

March 17, 2020 Board Meeting

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Board of Commissioners Meeting – March 17, 2020 9:00 A.M. – 12:00 P.M.

FAME

Conference Room

5 Community Drive

Augusta

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

| ITEM | AGENDA | PRESENTER |
|-------|---|-------------------|
| 9:00 | Adopt Agenda (VOTE) | Lincoln Merrill |
| | Approve minutes of February 18, 2020 meeting (VOTE) | All |
| | Communications and Conflicts | All |
| | Chair of the Board Updates | Lincoln Merrill |
| | Director Updates | Dan Brennan |
| 9:30 | HEAP Discussion | Troy Fullmer |
| 10:00 | Audit Committee Update | Linda Grotton |
| 10:15 | QAP Draft | Mark Wiesendanger |
| 10:30 | Edison Drive Presentation | Don McGilvery |
| | <u>Department Reports:</u> | All |
| | Asset Management | |
| | Communications and Planning | |
| | Development | |
| | Energy and Housing Services | |
| | Finance Monthly Report | |
| | Financial & Budget Report | |
| | Finance Delinquency Report & Charts | |
| | Homeless Initiatives | |
| | Homeownership | |
| | Housing Choice Voucher | |
| | Information Technology | |
| | Adjourn (VOTE) | All |
| | Building Committee Meeting to Follow | |

*The next meeting of the Board is scheduled for April 21, 2020
at FAME, 5 Community Drive, Augusta, Maine*



Minutes of the Board of Commissioners Meeting February 18, 2020

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on February 18, 2020 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. Notice of the meeting was published on February 7, 2020 in Central Maine newspapers.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. The meeting convened with Commissioner Kevin Joseph and Director Dan Brennan present. Commissioner Thomas Davis and Commissioner Larry Gross were absent. Commissioner Donna Talarico attended by telephone because she was out of state. There were no other persons at her location. Commissioner Bonita Usher also attended by telephone because she was out of state. There were no other persons at her location. Deputy Treasurer Matthew Colpitts attended by telephone because he was providing child car. His two children were with him. 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; Tom Cary, Treasurer; Daniel Drost, Director of Energy and Housing Services; Kyme Ferenc, Manager of Housing Services; Troy Fullmer, Manager of HEAP & Weatherization Services; Mark Wiesendanger, Director of Development; Karen Lawlor, Executive Administrator; Jane Whitley, Director of Human Resources and Facilities; Linda Grotton, Director of Audit and Compliance; Brenda Sylvester, Community Housing of Maine, Inc.; and Gerrylynn Ricker, Paralegal and Note taker.

ADOPT AGENDA

Director Brennan asked if the Commissioners would like to wait until more were present to hear Linda Grotton's presentation on the Audit Committee. The Commissioners agreed to postpone that presentation until the March meeting. *Commissioner Joseph made a motion seconded by Commissioner Usher to adopt the February 18, 2020 agenda with that change. The vote carried unanimously.*

APPROVE MINUTES OF January 21, 2020 MEETING

Deputy State Treasurer Matthew Colpitts made a motion seconded by Commissioner Usher to accept the January 21, 2020 minutes as written. The vote carried unanimously.

COMMUNICATIONS AND CONFLICTS

Chair Merrill reported that one of his tenants will be doing electrical work on the Hartland project and one of the Belfast projects. Chair Merrill also reported that Developers Collaborative is building homes next to his mother's house in Bar Harbor for Jackson Laboratories. MaineHousing is not involved in that project so there is no conflict.

CHAIR OF THE BOARD UPDATES

Chair Merrill reported he attended the signing by Governor Mills of the State Low Income Housing Tax Credit bill.

DIRECTOR UPDATES

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

- Attended and spoke at Governor Mills' signing of the State Low Income Housing Tax Credit bill. Director Brennan stated this was a 100% bipartisan effort.
- We have tentatively set our move date for Friday, May 15th. The staff will have the day off on Friday. Monday the staff will be in but the agency will be closed to the public. We will open for business on Tuesday, May 19th. We will move the Commissioners' May meeting to the 26th.
- Friday there was a water main break on Water Street which led to a gas leak. There was a "Stay in Place" order issued by the Augusta Fire Department. Over the weekend our elevator lost hydraulic fluid and will be out of commission for a while.
- Sat on a panel at the Associated General Contractors economic forum on January 22nd. Members of the Maine Turnpike Authority, Maine Department of Transportation, and the State Economist's office were also on the panel.
- Met with Nancy Smith of GrowSmart Maine concerning the QAP.
- We had our All Staff Day on February 4th. The better part of the day focused on the move.
- We had a clean-up day on February 12th.
- Met with Lisa Sockabasin, Executive Director of the Wabanaki Public Health Organization. The meeting was on recovery residences.
- Held two large partner meetings, one with recovery residence operators and the other with QAP partners. The QAP meeting was one of three we plan to host.
- Testified at a couple public hearings at the State House: Commission to Study Zoning Regulations and FUSE Commission.
- Attended one work session regarding fair chance housing and Peter will host a meeting here tomorrow with Rachel Talbot-Ross who has a bill regarding landlords and background checks.
- Director Brennan and Deputy Director Merrill are meeting with the new Mayor of Portland and the City Manager.
- Meeting on February 20th with the new Director of York County Shelters, Megan Gean-Gendron.
- Going to New York City March 2nd and 3rd with Treasurer Tom Cary and Chief Counsel Linda Uhl. We will be meeting with bond underwriters, CFX, Moody's and S & P Global.
- Attending the Maine Affordable Housing Coalition meeting on March 4th.
- Director Brennan and Deputy Director Merrill are going to the legislative conference in Washington, DC March 9th through March 11th.
- The Federal Government has asked for comments on how it can reduce or eliminate barriers to development. Our Communications and Planning department has worked with the Maine Affordable Housing Coalition to submit comments.

HOME ENERGY ASSISTANCE PROGRAM (HEAP) INTRODUCTION

Manager of HEAP & Weatherization Services, Troy Fullmer handed out an informational sheet from the Administration for Children & Families Office of Community Services which explains the Home Energy Assistance Program. The purpose, legislative authority, appropriations, eligible applicants, target population and uses were discussed. Mr. Fullmer also reviewed the Maine Program Year 2018 HEAP performance management snapshot and lastly, reviewed the tentative key dates regarding the HEAP Program Year 2021 Rule and State Plan review process. The proposed timeline is as follows:

March 17, 2020 – HEAP discussion;

April 21, 2020 – Seek permission to commence rulemaking;

May 26, 2020 – Public Hearing; and
June 16, 2020 – Ask the Board to adopt the rule.

QAP PARTNER MEETING DEBRIEF and CONSTRUCTION COSTS

Director of Development Mark Wiesendanger went through his slide show presentation that he and Policy Analyst Clyde Barr gave at All Staff Day. He also reviewed the issues that were discussed at the first of three QAP partner meetings. There is still concern that the total development cost (TDC) caps are too low. The developers want energy efficiency incentives including PassivHaus certification. They said the location points hurt rural areas and the QAP application timing could be earlier. The high cost of construction was discussed. Mark reviewed the breakdown of costs: 75% is the construction cost, and that number has increased, it used to be 65% to 70%; legal fees and architectural fees have not increased much over the years. A labor shortage seems to have the biggest impact on construction costs.

DEPARTMENT REPORTS

Commissioner Joseph questioned the Greentree delinquency on page 25 of the Board packet. Director Brennan will get additional information for Commissioner Joseph.

ADJOURN

Commissioner Joseph made a motion seconded by Commissioner Talarico to adjourn the meeting. The meeting was adjourned at 10:21 a.m. by unanimous vote of the Board.

Respectfully submitted,

Donna Talarico, Secretary

PY 2021 HEAP Stakeholder Input Summary of Themes

Start Date for Energy Crisis Intervention Program (ECIP)

The traditional start date for ECIP is November 1. Some CAAs would like to see this start date moved later in the year and other CAAs would like to see it moved earlier in the year.

Valid Photo ID Requirement

Per the Chapter 24 HEAP Rule, the Primary Applicant providing information for the HEAP application must provide valid government issued photo identification. Some applicants are not able to provide this type of documentation. MaineHousing currently considers waivers for this identification requirement. Several HEAP stakeholders would like to see this requirement modified, perhaps removing the “valid” (unexpired) from related terminology; or considering a lifetime waiver for this requirement in some instances.

Post-Delivery Payments

HEAP Vendors that supply non-wood, deliverable fuels (oil, kerosene, propane) currently receive HEAP clients’ benefits prior to deliveries. HEAP Vendors post these benefits to HEAP clients’ accounts and draw down from the benefit as HEAP fuel deliveries are made. Currently, TANF Supplemental payments are processed on a post-delivery basis. Some HEAP Vendors have shared that this is confusing to clients when there is a delay between when Vendors are paid and when Vendors provide clients with statements. MaineHousing is considering moving completely to a post-delivery model for non-wood, deliverable fuels. Some HEAP Fuel vendors have expressed concerns about moving completely to a post-delivery payment system for a variety of reasons, including anticipated additional paperwork and possible delays with Vendors receiving payments. Vendors would like to know what the submission requirements would look like.

Annual Consumption Reporting

The purpose of Annual Consumption Reporting (ACR) is to account for the use of HEAP funds and to determine a Household’s total deliveries, for the approved Home Energy type, from May 1 through April 30. ACR information is used as part of determining a client’s HEAP benefit for the following Heating Season, and to meet federal reporting requirements. Vendors expressed challenges with the ACR process, including timing of when they have to work on it and the report format itself. A suggestion was made to form a working group to look at ACR process and see if efficiencies can be identified.

Choice of Home Energy Product

Per the HEAP Handbook, if a HEAP client’s fuel tank is outside or in an unheated space, the required fuel type is kerosene. Some stakeholders think the client should be able to choose oil even if their fuel tank is outdoors or in an unheated space. Other stakeholders, including some HEAP Vendors, encourage the continued practice of kerosene being the approved product for households with fuel tanks that are outside or in areas, such as unheated basements, that do not adequately protect from cold air.

Eligibility- Dwelling Unit Definition

In Chapter 24- Home Energy Assistance Program Rule, a Dwelling Unit is defined as, “an occupied residential housing structure with one or more rooms that is used customarily as a domicile for one or more persons, when permanently connected to the required utilities (including plumbing, electricity and Heating Systems) and contains bathroom and kitchen facilities specific to that unit. A Dwelling Unit has its own private entrance from the outside or off an enclosed hallway leading from the outside that does not pass through or offer an open access to any other unit within the structure. A Dwelling Unit does not include a Camper, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.” Chapter 24 also states that, “A Household is not eligible for Programs when the Household resides in a Camper, regardless of any and all modification(s) or length, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.” There has been some discussion about opening up the opportunity for households dwelling in Campers, under certain circumstances, to be eligible for HEAP benefits; however, there are some concerns with allowing Campers to be considered eligible Dwelling Units.

Benefit Determinations

Per Chapter 24- Home Energy Assistance Program Rule, “Tenants in Subsidized Housing with a Direct Energy Cost, the annual utility allowance for heating, ... must be deducted from the estimated Energy Cost in order to determine the Eligible Household’s heat burden.” In some instances, this may result in a Household having a negative heating burden. The Community Action Agencies suggest that when deducting the utility allowance for calculating benefit, to stop at zero. This would ensure that there would be no negative annual consumption/heating burden.

Applying Benefits Retroactively

Per the HEAP Vendor Handbook, if a vendor has delivered home energy to an eligible household on or after October 1 of the current Program Year and the eligible household or a private individual has paid the vendor for the delivery or there is an outstanding balance for the delivery, the vendor may apply HEAP or TANF Supplemental Benefit funds received for the account of the eligible household to that Home Energy delivery. A suggestion has been made for MaineHousing to consider removing the option to apply benefits retroactively, as this creates recordkeeping challenges for vendors and MaineHousing.

Eligibility- Categorical Eligibility

The LIHEAP Statute allows certain households to be considered “Categorical Eligibility” for HEAP, including households receiving TANF cash assistance. Currently in Maine, there is no system in place to allow households receiving TANF cash assistance to be considered categorically eligible for HEAP. MaineHousing has been asked to utilize categorical eligibility for families who receive TANF cash assistance.

Subgrantee Administrative and Program Expenses

Community Action Agencies have asked to allow Fuel Assistance and ECIP to charge costs in the same manner as Weatherization/CHIP and Assurance 16 Services. CAAs would like MaineHousing to allow program dollars to pay for support costs of taking and certifying applications. Support costs would include all costs associated with intake and certification such as space, computer, telephone, mileage, etc. Indirect costs would be charged to administrative funds. This would be the same as Weatherization, Central Heating Improvement Program, and Assurance 16. Costs associated with administering HEAP would be charged to administrative dollars.

