



Minutes of the Board of Commissioners Meeting May 27, 2009

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on May 27, 2009 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on May 14, 2009 in the Central Maine Newspapers.

Commissioner Carol Kontos called the meeting to order at 9:10 a.m. with Commissioner and Director Dale McCormick, Commissioners Don Gean, Elizabeth Mahoney, Sheryl Gregory, Nikki McLean and David Lemoine present. There was a quorum present.

PUBLIC ATTENDANCE

Other guests and staff present at the meeting include: Jeff Skaggs, Baker Newman and Noyes; Barbara Berry, Maine Association of Realtors; Margaret Bean & Adam Krea, Deputy Directors; Linda Grotton, Internal Audit Manager; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Kimberly Weed, Director of Energy and Housing Services; Jo-Ann Choate, Assistant Director of Energy and Housing Services; Dan Brennan, Director of Development; Darren Brown, Controller; Laurie Murray, Loan Servicing Manager; Nancy Fritz, Director of Homeless Initiatives; Gail McBride, Director of Homeownership; Bob Conroy, Director of Asset Management; Jodie Stevens, Counsel; John Bobrowiecki, Counsel; and Jody Rollins, Office Administrator and note taker.

AGENDA

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

COMMUNICATIONS/CONFLICTS

Secretary and Commissioner Don Gean received an e-mail communication from Matthew Smith of the Maine Community Action Association in response to the DOE State Plan. He forwarded Mr. Smith's email as well as his response to Board members. He informed Mr. Smith that we were waiting for a response from DOE prior to putting his request on the agenda. He further stated that there may be an opportunity for discussion at the June meeting. There were no conflicts to report.

MINUTES OF THE MEETING

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

FINANCIAL REPORT & UPDATE

Darren Brown reported no significant changes in the portfolio. He noted the investment income remained consistent with last month. Single family delinquencies were down for the third consecutive month, however he expects they will increase next month.

PRIVATE MORTGAGE INSURANCE LOANS

Tom Cary provided an update on Private Mortgage Insurance loans and the exploration of selling them to Fannie Mae. With the improvement of the bond market, the sale will be put on hold unless there comes a time that we need to sustain our rating.

2008 FINANCIAL RESULTS & AUDIT REVIEW

Darren presented the final operating and capital budget results for 2008. Overall there were small and reasonable variances on line items, and he provided explanation on some. The operating budget was 2% under budget.

He then reviewed the Statement of Revenue and Expenses and explained how revenues and expenses were allocated in each fund group.

The Capital Budget was brought forward. Darren reported capital expenditures were under budget by 9% and discussed the major factors that contributed to the overall variance.

Jeff Skaggs of Baker Newman and Noyes (BN&N) presented their audit report of Maine Housing's financial activities for the year ended December 31, 2008. He described the audit process and communications with staff. A "clean opinion" was given regarding MH's financial statements. The Federal Programs Audit is currently in process and expected to wrap up by the first of July. There have been no problems identified to-date.

Tom Cary reviewed the companies connected with the Mortgage Purchase Program. These companies include remarketing agents, swap counterparties, stand by bond purchase agreement providers, bond insurers and private mortgage insurers. The credit of most of these companies has deteriorated thereby putting pressure on the credit rating of MaineHousing bonds.

DATA SECURITY

Sari Greene of Sage Data Security has been working with Norman Breitner and Linda Grotton to analyze and monitor data security at MaineHousing. Sari talked about the importance of security and being proactive instead of reactive. She emphasized that not only are we protecting our data, we are protecting the mission of the organization. Work with Sage Data Security will be ongoing and training for staff will be held in the near future.

PROPOSED 2010 QUALIFIED ALLOCATION PLAN FOR LOW INCOME HOUSING TAX CREDITS

Due to the poor economic environment, low interest, and incoming ARRA Stimulus money, Dan Brennan recommended holding off on the QAP competition until 2010 when there is a healthier market. The schedule would be to present a draft QAP in October, a public hearing in November, and approval of the QAP in January with an application process beginning in April of 2010.

LIHEAP STATE PLAN

Kimberly Weed reported there will be a public hearing at the June meeting to take comment on proposed changes to the Low Income Home Energy Assistance Program (LIHEAP). The one proposed change is to do an RFP seeking a new service provider for the Mid-Coast Community Action territory. Another program change is MaineHousing will seek to sign contracts with wood vendors to provide tree length wood.

There was a discussion about discounted oil options for recipients of LIHEAP. Commissioner Lemoine suggested we encourage recipients to lock-in pricing if it is lower than what we offer. Commissioner McCormick noted the CAPS will be featuring an educational program with the T&TA stimulus money that can produce energy savings of 50% per household.

PUBLIC HEARING PROTOCOL

Linda Uhl presented a document that outlined a proposed public hearing protocol. Following review, *Commissioner Lemoine made a motion seconded by Commissioner Mahoney to adopt the new process as proposed. All Commissioners were in favor of accepting the public hearing protocol. The motion carried 6-0.*

A new tab will be added to the Board books, and a copy of the protocol will be distributed prior to all public hearings. It was suggested that a work session be held after public hearings to listen to staff input.

COMMISSIONER UPDATES

Commissioner McLean attended the NAHRO Conference in Washington, D.C. She presented members of the Board and MH staff with a “What Home Means to Me” calendar featuring contestant artwork.

DIRECTOR UPDATES

- Commissioner McCormick reported on a very big Legislative Session and a request by the Energy Committee for changes to the T&TA initiative.
- Commissioner McCormick announced a new homeownership program called the Gift of Green which offers the homebuyer a \$5,000 grant for down-payment and closing costs and a \$500 gift certificate for an energy audit. There is a June 15th roll-out date. Commissioner Lemoine informed the Board about a bridge loan being offered by Washington State. A meeting will be set for this week to work on David’s idea before a meeting with Legislators. There is great excitement among Realtors to get the market moving. The Gift of Green program is unique in the country with the perpetual “keep on giving” concept with the energy improvements.
- Commissioner McCormick provided an update on the energy bill and Efficiency Maine. MaineHousing worked hard on this front and in collaboration with Efficiency Maine to insert carbon language.
- Southern Maine developers are putting forth a bond proposal for \$200 million to securitize Real Estate Transfer Tax funds. The MAR is strongly opposed to the proposal because of its limited benefit. Commissioners Mahoney and Gregory offered to advocate in opposition to the bill.

LIBERTY UPDATE

John Bobrowiecki reported that MaineHousing was able to resolve the management issues with a settlement on March 9. Financial issues were still being worked on. Stanford Management will be put in place with inspections occurring this summer. Bob Conroy stated he has seen progress but remained cautiously optimistic. If the situation changes, Chair Kontos requested the item be put back on the agenda.

OTHER

Gail McBride announced that rates will be 5 ¼% effective June 15th.

NEXT MEETING

The next meeting of the Board of Commissioners will be held on June 23, 2009 at the offices of MaineHousing.

ADJOURN

Commissioner Gregory made a motion seconded by Commissioner Gean to adjourn the meeting at 12:10 p.m.

Respectfully submitted,

Donald Gean, Secretary