

On Thursday, June 28, 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 10:34 a.m. The meeting adjourned at 12:10 p.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

Others Present:

Andrew Cadorette
Dean Christon
Rob Dapice
Pat Donahue
Ben Frost
Debi Granfield
Julie Jussif
Jane Law
Grace Lessner
Ignatius MacLellan
Heather McCann
Jim Menihane
Chris Miller
Darren O'Toole
Gloria Paradise
Dee Pouliot
Colette Provencher
Bill Ray
George Reagan
David Sargent
Melanie Toscano

Barbara Feldman, BAML
Rebecca Hatfield, Avesta Housing
Janet Taft, TD Bank
Jackie Wiegleb, Avesta Housing

Chair Ensign called the meeting to order at 10:34 a.m.

Approval of the Minutes of the May 24, 2018 Meeting: Mr. Cuddy moved, seconded by Ms. Rudolph, and the Board unanimously approved the following motion:

2018-35 The minutes of the May 24, 2018, meeting are approved as presented.

Approval of the Minutes of the June 15, 2018 Special Board Meeting: Mr. Cuddy moved, seconded by Ms. Rudolph, and the Board unanimously approved the following motion:

2018-36 The minutes of the June 15, 2018, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

Approval: New Hampshire Community Loan Fund Investment: Ms. Schuyler discussed the request for an investment of \$250,000 in the New Hampshire Community Loan Fund (NHCLF). She briefly reviewed NHCLF's background and noted this investment would achieve the Authority's long-term goal of a total investment of \$1,000,000. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-37 The Board of Directors approves an investment of \$250,000 in the New Hampshire Community Loan Fund.

Approval: Feature Video – Housing Solutions: Ms. Schuyler discussed the request for funding a feature video on housing solutions, providing details. Staff answered members' questions, discussing the proposed timeline, reporting the funding is contingent upon the successful fundraising for the remainder of the production budget and discussing the partnership between Peter Francese's team and NHPBS. Mr. Christon noted there is a \$30,000 commitment to other aspects of this project in next year's budget. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-38 The Board of Directors authorizes the Executive Director to fund, in the amount of \$50,000, the creation of a feature video regarding housing issues and solutions in the state by a team led by Peter Francese, with Jay Childes and Lorraine Stuart-Merrill. Release of these funds is contingent on the determination that adequate additional funds are available to complete the project.

Approval: Operating Grant – Housing Action NH: Ms. Schuyler reviewed the request for an operating grant to Housing Action NH (HANH). She provided background of HANH and details of the funding request. Ms. Schuyler moved, seconded by Ms. Lockwood, and the Board unanimously approved the following motion:

2018-39 The Board of Directors approves an operating assistance grant of \$12,000 to Housing Action NH.

Approval: FY 2019 Administrative Budget: Ms. Schuyler briefly reviewed the proposed FY 2019 Administrative Budget and reported this request comes to the Board with the Committee's support. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2018-40 The Board of Directors approves the FY 2019 Administrative Budget as recommended by the Finance and Administration Committee.

Homeownership Committee

Approval: Technical Assistance Loan Request: Ms. Lockwood provided a brief overview of the request for a Technical Assistance loan to Lakes Region Community Developers. She provided details of the funding request and proposed use of funds. Mr. Christon explained this action was coming to the Board for approval because there is no single family technical assistance program in place. Ms. Lockwood moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2018-41 The Board of Directors approves a \$20,000 technical assistance loan to Lakes Region Community Developers (LRCD, previously known as LACLT) funded from the Program Plan, Special Homeownership Initiatives. The Executive Director is authorized to determine the structure and details of this loan, including the repayment requirements or forgiveness options.

Multi-Family Housing Committee

Approval: Revisions to the Housing Choice Voucher Administrative Plan: Mr. Cuddy discussed the Housing Choice Voucher (HCV) Administrative Plan. He briefly reviewed the proposed revisions, noting the majority are a result of a Notice of Funding Availability (NOFA) issued by the Department of Housing and Urban Development (HUD) for Mainstream Program Vouchers and Family Unification Program vouchers. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2018-42 The Board of Directors approves amendments to the Housing Choice Voucher Administrative Plan, as presented.

