

On Thursday, September 26, 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 12:12 p.m.

Members Present:

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

Members Absent:

Sarah Marchant

Authority Counsel Present:

John Deachman, General Counsel
Tom Collins, Bond Counsel

Others Present:

Nixaliz Baez
Kristen Brewster
Andrew Cadorette
Michael Chadbourne
Dean Christon
Rob Dapice
Pat Donahue
Ben Frost
Debi Granfield
Amanda Gray
Becky Haerinck
David Hebert
Sandy Kenney
Jane Law
Ann Lemire
Grace Lessner
Lynn Lippitt
Heather McCann
Chris Miller
Gloria Paradise
Dee Pouliot
Colette Provencher
Gail Quinlan
George Reagan
David Sargent

Michael Baumrin, RBC
Jen Hopkins, New Hampshire Community Loan Fund

Michelle Kim, Bank of America
Jim Stretz, G.K. Baum
James Vayo, Southern NH Planning Commission
Jeremy Veilleux, Baker Newman Noyes
Sylvia von Aulock, Southern NH Planning Commission

Chair Shumway called the meeting to order at 10:29 a.m.

Approval of the Minutes of the August 22, 2019 Meetings: Mr. Cuddy moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2019-43 The minutes of the August 22, 2019, meeting are approved as presented.

Mr. Christon offered comments regarding Bill Ray, who passed away September 3, 2019. He discussed the impact Mr. Ray, who was with the Authority for over 23 years, had on the organization, noting he was the architect and builder of the Authority's role as a center for housing data and research. Mr. Ray's ability to communicate was instrumental in supporting the Authority's role in housing awareness. Mr. Christon advised that yesterday the legislature agreed on a budget package that includes a number of initiatives that affect our work. Much of the work that Mr. Ray did over the years laid the foundation for these initiatives.

Mr. Ray will be greatly missed, both personally and professionally. Mr. Christon also noted there will be a memorial service in early October to honor and celebrate Mr. Ray's life.

Chair Shumway then called for a moment of silence.

COMMITTEE REPORTS:

Finance and Administration Committee

Approval: Referral, Education, Assistance and Prevention (REAP) Program Grant: Ms. Ikawa briefly introduced the \$72,000 grant request, noting it comes to the Board with the Committee's approval. She reviewed the history of the REAP program grant, reporting the Authority has provided funding for several years. Mr. Skelton moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2019-44 The Board of Directors approves the \$72,000 FY 2020 Referral, Education, Assistance and Prevention (REAP) grant.

Homeownership Committee

There was no Homeownership Committee meeting in September.

Multi-Family Housing Committee

Approval: Waiver Request – Harvey Heights Phase II: Mr. Cuddy briefly discussed the waiver request for Harvey Heights Phase II. Mr. Dapice discussed the Low Income Housing Tax Credits (LIHTC), providing an update of the current credit round process and status. He advised that Harvey Heights submitted an application for LIHTC, and if the waiver is approved this will allow them to apply for credits in this round, however, it will not guarantee approval. Mr.

Dapice then reviewed the Qualified Allocation Plan (QAP) provisions that the waiver is requested for, noting the upcoming QAP will propose changing this threshold requirement for existing properties with strong occupancy history. Mr. Cuddy moved, seconded by Mr. Graham and the Board unanimously approved the following motion:

2019-45 The Board of Directors approves a waiver of the provisions of HFA:109.06.D of the Qualified Allocation Plan dated April 26, 2018 to allow for the acceptance and scoring of an application for 2020 Low Income Housing Tax Credits for the Harvey Heights Phase II Project.

Approval: Waiver Requests – Summer Park Phase II: Mr. Dapice briefly reviewed the Summer Park Phase II project. He provided details of the two waiver requests and factors considered in staff's recommendation. Mr. Cuddy discussed the timing of the construction and application submissions and noted this recommendation comes with Committee's approval. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2019-46 The Board of Directors approves a waiver of the provisions of HFA 109.04.B and 109.06.D of the Qualified Allocation Plan dated April 26, 2018 to allow for the acceptance and scoring of an application for 2020 Low Income Housing Tax Credits for the Summer Park Phase II project.

