

On Thursday, May 24, 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 10:31 a.m. The meeting adjourned at 11:37 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
Tom Collins, Bond Counsel

Others Present:

Andrew Cadorette
Dean Christon
Pat Donahue
Guylene Dreisig
Ben Frost
Debi Granfield
Bill Guinther
Jane Law
Grace Lessner
Ignatius MacLellan
Heather McCann
Jim Menihane
Chris Miller
Kathleen Moran
Julia Morgan
Gloria Paradise
Dee Pouliot
Colette Provencher
Bill Ray
David Sargent
Jen White

Michael Baumrin, RBC
Barbara Feldman, BAML
Tim Lenahan, William H. Craig Fellow
Jim Stretz, G.K. Baum

Chair Ensign called the meeting to order at 10:31 a.m. He acknowledged, with sorrow, the passing of William H. Craig, the Authority's long-time general counsel.

Approval of the Minutes of the April 26, 2018 Meeting: Ms. Ikawa moved, seconded by Ms. Schuyler, and the Board unanimously approved the following motion:

2018-27 The minutes of the April 26, 2018, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

Approval: Emerging Opportunities Grant Request 2018: Ms. Schuyler discussed the request for an Emerging Opportunities Grant from Bridge House. She briefly reported on the Emerging Opportunities Grants program, reviewed the allocations previously awarded, and provided details of the Bridge House request and proposed use of the funding. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-28 The Board of Directors approves an award of \$15,000 to Bridge House to support the program marketing component of their Emerging Opportunities Grant Application.

Approval: 2018 Action Plan: Ms. Schuyler reported staff presented the 2018 Action Plan to the Committee for Approval. She provided a brief review and advised, if approved, the Plan will then be submitted to the Governor for approval and then will be submitted to the Department of Housing and Urban Development (HUD) by June 30, 2018. Ms. Schuyler moved, seconded by Mr. Cuddy, and the Board unanimously approved the following motion:

2018-29 The Board of Directors authorizes the Executive Director to submit the 2018 Action Plan to the Governor for approval.

Homeownership Committee

Approval: Revised Income Limits – Homeownership Loan Programs: Ms. Lockwood provided a brief overview of the revised income limits for the Homeownership Loan Program. She provided details and also noted the average income of the program participants. Ms. Lockwood moved, seconded by Ms. Rudolph, and the Board unanimously approved the following motion:

2018-30 The Board of Directors approves the revised income limits of \$126,700 for Home *Flex* and Home *Preferred* loan programs.

Staff will establish the effective date for the revised income limit. The limits shall be for loan reservations made on or after the established effective date.

Approval: Revised Income/Purchase Price Limits – Homebuyer Tax Credit Program: Ms. Lockwood provided an overview of the revised income and purchase price limits for the Homebuyer Tax Credit Program (MCC Program). She reviewed the proposed limits, noted the

new limits will help open up eligibility, and advised this comes with the Committee's recommendation. Ms. Lockwood moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2018-31 The Board of Directors approves the revised income and purchase price limits for the Homebuyer Tax Credit Program, as presented, subject to counsel approval. Staff is authorized to revise the purchase price limits, plus or minus 10% should any IRS revenue procedure impact the calculated purchase price limits.

Staff will establish the effective date for the revised income and purchase price limits for the Homebuyer Tax Credit Program (subject to any applicable limitation imposed by current Internal Revenue Service guidance). These limits shall be for MCC reservations made on or after the established effective date.

Multi-Family Housing Committee

Approval: Project Financing – Goddard Block: Mr. Cuddy noted staff would report on the projects. Ms. Morgan reported on the Goddard Block project. She provided details of the project and reviewed the financing request. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2018-32 The Board of Directors approves the following financing for the Goddard Block project located in Claremont, 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>
\$1,412,237	HOME	Deferred	0%	30 Years
\$7,275,000	TBD ⁽¹⁾	Construction	TBD % ⁽²⁾	18 Months
\$1,215,000	Operating Fund	Permanent	6.00%	20 or 30 Years ⁽³⁾

The permanent loan will be credit enhanced under the FHA Risk Sharing Program and accordingly the Board approves the credit enhancement under that program, conditional upon FHA approval.