Use of ECIP Funds

Per Chapter 24- Home Energy Assistance Program Rule, “ECIP funds cannot be used to pay solely for a delivery charge.” ECIP funds can be used to pay for delivery and restart fees when an ECIP covered fuel delivery is made. Regular HEAP benefits cannot be used to pay for delivery or restart fees. Situations arise in which a HEAP client may have their regular HEAP benefit and/or TANF Supplemental Benefit funds on account with their Vendor and the client is in an energy crisis situation and needs an emergency delivery. In order to get their fuel delivered in a timely manner to address the emergency situation, there may be delivery and/or restart fees charged by the Vendor. Currently, ECIP funds cannot be used to cover the costs of these fees associated with a non-ECIP delivery. A suggestion has been made to allow ECIP funds to pay for delivery and/or restart fees that would be charged to get a non-ECIP fuel delivery made in order to avert the energy crisis situation. Allowing ECIP funds to cover fees that would be associated with a non-ECIP delivery will support being utilizing a client’s regular HEAP or TANF Supplemental benefit to avert energy crisis situations, while preserving limited ECIP funds to provide additional ECIP assistance.

Audit and Compliance Department Memorandum

To: MaineHousing Board of Commissioners
From: Linda L. Grotton -- Director, Audit and Compliance
Date: March 10, 2020
Subject: March Board Report

This month, I will be providing you with an overview of the Audit Committee and the Internal Audit function at MaineHousing.

In preparation, I have attached a copy of the current Audit Committee Charter and the Internal Audit Charter for your review.

AUDIT COMMITTEE CHARTER

Purpose

The primary purpose of the Audit Committee is to oversee MaineHousing's system of internal control over the reliability and integrity of financial reporting, the effectiveness and efficiency of operations, the safeguarding of assets, and the organization's compliance with laws, regulations, and contracts.

Authority

The Audit Committee has the authority to oversee the Internal Audit process and to direct the Director of Audit and Compliance to conduct reviews/investigations into matters falling within the Audit Committee's scope of responsibility.

Composition

The Committee consists of three MaineHousing Commissioners, with the exception of the Director of the Maine State Housing Authority. The Vice Chair of the Board serves as Chair of the Audit Committee. A quorum is comprised of two of the three Commissioners.

Meetings

The Audit Committee meets quarterly, or more frequently as needed.

The Director of Audit and Compliance is responsible for the preparation and distribution of the meeting agenda. The Director of Audit and Compliance is also responsible for drafting minutes of each meeting, which will be approved by the Audit Committee at its next meeting. A record of the minutes is kept by the Director of Audit and Compliance.

Responsibilities

Within each area of accountability, the Audit Committee carries out the following tasks:

- **Internal Audit**
 - Recommend the appointment or removal of the Director of Audit and Compliance to the Board of Commissioners.
 - Periodically review and approve the Internal Audit Charter.
 - Review the organizational structure of the Internal Audit function.
 - Review the effectiveness of the Internal Audit function.
 - Provide input to the Internal Auditor's administrative supervisor concerning his/her annual performance review.
- **Internal Control**
 - Provide direction and input to the development and execution of the Internal Audit Plan.
 - Review Internal Audit reports and offer comments on audit findings and recommendations.
 - Monitor significant open issues through to closure.
- **Compliance**
 - Review the findings of examinations by external regulatory agencies.
- **External Financial Audit**
 - Review all aspects of the external audit relationship, including scope and approach of the work to be performed (detailed in the engagement letter) and the cost of external audit services (audit fee).
 - Review results of the Year End Financial Statement Review, the A-133 Audit, and any other engagements performed by MaineHousing's external auditor.

INTERNAL AUDIT CHARTER

Purpose

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. MaineHousing's Audit and Compliance function assists the organization in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

The primary objective of the Audit and Compliance function is to assist members of MaineHousing Management and the Board of Commissioners in the effective discharge of their duties. The Audit and Compliance department conducts reviews of operations, procedures, and internal controls and reports findings and recommendations to MaineHousing Management and/or the Audit Committee of the Board of Commissioners.

The Audit and Compliance function is staffed by the Director, Audit and Compliance and by other staff as necessary to fulfill the requirements of the function. The Audit and Compliance function complies with the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing, the IIA Code of Ethics, and all applicable Governmental Auditing Standards.

Authority

The Director, Audit and Compliance is authorized to undertake a broad, comprehensive program of internal auditing within the Maine State Housing Authority. With stringent accountabilities for safekeeping and confidentiality, the Director of Audit and Compliance is authorized to have full, free, and unrestricted access to all MaineHousing activities, records, property, and personnel.

The Director, Audit and Compliance is independent of management and reports functionally to the Audit Committee of the Board of Commissioners. For administrative purposes, the Director of Audit and Compliance reports to the Deputy Director and is part of MaineHousing's Office of the Director. These reporting relationships provide departmental independence, promote comprehensive audit coverage, and ensure adequate consideration of audit recommendations.

Since objectivity is essential to the audit function, the Audit and Compliance Director cannot be involved in the day-to-day activities of MaineHousing's operations. The Audit and Compliance Director is authorized, however, to assist management by providing comprehensive consulting services, making specific recommendations to address identified problems, and performing other functions requested by management which will not affect overall audit independence.

Responsibilities

The Director, Audit and Compliance is responsible for assessing and reporting on the effectiveness of the company's risk management, internal control and governance processes with regard to:

- the reliability and integrity of financial and operational information,
- the effectiveness and efficiency of operations,
- the safeguarding of assets, and
- compliance with laws, regulations, and contracts.

Responsibilities of the Audit and Compliance Director includes (but not limited to) the following:

- *Audit Planning.* Maintain a flexible Audit Plan, based on input from the Audit Committee and MaineHousing Management. Review progress or changes regarding the plan with Management and the Audit Committee as needed.
- *Internal Audits.* Following the conclusion of each audit, prepare a written report (including audit findings and recommendations) to be distributed to appropriate MaineHousing Management and to the Audit Committee. Include the auditee's response, corrective action already taken, or measures planned with regard to specific audit findings and recommendations. If recommended by the Audit Committee, present audit results to the Board of Commissioners.
- *External Audits.* Act as the liaison between MaineHousing and external auditors of funding agencies or other regulatory bodies (e.g. HUD, OIG, DHHS, SSA, OPEGA). Assist Departments in responding to data requests and be the communications point of contact.
- *Open Issues.* Follow-up on all internal and external audit findings and recommendations. Monitor significant open findings until cleared.
- *Risk Management.* Document and annually update the MaineHousing Risk Assessment. Monitor agency-wide risks and controls designed to mitigate those risks.
- *Fraud Prevention.* Document and annually update the MaineHousing Fraud Risk Assessment. Monitor agency-wide risks and controls designed to mitigate those risks. Investigate any suspected fraudulent activities within the organization and notify Management and the Audit Committee of the results.
- *Conflict of Interest.* In conjunction with MaineHousing Legal Services Counsel, review Conflict of Interest disclosures and render opinions. Administer the annual Conflict of Interest survey for all employees and Commissioners.
- *Committee Participation.* With an internal audit purpose, participate on relevant MaineHousing committees, including the Leadership Team, the Information Security Committee (Chair), the Safety and Security Committee, the Lean Team, and others as deemed appropriate.

Asset Management Department Memorandum

To: MaineHousing Board of Commissioners

From: Robert Conroy - Director of Asset Management

Date: March 9, 2020

Subject: March Monthly Report – Asset Management

HUD's Fiscal Year 2019 Limited Remote Annual Compliance Review (ACR) Report

MaineHousing's administration of the Performance Based Contract Administration (PBCA) duties with the Section 8 portfolio includes an annual audit of our work by HUD. This is called the annual compliance review.

This year the audit ran from January 7, 2020 through January 30, 2020 and covered our work for the period from 10/1/2018 through 9/30/2019.

On March 3, 2020 we received the results of our review from Joseph Crisafulli, HUD's Director of Asset Management in the Boston Office.

His letter to MaineHousing stated the following:

“Our enclosed ACR report has **No Performance Findings**. Therefore, no response from your office is required. The CTR provided several recommendations for completing MORs during the ACR as outlined in the report during our Exit Conference. Our office is acknowledging your organization's overall performance and continued success administering the PBCA program for HUD in ME.”

We are pleased with the results of our review and continue to seek ways to improve our work under the PBCA contract.

Mortgage Delinquencies and Subsidy Contracts

From time to time you may notice a Section 8 property is listed on the Multifamily Delinquency Report as one, two or even three months delinquent on mortgage payments to MaineHousing. This is not because the property lacks sufficient ongoing cash flow to cover its obligations to MaineHousing. It is a temporary condition. Section 8 properties are unique in that MaineHousing is able to deduct its mortgage payment directly from the property's rental assistance check before remitting the balance to the property's operating account.

This system has worked to everyone's benefit for many years. However, HUD periodically experiences funding delays that result in funding shortfalls to project rental assistance contracts. There are a number of reasons for these delays, including insufficient Congressional funding allocations, project contract renewal execution glitches, data incorrectly uploaded into the program software (TRACs), short-term renewal contracts and contract inconsistencies that have to be corrected. Generally these funding delays last a month or less, but can go longer. HUD eventually fully funds the shortfall and we provide the owner an automatic temporary forbearance on the mortgage payments until the full funding arrives.

Communications & Planning Department Memorandum

To: Board of Commissioners

From: Denise Lord

Date: March 10, 2020

Subject: March Board Report

MaineHousing in the News

We are planning a press conference to announce the 15 recovery residences that will be participating in our pilot program on March 20th.

Building

The final design elements for the new building are in progress and include interior signage, murals, and the building plaque. We continue to assist in the many details surrounding the move in of our staff including staff badges, welcome packets, TV displays, moving notifications, and change of address templates.

We are fleshing out policies and standards for employees such as recycling and waste disposal, access to the building, fragrance free work environment and many other topics.

Strategic Plan Implementation/Innovation

Three initiatives are well underway. The Recovery Residences pilot will be in operation this month. We have inspected all 15 recovery residences and will host a training on the reimbursement process and forms. The Community Solutions Grant has received requests for funding from four communities. We made our first award to Portland for a demonstration accessory dwelling unit on Peaks Island. Biddeford is requesting our assistance in helping remediate lead and repair 2-4 unit buildings in two neighborhoods. And we have sent out invitations to 8 organizations to participate in the Community Aging in Place grant program. We will be meeting with public housing authorities and other organizations over the next month with the objective of offering the program statewide.

Learning and Development

In January of 2019, MaineHousing launched an online learning management system. This online learning portal was developed, in part, due to the success of our Maine Homeless Management Information System (HMIS) online training offered by the Homeless Initiatives department. The learning portal allows our partners to access a variety of online courses and programs. This allows MaineHousing to provide up to date, allowing for faster changes to policy or regulations and more consistent training delivery. Along with the HMIS program, partner training includes Rent Smart from Homeless Initiatives and Housing Choice Vouchers departments, and lender training through

the Homeownership department. Several other programs are in development, including courses for MaineHousing's Stability through Engagement Program.

Policy and Research Update

We completed the annual Federal Funds report. In addition to describing the federal funds administered by MaineHousing and the benefits derived, we added a summary of the federal issues confronting our organization.

We published our end of year accomplishments for 2019, a copy can be found here <https://www.mainehousing.org/docs/default-source/policy-research/research-reports/accomplishments/2019-accomplishments.pdf>

We finalized and Peter Merrill presented our study on the need for accessible home modifications and the effect of the tax credit for such improvements to the Taxation Committee. Our recommendations are to repeal the tax credit with the commitment of MaineHousing to replace it with a rebate program.

Working with Energy and Housing Services, we developed a request for proposals to conduct a least 5 focus groups aimed at providing MaineHousing's Energy and Housing Services Program staff with insight as to what barriers there are to applying for Home Energy Assistance Program (HEAP) benefits. The deadline for submission is April 13th, 2020.

Partner Meetings

- We are participating in a Maine Health Access Foundation initiative to reimagine residential care
- We updated the Maine Council on Aging on housing issues.
- We met with over a dozen community land trusts – the first time that many land trusts have come together – to talk about their ability to provide affordable housing, barriers to their participation, and their long term sustainability.
- We met with representatives from Bangor to talk about supportive housing and a Housing First project.
- The Age Friendly Steering Committee met with stakeholders to discuss three of the domains which will serve as focus areas for the committee's work. Over 40 participants came to discuss social isolation, housing, and economic and financial security.

