

On Thursday, October 25, 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 10:30 a.m. The meeting adjourned at 11:53 a.m.

Members Present:

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

Members Absent:

N/A

Authority Counsel Present:

John Deachman, General Counsel
Tom Collins, Bond Counsel

Others Present:

Andrew Cadorette
Dean Christon
Jessica Daniels
Rob Dapice
Pat Donahue
Natasha Dube
Ben Frost
Debi Granfield
Amanda Gray
Bill Guinther
David Hebert
Julie Jussif
Jane Law
Grace Lessner
Ignatius MacLellan
Jim Menihane
Chris Miller
Gloria Paradise
Mitchell Pelletier
Dee Pouliot
Colette Provencher
Gail Quinlan
Bill Ray
David Sargent
Melanie Toscano
Lisa Vance

Jennifer White

Larry Berg, AHEAD
Michael Claflin, AHEAD
Barbara Feldman, BAML
Jennifer Hopkins, NH Community Loan Fund
Jim Kimberly, Sapphire Consulting
Jim Stretz, G.K. Baum
Janet Taft, TD Bank

Chair Ensign called the meeting to order at 10:30 a.m.

Approval of the Minutes of the September 27, 2018 Meeting: Mr. Cuddy moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2018-71 The minutes of the September 27, 2018, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

Approval: New Hampshire 2018 Action Plan Substantial Amendment: Ms. Schuyler briefly discussed the 2018 Action Plan and provided a review of the proposal to add Special Needs Housing as a potential use of HOME funds. She noted recent developments, including an allocation from the State to fund transitional housing for individuals recovering from substance use disorder or severe mental illness, which make it appropriate that staff add the potential use of these funds to the Action Plan. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-72 The Board of Directors approves reinstating Special Needs Housing as a potential use of HOME funds in the 2018 Action Plan.

Approval: New Hampshire 2019 Action Plan Approval: Ms. Schuyler reported on the State of New Hampshire 2019 Action Plan. Mr. Christon provided a brief overview of the annual Action Plan, noting the Authority is the lead agency and the Consolidated Plan Coordinator for the state. He noted the actual funding allocation amounts will not be determined until the federal government has established a budget so staff is requesting that the Board approve the policy and give the Executive Director authority to enter the amounts when the budget is final. Mr. Christon reported there were no changes to the policy other than the additional language which was just adopted for the 2018 Action Plan Substantial Amendment. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-73 The Board of Directors authorizes the Executive Director to submit the 2019 Action Plan for the use of HOME funds to HUD following approval by the Governor.

Homeownership Committee

Approval: Special Initiatives Grant – In-Fill Manufactured Homes in Resident Owned

Communities: Ms. Rudolph discussed staff's request for a \$50,000 Special Initiatives Grant to the New Hampshire Community Loan Fund (NHCLF). She reviewed the previously approved funding for NHCLF, and reported they exceeded their goal. Ms. Rudolph provided details for the funding request and noted the desire for NHCLF to come up with a model for replication in the future. Ms. Rudolph moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2018-74 The Board of Directors approves a \$50,000 grant to the New Hampshire Community Loan Fund (NHCLF) to support targeted activities that will result in manufactured homes being installed in resident-owned communities (ROCs).

Approval: Allocation for Housing Counseling and 2-1-1 New Hampshire Referral Services: Ms. Rudolph briefly discussed the history of the counseling grant awards and reviewed the current proposed counseling grants allocations. She reported on negotiations with the grantees and reviewed the request for flexibility for the Executive Director to distribute the funds up to the amounts listed. Ms. Rudolph moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-75 The Board of Directors approves the following allocations to fund housing counseling activities:

<u>AGENCY</u>	<u>RECOMMENDED AWARD AMOUNT</u>
AHEAD	\$145,000
HOMETeam	\$ 95,000
The Housing Partnership	\$ 60,000
2-1-1 NH	\$ 30,000
<u>Outreach and borrower incentives</u>	<u>\$ 10,000</u>
Total	<u>\$340,000</u>

In addition, the Board of Directors authorizes the Executive Director, or designee, to allocate and disburse these funds up to the amount listed. Any funds not awarded to a Grantee may then be reallocated and disbursed for counseling-related activities as authorized by the Executive Director.

Approval: Authorization to Finance Single Family Loans in Calendar Year 2019: Ms. Rudolph briefly discussed the annual vote to give New Hampshire Housing the ability to finance single family loans from the issuance of bonds or through other sources and noted this will provide authorization for the calendar year 2019. Mr. Christon provided details and noted this will also provide the general authorization necessary for new bond issuance, bond refunding transactions and other methods of financing single family loans. Ms. Rudolph moved, seconded by Mr. Buck and the Board unanimously approved the following motion:

2018-76 The Board of Directors approves the Votes authorizing the financing of single family mortgage loans during calendar year 2019 through the issuance of bonds or through sources other than the issuance of bonds.

