

January 18, 2022 Board Meeting

Agenda - January 18, 2022	1
Minutes of December 21, 2021 Meeting	2
Asset Management	6
Communications and Planning	8
Development	11
Energy and Housing Services	13
HEAP PY2023 Rule and State Plan Review Process Tentative Key Dates	16
Finance Monthly Report	17
Financial & Budget Report	19
Finance Delinquency Report	28
Homeless Initiatives	38
Homeless Initiatives-Quick Reference Guide	42
Homeownership	49
Housing Choice Vouchers	54
Human Resources & Facilities	57
Information Technology	60
2022 Calendar	61

Board of Commissioners Meeting – January 18, 2022 9:00 A.M. – 12:00 P.M.

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

9:00	Adopt Agenda (VOTE)	Lincoln Merrill
	Approve minutes of December 21, 2021 meeting (VOTE)	All
	Communications and Conflicts	All
	Chair of the Board Updates	Lincoln Merrill
	Director Updates	Dan Brennan
9:30	Legislative Update	Erik Jorgensen
9:45	QAP Update	Mark Wiesendanger
10:05	HCV Landlords presentation	Barbara Brann
	Future Presentations/Topics	All
	<u>Department Reports:</u>	All
	Asset Management	
	Communications and Planning	
	Development	
	Energy and Housing Services	
	Finance Monthly Report	
	Financial & Budget Report	
	Finance Delinquency Report & Charts	
	Homeless Initiatives	
	Homeownership	
	Housing Choice Voucher	
	Human Resources and Facilities	
	Information Technology	
	2022 Board Calendar	
	Adjourn (VOTE)	All

***The next meeting of the Board is scheduled for February 15, 2022
virtually and in person at 26 Edison Drive, Augusta, Maine***



Minutes of the Board of Commissioners Meeting December 21, 2021

MEETING CONVENED

A meeting of the Board of Commissioners for MaineHousing convened on December 21, 2021 at the offices of MaineHousing, 26 Edison Drive, Augusta, Maine and virtually. Notice of the meeting was published on December 10, 2021 in Central Maine newspapers. Notice of Board of Commissioners meetings are also on MaineHousing's website at www.mainehousing.org.

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

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting included: Linda Uhl, Chief Counsel; Peter Merrill, Deputy Director; Adam Krea, Senior Director of Finance and Lending; Denise Lord, Senior Director of Strategic Initiatives; Daniel Drost, Director of Energy and Housing Services; Linda Grotton, Director of Audit and Compliance; Kevin Strout, Fraud Prevention Specialist; Jane Whitley, Director of Human Resources and Facilities; Erik Jorgensen, Senior Director of Government Relations and Communication; Karen Lawlor, Executive Administrator; Tom Cary, Treasurer; Allison Gallagher, Director of Housing Choice Vouchers; Steven McDermott, Strategic and Planning Team Leader; Kim Ferenc, Manager of Housing and Weatherization; Jason Stonier, Operations Manager – Building and Grounds; Craig Reynolds, Director of Homeownership; Scott Thistle, Communications Director; Troy Fulmer, Manager of HEAP; Tracy Snowden, Office Coordinator; Ashley Janotta, Counsel; Bob Conroy, Director of Asset Management; Lauren Bustard, Senior Director of Homeless Initiatives; Mark Wiesendanger, Director of Development; Brenda Sylvester, Community Housing of Maine; Robyn Wardell, Community Housing of Maine; and Gerrylynn Ricker, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Joseph made a motion seconded by Commissioner Buxbaum to adopt the December 21, 2021 agenda. The vote carried unanimously.

APPROVE MINUTES OF NOVEMBER 16, 2021 MEETING

Commissioner Joseph made a motion seconded by Commissioner Buxbaum to accept the November 16, 2021 minutes as written. The vote carried unanimously.

COMMUNICATIONS AND CONFLICTS

Commissioner Buxbaum reported that her employer Coastal Enterprises, Inc. is continuing to dispose of properties that were financed by MaineHousing.

CHAIR OF THE BOARD UPDATES

Chair Merrill mentioned his daughter purchased a condominium in Old Orchard Beach approximately 3 years ago for \$140,000. The unit next door to her which is smaller than hers sold

last week for \$300,000. Just an example of the current real estate market and how hard it is on young people to get into housing. Chair Merrill also mentioned that he has had conversations with Brian Sites, Vice President of Business Development at Volunteers of America. Chair Merrill also told the other Commissioners that he and Commissioner Joseph are not going to be re-appointed. The January 2022 meeting will probably be their last meeting depending on the date the Senate makes the confirmation of the new candidates.

ELECT OFFICERS

Commissioner Joseph made a motion seconded by State Treasurer Henry Beck to elect Bonita Usher to continue as Vice-Chair of the Board. The vote carried unanimously. State Treasurer Henry Beck made a motion seconded by Commissioner Buxbaum to elect Kevin Joseph to continue as Secretary of the Board. The vote carried unanimously.

DIRECTOR UPDATES

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

- Denise Lord, Senior Director of Strategic Initiatives is retiring at the end of the year. Director Brennan thanked her for her years of service to MaineHousing. Director Brennan also introduced Steven McDermott, Strategic and Planning Team Leader. He is leaving MaineHousing to take a job in the Governor's office. Both Denise and Steven have worked closely together on pandemic issues, hotels, and homeless initiatives.
- The Governor has made four nominations to our Board. The earliest the Senate can vote on the nominees is after the January 2022 meeting.
- Attended Maine Real Estate Development Association meeting on November 18 and the Maine Community Action Program meeting on November 19.
- Attended a meeting with members of the Governor's office as the Governor looks ahead to the raising energy costs and how to help Mainers outside of the programs that we run.
- Attended a ground breaking in Old Orchard Beach on November 30th with the Szanton Company and that morning the Szanton Company decided they were no longer going to pursue their project in Cape Elizabeth.
- The Maine Climate Council had their quarterly meeting earlier this month; a sub-committee met on equity and to make sure any new policies focus on those most in need and disadvantaged communities in our state.
- The zoning commission has concluded its work and they will be issuing their recommendations to the legislature.
- The Frequent Users System Engagement meetings that Director Brennan and Lauren Bustard Chair will be submitting its final report as well to the legislature.
- Visited the City of Lewiston and also visited the Penobscot County Homeless Coalition in Rockland.
- Presented to the Urban Economics class at Colby College. Talked with them about the low income housing tax credit program.
- Went down to Washington, DC last week and met with other housing authority directors. Talked about the rental assistance program, the Build Back Better bill, what's going on with COVID in the workplace.
- Director Brennan and Deputy Director Peter Merrill met with the new Maine Bankers Association President Jim Roche.
- Participated in several media interviews mostly focusing on energy, the HEAP program, low income housing tax credits and weatherization.
- Director Brennan will be on vacation next week and will return on January 3, 2022.
- Putting the finishing touches on the Affordable Housing Subdivision program. The Governor's office has taken a special interest in this program.

There was a discussion regarding the latest surge in COVID cases and whether masks should be required for the Board meetings.

ADOPT 2022 DOE WEATHERIZATION STATE PLAN

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

Commissioner Buxbaum made a motion seconded by Commissioner Joseph to adopt MaineHousing's proposed Department of Energy Weatherization Assistance Program 2022 State Plan. The vote carried unanimously.

ADOPTION OF THE 2022 BUDGET

Director of Finance Darren Brown reviewed the changes to the 2022 preliminary budget presented at the November meeting. Based on requests made at the November meeting, the merit adjustment factor was increased by 1% and we also included \$750,000 to provide employees with a one-time supplemental payment. These two changes increase salaries and related expenses in the Operating Expenses section of the budgets by a combined amount of approximately \$940,000.

State Treasurer Henry Beck made a motion seconded by Commissioner Joseph to adopt the 2022 budget as presented today with the two changes and to include Director Brennan in the one-time supplemental payment. The vote carried unanimously.

APPROVAL OF MPP SERIES RESOLUTION

Treasurer Tom Cary requested approval of a Series Resolution dated December 21, 2021, which authorizes the issuance of up to \$400 million of Bonds and Notes in the Mortgage Purchase Program for a period of approximately 14 months.

Commissioner Buxbaum made a motion seconded by Commissioner Joseph to approve the Series Resolution dated December 21, 2021. The vote carried unanimously.

FRAUD PREVENTION/INVESTIGATION

Director of Audit and Compliance Linda Grotton presented an overview of MaineHousing's fraud prevention and investigation efforts with regard to the ERA Rental Relief Program. Linda reviewed a statistical summary of the fraud activity as well as a Red Flags of Fraud document that has been shared with the Community Action Agencies (CAA's) to help them identify potentially fraudulent applications. Linda introduced Kevin Strout, our Fraud Prevention Specialist, who recently retired from a successful career in law enforcement. He also worked with the Ohio Attorney General's office investigating financial and Medicaid fraud. We have created a fraud team that includes Linda Grotton, Kevin Strout, Counsel Ashley Janotta, and Emergency Rental Assistance Program Manager Barbra Brann. Linda and Kevin check in almost every day and review questionable cases with the fraud team. That team discusses those cases and decides what the best course of action is. If the team believes the matter should be referred to law enforcement, they take the case to a larger group including, Director Brennan, Deputy Director Peter Merrill, Chief Counsel Linda Uhl, and Executive Administrator Karen Lawlor who is also the liaison with the Governor's office. Director Brennan makes any final decision to send a case to law enforcement. Most cases come from the CAA's and Kevin has established a relationship with the fraud staff at those agencies. We are working with the CAA's to identify potential cases at that level. They know their client base better than anyone and they can do some of the preliminary research. We have split the CAA's into three groups, based on their size, and we are meeting with them quarterly. Those meetings are going very well.

FUTURE PRESENTATIONS/TOPICS

Chair Merrill suggested our financial partners present. Director Brennan said yes, in the spring we will have a review of our audited financials and we can plan on another meeting involving a deeper dive with our partners on Wall Street. Director Brennan will include QAP discussions on the Agenda for both January and February. Director Brennan said it would also be good to hear from landlords that are participating in the emergency rental assistance program.

ADJOURN

State Treasurer Beck made a motion seconded by Commissioner Joseph to adjourn the meeting. The meeting was adjourned at 10:50 a.m. by unanimous vote of the Board.

Respectfully submitted,

Kevin P. Joseph, Secretary

Asset Management Department Memorandum

To: MaineHousing Board of Commissioners
From: Robert Conroy – Director, Asset Management
Date: January 10, 2022
Subject: January Board Report - Asset Management

From the Staff in Asset Management, we wish you a Happy and Healthy New Year!

HUD Performance-Based Contract Administration (PBCA) Annual Compliance Audit

Asset Management administers the PBCA contract on behalf of HUD.

The PBCA contract consists of a list of specific tasks in order to effectively administer the Section 8 project rental assistance contracts. The tasks include processing rental assistance, project file audits, inspections and technical assistance among other related activities. Our work is reviewed by HUD on an annual basis.

On December 12th, 2021 we were notified by HUD that the HUD Compliance Review Team (CRT) would conduct a limited remote Annual Compliance Review of our Performance Based Annual Contributions Contract (PB-ACC) for the period from December 7, 2021 to January 7, 2022.

The CRT has requested and is reviewing specific documents pertaining to the applicable Incentive-Based Performance Standards (IBPS) tasks performed for the period from October 1, 2020 to September 30, 2021.

We look forward to the completion of this annual review and receipt of relevant feedback from the HUD Compliance Review Team.

Asset Management Staff News

We are very pleased to have two new Asset Managers joining the AM Team in the 2 newly-created Asset Manager positions.

Ty Heaward, a native of Maine, is relocating back to Maine after a brief stint in Connecticut. Ty graduated from Central Maine Community College with a degree in accounting. He has held finance positions with the Town of Oxford, Community Concepts Finance Corporation and most recently as an Assistant Director for a soup kitchen in Connecticut. His background in finance and passion for the MaineHousing mission make him a great fit for the AM Team.

Christina Roy is coming over to us from the MaineHousing HCV Team. Christina, a graduate of University of New England and KVCC has been with MaineHousing in the HCV Department for five years. She began as an HCV Assistant and worked into the role of HCV Occupancy Specialist adding on the specialty role of Administration of the STEP program. She is fluent in compliance and committed to our affordable housing efforts.

Communications & Planning Department Memorandum

To: Board of Commissioners
From: Erik C. Jorgensen
Date: January 12, 2022
Subject: January 2022 Board Report

Legislative Season Returns with Testimony and Reports

The Communications and Planning Department has been wholly taken up with activities following up on the last legislative session and directly related to the upcoming legislative session. While I will be presenting a “live” report at the board meeting covering the upcoming session, I wanted to provide and update on the legislative reports that our department has been preparing and submitting.

The facts that we have had significant turnover in the department this fall and winter (three of our six staff members are either new or their positions are now vacant, and another staff member who was working on these has retired), combined with an unusually large number of legislative requests, have caused considerable production stress in CPD. These reports fall on top of the department’s regular deadlines and activities. The Legislature has, however, been receptive to requests to push out certain reporting deadlines as needed.

All of these reports will be posted on the MaineHousing Website once they are complete and have been submitted.

The reports we are preparing are summarized below:

475	Resolve, To Create the Frequent Users System Engagement Collaborative	Morales	IN LAW
---------------------	---	---------	--------

This report, which was submitted to the HHS Committee in December, explores the problem of frequent users of the highest-cost services in the homelessness support system, such as emergency shelters, psychiatric hospitals, emergency departments, jails and prisons. It was authored by Lauren Bustard with support from Scott Thistle and Linnea Rogers. The “collaborative” is a commission appointed by MaineHousing that met over the summer and fall, to discuss ways to coordinate services.

<u>787</u>	An Act To Comprehensively Address Homelessness and Affordable Housing in Maine	Morales	AMD to LETTER
----------------------------	--	---------	---------------

This bill started life as a blank concept, and on the last day of committee hearings was modified into a report request on the state of affordable housing in Maine. We will report back to the Committee on best practices being used to develop affordable housing here and across the country, as well as recommend legislative proposals. The report is due on February 1 2022 and is being written by Clyde Barr.

<u>1201</u>	Resolve, Directing the Maine State Housing Authority To Engage Stakeholders in an Examination of Fair Chance Housing Policy Options	Talbot Ross	IN LAW
-----------------------------	---	----------------	--------

This represents continuation of legislation that was introduced in the 129th legislature wherein MaineHousing convened a stakeholder group to explore “Fair Chance” policy options. These options relate to reducing the negative effect of prior incarceration on applicants for housing by making a criminal record the last thing asked about in a landlord’s screening process. The earlier group met several times and had little success finding common ground before the session ended in the COVID pandemic. This bill is intended to re-start these discussions. **MSHA has been assigned to lead and continue to serve as the facilitator for this process.** We will be conducting an online Seminar for stakeholders on January 24 on this topic, led by the [Vera Institute](#), a national organization devoted to housing and civil justice issues.

<u>1269</u>	An Act To Preserve Fair Housing in Maine	Talbot Ross	IN LAW
-----------------------------	--	----------------	--------

During the Trump administration, HUD moved away from an explicit commitment to assuring fair housing. While MaineHousing never reduced its focus in that area, the purpose of this bill was to assure that, regardless of changes to Federal policy, Maine would continue to adhere to fair housing standards. HUD has since re-established its fair housing rules, making this bill largely unnecessary. MSHA has been assigned the task of reporting on its fair housing efforts as well as those of other PHA’s in Maine. We have asked for and received an extension until mid-February on this report.

<u>1397</u>	An Act Directing the Maine State Housing Authority To Create A Commission To Develop a Comprehensive Rental Registry for Multifamily Housing	Gere	MODIFIED IN LAW
-----------------------------	--	------	-----------------

This bill originally called for MSHA to develop a comprehensive registry to include all apartment units in Maine, their occupancy status, any violations they might have experienced, their owners, and all sorts of other information. Given that this was impractical without a significant budget, the bill was modified into a resolve to assist the City of Lewiston with technical support on their rental

registry project. While Lewiston did not ultimately request significant technical support we are preparing the required report, authored by Scott Thistle, on the status of rental registries in Maine.

1709	An Act To Promote Homeownership by Minimizing Education Debt	Jackson	IN LAW
----------------------	--	---------	--------

This is a program proposed by Senate President Troy Jackson to promote homeownership by minimizing educational debt. MaineHousing was instructed to develop a program modeled after similar ones in Maryland and Illinois, which we did. MaineHousing's Homeownership Department was instrumental in developing the specifics of the proposal.

