

# February 16, 2021 Board Meeting

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**Board of Commissioners Meeting – February 16, 2021      9:00 A.M. – 12:00 P.M.**

MEMBERS OF THE BOARD: Lincoln Merrill, Jr. (Chair), Donna Talarico (Secretary), Thomas Davis, Daniel Brennan, Laurence Gross, Henry Beck, Bonita Usher (Vice Chair), Kevin P. Joseph, Laura Buxbaum

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9:00	Adopt Agenda (VOTE)	Lincoln Merrill
	Approve minutes of January 19, 2021 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Lincoln Merrill
	Director Updates	Dan Brennan
9:30	Single Family Market Update	Craig Reynolds
10:00	Introduce HEAP	Troy Fullmer
10:15	Legislative Report	Erik Jorgensen
10:30	Emergency Rental Assistance (“ERA”)	Peter Merrill
10:45	Homeless Initiatives Update	Lauren Bustard
	<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	
	Information Technology	
	2021 Board Calendar	
	Adjourn (VOTE)	All

*The next meeting of the Board is scheduled March 16, 2021  
via teleconference*



## Minutes of the Board of Commissioners Meeting January 19, 2021

### **MEETING CONVENED**

A regular meeting of the Board of Commissioners for MaineHousing convened on January 19, 2021 virtually. Notice of the meeting was published on January 8, 2021 in Central Maine newspapers.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. Director Dan Brennan and Commissioners Bonita Usher, Donna Talarico, Larry Gross, Laura Buxbaum, Tom Davis, Kevin Joseph, and State Treasurer Henry Beck all attended via video conference because of COVID-19. 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; Denise Lord, Senior Director of Communications and Planning; Daniel Drost, Director of Energy and Housing Services; Kim Ferenc, Manager of Housing Services; Troy Fullmer, Manager of HEAP & Weatherization Services; Mark Wiesendanger, Director of Development; Karen Lawlor, Executive Administrator; Cara Courchesne, Communications Coordinator; Lauren Bustard, Senior Director of Programs; Jason Stonier, Operations Manager, Building & Grounds; Steven McDermott, Strategic Planning and Outreach Coordinator; Linda Grotton, Director of Audit and Compliance; Jane Whitley, Director of Human Resources and Facilities; Erik Jorgensen, Director of Government Relations; Allison Gallagher, Director of Housing Choice Voucher; Brenda Sylvester, Community Housing of Maine, Inc.; and Gerrylynn Ricker, Paralegal and Note taker.

### **ADOPT AGENDA**

*Commissioner Joseph made a motion seconded by Commissioner Davis to adopt the January 19, 2021 agenda. The vote carried unanimously.*

### **APPROVE MINUTES OF DECEMBER 15, 2020 MEETING**

*Commissioner Usher made a motion seconded by Commissioner Gross to accept the December 15, 2020 minutes as written. The vote carried unanimously.*

### **COMMUNICATIONS AND CONFLICTS**

Commissioner Gross disclosed that he and Erik Jorgensen are friends. Manager of HEAP and Weatherization Services Troy Fullmer invited the Commissioners to a HEAP working group meeting on February 18, 2021. Troy will send an e-mail to the Commissioners with details.

### **CHAIR OF THE BOARD UPDATES**

None.

### **DIRECTOR UPDATES**

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

- Welcomed Erik Jorgensen. MaineHousing's new Director of Government Relations.
- Updated the Board regarding Plant Home in Bath. Dana Totman of Avesta Housing has reached out to Plant Home officials and is having discussions regarding new business models.
- The federal stimulus package will provide \$200,000,000 to the State of Maine for emergency rental assistance. We are working with the U.S. Treasury. We will have these funds through the

end of September which is the end of the federal fiscal year. Deputy Director Peter Merrill will report more in his presentation.

- Met with Governor Mills at the end of the year to go over her rent relief program which ended December 30, 2020.
- Met with the Appropriations Committee last Tuesday regarding the HOME fund. The Governor's budget has been issued and our HOME fund has not been touched.
- We have a bill for the State to issue bonds in the amount of \$50 million for capital improvements for the creation of more homeless shelter space.
- We have completed awarding the merit increases to staff.
- Attended in person the ribbon cutting of Furman Block in Portland Bayside developed by the Szanton Company, our first in person ribbon cutting since COVID. The project is a 51-unit senior rental housing project.
- As part of the federal budget that was passed, they have locked in the 4% low income housing tax credit at 4%. That 4% number is core to the calculation of how much equity is received in a project. This number has fluctuated closer to 3% in the past.
- MaineHousing's second leadership development program has completed their work. They are now working on projects that will benefit our leadership team.
- Have been talking with Efficiency Maine Trust and the Governor's energy office and the community action agencies regarding convening a group of weatherization contractors, people from the Department of Labor, people from the Maine community college system, and other officials to dramatically expand the weatherization efforts in the state.
- Last week the Statewide Homeless Council voted to approve a concept of multiple hubs or regions. They have a little more work to define exactly what those regions are but that is a really big step.
- Over the past few months we have been using more metrics/charts in our Board reports. We plan to incorporate these metrics/charts on our website by this Spring. We would like the Commissioners feedback on the progress.

## **ADOPT 2021 DOE WEATHERIZATION STATE PLAN**

Manager of Housing Services, Kim Ferenc, recapped the hearing that took place in December. There were no comments received in writing or at the public hearing.

*Commissioner Buxbaum made a motion seconded by Commissioner Gross to adopt MaineHousing's proposed Department of Energy Weatherization Assistance Program 2021 State Plan. The vote carried unanimously.*

## **LEGISLATIVE REVIEW**

Director of Government Relations, Erik Jorgensen, gave an update of the first session of the 130<sup>th</sup> state legislation which commenced on December 2, 2020. Erik explained what a strange session it has been due to COVID-19. The Governor's budget proposal was released last week. No new programs, no tax increases. Several bills titles that have been submitted may include provisions around rental relief. These bills could prove unnecessary in light of the new Federal rent relief funding. The HOME fund is set at \$18.9 million for the next two years. Shelter subsidy and funding for some of our other services have been held flat with no reductions. As far as bills go, we've only seen bill titles so far. We'll know more as bills start to get printed. They are just now starting to come in. Among the bills that have been submitted there are five proposed housing bond bills. New people, new leadership and the pandemic will make for a very interesting legislative session. The legislature is operating totally remotely right now. Hearings and other business are being conducted totally by Zoom. There are no in-person sessions. The State of the State will be different this year in that the Governor will still do one but it will be to an empty room. No morning coffee caucuses will make things even more challenging.

## **RESOURCE ALLOCATION**

Director Brennan reviewed the 2021 resource allocation highlight sheet that he had previously e-mailed to the Commissioners. He reviewed the sources and uses with the Commissioners.

## **EMERGENCY RENTAL ASSISTANCE**

Deputy Director, Peter Merrill, explained that back in December Congress did three things: they passed a federal budget through next September; they took the 4% tax credit and made it actually 4% instead of a floating rate which is currently around 3%; and they passed another COVID relief act which includes \$25 billion in rent relief. The small state minimum for Maine is \$200 million. At least 90% of the funds must be spent on rent relief including utilities and 10% can be spent on administration and on housing stability. It can cover arrears as well as go forward. We can cover up to 12 months for any individual. We are waiting for guidance from the U.S. Treasury. We are working closely with the CAPs on the details of the program.

## **9% and 4% DEALS**

Director of Development, Mark Wiesendanger, informed the Commissioners that five out of the fifteen projects that applied are eligible to receive 9% tax credits. Three of those five projects, however, are also eligible for a 130% basis boost with 4% tax credits because they are located in Qualified Census Tracts. Accordingly, we have asked them to switch to a 4% program with additional equity from the new State Low Income Housing Tax Credit program. The projects will receive a comparable amount of equity from either program, and their developers have agreed to pursue 4% credits. We will be able to award as many as nine projects for a total of 388 affordable units. Additionally, we will work with the remaining applicants to see if their projects can be reworked to fit them into our 4% walk-in program without state low income housing tax credit.

## **YOUTH DEMONSTRATION PROGRAM**

Senior Director of Programs, Lauren Bustard, presented a power point on the Maine Youth Homelessness Demonstration Program. \$3.35 million was awarded to Maine for a two-year demonstration period to develop a coordinated community plan to prevent and end youth homelessness; to apply for project funding in support of the coordinated community plan using the e-snaps grant management system; to involve a youth action board, a public child welfare agency, and a broad array of other partners; and to participate in an evaluation to inform the federal strategy for preventing and ending youth homelessness. A technical assistance package comes with the funds. Lauren reviewed the process with the Commissioners. She shared statistics from the 2019 Point in Time Count; characteristics of Maine youth experiencing homelessness; urban vs. rural experiences; and Maine's vision to end youth homelessness. A copy of her slideshow presentation is available upon request.

## **DEPARTMENT REPORTS**

Land trust organizations were discussed. Chair Merrill requested information regarding rising house prices. Director of Homeownership, Craig Reynolds, will give a presentation at the February Board meeting.

## **ADJOURN**

*Commissioner Usher made a motion seconded by Commissioner Davis to adjourn the meeting. The meeting was adjourned at 11:07 a.m. by unanimous vote of the Board.*

Respectfully submitted,

Donna Talarico, Secretary

## Asset Management Department Memorandum

**To:** MaineHousing Board of Commissioners  
**From:** Robert Conroy – Director, Asset Management  
**Date:** February 9, 2021  
**Subject:** February Board Report - Asset Management

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### Subsequent Loan Closing Update

At the end of this month we anticipate a closing on the second largest loan approved through our Subsequent Loan Program. This program provides funding for capital improvements, refinancing, equity take-out and other uses. Properties currently in the MaineHousing financed portfolio are eligible for this program.

Bradford Commons is a 194 unit Family property constructed in 1977/1978. It is a mixed income residential complex containing market-rate and affordable apartments and is located at 201 Husson Avenue in Bangor. The large 19.39 acre lot contains 10 building, 9 residential and 1 building containing a site office, laundry facilities and community room.

The project applied for funding under the Subsequent Loan Program/Loan Modification Program and was awarded \$4,100,000 at a rate of 5% and a term of 30 years. Along with the new funding MaineHousing will be modifying the property's existing loan with a new 30 year loan term.

The extensive list of planned improvements to the property include:

- Gas boilers
- Roof replacement
- Accessible units to add insulation, bathroom and appliance upgrades,
- New water heaters,
- Window/door replacement,
- New flooring
- Siding
- Plumbing/electrical upgrades
- New appliances

The project has several additional sources including Consumer Residential Opportunities funds (CROP) for 17 units and a Section 8 Rental Assistance Contract for 80 units.

With the additional financing the owner has committed to increased affordability as follows:

**10** units serving households at 30% AMI  
**92** units serving households at 50% AMI  
**10** units serving households at 60% AMI      **82** units as market rate units

## Communications & Planning Department Memorandum

**To:** Board of Commissioners  
**From:** Denise Lord  
**Date:** February 9, 2021  
**Subject:** February Board Report

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### **MaineHousing & Media:**

- Media engagement this month included several inquiries about the Emergency Rental Assistance program, HEAP and housing affordability

### **Policy Engagement:**

- We developed a presentation for Dan Brennan to use in his orientation to MaineHousing for the Labor and Housing Committee. We also created an introduction to MaineHousing document that was shared with the committee.

### **COVID-19 Response**

- A recent, serious outbreak of COVID among the homeless population in Portland requires us to add more hotel rooms for quarantine, isolation and overflow purposes.
- We are supporting the implementation of Emergency Rent Assistance by assuring the program materials are readable, public information sharing and marketing, defining the housing stability services component of the program and landlord engagement.
- We hosted our second landlord engagement forum to review the new program elements and gain feedback.

### **Strategic Plan Implementation/Innovation**

- Dashboards: Two draft dashboards were presented to the Director's Team for feedback – Homeownership and Energy and Housing Services.
- Preliminary discussions with the Department of Corrections about applying for reentry services under the Second Chance Act, US Department of Justice program.
- Corporation for Supportive Housing conducted the third session in a stakeholder process to identify ways to increase the pipeline of affordable and supportive housing.

### **Staff Development and Training**

- Held the second All Staff Event, a virtual meeting with our staff. Over 150 attended and the agenda included an overview of the legislative process, our partnership with UMA architecture program and the students affordable housing design projects, and employee recognition.
- Three employees were recognized for their extraordinary contribution to the MaineHousing mission in 2020: Genevieve Soucy, Energy and Housing Services; Rob Morrison, IT; and Gerrylynn Ricker, Legal. Be sure to congratulate Gerrylynn at your Board meeting!

