

January 19, 2021 Board Meeting

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Board of Commissioners Meeting – January 19, 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

9:00	Adopt Agenda (VOTE)	Lincoln Merrill
	Approve minutes of December 15, 2020 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Lincoln Merrill
	Director Updates	Dan Brennan
9:30	Adopt 2021 DOE Weatherization State Plan (VOTE)	Kim Ferenc
9:45	Legislative Review	Peter Merrill
10:15	Resource Allocation Report	Dan Brennan
10:35	Emergency Rental Assistance	Dan Brennan
10:50	9% and 4% Deals	Mark Wiesendanger
11:05	Youth Demonstration Program	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	
	Human Resources and Facilities	
	Information Technology	
	Report of the Audit Committee	
	2021 Board Calendar	
	Adjourn (VOTE)	All

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



Minutes of the Board of Commissioners Meeting December 15, 2020

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on December 15, 2020 virtually. Notice of the meeting was published on December 4, 2020 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

Peter Merrill, Deputy Director; Linda Uhl, Chief Counsel; Karen Lawlor, Executive Administrator; Daniel Drost, Director of Energy and Housing Services; Craig Reynolds, Director of Homeownership; Denise Lord, Senior Director of Communications and Planning; Troy Fullmer, Manager of HEAP; Darren Brown, Director of Finance; Jane Whitley, Director of Human Resources and Facilities; Tom Cary, Treasurer; Allison Gallagher, Director of Housing Choice Voucher; Kim Ferenc, Manager of Housing Services; Amanda Ouellette, Webmaster; Linda Grotton, Director of Audit and Compliance; Lauren Bustard, Senior Director of Programs; Cara Courchesne, Communications Coordinator; Steven McDermott, Strategic Planning and Outreach Coordinator; Brenda Sylvester, Community Housing of Maine, Inc.; and Gerrylynn Ricker, Paralegal and note taker.

ADOPT AGENDA

Commissioner Davis made a motion seconded by Commissioner Gross to adopt the December 15, 2020 agenda. The vote carried unanimously.

APPROVE MINUTES OF NOVEMBER 17, 2020 MEETING

Commissioner Gross made a motion seconded by Commissioner Joseph to accept the November 17, 2020 minutes. The vote carried unanimously.

COMMUNICATIONS AND CONFLICTS

None

CHAIR OF THE BOARD UPDATES

Chair Merrill reported he is still receiving communications about Plant Home. He asked Director Brennan to give an update under his reports.

ELECT OFFICERS

Commissioner Davis made a motion seconded by Commissioner Gross to elect Bonita Usher to continue as Vice-Chair of the Board. The vote carried unanimously. Commissioner Usher made a motion seconded by Commissioner Davis to keep Donna Talarico as Secretary of the Board. The vote carried unanimously.

DIRECTOR UPDATES

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

- Recognized Laurie Murray who has been with MaineHousing for twenty-five years; first in

homeownership, then finance and the last year and a half for her excellent leadership in our Homeless Initiatives department. Laurie has done a fabulous job stabilizing and organizing that department during the pandemic.

- Updated the Board about Plant Home, the assisted living facility in Bath. We are still working with them to reach an amicable solution.
- The Rent Relief program is continuing to be quite active. The Governor had given another \$6.2 Million to keep the program going through December. We are hopeful more funds will be made available through the federal stimulus package to continue this program after December 31, 2020.
- Mentioned the editorial that we ran in the Portland Press Herald about the need for Congress to step forward.
- Maine Climate Council finalized their work on December 1st and presented their report to the Governor. It is a four year action plan.
- The Maine Labor and Housing Committee has been appointed. Mike Sylvester, Representative from Portland will continue as co-chair. The new co-chair on the Senate side is Joe Rafferty from York.
- Scored our QAP and we've got a unique situation this year fortunately due to the State Low Income Housing Tax Credit. We are hoping to fund up to 9 of the 15 projects. This year our production number for units will be over 300 and we anticipate over 500 for 2021 and 750 for 2022.
- Working on an in-house heat pump program. We will continue to work with the CAP agencies and our goal is to install 1,000 in 2021.
- Treasurer Tom Cary and Deputy Director Peter Merrill have been working with State Treasurer Henry Beck and Administrative and Financial Services Commissioner Kristen Figueroa on an opportunity to refund some bonds here at MaineHousing that the State pays the debt service on, which will help the State with their upcoming budget crunch.
- Working with the Department of Health and Human Services and the Statewide Homeless Council on homelessness and redesigning the State's approach. We are looking at working with the Maine Hospital Association and the relationship between housing and healthcare. Need to create better communication between the homeless providers, the social service agencies, and the hospitals.
- Finalizing the 2021 resource allocation and will give a report to the Board at the January meeting.
- MaineHousing will be closed December 24, 2020.

2021 DOE WEATHERIZATION STATE PLAN PUBLIC HEARING

Chief Counsel Linda Uhl opened the public hearing and explained the public hearing process. 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 9:37 a.m.

ADOPT HOUSING CHOICE VOUCHER ANNUAL PHA PLAN

Director of Housing Choice Vouchers, Allison Gallagher, told the Board that no additional comments were received at the Public Hearing and through the end of the comment period. She asked the Commissioners to adopt the PHA plan as presented to them

Commissioner Gross made a motion seconded by Commissioner Talarico to adopt the 2021 PHA Annual Plan for the Housing Choice Voucher program as proposed. The vote carried unanimously.

ADOPTION OF THE 2021 BUDGET

Director of Finance Darren Brown reviewed the few minor changes to the 2021 preliminary budget presented at the November meeting.

Commissioner Usher made a motion seconded by State Treasurer Henry Beck to adopt the 2021 budget as presented today. The vote carried unanimously.

APPROVAL OF MPP SERIES RESOLUTION

Treasurer Tom Cary requested approval of a Series Resolution dated December 15, 2020, which authorizes the issuance of up to \$400 million of Bonds and Notes in the Mortgage Purchase Program for a period of approximately 13 months.

Commissioner Davis made a motion seconded by Commissioner Buxbaum to approve the Series Resolution dated December 15, 2020. The vote carried unanimously.

DEPARTMENT REPORTS

Commissioner Gross thanked Director of Audit and Compliance, Linda Grotton for the work she did on the 2020 Risk Assessment.

ADJOURN

Commissioner Usher made a motion seconded by Commissioner Gross to adjourn the meeting. The meeting was adjourned at 10:30 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: January 12, 2021
Subject: January Board Report - Asset Management

HUD Annual Compliance Review

Asset Management was notified by HUD several weeks ago of the schedule for our Annual Compliance Review (ACR) during which time HUD reviews the work performed by MaineHousing under the Section 8 Performance Based Contract Administration (PBCA) contract between HUD and MaineHousing

The Entrance Conference was held on Thursday, December 17, 2020 at 2:00 p.m. The HUD Compliance Review Team will conduct a limited remote ACR of our Performance Based Annual Contributions Contract starting January 5, 2021 and ending by January 26, 2021. The Compliance Review Team will be requesting and reviewing specific documents pertaining to the applicable Incentive-Based Performance Standards tasks performed for the period from October 1, 2019 to September 30, 2020.

This is our 20th ACR under our contract and we anticipate a positive assessment of our work.

HUD Project Transfers

On December 12 we were notified by HUD that they will be moving 12 more projects from the original Traditional Contract Administration (TCA) portfolio over to the Performance Based Contract Administration (PBCA) portfolio. The ultimate intent of their plan is for all of the remaining TCA projects to eventually migrate to the PBCA portfolio once the project's original Housing Assistance Payments (HAP) contract expires and is renewed. This migration should be completed by the end of 2022.

Communications & Planning Department Memorandum

To: Board of Commissioners
From: Denise Lord
Date: January 12, 2021
Subject: January Board Report

MaineHousing & Media:

- The Portland Press Herald [published Dan's op-ed](#) urging Congress to act to pass federal stimulus/COVID relief. We answered several media calls regarding rent relief, hotels, and other COVID-related issues.
- Over the course of 2020, we significantly increased our media engagement. A vast majority of the engagement was COVID-related, including rent relief, hotel use for the homeless population, and homelessness generally.

	2020	2019
Media Mentions*	1,025	703
Press Releases	14	8
Initial reporter contacts	88	60
Total reporter contacts	193	Not tracked

*As compiled by our media monitoring service, Cision

MaineHousing.org

- Appended to this report are the 2020 MaineHousing Website statistics. Visits to our website increased dramatically during the pandemic as Mainers accessed the COVID Rent Relief program, and at the same time, interest in the First Home Loan program remained high.

Policy Engagement:

- We developed and designed a document (attached) that outlined MaineHousing's 2020 COVID-19 response efforts. This document was presented to the Appropriations Committee in mid-January. We are working on a broader document and visuals regarding our agency's work for a presentation to the Labor and Housing Committee later in January.

Recovery Residences

- 16 Residences with 128 beds under contract; grants are extended to operate under current contract until 3/31 – includes funds to include one additional residence (10 beds). We are working with DHHS to establish a second year of funding for recovery residences.

COVID-19 Response

- Hotels
Four Hotels are currently under contract for 356 beds
Quarantine & Isolation Rooms – 121

Emergency Shelter Beds – 225

*Difference of 10 due to floating rooms (356 total rooms vs 346 used rooms) in Bangor

Opening three new hotels (Presque Isle, Waterville and Scarborough) to address shelter overflow during the winter months, address General Assistance use of hotels and consolidating to achieve efficiencies

Presque Isle – 10 beds (emergency shelter)

Waterville – 27 or 29 beds (emergency shelter)

Scarborough – 43 quarantine and isolation beds and 73 emergency shelter beds

Replacing Portland hotel

- FEMA Reimbursement

To date we have submitted \$6,826,901.04 for reimbursement from FEMA and have been obligated/received \$6,585,825.98

The difference, \$241,075, is in current review

No funds (actually 0.14 cents) have been denied

We are looked to by other organizations as a model for FEMA's Public Assistance program as a result of our success. This is entirely due to the efforts of Paula Weber and Steven McDermott.

Strategic Plan Implementation/Innovation

- Dashboards

Wrapped up meetings with every department and have begun developing tools for dashboards and tools for board reports

- We have been asked to meet regularly with the Office of Aging and Disability Services to coordinate housing and social supports

Staff Development and Training

- Lean White Belt training is available on our staff online learning platform. Each department is asked to encourage staff to take the training and to select a lean project.
- Participants in the Leadership Development Program completed the final facilitated session and are now working on three projects supporting the theme of challenges and opportunities of leading an organization through the pandemic. Their projects will address work life, staff engagement; internal processes and partner communication.

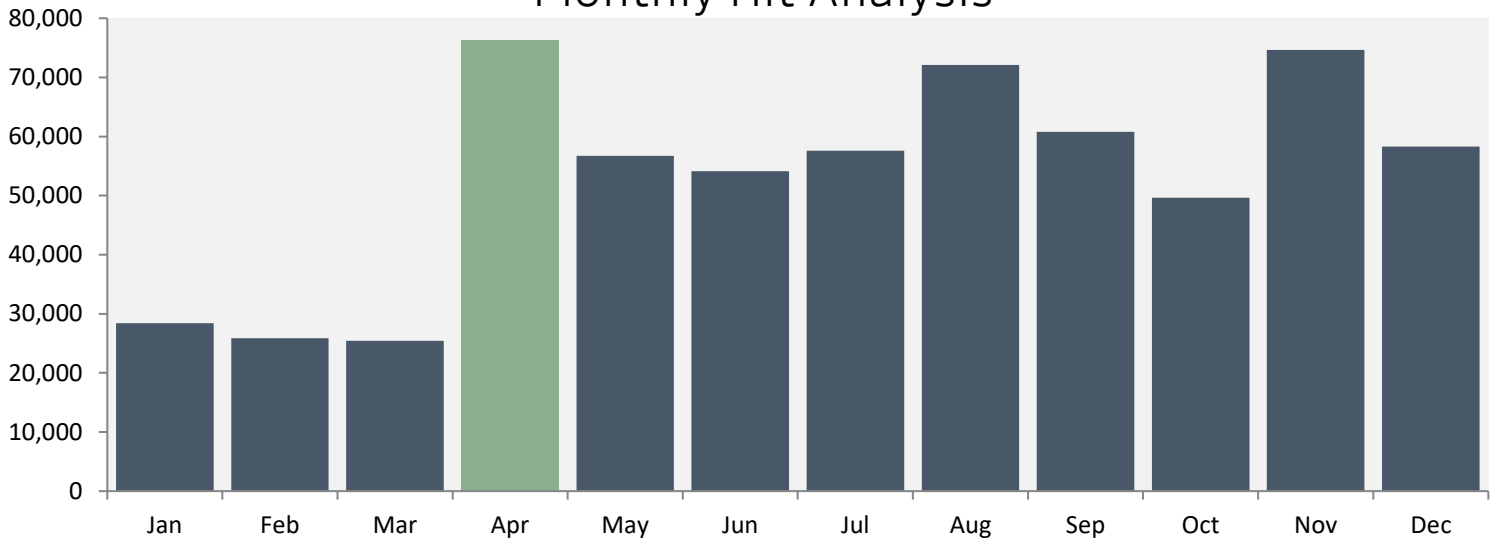
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Policy and Research Update

- Rent data is being collected for an appeal of HUD established Fair Market Rents for Knox, Lincoln and Waldo counties. The evaluation of rents is due January 22nd.