Multi-Family Housing Committee

Approval: Waiver Request – Harvey Heights Phase I: Ms. Dube reported on the staff-initiated waiver request for the Harvey Heights Phase I project. She reviewed the project, renovations needed and provided details of the waiver request. Mr. Cuddy noted the Committee had detailed discussions concerning this request, including ensuring this will not be setting a precedent going forward. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-77 The Board of Directors approves a waiver of the provisions of HFA:109.04.D of the 2019 Qualified Allocation Plan to allow for the reservation and allocation of Low Income Housing Tax Credits in excess of \$450,000 to Harvey Heights Phase I, a preservation project.

Approval: 2019 Low Income Housing Tax Credit (LIHTC) Reservations: Ms. Dube discussed the Low Income Housing Tax Credit (LIHTC) program, reporting on the proposed recommendations for approval and denial. She provided details on the scoring process and the potential timeframe for financing. Ms. Dube then provided details on each of the projects being proposed to receive allocations, answering members' questions throughout the presentation. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2018-78 The Board of Directors approves the following Low Income Housing Tax Credit reservations:

Project:	Merrimack Townhomes
Developer:	NeighborWorks Southern New Hampshire
LIHTC recommended:	\$800,000
Project:	Abenaki Springs Phase II
Developer:	Avanru Development Group Ltd.
LIHTC recommended:	\$492,070
Project:	Bethlehem Workforce Housing
Developer:	AHEAD
LIHTC recommended:	\$670,313
Project:	Penacook Landing
Developer:	Caleb Development Corporation
LIHTC recommended:	\$714,000

Project: Court Street Workforce Housing
Developer: PHA Housing Development Ltd.
LIHTC recommended: \$800,000

Project: Summer Park Residences
Developer: Twin Pines Housing Trust
LIHTC recommended: \$540,530

Project: Harvey Heights Phase I
Developer: Lakes Region Community Developers
LIHTC recommended: \$552,835

Mr. Christon provided details on the process of denials of reservations. He noted the two projects that did not receive funding recommendations did meet threshold criteria, and noted that if an approved project failed to move forward, there is the potential that one of these projects could then be approved for funding. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-79 The Board of Directors denies the following Low Income Housing Tax Credit applications.

The Board of Directors also acknowledges that of the projects listed below, all applications have met threshold requirements and are eligible for future 2019 credits should any project granted a reservation above fail to meet the requirements of the 2019 QAP:

<u>Project name</u>	<u>Town</u>	<u>Sponsor</u>	<u>Reason</u>
Clough Farm Phase II	Salem	Steven Lewis, Inc.	Failure to score competitively
Woodland Village	Goffstown	Dakota Partners, Inc.	Failure to score competitively

Approval: Project Financing – Bradley Commons Phase II: Ms. Dube reported on the Bradley Commons Phase II project, noting, if approved, this will conclude the 2018 LIHTC funding recommendations. She reviewed the project and provided details of the proposed financing. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2018-80 The Board of Directors approves the following financing for the Bradley Commons Phase II project located in Dover, New Hampshire, up to the amounts and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$2,400,000	FHLBB ⁽¹⁾	Construction	1.5%	18 Months

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.

⁽¹⁾ Federal Home Loan Bank of Boston Helping to House New England program revolving loan fund or other appropriate source as determined by the Authority.

Approval: Project Financing and Tax-Exempt Bond Issuance – Central Square Terrace: Ms. Dube reported on the proposed refinance of the Central Square Terrace project. She reported on the proposed renovations and provided details of the financing request. Mr. Christon noted a clerical error in the motion; Board members received and reviewed a corrected Motion prior to the vote. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-81 The Board of Directors approves the following financing for the Central Square Terrace project located in Keene, New Hampshire, in the amount and terms listed below. The Board of Directors also approves the issuance of up to \$11,500,000 of tax-exempt private activity bonds to finance the construction and first mortgage loans and a required mortgage reserve and adopts the required corresponding bond resolution accompanying this motion. The bonds are to be credit enhanced by placing FHA risk-sharing insurance on the mortgage loan and, accordingly, the Board approves the use of the FHA risk-sharing program for this loan, conditional upon FHA approval.

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$ 10,000,000	Tax-exempt Bonds	Construction/ Perm	5.00% ⁽¹⁾	41.5 Years

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.

⁽¹⁾ Long-term fixed rate to be established at 75 basis above the bond yield. Bond yield as of 7/24/18 was estimated to be 4.10%.

Approval: Non-Bond Funded Multi-Family Loan Findings for Calendar Year 2019: Mr. Christon reviewed the motion, noting this is an annual update and a broad-based set of Findings to comply with statutory requirements and is prepared on the advice of counsel for the need of these findings to support each non-bond funded multi-family loan. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2018-82 Pursuant to RSA 204-C:20, the Board of Directors approves the Findings which shall apply to all non-bond funded multi-family mortgage loans during 2019.