### **Policy and Research Update**

- We published our 2020 Accomplishments [https://mainehousing.org/docs/default-source/policy-research/research-reports/accomplishments/2020-accomplishments3b7fc420-73f2-49ae-8ff1-487f16b6f8a7.pdf?sfvrsn=bf4a8a15\\_3](https://mainehousing.org/docs/default-source/policy-research/research-reports/accomplishments/2020-accomplishments3b7fc420-73f2-49ae-8ff1-487f16b6f8a7.pdf?sfvrsn=bf4a8a15_3)
- The 2020 Affordability Indices are posted on the homepage <https://mainehousing.org/policy-research/housing-data>
- We continue to monitor changes in federal policy affecting housing; of particular interest are changes in immigration and fair housing rules/policies.

### **Interagency Collaboration**

- We continue our regular discussions with DHHS on recovery housing, homeless services, and housing for older adults. A recent focus is on the anticipated increase in asylum seekers coming to Maine.
- Age Friendly State Plan is published and can be read here: <https://www.maine.gov/dhhs/oads/about-us/major-initiatives/maines-age-friendly-state-plan>



## Development Department Memorandum

**To:** MaineHousing Board of Commissioners

**From:** Mark C. Wiesendanger, Director of Development

**Date:** February 16, 2021

**Subject:** Monthly Report

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### 2021 9% Low Income Housing Tax Credit Program (LIHTC) Applications

Below are the 2021 9% LIHTC Applications ranked by score. The first five projects (225 affordable units) are eligible to receive 9% tax credits. Three of those five projects, Middle Street, 337 Cumberland Ave., and Valley St., are also eligible for a 130% basis boost with 4% tax credits because they are located in Qualified Census Tracts (QCTs), and have agreed to switch to a 4% program with additional equity from the new State Low Income Housing Tax Credit (SLIHTC) program. This allows us to award 9% credits to the first three eligible projects in the waiting list. Additionally, Mary Street is eligible for the 4% basis boost and is pursuing 4% credits, so the 9% awards will fund one project more on the waiting list.

Results of 9% LIHTC competition from highest to lowest score as updated on February 10.

Oak Grove Estates	Bath	Realty Resources
Front ST Housing II	Portland	Portland Housing Authority
Middle ST Apts.	Portland	CHOM
337 Cumberland AVE	Portland	Portland Housing Authority
Valley ST Apts.	Portland	Avesta Housing
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Mary ST Apartment Homes	Skowhegan	KVCAP
Martel School Apts.	Lewiston	Lewiston Housing Authority/Avesta
The Uptown	Bath	Szanton Company
Sr. Living at the Market Place	Augusta	Tim Gooch
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Jocelyn Place	Scarborough	South Portland Housing Authority
Harrison Ridge	Bridgton	Developers Collaborative
The Uplands II	Scarborough	Developers Collaborative
115 Congress ST	Belfast	Developers Collaborative
Stearns III	Millinocket	Realty Resources
Winston Hill Townhouses	Freeport	Wishrock Fore

**Green** = Awarded 9% LIHTC

**Yellow** = Signed Notice to Proceed (NTP) agreeing to 4%/SLIHTC.

**Blue** = Agreed to pursue 4%/SLIHTC. NTPs pending.

**Pink** = Will be awarded 9% credits upon receipt of NTPs for projects switching from 9% to 4%/SLIHTC.

**Grey** = Pursuing 4% walk-in

**No Color** = No immediate plans for funding.

Project	City/Town	Developer	Tenants	Total Units	Affordable	MH Score	TDC Index	Per unit Cap	LIHTC
Oak Grove Estates*	Bath	Realty Resources	Family	34	34	49*	150,873	165,000	415,958
Front Street Housing II	Portland	Portland Housing	Older Adults	45	45	77	260,124	262,650	900,000
Middle Street Apartments**	Portland	CHOM	Older Adults	50	50	77**	261,359	262,650	953,161
337 Cumberland Ave	Portland	Portland Housing	Family	60	48	76	246,882	255,000	960,000
Valley Street Apartments	Portland	Avesta Housing	Family	60	48	73	250,332	255,000	960,000
Mary Street Apartment Homes	Skowhegan	Kennebec Valley CAP	Family	40	35	73	204,347	261,000	699,999
Martel School Apartments	Lewiston	Lewiston Housing (Avesta)	Older Adults	44	44	71	233,927	257,727	880,000
The Uptown	Bath	The Szanton Company	Older Adults	60	42	70	221,393	241,000	840,000
Senior Living at The Market Place	Augusta	Tim Gooch	Older Adults	42	42	69	188,531	255,000	840,000
Jocelyn Place	Scarborough	South Portland Housing	Older Adults	60	60	68	229,169	255,000	960,000
Harrison Ridge	Bridgton	Developers Collaborative	Older Adults	48	48	67	216,788	255,000	960,000
The Uplands (Phase 2)	Scarborough	Developers Collaborative	Older Adults	39	39	66	190,963	255,000	780,000
115 Congress St	Belfast	Developers Collaborative	Family	36	36	62	186,327	255,000	720,000
Stearns III	Millinocket	Realty Resources	Older Adults	45	45	49	194,183	223,333	900,000
Winston Hill Townhomes	Freeport	Wishrock Fore LLC	Family	41	41	32	199,829	255,000	820,000
				704	657		215,668	247,557	12,589,118
* Preservation set-aside winner									
** Nonprofit set-aside winner									
2021 Credit Ceiling									3,850,000

## Construction Services Energy Standards

MaineHousing uses the Maine Uniform Building and Energy Code (MUBEC) as its minimal building requirements standard. However, we do have many of our own additional requirements that exceed those of MUBEC. Until recently, MUBEC used International Energy Conservation Code (IECC) 2009 for its energy code. The use of IECC 2015 for MUBEC was recently adopted, as well as the IECC 2021 as an energy “stretch code”.

MaineHousing currently uses IECC 2009 as its energy code. We are considering adopting MUBEC’s *stretch* code as our current minimal standard code starting mid-year 2021. This would allow our energy code to skip the IECC 2015 code and go directly to IECC 2021. The additional cost to developers would be minimal as compared to what MaineHousing would require using IECC 2015, and it will allow us to stay a step ahead of state codes and lead by example.

We will engage our development partners to receive feedback about this proposal before any final implementation.



**Energy & Housing Services Department Memorandum**

**To:** MaineHousing Board of Commissioners  
**From:** Daniel Drost, Director of Energy and Housing Services  
**Date:** February 16, 2021  
**Subject:** EHS Monthly Report – February 2021

**HOME ENERGY ASSISTANCE PROGRAM (HEAP)**

**PRODUCTION STATISTICS FOR PROGRAM YEAR 2021 (BEGUN AUGUST 24, 2020)**

<b>Number of Applications</b>	<b>PY 2021 THRU 2.4.2021</b>	<b>PY 2020 THRU 2.7.2020</b>	<b>+/-</b>	<b>% change</b>
Total Applications Taken	36,770	35,879	+891	+2.5%
Confirmed Eligible/Paid	21,552	22,795	-1,243	-5.5%
Pending (in process)	10,438	10,363	+75	+0.7%
Other (ineligible, denied, void, etc.)	4,780	2,721	+2,059	+75.7%

**GRANT FUNDING TO SUPPORT STREAMLINING INITIATIVES:**

The Maine Community Action Partnership (MeCAP) was awarded a three-year, \$30,000 grant from the Betterment Fund to help make applying for the HEAP easier and more streamlined by supporting integration of other programs' intake systems with the HEAP application system. The goal of integrating intake systems is to reduce redundancy with intake processes to support program applicants with a more efficient, user-friendly intake process.

The funding will help cover some personnel expenses for MeCAP, Community Action Agencies (CAAs) and MaineHousing staffs to work with Hancock Software (developer of the HEAP Cloud application system) to integrate the empowOR intake system used by CAAs and the HEAP application system. Funding will also help pay for expenses incurred by Hancock Software to support integrating the systems.

MeCAP is a statewide member organization dedicated to improving the quality of life of Maine people by advocating for, promoting and supporting the work of the Maine CAAs. The Betterment Fund was created for charitable purposes by the will of the late William Bingham, 2<sup>nd</sup>. The Betterment Fund makes grants exclusively to benefit the residents of the State of Maine and education, health, conservation and community support are the Fund's primary grant categories.

**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. Like the rest of the nation, MaineHousing was unable to meet production benchmarks in 2020 due to challenges created by the pandemic. We were able to complete nine units (50%) of our 2020 benchmark. However, we do have a healthy pipeline and we anticipate the program will be back on track by June 2021.

#### **Total Units By Status and Agency**

	ACAP	CCI	PCAP	Total
<b>Complete</b>	1	8	0	9
<b>Declined</b>	0	1	1	2
<b>Under Contract</b>	0	30	37	67
<b>Approved ER</b>	0	10	0	10
<b>Pending ER Approval</b>	0	18	3	21
<b>Total</b>	<b>1</b>	<b>67</b>	<b>41</b>	<b>109</b>

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. The state lead program has exceeded the established benchmarks. As of today's date, 62% of the units have been completed with an additional 25% under contract.

#### **Total Units By Status and Agency**

	ACAP	CCI	PCAP	Total
<b>Complete</b>	2	81	35	118
<b>Under Contract</b>	0	31	16	47
<b>Out To Bid</b>	0	0	4	4
<b>SHPO</b>	0	0	10	10
<b>Total</b>	<b>2</b>	<b>112</b>	<b>65</b>	<b>179</b>

#### **HOME ACCESSIBILITY AND REPAIR PROGRAM (HARP):**

The Home Accessibility and Repair Program (HARP) provides grants to income eligible homeowners for professional home repairs and accessibility modifications. The HARP is funded with State Home funds and the program period runs from January 1 through December 31. The HARP program is comprised of four components: Home Repair, Elderly Home Repair, Accessibility, Emergency Home Repair, and Emergency Manufacture Home Repair. The HARP is delivered statewide through the network of Community Action Agencies (CAAs). The Energy and Housing Services Department has fully launched the 2021 HARP Program. Contracts were sent to all nine CAAs, the HARP Guide and forms have been updated and made available on MaineHousing's website.

**ARSENIC ABATEMENT PROGRAM:**

In 2016, MaineHousing received funding from the state to establish a program to increase the affordability of water treatment filtration system for low-income households with arsenic contaminated private wells. MaineHousing's Arsenic Abatement Program provides grants to eligible single-family homeowners or landlords with private well water that shows evidence of high levels of arsenic contamination.

Since the inception of this program, MaineHousing has tested 398 private wells and installed 138 water treatment filtration systems. MaineHousing received the following email message from a very happy client:

*"Thank you so much! Dunbar Water has done the work, and they did a great job. The installation looks great, everything is labeled, and they explained everything to me. We are very pleased with them and the program – we have drinkable water now! Thank you!"*

## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** February 9, 2021

**Subject:** Monthly Report – Finance Department

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### ACCOUNTING AND FINANCIAL REPORTING:

- During the month of January, the Accounting & Financial Reporting (AFR) staff worked on the year-end closing process and completed numerous schedules and work papers in preparation for MaineHousing's annual audits. A first draft of the December 31, 2020 financial statements was also completed. Baker Newman & Noyes, the agency's external auditors, began the final phase of the financial statements audit on February 1<sup>st</sup>. An audit team will be working on this audit through the end of March.

This year's audit approach is similar to prior years, although it will be performed remotely and the auditors will not be on-site because of COVID-19. The auditors will first perform an audit of the financial statements and then work on the federal compliance (OMB A-133) audit. Both audits are expected to be completed along the same timeline as previous years. The financial statements audit will be completed by the end of March and the A-133 audit should be completed by the end of June.

- The AFR staff also worked with several departments throughout January to assist them with verifying and reconciling funds and compiling various data required for year-end program reporting. In addition, staff assisted with compiling and reviewing information for the State OPEGA reporting requirements associated with procurements and contributions. MaineHousing is required to report to the State all procurements exceeding \$10,000 where competitive procurement was waived or not required as well as all contributions greater than \$1,000.

### LOAN ADMINISTRATION:

- The Loan Administration Department also spent a significant portion of January working on year-end closing activities for 2020 and completed various year-end reporting requirements. The Loan Administration Department is an integral part of the year-end audit process and is required to prepare numerous confirmations and schedules for the auditors. Many of MaineHousing's multi-family borrowers are also undergoing year-end audits and Loan Administration staff prepared responses to a number of borrower audit confirmation requests.
- The federal mortgage guarantors (FHA, RD, and VA) have extended the moratorium on Foreclosures and Evictions through March 31, 2021, with the exception of properties deemed to be vacant and abandoned. In addition, the CDC also extended the eviction moratorium through March 31, 2021. Of the fifty-two (52) single-family loans currently in foreclosure, there are eleven (11) vacant properties

moving through the foreclosure process. In addition, there are currently four (4) loans that are 60+ days delinquent that has been reported vacant. Two (2) loans are listed for sale and the other two (2) are being considered for a Deed-in-Lieu of Foreclosure.