Approval: Waiver Request – Apple Ridge Phase I: Mr. Dapice reported on the waiver request for the Apple Ridge Phase I project of the procurement requirements. He provided details of the request and noted the developer's history of successfully managing projects. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-43 The Board of Directors approves a waiver of the provisions in HFA 111.11 *Identity of Interest* of the Design and Construction Policy Rules to allow D.R. Lemieux Builders, which shares an identity of interest with the project developer, to act as the Construction Manager of the Apple Ridge Phase I project located in Rochester, NH.

Approval: Project Financing – Apple Ridge Phase I: Mr. Dapice reported on the Apple Ridge Phase I project. He provided details on the project and the financing request, and discussed the FHA Risk Sharing Program. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2018-44 The Board of Directors approves the following financing for the Apple Ridge Phase I project located in Rochester, 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>
\$1,460,000	Affordable Housing Fund	Permanent	6.0%	32 Years
\$3,940,000	TBD ⁽¹⁾	Construction	TBD ⁽²⁾	18 Months

The permanent loan will be available during construction, converting at construction completion to 360 equal monthly payments of principal and interest. Interest will accrue at 1.5% during the construction period.

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.

⁽¹⁾ Operating Fund and/or Authority line of credit as determined to be appropriate.

⁽²⁾ Variable; formula based cost of funds through TD Bank line of credit plus 150 basis points. The Federal Home Loan Bank of Boston Helping to House New England Program will be used to subsidize the interest rate to the borrower down to an effective rate of 1.5% during the construction period until approximately \$100,000 of allocated subsidy has been absorbed. Final subsidy amount to be fixed prior to construction close.

Approval: Project Financing – Chandler Place Apartments II: Mr. Dapice reported on the financing request for Chandler Place Apartments II, reporting on the project and developer. He also discussed the recent market study, noting Phase I has been well received in the community, and then reviewed the financing request. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-45 The Board of Directors approves the following financing for the Chandler Place Apartments II project located in Plaistow, 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>
\$ 634,565	HOME	Deferred	0%	20 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 – The Meadows at Grapevine Run – Phase II: Mr. Dapice reported on The Meadows at Grapevine Run Phase II project, providing background and details on the project. He reviewed the financing request, providing details. Mr. Dapice then answered members' questions and provided information on the mix of units in the project. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2018-46 The Board of Directors approves the following financing for The Meadows at Grapevine Run – Phase II project located in Hampton Falls, 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>
\$5,100,000	TBD ⁽¹⁾	Construction	TBD % ⁽²⁾	24 Months
\$1,000,000	HOME	Deferred	0%	20 Years
\$ 225,015	Federal HTF	Deferred	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.

⁽¹⁾ Operating Fund and/or Authority line of credit as determined to be appropriate.

⁽²⁾ Variable; formula based cost of funds through TD Bank line of credit plus 150 basis points. The Federal Home Loan Bank of Boston Helping to House New England Program will be used to subsidize the interest rate to the borrower down to an effective rate of 1.5% during the construction period until approximately \$191,000 of allocated subsidy has been absorbed. Final subsidy amount to be fixed prior to construction close.

Executive Committee

Mr. Ensign reported the Executive Committee met just prior to the Board meeting. He noted the Committee met in a non-public session to discuss the compensation of a public employee.

UNFINISHED BUSINESS:

Approval: FY 2019 – 2021 Strategic and Program Plan: Mr. Christon briefly reviewed the FY 2019-2021 Strategic and Program Plan. He noted edits made to the language regarding the extraterritorial bonding authority and reported a vote will approve the document, including the FY 2019 Resource Allocation Plan and accompanying budget. Mr. Cuddy moved, seconded by Ms. Rudolph, and the Board unanimously approved the following motion:

2018-47 The Board of Directors approves the FY2019-2021 Strategic and Program Plan, including the FY 2019 Resource Allocation Plan.

Approval: Project Financing – Goddard Block: Mr. Cuddy reported on the Goddard Block project. He provided details of the revised financing request, noting a slight change in the loan amount, reviewed the history of the previously approved financing and answered members' questions. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2018-48 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
\$1,225,000	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.

