

On Thursday, August 24, 2017, 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 10:03 a.m. The meeting adjourned at 11:03 a.m.

Members Present:

Stephen W. Ensign
Kendall Buck
John Cuddy
Pauline Ikawa
Connie Lane
Mary Beth Rudolph
Stephanye Schuyler

Members Absent:

Amy Lockwood
Donald Shumway

Authority Counsel Present:

John Deachman, General Counsel
Thomas Collins, Bond Counsel

Others Present:

Dean Christon
Rob Dapice
Pat Donahue
Ben Frost
Debi Granfield
Jane Law
Grace Lessner
Lynn Lippitt
Ignatius MacLellan
Jim Menihane
Chris Miller
Gloria Paradise
Dee Pouliot
Colette Provencher
David Sargent

Barbara Feldman, BAML
Mitch Gallo, RBC
Jim Stretz, G.K. Baum

Chair Ensign called the meeting to order at 10:03 a.m.

Approval of the Minutes of the July 27, 2017 Meeting: Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-55 The minutes of the July 27, 2017, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

The Finance and Administration Committee did not meet in August.

Multi-Family Housing Committee

Approval: Section 8 Management Assessment Program (SEMAP): Mr. Cuddy reviewed the SEMAP Certification for FY 2017, noting this certification is performed on an annual basis. He discussed the scoring and acknowledged staff's hard work and dedication. Mr. Christon noted that Housing and Urban Development (HUD) created this evaluation and the Authority's ranking as a high performer allows the Authority to apply for VASH vouchers and Moving to Work status. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2017-56 The Board of Directors approves the Section 8 Management Assessment Program (SEMAP) Certification for FY 2017.

Approval: Amendments to Multi-Family Program Rules: Mr. Cuddy briefly discussed the Multi-Family Program Rules. He reported this comes to the Board with the Committee's recommendation and noted the Committee reviewed in detail each rule individually. Mr. Christon provided details of the proposed amendments, including the substantive change to the technical construction standards. He reported this is part of the overall rewrite, evaluation and examination of all of the Authority's rules and noted the goal to have all rule reviews completed by the end of the calendar year. Mr. Cuddy moved, seconded by Ms. Rudolph, and the Board unanimously approved the following motion:

2017-57 The Board of Directors approves amendments to the following rules as proposed:

- HFA 108 – Technical Assistance Program Rules
- HFA 110 – Construction and Bridge Lending Loan Program for Rental Housing Rules
- HFA 111 – Design and Construction Policy Rules
- HFA 112 – Special Needs Housing Program Rules
- HFA 113 – Affordable Housing Fund Program Rules

Homeownership Committee

Approval: Allocations for Housing Counseling and 2-1-1 New Hampshire Referral Services: Ms. Rudolph reported on staff's request to approve the allocations for the Housing Counseling and 2-1-1 New Hampshire Referral Services. Mr. Christon reported these proposed

allocations are a part of the program plan funds which were adopted last year. He provided details on this second year of funding, reviewing the agencies, recommended award amounts and providing details of the 2-1-1 allocation. Mr. Christon discussed the Authority's outreach activity and he and Mr. MacLellan answered members' questions. Mr. Christon also reported on the federal housing counseling grants, which the Authority also administers, and advised those allocations are considered when recommending housing counseling awards. Ms. Rudolph moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2017-58 The Board of Directors approves the following allocations to fund housing counseling activities.

<u>AGENCY</u>	<u>RECOMMENDED AWARD AMOUNT</u>
AHEAD	\$110,000
HOMEteam	\$ 95,000
The Housing Partnership	\$ 50,000
Twin Pines	\$ 5,000
2-1-1 (Intake and Referral Services)	\$ 30,000
Outreach and incentives for homebuyer education	\$ 75,000
Total	\$365,000

Approval: Authorization to Establish the 2017 Mortgage Credit Certificate Program: Ms. Rudolph provided a brief review of the Mortgage Credit Certificate (MCC) Program. She provided details of the expiring bond capacity and staff's request to convert that bond authority into MCC capacity to create the 2017 MCC Program. Ms. Rudolph moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2017-59 The Board of Directors approves an allocation of \$274 million in tax-exempt bond authority to create \$68.5 million of mortgage credit certificate (MCC) capacity for the Homebuyer Tax Credit Program. This allocation shall be termed the "2017 MCC Program". The Board of Directors also approves the attached Board Votes on the Establishment of Mortgage Credit Certificate Program of 2017.