- Several staff members attended the National Council of State Housing Agencies (NCSHA) HFA Institute conference, which was held virtually this year. This is an annual meeting of state housing finance agencies that provides trainings and advice on various federal and affordable housing programs. MaineHousing's Loan Administration Manager, Bobbie Jo Marcoux, was one of five panelists asked to be a presenter at a session on Servicing Essentials where she discussed "Servicing Loans during a Pandemic along with the Challenges and Opportunities that Internal Operations Faced". This year's conference also included insights into what a Biden presidency and new Congress will mean for affordable housing and updates on COVID-19 and related legislation and regulations.

## Finance Department Memorandum

**To:** Board of Commissioners

**From:** Darren R. Brown

**Date:** February 9, 2021

**Subject:** Monthly Financial and Budget Report

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The following are preliminary financial and budget results for the year ended December 31, 2020. The year-end closing procedures and audit have not been completed. A final report with more detailed analyses will be provided and reviewed with the Board of Commissioner's after the audit has been completed.

### FINANCIAL RESULTS

Attached are the preliminary Balance Sheets and Statements of Revenues, Expenses, and Changes in Net Assets for the year ended December 31, 2020.

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 \$2.0 billion and total combined liabilities approximate \$1.65 billion. Total net assets amount to \$381 million. Total combined revenues approximate \$294.3 million and total expenses amount to \$282.4 million, which results in net operating income of \$11.9 million. For the year ended 2019, total combined net operating income was \$26.1 million. Net operating income was \$14.2 million lower in 2020. The net operating income decrease is attributed primarily to the following:

Net operating income for the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, was \$2.8 million in 2020 compared to net operating income of \$12.7 million in 2019. MPP's net operating income decreased by \$9.9 million due largely to a change in the carrying values of non-mortgage investments. A paper loss of \$0.2 million was recognized in 2020, which represents a decrease of \$4.7 million compared with a paper gain of \$4.5 million recorded in 2019. 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 and gains, MPP's net operating income is \$3 million for 2020 compared to \$8.2 million for 2019. This \$5.2 million reduction is due mainly to a substantial decrease in interest rates and lower interest income from non-mortgage investments, which was \$5.9 million lower in 2020.



The HOME Fund also had lower net operating income in 2020. MaineHousing's portion of the real estate transfer taxes and shelter operating subsidy received from the State are accounted for in this Fund Group, which has \$4.4 million of net operating income at the end 2020. This is a decrease of \$4.7 million compared to net operating income of \$9.1 million at the end of 2019. The decrease is attributed to timing differences with the expending of program funds and the recognition of grant expenses. Total income from the State was approximately \$0.9 million higher in 2020, while total grant expenses were \$5.6 million higher.

## **BUDGET RESULTS**

Also attached are the preliminary budget variance results for the year ended December 31, 2020. Additional analysis and variance explanations will be provided once the audit has been completed and the final budget results are available.

## **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 program administrative expenses. It also presents the aggregate operating and program administrative expenses. Total budgeted revenues for 2020 are \$83.5 million and total expenses are budgeted at \$75.1 million. Total actual revenues as of December 31, 2020 amount to \$76.3 million, while total expenses amount to \$71.7 million. Operating revenues exceed expenses by \$4.6 million for the year.

Total revenues were below budget by \$7.2 million or 9%. Interest income from non-mortgage investments was substantially under budget by \$6.3 million because interest rates decreased substantially in 2020 and average yields from investments were lower than budget projections. Interest income from mortgages were under budget by \$2.1 million due to lower than projected average outstanding loan balances. Balances were lower because of a much higher level of single-family loan prepayments caused by the low interest rate environment and new loan purchases were below budget projections.

Total expenses were under budget by \$3.4 million or 4%. Interest expense was under budget by \$2.3 million as a result of lower interest rates on new bond issues and a higher level of bond redemptions, which lowered average outstanding balances. Operating and other program administration expenses (the first two expense lines) were also under budget. These expenses are itemized on **Attachment B** and summarized below:

## **OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES**

**Operating expenses** were budgeted at \$19.4 million for 2020. Total actual expense amounted to \$19.1 million and were under budget by \$0.3 million or 2%. The total budget underage was due largely to the impact that COVID-19 had on certain expenses.

Expenses associated with staff trainings and conferences, partner and client trainings and meetings, and staff events (lines 11-16) were substantially below budget due to COVID-19 restrictions on gatherings and travel. Expenditures in these areas were under budget by a combined amount of approximately \$385,000.

Salaries and employee benefit expenses (lines 1-5) were also impacted by COVID-19 and combined expenses exceeded the budget by \$183,000. Salaries were over budget primarily because employees used much less earned time (accrued time off for vacation, sick and personal days) during the year, which significantly increased the related liability accrual and expense. Additionally, total full-time equivalents exceeded budget estimates by one due to unplanned COVID-19 program initiatives. Expenses for health and dental insurance were under budget in large part because premium credits were received from providers because COVID-19 limited the benefits available for a period of time in 2020.

Costs for software licenses (line 19) were over budget because additional licenses were needed for several software applications to enable more staff to work remotely due to COVID-19. Also, new intranet software was acquired during the year, which was not originally planned or included in the budget.

Property expenses (line 23) associated with the new office building exceeded the budget amount by \$95,000. The budget was based on a partial year of expenses for utilities. However, costs for electricity and heating were required for the full year; including during the construction period. Also, costs for grounds keeping and cleaning services were higher than anticipated.

Telephone expenses (line 27) were over budget due to the acquisition of a new phone system. For budget purposes, costs for the new phone system were identified as capital expenditures and were included in the 2020 Capital Budget. However, a cloud-based system was acquired and the associated monthly costs do not meet capitalization requirements and must be treated as operating expenses. Although telephone expenses were over budget by \$46,000, capital expenditures for the phone system were under budget by \$142,000.

Expenses for professional services (line 34) were under budget by \$175,000 because amounts for outsourcing legal and other consultant work and temporary employment services were not needed to the extent originally anticipated.

**Other Program Administrative expenses** were budgeted at \$8.6 million for 2020. Total actual expenses amounted to \$7.8 million and were under budget by \$0.8 million or 9%. Single-family loan defaults and foreclosures were below budget estimates and related costs (lines 1-3) were under budget as a result by a combined amount of approximately \$565,000.

Single-family loan production ended the year \$14 million below budget projections and related origination and servicing expenses (lines 4 and 5) were under budget by a combined amount of \$390,000 as a result. Bond issue costs (line 6) exceeded the budget by \$184,000. The budget was based on a total of five bond issuances during the year and there were six.

Cash flow/arbitrage/swap consultants/legal (line 11) expenses were over budget by \$58,000 because there were unbudgeted legal expenses for restructuring several Standby Purchase Agreements and remarketing Interest Rate Swap agreements. These restructurings will lower future remarketing and liquidity facilities costs associated with variable rate bonds.

## **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 2020 is approximately \$3.8 million. Expenditures amounted to \$5.4 million as of December 31, 2020 and were primarily for renovation work and equipment for the new office building.

As noted in reports throughout the year, the overage for the renovation work on the new building was due to timing differences. The established budget amount for the acquisition and renovation of the office building did not change from \$15.7 million. Expenditures were incurred over a three year period starting in 2018 and the timing of expenditures had to be estimated before the end of each year for budget purposes.

For 2019, expenditures amounted to \$9.3 million and were under budget by \$2.8 million. However, only \$0.8 million was carried forward and included in the 2020 Capital Budget because at the time the budget for 2020 was approved expenditures for 2019 were estimated to be \$2 million higher. As a result, 2020 expenditures were \$2 million higher than budget.

The overages for the new office building's security and safety and network data center equipment are attributed to similar timing differences noted for the building's renovation work. Although the 2020 budget reflects an overage, both items were under budget in prior years and remained within their established project budget amounts.

Most of the \$353,000 budgeted for computer software this year was not used. As noted in the operating expenses section, a cloud-based phone system was acquired and most of the capital amount was not needed. Also, the amount for the enterprise multi-family was not used and was carried forward to the 2021 Capital Budget.

#### **MEMBERSHIPS, DUES AND SPONSORSHIP**

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 December 31, 2020.

**MAINE STATE HOUSING AUTHORITY**  
**BALANCE SHEETS**  
**DECEMBER 31, 2020**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2019</b>	<b>2020</b>							
<b>ASSETS:</b>									
Cash, principally time deposits	37,413	42,747	24,065	2	12,173	13	6,494	0	0
Investments	344,790	462,334	394,462	8,054	20,903	23,163	0	11,507	4,245
Accounts receivable - Federal	5,691	8,314	0	0	0	0	8,314	0	0
Assets held for sale	3,234	0	0	0	0	0	0	0	0
Accrued interest and other assets	12,376	19,660	10,514	0	70	5,230	3,685	126	35
Mortgage notes receivable, net	1,441,921	1,459,757	1,417,701	0	5,808	26,669	0	0	9,579
Other notes receivable, net	249	214	0	0	204	0	0	10	0
Land, equipment and improvements, net	13,408	18,239	22	0	18,217	0	0	0	0
Other real estate owned	1,192	9	9	0	0	0	0	0	0
Accumulated decrease in fair value of hedging derivatives	10,860	13,409	18,409	0	0	0	0	0	0
Deferred pension expense	610	610	326	2	56	0	0	226	0
Deferred amount on debt refundings	3,728	3,120	3,120	0	0	0	0	0	0
<b>Total Assets</b>	<b>1,875,472</b>	<b>2,033,413</b>	<b>1,868,628</b>	<b>8,058</b>	<b>57,431</b>	<b>55,075</b>	<b>18,493</b>	<b>11,869</b>	<b>13,859</b>
<b>LIABILITIES AND NET ASSETS:</b>									
Accrued interest payable	5,624	5,623	5,584	0	0	0	0	0	39
Accounts payable - Federal	473	355	0	0	0	0	355	0	0
Accounts payable & accrued liabilities	9,145	6,481	197	3	2,723	1,933	1,539	86	0
Unearned income	7,133	17,662	0	0	0	0	696	16,966	0
Net pension liability	2,282	2,282	1,222	7	209	0	0	844	0
Deferred pension credit	867	867	464	3	79	0	0	321	0
Derivative instrument - interest rate swaps	10,860	18,409	18,409	0	0	0	0	0	0
Interfund	0	0	3,331	14	(1,996)	(6,439)	10,550	(5,462)	2
Mortgage bonds and notes payable, net	1,470,000	1,600,739	1,558,337	0	19,671	0	0	0	22,731
Deferred grant income	0	0	0	0	0	0	0	0	0
Deferred loan origination points	26	23	23	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,506,410</b>	<b>1,652,441</b>	<b>1,587,567</b>	<b>27</b>	<b>20,686</b>	<b>(4,506)</b>	<b>13,140</b>	<b>12,755</b>	<b>22,772</b>
<b>NET ASSETS:</b>									
Restricted Net Assets	332,743	344,227	281,061	8,031	0	59,581	5,353	(886)	(8,913)
Unrestricted Net Assets	36,319	36,745	0	0	36,745	0	0	0	0
<b>Total Net Assets</b>	<b>369,062</b>	<b>380,972</b>	<b>281,061</b>	<b>8,031</b>	<b>36,745</b>	<b>59,581</b>	<b>5,353</b>	<b>(886)</b>	<b>(8,913)</b>
<b>Total Liabilities and Net Assets</b>	<b>1,875,472</b>	<b>2,033,413</b>	<b>1,868,628</b>	<b>8,058</b>	<b>57,431</b>	<b>55,075</b>	<b>18,493</b>	<b>11,869</b>	<b>13,859</b>

