

Minutes of the Board of Commissioners Meeting June 19, 2018

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on June 19, 2018 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on June 8, 2018 in Central Maine newspapers.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. The meeting convened with Commissioners Thomas Davis, Kevin Joseph, Laurence Gross, John Gallagher, and Director Dan Brennan in attendance. Matthew Colpitts, Deputy State Treasurer attended on behalf of State Treasurer Terry Hayes. Commissioners Sheryl Gregory and Donna Talarico did not attend. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting include: Linda Uhl, Chief Counsel; Denise Lord, Senior Director of Communications and Planning; Daniel Drost, Director of Energy and Housing Services; Mark Wiesendanger, Director of Development; Tom Cary, Treasurer; Linda Grotton, Manager of Audit and Compliance; Craig Reynolds, Director of Homeownership; Darren Brown, Director of Finance; Lauren Bustard, Senior Director of Programs; Allison Gallagher, Director of Housing Choice Voucher Department; Jane Whitley, Director of Human Resources and Facilities; Kathy Kinch, Manager of LIHEAP and Financial Reporting; Clyde Barr, Policy Analyst; Richard Taylor, Communications and Research Manager; Elizabeth Kolle, Communications and Planning Intern; Bill Crandall and Judy Frost from Western Maine Community Action; Jennifer Giosia and Lynn Lugdon from Penquis Community Action Program; Jen Middleton; Herb Benner; Karina Lemay from Dead River; Lindy Ryan from Augusta Fuel Company; Brian Kilgallen from Community Housing of Maine, Inc.; Rick McCarthy from Maine Community Action Association; Pat Ende from Maine Equal Justice Partners; and Gerrylynn Ricker, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Joseph made a motion seconded by Commissioner Davis to adopt the June 19, 2018 agenda. The vote carried unanimously.

APPROVE MINUTES OF MAY 15, 2018 MEETING

Commissioner Joseph made a motion seconded by Commissioner Davis to accept the May 15, 2018 minutes as written. The vote carried unanimously.

COMMUNICATIONS AND CONFLICTS

Chair Lincoln Merrill told the members that he has had conversations with Brian Sites of Volunteers of America, the developer of the Cabin in the Woods project at Togus. Mr. Merrill met with Representative Paul Chace. He had a conversation with Pen Schaeffer from Brunswick regarding New York City public housing problems.

Commissioner Gallagher reported that he may do some consulting work for Northern New England Housing Investment Fund. He stated that he would meet with Chief Counsel Linda Uhl to discuss any conflict of issue matters.

CHAIR OF THE BOARD UPDATES

- None

DIRECTOR UPDATES

- Director Dan Brennan handed out copies of the 2017 annual report to the Commissioners. Next year is our 50th anniversary and we've created a 50th anniversary committee.
- Director Brennan visited with Bob Dauber at York County Shelters. He also visited with people at Preble Street and City of Portland Shelters.
- Mr. Brennan attended the Maine Real Estate Developers Association's spring conference. They celebrate projects around the State of Maine and four of the ten projects they awarded were tax credit projects that were financed by MaineHousing.
- Senior Director of Communications and Planning Denise Lord and Director Brennan visited Bill Floyd at the Genesis Community Loan Fund.
- Director Brennan was invited to speak at the Greater Portland Council of Governments summit.
- Director Brennan reported he toured the IDEXX Laboratories in Westbrook and Geiger Promotional Products in Lewiston.
- Director Brennan met with people from Barclays and Wells Fargo.
- Director Brennan visited with Nathan Szanton of the Szanton Company. He is proposing a project in the Bayside area of Portland.
- Director of Development Mark Wiesendanger, Senior Director of Communications and Planning Denise Lord, and Director Brennan met with USDA State Director Tim Hobbs.
- Director Brennan met with Bill Crandall from Western Maine Community Action and Shawn Yardley at Community Concepts.
- Director Brennan updated the Board members regarding Cabin in the Woods, the 9% deal on property at Togus campus that is under construction.
- Director Brennan reported that the legislation is back in session. There is a \$4,000,000 budget item for lead abatement that has passed the appropriations committee. There is a bill related to the opiate issue to provide \$100,000 for housing related issues. There is also a study group or commission relating to aging and senior housing.
- Mr. Brennan advised the Board that we have started our search for an Information Technology Director. We are doing an internal only search first.
- Mr. Brennan told the Board members that we currently have over \$50,000,000 in the First Time Home Buyers pipeline.
- Director Brennan reported that the building committee is very active. There is a meeting scheduled following the Board meeting if any of the members would like to attend.
- Director Brennan is planning a visit with our HUD contacts in Boston. Mr. Brennan will coordinate the Boston trip with a visit to New Hampshire's Housing Finance Authority.
- Director Brennan reported that MaineHousing's All Staff Day is scheduled for Tuesday, June 26th at the Calumet Club in Augusta. All Board members are invited to attend.
- Mr. Brennan told the members that we have started the Best Places to Work in Maine survey.
- Next week Director Brennan has been invited to the Greater Portland Council of Governments.
- Mr. Brennan will be attending the NCSHA Executive Directors meeting July 15-18, 2018 in Bar Harbor.
- The NCSHA Annual meeting will be in Austin, Texas October 13-16, 2018. This conflicts with our October Board meeting. We may want to move the October meeting to October 9 or October 23.
- Director Brennan reminded the Board members that there is no July meeting.

