

On Wednesday, December 13, 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 10:05 a.m. The meeting adjourned at 11:35 a.m.

Members Present:

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

Members Absent:

Amy Lockwood

Authority Counsel Present:

John Deachman, General Counsel

Others Present:

Andrew Cadorette
Dean Christon
Rob Dapice
Pat Donahue
Guylene Dreisig
Paul Fraitzl
Ben Frost
Debi Granfield
Jane Law
Grace Lessner
Ignatius MacLellan
Chris Miller
Gloria Paradise
Dee Pouliot
Colette Provencher
David Sargent

Jim Stretz, G.K. Baum
Mitch Gallo, RBC
Janet Taft, TD Bank

Chair Ensign called the meeting to order at 10:05 a.m.

Approval of the Minutes of the November 2, 2017 Meeting: Mr. Buck moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-76 The minutes of the November 2, 2017, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

Mr. Ensign reported the Committee met just prior to the Board meeting and noted there were no items to bring before the Board.

Homeownership Committee

Approval: Housing Counseling – Reallocation of Funds: Mr. Christon reported that, although the Homeownership Committee did not meet in December, an issue concerning housing counseling was presented to the Committee in lieu of a meeting and all members were in agreement to bring it to the full Board for consideration. Mr. Christon provided background of the housing counseling allocations previously approved. He provided details of the AHEAD allocation noting that, originally it was thought that they had additional sources of funds to match the Authority allocation. Mr. Christon reported that subsequent to the grant allocation, AHEAD discovered some of the expected funding would not be received and that, as a result, they would not be able to continue with providing foreclosure prevention counseling. He then reported that staff is recommending amending the allocation of funds to AHEAD. With the additional funding AHEAD has committed to providing this counseling through the end of the Authority's fiscal year. Following a recommendation by members, staff advised they will continue to engage with the Committee and Board regarding ongoing funding for foreclosure counseling and provide updates with regard to agencies' prioritizing of counseling. Ms. Rudolph moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2017-77 The Board of Directors approves the following reallocation of housing counseling funds.

	Original Allocation	Revised Allocation
AHEAD	\$110,000	\$130,000
Outreach and incentives for homebuyer education	\$75,000	\$ 55,000

Multi-Family Housing Committee

Approval: Project Financing – Epping Community Based Housing for the Severely Disabled: Mr. Dapice reported on the Epping Community Based Housing for the Severely Disabled project. He provided details of the project, its current residents, proposed renovations and use going forward. He also provided details of the proposed financing and waiver request.

Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion, dependent on confirmation of approval of any required waivers:

2017-78 The Board of Directors approves the following financing for the Epping Community Based Housing for the Severely Disabled project located in Epping, New Hampshire, in the amounts and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$350,000	AHF	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: Waiver Request – Epping Community Based Housing for the Severely Disabled: Mr. Dapice reported on the waiver request for Epping Community Based Housing for the Severely Disabled. He provided details of the request to waive HFA 111.08 and allow the project's sponsor to continue working with the existing construction manager, Careno Construction. Mr. Dapice reviewed the key factors that staff took into consideration before recommending the waiver and Mr. Cuddy noted this was reviewed in detail with the Committee and comes with their recommendation. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2017-79 The Board of Directors approves a waiver request submitted by the developer, One Sky, to waive the provisions of HFA:111.08, which describes the selection process that a developer must employ in selecting a general contractor or construction manager, and allow One Sky to continue working with Careno Construction, predicated on the competitive bidding of trade subcontractors.