**MAINE STATE HOUSING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(IN THOUSANDS OF DOLLARS)*

	<b>Memorandum Only Combined Totals</b>		<b>Mortgage Purchase Fund Group</b>	<b>Bondholder Reserve Fund</b>	<b>General Fund</b>	<b>HOME Fund</b>	<b>Federal Programs Fund</b>	<b>Other Funds</b>	<b>Maine Energy Housing &amp; Economic Recovery Funds</b>
	<b>2019</b>	<b>2020</b>							
<b>REVENUES:</b>									
Interest from mortgages and notes	61,951	62,520	62,092	0	315	73	0	0	40
Income from investments	9,040	2,306	2,010	28	147	90	3	11	17
Net increase (decrease) in the fair value of investments	4,558	(232)	(217)	0	(15)	0	0	0	0
Fee income	9,608	10,374	572	0	819	0	8,567	416	0
Other revenue	330	1,412	265	0	646	501	0	0	0
Grant income	51,757	84,395	0	0	0	2,681	78,446	3,268	0
Income from State	24,919	25,637	0	0	0	21,321	0	0	4,316
Federal rent subsidy income	100,983	107,533	0	0	0	0	107,533	0	0
Gain on bond redemption	228	403	403	0	0	0	0	0	0
<b>Total Revenues</b>	<b>263,374</b>	<b>294,348</b>	<b>65,125</b>	<b>28</b>	<b>1,912</b>	<b>24,666</b>	<b>194,549</b>	<b>3,695</b>	<b>4,373</b>
<b>EXPENSES:</b>									
Operating expenses	17,809	19,100	0	0	19,100	0	0	0	0
Other program administrative expenses	6,603	6,035	5,581	0	0	0	198	254	2
Mortgage servicing fees	1,672	1,705	1,686	0	19	0	0	0	0
Provision for losses on loans	69	181	0	0	11	170	0	0	0
Losses on foreclosed real estate	0	0	0	0	0	0	0	0	0
Interest expense	45,995	45,725	44,844	0	0	0	0	0	881
Grant expense	63,617	102,361	0	0	0	20,102	78,500	3,268	491
Federal rent subsidy expense	101,530	107,331	0	0	0	0	107,331	0	0
Loss on bond redemption	0	0	0	0	0	0	0	0	0
Excess arbitrage	0	0	0	0	0	0	0	0	0
Allocated operating costs	0	0	10,242	60	(17,066)	0	6,602	162	0
<b>Total Expenses</b>	<b>237,295</b>	<b>282,438</b>	<b>62,353</b>	<b>60</b>	<b>2,064</b>	<b>20,272</b>	<b>192,631</b>	<b>3,684</b>	<b>1,374</b>
<b>Net Operating Income (Loss)</b>	<b>26,079</b>	<b>11,910</b>	<b>2,772</b>	<b>(32)</b>	<b>(152)</b>	<b>4,394</b>	<b>1,918</b>	<b>11</b>	<b>2,999</b>
Transfers between funds, net	0	0	0	0	578	457	(1,035)	0	0
<b>Change in net assets</b>	<b>26,079</b>	<b>11,910</b>	<b>2,772</b>	<b>(32)</b>	<b>426</b>	<b>4,851</b>	<b>883</b>	<b>11</b>	<b>2,999</b>
Net assets at beginning of year	342,983	369,062	278,289	8,063	36,319	54,730	4,470	(897)	(11,912)
<b>Net assets at end of year</b>	<b>369,062</b>	<b>380,972</b>	<b>281,061</b>	<b>8,031</b>	<b>36,745</b>	<b>59,581</b>	<b>5,353</b>	<b>(886)</b>	<b>(8,913)</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(IN THOUSANDS OF DOLLARS)

	<b>Mortgage Lending Activities Actual</b>	<b>Federal &amp; Other Program Administration Actual</b>	<b>Total Combined Actual</b>	<b>Total Annual Budget</b>	<b>Total Under/(Over)</b>	<b>% Variance</b>
<b>REVENUES:</b>						
Interest from mortgages and notes	62,407	0	62,407	64,555	2,148	3%
Income from investments	2,185	14	2,199	8,479	6,280	74%
Fee income	1,391	8,983	10,374	10,399	25	0%
Other revenue	1,314	0	1,314	60	(1,254)	(2090%)
<b>Total Revenues</b>	<b>67,297</b>	<b>8,997</b>	<b>76,294</b>	<b>83,493</b>	<b>7,199</b>	<b>9%</b>
<b>EXPENSES:</b>						
Operating expenses	12,336	6,764	19,100	19,413	313	2%
Other program administrative expenses	7,297	452	7,749	8,558	809	9%
Interest expense	44,844	0	44,844	47,100	2,256	5%
<b>Total Expenses</b>	<b>64,477</b>	<b>7,216</b>	<b>71,693</b>	<b>75,071</b>	<b>3,378</b>	<b>4%</b>
<b>Excess Revenues Over Expenses</b>	<b>2,820</b>	<b>1,781</b>	<b>4,601</b>	<b>8,422</b>	<b>3,821</b>	<b>45%</b>

**MAINE STATE HOUSING AUTHORITY  
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**ATTACHMENT B**

	<b>Total Budget</b>	<b>Total Actual</b>	<b>\$ Variance Under(Over)</b>	<b>% Variance Under(Over)</b>
<b>Operating Expenses</b>				
1. Salaries	10,258,267	10,577,182	(318,915)	(3%)
2. Payroll taxes	748,530	752,574	(4,044)	(1%)
3. Retirement	997,726	990,614	7,112	1%
4. Health, dental and other insurance benefits	2,839,935	2,709,752	130,183	5%
5. Other fringe benefits	12,000	9,226	2,774	23%
6. Office supplies	47,795	44,947	2,848	6%
7. Printing	128,980	111,226	17,754	14%
8. Membership, dues and fees	57,087	50,911	6,176	11%
9. Subscriptions	21,565	20,342	1,223	6%
10. Sponsorships	20,000	12,000	8,000	40%
11. Staff Education/Training/Conferences	193,918	88,698	105,220	54%
12. Travel/Meals - Staff Educ/Train/Conferences	163,363	40,093	123,270	75%
13. Partner/Client Trainings/Meetings	49,950	18,284	31,666	63%
14. Travel/Meals - Partner/Client Train/Meetings	121,675	19,483	102,192	84%
15. Staff events	22,100	17,723	4,377	20%
16. Meals - staff events	27,475	9,662	17,813	65%
17. Leased vehicles	134,500	105,532	28,968	22%
18. Computer supplies	66,000	65,819	181	0%
19. Software licenses SAAS	150,611	180,079	(29,468)	(20%)
20. Computer maintenance contracts	661,492	638,509	22,983	3%
21. Building rent & utilities	429,437	425,332	4,105	1%
22. Building repairs and maintenance	49,900	49,633	267	1%
23. Property expenses - new office building	219,775	315,195	(95,420)	(43%)
24. Interest expense - new office building	511,944	512,030	(86)	(0%)
25. Depreciation	600,000	601,502	(1,502)	(0%)
26. Rent-Other	34,130	32,553	1,577	5%
27. Telephone	72,938	119,317	(46,379)	(64%)
28. Employment advertisements	3,900	3,534	366	9%
29. Postage and shipping	90,510	75,665	14,845	16%
30. Insurance	89,074	94,020	(4,946)	(6%)
31. Recording sees	1,000	1,210	(210)	(21%)
32. Payroll services	27,300	27,753	(453)	(2%)
33. Audit services	147,800	142,800	5,000	3%
34. Professional services	411,859	236,887	174,972	42%
<b>Total Operating Expenses</b>	<b>19,412,536</b>	<b>19,100,087</b>	<b>312,449</b>	<b>2%</b>
<b>Other Program Administrative Expenses</b>				
1. Loan foreclosure expenses	400,000	63,559	336,441	84%
2. REO expenses	50,000	35,437	14,563	29%
3. Provision for losses on loans and REOs	225,000	11,262	213,738	95%
4. Mortgage servicing fees	1,738,500	1,704,649	33,851	2%
5. Loan origination expenses	3,000,000	2,643,598	356,402	12%
6. Bond issuance expenses	750,000	933,581	(183,581)	(24%)
7. Trustee/Bank fees	157,000	167,695	(10,695)	(7%)
8. Program advertising/printing	170,000	110,307	59,693	35%
9. Bond and mortgagee insurance	15,000	14,974	26	0%
10. Variable rate bond remarket/liquidity facilities	925,000	911,582	13,418	1%
11. Cash flow/arbitrage/swap consultants/legal	585,000	643,244	(58,244)	(10%)
12. Homebuyer education	110,000	63,450	46,550	42%
13. Program administrator fees	422,000	437,321	(15,321)	(4%)
14. Section 8 security deposits/landlord incentives	10,500	10,432	68	1%
<b>Total Other Program Administration Expenses</b>	<b>8,558,000</b>	<b>7,751,091</b>	<b>806,909</b>	<b>9%</b>

**MAINE STATE HOUSING AUTHORITY  
CAPITAL BUDGET  
FOR THE YEAT ENDED DECEMBER 31, 2020**

**ATTACHMENT C**

<b>Description</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>Budget Available</b>	<b>% Expended</b>
<b>Computer Hardware:</b>				
New Office Building - network switches	200,000	183,301	16,699	
New Office Building - network data center equipment: (firewall/racks/storage/battery backup)	163,000	171,377	(8,377)	
Phone system replacement - hardware	27,000	21,641	5,359	
Printer	7,000	1,775	5,225	
Laptop	0	12,059	(12,059)	
Total computer hardware	<u>397,000</u>	<u>390,153</u>	<u>6,847</u>	<u>98%</u>
<b>Computer Software:</b>				
Enterprise multi-family housing system - initial costs	100,000	0	100,000	
Coordinated Entry Portal - client list software homeless programs	10,000	0	10,000	
Phone system replacement - software/licensing	153,000	10,625	142,375	
Faxing software	5,000	0	5,000	
Website redesign	60,000	8,725	51,275	
Web filtering server replacement	5,000	0	5,000	
Single Family loan servicing system modifications	10,000	0	10,000	
Single Family lender & loan tracking systems mods	10,200	0	10,200	
Hancock system modifications	0	12,250	(12,250)	
Total computer software	<u>353,200</u>	<u>31,600</u>	<u>321,600</u>	<u>9%</u>
<b>Office Equipment:</b>				
New Office Building - workstations & furniture	800,000	782,201	17,799	
New Office building - security & life safety equipment	25,750	47,666	(21,916)	
New Office building - audio visual equipment	320,600	320,599	1	
New Office building - fitness equipment	21,000	20,470	530	
New Office building - network fire suppression system	22,000	22,689	(689)	
Stationary folding & stuffing machine - EHS/LIHEAP	0	9,237	(9,237)	
Total office equipment	<u>1,189,350</u>	<u>1,202,861</u>	<u>(13,511)</u>	<u>101%</u>
<b>New Office Building: - Acquisition/Rehab</b>				
	<u>1,850,000</u>	<u>3,817,770</u>	<u>(1,967,770)</u>	<u>206%</u>
<b>Total</b>				
	<u><u>3,789,550</u></u>	<u><u>5,442,384</u></u>	<u><u>(1,652,834)</u></u>	<u><u>144%</u></u>



**MAINE STATE HOUSING AUTHORITY  
MEMBERSHIPS, DUES, AND SPONSORSHIPS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Description	Amount
<b>Memberships and Dues</b>	
Kennebec Valley Human Resource Association - (2) employee annual membership	365
Maine Real Estate & Development Association - annual membership	1,200
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	1,302
National Energy Assistance Directors' Association - annual membership	6,341
National Affordable Housing Management Association - affiliate membership	1,075
Urban Land Institute - employee membership	240
Notary Public - (2) employee renewal fee	100
Association of Government Accountants - (7) employee annual memberships	770
Association of Certified Fraud Examiners - employee annual membership	225
Institute of Internal Auditors - employee annual membership	175
Construction Specifications Institute - employee annual membership	325
International Code Council - annual membership	135
American Payroll Association - employee annual membership	258
Project Management Institute - (2) employee annual membership	308
American Bar Association - (2) employee annual membership	475
Board of Overseers of the Bar - (5) employee annual registration	1,325
Maine State Bar Association - (4) employee annual memberships	700
Maine Indoor Air Quality Council - annual membership	700
Council of State Community Development Agencies - annual membership	1,500
Society for Human Resource Management - employee annual membership	219
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	210
Mortgage Bankers Association - annual affiliate membership	1,350
Credit Builders Alliance, Inc - annual membership	795
passivhausMaine - employee annual membership	175
Maine Association of Non-Profits - annual membership	100
National Council of State Housing Agencies - annual membership	28,037
Total	<u>\$ 50,911</u>
<b>Sponsorships</b>	
Northern New England Community Action - training conference sponsor	\$ 1,500
Maine Real Estate and Development Association - conference sponsorship	1,000
Maine Resident Service Coordinator Association - annual sponsor	3,000
GrowSmart Maine - conference sponsorship	1,500
Maine Affordable Housing Coalition - housing conference sponsor	2,500
New England Resident Service Coordinator - conference sponsor	2,500
Total	<u>\$ 12,000</u>



## Finance Department Memorandum

**To:** Board of Commissioners  
**From:** Darren Brown  
**Date:** February 3, 2021  
**Subject:** Monthly Delinquencies Report

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### MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$668 million with 1,144 loans as of January 31, 2021. There are three 60+ days delinquent loans, as shown in ***Exhibit 1***. The delinquency rate is 0.38%. 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 \$961 million with 10,668 loans as of December 31, 2020. The over 60-day delinquencies increased from 4.47% to 4.64% and the in-foreclosures decreased from 0.50% to 0.47%. The over 60-day delinquencies amount to \$45 million, with approximately \$4.5 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 4.64%; and the overall delinquency rate by loan count is 5.15%. 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 December 31, 2020, Bank of America, NA had the highest overall delinquency rate of 21.36%, with an in-foreclosure rate of 4.24%. Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 4.67% to 4.98%, while the in-foreclosure rate decreased from 0.49% to 0.42%. Bangor Savings Bank had the lowest rate of delinquencies at 1.72%. Delinquency rates for each servicer are shown in ***Exhibit 3***.

