

On Thursday, May 25, 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 10:00 a.m. The meeting adjourned at 11:33 a.m.

Members Present:

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

Members Absent:

Donald Shumway

Authority Counsel Present:

John Deachman, General Counsel
Thomas Collins, Bond Counsel
Chelsea Tryder, McCarter & English

Others Present:

Andy Cadorette
Dean Christon
Rob Dapice
Pat Donahue
Natasha Dube
Ben Frost
Debi Granfield
Bill Guinther
Jane Law
Grace Lessner
Lynn Lippitt
Ignatius MacLellan
Heather McCann
Chris Miller
Kathleen Moran
Gloria Paradise
Terry Perkins
Dee Pouliot
Colette Provencher
Bill Ray
George Reagan
David Sargent

Marty Chapman, The Housing Partnership
Barbara Feldman, BAML

Jim Stretz, G.K. Baum
Jennifer Vadney, NeighborWorks Southern New Hampshire
Renee Woodard, The Housing Partnership

Chair Ensign called the meeting to order at 10:00 a.m.

Approval of the Minutes of the April 27, 2017 Meeting: Ms. Ikawa moved, seconded by Ms. Rudolph, and the Board approved the following motion. Mr. Ensign abstained due to not having attended the April meeting:

2017-21 The minutes of the April 27, 2017, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

The Finance and Administration Committee did not meet in May.

Homeownership Committee

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. Mr. Christon reported on the Internal Revenue Service (IRS) regulations which require the limits to be set and the Housing and Urban Development (HUD) data staff uses to determine the limits. He provided details, noting the limits are geographically based, and 3% of the MCCs issued in FY 2017 would have been impacted by the new limits. Ms. Rudolph moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2017-22 The Board of Directors approves 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. The effective date for the revised income and purchase price limits for the Homebuyer Tax Credit Program shall be for Mortgage Credit Certificate (MCC) reservations made on or after May 17, 2017.

Approval: Revised Income Limits Homeownership Loan Programs: Ms. Lockwood provided a brief overview of the revised income limits for the Homeownership Loan Program. Mr. Christon provided details, reported the limits are governed by state law and answered members' questions. Ms. Rudolph moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2017-23 The Board of Directors approves a revised income limit of \$116,300 for the Home *Flex* and Home *Preferred* loan programs.

Multi-Family Housing Committee

Approval: 2018 Qualified Allocation Plan (HFA:109): Ms. Perkins provided a review of the Qualified Allocation Plan (QAP). She discussed the public forums and formal public hearing held, the significant changes, and reviewed changes to the scoring categories. Staff answered members' questions throughout the presentation. Mr. Cuddy moved, seconded by Ms. Schuyler, and the Board unanimously approved the following motion:

2017-24 The Board of Directors approves and adopts the proposed 2018 Qualified Allocation Plan (QAP) (HFA:109) dated May 25, 2017.

Approval: Project Financing and Additional 2017 LIHTC Reservation – Three Meeting Place: Mr. Dapice reported on the Three Meeting Place project, noting the previous phases of the project. He provided details of the current phase of the project, including the market study, reviewed proposed funding and answered members' questions. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-25 The Board of Directors approves the following financing for the Three Meeting Place project located in Exeter, New Hampshire, in the amounts and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$1,100,000	HOME	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.

The Board of Directors also approves an additional 2017 Low Income Housing Tax Credit (LIHTC) reservation in the amount of \$17,336. The Board approved \$655,900 in 2017 LIHTC in October of 2016 and approval of the additional \$17,336 will result in a total 2017 LIHTC reservation of \$673,236.

Approval: Project Financing – Snowbrook Meadow Village: Mr. Dapice reported on the Snowbrook Meadow Village project, noting the history of this project. He provided details of the proposed use of funds, reported on the project's occupancy and answered members' questions. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-26 The Board of Directors approves the following financing for the Snowbrook Meadow Village project located in Winchester, New Hampshire, in the amount and term as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$455,000	Operating Fund	Permanent	4.35%	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 and Additional 2017 LIHTC Reservation – Newfound River Apartments: Mr. Dapice reported on the Newfound River Apartments project, noting this project is a recipient of 2017 Low Income Housing Tax Credits (LIHTC). He provided details of the project, reported on the development team and reviewed the proposed funding. He then answered members' questions. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2017-27 The Board of Directors approves the following financing for the Newfound River Apartments project located in Bristol, New Hampshire, in the amounts and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$649,482	CRF	Permanent	6.42% ⁽ⁱ⁾	40 years

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.

The Board of Directors also approves an additional 2017 Low Income Housing Tax Credit (LIHTC) reservation in the amount of \$24,338. The Board approved \$574,000 in 2017 LIHTC in October of 2016 and approval of the additional \$24,338 will result in a total 2017 LIHTC reservation of \$598,338.

