

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
March 24, 2021

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, March 24, 2021 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 9:04 a.m. with the following members present throughout, except where noted.

Ann Urling, Chair

Norm Bailey, Representative for the Honorable Kent Leonhardt, Commissioner of Agriculture

John Gianola, Member

Kara Hughes, Representative for the Honorable Riley Moore, State Treasurer

Sam Kapourales, Member

Patrick Martin, Member

Bob Nistendirk, Member

Kris Raynes, Member

Chris Stansbury, Member

Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General

Members Absent:

Wendy McCuskey, Member

Staff present:

Erica Boggess, Executive Director

Tammy Bonham, Division Manager – Loan Servicing

Cathy Colby, Senior Manager – HOME and HTF Programs

Julie Davis, Deputy Director – Production

Zachary Fisher, Internal Auditor

George Gannon, Communications Administrator

Trisha Hess, Senior Manager – Accounting

Darlene King, Multifamily Programs Administrator

Chad Leport, Division Manager – Finance and Federal Financial Compliance

Michael Lindsco, Manager – Asset Management

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
Kristin Shaffer, Senior Legal Counsel
Nathan Testman, Senior Division Manager – Multifamily Lending
Crystal Toney, Deputy Director – Administration
Dorothy White, Federal Compliance Officer
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 THE FEBRUARY 24,
2021, MEETING

Member Bob Nistendirk moved the approval of the minutes of the February 24, 2021 meeting. His motion was seconded by Member Chris Stansbury, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

Member Kris Raynes joined the meeting.

FINANCIAL STATEMENTS AND DELINQUENCY REPORTS
FOR THE PERIOD ENDED FEBRUARY 28, 2021

Crystal Toney presented the financial statements and delinquency reports for the period ended February 28, 2021. The financials and delinquency reports were accepted as presented.

CONSIDERATION OF BOND INDUCEMENT RESOLUTION
FOR CONDUIT FINANCING OF UP TO \$3,500,000 FOR
JOSEPH'S CROSSING

Chad Leport presented a request for approval of a Bond Inducement Resolution on behalf of WC Joseph's Crossing, Limited Partnership. The proposed transaction will involve the acquisition and rehabilitation of Joseph's Crossing, a 42-unit Low-Income Housing Tax Credit Program ("LIHTCP") residential rental project located in Summersville. The Fund has partnered with the West Virginia Development Office (the "Development Office") to administer a portion of the CDBG-DR funds 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 rehabilitation of this project.

Mr. Leport explained that the Fund is being asked to serve as the conduit bond issuer on behalf of WC Joseph's Crossing, Limited Partnership, and the bond amount requested is not to exceed \$3,500,000. The Fund, as the conduit issuer, will provide access to the tax-exempt bond market. Mr. Leport 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 Mr. Leport 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.

Mr. Leport recommended the Board's approval of the Bond Inducement Resolution with WC Joseph's Crossing, Limited Partnership. If approved, Mr. Leport 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 Pat Martin moved approval of the Bond Inducement Resolution on behalf of WC Joseph's Crossing, Limited Partnership for conduit financing of up to \$3,500,000 for the acquisition and rehabilitation of Joseph's Crossing. His motion was seconded by Member John Gianola, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

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

CONSIDERATION OF BOND INDUCEMENT RESOLUTION
FOR CONDUIT FINANCING OF UP TO \$5,200,000 FOR
STOCKTON GREENE

Mr. Leport presented a request for approval of a Bond Inducement Resolution on behalf of Stockton Greene, Limited Partnership. The proposed transaction will involve the new construction of Stockton Greene, a 43-unit Low-Income Housing Tax Credit Program ("LIHTCP") residential rental project for seniors located in Charleston (the "Property"). This project was also selected to receive CDBG-DR funds and 4% tax credits through the 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 the project.

Mr. Leport explained that the Fund is being asked to serve as the conduit bond issuer on behalf of Stockton Greene, Limited Partnership, and the bond amount requested is not to exceed \$5,200,000. The Fund, as the conduit issuer, will provide access to the tax-exempt bond market. Mr. Leport 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 Mr. Leport 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.