The program would start with participants who, but for student debt, would qualify for MaineHousing's First Home Loan program. With the closing of the mortgage, qualifying student debt, up to \$40,000, would be paid down in exchange for the borrowers agreeing to remain in their new home for five years. A second lien, equal to the amount of student debt retired, would then be placed on the property. The lien would be forgiven over the 5 years in increments of 20% per year. If the homeowner left their house before the end of the lien period, the remaining portion of the lien would be converted to a loan that would be payable to the Finance Authority of Maine.

We submitted the program report in December. Early in January, I provided an overview of this proposed program to the Legislature's IDEA Committee. This is a bill that would require a significant outlay of state money to be done at any scale.

Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Mark C. Wiesendanger, Director of Development

Date: January 18, 2022

Subject: Monthly Report

2023-2024 Qualified Allocation Plan (QAP)

After receiving input from three meetings with external partners, Development has started internal discussions about the next QAP. Asset Management, Legal, and Treasury join Development in determining changes that we would like to make to the next iteration. We hope to have a draft circulating by month's end, internal approval in February, and a Board presentation in March.

Areas of interest include:

- Updating scoring criteria
- Non-amortizing debt
- TIF scoring
- Telehealth
- Funding compatibility
- Non-senior efficiencies and 1 bedroom unit scoring
- Cost caps
- Energy efficiency/Passive House
- MaineHousing PBVs in LIHTC
- Below market capital definition/appropriateness
- Maximum per project subsidy
- Air conditioning costs
- Developer and Management experience/capacity

2022 Supportive Housing Program

Scoring is underway for the 2022 Supportive Housing Program. We received 3 full applications which have been threshold review and are currently being scored.

Project Address	City/Town	Developer	Total Units	SHP Funding Request
1 Edgemont Drive	Presque Isle	Aroostook County Action Program	14	\$ 2,436,514
6-7 Madelyn Lane	Rockport	Knox County Homeless Coalition	26	\$ 2,000,000
100 Ohio Street	Bangor	Community Housing of Maine	4	\$ 822,642
			44	\$ 5,259,156

Staff

Rob Seavey joined us in December as a Construction Analyst, after working as a Team Leader in the HCV Department. Rob's experience in construction and conducting inspections, excitement for learning new things and taking on new challenges, and 10 years of experience working at MaineHousing, provide him with a solid background to take on the Construction Analyst role.

James Francomano joins us this month as a new Construction Analyst. Jamie brings a wealth of knowledge from his extensive experience working in city and land use planning and development, along with an educational background in architecture and law. We look forward to gaining his perspective.

Kelly Purington has been promoted to Multifamily Underwriting Manager. This is Kelly's 4th position in Development in 4 years. She continually demonstrates her formidable underwriting chops, natural leadership, and general awesomeness.

We are currently hiring Multifamily Loan Officers, and may hire additional Development staff as workload increases.

We have released a Request for Proposals to find partners to whom we might outsource some of our financial underwriting duties. Responses are due January 28.

Development currently has TWICE the workload of just two years ago, and put a record 524 new units online last year. The Development Team has risen to the occasion, doing a tremendous job with an unprecedented workload and increasingly complicated projects.



Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners
From: Daniel Drost, Director of Energy and Housing Services
Date: January 18, 2022
Subject: EHS Monthly Report – January, 2022

HOME ENERGY ASSISTANCE PROGRAM (HEAP)

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

Number of Applications	PY 2022 THRU 1.7.2022	PY 2021 THRU 1.8.2021	+/-	% change
Total Applications Taken	30,378	31,590	-1,212	-3.8%
Confirmed Eligible/Paid	16,653	16,609	+44	+.03%
Pending (in process)	10,733	11,406	-673	-5.9%
Other (ineligible, denied, void, etc.)	2,992	3,575	-583	-16.3%

PY2022 Regular Benefits Paid from 10.5.2021 to 1.7.2022: \$10,568,888.01

HOME ENERGY ASSISTANCE PROGRAM (HEAP):

Initial Planning for Program Year 2023: Energy and Housing Services Department (EHS) personnel engaged in several activities over the past month to gear up for next year's HEAP season. Tentative Key Dates for the HEAP Program Year 2023 Rule and State Plan review process were reviewed with Community Action Agency (CAA) Energy and Housing Councils during their monthly meeting on December 3, 2021 and the Key Dates were more broadly distributed to CAA Executive Directors via email on January 3, 2022. During the week of December 6, 2021, members of EHS Management and a HEAP Compliance Program Officer held separate meetings with each CAA HEAP Manager. The purpose of these meetings was to find out the current state with taking HEAP applications, to discuss challenges with serving households in a timely and efficient manner, and to discuss possible program changes that could help support more efficiencies with the HEAP application process.

EHS Energy Personnel held an annual planning and calendaring meeting on January 5, 2022, which included some prioritization of activities for the next program year. EHS Energy personnel had initial HEAP PY2023 planning discussions with the CAA Energy and Housing Councils during their meeting on January 7, 2022, and input gathered during this meeting will be taken into consideration as the annual planning process moves forward. EHS is preparing for an annual HEAP Stakeholders meeting, being held on February 17, 2022, with the meeting announcement being sent out to HEAP Stakeholders, including participating HEAP vendors on January 14, 2022. All of these activities are steps leading to proposed changes in the HEAP Rule and State Plan that will be presented to the MaineHousing Board of Commissioners during their March 2022 meeting.

HOME ACCESSIBILITY AND REPAIR PROGRAM (HARP):

The Home Accessibility and Repair Program 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 is from January 1 through December 31. MaineHousing contracts with eight (8) Community Action Agencies (CAAs) to administer the program. The Energy and Housing Services Department (EHS) is working with the CAAs to close out the 2021 HARP Program. The EHS Finance Team allocated the 2022 HARP funds and sent contracts to the CAAs.

EHS is working with the CAAs to close out the 2021 HARP Program.

Report Date: January 10, 2022

Agency	Projects	Project Cost
ACAP	52	\$ 624,411.30
CCI-ANDROSCOGGIN	53	\$ 660,479.70
CCI-CUMBERLAND	31	\$ 399,690.00
DCP	14	\$ 194,756.28
KVCAP	37	\$ 455,222.49
PCAP	46	\$ 608,283.73
WCAP	15	\$ 311,632.76
WMCA	9	\$ 115,602.93
YCCAC	17	\$ 217,123.01
Total	274	\$ 3,587,202.20

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 administered by three Community Action Agencies (Aroostook County Action Program, Community Concepts, Inc., and Penquis Community Action Program).

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

FEDERAL LEAD HAZARD REDUCTION PROGRAM Total Units By Status and Agency				
	ACAP	CCI	PCAP	Total
Complete	1	35	26	62
Declined	0	4	5	9
Under Contract	3	49	46	98
Approved ER	3	22	3	28
Total	7	110	80	197

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

STATE LEAD HAZARD REDUCTION PROGRAM Total Units By Status and Agency				
	ACAP	CCI	PCAP	Total
Complete	2	108	62	172
Declined	0	0	0	0
Under Contract	3	6	9	18
Out to Bid	0	0	0	0
SHPO	0	0	0	0
<i>Total</i>	<i>5</i>	<i>114</i>	<i>71</i>	<i>190</i>

HEAP PY2023 Rule and State Plan Review Process Tentative Key Dates

DATE	MILESTONE/KEY EVENT
1/7/2022	Maine Community Action Agency (CAA) Housing and Energy Council Meeting - initial discussions about process and recommendations for PY2023
1/17/2022	Invitation to HEAP Stakeholders' Meeting – Announcement of HEAP Working Group on February 17, 2022, meeting held virtually from 1:00-4:00 p.m.
2/10/2022	All Stakeholders, including CAAs – submit input/recommendations in writing to Troy Fullmer, Manager of HEAP, at tfullmer@mainehousing.org
2/15/2022	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>
2/17/2022	HEAP Working Group Meeting for stakeholder input. Includes distribution of written input from all stakeholders received by 2/10. Meeting held virtually from 1:00-4:00 p.m.
3/8/2022	Distribute summary of proposed changes and recommendations from Stakeholders to MaineHousing Board of Commissioners
3/15/2022	Meeting of MaineHousing Board of Commissioners – HEAP discussion and Board input - <i>agenda will be available on website prior to meeting</i>
3/31/2022	Written response to CAA Housing and Energy Councils' and HEAP Working Group's recommendations
4/12/2022	Distribution of information to MaineHousing Board of Commissioners – summary of proposed changes and drafts of HEAP Rule and State Plan*
4/12/2022	Submit proposed Rule to Attorney General's Office- notice of rulemaking
4/19/2022	Meeting of MaineHousing Board of Commissioners – Seek approval to commence Rule Making process – <i>agenda will be available on website prior to meeting</i>
4/19/2022	Email Notice of Public Hearing on the Rule with proposed Rule to the Secretary of State's Office
4/27/2022	Interested Parties Mailing – PY2023 State Plan*
5/17/2022	Meeting of MaineHousing Board of Commissioners - Public Hearing: HEAP Rule, PY2023 State Plan* - <i>agenda will be available on website and public notices published prior to meeting</i>
5/27/2022	Comment Period for Public Hearing* submissions ends
6/21/2022	Meeting of MaineHousing Board of Commissioners – Seek approval of Rule and State Plan*
8/8-10, 2022	HEAP CAA Training
8/22/2022	CAAs begin taking PY2022 HEAP Applications
TBD	HEAP Vendor Training

***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 11, 2022

Subject: Monthly Activity 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 2021 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 2021 expenses, and setting up salaries, withholdings, and benefits for the 2022 payroll.

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 2021 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 January 31st. The audit needs to be completed, and the audited financial statements submitted, to our bond Trustee by March 31st.
- The audit of MaineHousing's federally funded programs for the year ended December 31, 2020 is being finalized and a draft report is expected this week. The final audit reports are expected to be issued before the end of this month and will be provided once available.

MaineHousing disbursed approximately \$193 million through twenty-six different federal programs in 2020. Major federal programs are audited on a rotating basis. The major programs for the 2020 audit are the Section 8 Housing Choice Voucher, HOME Investment Partnership, CARES Act – Rent Relief, and FEMA Homelessness programs.

The federal compliance audit typically needs to be completed and filed with the Federal Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after year end. However, automatic extensions of up to six months are permitted for 2020 audits because of COVID-19. The increase in new federal programs and staff turnover at BNN has caused some delays with this audit. All submission and reporting requirements will be met

LOAN ADMINISTRATION

- With the recent increase in COVID-19 cases, we experienced an increase in the number of borrowers requesting forbearance assistance last month. A total of 14 new COVID-19 forbearance requests were

approved in December. In spite of this increase, the total volume of single-family mortgage loans in forbearance due to COVID-19 remains at a relatively low level. Through the end of December, 570 borrowers have been provided with COVID-19 financial hardship assistance since the start of the pandemic and 460 or 81% of these borrowers have subsequently brought their loan current and are no longer in forbearance or delinquent status.

MaineHousing's single-family loan portfolio consist of approximately 9,800 borrowers and amounts to \$895 million. The 110 loans in forbearance at the end of December amount to approximately \$10 million and represents about 1.12% of the portfolio. The Mortgage Bankers Association reported that the current national forbearance rate is 1.67%.

- The agency's multi-family housing system is being replaced. Several staff from Finance participated in the process of evaluating and selecting a new system. The selection team's goal was to find a modern and secure system that can handle the origination and compliance needs of the Development and Asset Management departments, as well as the needs of all departments involved with multifamily loans. A replacement system has been selected and the goal is to have the system online by the end of 2022.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: January 11, 2022

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, 2021.

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

Total combined assets are approximately \$2 billion and total combined liabilities are \$1.6 billion. Total net assets amount to approximately \$404 million. Total combined revenues approximate \$394.8 million and total expenses amount to \$371 million, which results in net operating income of \$23.8 million. For this eleven-month period in 2020, total combined net operating income was \$10.5 million. Net operating income is \$13.3 million higher in 2021 and the increase is attributed primarily to the following:

The HOME Fund has net operating income of \$15.7 million, which is an increase of \$12.1 million compared with net operating income of \$3.6 million in 2020. MaineHousing's portion of the real estate transfer taxes received from the State are accounted for in this Fund Group. The increase in net operating income is due to higher real estate transfer tax receipts and timing differences with the expending of funds and the recognition of grant expenses. Income from the State is \$6.8 million higher, while program grant expenditures are \$5.3 million lower at this point in 2021.

The net operating income for the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, is approximately \$3.3 million compared to net operating income of \$2.4 million in 2020. The net operating income include amounts for changes in the carrying values of non-mortgage investments. A paper loss of \$0.9 million has been recognized in 2021, which is an increase of approximately \$0.7 million compared to the paper loss of \$0.2 million recorded in 2020. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

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

Excluding the paper losses, MPP's net operating income is \$4.2 million as of November 30, 2021 compared to \$2.6 million at the end November 2020. This \$1.6 million increase is due mainly to lower bond issuance and single-family loan origination expenses at this point in 2021. Expenses associated with single-family loan defaults are also below last year's amounts due to lower delinquencies and foreclosure activities. Additionally, fee income from multifamily loan originations and gains associated with the redemption of bonds have increased over last year by a combined amount of \$0.7 million.

BUDGET RESULTS

Also attached are the budget variance results for the period ended November 30, 2021. These results are summarized and presented on the attachment described below:

OPERATING REVENUES AND EXPENSES BUDGET

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

The Operating Revenues and Expenses Budget, **Attachment A**, presents the revenues available to pay operating and administrative expenses. It also presents the aggregate operating and administrative expenses. Total budgeted revenues for 2021 are \$76.4 million and total expenses are budgeted at \$71.6 million. Total revenues as of November 30, 2021 amount to \$67.8 million, while total expenses amount to \$62.7 million. Revenues exceed expenses by approximately \$5.1 million for the eleven-month period ended November 30, 2021, which is \$0.3 million above the budget amount for the year.

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

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

OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES

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

Operating expenses are budgeted at approximately \$19.5 million. As of November 30, 2021, \$18 million or 93% of the total operating budget has been used. Operating expenses are projected to exceed the budget for the year by approximately \$350,000 or 2%. This overage is attributed to higher salaries and benefits expenses as a result of an increase in staff. Additional staff has been needed because of the substantial increase in program activities and federal funds provided in response to the pandemic. The federal funds provide additional administrative fee income to pay for related operating costs. The estimated overage with operating expenses will be offset by lower program administrative expenses.

Program administrative expenses are budgeted at \$8.9 million and actual expenses amount to \$6.7 million as of November 30, 2021. Expenses in this area are running below budget and are projected to be under budget for the year by approximately \$850,000. The underage is due to lower than projected delinquency and foreclosure activities and lower related expenses. Loan origination and servicing expenses are also projected to be below budget due to lower outstanding single-family loans as a result of a lower volume of new loans and a higher volume of loan prepayments.

CAPITAL BUDGET

The Capital Budget, **Attachment C**, presents items that provide an economic benefit to MaineHousing over a period of time. Items are recorded as assets and depreciated over their estimated useful life. The total authorized capital budget for 2021 is \$385,000. Expenditures amount to \$306,000 as of November 30, 2021 and were mainly for software upgrades to the Hancock systems used to administer the federal LIHEAP and Weatherization programs and window shades for the office building.

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

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

MEMBERSHIPS, DUES AND SPONSORSHIPS

In accordance with MaineHousing's Contributions Policy, all payments for memberships, dues and sponsorship are required to be reported to the Commissioners each month as part of the budget variance reports. **Attachment D** presents an itemized listing of the membership, dues, and sponsorship expenses as of November 30, 2021.

