

On Thursday, May 23, 2019, 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 10:30 a.m. The meeting adjourned at 11:54 a.m.

Members Present:

Stephen Ensign
Kendall Buck
John Cuddy
Pauline Ikawa
Mary Beth Rudolph
Stephanye Schuyler
Donald Shumway
Michael Skelton

Members Absent:

Connie Lane

Authority Counsel Present:

John Deachman, General Counsel
Tom Collins, Bond Counsel

Others Present:

Lilybel Belen
Andrew Cadorette
Dean Christon
Rob Dapice
Pat Donahue
Guylene Dreisig
Natasha Dube
Ben Frost
Debi Granfield
Jane Law
Ann Lemire
Grace Lessner
Ignatius MacLellan
Heather McCann
Jim Menihane
Chris Miller
Darren O'Toole
Dee Pouliot
Colette Provencher
Bill Ray
George Reagan
David Sargent

David Creer, William H. Craig Fellow
Barbara Feldman, BAML
Mitch Gallo, RBC
Robin LeBlanc, Plan NH
Tara Reardon, New Hampshire Community Loan Fund

Jim Stretz, G.K. Baum

Chair Ensign called the meeting to order at 10:30 a.m.

Approval of the Minutes of the April 25, 2019 Meeting: Mr. Ensign noted that a clerical error which appeared in the minutes originally included in the Board book has now been corrected. Members were provided with a corrected copy of the minutes for review. Mr. Cuddy moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2019-15 The minutes of the April 25, 2019, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

Approval: Grant Request – Saint Anselm College, Center for Ethics in Business and Governance – Advocacy Initiative: Ms. Schuyler briefly reviewed the grant request for the Center for Ethics in Business and Governance. In response to members' inquiries, Mr. Christon provided details about the three-year plan, noted the communities for focus are still to be determined and reported the work will be statewide with a focus on areas not served by a regional housing coalition. Ms. Schuyler moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2019-16 The Board of Directors approves the Saint Anselm College, Center for Ethics in Business and Governance request for grant funds in the amount of \$40,000 for each of the next three years, beginning in FY 2020. Each year's grant will be contingent upon the satisfactory review of the coming-year proposed, and prior-year completed activities.

Approval: Partnership Grants Program Request –Vital Communities - \$40,000 Impact Grant: Ms. Schuyler reviewed the request for a \$40,000 Impact Grant to Vital Communities. She reported the Finance and Administration Committee had significant discussion with staff regarding this request and it comes to the full Board with the Committee's approval. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2019-17 The Board of Directors approves the Vital Communities \$40,000 Impact Grant request as part of the Partnership Grants Program. Funding for this program is available from the FY 2019 budget.

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

2019-18 The Board of Directors approves a grant request from Housing Action New Hampshire in the amount of \$12,000. There is sufficient funding for this grant included in the Board-approved FY 2019 Program Budget.

Homeownership Committee

Approval: Revised Income/Purchase Price Limits Homebuyer Tax Credit Program: Ms. Rudolph provided an overview of the proposed revised annual income and purchase price limits for the Homebuyer Tax Credit Program. She noted staff's review of information from Housing and Urban Development (HUD) and the Internal Revenue Service (IRS) when setting the limits to ensure compliance. Ms. Rudolph also noted these limits are subject to final counsel approval. Ms. Rudolph moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2019-19 The Board of Directors approves the revised income and purchase price limits for the Homebuyer Tax Credit Program, as shown on Exhibits 1 and 2, 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 Mortgage Credit Certificate (MCC) reservations made on or after the established effective date.

Approval: Revised Income Limits Homeownership Loan Programs: Ms. Rudolph provided a brief overview of the proposed revised income limits for the Homeownership loan programs. She provided details of the new limit and also discussed the staff authorization for adjustments of plus or minus 10% as noted. Ms. Rudolph moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2019-20 The Board of Directors approves a revised income limit of \$128,900 for the Home *Flex* loan program.

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

Multi-Family Housing Committee

Approval: Contract Approval – Corporation for Supportive Housing: Mr. Cuddy reviewed the proposed contract agreement for consulting services with the Corporation for Supportive Housing (CSH). He provided details and noted the funds for the contract are in the FY 2019 budget. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2019-21 The Board of Directors authorizes the Executive Director to enter into an agreement for consulting services with the Corporation for Supportive Housing (CSH) using up to \$100,000 originally programmed for the FY 2019 Emerging Opportunities Program, with the \$50,000 balance for the agreement to come from partner agencies or NHHFA's FY 2020 Program Budget.

Approval: Project Financing – Tanglewood Manufactured Housing Park Cooperative: Ms. Dube provided a review of the request for funding for the Tanglewood Manufactured Housing Park Cooperative. She provided details of the funding request, discussed the history of this manufactured housing park, and answered members' questions. Mr. Christon advised the funding will also provide an opportunity to assist in placing homes on vacant pads which will increase homeownership opportunities, and also noted the continued relationship between the Authority and the New Hampshire Community Loan Fund. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2019-22 The Board of Directors approves the following financing for the Tanglewood Manufactured Housing Park Cooperative project located in Keene, 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>
\$500,000	FHLB Boston ⁽¹⁾	Deferred	0.00%	30 Years

The Executive Director or designee is authorized to execute the security documents required for this transaction, add conditions as necessary and implement short-term modifications to terms as deemed appropriate to facilitate the closing and/or payoff of the above loan. All documents shall be reviewed and approved by the Authority's legal counsel.

(1) Funding will be from the Federal Home Loan Bank Boston Helping to House New England program.

