

December 21, 2021 Board Meeting

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Board of Commissioners Meeting – December 21, 2021 9:00 A.M. – 12:00 P.M.

MEMBERS OF THE BOARD: Lincoln Merrill, Jr. (Chair), Daniel Brennan, Henry Beck, Bonita Usher (Vice Chair), Kevin P. Joseph (Secretary), Laura Buxbaum, Nancy Harrison, and John Wasileski

9:00	Adopt Agenda (VOTE)	Lincoln Merrill
	Approve minutes of November 16, 2021 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Lincoln Merrill
	Elect Officers of the Board (VOTE)	Lincoln Merrill
	Director Updates	Dan Brennan
9:30	Adopt DOE Weatherization State Plan (VOTE)	Kim Ferenc
9:45	Final Review & Adoption of the 2022 Budget (VOTE)	Darren Brown
10:30	New Series Resolution (VOTE)	Tom Cary
11:00	Fraud Prevention/Investigation	Linda Grotton
	Future Presentations/Topics	All
	<u>Department Reports:</u>	All
	Asset Management	
	Communications and Planning	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Voucher	
	Human Resources and Facilities	
	Information Technology	
	2021 Board Calendar	
	Adjourn (VOTE)	All

*The next meeting of the Board is scheduled for January 18, 2022
virtually and in person at 26 Edison Drive, Augusta, Maine*



Minutes of the Board of Commissioners Meeting November 16, 2021

MEETING CONVENED

A meeting of the Board of Commissioners for MaineHousing convened on November 16, 2021 at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on November 5, 2021 in Central Maine newspapers. Notice of Board of Commissioners meetings are also on MaineHousing's website at www.mainehousing.org.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. Chair Merrill, Director Dan Brennan, Commissioner Kevin Joseph, Commissioner Nancy Harrison and State Treasurer Henry Beck attended in person. Commissioners Laura Buxbaum and Bonita Usher attended remotely due to COVID concerns. There were no other persons at the location of the Commissioners attending remotely. Commissioner John Wasileski was absent. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting included: Linda Uhl, Chief Counsel; Peter Merrill, Deputy Director; Adam Krea, Senior Director of Finance and Lending; Denise Lord, Senior Director of Strategic Initiatives; Daniel Drost, Director of Energy and Housing Services; Linda Grotton, Director of Audit and Compliance; Jane Whitley, Director of Human Resources and Facilities; Erik Jorgensen, Director of Government Relations and Communication; Karen Lawlor, Executive Administrator; Tom Cary, Treasurer; Allison Gallagher, Director of Housing Choice Vouchers; Steven McDermott, Strategic and Planning Team Leader; Kim Ferenc, Manager of Housing and Weatherization; Jason Stonier, Operations Manager – Building and Grounds; Craig Reynolds, Director of Homeownership; Scott Thistle, Communications Director; Becky Dydasco, Data Analyst; Troy Fulmer, Manager of HEAP; Tracy Snowden, Office Coordinator; Lori McPherson, HEAP Program Officer – Vendor Relations; Brad Fenton-Snell, Weatherization Program Officer; Emily Sparrow, HEAP Program Officer – Compliance and Fraud; Haley Tuttle, HEAP Program Assistant; Laura Jones, HEAP Program Officer – Billing and Payments; Michael David, Technical Services Specialist; DeAnna Trask, Weatherization Program Officer; Brenda Sylvester, Community Housing of Maine; Robyn Wardell, Community Housing of Maine; Linda Ryan, Augusta Fuel Company; Eric Poirier, Poirier Capital Investment Group; Danielle Burbank, Fabian Oil; Megan Mayo, Fabian Oil; and Gerrylynn Ricker, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Harrison made a motion seconded by Commissioner Joseph to adopt the November 16, 2021 agenda. The vote carried unanimously.

APPROVE MINUTES OF OCTOBER 19, 2021 MEETING

Commissioner Joseph made a motion seconded by State Treasurer Beck to accept the October 19, 2021 minutes as written. The vote carried unanimously.

COMMUNICATIONS AND CONFLICTS

Commissioner Harris reminded the other Commissioners that she is an employee of Bangor Savings Bank and Bangor Savings Bank does participate in MaineHousing programs. Commissioner Joseph reported that he has a family member that is going to apply for HEAP benefits. State Treasurer Beck

reported a communication he received from a constituent that was pleased with the emergency rental assistance program.

CHAIR OF THE BOARD UPDATES

Chair Merrill reported he attended a QAP meeting and found it very informative and helpful.

DIRECTOR UPDATES

Director Brennan reported issues, his activities and upcoming matters as follows:

- Introduced and welcomed Scott Thistle, the new Director of Communications.
- Concluded the Affordable Housing Conference successfully. It was held virtually for two half days.
- Attended ribbon cuttings in Westbrook for both the Harnois Apartments and the Lewis H. Emery Apartments projects.
- Attended the ground breaking at the Mary Street Apartments in Skowhegan with Governor Mills and Speaker of the House Ryan Fecteau. It is one of the first projects to use the new State Low Income Housing Tax Credit.
- Was on Maine Calling with Greg Payne, Senior Policy Advisor for Housing for the Governor and Speaker Ryan Fecteau. That went quite well.
- Continue to serve on the zoning commission which is almost done with its work. There is one more meeting and the outcome will be new legislation that will go in front of the Legislature when it re-convenes in January.
- We had a combined Leadership Team and Mid-Managers Team meeting to re-think some of our policies around tele-commuting and working outside the office. We have made changes to the employee manual and acceptable use policy.
- Attended a weatherization press conference with Governor Mills, her energy officer, Efficiency Maine Trust, and members of the Governor's policy innovation and future team discussing HEAP and weatherization.
- The FUSE Collaborative had its last meeting. That work is finishing up and we're coming up with best practices and ways to move forward.
- Attended the first meeting of the Cultural Advisory Group. Throughout the year our fair housing team has been working on figuring out ways that MaineHousing can be more effective working with New Mainers' populations, black and indigenous populations. Six different groups attended the first meeting: Capital Area New Mainers; Wabanaki Public Health; Immigrant Resource Center; Prosperity Maine; New England Arab American Organization; and Maine Immigrant Rights Coalition.
- Held a virtual All Staff Day. Hopefully this was the last virtual one and everyone will get together in person next time.
- Will be presenting at Colby College about low income housing tax credits.
- Planning on visiting Lewiston in early December.
- In mid-December will be traveling to Washington D.C. for the NCSHA executive director meeting.
- In the infrastructure bill signed yesterday is a major increase in the weatherization assistance program, \$32 million for Maine.
- We will be receiving over \$60 million from the Governor's Maine Jobs and Recovery Act for workforce housing, homeless housing, and housing navigators.
- The Rapid Rehousing programs are starting to show progress.

2022 DOE WEATHERIZATION STATE PLAN PUBLIC HEARING

Chief Counsel Linda Uhl opened the public hearing. She introduced the Commissioners; Director of Energy and Housing Services, Daniel Drost; and Manager of Housing Services, Kim Ferenc. Kim Ferenc reviewed the stakeholder process. There being no comments from the public, the hearing was adjourned at 9:34 a.m.

PRELIMINARY 2022 BUDGETS

Director of Finance Darren Brown presented the 2022 preliminary budgets. He explained that, like last year, this year's profitability will be lower than expected due to an extremely low interest rate environment that has had an impact on the mortgage lending segment of operations. A continuation of the lower interest rates is anticipated for 2022. The COVID-19 pandemic also impacted operations again this year. New federal program revenues provided for a significant increase in program activities, which contributed to an increase in operating costs. Federal funding of COVID-19 programs will continue through next year and program revenues will be higher in 2022. In spite of economic challenges caused by prevailing low interest rates and the continuation of COVID-19, MaineHousing is expected to generate net operating income this year. A moderately higher amount is projected for 2022 and total revenues are budgeted to exceed expenses by \$5 million. Darren reviewed the major components of the two primary business segments – mortgage lending activities and the program administration activities. The Commissioners had the opportunity to ask questions and provide input prior to the final budget presentation and vote at the December 21st meeting.

HEAP VENDOR PRESENTATIONS

Director of Energy and Housing Services Daniel Drost introduced Linda Ryan, Credit Manager at Augusta Fuel Company; Eric Poirier, President of Poirier Capital Investment, which has Maine Energy Pros, Inc. a weatherization vendor; and Megan Mayo and Danielle Burbank, both of Fabian Oil. Director Drost asked Ms. Ryan to discuss the working relationship between Augusta Fuel Company as a HEAP vendor and MaineHousing. Ms. Ryan has administered the HEAP program at Augusta Fuel for twenty-five years. Augusta Fuel Company serves approximately 300 HEAP customers. Ms. Ryan complimented MaineHousing staff for getting the HEAP benefits out to suppliers three weeks earlier than in the past. This reduced the number of phone calls from customers getting low on fuel and enabled deliveries to customers before it gets really cold. Ms. Ryan told the Commissioners positive aspects of the program and working with MaineHousing as well as some negatives in connection with reporting. Overall, Ms. Ryan believes MaineHousing and the CAP agencies do a great job communicating with the vendors and including the vendors in group meetings to discuss better ways to serve HEAP customers.

Director Drost introduced Megan Mayo, Accounting Manager for Fabian Oil. She has worked with the HEAP program for roughly eight years. Ms. Mayo stated over the past few years communications between vendors and MaineHousing staff has improved tremendously. Director Drost asks for input often; he listens; he makes sure he understands; and he implements changes when he can. Ms. Mayo then went over for the Board various pros and cons with the HEAP program. Electronic reports (as opposed to paper) have increased productivity. Offering trainings more than once a year is helpful to learn about changes. E-mail inquiries to MaineHousing have had a quicker turnaround which allows service to customers in a much faster fashion. Issuing benefits in early October instead of mid-November is very beneficial. Allowing clients to receive an emergency delivery at a 1/4 of a tank rather than an 1/8 of a tank has made it easier to get those deliveries into the delivery schedule. Some changes Ms. Mayo thinks could improve the program are: Benefit letters are going out too early; vendor voucher reports contain incorrect account numbers which she is working on with MaineHousing staff to get fixed; and Ms. Mayo does not want to see future post-paid HEAP benefits, which would require far more Fabian staff.

Director Drost then introduced Eric Poirier, President of Energy Pros, a weatherization vendor. Mr. Poirier explained to the Commissioners how the weatherization program is designed to make people's homes more energy efficient. His organization averages about 130 houses per year and contracts with eight CAP agencies. The weatherization program is very involved. There are national and local standards. There are well over 300 different tasks that can be done in a house to make it more energy efficient. A preliminary inspection is conducted; then the work is completed; then there is a post inspection. With that many standards, sometimes things need to be re-done. There can be up to two months between the time his company invoices the project to MaineHousing and his company actually receives payment. He would like that looked at because during this time, he is covering the costs of supplies, payroll, insurances, etc. The other thing Mr. Poirier spoke about is training. The training of his employees is very intensive. There is a tremendous amount of job shadowing. The labor shortage, of course, has impacted his ability to perform jobs. Mr. Poirier also stated more training opportunities would be beneficial as well as attending meetings with MaineHousing and the CAPs.

FUTURE PRESENTATIONS/TOPICS

Director Brennan asked the Commissioners if there are any specific topics they would like presented. Director Brennan did say he will be reaching out to the head of the Maine Banker's Association for a future presentation. State Treasurer Henry Beck asked if Development Director Mark Wiesendanger could "Outlook" invite the Commissioners to the QAP meetings.

DEPARTMENT REPORTS

Commissioner Harris asked about qualified census tracts mentioned in the Communications and Planning report. Director Brennan explained that some of the money coming to us in the American Rescue Plan is coming for workforce housing. The US Treasury's guidance requires spending a certain amount in qualified census tracts and a certain amount on reservations. Maine only has a handful of such tracts.

ADJOURN

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

Respectfully submitted,

Kevin P. Joseph, Secretary



Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: December 14, 2021

Subject: Proposed 2022 Budgets

We will be requesting your approval of the 2022 budgets at this month's meeting. At the November meeting, preliminary budget information was presented and reviewed. The majority of the preliminary information provided last month has not changed. However, some changes were made based on your feedback.

We discussed the significant increase in program activities this year due to the unprecedented amount of federal funds provided in response to the pandemic and that the volume of activity was going to continue at a higher level throughout 2022. The need for additional staff to handle the increase in program activities and challenges associated with the current labor market were also discussed.

To assist with some of the challenges with current labor market conditions and to recognize the hard work of employees in delivering essential public benefits, the following changes are being proposed and have been included in the 2022 budgets:

1. Increased the merit adjustment factor discussed at the last meeting by 1%. This change increased the amount for merits by \$110,000 to a total of \$540,000.
2. Included \$750,000 to provide employees with a one-time supplemental payment. This payment is in recognition of the exceptional work of staff in meeting the immense challenges presented by COVID-19 this year, as well as throughout next year. An approach designed to provide the greatest appreciation to those who earn the least is planned. The details for this payment will be provided at the meeting.

The above changes increase salaries and related expenses in the Operating Expenses section of the budgets by a combined amount of approximately \$940,000. Total operating expenses for 2022 amount to \$22.7 million, which is an increase of \$2.9 million over forecasted operating costs for this year. Total net operating income budgeted for 2022 decreased from approximately \$5 million to \$4 million as a result of the changes.

Except for the changes noted, the following presents the same information provided and reviewed at the November meeting.

The attachments include information on Fiscal Year 2020 (actual results), Fiscal Year 2021 (approved budgets and forecasted results), and the proposed Fiscal Year 2022 budgets. The 2021 forecasted amounts take into account the first ten months of actual results and two months of projections using current trends and expected activities through the end of the year, and serve as the basis for the 2021 to 2022 comparisons on the attachments.

This year's profitability will be below the established budget amount due to an extremely low interest rate environment, which has had an impact on the mortgage lending segment of operations. A continuation of lower

interest rates is anticipated for 2022. The COVID-19 pandemic also impacted operations again this year. New federal program revenues provided for a significant increase in program activities, which contributed to an increase in operating costs. Federal funding of COVID-19 programs will continue through next year and program revenues will be higher in 2022.

In spite of the economic challenges caused by prevailing low interest rates and the continuation of COVID-19, MaineHousing is expected to generate net operating income of approximately \$4 million this year. A comparable amount of net operating income is projected for 2022.

MaineHousing's two primary business segments consist of mortgage lending activities and the administration of various federal and other programs. The following is an overview of projected activities for each segment:

Mortgage Lending Activities

Net interest income, which is the difference between income from mortgage and non-mortgage investments and the interest paid on bonds, is generated from lending activities and is used to pay for related operating and administrative expenses.

Low interest rates impacted this year's activities by lowering interest income from investments and contributing to loan runoffs. A large volume of single-family borrowers refinanced and paid-off their loans, which lowered average outstanding loans and yields. A similar rate environment is assumed for 2022. The current interest rate environment also lowered borrowing costs on new bonds and provided opportunities to refinance and redeem higher rate outstanding bonds. This lowered interest expense this year and will further reduce interest expense in 2022.

The following presents the major components and factors used in the development of the 2022 budgets for mortgage lending activities.

- The loan portfolio is budgeted to increase by a net amount of \$60 million in 2022, which is consistent with the average annual increase for the past several years. New loan production is projected at approximately \$215 million and loan reductions from scheduled repayments, prepayments, and foreclosures are estimated at \$155 million.
- Interest income from investments is projected to remain flat and at a relatively low level based on a continuation of lower interest rates.
- Interest expense is projected to decrease by approximately \$1 million due to lower average rates and outstanding bonds, as a result of this year's redemption and refinancing activities.

Program Administration Activities

MaineHousing administers numerous federal and state funded programs and receives fee income for the administration of these programs. This fee income is used to pay for related operating and program administrative costs.

Program revenues and activities will be at higher levels in 2022 based on available federal COVID-19 awards. Many of the COVID-19 programs were new in 2021 and were in place for a portion of the year. These programs will be available throughout 2022. The following are the major factors associated with program activities for 2022:

- Program revenues (Federal Rent Subsidy and Grant Income) are projected to increase by approximately \$68.6 million and amount to \$420 million. The increase is due primarily to the following:
 1. \$60 million increase from the various COVID-19 programs.

2. \$1.2 million combined increase for two new HUD programs: The Recovery Housing and Older Adult Homes Modification programs.
 3. \$7 million increase from carryforward amounts associated with the federal LIHEAP and Weatherization programs.
- Fee income will increase by approximately \$2.9 million to \$14 million, as a result of the higher program revenues noted above.

BUDGET ATTACHMENTS

MaineHousing's 2022 budgets consist of the following attachments:

- Consolidated Revenues and Expenses Budget (**Attachment A**)
- Operating and Direct Program Administrative Expenses Budget (**Attachment B**)
- Capital Budget (**Attachment C**)
- Itemization of Certain Revenues (**Attachment D**)
- Revenues and Expenses Budget by Fund Group (**Attachment E**)

The following presents a brief summary and the major components for each attachment.

Consolidated Revenues and Expenses Budget – Attachment A

This attachment provides a macro view of the agency's budget and it presents total consolidated revenues and expenses for all activities. Total combined revenues and expenses are budgeted at \$496.1 million and \$492.1 million, respectively. The total budget amounts for both revenues and expenses reflect an increase of \$71.4 million or 17% over the forecasted actual amounts for this year. The increases are attributed mostly to higher program revenues and expenditures.

Total revenues are projected to sufficiently cover all expenses and next year's profitability is expected to be consistent with amounts for 2020 and 2021, with revenues exceeding expenses by approximately \$4 million.

Operating Expenses Budget – Attachment B (Top Section)

The Operating Expenses Budget presents the agency's overhead and operational costs. The total 2022 budget amount is \$22.7 million, which is an increase of \$2.9 million or 15% over forecasted actual expenses.

The increase is attributed primarily to higher salaries and employee benefit expenses due largely to an increase in staff. Additional staff is needed because of the significant increase in program activities associated with the federal funds provided in response to the pandemic and multifamily lending. Additionally, expenses for staff education, trainings and conferences, partner and client trainings and meetings, and staff events will be higher in 2022. These expenses were again curtailed this year because of COVID-19 and activities in these areas are expected to be at higher level in 2022.

The following provides a description of each expense and a summary of the major components and assumptions used for the 2022 budget:

1. Salaries – Based on a staff level of 191 full-time equivalent (FTE) positions. This is an increase of 19 FTEs compared to the approved 2021 budget. Actual salary expenses are expected to be over budget this year by approximately 8 FTEs due mainly to higher federal program funding and activities. The proposed budget also includes approximately \$540,000 for merit adjustments and \$750,000 for a one-time supplemental payment to employees.

2. Payroll taxes – Employer portion of Federal Insurance Contribution Act (FICA) taxes.
3. Health, dental and other insurance benefits – Costs for health, dental, life, long-term care, and disability insurance benefits. Includes the following for 2022:
 - A. Health insurance – a 2% premium increase with no coverage changes and no change with the current provider, Anthem BC/BS.
 - B. Dental insurance – no premium increase and no coverage changes and no change with the current provider, Delta Dental.
4. Retirement – Employees have an option to participate in one of two retirement plans offered: (1) a defined contribution plan (Lincoln Financial Group) or (2) a defined benefit plan (MEPERS). There are no benefit or contribution rate changes for either plan.
5. Other fringe benefits – Costs associated with the Employee Wellness Program, which provides employees a maximum annual amount of \$280 for wellness activities like exercise, weight loss, and smoking cessation programs. Payments to employees under this program are a taxable fringe benefit.
6. Office supplies – Costs for standard small expendable office supplies as well as office equipment and furnishings.
7. Printing – Printing costs for various items including: informational pamphlets and brochures, legal and public notices, the annual report, envelopes, business cards, checks and other business forms.
8. Memberships, dues and fees – Membership fees to professional associations for the agency and employees, as well as professional licensing dues. Approximately \$30,000 of the total is for the agency's annual membership fee to the National Council of State Housing Agencies (NCSHA).
9. Subscriptions – Trade, legal and other technical periodicals and publications for staff to stay current on industry requirements and trends.
10. Sponsorships – Expenses associated with sponsoring housing or program-related events for the purpose of promoting MaineHousing and its programs. Includes the following for 2022:
 - \$2,500 - State Affordable Housing Conference
 - \$2,000 - GrowSmart Maine Annual Summit
 - \$1,000 - Maine Real Estate and Development Association Annual Conference
 - \$3,000 - New England Resident Services Coordinators Conference
 - \$2,500 - Maine Resident Services Coordinators Conference
 - \$3,000 - Maine Real Estate Managers Annual Conference
 - \$1,500 - Maine Wisdom Summit/Council on Aging
 - \$1,500 – Northern New England Community Action Agencies Conference
11. Staff Education/Training/Conferences – All costs (e.g. registration fees and tuition) associated with necessary training for staff, except for the travel and meal costs. Related travel and meal costs are separated due to a law requirement (see next line).
12. Staff Education/Training/Conferences – Travel and Meals - Travel and meal costs associated with staff training (e.g. meals, lodging, mileage, airfare, and parking).

The combined increase of \$252,000 for lines 11 and 12 is based on a resumption of activities to approximately pre-COVID levels. However, since these activities will likely remain limited for a portion of the year, a COVID

reduction adjustment of \$89,000 has been included. This approach is consistent with this year's budget. An adjustment factor of 25% of the total combined cost is being used for 2022. A 50% factor was used for 2021.

13. Partner and Client Trainings/Meetings – All costs associated with business partner or client trainings and meetings (e.g. lenders/homebuyers/agents/CAA agencies), other than travel and meals. Costs include things such as facility rental and material costs. Related travel and meal costs are separated due to a law requirement (see next line).
14. Partner and Client Trainings/Meetings – Travel and Meals - Travel and meal costs associated with partner/client trainings and meetings with outside partners and clients.

The combined increase of \$76,000 for lines 13 and 14 is based on a resumption of activities to approximately pre-COVID levels. However, since these activities will likely remain limited for a portion of the year, a COVID reduction adjustment of \$34,500 has been included. This approach is consistent with this year's budget. An adjustment factor of 25% of the total combined cost is being used for 2022. A 50% factor was used for 2021.

15. Staff events –All costs, other than meals, associated with agency-sponsored employee recognition events or meetings. The cost for food associated with staff events are accounted for separately (see next line).
16. Staff events - Meals - Meals associated with an agency-sponsored employee recognition event or meeting

The combined increase for lines 15 and 16 is \$26,000 and is based on a resumption of activities to approximately pre-COVID levels. However, since these activities will likely remain limited for a portion of the year, a COVID reduction adjustment of \$10,500 has been included. This approach is consistent with this year's budget. An adjustment factor of 25% of the total combined cost is being used for 2022. A 50% factor was used for 2021.

17. Leased vehicles- Certain employees are provided with a leased vehicle to fulfill their job requirements. All vehicles are leased through the State of Maine Central Fleet Division. There's both a fixed and variable cost associated with leased vehicles. The variable cost is based on actual mileage, which were down in 2021 due to COVID-19 and are expected to be higher in 2022.
18. Computer supplies – Includes desktop computers, monitors, as well as other computer-related items.
19. Software licenses (SAAS) – Costs for software that is provided as a service on a subscription basis.
20. Computer maintenance - MaineHousing maintains a significant computer network and most of the computer systems and applications have annual maintenance and support agreements.
21. Building rent and utilities – Expenses associated with leasing the Water Street office building, which expired on June 30, 2020, and are no longer applicable.
22. Building repairs and maintenance – Building maintenance costs associated with the leased Water Street office building, which are no longer applicable. Repairs and maintenance costs for the Edison Drive office building are included on line 24.
23. Interest expense – Interest expense for the \$16 million loan used for the acquisition and rehabilitation of the Edison Drive office building. The loan is an amortizing 15-year note with a fixed rate of 3.2%.
24. Office building property expenses – Costs associated with owning and operating the Edison Drive office building. Includes: payments in lieu of taxes, services for cleaning and grounds keeping, utilities, and other maintenance. The increase is due to higher costs for electricity and natural gas.

