

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
April 24, 2019

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, April 24, 2019, at the offices of the West Virginia Housing Development Fund, 5710 MacCorkle Avenue, SE, Charleston, West Virginia. The Chair called the meeting to order at 9:03 a.m. with the following members present throughout, except where noted:

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

Staff present:

Erica Boggess, Executive Director
Julie Davis, Deputy Director – Production
Crystal Toney, Deputy Director - Administration
George Gannon, Communications Administrator
Chad Leport, Division Manager - Accounting and Finance
Cathy Colby, Senior Manager – HOME and HTF Programs
Martha Lilly, Legal Assistant
Kelley Ridling, Senior Manager - Internal Audit
Kristin Shaffer, Senior Legal Counsel
Nathan Testman, Senior Division Manager – Multifamily Lending
Dorothy White, Federal Compliance Officer
Michelle Wilshere, Senior Manager – Low Income Housing Tax Credit Program
Bret Jones, Credit and Risk Analyst
Joshua Brown, Senior Manager – Asset Management
Lauren Hunter, Loan Processor and Closer
Warnie White, Multifamily Loan Processor and Closer
Jill Martin, Executive Assistant

Jon Rogers, Senior Division Manager – Single Family Lending

Others Present:

Samme Gee, Jackson Kelly PLLC

Kelley Goes, Jackson Kelly PLLC

Susan Baxter, West Virginia Department of Agriculture

APPROVAL OF THE MINUTES OF MARCH 27, 2019
MEETING

Member David Gardner moved the approval of the minutes of the March 27, 2019 meeting. His motion was seconded by Member John Gianola, and, upon the affirmative vote of nine (9) members present, the Chair declared the motion adopted.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED
MARCH 31, 2019

Chad Leport reviewed the financial statements for the period ended March 31, 2019. The financials were accepted as presented.

CONSIDERATION OF MULTIFAMILY PERMANENT LOAN
AND HOME LOAN TO WEST VILLAGE

Nathan Testman presented two loan requests from West Village, LLC, for construction and permanent financing of a forty-seven (47) unit Low-Income Housing Tax Credit Program (“LIHTCP”) project located in Huntington, West Virginia known as West Village Apartments that will target seniors with incomes at or below 60% Area Median Income (AMI).

Mr. Testman informed the Board that the project has several strengths including a market demand for the units and project-based rental assistance for twelve (12) of the units from the Huntington Housing Authority. Mr. Testman also stated that the Borrower, Owner and Developer for the project have extensive experience developing affordable housing through the LIHTCP Program, and staff has a high level of confidence in their ability to develop the proposed project.

Mr. Testman stated that the first request is for the permanent loan in the amount of up to \$300,000 with an interest rate of 5.0%. The loan will be secured by a first lien deed of trust on the land and improvements known as West Village Apartments and the Borrower’s operating and

replacement reserves associated with the project. Mr. Testman also explained that limited guaranties will provide additional security for the permanent loan.

Mr. Testman stated that the second request is for a HOME loan for construction and permanent financing in the amount of up to \$817,000 with an interest rate of up to 1%. The HOME loan will be secured by a second lien deed of trust on the subject property. The HOME loan will also be secured by guaranty agreements.

Following discussion, Member Gardner moved approval of a permanent loan in the amount of up to \$800,000 substantially in the form as presented with flexibility to allow staff to make minor changes that do not impact the Fund's risk. His motion replwas seconded by Representative Josh Stowers, and, upon the affirmative vote of nine (9) members present, the Chair declared the motion adopted.

Member Gardner moved the approval of a HOME loan in the amount of up to \$817,000 substantially in the form as presented with flexibility to allow staff to make minor changes that do not impact the Fund's risk. His motion was seconded by Member Sam Kapourales, and, upon the affirmative vote of nine (9) members present, the Chair declared the motion adopted.

CONSIDERATION OF HOME CHDO LOAN TO WOLFE STREET APARTMENTS

Mr. Testman presented a loan request from Woodlands Development Group, Inc. to finance the construction of a three (3) unit HOME CHDO Rental Program project located in Philippi, West Virginia known as Wolfe Street Apartments that will target families with incomes at or below 60% Area Median Income (AMI).

Mr. Testman informed the Board that the Borrower, Owner and Developer of the project is Woodlands Development Group, Inc. ("WDG"). Staff has a high level of confidence in WDG's ability to complete the project given its extensive experience developing HOME-funded affordable housing units.

Mr. Testman stated that the Fund is requesting the approval of a HOME CHDO loan in the amount of up to \$615,000 with an interest rate of 0.00%. The HOME CHDO loan will be secured by a first lien deed of trust on the land and improvements known as Wolfe Street Apartments and the by the replacement and preservation reserve accounts associated with the project. Mr. Testman stated that the Fund will also require an irrevocable letter of credit equal to ten percent (10%) of the total loan amount during construction.

Following discussion, Member Gardner moved the approval of a HOME CHDO loan in the amount of up to \$615,000 as presented. His motion was seconded by Member Bob Nistendirik,

and, upon the affirmative vote of nine (9) members present, the Chair declared the motion adopted.


RECOMMENDATION FOR FUNDING ALLOCATION TO
HOME4GOOD

Mr. Testman informed the Board that at the May 2018 Board meeting, the Board authorized the Fund to enter into an agreement with the Federal Home Loan Bank of Pittsburgh (the FHLB) to administer the Home4Good program. In 2018, FHLB's allocation to the State of West Virginia was \$1.1 million. The Board authorized the Fund to contribute matching funds in the amount of \$250,000 for a total of \$1.35 million. FHLB has committed to another \$1.1 million allocation for West Virginia in 2019.

Mr. Testman stated that staff is recommending that the Board authorize the allocation of \$250,000 in matching dollars toward the 2019 Home4Good program. Mr. Testman explained that the Fund's matching dollars will continue to be allocated only to costs that are permissible under the Fund's Act. In addition, Mr. Testman stated that staff is recommending that the Board authorize the execution of necessary documents to continue the partnership with FHLB and the administration of the Home4Good program.

Member Gardner moved the approval of a Home4Good Program allocation in the amount of \$250,000 and the authorization to execute necessary documents to continue the partnership with FHLB and the administration of the Home4Good program, as presented. His motion was seconded by Representative Stowers, and upon the affirmative vote of nine (9) members present, the Chair declared the motion adopted.

There being no further business, Member Kapourales moved to adjourn the meeting. His motion was seconded by Representative Steven Travis. Meeting adjourned at 9:52 a.m.


Martha Lilly, Assistant Secretary