

On Thursday, August 22, 2019, New Hampshire Housing Finance Authority held its monthly Board meeting at the Authority's offices located at 32 Constitution Drive, Bedford, NH. Chair Shumway called the meeting to order at 10:29 a.m. The meeting adjourned at 12:25 p.m.

Members Present:

Donald Shumway
Kendall Buck
John Cuddy
James Graham
Pauline Ikawa
Connie Lane
Sarah Marchant
Mary Beth Rudolph
Michael Skelton

Members Absent:

N/A

Authority Counsel Present:

John Deachman, General Counsel
Tom Collins, Bond Counsel

Others Present:

Lilybel Belen
Andrew Cadorette
Dean Christon
Rob Dapice
Pat Donahue
Ben Frost
Debi Granfield
Jane Law
Ignatius MacLellan
Jim Menihane
Chris Miller
Julia Morgan
Elnaz Najdmazhari
Darren O'Toole
Gloria Paradise
Dee Pouliot
Colette Provencher
Gail Quinlan
David Sargent

Larry Berg, AHEAD
Michael Claflin, AHEAD
Barbara Feldman, BAML
Mitch Gallo, RBC
Jim Stretz, G.K. Baum

Chair Shumway called the meeting to order at 10:29 a.m. Mr. Shumway welcomed Mr. Graham and Ms. Marchant to the Board of Directors and also congratulated Mr. Skelton on the recent birth of his daughter.

Approval of the Minutes of the June 27, 2019 Meetings: Mr. Cuddy moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2019-33 The minutes of the June 27, 2019, meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

The Finance and Administration Committee did not meet in August.

Homeownership Committee

Approval: Authorization to Establish the 2019 Mortgage Credit Certificate Program: Ms. Rudolph provided a brief review of the Mortgage Credit Certificate (MCC) Program. She provided details on the bonding capacity available and staff's recommendation to convert some of that bond authority into MCC capacity to create the 2019 Mortgage Credit Certificate Program. Mr. Christon provided additional details regarding available bond cap and noted this will ensure the Authority does not lose available bond cap. Ms. Rudolph moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2019-34 The Board of Directors approves an allocation of \$121,437,500 million in tax-exempt bond authority to create \$30,359,375 of mortgage credit certificate (MCC) capacity for the Homebuyer Tax Credit Program. This allocation shall be termed the "2019 MCC Program." The Board of Directors also approves the attached Board Votes with this motion.

Approval: Accessibility Initiative Grant: Ms. Rudolph discussed Granite State Independent Living's (GSIL) Accessibility Initiative. She reviewed the history of the Authority's allocations to GSIL for this initiative, their work to date as a result of the previous grants and then provided details of the current grant request. Staff answered members' questions, providing details of previous allocations. Members noted the quality of the work provided by GSIL and their successful partnering with other agencies. Ms. Rudolph moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2019-35 The Board of Directors approves the following actions:

1. Award a \$125,000 grant to Granite State Independent Living to fund the Accessibility Initiative; and
2. Authorize the Authority's Executive Director, or designee, to modify the Accessibility Initiative as needed to meet the program's goals.

Multi-Family Housing Committee

Approval: Waiver Request – Lloyd’s Hills Apartments: Mr. Dapice reviewed the Lloyd’s Hills Apartments waiver request. He provided details of the project, the sponsor and the Low Income Housing Tax Credits (LIHTC) previously allocated to the project. Mr. Dapice then provided a summary of the request from AHEAD to waive the Authority’s Qualified Allocation Plan (QAP) Project Cost Limit and Investment Limit specific rules. He reported on the factors considered in staff’s recommendation. Mr. Cuddy discussed the waiver requests, noting appreciation for the important work AHEAD does and the difficulty of staff and committee in arriving at a recommendation. He also reported that, following detailed discussions with staff, due to the extenuating circumstances that warrant this action, it is unlikely to set a precedent for waivers going forward. In response to members’ questions, staff discussed potential effects to AHEAD if the waivers are not granted. Mr. Claflin then addressed the Board, answering members’ questions. Mr. Cuddy moved approval, seconded by Ms. Lane and the Board approved the following motion by a vote of six to one. Ms. Ikawa opposed the motion, Mr. Graham abstained due to a potential conflict and Mr. Shumway, as Chair, did not vote:

2019-36 The Board of Directors approves a waiver of the provisions of HFA:109.04.C of the Qualified Allocation Plan dated April 26, 2018, to permit the Lloyd’s Hills Project to proceed with a total development cost weighted average of up to \$295,881.