MAINE STATE HOUSING AUTHORITY
BALANCE SHEETS
NOVEMBER 30, 2021
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2020	2021							
ASSETS:									
Cash, principally time deposits	49,268	60,436	25,251	1	29,236	0	5,948	0	0
Investments	452,774	480,198	385,294	7,997	13,715	22,715	0	8,562	41,915
Accounts receivable - Federal	10,364	12,069	0	0	0	0	12,069	0	0
Assets held for sale	0	0	0	0	0	0	0	0	0
Accrued interest and other assets	11,380	24,358	8,319	0	85	4,191	11,731	0	32
Mortgage notes receivable, net	1,461,809	1,407,211	1,363,933	0	4,692	28,967	0	0	9,619
Other notes receivable, net	218	68	0	0	68	0	0	0	0
Land, equipment and improvements, net	18,265	17,691	22	0	17,669	0	0	0	0
Other real estate owned	29	64	2	0	62	0	0	0	0
Accumulated decrease in fair value of hedging derivatives	22,311	12,061	12,061	0	0	0	0	0	0
Deferred pension expense	610	577	319	2	54	0	0	202	0
Deferred amount on debt refundings	3,171	2,703	2,703	0	0	0	0	0	0
Total Assets	2,030,199	2,017,436	1,797,904	8,000	65,581	55,873	29,748	8,764	51,566
LIABILITIES AND NET ASSETS:									
Accrued interest payable	2,434	1,872	1,702	0	0	0	0	0	170
Accounts payable - Federal	351	323	0	0	0	0	323	0	0
Accounts payable & accrued liabilities	5,505	3,685	278	1	3,342	0	64	0	0
Unearned income	12,232	20,655	0	0	0	764	8,269	11,622	0
Net pension liability	2,282	2,819	1,558	9	266	0	0	986	0
Deferred pension credit	867	243	134	1	23	0	0	85	0
Derivative instrument - interest rate swaps	22,311	12,061	12,061	0	0	0	0	0	0
Interfund	0	0	3,185	11	5,942	(20,214)	15,393	(2,897)	(1,420)
Mortgage bonds and notes payable, net	1,604,663	1,571,784	1,494,588	0	19,127	0	0	0	58,069
Deferred grant income	0	3	0	0	0	0	3	0	0
Deferred loan origination points	23	17	17	0	0	0	0	0	0
Total Liabilities	1,650,668	1,613,462	1,513,523	22	28,700	(19,450)	24,052	9,796	56,819
NET ASSETS:									
Restricted Net Assets	343,570	367,093	284,381	7,978	0	75,323	5,696	(1,032)	(5,253)
Unrestricted Net Assets	35,961	36,881	0	0	36,881	0	0	0	0
Total Net Assets	379,531	403,974	284,381	7,978	36,881	75,323	5,696	(1,032)	(5,253)
Total Liabilities and Net Assets	2,030,199	2,017,436	1,797,904	8,000	65,581	55,873	29,748	8,764	51,566

MAINE STATE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED NOVEMBER 30, 2021
(IN THOUSANDS OF DOLLARS)

	Memorandum Only Combined Totals		Mortgage Purchase Fund Group	Bondholder Reserve Fund	General Fund	HOME Fund	Federal Programs Fund	Other Funds	Maine Energy Housing & Economic Recovery Funds
	2020	2021							
REVENUES:									
Interest from mortgages and notes	57,407	55,190	54,803	0	294	56	0	0	37
Income from investments	2,223	1,145	1,123	2	9	6	1	2	2
Net increase (decrease) in the fair value of investments	(168)	(874)	(875)	0	1	0	0	0	0
Fee income	9,311	10,725	905	0	788	0	8,699	333	0
Other revenue	911	300	70	0	173	47	0	0	10
Grant income	64,459	196,841	0	0	0	1,789	193,061	1,991	0
Income from State	23,159	30,197	0	0	0	25,878	0	0	4,319
Federal rent subsidy income	98,446	100,595	0	0	0	0	100,595	0	0
Gain on bond redemption	365	693	603	0	0	0	0	0	90
Total Revenues	256,113	394,812	56,629	2	1,265	27,776	302,356	2,326	4,458
EXPENSES:									
Operating expenses	17,505	18,042	0	0	18,042	0	0	0	0
Other program administrative expenses	5,462	5,198	4,501	0	10	0	363	214	110
Mortgage servicing fees	1,562	1,572	1,557	0	15	0	0	0	0
Provision for losses on loans	181	17	0	0	11	0	0	6	0
Losses on foreclosed real estate	0	(58)	(58)	0	0	0	0	0	0
Interest expense	42,060	38,733	38,050	0	0	0	0	0	683
Grant expense	80,500	207,658	0	0	0	12,071	193,591	1,991	5
Federal rent subsidy expense	98,374	99,890	0	0	0	0	99,890	0	0
Allocated operating costs	0	0	9,289	55	(16,238)	0	6,775	119	0
Total Expenses	245,644	371,052	53,339	55	1,840	12,071	300,619	2,330	798
Net Operating Income (Loss)	10,469	23,760	3,290	(53)	(575)	15,705	1,737	(4)	3,660
Transfers between funds, net	0	0	0	0	557	100	(657)	0	0
Change in net assets	10,469	23,760	3,290	(53)	(18)	15,805	1,080	(4)	3,660
Net assets at beginning of year	369,062	380,214	281,091	8,031	36,899	59,518	4,616	(1,028)	(8,913)
Net assets at end of period	379,531	403,974	284,381	7,978	36,881	75,323	5,696	(1,032)	(5,253)

**MAINE STATE HOUSING AUTHORITY
OPERATING REVENUES AND EXPENSES BUDGET VARIANCE REPORT
FOR THE PERIOD ENDED NOVEMBER 30, 2021**

(IN THOUSANDS OF DOLLARS)

	Mortgage Lending Activities Actual	Federal & Other Program Administration Actual	Total Combined Actual	Total Annual Budget	Total Under/(Over)	% Variance
REVENUES:						
Interest from mortgages and notes	55,097	0	55,097	64,025	8,928	14%
Income from investments	1,134	0	1,134	1,500	366	24%
Fee income	1,693	9,032	10,725	10,764	39	0%
Other revenue	846	0	846	140	(706)	(504%)
Total Revenues	58,770	9,032	67,802	76,429	8,627	11%
EXPENSES:						
Operating expenses	11,148	6,894	18,042	19,462	1,420	7%
Other program administrative expenses	6,036	583	6,619	8,859	2,240	25%
Interest expense	38,050	0	38,050	43,270	5,220	12%
Total Expenses	55,234	7,477	62,711	71,591	8,880	12%
Excess Revenues Over Expenses	3,536	1,555	5,091	4,838	(253)	(5%)

**MAINE STATE HOUSING AUTHORITY
OPERATING AND OTHER PROGRAM ADMINISTRATIVE EXPENSES
FOR THE PERIOD ENDED NOVEMBER 30, 2021**

ATTACHMENT B

	Total Annual Budget	Total Year to Date Actual	Budget Available	Percentage of Budget Available
Operating Expenses				
Salaries	10,777,009	10,190,586	586,423	5%
Payroll Taxes	788,606	780,823	7,783	1%
Retirement	1,065,276	1,005,245	60,031	6%
Medical and Life Insurance	2,619,299	2,377,980	241,319	9%
Other Fringe Benefits	10,000	6,619	3,381	34%
Office Supplies	54,095	51,980	2,115	4%
Printing	69,879	62,986	6,893	10%
Membership and Dues	61,745	53,432	8,313	13%
Subscriptions	22,660	16,421	6,239	28%
Sponsorships	13,500	6,000	7,500	56%
Staff Educ/Train/Conf	114,176	87,095	27,081	24%
Travel/Meals - Staff Educ/Train/Conf	74,801	4,108	70,693	95%
Partner/Client Train/Meetings	56,672	44,941	11,731	21%
Travel/Meals - Partner/Client Training	46,325	14,664	31,661	68%
Staff Events	10,225	9,894	331	3%
Meals - Staff Events	16,175	5,270	10,905	67%
Leased Vehicles	141,429	116,596	24,833	18%
Computer Supplies	19,300	27,521	(8,221)	(43%)
Computer License SAAS	177,415	176,585	830	0%
Rent-Other	34,130	32,734	1,396	4%
Computer Maintenance	622,493	626,847	(4,354)	(1%)
Depreciation	940,000	852,808	87,192	9%
Telephone	125,384	113,319	12,065	10%
Employment Advertising	3,400	3,674	(274)	(8%)
Postage and Shipping	97,050	95,365	1,685	2%
Insurance	90,935	80,228	10,707	12%
Recording Fees	1,300	680	620	48%
Payroll Services	36,075	37,409	(1,334)	(4%)
Audit Services	153,800	90,000	63,800	41%
Building Interest Expense	491,495	450,531	40,964	8%
Property Expenses	410,779	384,308	26,471	6%
Professional Services	316,088	235,609	80,479	25%
Total Operating Expenses	19,461,516	18,042,258	1,419,258	7%
Other Program Administrative Expenses				
Loan foreclosure expenses	200,000	44,259	155,741	78%
REO expenses	50,000	3,051	46,949	94%
Mortgage Servicing fees	1,820,000	1,572,084	247,916	14%
Provision for losses on loans & REOs	175,000	(39,932)	214,932	123%
Loan Origination expenses	3,000,000	1,920,300	1,079,700	36%
Bond Issuance Costs	900,000	594,504	305,496	34%
Trustee/Bank fees	158,000	161,910	(3,910)	(2%)
Program advertising/printing	195,665	254,404	(58,739)	(30%)
Bond and mortgagee insurance	15,200	15,872	(672)	(4%)
Variable rate bond remarket/liquidity facilities	1,175,000	1,050,639	124,361	11%
Cash flow/arbitrage/swap consultants/legal	600,000	666,224	(66,224)	(11%)
Homebuyer education	110,000	99,200	10,800	10%
Program administrator fees	447,000	387,322	59,678	13%
Section 8 security deposits/landlord incentives	13,000	0	13,000	100%
Total Other Program Administration Expenses	8,858,865	6,729,837	2,129,028	24%
Total Combined Expenses	28,320,381	24,772,095	3,548,286	13%

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE PERIOD ENDED NOVEMBER 30, 2021**

ATTACHMENT C

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

**MAINE STATE HOUSING AUTHORITY
MEMBERSHIPS, DUES, AND SPONSORSHIPS
FOR THE PERIOD ENDED NOVEMBER 30, 2021**

	Description	Amount
Memberships and Dues		
	Kennebec Valley Board of Realtors - annual affiliate membership	171
	Maine Association of Mortgage Professionals - annual membership	375
	Maine Bankers Association - annual affiliate membership	950
	Maine Real Estate Management Association - annual membership	125
	National Leased Housing Association - annual membership	600
	National Association for State Community Services Programs - annual membership	2,603
	National Energy Assistance Directors' Association - annual membership	6,341
	International Code Council - annual membership	145
	Construction Specifications Institute - employee annual membership	325
	Council of State Community Development Agencies - annual membership	1,500
	Maine Real Estate & Development Association - annual membership	1,200
	National Affordable Housing Management Association - affiliate membership	1,075
	Maine Department of Environmental Protection - lead inspector license renewal	200
	Association of Government Accountants - (6) employee annual memberships	660
	American Payroll Association - employee annual membership	261
	Society for Human Resource Management - employee annual membership	219
	HR Certification fee - employee certification	169
	Institute of Internal Auditors - employee annual membership	175
	Association of Certified Fraud Examiners - (2) employee annual membership	420
	Maine Public Relations Council - employee annual membership	90
	American College of Mortgage Attorneys - employee dues	525
	Board of Overseers of the Bar - (6) employee annual registration	1,840
	Maine State Bar Association - (3) employee annual memberships	520
	American Bar Association - (1) employee annual membership	275
	Access to Maine State House - employee	125
	American College of Real Estate Lawyers - employees dues	225
	Maine Society of CPAs - employee annual membership	250
	Maine State Treasurer - employee annual CPA license renewal	35
	Maine Building Officials and Inspectors Association - (6) employee membership	240
	passivhausMaine - employee annual membership	175
	Mortgage Bankers Association - annual affiliate membership	1,350
	Notary Public - (2) employee renewal fee	100
	Credit Builders Alliance, Inc - annual membership	795
	National Council of State Housing Agencies - annual membership	29,372
	Total	<u>\$ 53,432</u>
Sponsorships		
	New England Resident Service Coordinator - conference sponsor	3,000
	Maine Resident Service Coordinator Association - annual sponsor	2,500
	Maine Council on Aging - Wisdon Summit	500
	Total	<u>\$ 6,000</u>



Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: January 4, 2022
Subject: Monthly Delinquencies Report

MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$696 million with 1,203 loans as of December 31, 2021. There are no 60+ days delinquent loan, as shown in ***Exhibit 1***. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in ***Exhibit 2***.

SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$892 million with 9,828 loans as of November 30, 2021. The over 60-day delinquencies increased from 2.96% to 2.97% and the in-foreclosures increased from 0.41% to 0.44%. The over 60-day delinquencies amount to \$26 million, with approximately \$4 million representing accounts in foreclosure. The over 60-day and in-foreclosure historic rates are shown in ***Exhibit 4***. MaineHousing's overall delinquency rate by loan dollars is 2.97%; and the overall delinquency rate by loan count is 3.12%. As reflected in ***Exhibit 5***, the overall delinquency rate by loan count is below the delinquency rate for all Maine Loans.

Servicer Delinquencies – As of November 30, 2021, Bank of America (BOA) had the highest overall delinquency rate of 19.99%, with an in-foreclosure rate of 2.86%. BOA's high delinquency rate is due to the small size of their portfolio. The portfolio consists of approximately 100 loans, of which thirteen loans are in forbearance due to COVID-19 financial hardship.

Delinquencies for our largest servicer, Mortgage Servicing Solutions, increased from 3.50 to 3.52%, while the in-foreclosure rate increased from 0.41% to 0.42%. In May 2021, Bangor Savings Bank began retaining the servicing rights and servicing new loan originations under a Qualified Servicer (QS) arrangement. The Bangor Savings Bank QS portfolio has no delinquencies at the end of November. The Bangor Savings Bank sub-serviced (SS) portfolio has the lowest rate of delinquencies at 0.91%. Delinquency rates for each servicer are shown in ***Exhibit 3***.

Delinquencies by Insurance Type – In November 2021, FHA insured loans had the highest delinquency rate by total insurance type of 6.14%, with in-foreclosures at 0.63%. When compared to the total loan portfolio, RD insured loans had the highest delinquency rate of 1.58%, with in-foreclosures at 0.27%. Delinquencies by insurance type and the portfolio as a whole are shown in ***Exhibit 6***.

FHA insured loans comprise 16% of the Single-Family portfolio and 33% of delinquencies, while RD insured loans comprise 60% of the portfolio and represent 53% of all delinquent loans. The current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in ***Exhibit 7***.

Foreclosure Prevention Activities – ***Exhibit 8*** summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of November 2021, we have assisted 1,137 borrowers with various foreclosure prevention options.

Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 12/31/2021

Section 8						ORIGINATION	DELINQUENT		
BORROWER	LEVEL	PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE							0.00	0.00	0.00
							0.00	0.00	0.00

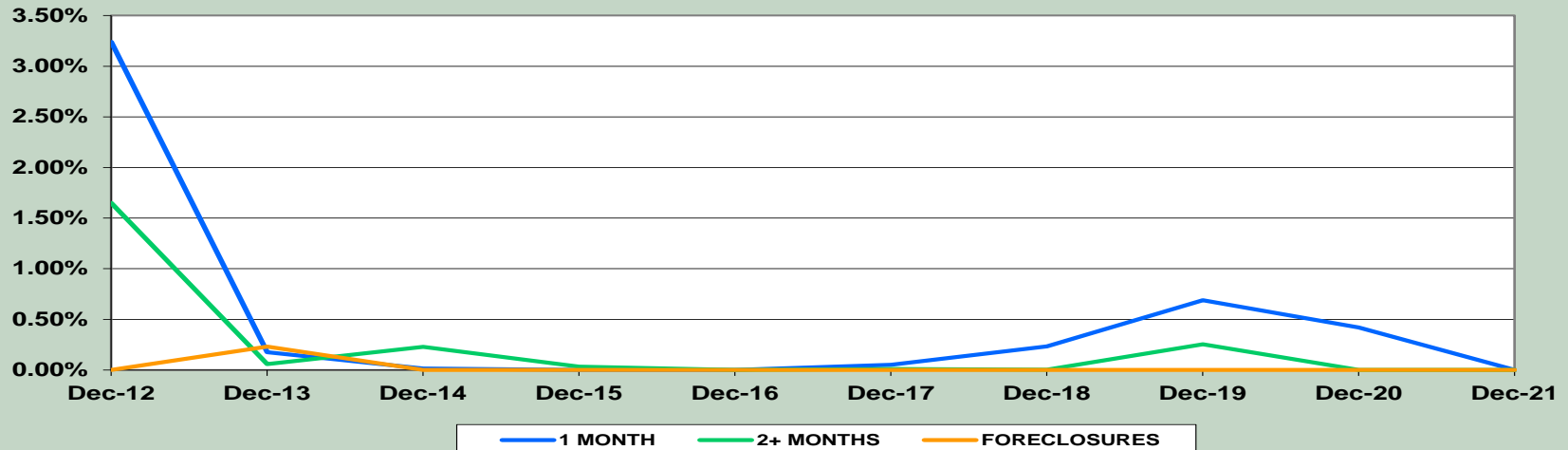
Rental Housing					ORIGINATION	DELINQUENT			
BORROWER	LEVEL	PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE							0.00	0.00	0.00
							0.00	0.00	0.00

Supportive Housing & Other						ORIGINATION	DELINQUENT		
BORROWER	LEVEL	PMT	PTD	LOCATION	PROJECT OWNER	DATE	1 MONTH	2 MONTHS	3+ MONTHS
NONE							0.00	0.00	0.00
							0.00	0.00	0.00
							0.00	0.00	0.00
							0.00	0.00	0.00

Grand Total
% of Portfolio Delq 60+ days 0.00%
Total Number of Loans 1,203

Multi-Family Delinquency & Foreclosure Trends

MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES



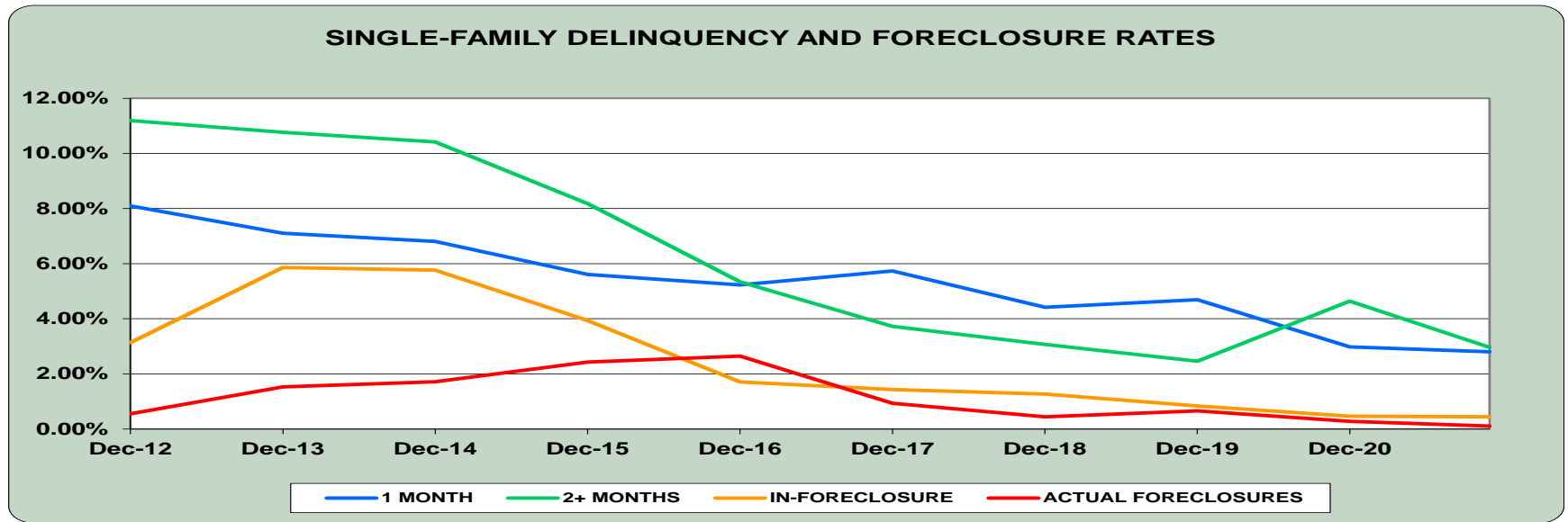
	OUTSTANDING			1 MONTH		2+ MONTHS		FORECLOSURES	
	PRINCIPAL	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE
Dec-21	\$ 696,004,882	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-20	\$ 666,678,177	\$ 2,791,073	0.42%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-19	\$ 635,961,774	\$ 4,379,009	0.69%	\$ 1,620,600	0.25%	\$ -	0.00%	\$ -	0.00%
Dec-18	\$ 630,936,475	\$ 1,473,376	0.23%	\$ 20,600	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-17	\$ 608,939,257	\$ 319,836	0.05%	\$ 60,624	0.01%	\$ -	0.00%	\$ -	0.00%
Dec-16	\$ 579,916,852	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Dec-15	\$ 573,932,384	\$ -	0.00%	\$ 185,320	0.03%	\$ -	0.00%	\$ -	0.00%
Dec-14	\$ 513,937,525	\$ 77,568	0.02%	\$ 1,169,620	0.23%	\$ -	0.00%	\$ -	0.00%
Dec-13	\$ 506,871,177	\$ 896,386	0.18%	\$ 297,366	0.06%	\$ 1,166,866	0.23%	\$ -	0.00%
Dec-12	\$ 487,638,082	\$ 15,815,491	3.24%	\$ 8,056,115	1.65%	\$ -	0.00%	\$ -	0.00%

Single-Family Delinquent Loans

Maine State Housing Authority Single-Family Delinquencies by Servicer 11/30/2021

SERVICER	% OF PORTFOLIO	% of Portfolio Delq 60 + days	OUTSTANDING PRINCIPAL	----- 1 MONTH	DELINQUENT 2 MONTHS	----- 3+ MONTHS	IN- FORECLOSURE
MORTGAGE SERVICING SOLUTIONS	65.94%	3.52%	588,399,370.19	19,287,223.18	4,441,179.62	13,817,528.29	2,443,395.37
BANGOR SAVINGS BANK	15.67%	0.91%	139,865,349.75	2,639,882.43	385,587.71	518,126.04	370,216.32
CAMDEN NATIONAL BANK UK	8.98%	1.81%	80,138,786.01	1,497,168.55	682,953.33	478,157.56	288,350.00
MACHIAS SAVINGS BANK	7.12%	2.64%	63,539,302.74	1,033,074.79	194,648.58	827,242.11	655,396.69
BANGOR SAVINGS BANK QS	1.46%	0.00%	13,029,071.04	0.00	0.00	0.00	0.00
BANK OF AMERICA NA	0.76%	19.99%	6,766,745.36	544,802.47	282,344.43	876,859.22	193,427.97
SALEM FIVE MORTGAGE CORP	0.06%	3.60%	545,331.93	0.00	0.00	19645.95	0.00
TOTAL	100.00%	2.97%	892,283,957.02	25,002,151.42	5,986,713.67	16,537,559.17	3,950,786.35

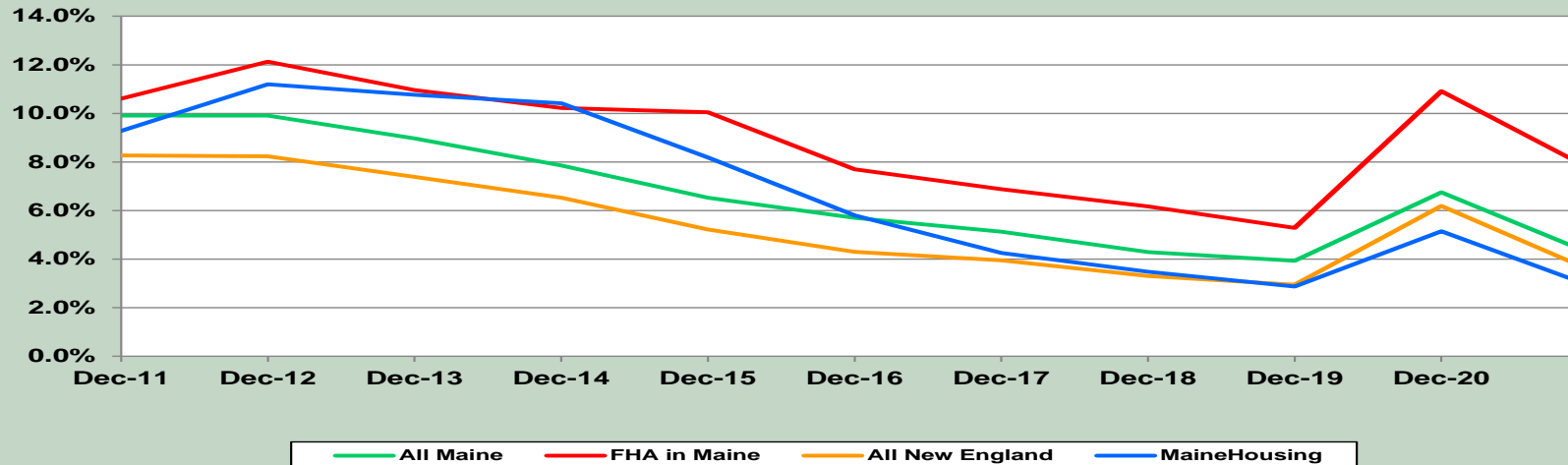
Single-Family Delinquency & Foreclosure Trends



	OUTSTANDING		1 MONTH		2+ MONTHS		IN-FORECLOSURE		ACTUAL FORECLOSURES	
	PRINCIPAL	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	DOLLARS	RATE	
Nov-21	\$ 892,283,957	\$ 25,002,151	2.80%	\$ 26,475,059	2.97%	\$ 3,950,786	0.44%	\$ 941,490	0.11%	
Dec-20	\$ 960,761,414	\$ 28,645,024	2.98%	\$ 44,603,599	4.64%	\$ 4,471,656	0.47%	\$ 2,617,001	0.27%	
Dec-19	\$ 967,171,381	\$ 45,399,415	4.69%	\$ 23,774,547	2.46%	\$ 8,037,512	0.83%	\$ 6,357,994	0.66%	
Dec-18	\$ 916,608,577	\$ 40,526,473	4.42%	\$ 28,155,105	3.07%	\$ 11,647,401	1.27%	\$ 4,056,247	0.44%	
Dec-17	\$ 844,497,676	\$ 48,457,930	5.74%	\$ 31,454,643	3.72%	\$ 12,099,518	1.43%	\$ 7,847,858	0.93%	
Dec-16	\$ 799,557,471	\$ 41,780,468	5.23%	\$ 42,682,410	5.34%	\$ 13,625,991	1.70%	\$ 21,142,137	2.64%	
Dec-15	\$ 790,409,905	\$ 44,303,365	5.61%	\$ 64,656,769	8.18%	\$ 31,066,182	3.93%	\$ 20,797,314	2.43%	
Dec-14	\$ 810,139,060	\$ 55,171,703	6.81%	\$ 84,385,397	10.42%	\$ 46,711,687	5.77%	\$ 13,904,155	1.72%	
Dec-13	\$ 849,385,825	\$ 60,378,599	7.11%	\$ 91,501,809	10.77%	\$ 49,783,071	5.86%	\$ 12,980,502	1.53%	
Dec-12	\$ 899,788,247	\$ 72,815,090	8.09%	\$ 100,738,963	11.20%	\$ 28,237,109	3.14%	\$ 4,987,749	0.55%	

Single-Family Delinquency Comparison Trends

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



MAINEHOUSING LOAN COUNT COMPARISON

	<u>Loan Count</u>	<u>2 Months</u>	<u>3+ Months</u>	<u>In-Foreclosure</u>	<u>Totals</u>
All State*	120,103	0.52%	2.70%	1.26%	4.48%
FHA for State*	16,821	0.98%	5.68%	1.37%	8.03%
All New England*	1,699,439	0.51%	2.70%	0.59%	3.80%
MaineHousing**	9,828	0.76%	1.90%	0.46%	3.12%

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

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

Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type

11/30/2021

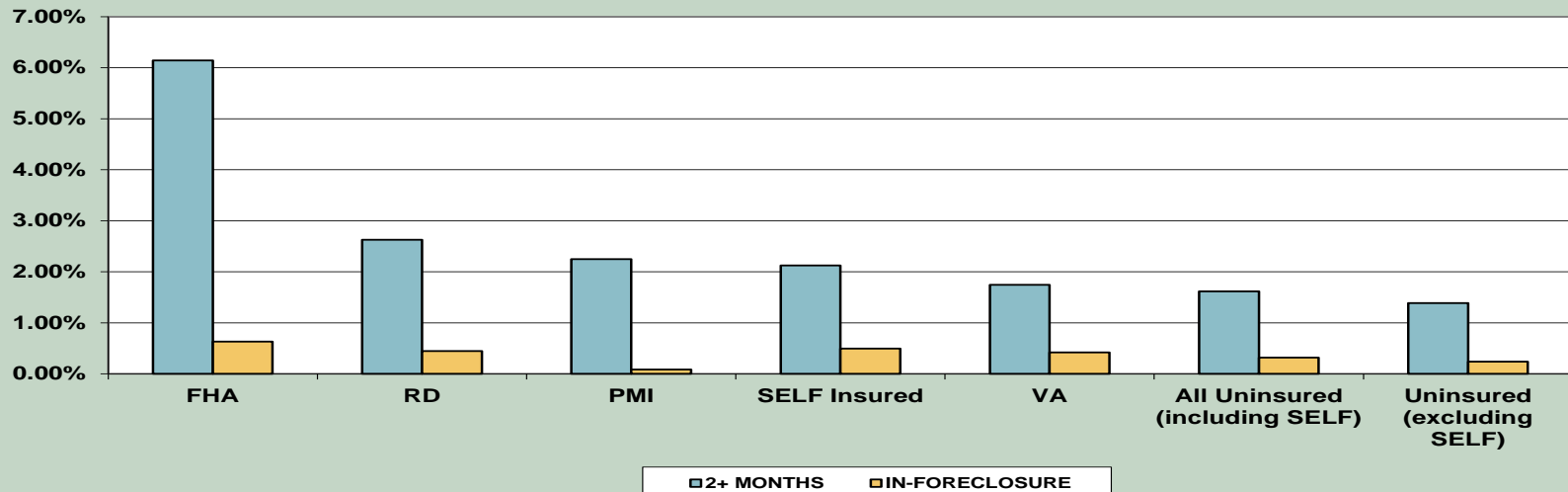
TYPE	2+ MONTHS	IN-FORECLOSURE
FHA	6.14%	0.63%
RD	2.63%	0.45%
PMI	2.25%	0.08%
SELF Insured	2.12%	0.50%
VA	1.74%	0.42%
All Uninsured (including SELF)	1.62%	0.32%
Uninsured (excluding SELF)	1.39%	0.24%

As A Percent of Total Loan Portfolio

11/30/2021

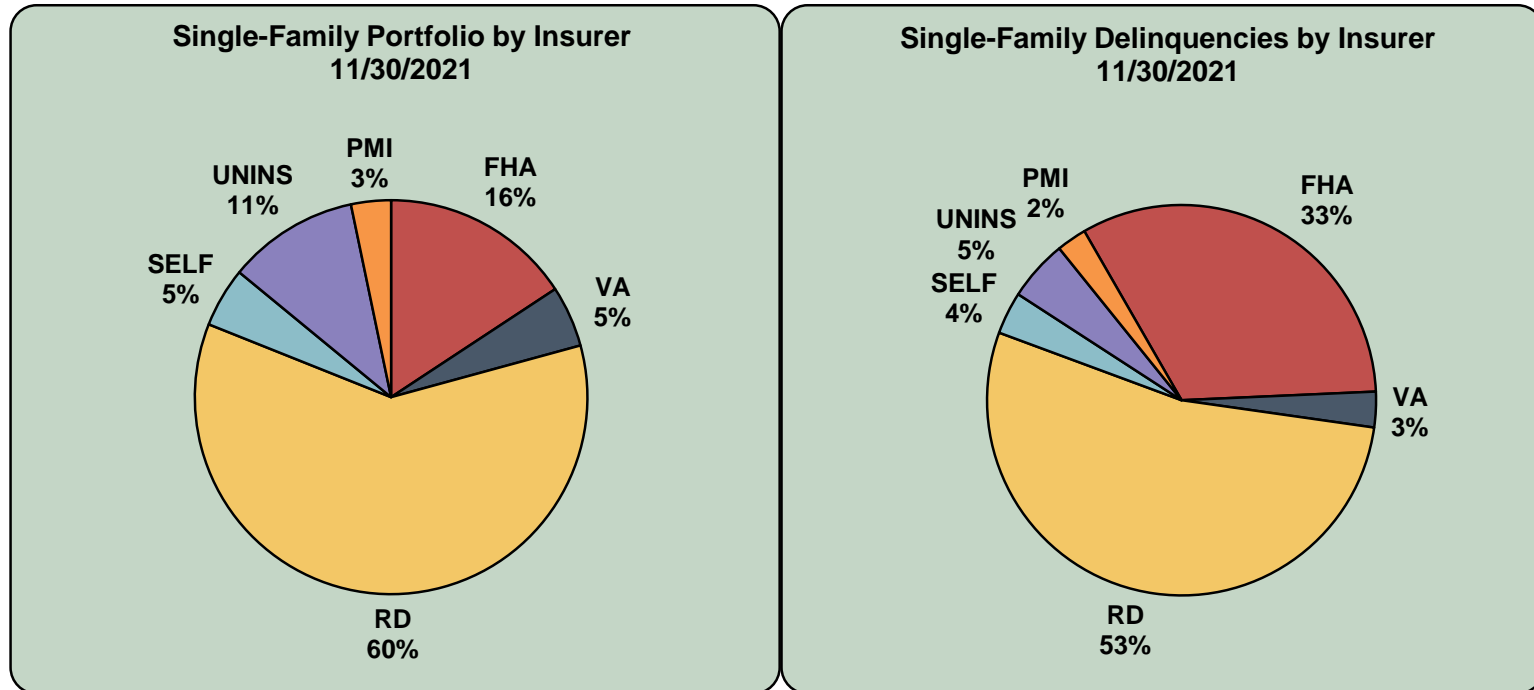
TYPE	2+ MONTHS	IN-FORECLOSURE
RD	1.58%	0.27%
FHA	0.97%	0.10%
All Uninsured (including SELF)	0.25%	0.05%
Uninsured (excluding SELF)	0.15%	0.03%
SELF Insured	0.10%	0.03%
VA	0.09%	0.02%
PMI	0.07%	0.00%

SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE



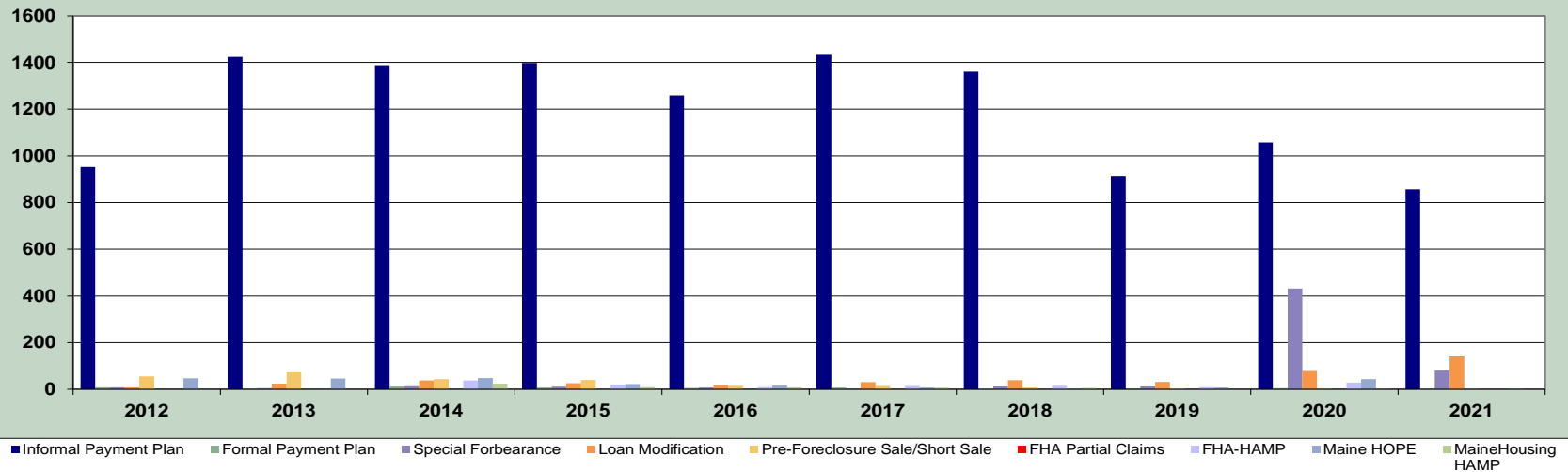
Single-Family Delinquencies by Mortgage Insurer

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



Single-Family Foreclosure Prevention Activities

BORROWERS ASSISTED 2012-2021



Number of Borrowers Approved for Assistance

	Informal Payment Plan	Formal Payment Plan	Special Forbearance	Loan Modification	Pre-Foreclosure Sale/Short Sale	FHA Partial Claims	FHA-HAMP	Maine HOPE	MaineHousing HAMP	Total Workouts
Nov-21	857	4	80	141	2		49	4	0	1137
Dec-20	1058	5	432	79	3		29	44	2	1652
Dec-19	914	3	12	32	4		10	8	0	983
Dec-18	1361	4	12	39	8		15	3	6	1448
Dec-17	1437	8	4	31	14		14	8	7	1523
Dec-16	1259	6	8	19	15		10	16	9	1342
Dec-15	1397	8	11	26	40		21	22	10	1535
Dec-14	1388	12	13	38	44		38	48	24	1605
Dec-13	1424	4	5	24	73			46		1576
Dec-12	952	9	9	9	56			47		1082

Actual Foreclosures

	Number of Foreclosures	Number of Loans in Portfolio	Percentage of Portfolio
Nov-21	14	9,828	0.14%
Dec-20	38	10,668	0.36%
Dec-19	86	10,904	0.79%
Dec-18	57	10,673	0.53%
Dec-17	97	10,332	0.94%
Dec-16	258	10,097	2.56%
Dec-15	233	10,258	2.27%
Dec-14	162	10,526	1.54%
Dec-13	146	10,952	1.33%
Dec-12	60	11,571	0.52%

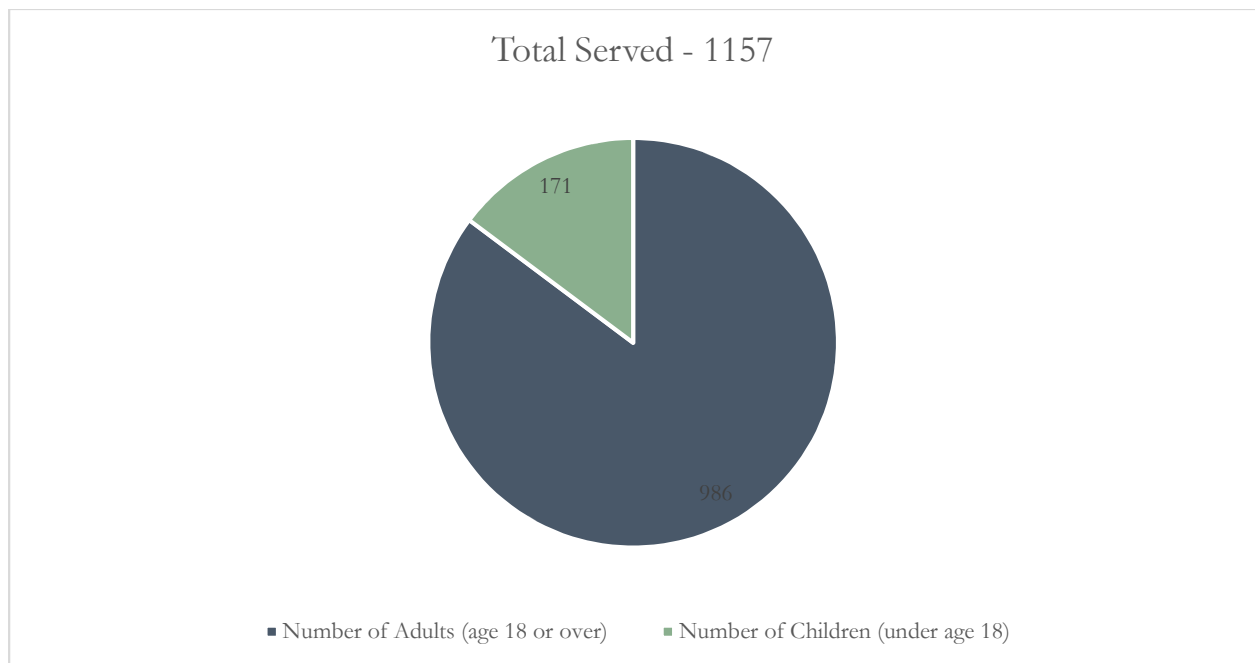
Homeless Initiatives Department Memorandum

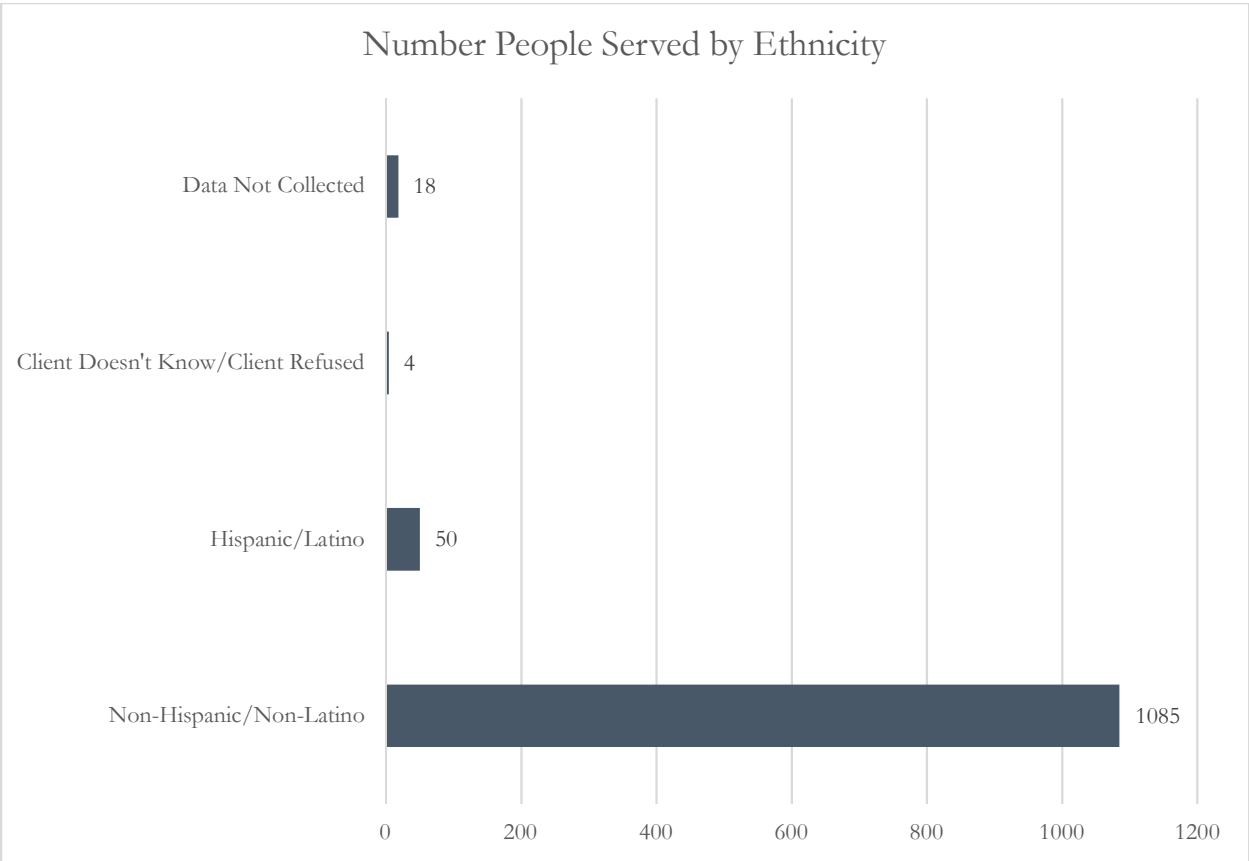
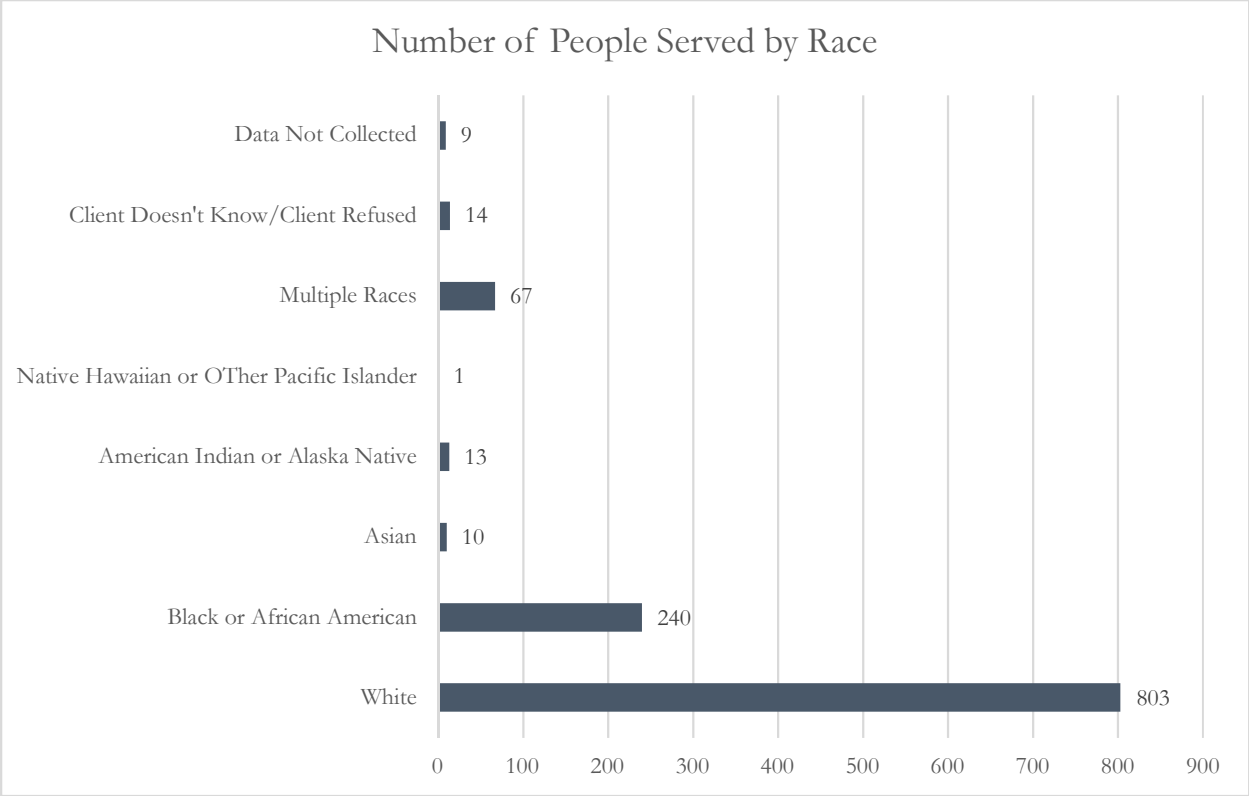
To: Board of Commissioners
From: Lauren Bustard, Senior Director of Homeless Initiatives
Date: January 11, 2022
Subject: Homeless Initiatives Report

Homeless Data – December 2021

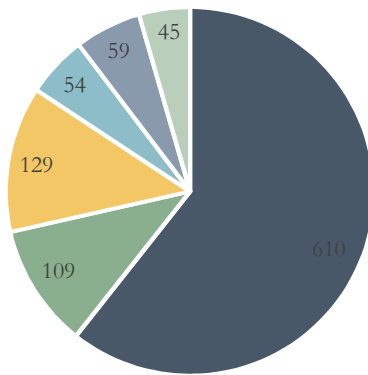
The following are the monthly statistics for November. Some of the things we are specifically tracking:

1. Total number of people served (1157) has increased again - 37 more than November.
2. Racial equity – the percentage of people of color served ticked upward now at 29% compared to 27% in December.
3. The number of individuals entering the homeless system from institutional settings increased by 6 in December and exiting to institutional settings decreased by 3 individuals.
4. Our exits to permanent living situations increased by 9 – from 74 in November to 83 in December. Our Temporary Rapid ReHousing Program has now successfully leased up a total of 116 households.



