

On Thursday, November 2, 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 11:34 a.m.

Members Present:

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

Members Absent:

N/A

Authority Counsel Present:

John Deachman, General Counsel
Thomas Collins, Bond Counsel

Others Present:

Dean Christon
Rob Dapice
Ben Frost
Debi Granfield
Jane Law
Lynn Lippitt
Ignatius MacLellan
Jim Menihane
Chris Miller
Gloria Paradise
Colette Provencher
Bill Ray
David Sargent

Barbara Feldman, BAML
Jennifer Kinsey, REAP Program
Jim Stretz, G.K. Baum
Mitch Gallo, RBC
Ashley Taylor, William H. Craig Fellow

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

Approval of the Minutes of the September 28, 2017 Meeting: Members noted errors in the minutes regarding members in attendance and an error in the time noted for the conclusion of the meeting. Staff advised the corrections would be made on the final copy of the minutes. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-68 The minutes of the September 28, 2017, meeting are approved with the revisions as noted.

COMMITTEE REPORTS:

Finance and Administration Committee

Approval: Adoption of Program Rules – Surplus Lands Housing Program: Ms. Schuyler reported on the Surplus Lands Housing Program Rules noting the comprehensive rewrite for consistency with other Authority rules and to accommodate both multi-family and single family development. Mr. Christon provided details on the surplus lands including past uses and answered members' questions. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-69 The Board of Directors adopts HFA 602 – Surplus Lands Housing Program Rules (formerly HFA 316) as proposed.

Homeownership Committee

Approval: Special Initiatives Grant – In-Fill Manufactured Homes in Resident-Owned Communities: Ms. Lockwood reported on the Special Initiatives Grant Request for the New Hampshire Community Loan Fund. She provided a brief review of the proposal and noted the goal to create a replicable model for resident-owned communities (ROCs). Ms. Lockwood moved, seconded by Ms. Rudolph, and the Board unanimously approved the following motion:

2017-70 The Board of Directors approves a \$50,000 grant to the New Hampshire Community Loan Fund with the funds being used for targeted activities that will result in manufactured homes being installed in resident-owned communities (ROCs).

Approval: Authorization to Finance Single Family Loans in Calendar Year 2018: Ms. Lockwood briefly discussed the annual vote to give New Hampshire Housing the authority to finance single family loans from the issuance of bonds or through other sources. Mr. Christon provided details noting the Authority has not issued bonds for new financing in several years, however, the approval of these Votes and Findings will authorize bond financing and refunding for calendar year 2018. Ms. Lockwood moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2017-71 The Board of Directors approves the Votes authorizing the financing of single family mortgage loans during calendar year 2018 through the issuance of bonds or through sources other than the issuance of bonds.

Multi-Family Housing Committee

Approval: Housing Choice Voucher Preference for Households Impacted by Hurricanes Irma and Maria: Mr. Cuddy reviewed the request for a Housing Choice Voucher preference for households impacted by the recent hurricanes, noting that the Department of Housing and Urban Development (HUD) has encouraged this preference. Mr. Christon provided details noting up to 25 vouchers would be made available for households who meet the requirements and answered members' questions. Mr. Cuddy then noted this comes to the Board with the Committee's recommendation. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2017-72 Consistent with the Authority's Administrative Plan for the Housing Choice Voucher Program, the Board of Directors authorizes staff to make up to 25 vouchers available for households displaced due to the recent hurricanes that impacted Puerto Rico and the U.S. Virgin Islands.

Approval: Project Financing – Hope House: Mr. Dapice reported on the Hope House project. He provided history of the project, details of the proposed financing and noted the strong community support for the project. Staff then answered members' questions including details on the Authority's mortgage position with this financing. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2017-73 The Board of Directors approves the following financing for the Hope House project located in Wolfeboro, New Hampshire, in the amounts and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$750,000	FAF Funds	Deferred Payment	0%	30 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.

Approval: Project Financing and Tax-Exempt Bond Issuance – Boulder Point Veterans' Housing: Mr. Dapice reported on the Boulder Point Veterans' Housing project. He reviewed the project and discussed the proposed financing. Staff answered members' questions and provided details of the bridge loan and its corresponding conditions. Mr. Christon advised the official Votes, Findings and Motions that accompany the project financing were inadvertently omitted from the Board Book. Staff provided copies for members and the Motion was deferred to allow members' an opportunity to review the documents.

Approval: Non-Bond Funded Multi-Family Loan Findings for Calendar Year 2018: Mr. Christon reviewed the motion, noting this is an annual update and a broad-based set of Findings to comply with statutory requirements. He provided details of the Findings and noted the attention to compliance including consultation with counsel. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-75 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 2018.

