

Minutes of the Board of Commissioners Meeting August 21, 2018

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on August 21, 2018 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on August 10, 2018 in Central Maine newspapers.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. The meeting convened with Commissioners Thomas Davis, Kevin Joseph, Laurence Gross, John Gallagher, Sheryl Gregory, Donna Talarico, State Treasurer Terry Hayes, and Director Dan Brennan in attendance. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting include: Linda Uhl, Chief Counsel; Daniel Drost, Director of Energy and Housing Services; Tom Cary, Treasurer; Linda Grotton, Manager of Audit and Compliance; Craig Reynolds, Director of Homeownership; Allison Gallagher, Director of Housing Choice Voucher Department; Jane Whitley, Director of Human Resources and Facilities; Blake Sauter, Loan Administration Assistant; Becky Dydasco, Director of Information Technology; Karen Lawlor, Executive Administrator; Brenda Sylvester, Community Housing of Maine; and Gerrylynn Ricker, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Joseph made a motion seconded by Commissioner Hayes to adopt the August 21, 2018 agenda. The vote carried unanimously.

APPROVE MINUTES OF JUNE 19, 2018 MEETING

Commissioner Gallagher made a motion seconded by Commissioner Davis to accept the June 19, 2018 minutes with two amendments. The vote carried unanimously.

COMMUNICATIONS AND CONFLICTS

Commissioner Gross reported that his employer, Southern Maine Agency on Aging has a contract with Westbrook Housing Authority who has submitted a pre-application for the 9% LIHTC program. Chair Merrill reported the developer Center for Wisdom's Women approached him for fundraising ideas in general. Mr. Merrill also reported that he attended a Town of Yarmouth meeting where the discussion involved rent control. Mr. Merrill stated that he and Director Dan Brennan received e-mail communications regarding the Cabin in the Woods project at Togus. Mr. Merrill also had communications with Bill Crandall of Western Maine Community Action. Commissioner Hayes reported she attended the Business after Hours for the LA Chamber and she toured the building that will become Sophia House, which submitted a pre-application for the National Housing Trust Fund. Commissioner Gallagher reported that he met with and will continue to meet with the MREMA board in reference to educational opportunities.

CHAIR OF THE BOARD UPDATES

- Chair Merrill is attending MaineHousing's Building Committee meetings whenever he can.
- Chair Merrill reported that he attended a meeting of MaineHousing's Audit Committee.

DIRECTOR UPDATES

- Director Brennan reported over the past couple of months he has met with:
 - Chris Pinkham of the Maine Bankers Association;
 - Matt Marks of Associated General Contractors;
 - Malory Shaughnessy, Executive Director of AAMHS, Maine;
 - Mark Swann and Donna Yellen of Preble Street; and
 - Matt Eddy and Guy Gagnon of Biddeford Housing Authority.

- Mr. Brennan attended the following outside meetings:
 - Maine Association of Public Housing Directors quarterly meeting in Presque Isle; and
 - NCSHA Executive Directors meeting in Bar Harbor.

- Mr. Brennan informed the Board of the following matters:
 - The vacant position of our IT Director was filled internally with Becky Dydasco.
 - MaineHousing has purchased the Quarry Ridge property in Freeport and may purchase property on Gray Street in Portland.
 - Department of Economic and Community Development provided the additional money Cabin in the Woods needed and the project should be occupied soon.
 - Richard Hooks Wayman, the new CEO of VOAA here in Maine, contacted him
 - A concerned citizen contacted him regarding a developer that submitted a pre-application under our 9% program in South Portland.
 - We will be putting in an application for the Capital Magnet Fund.
 - We did not receive the Youth Homeless Demonstration Program grant.
 - We did not receive the Best Places to Work award.
 - We have value engineered work on the new building almost down to a number that makes us comfortable;
 - The HEAP computer system is being changed. We have three vendors replying to our RFP.
 - Energy and Housing Services will be doing a two-day training for CAP staff on taking LIHEAP applications, etc.
 - We are planning our 50th anniversary.
 - Very happy with Rhode Island Housing servicing.
 - In our Homeownership Department, we have received 100% electronic submission of files from our participating lenders.
 - We are working on the \$4,000,000 lead grant from the Legislature.
 - Our Comfortably HOME program received an Innovation Award.
 - The Maine Affordable Housing Coalition conference is November 14, 2018 in Portland.