25. Depreciation – Capital expenditures are recorded as assets and then depreciated (expensed) over their useful life. The budget amount is based on actual depreciation schedules for existing assets and estimates for new capital expenditures in 2022 (see Capital Budget).
26. Rent - other – Primarily rental of archive storage space and a disaster recovery backup facility.
27. Telephone - Costs for the agency's RingCentral phone system, wireless phones, land-lines, and internet connections.
28. Employment advertisements –Advertising cost associated with filling vacant positions. Employment advertisements are mainly handled via online job advertising websites.
29. Postage and shipping – Costs for postage as well as UPS mailings and other shipments. Additional mailings for benefit notification letters and vendor reports for some of the COVID-19 programs are projected.
30. Insurance – Premiums for worker's compensation, property, liability, crime, fidelity bond and auto insurance. Also, as a governmental agency, MaineHousing directly pays unemployment insurance claims.
31. Recording fees – Fees paid for certain UCC and deed filings and discharge recordings.
32. Payroll services – Costs associated with using Paylocity, which is an external payroll system and service provider.
33. Audit services – Costs associated with the annual audits, which includes an audit of the financial statements audit and a compliance audit of federal programs. Additional costs for the federal compliance audit are estimated due to the substantial increase of programs.
34. Professional services – Includes amounts for various contract services and consultants. The increase is due primarily to new contract services for developing a State Fair Housing plan and translating program materials, and for additional legal, temporary employment, and Davis Bacon monitoring services. The following are the major items budgeted for 2022:

Legal services	\$75,000
Translation services	30,000
State Fair Housing Plan	50,000
Davis Bacon monitoring	20,000
Rent affordability data collection	12,000
Hearing Officers and fraud investigation services	18,000
Internships	15,000
Defined contribution retirement plan advisors	25,000
Information Technology security and monitoring work	64,000
Temporary employment services	46,000

Direct Program Administrative Expenses Budget – Attachment B (Bottom Section)

Direct program administrative expenses are costs that are specifically related to the administration of a particular program. Budgeted expenses for 2022 amount to \$9.1 million, which is an increase of approximately \$1.1 million over projected actual expenses for this year. The increase is attributed primarily to the loan portfolio growth and higher program advertisements and outreach initiatives associated with several COVID-19 programs. The following is a summary of each expense:

1. Loan foreclosure expenses – Costs associated with foreclosing on loans, which includes expenses for attorney fees, appraisals, property inspections, clean-ups, and preservation work. The increase is for a potential higher level of activity due to the expiration of the moratorium on foreclosures.
2. REO expenses – Real estate owned expenses are incurred when the property title associated with a foreclosed or defaulted loan is transferred to MaineHousing. Consist of property maintenance, taxes, marketing, and other disposition costs.
3. Provision for losses on loans and REOs – Expenses associated with writing-off uncollectible loans and REO assets and is based in part on delinquency rates and the volume of loans in foreclosure.
4. Mortgage servicing fees – Fees paid to six servicers to perform loan servicing work associated with the single-family loan portfolio. The increase is due mainly to a higher average number of loans in 2022.
5. Loan origination expenses – Origination fee of 1.5% and servicing release fee of 0.5% paid to lenders for underwriting and closing single-family loans. An increase in loan purchases is projected for next year.
6. Bond issuance expenses – Expenses associated with preparing and selling bonds, which includes legal, underwriting, commission, printing, and registration fees.
7. Trustee/Bank fees – Fee payments to U.S. Bank for trustee services associated with the Mortgage Purchase Bond Fund (MPP).
8. Program advertisements– Expenses associated with promoting the First Home Loan program and certain COVID-19 programs. Costs may include print and online venues, broadcast time, radio time, and direct mail advertising. The increase is due to advertisements and outreach initiatives associated with some of the COVID-19 programs.
9. Bond and mortgagee insurance – Insurance costs associated with certain bonds and mortgage loan programs.
10. Variable rate bond remarketing & liquidity facilities – Costs associated with variable rate demand notes (VRDN's). Includes fees payments to remarketing agents for resetting interest rates and liquidity facilities expenses. The cost increase is due to the addition of a new Standby Purchase Agreement (SPA).
11. Cash flow/arbitrage/swap consultants/legal – Includes costs for bond cash flows and arbitrage tax services, consulting services associated with interest rate swap instruments, and legal cost associated with SPAs.
12. Homebuyer education – Education classes for the First Home Loan program. This training covers all aspects of the home buying process and provides consumers with knowledge about homeownership costs and responsibilities.
13. Program administrator fees– Payments to outside agents to perform administrative work associated with several programs, which include portability fee payments for the Section 8 HCV program. When voucher recipients relocate and leave MaineHousing's portfolio, the administration fees associated with the voucher are paid to the housing authority in the relocated area.
14. Section 8 security deposits - Security deposit assistance provided to Section 8 Voucher program participants. Administrative fees are no longer used to provide this assistance.

Capital Budget – Attachment C

The Capital Budget is for items that provide the agency with an economic benefit over a period of time. Items are recorded as assets and then depreciated and expensed over their estimated useful life. The proposed Capital Budget for 2022 is approximately \$556,000, which is an increase of approximately \$207,000 over capital expenditures for 2021.

Most of the capital expenditures for 2022 are for computer software items. A large portion of the budget is for replacing and upgrading the multi-family housing system, which is a system that links the various sources of multi-family loan data throughout the agency and provide for a centralized repository of related information. There are also amounts to make modifications and upgrades to the Hancock system used to administer the federal LIHEAP and weatherization programs and the Salesforce software used to track and account for activities associated with several federal programs.

Itemization of Certain Revenues – Attachment D

This attachment is for informational purposes and presents an itemized listing of the following revenues that are presented on Attachment A: Federal rent subsidy income, Grant income (grouped by federal and non-federal programs), Fee income, and Other income.

Revenues and Expenses Budget by Fund Group – Attachment E

This attachment presents projected revenues and expenses for each of MaineHousing's seven Fund Groups, which from an accounting perspective represent separate and stand-alone entities. The purpose of this attachment is to illustrate how operating costs for 2022 will be allocated to the different internal entities and ultimately paid. Also, MaineHousing's Bond Resolution requires that a budget be prepared for the Mortgage Purchase Fund Group (MPP) as part of the agency's annual budget process. The MPP budget is presented in the second column from the left.

The total amounts presented in the left-hand column of this attachment are the same as the 2022 budget consolidated amounts presented on Attachment A.

**MAINE STATE HOUSING AUTHORITY
CONSOLIDATED REVENUES AND EXPENSES BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

(IN THOUSANDS OF DOLLARS)

	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	\$ Increase¹ (Decrease)	% Increase¹ (Decrease)
REVENUES:						
Interest from mortgages and notes	62,407	64,125	60,200	60,390	190	
Income from investments	2,198	1,545	1,220	1,300	80	
Federal rent subsidy income²	107,533	108,780	108,810	109,296	486	
Grant income²	109,508	120,533	242,909	311,042	68,133	
Fee income²	9,638	10,764	11,177	14,046	2,869	
Other income²	1,314	140	432	65	(367)	
Total Revenues	<u>292,598</u>	<u>305,887</u>	<u>424,748</u>	<u>496,139</u>	<u>71,391</u>	<u>17%</u>
EXPENSES:						
Operating expenses³	19,111	19,462	19,823	22,708	2,885	
Direct program administrative expenses³	7,751	8,859	8,004	9,093	1,089	
Interest expense	45,725	44,048	41,835	40,795	(1,040)	
Federal rent subsidy expense	107,533	108,780	108,810	109,296	486	
Grant expense	108,627	119,900	242,249	310,202	67,953	
Total Expenses	<u>288,747</u>	<u>301,049</u>	<u>420,721</u>	<u>492,094</u>	<u>71,373</u>	<u>17%</u>
Net Operating Income	<u>3,851</u>	<u>4,838</u>	<u>4,027</u>	<u>4,045</u>	<u>18</u>	<u>0%</u>

¹ 2021 Forecast Vs. 2022 Budget

² Amounts are itemized on Attachment D.

³ Amounts are itemized on Attachment B.

**MAINE STATE HOUSING AUTHORITY
OPERATING AND DIRECT PROGRAM ADMINISTRATIVE EXPENSES BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

ATTACHMENT B

	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	\$ Increase¹ (Decrease)	% Increase¹ (Decrease)
Operating Expenses						
1. Salaries	10,577,182	10,777,009	11,245,520	12,989,264	1,743,744	
2. Payroll taxes	752,574	788,606	824,006	956,112	132,106	
3. Health, dental and other insurance benefits	2,709,752	2,619,299	2,674,300	2,932,952	258,652	
4. Retirement	990,614	1,065,276	1,103,492	1,247,720	144,228	
5. Other fringe benefits	9,226	10,000	10,000	10,000	0	
6. Office supplies	44,947	54,095	48,860	51,700	2,840	
7. Printing	111,226	69,879	69,535	71,430	1,895	
8. Membership, dues and fees	50,911	61,745	61,745	65,554	3,809	
9. Subscriptions	20,342	22,660	21,418	26,440	5,022	
10. Sponsorships	12,000	13,500	9,500	17,000	7,500	
11. Staff Education/Training/Conferences	88,698	188,374	99,153	179,786	80,633	
12. Travel/Meals - Staff Educ/Train/Conferences	40,093	149,603	5,448	176,014	170,566	
11./12. COVID-19 Adj-Staff Education/Training/Conferences	0	(149,000)	0	(88,950)	(88,950)	
13. Partner/Client Trainings/Meetings	18,284	113,947	46,996	78,000	31,004	
14. Travel/Meals - Partner/Client Train/Meetings	19,433	92,650	14,784	60,024	45,240	
13./14. COVID-19 Adj-Partner/Client Trainings/Meetings	0	(103,600)	0	(34,506)	(34,506)	
15. Staff events	17,723	20,450	10,225	19,960	9,735	
16. Meals - Staff events	9,662	28,350	6,114	22,000	15,886	
15./16. COVID-19 Adj-Staff Events	0	(22,400)	0	(10,490)	(10,490)	
17. Leased vehicles	105,532	141,429	121,793	143,417	21,624	
18. Computer supplies	65,819	19,300	20,000	25,312	5,312	
19. Software licenses (SAAS)	180,079	177,415	187,325	185,827	(1,498)	
20. Computer maintenance contracts	650,109	622,493	641,151	653,846	12,695	
21. Building rent & utilities	425,332	0	0	0	0	
22. Building repairs and maintenance	49,633	0	0	0	0	
23. Interest expense - office building	512,030	491,495	491,495	473,524	(17,971)	
24. Property expenses - office building	315,195	410,779	410,779	460,085	49,306	
25. Depreciation	601,502	940,000	924,929	1,020,000	95,071	
26. Rent - other	32,553	34,130	34,130	37,430	3,300	
27. Telephone	119,317	125,384	125,384	132,384	7,000	
28. Employment advertisements	3,534	3,400	3,400	1,000	(2,400)	
29. Postage and shipping	75,665	97,050	102,136	115,650	13,514	
30. Insurance	94,020	90,935	80,956	93,010	12,054	
31. Recording fees	1,210	1,300	1,000	1,000	0	
32. Payroll services	27,753	36,075	41,790	44,365	2,575	
33. Audit services	142,642	153,800	153,400	169,800	16,400	
34. Professional services	236,887	316,088	232,728	380,886	148,158	
Total Operating Expenses	19,111,479	19,461,516	19,823,492	22,707,546	2,884,054	15%
Direct Program Administrative Expenses						
1. Loan foreclosure expenses	63,559	200,000	112,500	200,000	87,500	
2. REO expenses	35,437	50,000	30,000	50,000	20,000	
3. Provision for losses on loans and REOs	11,262	175,000	100,000	125,000	25,000	
4. Mortgage servicing fees	1,704,649	1,820,000	1,735,000	1,860,000	125,000	
5. Loan origination expenses	2,643,598	3,000,000	2,450,000	3,020,000	570,000	
6. Bond issuance expenses	933,581	900,000	900,000	900,000	0	
7. Trustee/Bank fees	167,695	158,000	165,000	170,000	5,000	
8. Program advertisements	110,307	195,665	243,000	424,750	181,750	
9. Bond and mortgagee insurance	14,974	15,200	15,900	17,000	1,100	
10. Variable rate bond remarket/liquidity facilities	911,582	1,175,000	1,050,000	1,100,000	50,000	
11. Cash flow/arbitrage/swap consultants/legal	641,244	600,000	645,000	645,000	0	
12. Homebuyer education	63,450	110,000	110,000	120,000	10,000	
13. Program administrator fees	438,873	447,000	447,573	461,000	13,427	
14. Section 8 security deposits	10,432	13,000	0	0	0	
Total Direct Program Administrative Expenses	7,750,643	8,858,865	8,003,973	9,092,750	1,088,777	14%

¹ 2021 Forecast vs. 2022 Budget

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

ATTACHMENT C

Description	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	\$ Increase¹ (Decrease)	% Increase¹ (Decrease)
Computer Hardware:						
Network backup hardware - Data Domain		50,000	0	15,000		
Laptop replacements		18,000	21,832	30,000		
Total computer hardware	<u>390,153</u>	<u>68,000</u>	<u>21,832</u>	<u>45,000</u>	<u>23,168</u>	<u>106%</u>
Computer Software:						
Enterprise multi-family housing system		170,000	0	170,000		
Coordinated Entry Portal - client list software homeless programs		10,000	0	10,000		
Mobile device management software		5,000	0	8,000		
Website redesign		27,000	27,000	37,000		
Single Family loan servicing system modifications		10,000	2,508	10,000		
Single Family lender & loan tracking systems mods		10,200	9,875	10,000		
Hancock systems mods (LIHEAP & Wx Programs)		50,000	224,700	119,484		
Community Outreach Dashboard		25,000	0	25,000		
Salesforce software upgrades		10,000	10,000	122,000		
Total computer software	<u>31,600</u>	<u>317,200</u>	<u>274,083</u>	<u>511,484</u>	<u>237,401</u>	<u>87%</u>
Office Equipment:						
New Office Buidling - window shades		0	53,379			
Total office equipment	<u>1,202,861</u>	<u>0</u>	<u>53,379</u>	<u>0</u>	<u>(53,379)</u>	<u>(100%)</u>
New Office Building: - Acquisition/Rehab	<u>3,817,770</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
Total	<u>5,442,384</u>	<u>385,200</u>	<u>349,294</u>	<u>556,484</u>	<u>207,190</u>	<u>59%</u>

¹ 2021 Forecast Vs. 2022 Budget

**MAINE STATE HOUSING AUTHORITY
ITEMIZATION OF CERTAIN REVENUES
FOR THE YEAR ENDING DECEMBER 31, 2022**

ATTACHMENT D

(IN THOUSANDS OF DOLLARS)

	2020 Actual	2021 Budget	2021 Forecast	2022 Budget	\$ Increase¹ (Decrease)	% Increase¹ (Decrease)
Federal rent subsidy income:						
HUD Section 8 Housing Choice Vouchers	29,644	29,086	30,212	29,700		
HUD Section 8 Emergency Housing Vouchers-ARP Act	0	0	279	557		
HUD Section 8 New Construction	13,437	6,915	1,000	0		
HUD Section 8 Performance Based Contract Admin	63,826	71,865	76,489	78,200		
HUD Section 8 COVID 19 Supplemental - CARES Act	32	0	60	0		
HUD Section 811 - Project Rental Assistance	14	120	26	74		
HUD Section 8 Moderate Rehabilitation	580	634	616	630		
HUD Section 8 Mainstream Vouchers	0	160	128	135		
Total Federal rent subsidy income	107,533	108,780	108,810	109,296	486	0%
Grant Income - Federal (Non-COVID-19):						
HUD Home Investment Partnership Program (HOME)	1,329	3,870	3,807	3,807		
HUD National Housing Trust Fund	0	2,700	2,792	2,792		
HUD Homeless Management Info System	100	132	132	132		
HUD Lead-Based Hazard Program	628	1,073	1,275	1,272		
HUD Older Adult Home Modification Program	0	0	0	274		
HUD Emergency Solutions Grant	1,287	1,287	1,287	1,287		
HUD Housing Counseling Grant	2	14	5	8		
HUD Continuum of Care Planning Grant	50	50	50	65		
HUD Tenant-Based Rental Assistant	434	424	424	456		
HUD Youth Homeless Demonstration	21	3,250	3,250	0		
HUD Recovery House Program	0	0	0	875		
DHHS Low Income Home Energy Assistance (LIHEAP)	43,104	38,564	34,000	39,200		
DHHS Maine Association of Recovery Residences	429	450	660	843		
DOE Weatherization	2,340	2,590	1,674	4,650		
DOE Weatherization Training Centers	0	308	145	354		
State - Federal TANF/LIHEAP Supplement	1,649	2,825	1,500	2,720		
State - Federal TANF/Family Unification Program	6	4	0	0		
Total Grant income - Federal (Non-COVID-19)	51,379	57,541	51,001	58,735	7,734	15%
Grant Income - Federal (COVID19):						
CARES Act Emergency Solutions Grant	3,294	9,628	3,621	6,007		
ARP Act - Home Investment Partnership Program	0	0	0	3,975		
CARES Act - FEMA-COVID-19 Homeless Initiatives	7,890	0	19,500	5,000		
ARP Act - Community Development Block Grant - SHP	0	0	0	3,000		
CARES Act - Rent Relief Program	15,359	0	8,094	0		
CA Act - Emergency Rental Assistance 1.0	0	0	51,000	0		
ARP Act - Emergency Rental Assistance 2.0	0	0	40,000	110,985		
ARP Act - Low Income Home Energy Assistance	0	0	21,000	33,547		
CA Act - Low Income Water Assistance Program 1.0	0	0	900	1,631		
ARP Act - Low Income Water Assistance Program 2.0	0	0	0	0		
State ARP Allocation - Expand Housing Options	0	0	0	50,000		
State ARP Allocation - Shelter Operating Subsidy	0	0	10,000	0		
State ARP Allocation - Housing Navigators	0	0	750	750		
COVID-19 Budget Estimate	0	25,000	0	0		
Total Grant income - Federal (COVID-19)	26,543	34,628	154,865	214,895	60,030	39%
Total Grant income - Federal	77,922	92,169	205,866	273,630	67,764	33%
Grant income - Non-Federal:						
Real Estate Transfer Taxes	21,321	19,000	28,500	28,500		
Maine Energy Housing & Economic Recovery	4,316	4,319	4,319	4,319		
Utilities - Low Income Assistance Plan (LIAP)	1,552	1,105	1,170	1,136		
State - Shelter Operating Subsidy	2,500	2,500	2,500	2,500		
State - Home Repair Program (Arsenic)	120	90	30	43		
State - Revolving loan State G.O. funds	259	0	0	0		
State - Lead Abatement Program	1,320	1,200	400	756		
State - Rapid Re-Housing Program	75	0	0	0		
State - Maine Association of Recovery Residences	123	150	124	158		
Total Grant Income - Non-Federal	31,586	28,364	37,043	37,412	369	1%
Total Grant income	109,508	120,533	242,909	311,042	68,133	28%
Fee income:						
HUD Section 8 Vouchers	2,948	2,626	2,625	2,945		
HUD Section 8 Emergency Housing Vouchers-ARP Act	0	0	27	54		
HUD Section 8 FSS	63	62	62	82		
HUD Section 8 Mod Rehab.	78	65	68	69		
HUD Section 8 New Construction	91	63	8	0		
HUD Section 8 New Construction - MPP	86	54	13	0		
HUD Section 811 - Project Rental Assistance	16	14	6	14		
HUD Section 8 PBCA	1,760	1,848	2,012	2,066		
HUD Section 8 Mainstream Vouchers	0	2	6	3		
Total HUD Section 8 Programs (all programs)	5,042	4,734	4,827	5,233	406	8%
HUD Home Investment Partnership Program (HOME)	196	430	423	423		
HUD National Housing Trust Fund	215	300	310	310		
HUD Homeless Management Info System	226	213	213	213		
HUD Lead-Based Hazard Program	129	150	126	91		
HUD Older Adult Home Modification Program	0	0	0	126		
HUD Emergency Solutions Grant	165	105	105	105		
HUD Housing Counseling Grant	22	10	15	16		
HUD Continuum of Care Planning Grant	310	321	321	337		
HUD Tenant-Based Rental Assistant	73	21	44	45		
HUD Coordinated Entry Grant	29	25	25	15		
HUD Youth Homeless Demonstration	39	72	72	0		
HUD Recovery House Program	0	0	0	76		
DHHS Low Income Home Energy Assistance (LIHEAP)	1,130	1,380	1,072	2,000		
DHHS Maine Association of Recovery Residences	0	0	27	33		
DOE Weatherization	120	229	140	321		
DOE Weatherization Training Centers	66	103	46	354		
CARES Act - FEMA-COVID-19 Homeless Initiatives	0	0	0	125		
CA Act - Emergency Rental Assistance 1.0	0	0	530	0		
ARP Act - Emergency Rental Assistance 2.0	0	0	365	650		
ARP Act - Low Income Home Energy Assistance	0	0	275	350		
ARP Act - Home Investment Partnership Program	0	0	0	395		
CAA Act - Low Income Water Assistance Program 1.0	0	0	20	113		
State - Federal TANF/LIHEAP Supplement	137	280	70	280		
Utilities - Low Income Assistance Plan (LIAP)	311	290	291	346		
State - Home Repair Program (Arsenic)	17	64	10	45		
Home Modification Certification Program	8	0	6	4		
State - Lead Abatement Program	78	215	60	100		
State - Recovery House Program	20	0	5	6		
Multi-family loan origination fees	486	600	600	720		
Low income housing tax credit fees	704	1,101	1,060	1,095		
Conduit bonds servicing fees - Princeton Properties	114	116	114	114		
Other fees	1	5	5	5		
Total Fee income	9,638	10,764	11,177	14,046	2,869	26%
Other Income						
Real estate owned income	61	50	60	60		
Affordable Housing Conference	0	85	47	0		
Federal Home Loan Bank - Helping to House NE	500	0	100	0		
Gain on Bond Redemption	403	0	220	0		
UBS LIBOR Settlement	250	0	0	0		
Miscellaneous	100	5	5	5		
Total Other income	1,314	140	432	65	(367)	(85%)

¹ 2021 Forecast Vs. 2022 Budget

**MAINE STATE HOUSING AUTHORITY
REVENUES AND EXPENSES BUDGET BY FUND GROUP
FOR THE YEAR ENDING DECEMBER 31, 2022**

ATTACHMENT E

(IN THOUSANDS OF DOLLARS)

	Total Budget	Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
REVENUES:								
Interest from mortgages and notes	60,390	59,995	0	305	50	0	0	40
Income from investments	1,300	1,150	45	35	25	0	5	40
Federal rent subsidy income	109,296	0	0	0	0	109,296	0	0
Grant income	311,042	0	0	0	31,000	273,630	2,093	4,319
Fee income	14,046	720	0	1,214	0	11,611	501	0
Other income	65	60	0	5	0	0	0	0
Total Revenues	496,139	61,925	45	1,559	31,075	394,537	2,599	4,399
EXPENSES								
Operating expenses	22,708	0	0	22,708	0	0	0	0
Direct program expenses	9,093	8,300	0	45	0	458	290	0
Interest expense	40,795	39,800	0	0	0	0	0	995
Federal rent subsidy expense	109,296	0	0	0	0	109,296	0	0
Grant expense	310,202	0	0	0	31,075	273,630	2,093	3,404
Allocated operating costs	0	11,085	40	(21,651)	0	10,315	211	0
Total Expenses	492,094	59,185	40	1,102	31,075	393,699	2,594	4,399
Net Operating Income	4,045	2,740	5	457	0	838	5	0

Operating Budget - Attachment B

Treasury Department Memorandum**To:** MaineHousing Commissioners**From:** Tom Cary, Treasurer**Date:** December 15, 2021**Subject:** Approval of the Mortgage Purchase Program Series Resolution, dated December 21, 2021

At the December 21, 2021 meeting you will be asked to approve the attached Series Resolution, which authorizes the issuance of up to \$400 million of Bonds and Notes in the Mortgage Purchase Program ("MPP") for a period of approximately 14 months, commencing on the date of your approval through February 28, 2023. The Bonds and Notes may be either fixed or variable rate and may be either taxable or tax-exempt. The proceeds of the debt may be used to fund multi-family or single family first lien mortgages, refund outstanding Mortgage Purchase Program Bonds, fund the debt service reserve fund and pay the costs of issuing the bonds. The Series Resolution also authorizes entering into new Swaps in a Notional amount not to exceed \$150 million during the same 14 month period.

