

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
September 23, 2020

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, September 23, 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 9:03 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
John Gianola, Member
Sam Kapourales, Member
Patrick Martin, Member
Bob Nistendirk, Member
Josh Stowers, Representative for the Honorable John Perdue, Treasurer
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General

Members Absent:

David Gardner, Member
Wendy McCuskey, Member

Staff present:

Erica Boggess, Executive Director
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
Lori Ryan, Executive Assistant
Kristin Shaffer, Senior Legal Counsel
Nathan Testman, Senior Division Manager – Multifamily Lending
Dorothy White, Federal Compliance Officer
Crystal Toney, Deputy Director – Administration
Michelle Wilshere, Senior Manager – Low Income Housing Tax Credit Program

Others Present:

Rob Adams – Brown Edwards
Anthony Carpenter – Brown Edwards

Samme Gee - Jackson Kelly PLLC
Kelly Goes – Jackson Kelly PLLC
Staunton Gorrell – Brown Edwards

APPROVAL OF THE MINUTES OF AUGUST 26, 2020,
MEETING

Representative Norman Bailey moved the approval of the minutes of the August 26, 2020 meeting. 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.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST
31, 2020

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

CONSIDERATION/APPROVAL OF RELEASE OF THE AUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30,
2020

Mr. Leport informed the Board that three of the four annual audit reports have been issued by the Fund as of June 30, 2020. The Fund received unmodified opinions on all the financial statements. The Federal Financial Assistance Audit is not finished and will be presented to the Board upon completion. Mr. Leport noted that the Audit Committee approved the Fiscal Year 2020 Audited Financial Statements, the Audited Financial Statements' and Other Information, and the Fiscal Year 2020 Comprehensive Annual Financial Statement and approve the release to the public and other necessary entities at its September 23, 2020 meeting.

Member Gianola informed the Board that Mike Murphy gave a presentation regarding the Fund's cyber security policies to the Audit Committee.

CONSIDERATION OF BOND INDUCEMENT RESOLUTION FOR
CONDUIT FINANCING OF UP TO \$7,000,000 FOR THE NEW
CONSTRUCTION OF FAIRLAWN APARTMENTS

Julie Davis presented a request for approval of a Bond Inducement Resolution on behalf of Fairlawn Senior Associates, LLC. The proposed transaction will involve the new construction of Fairlawn Apartments, a 70-unit affordable residential rental project for seniors to be located in Dunbar (the "Property"). The Fund has partnered with the West Virginia Development Office to administer a portion of the CDBG-DR funds and 4% tax credits through a combined application process of the CDBG-DR WV Multifamily Rental Housing Program and the Low-Income Housing Tax Credit Program. As a requirement of receiving 4% tax credits, tax-exempt bonds must be issued for financing of the new construction of this Property.

Ms. Davis explained that the Fund is being asked to serve as the conduit bond issuer on behalf of Fairlawn Senior Associates, LLC, and the bond amount requested is not to exceed \$7,000,000. 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 20 basis points of the issuance amount and all costs of issuance will be paid by the Borrower.

Ms. Davis recommended the Board's approval of the Bond Inducement Resolution with Fairlawn Senior Associates, 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.

Representative Josh Stowers moved approval of the Bond Inducement Resolution on behalf of Fairlawn Senior Associates, LLC for conduit financing of up to \$7,000,000 for the new construction of Fairlawn Apartments. 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.

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

ANNUAL ELECTION OF OFFICERS AND APPOINTMENT OF ASSISTANT OFFICERS

Erica Boggess stated that, under West Virginia Code §§ 31-18-4 (g) and 31-18-5 (d), the Board shall annually elect a Vice-Chair, Secretary and Treasurer from its membership. The Chair of the Board is the Governor or his designee, Vice-Chair is currently David Gardner, Secretary is Sam Kapourales, and Treasurer is the State Treasurer John Perdue.

Member Sam Kapourales requested that he not be nominated as Secretary.

Member John Gianola moved to nominate David Gardner as Vice-Chair, Bob Nistendirk as Secretary, and State Treasurer John Perdue as Treasurer. His motion was seconded by Member Martin and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Member Gianola moved to approve the nominations of David Gardner as Vice-Chair, Bob Nistendirk as Secretary, and State Treasurer John Perdue as Treasurer. His motion was seconded by Member Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Ms. Boggess noted that, under Article V, Sections 3 and 4 of the Fund's Bylaws, the Board may appoint or designate one or more Assistant Secretaries and Assistant Treasurers.

Ms. Boggess stated that staff recommends the reappointment of Crystal Toney and Julie Davis as Assistant Treasurers, and the reappointment of Kristin Shaffer and Martha Lilly as Assistant Secretaries.

Member Gianola moved to reappoint Crystal Toney and Julie Davis as Assistant Treasurers and to reappoint Kristin Shaffer and Martha Lilly as Assistant Secretaries. His motion was seconded by Member Martin, and, upon the approval of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF SIGNATORIES

Kristin Shaffer stated that the Board previously adopted a resolution authorizing full signature authority to Erica Boggess, Crystal Toney, Julie Davis and Kristin Shaffer and that the resolution also listed the employees serving as Assistant Treasurers and Assistant Secretaries at that time. Ms. Shaffer explained that staff requests the Board adopt a new resolution confirming the full signature authority of Erica Boggess, Crystal Toney, Julie Davis and Kristin Shaffer and authorizing the current employees serving as Assistant Treasurers and Assistant Secretaries to perform the duties associated with those positions.

Member Martin moved the approval of signatories. His motion was seconded by Member Gianola, and, upon the approval of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Signatory Resolution is attached as Exhibit B.

EXECUTIVE SESSION TO DISCUSS LEGAL MATTERS
PURSUANT TO W. VA. CODE §6-9A-4(b)(7) AND EXECUTIVE
SESSION TO DISCUSS MATTERS INVOLVING
COMMERCIAL COMPETITION, WHICH IF MADE PUBLIC,
MIGHT ADVERSELY AFFECT THE FINANCIAL OR OTHER
INTEREST OF THE STATE OR ANY POLITICAL SUBDIVISION
PURSUANT TO W. VA CODE §6-9A-4(b)(9)

Member Gianola moved that the Board enter Executive Session to discuss legal matters pursuant to W. Va. Code §6-9A-4(b)(7) and Executive Session to discuss matters involving commercial competition, which if made public, might adversely affect the financial or other interest of the State or any Political Subdivision pursuant to W. Va. Code §6-9A-4(b)(9). 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. The Board adjourned into Executive Session at 9:20 a.m.

The Executive Session concluded at 9:59 a.m. Chair Urling stated that no action took place during the Executive Session.

ADJOURNMENT

There being no further business, Representative Nistendirk moved to adjourn the meeting. His motion was seconded by Member Gianola. Meeting adjourned at 10:00 a.m.



Martha Lilly, Assistant Secretary