- Mr. Brennan will be on earned time the first week of July and the second week of August.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM PUBLIC HEARINGS

Chief Counsel Linda Uhl explained that we would hold a hearing on the repeal and the replacement of our Home Energy Assistance Program Rule, a second hearing on the U.S. Department of Health and Human Services LIHEAP fiscal year 2018-2019 State Plan, and a final hearing on the proposed Waiver of the weatherization cap for federal fiscal year 2018 LIHEAP program. Chief Counsel Linda Uhl introduced the Commissioners and staff representing MaineHousing. Ms. Uhl asked the Director of Energy and Housing Daniel Drost to explain to the Board the stakeholder process. Notice of the hearings was published on our website on May 24, 2018; sent to interested parties on May 25, 2018; and published in newspapers statewide on May 30, 2018. The comment period on the Rule expires Friday, June 29, 2018 at 5:00 p.m. and the comment period on the State Plan and the Waiver ends on Monday, July 2, 2018 at 5:00 p.m.

Chief Counsel Uhl opened the hearing on the repeal and replacement of the Rule at 9:33 a.m. Rick McCarthy on behalf of the Maine Community Action Association provided testimony. Lynn Lugdon from Penquis Community Action Program provided testimony. Bill Crandall from Western Maine Community Action provided testimony. The public hearing closed at 9:50 a.m.

Chief Counsel Uhl opened the hearing on the State Plan at 9:50 a.m. Rick McCarthy's comments on the Rule were also for the State Plan. There being no further public comments, the hearing on the State Plan closed at 9:50:37 a.m.

Chief Counsel Uhl opened the hearing on the Waiver at 9:50:42 a.m. There were no public comments and the hearing on the Waiver closed at 9:50:48 a.m.

ADOPT THE QUALIFIED ALLOCATION PLAN (QAP)

Development Director Mark Wiesendanger advised the Board members that after last month's public hearing on the QAP we continued to collect comments through May 25th. We did not receive any substantial comments. We received a lot of good feedback. We corrected some grammatical errors. *Commissioner Gallagher made a motion seconded by Commissioner Gross to repeal the existing Low Income Housing Tax Credit Rule, Chapter 16 of MaineHousing's rules, and replace it with the Low Income Housing Tax Credit Rule attached to the memorandum to the MaineHousing Board of Commissioners from Mark Wiesendanger and Linda Uhl dated June 14, 2018 on adoption of the 2019 Qualified Allocation Plan. The vote carried unanimously.*

HOUSING CHOICE VOUCHER ANNUAL PLAN

Director of Housing Choice Vouchers Allison Gallagher presented the 2019 Housing Choice Voucher Annual Plan. This is a requirement from HUD regarding our five year plan. The public notice will be published in newspapers statewide on Friday, June 29, 2018. We will hold a public hearing at the August 21, 2018 Board meeting. Ms. Gallagher reviewed some of the changes.

RESOLUTION ON FINANCING OF THE NEW BUILDING

Treasurer Tom Cary explained the options he, Chief Counsel Linda Uhl, and Director of Finance Darren Brown have explored for funding the cost of the new building purchase and renovations. Mr. Cary said that our current bond counsel, Kutak Rock has worked with 3 or 4 other public housing authorities that have financed and built new buildings. Mr. Cary told the Board members that we sent out an Invitation for Proposals asking local banks to give us their best options for a tax exempt mortgage. Mr. Cary presented the Board with a Resolution to authorize MaineHousing to enter into financing arrangements for the purchase, remodeling, rehabilitating and related costs associated with the new building in an amount not to exceed \$16,000,000 and on terms set forth in the Resolution.

Commissioner Gallagher made a motion seconded by Commissioner Davis to adopt the Resolution as presented. The vote carried unanimously.

MEETING THE NEEDS OF RURAL MAINE

Director Brennan presented a slide show of research compiled by our Communications and Planning Department regarding housing in rural areas. United States Department of Rural Development (RD) properties and United States Department of Housing and Urban Development (HUD) are not creating any new growth. RD has some loss of housing inventory while HUD has no loss to date. With MaineHousing's LIHTC portfolio, we add or preserve 300 to 500 units annually. We anticipate up to 25 new units for supportive housing using the Housing Trust Fund. Public Housing and Housing Choice Vouchers not in our portfolio have no new growth. Director Brennan reported that the First Home Loan Purchases in 2017 were in 286 communities with 1,106 loans and we have a strong pipeline for 2018 with a goal greater than 1,125. Mr. Brennan also mentioned that other programs to help preserve homes have continued growth. Director Brennan stated that we will continue with all these programs.

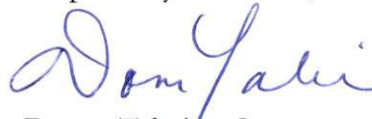
DEPARTMENT REPORTS

Deputy State Treasurer Matthew Colpitts asked a question on behalf of Commissioner Hayes. On page 26 of the Board packet, the Energy and Housing Services report shows we served 2,726 households with ECIP money. He asked what we did for these homes and were there any repeat households? Director Brennan answered that these are homes where their furnace probably needs repair or replacement. This program is all about averting an energy crisis. He also believed these were one time beneficiaries; there are very few repeats. Mr. Colpitts noted that the decrease from 27 months to 15 months in foreclosure referenced on page 29 is impressive. Commissioner Gallagher congratulated Homeownership Director Craig Reynolds on the continued growth in his department.

ADJOURN

Commissioner Gross made a motion seconded by Commissioner Joseph to adjourn the meeting. The meeting was adjourned at 11:28 a.m. by a unanimous vote of the Board.

Respectfully submitted,



Donna Talarico, Secretary