

MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS  
WEST VIRGINIA HOUSING DEVELOPMENT FUND  
June 24, 2020

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, June 24, 2020 via telephone. The telephone number was made available to the public in the Notice of Meeting of the Board of Directors posted on the Secretary of State website, the Fund's website, and at the gate of the West Virginia Housing Development Fund. The Chair called the meeting to order at 9:06 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  
Patrick Martin, Member  
Bob Nistendirk, Member  
Josh Stowers, Representative for the Honorable John Perdue, Treasurer

Members Absent:

Wendy McCuskey, Member  
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General

Staff present:

Erica Boggess, Executive Director  
Josh Brown, Senior Manager – Asset Management  
Cathy Colby, Senior Manager – HOME and HTF Programs  
Julie Davis, Deputy Director – Production  
George Gannon, Communications Administrator  
Chad Leport, Division Manager – Accounting and Finance  
Martha Lilly, Legal Assistant  
Alicia Massie, Legal Counsel - Compliance  
Kelley Ridling, Senior Manager – Internal Audit  
Jon Rogers, Senior Division Manager – Single Family Lending  
Lori Ryan, Executive Assistant  
Nathan Testman, Division Manager – Multifamily Lending  
Crystal Toney, Deputy Director – Administration  
Michelle Wilshere, Senior Manager – Low Income Housing Tax Credit Program

Others Present:

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

#### APPROVAL OF THE MINUTES OF MAY 27, 2020, MEETING

Member David Gardner moved the approval of the minutes of the May 27, 2020 meeting. His motion was seconded by Member Patrick Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

#### FINANCIAL STATEMENTS FOR THE PERIOD ENDED MAY 31, 2020

Chad Leport presented the financial statements for the period ended May 31, 2020. The financials were accepted as presented.

#### FY 2021 OPERATING BUDGET

Member John Gianola informed the Board that the Audit Committee approved the budget for further recommendation to the Board during the Audit Committee meeting prior to the Board meeting.

A brief discussion followed.

Member Gardner moved the approval of the Proposed Fiscal Year 2021 Operating Budget. His motion was seconded by Member Bob Nistendirk, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Fiscal Year 2021 Operating Budget is attached as Exhibit A.

#### FY 2021 PROGRAM FUNDING ALLOCATIONS

Member Gianola informed the Board that the Audit Committee approved the 2021 Funding Allocations for further recommendation to the Board during the Audit Committee meeting prior to the Board meeting.

Member Martin moved approval of Fiscal Year 2021 Funding Allocations as presented. His motion was seconded by Member Gardner and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Fiscal Year 2021 Funding Allocations is attached as Exhibit B.

#### FY 2021 PROJECTION OF REVENUES AND EXPENSES

Ms. Toney presented the Fiscal Year 2021 Projection of Revenues and Expenses and stated that the Projection is based on several factors, including anticipated production, historical revenues and expenses, and anticipated changes in those historical amounts.

Ms. Toney stated that the 2021 Projection of Revenues and Expenses projects net earnings of \$10.5 million for the Fiscal Year ending June 20, 2021 and that 2021 net earnings are projected to decrease approximately \$3.6 million. The decrease is primarily due to an increase in Affordable Housing Fund disbursements due to timing, an increase in the FY2021 operating budget as compared to FY2020 actual expenses, a decrease in investment earnings due to lower interest rates and lower cash balances and an increase in interest and debt expense due to an increase in outstanding debt and a decrease in bond redemptions.

A copy of the Fiscal Year 2021 Projection of Income and Expenses for the Fund is attached as Exhibit C.

CONSIDERATION OF BOND INDUCEMENT RESOLUTION FOR  
CONDUIT FINANCING OF UP TO \$10,750,000 FOR THE  
ACQUISITION AND REHABILITATION OF PARKLAND  
CHAPMANVILLE PRESERVATION, LLC

Julie Davis presented a request for approval of a Bond Inducement Resolution on behalf of Parkland Chapmanville Preservation, LLC. The proposed transaction will involve the acquisition and rehabilitation of two (2) properties: Parkland Place, a 133-unit affordable rental project for seniors, located in Wood County, and Chapmanville Towers, an 88-unit affordable residential rental project for seniors located in Boone County (together, the "Property"). The borrower for the transaction, Parkland Chapmanville Preservation, LLC, is in the process of applying for 4% tax credits. If awarded the credits, it will need tax exempt bond financing to fund a portion of the costs of the acquisition and rehabilitation of the project.

Ms. Davis explained that the Fund is being asked to serve as the conduit bond issuer on behalf of Parkland Chapmanville Preservation, LLC, and the bond amount requested is not to exceed \$10,750,000. The Fund, as the conduit issuer, will provide access to the tax-exempt bond market. Ms. Davis stated that the bonds will not be a general or moral obligation of the Fund, and the bonds are not a debt of the State. Any default by the borrower will not affect the Fund's ratings. The bonds will use bond volume cap and count against the Fund's maximum bonds outstanding limit of \$1.25 billion, and Ms. Davis stated that the Fund has sufficient bond volume cap to meet this request. The Fund will earn a financing fee of \$10,000, and all costs of issuance will be paid by the borrower.