Development Department Memorandum

To: MaineHousing Board of Commissioners

From: Mark C. Wiesendanger, Director of Development

Date: March 17, 2020

Subject: Monthly Report

2021 Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP)

MaineHousing has held the first two of three discussions with external development partners regarding the 2021 QAP. People representing most of our partners and many different areas of the state were in attendance. Per their suggestion, we will circulate a redlined draft of the new QAP before our final meeting with partners. The Board will receive the draft before it goes out to partners.

Changes will likely occur in the following areas:

- 2-year QAP
- Accelerate timeline in year two
- Total development cost (TDC) caps
- Management points
- Tax credit/market rent differential
- Market study requirements
- Activities of daily living proximity
- PassivHaus/energy efficiency incentives

“Permanent” Walk-in 4% Program

We are currently drafting a new tax-exempt funding program for housing for both family and older adults throughout the state. We have evaluated the use of subsidy in our most recent program offerings to determine appropriate amounts for an ongoing offering that will encourage both rural and urban projects to the extent possible. The new program will also be designed to work well with the new State Tax Credit program. We hope to fund many projects on the 9% waiting list, and that did not win funding through the 4% RFP, in addition to others whose applications have yet to be submitted to MaineHousing.



Energy & Housing Services Department Memorandum

To: MaineHousing Board of Commissioners
From: Daniel Drost, Director of Energy and Housing Services
Date: March 10, 2020
Subject: EHS Monthly Report – March 2020

**HOME ENERGY ASSISTANCE PROGRAM (HEAP)
PRODUCTION STATISTICS THROUGH FEBRUARY 28, 2020 (Week 25)**

| Number of Applications | PY 2020 (2/28/2020) | PY 2019 (2/15/2019) | % change |
|--|-------------------------|-------------------------|----------|
| Applications Taken | 39,112 | 41,043 | -4.7% |
| Confirmed Eligible/Paid | 26,955 | 28,353 | -4.9% |
| Pending (in process) | 9,052 | 6,524 | +38.7% |
| Other (ineligible, denied, void, etc.) | 3,105 | 6,166 | -49.6% |

Home Energy Assistance Program PY2021 Planning

MaineHousing Energy and Housing Services Department (EHS) convened a HEAP Stakeholders Working Group meeting on February 19, 2020 at the Augusta Civic Center. HEAP Stakeholders had the opportunity to submit comments and recommendations in writing to EHS preceding the meeting. EHS received input from Community Action Agencies (CAAs), Maine Equal Justice (MEJ), a HEAP Fuel Vendor and EHS personnel prior to the meeting. A summary of this pre-meeting input was made available to individuals joining in the meeting. Forty-five individuals participated in the meeting and attendees included representatives from CAAs, MEJ, Maine Office of the Public Advocate, Maine Community Action Association, HEAP Fuel Vendors and EHS. Input received through this stakeholder engagement process is being considered and utilized to help guide recommendations for changes with the HEAP State Plan and Chapter 24 Rule.

DOE Weatherization Assistance Program

At the end of February 2020, EHS staff attended the National Association for State Community Services Programs (NASCSPP) winter conference in Arlington, Virginia. NASCSPP is the sole national association charged with advocating and enhancing the leadership role of States in the administration of the Community Services Block Grant (CSBG) and Weatherization Assistance Program (WAP). The U.S. Department of Energy's Weatherization Assistance Program (WAP) reduces heating and cooling costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety. The conference was an opportunity for states to share information, ideas, and tools to help administer a successful WAP.

MaineHousing submitted our final WAP State Plan to the U.S. Department of Energy on March 4, 2020. MaineHousing staff are preparing contracts for the upcoming program year that starts on April 1, 2020.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: March 9, 2020

Subject: Monthly Report – Finance Department

ACCOUNTING AND FINANCIAL REPORTING:

- Auditors from Baker Newman and Noyes were on-site throughout February working on the final phase of the audit of our financial statements for the year-end December 31, 2019. The purpose of this audit is to ensure that the financial statements prepared in-house are properly done in accordance with accounting rules and requirements, and that they are free of material misstatements.

The Accounting and Financial Reporting (AFR) staff worked closely with the auditors providing various schedules and documents, addressing questions, and preparing the financial statements. The auditors will be finalizing their work on the financial statements over the next several weeks. MaineHousing's bond resolution requires that audited year-end financial statements be completed and submitted to our trustee by the end of March each year.

The auditors are scheduled to be back on-site later in April to work on the Uniform Grant Guidance Audit, which is an audit of the various federal programs that are administered by MaineHousing. For the year ended December 31, 2019, MaineHousing administered and disbursed approximately \$160 million through eighteen different federal programs.

Major federal programs are audited on a rotating basis. The major programs for the 2019 audit are the Section 8 New Construction, Housing Trust Fund, Weatherization Assistance, Low Income Home Energy Assistance, and Emergency Solutions Grants programs. The Uniform Grant Guidance Audit needs to be completed and filed with the federal Single Audit Clearinghouse and the HUD Real Estate Assessment Center (REAC) within nine months after year end. The AFR staff will be working with the program departments to compile and prepare information for this audit in the coming weeks.

LOAN ADMINISTRATION:

- MaineHousing's Loan Administration staff performs an annual audit of our servicers that service loans under the First Home Program. The audit involves a review of various servicing functions associated with financial reporting, customer service, general servicing, default management, and regulatory compliance. The audit provide us with a comprehensive and consistent method to assess servicer performance, monitor trends, address problem areas, and identify servicer training needs. The audits have been completed for 2019 and the written reports were issued in February. None of the servicers had significant reportable issues and the Loan Administration staff will be working with servicers that had findings to develop corrective action plans.

- Recruitment activities are underway to fill the vacant Loan Administration Assistant position. The position had to be re-advertised due to a limited number of initial applicants. The re-advertisement produced several candidates and first interviews are being conducted. In addition to this vacant position, a staff member in AFR was out on extended medical leave. To address these vacancies, some staff were reallocated between the Loan Administration and AFR areas and certain work was reassigned within the department. Additionally, a temporary position was acquired and shared between the two units in Finance. The vacancies provided an opportunity for some staff in the different areas of the Finance Department to be cross-trained and perform new work.

Finance Department Memorandum

To: Board of Commissioners

From: Darren R. Brown

Date: March 9, 2020

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 period ended January 31, 2020.

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

Total combined assets are approximately \$1.9 billion and total combined liabilities approximate \$1.5 billion. Total net assets amount to approximately \$370 million. Total combined revenues approximate \$23.8 million and total expenses amount to approximately \$22.5 million, which results in a net operating income of \$1.3 million. For this one-month period in 2019, total combined net operating income was \$2.2 million. Net operating income is approximately \$0.9 million lower in 2020 due primarily to the activities and operating results of the Mortgage Purchase Fund (MPP), MaineHousing's largest fund group, and a smaller increase in the fair value of non-mortgage investments.

The MPP's current year net operating income is approximately \$0.4 million compared to net operating income of \$1.1 million in 2019. MPP's net operating income has decreased by \$0.7 million due to the recognition of a smaller paper gain associated with adjusting the carrying values of non-mortgage investments. A paper gain of \$5,000 was recognized in 2020, which represents a decrease of approximately \$0.7 million compared with the paper gain of \$0.7 million recorded in 2019. The change associated with the recording of paper gains and losses is attributed to interest rate changes during the year.

The recording of paper gains and losses is required for accounting purposes. However, because MaineHousing does not actively buy and sell related investments, actual gains and losses will not occur and these amounts are ignored by the rating agencies, bond analysts, and management when assessing profitability. Excluding the paper gains, MPP's net operating income is \$0.4 million at the end of January 2020 and 2019.

BUDGET RESULTS

Also attached are the budget variance results for the period ended January 31, 2020. 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 program administrative expenses. It also presents the aggregate operating and program administrative expenses. Total budgeted revenues for 2020 are \$83.5 million and total expenses are budgeted at \$75.1 million. Total actual revenues as of January 31, 2020 amount to \$6.4 million, while total expenses amount to \$6 million. For the one-month period ended January 31, 2020, revenues exceed expenses by \$0.4 million. Actual revenue and expense activities are consistent with that anticipated for the period and there are no significant variances at this time.

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**.

Total 2020 operating expenses are budgeted at approximately \$19.4 million. As of January 31, 2020, approximately \$1.7 million or 9% of the total operating budget has been used. Total other program administrative expenses are budgeted at \$8.6 million and actual expenses amount to \$0.7 million as of January 31, 2020. Overall, expenditures in these areas are consistent with that anticipated for the period and there are no significant variances at this time.

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 an estimated useful life. The total authorized capital budget for 2020 is approximately \$3.8 million. Expenditures amounted to \$231,000 as of January 31, 2020 and were primarily for equipment for the new office building.

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 January 31, 2020.

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

| | Memorandum Only Combined Totals | | Mortgage Purchase Fund Group | Bondholder Reserve Fund | General Fund | HOME Fund | Federal Programs Fund | Other Funds | Maine Energy Housing & Economic Recovery Funds |
|--|--|------------------|---|--|-------------------------|----------------------|--------------------------------------|------------------------|---|
| | 2019 | 2020 | | | | | | | |
| ASSETS: | | | | | | | | | |
| Cash, principally time deposits | 1,387 | 31,047 | 15,288 | 0 | 9,389 | 13 | 6,357 | 0 | 0 |
| Investments | 400,823 | 385,804 | 315,861 | 8,091 | 27,658 | 25,888 | 0 | 3,033 | 5,273 |
| Accounts receivable - Federal | 6,441 | 3,324 | 0 | 0 | 0 | 0 | 3,324 | 0 | 0 |
| Assets held for sale | 3,659 | 3,234 | 0 | 0 | 0 | 3,234 | 0 | 0 | 0 |
| Accrued interest and other assets | 11,490 | 13,242 | 8,719 | 6 | 76 | 3,455 | 954 | 1 | 31 |
| Mortgage notes receivable, net | 1,392,628 | 1,446,378 | 1,407,275 | 0 | 6,434 | 23,725 | 0 | 0 | 8,944 |
| Other notes receivable, net | 285 | 246 | 0 | 0 | 236 | 0 | 0 | 10 | 0 |
| Land, equipment and improvements, net | 3,222 | 13,617 | 22 | 0 | 13,595 | 0 | 0 | 0 | 0 |
| Other real estate owned | 572 | 929 | 906 | 0 | 23 | 0 | 0 | 0 | 0 |
| Accumulated decrease in fair value of hedging derivatives | 4,619 | 10,860 | 10,860 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred pension expense | 616 | 610 | 326 | 2 | 56 | 0 | 0 | 226 | 0 |
| Deferred amount on debt refundings | 4,339 | 3,677 | 3,677 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | 1,830,081 | 1,912,968 | 1,762,934 | 8,099 | 57,467 | 56,315 | 10,635 | 3,270 | 14,248 |
| LIABILITIES AND NET ASSETS: | | | | | | | | | |
| Accrued interest payable | 9,262 | 9,323 | 9,198 | 0 | 0 | 0 | 0 | 0 | 125 |
| Accounts payable - Federal | 443 | 464 | 0 | 0 | 0 | 0 | 464 | 0 | 0 |
| Accounts payable & accrued liabilities | 7,768 | 6,473 | 445 | 2 | 3,488 | 0 | 2,538 | 0 | 0 |
| Unearned income | 4,567 | 7,635 | 0 | 0 | 0 | 625 | 522 | 6,488 | 0 |
| Net pension liability | 2,283 | 2,282 | 1,222 | 7 | 209 | 0 | 0 | 844 | 0 |
| Deferred pension credit | 1,016 | 867 | 464 | 3 | 79 | 0 | 0 | 321 | 0 |
| Derivative instrument - interest rate swaps | 4,619 | 10,860 | 10,860 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interfund | 0 | 0 | 3,608 | 19 | (2,700) | (259) | 2,821 | (3,489) | 0 |
| Mortgage bonds and notes payable, net | 1,454,892 | 1,504,660 | 1,458,404 | 0 | 20,153 | 0 | 0 | 0 | 26,103 |
| Deferred grant income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred loan origination points | 32 | 26 | 26 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 1,484,882 | 1,542,590 | 1,484,227 | 31 | 21,229 | 366 | 6,345 | 4,164 | 26,228 |
| NET ASSETS: | | | | | | | | | |
| Restricted Net Assets | 310,376 | 334,140 | 278,707 | 8,068 | 0 | 55,949 | 4,290 | (894) | (11,980) |
| Unrestricted Net Assets | 34,823 | 36,238 | 0 | 0 | 36,238 | 0 | 0 | 0 | 0 |
| Total Net Assets | 345,199 | 370,378 | 278,707 | 8,068 | 36,238 | 55,949 | 4,290 | (894) | (11,980) |
| Total Liabilities and Net Assets | 1,830,081 | 1,912,968 | 1,762,934 | 8,099 | 57,467 | 56,315 | 10,635 | 3,270 | 14,248 |

