

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
APRIL 26, 2018

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Thursday, April 26, 2018, at the office of the West Virginia Housing Development Fund, 5710 MacCorkle Avenue, SE, Charleston, West Virginia. The Chairman called the meeting to order at 9:01 a.m. with the following members present throughout, except where noted:

Ann Urling, Chairman
Norman Bailey, Representative for the Honorable Kent Leonhardt,
Commissioner of Agriculture (via phone)
David Gardner, Member
Sam Kapourales, Member (via phone)
Mary Skeens, Member (via phone)
Josh Stowers, Representative for the Honorable John Perdue, Treasurer
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General

Members Absent:

John Gianola, Member
Bob Nistendirk, Member

Staff present:

Erica Boggess, Executive Director
Julie Davis, Deputy Director – Production
Lauren Hunter, Loan Processor and Closer
Bret Jones, Credit and Risk Analyst
Darlene King, Loan Processor and Closer
Martha Lilly, Legal Assistant
Jill Martin, Executive Assistant
Kristin Shaffer, Senior Legal Counsel
Nathan Testman, Division Manager - Multifamily and Commercial Lending
Crystal Toney, Deputy Director – Administration
Christy Chapman Welch, Loan Servicing Compliance Analyst
Dorothy White, Federal Compliance Officer

Others Present:

Samme Gee, Jackson Kelly PLLC
Kelley Goes, Jackson Kelly PLLC

APPROVAL OF THE MINUTES OF THE MARCH 22,
2018 MEETING

Representative Josh Stowers moved the approval of the minutes of the March 22, 2018 meeting. His motion was seconded by Member David Gardner, and, upon the affirmative vote of the seven (7) members present, the Chairman declared the motion adopted.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED
MARCH 31, 2018

Ms. Crystal Toney reviewed the financial statements for the period ended March 31, 2018. The financials were accepted as presented.

CONSIDERATION OF CONSTRUCTION AND
PERMANENT MULTIFAMILY LOAN PROGRAM
LOANS TO KEYSER GREEN

Mr. Nathan Testman presented a financing request from Keyser Green Limited Partnership. Mr. Testman stated Keyser Green will be a new, 38-unit, low-income housing tax credit project in Keyser, Mineral County. The project will target seniors with incomes at or below 60% of the area median income.

Mr. Testman informed the Board that the market study evidences a strong demand for affordable rental units for seniors at the proposed income levels. Mr. Testman stated that the permanent loan will include a USDA 538 loan guarantee insuring 90% of the permanent loan balance, which adds a significant amount strength to the overall loan structure.

Mr. Testman stated that the developer, The Woda Group, Inc., is one of the Fund's largest and most experienced developers. Staff's experience with The Woda Group has been positive, and staff is confident that the developer can deliver and operate this project.

Mr. Testman informed the Board that there do not appear to be any environmental issues with this property and it is not in the flood zone.

Mr. Testman stated that the construction loan will be in the amount of up to \$5,800,000 for a term of up to twenty-four (24) months at the variable rate equal to Wall Street Journal Prime. The permanent loan will be in the amount of up to \$1,250,000 for a term of thirty (30) years at the rate of five percent (5% per annum). Both loans will be secured by a first deed of trust lien on the property.

Mr. Testman stated staff is recommending approval of both loans as proposed in the Board packet.

Representative Stowers moved to approve the project loans as presented. His motion was seconded by Member Gardner, and, upon the affirmative vote of seven (7) members present, the Chairman declared the motion adopted.

CONSIDERATION OF RECOMMENDED
AMENDMENTS TO BYLAWS

Ms. Kristin Shaffer presented proposed amendments to the Fund's Bylaws. Ms. Shaffer explained that staff is recommending an amendment to Article VI, Section 6 of the Bylaws to clarify the approval process for certain expense reports and several other minor revisions to clarify and simply the language of the Bylaws.

Member Gardner moved to approve the amendments to the Bylaws as presented. His motion was seconded by Representative Stowers and, upon the affirmative vote of seven (7) members present, the Chairman declared the motion adopted.

A copy of the Bylaws is attached as Exhibit A.

CONSIDERATION OF BOARD RESOLUTION
RECOGNIZING J.D. STRICKLEN FOR DISTINGUISHED
SERVICE

Ms. Boggess requested approval of a Board of Directors Resolution of Appreciation for J. D. Stricklen for his years of service to the Fund.


Representative Stowers moved the approval of the Board of Directors Resolution of Appreciation as presented. His motion was seconded by Representative Steven Travis and upon the affirmative vote of the seven (7) members present, the Chairman declared the motion adopted.

INFORMATIONAL ITEM - OPEN MEETINGS, FOIA,
AND CONFLICTS OF INTEREST

Ms. Shaffer presented a memo outlining pertinent provisions of the West Virginia Open Meeting Act, the West Virginia Freedom of Information Act, the West Virginia Ethics Act, and the West Virginia Housing Development Fund Act.