Approving a Series Resolution is the mechanism by which the Commissioners authorize Bonds and Swaps in the Mortgage Purchase Program Bond Resolution. It has been our practice to ask for this authority on an annual basis. The proposed Series Resolution is substantially similar to what has been proposed in recent years, except for the London Inter Bank Offered Rate ("LIBOR") reference in Section 505. US one-month and three-month LIBOR is scheduled to go away on June 30, 2023. The new International Swap Dealers Association ("ISDA") Swap protocols address the language changes needed in our \$193 million of Swaps which are LIBOR indexed. The language in Section 505 gives us the authority to make changes required to other contracts such as those governing some direct placement bonds.

The most recent Series Resolution was adopted at the December 15, 2020 Commissioners' meeting. It authorized the issuance of up to \$400 million Bonds and Notes in the Mortgage Purchase Program within a 14 month period ending February 28, 2022. To date, we have issued \$169,330,000 Bonds under this Series Resolution.

Below I have listed the Bonds which we have issued under the existing Series Resolution.

<u>Series</u>	<u>Program</u>	<u>Issuance Date</u>	<u>Issuance Amount</u>
2021 Series A	M/F	March 18, 2021	\$50,000,000
2021 Series B	S/F	May 18, 2021	\$40,000,000
2021 Series C	S/F Social Bonds	August 24, 2021	\$40,000,000
2021 Series D	S/F Social Bonds	December 15, 2021	\$39,330,000
		Total:	\$169,330,000

We are currently planning to sell a series of tax-exempt multi-family bonds and a series of taxable multi-family bonds in early January, 2022. We project that the total issuance amount of the two series of bonds will be \$90-\$100 million. This issuance will use the authority of the existing Series Resolution. For the 5 years prior to 2021, annual bond issuance ranged between \$157 million and \$393 million and averaged about \$270 million per year.

During 2021 we executed one new Swap using the authority of the existing Series Resolution. The Swap was for a notional amount of \$25 million, on which MaineHousing pays a fixed rate of 1.46% and receives a variable rate of 100% of one-month LIBOR. The Swap provides a hedge on \$25 million of previously unswapped taxable variable rate bonds. The Swap, which was entered into with Citibank, N.A., has a maturity date of November 15, 2032. The new Swap increased the outstanding notional amount of Swaps to \$208 million. The MPP has \$283 million in variable rate bonds outstanding. The new Swap reduced the amount of unhedged variable rate bonds from \$100 million to \$75 million. We were motivated to reduce the amount of unhedged variable rate bonds by a change in rating agency analytics.

The \$169,330,000 of bonds issued in 2021 had a weighted average rate of 2.05%. During 2021, on six different dates we used the proceeds of prepayments and surplus earnings to redeem \$227,210,000 of MPP bonds that had a weighted average rate of 3.64%. The net result of this activity is that the average rate on the \$1.5 billion in bonds outstanding in the MPP continues to move downward. This is important in maintaining profitability.

I look forward to discussing these matters with you at the December meeting.

MAINE STATE HOUSING AUTHORITY
MORTGAGE PURCHASE PROGRAM

SERIES RESOLUTION

Authorizing the Issuance of

Mortgage Purchase Bonds and
Mortgage Purchase Notes

of

Maine State Housing Authority

Adopted December 21, 2021

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**SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
MORTGAGE PURCHASE BONDS AND
MORTGAGE PURCHASE NOTES
OF MAINE STATE HOUSING AUTHORITY**

BE IT RESOLVED BY THE COMMISSIONERS OF MAINE STATE HOUSING AUTHORITY (“MaineHousing”) on December 21, 2021 that, pursuant to the General Mortgage Purchase Bond Resolution adopted on February 4, 1972, as amended and supplemented (the “Resolution”), this Series Resolution (this “Series Resolution”) is adopted as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 101. Definitions.

(a) Except as provided in paragraph (b) of this Section, all defined terms contained in the Resolution shall have the same meanings in this Series Resolution as such defined terms are given in Section 101 of the Resolution, unless the context shall otherwise require.

(b) As used in this Series Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Beneficial Owner*” means, whenever used with respect to a Bond or Note, the person in whose name such Bond or Note is recorded as the beneficial owner of such Bond or Note by a Participant on the records of such Participant or such person’s subrogee.

“*Bonds*” means the Bonds of MaineHousing of any Series authorized under this Series Resolution, whether Serial Bonds or Term Bonds. Subseries of any Series of the Bonds may be further designated as described in the applicable Series Certificate.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“*DTC*” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“*Multi-Family Series*” means any Series of Bonds or Notes the proceeds of which are used by MaineHousing to finance, among other things, the purchase of or the making of interest-bearing obligations secured by mortgages that are a first lien on land and improvements thereon in the State of Maine constituting multifamily residential rental housing units for persons and families of low income.

“*Notes*” means the Notes of MaineHousing of any Series authorized under this Series Resolution.

“*Participants*” means those broker-dealers, banks and other financial institutions for which DTC holds a Series of Bonds or Notes as securities depository.

“*Rule*” means the applicable provisions of Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as in effect on the date hereof or scheduled to become effective, including any official interpretations thereof.

“*Serial Bond*” means any of the Bonds of a Series described as such in the applicable Series Certificate.

“*Series*” means a Series of Bonds or Notes, as applicable.

“*Series Bond Proceeds Sub-Account*” means the applicable Bond Proceeds Sub-Account to be established by the Trustee in accordance with the Resolution for a Series of Bonds in the Bond Proceeds Account established in the Bond Proceeds Fund.

“*Series Certificate*” means the applicable Series Certificate for a Series of Bonds or Notes delivered on or prior to the date of delivery of the Bonds or Notes of such Series. The Director, Deputy Director, Treasurer or Chief Counsel or any authorized representative thereof is hereby authorized to execute any such Series Certificate for the purpose of determining certain matters with respect to such Series of Bonds or Notes subject to and in compliance with all applicable requirements of the Resolution and this Series Resolution. Any such Series Certificate upon execution is hereby incorporated by reference and made a part of this Series Resolution as if set forth herein at length.

“*Series Mortgage Loans*” means the applicable Mortgage Loans, if any, acquired or made with proceeds of a Series of Bonds or Notes, as applicable.

“*Single-Family Series*” means any Series of Bonds or Notes the proceeds of which are used by MaineHousing to finance, among other things, the purchase of interest-bearing obligations secured by mortgages that are a first lien on land and improvements thereon in the State of Maine constituting one- to four-family residences for persons and families of low income.

“*Taxable Series*” means any Series of Bonds or Notes that are not Bonds or Notes of a Tax Exempt Series.

“*Tax Exempt Series*” means any Series of Bonds or Notes the interest on which is not included in gross income for federal income tax purposes pursuant to applicable federal tax law.

“*Term Bond*” means any of the Bonds of a Series or Notes of a Series described as such in the applicable Series Certificate.

(c) Articles and sections referred to by number shall mean the articles and sections of this Series Resolution unless the context shall otherwise require.

Section 102. Authority for This Series Resolution. This Series Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS, ISSUANCE, SALE AND DELIVERY

Section 201. Authorization, Principal Amount, Designation and Series. In order to provide funds necessary for the Mortgage Purchase Program under the Resolution, in accordance with and subject to the terms, conditions and limitations established in the Resolution and this Series Resolution, one or more Series of Bonds or Notes, whether of a Taxable Series or a Tax Exempt Series, or a Single-Family Series or a Multi-Family Series or a combination thereof, are hereby authorized to be issued for a period commencing on the date hereof and ending on February 28, 2023, in an aggregate principal amount not to exceed \$400,000,000 and with the maximum interest rate payable in any year on any Bond or Note of any such Tax Exempt Series not to exceed 6%, provided that any Tax Exempt Series which bears interest at a Variable Interest Rate shall not exceed 12% payable in any year, and with the maximum interest rate on any Bond or Note of any such Taxable Series not to exceed 7% payable in any year, provided that any Taxable Series which bears interest at a Variable Interest Rate shall not exceed 12% payable in any year. Provided that the aggregate amount thereof does not exceed the amount set forth in the previous sentence, subseries of any Series of the Bonds or Notes may be designated in the amounts as may be set forth in the applicable Series Certificate. MaineHousing is of the opinion and hereby determines that the issuance of each such Series of Bonds or Notes as provided herein, not to exceed such foregoing amount, is necessary to provide sufficient funds to be used and expended for the Mortgage Purchase Program. Each Bond of each such Series of Bonds shall be entitled "Mortgage Purchase Bond, ____ Series ____" and each Note shall be entitled "Mortgage Purchase Notes, ____ Series ____," with applicable Series designation(s) to be made in the applicable Series Certificate. The Bonds or Notes shall be issued only in fully registered form.

Section 202. Purposes. The purposes for which the Series of Bonds or Notes are being issued shall be one or more of those specified in the Act and the Resolution, and shall be set forth in the applicable Series Certificate to the extent and subject to the limitations and in the amount provided in such Series Certificate. A purpose may include reimbursement of MaineHousing for the expenditure of its funds not previously allocable to Notes or Bonds pursuant to the Code, and in connection therewith MaineHousing hereby declares, pursuant to Section 1.150-2 of the Code Regulations, its intention to issue Notes or Bonds for such purpose in an amount not exceeding 50% of the principal amount of Notes or Bonds authorized by Section 201, subject to such additional amounts as may be declared pursuant to Section 505 hereof.

Section 203. Date. The Bonds or Notes of a Series shall be dated as shall be set forth in the applicable Series Certificate and as otherwise provided in Section 304 of the Resolution.

Section 204. The Bonds or Notes. The Bonds or Notes of a Series shall mature on November 15 in each of the years and in the principal amounts and shall bear interest from their dated date and be payable on the dates and at the respective rates of interest per annum (provided that the maximum interest rate on Bonds or Notes of such Series shall not exceed that set forth in Section 201 hereof), all as set forth in the applicable Series Certificate.

Sinking Fund Installments for the Term Bonds of a Series, if any, shall be established as set forth in the applicable Series Certificate. Such Sinking Fund Installments shall become due, and shall be applied to the redemption or payment at maturity of such Term Bonds, on the dates and in the respective amounts as set forth in the applicable Series Certificate.

Section 205. Denominations, Numbers and Letters. The Bonds or Notes shall be issued only in fully registered form without coupons, in the denomination of \$5,000 principal amount at maturity (or such other denomination as determined by MaineHousing in the applicable Series Certificate), or any integral multiple thereof, not exceeding the aggregate principal amount of Bonds or Notes maturing in the year of maturity of the Bond or Note for which the denomination is to be specified, and shall be lettered as designated in the applicable Series Certificate. The letters shall be followed by the subseries designation, if any, and the number of the Bond or Note. The Bonds or Notes of a Series (and subseries, if applicable) shall be numbered consecutively from one upward. The Bonds or Notes may be initially issued to DTC, as registered owner of such Bonds or Notes holding such Bonds or Notes on behalf of the Beneficial Owners thereof, as provided in the applicable Series Certificate.

Section 206. CUSIP Numbers. MaineHousing is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the Bonds and the Notes and to have such CUSIP numbers printed thereon.

Section 207. Paying Agent. U.S. Bank National Association, Boston, Massachusetts, is hereby appointed the Paying Agent for the Bonds and the Notes, subject to Section 1102 of the Resolution.

Section 208. Redemption. The Bonds or Notes of a Series shall be subject to redemption as set forth in the applicable Series Certificate.

Section 209. Moneys Deposited in Connection With a Reduction in the Housing Reserve Fund Maximum Requirement. In the case of any purchase, redemption, in whole or in part, or payment of principal at maturity of the Bonds of a Series, an amount equal to the amount by which the amount in the Housing Reserve Fund exceeds the Housing Reserve Fund Maximum Requirement, after giving effect to such purchase, redemption or payment, may, upon the direction of MaineHousing, be deposited in the Redemption Fund.

Section 210. Moneys Deposited to Credit of General Redemption Account of Redemption Fund. Moneys in an amount sufficient to effect payment at the applicable Redemption Price of any bonds to be refunded with proceeds of the Bonds shall be deposited in the Redemption Fund for the credit of the General Redemption Account and in no other Fund or Account.

Section 211. Selection of Bonds or Notes by Lot. If less than all of the Bonds or Notes of a like Series and maturity are to be redeemed, the particular Bonds or Notes of such Series and maturity to be redeemed shall be selected by lot in accordance with the Resolution.

Section 212. Sale of Bonds or Notes. A Series of Bonds or Notes authorized to be issued herein shall be sold to the underwriters (the "Underwriters") and/or private placement purchasers as shall be set forth in the purchase contract entered into with respect to such Bonds or Notes at

the purchase price set forth therein on the terms and conditions set forth in the purchase contract upon the basis of the representations therein set forth, provided that the total compensation to the Underwriters set forth therein shall not exceed 2% of the principal amount of the applicable Bonds or Notes. The Director, Deputy Director, Treasurer or Chief Counsel is hereby authorized to execute and deliver such purchase contract for and on behalf of MaineHousing, and such execution and delivery of the purchase contract by the Director, Deputy Director, Treasurer or Chief Counsel shall be deemed to constitute approval by the Commissioners of MaineHousing of the final terms and conditions of such purchase contract.

The check or wire, if any, received by MaineHousing from the Underwriters under the terms of a purchase contract being the good faith deposit shall be held and applied in accordance with the provisions of such purchase contract.

Section 213. Official Statement. Each Preliminary Official Statement and final Official Statement of MaineHousing in the respective forms to be attached to the applicable Series Certificate, with such changes, omissions, insertions and revisions as the Director, Deputy Director, Treasurer or Chief Counsel may deem advisable, is hereby authorized, and the Director, Deputy Director, Treasurer or Chief Counsel shall sign and deliver such final Official Statement and the applicable Series Certificate, and deliver this Series Resolution, the Resolution and the General Authority Bondholder Reserve Fund Resolution adopted April 30, 1980, to the applicable Underwriters for distribution to prospective purchasers and other interested persons.

Section 214. Authority Certificate. Pursuant to Section 203(b)(iii) of the General Authority Bondholder Reserve Fund Resolution adopted by MaineHousing on April 30, 1980, MaineHousing will, upon closing of the Bonds of a Series, deliver to the trustee acting under and pursuant to the General Authority Bondholder Reserve Fund Resolution certified copies of the Resolution and this Series Resolution, together with a certificate signed by the Director, Deputy Director, Treasurer or Chief Counsel stating that the revenues expected to be received under the Resolution together with amounts held in funds or accounts thereof are reasonably estimated to be sufficient to pay as the same become due the reasonable and necessary operating costs of MaineHousing which are estimated will be incurred as a result of the adoption and operation of the Mortgage Purchase Program under the Resolution and the principal of, redemption premium, if any, and interest when due on all obligations issued and outstanding and to be issued thereunder.

Section 215. Tax Certifications. The Director, Deputy Director, Treasurer and Chief Counsel are each hereby authorized to execute a tax certificate to be delivered concurrently with the delivery of a Tax Exempt Series of Bonds or Notes and to make such covenants in the applicable Series Certificate and such tax certificate as are necessary to comply with the requirements of the Code.

ARTICLE III

DISPOSITION OF BOND OR NOTE PROCEEDS AND OTHER AMOUNTS

Section 301. Deposit to Funds and Accounts. Proceeds of a Series of Bonds or Notes shall be deposited in the amounts and into the Funds and Accounts as set forth in the applicable

Series Certificate; provided, however, that notwithstanding any other provision of this Series Resolution, upon receipt of proceeds of the sale of the Bonds of a Series, there shall be deposited in the Housing Reserve Fund such amount as shall be necessary in order that upon issuance, sale and delivery of such Bonds the amount in the Housing Reserve Fund shall be at least equal to the Housing Reserve Fund Maximum Requirement.

Section 302. General Redemption Account. MaineHousing hereby authorizes the Director, the Deputy Director, the Treasurer and the Chief Counsel of MaineHousing and all Commissioners of MaineHousing to execute and deliver such certificates and instruments, if any, as may be necessary to comply with the provisions of Section 207 of the Resolution and to effect the redemption of any Bonds to be redeemed by application of any moneys received in connection with the Bonds of a Series.

ARTICLE IV

FORM AND EXECUTION OF BONDS OR NOTES

Section 401. Forms of Bonds or Notes. Subject to the provisions of the Resolution, the Bonds of a Series and Notes of a Series and the Trustee's Certificate of Authentication shall be in substantially the forms and tenor set forth in the applicable Series Certificate.

Section 402. No Recourse on Bonds or Notes. No recourse shall be had for the payment of the principal of or interest on the Bonds or Notes or for any claim based thereon or on this Series Resolution against any commissioner, member, officer or employee of MaineHousing or any person executing the Bonds or Notes, and neither the commissioners, members, officers or employees of MaineHousing nor any person executing the Bonds or Notes of MaineHousing shall be liable personally on the Bonds or Notes by reason of the issuance thereof.

Section 403. Execution of Bonds or Notes. The Treasurer or Chief Counsel is hereby authorized and directed to attest the execution of the Bonds or Notes in accordance with the provisions of Section 306 of the Resolution.

ARTICLE V

SPECIAL COVENANTS

Section 501. Transfer of Proceeds of the Bonds. Subject to the provisions of Section 503(10)(d) of the Resolution, MaineHousing at any time may deliver to the Trustee, pursuant to Section 503(14)(a) of the Resolution, a certificate of the Director, Deputy Director, Treasurer or Chief Counsel directing the Trustee to transfer from the applicable Series Bond Proceeds Sub-Account to the applicable Series Account established in the Redemption Fund any amounts that MaineHousing determines will not be used for the purchase of applicable Series Mortgage Loans.

Moneys transferred pursuant to this Section 501 to the applicable Series Account established in the Redemption Fund for a Series of Bonds shall be held in trust pursuant to the Resolution for the redemption of such Bonds in accordance with the applicable provisions of the applicable Series Certificate.

Section 502. Section 207(2)(c)(i) Determination. Pursuant to the provisions of Section 207(2)(c)(i) of the Resolution, MaineHousing hereby determines that there will be on the date of original delivery of each Series of Refunding Bonds moneys on deposit in the Interest Account of the Debt Service Fund sufficient to pay the accrued interest on Bonds to be redeemed with proceeds of the Bonds of such Series on the respective Redemption Dates of such Bonds, except as otherwise set forth in the applicable Series Certificate, in which case such Series Certificate shall provide for the deposit into the Interest Account of such amount.

Section 503. Section 504(8) Determination. Pursuant to the provisions of Section 504(8) of the Resolution, MaineHousing hereby determines that the percentage of Mortgage Loans heretofore purchased or made with proceeds of a Series of Bonds shall be deemed purchased or made with the proceeds of the Series of Refunding Bonds in the same proportion as the principal amount of the Bonds being refunded bears to the principal amount of the entire Series of Bonds Outstanding.

Section 504. Purchase of Mortgages. Subject to the provisions of the Resolution, this Series Resolution and the Code, MaineHousing hereby (i) directs the Director, Deputy Director or Treasurer to establish the interest rate or rates on the Mortgages to be acquired or made from the proceeds of the Bonds or Notes as he or she shall deem advisable and (ii) authorizes the execution and delivery by the Director, Deputy Director, Treasurer or Chief Counsel of a mortgage purchase agreement, mortgage loan servicing agreement, procedural guide, program documents and such other agreements or documents as may be necessary to purchase or make a Series Mortgage Loan in connection with a Single-Family Series or a Multi-Family Series, as applicable.

Section 505. Additional Authorizations. The Director, Deputy Director, Treasurer or Chief Counsel may make modifications to this Series Resolution (as evidenced by a certificate), if deemed advisable, with respect to the terms of the Bonds or Notes and other matters (including to assure the tax-exempt status of the interest on the Bonds or Notes of a Tax Exempt Series). All Commissioners of MaineHousing, the Director, the Deputy Director, the Treasurer and the Chief Counsel, and all employees of MaineHousing, are hereby authorized to make such additional determinations (including declarations of intent to use proceeds of Notes or Bonds to reimburse MaineHousing to the extent it has financed Mortgage Loans with moneys which are not Note or Bond proceeds under the Code), perform such acts and execute such certificates, protocols and other documents as may be necessary or desirable to carry out the issuance of the Bonds and the Notes, during the period commencing on the date hereof and ending on February 28, 2023, to enter into new Swaps or Swap Facilities in a notional amount not exceeding \$150,000,000 and to modify, novate or replace existing Swaps or Swap Facilities in notional amounts not exceeding the notional amount of the Swaps or Swap Facilities being modified, novated or replaced (all in accordance with the Guidelines for the Use of Interest Rate Exchange Agreements as then in effect, and provided that the total notional amount of Swaps outstanding may not exceed the principal amount of outstanding Bonds bearing a Variable Interest Rate), to enter into, modify or replace liquidity agreements (including without limitation standby bond purchase agreements), to modify any other obligation (including Notes or Bonds) to substitute a comparable interest rate index for the London Inter Bank Offered Rate ("LIBOR") if LIBOR is discontinued, or to assure the tax-exempt status of the interest on the Bonds or Notes of a Tax Exempt Series.

Section 506. Continuing Disclosure Covenant. MaineHousing hereby covenants that the Bonds or Notes, as required by the Rule, will be subject to the provisions of that certain Master Continuing Disclosure Agreement 2019, dated as of May 15, 2019, by and between MaineHousing and the Trustee, as currently in effect or as hereafter may be amended.

Section 507. Effective Date. This Series Resolution shall take effect as provided in the Resolution.