Approval: Project Financing – Compass House: Ms. Dube reviewed the Compass House project, providing details of the project, renovations, and clients served. She provided details of the proposed funding, and reported on the 30-year Land Use Restriction Agreements (LURA) on the property. Ms. Dube noted the beneficial partnership between the developer and service providers and also reported on the public hearing which was held regarding commitment of Affordable Housing Funds (AHF). Members commented on the working relationship with the house of corrections, noting the benefits of this increased support. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2019-23 The Board of Directors approves the following financing for the Compass 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>
\$1,080,256	Affordable Housing Fund	Deferred	0%	30 Years

The Executive Director or designee is authorized to execute the security documents required for this transaction, add conditions as necessary and implement short-term modifications to terms as deemed appropriate to

facilitate the closing and/or payoff of the above loan(s). All documents shall be reviewed and approved by the Authority's legal counsel.

Approval: Project Financing – Merrimack Townhomes: Ms. Dube provided a review of the Merrimack Townhomes project. She reported on the Low Income Housing Tax Credits (LIHTC) received, provided details of the financing requested and noted the three LURAs placed on the property. Ms. Dube also commented on the public hearing which was held regarding commitment of Affordable Housing Funds (AHF), the environmental review, and noted a quick lease-up is anticipated. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2019-24 The Board of Directors approves the following financing for the Merrimack Townhomes project located in Merrimack, 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>
\$2,300,000	Affordable Housing Fund	Permanent	5.00% ⁽¹⁾	32 Years
\$3,300,000	TBD ⁽²⁾	Construction	1.50% ⁽³⁾	24 Months
\$ 717,553	Housing Trust Fund	Deferred	0.00%	30 Years

The Executive Director or designee is authorized to execute the security documents required for this transaction, add conditions as necessary and implement short-term modifications to terms as deemed appropriate to facilitate the closing and/or payoff of the above loan(s). All documents shall be reviewed and approved by the Authority's legal counsel.

- ⁽¹⁾ Interest rate during construction is 1.5%. The post-construction interest rate, locked at construction loan closing, will be the 30-year treasury rate plus 200 basis points. The current estimated post-construction loan rate is 5.00%.
- ⁽²⁾ Operating Fund, Authority line of credit, or other appropriate source as determined to be appropriate.
- ⁽³⁾ 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%.

Executive Committee

Mr. Ensign reported the Committee met in May for the annual pre-audit meeting with representatives from Baker Newman Noyes. He noted there were no action items to bring before the Board.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Presentation: MTAG Grantee Update – Plan NH: Mr. Christon and Mr. Reagan provided a brief overview of the Municipal Technical Assistance Grant (MTAG) and the partnership and funding history of Plan NH. Ms. LeBlanc of Plan NH discussed the program and their uses of

funds. She reported 12 communities have participated in the program since its launch, provided details and reviewed community outreach and engagement, which she noted is key to the program.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon updated members on state level legislation, noting most legislative activity that is not related to the budget has been resolved. He provided details of several bills including the judicial foreclosure bills. Mr. Christon reported on the remaining components in the budget, including providing updates on the appropriations for the Affordable Housing Fund (AHF) and for lead abatement. He also updated members on the creation of a housing appeals board, providing details and advising he will keep members updated.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Homeownership Activity Reports noting volume in the single family program has decreased in actual loans and reservations. He reported the Fannie Mae (FNMA) income restrictions have not been well received by the market, causing a significant drop in the Authority's FNMA business, and noted they are now looking at an alternative strategy. Mr. Christon reported activity on the Ginnie Mae (GNMA) line shows similar concern, which is mainly due to lack of inventory. He reported the MCC program is showing a similar decline in activity, which staff attributes to inventory issues and a very competitive mortgage origination market.

Mr. Christon reviewed the Rental Assistance Program Reports, noting occupancy numbers have decreased slightly, which is a reflection of the impact from the new vouchers for the Family Unification Program (FUP). He provided details and discussed the clients eligible for this program and the ongoing partnership with Department of Health and Human Services (DHHS) on this program. Mr. Christon advised members the Office of Inspector General (OIG) will be performing a survey of the voucher program and this is expected to take two to four months. Following the survey, the OIG will then make a determination if the Authority will receive an official audit.

Mr. Christon then reviewed the Multi-Family Development Reports. He reported on the applications received for the Housing Trust Fund (HTF) monies noting staff is in the process of reviewing these applications.

Finally, Mr. Christon reviewed the financial reports, reporting on the decrease in the servicing portfolio which is likely due to an increase in payoffs not offset by new loan volume. He reported delinquency remains the same as the previous month. Mr. Christon then noted, if the FNMA volume continues to decrease, in the longer term the Authority can expect to see higher delinquency rates. Mr. Christon reported there are no issues with the multi-family portfolio and it continues to perform well.

COMMITTEE MEETING MINUTES:

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

Mr. Christon reminded members of the strategic planning meeting which has been scheduled for June 3, 2019. He also advised members if they wished to attend the Multi-Family Conference on June 6, 2019, to let Colette know.

A motion was made by Ms. Rudolph and seconded by Ms. Ikawa to enter into a non-public session pursuant to RSA 91-A:3, II(b). A unanimous roll call vote was taken and the non-public session began at 11:25 a.m.

The Board ended the non-public session at 11:53 a.m. and a motion to seal the minutes, as provided for in the statute, was made by Ms. Rudolph and seconded by Ms. Ikawa. The motion passed by a unanimous roll-call vote.

There being no further business to bring before the Board, it was unanimously voted to adjourn the meeting at 11:54 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dean J. Christon". The signature is fluid and cursive, with a large initial "D" and "C".

Dean J. Christon
Executive Director