2020 MaineHousing Website Quickstats

Monthly Hit Analysis



Top Content

- 1 COVID-19 Rental Relief Program
- 2 MaineHousing Website
- 3 First Home Loan
- 4 First Home Loan Program
- 5 Subsidized Housing

Top Documents

- 1 Kennebec County Subsidized Housing List
- 2 Cumberland County Subsidized Housing List
- 3 Rental Housing Guide
- 4 Arsenic Income Limits
- 5 HEAP Forms Bundle

Statistics at a Glance

Compared to previous year

↑ 93%
Total Sessions

↑ 103%
New

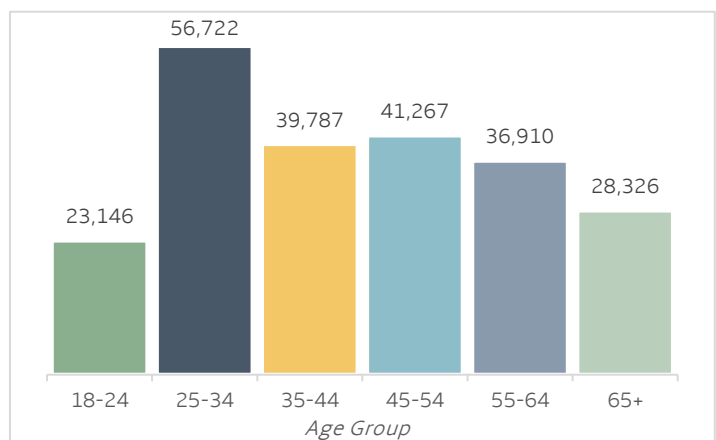
↑ 64%
Pageviews

↓ -13%
Pages/
Session

↑ 4%
Avg Session
Duration

↓ -3%
Bounce
Rate

Visitor Profile

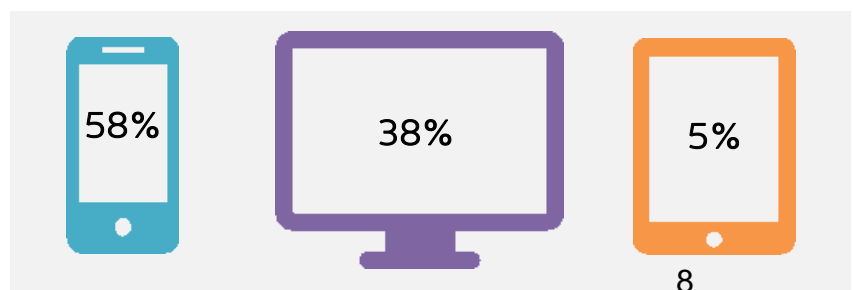
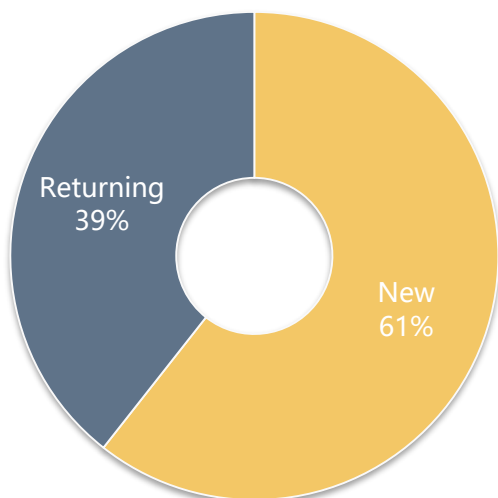


60%



40%

New vs Returning Users



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

MaineHousing’s COVID-19 Response

MaineHousing has been central to Maine’s response to keeping Mainers housed throughout the COVID-19 pandemic. The flexibility of the State HOME Fund allowed MaineHousing to quickly repurpose funds to offer several COVID-19 response efforts, including the COVID-19 Rent Relief Program and additional funding to homeless service providers, including wellness shelters, operation grants, and access to hotel rooms for isolation and quarantine.

COVID-19 Rent Relief Program

MaineHousing’s COVID-19 Rent Relief Program, established at the request of Governor Mills and in partnership with Maine’s Community Action Agencies, launched in April 2020 and continued through December 2020. We quickly repurposed \$5 million of State HOME Funds to start the program a month after Governor Mills declared a state of emergency.

A new rent relief program will launch at the end of January with a \$200 million allocation from the recent federal stimulus package.



\$33.4 million investment in rent relief:

State HOME Fund: \$5 million
CDBG: \$2.2 million
CRF: \$26.2 million

9,000+ households supported

Average household income	\$17,663
Average monthly rent	\$837
Average household size	2
Average payment made to landlord	\$1,919

Homeless Services Support

To date, we have used nearly \$10 million of the State HOME Fund for shelter housing and operations, later reimbursed by the FEMA Public Assistance program and the U.S. Department of Housing and Urban Development’s Emergency Solutions Grant-CV.

The services outlined below are part of a continuum of measures intended to manage the significant and potentially life threatening public health risks associated with COVID-19, including health screening and testing to quickly identify potential exposures, quarantine and isolation to limit further exposure, and healthcare. As a result, Maine has experienced relatively few outbreaks among the populations served.

Our support of homeless services throughout the pandemic has included:



5 wellness shelters

Lewiston, Portland, Bangor, Warren, Presque Isle
140 beds | 255 clients served | \$2,094,307

These extensions of local homeless shelters helped contain the spread of COVID-19 among people who are homeless at the beginning of the pandemic. MaineHousing, local homeless shelters, the Maine Department of Health & Human Services, the University of Maine System, and the Maine Emergency Management Agency united to create these temporary shelters.

MaineHousing's COVID-19 Response, cont.



561 total hotel rooms secured¹

Portland, Lewiston, Bangor, Augusta, Waterville, Presque Isle | 11 hotels
\$4,412,420 for rooms | \$1,788,400 for operations

Hotel costs: Hotels provide shelter overflow to maintain social distancing at area homeless shelters. Hotels also provide quarantine and isolation space for many populations, including people who are homeless, immigrant families, agricultural workers, healthcare providers, and others in congregate living situations.

Operating costs: Onsite service coordination is key. This includes: handling guest intakes, daily checks on guest wellbeing and ability to maintain quarantine or isolation, coordinating healthcare and other services as needed, cultural support, translation services, and transportation.



\$2,782,570 operating funds to homeless shelters

Statewide | 21 providers

To support homeless shelters in serving a particularly high risk population, we have provided funds to support their increased operating costs. This includes funding for reducing the census of congregate shelters to meet CDC guidance for social distancing by renting rooms at local hotels and adapting underused spaces. Funding also supports the purchase of personal protective equipment and provides resources to staff to prevent staffing shortfalls and continue high levels of engagement with the population they are serving.



\$2 million in Rapid Rehousing Grants

Portland, Bangor, Knox County

4 grants to help homeless households secure permanent housing

Changes to Homeless Services Delivery

Maine's emergency shelters see approximately 6,000 people per year; an estimated 10 percent of people who are homeless in Maine are unsheltered. Although Maine shelters receiving state and federal funding must meet certain standards, most operate differently from one another and independently within their communities. The COVID-19 crisis has shown how vital it is that MaineHousing, with support and direction from our homeless provider partners, adapt homeless services in a focused, far-sighted way. With the advice of the Statewide Homeless Council, we have launched a review and design process for a regional shelter system. We look forward to sharing our progress on those efforts.

¹ The number of hotel rooms and locations fluctuate based on need; here we have totaled the costs, number of rooms, and number of hotels for 2020. Some hotel costs include meals and services such as laundry.



Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Mark C. Wiesendanger, Director of Development

Date: January 19, 2021

Subject: Monthly Report

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). Accordingly, we have asked them to switch to a 4% program with additional equity from the new State Low Income Housing Tax Credit (SLIHTC) program. The projects will receive a comparable amount of equity from either program, and their developers have agreed to pursue 4% credits. As each project confirms a reasonable deal structure with tax credit syndicators and MaineHousing, and signs and returns a Notice to Proceed, MaineHousing will re-award their 9% credits to the next project in need on the list. Mary Street is also eligible for the 4% basis boost and is pursuing that avenue which would allow us to award 9% credits even further down the list. If the four previously mentioned projects all become 4% projects, and we award the next three projects on the list, 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 make sense to be reworked to fit them into our 4% walk-in program without SLIHTC.

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

2020 Supportive Housing Program

Full Applications were received on December 17th. Construction Services has completed site visits of all projects, and scoring is nearly completed. The overall request for funds came to \$4.5M and there was \$3.4M in Housing Trust Fund money made available for this round.

Address	City/Town	Developer	Supportive Units	Total Units
11 Pine St	Fryeburg	Avesta Snow Street	6	28
17 Warren St	Rockland	Knox County Homeless Coalition	2	2
34 Ohio St	Bangor	CHOM	6	6
200 Livermore Falls Rd	Farmington	Safe Voices	3	3
30 Bates Dr	Hinckley	Good Will-Hinckley	6	6
18 Green St	Augusta	Motivational Services, Inc.	8	8
67 Summer St	Dover-Foxcroft	Penquis CAP	7	7



Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners
From: Daniel Drost, Director of Energy and Housing Services
Date: January 19, 2021
Subject: EHS Monthly Report – January 2021

HOME ENERGY ASSISTANCE PROGRAM (HEAP)

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

Number of Applications	PY 2021 THRU 1.8.2021	PY 2020 THRU 1.17.2020	+/-	% change
Total Applications Taken	31,590	32,090	-500	-1.6%
Confirmed Eligible/Paid	16,609	18,048	-1,439	-8.0%
Pending (in process)	11,406	11,680	-274	-2.3%
Other (ineligible, denied, void, etc.)	3,575	2,362	+1,213	+51.4%

HEAT PUMP PROGRAM (HPP):

In June 2019, Maine Governor, Janet Mills, signed LD 1766 “An Act To Transform Maine's Heat Pump Market To Advance Economic Security and Climate Objectives”, which establishes the goal of installing 100,000 heat pumps in Maine by 2025. MaineHousing is committed to this heat pump initiative and MaineHousing’s Heat Pump Program (HPP) targets households that are eligible for the Home Energy Assistance Program (HEAP) with household incomes at or below 200% of the Federal Poverty Income Guidelines. The HPP serves eligible households whose homes are good candidates for heat pumps as secondary heat sources to reduce the households’ overall energy burdens.

The HPP is funded through dollars allocated for HEAP Weatherization and has been administered through the Community Action Agency network. The HPP launched in November 2019 and as of January 2021, 315 heat pumps have been installed and over 90 additional jobs are in the production pipeline. MaineHousing has set a goal to see an additional 1,000 heat pumps installed in 2021 and some adjustments have been made to the HPP to help support reaching this goal, including MaineHousing working directly with heat pump vendors as needed to reach established production goals.

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. The HARP program is comprised of 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).

The 2020 HARP program ended on December 31, 2020 with a total of 284 projects completed.

Dec-20	Home Repair	Elderly Home Repair	Accessibility	Emergency Home Repair	Emergency Manufactured Home Repair	TOTAL BY CAA
ACAP	2	4	1	50	6	63
CCI-Andro	17	0	3	19	5	44
CCI-Cumb	7	0	5	9	0	21
DCP	2	1	4	18	0	25
KVCAP	1	0	2	17	5	25
PCAP	23	10	1	14	7	55
WCAP	0	0	5	6	0	11
WMCA	3	2	0	5	1	11
YCCAC	3	1	3	10	7	24
TOTAL BY TYPE	58	18	24	148	31	279

MaineHousing – Energy and Housing Services (EHS) is currently preparing for the HARP PY2021. We are not proposing any major changes to the program this year.

LEAD PAINT HAZARD REDUCTION PROGRAMS:

MaineHousing’s HUD Lead Hazard Reduction Program (LHR) period of performance is February 3, 2020 through August 3, 2023. The LHR provides 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 three Community Action Agencies (Aroostook County Action Program, Community Concepts, Inc., and Penquis Community Action Program). Like the rest of the nation, MaineHousing is behind on our unit production benchmarks. We were able to complete 9 units in calendar year 2020. 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
Complete	1	8	0	9
Declined	0	1	1	2
Under Contract	0	30	33	63
Out To Bid	0	0	4	4
Pending ER Approval	0	10	0	10
Total	1	49	38	88

HEAP PY2022 Rule and State Plan Review Process Tentative Key Dates

DATE	MILESTONE/KEY EVENT
1/20/2021	Invitation to HEAP Stakeholders' Meeting – Announcement of HEAP Working Group on February 18, 2021, meeting held virtually from 1:00-4:00 p.m.
2/3/2021	Maine Community Action Agency (CAA) Housing and Energy Council Meeting - initial discussions about process and recommendations
2/11/2021	All Stakeholders, including CAAs – submit input/recommendations in writing to Troy Fullmer, Manager of HEAP, at tfullmer@mainehousing.org
2/16/2021	Meeting of MaineHousing Board of Commissioners – Introduction of HEAP Rulemaking and State Plan* Review process – <i>agenda will be available on MH's website prior to the meeting</i>
2/18/2021	HEAP Working Group Meeting for stakeholder input. Includes distribution of written input from all stakeholders received by 2/11. Meeting held virtually from 1:00-4:00 p.m.
3/9/2021	Distribute summary of proposed changes and recommendations from Stakeholders to MaineHousing Board of Commissioners
3/16/2021	Meeting of MaineHousing Board of Commissioners – HEAP discussion and Board input - <i>agenda will be available on website prior to meeting</i>
4/1/2021	Written response to CAA Housing and Energy Councils' and HEAP Working Group's recommendations
4/13/2021	Distribution of Information to MaineHousing Board of Commissioners – summary of proposed changes and drafts of HEAP Rule and State Plan*
4/13/2021	Submit proposed Rule to Attorney General's Office- notice of rulemaking
4/20/2021	Meeting of MaineHousing Board of Commissioners – Seek approval to commence Rule Making process – <i>agenda will be available on website prior to meeting</i>
4/20/2021	Email Notice of Public Hearing on the Rule with proposed Rule to the Secretary of State's Office
4/28/2021	Interested Parties Mailing – PY2022 State Plan*
5/18/2021	Meeting of MaineHousing Board of Commissioners - Public Hearing: HEAP Rule, PY2022 State Plan* - <i>agenda will be available on website and public notices published prior to meeting</i>
5/28/2021	Comment Period for Public Hearing* submissions ends
6/15/2021	Meeting of MaineHousing Board of Commissioners – Seek approval of Rule and State Plan*
TBD	CAA and Vendor Trainings on HEAP Changes
8/23/2021	CAAs begin taking PY2022 HEAP Applications

***NOTE:** If it is determined that MaineHousing will seek a waiver to reallocate fuel assistance funding to the weatherization program, this recommendation will be included in public hearings and opportunities and notifications for comment will be provided within the prescribed timeframes.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: January 12, 2021

Subject: Monthly Report - Finance Department

ACCOUNTING AND FINANCIAL REPORTING

- The Accounting and Financial Reporting (AFR) staff worked on various year-end tasks in December. These included processing the final 2020 payroll, reviewing retirement contributions for compliance with plan and IRS requirements, working with our payroll vendor on year-end Group Term Life Insurance calculations, identifying and calculating accrual entries for unpaid 2020 expenses, and setting up salaries, withholdings, and benefits for the 2021 payroll.