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

| | Memorandum Only Combined Totals | | Mortgage Purchase Fund Group | Bondholder Reserve Fund | General Fund | HOME Fund | Federal Programs Fund | Other Funds | Maine Energy Housing & Economic Recovery Funds |
|---|--|----------------|---|--|-------------------------|----------------------|--------------------------------------|------------------------|---|
| | 2019 | 2020 | | | | | | | |
| REVENUES: | | | | | | | | | |
| Interest from mortgages and notes | 5,123 | 5,278 | 5,244 | 0 | 26 | 5 | 0 | 0 | 3 |
| Income from investments | 786 | 533 | 437 | 10 | 43 | 32 | 1 | 3 | 7 |
| Net increase (decrease) in the fair value of investments | 674 | 3 | 5 | 0 | (2) | 0 | 0 | 0 | 0 |
| Fee income | 671 | 612 | 9 | 0 | 24 | 0 | 566 | 13 | 0 |
| Other revenue | 0 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grant income | 7,210 | 7,387 | 0 | 0 | 0 | 21 | 7,211 | 155 | 0 |
| Income from State | 1,662 | 1,563 | 0 | 0 | 0 | 1,563 | 0 | 0 | 0 |
| Federal rent subsidy income | 8,405 | 8,465 | 0 | 0 | 0 | 0 | 8,465 | 0 | 0 |
| Gain on bond redemption | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | 24,531 | 23,844 | 5,698 | 10 | 91 | 1,621 | 16,243 | 171 | 10 |
| EXPENSES: | | | | | | | | | |
| Operating expenses | 1,560 | 1,651 | 0 | 0 | 1,651 | 0 | 0 | 0 | 0 |
| Other program administrative expenses | 606 | 590 | 572 | 0 | 2 | 0 | 16 | 0 | 0 |
| Mortgage servicing fees | 122 | 144 | 142 | 0 | 2 | 0 | 0 | 0 | 0 |
| Provision for losses on loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Losses on foreclosed real estate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest expense | 3,773 | 3,725 | 3,647 | 0 | 0 | 0 | 0 | 0 | 78 |
| Grant expense | 7,945 | 7,828 | 0 | 0 | 0 | 402 | 7,271 | 155 | 0 |
| Federal rent subsidy expense | 8,309 | 8,590 | 0 | 0 | 0 | 0 | 8,590 | 0 | 0 |
| Loss on bond redemption | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Excess arbitrage | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Allocated operating costs | 0 | 0 | 919 | 5 | (1,483) | 0 | 546 | 13 | 0 |
| Total Expenses | 22,315 | 22,528 | 5,280 | 5 | 172 | 402 | 16,423 | 168 | 78 |
| Net Operating Income (Loss) | 2,216 | 1,316 | 418 | 5 | (81) | 1,219 | (180) | 3 | (68) |
| Transfers between funds, net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in net assets | 2,216 | 1,316 | 418 | 5 | (81) | 1,219 | (180) | 3 | (68) |
| Net assets at beginning of year | 342,983 | 369,062 | 278,289 | 8,063 | 36,319 | 54,730 | 4,470 | (897) | (11,912) |
| Net assets at end of period | 345,199 | 370,378 | 278,707 | 8,068 | 36,238 | 55,949 | 4,290 | (894) | (11,980) |

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

(IN THOUSANDS OF DOLLARS)

| | Mortgage Lending Activities Actual | Federal & Other Program Administration Actual | Total Combined Actual | Total Annual Budget | Total Under/(Over) | % Variance |
|---------------------------------------|---|--|--------------------------------------|------------------------------------|-------------------------------|-----------------------|
| REVENUES: | | | | | | |
| Interest from mortgages and notes | 5,270 | 0 | 5,270 | 64,555 | 59,285 | 92% |
| Income from investments | 490 | 4 | 494 | 8,479 | 7,985 | 94% |
| Fee income | 33 | 579 | 612 | 10,399 | 9,787 | 94% |
| Other revenue | 3 | 0 | 3 | 60 | 57 | 95% |
| Total Revenues | 5,796 | 583 | 6,379 | 83,493 | 77,114 | 92% |
| EXPENSES: | | | | | | |
| Operating expenses | 1,092 | 559 | 1,651 | 19,413 | 17,762 | 91% |
| Other program administrative expenses | 718 | 16 | 734 | 8,558 | 7,824 | 91% |
| Interest expense | 3,647 | 0 | 3,647 | 47,100 | 43,453 | 92% |
| Total Expenses | 5,457 | 575 | 6,032 | 75,071 | 69,039 | 92% |
| Excess Revenues Over Expenses | 339 | 8 | 347 | 8,422 | 8,075 | 96% |

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

ATTACHMENT B

| | Total Annual Budget | Total Year to Date Actual | Budget Available | Percentage of Budget Available |
|--|------------------------------------|--|-----------------------------|---|
| Operating Expenses | | | | |
| Salaries | 10,258,267 | 930,443 | 9,327,824 | 91% |
| Payroll Taxes | 748,530 | 68,519 | 680,011 | 91% |
| Medical and Life Insurance | 2,839,935 | 221,772 | 2,618,163 | 92% |
| Retirement | 997,726 | 77,411 | 920,315 | 92% |
| Other Fringe Benefits | 12,000 | 946 | 11,054 | 92% |
| Office Supplies | 47,795 | 3,038 | 44,757 | 94% |
| Printing | 128,980 | 4,620 | 124,360 | 96% |
| Membership and Dues | 57,087 | 12,865 | 44,222 | 77% |
| Subscriptions | 21,565 | 1,084 | 20,481 | 95% |
| Sponsorships | 20,000 | 1,500 | 18,500 | 93% |
| Staff Educ/Train/Conf | 193,918 | 17,390 | 176,528 | 91% |
| Travel/Meals - Staff Educ/Train/Conf | 163,363 | 12,039 | 151,324 | 93% |
| Partner/Client Train/Meetings | 49,950 | 0 | 49,950 | 100% |
| Travel/Meals - Partner/Client Training | 121,675 | 3,082 | 118,593 | 97% |
| Staff Events | 22,100 | 15 | 22,085 | 100% |
| Meals - Staff Events | 27,475 | 514 | 26,961 | 98% |
| Leased Vehicles | 134,500 | 11,110 | 123,390 | 92% |
| Computer Supplies | 66,000 | 256 | 65,744 | 100% |
| Computer License SAAS | 150,611 | 15,972 | 134,639 | 89% |
| Computer Maintenance | 661,492 | 68,711 | 592,781 | 90% |
| Building Rent & Utilities | 429,437 | 70,739 | 358,698 | 84% |
| Building Repairs and Maintenance | 49,900 | 4,448 | 45,452 | 91% |
| Building Interest Expense | 511,944 | 44,089 | 467,855 | 91% |
| New Office building - Property Expenses | 219,775 | 15,166 | 204,609 | 93% |
| Depreciation | 600,000 | 22,244 | 577,756 | 96% |
| Rent-Other | 34,130 | 3,190 | 30,940 | 91% |
| Telephone | 72,938 | 5,292 | 67,646 | 93% |
| Employment Advertising | 3,900 | 0 | 3,900 | 100% |
| Postage and Shipping | 90,510 | 11,401 | 79,109 | 87% |
| Insurance | 89,074 | 89 | 88,985 | 100% |
| Recording Fees | 1,000 | 185 | 815 | 82% |
| Payroll Services | 27,300 | 1,996 | 25,304 | 93% |
| Audit Services | 147,800 | 0 | 147,800 | 100% |
| Professional Services | 411,859 | 21,850 | 390,009 | 95% |
| Total Operating Expenses | 19,412,536 | 1,651,976 | 17,760,560 | 91% |
| Other Program Administrative Expenses | | | | |
| Loan foreclosure expenses | 400,000 | 1,888 | 398,112 | 100% |
| REO expenses | 50,000 | 3,078 | 46,922 | 94% |
| Provision for losses on loans & REOs | 225,000 | 0 | 225,000 | 100% |
| Mortgage Servicing fees | 1,738,500 | 144,343 | 1,594,157 | 92% |
| Loan Origination expenses | 3,000,000 | 230,644 | 2,769,356 | 92% |
| Bond Issuance Costs | 750,000 | 22,884 | 727,116 | 97% |
| Trustee/Bank fees | 157,000 | 14,244 | 142,756 | 91% |
| Program advertising/printing | 170,000 | 5,181 | 164,819 | 97% |
| Bond and mortgagee insurance | 15,000 | 0 | 15,000 | 100% |
| Variable rate bond remarket/liquidity facilities | 925,000 | 188,831 | 736,169 | 80% |
| Cash flow/arbitrage/swap consultants/legal | 585,000 | 106,473 | 478,527 | 82% |
| Homebuyer education | 110,000 | 0 | 110,000 | 100% |
| Program administrator fees | 422,000 | 16,161 | 405,839 | 96% |
| Section 8 security deposits/landlord incentives | 10,500 | 0 | 10,500 | 100% |
| Total Other Program Administration Expenses | 8,558,000 | 733,727 | 7,824,273 | 91% |

**MAINE STATE HOUSING AUTHORITY
CAPITAL BUDGET
FOR THE PERIOD ENDED JANUARY 31, 2020**

ATTACHMENT C

| Description | 2020 Budget | 2020 Actual | Budget Available | % Expended |
|---|----------------|----------------|---------------------|---------------|
| Computer Hardware: | | | | |
| New Office Building - network switches | 200,000 | 0 | 200,000 | |
| New Office Building - network data center equipment: (firewall/racks/storage/battery backup) | 163,000 | 0 | 163,000 | |
| Phone system replacement - hardware | 27,000 | 0 | 27,000 | |
| Printer | 7,000 | 0 | 7,000 | |
| Total computer hardware | 397,000 | 0 | 397,000 | 0% |
| Computer Software: | | | | |
| Enterprise multi-family housing system - initial costs | 100,000 | 0 | 100,000 | |
| Coordinated Entry Portal - client list software homeless programs | 10,000 | 0 | 10,000 | |
| Phone system replacement - software/licensing | 153,000 | 0 | 153,000 | |
| Faxing software | 5,000 | 0 | 5,000 | |
| Website redesign | 60,000 | 2,019 | 57,981 | |
| Web filtering server replacement | 5,000 | 0 | 5,000 | |
| Single Family loan servicing system modifications | 10,000 | 0 | 10,000 | |
| Single Family lender & loan tracking systems mods | 10,200 | 0 | 10,200 | |
| Total computer software | 353,200 | 2,019 | 351,181 | 1% |
| Office Equipment: | | | | |
| New Office Building - workstations & furniture | 800,000 | 0 | 800,000 | |
| New Office building - security & life safety equipment | 25,750 | 0 | 25,750 | |
| New Office building - audio visual equipment | 320,600 | 228,999 | 91,601 | |
| New Office building - fitness equipment | 21,000 | 0 | 21,000 | |
| New Office building - network fire suppression system | 22,000 | 0 | 22,000 | |
| Total office equipment | 1,189,350 | 228,999 | 960,351 | 19% |
| New Office Building: - Acquisition/Rehab | 1,850,000 | 380 | 1,849,620 | 0% |
| Total | 3,789,550 | 231,398 | 3,558,152 | 6% |

**MAINE STATE HOUSING AUTHORITY
MEMBERSHIPS, DUES, AND SPONSORSHIPS
FOR THE PERIOD ENDED JANUARY 31, 2020**

| Description | Amount |
|--|------------------|
| Memberships and Dues | |
| Kennebec Valley Human Resource Association - (2) employee annual membership | 365 |
| Maine Real Estate & Development Association - annual membership | 1,200 |
| Kennebec Valley Board of Realtors - annual affiliate membership | 171 |
| Maine Association of Mortgage Professionals - annual membership | 375 |
| 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 |
| National Affordable Housing Management Association - affiliate membership | 1,075 |
| International Code Council - annual membership | 135 |
| Total | <u>\$ 12,865</u> |
| Sponsorships | |
| Northern New England Community Action - training conference sponsor | \$ 1,500 |
| Total | <u>\$ 1,500</u> |



Finance Department Memorandum

To: Board of Commissioners
From: Darren Brown
Date: March 5, 2020
Subject: Monthly Delinquencies Report

MULTI-FAMILY DELINQUENCIES

The Multi-Family portfolio totals \$634 million with 1,084 loans as of February 29, 2020. There are no loans that are 60 days or greater delinquent, as shown in *Exhibit 1*. The delinquency rate is 0.00%. The Multi-Family delinquency rate is benchmarked against MaineHousing's historical rates, as shown in *Exhibit 2*.