Approval: Project Financing – FIT Manchester Recovery Housing: Mr. Dapice reported on the FIT Manchester Recovery Housing project. He provided details of the project, the building site and also reported on the proposed occupancy. Mr. Dapice reviewed the proposed use of funds, including additional funding sources, and answered members' questions. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-28 The Board of Directors approves the following financing for the FIT Manchester Recovery Housing project located in Manchester, New Hampshire, in the amounts and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$720,000	AHF	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.

Approval: Official Intent Resolution – Boulder Point: Mr. Sargent briefly reviewed the Boulder Point project, noting the developer's intent to use tax exempt bonds and 4% tax credits for financing. He provided details of the Resolution reporting the Resolution would allow costs incurred by the developer to be considered eligible project expenses for the purposes of the related tax-exempt bond issue and would be eligible for reimbursement with the financing. Mr. Christon reported the project will be funded in part by a Housing Trust Fund loan and will receive rental assistance from the Veteran's Administration Supportive Housing (VASH) program. He provided details of the VASH program and answered members' questions. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2017-29 The Board of Directors approves an Official Intent Resolution relative to a particular financing plan for the Boulder Point project dated May 25, 2017.

Approval: Official Intent Resolution – Cimarron Apartments: Mr. Sargent briefly reviewed the Cimarron Apartments project, noting the developer's intent to use tax exempt bonds and 4% tax credits for financing. He provided details of the Resolution reporting the Resolution would allow costs incurred by the developer to be considered eligible project expenses for the purposes of the related tax-exempt bond issue and would be eligible for reimbursement with the financing. Mr. Cuddy moved, seconded by Ms. Schuyler, and the Board unanimously approved the following motion:

2017-30 The Board of Directors approves an Official Intent Resolution relative to a particular financing plan for the Cimarron Apartments project dated May 25, 2017.

Executive Committee

Mr. Ensign reported the Executive Committee met just prior to the Board meeting. He noted the Committee met with Baker Newman Noyes, reviewed the proposed schedule for the audit and advised the Committee voted to execute an engagement letter with Baker Newman Noyes to conduct the Authority's annual audit.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Staff Presentation: Homeownership Counseling: Mr. Cadorette gave a presentation on the Homeownership Counseling grant outcomes, briefly reviewing the history of the grant and the program goals. He discussed the grant funding, program allocations, outreach and deliverables. Ms. Woodard, from the Housing Partnership, reported on outcomes as a result of the grant including collaboration with other agencies, business outreach and homebuyer fairs. She and Mr. Cadorette answered members' questions throughout the presentation.

Staff Presentation: Rental Survey Update: Ms. McCann reported on the annual rent survey, noting the median gross rent in New Hampshire continues to increase. She provided details on rental rates, vacancies and current market data and answered members' questions throughout the presentation.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon provided an update on Legislative activities. He provided details on the Budget Trailer Bill, HB517, noting this would be a reorganization of DRED and a formation of a Council of Partner Agencies focused on economic development activities. The Authority would be a part of this new council. Mr. Christon reported staff will watch this closely and continue to report any updates. He also provided updates on the capital budget and its appropriation to the Affordable Housing Fund (AHF), and SB247, the lead paint bill and answered members' questions. Mr. Christon then provided an update on the federal budget reporting staff continues to await final numbers on the FY 2017 budget and noting the potential implications to the voucher and other programs.

Mr. Christon reported Pam Patenaude, a New Hampshire native and former Authority staff member, has been nominated for Deputy Secretary of Housing and Urban Development (HUD). He also provided an update on the recent Frontline report on tax credits, noting that, to date, there has been no local reaction to the story and very limited national reaction to it.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Single Family Mortgage Program reports noting that volume and loan amounts are expected to meet staff's goals for the program. He reported a slight decline in volume during the spring but noted reservations have increased during the last week. Mr. Christon reported MCC activity has also seen a slight decline.

Mr. Christon reviewed the Rental Assistance Program Report noting staff continues to await the new budget. He reported the waiting list update is now underway.

Mr. Christon then reviewed the Multi-Family Development Reports. He noted there is significant project activity and added the Board will likely see project financing requests consistently over the next few months. Mr. Christon reported on the preliminary activity on larger scale projects and advised preservation activity remains strong. He also updated members on the recent multi-family housing conference, noting it was well attended with good feedback being received.

Finally, Mr. Christon discussed the financial reports, reporting delinquency numbers have increased slightly. He reported there are currently no REO properties in inventory and the foreclosure numbers remain low. Mr. Christon noted there are no delinquencies in the multi-family portfolio.

COMMITTEE MEETING MINUTES:

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

Mr. Christon discussed the upcoming meetings and events, noting the Board planning session on June 2, 2017.

There being no further business to bring before the Board, the meeting was adjourned at 11:33 a.m.

Respectfully submitted,


Dean J. Christon
Executive Director