

On Thursday, February 22, 2018, New Hampshire Housing Finance Authority held its monthly Board meeting at the Authority's offices located at 32 Constitution Drive, Bedford, NH. Chair Ensign called the meeting to order at 10:34 a.m. The meeting adjourned at 12:05 a.m.

Members Present:

Stephen W. Ensign
Kendall Buck
Pauline Ikawa
Connie Lane
Amy Lockwood
Mary Beth Rudolph
Stephanye Schuyler
Donald Shumway

Members Absent:

John Cuddy

Authority Counsel Present:

John Deachman, General Counsel
Thomas Collins, Bond Counsel

Others Present:

Dean Christon
Rob Dapice
Pat Donahue
Ben Frost
Debi Granfield
Bill Guinther
Grace Lessner
Ignatius MacLellan
Heather McCann
Jim Menihane
Dee Pouliot
Colette Provencher
Bill Ray
David Sargent
Melanie Toscano

Michael Baumrin, RBC
Tim Cadigan, TD Bank
Jack Franks, Avanru Development
Michelle Kim, Bank of America Merrill Lynch
Sarah Melasecca, GSIL
Chris Purington, GSIL
Jim Stretz, G.K. Baum
Janet Taft, TD Bank

Chair Ensign called the meeting to order at 10:34 a.m.

Approval of the Minutes of the January 25, 2018 Meeting: Mr. Buck moved, seconded by Ms. Schuyler, and the Board unanimously approved the following motion:

2018-07 The minutes of the January 25, 2018, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

Ms. Schuyler reported the Finance and Administration Committee met just prior to the Board meeting but there were no action items to bring before the Board.

Homeownership Committee

The Homeownership Committee did not meet in February.

Multi-Family Housing Committee

Mr. Christon provided a brief review of the Board decisions on the 2018 Low Income Housing Tax Credit (LIHTC) allocations and denials. He noted the option for denied projects to appeal the decisions and reviewed the appeal process.

Approval: Appeal of Action – Abenaki Springs Phase II: Ms. Lane discussed the Abenaki Springs Phase II project. She reported on the Committee's review and discussions, reviewed the threshold requirements that were not met, and advised that the Committee recommends the Board support the Committee action to deny the appeal. Mr. Franks, representing Avanru Development Group, addressed the Board, reviewing his request that the Board reverse staff's determination to reject the project's tax credit application based on lack of adequate market. He answered members' questions throughout his discussion. Mr. Christon discussed the staff's approach to determining whether there is sufficient evidence of adequate market demand for a proposed project. Mr. Franks then responded to members' questions. Ms. Lane and Mr. Shumway also noted the Authority's support for Phase I of this project. Following discussion, Ms. Lane moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-08 The Board of Directors denies an appeal of the Authority decision that the Abenaki Springs Phase II project fails to meet the threshold criteria for a reservation of Low Income Housing Tax Credits defined in section HFA:109.06.B of the 2018 Qualified Allocation Plan.

Approval: Appeal of Action – Bethlehem Workforce Housing: Ms. Lane reported on the Bethlehem Workforce Housing project. She discussed the Committee's review of the basis of the appeal, noting the importance of compliance with the scoring process. Ms. Lane moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-09 The Board of Directors denies an appeal of the Authority decision that the

Bethlehem Workforce Housing project fails to meet the threshold criteria for a reservation of Low Income Housing Tax Credits defined in section HFA:109.06.A of the 2018 Qualified Allocation Plan.

Approval: Appeal of Action – Harvey Heights: Ms. Lane discussed the Harvey Heights project, reporting on staff's rescoring of the project and the ultimate inability of the project to meet threshold. She and Mr. Christon reviewed the Committee's recommendation to support staff's denial, providing details of the specific threshold criteria and QAP components. Ms. Lane noted that, following discussions, the project sponsor has been encouraged to attend the QAP public forums to address questions about the scoring process. Ms. Lane moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-10 The Board of Directors denies an appeal of the Authority scoring decision for the Harvey Heights project defined in section HFA:109.07.A of the 2018 Qualified Allocation Plan.

Approval: Additional 2018 LIHTC Reservations: Mr. Dapice reported on the 2018 LIHTC reservations, reviewing the previously approved projects and noting the additional projects had been held pending final decision on the above appeals. Mr. Dapice provided details on each of the projects, reviewing background, sponsor information and proposed financing. He answered members' questions throughout his review.