Approval: Waiver Request – Boulder Point Veterans' Housing: Mr. Dapice reported on the Boulder Point Veterans' Housing project. He provided details on the project and reviewed the reasons for the waiver request. Mr. Dapice reported the sponsor has submitted a complete application but did not submit a preliminary application due to having been approved for tax exempt financing. With tax exempt financing being in jeopardy, the sponsor is now asking for the preliminary application requirement to be waived to allow them to submit for 9% LIHTC financing. Mr. Dapice reported staff is recommending Boulder Point Veterans' Housing be granted relief from that particular requirement and noted that this is all dependent on the project not being able to come forward with bond financing and also scoring competitively in the 2018 LIHTC round. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-80 The Board of Directors approves a waiver of the provisions of HFA:109.05.A of the 2018 Qualified Allocation Plan to allow the application for 9% Low Income Housing Tax Credits submitted by Harbor

Homes for the Boulder Point Veterans' Housing project to meet threshold and be scored in the 2018 LIHTC round.

Executive Committee

The Executive Committee did not meet in December.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Staff Presentation: Alternative Dispute Resolution: Mr. Christon briefly discussed the Authority's engagement in the impact regulatory issues have on the Authority's business, reporting on the effort to increase multi-family work, and ongoing conversations with the development community. He reported on regulatory impediments and noted staff has been working with partners to further the conversation on this issue.

Mr. Frost reviewed the alternative to resolve disputes on local land use issues reporting staff has been working with several groups over the past few months to devise legislation to provide alternative methods on local land use regulations. He noted the biggest issue facing developers is local regulatory barriers. Mr. Frost reviewed recent discussions with the Governor's office, legislators and partners. He reported a new bill has come out of these discussions that would create a state level tribunal and reviewed the substance of this legislation. Mr. Frost and Mr. Christon then answered members' questions.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon reported on housing related key state legislation that staff is watching. He provided details of LSR 18-2886, reporting it would establish another finance authority that would have authority to issue bonds anywhere in the country. Mr. Christon reviewed the Authority's main concerns and how this new authority would work. He advised staff will remain engaged and keep the Board aware as the bill progresses.

Mr. Christon also provided a brief review of several other housing related legislation and New Hampshire Housing's position on them.

Mr. Christon then discussed Federal legislation, noting the focus on tax reform. He also discussed the federal budget, reporting it has been postponed for an additional two weeks and noted the challenges this presents for the Authority.

Finally, Mr. Christon reviewed the proposed 2018 meeting schedule. He noted the one change from the previously used format is the starting time of the Board meeting from 10:00 a.m. to 10:30 a.m. Following discussion, members concurred on the 2018 schedule and time change.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Single Family Mortgage Program Reports. He reported single family activity is down slightly from last year with reservation activity and dollar volume both down. He discussed potential causes of the decrease, including inventory issues, interest rate issues, and

less interest in government insured loans. He reported staff continues to work with lenders to encourage use of the Authority's loan products. Mr. Christon also discussed the issuance of MCCs, noting this could be one of the first potential casualties of the tax reform.

Mr. Christon reviewed the Rental Assistance Program Report. He reported staff will reach 99.4% utilization for the year, 101% annual expenditure, which includes some project-basing of a certain number of vouchers. Mr. Christon discussed the extra staff capacity devoted to the lease-up efforts and also provided an update on the VASH vouchers.

Mr. Christon then reviewed the Multi-Family Development Reports, providing details. He discussed the effect of the potential loss of the tax bond program and reported three bond issues will be closing prior to the end of the calendar year. He noted a fourth bond issue deal is in process with staff working to draw down funds to allow eligibility for tax exempt bonds. Staff then answered members' questions. Mr. Christon then provided updates on other funding, reporting on the 2018 LIHTC (Low Income Housing Tax Credit) round, noting 13 applications have been received, advising Housing Trust Fund (HTF) applications are expected soon, and an RFP will be issued soon for the Special Needs program.

Finally, Mr. Christon reviewed the financial reports, noting things remain on track with previous years, including the slight rise in delinquencies, which historically tend to rise seasonally.


COMMITTEE MEETING MINUTES:

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

Mr. Christon then reviewed the upcoming meetings and events.

There being no further business to bring before the Board, the Board unanimously voted to adjourn at 11:35 a.m.

Respectfully submitted,



Dean J. Christon
Executive Director