Executive Committee

The Executive Committee did not meet in October.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Presentation: Jennifer Kinsey – Referral, Education, Assistance & Prevention (REAP)

Program: Mr. Christon provided a brief review of the REAP Program. He reported on the recent 25th anniversary of REAP and noted the recognition of the Authority in that milestone. Ms. Kinsey provided a presentation, reporting on the REAP Program, reviewing the clients they serve, services offered and also noted trends and challenges of the program. She also discussed the strategies for success, outreach and answered members' questions throughout the presentation.

DEFERRED ACTION:

Approval: Project Financing and Tax-Exempt Bond Issuance – Boulder Point Veterans' Housing, Continued: Following review of the Votes and related Findings, members re-opened the discussion of the Boulder Point Veterans' Housing project (Ms. Rudolph left the meeting at 11:00 a.m. for another commitment, prior to the full vote) and staff answered members' questions. Mr. Cuddy moved, seconded by Ms. Lockwood, and the remaining Board members unanimously approved the following motion:

2017-74 The Board of Directors approves financing for the Boulder Point Veterans' Housing project located in Plymouth, New Hampshire, in the amounts and terms listed below. The Board of Directors also approves the issuance of up to \$5,000,000 for tax-exempt construction financing and adopts the required corresponding bond resolution accompanying this motion.

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$5,000,000	LOC	Construction	TBD ⁽¹⁾	24 Months
\$1,350,000	HTF ⁽²⁾	Deferred	0%	30 Years
\$ 675,000	MFPP ⁽³⁾	Deferred	0%	30 Years
\$ 400,000	FHLBB HHNE	Bridge	1.5%	3 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.

With respect to this financing commitment, the Board hereby makes the findings required by NH RSA 204-C.

(1) The loan interest rate will be variable and derived from the warehouse line-of-credit with an adjustment to achieve the maximum allowed interest rate within IRS guidelines once upfront fees and expenses are factored into the tax-exempt yield analysis.

(2) National Housing Trust Fund

(3) Multi-Family Production and Preservation program. Loan will consist of Affordable Housing Fund (AHF) and/ or HOME Investment Partnership Funds.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon provided a brief review of the preliminary list of housing-related legislative service requests (LSRs), providing details on several of the proposed bills. Mr. Christon then discussed Federal legislation, reporting on the tax credit program and noting a major issue coming up is the tax reform bill. He noted details have not been released yet but advised staff will monitor it closely. Mr. Christon reported bills continue to evolve and staff will provide updates as necessary when details become available.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Single Family Mortgage Program Reports. He noted reservations are down slightly, however, overall the numbers appear to be on pace with last year. Mr. Christon reported on the dynamics of the mortgage market noting the Authority is now seeing more Fannie Mae loans relative to Ginnie Mae loans.

Mr. Christon reviewed the Rental Assistance Program Report. He discussed the Housing Choice Voucher lease up process, noting the turnover numbers are higher than expected and lease up has proven difficult for many clients. Mr. Christon then reported that, as provided for in the Administrative Plan, a limited number of vouchers would be project-based. He reviewed the four projects that have been identified and are willing to accept the vouchers, reviewed the benefits of project-basing the vouchers and answered members' questions. Mr. Christon then provided an update on the VASH vouchers, noting HUD has made changes in the way they are administering the program and are now requiring PHAs to have a letter of support from a local veterans' administration (VA) service center to apply for vouchers. He reported staff has reached out to the Manchester VA and the White River Junction, Vermont center and were not able to secure a letter of support so the Authority will not be applying for additional VASH vouchers.

Mr. Christon then reviewed the Multi-Family Development Reports, providing details. He also provided an update on the MacGregor Cut project, reporting that the developers have made the decision not to move forward with Authority bond financing at this time, discussing the affect this has on the previously approved Official Intent and discussing possible next steps. Mr.

Christon then reported on several recent ribbon cutting ceremonies and also reviewed a couple of RFPs that are now open which will encourage supportive housing proposals.

Finally, Mr. Christon reviewed the financial reports, noting delinquencies have increased slightly which is likely due to year-end trend dynamics and the aging portfolio. He reported there are no multi-family delinquencies to report and discussed two properties that are not delinquent but are on the critical watch list, one due to a change of use proposal and the other with management issues.

COMMITTEE MEETING MINUTES:

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

Mr. Christon discussed upcoming meetings and events and reviewed the Committee and Board meeting schedule through the end of the calendar year. He reminded members of the Authority's upcoming Housing and the Economy Conference and advised members if they wish to attend upcoming events to 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 11:34 a.m.

Respectfully submitted,



Dean J. Christon
Executive Director