Asset Management Department Memorandum

To: MaineHousing Board of Commissioners

From: Robert Conroy – Director, Asset Management

Date: December 12, 2021

Subject: December Board Report - Asset Management

Supportive Housing (SHP) Repair Program - Year-End Summary

The SHP Repair program provides funds for much needed repairs and upgrades to our SHPs and Shelters statewide. For a modest investment of roughly \$7,000 per bed/unit we are able to make the type of improvements that will allow for continued sustainability of these properties.

2021 SHP/ES Repair Program Activity

<u>Property</u>	<u>Location</u>	<u>Sponsor</u>	<u>Target</u>	<u>Beds</u>	<u>Units</u>	<u>Funding</u>
<i>Rehab Near or Underway</i>						
Bangor Area Homeless Shelter	Bangor	Bangor Area Shelter	Homeless	38	6	81,385
Husson Avenue Group Home	Bangor	CHCS	Mental Health	8	-	77,327
Ellsworth Falls Group Home	Ellsworth	CHCS	Mental Health	4	-	81,552
Grove Street Group home	Bangor	CHCS	Mental Health	4	-	124,153
Hall Cottage	Hinckley	Goodwill	Youth	8	-	150,000
Hospitality House	Bucksport	H.O.M.E., Inc.	Homeless	-	7	146,590
Emmaus Center	Ellsworth	H.O.M.E., Inc.	Homeless	25	-	104,182
Sister Marie Ahern/Dorr House	Orland	H.O.M.E., Inc.	Homeless	20	-	87,344
MainStay	Portland	TOA	Homeless	12	-	53,086
Plant Memorial Home	Bath	Plant Home	Assisted Living	-	37	139,720
The Quonset Hut	Alfred	YCSP	Homeless	37	-	120,319
School Street	Saco	Shalom House	Mental Health	-	5	68,375
Through These Doors	Portland	Through These Doors	DV	16	-	39,969
Next Step Shelter	Machias	Next Step	DV	12	-	150,000
Northern Lighthouse Youth Shelter	Mars Hill	Northern Lighthouse	Homeless	4	-	150,000
Veterans Career Center	Biddeford	VOANNE	Homeless	8	-	72,000
				196	55	\$ 1,796,002

Communications & Planning Department Memorandum

To: Board of Commissioners
From: Erik C. Jorgensen
Date: December, 2021
Subject: December 2021 Board Report

Transitions at CPD part III

The winds of change continue to buffet our six-person department: last month I reported that our two new staff members, Data Analyst Becky Dydasco and Communications Director Scott Thistle, had joined the MaineHousing team and had begun work. This month, I report more change, as our Strategic Planning specialist, Steven McDermott, will be leaving us in early January to accept a position with the Governor's Energy office.

Steven has spent the past year focused on coordinating both MaineHousing's pandemic response around hotels, as well launching our Recovery Residence pilot program. His depth of experience, both here at our agency, and in a broader statewide context, will be greatly missed, as will his kind, optimistic professionalism. It's no surprise that his talents were recognized at by the Governor's office, and we all wish him the very best of luck in his new position.

MaineHousing Website

A summary of November's website activity, designed by Webmaster Amanda Ouellette, appears at the end of this report. The MaineHousing website received 66,608 visits during November, with a large portion of hits attributable to the ERA and HEAP pages of the site. November was the highest hit month this year, outside of March when the ERA program was released. September thru December always sees a slight increase in visitors to the site, as residents come to us looking for heating assistance.

Overall, our website has already surpassed the total number of hits received during 2020. By the end of 2021 we project to have fully doubled the number of hits compared to the hits we received annually pre-COVID. This amounts to roughly 300,000 additional hits. And while much of this is surely due, as it was this month, to the federal Emergency Rental Assistance program, HEAP and

individuals seeking units continue to drive the numbers as well. This is probably more a reflection of severe need in the state than it is a specific marketing triumph, but there is no doubt that people are learning of our programs and coming to MaineHousing for answers. For that we can thank our colleagues at Rinck advertising, who help us craft, design and implement our messaging.

With the completion of our Affordable Housing Conference, Amanda is now working with Rinck to continue with a redesign of the website, work that was largely suspended during the pandemic. Unlike a rebranding, this redesign will be focused on making appropriate information easier to locate, while also helping us share more of the good work we do. Our site has always been skewed toward often-complex program information at the expense of more general information about MaineHousing and the work we do. While there will always be a lot of program information and documents on the site, our hope is to make the experience of navigating it easier and more informative for general users, as opposed to those who come to us already knowing what they are looking for.

Emergency Shelter and Quarantine & Isolation Shelter

Since April 2020, CPD (with the support of Audit, Finance, Homeless Initiatives and Legal) has worked with service providers in seven locations to develop, deploy and administer non-congregate emergency shelter in six locations and quarantine & isolation shelter in nine locations. These projects require strong inter-agency (Department of Health and Human Services, hotel owners, service providers and medical providers) collaboration, including managing relationships and expectations with municipalities. These projects function through two contracts MaineHousing executes – one with a service provider and the other with the hotel owner. MaineHousing provides funding and technical assistance to both sets of partners.

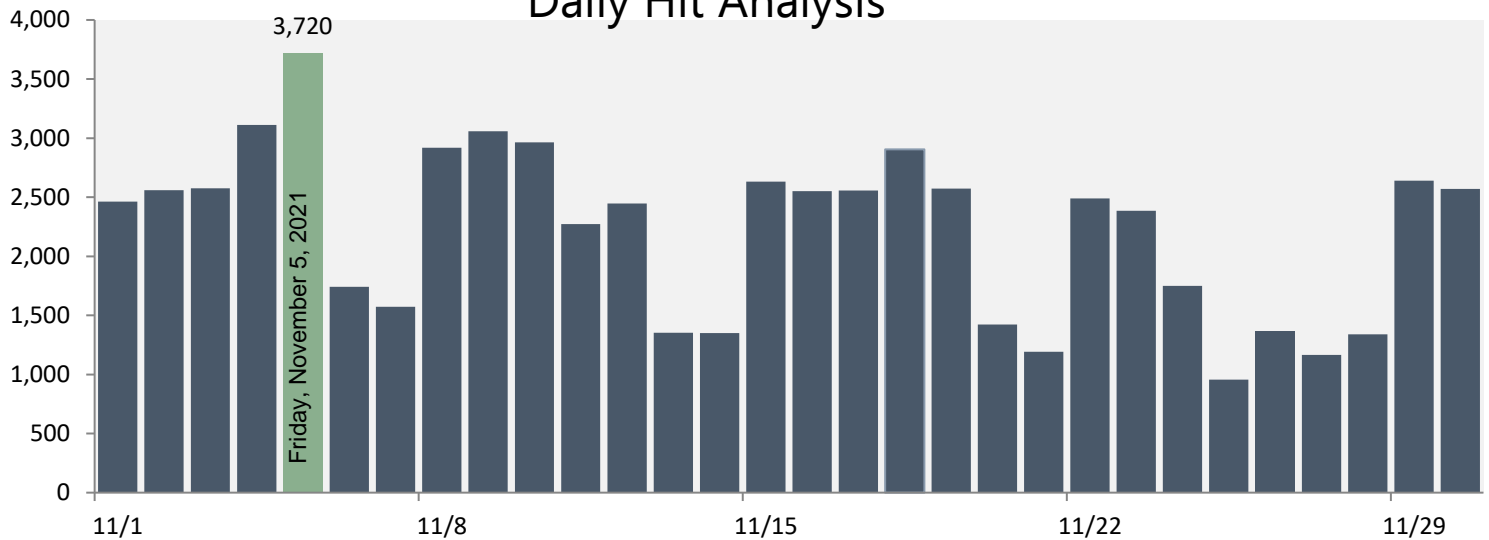
As of December 1, 2021, individuals have utilized one of these locations for either emergency shelter and/or quarantine & isolation for a total of 132,698 “bed nights” – a bed night is each night that a room is occupied.

Based on the number of bed nights for quarantine and isolation, it can be estimated that roughly 1,169 individuals utilized one of these hotels for quarantine and isolation, which averages to about 62 individuals per month over the past 18 months (11,690 (number of bed nights)/10 (average quarantine and isolation period) / 18 (number of months).

The cost associated with providing these emergency shelter and quarantine & isolation shelter resources, beginning April 2020 and through December 13, 2021, is \$24,578,051.02. The average cost of a “bed night” utilized under these programs is \$185.22. This figure represents the total cost of this program – everything from the hotel rooms and hotel staff, to social service staffing, to specific needs of individuals in the program, which might, at least in the case of people experiencing homelessness, include items like clothing and food. This non-congregate approach provides greater safety, improved quality of life and better privacy, at a reasonable price when compared to other types of institutional housing.

November 2021 - MaineHousing Website Quickstats

Daily Hit Analysis



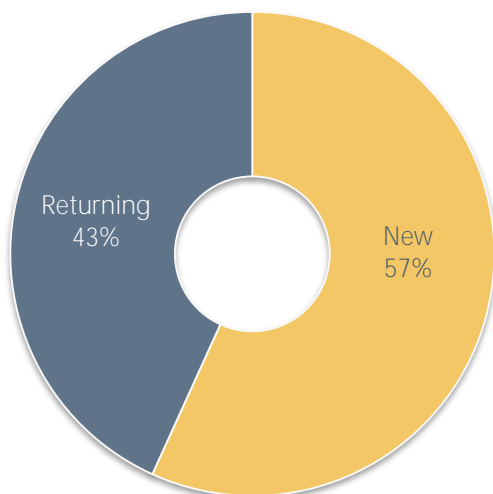
Top Content

- 1 Emergency Rental Assistance Program
- 2 MaineHousing Website Homepage
- 3 HEAP - Do you need help heating your home
- 4 HEAP Income Eligibility
- 5 Home Energy Assistance Program Details

Top Documents

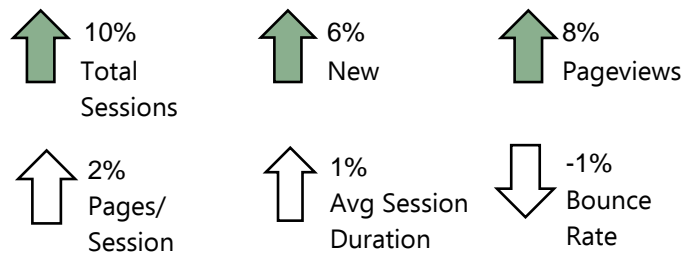
- 1 ERA Tenant Application
- 2 ERA CAA Contacts
- 3 Subsidized Housing List
- 4 Subsidized Housing List
- 5 Penobscot Subsidized Housing List

New vs Returning Users

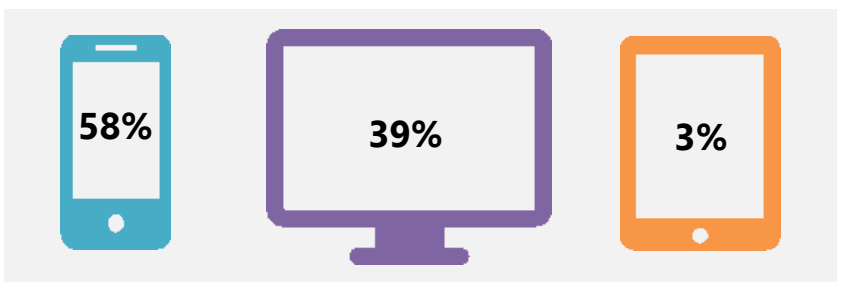
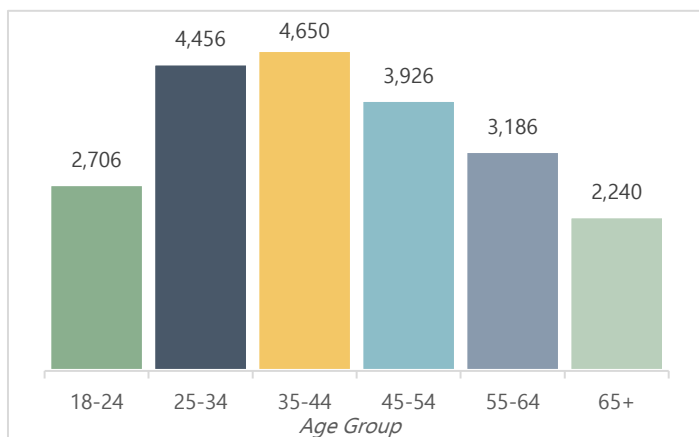


Statistics at a Glance

Compared to previous month



Visitor Profile



Definitions

Daily Hit Analysis - This chart shows the number of visits made to the website per day.

Top Content - The top 5 pages visited on the website. This includes webpages only.

Top Documents - The top 5 documents visited on the website. This includes documents only.

Statistics at a Glance

Total Sessions - Total number of visits made to the site. An increase in this number is seen as positive.

New Users - A new user is someone who has not previously visited the site within the allotted time period. For this report it is 30 days. This number is used as a benchmark. An increase in this number is seen as neither negative nor positive.

Pageviews - The total number of web pages viewed on the site. An increase in this number is seen as positive.

Pages/Session - The average number of pages viewed per session. A session is defined as the entire time a specific visitor spends on the site. An increase in this number is seen as positive.

Avg Session Duration - The average amount of time spent per session. A session is defined as the entire time a specific visitor spends on the site. An increase in this number is seen as positive.

Bounce Rate - The percentage of visitors that view one page on your site and then leave. This number should be low. An increase in this number is seen as negative.

New vs Returning Users - Charts the % of new users vs returning users. A new user is someone who has not previously visited the site within the allotted time period. For this report that time period is 30 days. Neither an increase nor decrease is desired for either new or returning users. This chart helps serve as a benchmark for items such as new programs releases, application openings for long standing programs and ad campaigns.

Visitor Profile



% of visitors who are women



% of visitors who are men

Age Group - Charts out visitors in common age groupings.



% of visitors viewing the site on a cell phone



% of visitors viewing the site on a laptop or desktop



% of viewing visiting the site on a tablet

Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Mark C. Wiesendanger, Director of Development

Date: December 21, 2021

Subject: Monthly Report

2023 Qualified Allocation Plan Discussions

Three QAP discussions with external partners took place in October, November and December. It was well-attended and a robust conversation. Items of interest included:

- Low net developer fee
- Non-amortizing debt
- TIFs are cumbersome and unfair for some. There are other means of bringing in municipal capital and support.
- Fewer points for non-senior efficiencies and 1 bedroom units
- Cost caps
- Energy efficiency/Passive House
- MaineHousing PBVs in LIHTC
- Below market capital
- Paying for air conditioning
- How will project labor agreements come in to play

The partners' comments and questions were very thoughtful and complimentary of recent changes to our programs. We will take their comments into consideration as we draft a new QAP in the new year, reaching out to partners for feedback and clarification as needed..

2022 9% Low Income Housing Tax Credit Program (LIHTC) Applications

Scoring has been completed for the 2022 9% LIHTC program. Developers have been informed of their final scores and the results have been posted to the website. The following projects will be funded with 9% Credits and State Credits combined with tax-exempt bonds.

Project Name	City/Town	Address	Developer	Tenants	Type	Set-Aside	Total Unit	TDC
Belfast Birches Apts.	Belfast	32 School ST	Realty Resources	Older Adults	Aq/Rehab	Preserv.	24	\$ 4,553,478
Choice Neigh. 2	Lewiston	Pine/Bartlett/Walnut/Pierce	Lewiston Housing/ Avesta Housing	Family	Aq/Rehab+NC	Nonprofit	74	\$ 22,921,259
Picker House Lofts	Lewiston	2 Cedar ST	Szanton Company	Family	AR	No	72	\$ 23,829,577
115 Congress ST	Belfast	115 Congress ST	Developers Collaborative	Family	NC	No	36	\$ 8,836,832
Avesta Route 1	Scarborough	246 U.S. Route 1	Avesta Housing	Older Adults	NC	No	31	\$ 8,515,405
Equinox	Portland	73 Winter ST	CHOM/Portland Housing	Family	NC	No	43	\$ 14,967,346
Winter Landing	Portland	91 Winter ST	CHOM	Older Adults	NC	No	52	\$ 15,435,568
							332	\$ 99,059,465

The remaining three projects will be eligible as 4% walk-in projects.

Staff

We currently hiring Loan Officers and Construction Analysts, and may hire additional Development staff as workload increases. We are also looking to outsource some of our financial underwriting duties to contractors.



Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners
From: Daniel Drost, Director of Energy and Housing Services
Date: December 21, 2021
Subject: EHS Monthly Report – December 2021

HOME ENERGY ASSISTANCE PROGRAM (HEAP)

PRODUCTION STATISTICS FOR PROGRAM YEAR 2022 (BEGUN AUGUST 23, 2021)

Number of Applications	PY 2022 THRU 12/10/2021	PY 2021 THRU 12/10/2020	+/-	% change
Total Applications Taken	24,978	26,364	- 1,386	- 5.3%
Confirmed Eligible/Paid	12,544	12,112	+ 432	+ 3.6%
Pending (in process)	10,353	11,777	-1,424	-12.1%
Other (ineligible, denied, void, etc.)	2,081	2,475	-1,386	-15.9%

EMERA RESTRUCTURING RATE RELIEF PROGRAM:

In March 2022, Versant Power agreed to provide supplemental assistance to HEAP eligible households in connection with the approval of Versant's acquisition of Emera Maine. The Maine Office of the Public Advocate (OPA) and MaineHousing partnered together to distribute \$5 million of Rate Relief funds (plus accrued interest) made available through the acquisition to HEAP qualified customers of Versant Power, Eastern Maine Electric Cooperative, Houlton Water Company, Van Buren Light & Power and Isle au Haut Electric Power Company. Eligible households received a one-time, up to \$350 credit on their electricity account. This benefit was in addition to households' regular HEAP benefits.

Between August 2020 and August 2021, over 12,900 eligible households received the one-time credit up to \$350 on their electricity account. In October 2021, a Rate Relief fund balance of \$760,212 was divided equally amongst households that received the initial Rate Relief credit and still had active electricity accounts with the applicable utility providers. A final credit of \$64.02 was issued to 11,875 households in October 2021 and the Rate Relief program concluded.

DOE WEATHERIZATION ASSISTANCE PROGRAM (WAP):

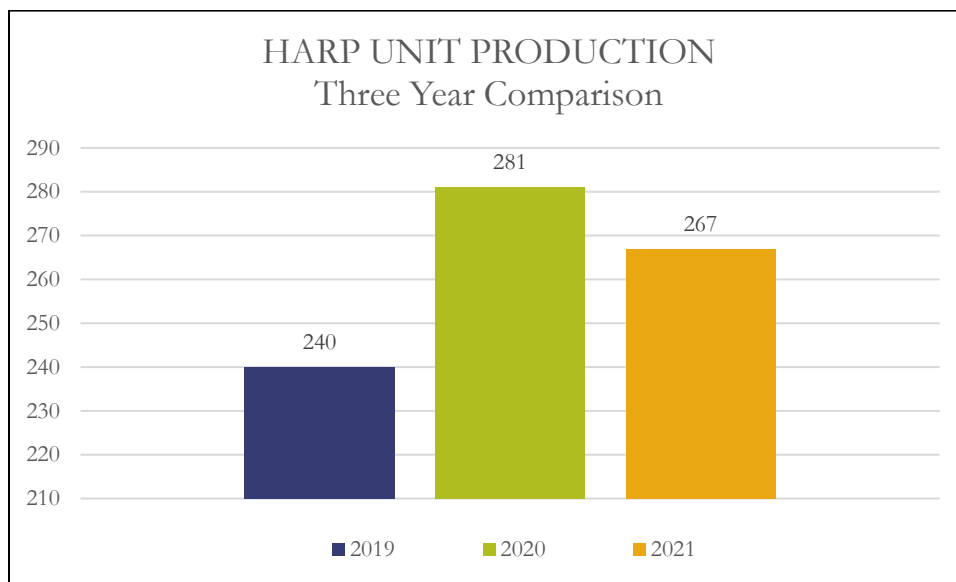
The Department of Energy (DOE) is a member of the National Association for State Community Services Program (NASCS). NASCS is a national association charged with advocating and enhancing the leadership role of States in the administration of the Community Services Block Grant (CSBG) and Weatherization Assistance Program (WAP). The organization recently had a vacancy on their Board for a Region 1 Representative Alternate and I am happy to announce Brad Fenton-Snell, MaineHousing's Weatherization Program Officer was accepted for this important position.

HOME ACCESSIBILITY AND REPAIR PROGRAM (HARP):

The Home Accessibility and Repair Program (HARP) provides grants to income eligible homeowners for professional home repairs; assistance with home replacement when deemed necessary, and accessibility modifications. The HARP is funded with State Home funds and the program period runs from January 1 through December 31. There are five components: Home Repair, Elderly, Accessibility, Emergency Home Repair, and Emergency Manufactured Home Repair. The HARP is delivered statewide through the network of Community Action Agencies (CAAs).

As of December 13, 2021, production for the PY2021 is 267 units.

HARP Categories	Total Units By Project Type
Home Repair	62
Elderly Home Repair	24
Accessibility	30
Emergency Home Repair	93
Emergency Manufactured Home Repair	58
TOTAL PROJECTS	267



LEAD PAINT HAZARD REDUCTION PROGRAMS:

MaineHousing's Lead Hazard Reduction Programs provide grants to homeowners and owners of rental properties in Maine to help make their homes and rental properties lead safe. Priority for these program funds are granted to abatement projects for housing in which a child resides and who has been determined to have an elevated blood lead level. The lead program is delivered by three Community Action Agencies (Aroostook County Action Program, Community Concepts, Inc., and Penquis Community Action Program).

In 2019, MaineHousing was awarded \$3.8 million from the U.S. Department of Housing and Urban Development for the Lead Hazard Reduction Program (LHR) to complete lead hazard reduction statewide in 240 units. The period of performance for this program is February 3, 2020 through August 3, 2023.

Total Units By Status and Agency				
	ACAP	CCI	PCAP	Total
Complete	1	29	17	47
Declined	0	4	5	9
Under Contract	3	49	51	103
Approved ER	3	0	3	6
Pending ER Approval	0	22	0	22
<i>Total</i>	<i>7</i>	<i>104</i>	<i>76</i>	<i>187</i>

In November 2018, MaineHousing received \$4 million from the state to fund the State Lead Hazard Reduction Program (N261) to complete lead hazard reduction statewide in 190 units. The period of performance for this program is November 1, 2018 through October 31, 2022.

Total Units By Status and Agency					
	ACAP	CCI	PCAP	(blank)	Total
Complete	2	108	61	0	171
(blank)	0	0	0	1	1
Under Contract	3	6	8	0	17
Out To Bid	0	0	0	0	0
SHPO	0	0	0	0	0
<i>Total</i>	<i>5</i>	<i>114</i>	<i>69</i>	<i>1</i>	<i>189</i>

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: December 14, 2021

Subject: Monthly Activity Report

ACCOUNTING AND FINANCIAL REPORTING (AFR):

- The annual audit of the financial statements for 2021 is underway and the Accounting and Financial Reporting (AFR) staff have been performing preparation work for the audit. An audit planning meeting with Baker Newman & Noyes (BNN) was held to discuss the year-to-date financial results, new programs, results of internal and other external audits, staffing changes and new Governmental Accounting Standards Board (GASB) pronouncements.

BNN audit staff started their interim field work on November 29th. This work includes audit planning, documenting and assessing internal controls, and performing various audit procedures and confirmations on account balances. The interim phase should conclude by December 17th and year-end field work will take place over a six-week period beginning on January 31, 2022.