Mr. Leport recommended the Board's approval of the Bond Inducement Resolution with Stockton Greene, Limited Partnership. If approved, Mr. Leport 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 Stansbury moved approval of the Bond Inducement Resolution on behalf of Stockton Greene, Limited Partnership for conduit financing of up to \$5,200,000 for the new construction of Stockton Greene. His motion was seconded by Member Kris Raynes, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

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

CONSIDERATION OF MULTIFAMILY LOAN PROGRAM
PERMANENT LOAN AND CDBG-DR LOAN FOR JOSEPH'S
CROSSING

Nathan Testman presented loan requests from WC Joseph's Crossing Limited Partnership to finance the rehabilitation of a forty-two (42) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Summersville, West Virginia known as Joseph's Crossing.

Mr. Testman stated that the Project consists of eight (8) buildings (7 residential). All units are designated for tenants with income at or below 60% of Area Median Income (AMI).

Mr. Testman stated that the Project requested a permanent loan from the Fund's Multifamily Loan Program and a CDGB-DR Program loan. Mr. Testman explained that, as stated earlier, the Fund is partnering with the Development Office to administer the CDBG-DR funds and that, during the construction phase, the Fund will be the lender under the CDBG-DR loan documents, and once construction is complete the CDBG-DR loan will be assigned to the Development Office.

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. Woda has created over 12,000 housing units across 15 states and has a development portfolio of \$1.5 billion. In West Virginia, Woda has produced 40 LIHTC properties for a total of 1,698 units. Given the Developer's experience, staff has a high level of confidence in Woda's ability to develop the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Permanent Loan in the amount of up to \$900,000, with interest at the rate of up to 4.25%, for a term of 40 years. The Multifamily Permanent Loan will be secured by a first lien deed of trust on the land and

improvements known as Joseph's Crossing, the operating and replacement reserves associated with the Project, and a USDA 538 GRRHP Option 1 Permanent Loan Guarantee. Limited, non-recourse guarantees of the corporate owners may also be required.

Member Martin moved to approve the request for the Multifamily Permanent Loan for the construction of Joseph's Crossing, as presented. His motion was seconded by Member Sam Kapourales, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of a CDBG-DR loan of up to \$4,000,000, with interest at the rate of up to 2.25%. Mr. Testman noted that there is an error in the Board materials and that staff is requesting Board approval of a term of up to 40 years to match the term of the permanent loan. The loan will be secured by a second lien (junior only to the construction loan and WVHDF Permanent Loan, respectively) deed of trust on the land and improvements known as Joseph's Crossing and the operating and replacement reserves associated with the project. During construction, the CDBG-DR loan will also be secured by the corporate guarantees of WC Joseph's Crossing GP, LLC, Woda Construction, Inc., and Woda Cooper Companies, Inc. During the permanent phase, the CDBG-DR loan will be secured by a Performance and Repayment Guaranty and Replacement and Reserve Guaranty. Based on final underwriting, all or a portion of the CDBG-DR loan will be deferred.

Member Stansbury moved to approve the request for the CDBG-DR loan for the rehabilitation of Joseph's Crossing, as presented. His motion was seconded by Member Martin, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

CONSIDERATION OF MULTIFAMILY LOAN PROGRAM
PERMANENT LOAN AND CDBG-DR LOAN FOR
STOCKTON GREENE

Nathan Testman presented a loan request from Stockton Greene Limited Partnership to finance the new construction of a forty-three (43) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Charleston, West Virginia known as Stockton Greene. Mr. Testman stated that this Project was seeking both a permanent loan through the Fund's Multifamily Program and a CDBG-DR program loan.

Mr. Testman stated that the Project consists of one (1) building. Eleven (11) units are designated for tenants with income at or below 50% of Area Median Income (AMI) and thirty-two (32) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that Woda is the developer for the Project too, and, as explained earlier, staff has a high level of confidence in Woda's ability to develop the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Permanent Loan in the amount of up to \$1,200,000, with interest at the rate of up to 4.25% for a term of 40 years. The Multifamily Permanent Loan will be secured by a first lien deed of trust on the land and improvements known as Stockton Greene, and the operating and replacement reserves associated with the Project. The loan will also be secured by the limited guarantees of Stockton Greene GP, LLC, Woda Cooper General Partner, LLC, and Woda Cooper Companies.