New modules for the agency's payroll system, Paylocity, were recently acquired and implemented. The addition of these two modules automates the employee benefits enrollment and merit adjustments processes and have made annual payroll setups and changes more efficient.

Staff also compiled information and prepared various year-end tax forms, including W-9 and 1099 forms. The W-9 forms are needed from all parties that receive an IRS reportable payment during the year and are used in preparing the 1099 forms.

- Work associated with the audit of the year-end financial statements continued throughout much of December. Auditors from Baker Newman & Noyes (BNN) performed work on the interim phase of their audit. This phase involves planning, documenting and assessing internal controls, and performing various audit procedures on certain account balances. In January, we will be performing year-end closing procedures and preparing schedules, work papers and third party confirmations for the audit. The auditors are scheduled to resume their work on February 1st. The audit needs to be completed, and the audited financial statements submitted, to our bond Trustee by March 31st.
- Performed work on the annual process of allocating flexible discretionary subsidy resources to programs. Discretionary subsidies are financial resources that MaineHousing has relative flexibility in how they are used for programs and do not have to be paid back to the source provider. A total of approximately \$62 million is available for allocation to 2021 programs. These funds consist primarily of the Federal HOME Investment Partnerships (FedHOME) and Federal Housing Trust Fund block grants from HUD and the Housing Opportunities for Maine Program (StateHOME), which represents MaineHousing's portion of the real estate transfer taxes collected by the State of Maine.

LOAN ADMINISTRATION

- MaineHousing has provided COVID-19 financial hardship assistance to 472 of its first-time homebuyer borrowers for the year 2020. This level of assistance represents approximately 4.3% of the total loan portfolio. The assistance provided has been in the form of a forbearance or through the Maine HOPE

Program. A total of 429 borrowers received a forbearance and 43 received assistance through Maine HOPE. Of the 472 borrowers assisted, 213 or 45% have subsequently brought their loan current and are no longer in forbearance or delinquent status.

MaineHousing's single-family loan portfolio consist of approximately 10,800 borrowers and amounts to \$965 million. The 259 loans in forbearance at the end of the year amount to approximately \$24.5 million and represents about 2.5% of the portfolio. The Mortgage Bankers Association reported that the national forbearance rate was 5.53% as of the end of December.

Delinquency rates typically trend higher this time of the year due to the holidays and the total rate for all delinquent single-family loans is 7.63% as of the end of November. Although year-end processing has not been finalized as of the date of this report, the preliminary rate for December is 7.59%. This is a 0.44% increase from the 7.15% rate at the beginning of this year.

- Loan Administration staff have been working with other departments to develop a financing program for community land trusts. Community land trusts are created to preserve long-term affordable housing by purchasing homes in their communities, then leasing the land using a long-term ground lease at affordable monthly rents. The ground lease includes provisions and restrictions on borrower eligibility, as well as on the resale of the property. Bond proceeds are used to finance our standard first-time homebuyer program and these loans generally have government mortgage insurance. Resale restrictions and mortgage insurance make using the standard financing model problematic, if the ground lease agreements do not automatically terminate the covenants in the event of a foreclosure or deed-in-lieu of foreclosure. A program offering is expected to be available within the next several months.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: January 12, 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 eleven-month period ended November 30, 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 approximately \$380 million. Total combined revenues approximate \$256.1 million and total expenses amount to \$245.6 million, which results in net operating income of \$10.5 million. For this eleven-month period in 2019, total combined net operating income was \$24.3 million. Net operating income is \$13.8 million lower in 2020. The net operating income decrease is attributed primarily to the following:

Current year net operating income for the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, is \$2.4 million compared to net operating income of \$11.9 million in 2019. MPP's net operating income has decreased by \$9.5 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 \$2.6 million as of November 30, 2020 compared to \$7.4 million at the end November 2019. This \$4.8 million reduction is due mainly to a substantial decrease in interest rates and lower interest income from non-mortgage investments, which is approximately \$5 million lower this year.

The HOME Fund also has 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 a \$3.6 million net operating income at the end of November. This is a decrease of \$4.5 million compared to net operating income of \$8.1 million at the end of November 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 this year is approximately \$1.8 million higher. However, total grant expenses are \$6.3 million higher at this point.

BUDGET RESULTS

Also attached are the budget variance results for the period ended November 30, 2020. These results are summarized and presented on the attachments 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 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 November 30, 2020 amount to \$69.8 million, while total expenses amount to \$65.8 million. For the eleven-month period ended November 30, 2020, revenues exceed expenses by \$4 million.

Revenues are below budget due to substantially lower interest income from non-mortgage investments. Interest rates have decreased during the year and average yields from investments are lower than budget projections. Interest income from mortgages is also running under budget due to lower than projected outstanding loan balances. Balances are lower because of a much higher level of single-family loan prepayments.

Expenses are also below budget. Interest expense is under budget as a result of lower interest rates on new bond issues and a higher level of bond redemptions, which has lowered outstanding balances. Operating and other program administration expenses (the first two expense lines) are also under budget. These expenses are itemized 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**.

Total 2020 operating expenses are budgeted at approximately \$19.4 million. As of November 30, 2020, approximately \$17.5 million or 90% of the total operating budget has been used. Total other program administrative expenses are budgeted at \$8.6 million and actual expenses amount to \$7 million.

Operating expenses are running under budget and are estimated to be below budget for the year by approximately \$520,000 due largely to the impact that COVID-19 has had on certain expenses. Expenses associated with staff trainings and conferences, partner and client trainings and meetings, and staff events are well below budget due to COVID-19 restrictions on gatherings and travel. Expenditures in these areas are projected to be under budget by a combined amount of approximately \$385,000.

Salaries are running higher than budget at this point because employees have taken less earned time, which has caused the related accrued liability to increase and exceed the budget by \$65,000.

Telephone expenses are 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 will be over budget by approximately \$50,000 for the year, capital expenditures for the phone system will be under budget by approximately \$150,000.

Property expenses associated with the new office building are projected to exceed the budget amount by about \$60,000. 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.

Expenses for professional services are expected to be under budget for the year by approximately \$150,000. Amounts for outsourcing legal and other consultant work and temporary employment services will not be needed to the extent originally anticipated.

Other Program Administrative expenses are also running under budget and are projected to be below budget by \$425,000 for the year. Single-family loan defaults and foreclosures are below budget estimates and related costs (first 3 lines) are expected to be under budget by a combined amount of approximately \$320,000. Single-family loan production will be approximately \$14 million below projections and related origination expenses will be under budget by \$240,000 as a result. Bond issue costs will exceed the budget by \$150,000. The budget was based on a total of five bond issuances during the year and there will be six.

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 November 30, 2020 and were primarily for renovation work and equipment for the new office building.

The overage for the renovation work on the new building is due to timing differences. The total budget amount for the acquisition and renovation of the office building has not changed from \$15.7 million. Expenditures have been incurred over three years starting in 2018 and the timing of expenditures had to be estimated 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 prepared expenditures for 2019 were expected to be \$2 million higher. As a result, 2020 expenditures will be \$2 million higher than budget.

The overages for the building's security and safety and data center equipment are attributed to similar timing differences noted for the building renovation work. Although an overage is reflected in this year's budget, both items are within their established project budget amounts.

Most of the \$353,000 budgeted for computer software this year will not be used. As noted in the operating expenses section, the amount for the phone system will not be used because a cloud-based system was acquired. Also, the amount for the enterprise multi-family will not be used this year and is being 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 November 30, 2020.

MAINE STATE HOUSING AUTHORITY
BALANCE SHEETS
NOVEMBER 30, 2020
(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
	2019	2020							
ASSETS:									
Cash, principally time deposits	42,089	49,268	27,240	1	15,677	13	6,337	0	0
Investments	360,782	452,774	393,465	8,054	21,158	23,146	0	2,273	4,678
Accounts receivable - Federal	3,133	10,364	0	0	0	0	10,364	0	0
Assets held for sale	3,675	0	0	0	0	0	0	0	0
Accrued interest and other assets	12,771	11,380	7,433	0	42	2,745	1,116	13	31
Mortgage notes receivable, net	1,433,203	1,461,809	1,418,658	0	5,825	26,313	0	1,434	9,579
Other notes receivable, net	251	218	0	0	208	0	0	10	0
Land, equipment and improvements, net	10,466	18,265	22	0	18,243	0	0	0	0
Other real estate owned	764	29	29	0	0	0	0	0	0
Accumulated decrease in fair value of hedging derivatives	12,838	22,311	22,311	0	0	0	0	0	0
Deferred pension expense	616	610	326	2	56	0	0	226	0
Deferred amount on debt refundings	3,783	3,171	3,171	0	0	0	0	0	0
Total Assets	1,884,371	2,030,199	1,872,655	8,057	61,209	52,217	17,817	3,956	14,288
LIABILITIES AND NET ASSETS:									
Accrued interest payable	2,442	2,434	2,035	0	0	0	0	0	399
Accounts payable - Federal	449	351	0	0	0	0	351	0	0
Accounts payable & accrued liabilities	1,940	5,505	354	2	5,067	0	82	0	0
Unearned income	7,421	12,232	0	0	0	838	659	10,735	0
Net pension liability	2,283	2,282	1,222	7	209	0	0	844	0
Deferred pension credit	1,016	867	464	3	79	0	0	321	0
Derivative instrument - interest rate swaps	12,838	22,311	22,311	0	0	0	0	0	0
Interfund	0	0	3,327	10	172	(7,401)	10,949	(7,057)	0
Mortgage bonds and notes payable, net	1,488,630	1,604,663	1,562,208	0	19,721	0	0	0	22,734
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
Total Liabilities	1,517,045	1,650,668	1,591,944	22	25,248	(6,563)	12,041	4,843	23,133
NET ASSETS:									
Restricted Net Assets	331,906	343,570	280,711	8,035	0	58,780	5,776	(887)	(8,845)
Unrestricted Net Assets	35,420	35,961	0	0	35,961	0	0	0	0
Total Net Assets	367,326	379,531	280,711	8,035	35,961	58,780	5,776	(887)	(8,845)
Total Liabilities and Net Assets	1,884,371	2,030,199	1,872,655	8,057	61,209	52,217	17,817	3,956	14,288

MAINE STATE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED NOVEMBER 30, 2020
(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
	2019	2020							
REVENUES:									
Interest from mortgages and notes	56,635	57,407	57,014	0	291	65	0	0	37
Income from investments	8,492	2,223	1,930	28	145	90	3	10	17
Net increase (decrease) in the fair value of investments	4,562	(168)	(155)	0	(13)	0	0	0	0
Fee income	8,647	9,311	558	0	467	0	7,914	372	0
Other revenue	146	911	4	0	646	261	0	0	0
Grant income	41,330	64,459	0	0	0	1,842	59,554	3,063	0
Income from State	21,494	23,159	0	0	0	18,843	0	0	4,316
Federal rent subsidy income	92,460	98,446	0	0	0	0	98,446	0	0
Gain on bond redemption	293	365	365	0	0	0	0	0	0
Total Revenues	234,059	256,113	59,716	28	1,536	21,101	165,917	3,445	4,370
EXPENSES:									
Operating expenses	16,466	17,505	0	0	17,505	0	0	0	0
Other program administrative expenses	5,957	5,462	5,055	0	0	0	184	223	0
Mortgage servicing fees	1,506	1,562	1,545	0	17	0	0	0	0
Provision for losses on loans	76	181	0	0	11	170	0	0	0
Losses on foreclosed real estate	0	0	0	0	0	0	0	0	0
Interest expense	42,241	42,060	41,248	0	0	0	0	0	812
Grant expense	50,661	80,500	0	0	0	17,338	59,608	3,063	491
Federal rent subsidy expense	92,809	98,374	0	0	0	0	98,374	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	9,446	56	(15,676)	0	6,025	149	0
Total Expenses	209,716	245,644	57,294	56	1,857	17,508	164,191	3,435	1,303
Net Operating Income (Loss)	24,343	10,469	2,422	(28)	(321)	3,593	1,726	10	3,067
Transfers between funds, net	0	0	0	0	(37)	457	(420)	0	0
Change in net assets	24,343	10,469	2,422	(28)	(358)	4,050	1,306	10	3,067
Net assets at beginning of year	342,983	369,062	278,289	8,063	36,319	54,730	4,470	(897)	(11,912)
Net assets at end of period	367,326	379,531	280,711	8,035	35,961	58,780	5,776	(887)	(8,845)

**MAINE STATE HOUSING AUTHORITY
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT
FOR THE PERIOD ENDED NOVEMBER 30, 2020**

(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	57,305	0	57,305	64,555	7,250	11%
Income from investments	2,103	13	2,116	8,479	6,363	75%
Fee income	1,025	8,286	9,311	10,399	1,088	10%
Other revenue	1,015	0	1,015	60	(955)	(1,592%)
Total Revenues	61,448	8,299	69,747	83,493	13,746	16%
EXPENSES:						
Operating expenses	11,331	6,174	17,505	19,413	1,908	10%
Other program administrative expenses	6,628	407	7,035	8,558	1,523	18%
Interest expense	41,248	0	41,248	47,100	5,852	12%
Total Expenses	59,207	6,581	65,788	75,071	9,283	12%
Excess Revenues Over Expenses	2,241	1,718	3,959	8,422	4,463	53%

**MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES
FOR THE PERIOD ENDED NOVEMBER 30, 2020**

ATTACHMENT B

	Total Annual Budget	Total Year to Date Actual	Budget Available	Percentage of Budget Available
Operating Expenses				
Salaries	10,258,267	9,680,048	578,219	6%
Payroll Taxes	748,530	687,243	61,287	8%
Retirement	997,726	913,662	84,064	8%
Medical and Life Insurance	2,839,935	2,477,807	362,128	13%
Other Fringe Benefits	12,000	7,198	4,802	40%
Office Supplies	47,795	39,952	7,843	16%
Printing	128,980	104,497	24,483	19%
Membership and Dues	57,087	50,811	6,276	11%
Subscriptions	21,565	15,497	6,068	28%
Sponsorships	20,000	9,500	10,500	53%
Staff Educ/Train/Conf	193,918	78,424	115,494	60%
Travel/Meals - Staff Educ/Train/Conf	163,363	40,093	123,270	75%
Partner/Client Train/Meetings	49,950	14,794	35,156	70%
Travel/Meals - Partner/Client Training	121,675	19,066	102,609	84%
Staff Events	22,100	8,112	13,988	63%
Meals - Staff Events	27,475	8,932	18,543	67%
Leased Vehicles	134,500	100,110	34,390	26%
Computer Supplies	66,000	64,476	1,524	2%
Computer License SAAS	150,611	148,220	2,391	2%
Building Rent & Utilities	429,437	425,332	4,105	1%
Rent-Other	34,130	31,039	3,091	9%
Repairs and Maintenance	49,900	49,845	55	0%
Computer Maintenance	661,492	651,024	10,468	2%
Depreciation	600,000	525,591	74,409	12%
Telephone	72,938	109,505	(36,567)	(50%)
Employment Advertising	3,900	3,069	831	21%
Postage and Shipping	90,510	88,752	1,758	2%
Insurance	89,074	83,871	5,203	6%
Recording Fees	1,000	1,168	(168)	(17%)
Payroll Services	27,300	24,971	2,329	9%
Audit Services	147,800	100,000	47,800	32%
Building Interest Expense	511,944	470,905	41,039	8%
Property Expenses	219,775	263,306	(43,531)	(20%)
Professional Services	411,859	208,217	203,642	49%
Total Operating Expenses	19,412,536	17,505,037	1,907,499	10%
Other Program Administrative Expenses				
Loan foreclosure expenses	400,000	59,491	340,509	85%
REO expenses	50,000	35,359	14,641	29%
Provision for losses on loans & REOs	225,000	11,262	213,738	95%
Mortgage Servicing fees	1,738,500	1,562,692	175,808	10%
Loan Origination expenses	3,000,000	2,354,783	645,217	22%
Bond Issuance Costs	750,000	833,084	(83,084)	(11%)
Trustee/Bank fees	157,000	155,467	1,533	1%
Program advertising/printing	170,000	98,800	71,200	42%
Bond and mortgagee insurance	15,000	14,974	26	0%
Variable rate bond remarket/liquidity facilities	925,000	889,084	35,916	4%
Cash flow/arbitrage/swap consultants/legal	585,000	593,160	(8,160)	(1%)
Homebuyer education	110,000	25,200	84,800	77%
Program administrator fees	422,000	391,707	30,293	7%
Section 8 security deposits/landlord incentives	10,500	10,432	68	1%
Total Other Program Administration Expenses	8,558,000	7,035,495	1,522,505	18%

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE PERIOD ENDED NOVEMBER 30, 2020**

ATTACHMENT C

Description	2020 Budget	2020 Actual	Budget Available	% Expended
Computer Hardware:				
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	10,795	(10,795)	
Total computer hardware	<u>397,000</u>	<u>388,889</u>	<u>8,111</u>	<u>98%</u>
Computer Software:				
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	8,081	51,919	
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	7,875	(7,875)	
Total computer software	<u>353,200</u>	<u>26,581</u>	<u>326,619</u>	<u>8%</u>
Office Equipment:				
New Office Building - workstations & furniture	800,000	782,201	17,799	
New Office building - security & life safety equipment	25,750	46,360	(20,610)	
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>1,201,555</u>	<u>(12,205)</u>	<u>101%</u>
New Office Building: - Acquisition/Rehab				
	<u>1,850,000</u>	<u>3,775,235</u>	<u>(1,925,235)</u>	<u>204%</u>
Total				
	<u><u>3,789,550</u></u>	<u><u>5,392,260</u></u>	<u><u>(1,602,710)</u></u>	<u><u>142%</u></u>

**MAINE STATE HOUSING AUTHORITY
MEMBERSHIPS, DUES, AND SPONSORSHIPS
FOR THE PERIOD ENDED NOVEMBER 30, 2020**

Description	Amount
Memberships and Dues	
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
National Council of State Housing Agencies - annual membership	28,037
Total	<u><u>\$ 50,811</u></u>

Sponsorships

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
New England Resident Service Coordinator - conference sponsor	2,500
Total	<u><u>\$ 9,500</u></u>



Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: January 6, 2021
Subject: Monthly Delinquencies Report

MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$667 million with 1,135 loans as of December 31, 2020. There are no 60+ days delinquent loans, as shown in *Exhibit 1*. The delinquency rate is 0.00%. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

HOME IMPROVEMENT DELINQUENCIES

The Home Improvement portfolio has 34 loans totaling \$79,373 as of December 31, 2020. The over 60-day delinquency rate is 12.55% and represents two loans in the amount of \$9,962. Delinquency rates for each participating lender are shown in *Exhibit 3*. Historical rates for the Home Improvement portfolio are shown in *Exhibit 4*.

SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$964 million with 10,713 loans as of November 30, 2020. The over 60-day delinquencies increased from 4.26% to 4.47% and the in-foreclosures decreased from 0.53% to 0.50%. The over 60-day delinquencies amount to \$43 million, with approximately \$4.8 million representing accounts in foreclosure. The over 60-day and in-foreclosure historic rates are shown in *Exhibit 6*. MaineHousing's overall delinquency rate by loan dollars is 4.47%; and the overall delinquency rate by loan count is 4.46%. As reflected in *Exhibit 7*, the overall delinquency rate by loan count is below the delinquency rate for all Maine Loans.

Servicer Delinquencies – As of November 30, 2020, Bank of America, NA had the highest overall delinquency rate of 20.73%, with an in-foreclosure rate of 4.22%. Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 4.33% to 4.67%, while the in-foreclosure rate decreased from 0.53% to 0.49%. Bangor Savings Bank had the lowest rate of delinquencies at 1.67%. Delinquency rates for each servicer are shown in *Exhibit 5*.

Delinquencies by Insurance Type – In November 2020, FHA insured loans had the highest delinquency rate by total insurance type of 7.52%, with in-foreclosures at 0.66%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 2.39%, with in-

foreclosures at 0.31%. Delinquencies by insurance type and the portfolio as a whole are shown in ***Exhibit 8***.

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 9***.

Foreclosure Prevention Activities – ***Exhibit 10*** summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of November 2020, we have assisted 1,521 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 12/31/2020

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	294,182.00	0.00	0.00
						294,182.00	0.00	0.00

Rental Housing

BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
QUARRY RIDGE APARTMENTS	1,137.50	10/15/20	FREEPORT	FHT QUARRY HIDGE LP	10/23/20	1,300,000.00	0.00	0.00
QUARRY RIDGE APARTMENTS	826.80	10/15/20	FREEPORT	FHT QUARRY HIDGE LP	10/23/20	944,910.00	0.00	0.00
						2,244,910.00	0.00	0.00

Supportive Housing & Other

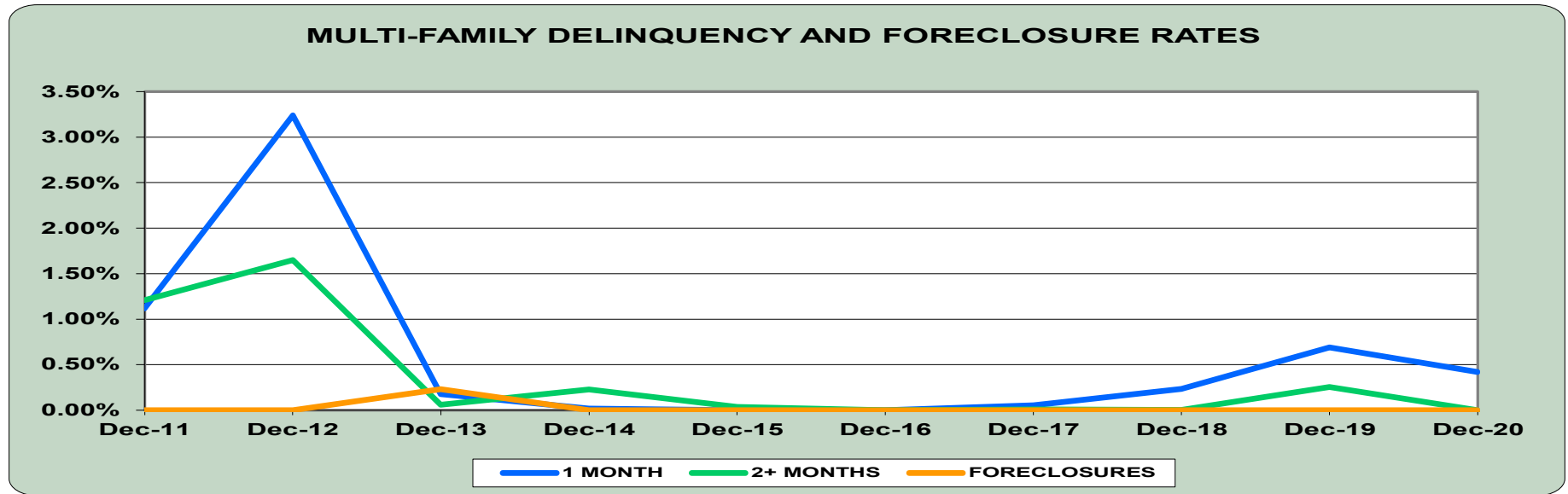
BORROWER	LEVEL PMT	PTD	LOCATION	PROJECT OWNER	ORIGINATION DATE	DELINQUENT 1 MONTH	DELINQUENT 2 MONTHS	DELINQUENT 3+ MONTHS
TWILIGHT DRIVE, 4	1,154.91	11/01/20	SCARBOROUGH	TWILIGHT DRIVE LLC	06/07/01	251,981.00	0.00	0.00
						251,981.00	0.00	0.00
						2,791,073.00	0.00	0.00

Grand Total

% of Portfolio Delq 60+ days 0.00%
Total Number of Loans 1,135



Multi-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL		1 MONTH		2+ MONTHS		FORECLOSURES	
	DOLLARS		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
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%
Dec-11	\$ 486,421,972	\$ 5,436,378		1.12%	\$ 5,875,983	1.21%	\$ -	0.00%



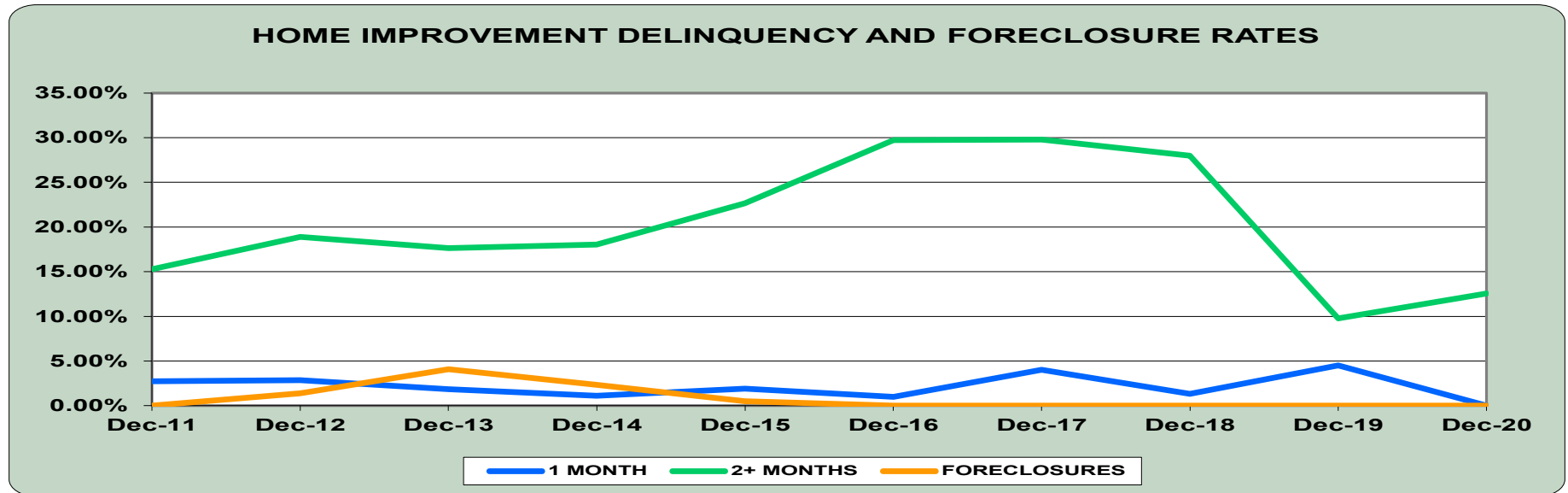
Home Improvement Delinquent Loans

Maine State Housing Authority Home Improvement Delinquencies by Lender 12/31/2020

LENDER	% of Portfolio Delq 60+ Days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS
ACAP	0.00%	3,193.90	0.00	0.00	0.00
CCI	0.00%	12,628.96	0.00	0.00	0.00
CED	0.00%	590.62	0.00	0.00	0.00
KVCAP	66.20%	2,943.77	0.00	1,948.76	0.00
PCAP	0.00%	5,024.44	0.00	0.00	0.00
WCCSA	0.00%	2,415.58	0.00	0.00	0.00
BATH SAVINGS	0.00%	11,961.35	0.00	0.00	0.00
CAMDEN NATIONAL	0.00%	14,570.61	0.00	0.00	0.00
KENNEBUNK SAVINGS	100.00%	8,013.40	0.00	0.00	8,013.40
NORTHEAST BANK	0.00%	3,964.37	0.00	0.00	0.00
NORWAY SAVINGS	0.00%	1,493.96	0.00	0.00	0.00
SKOWHEGAN SAVINGS	0.00%	10,453.97	0.00	0.00	0.00
THE FIRST	0.00%	2,117.99	0.00	0.00	0.00
TOTAL	12.55%	79,372.92	0.00	1,948.76	8,013.40
Total Number of Loans	34				