- The audit of MaineHousing's federally funded programs for the year ended December 31, 2020 is being finalized and the reports are expected to be issued by the end of December. The federal compliance audit typically needs to be completed and filed with the Federal Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after year end. However, an automatic extension of six months is available because of COVID-19. The increase in new federal programs and staff turnover at BNN has caused some delays with this audit. All submission and reporting requirements will be met.
- Work also continued on MaineHousing's 2022 budgets. Preliminary budgets were presented and reviewed at the November Board meeting. Several changes have been made to the preliminary budgets, which are summarized in the budget report that is included in this month's packet. The budgets will be presented at the December meeting for a vote.
- AFR staff also began work on several year-end processes. These included completing abandoned property reporting for checks issued by MaineHousing that were never cashed, gathering information from the departments for preparation of the IRS 1099 tax forms, and obtaining and verifying W-9 tax forms from our vendors. The W-9 forms are needed from all parties that receive an IRS reportable payment from MaineHousing during the year and are used to prepare the 1099 forms.

LOAN ADMINISTRATION:

- The volume of single-family mortgage loans in forbearance due to COVID-19 continues to remain steady at a relatively low level. Through the end of November, 556 borrowers have been provided with COVID-19 financial hardship assistance since the start of the pandemic and 454 or 82% of these

borrowers have subsequently brought their loan current and are no longer in forbearance or delinquent status.

MaineHousing's single-family loan portfolio consist of approximately 10,000 borrowers and amounts to \$900 million. The 102 loans in forbearance at the end of November amount to approximately \$9.25 million and represents about 1.03% of the portfolio.

- Recruitment activities were recently completed to fill the department's vacant Mortgage Accounting Officer position. This position oversees the filing and collection of mortgage insurance claims associated with defaulted single-family loans and ensures that related expenses are handled in accordance with federal law and insurer requirements. We are pleased that Kristin Ross has accepted the position. Kristin has worked for MaineHousing for the past thirteen years in the Homeownership Department and was the Mortgage Lending Manager for ten years. Prior to coming to MaineHousing, Kristin worked for Rockland Savings Bank and Peoples Heritage Savings Bank as a Residential Lending Manager. She also worked as an Office Manager for Rural Development (formerly known as Farmers Home Association). Kristin's years of experience in originations, processing, and underwriting of government guaranteed products along with her vast knowledge of loan servicing will make her a valuable member of our team.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: December 14, 2021

Subject: Monthly Financial and Budget Report

FINANCIAL RESULTS

Attached are the Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Assets for the ten-month period ended October 31, 2021.

MaineHousing's programs are accounted for in Fund Groups, based on funding sources. For financial reporting purposes, each Fund Group is a separate and standalone entity. There are seven Fund Groups and the individual Balance Sheets and Statements of Revenues, Expenses and Changes in Net Assets for each are presented in columns on the attachments (pages 1 and 2). The following is a summary of MaineHousing's total combined financial position and operating results for the current year and a brief explanation for the changes between the current and prior year net operating results.

Total combined assets are approximately \$2.1 billion and total combined liabilities are \$1.7 billion. Total net assets amount to approximately \$399 million. Total combined revenues approximate \$352.1 million and total expenses amount to \$333.2 million, which results in net operating income of \$18.9 million. For this ten-month period in 2020, total combined net operating income was \$7.9 million. Net operating income is \$11 million higher in 2021 and the increase is attributed primarily to the following:

The HOME Fund has net operating income of \$12.2 million, which is an increase of \$10.4 million compared with net operating income of \$1.8 million in 2020. MaineHousing's portion of the real estate transfer taxes received from the State are accounted for in this Fund Group. The increase in net operating income is due to higher real estate transfer tax receipts and timing differences with the expending of funds and the recognition of grant expenses. Income from the State is \$5.4 million higher, while program grant expenditures are \$5 million lower at this point in 2021.

The net operating income for the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, is approximately \$2.4 million compared to net operating income of \$1.9 million in 2020. The net operating income include amounts for changes in the carrying values of non-mortgage investments. A paper loss of \$0.8 million has been recognized in 2021, which represents an increase of approximately \$0.7 million compared to the paper loss of \$0.1 million recorded in 2020. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

The recording of paper gains and losses is required for accounting purposes. However, because MaineHousing does not actively buy and sell related investments, actual gains and losses will not occur and these amounts are ignored by the rating agencies, bond analysts, and management when assessing profitability.

Excluding the paper losses, MPP's net operating income is \$3.2 million as of October 31, 2021 compared to \$2 million at the end October 2020. This \$1.2 million increase is due mainly to lower bond issuance and single-family loan origination expenses at this point in 2021. Expenses associated with single-family loan defaults are also below last year's amounts due to lower delinquencies and foreclosure activities.

BUDGET RESULTS

Also attached are the budget variance results for the period ended October 31, 2021. These results are summarized and presented on the attachment described below:

OPERATING REVENUES AND EXPENSES BUDGET

MaineHousing has two primary business segments, which consist of mortgage lending activities and the administration of federal and other programs. All operating and program administrative costs are paid by either the net interest income from mortgage lending activities, which is the difference between interest income earned from mortgage and non-mortgage investment assets and the interest paid on bonds, or fee income received for the administration of federal and other programs.

The Operating Revenues and Expenses Budget, **Attachment A**, presents the revenues available to pay operating and administrative expenses. It also presents the aggregate operating and administrative expenses. Total budgeted revenues for 2021 are \$76.4 million and total expenses are budgeted at \$71.6 million. Total revenues as of October 31, 2021 amount to \$60.8 million, while total expenses amount to \$57.2 million. For the ten-month period ended October 31, 2021, revenues exceed expenses by approximately \$3.6 million.

Revenues are under budget due to lower interest income from investments. Interest rates have decreased during the year and average yields from investments are lower than projected. Interest income from mortgages is below budget due to lower than projected average yields and outstanding loan balances. Balances are lower due mainly to a high volume of single-family loan prepayments caused by the low interest rate environment.

Expenses are below budget due to lower interest and other program administrative expenses. Interest expense is below budget as a result of lower interest rates on new bond issues. In addition, a large amount of outstanding bonds were either redeemed prior to their maturity dates or refunded at a lower rate. This action lowered average rates and outstanding obligations. The operating and other program administration expenses (the first two expense lines) are detailed on **Attachment B** and summarized below.

OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES

MaineHousing's overhead and operational costs for the year as well as other program administrative expenses, which are costs that are specifically and exclusively related to a particular program, are itemized on **Attachment B**.

Operating expenses are budgeted at approximately \$19.5 million. As of October 31, 2021, \$16.3 million or 84% of the total operating budget has been used. Operating expenses are projected to exceed the budget by approximately \$350,000 or 2%. This overage is attributed to higher salaries and benefits expenses as a result of an increase in staff. Additional staff has been needed because of the substantial increase in program activities and federal funds provided in response to the pandemic. The federal funds provide additional administrative fee income to pay for related operating costs. The estimated overage with operating expenses will be offset by lower program administrative expenses.

Program administrative expenses are budgeted at \$8.9 million and actual expenses amount to \$6.2 million as of October 31, 2021. Expenses in this area are running below budget and are projected to be under budget for the year by approximately \$850,000. The underage is due to lower than projected delinquency and foreclosure activities and lower related expenses. Loan origination and servicing expenses are also projected to be below budget due to lower outstanding single-family loans as a result of lower than estimated volume of new loans and a higher volume of loan prepayments.

CAPITAL BUDGET

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over their estimated useful life. The total authorized capital budget for 2021 is \$385,000. Expenditures amount to \$306,000 as of October 31, 2021 and were mainly for software upgrades to the Hancock systems used to administer the federal LIHEAP and Weatherization programs and window shades for the office building.

The Hancock system upgrades are over budget because of unplanned modifications needed to accommodate requirements associated with the COVID-19 supplemental LIHEAP funds that were made available this year. The federal supplemental funds provide additional administrative fees to pay for the required modifications.

Capital expenditures are expected to remain within the established budget this year. The acquisition of the enterprise multi-family housing system will not occur until 2022 and several other software items will not be acquired as planned.

MEMBERSHIPS, DUES AND SPONSORSHIPS

In accordance with MaineHousing's Contributions Policy, all payments for memberships, dues and sponsorship are required to be reported to the Commissioners each month as part of the budget variance reports. **Attachment D** presents an itemized listing of the membership, dues, and sponsorship expenses as of October 31, 2021.

MAINE STATE HOUSING AUTHORITY
BALANCE SHEETS
OCTOBER 31, 2021
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2020	2021							
ASSETS:									
Cash, principally time deposits	48,208	60,704	20,635	1	33,819	0	6,249	0	0
Investments	457,369	544,802	450,070	8,012	13,690	22,518	0	8,560	41,952
Accounts receivable - Federal	7,028	15,520	0	0	0	0	15,520	0	0
Assets held for sale	0	0	0	0	0	0	0	0	0
Accrued interest and other assets	16,623	19,976	9,457	0	85	8,318	1,193	3	920
Mortgage notes receivable, net	1,465,181	1,410,362	1,367,223	0	4,712	28,808	0	0	9,619
Other notes receivable, net	220	70	0	0	70	0	0	0	0
Land, equipment and improvements, net	17,976	17,771	22	0	17,749	0	0	0	0
Other real estate owned	88	64	2	0	62	0	0	0	0
Accumulated decrease in fair value of hedging derivatives	22,311	12,061	12,061	0	0	0	0	0	0
Deferred pension expense	610	577	319	2	54	0	0	202	0
Deferred amount on debt refundings	3,222	2,741	2,741	0	0	0	0	0	0
Total Assets	2,038,836	2,084,648	1,862,530	8,015	70,241	59,644	22,962	8,765	52,491
LIABILITIES AND NET ASSETS:									
Accrued interest payable	20,427	18,246	18,184	0	0	0	0	0	62
Accounts payable - Federal	345	351	0	0	0	0	351	0	0
Accounts payable & accrued liabilities	2,591	5,730	272	2	5,392	0	64	0	0
Unearned income	13,112	26,052	0	0	0	973	12,971	12,108	0
Net pension liability	2,282	2,819	1,558	9	266	0	0	986	0
Deferred pension credit	867	243	134	1	23	0	0	85	0
Derivative instrument - interest rate swaps	22,311	12,061	12,061	0	0	0	0	0	0
Interfund	0	0	4,074	19	8,437	(13,000)	4,350	(3,382)	(498)
Mortgage bonds and notes payable, net	1,599,882	1,620,033	1,542,722	0	19,176	0	0	0	58,135
Deferred grant income	0	18	0	0	0	0	18	0	0
Deferred loan origination points	24	18	18	0	0	0	0	0	0
Total Liabilities	1,661,841	1,685,571	1,579,023	31	33,294	(12,027)	17,754	9,797	57,699
NET ASSETS:									
Restricted Net Assets	340,773	362,130	283,507	7,984	0	71,671	5,208	(1,032)	(5,208)
Unrestricted Net Assets	36,222	36,947	0	0	36,947	0	0	0	0
Total Net Assets	376,995	399,077	283,507	7,984	36,947	71,671	5,208	(1,032)	(5,208)
Total Liabilities and Net Assets	2,038,836	2,084,648	1,862,530	8,015	70,241	59,644	22,962	8,765	52,491

MAINE STATE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED OCTOBER 31, 2021
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2020	2021							
REVENUES:									
Interest from mortgages and notes	52,279	50,289	49,937	0	270	48	0	0	34
Income from investments	2,146	1,038	1,017	2	9	5	1	2	2
Net increase (decrease) in the fair value of investments	(127)	(808)	(809)	0	1	0	0	0	0
Fee income	8,095	9,049	460	0	681	0	7,610	298	0
Other revenue	912	195	70	0	68	47	0	0	10
Grant income	50,577	174,368	0	0	0	1,580	171,628	1,160	0
Income from State	20,448	26,044	0	0	0	21,725	0	0	4,319
Federal rent subsidy income	89,335	91,513	0	0	0	0	91,513	0	0
Gain on bond redemption	205	439	349	0	0	0	0	0	90
Total Revenues	223,870	352,127	51,024	2	1,029	23,405	270,752	1,460	4,455
EXPENSES:									
Operating expenses	15,899	16,301	0	0	16,301	0	0	0	0
Other program administrative expenses	5,095	4,763	4,175	0	3	0	294	187	104
Mortgage servicing fees	1,421	1,432	1,418	0	14	0	0	0	0
Provision for losses on loans	181	17	0	0	11	0	0	6	0
Losses on foreclosed real estate	0	(58)	(58)	0	0	0	0	0	0
Interest expense	38,324	35,398	34,757	0	0	0	0	0	641
Grant expense	65,695	184,566	0	0	0	11,252	172,149	1,160	5
Federal rent subsidy expense	89,322	90,845	0	0	0	0	90,845	0	0
Allocated operating costs	0	0	8,316	49	(14,691)	0	6,215	111	0
Total Expenses	215,937	333,264	48,608	49	1,638	11,252	269,503	1,464	750
Net Operating Income (Loss)	7,933	18,863	2,416	(47)	(609)	12,153	1,249	(4)	3,705
Transfers between funds, net	0	0	0	0	657	0	(657)	0	0
Change in net assets	7,933	18,863	2,416	(47)	48	12,153	592	(4)	3,705
Net assets at beginning of year	369,062	380,214	281,091	8,031	36,899	59,518	4,616	(1,028)	(8,913)
Net assets at end of period	376,995	399,077	283,507	7,984	36,947	71,671	5,208	(1,032)	(5,208)

**MAINE STATE HOUSING AUTHORITY
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT
FOR THE PERIOD ENDED OCTOBER 31, 2021**

(IN THOUSANDS OF DOLLARS)

	Mortgage Lending Activities Actual	Federal & Other Program Administration Actual	Total Combined Actual	Total Annual Budget	Total Under/(Over)	% Variance
REVENUES:						
Interest from mortgages and notes	50,207	0	50,207	64,025	13,818	22%
Income from investments	1,028	3	1,031	1,500	469	31%
Fee income	1,141	7,908	9,049	10,764	1,715	16%
Other revenue	487	0	487	140	(347)	(248%)
Total Revenues	52,863	7,911	60,774	76,429	15,655	20%
EXPENSES:						
Operating expenses	9,975	6,326	16,301	19,510	3,209	16%
Other program administrative expenses	5,563	591	6,154	8,811	2,657	30%
Interest expense	34,757	0	34,757	43,270	8,513	20%
Total Expenses	50,295	6,917	57,212	71,591	14,379	20%
Excess Revenues Over Expenses	2,568	994	3,562	4,838	1,276	26%

MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES ATTACHMENT B
FOR THE PERIOD ENDED OCTOBER 31, 2021

	Total Annual Budget	Total Year to Date Actual	Budget Available	Percentage of Budget Available
Operating Expenses				
Salaries	10,777,009	9,208,685	1,568,324	15%
Payroll Taxes	788,606	708,853	79,753	10%
Retirement	1,065,276	914,332	150,944	14%
Medical and Life Insurance	2,619,299	2,153,517	465,782	18%
Other Fringe Benefits	10,000	4,902	5,098	51%
Office Supplies	54,095	41,758	12,337	23%
Printing	69,879	52,570	17,309	25%
Membership and Dues	61,745	51,778	9,967	16%
Subscriptions	22,660	15,613	7,047	31%
Sponsorships	13,500	6,000	7,500	56%
Staff Educ/Train/Conf	114,176	79,973	34,203	30%
Travel/Meals - Staff Educ/Train/Conf	74,801	3,704	71,097	95%
Partner/Client Train/Meetings	56,672	39,000	17,672	31%
Travel/Meals - Partner/Client Training	46,325	13,367	32,958	71%
Staff Events	10,225	8,046	2,179	21%
Meals - Staff Events	16,175	2,796	13,379	83%
Leased Vehicles	141,429	105,149	36,280	26%
Computer Supplies	19,300	19,190	110	1%
Computer License SAAS	177,415	173,835	3,580	2%
Rent-Other	34,130	29,498	4,632	14%
Computer Maintenance	622,493	507,412	115,081	18%
Depreciation	940,000	772,829	167,171	18%
Telephone	125,384	103,035	22,349	18%
Employment Advertising	3,400	3,674	(274)	(8%)
Postage and Shipping	97,050	98,637	(1,587)	(2%)
Insurance	90,935	68,884	22,051	24%
Recording Fees	1,300	572	728	56%
Payroll Services	36,075	36,174	(99)	0%
Audit Services	153,800	90,000	63,800	41%
Building Interest Expense	491,495	410,726	80,769	16%
Property Expenses	410,779	353,464	57,315	14%
Professional Services	316,088	222,861	93,227	29%
Total Operating Expenses	19,461,516	16,300,834	3,160,682	16%
Other Program Administrative Expenses				
Loan foreclosure expenses	200,000	51,880	148,120	74%
REO expenses	50,000	2,718	47,282	95%
Mortgage Servicing fees	1,820,000	1,431,556	388,444	21%
Provision for losses on loans & REOs	175,000	5,068	169,932	97%
Loan Origination expenses	3,000,000	1,773,889	1,226,111	41%
Bond Issuance Costs	900,000	476,204	423,796	47%
Trustee/Bank fees	158,000	141,627	16,373	10%
Program advertising/printing	195,665	190,483	5,182	3%
Bond and mortgagee insurance	15,200	15,872	(672)	(4%)
Variable rate bond remarket/liquidity facilities	1,175,000	1,050,639	124,361	11%
Cash flow/arbitrage/swap consultants/legal	600,000	600,224	(224)	(0%)
Homebuyer education	110,000	63,200	46,800	43%
Program administrator fees	447,000	350,828	96,172	22%
Section 8 security deposits/landlord incentives	13,000	0	13,000	100%
Total Other Program Administration Expenses	8,858,865	6,154,188	2,704,677	31%
Total Operating and Administrative Expenses	28,320,381	22,455,022	5,865,359	21%

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE PERIOD ENDED OCTOBER 31, 2021**

ATTACHMENT C

Description	2021 Budget	2021 Actual	Budget Available	% Expended
Computer Hardware:				
Network backup hardware - Data Domain	50,000	0	50,000	
Laptops	18,000	16,232	1,768	
Total computer hardware	<u>68,000</u>	<u>16,232</u>	<u>51,768</u>	<u>24%</u>
Computer Software:				
Enterprise multi-family housing system	170,000	0	170,000	
Coordinated Entry Portal - client list software homeless programs	10,000	0	10,000	
Mobile device management system	5,000	0	5,000	
Website redesign	27,000	25,780	1,220	
Hancock system upgrades (LIHEAP & Wx Programs)	50,000	202,825	(152,825)	
Salesforce software upgrades (Lead Program)	10,000	0	10,000	
Single Family loan servicing system modifications	10,000	2,508	7,492	
Community Outreach Dashboard	25,000	0	25,000	
Emphasys (AOD) Single Family lender (LOL) & tracking (LT) systems modifications	10,200	4,875	5,325	
Total computer software	<u>317,200</u>	<u>235,988</u>	<u>81,212</u>	<u>74%</u>
Office Building:				
Window Shades	0	53,379	(53,379)	
	<u>0</u>	<u>53,379</u>	<u>(53,379)</u>	<u>N/A</u>
Total	<u>385,200</u>	<u>305,599</u>	<u>79,601</u>	<u>79%</u>

**MAINE STATE HOUSING AUTHORITY
MEMBERSHIPS, DUES, AND SPONSORSHIPS
FOR THE PERIOD ENDED OCTOBER 31, 2021**

	Description	Amount
Memberships and Dues		
	Kennebec Valley Board of Realtors - annual affiliate membership	171
	Maine Association of Mortgage Professionals - annual membership	375
	Maine Bankers Association - annual affiliate membership	950
	Maine Real Estate Management Association - annual membership	125
	National Leased Housing Association - annual membership	600
	National Association for State Community Services Programs - annual membership	2,603
	National Energy Assistance Directors' Association - annual membership	6,341
	International Code Council - annual membership	145
	Construction Specifications Institute - employee annual membership	325
	Council of State Community Development Agencies - annual membership	1,500
	Maine Real Estate & Development Association - annual membership	1,200
	National Affordable Housing Management Association - affiliate membership	1,075
	Maine Department of Environmental Protection - lead inspector license renewal	200
	Association of Government Accountants - (6) employee annual memberships	660
	American Payroll Association - employee annual membership	261
	Society for Human Resource Management - employee annual membership	219
	Institute of Internal Auditors - employee annual membership	175
	Association of Certified Fraud Examiners - (2) employee annual membership	420
	Maine Public Relations Council - employee annual membership	90
	American College of Mortgage Attorneys - employee dues	525
	Board of Overseers of the Bar - (5) employee annual registration	1,325
	Maine State Bar Association - (3) employee annual memberships	520
	American Bar Association - (1) employee annual membership	275
	Access to Maine State House - employee	125
	American College of Real Estate Lawyers - employees dues	225
	Maine Society of CPAs - employee annual membership	250
	Maine State Treasurer - employee annual CPA license renewal	35
	Maine Building Officials and Inspectors Association - (6) employee membership	240
	Mortgage Bankers Association - annual affiliate membership	1,350
	Notary Public - (2) employee renewal fee	100
	National Council of State Housing Agencies - annual membership	29,372
	Total	<u>\$ 51,778</u>
Sponsorships		
	New England Resident Service Coordinator - conference sponsor	3,000
	Maine Resident Service Coordinator Association - annual sponsor	2,500
	Maine Council on Aging - Wisdon Summit	500
	Total	<u>\$ 6,000</u>



Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: December 2, 2021
Subject: Monthly Delinquencies Report

MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$688 million with 1,185 loans as of November 30, 2021. There are no 60+ days delinquent loan, as shown in *Exhibit 1*. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$900 million with 9,925 loans as of October 31, 2021. The over 60-day delinquencies increased from 2.81% to 2.96% and the in-foreclosures increased from 0.40% to 0.44%. The over 60-day delinquencies amount to \$27 million, with approximately \$4 million representing accounts in foreclosure. The over 60-day and in-foreclosure historic rates are shown in *Exhibit 4*. MaineHousing's overall delinquency rate by loan dollars is 2.96%; and the overall delinquency rate by loan count is 3.11%. As reflected in *Exhibit 5*, the overall delinquency rate by loan count is below the delinquency rate for all Maine Loans.

Servicer Delinquencies – As of October, 2021, Bank of America, NA had the highest overall delinquency rate of 19.23%, with an in-foreclosure rate of 2.80%. Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 3.37% to 3.50%, while the in-foreclosure rate increased from 0.38% to 0.41%. In May, Bangor Savings Bank began retaining the servicing rights and servicing new loan originations under a Qualified Servicer (QS) arrangement. The Bangor Savings Bank QS portfolio has no delinquencies at the end of October. The Bangor Savings Bank sub-serviced (SS) portfolio has the lowest rate of delinquencies at 0.89%. Delinquency rates for each servicer are shown in *Exhibit 3*.

Delinquencies by Insurance Type – In October 2021, FHA insured loans had the highest delinquency rate by total insurance type of 5.74%, with in-foreclosures at 0.61%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.60%, with in-foreclosures at 0.27%. Delinquencies by insurance type and the portfolio as a whole are shown in *Exhibit 6*.

FHA insured loans comprise 16% of the Single-Family portfolio and 31% of delinquencies, while RD insured loans comprise 60% of the portfolio and represent 54% of all delinquent loans. The

current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in *Exhibit 7*.