Approval: Design and Construction Policy Rules: Mr. Dapice briefly reviewed the Design and Construction Policy Rules, highlighting the significant changes. He reviewed the substantive edits, noting recent statutory changes, and answered members’ questions. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2019-37 The Board of Directors approves amendments to sections HFA:111.05, 111.07, 111.08 and 111.14 of the Design and Construction Policy Rules (HFA:111) as presented.

Approval: Section 8 Management Assessment Program (SEMAP): Ms. Quinlan provided a review of the Section 8 Management Assessment Program (SEMAP). She reviewed the annual certification, discussed the scoring and reported the Authority has achieved “high performer” status. Mr. Christon discussed the Housing and Urban Development (HUD) filing and submission requirements, noted the value of the assessment and also noted the commitment of excellence of the Authority staff. He reported that having the continued status of “high performer” allows the Authority to apply to HUD for additional vouchers. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2019-38 The Board of Directors approves the Section 8 Management Assessment Program (SEMAP) Certification for FY 2019.

Approval: Project Financing – Wallace Farm Phase II: Ms. Belen reviewed the Wallace Farm Phase II project. She reported on updates to the project application, discussed the Bridge Loan application and provided details of financing request. Mr. Christon discussed the bond findings and votes for the project, providing details. Mr. Cuddy moved, seconded by Ms. Lane,

and the Board unanimously approved the following motion:

2019-39 The Board of Directors approves the following financing for the Wallace Farm Phase II project located in Londonderry, New Hampshire, in the amount and terms listed below:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$ 1,250,000	TD LOC ⁽¹⁾	Equity Bridge	4.67% ⁽²⁾	24 Months

The Board of Directors also adopts the updated bond resolution (accompanying this motion), which shows a revised unit mix with up to 44 units of affordable units.

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 prior to execution.

⁽¹⁾ Loan to be sourced from the TD Bank line-of-credit or other available resources, as deemed appropriate by staff.

⁽²⁾ Variable; cost of funds plus 150 basis points. The estimated cost of funds as of 7/31/19 is 3.17%.

Approval: Project Financing – 22-24 Academy Street: Ms. Belen discussed the 22-24 Academy Street project, reviewing the proposed rehabilitation of the project. She provided details of the financing request, and noted the four project based vouchers that will be committed to support the project. Mr. Cuddy moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2019-40 The Board of Directors approves the following financing for the 22-24 Academy Street 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>
\$ 785,889	HTF	Deferred	0%	40 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.

Executive Committee

The Executive Committee did not meet in August. Mr. Christon reported the annual audit is expected to be presented to the Committee in September.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Election of Vice Chair: Chair Shumway opened the floor for nominations of the position of Vice Chair of the Board of Directors. Mr. Cuddy nominated Ms. Mary Beth Rudolph as Vice Chair, seconded by Ms. Ikawa, and the Board voted unanimously to elect Mary Beth Rudolph as Vice Chair of the Board of Directors for FY 2020.

Board Committee Assignments FY 2020: Chair Shumway reviewed the make-up of the Committees and member assignments for FY 2020. He thanked members for their willingness to serve on the Committees.

Resolutions in Recognition of Stephen Ensign and Stephanye Schuyler: Mr. Christon reported that Mr. Ensign and Ms. Schuyler have fulfilled their terms and will be retiring from New Hampshire Housing Finance Authority's Board of Directors, on which they have served since 2009. He reviewed the formal Resolutions in Recognition of Mr. Ensign and Ms. Schuyler. Mr. Cuddy moved, seconded by Mr. Graham, and the Board unanimously approved the following motion:

2019-41 The Board of Directors adopts the Resolution Recognizing Stephen Ensign.

