ann Choate, Energy Programs Manager; Darren Brown, Controller; Laurie Murray, Loan Servicing Manager; Jane Whitley, Human Resources Manager; Lucy Van Hook, Americorps Intern; Richard Barringer; Jody Harris; and Jody Rollins, Office Administrator and Notetaker.

**AGENDA** Commissioner Gregory made a motion, seconded by Dale McCormick, to adopt the agenda with a few adjustments to the sequence of items. All voted in favor. The motion carried 4-0.

### **QUALITY PLACES COUNCIL**

Chair Trafton introduced Richard Barringer and Jody Harris. Mr. Barringer, the Chair of the Governor's Council on Maine's Quality of Place, shared the findings of the council which is in the process of preparing a final report to the Governor for implementation. The report focuses on what distinguishes Maine from other states with its quality of place being an economic asset of increasing value. The 15 recommendations to secure Maine's future concentrate on three major areas: regional landscape conservation, community and downtown revitalization, and using an asset-based development strategy. Mr. Barringer stated he would welcome comments and suggestions. He also thanked MaineHousing for their support in dedicating a portion of the HOME Fund for historic preservation tax credits. Commissioner Mahoney stated that she was not in favor of using the HOME fund for this purpose.

### **COMMUNICATIONS/CONFLICTS/MINUTES OF THE MEETING**

With revisions from Commissioner Gean and Commissioner Sevigny, the minutes were approved. Commissioner Gean stated there were no written communications; however, he has received many emails regarding the historic preservation tax credit bill. Members of the Board expressed their concern about not being able to participate in discussions or votes relative to their expertise. Chair Trafton will attempt to bring more clarity to the conflict limitations and options for members of the Board at the April meeting. She stated that Commissioner O'Neil would not be joining us until his appeal is resolved.

## **CHAIR REMARKS**

Chair Traflet reported that she and Dale attended the Bates Street opening in Lewiston. She referenced a painting on display in the Boardroom that was presented to them at the event. The building is downtown at the former St. Dom's School location and should be completely occupied by summer.

## **DIRECTOR UPDATES**

Director McCormick congratulated Commissioner Gregory on the posting of her re-appointment to the Board. She noted that Nikki McLean of Portland has also been posted for appointment. A hearing date of April 2<sup>nd</sup> has been set.

The Ford Foundation grant proposal for carbon market financial support will be submitted today.

A new computer program, Elite Emphasis, is up and running. The program is used to capture Section 8 voucher and RAC+ information. The accuracy of data collection will address issues raised in the HUD audit.

Director McCormick announced two new homeownership programs. The First-Time Homebuyer program has been completely restructured with varying point options. Operation New Home waives the first time homebuyer requirement for veterans and active military personnel.

MaineHousing received an award at the Governor's Carbon Challenge Celebration for reducing our carbon footprint by 16%.

Director McCormick reviewed the problems of Bear Stearns and implications for MaineHousing. None of our bonds are at risk. MaineHousing has over \$115 million of swaps with a Bear Stearns subsidiary which still maintains a AAA rating. JP Morgan is guaranteeing the swaps. Everything is stable. An internal task force has been created to continually monitor both Bear Stearns and JP Morgan. There is a bond sale currently in place with UBS. MaineHousing could reassess the senior underwriters or just use UBS while Bear Stearns is in flux. If necessary, MaineHousing could elevate any of the other bond underwriters to senior underwriter status. There was general concern expressed about the real estate crisis and the subprime market. Although the number of real estate transactions is down, the home values in Maine are not plummeting.

## **FINANCE REPORT**

Darren Brown presented his financial report "Behind the Numbers, part 2" which provided context and background information on MaineHousing's four Non-Bond Fund Groups. The General Fund is not restricted, and its main purpose is to pay the agency's operating expenses. The HOME Fund was established in 1982 to help create affordable housing. This State funding is derived from Real Estate Transfer Taxes and the General Fund (Shelter Operating Subsidy Program). The Federal Programs Fund is mainly pass-through funds that must be spent on specific federal programs administered by MaineHousing. Other funds are for programs funded through the State, such as: LIAP, Appliance Replacement and G.O. Bonds.

## **LEGISLATIVE UPDATE**

Peter Merrill provided the Board with a legislative update and reported on the HOME Fund, the historic preservation tax credit and construction lending. HOME Fund money will be diverted to fund BRAP for one year at \$2.9 million and to offset the costs of the Historic Preservation Tax Credit for five years (about \$13 million). The tax credit includes an incentive to do affordable housing. Construction lending faced late opposition from the banks. He also reported on the status of two bills that the BRED Committee is reporting out as a result of the Sunset Review process including one that would allow MaineHousing to participate in carbon trading.

Commissioners discussed what their role should be in the legislative arena

## **AMENDMENT TO THE GENERAL HOUSING DRAW DOWN BOND INDENTURE**

Tom Cary provided a review of the bond indenture's successful history since its inception in 2003. By making the proposed changes, the bonds will become money market eligible and easier to market. The amendment will not create any cost or risk to MaineHousing. Commissioner Gregory made a motion, seconded by Don Gean, to approve the Amendment to the First Supplemental Trust Indenture to the General Housing Draw Down Bond Trust Indenture. After a clarifying question was answered, all voted in favor. The motion carried 4-0.

## **OVERVIEW OF THE VOUCHER ADMINISTRATION PLAN**

The Voucher Administration Plan discussion was deferred to the April meeting and will be an agenda item. The PowerPoint presentation will be emailed to Board Members. The existing plan is available to review on the MaineHousing website.

## **REVIEW OF PROGRAMS AND FUNDING SOURCES**

Linda Grotton reviewed the summary she prepared of MaineHousing Programs. It is a comprehensive list of funding sources and amounts for each program. She will update the summary on an annual basis.

## **REPORTS**

Seaside Heights was not included in the department report from Development. Jody will email the information.

## **OTHER**

Colored reports and brochures featured on our website can be printed in a gray scale by choosing this option in the print menu.

The "Federal Housing Funds at Work in Maine" booklet received compliments.

MaineHousing was presented with an award for defending HOME Fund monies at the NCSHA Legislative Conference in March.

At the request of Commissioner Kontos, Chair Trafton distributed an article that appeared in the *Bangor Daily News* about sex offenders not being allowed back into their communities.

## **ADJOURN**

The meeting adjourned at 12:00p.m. The next regular meeting of the Board of Commissioners is scheduled for April 15, 2008 at the offices of MaineHousing, 353 Water Street, in Augusta beginning at 9:00 a.m.

Respectfully submitted,

Donald Gean  
Secretary