



Minutes of the Board of Commissioners Meeting November 15, 2016

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on November 15, 2016 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 Lincoln Merrill, Sheryl Gregory, Kevin P. Joseph, Donna Talarico, John Marsh, State Treasurer Terry Hayes, and Director John Gallagher in attendance. Commissioner Adam Bradstreet was absent. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting include: James Whitten, Peter Merrill, Deputy Director; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Linda Grotton, Manager of Audit and Compliance; Darren Brown, Director of Finance; Craig Reynolds, Director of Homeownership; Laurie Murray, Assistant Director of Finance; Deb Turcotte, Public Information Manager; Jane Whitley, Human Resources Manager; and Jody Rollins, Office Administrator and note taker.

ADOPT AGENDA

Director Gallagher suggested we add an Election Analysis by Peter Merrill to the Agenda. *Commissioner Joseph made a motion seconded by Commissioner Gregory to adopt the agenda. The motion carried unanimously.*

MINUTES OF THE OCTOBER 18, 2016 MEETING

Commissioner Hayes made a motion to accept the minutes with a recommendation that they reflect the meeting ended after the Executive Session adjourned. *The motion carried unanimously.*

COMMUNICATIONS AND CONFLICTS

- Chair Anastos reported receiving calls regarding the Qualified Allocation Plan and the Rule Change.

DIRECTOR UPDATES

- Director Gallagher met with the following partners: John Egan at CEI; John Anton; Community Concepts Inc.; Dana Totman at Avesta; and Bill Shanahan at Northern New England Housing Investment Fund. He toured Mill Brook in Westbrook, and convened a collaborative meeting with Laurie Miller, Old Town Housing Authority; Mike Myatt, Bangor Housing Authority; Gordon Stitham, Brewer Housing Authority; and Zosh D'Alessio, PCHCA.
- Director Gallagher attended the MEREDA meeting in Biddeford, the Maine Biz Convention, and participated in the Weatherization Press Event in Scarborough.
- MaineHousing will be a participant in the Homeless Youth Grant initiative.
- MaineHousing facilitated a HUD Lead Paint training for PHA's and Section 8 Administrators to discuss current collaboration, data sharing, and development strategies for the prevention of childhood lead poisoning in Maine.

- Director Gallagher will be attending the National Council of State Housing Agencies Board Meeting and Executive Director forum in Washington, D.C. December 4 – 6.
- Director Gallagher provided an update on the Senior Director of Lending position, which is currently on hold. He is assuming the role and working toward more collaboration between the lending departments and process improvements.

LEGISLATIVE UPDATE

Peter Merrill provided a post-election update covering both the state and federal governments. In Washington the Republicans now control both houses of Congress and the Presidency. In theory, this will make it easier to enact legislation; in reality, both parties have many different wings. The President-elect has spoken in favor of homeownership and said he would like to increase mortgage credit. He wants to increase defense spending and would pay for it by cutting non-defense spending by 1% per year. It is unlikely that there would be an across the board 1% cut so some programs will lose more. President-elect Trump also plans to make major changes and reductions to the tax code. These could reduce the demand for tax-exempt bonds and the Low Income Housing Tax Credit. He is also expected to make changes to Dodd-Frank and HUD's affirmatively furthering fair housing initiative. Every program MaineHousing administers could be at risk – it is just too soon to know.

Locally, there was no change in control of the House (D) or Senate (R) but the majorities are much smaller. This could force more consensus building although the parties in Maine, like their federal counterparts, have many wings. There may well be shifting majorities based more on geography or philosophy than on politics.

HOME MODIFICATION TAX CREDIT RULE PUBLIC HEARING

Deputy Merrill reported that there was nothing new to add since we conducted a public hearing on October 18 on the proposed Home Modification Tax Credit Rule. The Rule will establish standards for a new home modification tax credit for persons who make modifications to their homes to make them accessible to persons with disabilities who live in the home. Commissioner Hayes requested a change be made to the official transcript to reflect the correct date. A suggestion was made to send Representative Archie Verow of Brewer a thank you note. *Commissioner Hayes made a motion seconded by Commissioner Gregory to adopt the Home Modification Tax Credit Rule. The motion carried.*

RISK ASSESSMENT OVERVIEW

Internal Audit Manager Linda Grotton provided a summary of the risk assessment she conducted in 2016. She talked about the purpose of the assessment and the process involved. She shared the results and observations and noted that there were 267 individual risks generated and evaluated, and that all risks are not bad. Action and next step items were discussed. The results will be used to prioritize future internal audits. Detailed handouts were distributed at the meeting.

Director Gallagher spoke about his concerns associated with program funding under the new Administration and how this could affect LIHEAP, HCV, and FedHOME allocations.

PRELIMINARY 2017 BUDGET

Director of Finance Darren Brown presented the 2017 preliminary budget. He reported that the 2017 budgets reflect an overall improvement with MaineHousing's financial position and performance, due to a significant improvement with the performance of the single family loan portfolio, higher loan production and the addition of several new federal programs. Revenues are projected at \$234 million and expenses at \$226.8 million. Net operating income is projected at \$7.2 million, which is a \$1.5 million increase over the projected net operating income for this year. Darren reviewed the major components of the two primary business segments – mortgage lending activities and the program administration activities followed by a review of the revenue and expenses by fund group.

components of the two primary business segments – mortgage lending activities and the program administration activities followed by a review of the revenue and expenses by fund group. The Commissioners had the opportunity to ask questions and provide input prior to the final budget presentation and vote at the December 20 meeting.

EXECUTIVE SESSIONS | CONFIDENTIALITY

Chief Counsel Linda Uhl reviewed the law concerning executive sessions held by public entities and confidentiality, including confidentiality provisions specific to Maine Housing. Commissioners indicated a preference for receiving confidential information prior to a meeting when the Commissioners are being asked to make a decision concerning the information.

ADJOURN

Commissioner Hayes made a motion seconded by Commissioner Merrill to adjourn the meeting. The meeting was adjourned by a unanimous vote of the Board.

Respectfully submitted,

Donna Talirico, Secretary