



Minutes of the Board of Commissioners Meeting November 20, 2018

MEETING CONVENED

A regular meeting of the Board of Commissioners for MaineHousing convened on November 20, 2018 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on November 9, 2018 in Central Maine newspapers.

Chair Lincoln Merrill called the meeting to order at 9:00 a.m. The meeting convened with Commissioners Thomas Davis, State Treasurer Terry Hayes, and Director Dan Brennan. Commissioner Sheryl Gregory and Commissioner Laurence Gross attended by telephone. Both stated they were alone at their locations. Commissioner Donna Talarico and Commissioner Kevin P. Joseph were absent. There was a quorum present.

PUBLIC ATTENDANCE

Guests and staff present for all or part of the meeting include: Linda Uhl, Chief Counsel; Peter Merrill, Deputy Director; Troy Fullmer, Manager of Housing and Compliance; Allison Gallagher, Director of Housing Choice Voucher; Lauren Bustard, Senior Director of Programs; Clyde Barr, Policy Analyst; Jane Whitley, Director of Human Resources and Facilities; Denise Lord, Senior Director of Communications and Planning; Craig Reynolds, Director of Homeownership; Karen Lawlor, Executive Administrator; Tom Cary, Treasurer; Darren Brown, Director of Finance; Brenda Sylvester, Community Housing of Maine, Inc.; Barry Hobbins, Maine Office of the Public Advocate; and Gerrylynn Ricker, Paralegal and Note taker.

ADOPT AGENDA

Commissioner Davis made a motion seconded by Commissioner Gregory to adopt the November 20, 2018 agenda. The vote carried unanimously.

APPROVE MINUTES OF OCTOBER 16, 2018 MEETING

Commissioner Gregory made a motion seconded by Commissioner Davis to accept the October 16, 2018 minutes as written. The vote carried unanimously.

COMMUNICATIONS AND CONFLICTS

None

CHAIR OF THE BOARD UPDATES

None

DIRECTOR UPDATES

Director Dan Brennan reported on the following conferences, meetings, issues and upcoming events:

- Attended the NCSHA national conference in Austin, Texas. Opioid addiction and recovery houses is a big issue nationally.
- Attended the National Housing & Rehab Association conference in Boston.
- Attended the Maine Affordable Housing Coalition conference in Portland.
- Met with the Manufactured Housing Association of Maine Board in Augusta.
- Invited to go to Biddeford and meet with the local legislative leaders and city leaders to continue the discussion about homelessness.

- On December 4th Mr. Brennan will attend the Pre-legislative conference at the Augusta Civic Center.
- On December 11th MaineHousing will be having an All Staff Day. Board members are more than welcome to attend. It will be held at the Augusta Civic Center.
- On December 6th, we are going to host a forum in our board room with people interested in recovery houses and the opioid issue.
- We have several open positions here in the agency. Mr. Brennan highlighted four: Public Information/Social Media Coordinator; Director of Homeless Initiatives; Director of Information Technology; and with the \$4,000,000 coming to us from the State for our lead program, we are looking for a second lead and housing rehab compliance specialist.
- Today we're going to talk about our draft 2019 budget.
- Mr. Brennan mentioned a memo he sent to the Board members addressing a 1.8% increase for staff due to the compensation study update.
- Right now, we're very busy discussing 2019 resource allocation planning with our production departments.
- Mr. Brennan briefed the Board members regarding the Munjoy South project in Portland.
- We've announced the winners of our 9% tax credit projects. We will be doing six of them this year.
- We're funding five National Housing Trust Fund projects.
- Last week we made nearly seven million dollars in HEAP payments. That is up \$600,000 from last year.
- We're working on our 50th anniversary.
- We are near record volume in our first time home buyers program. We will be well over 1,100 loans and \$150,000,000 to \$160,000,000 in purchases.
- Mr. Brennan advised the Board members that John Gallagher has resigned his position as Commissioner.

Chair Merrill asked Deputy Director Peter Merrill what the process is, with a new Governor coming on board, to fill our vacancies on the board. Deputy Director Merrill explained that we will endeavor to make recommendations to Governor Elect Mills who will then make appointments. Deputy Director Merrill believes no appointments will be made until after the new-year.

Chair Merrill asked about the multi-family loan that is 90-days overdue on Director of Finance, Darren Brown's report. Mr. Brown explained that this has actually been resolved.

Commissioner Hayes asked about the five projects that are being funded with the Housing Trust Fund program and the scores being 101 to 40. She wanted to know if there is any score too low to be funded. Director Brennan explained yes, if there were a situation where we were over-subscribed, or had limited resources, we would have a minimum threshold.