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 – Sunrise House: Ms. Morgan reported on the Sunrise House project. She provided details of the project and the servicing package and reviewed the financing request. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-33 The Board of Directors approves the following financing for the Sunrise

House project located in Laconia, 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>
\$1,350,000	HTF	Deferred	0%	40 years
\$ 550,000	AHF	Deferred	0%	40 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 – Parkhurst Community Housing: Mr. Cuddy reported on the financing request for Parkhurst Community Housing. He reviewed the previously approved funding and discussed the unexpected, increased costs, and the fundraising efforts by the organization. Mr. Cuddy provided details of the current request for financing and noted the Committee received a detailed review and this request comes with the Committee's recommendation. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2018-34 The Board of Directors approves the following financing for the Parkhurst Community Housing project located in Lebanon, New Hampshire, in the amount and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$71,000	Housing Trust Fund	Deferred	0%	40 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.

Executive Committee

Mr. Ensign reported the Executive Committee met this morning to discuss the annual audit. He noted the Committee met with representatives of Baker Newman Noyes, and reviewed the proposed planning and schedule for the audit. Mr. Ensign advised the full audit will be presented in September to both the Executive Committee and full Board of Directors.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Staff Presentation: Rental Market Survey Update: Ms. McCann reported on the 2018 Residential Rental Cost Survey, briefly highlighting its purpose and recent improvements made to the annual survey to try to increase survey participants. She provided details on rental rates, vacancies and current market data. Staff answered members' questions and, in response to

inquiries, advised the vacancy rate in the Carroll County area will be further researched and members will be updated. Staff reported the survey results will be finalized by the end of June and released in July.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon provided an update on the legislative report. He reported on SB537, the extraterritorial bonding bill, noting it has been approved and will now go to the Governor for approval. The bill will become effective immediately upon signature by the Governor. Mr. Christon discussed HB1817, which includes an appropriation to the Affordable Housing Fund (AHF). He provided details, discussed the benefits and challenges, and noted this will be staff's focus for special needs housing this year. Mr. Christon then reported on the Federal level legislation, advising the House Appropriations Committee released their budget and it is consistent with the previous year's budget.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Homeownership Activity Reports. He reported the loans purchased and lending activity is close to last year's levels and noted reservation volume has improved substantially and is now ahead of last year. Mr. Christon noted the continuing shift to more Fannie Mae business and reported the MCC Program has come back strong and is expected to be consistent with last year's volume.

Mr. Christon reviewed the Rental Assistance Program Report, noting the Authority's program budget for 2018 has been received and it is slightly larger than last year's budget. Mr. Christon reported HUD has announced the availability of a significant number of new vouchers targeted for persons with disabilities. He advised staff is looking at how the Authority can develop this new opportunity. He also reported on smaller opportunities to apply for vouchers targeting the Family Unification program and veterans' supportive housing. Mr. Christon advised staff is expecting to bring an amendment to the Administrative Plan in June that will facilitate the admission of these vouchers.

Mr. Christon then reviewed the Multi-Family Development Reports, providing details. He commented on the multi-family housing conference held the previous week, noting record attendance and the positive feedback that is being received. Mr. Christon also discussed the ribbon cutting ceremony recently held for the Hampton Falls project.

Finally, Mr. Christon reviewed the financial reports, noting delinquencies are following the general trends historically seen, though they are slightly lower than last year. He noted the performance differences in the Fannie Mae and Ginnie Mae portfolios and reported that, over time, this will affect the delinquency numbers. Mr. Christon then reported the multi-family portfolio remains stable.

COMMITTEE MEETING MINUTES:

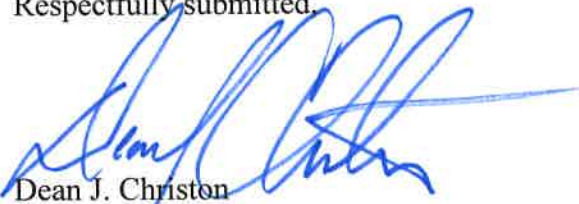
The Board had no comments on the Committee minutes as presented.

Mr. Christon then reviewed the upcoming meetings and events noting the schedule for the Finance and Administration Committee meeting to review the budget as well as the annual planning meeting.

Mr. Christon briefly reviewed the draft report that will be submitted to the Treasurer's office next week at the Governor's request regarding quarterly reporting.

There being no further business to bring before the Board, Mr. Buck moved, seconded by Ms. Schuyler, and the meeting was adjourned at 11:37 a.m.

Respectfully submitted,



Dean J. Christon
Executive Director