Ms. Lane then moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-11 The Board of Directors approves the following Low Income Housing Tax Credit reservations:

Project:	Apple Ridge Phase I
Developer:	David R. Lemieux
LIHTC recommended:	\$750,370

Ms. Lane moved, seconded by Ms. Ikawa, and the Board approved the following motion. Ms. Lockwood abstained due to a potential conflict of interest:

2018-12 The Board of Directors approves the following Low Income Housing Tax Credit reservations:

Project:	The Meadows at Grapevine Run Phase II
Developer:	Avesta Housing Development Corporation
LIHTC recommended:	\$600,000

Ms. Lane moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-13 The Board of Directors approves the following Low Income Housing Tax Credit reservations:

Project:	Cocheco River Manor
Developer:	Community Action Partnership of Strafford County
LIHTC recommended:	\$485,337

Ms. Lane moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-14 The Board of Directors approves the following Low Income Housing Tax Credit reservations:

Project:	Chandler Place Phase II
Developer:	Steven Lewis, Inc.
LIHTC recommended:	\$212,587

Approval: Project Financing – Gilford Village Knolls 3: Mr. Dapice discussed the Gilford Village Knolls 3 project. He reviewed the LIHTC allocation received the previous year and reported on the new plan to add solar panels, which resulted in the need for an increase in the construction loan. Mr. Dapice provided details, including the proposed financing and answered members' questions. Ms. Lane moved, seconded by Ms. Ikawa and the Board unanimously approved the following motion:

2018-15 The Board of Directors approves the following increase to the construction financing commitment for the Gilford Village Knolls 3 project located in Gilford in the amounts and terms as follows:

Increase existing construction loan by \$400,000, from \$2,700,000 to \$3,100,000. All terms of the existing construction loan that was approved by the Board in April 2017, including interest rate, will remain the same.

The Executive Director or designee is authorized and directed to execute the security documents for each transaction and shall add such conditions as are determined necessary. All documents shall be reviewed and approved by the Authority's legal counsel.

Executive Committee

Approval: Appointment of External Auditor: Mr. Ensign reviewed the motion for the appointment of the Authority's external auditor. He noted the Committee met last month and reported on the discussions concerning staff's recommendation, reviewed the good working relationship with Baker Newman Noyes, and noted the requirement that the firm rotate the

partner assigned to the Authority's audit. Mr. Ensign moved, seconded by Ms. Schuyler, and the Board unanimously approved the following motion:

2018-16 The Board of Directors appoints Baker Newman Noyes to conduct the Authority's fiscal year-end audits for fiscal years 2018 through 2021 as recommended by the Executive Committee.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Presentation: Accessibility Pilot Program Update by Granite State Independent Living (GSIL): Mr. Christon and Mr. MacLellan briefly discussed the previously approved funding for the initiative to help improve homeowner accessibility and reported on the partnership with Granite State Independent Living (GSIL) to help promote independence for seniors and people with disabilities. Ms. Melasecca provided a presentation reporting on the scope and flexibility of the NHHFA pilot and its benefits to their Access Modification Program. She reviewed the successes, challenges and success stories of the program and answered members' questions throughout her presentation.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon updated members on key state-level housing legislation, reporting on HB 1682, relative to procedures for foreclosure as well as providing updates on several senate bills. He provided details on SB 537, which would provide the Authority, New Hampshire Health and Education Facilities Authority (NHHEFA), and the Business Finance Authority (BFA) bonding authority in other jurisdictions. Mr. Christon then discussed Federal legislation providing updates on the Federal budget issues. He briefly discussed the president's budget noting the proposed elimination of several key programs.

Mr. Christon advised staff provided an update to 2018 Key Issues and is prepared to respond to questions. He noted staff is also preparing a discussion of potential key issues for the FY 2019 Strategic Plan for the March meeting. He asked members to schedule additional time following the March Board meeting to discuss these issues.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Homeownership Activity Reports noting loans purchased continues to lag behind last year's performance slightly. Mr. Christon reported the MCC program continues to remain on track and noted staff remains engaged in researching alternatives to increase loan activity.

Mr. Christon reviewed the Rental Assistance Program Report. He reported staff continues to focus on the existing utilization plan and advised a final budget will likely not be known for several months.

Mr. Christon then reviewed the Multi-Family Development Reports, providing details. Staff answered members' questions regarding the tax credit projects and the ongoing need for

additional units. Mr. Christon reported on the Qualified Allocation Plan (QAP) process noting two public forums have already been held. He also noted staff is scoring applications for the Housing Trust Fund (HTF) monies.

Finally, Mr. Christon reviewed the financial reports, noting delinquencies have leveled off, which follows historical trends. He noted, however, that delinquencies appear to be slowly increasing across the country. Mr. Christon then noted there were no multi-family delinquencies to report.

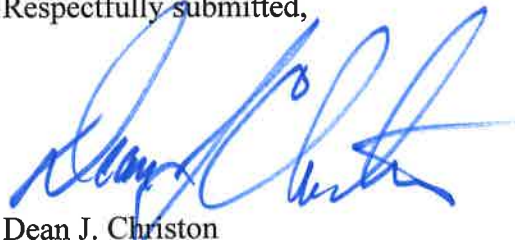
COMMITTEE MEETING MINUTES:

The Board had no comments on the Committee minutes as presented.

Mr. Christon then reviewed the upcoming meetings and events asking members to let staff know if they were attending any of the upcoming conferences. In response to members' questions, staff reported on upcoming Homebuyer Fairs and advised members that dates and details will be shared with them.

There being no further business to bring before the Board, the Board unanimously voted to adjourn at 12:05 p.m.

Respectfully submitted,



Dean J. Christon
Executive Director