Executive Committee

The Executive Committee did not meet in August.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

There was no new business to bring before the Board.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon provided an update on Legislative activities, noting there is no activity for the state legislature during the summer months. He reviewed a few of the bills that have been retained, including the lead abatement bill, providing details and noting staff will continue to watch the

bills as they become active again. He also reported on the filing periods for new Legislative Service Requests (LSRs). Mr. Christon then discussed the Federal legislation, noting there is also no activity during the summer months. He reported the federal budget will need to be finalized when they reconvene, in addition to finalizing the tax credit program and the Housing and Urban Development (HUD) budget. Mr. Christon also discussed the senior level positions that remain unconfirmed at HUD and answered members' questions.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Single Family Mortgage Program Reports. He reported reservation activity for July and August was below plan and discussed the changing market dynamics, and the tight inventory. Mr. Christon also provided an update on rate setting and noted the increase of activity in Fannie Mae and conventional loan products, stating staff will focus on increasing market share. He then discussed the MCC activity, noting staff recently changed how they record MCC issuances to be more consistent with federal reporting, and advising activity is slightly below last year.

Mr. Christon reviewed the Rental Assistance Program Report, discussing voucher utilization and the waiting list. He reported staff anticipates achieving the goals outlined in the report. Mr. Christon provided an update on changes to HUD's administrative fee payment structure, the cost of running the program and discussed options staff is considering to close any potential funding gaps, including using the program's administrative fee reserve. He then answered members' questions.

Mr. Christon then reviewed the Multi-Family Development Reports. He discussed the new schedule for the tax credit program and provided a brief review of the pre-applications for tax credits that were received in early August. Mr. Christon also reviewed the schedule for the additional competitive funding cycles and noted the program plan included adding some bond-financed mixed income properties to the portfolio. He then reported on the expected Housing and Urban Development (HUD) RFP for the Project Based Contract Administration (PBCA) program and the continued discussions of a potential multi-state consortium that would make an application for the funds. He advised this is for informational purposes only at this time and, if it continues to develop, staff would make a presentation to the Board for approval to proceed.

Finally, Mr. Christon reviewed the financial reports, noting delinquencies are up slightly. He reported foreclosure activity remains light with a limited number of REO properties and conveying GNMA properties remains challenging. Mr. Christon also reported the multi-family portfolio remains stable.

COMMITTEE MEETING MINUTES:

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

Mr. Christon discussed upcoming meetings and events. He reviewed the Committee and Board meeting schedule through the end of the year, noting some changes in the typical schedule to accommodate holidays. Mr. Christon discussed the upcoming NeighborWorks Outstanding

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Neighbor Award celebration and the NCSHA Annual Conference advising if members wish to attend either event, please let Colette know as soon as possible.

There being no further business to bring before the Board, the Board unanimously voted to adjourn at 11:03 a.m.

Respectfully submitted,



Dean J. Christon
Executive Director

Attachment: Board Votes on the Establishment of Mortgage Credit Certificate Program of 2017

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Board Votes on the Establishment of Mortgage Credit Certificate Program of 2017

VOTED: That (i) the New Hampshire Housing Finance Authority (the Authority) hereby establishes the Mortgage Credit Certificate Program of 2017 (the 2017 MCC Program), and (ii) under the 2017 MCC Program, the Authority may issue mortgage credit certificates (MCCs) pursuant to Section 25 of the Internal Revenue Code of 1986, as amended (the Code), provided that no MCCs shall be issued by the Authority under the 2017 Program after December 31, 2019.

VOTED: That the Authority hereby elects not to issue a specified amount of “qualified mortgage bonds” under Section 143 of the Code that the Authority may otherwise issue during calendar year 2017 (the Specified Amount).

VOTED: That the Specified Amount shall be \$274,000,000.

VOTED: That the Chairperson, Vice Chairperson, Executive Director, Managing Director, Homeownership Division, and Managing Director, Finance/CFO of the Authority, are hereby authorized and directed from time to time as such Chairperson, Vice Chairperson, Executive Director, Managing Director, Homeownership Division, and Managing Director, Finance/CFO, and each of them, in the name or on behalf of the Authority, and when they or any of them deem it appropriate or necessary, to do all acts and things necessary, proper or appropriate by them or any of them to carry into effect the 2017 MCC Program adopted at this meeting and any of the matters authorized therein, including without limitation executing and delivering to the Internal Revenue Service any required election with respect to the 2017 MCC Program, specifying the “certificate credit rate” as defined in Section 25(b)(1) of the Code for each MCC, publishing any required public notice with respect to the 2017 MCC Program, and determining eligible borrowers and lenders for the 2017 MCC Program, all such acts and things to be in accordance with applicable law including without limitation Section 25 of the Code.

Adopted: August 24, 2017