

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
July 28, 2021

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, July 28, 2021, in person and 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, and the Fund's website. 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 (via phone)

Kara Hughes, Representative for the Honorable Riley Moore, State Treasurer (via phone)

Bob Nistendirk, Member (via phone)

Chris Stansbury, Member (via phone)

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

Members Absent:

Sam Kapourales, Member

Patrick Martin, Member

Kris Raynes, 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

Trisha Hess, Senior Manager - Accounting

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

Lori Ryan, Executive Assistant

Nathan Testman, Senior Division Manager – Multifamily Lending

Crystal Toney, Deputy Director – Administration
Michelle Wilshere, Senior Manager – Low Income Housing Tax Credit Program

Others Present:

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

APPROVAL OF THE MINUTES OF THE JUNE 23, 2021,
MEETING

Representative Norm Bailey moved the approval of the minutes of the June 23, 2021 meeting. His motion was seconded by Representative Steven Travis, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

CONSIDERATION OF BOND AUTHORIZING RESOLUTION
FOR CONDUIT FINANCING UP TO \$10,750,000 FOR
PARKLAND/CHAPMANVILLE

Chad Leport requested the Board's approval of the Bond Authorizing Resolution for the Parkland Place and Chapmanville Towers project and explained that the Board approved a Bond Inducement Resolution on behalf of Parkland Chapmanville Preservation, LLC at the June 24, 2020 meeting.

Mr. Leport stated that the bond issuance will be in an amount not to exceed \$10,750,000 and that the bonds are required to qualify the project for 4% tax credits. The Fund will serve as the conduit issuer, which will provide Parkland Chapmanville Preservation, LLC, the Borrower, access to the tax-exempt market. The bond proceeds, along with other funds, will provide the Borrower with financing for the acquisition and rehabilitation of Parkland Place, a 133-unit residential housing project for seniors located in Parkersburg, WV, and Chapmanville Towers, an 88-unit affordable residential rental housing project for seniors located in Chapmanville, WV. The rehabilitation of Parkland Place and Chapmanville Towers will preserve the long-term affordability of these properties. The bonds have an expected maturity of February 1, 2024.

Mr. Leport informed the Board on June 25, 2021, staff submitted the proposed transaction, along with supporting materials, to the Department of Administration to obtain the Governor's approval. The Governor approved this bond transaction on July 15, 2021.

Mr. Leport stated that staff is asking the Board's approval of the Bond Authorizing Resolution for the project approving the following:

- The issuance of the Bonds in an amount not to exceed \$10,750,000

- The execution and delivery of the Bonds
- Providing parameters for establishing the provisions for redemption, maturity and interest rate and other terms of the Bonds
- Appointing the Executive Director as the issuer representative to approve final terms and bond pricing within such parameters
- The execution and delivery of a Trust Indenture
- The execution and delivery of a Loan Agreement
- The execution and delivery of a Bond Purchase Agreement
- Approving a preliminary official statement and authorizing an official statement
- Appointing bond counsel, general counsel, underwriter, financial advisor, trustee, registrar and paying agent
- The approval of the allocation of Bond Volume Cap to the Bonds
- Authorizing the execution and delivery of other documents
- And, all other actions relating to such financing

Mr. Leport informed the Board that Parkland Chapmanville Preservation, LLC was listed in the Board material as a West Virginia limited liability company, but it is a Delaware limited liability company. The correction has been made on the documents.

Representative Bailey moved the approval of the Bond Authorizing Resolution and bond documents in substantially the form presented, with the notation that Parkland Chapmanville Preservation, LLC is a Delaware limited liability company and not a West Virginia limited liability company. His motion was seconded by Representative Travis, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

A copy of the Bond Authorizing Resolution along with supporting documents is attached as Exhibit A.

CONSIDERATION OF MULTIFAMILY LENDING PROGRAM
PERMANENT LOANS FOR PARKLAND PLACE AND
CHAPMANVILLE TOWERS

Nathan Testman presented a loan request from Heritage Developer, LLC, to finance the permanent financing of Chapmanville Towers and Parkland Place (the "Project"), a scattered site 4% Low-Income Housing Tax Credit Program ("LIHTCP") project.

Mr. Testman stated that the Project consists of two separate sites, containing a total of 221 units. Chapmanville Towers is located in Chapmanville, Logan County, and Parkland Place is located in Parkersburg, Wood County. There are 219 one-bedroom units and 2 two-bedroom units in the Project. Fifty-six (56) units are designated for tenants with income at or below 40% Area Median Income (AMI) and one hundred sixty-five (165) units are designated for tenants with income at or below 60% AMI.