Foreclosure Prevention Activities – *Exhibit 8* summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of October 2021, we have assisted 1,049 borrowers with various foreclosure preventions options.

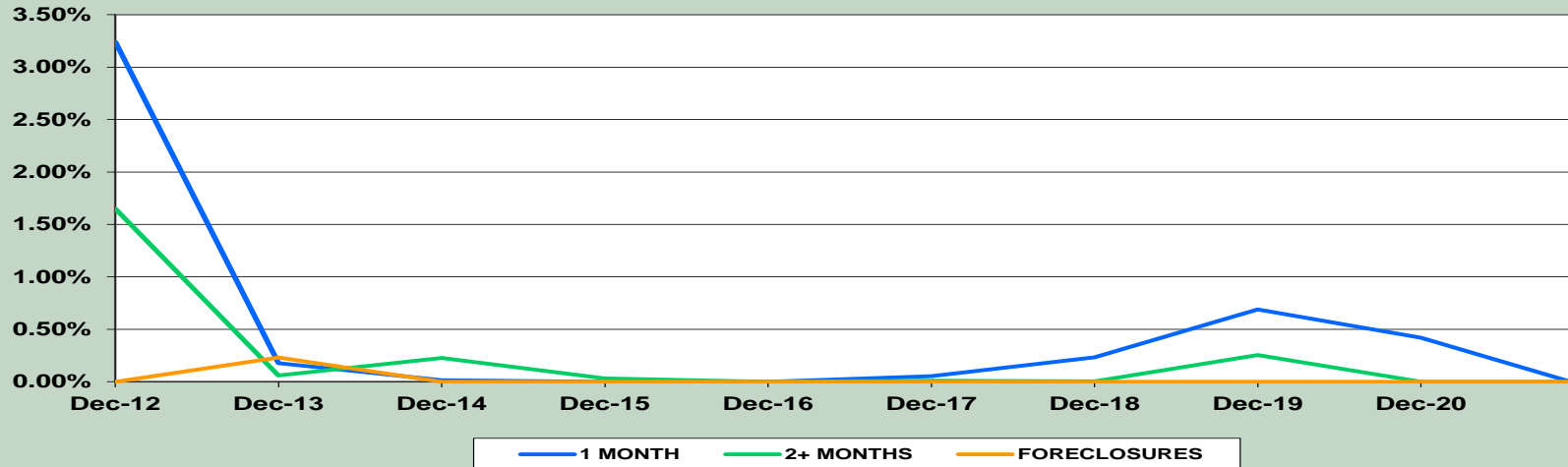
Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 11/30/2021

Section 8					ORIGINATION	-----	DELINQUENT	-----
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00
Rental Housing					ORIGINATION	-----	DELINQUENT	-----
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00
Supportive Housing & Other					ORIGINATION	-----	DELINQUENT	-----
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE						0.00	0.00	0.00
						0.00	0.00	0.00
						0.00	0.00	0.00
Grand Total								
% of Portfolio Delq 60+ days								
Total Number of Loans								

Multi-Family Delinquency & Foreclosure Trends

MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES



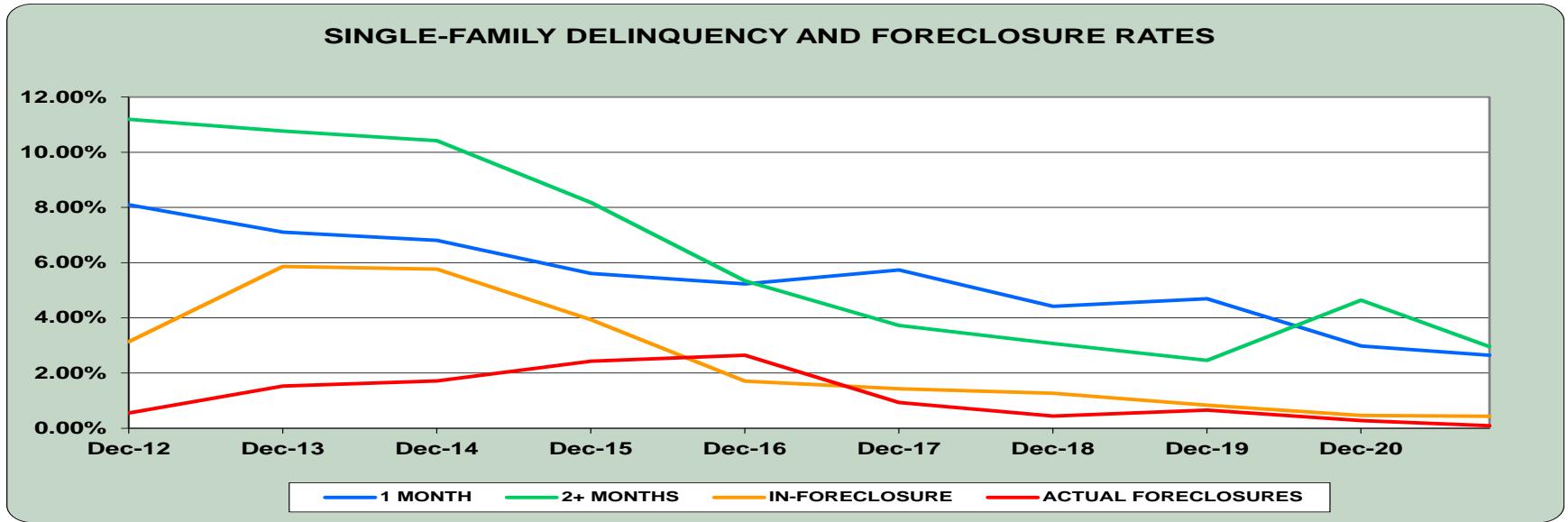
	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		FORECLOSURES	
	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Nov-21	\$ 688,424,984	-	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%
Dec-20	\$ 666,678,177	\$ 2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%	0.00%
Dec-19	\$ 635,961,774	\$ 4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%	0.00%
Dec-18	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%	0.00%
Dec-17	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%	0.00%
Dec-16	\$ 579,916,852	-	0.00%	\$ -	0.00%	\$ -	0.00%	0.00%
Dec-15	\$ 573,932,384	-	0.00%	\$ 185,320	0.03%	\$ -	0.00%	0.00%
Dec-14	\$ 513,937,525	\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%	0.00%
Dec-13	\$ 506,871,177	\$ 896,386	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%	0.23%
Dec-12	\$ 487,638,082	\$ 15,815,491	3.24%	\$ 8,056,115	1.65%	\$ -	0.00%	0.00%

Single-Family Delinquent Loans

**Maine State Housing Authority
Single-Family Delinquencies by Servicer
10/31/2021**

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTI	66.02%	3.50%	593,991,651.07	17,941,824.79	4,873,541.73	13,485,806.80	2,435,379.47
BANGOR SAVINGS BANK	15.87%	0.89%	142,796,909.04	2,733,704.50	226,168.58	763,051.32	284,437.09
CAMDEN NATIONAL BANK UK	8.97%	1.74%	80,723,383.83	1,874,858.37	573,111.25	488,145.84	346,291.76
MACHIAS SAVINGS BANK	7.03%	2.83%	63,275,752.74	1,003,907.55	210,391.23	922,174.79	656,037.60
BANGOR SAVINGS BANK QS	1.28%	0.00%	11,510,440.55	0.00	0.00	0.00	0.00
BANK OF AMERICA NA	0.77%	19.23%	6,918,500.97	239,496.28	259,640.52	877,482.59	193,427.97
SALEM FIVE MORTGAGE CORP	0.06%	3.55%	552,646.93	2.62	0.00	19645.95	0.00
TOTAL	100.00%	2.96%	899,769,285.13	23,793,794.11	6,142,853.31	16,556,307.29	3,915,573.89

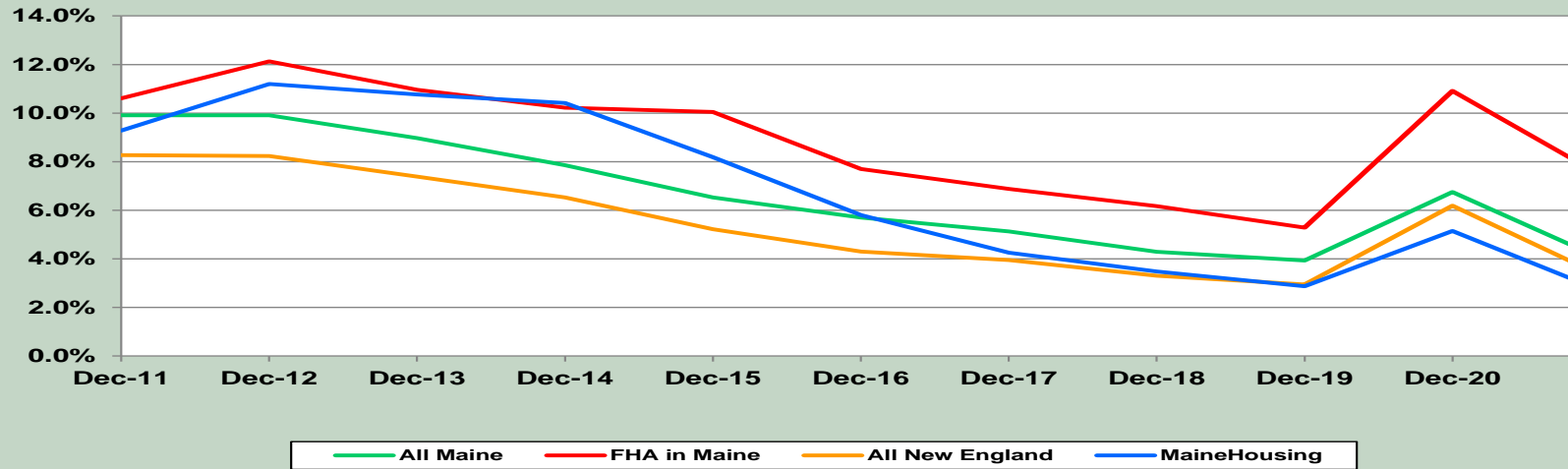
Single-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL	<u>1 MONTH</u>		<u>2+ MONTHS</u>		<u>IN-FORECLOSURE</u>		<u>ACTUAL FORECLOSURES</u>	
		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Oct-21	\$ 899,769,285	\$ 23,793,794	2.64%	\$ 26,614,734	2.96%	\$ 3,915,574	0.44%	\$ 798,874	0.09%
Dec-20	\$ 960,761,414	\$ 28,645,024	2.98%	\$ 44,603,599	4.64%	\$ 4,471,656	0.47%	\$ 2,617,001	0.27%
Dec-19	\$ 967,171,381	\$ 45,399,415	4.69%	\$ 23,774,547	2.46%	\$ 8,037,512	0.83%	\$ 6,357,994	0.66%
Dec-18	\$ 916,608,577	\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%
Dec-17	\$ 844,497,676	\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%
Dec-16	\$ 799,557,471	\$ 41,780,468	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%
Dec-15	\$ 790,409,905	\$ 44,303,365	5.61%	\$ 64,656,769	8.18%	\$ 31,066,182	3.93%	\$ 20,797,314	2.43%
Dec-14	\$ 810,139,060	\$ 55,171,703	6.81%	\$ 84,385,397	10.42%	\$ 46,711,687	5.77%	\$ 13,904,155	1.72%
Dec-13	\$ 849,385,825	\$ 60,378,599	7.11%	\$ 91,501,809	10.77%	\$ 49,783,071	5.86%	\$ 12,980,502	1.53%
Dec-12	\$ 899,788,247	\$ 72,815,090	8.09%	\$ 100,738,963	11.20%	\$ 28,237,109	3.14%	\$ 4,987,749	0.55%

Single-Family Delinquency Comparison Trends

**MAINEHOUSING, FHA, ALL STATE & ALL NEW ENGLAND
DELINQUENCY RATE COMPARISON**



MAINEHOUSING LOAN COUNT COMPARISON

	<u>Loan Count</u>	<u>2 Months</u>	<u>3+ Months</u>	<u>In-Foreclosure</u>	<u>Totals</u>
All State*	120,103	0.52%	2.70%	1.26%	4.48%
FHA for State*	16,821	0.98%	5.68%	1.37%	8.03%
All New England*	1,699,439	0.51%	2.70%	0.59%	3.80%
MaineHousing**	9,925	0.80%	1.87%	0.44%	3.11%

*This information is obtained from MBA's National Delinquency Survey for the third quarter of 2021.

**MaineHousing's overall delinquency rate based on loan dollars is 2.96%, whereas rates in this exhibit are based on loan count.

Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type

10/31/2021

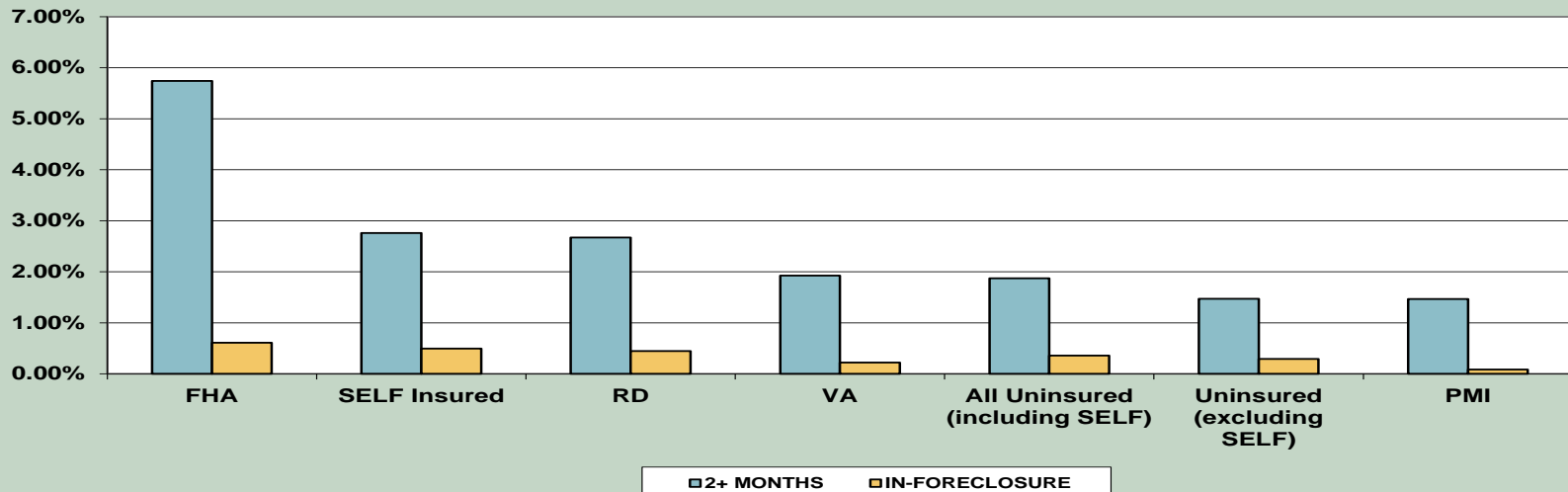
TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	5.74%	0.61%
SELF Insured	2.76%	0.50%
RD	2.67%	0.45%
VA	1.93%	0.22%
All Uninsured (including SELF)	1.87%	0.36%
Uninsured (excluding SELF)	1.47%	0.29%
PMI	1.47%	0.08%

As A Percent of Total Loan Portfolio

10/31/2021

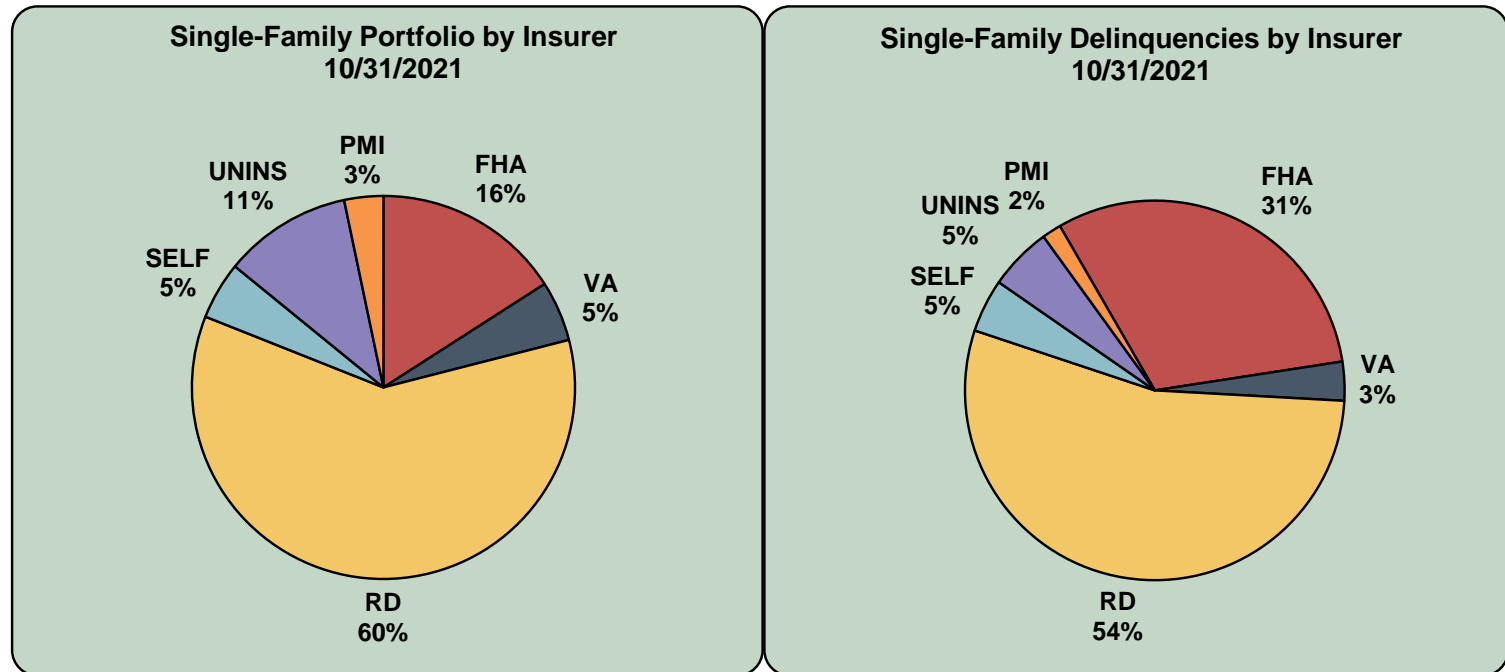
TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.60%	0.27%
FHA	0.91%	0.10%
All Uninsured (including SELF)	0.29%	0.06%
Uninsured (excluding SELF)	0.16%	0.03%
SELF Insured	0.13%	0.03%
VA	0.10%	0.01%
PMI	0.05%	0.00%

SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE



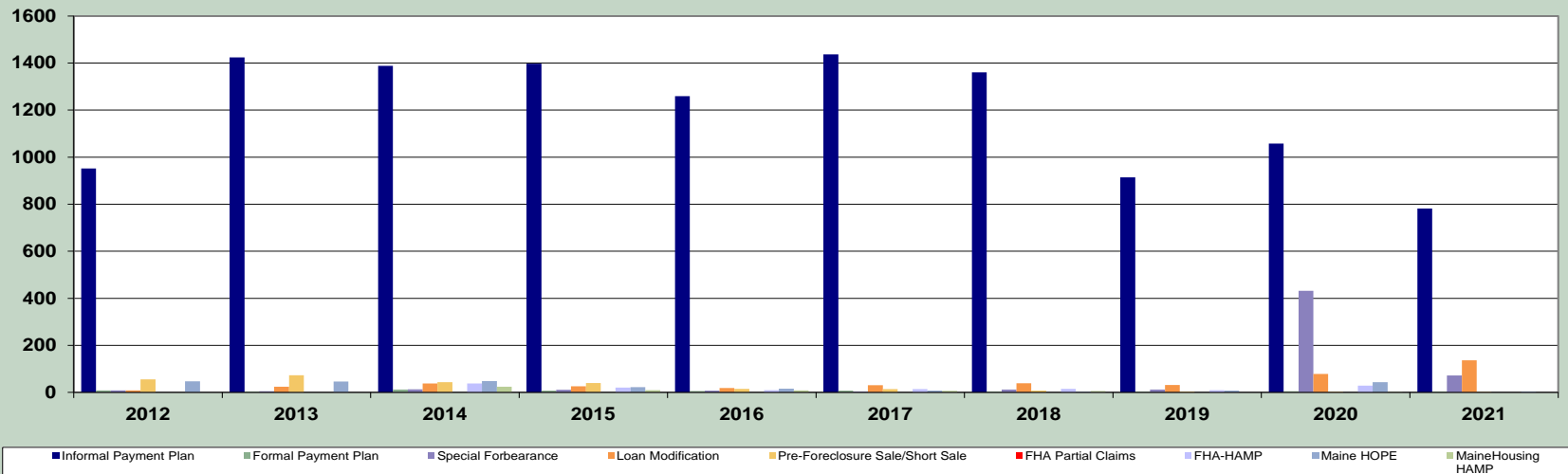
Single-Family Delinquencies by Mortgage Insurer

The following charts show the composition of MaineHousing loans by mortgage insurer. Self insured loans are mainly mobile homes. Uninsured loans are those not needing mortgage insurance (i.e. for loans under 80% property value). The following charts are in dollar amounts.



