

On Thursday, April 22, 2021, New Hampshire Housing Finance Authority held its monthly Board meeting by video conference pursuant to Executive Order 2020-04 and Emergency Order #12. Chair Shumway called the meeting to order at 10:08 a.m. The meeting adjourned at 12:32 p.m.

Members Physically Present:

N/A

Members Present by Video Conference:

Donald Shumway
Kendall Buck
James Graham
Pauline Ikawa
Sarah Marchant
Chris Norwood
Anthony Poore
Michael Skelton

Members Absent:

John Cuddy

Authority Counsel Present by Phone or Video Conference:

John Deachman, General Counsel
Tom Collins, Bond Counsel

Others Physically Present:

N/A

Others Present by Phone or Video Conference:

Andrew Cadorette
Dean Christon
Travis Craig
Rob Dapice
Pat Donahue
Guylene Dreisig
Natasha Dube
Ben Frost
Jane Law
Grace Lessner
Ignatius MacLellan
Gloria Paradise
Dee Pouliot
Colette Provencher
George Reagan
David Sargent

Barbara Feldman, BAML
Jennifer Hopkins, NH Community Loan Fund
Jeffrey Seifert, TD Bank

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Chair Shumway called the meeting to order at 10:08 a.m. He noted that, as Chair of the Board of Directors, he recognizes the existence of an emergency due to the COVID-19 crisis and, in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04, this Board is authorized to meet electronically. Mr. Shumway began the meeting with a roll call of members and each member stated their presence, their location and noted that they were alone. Mr. Shumway also noted that provision had been made for members of the public to listen to the meeting.

Mr. Christon discussed the Governor's Emergency Order #12 which provides the legal basis for the Board's virtual meetings noting it continues to remain in place at this time. He discussed the potential of when it may no longer be in effect and the process for resuming in-person Board of Directors meetings.

Approval of the Minutes of the March 25, 2021 Meeting: Members had no comments on the minutes as presented. Ms. Ikawa moved approval of the minutes, seconded by Mr. Graham. A roll call vote was taken, and the Board approved the following motion.

2021-17 The minutes of the March 25, 2021, meeting are approved as presented.

COMMITTEE REPORTS:

Executive Committee

The Executive Committee met in April but did not have any items to bring before the Board. Mr. Shumway reported that members met with the auditors and reviewed the annual audit plan. Members also received the report on the annual Project Based Contract Administration (PBCA) program audit, noting it was a clean audit.

Finance and Administration Committee

Approval: Partnership Grants Program – Vital Communities Impact Grant: Mr. Reagan reported on Vital Communities' request for a \$40,000 Impact Grant through the Housing Partnership Grants program. He discussed Vital Communities history and upcoming goals and noted, if approved, this would be the fourth year of funding from the Authority. Mr. Graham moved, seconded by Ms. Ikawa. A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-18 The Board of Directors approves a \$40,000 Impact Grant to Vital Communities consistent with the Partnership Grants Program. Funding for this program is available from the FY 2021 budget.

Approval: State of New Hampshire Consolidated Plan 2021-2025 and 2021 Action Plan for Use of HOME Investment Partnerships and Housing Trust Fund: Mr. Christon provided an overview of the annual Action Plan and Five-Year Consolidated Plan reporting on the history of the Plan and noting the Authority is the lead agency and the Consolidated Plan Coordinator for the state. He noted the change where the Plan has transitioned to the Authority's fiscal year schedule. Mr. Christon reported on the American Rescue Plan (ARP) allocation of HOME funds, noting this will require an amendment to the Plan once details of the allocation are received. This amendment will then be brought to the Board for approval. Mr. Christon

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reviewed the process for approval of the Consolidated Plan, noting the Board of the Community Development Finance Agency (CDFA) is also approving their portion, and once all portions are approved, the Plan will be presented to the Governor and then submitted to the Department of Housing and Urban Development (HUD) for release of the funds. Mr. Shumway noted the importance of this Consolidated Plan to special needs housing throughout the state. Mr. Graham moved, seconded by Ms. Ikawa. A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-19 The Board of Directors approves the State of New Hampshire 2021-2025 Consolidated Plan and 2021 Action Plan for the use of HOME and HTF funds. The Board authorizes the Executive Director, as Chair of the Housing and Community Development Planning Council (HCDPC) to seek the Governor's approval of the Plan and the subsequent submission to the U.S. Department of Housing and Urban Development (HUD).

Homeownership Committee

Approval: Revised Income/Purchase Price Limits Homebuyer Tax Credit Program: Mr. MacLellan reviewed the proposed revised annual income and purchase price limits for the Homebuyer Tax Credit Program. He noted staff's review of information from HUD and the Internal Revenue Service (IRS) procedures when setting the limits to ensure compliance. Mr. MacLellan and Mr. Christon answered members' questions, providing information on target areas. The Authority's Bond Counsel briefly discussed the process and stated his approval. Ms. Ikawa moved, seconded by Mr. Buck. A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-20 The Board of Directors approves the revised income and purchase price limits for the Homebuyer Tax Credit Program, which will be used for issuing mortgage credit certificates (MCC Limits). The new MCC Limits are shown on Exhibits 1 and 2, all subject to bond counsel approval.