⁽¹⁾ Operating Fund and/or Authority line of credit as determined to be appropriate.

⁽²⁾ Variable; formula based cost of funds through TD Bank line of credit plus 150 basis points. The Federal Home Loan Bank of Boston Helping to House New England Program will be used to subsidize the interest rate to the borrower down to an effective rate of 1.5% during the construction period until approximately \$150,000 of allocated subsidy has been absorbed. Final subsidy amount to be fixed prior to construction close.

⁽³⁾ Staff have submitted a waiver request to the Risk Sharing program to allow 20 year term. If the waiver is denied, term will be 30 years

NEW BUSINESS:

Presentation: Avesta Housing Emerging Opportunities Grant Update: Mr. Reagan briefly discussed the Emerging Opportunities Grant program and reported on Avesta Housing's recent grant application and award approval. Rebecca Hatfield, Director of Real Estate Development at Avesta Housing, briefly provided background of the organization. Jackie Wiegleb, Acquisitions Officer at Avesta Housing, reported on the NOAH (Naturally Occurring Affording Housing) effort, providing details. She reported on the grant efforts, progress to date and the struggles of preserving affordability and meeting the communities' needs. Ms. Wiegleb and Ms. Hatfield answered members' questions throughout the presentation.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon provided an update on legislative activities, noting there is not a lot of activity for the state during the summer months. He discussed Federal legislation, noting both houses continue to work toward a Housing and Urban Development (HUD) budget. Mr. Christon discussed the Federal Financing Bank (FFB), noting the positive response for continued funding.

He reported staff is working on several projects that will likely be brought forward at the next board meeting and also noted dialog continues at the national level with HUD on the future of the program.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Homeownership Activity Reports. He reported volume continues to meet expectations and staff is anticipating about the same volume as last year. Mr. Christon noted the main challenge remains pricing, including the downpayment assistance (DPA) product. Mr. MacLellan then provided a brief presentation, discussing the Home *Flex* Plus, cash assistance policy. He provided history of the cash assistance policy and details of the new cash assistance mortgage policy, noting the new policy will be for reservations on or after July 16, 2018. Mr. MacLellan reviewed benefits of cash assistance, and noted staff is working with lenders to promote the benefits of the program. Staff answered members' questions throughout the presentation.

Mr. Christon reviewed the Rental Assistance Program Report, noting staff has applied for 420 additional vouchers which would be targeted for persons with disabilities. He reported on the highly competitive process and advised staff is waiting to hear the outcome. Mr. Christon reported the annual waiting list update will be completed at the end of June and noted the potential impact.

Mr. Christon then reviewed the Multi-Family Development Reports. He discussed the FFB pipeline and noted the larger bond financed projects as well. Mr. Christon reported staff is moving forward to implement the new Special Needs allocation provided by the legislature. He noted the first meeting of the working group and advised the Plan needs to be delivered to the legislature by the end of August to receive the remainder of the funding.

Finally, Mr. Christon reviewed the financial reports, discussing servicing and noting delinquencies are up slightly this month. He reported foreclosure numbers are down slightly. Mr. Christon then reported the multi-family portfolio remains strong with no issues.

COMMITTEE MEETING MINUTES:

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

Mr. Christon noted the likelihood of not having Board and Committee meetings in July, unless an urgent matter should come up.

At 11:47 a.m., upon motion duly made by Mr. Cuddy and seconded by Mr. Buck, a roll call vote was taken and it was unanimously voted to move into non-public session to discuss compensation of a public employee as allowed under RSA 91-A:3 II(a).

At 12:08 p.m., the Board came out of the non-public session and a motion was made by Ms. Schuyler and seconded by Mr. Cuddy to seal the minutes of the non-public session until the Board, by majority vote, determines that the need for confidentiality no longer exists. A roll call vote was then taken and it was unanimously voted in favor of the motion.


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There being no further business to bring before the Board, it was unanimously voted to adjourn the meeting at 12:10 p.m.

Respectfully submitted,



Dean J. Christon
Executive Director