**Delinquencies by Insurance Type** – In December 2020, FHA insured loans had the highest delinquency rate by total insurance type of 7.99%, with in-foreclosures at 0.62%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 2.51%, with in-foreclosures at 0.28%. Delinquencies by insurance type and the portfolio as a whole are shown in ***Exhibit 6***.

FHA insured loans comprise 17% of the Single-Family portfolio and 28% of delinquencies, while RD insured loans comprise 59% 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 December 2020, we have assisted 1,652 borrowers with various foreclosure prevention options. Activity has increased in 2020 due to financial hardship requests associated with the COVID-19 pandemic.

# Multi-Family Delinquent Loans

## MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 1/31/2021

### Section 8

BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
OLD GURNET HOUSING	2,586.69	11/01/20	BRUNSWICK	BRUNSWICK HOUSING AUTHORITY	08/25/99	0.00	294,182.00	0.00
LONGFELLOW PLACE	13,031.08	12/01/20	WESTBROOK	MACK BROTHERS	04/01/06	1,771,274.00	0.00	0.00
LONGFELLOW PLACE	10,952.63	12/01/20	WESTBROOK	MACK BROTHERS	04/01/06	1,488,759.00	0.00	0.00
						<u>3,260,033.00</u>	<u>294,182.00</u>	<u>0.00</u>

### Rental Housing

BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
QUARRY RIDGE APARTMENTS	4,929.17	10/15/20	FREEPORT	FHT QUARRY HIDGE LP	10/23/20	0.00	1,300,000.00	0.00
QUARRY RIDGE APARTMENTS	3,582.79	10/15/20	FREEPORT	FHT QUARRY HIDGE LP	10/23/20	0.00	965,980.00	0.00
						<u>0.00</u>	<u>2,265,980.00</u>	<u>0.00</u>

### Supportive Housing & Other

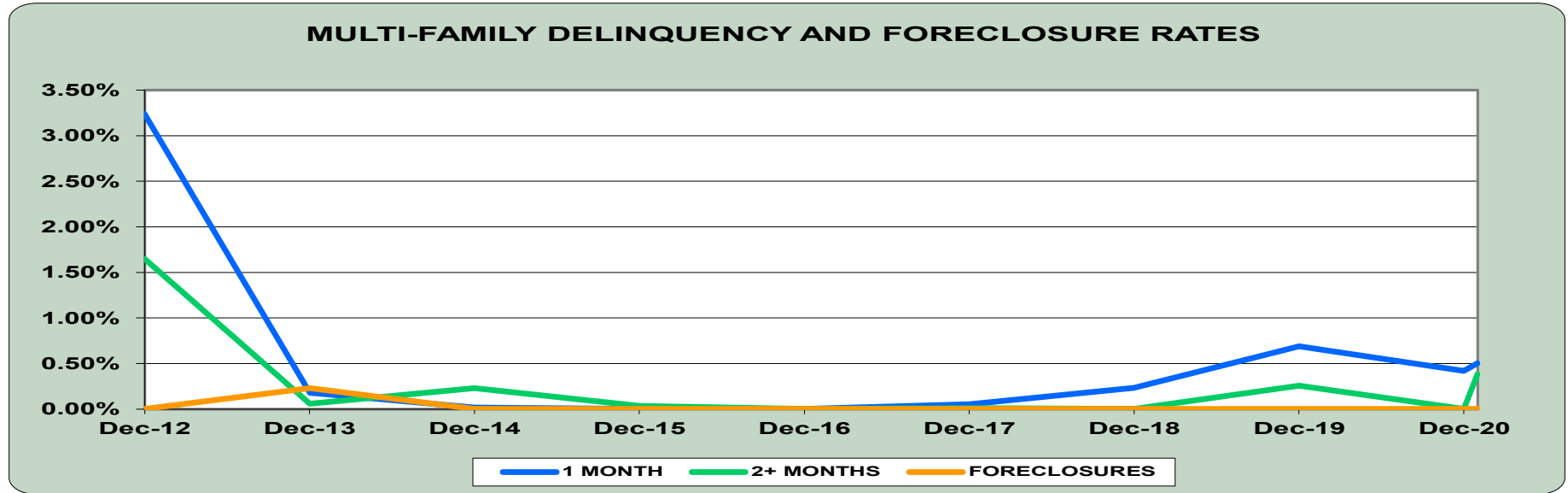
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
NORTH ST, 14	451.73	12/01/20	HOULTON	FACILITIES INC	03/09/95	19,792.00	0.00	0.00
NORTH ST, 10	739.24	12/01/20	HOULTON	FACILITIES INC	05/20/94	29,961.00	0.00	0.00
LANE AVENUE APARTMENTS	739.24	12/01/20	HOULTON	FACILITIES INC	12/01/93	25,808.00	0.00	0.00
MAIN ST, 162	512.46	12/01/20	PRESQUE ISLE	FACILITIES INC	07/15/93	16,439.00	0.00	0.00
						<u>92,000.00</u>	<u>0.00</u>	<u>0.00</u>
						<u>3,352,033.00</u>	<u>2,560,162.00</u>	<u>0.00</u>

### Grand Total

% of Portfolio Delq 60+ days **0.38%**  
Total Number of Loans **1,144**



# Multi-Family Delinquency & Foreclosure Trends



	OUTSTANDING		1 MONTH		2+ MONTHS		FORECLOSURES	
	PRINCIPAL	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	
Jan-21	\$ 667,949,413	\$ 3,352,033	0.50%	\$ 2,560,162	0.38%	\$ -	0.00%	
Dec-20	\$ 666,678,177	\$ 2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%	
Dec-19	\$ 635,961,774	\$ 4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%	
Dec-18	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%	
Dec-17	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%	
Dec-16	\$ 579,916,852	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Dec-15	\$ 573,932,384	\$ -	0.00%	\$ 185,320	0.03%	\$ -	0.00%	
Dec-14	\$ 513,937,525	\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%	
Dec-13	\$ 506,871,177	\$ 896,386	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%	
Dec-12	\$ 487,638,082	\$ 15,815,491	3.24%	\$ 8,056,115	1.65%	\$ -	0.00%	



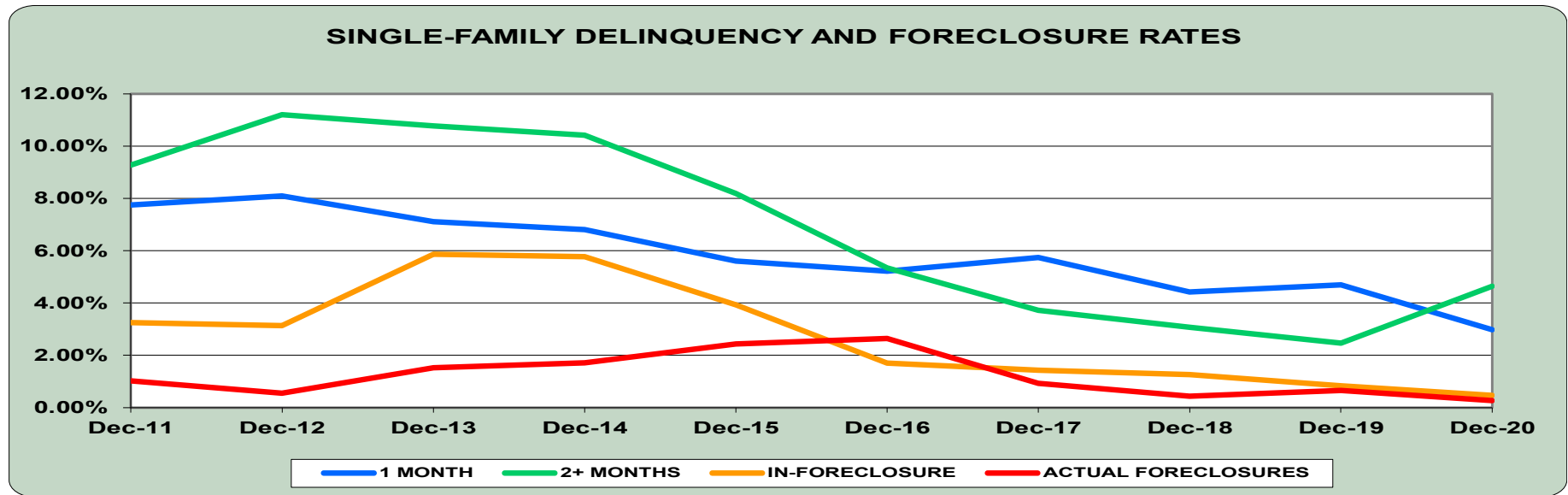
# Single-Family Delinquent Loans

## Maine State Housing Authority Single-Family Delinquencies by Servicer 12/31/2020

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	67.08%	4.98%	644,513,687.68	21,557,658.12	7,188,057.25	22,189,980.11	2,705,742.92
BANGOR SAVINGS BANK	16.48%	1.72%	158,316,527.10	2,711,356.20	789,700.75	1,717,534.11	216,701.76
CAMDEN NATIONAL BANK UK	9.10%	6.22%	87,429,410.79	1,957,615.53	394,209.00	4,672,639.83	374,389.85
MACHIAS SAVINGS BANK	6.32%	3.93%	60,728,683.29	1,843,610.50	202,984.68	1,392,995.69	787,969.35
BANK OF AMERICA NA	0.95%	21.36%	9,128,046.47	524,612.17	154,456.73	1,408,185.44	386,852.24
SALEM FIVE MORTGAGE CORP	0.07%	3.29%	645,058.82	50171.12	0.00	21,199.38	0.00
TOTAL	100.00%	4.64%	960,761,414.15	28,645,023.64	8,729,408.41	31,402,534.56	4,471,656.12



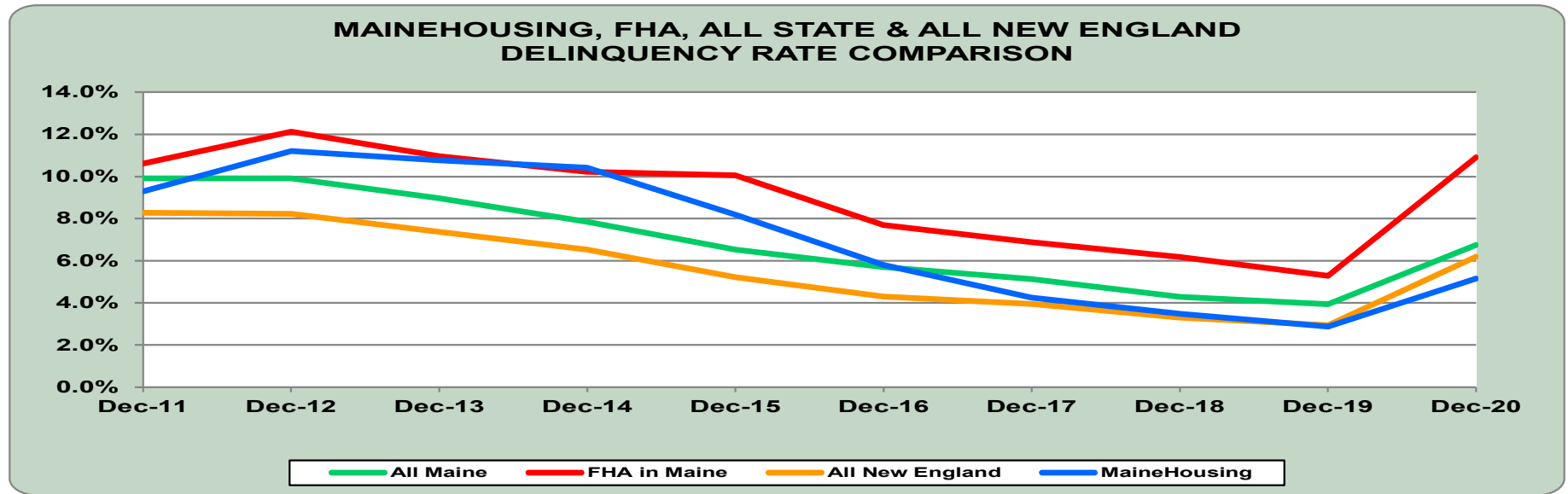
# Single-Family Delinquency & Foreclosure Trends



	OUTSTANDING		1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES					
	PRINCIPAL	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE					
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%
Dec-11	\$	980,359,797	\$	75,979,115	7.75%	\$	90,934,130	9.28%	\$	31,846,771	3.25%	\$	9,975,164	1.02%



# Single-Family Delinquency Comparison Trends



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*	118,478	0.95%	4.28%	1.52%	6.75%
FHA for State*	18,858	1.78%	7.63%	1.50%	10.91%
All New England*	1,678,428	1.03%	4.38%	0.78%	6.19%
MaineHousing**	10,668	1.06%	3.59%	0.50%	5.15%

\*This information is obtained from MBA's National Delinquency Survey for the third quarter of 2020.