HOME IMPROVEMENT DELINQUENCIES

The Home Improvement portfolio has 56 loans totaling \$135,278 as of February 29, 2020. The over 60-day delinquency rate is 7.22% and represents three loans in the amount of \$9,765. Delinquency rates for each participating lender are shown in *Exhibit 3*. Historical rates for the Home Improvement portfolio are shown in *Exhibit 4*.

SINGLE-FAMILY DELINQUENCIES

The Single-Family portfolio totals \$972 million with 10,940 loans as of January 31, 2020. The over 60-day delinquencies decreased from 2.46% to 2.31% and the in-foreclosures increased from 0.83% to 0.87%. The over 60-day delinquencies amount to \$22 million, with approximately \$8 million representing accounts in foreclosure. The over 60 day and in-foreclosure historic rates are shown in *Exhibit 6*. MaineHousing's overall delinquency rate by loan dollars is 2.31%; and the overall delinquency rate by loan count is 2.72%. As reflected in *Exhibit 7*, the overall delinquency rate and the in-foreclosure rate by loan count are below the rates for all Maine loans.

Servicer Delinquencies – As of January 31, 2020, Salem Five has the highest overall delinquency rate of 11.94%, with an in-foreclosure rate of 0.00%. The relatively small size of their portfolio is the primary reason for the higher delinquency rate. Delinquencies for our largest servicer, Mortgage Servicing Solutions, decreased from 2.79% to 2.59%, while the in-foreclosure rate increased from 0.81% to 0.84%. Camden National Bank has the lowest rate of delinquencies at 1.03%. Delinquency rates for each servicer are shown in *Exhibit 5*.

Delinquencies by Insurance Type – In January 2020, FHA insured loans has the highest delinquency rate by total insurance type of 3.10%, with in-foreclosures at 1.23%. When compared to the total loan portfolio, RD insured loans has the highest delinquency rate of 1.34%, with in-

foreclosures at 0.53%. Delinquencies by insurance type and the portfolio as a whole are shown in *Exhibit 8*.

FHA insured loans comprise 18% of the Single-Family portfolio and 23% of delinquencies, while RD insured loans comprise 57% of the portfolio and represent 58% of all delinquent loans. The current composition of the Single-Family portfolio by insurance type, along with the percentage of delinquencies by insurance type, is shown in *Exhibit 9*.

Foreclosure Prevention Activities – *Exhibit 10* summarizes our foreclosure prevention activities, as well as the number of completed foreclosures. As of January 2020, we have assisted 103 borrowers with various foreclosure prevention options. The volume of borrowers needing assistance has decreased significantly in 2019 due to historically low delinquency rates and concerted efforts to offer foreclosure prevention options in the early stages of delinquency.

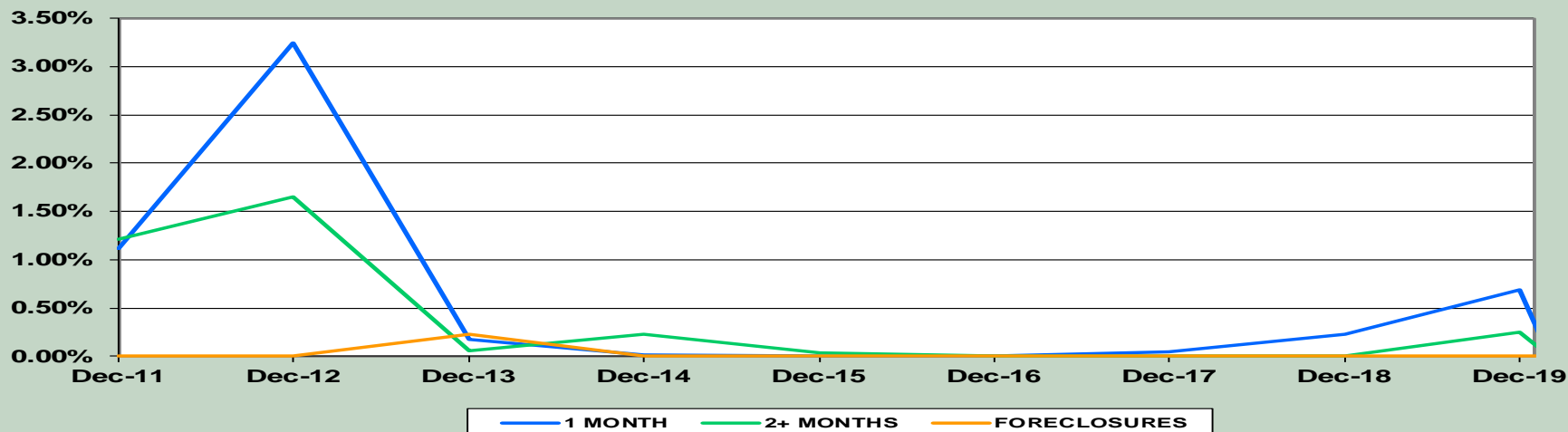
Multi-Family Delinquent Loans

MAINE STATE HOUSING AUTHORITY MULTI-FAMILY DELINQUENCIES 2/29/2020

| Section 8 | | | | | ORIGINATION | DELINQUENT | | |
|---------------------------------------|-----------|----------|----------|-----------------------------|-------------|------------|----------|-----------|
| BORROWER | LEVEL PMT | PTD | LOCATION | PROJECT OWNER | DATE | 1 MONTH | 2 MONTHS | 3+ MONTHS |
| OHIO ST, 112 | 820.68 | 01/01/20 | BANGOR | PENOBSCOT AREA HSG DEV CORP | 10/01/09 | 43,176.00 | 0.00 | 0.00 |
| | | | | | | 43,176.00 | 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 |
| | | | | | | 43,176.00 | 0.00 | 0.00 |
| Grand Total | | | | | | | | |
| % of Portfolio Delq 60+ days | | 0.00% | | | | | | |
| Total Number of Loans | | 1,084 | | | | | | |

Multi-Family Delinquency & Foreclosure Trends

MULTI-FAMILY DELINQUENCY AND FORECLOSURE RATES



| | OUTSTANDING PRINCIPAL | | <u>1 MONTH</u> | | <u>2+ MONTHS</u> | | <u>FORECLOSURES</u> | |
|--------|-----------------------|------|----------------|-------|------------------|-------|---------------------|-------|
| | DOLLARS | RATE | DOLLARS | RATE | DOLLARS | RATE | DOLLARS | RATE |
| Feb-20 | \$ 633,846,353 | | \$ 43,176 | 0.01% | \$ - | 0.00% | \$ - | 0.00% |
| Dec-19 | \$ 635,961,774 | | \$ 4,379,009 | 0.69% | \$ 1,620,600 | 0.25% | \$ - | 0.00% |
| Dec-18 | \$ 630,936,475 | | \$ 1,473,376 | 0.23% | \$ 20,600 | 0.00% | \$ - | 0.00% |
| Dec-17 | \$ 608,939,257 | | \$ 319,836 | 0.05% | \$ 60,624 | 0.01% | \$ - | 0.00% |
| Dec-16 | \$ 579,916,852 | | \$ - | 0.00% | \$ - | 0.00% | \$ - | 0.00% |
| Dec-15 | \$ 573,932,384 | | \$ - | 0.00% | \$ 185,320 | 0.03% | \$ - | 0.00% |
| Dec-14 | \$ 513,937,525 | | \$ 77,568 | 0.02% | \$ 1,169,620 | 0.23% | \$ - | 0.00% |
| Dec-13 | \$ 506,871,177 | | \$ 896,386 | 0.18% | \$ 297,366 | 0.06% | \$ 1,166,866 | 0.23% |
| Dec-12 | \$ 487,638,082 | | \$ 15,815,491 | 3.24% | \$ 8,056,115 | 1.65% | \$ - | 0.00% |
| Dec-11 | \$ 486,421,972 | | \$ 5,436,378 | 1.12% | \$ 5,875,983 | 1.21% | \$ - | 0.00% |

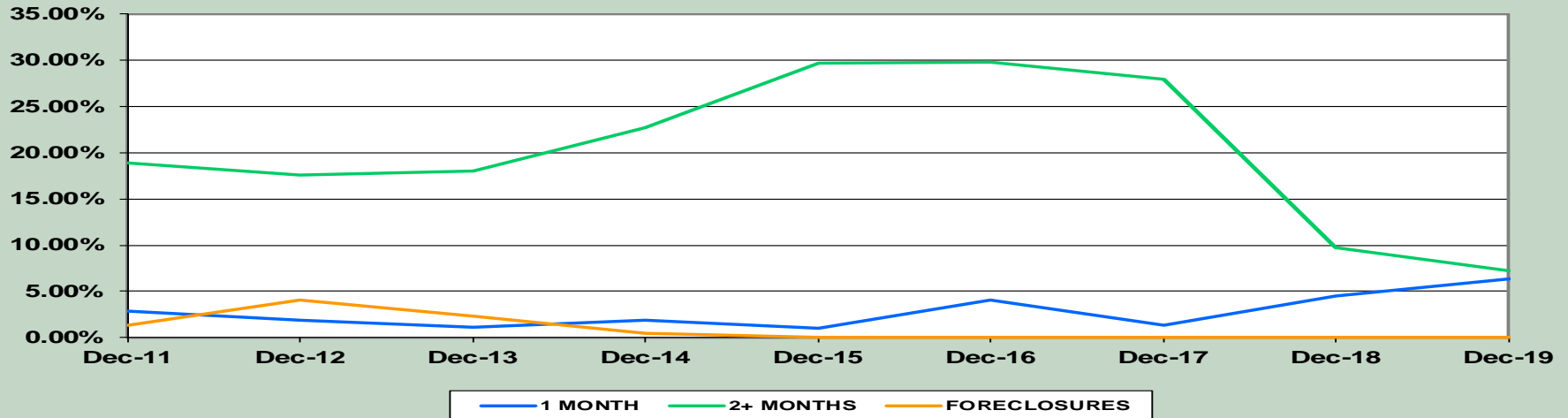
Home Improvement Delinquent Loans

Maine State Housing Authority Home Improvement Delinquencies by Lender 2/29/2020

| LENDER | % of Portfolio Delq 60+ Days | OUTSTANDING PRINCIPAL | ----- 1 MONTH | DELINQUENT 2 MONTHS | ----- 3+ MONTHS |
|-----------------------|---------------------------------|--------------------------|------------------|------------------------|--------------------|
| ACAP | 0.00% | 4,891.65 | 0.00 | 0.00 | 0.00 |
| CCI | 29.91% | 20,141.69 | 0.00 | 6,024.41 | 0.00 |
| CED | 0.00% | 1,008.55 | 0.00 | 0.00 | 0.00 |
| KVCAP | 44.46% | 6,249.97 | 0.00 | 2,778.50 | 0.00 |
| PCAP | 0.00% | 6,697.71 | 0.00 | 0.00 | 0.00 |
| WCCSA | 0.00% | 4,134.11 | 0.00 | 0.00 | 0.00 |
| WHCAP | 100.00% | 962.53 | 0.00 | 962.53 | 0.00 |
| YCCAC | 0.00% | 568.84 | 0.00 | 0.00 | 0.00 |
| BATH SAVINGS | 0.00% | 25,358.69 | 0.00 | 0.00 | 0.00 |
| CAMDEN NATIONAL | 0.00% | 17,962.07 | 0.00 | 0.00 | 0.00 |
| KENNEBUNK SAVINGS | 0.00% | 8,947.25 | 8,589.99 | 0.00 | 0.00 |
| NORTHEAST BANK | 0.00% | 8,264.25 | 0.00 | 0.00 | 0.00 |
| NORWAY SAVINGS | 0.00% | 6,347.84 | 0.00 | 0.00 | 0.00 |
| SKOWHEGAN SAVINGS | 0.00% | 19,446.30 | 0.00 | 0.00 | 0.00 |
| THE FIRST | 0.00% | 4,296.60 | 0.00 | 0.00 | 0.00 |
| TOTAL | 7.22% | 135,278.05 | 8,589.99 | 9,765.44 | 0.00 |
| Total Number of Loans | 56 | | | | |