Staff is authorized to revise the approved MCC Limits, plus or minus 10%, should any IRS Revenue Procedure impact the approved MCC Limits.

Staff will establish the effective date for the revised MCC Limits consistent with IRS requirements and the need to update systems and information sources.

Approval: Maximum Income Limit Homeownership Loan Programs: Mr. MacLellan provided an overview of the proposed revised income limits for the Homeownership loan programs. He noted that the proposal is for income limits only and does not include purchase price limits. Ms. Ikawa moved, seconded by Mr. Poore. A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-21 The Board of Directors approves \$137,400 as the revised maximum income limit for loan programs (Loan Income Limit).

The Board further authorizes staff to establish the effective date for the new Loan Income Limit.

Multi-Family Housing Committee

Approval: Project Financing – Apple Ridge Phase II: Ms. Marchant briefly reviewed the Apple Ridge Phase II project noting the passive housing certification. Ms. Dube provided details on the project, noting this is the second of three phases and that Phase I is completed and leased up quickly. She reviewed occupancy requirements, reporting on the units reserved for the Section 811 PRA Program for clients with severe mental illness. Ms. Dube then answered members' questions, reviewing the Low Income Housing Tax Credit (LIHTC) funding awarded to the project. Ms. Marchant moved, seconded by Mr. Graham. A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-22 The Board of Directors approves the following financing for the Apple Ridge Phase II 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>
\$208,000	HOME	Deferred Payment	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.

This action is taken consistent with the Authority's findings regarding multi-family financings approved on December 17, 2020.

Approval: Project Financing – Heater Landing: Ms. Dube reported on the Heater Landing project, providing details and reviewing the financing request. She discussed the units reserved for clients with severe mental illness and noted the important location of the project for affordable workforce housing. Ms. Marchant moved, seconded by Ms. Ikawa. A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-23 The Board of Directors approves the following financing for the Heater Landing project located in Lebanon, 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>
\$7,600,000	TD Bank LOC	Construction	1.50% ⁽¹⁾	24 months
\$350,000	HTF	Deferred Payment	0.00%	30 years
\$152,000	HOME	Deferred Payment	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.

This action is taken consistent with the Authority's findings regarding multi-family financings approved on December 17, 2020.

⁽¹⁾ 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%

Approval: Project Financing – Woodland Village Phase I: Ms. Dube reported on the Woodland Village Phase I project providing details and reviewing the financing request. She reported on the income requirements and noted the number of units that will be market rate. Staff answered members' questions, discussing the loan-to-value (LTV) ratio and appraisals which can be challenging in this current environment. Ms. Marchant moved, seconded by Mr. Poore. A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-24 The Board of Directors approves the following financing for the Woodland Village Phase I project located in Goffstown, 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>
\$2,430,000	Wespath	Permanent	5.75% ⁽¹⁾	40 Years
\$1,580,000	HOME	Deferred Payment	0.00%	30 Years

The permanent loan will be credit enhanced under the HUD 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 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.

This action is taken consistent with the Authority's findings regarding multi-family financings approved on December 17, 2020.

⁽¹⁾ Interest rate used for underwriting purposes. Actual rate to be established upon lock-in of pass-through rate. Project underwriting will be reviewed after rate is set to ensure continued compliance with the Authority's Underwriting Standards.

Approval: Project Financing – Academy Street Family Housing: Mr. Dapice reported on the Academy Street Family Housing supportive housing project. He reviewed the process for the original financing the project received, and reported on the project's cost over-runs, briefly

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reviewing factors that led to these issues. Mr. Dapice provided details of the additional financing requested and answered members' questions. Ms. Marchant moved, seconded by Mr. Skelton.
A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-25 The Board of Directors approves the following additional financing for the Academy Street Family Housing project located in Rochester, New Hampshire, up to the amount and terms as follows:

<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Rate</u>	<u>Term</u>
\$70,548	AHF	Deferred Payment	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.

This action is taken consistent with the Authority's Findings regarding multi-family financings approved on December 17, 2020.

Approval: Authority to Award Supplemental Funds to Multi-Family Projects: Mr. Dapice reviewed the request for an initiative to provide supplemental funding to multi-family projects. He reported on concerns and volatility of the current environment. Mr. Dapice discussed the proposed program, reviewing requirements, the process to apply for funding, and reporting requirements. Mr. Dapice and Ms. Dube answered members' questions and advised that staff will provide regular updates to the Committee. Ms. Marchant moved, seconded by Mr. Skelton.
A roll call vote was taken, and the following motion passed by a unanimous vote:

2021-26 The Board of Directors delegates the following authority to the Executive Director or his designee, effective immediately:

- Authority to award supplemental funds, including LIHTCs and capital subsidy, to multi-family development projects affected by significant and unforeseen construction cost increases;
- Supplemental awards will be limited to 15% of the construction costs as of the most recent budget submitted; and
- All supplemental awards will be reported to the Multi-Family Housing Committee and to the Board of Directors prior to or at their August 2021 meetings.