ADJOURNMENT

There being no further business, Representative Stowers moved to adjourn the meeting. His motion was seconded by Member Gardner. Meeting adjourned at 9:30 a.m.



Kristin Shaffer, Assistant Secretary

**BYLAWS OF
THE WEST VIRGINIA HOUSING DEVELOPMENT
FUND**

(As Amended Through ~~April 2016~~April 2018)

ARTICLE I

Office

The principal office of the West Virginia Housing Development Fund (hereinafter the “Housing Development Fund”) shall be in the City of Charleston, County of Kanawha, State of West Virginia (hereinafter the “State”). Other offices or places of business may be established whenever in the judgment of the Board of the Housing Development Fund it may be deemed advisable.

ARTICLE II

Seal

The corporate seal of the Housing Development Fund shall be circular in form and shall have inscribed thereon the name of the Housing Development Fund and the year of its creation. Said seal may be used by causing it, or a facsimile thereof, to be impressed on, affixed to or otherwise reproduced on any document, instrument or other writing.

ARTICLE III

Meetings

Section 1 – REGULAR MEETINGS – Regular meetings of the Board for the transaction of all business ~~that may come before the meeting~~ shall be held at a time and date called at the request of the Executive Director or Chair upon notice to each Director, and notice of the regular meeting shall be at the principal office of the Housing Development Fund, but such meeting may be held on such other date, hour or place as may be specified in the notice of the meeting filed with the Secretary of State to appear on the West Virginia Secretary of State’s website.

Section 2 – SPECIAL MEETINGS – A special meeting is any meeting of the Board other than a regular meeting or emergency meeting. Special meetings of the Board may be called at any time by the Chair or by any four members of the Board upon notice to each Director, and notice of the special meeting shall be filed with the Secretary of State to appear at least five business days prior to the meeting on the West Virginia Secretary of State’s website.

Section 3 – RECESSED ~~AND ADJOURNED~~ MEETINGS – Any regular or special meeting of the Board may be recessed without further notice to such date, hour and place as may, at such meeting, be determined by the Board or to such date, hour and place as may be determined

by the Chair provided that notice is given to all members as provided in Section 5 of this Article ~~and filed with the Secretary of State to appear on the West Virginia Secretary of State's website. In the event a quorum is not present at such meeting and cannot be obtained within a reasonable time, such regular or special meeting shall be adjourned to such date, hour and place as shall then be determined and announced by the Chair, and notice of such adjourned meeting shall be given to those Directors not present and filed with the Secretary of State to appear on the West Virginia Secretary of State's website~~

Section 4 – MANNER OF VOTING – The voting on all questions at meetings of the Board shall be by yeas and nays, and, if requested by any Director, the vote of each Director present and voting shall be announced by the Chair and entered upon the minutes of such meeting, including the election of officers.

Section 5 – NOTICE OF MEETINGS – Public notice of all regular, special, emergency ~~and adjourned~~ meetings shall be given in the manner prescribed in W. Va. Code § 6-9A-3 or in any other applicable law or regulation in regard to open governmental proceedings. Notices required by these Bylaws or otherwise to be given to Directors shall be in writing ~~and shall be given~~ by mail, ~~postage prepaid, at the same date notice is provided the Secretary of State or at least seven days prior to such meeting, or shall be personally delivered~~ or sent by facsimile telecopier, ~~or e-mail, or any other legally acceptable electronic transmission~~ at least five days prior to such meeting, ~~addressed to such Director at such address appears on the books of the Housing Development Fund, or, in default of such address, to a public Director at his or her official state office and to a private Director at his or her residence or usual place of business. Such notice shall be deemed given at the time when the same shall be thus mailed, personally delivered, sent by facsimile telecopier or e-mailed, as the case may be.~~

Section 6 – EMERGENCY MEETINGS – (a) “Emergency meeting,” as used in these Bylaws, means any meeting called by the Board for the purpose of addressing an unexpected event which requires immediate attention because it poses: (1) an imminent threat to public safety or health, (2) an imminent threat of damage to public or private property, or (3) an imminent material financial loss or other imminent substantial harm to the Housing Development Fund, its employees or the members of the public which it serves.

(b) In the event of an emergency, the Board may call an emergency meeting.

(c) The Board shall electronically file a notice for an emergency meeting with the Secretary of State, as soon as practicable prior to the meeting.

(d) The emergency meeting notice shall state the date, time, place and purpose of the meeting and the facts and circumstances of the emergency.

Section 7 – ACTION BY ELECTRONIC COMMUNICATION – One or more Directors may participate in a meeting of the Board or a committee of the Board of conference telephone or similar electronic communication equipment by means of which all persons participating in the meeting can hear each other. Whenever a vote of the Directors is required or permitted in connection with any corporate action, subject to the provisions of any applicable law or regulation in regard to open governmental proceedings, this vote may be taken orally during an electronic conference.