\*\*MaineHousing's overall delinquency rate based on loan dollars is 4.64%, whereas rates in this exhibit are based on loan count.





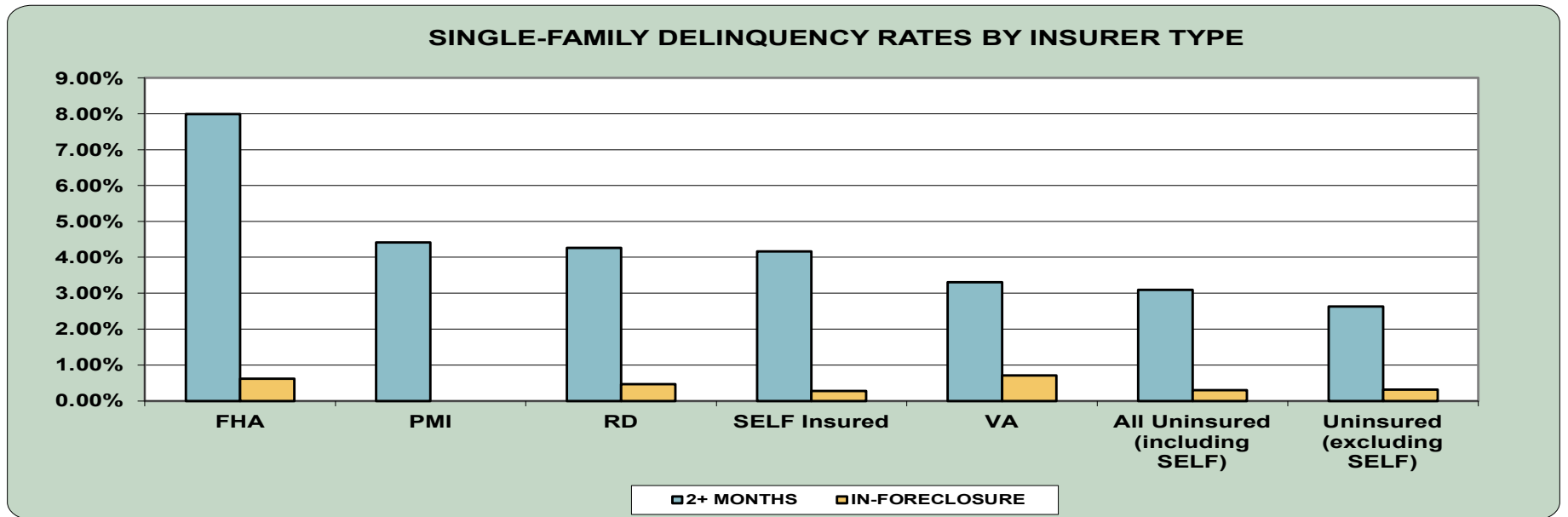
# Single-Family Delinquencies by Mortgage Insurer

**As A Percent of Total Insurance Type**  
**12/31/2020**

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	7.99%	0.62%
PMI	4.41%	0.00%
RD	4.26%	0.47%
SELF Insured	4.17%	0.28%
VA	3.31%	0.71%
All Uninsured (including SELF)	3.10%	0.31%
Uninsured (excluding SELF)	2.63%	0.32%

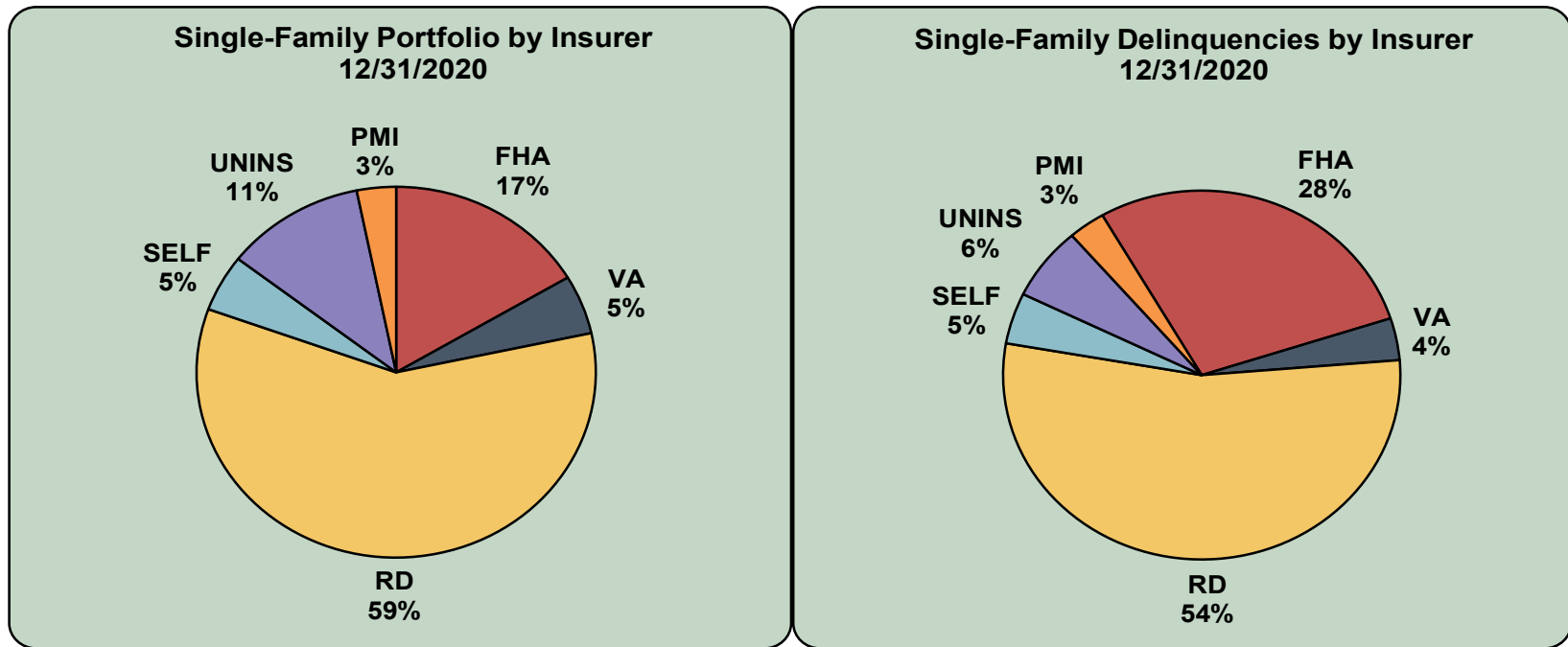
**As A Percent of Total Loan Portfolio**  
**12/31/2020**

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	2.51%	0.28%
FHA	1.32%	0.10%
All Uninsured (including SELF)	0.51%	0.05%
Uninsured (excluding SELF)	0.30%	0.04%
SELF Insured	0.21%	0.04%
VA	0.17%	0.04%
PMI	0.14%	0.00%

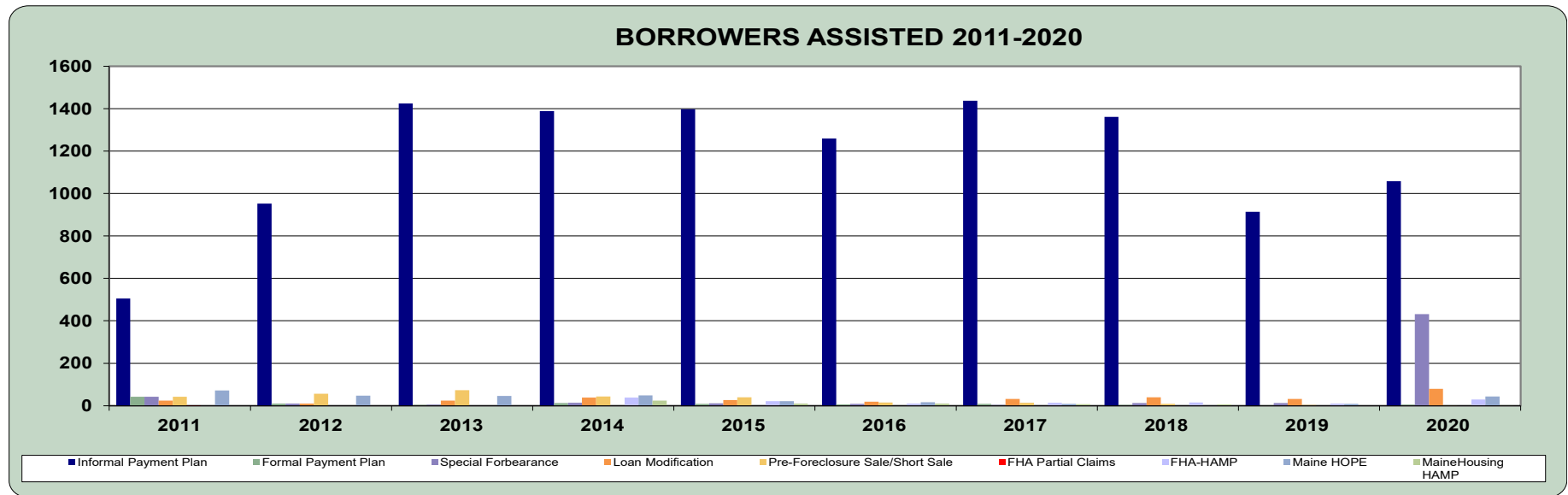


# Single-Family Delinquencies by Mortgage Insurer

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



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	Maine Housing HAMP	Total Workouts
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
Dec-11	505	42	43	25	43	2		71		731

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
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%
Dec-11	115	12,311	0.93%



## Homeless Initiatives Department Memorandum

**To:** Board of Commissioners

**From:** Lauren Bustard, Director of Homeless Initiatives

**Date:** February 9, 2021

**Subject:** Homeless Initiatives Report

### 2020 Emergency Shelter and Housing Assistance Program (ESHAP)

The Homeless Initiatives Department released the 4th quarter shelter payments for the Operations, Stabilization, and Performance Shares totaling \$1,866,313.96. The **Operations Share** is based on bed count. The **Stabilization Share** is contingent upon meeting specific rapid rehousing and stabilization benchmarks for the number of clients assessed and stabilized. The **Performance Share** provides funding to shelters that achieve specific performance measures that focus efforts on helping clients achieve permanent housing and ensure that they remain in permanent housing. The **Performance Share** is released twice a year at the end of the second and fourth quarter.

	Operations Share	Stabilization Share	Performance Share	TOTAL
State General Funds	\$763,492	\$73,906		837,398
State Home Funds		\$689,586	\$339,330	1,028,916
Emergency Solutions Grant (ESG)				
<b>TOTAL</b>	<b>\$763,492</b>	<b>\$763,492</b>	<b>\$339,330</b>	<b>\$1,866,314</b>

### 2020 COVID-19 Programs

The Homeless Initiatives team continues to work with shelters and other homeless providers to provide assistance and resources for the COVID-19 pandemic. One was the Homeless Provider Grants to shelters to assist them in covering the additional costs resulting from the pandemic. The following shows the total amount disbursed to date for these grants.

Program	Purpose	Total Disbursed
Homeless Provider Grants	Shelter COVID-19 Costs	\$2,978,786

## Total Clients Served in Shelters in January 2021

Shelters participating in ESHAP served a total of 980 individuals in January. In reviewing the demographics outlined below, it is striking that 22% of these individuals were non-white. With an estimated 5-6% of the overall Maine population identified as non-white it is clear that this group is disproportionately represented in the homeless population. We will be focusing on ensuring that this group's exits to permanent housing are consistent with the rate of exits for white individuals.

Total Clients Served in ESHAP Shelters -January	980
Adults	827
Youth	153
Individuals	710
Families	246
Unaccompanied Youth	24
White	760
Black or African American	147
Asian	3
American Indian or Alaskan Native	11
Native Hawaiian or Pacific Islander	2
Multiple Races	50
Client Doesn't Know/Refused	6
Data Not Collected	1

## Exits to Permanent Housing

We have been observing much longer lengths of stay in shelter since the pandemic hit. Less people are finding housing for a variety of reasons – landlords not wanting to show apartments, less evictions meaning less affordable housing units available, shelter Housing Navigators having to take on multiple roles at the shelter, to name a few. In the month of January 2021 there were only 66 exits from shelter to permanent housing, as opposed to 292 in January of 2020. The silver lining here is that we have 155 people enrolled in our Temporary Rapid ReHousing Program in Portland, Bangor and Knox County, and 23 have been housed within the last two months. We are hopeful that the incentives provided to landlords through this program will enable us to house a minimum of 175 households by the end of 2021.