This delegation will expire on June 30, 2021 unless renewed by the Board of Directors.

UNFINISHED BUSINESS:

NA

NEW BUSINESS:**Discussion: FY 2022 Program Plan – Final Key Issues and Committee Recommendations:**

Mr. Christon briefly discussed the program planning process for the upcoming fiscal year, noting discussions held at Committee meetings and feedback received from members. He reported on staff's expectation to provide members with a more detailed plan in the June meeting cycle. Mr. Frost provided a presentation, reviewing issues from each Division and Committee recommendations, providing details. He and Mr. Christon answered members' questions throughout the presentation. Mr. Christon provided a summary of next steps for moving forward and discussed the June 3, 2021, Board member planning meeting. Mr. Shumway asked members to please take a few moments to provide their thoughts on this discussion, including noting any additional thoughts and subjects, and provide the information to Mr. Christon and/or Mr. Frost for inclusion in the planning process.

BOARD MEMBER DISCUSSION:

N/A

EXECUTIVE DIRECTOR'S REPORT:

Emergency Rental Assistance Program: Mr. Christon reported on the Emergency Rental Assistance Program, discussing the report which was sent to the Governor's office and noting an updated report will be submitted tomorrow. He reported 4300 applications have been received and just over \$4 million has been paid or authorized to be paid to tenants, property owners or utilities. Mr. Christon stated that marketing and outreach efforts are continuing, including paid advertising. In response to members' questions, Mr. Christon reported that Rockingham County does not have their program running at this time.

Legislative/Policy Update: Mr. Christon updated members on state level legislation of interest to the Authority. He reported that the bill to eliminate the Housing Appeals Board (HAB) died on the floor of the House but noted the possibility it could be re-introduced next year since it was not formally killed. Mr. Christon then discussed activity at the federal level reporting that the Affordable Housing Tax Credit Improvement Act has been introduced in the House and Senate and an appropriation for a down payment assistance program is being discussed as well as additional funding for housing in the infrastructure package.

Emergency Assistance Loan Fund Status Report: Mr. Christon briefly reviewed the report, noting the resource remains available, however, at this time there are no new requests for assistance. Staff continues to work with the limited number of partners who have taken advantage of this assistance. Mr. Christon reported the program will run through the end of the fiscal year and if there remains no new activity, staff will engage the Board for a recommendation moving forward.

Mr. Christon reported the Authority is recognizing a slow but steady movement to a new normal work environment. He reported management is looking at when and how to bring staff back into the building and open it to visitors again. Mr. Christon stated the priority is on maintaining customer focus and operational effectiveness throughout the organization, all while recognizing

expectations of the workforce have shifted as a result of this past year. He reported on the goal of rolling out a pilot effort within the next month or so and advised staff will keep members updated.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Homeownership Program reports. He noted volume continues to exceed last year's activity, however, a decline in reservations has started to be seen which is largely related to inventory, pricing and competition. He noted staff is taking this into consideration while forming next year's projections. Mr. Christon reported that profitability continues to remain strong.

Mr. Christon reviewed the Rental Assistance Program Reports, noting these are the quarterly reports. He reported the HUD budget has been received for the upcoming calendar year, noting it reflects a \$4.5 million increase in funds available. He discussed the HUD funding formula, noted the increase in activity which occurred as a result of the COVID-19 pandemic and reported staff will continue to focus on the goal of 98% utilization by the end of the year. Mr. Christon reviewed lease-up activity, noting leasing up has been taking longer due to the current housing environment and he also provided an update on the Foster Youth Independence activity. Mr. Christon then reported the Authority has been asked by HUD to be among a small group of nationally identified agencies to discuss best practices regarding serving clients with disabilities and noted this is a direct result of the strong performance of the Assisted Housing team.

Mr. Christon reviewed the Multi-Family Program Reports, noting the projects that received approval today will add a number of units to the reports. He reported staff has begun work on the next Qualified Allocation Plan (QAP) and a forum has been scheduled for tomorrow. Mr. Christon discussed the additional HUD funding for emergency home resources, noting staff is waiting for guidance from HUD on using these additional HOME funds.

Mr. Christon then reviewed the financial reports. He discussed the delinquency report, noting overall delinquency has seen a decline, likely a result of seasonality and tax refunds. He also noted the number of clients being removed from forbearance status continues to increase. Mr. Christon reported there are no multi-family delinquencies. He then provided an update of the Critical Watch List, providing details of the one project on the list, Friendship House, and noting a new provider has been identified which should facilitate the reopening of the property.

Mr. Christon discussed the upcoming meetings, noting there is a Board planning meeting scheduled for June 3.

Mr. Shumway discussed the upcoming fiscal year's budget, reviewing the process and Mr. Christon answered members' questions, discussing the proposed timing of meetings.

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There being no further business to bring before the Board, Mr. Shumway moved, seconded by Mr. Buck and, following a unanimous roll call vote, the meeting was adjourned at 12:32 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dean J. Christon", is written over the typed name and title.

Dean J. Christon
Executive Director