Home Improvement Delinquency & Foreclosure Trends



	OUTSTANDING			1 MONTH		2+ MONTHS		FORECLOSURES	
	PRINCIPAL	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Dec-20	\$ 79,373	\$ -	0.00%	\$ 9,962	12.55%	\$ -	0.00%		
Dec-19	\$ 156,955	\$ 7,089	4.52%	\$ 15,363	9.79%	\$ -	0.00%		
Dec-18	\$ 301,364	\$ 3,941	1.31%	\$ 84,317	27.98%	\$ -	0.00%		
Dec-17	\$ 515,603	\$ 20,749	4.02%	\$ 153,526	29.78%	\$ -	0.00%		
Dec-16	\$ 795,184	\$ 7,930	1.00%	\$ 236,299	29.72%	\$ -	0.00%		
Dec-15	\$ 1,062,015	\$ 20,041	1.89%	\$ 240,688	22.66%	\$ 5,160	0.49%		
Dec-14	\$ 1,412,221	\$ 15,722	1.11%	\$ 254,707	18.04%	\$ 32,897	2.33%		
Dec-13	\$ 2,066,062	\$ 38,101	1.84%	\$ 364,218	17.63%	\$ 84,283	4.08%		
Dec-12	\$ 2,803,309	\$ 79,925	2.85%	\$ 529,227	18.88%	\$ 38,727	1.38%		
Dec-11	\$ 3,766,637	\$ 102,824	2.73%	\$ 576,053	15.29%	\$ -	0.00%		



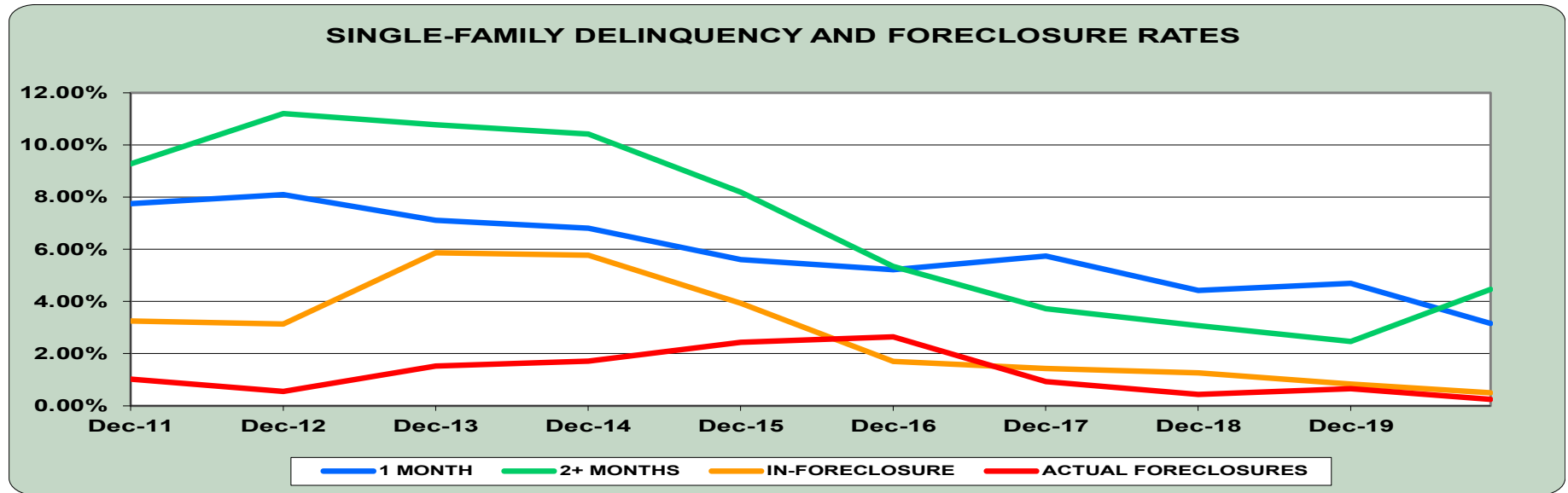
Single-Family Delinquent Loans

Maine State Housing Authority Single-Family Delinquencies by Servicer 11/30/2020

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	67.21%	4.67%	647,777,586.37	23,945,179.51	6,417,161.02	20,654,318.35	3,160,546.19
BANGOR SAVINGS BANK	16.38%	1.67%	157,887,555.65	2,196,980.55	689,080.18	1,814,446.45	136,855.57
CAMDEN NATIONAL BANK UK	9.10%	5.96%	87,731,601.69	1,887,424.92	472,756.71	4,377,231.01	375,204.96
MACHIAS SAVINGS BANK	6.29%	4.98%	60,662,538.17	1,802,912.22	703,259.16	1,529,069.42	788,574.20
BANK OF AMERICA NA	0.95%	20.73%	9,162,014.40	529,209.46	67,797.89	1,444,843.41	386,852.24
SALEM FIVE MORTGAGE CORP	0.07%	3.24%	653,665.88	49956.85	0.00	21,199.38	0.00
TOTAL	100.00%	4.47%	963,874,962.16	30,411,663.51	8,350,054.96	29,841,108.02	4,848,033.16



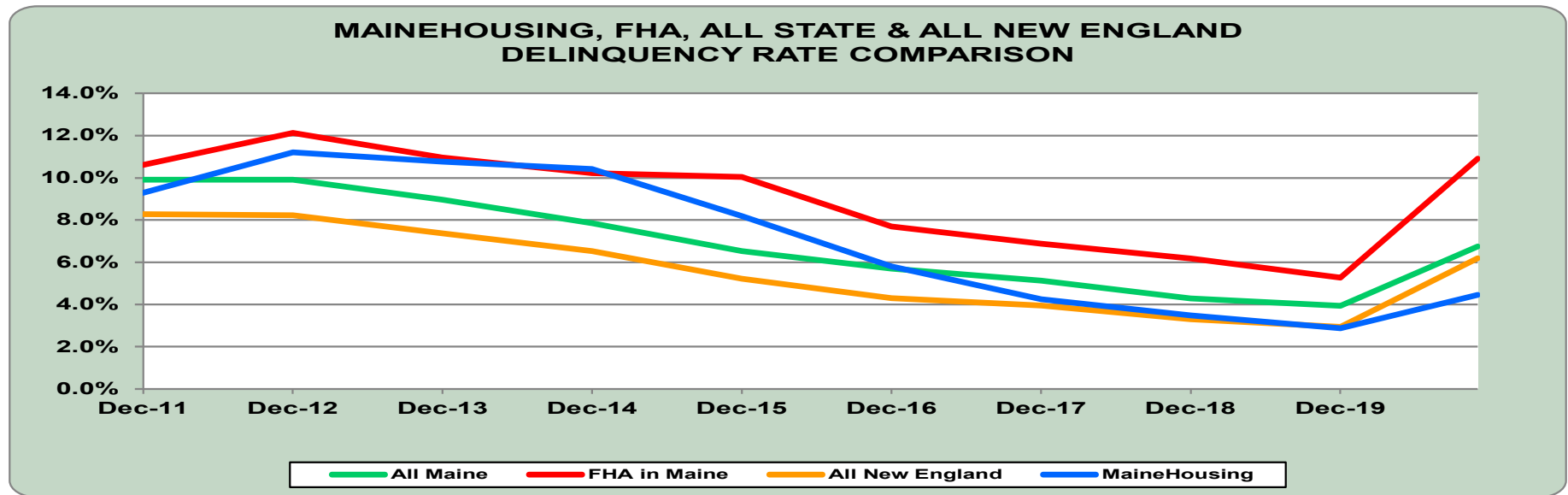
Single-Family Delinquency & Foreclosure Trends



	OUTSTANDING PRINCIPAL	1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
		DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Nov-20	\$ 963,874,962	\$ 30,411,664	3.16%	\$ 43,039,196	4.47%	\$ 4,848,033	0.50%	\$ 2,431,127	0.25%
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**	10,713	0.96%	2.98%	0.52%	4.46%

*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 4.47%, whereas rates in this exhibit are based on loan count.



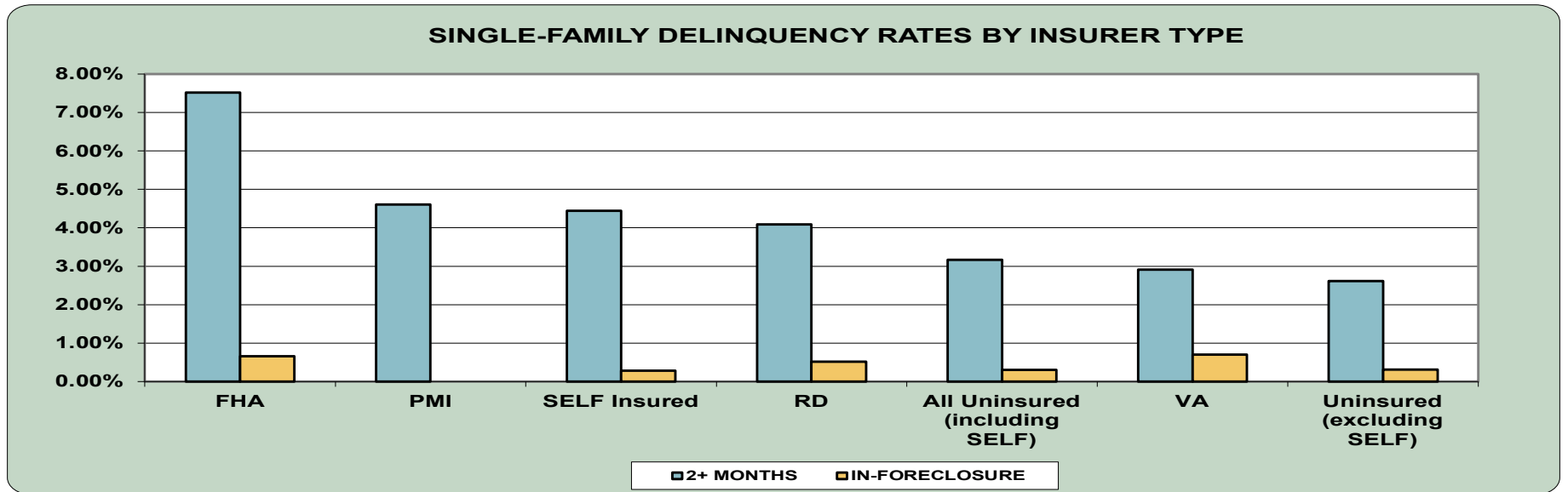
Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type
11/30/2020

TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	7.52%	0.66%
PMI	4.60%	0.00%
SELF Insured	4.44%	0.28%
RD	4.09%	0.52%
All Uninsured (including SELF)	3.16%	0.30%
VA	2.91%	0.70%
Uninsured (excluding SELF)	2.61%	0.31%

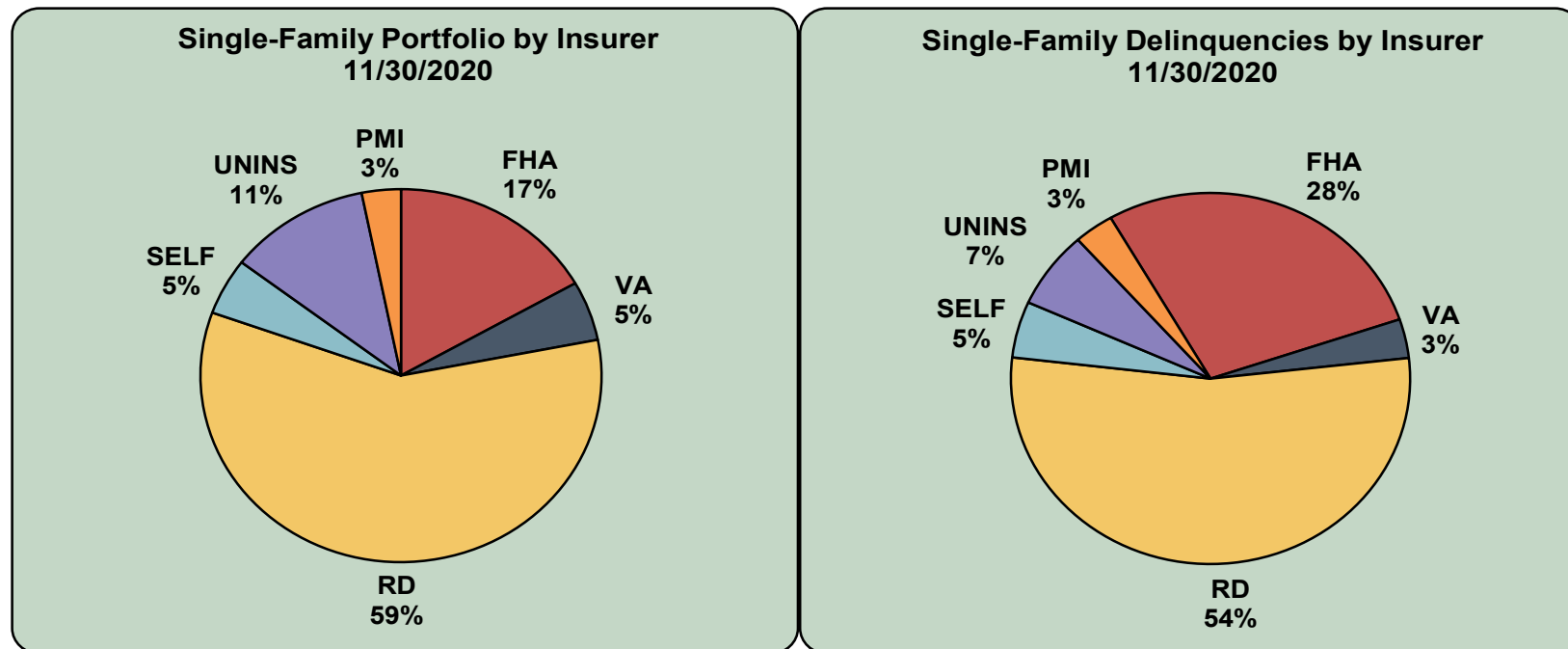
As A Percent of Total Loan Portfolio
11/30/2020