Exits to Permanent Housing January 2021	Exits to Permanent Housing January 2020
66	292

## **Shelter System Redesign Initiative**

MaineHousing is working in collaboration with the Statewide Homeless Council and DHHS, with consultation from the Corporation for Supportive Housing, to develop a regionalized system to deliver services to individuals and families experiencing homelessness across the state. Much effort has been put into identifying where the regional ‘service hubs’ would be located and how many there would be. We have finalized a system including 9 service hubs which is based on a combination of the 8 Public Health Districts and the areas where people from different counties would normally seek out services across the state due to the availability of providers – both for homeless services and other services essential for this population. I have attached a map outlining the 9 service hub areas.

# Beta Service Hub Structure

Hub 1: York

Hub 2: Cumberland

Hub 3: Midcoast: Sagadahoc, Knox, Lincoln, Waldo and Towns of Brunswick and Harpswell

Hub 4: Androscoggin

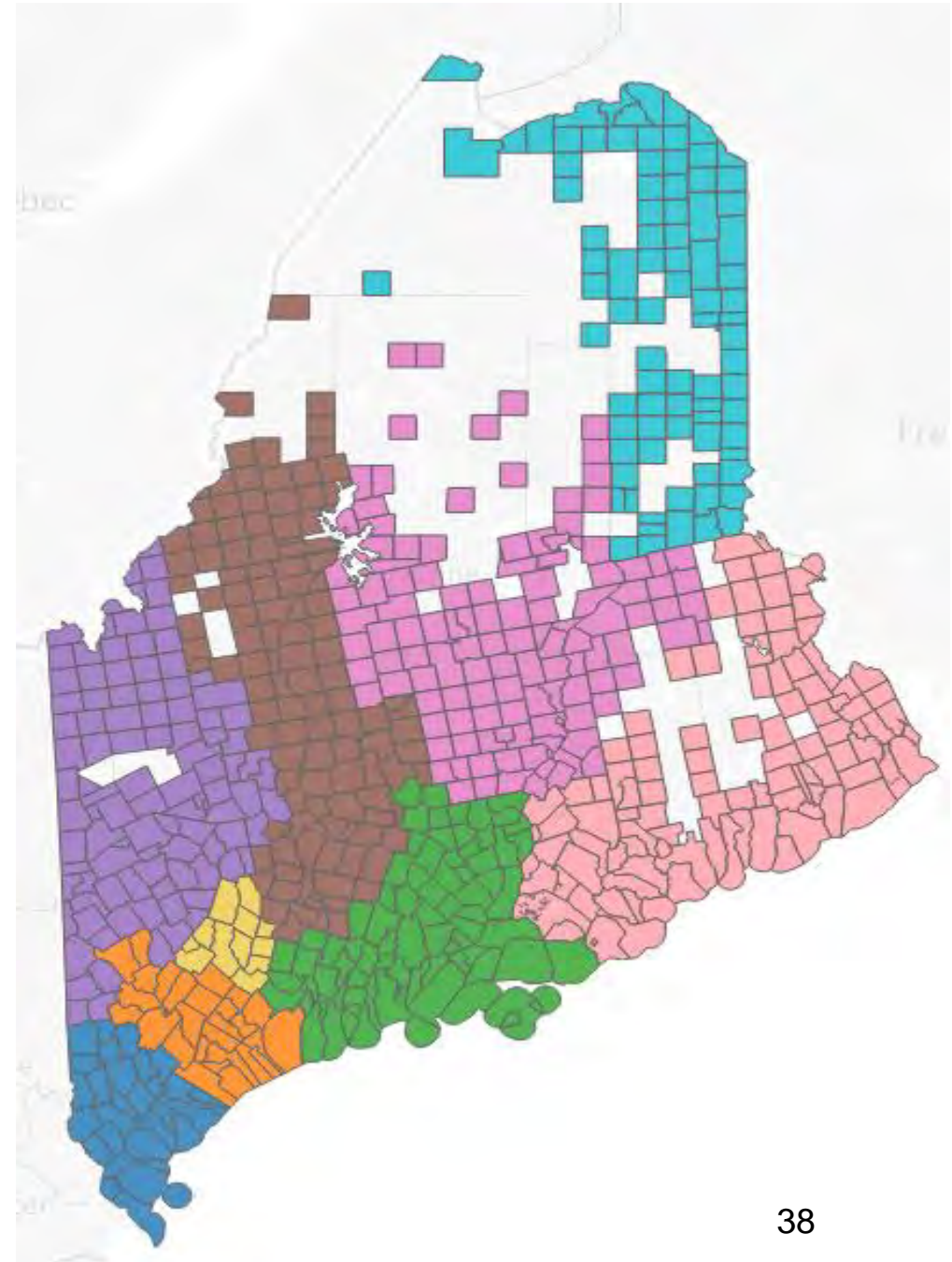
Hub 5: Western: Oxford, Franklin and Towns of Livermore and Livermore Falls

Hub 6: Central: Somerset and Kennebec

Hub 7: Penquis: Penobscot and Pisquataquis

Hub 8: Downeast: Washington and Hancock

Hub 9: Aroostook



## Homeownership Department Memorandum

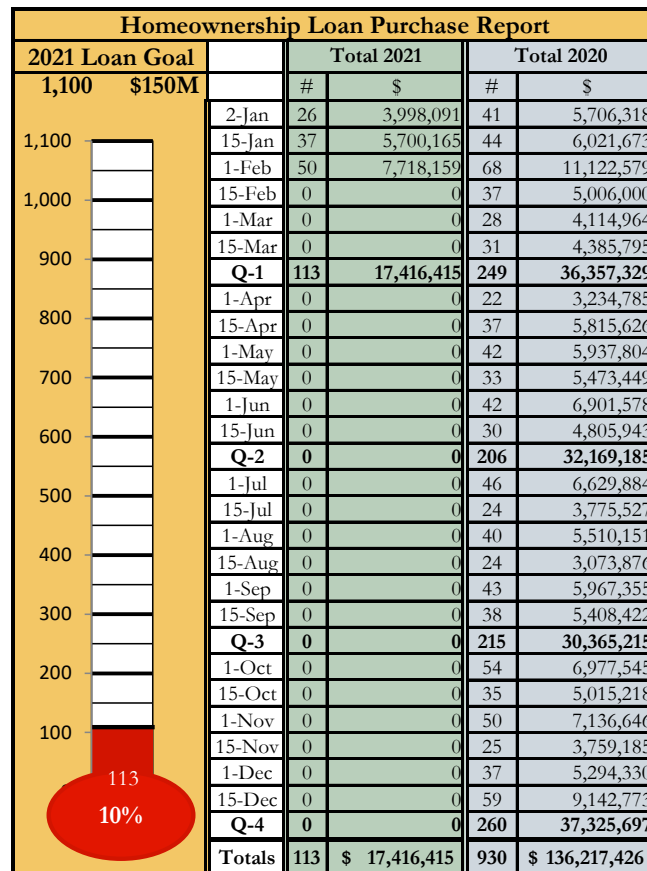
**To:** MaineHousing Board of Commissioners

**From:** Craig Reynolds, Director of Homeownership

**Date:** February 4, 2021

**Subject:** Monthly Report – Homeownership Department

### PRODUCTION UPDATE



Monthly Loan Reservations: 02/01/21	
#	\$ Volume
56	\$ 8,575,820

Loan Pipeline as of: 02/01/21	
#	\$ Volume
232	\$ 32,521,409

YTD Loan Reservation Comparison					
January 2020		January 2021		2020 vs 2021	
#	\$ Volume	#	\$ Volume	#	\$ Volume
200	\$ 27,662,372	232	\$ 32,521,409	16%	18%



## **PROGRAM HIGHLIGHTS**

### **Loan Production & Market Status**

As shown in the Production Update above, 2021 loan purchases are off to a strong start primarily attributed to lenders now closing loans that carried over from the substantial reservation pipeline in place at the end of 2020. Despite the ongoing pandemic, and some harsh winter weather, which typically slows real estate sales activity, Homeownership is encouraged to note that there were 56 new loan reservations made by our lenders partners in January. Equally encouraging is the total pipeline of 232 loans representing \$32.5 M in dollar value, which represents a significant increase over the 200 loans and \$27.6M at this same time in 2020.

Mortgage interest rates have remained low and relatively stable at the start of 2021, although there has been a slight upward trend of the near record low rates of late December. Many mortgage industry analysts expect interest rates to stay at or near current levels for much of the coming year, while others anticipate a moderate increase by mid to late year. This outlook is reinforced by the Federal Reserve which has made it clear that no significant rise in its interest rates are anticipated for the foreseeable future, and although mortgage interest rates are not directly tied to the Fed rates their movement or lack of movement can often have an influence on the trend of rates for other consumer loans.

MaineHousing's First Home Loan (FHL) program interest rate remains at 2.875% for a fixed 30 year - 0 point loan which is very competitive with other mortgage interest rates in Maine. In addition, the FHL Advantage option continues to offer \$3,500 in down payment and closing cost assistance to MaineHousing borrowers. The Advantage option is a grant and does not ever require repayment. In order for a borrower to receive Advantage the one requirement is that they must complete a hoMEworks approved homebuyer education class prior to closing.

2020 was certainly overshadowed by the devastating hardship brought about by the COVID-19 virus, however on a positive note it was also a record year for home sales nationally and in Maine. In spite of the challenging times, thousands of Maine families were able to achieve homeownership and the safety, security and comfort it provides. Unfortunately, the challenges to hopeful homebuyers in 2021 will remain the same as in the past few years, with increasing home prices and a low inventory of homes for sale leading the way.

### **Maine Association of Mortgage Professionals Presentation**

Partner Education & Outreach Officer, Michelle White received an invitation to present an overview of MaineHousing's First Home Loan (FHL) program in the monthly (virtual) meeting held by the Maine Association of Mortgage Professionals (MAMP). The organization's membership is composed of several mortgage lenders, title companies, real estate professionals and other related housing industry companies and individuals. MaineHousing is an affiliate member of MAMP and has been invited by MAMP to provide a FHL program update in each of the past several years. Michelle reported that a very positive exchange of comments and observations with several of the meeting attendees regarding the FHL program followed the presentation.

**Mortgage Purchase Agreement Update**

Homeownership is pleased to report that the review and execution of the updated Mortgage Purchase Agreement (MPA) by all of the participating lenders in our First Home Loan program network is nearly complete. The MPA is the contract that MaineHousing has with each of its participating lenders establishing the general requirements, responsibilities and guidelines carried out by the parties regarding implementation of the program. The MPA also incorporates the Home Mortgage Procedural Guide, which details the procedures and requirements involved in the actual application and implementation of the program for our statewide network of lenders.

## Housing Choice Vouchers Department Memorandum

**To:** MaineHousing Board of Commissioners

**From:** Allison Gallagher - Director of HCV Programs

**Date:** February 16, 2021

**Subject:** Monthly Report – Housing Choice Voucher Program

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### Program Updates:

HCV staff met and reviewed accomplishments in 2020 and goals for 2021

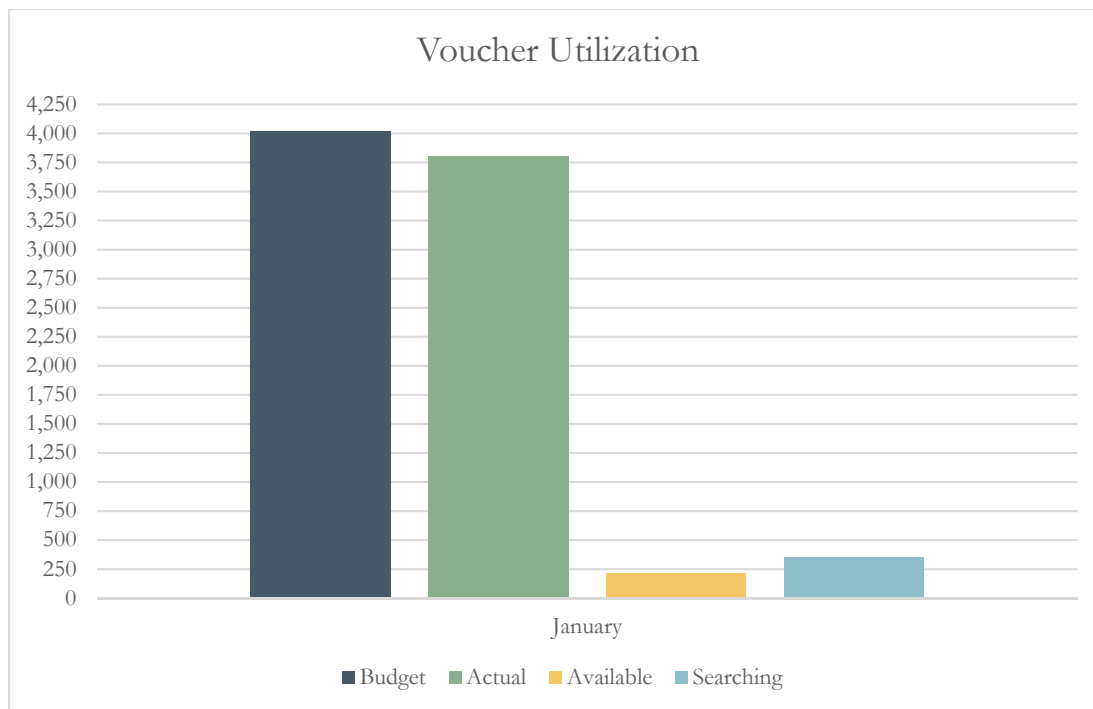
- HCV Accomplishments 2020:
  - Move to Edison
  - Telecommuting(70%)/RingCentral (utilizing tasks)
  - HCV staff assisted EHS
  - 5 staff received COS training
  - Averaged 3764 leased participants per month
  - Utilized 106% of HAP funding
  - Overall issuance to lease success rate – 56%
  - Housing navigator and Virtual inspections
- HCV Goals 2021:
  - 100% utilization \$/units
  - Electronic tenant files
  - Virtual inspections
  - GoSection8-Centralized WL
  - HQS and program trainings in Bridge
  - I: Drive cleanup and Operations Guide-update
  - 23-8 conversion to PBV-229 units