HOUSING CHOICE VOUCHER ANNUAL PLAN PUBLIC HEARINGS

Chief Counsel Linda Uhl welcomed the public and explained the public hearing process. She introduced the Commissioners, Housing Choice Voucher Director Allison Gallagher, and herself. Allison Gallagher explained that MaineHousing is the administrator of the Housing Choice Voucher program and we are required to adopt a Public Housing Plan. It is a two part plan - one being a 5-year plan, which is currently in effect from 2015 – 2019 and consists of the goals and objectives, and an annual plan that outlines the policies and procedures that support the objectives of the 5-year Plan. Ms. Gallagher explained the Plan was presented to our Resident Advisory Board via e-mail and telephone. We are continuing to get some comments and will have those available with any

comments we receive today. The comment period expires at end of business today. Ms. Uhl thanked Ms. Gallagher and stated we will ask the Board to adopt the Plan at the September Board meeting.

The public hearing closed at 9:37 a.m.

ADOPT HEAP RULE AMENDMENT / STATE PLAN / WAIVER

Daniel Drost, Director of Energy and Housing Services, requested the Board to vote to repeal and replace the Home Energy Assistance Program Rule, adopt the FFY2019 LIHEAP State Plan; and approve the 2018 LIHEAP Weatherization Waiver.

Mr. Drost reviewed a memo that summarized the changes that are being proposed to the rule as a result of the public hearing and comments received. None of the changes are substantive in nature. Corresponding changes will be made to the State Plan. The 2018 LIHEAP Weatherization Waiver will allow MaineHousing to transfer an additional 10% of the 2018 LIHEAP grant for weatherization measures.

Commissioner Gregory made a motion seconded by Commissioner Hayes to repeal the existing Home Energy Assistance Program Rule, Chapter 24 of MaineHousing's rules, and replace it with a new Home Energy Assistance Program Rule as described in and attached to Kathy Kinch and Linda Uhl's memo to the Board dated August 15, 2018. The vote was unanimous.

Commissioner Gregory made a motion seconded by Commissioner Hayes to adopt the proposed FFY 2019 Home Energy Assistance Program State Plan. The vote was unanimous.

Commissioner Gregory made a motion seconded by Commissioner Hayes to approve the proposed waiver of the weatherization cap for the FFY 2018 Home Energy Assistance Program. The vote was unanimous.

ADOPT ACCESSABLE HOME TAX CREDIT RULE

Daniel Drost, Director of Energy and Housing asked the Board to vote to repeal and replace the AccessAble Home Tax Credit Rule. No comments were received.

Commissioner Gross made a motion seconded by Commissioner Joseph to repeal the existing Home Modification Tax Credit Rule, Chapter 33, of MaineHousing's rules, and replace it with the proposed AccessAble Home Tax Credit Rule. The vote carried unanimously.

STANDARD & POOR'S PRESENTATION

Treasurer, Tom Cary explained Standard & Poor's Financial Services Company ("S&P") has been rating our bonds since 1972. Mr. Cary explained that we are in the market a lot and S&P rates our bonds in a timely fashion. Tom introduced the S&P members: David Greenblatt is our primary analyst; Kib Park is our backup analyst but was our primary analyst for the past five years; and Marian Zucker is the sector lead. Ms. Zucker explained that the economy is growing, unemployment is down, and labor costs are high so building homes is down. In the current housing market, the home supply is decreasing and prices are rising. Down payment assistance helps HFAs bridge the affordability gap and strengthens their profiles. Homeowners may stay in their homes longer, increasing HFAs' annuity revenue streams and strengthening balance sheets. Kib Park explained MaineHousing's key rating drivers: we have very strong quality of mortgage loans, low delinquencies, and no multifamily delinquent loans past 90 days. MaineHousing has a very strong cash flow coverage of projected credit shortfalls; anticipated \$270 million in excess assets by November 15, 2018; 119.8% asset-to-liability parity; and sufficient overcollateralization to cover \$148.5 million in potential loan loss. MaineHousing also has very strong program management oversight. We have an experienced senior management team; we have proven strategy to successfully manage the loan portfolio; and we have a prudent debt profile. Mr. Parks then went over our single family programs

and multifamily programs rating distribution. Mr. Greenblatt reviewed the S&P Ratings Analysis overview.

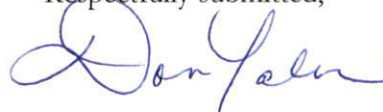
DEPARTMENT REPORTS

No comments.

ADJOURN

Commissioner Talarico made a motion seconded by Commissioner Joseph to adjourn the meeting. The meeting was adjourned at 11:20 a.m. by a unanimous vote of the Board.

Respectfully submitted,



Donna Talarico, Secretary