TYPE	2+ MONTHS	IN-FORECLOSURE
RD	2.39%	0.31%
FHA	1.26%	0.11%
All Uninsured (including SELF)	0.52%	0.05%
Uninsured (excluding SELF)	0.30%	0.04%
SELF Insured	0.22%	0.04%
VA	0.15%	0.04%
PMI	0.14%	0.00%

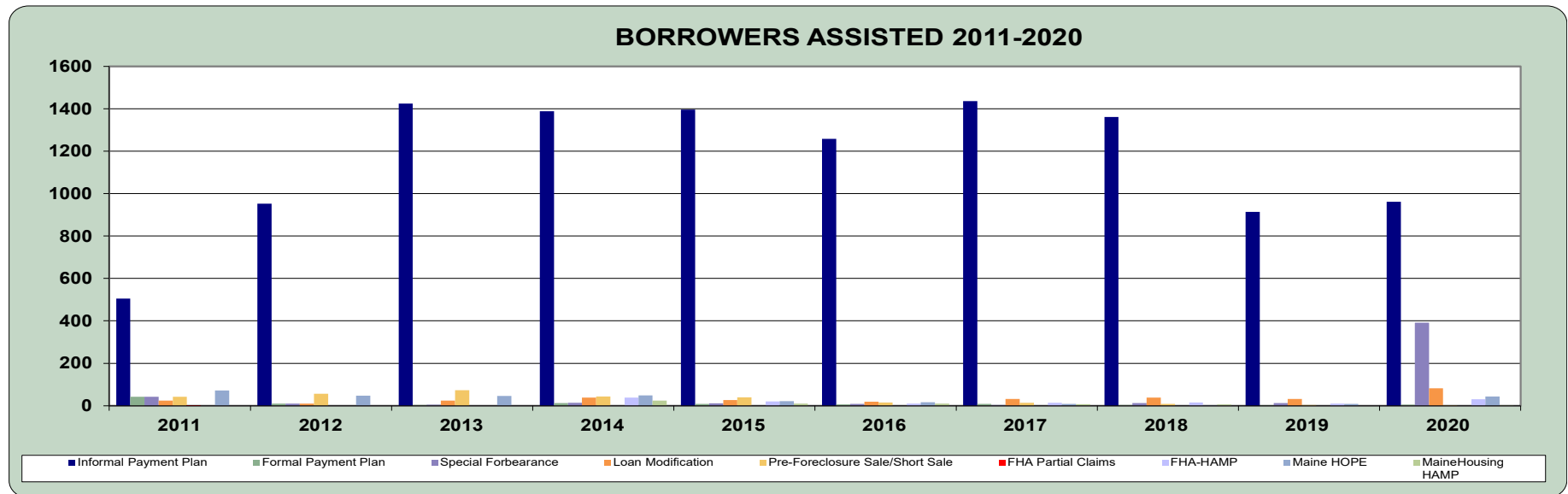


Single-Family Delinquencies by Mortgage Insurer

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	MaineHousing HAMP	Total Workouts
Nov-20	962	5	392	82	3		30	44	3	1521
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
Nov-20	36	10,713	0.34%
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, Interim Department Director

Date: January 12, 2021

Subject: January Report

2020 Highlights and Accomplishments

2020 was a year of significant change for everyone at MaineHousing, but especially the Homeless Initiatives Department, both in new programs and policies related to COVID-19 and in staffing. There were new positions added to handle the additional work, all while the staff was working remotely. The staff did an incredible job of adapting to the remote work environment as well as the new policies and programs. Following are the major accomplishments for the department in 2020.

Policy and Planning

Over the last couple of years MaineHousing has worked closely with the Statewide Homeless Council to strengthen policies and practices around homeless services provision in the state. The Statewide Homeless Council had identified a need to create a better overall service delivery system rooted in best practice from around the country. The pandemic amplified the need for a more coordinated system, and MaineHousing contracted with the Corporation for Supportive Housing (CSH) in June of 2020 to work with us in creating a regional homeless service delivery model that would maintain the shelters' strong connections and support from the communities they serve while managing their services in an interdependent network of providers.

By the middle of 2021 we hope to have a plan in place that includes a regionalized approach to service delivery and outlines the resources necessary to work toward truly ending and preventing homelessness across the state.

Emergency Shelter and Housing Assistance Program (ESHAP)

- In 2020 we successfully funded 36 Homeless Shelters across Maine that are providing emergency housing for our most vulnerable, utilizing a combination of HUD Emergency Solutions Grant (ESG) and State funds. We also updated the written standards for utilization of ESG funds.
- We transformed the annual full-day Shelter Housing Navigator training that covers program requirements, HUD data reporting requirements, the grant application process, and various rental housing topics to a virtual format that was very well received by the shelters. We also added new training modules for shelter staff to the Learning Management System.
- As an initial step to creating a Shelter Diversion Program for Maine, we offered training in Rapid Resolution, which is an evidence-based method of facilitating a strengths-based problem-solving conversation with an individual seeking shelter to assist them in identifying alternative options for housing that they might have. Over 100 frontline and supervisory staff from the shelters attended one of six two-day virtual training sessions facilitated by an expert in the field.
- In 2020 we revamped the fiscal monitoring process for shelters participating in ESHAP and created new tools to assist our staff in the process.

Homeless Initiatives Department Memorandum

Youth Homelessness Demonstration Program (YHDP)

The COVID-19 pandemic impacted the progress of the YHDP planning process in 2020. HUD granted Maine a one-year extension in planning to allow for project implementation in 2021 rather than in late 2020 as was originally planned. The YHDP team reconvened during the summer months after a break of several months. By the end of 2020 a near final draft of the Coordinated Community Plan to end and prevent youth homelessness in Maine was submitted to HUD and a draft of an RFP for project funding was completed. The RFP will be released in January 2021 and we will hopefully receive the funding to initiate projects by late spring/early summer.

Coordinated Entry System (CES)

We have spent several years working with the Continuum of Care on the design of a Coordinated Entry System. Coordinated Entry is a process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs. In 2020 MaineHousing requested HUD Technical Assistance to help the team work through some strong differences in regard to both philosophy and operations. Progress was made and we hope to implement a system early in 2021.

Maine Homeless Management Information System (HMIS)

HMIS is a system that captures data associated with persons experiencing homelessness, and it is administered by MaineHousing on behalf of the Maine Continuum of Care. In 2020 our HMIS team:

- implemented enhanced Security Training for HMIS Users and Shelter Navigators
- prepared for a new reporting system that will be initiated in 2021
- offered HMIS User training to provider staff involved in various new programming that was part of our COVID-19 response.

Staffing

We have added several positions to the department, which now has a total of 15 staff including the Director. These positions were created to enhance the department's work in grants management and program support. We added a second manager to the department to enable one manager to focus on Fiscal Management and HMIS and the second manager to focus on Programs. The workload as well as the variety of tasks managed by the staff supervised was overwhelming for one manager position.

Homeless Initiatives' Response to COVID-19

The pandemic hit the homeless population and, as a result, the homeless service providers especially hard. The Homeless Initiatives staff worked tirelessly to provide timely and helpful assistance to shelter providers that included the following:

- Becoming the 'Go To' resource for shelters on all things COVID. We accomplished this through regular communication on best practice, creating a COVID information section on the Maine Homeless Planning website which was updated frequently, attending weekly shelter meetings around COVID response and linking resources such as CDC experts to the shelter group.
- Collaborating with CPD on the creation of Homeless Provider Grants which were quickly distributed to shelters to cover costs related to the pandemic, including PPE and hygiene supplies, extra staffing costs and the cost to house people in hotel rooms in order to create adequate social distancing within the shelters.
- Collaborating with CPD to stand up congregate Wellness Shelters to facilitate social distancing at area shelters and ensuring that they were meeting the funding and reporting requirements.

Homeless Initiatives Department Memorandum

- Designing and implementing a one-year Rapid ReHousing Program which is being administered by four service providers in Portland, Bangor and Knox County in order to move individuals and families out of temporary Wellness Shelters and hotels more quickly.
- Carrying out all federal financial and data reporting requirements on the ESG-COVID funding we received.
- Beginning the process of designing a Shelter Diversion Program for the state with ESG-COVID funding. The Rapid Resolution training mentioned above was the first step in implementing this program.

Homeownership Department Memorandum

To: MaineHousing Board of Commissioners

From: Craig Reynolds, Director of Homeownership

Date: January 5, 2021

Subject: Monthly Report – Homeownership Department

2020 FIRST HOME LOAN PROGRAM STATISTICS REVIEW

Total Number of Loans	930
Total Loan Amount	\$136,217,426
Average Income	\$57,290
Average Age	34
Average Family Size	2
Average Credit Score	701
Average Purchase Price	\$151,829
Average Loan Amount	\$146,470
Average Property Age	63

Credit Score by Guarantor	
RD	700
FHA	683
VA	709
PMI (ARCH Pilot)	742
Self-Insured (MHSI)	705
Uninsured	712

Advantage Program Closing Cost Assistance	
Number of Loans with Advantage	898
Percentage of Total Loans with Advantage	97%
Average Loan Amount	\$146,712
Total Loan Amount	\$131,747,289
Total Assistance Granted	\$3,143,000

Salute Program Summary	#	\$
Salute ME	53	\$9,037,455
Salute Home Again	4	\$870,007
Total Loan Amount	57	\$9,907,462

Mobile Home Loan Summary	#	\$
Replacement Initiative (MHRI)	9	\$425,612
Self-Insured (MHSI)	46	\$4,625,103
Total Mobile Homes	72	\$7,096,161

PPI Option Summary	
PPI Total Number of Loans	9
Percentage of Total Loans	1%
Total Rehab Amount	\$96,714
Energy Star Appliance Amount	\$0

Summary by Guarantor	#	\$	%
RD	592	\$87,473,043	64%
FHA	119	\$18,240,091	13%
VA	53	\$9,329,375	6%
PMI (ARCH Pilot)	30	\$5,644,384	3%
Self-Insured (MHSI)	46	\$4,625,103	5%
Uninsured	90	\$10,905,430	10%

Housing by Property Type	#	%
Single Family	803	86%
2-4 Family	27	3%
Double Wide	51	5%
Single Wide	21	2%
Condo	26	3%
PUD	2	0%
Party Wall	0	0%

Loans by County	District	#	\$
Androscoggin	2	78	\$ 11,285,003
Aroostook	2	87	\$ 8,499,613
Cumberland	1	110	\$ 23,651,909
Franklin	2	36	\$ 4,502,837
Hancock	2	39	\$ 5,397,025
Kennebec	1,2	95	\$ 13,014,506
Knox	1	31	\$ 5,119,329
Lincoln	1	26	\$ 4,116,448
Oxford	2	45	\$ 5,533,894
Penobscot	2	128	\$ 16,381,357
Piscataquis	2	21	\$ 2,172,085
Sagadahoc	1	28	\$ 4,826,340
Somerset	2	65	\$ 7,570,815
Waldo	2	19	\$ 2,295,597
Washington	2	33	\$ 3,601,509
York	1	89	\$ 18,249,159

Loan Production by District	#	\$
District 1	344	\$63,974,815
District 2	586	\$72,242,611

2020 Loan Production & Market Status Review

The First Home Loan (FHL) program summary displayed above provides a breakdown of demographic and statistical information regarding program performance for 2020. The information is hopefully self-explanatory, but among many notable items the final loan count of 930 equaling just over \$136.2M in volume is the most outstanding achievement of all given the many unprecedented challenges created by the pandemic as were documented by Homeownership in monthly board reports throughout 2020.

Single family homes accounted for 86% of FHL program loans and 64% were financed in combination with USDA Rural Development. In keeping with recent years, 97% of all loans closed using the Advantage down payment and closing cost assistance option once again proving its value to MaineHousing's borrowers. We are also proud to report that 57 veteran/retired/active duty military families benefitted from the Salute ME and Salute Home financing program which offers a reduced mortgage interest rate.

Mortgage interest rates hovered at or near historic lows for nearly all of 2020 and the outlook for 2021 appears to be a continuation of this low rate environment which should keep the record high number of home sales in 2020 on track in the months ahead. Unfortunately for homebuyers this will likely also mean a further increase in home prices, an ongoing shortage of homes for sale and the challenge of even more intense competition for newly listed homes coming on the market.

Entering 2021, our FHL program is well positioned in terms of its competitive 30 year fixed interest rate of 2.875%, and by continuing to offer the Advantage down payment and closing cost assistance option of \$3500 which is equally important to its success. Production goals for the program have been set at 1100 loans and \$150M in total volume which are the same levels that were set for 2020.

National Industry Resource Outlook

The following article is an excerpt from the online 12/28/20 **Housing Wire AM Edition**.

"Despite the pandemic, incredibly, the housing market has surpassed all expectations in 2020. Applications to purchase a home hit a low point in the spring due to stay-at-home orders and mandated business closures, but have rebounded swiftly.

As of the week ending December 4, purchase loan applications have exceeded year-ago levels for 29-straight weeks, and cumulative purchase applications have surpassed 2019 levels. The pace of existing- and new-home sales mirrors the strength in purchase loan applications. New- and existing-home sales are at a post-Great Recession high. While the speed and magnitude of the housing recovery was surprising, the strong underlying fundamentals serving as tailwinds for the housing market's recovery were not, and these tailwinds are expected to remain strong in 2021.

