
MEMORANDUM

TO: Commissioners of Lewiston Housing Authority
FROM: Cito Selinger
DATE: March 30, 2026
RE: Amendment to LAAHDC articles of incorporation

This memo explains why it's important to amend the LAAHDC articles of incorporation to remove provisions giving LHA control over LAAHDC's governance and activities.

Before 2019, LAAHDC was classified as an "instrumentality" of LHA. The effect of this designation was that LAAHDC had to be treated as if it were a public housing authority and part of LHA, thus limiting LAAHDC's activities significantly. In 2019 major changes were made to LAAHDC's bylaws. The purpose of those amendments was to change LAAHDC's status from an instrumentality to an affiliate of LHA, thus giving LAAHDC much more flexibility to seek development opportunities while still maintaining LHA involvement through seats on the LAAHDC board.

The circled language in the excerpt attached to this memo confuses the issue and could lead a HUD reviewer to conclude that LAAHDC is an instrumentality and not an affiliate, notwithstanding the 2019 bylaws changes. In order to maintain LAAHDC's status as an affiliate, we are recommending this language be deleted from the articles. No changes are proposed to LAAHDC's other governing documents that would reduce LHA's representation on the LAAHDC board.

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- (7) To appoint such officers and agents as the affairs of the corporation may require and to define their duties and fix their compensation;
 - (8) To make by-laws for the government and regulation of its affairs;
 - (9) To cease its activities and to dissolve and surrender its corporate franchise;
 - (10) To carry on any activity and to deal with and expend any such property or income therefrom for any of the aforesaid purposes without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, the Certificate of Organization, the By-laws of said Corporation or any other limitations as are prescribed by law, provided that no such activity shall be such as is not permitted by a corporation exempt from Federal Income Tax under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1954 or any corresponding future provision of said Code, and that the corporation shall not attempt to influence legislation by propaganda or otherwise, nor shall it intervene in, or participate in, any political campaign on behalf of any candidate for public office, and provided further that no part of the net earnings of this corporation shall inure to the benefit of any member or private individual and no member, director or officer of the corporation shall receive any pecuniary benefit from the corporation, except such reasonable compensation as may be allowed for service actually rendered to the corporation.
- (g) Upon the dissolution or other termination of the corporation, no part of the property of the corporation or any of the proceeds shall be distributed to or inure to the benefit of any of the members of the corporation, but all such property and proceeds, subject to the discharge of valid obligations of the corporation, shall become the property of the Lewiston Housing Authority, a public body, politic and corporate, in the State of Maine, having offices at Lewiston, Maine; no part of the net earnings of which inure to the benefit of any private shareholder, member or individual, and no substantial part of whose activities consist of carrying on propaganda or otherwise attempting to influence legislation or which does not participate or intervene in any political campaign on behalf of any candidate for public office.
- (h) The exercise of the powers of the Corporation shall be subject to the following limitations and conditions:
- (1) The By-laws of the Corporation as well as any amendment thereto and any amendment of the Articles of Incorporation shall be subject to the approval of the Lewiston

Housing Authority;

- (2) The projected programs and projected expenditures of the Corporation as well as any amendments thereto or revisions thereof and each project undertaken, financed or assisted by the Corporation, shall be subject to the approval of the Lewiston Housing Authority;
- (3) The Corporation shall provide the Lewiston Housing Authority with a bi-annual financial audit of its books and records prepared by an independent certified public accountant;
- (4) The Lewiston Housing Authority shall have the right to inspect the books and records of the Corporation at any time during normal business hours.