Section 8 – PROCEDURE AT MEETINGS – At the regular meetings of the Board the following shall be the order of business:

- (a) Approval of minutes of previous meeting
- (b) Financial Reports
- (c) Business Items
- (d) Information Items
- (e) Adjournment

Persons who desire to address the Board shall be required to register to address the Board prior to the time the scheduled meeting is to commence; *provided*, that such persons may not be required to register to address the Board more than ten minutes prior to the time the scheduled meeting is to commence. A sign-up sheet shall be provided for such persons desiring to address the Board. As a courtesy to all parties, persons desiring to address the Board shall limit their comments to five minutes each, unless otherwise agreed to by the Board.

In all other respects not otherwise specifically provided for in these Bylaws, Robert’s Rules of Order generally shall govern the conduct of all meetings of the Board.

ARTICLE IV

Board Officers

Section 1 – CHAIR – The Governor or his or her designee shall serve as Chair. The Chair shall be the Chief Executive Officer of the Housing Development Fund, preside at all meetings of the Board, sign the rules and regulations of the Board and appoint the committees of the Board. The Chair may serve as a voting member on any committee and shall serve as an ex-officio member on any committee where not serving as a voting member.

Section 2 – VICE CHAIR – In the absence of the Chair, the Vice Chair shall preside at meetings of the Board and otherwise act as Chief Executive Officer of the Housing Development Fund.

Section 3 – SECRETARY – The Secretary or an Assistant Secretary shall keep the minutes of all meetings of the Board, ~~give notice of meetings of the Board as and when required by these Bylaws, give notice of adjourned meetings of the Board~~ and certify, when necessary, the records, proceedings, documents and resolutions of the Board. The Secretary or an Assistant Secretary shall have charge of the minute books and records of the proceedings of the meeting of the Board, maintain a separate record containing the Bylaws, rules and regulations and resolutions of the Board and shall perform such other duties as may be conferred upon the Secretary or an Assistant Secretary from time to time by the Board.

Section 4 – TREASURER – The Treasurer or an Assistant Treasurer shall be the custodian of all funds and securities of the Housing Development Fund, shall keep full and accurate records and accounts of all receipts, disbursements, credits, assets, liabilities and general financial transactions of the Housing Development Fund. The Treasurer or an Assistant Treasurer shall report all receipts and expenditures to the Board monthly and at such other times as the Board may

require. The Treasurer or an Assistant Treasurer shall annually prepare and submit to the Board at the close of each fiscal year a full and complete report or statement of all monies received and expended and of the existing condition of the funds and assets of the Housing Development Fund for such year.

ARTICLE V

Administrative Officers

Section 1 – CHIEF ADMINISTRATIVE OFFICER – The Chief Administrative Officer of the Housing Development Fund shall have the title of Executive Director, and shall be appointed by the Governor, with the advice and consent of the State Senate. The Executive Director is responsible for managing and administering the daily functions of the Housing Development Fund. The Executive Director shall have such other duties and authority and shall receive such compensation as the Board shall annually prescribe.

Section 2 – GENERALLY – The Board may engage such consultants as it deems advisable at such compensation, with such duties and for such time as the Board may from time to time prescribe. The Executive Director may engage such consultants within budgets approved by the Board.

Section 3 – ASSISTANT SECRETARIES – The Board may appoint one or more Assistant Secretaries who shall perform the duties and exercise the powers of the Secretary and such other duties and exercise such other powers as the Board shall from time to time prescribe.

Section 4 – ASSISTANT TREASURER – The Board may appoint one or more Assistant Treasurers who shall perform the duties and exercise the powers of the Treasurer and such other duties and shall exercise such other powers as the Board shall from time to time prescribe.

ARTICLE VI

Miscellaneous

Section 1 – FISCAL YEAR – The fiscal year of the Housing Development Fund shall commence on the first day of July and shall end on the next thirtieth day of June.

Section 2 – BONDS – In satisfaction of the requirements of W. Va. Code §31-18-5(e), the Treasurer shall be covered by a fidelity bond in the amount of \$4 million or in such other amount as the Board may direct from time to time. Such other officers or employees of the Housing Development Fund as may be required by law or by these Bylaws or as the Board may direct from time to time, shall give bond in such amount and with such surety or sureties as the Board may require, conditioned as prescribed by W. Va. Code §§ 6-2-1 *et seq.* or other applicable laws or regulations. Premiums on all such bonds shall be paid by the Housing Development Fund.

Section 3 – AUDIT COMMITTEE – The Audit Committee of the Board is comprised of three members of the Board appointed by the Chair and which members may include the Chair.