Home Improvement Delinquency & Foreclosure Trends

HOME IMPROVEMENT DELINQUENCY AND FORECLOSURE RATES



| | OUTSTANDING PRINCIPAL | | 1 MONTH | | 2+ MONTHS | | FORECLOSURES | |
|--------|-----------------------|------|------------|-------|------------|--------|--------------|-------|
| | DOLLARS | RATE | DOLLARS | RATE | DOLLARS | RATE | DOLLARS | RATE |
| Feb-20 | \$ 135,278 | | \$ 8,590 | 6.35% | \$ 9,765 | 7.22% | \$ - | 0.00% |
| Dec-19 | \$ 156,955 | | \$ 7,089 | 4.52% | \$ 15,363 | 9.79% | \$ - | 0.00% |
| Dec-18 | \$ 301,364 | | \$ 3,941 | 1.31% | \$ 84,317 | 27.98% | \$ - | 0.00% |
| Dec-17 | \$ 515,603 | | \$ 20,749 | 4.02% | \$ 153,526 | 29.78% | \$ - | 0.00% |
| Dec-16 | \$ 795,184 | | \$ 7,930 | 1.00% | \$ 236,299 | 29.72% | \$ - | 0.00% |
| Dec-15 | \$ 1,062,015 | | \$ 20,041 | 1.89% | \$ 240,688 | 22.66% | \$ 5,160 | 0.49% |
| Dec-14 | \$ 1,412,221 | | \$ 15,722 | 1.11% | \$ 254,707 | 18.04% | \$ 32,897 | 2.33% |
| Dec-13 | \$ 2,066,062 | | \$ 38,101 | 1.84% | \$ 364,218 | 17.63% | \$ 84,283 | 4.08% |
| Dec-12 | \$ 2,803,309 | | \$ 79,925 | 2.85% | \$ 529,227 | 18.88% | \$ 38,727 | 1.38% |
| Dec-11 | \$ 3,766,637 | | \$ 102,824 | 2.73% | \$ 576,053 | 15.29% | \$ - | 0.00% |

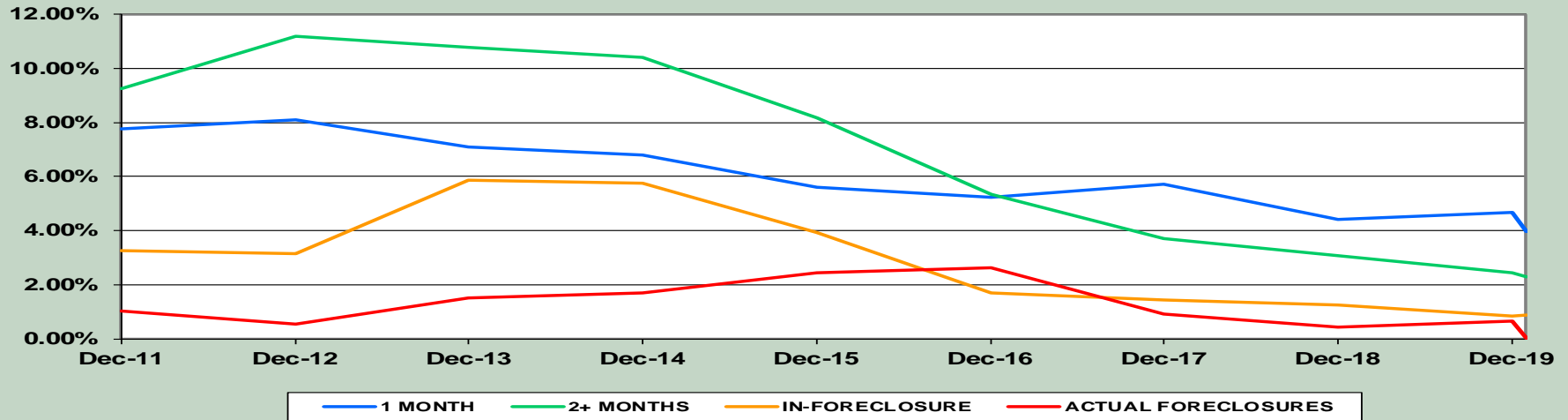
Single-Family Delinquent Loans

Maine State Housing Authority Single-Family Delinquencies by Servicer 1/31/2020

| SERVICER | % OF PORTFOLIO | % of Portfolio Delq 60 + days | OUTSTANDING PRINCIPAL | ----- 1 MONTH | DELINQUENT 2 MONTHS | ----- 3+ MONTHS | IN- FORECLOSURE |
|------------------------------|-------------------|----------------------------------|--------------------------|------------------|------------------------|--------------------|--------------------|
| MORTGAGE SERVICING SOLUTIONS | 67.61% | 2.59% | 657,485,021.09 | 29,126,866.49 | 7,337,271.56 | 4,122,060.20 | 5,549,523.48 |
| BANGOR SAVINGS BANK | 16.35% | 1.13% | 159,004,265.64 | 4,326,971.62 | 386,331.38 | 100,647.02 | 1,308,805.38 |
| CAMDEN NATIONAL BANK UK | 9.12% | 1.03% | 88,658,241.21 | 2,043,107.37 | 426,965.50 | 192,767.28 | 292,871.70 |
| MACHIAS SAVINGS BANK | 5.74% | 2.90% | 55,847,313.28 | 2,391,792.17 | 380,942.34 | 328,385.21 | 908,152.38 |
| BANK OF AMERICA NA | 1.09% | 9.56% | 10,603,465.61 | 589,940.36 | 236,200.46 | 390,252.68 | 386,852.24 |
| SALEM FIVE MORTGAGE CORP | 0.08% | 11.94% | 818,231.59 | 0.00 | 0.00 | 97,707.09 | 0.00 |
| TOTAL | 100.00% | 2.31% | 972,416,538.42 | 38,478,678.01 | 8,767,711.24 | 5,231,819.48 | 8,446,205.18 |

Single-Family Delinquency & Foreclosure Trends

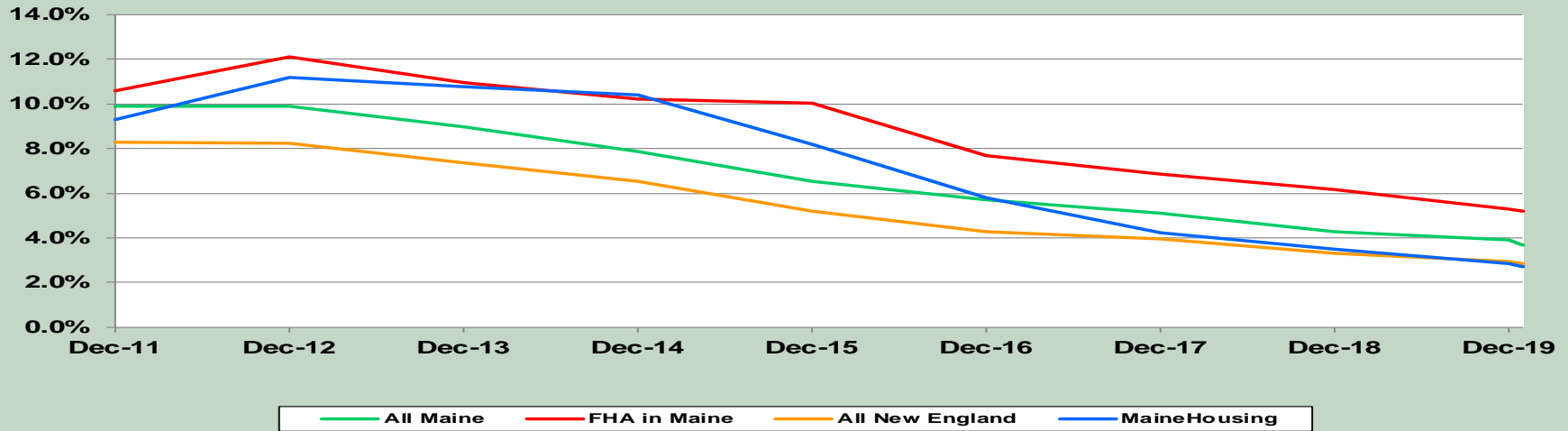
SINGLE-FAMILY DELINQUENCY AND FORECLOSURE RATES



| | OUTSTANDING PRINCIPAL | | <u>1 MONTH</u> | | <u>2+ MONTHS</u> | | <u>IN-FORECLOSURE</u> | | <u>ACTUAL FORECLOSURES</u> | |
|--------|-----------------------|------|----------------|-------|------------------|--------|-----------------------|-------|----------------------------|-------|
| | DOLLARS | RATE | DOLLARS | RATE | DOLLARS | RATE | DOLLARS | RATE | DOLLARS | RATE |
| Jan-20 | \$ 972,416,538 | | \$ 38,478,678 | 3.96% | \$ 22,445,736 | 2.31% | \$ 8,446,205 | 0.87% | \$ 94,484 | 0.01% |
| Dec-19 | \$ 967,171,381 | | \$ 45,399,415 | 4.69% | \$ 23,774,547 | 2.46% | \$ 8,037,512 | 0.83% | \$ 6,357,994 | 0.66% |
| Dec-18 | \$ 916,608,577 | | \$ 40,526,473 | 4.42% | \$ 28,155,105 | 3.07% | \$ 11,647,401 | 1.27% | \$ 4,056,247 | 0.44% |
| Dec-17 | \$ 844,497,676 | | \$ 48,457,930 | 5.74% | \$ 31,454,643 | 3.72% | \$ 12,099,518 | 1.43% | \$ 7,847,858 | 0.93% |
| Dec-16 | \$ 799,557,471 | | \$ 41,780,468 | 5.23% | \$ 42,682,410 | 5.34% | \$ 13,625,991 | 1.70% | \$ 21,142,137 | 2.64% |
| Dec-15 | \$ 790,409,905 | | \$ 44,303,365 | 5.61% | \$ 64,656,769 | 8.18% | \$ 31,066,182 | 3.93% | \$ 20,797,314 | 2.43% |
| Dec-14 | \$ 810,139,060 | | \$ 55,171,703 | 6.81% | \$ 84,385,397 | 10.42% | \$ 46,711,687 | 5.77% | \$ 13,904,155 | 1.72% |
| Dec-13 | \$ 849,385,825 | | \$ 60,378,599 | 7.11% | \$ 91,501,809 | 10.77% | \$ 49,783,071 | 5.86% | \$ 12,980,502 | 1.53% |
| Dec-12 | \$ 899,788,247 | | \$ 72,815,090 | 8.09% | \$ 100,738,963 | 11.20% | \$ 28,237,109 | 3.14% | \$ 4,987,749 | 0.55% |
| Dec-11 | \$ 980,359,797 | | \$ 75,979,115 | 7.75% | \$ 90,934,130 | 9.28% | \$ 31,846,771 | 3.25% | \$ 9,975,164 | 1.02% |

Single-Family Delinquency Comparison Trends

**MAINEHOUSING, 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* | 115,054 | 0.79% | 1.13% | 1.77% | 3.69% |
| FHA for State* | 18,779 | 1.44% | 1.57% | 2.20% | 5.21% |
| All New England* | 1,614,244 | 0.80% | 1.08% | 0.99% | 2.87% |
| MaineHousing** | 10,940 | 1.10% | 0.71% | 0.91% | 2.72% |

*This information is obtained from MBA's National Delinquency Survey for the fourth quarter of 2019.

**MaineHousing's overall delinquency rate based on loan dollars is 2.31%, whereas rates in this exhibit are based on loan count.