Melissa Cloutier lead HCV staff through a group activity where we voted on a word that would guide our work in 2021. HCV selected:

### **RESILIENCE**

**Resiliency** (noun)

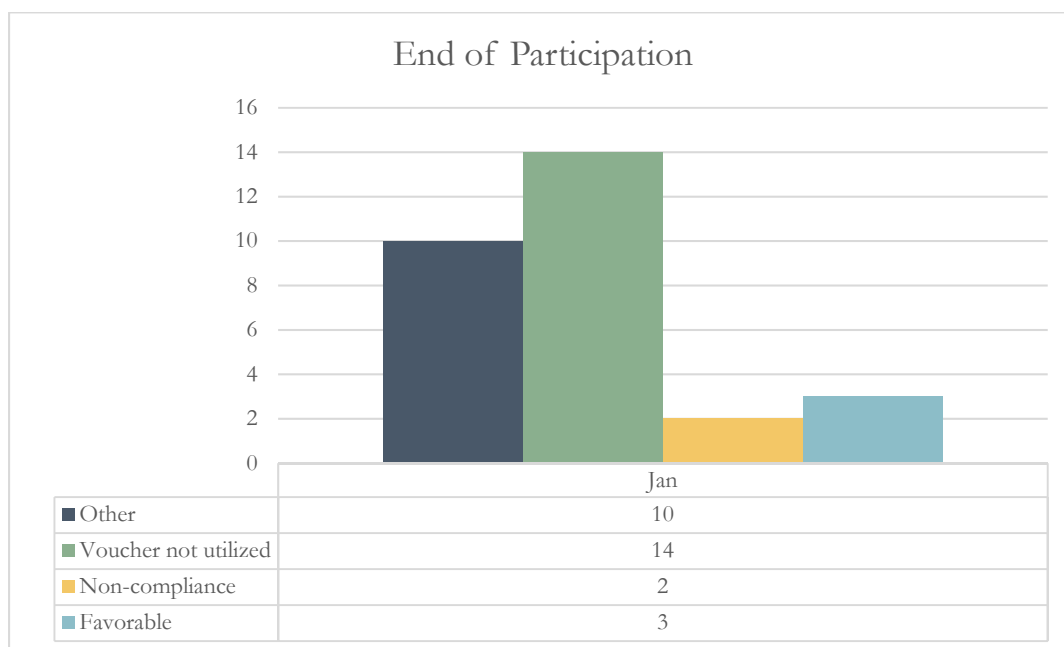
The capacity to recover quickly from difficulties; toughness.



## HCV (homeless initiatives)

STEP, Home to Stay, Homeless priority

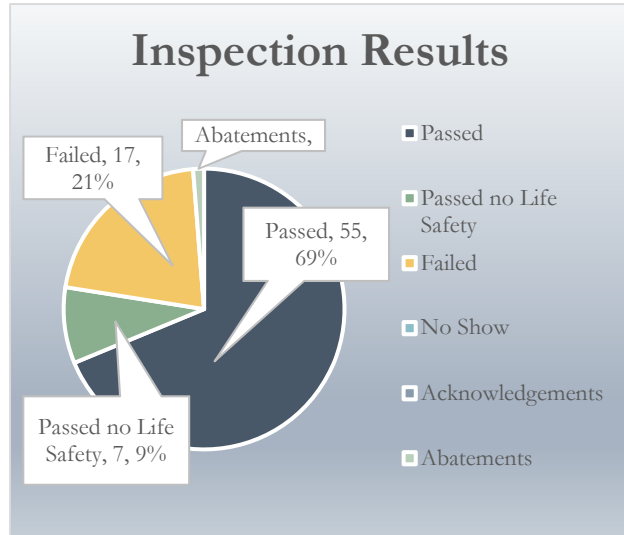
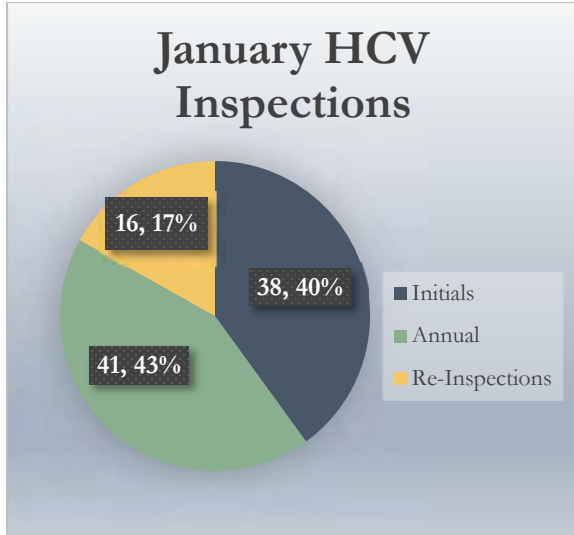
	Leased	Searching
<b>STEP</b>	157	39
<b>Home to Stay</b>	158	48
<b>Homeless Priority</b>	228	33



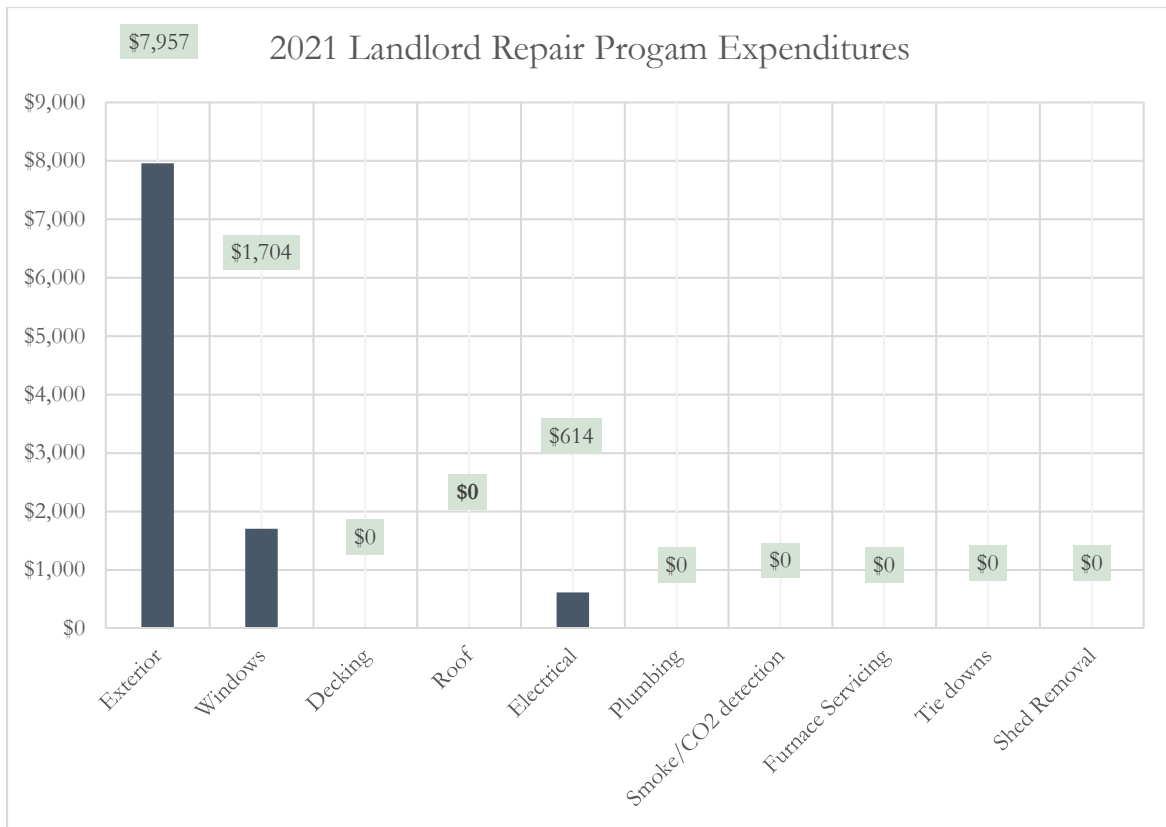
## Inspection Updates:

78 initial self-certifications that will need inspections after 6/30/2021.

7 Annual self-certifications and 5 Inspections conducted using Facetime



## Landlord Repair/Damage Grant



Landlord Repair Program: \$10,275/Damage Reimbursement Program: \$4,500

**Outreach:**

Jamie Johnson recorded an informational video that will be part of the NCSHA HFA Institute in February. This is part of a panel discussion titled “Celebrating the Success and Potential of HOME and Housing Trust Fund.” Jamie presented information on the STEP program.

Jamie presented at a virtual webinar hosted by Home for All. She spoke about the different populations served, availability (where, how many, eligibility, etc.) and Landlord/housing requirements (physical space, inspections, etc.).



**Information Technology Department Memorandum**

**To:** Board of Commissioners

**From:** Sheila Nielsen, Director of IT

**Date:** February 16, 2020

**Subject:** Monthly Report

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

- Completed HDS NextGen upgrade. System is used by Asset Management for section 8 and multifamily processes and by external partners for compliance tracking.
- Completed telecommuting equipment quarterly security updates and patches.
- Coordinated with Facilities to test notification to emergency response team when 911 is called from the building.
- Initiated email phishing testing campaign to reinforce annual security training information.

## Board Calendar 2021

<b>JANUARY 19</b> <ul style="list-style-type: none"> <li>• Adopt DOE Weatherization State Plan</li> <li>• Legislative Preview (P. Merrill)</li> </ul> <p>NCSHA HFA Institute (Jan. 25-Feb. 5) Virtual</p>	<b>FEBRUARY 16</b> <ul style="list-style-type: none"> <li>• Introduce HEAP</li> </ul>
<b>MARCH 16</b> <ul style="list-style-type: none"> <li>• HEAP discussion</li> <li>• Audit Committee update</li> </ul> <p>NCSHA Legislative Conference (March 22-24) Washington, DC</p>	<b>APRIL 20</b> <ul style="list-style-type: none"> <li>• Commence rulemaking HEAP</li> <li>• 2020 Year-end Financials</li> <li>• Commence rulemaking QAP</li> </ul>
<b>MAY 18</b> <ul style="list-style-type: none"> <li>• HEAP public hearing</li> <li>• QAP public hearing</li> </ul>	<b>JUNE 15</b> <ul style="list-style-type: none"> <li>• Adopt HEAP rule</li> <li>• Adopt QAP</li> </ul> <p>NCSHA Credit Connect (June 22-25) Denver, CO</p>
<b>JULY 20</b> <ul style="list-style-type: none"> <li>• <b>BOARD MEETING IF NEEDED</b></li> </ul>	<b>AUGUST 17</b> <ul style="list-style-type: none"> <li>• HCV Annual Plan Public Hearing</li> </ul>
<b>SEPTEMBER 21</b> <ul style="list-style-type: none"> <li>• Adopt HCV Annual Plan</li> </ul> <p>NCSHA Annual Conf. (Sept. 25-27) Detroit, MI</p>	<b>OCTOBER 19</b> <ul style="list-style-type: none"> <li>• Introduce DOE Weatherization State Plan</li> </ul>
<b>NOVEMBER 16</b> <ul style="list-style-type: none"> <li>• Review Preliminary 2022 Budget</li> <li>• DOE Weatherization State Plan Public Hearing</li> </ul>	<b>DECEMBER 21</b> <ul style="list-style-type: none"> <li>• Approve 2022 Budget</li> <li>• Elect Officers</li> <li>• MPP Series Resolution</li> <li>• Adopt DOE Weatherization State Plan</li> </ul>