The Audit Committee shall report to the Board from time to time concerning the financial affairs of the Housing Development Fund and have such other powers and duties as may be prescribed in these Bylaws or by resolution of the Board.

Section 4 – EXECUTIVE COMMITTEE – The Board may, by duly adopted resolution, create an Executive Committee of the Board, the duties and membership of which shall be determined as set forth in these Bylaws or as prescribed by resolution of the Board.

Section 5 – OTHER COMMITTEES OF THE BOARD – The Board may, by duly authorized resolution, designate from among its members one or more other committees in addition to the Audit Committee and Executive Committee, such committees to have such authority, duties and responsibilities as may be prescribed by resolution of the Board.

Section 6 – PAYMENT OF MONEY – (a) All bills, notes, checks, drafts, acceptances or other instruments, and orders for the payment or withdrawal of any and all monies, credits, items and property at any time by any depository for the Housing Development Fund’s bankable papers and funds, except for matters and transactions relating to any monies granted or appropriated to the Housing Development Fund by the Governor or the Legislature of the State and held by the State in accounts subject to the State’s fiscal responsibility or control, shall be signed or countersigned in such manner as from time to time may be prescribed by resolution of the Board.

(b) The Chair and Executive Director, and each of them, are hereby empowered to act on behalf of the Housing Development Fund on all matters and transactions relating to any monies granted or appropriated to the Housing Development Fund by the Governor and Legislature of the State and held by the State in accounts subject to the State’s fiscal responsibility or control, in such manner as from time to time may be prescribed by statutes of the State, or by resolution of the Board.

(c) Any two of the Chair, the Vice Chair, the Treasurer, the Executive Director, or an Assistant Treasurer (including a combination of two Assistant Treasurers) ~~Any of the combinations of two of the Housing Development Fund’s officers named in subsection (a) of this section~~ are hereby empowered to authorize and approve on behalf of the Housing Development Fund any expenditures and disbursements for reimbursement of per diem costs and travel expenses up to any maximum limit prescribed within budgets approved by the Board incurred by any Director ~~or officer of the Housing Development Fund.~~ An Assistant Treasurer and any one of Chair, the Vice Chair, or the Treasurer are hereby empowered to authorize and approve on behalf of the Housing Development Fund any expenditures and disbursements for reimbursement of per diem costs and travel expenses within budgets approved by the Board incurred by the Executive Director.

Section 7 – CONTRACTS – All contracts and other obligations of the Housing Development Fund shall be signed by the Executive Director unless, by resolution of the Board, other officers or employees of the Housing Development Fund are authorized to execute contracts or other obligations of the Housing Development Fund.

Section 8 – INDEMNIFICATION – (a) To the extent permissible by law, the Housing Development Fund shall indemnify each Director and each officer of the Housing Development Fund, designated in Articles IV and V hereof, and the staff of the Housing Development Fund,

now or hereafter serving as such, who was, is or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (including an action by, or in the right of, the Housing Development Fund), by reason of the fact that he or she is or was a Director, officer, or agent of the Housing Development Fund or is or was serving at the request of the Housing Development Fund as a board member, officer or agent of another corporation, partnership, joint venture, trust or other organization.

(b) Said indemnification shall be against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the aforementioned individuals in connection with such action, suit or proceeding, including any appeal thereof, if they acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interest of the Housing Development Fund.

(c) No indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of his or her duties for the Housing Development Fund, except to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that such court shall deem proper. Indemnity with respect to any criminal action or proceeding will be provided only when the Director or officer had no reasonable cause to believe his or her act was unlawful.

(d) The amount paid to any Director, officer or agent of the Housing Development Fund by way of indemnification shall not exceed the actual, reasonable and necessary expenses incurred in connection with the matter involved. The foregoing right of indemnification shall be in addition to but not exclusive of, any other right to which such Director or officer of the Housing Development Fund may otherwise be entitled by law.

Section 9 – AUDIT– The Housing Development Fund's books, accounts and records shall be subject to the inspection of the Directors of the Housing Development Fund at any time and to audit by the independent certified public accountants selected by the Board, which audit shall be made annually at the close of each fiscal year and at such other times and for such other periods as the Board may determine. The audit and other reports required by law shall be furnished to the Legislature, ~~EMMA~~[Electronic Municipal Market Access](#), and such other persons and/or agencies as may be required by law from time to time.

ARTICLE VII

Vacancy

The election to fill vacancies in the offices of Vice Chair, Secretary and Treasurer may be held at any special meeting of the Board called therefor or at any regular meeting of the Board.

ARTICLE VIII

Amendments

The Board shall have power to make, alter, amend, suspend and repeal the Bylaws of the Housing Development Fund by vote of not fewer than six Directors at a special meeting of the Board called therefor, or at any ~~annual or~~ regular meeting of the Board.