2021 housing market tailwinds: Rates, demographics and supply

Low Mortgage Rates: According to our Potential Home Sales Model, the increase in house-buying power driven by historically low [mortgage rates](#) was a significant driver of the housing rebound from April through October. In 2021, [consensus forecasts](#) estimate the 30-year, fixed mortgage rate will likely be 3% – with forecasts ranging from 2.8% to 3.3%. Low mortgage rates will boost house-buying power and keep purchase demand robust.

Pent-Up Demographics: Millennials are the largest and most educated generational group in history – approximately [72 million strong](#) in 2019. The bulk of this generation turned 30 this year and are beginning to enter their prime home-buying years. [More than half](#) of all the purchase mortgages originated by **Fannie Mae** and **Freddie Mac** went to first-time home buyers in data available for 2020, and this trend shows no signs of abating in 2021.

Our analysis shows that Millennials may account for at least 15 million home sales in the next 10 years. This is a conservative estimate that does not take into consideration the [higher educational attainment and household income](#) of this generation relative to their predecessors. Adding fuel to the housing demand fire is the increase in the [personal savings rate](#), which climbed to an all-time high in April and remains above the historical average as pandemic-driven restrictions are limiting discretionary spending.

For young people that are still employed, increased savings can be used as a down payment, which is typically the [biggest hurdle](#) for first-time home buyers. In 2021, older Millennials will continue to form households, recession or not, which will put upward pressure on demand for homeownership.”

Partner Appreciation

With outside conferences and training events cancelled for most of 2020 due to the pandemic, the opportunities for Homeownership’s staff to personally interact with their lender and real estate partners were drastically curtailed. With a return to some degree of normalcy still seemingly months away, Homeownership staff proposed an effort to reach out to our partners to reconnect and thank them for their support and hard work that resulted in the First Home Loan program having a successful year despite the obstacles everyone has faced.

The decision was made to send a gift that would be useful in today’s world of COVID-19, which included individual zippered swag bags containing a face mask, hand sanitizer and “touchless” tool used to press keypad buttons and open doors with handles, with all items displaying the MaineHousing logo. Michelle White, Partner Education & Outreach Officer served as project leader for the department and organized the ordering, packing and shipping of the gifts bags.



Michelle White readies SWAG bags

With limited resources, the bags were sent to the top producing loan originators with our lending partners and to real estate professionals who had completed 2 or more client transactions using the First Home Loan program. Leading the way among real estate professionals was Stephanie Fields Beaulieu from Fields Realty, LLC in Fairfield with 12 First Home Loan transactions in 2020. On the lending side, Cindy Thibeu from Machias Savings Bank was the top loan originator with an amazing 47 First Home Loan transactions in 2020. Congratulations to these outstanding partners!

Every partner is important to our program and we sincerely thank them all for their support. Ideally we wish all of our partners could have received some token of our appreciation, but we're optimistic that at some point in 2021 there will finally be an opportunity to actually shake hands and thank each of them in person.

Housing Choice Vouchers Department Memorandum

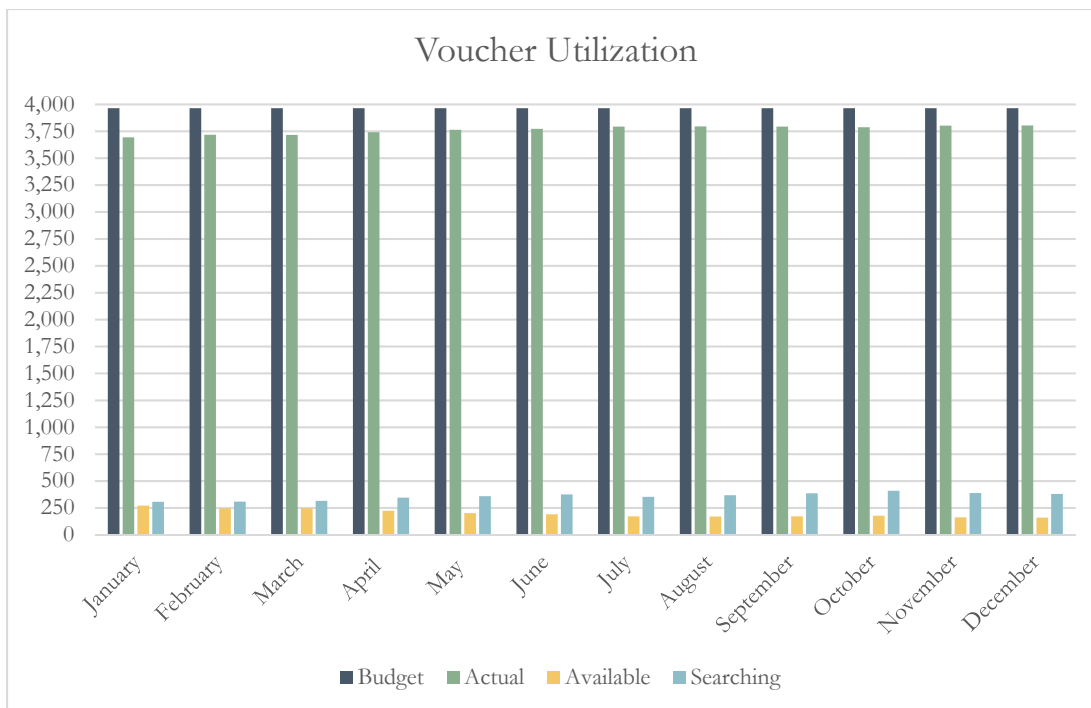
To: MaineHousing Board of Commissioners

From: Allison Gallagher - Director of HCV Programs

Date: January 19, 2021

Subject: Monthly Report – Housing Choice Voucher Program

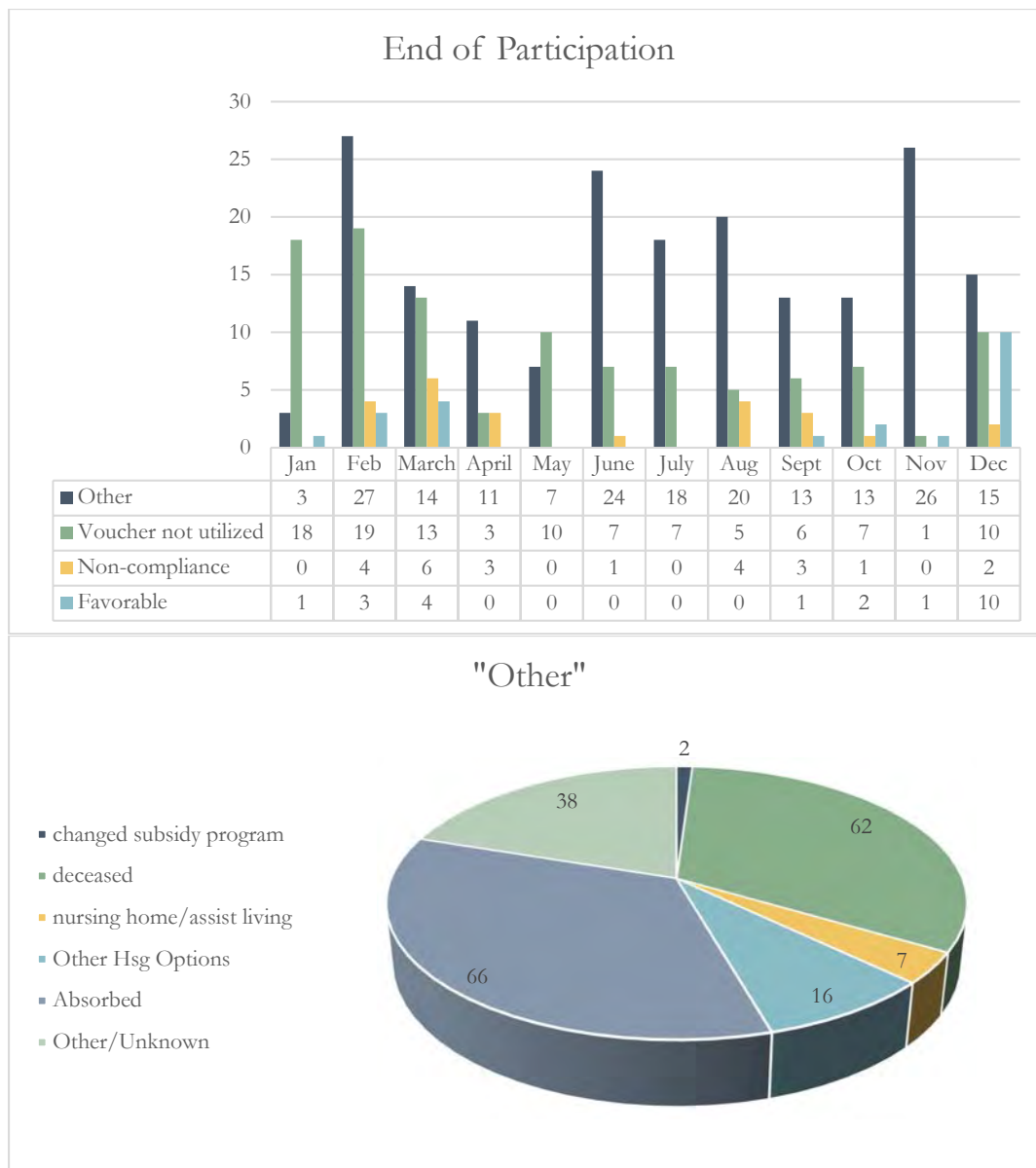
Program Updates:



HCV (homeless initiatives)

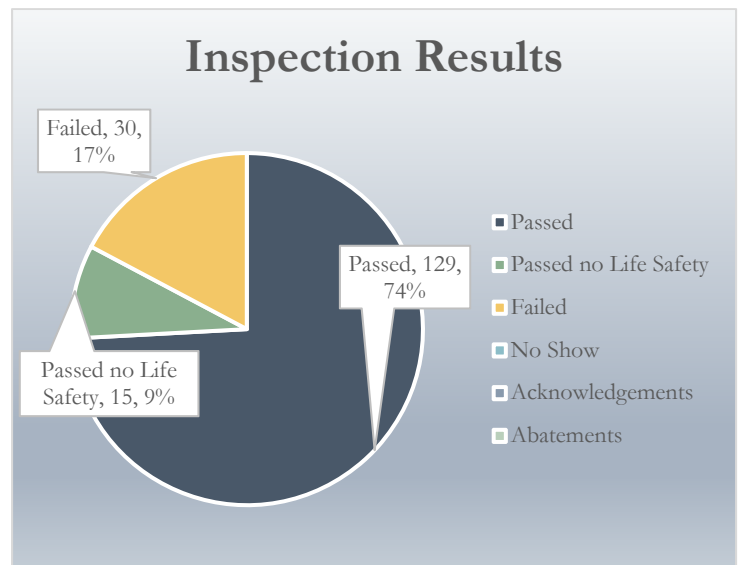
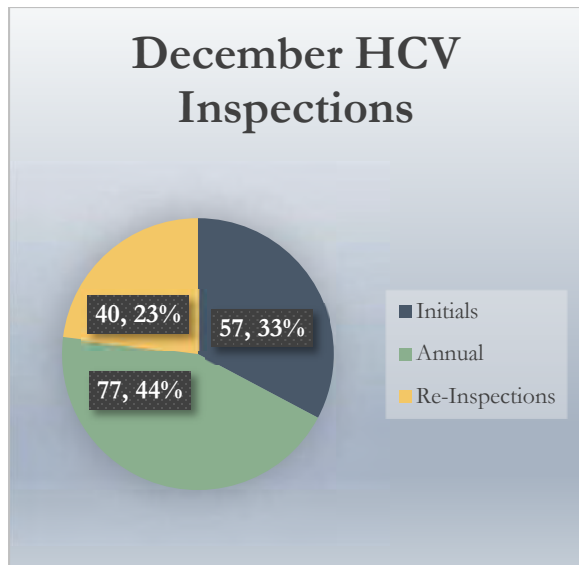
STEP, Home to Stay, Homeless priority

	Leased	Searching
STEP	165	32
Home to Stay	161	61
Homeless Priority	223	45

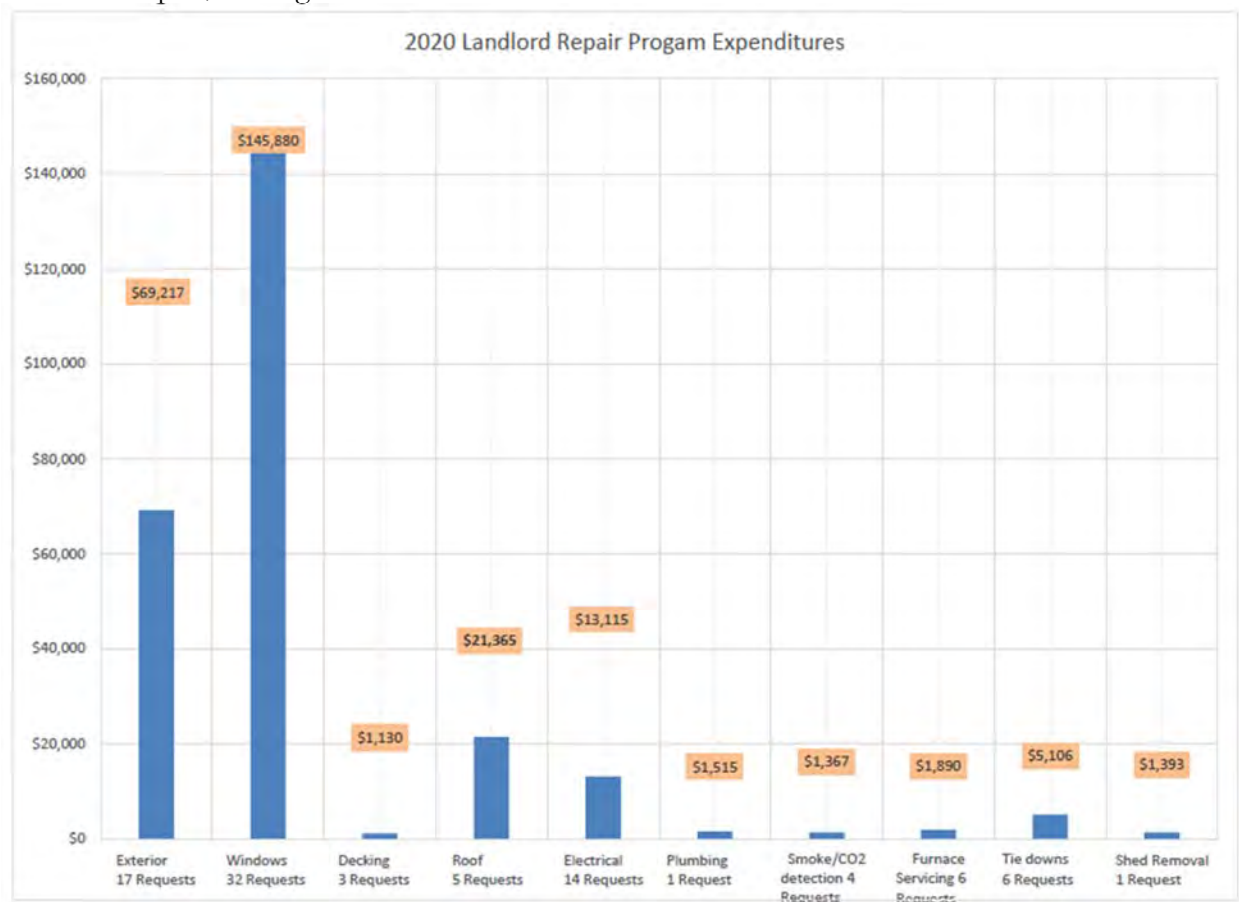


Inspection Updates:

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



Landlord Repair/Damage Grant



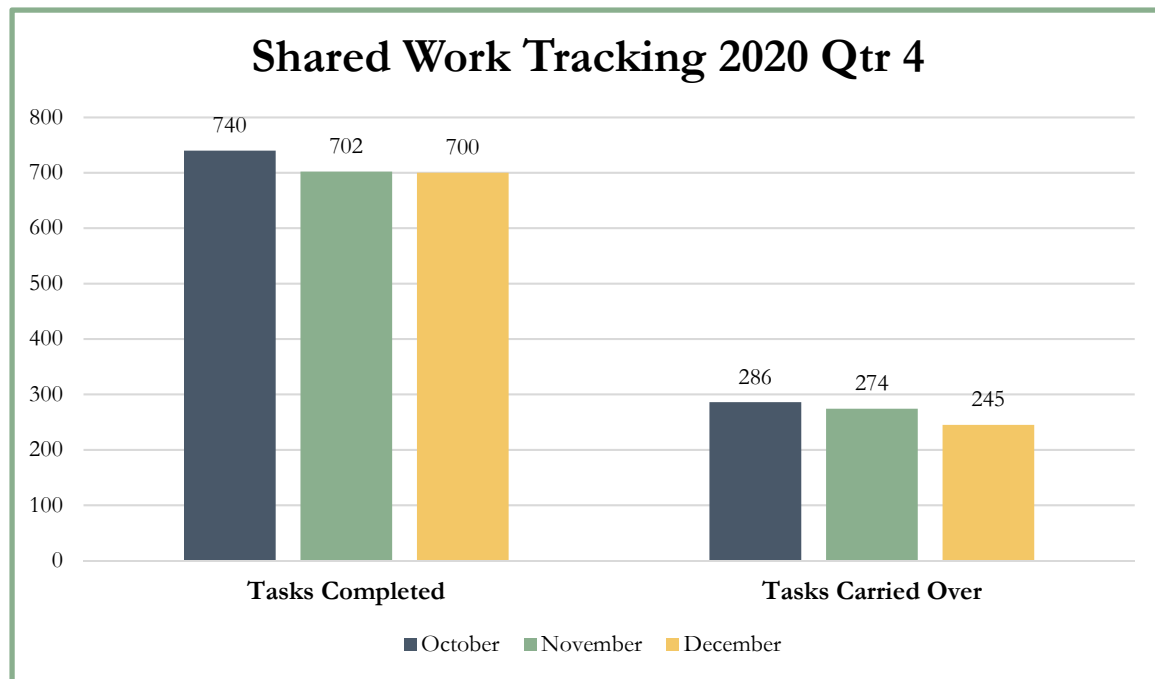
Landlord Repair Program: \$261,978.25

Damage Reimbursement Program: \$19,420.99

LEAN Initiative updates:

Goal: Shared work –reduce the tasks carried over per month

Utilizing task feature in RingCentral to track tasks as they are received by mail, fax or email. Tasks are logged and assigned according to a monthly priority chart.



Human Resources and Facilities Department Memorandum

To: Board of Commissioners

From: Jane Whitley, Director of Human Resources & Facilities

Date: January 2021

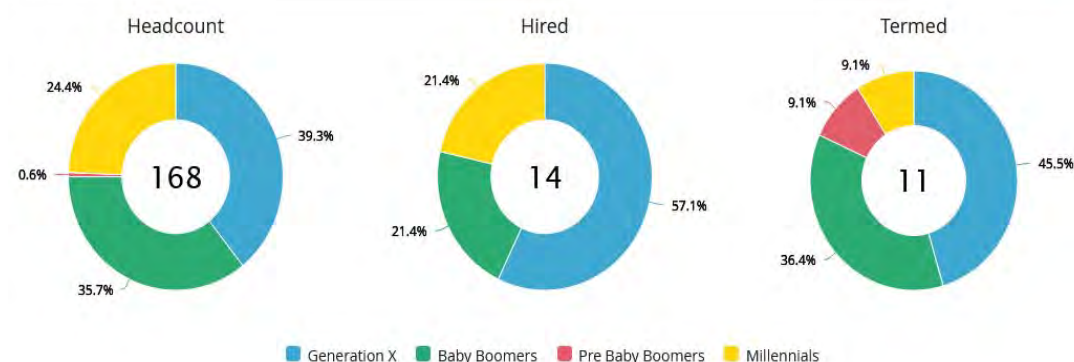
Subject: Board Report

Wishing you and yours a healthy and happy new year!

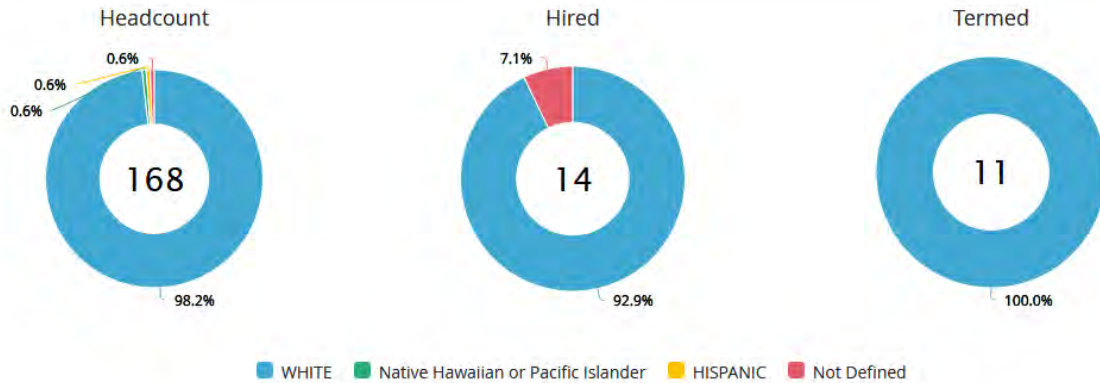
2020 Human Resources Year in Review



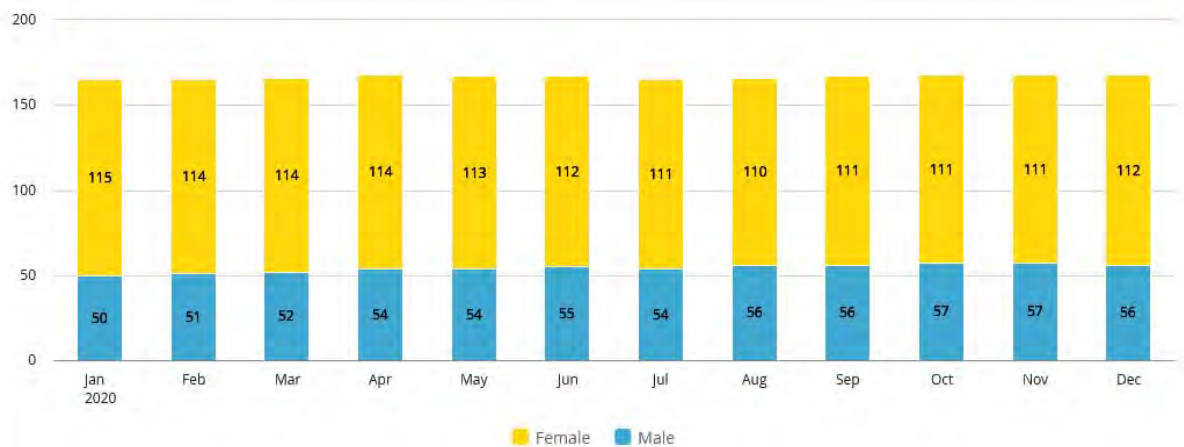
Generation at a Glance



Ethnicity at a Glance



Gender Over Time



Internal Promotions: 14

MaineHousing Website Career Page Visits: 5,825

Human Resources Updates - January 2021

Current Headcount: 172

New Hires: 4

- ✓ Erik Jorgensen, Director of Government Relations, Director's Office
- ✓ Andrea Westbye, Multifamily Loan Officer, Development Department
- ✓ Samuel Stonier, HEAP Program Assistant, Energy & Housings Services Department
- ✓ Tracie Eastman, HEAP Program Assistant, Energy & Housings Services Department

Retirement: 1

- ✓ Karen Vigue, Weatherization Program Officer, Energy & Housing Services Department

Facilities Updates

- ✓ HVAC Mechanical PM (Preventative Maintenance) RFP - Proposals are currently being scored, and contract will be awarded on January 19.



Information Technology Department Memorandum

To: Board of Commissioners

From: Sheila Nielsen, Director of

Date: IT January 19, 2021

Subject: Monthly Report

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

- Coordinated Illumant penetration re-test efforts.
- As members of Information Security Committee, completed changes and published updated Information Security Policy.
- Completed IT Security presentation to Audit Committee of the Board of Directors.
- Coordinated HDS NextGen project kickoff which will upgrade solution used by Asset Management for section 8 and multifamily processes.
- Transition HEAT (system used for Weatherization program) user provisioning from EHS to IT as part of the 2021 goal to migrate high risk application user provisioning to IT.
- Scheduled telecommuting equipment being used remotely to be brought in for quarterly security updates and patches, updates have begun.

Audit and Compliance Department Memorandum

To: Board of Commissioners

From: Linda L. Grotton, Director of Audit and Compliance

Date: January 19, 2021

Subject: Audit Committee Report – Annual Data Security Update

The MaineHousing Audit Committee held their quarterly meeting on January 7, 2021.

The Information Security Committee (ISC) was invited to present the Annual Data Security Update. Members of the Information Security Committee include Sheila Nielsen (Director of IT), Jason Bullock (IT Manager), and Rob Morrison (Systems Engineer) and myself. I serve as Chair of the ISC, which functions as MaineHousing's Information Security Officer.

The majority of the meeting focused on the results of the annual penetration and vulnerability testing recently conducted by Illumant, an outside security assessment firm. This is the third year that we have hired Illumant to assess our data security efforts, and we are pleased to report that overall results improved over last year. No critical or high vulnerabilities were identified during perimeter testing, and Illumant stated:

“Maine State Housing's internal network and domain security posture ultimately held up in preventing us from achieving our goal of taking over the domain. This is quite rare in our experience of assessing internal infrastructure for organizations of similar size.”

On Illumant's four point rating scale, MaineHousing moved from “Marginally Secure” (a rating of 2) to “Reasonably Secure” (a rating of 3) over the past year. A reasonably secure rating implies that “the organization has done a reasonable job securing sites, applications, systems, networks and information, relative to organizations of similar size and profile.” A rating of 1 is considered “Not Reasonably Secure” and a rating of 4 “Highly Secure” is uncommon and often comes with greater investment in technology and actions that could secure the system so well that employees are hindered from being able to do their jobs efficiently and effectively.

The Illumant assessment is actually comprised of five different components, and the rating results of each of the components is listed in the table below. The Risk Assessment component is rated on a 5 point scale, and MaineHousing comes in at 3, or Average Risk, which implies that we are comparable to other organizations of similar size and maturity that are also subject to cybersecurity threats.

Assessment Component	Description	Rating
Perimeter Security Assessment (PSA)	External vulnerability analysis and penetration testing of Internet-facing assets	Reasonably Secure
Internal Security Assessment (CASA/LANSA)	Internal vulnerability analysis and penetration testing of internal servers and infrastructure devices	Reasonably Secure
Network Infrastructure Security Assessment (NISA)	Analysis of the configuration of network infrastructure devices in comparison with best practices	Reasonably Secure
Risk Assessment	Analysis of the likelihood and potential impact of security threats given organizational security controls	Average Risk
Ransomware Security Assessment (RansomSA)	Analysis of the readiness of an organization to defend itself against ransomware	Reasonably Protected

Instead of conducting a physical security assessment of our facility in Augusta this year since the building is closed to the public due to COVID, we asked Illumant to conduct a Ransomware Security Assessment. That assessment is also rated on a four point scale, but they use the term “Reasonably Protected” vs. “Reasonably Secure.” They define “Reasonably Protected” as:

“While there may be recommendations for improving the security of the networks under review, appropriate action has been taken in the past to ensure that systems, networks, applications and data are protected from ransomware.”

The threat of outside hackers infecting MaineHousing systems with malware and the threat of a breach of client PII (personally identifiable information) remain two of the highest risks that MaineHousing faces. Sheila, Jason, and Rob described the major actions IT has taken, continues to perform, and future plans – all in an effort to keep MaineHousing safe from on-going and ever increasing cybersecurity threats.

Board Calendar 2021

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