Single-Family Delinquencies by Mortgage Insurer

As A Percent of Total Insurance Type

1/31/2020

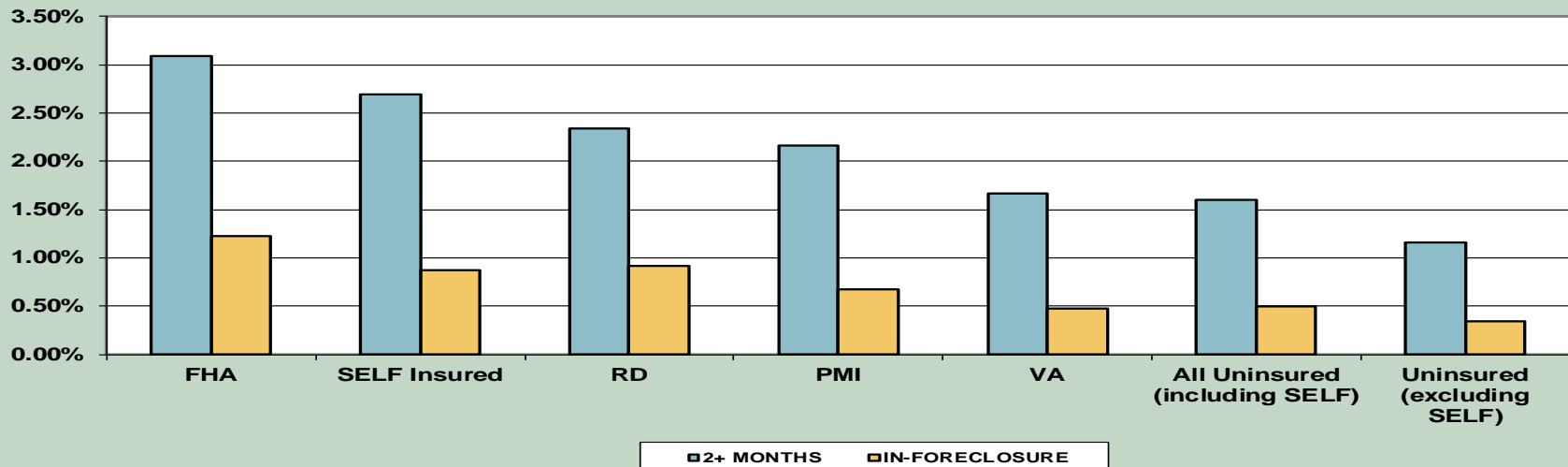
| TYPE | 2+ MONTHS | IN-FORECLOSURE |
|--------------------------------|-----------|----------------|
| FHA | 3.10% | 1.23% |
| SELF Insured | 2.69% | 0.87% |
| RD | 2.34% | 0.92% |
| PMI | 2.17% | 0.67% |
| VA | 1.67% | 0.47% |
| All Uninsured (including SELF) | 1.61% | 0.50% |
| Uninsured (excluding SELF) | 1.16% | 0.34% |

As A Percent of Total Loan Portfolio

1/31/2020

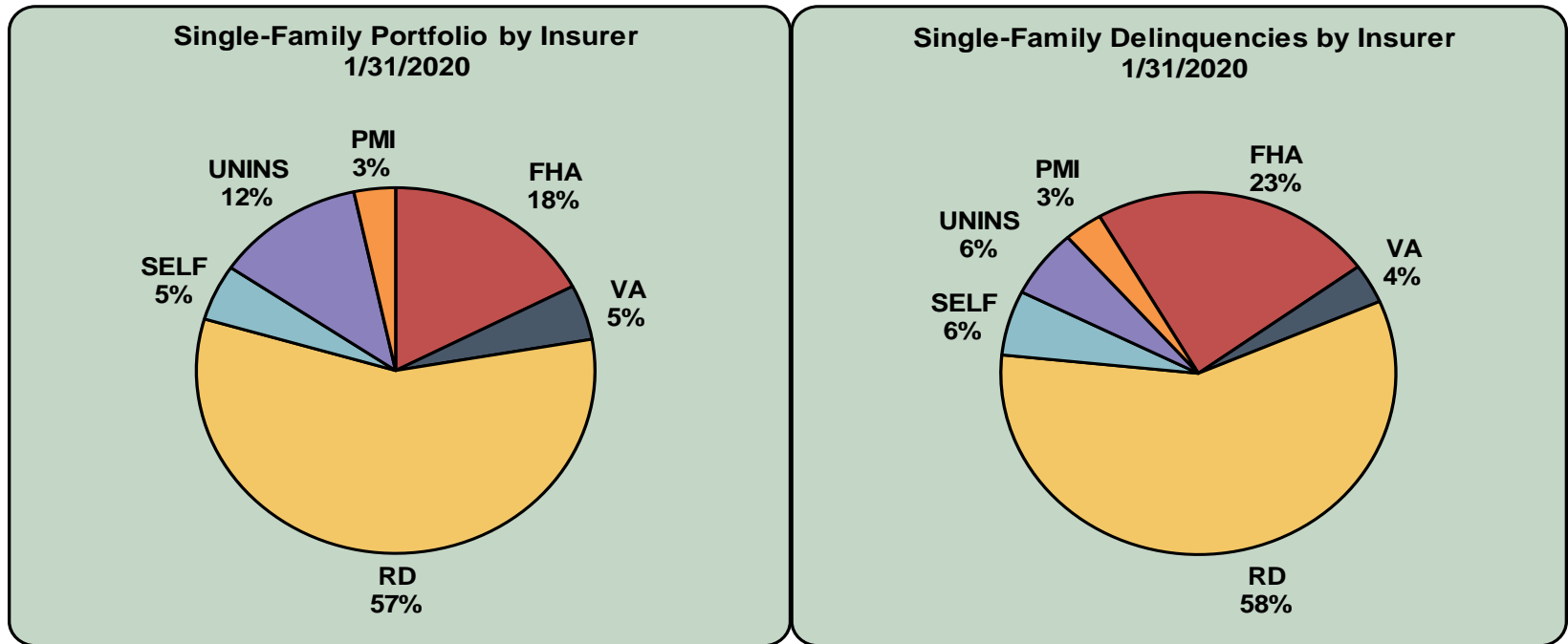
| TYPE | 2+ MONTHS | IN-FORECLOSURE |
|--------------------------------|-----------|----------------|
| RD | 1.34% | 0.53% |
| FHA | 0.54% | 0.21% |
| All Uninsured (including SELF) | 0.27% | 0.08% |
| Uninsured (excluding SELF) | 0.14% | 0.04% |
| SELF Insured | 0.13% | 0.04% |
| VA | 0.08% | 0.02% |
| PMI | 0.07% | 0.02% |

SINGLE-FAMILY DELINQUENCY RATES BY INSURER TYPE



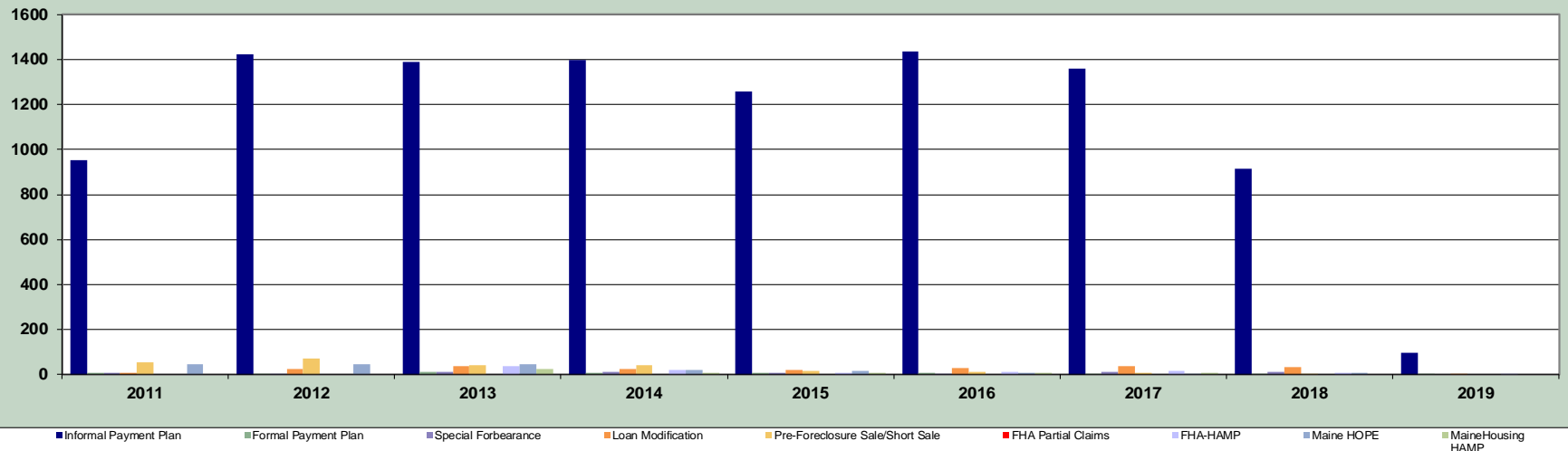
Single-Family Delinquencies by Mortgage Insurer

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 2006-2020



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 |
|--------|-----------------------|---------------------|---------------------|-------------------|---------------------------------|--------------------|----------|------------|-------------------|----------------|
| Jan-20 | 99 | 1 | 0 | 2 | 0 | | 1 | 0 | 0 | 103 |
| Dec-19 | 914 | 3 | 12 | 32 | 4 | | 10 | 8 | 0 | 983 |
| Dec-18 | 1361 | 4 | 12 | 39 | 8 | | 15 | 3 | 6 | 1448 |
| Dec-17 | 1437 | 8 | 4 | 31 | 14 | | 14 | 8 | 7 | 1523 |
| Dec-16 | 1259 | 6 | 8 | 19 | 15 | | 10 | 16 | 9 | 1342 |
| Dec-15 | 1397 | 8 | 11 | 26 | 40 | | 21 | 22 | 10 | 1535 |
| Dec-14 | 1388 | 12 | 13 | 38 | 44 | | 38 | 48 | 24 | 1605 |
| Dec-13 | 1424 | 4 | 5 | 24 | 73 | | | 46 | | 1576 |
| Dec-12 | 952 | 9 | 9 | 9 | 56 | | | 47 | | 1082 |
| Dec-11 | 505 | 42 | 43 | 25 | 43 | 2 | | 71 | | 731 |

Actual Foreclosures

| | Number of Foreclosures | Number of Loans in Portfolio | Percentage of Portfolio |
|--------|------------------------|------------------------------|-------------------------|
| Jan-20 | 2 | 10,940 | 0.02% |
| Dec-19 | 86 | 10,904 | 0.79% |
| Dec-18 | 57 | 10,673 | 0.53% |
| Dec-17 | 97 | 10,332 | 0.94% |
| Dec-16 | 258 | 10,097 | 2.56% |
| Dec-15 | 233 | 10,258 | 2.27% |
| Dec-14 | 162 | 10,526 | 1.54% |
| Dec-13 | 146 | 10,952 | 1.33% |
| Dec-12 | 60 | 11,571 | 0.52% |
| Dec-11 | 115 | 12,311 | 0.93% |

Homeless Initiatives Department Memorandum

To: Board of Commissioners

From: Laurie Murray, Director of Homeless Initiatives

Date: March 4, 2020

Subject: Homeless Initiatives Report

Coordinated Entry System (CES)

The Coordinated Entry team is continuing to work on implementing a system that will provide for a consistent, streamlined process for accessing resources available to people experiencing homelessness. HUD mandates the system for all recipients of the Emergency Solutions Grant (ESG) and Continuum of Care (COC) grants

Currently, the Coordinated Entry Committee is working on two key issues. First, they have developed a workflow for Coordinated Entry that involves all ESG funded shelters, as well as COC funded housing programs. Maine DHHS and Maine 211 are also important participants in the process. This workflow was formulated after soliciting information about current practices from many of the participants.

Mike Shaughnessy, our Homeless Project Coordinator, introduced this workflow at a committee meeting last week. At the next meeting, he will be taking feedback from the committee members, and revising the workflow to incorporate that feedback as needed.

The other key issue is collecting Homeless Management Information System (HMIS) data. Not all participants can begin data collection yet; however, progress is being made with some providers. Supportive Services for Veterans Families (SSVF) is already collecting these data points, the Youth CES is nearing final implementation, and Penobscot Community Health Center (PCHC) has volunteered to pilot a data entry workflow. As we bring some of those peripheral systems online, we will use the lessons learned to implement full-scale data collection.

Youth Homelessness Demonstration Program

The team working on the Youth Homelessness Demonstration Program (YHDP) is in the process of prioritizing potential project approaches to address youth homelessness. Once projects eligible for YHDP funding have been identified, the group will disseminate a Request for Proposals so that nonprofit organizations around the state can apply for funding to implement the projects. This should happen in early April. MaineHousing is also in the process of hiring a Project Coordinator to lead this effort.

Point-in Time Count

Maine's official 2020 Point-in-Time (PIT) Count has been completed. The PIT is a count of sheltered and unsheltered persons experiencing homelessness on a single night in January. HUD requires that each Continuum of Care (CoC) conduct an annual count of persons who are sheltered in emergency shelters, transitional housing, and Safe Havens on a single night. The PIT methodology works well for capturing those persons residing in shelters and projects that participate in the Homeless Management Information System (HMIS), but has the potential to leave out large numbers of people that are not reached.

The CoC has a sub-committee that reviews the PIT methodology and process annually to increase its accuracy. The sheltered data is within the HMIS and HMIS staff are currently entering all unsheltered surveys. Once that is completed, the HMIS team will go through the data to ensure it is reliable, verifiable, and accurate. HUD uses the PIT for many strategic and funding purposes. We expect that we will be submitting our numbers to HUD by April 30.