Single-Family Foreclosure Prevention Activities

BORROWERS ASSISTED 2012-2021



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	FHA Partial Claims	FHA-HAMP	Maine HOPE	MaineHousing HAMP	Total Workouts
Oct-21	782	4	72	137	2		48	4	0	1049
Dec-20	1058	5	432	79	3		29	44	2	1652
Dec-19	914	3	12	32	4		10	8	0	983
Dec-18	1361	4	12	39	8		15	3	6	1448
Dec-17	1437	8	4	31	14		14	8	7	1523
Dec-16	1259	6	8	19	15		10	16	9	1342
Dec-15	1397	8	11	26	40		21	22	10	1535
Dec-14	1388	12	13	38	44		38	48	24	1605
Dec-13	1424	4	5	24	73			46		1576
Dec-12	952	9	9	9	56			47		1082

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Oct-21	12	9,925	0.12%
Dec-20	38	10,668	0.36%
Dec-19	86	10,904	0.79%
Dec-18	57	10,673	0.53%
Dec-17	97	10,332	0.94%
Dec-16	258	10,097	2.56%
Dec-15	233	10,258	2.27%
Dec-14	162	10,526	1.54%
Dec-13	146	10,952	1.33%
Dec-12	60	11,571	0.52%

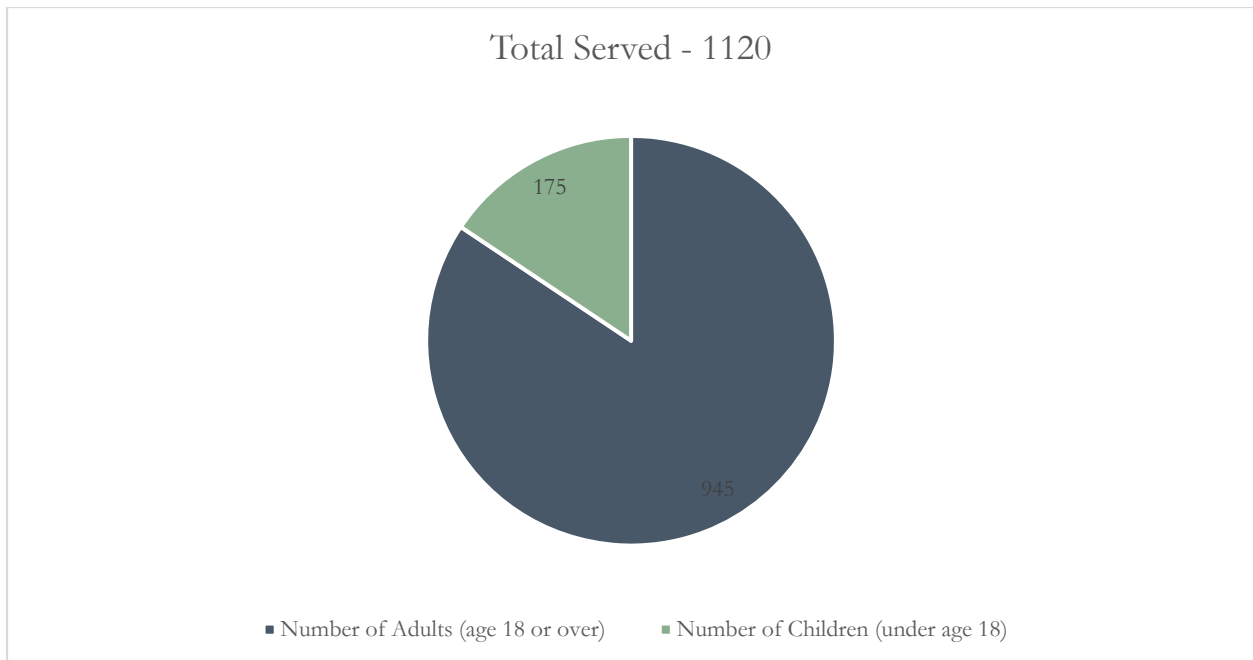
Homeless Initiatives Department Memorandum

To: Board of Commissioners
From: Lauren Bustard, Senior Director of Homeless Initiatives
Date: December 14, 2021
Subject: Homeless Initiatives Report

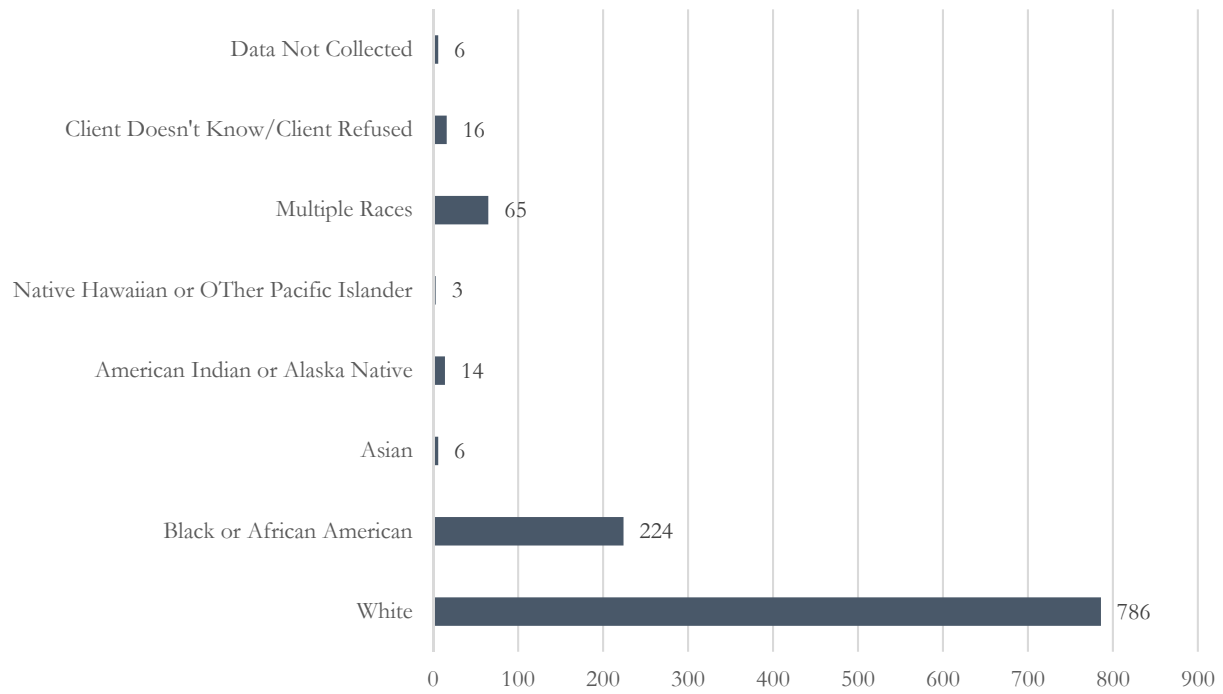
Homeless Data – November 2021

The following are the monthly statistics for November. Some of the things we are specifically tracking:

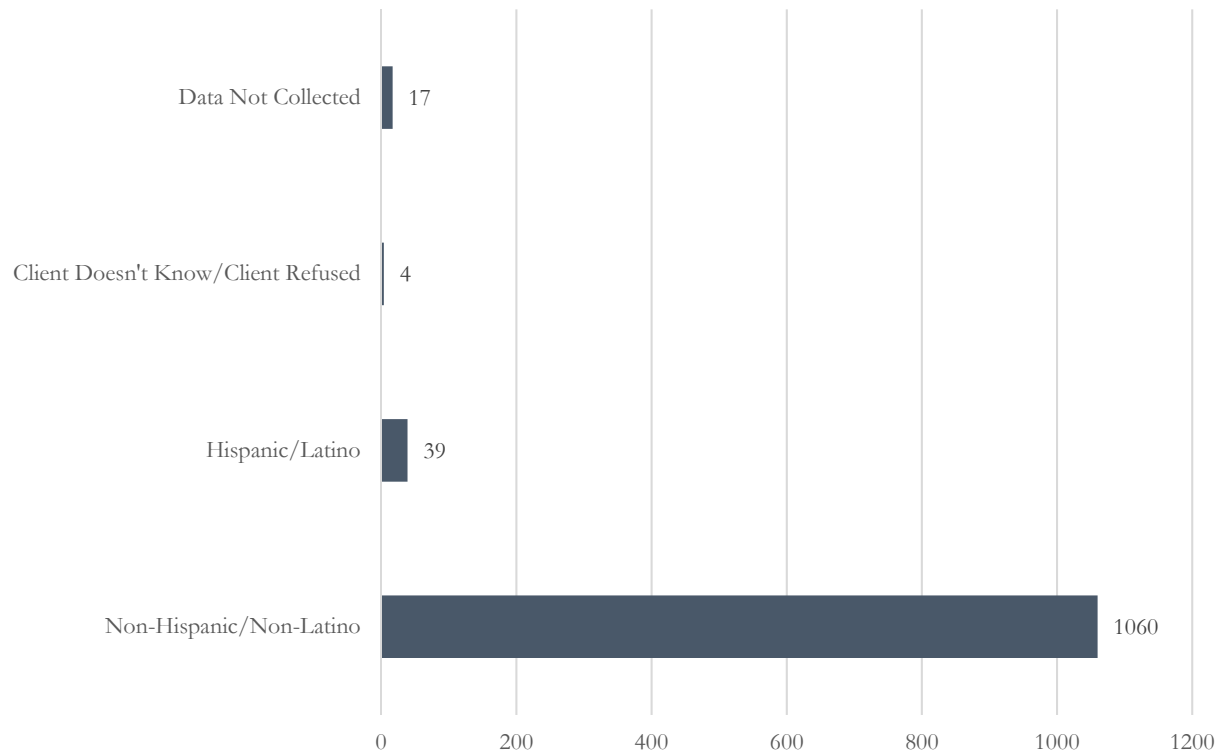
1. Total number of people served (1120) has increased for the first time in a few months at 32 more than October.
2. Racial equity – the percentage of people of color served remained stable at 27% in November.
3. The number of individuals entering the homeless system from institutional settings increased by 10 in November and exiting to institutional settings increased by 3 individuals.
4. Our exits to permanent living situations remained fairly stable after a significant increase in October – from 77 in October to 74 in November. Our Temporary Rapid ReHousing Program has now successfully leased up a total of 116 households.



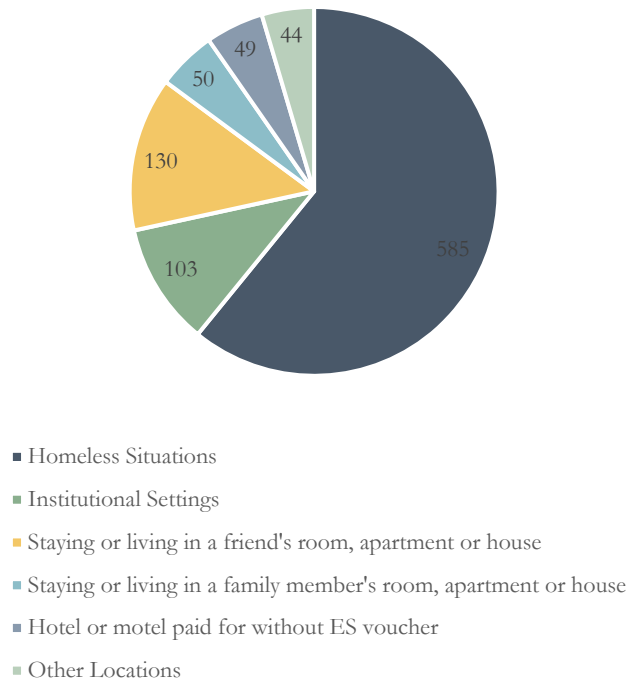
Number of People Served by Race



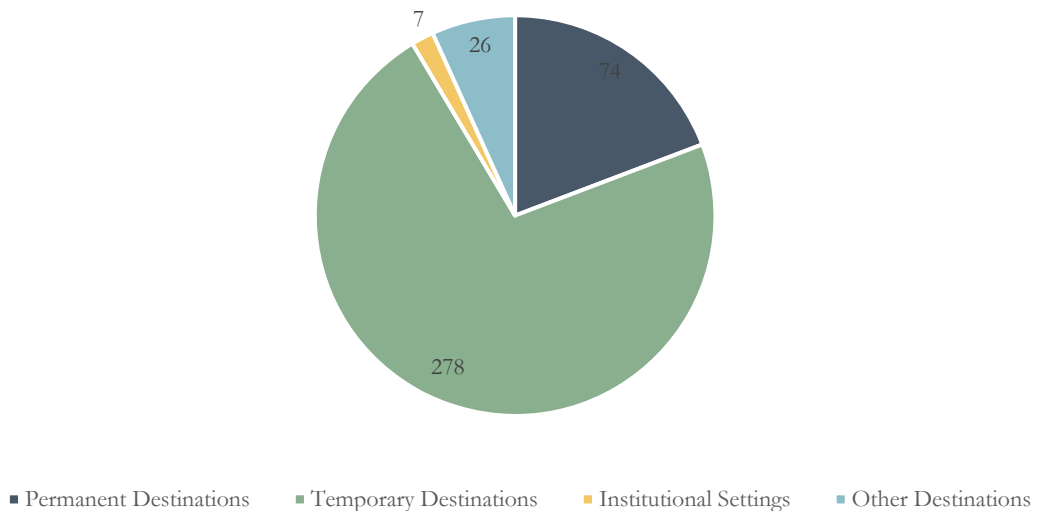
Number People Served by Ethnicity



Residence of Clients Prior to Entry



Residence of Clients after Entry



Use of Hotels

At the end of December the Ramada Inn in Bangor will no longer be utilized for housing individuals experiencing homelessness. The current population will be transferred to Penobscot Community

Health Center's Hope House, which has been renovated and upgraded to standards that better meet social distancing requirements. It is now able to house approximately 50 of the pre-COVID capacity of 66. Before renovations it was at 30-35 so this is good news. I'm attaching photos of the new 'pods' that were installed that are becoming the trend at newer congregate shelter facilities. The other hotels with service provider contracts in place that will continue to serve people experiencing homelessness through March 2022 are in Waterville and South Portland.



Homeownership Department Memorandum

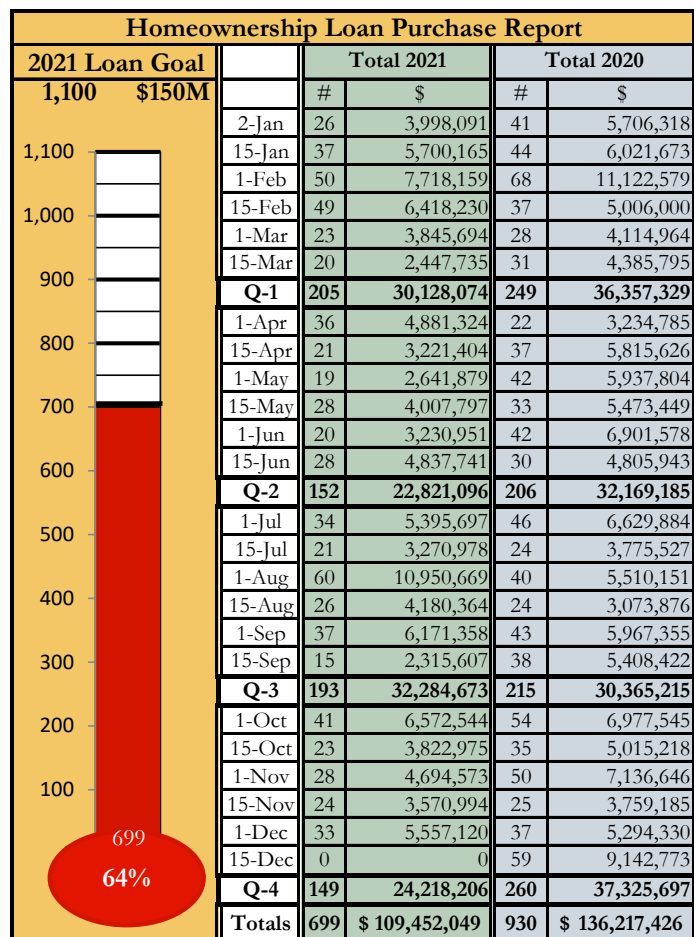
To: MaineHousing Board of Commissioners

From: Craig Reynolds, Director of Homeownership

Date: December 9, 2021

Subject: Monthly Report – Homeownership Department

PRODUCTION UPDATE



Monthly Loan Reservations: 12/01/21	
#	\$ Volume
55	\$ 9,115,596

Loan Pipeline as of: 12/01/21	
#	\$ Volume
199	\$ 32,391,223

YTD Loan Reservation Comparison					
November 2020		November 2021		2020 vs 2021	
#	\$ Volume	#	\$ Volume	#	\$ Volume
320	\$46,183,021	199	\$ 32,391,223	-38%	-30%

PROGRAM HIGHLIGHTS

Production Update & Market Status

As Homeownership approaches the final loan purchase in 2021, the total for the year will exceed 700 loans and will equate to over \$110M in total loan volume added to MaineHousing's current portfolio. A final report on 2021 First Home Loan program activity, including a breakdown of homebuyer demographics, average purchase price, average loan amount, loan type and distribution by county and district, will be provided in the January 2022 Commissioner's report.

The following is an excerpt from the Maine Association of REALTORS® monthly press release in November regarding Maine's real estate market activity and related regional and national statistics provided by the National Association of REALTORS®:

MAINE HOME VALUES UP 10 PERCENT LAST MONTH; INVENTORY CONTINUES TO BE TIGHT AUGUSTA (November 22, 2021)—Lower-than-normal inventory combined with high demand for single-family existing Maine homes led to a 10.94 percent decline in sales across the state in October 2021 compared to October 2020. Maine Listings today released statistics indicating a 10 percent price increase over that same time period. The median sales price (MSP) for existing singlefamily homes reached \$308,000 in October compared to \$280,000 one year ago. The MSP indicates that half of the homes were sold for more and half sold for less.

“Despite the lower sales volume numbers compared to 2020 for each month from July through October, demand remains extraordinary for Maine's residential real estate,” says Aaron Bolster, Broker/Owner of Allied Realty in Skowhegan and 2021 President of the Maine Association of REALTORS.

“Available for-sale inventory is significantly low—56 percent below the pre-COVID levels of October 2019. In October of 2019, the market had a 4.5-month supply of for-sale inventory. In October 2021, we experienced a 1.8-month supply. Buyers are quickly purchasing homes that are new to the market.”

Nationally, sales of single-family existing homes dipped 5.8 percent in October 2021 compared to October 2020. According to the National Association of Realtors, last month's national MSP of \$360,800 reflects an increase of 13.5 percent. October sales in the regional Northeast declined 13.8 percent compared to October 2020, while the regional MSP rose 6.4 percent to \$379,100.

“Overall, 2021 continues to be strong for single-family existing home sales,” says Bolster. “For January – October 2021, sales are 5.54 percent higher than January – October 2020, and 11.41 percent higher than January – October 2019. The sales years of 2019 and 2020 were record-breakers for Maine. With a strong finish this year, 2021 will be another.”

The information above confirms that the current real estate market with its increasing sales prices and low inventory has existed in Maine even before the arrival of the COVID-19 pandemic. The continuing rise in sales prices, combined with a record shortage in the homes-for-sale inventory, has

created a huge challenge for homebuyers in all but the highest price ranges. It has specifically had a negative impact on the ability to afford a home for first time buyers as higher loan amounts and corresponding down payment and closing costs have increased significantly. An added complication for first time buyers has come from down-sizing homeowners, who along with an influx of out of state buyers, are competing for homes of the same size and price point that the typical first time buyer is generally seeking and can afford. These factors have clearly had an impact on the lower than projected production of our First Home Loan (FHL) program in 2021.

It is important to note that the motivation to buy a first home has not decreased, as is being confirmed by reports coming from both Realtors and lenders, and is further supported by the record number of potential homebuyers who completed homebuyer education classes in advance of beginning their search to buy a home.

With record high sales prices obviously discouraging or delaying some buyers from pursuing their dream of homeownership at this time, it is the lack of available homes-for-sale which is the primary cause of the lower production experienced by our First Home Loan program this year. An adequate supply of homes on the market would undoubtedly have resulted in much more success for buyers and for the FHL program. Unfortunately, it appears that the homes-for-sale inventory shortage will carry into 2022 and will remain a major obstacle for homebuyers in all categories, and especially for first timers.

There are some hopeful signs that the rise in home sales prices may be slowing as the buying frenzy that has produced a seller's market featuring multiple purchase offers on a home often above the list price and/or purchase agreements written with no inspections or financing contingencies, may have reached its tipping point. Mortgage interest rates also appear to be trending higher, which would also have an impact on the market entering 2022. Whether or not some cool down in market activity will increase the available inventory of homes is uncertain, however there is reason to be optimistic that a slow return to more "normal" market conditions may develop over the course of the coming year. If so, our First Home Loan program is very well positioned to assist Maine's first time homebuyers with its below market interest rate and \$3500 Advantage down payment and closing cost assistance option.

Happy New Year everyone!

Housing Choice Vouchers Department Memorandum

To: MaineHousing Board of Commissioners

From: Allison Gallagher - Director of HCV Programs

Date: December 21, 2021

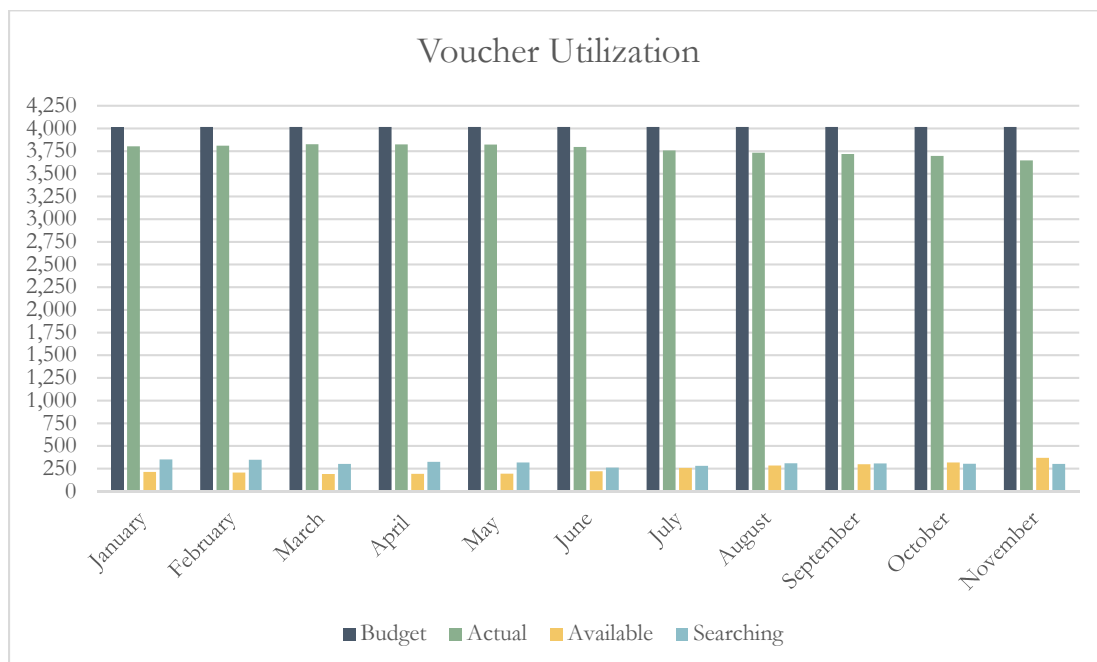
Subject: Monthly Report – Housing Choice Voucher Program

Program Updates:

The following program resources have been updated and are effective January 1, 2022 and have been posted on the MaineHousing website at <https://www.mainehousing.org/programs-services/rental/rentaldetail/housing-choice-vouchers>

- HCV Administrative Plan
 - Attachment 1-HCV Administrative Plan changes document
- HCV Payment Standards
- HCV Utility Allowances
- HCV COVID-19 waivers-expire December 31, 2021
 - Attachment 2- Post-waiver document
 - Inspection waivers-inspections postponed under waiver must be inspected by June 2022

Landlord Incentives-\$23,250 (31)



HCV (homeless initiatives)

STEP, Home to Stay, Homeless priority, EHV

	Leased	Searching
STEP	136	48
Home to Stay	171	73
Homeless Priority	234	69
EHV	18	98