Executive Committee

Approval: FY 2019 Year-End Audit and Audited Financial Statements: Mr. Shumway reported the Executive Committee met and received the financial statements and Year-End Audit report from Baker Newman Noyes (BNN). Mr. Sargent introduced Ms. Kenney and Jeremy Veilleux of BNN. Ms. Kenney provided a review of the FY 2019 Financial Statements, reviewing both assets and liabilities. She provided details on the Statement of Net Position, discussing fluctuations that are due to timing of the reports. Ms. Kenney also reported on loan activity, discussing the Fannie Mae and Ginnie Mae models. Mr. Veilleux reported on the September 18, 2019, Executive Committee meeting and the full report that was provided to members. He reviewed audit, reporting on required testing as well as the additional testing performed by Baker Newman Noyes. Mr. Veilleux reported the Authority received an unmodified report, and the audit was clean. There were no management letters and no findings. He then noted the additional review of the IT area, commenting on the strength of the Authority's IT security protocols and answered members' questions. Mr. Shumway commended staff on the successful audit. Mr. Shumway moved, seconded by Mr. Cuddy, and the Board unanimously approved the following motion:

2019-47 The Board of Directors accepts the FY 2019 Year-End Audit as performed by Baker Newman Noyes and the corresponding audited financial statements and approves them for external publication.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Presentation: Emerging Opportunities Grantee – James Vayo, Granite State Organizing Project; Accessory Dwelling Units (ADU) Mini Grant: Mr. Reagan discussed the Mini Grant program and its uses, and reviewed the mini grant awarded to Granite State Organizing Project for ADUs. Mr. Vayo provided a presentation on ADUs and reviewed this project. He reported on the goals, training curriculums, and short-term outcomes that have been achieved.

BOARD MEMBER DISCUSSION:

N/A

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon reported on legislative activity, reviewing the revisions to HB 2. He provided details on provisions for the Lead Hazard Remediation, Affordable Housing Fund (AHF) and the Housing Appeals Board. Mr. Christon reported the state budget was approved yesterday and continues to include each of those items, which is an important statement of interest in housing in this area. He advised staff has begun preparations for the lead program and will soon be bringing a set of rules to the Finance and Administration Committee. He also noted potential implications to the Authority staff as a result of these allocations. Mr. Christon and Mr. Frost answered members' questions.

Mr. Christon reported on the retained and referred bills in the Legislative Update report, providing brief status updates.

Mr. Christon updated members on the federal level legislation, noting the budget remains the focus. He noted the expectation of a continuing resolution until late November. Mr. Christon also updated members on a number of housing related provisions and noted staff continues to engage the congressional delegation around these issues.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Homeownership Activity Reports. He reported reservation activity for August and September has shown improvement and noted the Ginnie Mae loan products have been strong, reflecting the aggressive marketing and interest rate setting by staff. Mr. Christon reviewed the Fannie Mae programs and reported on reservation challenges and on the recent increase in activity, likely due to staff's marketing push.

Mr. Christon reviewed the Rental Assistance Program Reports, noting staff continues to work towards the goal of maximizing utilization for the year. He reported the Family Unification Program (FUP) is showing a slow but steady increase and discussed the rent-up of additional VASH units. Mr. Christon discussed the current low-vacancies and noted the resulting challenges as clients are having a more difficult time finding units to rent. He reported on staff's efforts, including marketing of the program to landlords. Mr. Christon and Ms. Pouliot answered members' questions.

Mr. Christon then reviewed the Multi-Family Development Reports. He provided an update on the LIHTC applications that staff is reviewing, noting that expectation is that recommendations will be brought forward in October.

Finally, Mr. Christon reviewed the financial reports, noting there was good activity in the overall portfolio the previous month. He reported delinquency has declined, likely due to seasonal fluctuations. Mr. Christon reported there are no issues in the multi-family portfolio.

COMMITTEE MEETING MINUTES:

Mr. Christon discussed the Committee meeting minutes. He reported the minutes have not historically been formally accepted by the Committees but will be brought to each Committee for action going forward. A draft of the minutes will be included in the monthly Board books.

Mr. Christon noted an error in the motion wording of the Executive Committee meeting minutes and reported this error will be fixed accordingly. The Board had no other comments on the Committee minutes as presented.

Mr. Christon notified members of upcoming events, including the Housing and the Economy Conference in October, reminding members if they would like to attend to let Colette know. He also briefly discussed the NCSHA Annual Conference in Boston in October and a forum on housing issues next Tuesday in Penacook.

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

Respectfully submitted,



Dean J. Christon
Executive Director