



Minutes of the Board of Commissioners Meeting October 20, 2009

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on October 20, 2009 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on October 13, 2009 in the Central Maine Newspapers.

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

PUBLIC ATTENDANCE

Other guests and staff present at the meeting include: Margaret Bean & Adam Krea, Deputy Directors; Linda Grotton, Internal Audit Manager; Linda Uhl, Chief Counsel; Tom Cary, Treasurer; Dan Brennan, Director of Development; Darren Brown, Controller; Laurie Murray, Deputy Controller; Peter Merrill, Director of Communications and Planning; Maureen Brown, HUD Programs Manager; Nancy Fritz, Director of Homeless Initiatives; Barbara Berry, Maine Association of Realtors; and Jane Whitley, Human Resources Manager and note taker.

AGENDA

Commissioner Gregory made a motion seconded by Commissioner McCormick to accept the agenda. All Commissioners voted to accept the agenda. The motion carried 6-0.

COMMUNICATIONS/CONFLICTS

There were no communications or conflicts to report.

MINUTES OF THE MEETING

Commissioner Lemoine made a motion seconded by Commissioner McLean to accept the December September 15, 2009 minutes as presented. All Commissioners voted to accept the minutes. The motion carried 6-0.

FINANCIAL REPORT

Darren Brown reported on delinquencies in all portfolios. The single-family delinquency rate increased due to current economic conditions and the unemployment rate. MaineHousing's overall delinquency and foreclosure rates remain below the reported rates for all Maine loans.

Commissioner Kontos expressed her appreciation to Darren and his staff for their great work in keeping the delinquencies low.

Tom Cary talked about the bond market and the single-family program. We currently have \$90 million of loans in process. We will continue to sell bonds in smaller quantities because it lowers the cost of investing.

PAULHAUS DISCUSSION

Adam Krea reviewed changes to the administration of our HUD PBCA contract. We currently pay Paulhaus, an out-of-state company, to process payments and perform oversight of TRACs processing for our Section 8 multifamily projects. The Paulhaus service costs MaineHousing \$174,000 annually plus the audit and oversight expenses incurred by our staff. Going forward, our goal is to administer the TRACs processing in-house. We have included two new positions in our 2010 proposed budget. This change will save us \$80,000 and create two Maine jobs.

PRELIMINARY 2010 BUDGETS

Darren Brown reviewed the 2010 Operating and Capital budgets. He provided a summary of each budget schedule and its major components. The Operating Budget presents projected overhead and operational costs for 2010. Four different operating budget schedules were presented. Each budget schedule is based on a different merit adjustment assumption. The Capital Budget presents items that cost more than \$1,000 and provide an economic benefit over a period of time.

The Board discussed the issue of merit increases for the staff. There is concern about giving raises at a time of state reductions. There was also concern about being fair to MaineHousing employees. The Board requested that staff investigate alternate ways to reward employees.

The Board will continue its review of the budgets in November. Commissioner Kontos expressed her appreciation to Darren and his staff for providing detailed, clear, concise, and easy to follow budget reports.

RESOURCE ALLOCATION EXERCISE

Chair Kontos lead a resource allocation exercise to determine the Board's program priorities for 2010. The results are as follows:

Prioritized by category:

#1 First Time Homebuyer Program

1. First Time Homebuyers - Gift of Green
2. ME Hope
3. Family Development Accounts (match)
4. Foreclosure Counseling
5. MADI

#2 People who are Homeless (tied for #2)

1. Shelter Operating Funds
2. Continuum of Care (match)
3. RAC+
4. Emergency Winter Response
5. Supportive Housing (homeless only)

#2 People with Special Needs (tied for #2)

1. 202/811 (HUD match)

#3 Renters Needing Assistance

1. 9% Tax Credit
2. 4% Tax Credit
3. Affordable Housing Subdivision

#4 Owners of Substandard Housing

1. Lead Abatement
2. Critical Access
3. Home Rehab
4. Elderly Hardship
5. Home Retro
6. Home Replacement
7. Keep ME Warm

DIRECTOR UPDATES

Commissioner McCormick presented the following information:

1. The Annual Housing Conference went very well. We were fortunate to have Gil Sperling, who heads the Weatherization Program for the Department of Energy, as one of our keynote speakers. He is the key person in determining who will get funding from DOE's Energy Efficiency and Conservation Block Grant, for which MaineHousing and Efficiency Maine are applying. Special thanks to Jody Rollins and team for another successful conference!
2. The Efficiency Maine Trust is meeting every other week. Dale is serving on two of the five sub-committees.
3. We will be adjusting our very popular Gift of Green program December 1. The Gift of Green program was phenomenally successful; about 800 Maine families have used it or are in the process of using it since we started it in mid-June. Our changes will provide a flat amount of \$2,500 in cash to use for the same purposes. We will continue to offer a gift coupon worth \$500 to use for an energy audit of the home.
4. Dale recognized and thanked Laurie Murray, Deputy Controller, for her contributions in an interim management role for the Homeownership Department while we search for a new Director for the department.
5. Tom Cary participated in a conference call on Monday regarding a new program to assist HFA's to reenter the bond market. Tom indicated that Freddie Mac & Fannie Mae will buy up to \$100 million of our bonds at a rate equal to the 10 year Treasury plus 75 basis points by year end. This will create \$8 - \$9 million in subsidy and allow us to lower our single and multifamily interest rates. Specific program details will be coming out this week. The Board requested updates via email regarding this new program.

REPORTS

No discussion

OTHER BUSINESS

None

Commissioner Gregory made a motion seconded by Commissioner Maboney to adjourn the meeting at 11:50 a.m.

NEXT MEETING

The next meeting of the Board of Commissioners will be held on Friday, November 20, 2009 at the offices of MaineHousing.

Respectfully submitted,

Donald Gean, Secretary