

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
May 26, 2021

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, May 26, 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 9:03 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

Patrick Martin, Member

Wendy McCuskey, Member

Bob Nistendirk, Member

Kris Raynes, Member

Karl Shanholtzer, Representative for the Honorable Riley Moore, State Treasurer

Chris Stansbury, Member

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

Members Absent:

Sam Kapourales, 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

George Gannon, Communications Administrator

Jessica Greathouse, Multifamily Programs Administrator

Trisha Hess, Senior Manager - Accounting

Chad Leport, Division Manager – Finance and Federal Financial Compliance

Martha Lilly, Legal Assistant

Kelley Ridling, Senior Manager – Internal Audit

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
Crede Evans, WV Department of Agriculture

APPROVAL OF THE MINUTES OF THE APRIL 28, 2021,
MEETING

Member Bob Nistendirk moved the approval of the minutes of the April 28, 2021 meeting. His motion was seconded by Member Patrick Martin, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

FINANCIAL STATEMENTS AND DELINQUENCY REPORTS
FOR THE PERIOD ENDED APRIL 30, 2021

Crystal Toney presented the financial statements and delinquency reports for the period ended April 30, 2021. The financials and delinquency reports were accepted as presented.

CONSIDERATION OF BOND INDUCEMENT
RESOLUTION FOR CONDUIT FINANCING OF UP TO
\$13,500,000.00 FOR SOUTHMOOR HILLS APARTMENTS

Julie Davis presented a request for approval of a Bond Inducement Resolution on behalf of Southmoor Redevelopment LP. The proposed transaction will involve the acquisition and rehabilitation of Southmoor Apartments, a 216-unit affordable residential rental project for families located in South Charleston (the "Property"). The borrower for the transaction, Southmoor Redevelopment LP, 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 Southmoor Redevelopment LP, and the bond amount requested is not to exceed \$13,500,000. 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 Southmoor Redevelopment LP. 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 Jon Gianola moved approval of the Bond Inducement Resolution on behalf of Southmoor Redevelopment LP for conduit financing of up to \$13,500,000 for the acquisition and rehabilitation of Southmoor Apartments. 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.

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

CONSIDERATION OF AN INCREASE TO BOND
ALLOCATION OF UP TO \$8,000,000 FOR FAIRLAWN
APARTMENTS

Ms. Davis informed the Board that in September 2020, the Board approved a Bond Inducement Resolution for Fairlawn Apartments, a 70-unit new construction project (the "Project") for seniors in Dunbar. The Bond Inducement Resolution authorized an issuance amount not to exceed \$7,000,000.

Ms. Davis explained that construction price increases have impacted costs for the Project, which led to an increase in the overall project budget and created the need for additional funding. The overall estimate is that the Project will need between \$7,500,000 and \$7,750,000 in bond issuance to finance qualifying costs for the Project. Due to the uncertainty in the rising costs of materials, staff is requesting the Board's consideration and approval to amend the prior Bond Inducement Resolution to replace the amount of \$7,000,000 with \$8,000,000 each place it appears. The Housing Development Fund currently has sufficient bond volume cap to meet this request and to cover its own financing needs.

Ms. Davis recommended the Board's approval of an amendment to the Bond Allocation for Fairlawn Apartments for up to \$8,000,000.

Member Martin moved approval of the amendment to the Bond Resolution, increasing the bond allocation to \$8,000,000 for the new construction of Fairlawn Apartments. His motion was seconded by Member Nistendirik, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

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

CONSIDERATION OF MULTIFAMILY PROGRAM
PERMANENT LOAN AND HOME PROGRAM LOAN FOR
LABELLE GREENE IV

Nathan Testman presented two loan requests from Labelle Greene IV Limited Partnership, to finance the new construction of a thirty-eight (38) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Wheeling known as LaBelle Green IV.

Mr. Testman stated that the Project consists of one (1) building. Ten (10) units are designated for tenants with income at or below 50% Area Median Income (AMI) and twenty-eight (28) units are designated for tenants with income at or below 60% 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. 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 \$810,000, with a fixed rate of up to 4.50%, for a term of 35 years, with a 20-year balloon maturity. The Multifamily Permanent Loan will be secured by a first lien deed of trust on the land and improvements known as LaBelle Green IV and Borrower's operating and replacement reserves associated with the project. Limited, non-recourse guarantees of the corporate owners may also be required.

Member Jon Gianola left the meeting.

Representative Karl Shanholtzer moved to approve the request for the Multifamily Permanent Loan for the new construction of LaBelle Greene IV, as presented. His motion was seconded by Member Kris Raynes, 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 HOME Loan in the amount of up to \$1,160,000, with an interest rate of up to 1.0%, for a term of 20 years. The HOME Loan will be secured by a second lien deed of trust on the land and improvements known as LaBelle Greene IV and Borrower's operating and replacement reserves associated with the project, and the corporate guarantees of LaBelle Greene IV GP, LLC, Woda Construction, Inc., Woda Cooper General Partner, LLC and Woda Cooper Companies, Inc. during the construction phase of the project.

Representative Shanholtzer moved to approve the request for the HOME Loan for the new construction of LaBelle Greene IV, 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.

INFORMATIONAL ITEMS - UPDATE ON MOUNTAINEER RENTAL ASSISTANCE PROGRAM AND FEDERAL PROGRAMS

Erica Boggess presented an update on the Mountaineer Rental Assistance Program (MRAP). Ms. Boggess explained that the Fund has disbursed over \$2.6 million.

Representative Norm Bailey joined the meeting.

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)

The Board did not go into Executive Session.

ADJOURNMENT

There being no further business, Member Raines moved to adjourn the meeting. His motion was seconded by Representative Norm Bailey. Meeting adjourned at 9:25 a.m.



Martha Lilly, Assistant Secretary