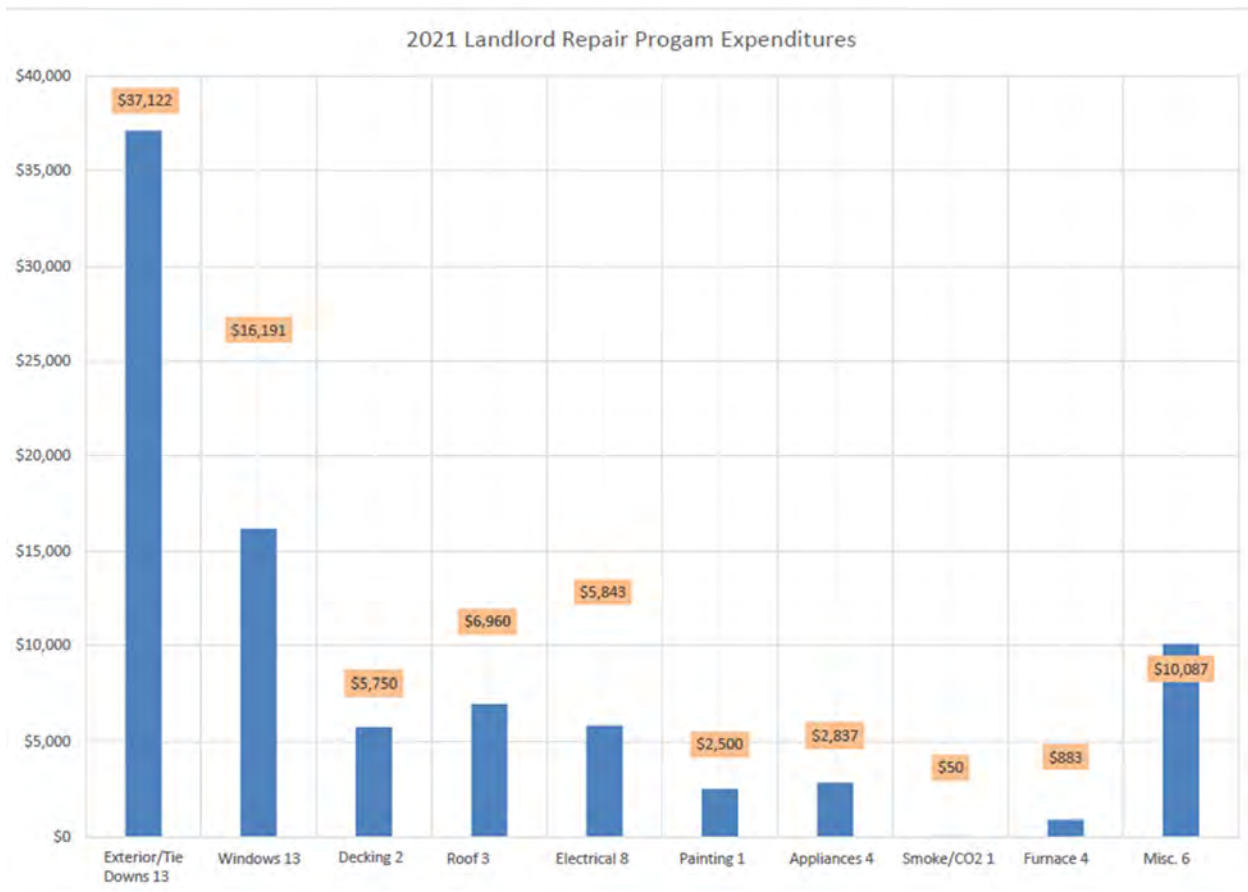
LEAN Update:

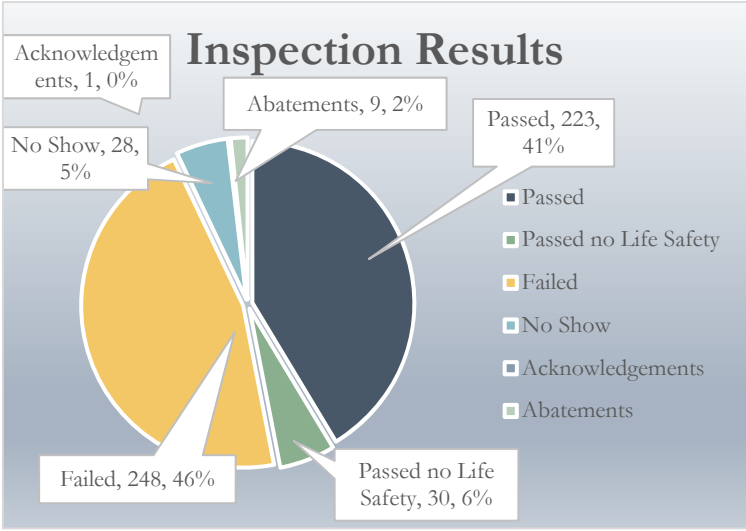
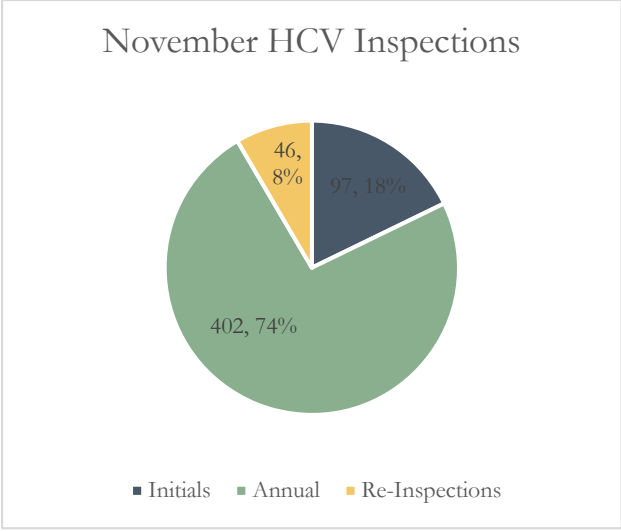
HCV staff are working on scanning all physical tenant files as a 2021 LEAN initiative. We have scanned 31% or 1,160 tenant files to date.

Inspection Updates:

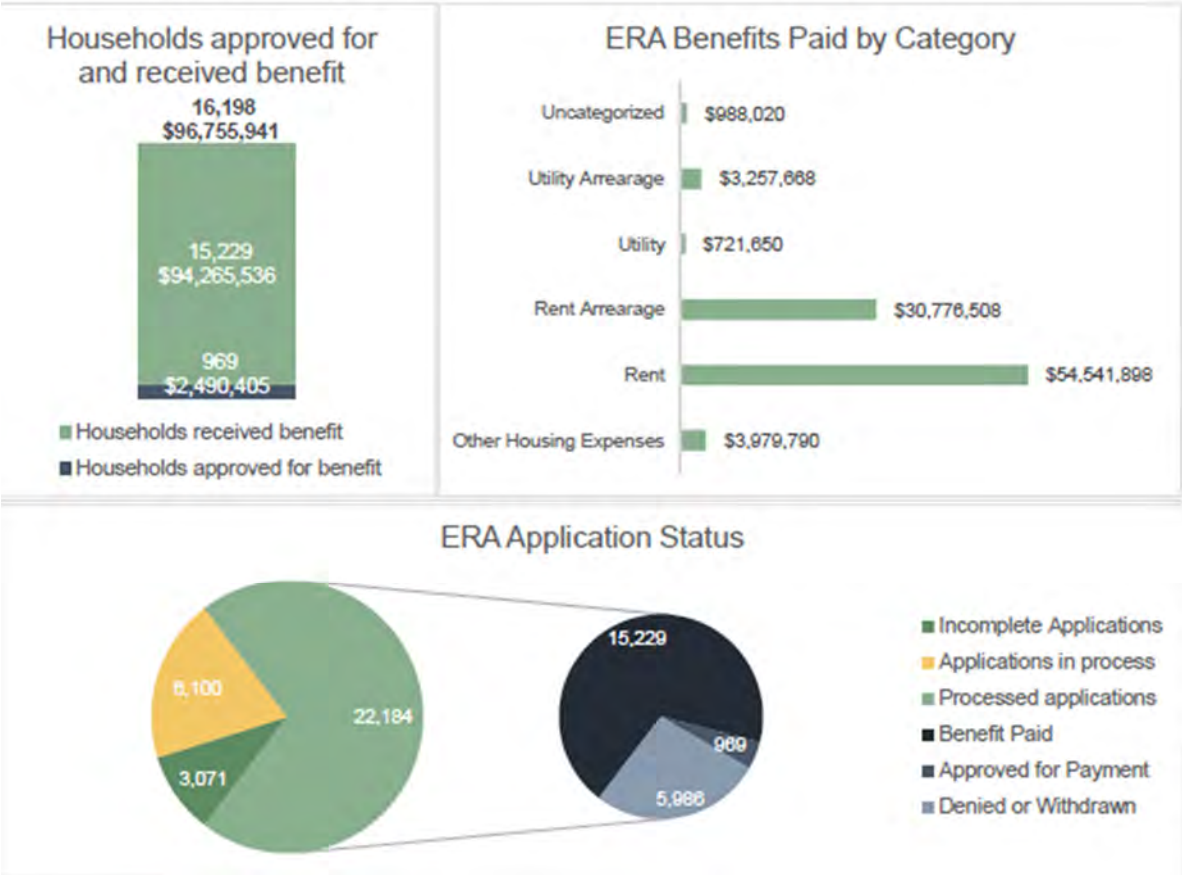
- Days to schedule initial inspections: 3
- Days to schedule homeless initial inspections: 4

Landlord Repair Program: \$88,223/Damage Reimbursement Program: \$38,471





Emergency Rental Assistance:



As of December 8, 2021

Recap of Changes for 2022 HCV Administrative Plan

Page	Section	Changes Made
All	Footer	Added new revision date
All	Footer	Updated copyright date for title page for approval by HA Board of Commissioners and submission to HUD
13	2-I.A. & 2.I.B.	Added Executive Order number 13988
20	2-II.E.	Added new 2nd paragraph under PHA Policy regarding undue financial burden and Reasonable Accommodation Requests
24	2-III.B.	Added text under 2-III.B. PHA Policy regarding remote briefings/reviews/hearings
37	3-I.L.	Added new 1st paragraph under Family Members Permanently Confined for Medical Reasons PHA Policy stating individuals confined to nursing home or hospital on a permanent basis are not considered family members
43	3-II.D.	Added text to 3-II.D. first paragraph to include HUD-52675 as a HUD required Consent form
47-48	3-II.F.	Added new 3-II.F. EIV SYSTEM SEARCHES section, which includes new Existing Tenant Search PHA Policy, Debts Owned to PHAs and Terminations PHA Policy, and Income and IVT Reports subsections
80	4-III.C.	Added Priority for families impacted by disasters: MaineHousing will make available up to 50 vouchers for eligible households impacted by major federally declared disasters or residing in a building if fire, flood or other natural disasters renders the property uninhabitable for more than 60 days
80-81	4-III.C.	Removed Working in Maine from residency preference
85-89	5-I.B.	Revised 5-I.B. BRIEFING , Broke existing language into subsections: Notification of Briefing subsection with new PHA Policy regarding remote options and undeliverable mail, In-Person Briefings subsection with changed text in the PHA Policy regarding family's ability to request individual briefing "Notification and Attendance" changed to "Attendance" sub-subsection Remote Briefings subsection with PHA Policy Accessibility Requirements for Persons with Disabilities and LEP Individuals subsection Conducting Remote Briefings subsection with PHA Policy
188	8-I.E.	Added CFR citation regarding Special Requirements for children with environmental Intervention Blood Lead Level
191	8-II.A.	Added new Remote Video Inspections (RVIs) subsection with new PHA Policy

Page	Section	Changes Made
195	8-II.C.	Updated PHA Policy with biennial inspection requirement
196	8-II.E.	Added CFR 985.3(e) reference in 8.II.E. Simplified text in 2nd paragraph regarding QA sample selection.
203	8-III.C.	Updated PIH Notice reference to PIH 2020-19
315	15-VII.D.	Removed option for New Construction under Homeownership Program
332	16-III.B.	Added text to Scheduling an Informal Review PHA Policy regarding accessibility barriers and remote reviews
333	16-III.B.	Added PIH 2020-32 reference to Remote Informal Reviews heading, and added new Ensuring Accessibility for Persons with Disabilities and LEP Individuals subsection
334	16-III.B.	Added text under Conducting Remote Informal Reviews and expanded text in the PHA Policy below this subheading
337	16-III.C.	Added reference PIH 2020-32 to Remote Informal Hearings heading, and added new Ensuring Accessibility for Persons with Disabilities and LEP Individuals subsection
338	16-III.C.	Added text under Conducting Remote Informal Hearings and changed text in the PHA Policy below this subheading
340	16-III.C.	Under Scheduling an Informal Hearing , added new text under PHA Policy regarding remote hearings.
343	16-III.C.	Under Evidence , PHA Policy, updated “ Hearsay Evidence ” definition and added text regarding remote hearings to paragraph under this definition.
390	17-II.A.	Added text in PHA Policy under Solicitation and Selection of PBV Proposals regarding requirements for RFP advertisement
400	17-II.G.	Added “Choice Neighborhood” to PHA Policy regarding site selection.
403	17-III.B.	Added new CFR 983.101 (c) reference to paragraph under Lead-based Paint
407	17-IV.C.	Deleted Equal Opportunity subsection
412	17-V.C.	Changed PHA Policy text regarding ability to add units to PBV contracts

HCV/STEP Post-Waivers - effective January 1, 2022

1. Voucher Expirations

- MaineHousing will continue with current extension policy
 - OS' may grant 120 day extension for HCV or 60 day extension for STEP if the tenant requests it in writing
 - Any additional extension would require Reasonable Accommodation

2. Inspections

- MaineHousing resumed all physical inspections as of April 2021
 - FaceTime will continue to be an option for virtual inspections as requested
 - The number of Biennial Inspections has increased and will remain in effect

3. Verifications

- MaineHousing will return to using HUDs Verification Hierarchy for anything physically processed after January 1, 2022

Verification Hierarchy
1. Upfront Income Verification - EIV
2. Written 3rd Party Verification – Statement from Source
3. Written Third Party Verification Form – Our Form
4. Oral Third Party Verification – via phone
5. Tenant Declaration – Self Certification

- For more info see; HUD Notice PIH 2017-12 Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System (Section 9-10 Pages 3-7)
 - [17-12PIHN.PDF \(hud.gov\)](#)
- MaineHousing will continue to verify all eligibility information for admission to the program and the addition or removal of household members. This verification includes the requirement to provide copies of Social Security Cards, Birth Certificates for all household members.
 - We will continue to utilize copies of SS cards and no longer need to view the original

4. Voucher Payment Standards

- New Admissions/Port Ins/Annual Change of Unit certifications should use the current VPS
- Annual Certifications should use the current VPS unless the family qualifies for a grandfathered VPS.
- VPS should not be updated at Interim Reexaminations
- OS' can continue to request 120% of the FMR for disabled households at Annuals/Moves

5. HAP Contract Execution

- MaineHousing may approve a HAP contract signed within **60** days of the execution date

6. Zero Income Updates

- We will begin sending 6 month Zero Income Updates in January 2022

Human Resources and Facilities Department Memorandum

To: Board of Commissioners

From: Jane Whitley, Director of Human Resources & Facilities

Date: December 2021

Subject: Board Report

Human Resources Updates

STAFF ANNOUNCEMENTS

Welcome to our new hires, we are thrilled to have you here!

- ✓ Ty Heaward, Asset Manager, Asset Management Department
- ✓ Rachel Bouchard, Counsel, Legal Department
- ✓ Anna Carll, HQS Inspector, HCV Department
- ✓ Adam Stockford, HQS Inspector, HCV Department

Congratulations to staff who have moved into a different position at MaineHousing, we wish you the best in your new adventure!

- ✓ Kristin Ross, Mortgage Lending Officer to Mortgage Accounting Officer, Finance Department
- ✓ Rob Seavey, HQS Inspector to Construction Analyst, Development Department
- ✓ Kelly Purington, Multifamily Loan Officer Team Leader to Multifamily Underwriting Manager, Development Department

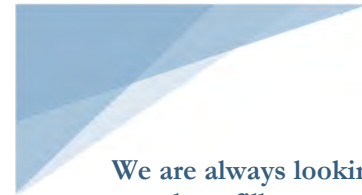
We are currently advertising and/or interviewing for the following positions:

- HCV Occupancy Specialist
- Construction Analyst
- Administrative Assistant – HEAP
- Administrative Assistant – Loan Servicing
- Multifamily Loan Officer
- HQS Inspector
- Consumer Education & Outreach Coordinator
- Mortgage Lending Coordinator

COMPENSATION SYSTEM, HISTORY, AND 2021 SALARY SURVEY RESULTS

MaineHousing contracts with Gallagher Benefit Services to assist us in maintaining our compensation system. Our compensation program objectives are:

- Be fair, equitable, and sustainable for our current and future employees



We are always looking for great people to fill our positions!

Please encourage your family and friends to visit our website at www.mainehousing.org/careers.

We also advertise on Indeed and Jobsinme.com.

- Be considered an employer of choice in the central Maine area

I thought it would be helpful to give you an historical overview of our compensation system. In 2015, we went out to RPF for a consultant to review our total compensation system, which included salaries and benefits. Our team received and reviewed several proposals, and chose to go with Gallagher Benefit Services for several reasons: they had experience working with other HFA's and non-profits throughout the country, they understood our housing language and job duties, even though job titles may vary from organization to organization, and they had a proprietary evaluation system that looked at positions based on decision making.

An internal team was trained in their Decision Band Method (DBM) system and spent many hours together reading, reviewing, and banding our 111 unique job descriptions. At the same time, the Gallagher team was also reading, reviewing, and banding the positions. Once this exercise was completed, we compared notes, discussed discrepancies, and finalized our new compensation system. We went from 12 pay levels, to 20 pay bands: A – F, each with their own minimum and maximum salary ranges.

Once this exercise was completed and the DBM Band structure was set, Gallagher went to market to review our salaries. It's important to note that the structure was set prior to going to market as you want to make sure you have achieved internal position equity first so salary results do not influence where a position falls within a decision band. The market results came in, and minimum and maximum salary ranges were set for all 20 bands, and our new system went into effect on October 1, 2016. Staff were notified of where their position fell within the new system, their new pay range, and some staff received a market rate adjustment to reflect the salary survey results.

We continue to review and band new and existing positions as requested by departments. If a new position is created, we need to determine where it falls within the DBM system. If an existing position description has changed significantly, we ask - does it still fall within the current band or should it be rebanded at a higher level? The position and band recommendation goes to the Director's Office for final approval.

In 2018 Gallagher conducted another salary survey for us. The result included a 1.8% increase to all staff in addition to our regular merit adjustments, and our minimum and maximum salary ranges were also increased 1.8%.

We were slated to go to market again in the summer of 2020; however, COVID hit, and we made the decision to post pone the survey. This fall Gallagher conducted another salary survey for us. We went to market with positions that represented each band in our system.

Based on our analysis (Gallagher), we find:

- MH's current structure midpoint is highly competitive with market 50th actual pay trend line and closely tied to the market
- Based on previous adjustments made to structure in 2015 and 2018 the current midpoints are well aligned with the market 50th pay trend line and provide a competitive range minimum and maximum to recruit and retain employees
- Based on our analysis we do not recommend market adjustments to the current salary structure based on organizational strategy and market competitiveness
- Additionally, the current salary structure is highly competitive and aligned with the market trend for salary structure adjustments at 2% (median) published by *WorldatWork 2021-22 Salary Budget Survey*. This ensures the structure represents ranges to meet market rates for jobs impacted by inflation
- It is important for MH to continue administration of merit increases to ensure employees move through the ranges to reduce potential salary compression issues and impact of inflation.

To learn more about Gallagher, please visit:

<https://www.ajg.com/us/services/compensation-consulting-and-total-rewards-programs/>

To learn more about the Decision Band Method Pay System, visit:

<https://www.ajg.com/us/news-and-insights/2021/apr/using-dbm-job-pay-inequity/>

Learning & Development Updates

Chris Massaro, Learning & Development Coordinator, will be facilitating and leading our next staff development program offerings in January. They include:

Active Listening

Are you a good listener? You may believe that when you are listening to someone you have given them your full attention and understand what they are saying. Unfortunately, many of us are not good listeners. We do not understand what it means to actively listen and engage a speaker. Perhaps you have been the person speaking, and the person who was supposed to be listening to you is not paying attention, is distracted, or worse interrupts you. Poor listening skills can lead to misunderstanding, frustration, and damage relationships.

Creativity and Innovation

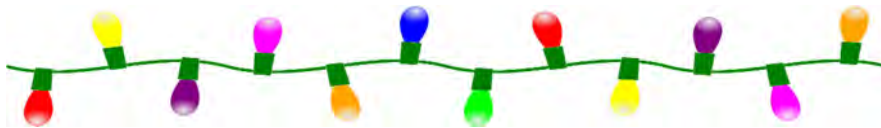
Do you ever wish you had just that extra something to be more creative or innovative? Being able to come up with new, exciting, and innovative ideas and enhancing your creative thinking process can be improved with the right tools. This course will introduce you to several different ways to jumpstart that spark of imagination.

Facilitating a Virtual Meeting

A well planned and efficiently facilitated meeting can be an excellent tool for addressing challenges, increasing innovation, and building camaraderie and cohesion within a group. Successful meeting facilitators understand the importance of staying on topic, achieving goals, soliciting input, and addressing conflict. However, facilitating a virtual meeting presents a new set of challenges such as technical issues or communication. This can be addressed with preplanning, utilized technology, and understanding communication in a virtual setting.

Facilities Updates

- ✓ Thank you to Hannah Tricket, Office Assistant, for chairing our 2022 United Way and MaineShare Campaigns.
- ✓ Our campus is decorated for the holiday season! Our wreath is merry & bright and our whiskey barrel's are trimmed with fresh evergreens & red berries. Wishing you and yours a happy holiday season!



Information Technology Department Memorandum

To: Board of Commissioners

From: Sheila Nielsen, Director of IT

Date: December 14, 2021

Subject: Monthly Report

The IT Department has been working on the following efforts over the last month.

- Annual IT penetration testing with Illumant interim reports have been published. IT is coordinating further testing between Illumant and our security vendor. Revised reports are forthcoming after the additional testing is completed.
- Multifamily Affordable Housing Software selection efforts continue. Software demonstrations are planned for this week and final vendor selection will conclude before the end of the month.
- Annual training for all staff for the revised Acceptable Use Policy has begun.
- Approach used to apply computer patching is being revised and testing is underway.
- Through grant funding, HEAP client data extracts are being developed to send to Community Action Agency client tracking system to identify opportunities to help more Mainers.
- In an effort to streamline IT equipment purchasing and distribution, we have established an inventory management approach to minimum stock on hand.

Board Calendar 2022

JANUARY 18 <ul style="list-style-type: none"> • Adopt DOE Weatherization State Plan • Legislative Preview (P. Merrill) <p>NCSHA HFA Institute (Jan. 10-Jan. 14 and Jan. 24-Jan. 28) Virtual</p>	FEBRUARY 15 <ul style="list-style-type: none"> • Introduce HEAP
MARCH 15 <ul style="list-style-type: none"> • HEAP discussion • Audit Committee update <p>NCSHA Legislative Conference (dates) Washington, DC</p>	APRIL 19 <ul style="list-style-type: none"> • Commence rulemaking HEAP • 2021 Year-end Financials
MAY 17 <ul style="list-style-type: none"> • HEAP public hearing 	JUNE 21 <ul style="list-style-type: none"> • Adopt HEAP rule • HCV Annual Plan Timeline <p>NCSHA Credit Connect (June 21-24) Chicago, IL</p>
JULY 19 <p>If necessary</p>	AUGUST 16 <ul style="list-style-type: none"> • HCV Annual Plan Review prior to Public Hearing
SEPTEMBER 20 <ul style="list-style-type: none"> • HCV Annual Plan Public Hearing <p>NCSHA Annual Conf. (dates)</p>	OCTOBER 18 <ul style="list-style-type: none"> • Introduce DOE Weatherization State Plan • Adopt HCV Annual Plan
NOVEMBER 15 <ul style="list-style-type: none"> • Review Preliminary 2023 Budget • DOE Weatherization State Plan Public Hearing 	DECEMBER 20 <ul style="list-style-type: none"> • Approve 2023 Budget • Elect Officers • MPP Series Resolution • Adopt DOE Weatherization State Plan