Commissioner Hayes pointed out that she thought it was very good that we are on track this year to having the lowest number of completed foreclosures in the last decade. Director of Finance Darren Brown's loan servicing team is to be commended.

Commissioner Gross wanted to know if the 25 basis point increase to the origination fee was going to be passed on to the borrowers. Director Brennan said that is not a cost that will be passed on.

Commissioner Davis wanted to know if it is a practice or a requirement that we follow Governor LePage's executive orders, even though we are not a state agency. Director Brennan said it is a practice, not a requirement.

Commissioner Hayes asked for an explanation of the STEP Metrics Quarters One to Three 2018. Policy Analyst Clyde Barr explained that the charts are meant to show progress in the STEP program.

2019 DOE WEATHERIZATION STATE PLAN AND WEATHERIZATION ASSISTANCE PROGRAM RULE PUBLIC HEARINGS

Chief Counsel Linda Uhl welcomed the public for the hearings and explained the public hearing process. She introduced the Commissioners, Manager of Housing and Compliance, Troy Fullmer, Deputy Director, Peter Merrill, Senior Director of Programs, Lauren Bustard, and herself.

Manager of Housing and Compliance, Troy Fullmer reviewed the stakeholder process and the changes to the State Plan and Rule. Mr. Fullmer read the one letter of comment from William Crandall, Chair of Maine Community Action Association Housing Council which was in favor of the proposed plan and rule. The public hearing was adjourned.

PRELIMINARY 2019 BUDGET

Director of Finance Darren Brown presented the 2019 preliminary budget. The 2019 budget reflects continuing improvement with the agency's financial position and performance. Total revenues are budgeted to exceed expenses by \$9.8 million, which is a \$14 million increase over projected net operating income for 2018. Darren reviewed the major components of the two primary business segments – mortgage lending activities and the program administration activities. The Commissioners had the opportunity to ask questions and provide input prior to the final budget presentation and vote at the December 18th meeting.

MARKET ADJUSTMENT

Director Brennan asked the Board members to consider the 1.8% increase for all positions as suggested in his memorandum to the Board dated November 20, 2018.

Commissioner Hayes made a motion seconded by Commissioner Gregory to adopt the 1.8% increase suggested by Gallagher and to put the increase into place for the next pay period as set forth in the memorandum. The vote carried unanimously.

PROCUREMENT POLICY REVISION

Chief Counsel Linda Uhl explained that this procurement policy amendment captures the changes that were discussed with Board members at the October Board meeting.

Commissioner Hayes made a motion seconded by Commissioner Gregory to adopt the new Procurement Policy as presented to the Board. The vote carried unanimously.

COMMENCE RULEMAKING – PRESERVATION AND RELOCATION RULE

Chief Counsel Linda Uhl presented a new rule which would set forth the requirements for notices to tenants, MaineHousing and local housing authorities if an owner of low-income rental housing plans to take an action that would result in the termination of financial assistance for tenants. It would set forth a means for determining the purchase price of the project and relocation assistance requirements. Commissioner Hayes asked that the proposed rule be re-written so that it is easier for tenants to understand and define action that the landlord would take that would terminate the financial assistance to a tenant. Chief Counsel Uhl will rewrite the summary at the beginning of the rule and define the actions.

Commissioner Gregory made a motion seconded by Commissioner Hayes to commence the rulemaking process to adopt a new Preservation and Relocation Rule with suggested changes by Commissioner Hayes. The vote carried unanimously.

COMMENCE RULEMAKING – MULTI-FAMILY MORTGAGE LOANS

Chief Counsel advised the Board members that our current Multi-family Development and Supportive Housing Loans and Grants rule has not been revised since 2003. The rule applies to our multi-family programs and is referred to in our multi-family program guide. We are proposing revisions to the rule to conform to statutory changes regarding construction lending and make other updates. Commissioner Gross suggested under paragraph 7.F. Debt Concentration, the words “or greater” should be added after an amount equal to 25%.

Commissioner Gregory made a motion seconded by Hayes to commence the rulemaking process to repeal and replace Chapter 29 of MaineHousing’s rules as described in the memorandum from Linda Uhl, Chief Counsel to the Commissioners dated November 14, 2018. The vote carried unanimously.

ADJOURN

Commissioner Hayes made a motion seconded by Commissioner Davis to adjourn the meeting. The meeting was adjourned at 11:38 a.m. by a unanimous vote of the Board.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Donna Talarico", written in a cursive style.

Donna Talarico, Secretary