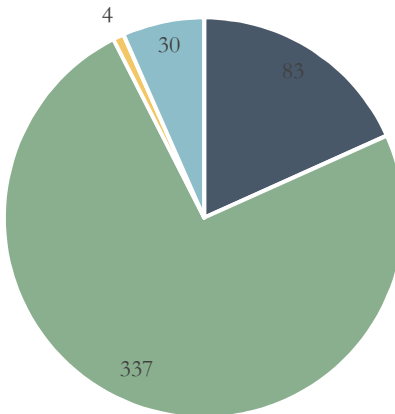


Residence of Clients Prior to Entry



- Homeless Situations
- Institutional Settings
- Staying or living in a friend's room, apartment or house
- Staying or living in a family member's room, apartment or house
- Hotel or motel paid for without ES voucher
- Other Locations

Residence of Clients after Entry



- Permanent Destinations
- Temporary Destinations
- Institutional Settings
- Other Destinations

Use of Hotels

In January we are serving overflow from homeless shelters in 3 hotels – 2 in South Portland and 1 in Waterville. We have Quarantine and Isolation space at 2 hotels – Scarborough and Lewiston – and are working on the possibility of a 3rd hotel in Bangor.

Homeless Initiatives Quick Reference Guide

I'm including a new summary of HI funding and programs that we have put together to present an overview of the work carried out in our department.

MaineHousing Homeless Initiatives Department Quick Reference Guide

MaineHousing's Homeless Initiatives Department oversees the state's Emergency Solutions Grant (ESG) allocation, serves as the Collaborative Applicant (CA) for the Maine Continuum of Care (MCOC), is the Lead Agency for Maine's Homeless Management Information System (HMIS), heads up efforts to establish the state's Coordinated Entry System (CES), provides leadership and support for Maine's Statewide Homeless Council (SHC), and completes day to day operations associated with fiscal, data, and program management for a number of homeless programs throughout the state.

Emergency Solutions Grant

ESG funding is allocated annually by HUD, based on a formula, to qualifying states, counties, cities, and territories. As the ESG Recipient for the state of Maine, MaineHousing must sub-grant all ESG funds (except admin & HMIS costs) to units of general purpose local government and/or private nonprofit organizations. MaineHousing allocates these funds according to the Funding Formula, agreed upon by stakeholders in the Maine Homeless Solutions Rule.

HUD allows ESG funding to be used for activities specifically related to street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS, as well as administrative activities. States must match all but \$100,000 of their ESG awards, which MaineHousing does by allocating ESG funding, along with State HOME and State General funds, to qualifying sub-recipients annually through Emergency Shelter and Housing Assistance Program (ESHAP) Grants. ESHAP intentionally focuses the use of ESG funds to specific Emergency Shelter Operation and Rapid Re-Housing Stabilization Service activities. Operations includes costs such as utilities, supplies, and maintenance. Stabilization Services support ESHAP Housing Navigators who help clients find and maintain housing.

ESHAP - ESG/State Funding	
*** (2) Years to expend once Grant Agreement is signed	
Grant# E-22-DC-23-0001	(08/06/21- 08/06/23)
2022 ESG Funds	\$ 1,390,783.00
Less 7.5% Admin Fee	\$ 104,308.73
ESG-Shelter Distribution	\$ 1,286,474.27
State Home Fund	\$ 3,500,000.00
State General Fund	\$ 2,500,000.00
Total Funding Available	\$ 7,286,474.27

The Maine Continuum of Care

A Continuum of Care (CoC) is a group of shelter, housing, and service providers who have agreed to work together toward ending and preventing homelessness in a given area. Maine has one Continuum of Care (the MCOC) that covers the entire state. Each year, HUD issues a CoC NOFO (Notice of Funding Opportunity), for the CoC to request funding for various New and Renewal Projects – Renewal Projects are typically eligible to apply for funding year after year to support ongoing activities. New Projects are often focused toward specific populations or types of projects.

Unlike ESG funding, CoC funding is a competitive process. Each Continuum and each Project are scored and ranked – not all will receive the funding they request.

In addition to projects and agencies funded by ESG and the CoC NOFA, Continuums are expected to coordinate with any and all other entities working to address homelessness in their area, including mainstream resources, hospitals, corrections, education, job training, faith based providers and others. Like most continuums, MCOC also has a number of sub-committees and advisory committees focused on specific tasks or specific populations.

Collaborative Applicant

MaineHousing is the Collaborative Applicant (CA) for MCOC. This role must be approved by the Continuum annually. The CA is the entity designated by the CoC to compile and submit their annual CoC Consolidated Application (aka; the NOFO Application) to HUD on their behalf. The CA is also the primary point of contact between HUD and the Continuum and takes on a number of responsibilities connected to CoC initiatives. MaineHousing has fulfilled this role since the creation of the Maine Balance of State CoC in the early 1980's.

Notice Of Funding Opportunity (NOFO)

The CoC NOFO Application process serves two main purposes: it is how the Continuums report to HUD on various measures to show progress in their efforts to address and reduce homelessness, and it is the mechanism by which the Continuum requests funding from HUD to maintain and expand on those efforts.

The first section of the NOFO Application focuses on the work of the Continuum as a whole. The questions asked and the information required change year to year to reflect HUD's shifting priorities. The second section of the NOFO Application includes all of the individual Project Applications, from both New and Renewal Projects. The Continuum must review, score and rank all Project Applications, and HUD, in turn, reviews, scores and ranks all CoC Applications. Most of the funding that MCOC receives goes to support Renewal Projects.

All CoC grant funds are awarded two years from the year in which they were applied. For example, an application in the 2020 competition would lead to a grant allocation for 2022. The 2020 MCOC NOFO Application brought a total of \$14,625,379 to the state.

HMIS- Every Continuum must utilize a *Homeless Management Information System* to collect and report on client, project, and system level data collected by their homeless service providers. Maine's HMIS is, in part, funded through an annual MCOC Renewal grant of \$344,888. This figure does not change year to year. MaineHousing is the 'HMIS Lead' for the MCOC, a role which must be regularly approved by the Continuum, and which MaineHousing has always fulfilled.

All ESG and CoC funded projects (except Domestic Violence providers) are required to participate in HMIS. HUD, or other funding sources may also require that their projects participate, and many projects participate voluntarily. The HMIS provides an unduplicated count of homeless persons served and allows the Continuum to generate a number of reports that HUD requires including the Point-in-Time (PIT), Housing Inventory Count (HIC), System Performance Measures (SPM), the CAPER, and data for the Longitudinal

Systems Analysis (LSA). Maine's HMIS currently holds data for 14 different program types and has 246 users.

HMIS Grant	
Grant# ME0017L1T002013	(01/01/22 - 12/31/22)
Grant	\$ 322,326
Plus Admin Costs	\$ 22,562
Total Grant	\$ 344,888
Cash Match (MSHA) +	\$ 20,000
	\$ 364,888
In-Kind Match (DHHS) +	\$ 75,000
	\$ 439,888

CES – HUD requires every Continuum of Care to have a *Coordinated Entry System*. The key elements of a CES include: establishing access points through shelters, hotlines, or other means; using standardized assessment tools for diversion or intake; prioritizing based on level of need and vulnerability, and; referral to the most appropriate available housing and/or services. All ESG and CoC funded projects must participate in the CES and the system must cover the entire geographic area served by the Continuum. Maine has struggled to fully implement a CES and is currently (Fall of 2020) receiving Technical Assistance to help with this. MaineHousing currently has a CES Renewal Grant for \$36,723 which helps support a staff position for the program.

Coordinated Entry Grant	
Grant# ME0119L1T002003	(07/01/21 - 06/30/22)
Grant	\$ 34,320
Plus Admin Costs	\$ 2,403
Total Grant	\$ 36,723
Cash Match (MSHA)	\$ 5,000
In-Kind Match (DHHS)	\$ 10,000
	\$ 51,723

TBRA – This Renewal Project provides *Tenant Based Rental Assistance* vouchers to eligible households, and mirrors MaineHousing's *Stability Through Engagement Program* (STEP). Both programs provide up to 24 months of Rental Assistance to individuals or families who qualify as homeless, meet income guidelines, and are willing to work with an ESHAP Housing Navigator on a plan to achieve long term housing stability. TBRA is CoC funded, while STEP is funded through FED Home. Both programs are administered through MaineHousing's Housing Choice Voucher (HCV) Department. Homeless Initiatives manages and reports on match for the program. The TBRA program was awarded \$456,960 in the 2020 CoC NOFA Competition – enough to house approximately 40 households for one year.

TBRA-Maine Rapid Re-Housing	
Grant# ME0113L1T002004	(09/01/21 - 08/31/2022)
Grant	\$ 435,660
Plus Admin Costs	\$ 21,300
	\$ 456,960
Match	\$ 114,240
	\$ 571,200

Planning – The *CoC Planning Grant* is only available to the Collaborative Applicant, and must be used to support the work of the Continuum of Care. The amount of funding available for the Grant changes each year, based on the total amount of funding the Continuum is eligible to receive. MaineHousing received \$402,654 for the Planning Grant in the 2020 competition. This funding can be used for eligible activities such as monitoring and evaluation of CoC and ESG funded projects; development and coordination of the Continuum of Care system; participating in the Consolidated Plan process, and; work related to preparing and submitting the CoC NOFO Application.

Coc Planning Grant	
Grant# ME0129L1T002000	(01/01/22 - 12/31/22)
Grant	\$ 402,654
Admin Fees Not Separate	\$ -
Total Grant	\$ 402,654
Cash Match (MSHA) +	\$ 85,664
25% adjustment = \$7,849.00	\$ 488,318
In-Kind Match (DHHS) +	\$ 15,000
	\$ 503,318

YHDP – The *Youth Homelessness Demonstration Program* is a relatively new initiative from HUD that involves bringing together a broad range of local stakeholders and youth to develop and implement a Coordinated Community Plan (CCP) to assess needs and create projects to address all aspects of youth homelessness in the area they serve. Maine received an award of \$3.35 Million over a two year term to develop our CCP, create a Youth Advisory Board (YAB) made up of youth with current or lived experience of homelessness, and propose innovative projects and test new approaches to preventing and ending youth homelessness. The YAB is required to be an active and equal partner in the development of the CCP and must be recognized as a member of the local Continuum of Care. Some of these projects may become eligible to apply for ongoing Renewal funding through the COC NOFO Application process. YDHP Grants are awarded and managed at the project level.

The Statewide Homeless Council

The SHC is not ‘funded’ like the other programs listed here, but MaineHousing devotes a considerable amount of time, effort and resources to support it. The SHC was created by an Act of the Maine Legislature to serve as an Advisory Committee to the Governor, the Legislature, and various State Governmental Agencies that are connected to people experiencing homelessness in Maine. SHC Membership consists of a combination of appointed and elected representatives. The

SHC develops and regularly updates the Maine Plan to End and Prevent Homelessness as well as other Blueprints and Whitepapers on related issues, and serves as the Policy Advisory Committee to the MCOC.

Service Hubs

In early 2020, MaineHousing and the Statewide Homeless Council began working with the Corporation for Supportive Housing to examine Maine's Homeless Response System and develop a plan and a process for a complete System Redesign. One of the major recommendations from the effort was the development of a network of Service Hubs throughout the state where local stakeholders would be able to better coordinate resources to meet the needs in their communities. The Service Hub concept dovetails perfectly with the Maine Continuum of Care's plans to implement Coordinated Entry at a local level, and coordinated Entry is being built into the Service Hubs as they develop.

Hub Coordinators- MaineHousing will be providing State HOME funds for each Hub to hire a full-time coordinator position. RFP will be issued 12/10/2021

Emergency Solutions Grant – Coronavirus Response (ESG-CV)

MaineHousing was awarded \$12,628,444 in ESG-CV funds in order to prevent, prepare for, and respond to Coronavirus. This funding was awarded in early 2020 and must be spent by September 30, 2022. HUD also imposed progressive expenditure deadlines that requires 20% of funds to be spent by September 30, 2021 and 80% of funds to be spent by March 31, 2022.

MaineHousing chose to subgrant all funds to subrecipients and did not utilize any administrative monies in-house. ESG-CV funds do not have to follow the ESHAP funding formula. The funding was put into 4 unique programs.

COVID-19 Homeless Provider Grants – MaineHousing awarded \$7,512,383 to all ESHAP funded shelters in order to assist them in covering additional costs created by the pandemic. Funds can be used for activities such as hazard pay, PPE, hotel/motel vouchers, and a variety of expenses that shelters incur in preparing for, preventing, and responding to COVID-19.

Temporary Rapid Rehousing Program - \$2,052,975 was awarded to 5 ESHAP providers in areas of the state where many clients were staying in hotels. The program is designed to rapidly rehouse these clients as well as shelter clients who are homeless during the pandemic. The goal is to get clients into permanent, safe housing where the risk of COVID transmission is minimized and they have a safe place to isolate. Programs were stood up in Portland, Bangor, Knox county, and Rumford.

COVID Response Diversion Program – MaineHousing awarded \$660,000 to ESHAP funded agencies who chose to participate in the program and be trained in rapid resolution techniques. The program is meant to divert clients from entering homelessness by providing support services and, in some cases, financial assistance for things like back rent, back utilities, and moving costs. Funding was awarded to 15 ESHAP agencies.

Emergency Shelter Renovation and Conversion Program - \$2,403,086 was awarded to 2 agencies for the conversion of existing buildings into shelter space that will allow for physical distancing and additional supportive services to persons experiencing homelessness in two Maine communities. The program is aimed at developing more shelter space in areas that did not have adequate inventory to meet the needs to clients during COVID and to make that space compliant with recommendations from public health organizations in order to prevent the spread of COVID-19 or other infectious diseases.

FEMA Hotels

FEMA has provided 100% reimbursement for hotel rooms during the COVID-19 Pandemic. This has allowed MaineHousing to contract with hotels and service providers in the Portland area, Lewiston, Waterville, Bangor and Presque Isle to provide additional sheltering capacity. This has compensated for reduced bed capacities at decongregated shelters, and has provided rooms for quarantine and isolation. This funding currently extends until 3/31/2022.

Upcoming programs/grants

State ARPA Shelter Operations Grants

The Legislature has appropriated \$10M in federal ARPA funding to go towards Shelter Operations. This money will be distributed to all ESHAP shelters according to the ESHAP Operations funding formula, with youth shelters also being given the 1.25 weighting that are currently provided to low barrier shelters. These funds can be used for shelter operations, repair, or capital improvement. These funds will be issued in a one-time payment in 2022.

HOME ARP

The American Rescue Plan Act (ARPA) appropriated approximately \$16M to Maine, for the purpose of developing permanent housing and/or non-congregate shelter units for people experiencing homelessness. The HI department is working with Development, Finance and Legal to build a program which allows for the development of projects with at least 80% permanent housing, and up to 20% non-congregate shelter. This will go to public comment in January.

Programs outside department with bearing on homelessness

Emergency Rental Assistance (ERA)

The CARES Act provided Maine with \$350M for emergency rental relief. This includes a housing stabilization component, which is focused on people experiencing homelessness. ERA is administered by the HCV department, and is being utilized to provide stabilization services through the CAP agencies, including paying for hotel rooms.

Housing Navigators

The Legislature has appropriated funds to be used to hire Navigators. This funding will be focused on agencies outside of ESHAP, to increase the navigation capacity across the state.