Mr. Testman informed the Board that this Project has several strengths. Through Section 8 Housing Assistance Payment (“HAP”) contracts, 219 of the 221 units benefit from Project-Based Rental Assistance, which covers rent costs that exceed 30% of a tenant’s income. In addition, the developer for the project is Heritage Developer, LLC (“Heritage”). David McCarthy, President and Founder of the Heritage companies, has 13 years of experience in affordable housing and multifamily development, including the development of 14 LIHTC projects in four states, totaling over 1,500 units. Given the owner/developer’s experience, staff has a high level of confidence in the development team’s ability to develop the proposed project.

Mr. Testman explained that the Project will utilize 4% Low-Income Housing Tax Credits, and that the development team chose a short-term collateral bond structure. Under this structure, the bonds will be secured by a cash collateral account funded by the permanent loan proceeds. Parkland Chapmanville Preservation LLC (“Parkland Chapmanville”), a single-asset entity created for the sole purpose of this Project, is receiving the tax credits. Parkland Chapmanville created two wholly owned subsidiaries – Parkland Place Owner, LLC and Chapmanville Tower Owner, LLC. Parkland Place Owner, LLC owns Parkland Place and will be the borrower on the permanent loan funding that Project site. Chapmanville Tower Owner, LLC owns Chapmanville Towers and will be the borrower on the permanent loan funding that Project site.

Mr. Testman stated that staff is requesting approval of a Multifamily Permanent Loan to Chapmanville Towers Owner, LLC in the amount of up to \$3,879,000, with a fixed rate of up to 3.5%, 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 Chapmanville Towers, operating and replacement reserves associated with the Project, an assignment of HAP contract, and the corporate guarantees of the following entities during the construction phase: Heritage Housing Holdings, LLC, Heritage Guarantor, LLC, and Parkland-Chapmanville Preservation, LLC. This loan will also have a USDA 538 GRRHP Option 3 Permanent Loan Guarantee. During the construction period, the loan will also be secured by Payment and Performance Bonds equal to 100% of the construction contract.

Representative Bailey moved to approve the request for the Multifamily Permanent Loan to Chapmanville Towers Owner, LLC for the permanent financing of Chapmanville Towers, as presented. His motion was seconded by Member John Gianola, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of a Multifamily Permanent Loan to Parkland Place Owner, LLC in the amount of up to \$7,700,000, with a fixed rate of up to 4.0%, for a term of up 35.5 years (six month draw period followed by a 35-year amortization). This loan will mature at the expiration of the HUD Section 8 HAP contract (December of 2050), but the term will automatically be extended up to 35.5 years total if the HAP contract is extended during the term of the loan. The Multifamily Permanent Loan will be secured by a first lien deed of trust on the land and improvements known as Parkland Place, operating and replacement reserves associated with

the Project, an assignment of HAP contract, and the corporate guarantees of the following entities during the construction phase: Heritage Housing Holdings, LLC, Heritage Guarantor, LLC, and Parkland-Chapmanville Preservation, LLC. During the construction period, the loan will also be secured by Payment and Performance Bonds equal to 100% of the construction contract.

Representative Bailey moved to approve the request for the Permanent Loan for the permanent financing of Parkland Place, as presented. His motion was seconded by Representative Travis, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

CONSIDERATION OF FHLB MASTER RESOLUTIONS

Crystal Toney informed the Board that recently FHLB of Pittsburgh (FHLB) switched its banking platform and created an administration portal that will replace/supersede the Fund's current signature cards. To gain access to the portal, which will allow staff to remit principal and interest payments on loans we service on behalf of FHLB, they require board-approved resolutions. The resolutions designate Erica Boggess, Crystal Toney, and Julie Davis as System Administrators and authorize them to access the portal and perform administrative functions.

Ms. Toney stated that staff seeks the Board's adoption of FHLB of Pittsburgh Master Resolutions.

Representative Travis moved the adoption of the FHLB of Pittsburgh Master Resolutions. His motion was seconded by Representative Bailey, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

A copy of the FHLB of Pittsburgh Master Resolutions is attached as Exhibit B

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 is currently distributing approximately one million dollars (\$1,000,000) a week.

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

Representative Travis moved that the Board enter Executive Session to discuss legal matters pursuant to W. Va. Code §6-9A-4(b)(7). His motion was seconded by Representative Bailey, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted. The Board adjourned into Executive Session at 9:36 a.m.

The Executive Session concluded at 10:45 a.m. Chair Urling stated that no action took place during the Executive Session.

Representative Bailey moved to authorize one or more Board Members to attend mediation with Erica Boggess to negotiate a settlement in the case of Southern Appalachian Labor School and John David v. Erica Boggess and the West Virginia Housing Development Fund, Civil Action No. 19-C-1254. His motion was seconded by Representative Travis, and, upon the affirmative vote of the six (6) members present, the Chair declared the motion adopted.

ADJOURNMENT

There being no further business, Representative Bailey moved to adjourn the meeting. His motion was seconded by Representative Travis. Meeting adjourned at 10:49 a.m.



Martha Lilly, Assistant Secretary