To: MaineHousing Board of Commissioners
From: Craig Reynolds, Director of Homeownership
Date: March 6, 2020
Subject: Monthly Report – Homeownership Department

PRODUCTION UPDATE

| Purchases & Reservations Past/Current Comparison | February 2019 | | February 2020 | | |
|---|---------------|-----------|---------------|-----------|-------------------------------|
| | # | \$ Volume | # | \$ Volume | % Change # (2020 vs. 2019) |
| Purchases (YTD) | 164 | \$19.9M | 190 | \$27.8M | 15.8% |
| Reservations in Pipeline | 207 | \$27.5M | 198 | \$27.7M | (4.3%) |

| Monthly Reservations by Program Option | | |
|--|-----------|----------------|
| Total Loans Reserved in February | # | \$ |
| 2 points | 0 | \$0M |
| 0 points | 6 | \$1.1M |
| 0 points with Advantage | 80 | \$11.9M |
| Totals | 86 | \$13.0M |

PROGRAM HIGHLIGHTS

Loan Production & Market Status

Loan purchase numbers continue to outpace last year, with loan dollar volume up by nearly \$8M reflecting the continued rise in home sale prices in many areas of the state. Pipeline reservation numbers are off just slightly from 2019, however the dollar value of 2020 reservations thus far is still greater than at this time in 2019, as shown in the Production Update above.

As everyone knows, the serious issue of the Corona virus (COVID-19) is dominating the global and domestic news. Addressing the threat to public health is obviously the absolute priority and although the risk of contracting the virus in the U.S. is currently considered low, more and more confirmed cases as well as deaths caused by the virus are occurring. Medical researchers are reportedly making progress toward developing a vaccine, but even with the best case scenario of that success, its mass production and distribution would still be several months away. In the meantime, the decision has been made by several countries, including the U.S., to implement travel bans to and from certain parts of the world where the virus outbreak has become severe, and the public is being urged to employ common sense measures to avoid exposure or transmission of the virus.

As the gravity of the situation became clear in mid-February, financial markets plummeted amid fears that many sectors of the global and domestic economy would be severely impacted. Thus far the travel industry has been severely impacted for obvious reasons, as have certain manufacturers with overseas operations and employees in areas with severe virus outbreaks, and those relying on previously free flowing international transport of their goods. The long term effect of a disrupted economy on the housing industry remains uncertain, however the immediate result has been a modest decline in mortgage interest rates which some industry analysts believe could reach new historic lows. MaineHousing and Homeownership will be closely monitoring the situation in the weeks and months ahead and will consider all available options to keep the First Home Loan program positioned for continued success.

Lender ‘Lunch & Learn’

Mortgage Lending Team Leader, Brianne McNally recently attended a ‘lunch & learn’ at Gorham Savings Bank in Gorham at the invitation of VP Residential Process & Development, Katherine Damon. Also in attendance for Gorham Savings Bank was the SVP of Credit and the VP of Retail Loan Processing as well as two loan underwriters, two loan processors and two mortgage lending officers. The meeting encompassed very productive discussions of MaineHousing’s First Home Loan (FHL) program requirements, including Gorham Savings Bank’s desire to produce more FHL loans despite serving an area generally characterized by high household incomes and high home sales prices that often exceed FHL program limits.

Realtor CEU Class

Partner Education & Outreach Officer, Lisa McKenna conducted MaineHousing’s 3 hour continuing education real estate course, ‘Affordable Home Financing for ME’, at the office of lender partner Primary Residential Mortgage Co. in Scarborough. The class was hosted by Tom Drew, a seasoned loan originator at Primary Residential and a solid supporter of MaineHousing’s First Home Loan program for many years. Lisa reported that the 18 attendees spanned the spectrum of real estate experience from those who were new in the business to some with more than 30 years. The very favorable class evaluations expressed an appreciation for the value of the First Home Loan information, and the clarity and program expertise characterized by Lisa’s presentation.

MHAM Summit Meeting

MaineHousing hosted a meeting with several members of the Manufactured Housing Association of Maine (MHAM). Among those attending from MHAM was Executive Director, Dick Bradstreet, Tina Smith and Theresa Desfosses with State Manufactured Homes, Tim Ames with Ames Homes and Sandra Hinckley with Country Lane Homes. Representing MaineHousing were Director, Dan Brennan, Homeownership Director, Craig Reynolds, Homeownership Manager, Tina Partridge, Partner Education & Outreach Officer, Lisa McKenna and Mortgage Lending Officer, Michelle White. The meeting provided an opportunity to discuss the significant role that manufactured homes play as an attractive and affordable housing choice for many Mainers, and gave MHAM members an opportunity to voice some challenges and concerns their industry has faced. Director Brennan in turn was interested to know how MaineHousing could become more helpful as a MHAM partner. Discussions also included the Mobile Home Self Insured and Mobile Home Replacement Initiative programs offered by MaineHousing which benefit consumers and also help to support and promote the manufactured home businesses operated by most MHAM members.

New Lender Training

Mortgage Lending Officer, Michelle White conducted two training webinars for new lender partner LeaderOne Financial Corporation. One training focused on LeaderOne loan underwriters and processors, while the second was for closing/post-closing department staff. Upon completion of the training LeaderOne became eligible to begin loan origination and posting reservations in MaineHousing's Lender Online loan reservation system. Homeownership welcomes LeaderOne as the newest member of our lender partner network.

TRELG Partnership

Homeownership Director, Craig Reynolds is pleased to announce a new partnership with The Real Estate Learning Group (TRELG) based in Scarborough. TRELG is the largest real estate education provider in Maine, offering a full slate of both live and online classes for real estate license renewal and advanced certifications. TRELG has offered an online edition of MaineHousing's 'Affordable Home Financing for ME' in its online class menu for many years. MaineHousing's class has been approved for 3 credit hours toward the renewal of a real estate license by the Maine Real Estate Commission (MREC). The expanded partnership with TRELG will now include the offer of live presentations of the MaineHousing class by Homeownership's instructors Partner Education & Outreach Officer, Lisa McKenna and Mortgage Lending Officer, Michelle White. TRELG will handle scheduling, securing class locations, registering attendees, obtaining class evaluations and distributing completion certificates as authorized and required by MREC. TRELG principals, Ed Getty and Steve Hammond are very pleased to partner with MaineHousing, and anticipate having the ability to greatly increase awareness of our First Home Loan program among real estate licensees statewide.

Housing Choice Vouchers Department Memorandum

To: MaineHousing Board of Commissioners

From: Allison Gallagher - Director of HCV Programs

Date: March 17, 2020

Subject: Monthly Report – Housing Choice Voucher Program

Program Updates:

On February 10th 2020 HCV drew 486 applicants from the Centralized Waiting list. The draw includes applicants who had a preference for family, elderly or disabled, lived in our jurisdiction and are veterans.

As of March 9, 2020:

- 8 vouchers issued
- 8 applicants withdrew their application
- 25 applicants did not qualify for the preferences listed on their application
- 223 applicants did not respond or their mail was returned undeliverable
- 222 responses in verification

Inspections Update: February 2020

Abatelements: 2

STEP Abatelements: 1

24 hour fails: 1

No Shows: 21

Initials: 72 (36 passed the first time, 25 passed with no life safety fails, 11 failed, 4 cancelled but none because the landlord did not want to make the repairs) – 36 re-inspections

STEP inspections: 14 initials, 3 annuals, 15 re-inspections

Average number of days to schedule initials: 5

Average number of days to schedule homeless initials: 4

Annuals: 302 (52 passed the first time, 90 within the 30 day fail period and 35 were inspected three or more times before they passed inspection). 125 failed

Mileage: 13,769

Landlord Repair Program: \$46,917.34

- The pictures below show a before and after picture of a property we assisted reimbursing \$5,449.35 from the Landlord Repair Program for exterior deteriorated paint. This allowed for two units to pass inspection.



The picture to the left is the property before the siding was completed and had failed for peeling paint. The picture below is a different angle of the same property after the work was complete.



Recovery House Residence Inspections:

All 15 Recovery House Residences have been scheduled for their HQS inspections.

Partners Relationships:

Barbara Brann and Rob Seavey from Inspection Services met with Scott Tabb Code Enforcement Officer and Dennis Yates, Fire Chief for the town of Norway on February 12, 2020. They discussed the similarities and differences between the town requirements and MaineHousing inspections standards and ways that the two can assist in ensuring the safety of all tenants in the town of Norway. This was the second meeting scheduled as part of HCV's larger initiative to connect with town officials and open the lines of communication between communities, the owners/landlords and MaineHousing.

ReStart:

The ReStart (FSS) team spent the day updating the FSS Action Plan (part of the PHA plan) and our strategic goals for 2020.

- Increase the number of participants escrowing
- Increase participation through community partnerships and program crossover
- Decrease dependency on Housing Assistance toward rent

The attached ReStart newsletter highlights two recent FSS graduates.

RESTART

A FAMILY SELF-SUFFICIENCY PROGRAM FROM MAINEHOUSING

Congratulations Graduates!

As the result of a lot of hard work these ReStart Participants are working in careers they love, looking forward to bright futures and will no longer need rental assistance. In addition to career satisfaction and graduating from ReStart they received escrow savings totaling almost \$7,000! They both intend to save their escrow to help them to reach even more of their dreams.



What is a Family Development Account?

A Maine Family Development Account (FDA) helps you save money to buy a house, pay for education, start your own business, purchase or repair a vehicle and reach other personal goals. If you can save between \$20 and \$80 per month, every dollar you deposit in your FDA is matched with up to \$4 from public and private investors.

What our graduates had to say:

"I am so very thankful for the FSS program, and I can honestly say, if you work hard, and have people who believe in you, you can do anything!"

"With this program I was able to finish school. I got alot of help and advise. I'm very thankful for all the help."



Maine's Community Colleges

Maine community colleges offer free program to fill high-demand fields.

The Maine Community College System is offering a free certificate training program to 180 students this year with the help of a \$3.6 million Harold Alfond grant.



Maine Parent Federation

Offers no cost information, referral, one on one telephone support, and training to parents of children with disabilities or special health care needs statewide.



MaineHousing

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Information Technology Department Memorandum

To: Board of Commissioners

From: Sheila Nielsen, Director of IT

Date: March 10, 2020

Subject: Monthly Report

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

- Exchange (Email) Server mailbox migration in progress
- Completed latest draft of the Disaster Recovery Plan, will revise again after the move
- Edison Drive Building Initiatives:
 - Ring Central, new Edison Drive phone system, project kickoff held. Steady progress on implementation tasks. User list and phone number assignments for new Edison Drive spaces are complete. Project team has participated in system demonstration.
 - Data center fire suppression system and HVAC system initial testing successfully completed
 - Data center walkthrough completed, initial punch list generated in anticipation of Landry & French turning over data center to MaineHousing IT in the coming days.
 - Partnered with Presidio to complete IT network design, equipment has been configured in their staging site and is ready to be shipped as soon as data center has been turned over.
 - Partnering with Dell to complete data storage design and configuration.
 - Firstlight has connected the primary internet service.
 - Actively working with building security vendor, Norris, to complete access control for all badge reader controlled doors.
 - Significant effort during cleanup day to remove old equipment from Water Street data center.

Board Calendar 2020

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| JANUARY 21 <ul style="list-style-type: none"> Legislative Preview (P. Merrill) <p>NCSHA HFA Institute (Jan. 12-17) Washington, DC</p> | FEBRUARY 18 <ul style="list-style-type: none"> Introduce HEAP |
| MARCH 17 <ul style="list-style-type: none"> HEAP discussion Audit Committee update <p>NCSHA Legislative Conference (March 9-11) Washington, DC</p> | APRIL 21 <ul style="list-style-type: none"> Commence rulemaking HEAP 2019 Year-end Financials Commence rulemaking QAP |
| MAY 26 <ul style="list-style-type: none"> HEAP public hearing QAP public hearing Commence rulemaking State LIHTC | JUNE 16 <ul style="list-style-type: none"> Adopt HEAP rule Introduce HCV Annual Plan Adopt QAP State LIHTC public hearing <p>NCSHA Credit Connect (June 2-5) St. Louis, Missouri</p> |
| JULY 21 <ul style="list-style-type: none"> BOARD MEETING IF NEEDED | AUGUST 18 <ul style="list-style-type: none"> HCV Annual Plan Public Hearing Adopt State LIHTC rule |
| SEPTEMBER 15 <ul style="list-style-type: none"> Adopt HCV Annual Plan | OCTOBER 20 <ul style="list-style-type: none"> NCSHA Annual Conf. (Oct. 24-27) DOE Weatherization State Plan |
| NOVEMBER 17 <ul style="list-style-type: none"> Review Preliminary 2021 Budget DOE Weatherization State Plan Public Hearing | DECEMBER 15 <ul style="list-style-type: none"> Approve 2021 Budget Elect Officers DOE Weatherization Adopt State Plan MPP Series Resolution |