Homeownership Department Memorandum

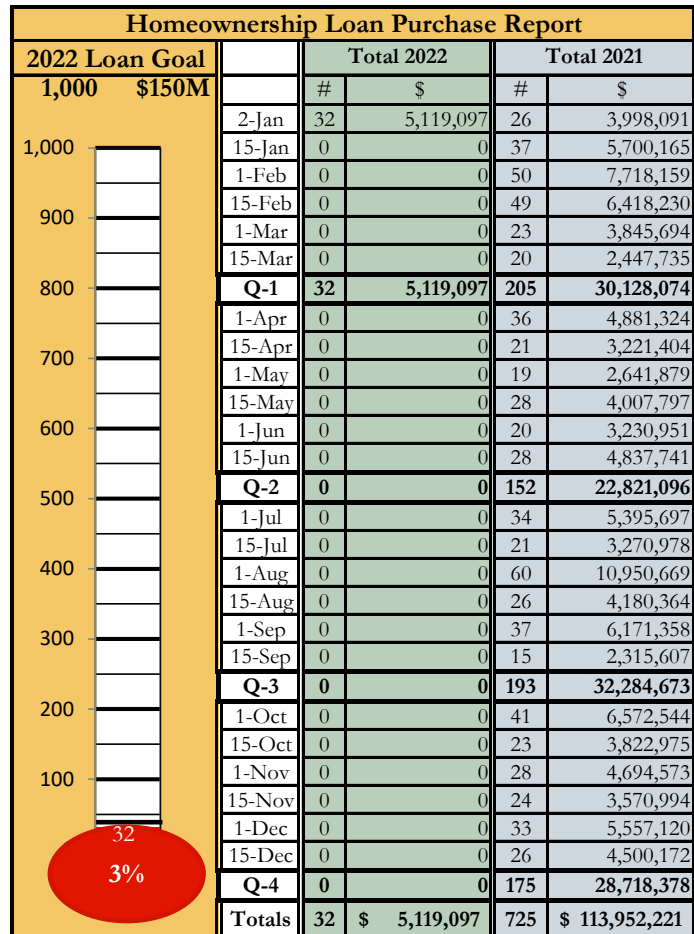
To: MaineHousing Board of Commissioners

From: Craig Reynolds, Director of Homeownership

Date: January 10, 2022

Subject: Monthly Report – Homeownership Department

PRODUCTION UPDATE



Monthly Loan Reservations: 01/03/22	
#	\$ Volume
37	\$ 6,577,249

Loan Pipeline as of: 01/03/22	
#	\$ Volume
174	\$ 28,952,559

YTD Loan Reservation Comparison					
December 2020		December 2021		2020 vs 2021	
#	\$ Volume	#	\$ Volume	#	\$ Volume
274	\$38,691,289	174	\$ 28,952,559	-36%	-25%

PROGRAM HIGHLIGHTS

Production Update & Market Status

First Home Loan program statistics for 2021 are complete and can be found in a final report within this Homeownership department update. Despite 2021 being a record year for total real estate transactions in Maine, many factors combined to present a significant challenge to first time home buyers planning to finance through our First Home Loan (FHL) program. Although FHL interest rates stayed at or near historic lows for most of the year, the full financial benefit this would normally have provided to borrowers was effectively canceled by the dramatic increase in home sale prices that began shortly after the arrival of the COVID-19 pandemic in early 2020.

As the seriousness of the pandemic became apparent at that time, the expectation was that the health scare and the resulting business lockdowns, unemployment and economic uncertainty would undoubtedly stifle most real estate activity for several months or longer. However as we now know, quite the opposite happened due to a variety of factors also related to the pandemic. More than ever, owning a home came to represent a place of safety and security for family members to support one another in the face of the health threat and limitations the pandemic forced upon them. The home also became a workplace for those fortunate enough to have working remotely as an option, and with that came the quick realization that working remotely meant not necessarily having to live near the geographic location of a brick and mortar office. These factors created a sense of independence and mobility which allowed workers and their families to consider migrating to areas like Maine, that were seen as less populated and thus safer places to both live and work, with the added bonus of an improved quality of life and outdoor recreational opportunities as we all know. Maine quickly became a popular destination, but one result of the influx of new residents has been the added competition with Mainers who are also looking to buy from the limited inventory of available homes. Estimates are that over one third of all home sales in Maine since mid-2020 involved an out of state buyer.

The competition for homes in Maine became more intense through 2021 with the ongoing and unprecedented shortage in the inventory of homes for sale, which was the primary cause of the record increase in sales prices. In order to ensure their success in purchasing a new listing, qualified and highly motivated buyers employed the strategy of submitting purchase offers for significantly more than the asking price and offering cash with no home inspection or financing contingency. This tactic often resulted in multiple offers on a home going to the highest bid which often set a record sales price for homes in that given area. The frequency of multiple offers and bids far over asking price appears to have slowed toward the end of 2021, but the demand for homes remains very high and the inventory of homes for sale remains very low. Indications are that the rate of increase in sales prices may also be slowing, however prices in general may stabilize but are not likely to decline in 2022.

Unfortunately, many first time buyers will continue to face elevated home prices and a market environment in which they may be financially unable or unwilling to compete. Those who are qualified and willing to accept the challenge will continue to find a very limited number of homes available to choose from. However, as shown by the 2021 loan production statistics, the FHL is an attractive and competitive financing option offering hope and a pathway to success for hundreds of Mainers determined to become homeowners in spite of the difficult market conditions. In addition to maintaining a below market mortgage interest rate and offering the \$3,500 Advantage down

payment and closing cost assistance option, the FHL program income and purchase price limits will be increasing statewide in January of 2022. These increases will help to improve affordability and expand the opportunity for our eligible borrowers to compete in the current market. The Homeownership department will also embrace the challenges ahead as we look forward to a successful year helping Maine's first time homebuyers achieve their dreams.

MAR Monthly Press Release

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

AUGUSTA (December 22, 2021)— Demand remains strong for existing single-family homes in Maine, while for-sale inventory is lower than a typical, balanced real estate market. According to statistics released by Maine Listings, sales eased 7.99 percent in November while prices increased 11.11 percent compared to November 2020. The median sales price (MSP) reached \$300,000, compared to \$270,000 in November of last year. The MSP indicates that half of the homes were sold for more and half sold for less.

“Despite the lower sales volume last month and during the second half of 2021 January through November 2021 was one of Maine's best, with the number of residential real estate transactions 4.1 percent above the comparable time period in 2020, Maine's historical high. The 2021 figures are 12.3 percent higher than the comparable time period of 2019, prior to the pandemic,” says Aaron Bolster, Broker/Owner of Allied Realty in Skowhegan and 2021 President of the Maine Association of REALTORS®. “The high demand for Maine residential real estate is stymied by the tight supply of homes for sale across our state.

“There were 33 percent fewer homes for sale in November 2021 than November 2020 and 59 percent fewer than November 2019. With a six-month supply of for-sale inventory as the benchmark for a balanced real estate market, our current numbers indicate a 1.7-month supply.”

The National Association of REALTORS® today reported a 2.2 percent decrease in single-family home sales across the country comparing November 2021 to November 2020. Prices rose 14.9 percent to a national MSP of \$362,600. Regionally, sales in the Northeast decreased 11.6 percent and the MSP of \$372,500 reflects a 4.7 percent increase in November 2021 compared to November a year ago.

“Move-in ready homes are in extremely high demand and qualified buyers are ready to purchase. We expect a solid finish to 2021,” says Bolster.

Lender Partner Trainings

Mortgage Lending Team Leader, Lisa McKenna conducted four lender partner training sessions during the month of December, two for CrossCountry Mortgage, one for Radius Financial Group and one for Mortgage Network. The trainings for CrossCountry Mortgage and Radius Financial

Group were specifically geared for staff of newly approved lender partners, covering everything from the basics of our program through to post-closing delivery, loan funding and final document follow-up. Each session was well attended with between 20 -24 staff people. The training for longtime partner Mortgage Network was described as a refresher on many of our First Home Loan program options including the recently added Multi-Unit Advantage program. Approximately twelve Mortgage Network staff people including originators, processors and underwriters attended the training.

Homeownership Department
Program Statistics for 01/01/21 - 12/31/21

Total Number of Loans	725
Total Loan Amount	\$113,952,221
Average Income	\$58,226
Average Age	34
Average Family Size	2
Average Credit Score	692
Average Purchase Price	\$162,178
Average Loan Amount	\$157,175
Average Property Age	66

Summary by Guarantor		%	\$
RD	473	65%	\$74,014,699
FHA	102	14%	\$17,941,734
VA	24	3%	\$4,541,985
PMI (ARCH Pilot)	25	3%	\$5,221,599
Self-Insured (MHSI)	37	5%	\$3,677,998
Uninsured	64	9%	\$8,554,206

Credit Score by Guarantor	
RD	693
FHA	674
VA	667
PMI (ARCH Pilot)	749
Self-Insured (MHSI)	706
Uninsured	697

Housing by Property Type	#	%
Single Family	599	83%
2-4 Family	26	4%
Double Wide	57	8%
Single Wide	22	3%
Condo	21	3%
PUD	0	0%
Party Wall	0	0%

Income % by AMI	#	%	\$
<=30%	7	1%	\$ 453,209
30 - 50%	86	12%	\$ 9,331,141
50 - 80%	338	47%	\$ 50,125,447
80 - 100%	229	32%	\$ 41,493,622
>100%	65	9%	\$ 12,548,802

Advantage Program Closing Cost Assistance	
Number of Loans with Advantage	703
Percentage of Total Loans with Advan	97%
Average Loan Amount	\$158,842
Total Loan Amount	\$111,666,249
Total Assistance Granted	\$2,460,500

Salute Program Summary	#	\$
Salute ME	33	\$5,665,391
Salute Home Again	1	\$79,092
Total Loan Amount	34	\$5,744,483

Mobile Home Loan Summary	#	\$
Replacement Initiative (MHRI)	14	\$1,018,844
Self-Insured (MHSI)	37	\$3,677,998
Total Mobile Homes	79	\$9,347,524

PPI Option Summary	
PPI Total Number of Loans	8
Percentage of Total Loans	1%
Total Rehab Amount	\$93,956
Energy Star Appliance Amount	\$4,900

Loans by County	District	#	\$
Androscoggin	2	65	\$ 10,444,789
Aroostook	2	91	\$ 9,578,137
Cumberland	1	63	\$ 14,412,807
Franklin	2	28	\$ 3,607,186
Hancock	2	31	\$ 4,810,220
Kennebec	1,2	80	\$ 13,172,590
Knox	1	28	\$ 5,137,575
Lincoln	1	14	\$ 2,648,475
Oxford	2	41	\$ 6,005,782
Penobscot	2	92	\$ 13,381,985
Piscataquis	2	12	\$ 1,301,397
Sagadahoc	1	12	\$ 2,298,144
Somerset	2	61	\$ 8,343,754
Waldo	2	33	\$ 5,576,107
Washington	2	28	\$ 2,992,897
York	1	46	\$ 10,240,376

Loan Production by District	#	\$
District 1	209	\$41,970,726
District 2	516	\$71,648,264

Housing Choice Vouchers Department Memorandum

To: MaineHousing Board of Commissioners

From: Allison Gallagher - Director of HCV Programs

Date: January 18, 2022

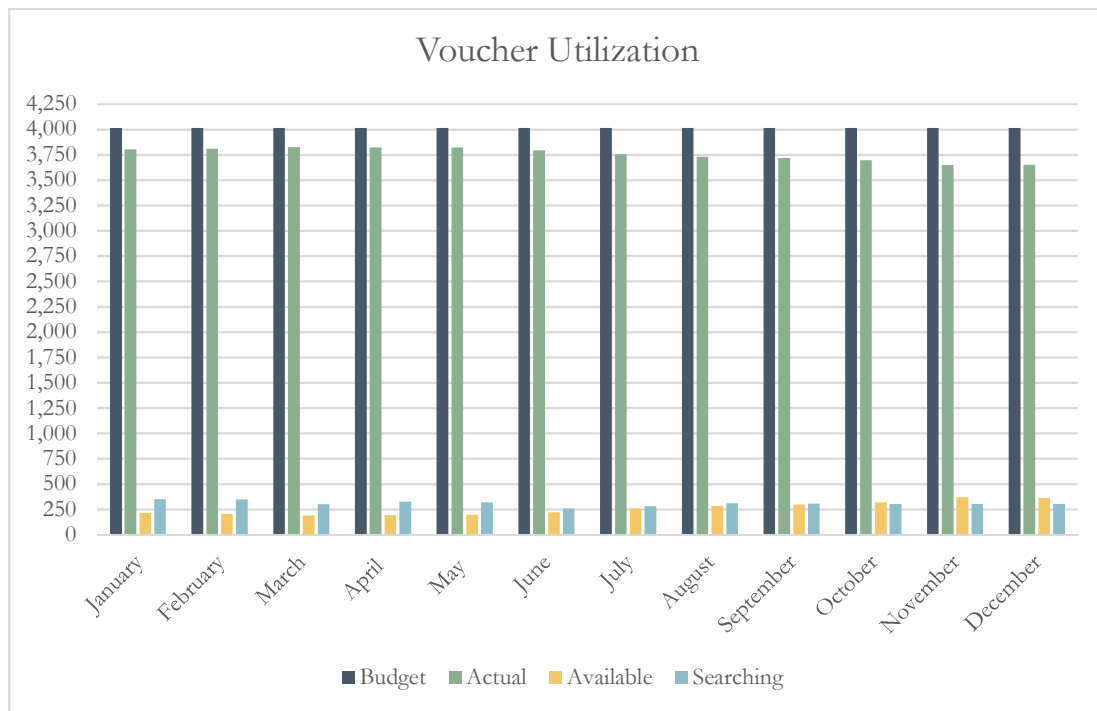
Subject: Monthly Report – Housing Choice Voucher Program

Program Updates:

HCV COVID-19 waivers-expired December 31, 2021, MaineHousing requested an extension on the COVID waiver allowing us to update the Voucher Payment Standard (VPS) at any certification. We received approval to extend the waiver through December 31, 2022. This will help maintain the affordability of a unit in the event of a rent increase or change in household size.

MaineHousing will continue to offer landlord incentives in 2022 which include assistance for security deposits, a landlord repair/damage program and landlord incentives for each new lease signed with the HCV program. These incentives will continue to be offered state wide in partnership with Maine Public Housing Authorities.

December Lease Incentives-\$30,750 (41)



HCV (homeless initiatives)

STEP, Home to Stay, Homeless priority, EHV

	Leased	Searching
STEP	136	48
Home to Stay	171	73
Homeless Priority	234	69
EHV	12	104

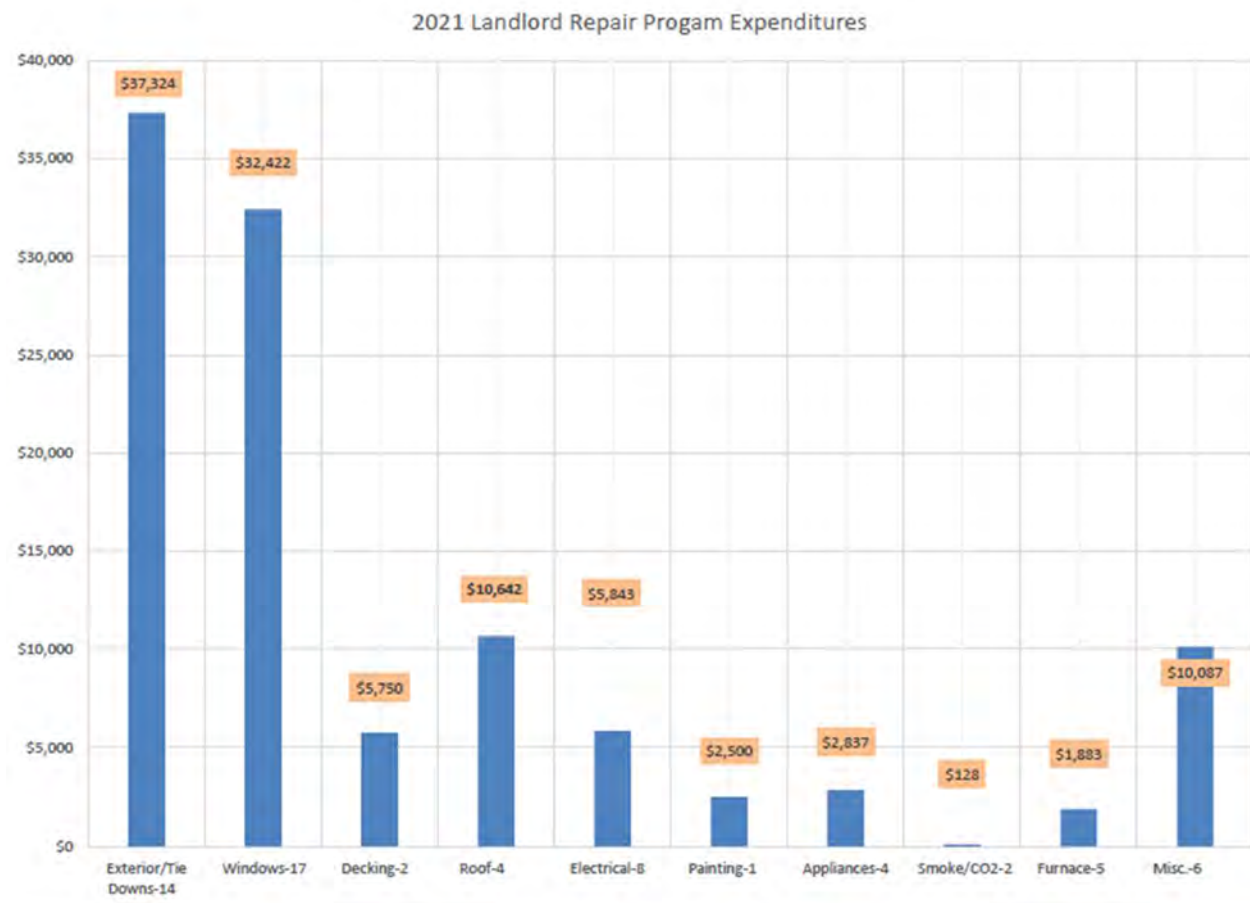
LEAN Update:

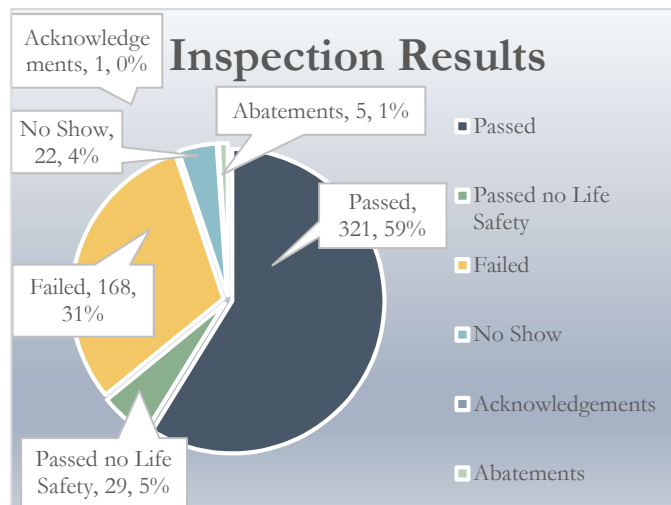
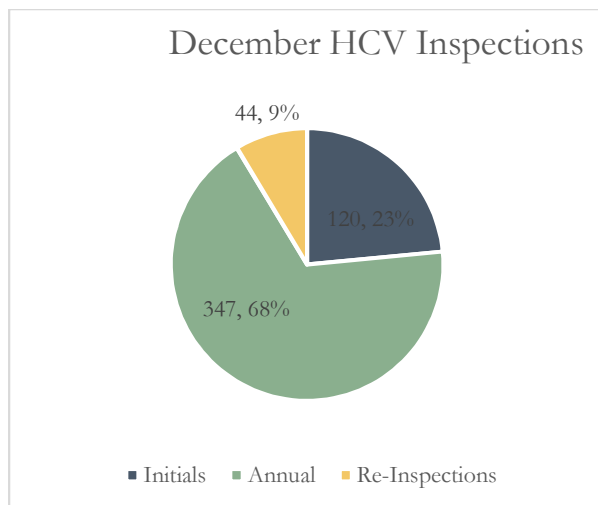
HCV staff are working on scanning all physical tenant files as a 2021/2022 LEAN initiative. We have scanned 38% or 1,385 tenant files to date.

Inspection Updates:

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

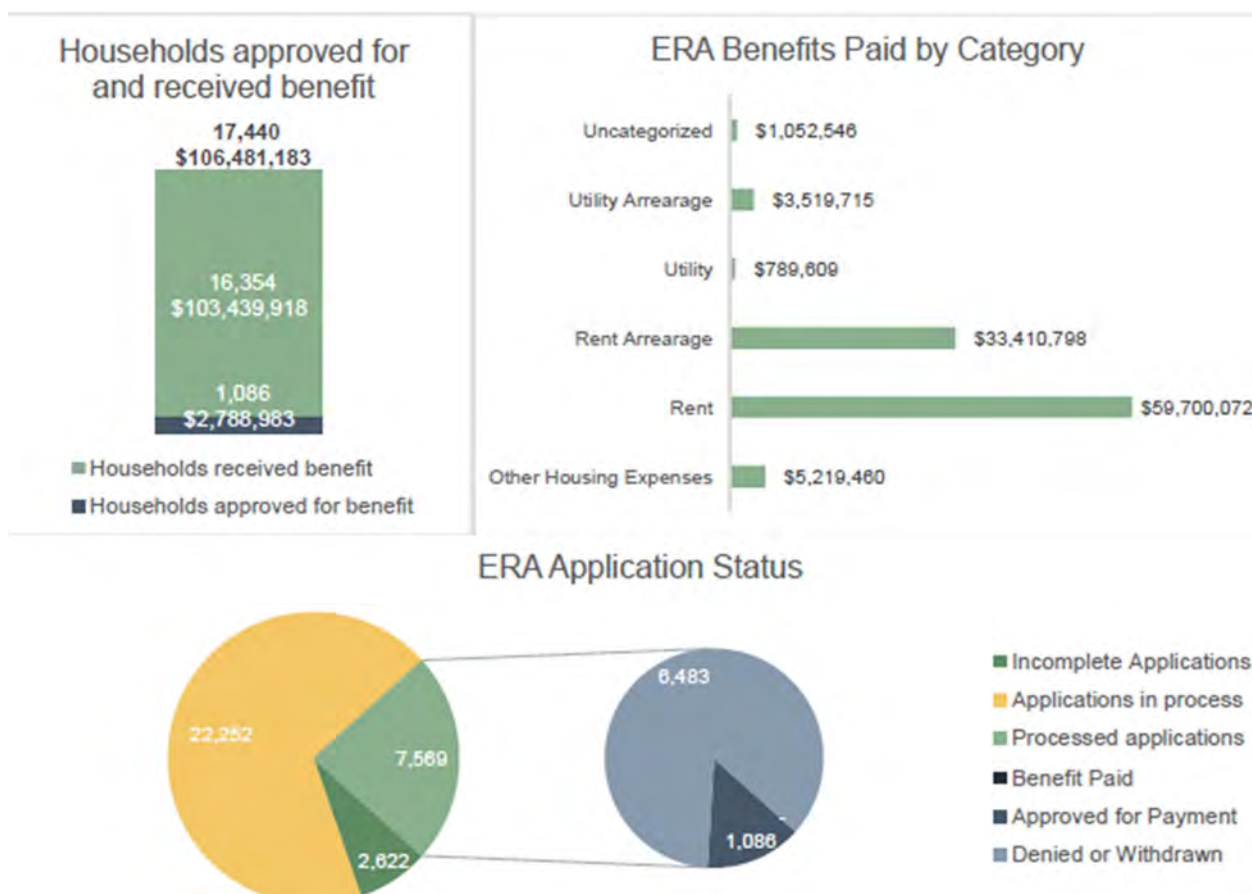
Landlord Repair Program: \$109,416.09/Damage Reimbursement Program: \$42,970.89





Emergency Rental Assistance:

Exceeded \$100M in ERA funds and more than 17,000 households served



As of December 29, 2021

Human Resources and Facilities Department Memorandum

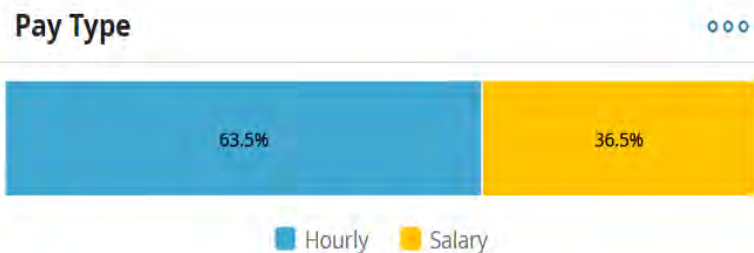
To: Board of Commissioners

From: Jane Whitley, Director of Human Resources & Facilities

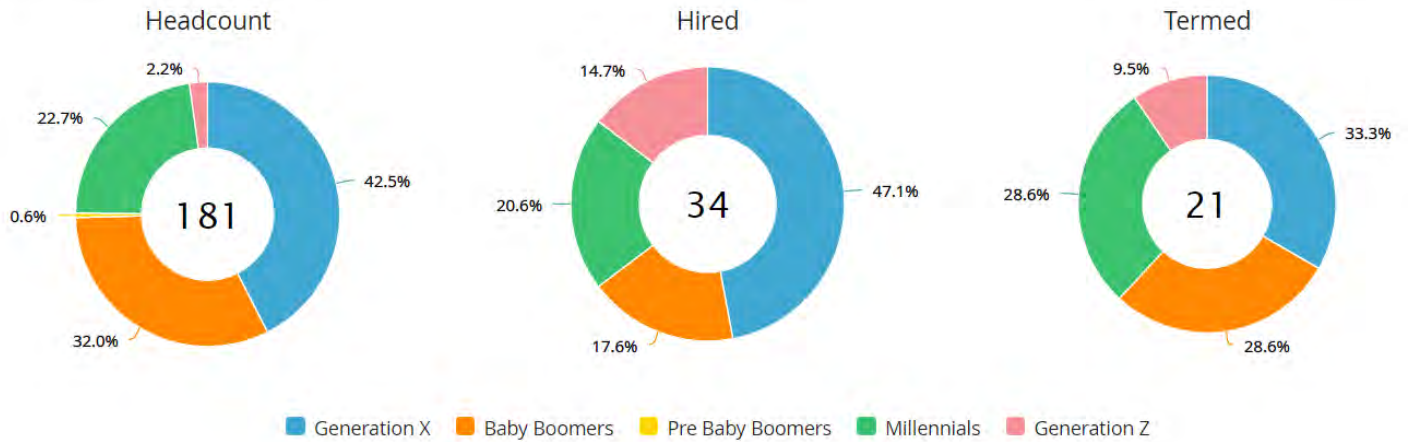
Date: January 2022

Subject: Board Report

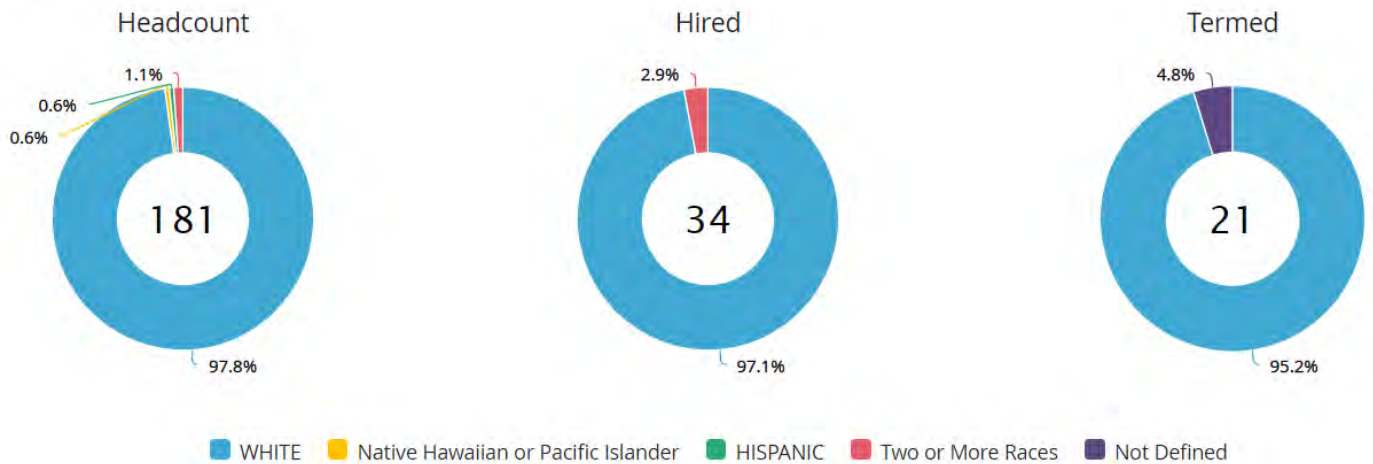
2021 Human Resources Year in Review



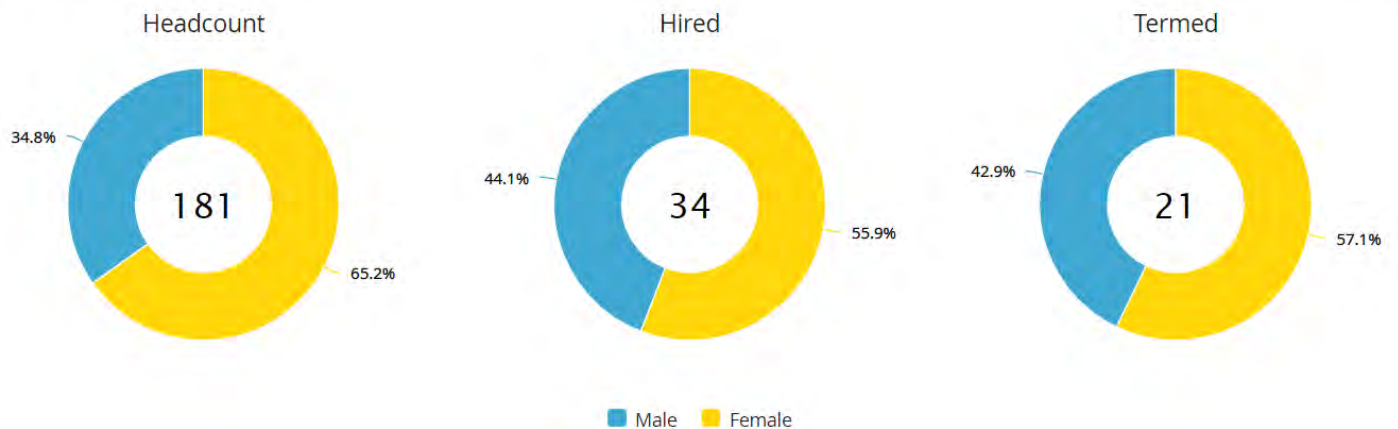
Generation at a Glance



Ethnicity at a Glance



Gender (Legal) at a Glance



Internal Promotions: 15

MaineHousing Website Career Page Visits: 7,852

Human Resources Updates

STAFF ANNOUNCEMENTS

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

- ✓ Trey Michonski, Loan Servicing Assistant, Finance Department
- ✓ Jamie Francomano, Construction Analyst, Development Department
- ✓ Amanda Philbrook, HEAP Assistant, EHS Department

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

- Application Specialist
- HEAP Program Officer
- Compliance Officer I
- HCV Occupancy Specialist
- Construction Analyst
- Multifamily Loan Officer
- HQS Inspector



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

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

We also advertise on Indeed and Jobsinme.com.

Facilities Updates

- ✓ No news to report.



Information Technology Department Memorandum

To: Board of Commissioners

From: Sheila Nielsen, Director of IT

Date: January 11, 2022

Subject: Monthly Report

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

- Annual IT penetration testing with Illumant has concluded and final reports are pending.
- Multifamily Affordable Housing Software selection efforts have concluded, selected vendor has been awarded the RFP. Contract negotiations will start this week.
- Working with audio visual vendor, conference rooms equipment changes to support improved user experience have been identified and approved. Will coordinate changes with vendor based on their availability.
- Begun the transition from RingCentral Meeting platform to RingCentral Video platform. Vendor has not provided a final cutover timeline.

Board Calendar 2022

JANUARY 18 <ul style="list-style-type: none"> Legislative Preview (P. Merrill) <p>NCSHA HFA Institute (Jan. 10-Jan. 14 and Jan. 24-Jan. 28) Virtual</p>	FEBRUARY 15 <ul style="list-style-type: none"> Introduce HEAP
MARCH 15 <ul style="list-style-type: none"> HEAP discussion Audit Committee update <p>NCSHA Legislative Conference (March 14-16) Washington, DC</p>	APRIL 19 <ul style="list-style-type: none"> Commence rulemaking HEAP 2021 Year-end Financials
MAY 17 <ul style="list-style-type: none"> HEAP public hearing 	JUNE 21 <ul style="list-style-type: none"> Adopt HEAP rule HCV Annual Plan Timeline <p>NCSHA Housing Credit Connect (June 21-24) Chicago, IL</p>
JULY 19 <p>If necessary</p>	AUGUST 16 <ul style="list-style-type: none"> HCV Annual Plan Review prior to Public Hearing
SEPTEMBER 20 <ul style="list-style-type: none"> HCV Annual Plan Public Hearing <p>NCSHA Annual Conference & Showcase (Oct. 22-25)</p>	OCTOBER 18 <ul style="list-style-type: none"> Introduce DOE Weatherization State Plan Adopt HCV Annual Plan
NOVEMBER 15 <ul style="list-style-type: none"> Review Preliminary 2023 Budget DOE Weatherization State Plan Public Hearing 	DECEMBER 20 <ul style="list-style-type: none"> Approve 2023 Budget Elect Officers MPP Series Resolution Adopt DOE Weatherization State Plan