Executive Committee

The Executive Committee did not meet in October.

UNFINISHED BUSINESS:

APPROVAL: Project Financing – Sanborn Crossing: Mr. Christon discussed the Sanborn Crossing project, providing details and reviewing the history of the project and its previous funding. He reported on a funding gap, created by volatile interest rates, which would impact the feasibility of this project. Mr. Christon provided details of the financing request and answered members' questions. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-83 The Board of Directors approves the following financing for the Sanborn Crossing project located in Londonderry, New Hampshire, up to the amount and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$200,000	Operating funds and/ or FHLBB HHNE ⁽¹⁾	Deferred	0%	30 years

The Board of Directors further authorizes staff to adjust the normal Authority's spread on the tax-exempt bond funded construction/permanent loan approved by the Board at the August 2018 meeting.

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.

⁽¹⁾Federal Home Loan Bank Helping to House New England program funds.

NEW BUSINESS:

Mr. Ensign reported that at the recent NCSHA Annual Conference, Ms. Ikawa was elected as Secretary to the National Conference of State Housing Boards (NCSHB) Board of Directors.

Staff Presentation: Update on Leadership Development Program: Ms. Donahue provided a presentation on the Authority's Leadership Academy. She reported on the Authority's commitment to preparing for the future, and the purpose and value of the program. Ms. Donahue also discussed the history of the program, and reviewed the structure and requirements of the participants. Mr. Christon reported on Authority staff's longevity, and their commitment and value to the organization. He also noted the program has been well-embraced by the staff and management.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon reported the national budget has not yet been finalized and noted that staff is anticipating the Housing and Urban Development (HUD) budget to be similar to last year's budget. He discussed funding for opioid-related issues, including funding for people who are in recovery, and reported additional funds may be added to the Community Development Block Program for this purpose. The amounts have not been defined yet.

Mr. Christon reported on efforts in Congress surrounding housing issues. He provided information on initiatives and proposals being discussed and noted NCSHA is advocating for tax credit authority expansion.

Mr. Christon provided an update on the Housing Appeals Board and several potential bills staff is expecting to be introduced. He also reported on some potential minor statutory adjustments effecting the Authority's work. He then provided an update on the Council of Partner Agencies, noting the provision that the Council must present a 10-year economic development plan to the legislature by the end of this year.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Homeownership Activity Reports, noting reservations for the first quarter of this fiscal year are, overall, running slightly ahead of last year and with volume very close to last year. He reported on inventory availability and the rising interest rate environment, noting the effects on the Authority. Mr. Christon then discussed the counseling programs and resources allocated to those programs and noted staff will continue to keep members updated.

Mr. Christon reviewed the Rental Assistance Program Report, noting the approach of the end of this program year. He reported staff is on track to meet the 99% occupancy goal, and provided details of staff's efforts working with several local housing agencies which benefited this goal. Mr. Christon announced the Authority will be receiving an additional 17 VASH vouchers and is still waiting for notice of the family unification program vouchers. Mr. Christon then provided an update on the Moving to Work (MTW) program.

Mr. Christon then reviewed the Multi-Family Development Reports. He reported the Federal Financing Bank (FFB) program would be extended through the end of the calendar year while HUD continues to evaluate the need for the program. Mr. Christon noted staff has submitted information to HUD regarding the use of the program and the Authority's value. Mr. Christon provided an update on the funding for transitional housing for substance use disorder (SUDs) and seriously mentally ill (SMI) clients reporting an RFP has been released with a deadline of early January and he also noted discussion is ongoing about potentially using emerging opportunities funds to help facilitate partnerships in this arena.

Finally, Mr. Christon reviewed the financial reports. He reported single family delinquencies have increased and discussed timing and its effect on these delinquency numbers. Mr. Christon reported there are no multi-family delinquencies to report.

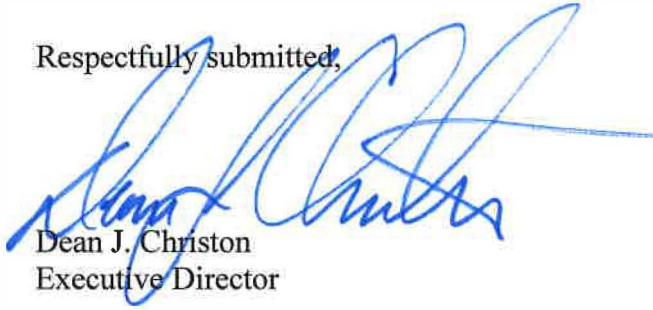
COMMITTEE MEETING MINUTES:

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

Mr. Christon discussed the proposed Committee schedule for remainder of the year and also reported on upcoming events.

There being no further business to bring before the Board, it was unanimously voted to adjourn the meeting at 11:53 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dean J. Christon", is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dean J. Christon
Executive Director