Member Martin moved to approve the request for the Multifamily Permanent Loan for the new construction of Stockton Greene, as presented. His motion was seconded by Member Nistendirk, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of the CDBG-DR loan financing of up to \$4,400,000, with interest at the rate of up to 1.0% and a term of 20 years. The loan will be secured by a second lien (junior only to the construction loan and WVHDF Permanent Loan, respectively) deed of trust on the land and improvements known as Stockton Greene, and the operating and replacement reserved associated with the Project. During construction, the CDBG-DR loan will also be secured by the corporate guarantees of WC Stockton Greene GP, LLC, Woda Construction, Inc., Woda Cooper General Partner, LLC, and Woda Cooper Companies, Inc. During the permanent phase, the CDBG-DR loan will be secured by a Performance and Repayment Guaranty and a Replacement and Reserve Guaranty. Based on final underwriting, all or a portion of the CDBH-DR loan will be deferred.

Member Stansbury moved to approve the request for the CDBG-DR loan for the construction of Stockton Greene, as presented. His motion was seconded by Member Martin, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

UPDATE ON MOUNTAINEER RENTAL ASSISTANCE PROGRAM AND REQUEST FOR BUDGET AMENDMENT

Erica Boggess presented an update on the Mountaineer Rental Assistance Program (MRAP). Ms. Boggess explained that the Fund is now accepting and processing MRAP applications. Staff has been working long hours to develop the MRAP Policies and Procedures, engaging partners, and working with the software vendor to develop an application portal.

Ms. Boggess also informed the Board that Congress passed the American Rescue Plan providing additional funding for three housing related programs. 1) Emergency Rental Assistance Program V2, which will provide the State with an additional \$152 million for rental assistance. The funding must be obligated by October 1, 2022. 2) Homeowner Assistance Fund, which will provide the State with a \$50 million small state minimum, to assist homeowners with mortgage payments, taxes, insurance, utilities and other expenses. Funding for this program must be obligated by September 30, 2025. 3) Homeless Assistance and Supportive Services HOME program, which will provide additional funding under the HOME program. West Virginia's HOME allocation is currently

unknown, but will be in addition to the Fund's annual allocation amount. These funds are available until September 30, 2025.

Ms. Boggess noted that the Fund has not officially been designated to operate the new rental assistance funding or the homeowner assistance funding, and stated that the Fund is in the best position to administer the funds and is the current designee to administer the HOME program.

Ms. Boggess stated that in order to successfully administer these programs, staff is requesting authorization to hire up to six new staff positions. Reimbursement from the programs' administrative funds will cover the costs, and these positions may end at the end of the federal programs.

Member Martin moved to authorize the hiring of six new staff positions to manage the daily operations for the rental, homeownership, and HOME programs. His motion was seconded by Representative Norm Bailey, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

INFORMATIONAL ITEM – STATUS OF FEDERAL HOME LOAN BANK LIQUIDITY FACILITY

Jon Rogers informed the Board that the Fund recently completed all necessary qualifications to become a participant in the Mortgage Partnership Finance Program of the Federal Home Loan Bank-Pittsburgh (FHLB). This gives the Fund the ability to access mortgage lending capital by selling government-insurance mortgages to the FHLB when production exceeds the the Fund's lending capital to fund the Movin' Up Single-Family mortgage program.

Mr. Rogers stated that when selling loans to the FHLB, the Fund retains the loan servicing function on behalf of the FHLB and will be paid at a rate higher than Fannie Mae currently pays to service its loans. Staff is confident that this program positions the Fund well to manage future business needs.

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 Gianola moved to adjourn the meeting. His motion was seconded by Member Nistendirk. Meeting adjourned at 10:07 a.m.



Martha Lilly, Assistant Secretary