Mr. Cuddy moved, seconded by Mr. Graham, and the Board unanimously approved the following motion:

2019-42 The Board of Directors adopts the Resolution Recognizing Stephanye Schuyler.

Staff Presentation: Virtual Project Tour: Mr. Dapice provided a virtual tour of multi-family projects, discussing the Authority's portfolio of 400 projects. He reviewed projects in process or completed in FY 2019, providing details on several projects. Mr. Dapice also provided an update on the Boulder Point Veterans Housing, reviewing the project's history and the commitment of staff to see it through to a successful completion. He answered members' questions throughout the presentation, and discussed units by housing type, and total development costs. Mr. Dapice then solicited feedback from members on suggestions for future virtual tours.

Staff Presentation: New Website Demonstration: Ms. Law provided a review of the Authority's new website which is currently in progress and noted the goal of going live with the new site in October. She briefly reviewed the current website and Board portal, reported on the RFP process for the new website design and then provided a preview of the new site and access to the new Board portal.

BOARD MEMBER DISCUSSION:

Mr. Shumway discussed the new item to the agenda and reviewed the purpose for this addition. He stated the importance of the upcoming audit review for the Board and noted it will be a key item in upcoming meetings.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon reported on legislative activity, reviewing items still pending, including the Affordable Housing Fund (AHF), Lead Hazard Remediation and Housing Appeals Board, which are all included in HB 2 and waiting on the outcome of the state budget. He reviewed the reports, and provided details on the study commissions and retained bills from this session that could impact the Authority. Mr. Christon reported that bills for the new session can be filed starting September 4, 2019.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Homeownership Activity Reports discussing loan acquisition activity and noting current inventory challenges and reduction in sales activity. He reported reservation activity has slightly increased since the beginning of this fiscal year. Mr. Christon reviewed the Mortgage Credit Certificate (MCC) report, noting a typographical error in the numbers listed, and providing an updated status. He also reviewed the Fannie Mae (FNMA) program changes, discussed the history of the FNMA program, and noted their new focus on 80% of AMI or less and the resulting NHHFA program modifications.

Mr. Christon reviewed the Rental Assistance Program Reports, noting the quarter-end reports are included. Mr. Christon reported staff has applied for an additional 200 mainstream vouchers and is waiting to hear on the results of the application from HUD. He also reported on the opportunity to apply for additional VASH vouchers but noted the Authority is not eligible to pursue those vouchers as there was no support from the local veterans' service center, which is a HUD requirement for the vouchers. Mr. Christon then provided updates on the Family Unification Program (FUP) and the status of the waiting list.

Mr. Christon then reviewed the Multi-Family Development Reports. He provided updates on the upcoming Low Income Housing Tax Credit round, and advised members of the ribbon cutting ceremony for the Boulder Point Veterans Housing project. Mr. Christon updated members on the Project Based Contract Administration (PBCA) program, discussing the fundamental changes that HUD is proposing and reporting that the Authority received notice this week indicating our contract has been extended through January, 2021.

Finally, Mr. Christon reviewed the financial reports. He reported the annual audit is underway and discussed the timeline and requirements. Mr. Christon updated members on the Delinquency Report for the single family program, noting the slight decrease and discussing the effects of timing and the Ginnie Mae portfolio on the report. Mr. Christon reported there are no multi-family delinquencies and no projects on the critical watch list.

COMMITTEE MEETING MINUTES:

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

Board of Directors' Meeting

August 22, 2019

Page 7

Mr. Christon notified members of upcoming events, including the NCSHA Annual Conference in Boston in October. Mr. Christon also reminded members of the celebration luncheon in honor of Mr. Ensign and Ms. Schuyler immediately following today's meeting.

There being no further business to bring before the Board, it was unanimously voted to adjourn the meeting at 12:25 p.m.

Respectfully submitted,



Dean J. Christon
Executive Director