Ms. Davis recommended the Board's approval of the Bond Inducement Resolution with Parkland Chapmanville Preservation, LLC. If approved, Ms. Davis stated that staff and the financing team will begin the preliminary steps of the financing transaction, and staff will return to the Board for approval of the final bond authorizing resolution before issuing the bonds.

Member Gardner moved approval of the Bond Inducement Resolution on behalf of Parkland Chapmanville Preservation, LLC for conduit financing of up to \$10,750,000 for the acquisition and rehabilitation of Parkland Place and Chapmanville Towers. His motion was

seconded by Member Sam Kapourales, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Bond Inducement Resolution is attached as Exhibit D.

ADOPTION OF FINAL PROCUREMENT RULES AND  
AUTHORIZATION TO COMPLETE FILING

Erica Boggess informed the Board that during the 2020 Legislative session, HB 4042 passed which requires that agencies exempt from State procurement requirements file procedural rules establishing purchasing procedures prior to September 1, 2020. The Board approved the proposed rules at the April 22, 2020 meeting, staff filed the proposed rules with the Secretary of State, and the 30-day public comment period ended on May 22, 2020. Ms. Boggess reported that the Fund did not receive any public comments.

Ms. Boggess stated that staff is requesting the Board's adoption of the procurement rules as final and the authority to take the necessary actions to finalize the rules as required by the Secretary of State. The procurement rules will become effective 30 days after filing.

Representative Norm Bailey moved the adoption of final procurement rules and authorization to complete filing. His motion was seconded by Member Martin, and upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF MULTIFAMILY CONSTRUCTION LOAN OF  
UP TO \$3,030,000 AND APPROVAL OF HOME LOAN OF  
UP TO \$388,000 FOR DUNHILL APARTMENTS

Nathan Testman presented a loan request from Dunhill Apartments Limited Partnership to finance the rehabilitation of a thirty-two (32) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Huntington, West Virginia known as Dunhill Apartments.

Mr. Testman stated that the Project consists of four (4) two-story buildings. Eight (8) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and twenty-four (24) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that the developer for the Project is Buckeye Community Hope Foundation ("BCHF"). BCHF as a developer and/or general partner in project partnerships has been awarded competitive tax credits for over 75 rental communities (eleven projects in West Virginia) and staff has a high level of confidence in BCHF's ability to develop the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$3,030,000, with interest at the rate of up to 4.75% or a variable equivalent rate with a floor, for a term of 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Dunhill Apartments, the corporate guarantees of BCHF Huntington

Housing Partners, Inc. and Buckeye Community Hope Foundation, and Payment and Performance Bonds equal to 100% of the construction contract.

Member Martin moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Dunhill Apartments, as presented. His motion was seconded by Member Gianola, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of the HOME loan financing of up to \$388,000, with interest at the rate of up to 1%, for a term of 20 years. Based on final underwriting, all or a portion of the HOME loan will be deferred. The loan will be secured by a second lien deed of trust on the land and improvements known as Dunhill Apartments, the Borrower's operating and replacement reserves associated with the Project, and the corporate guarantees of BCHF Huntington Housing Partners, Inc., and Buckeye Community Hope Foundation during construction.

Member Martin moved to approve the request for the HOME loan for the rehabilitation of Dunhill Apartments, as presented. His motion was seconded by Member Gardner, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF MULTIFAMILY AND LAND DEVELOPMENT  
CONSTRUCTION LOAN OF UP TO \$5,140,000 AND  
APPROVAL OF MULTIFAMILY PERMANENT LOAN UP TO  
\$950,000 FOR GLADE VIEW APARTMENTS

Mr. Testman presented a loan request from Glade View Apartments LLC ("Borrower") to finance the new construction of a thirty-three (33) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project to be located in Cowen, West Virginia known as Glade View Apartments.

Mr. Testman stated that the Project consists of four (4) two-story buildings. Nine (9) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and twenty-four (24) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that the developer for the Project is AU Associates, Inc. ("AU"). AU is a very experienced developer that has developed over 1,000 housing units, including numerous LIHTC projects in Kentucky and West Virginia. Staff has a high level of confidence in AU's ability to develop the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$5,140,000, with interest at the rate of up to 4.75% or a variable equivalent rate with a floor, for a term of 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Glade View Apartments, the personal guarantee of Holly B. Wiedemann, Corporate guarantees of AU Associates, Inc. and AU Glade View GP, LLC, and Payment and Performance Bonds equal to 100% of the construction contract.

Member Martin moved to approve the request for the Multifamily Construction Loan for the new construction of Glade View Apartments, as presented. His motion was seconded by Representative Josh Stowers, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of a Multifamily Permanent Loan in the amount of up to \$950,000, with interest at the rate of up to 4.75%, for a term of 40 years. The loan will be secured by a first lien deed of trust on the land and improvements known as Glade View Apartments, the Borrower's operating and replacement reserves associated with the Project, and USDA 538 GRRHP Option 1 Permanent Loan Guarantee. Limited, non-recourse guarantees of the corporate owners may also be required.

Member Nistendirk moved to approve the request for the Multifamily Permanent loan for the new construction of Glade View Apartments, as presented. His motion was seconded by Member Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF MULTIFAMILY AND LAND DEVELOPMENT  
CONSTRUCTION LOAN OF UP TO \$5,860,000; APPROVAL OF  
A MULTIFAMILY PERMANENT LOAN OF UP TO \$765,000;  
AND APPROVAL OF A HOME LOAN OF UP TO \$750,000 FOR  
HOBBS GREENE

Mr. Testman presented a loan request from Carnegie Greene 37 Limited Partnership ("Borrower") for new construction and permanent loan financing of a thirty-nine (39) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Wheeling, West Virginia known as Hobbs Greene.

Mr. Testman stated that the Project consists of one (1) building. Ten (10) units are designated for tenants with income at or below 50% of Area Median Income (AMI) and twenty-nine (29) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that the developer for the Project is The Woda Group, Inc. ("Woda"). Woda is one of the largest affordable housing developers in the country, and has produced 40 LIHTC properties for a total of 1,690 units. Staff has a high level of confidence in the development team's ability to produce the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$5,860,000, with a variable interest rate of WSJP (currently 3.25%) with a floor of 3.5% or fixed rate equivalent, for a term of 24 months. The construction loan will be secured by a first lien deed of trust on the land and improvements known as Hobbs Greene, and the Corporate guarantees of Woda Construction, Inc. and Woda Cooper Companies, Inc.

Representative Bailey moved to approve the request for the Multifamily Construction Loan for the new construction of Hobbs Greene, as presented. His motion was seconded by Member Nistendirk, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of a Multifamily Permanent Loan financing of up to \$765,000, with interest at the rate of up to 4.75%, for a term of 35 years with a 20-year balloon maturity. The loan will be secured by a first lien deed of trust on the land and improvements known as Hobbs Greene and by the Borrower's operating and replacement reserves associated with the Project. Limited, non-recourse guarantees of the corporate owners may also be required.

Representative Bailey moved to approve the request for the Multifamily Permanent loan for the new construction of Hobbs Greene. His motion was seconded by Member Kapourales, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of the HOME loan financing of up to \$750,000, with interest at the rate of up to 1%, for a term of 20 years. Based on final underwriting, all or a portion of the HOME loan balance will be deferred. The loan will be secured by a second lien deed of trust on the land and improvements known as Hobbs Greene, the Borrower's operating and replacement reserves associated with the Project, and the corporate guarantees of Woda Construction, Inc. and Woda Cooper Companies, Inc.

Representative Bailey moved to approve the request for the HOME loan for the new construction of Hobbs Greene. His motion was seconded by Member Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF FHLB CONTRACT – MORTGAGE PARTNERSHIP  
FINANCE PROGRAM

Jon Rogers informed the Board that the Fund's single-family mortgage business represents around 80% to 90% of the Fund's annual lending totals. The most impactful trend observed is the migration of a large portion of mortgages from private mortgage insurance to government insurance, namely Federal Housing Administration (FHA) mortgage insurance.

Mr. Rogers stated that staff met with the Federal Home Loan Bank (FHLB) of Pittsburg and learned that it purchases FHA-insured mortgages in a similar way to which the Fund sells loans to Fannie Mae. As with Fannie Mae, the Fund would continue to service all loans it sells to the FHLB. Staff believes this will become an important source of lending capital for the Fund by supplying a much-needed outlet for the Fund to sell loans when loan volume exceeds available recycled program cash.

Mr. Rogers stated that staff seeks the Board's adoption of the Participating Financial Institution Resolution and approval of all other documents and agreements that may be necessary and proper for the Fund to establish a relationship with the FHLB as a Participating Financial Institution in the Mortgage Partnership Finance Program.

Member Martin moved the adoption of the request to approve the Mortgage Partnership Finance Program as presented. His motion was seconded by Representative Nistendirk, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

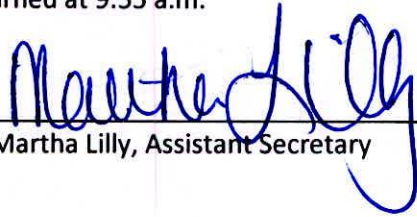
A copy of the Board Resolution is attached as Exhibit E.

EXECUTIVE SESSION – TO DISCUSS LEGAL MATTERS  
PURSUANT TO W. VA CODE § 6-9A-4(b)(7)

The Board did not go into Executive Session.

ADJOURNMENT

There being no further business, Member Gardner moved to adjourn the meeting. His motion was seconded by Member Kapourales. Meeting adjourned at 9:55 a.m.

  
Martha Lilly, Assistant Secretary