

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
May 27, 2020

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, May 27, 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

David Gardner, Member

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:

Wendy McCuskey, Member

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

Kelley Ridling, Senior Manager – Internal Audit

Lori Ryan, Executive Assistant

Kristin Shaffer, Senior Legal Counsel

Nathan Testman, Division Manager – Multifamily Lending

Crystal Toney, Deputy Director – Administration

Dorothy White, Federal Compliance Officer

Michelle Wilshire, 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 APRIL 22, 2020, MEETING

Member John Gianola moved the approval of the minutes of the April 22, 2020 meeting. His motion was seconded by Member Bob Nistendirk, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED APRIL 30, 2020

Chad Leport presented the financial statements for the period ended April 30, 2020. The financials were accepted as presented.

CONSIDERATION OF MULTIFAMILY AND LAND DEVELOPMENT CONSTRUCTION AND PERMANENT LOANS TO MUIRWOOD GREENE

Nathan Testman presented a loan request from WC Muirwood Greene Limited Partnership to finance the rehabilitation of a fifty (50) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Romney, West Virginia known as Muirwood Greene.

Mr. Testman stated that the Project consists of eight (8) buildings, seven (7) residential and one (1) community room. Thirteen (13) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and thirty-seven (37) 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. Staff has a high level of confidence in The Woda Group's ability to develop the proposed Project, given that The Woda Group is one of the largest affordable housing developers in the country. The Woda Group has created over 12,000 housing units across 15 states and has a development portfolio of \$1.5 billion. In West Virginia, it has produced 40 LIHTC properties for a total of 1,690 units.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$6,350,000, with a variable interest rate of WSJP with a floor of 3.5%. The construction loan will be secured by a first lien deed of trust on the land and improvements known as Muirwood Greene. During the rehabilitation period, the Fund will also be secured by the corporate guarantees of Woda Construction, Inc. and Woda Cooper Companies, Inc. Mr. Testman noted that eligible costs may be funded through the Land Development Program.

Representative Norman Bailey moved to approve the request for a Multifamily Construction Loan for the rehabilitation of Muirwood Greene as presented. His motion was seconded by Member Nistendirk, and, upon the affirmative vote of the nine (9) 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 \$1,300,000, with a fixed interest rate of 4.50%, 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 Muirwood Greene and the operating and

replacement reserves associated with the Project. The permanent loan will also be secured by USDA 538 GRRHP Option 1 Permanent Loan Guarantee, which will cover 90% of the principal balance of the loan.

Member Patrick Martin moved to approve the request for the Multifamily Permanent Loan for the rehabilitation of Muirwood Greene as presented. His motion was seconded by Representative Bailey, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

CONSIDERATION OF MULTIFAMILY AND LAND
DEVELOPMENT CONSTRUCTION AND PERMANENT LOANS
TO THURSTON LANDING

Mr. Testman presented a loan request from Thurston Landing, L.P. to finance the new construction of a thirty-six (36) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in St. Albans, West Virginia known as Thurston Landing.

Mr. Testman stated that the Project consists of two (2) buildings, one elevator-served and one garden style, containing a total of thirty-six (36) units. Nine (9) are designated for tenants with income at or below 40% of Area Median Income (AMI) and twenty-seven (27) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that the Project's co-developers are Spire Development LLC and Fairfield Homes, Inc. and that this will be the Fund's third project with the development team. Staff has a high level of confidence in the development team. Co-developer Fairfield Homes' construction division has more than 60 years of experience as a general contractor and has constructed over 4,700 housing units throughout Ohio.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$6,500,000, with interest at the rate of up to 5%, 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 Thurston Landing. The Fund will also be secured by the corporate guarantees of Thurston Landing GP, LLC, Gorsuch FHI Holdings, LLC, Spire Development, Inc., Spire Real Estate Holdings, LLC and Fairfield Homes, Inc., and the personal guarantees of Scott Harrold, Tom Grywalski, Leonard Gorsuch, and Jennifer Walters. An analysis of the financial condition of the guarantors indicates substantial net worth and liquidity. Mr. Testman noted that eligible costs may be funded through the Land Development Program.

Representative Bailey moved to approve the request for the Multifamily Construction Loan for the new construction of Thurston Landing, as presented. His motion was seconded by Member Gianola, and, upon the affirmative vote of the nine (9) 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 \$1,032,000 with interest at the rate of up to 5.25% 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 Thurston Landing and the operating and replacement reserves associated with the Project. The permanent loan will also be secured by a USDA 538 GRRHP Option 1 Permanent Loan Guarantee, which will cover 90% of the principal balance of the loan. 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 rehabilitation of Thurston Landing, as presented. His motion was seconded by Member Martin, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

CONSIDERATION OF MULTIFAMILY AND LAND
DEVELOPMENT CONSTRUCTION AND PERMANENT LOANS
AND A HOME LOAN TO BALTIMORE GARDENS

Mr. Testman presented a loan request from Baltimore Gardens LP to finance the new construction of a thirty-two (32) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Keyser, West Virginia known as Baltimore Gardens.

Mr. Testman stated that the Project consists of six (6) buildings, five (5) residential and one (1) office. Eight (8) units are designated for tenants with income at or below 50% 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 Severn Development Company, LLC ("Severn"). Though this is the Fund's first collaboration with this developer, staff has a high level of confidence in Severn's ability to develop the proposed Project because it has successfully constructed or rehabilitated 26 developments in Virginia, Maryland, and Delaware.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$4,100,000, with interest at the rate of up to 5%, 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 Baltimore Gardens, the corporate guarantees of Baltimore Gardens GP, LLC and Severn Development Company, LLC, and the personal guarantee of Arthur W. Edwards, Jr. Mr. Testman noted that eligible costs may be funded through the Land Development Program.

Representative Bailey stated the he was aware of a New Creek Site 1 rehabilitation study near the proposed site and that may affect the Project. A brief discussion followed.

Representative Bailey moved to approve the request for the Multifamily Construction Loan for the new construction of Baltimore Gardens as presented subject to the Fund's determination that the rehabilitation of the New Creek Site 1 will not materially impact the construction of the Project at the proposed site. His motion was seconded by Member Martin, and, upon the affirmative vote of the nine (9) 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 \$850,000, with interest at the rate of up to 5.50%, for a term of 40 years. The permanent loan will be secured by a first lien deed of trust on the land and improvements known as Baltimore Gardens and the operating and replacement reserves associated with the Project. The permanent loan will also be secured by a USDA 538 GRRHP Option 1 Permanent Loan Guarantee, which will cover 90% of the principal balance of the loan. 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 Baltimore Gardens as presented subject to the Fund's determination that the rehabilitation of the New Creek Site 1 will not materially impact the construction of the Project at the

proposed site. His motion was seconded by Member Martin, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of the HOME loan financing of up to \$560,000, with interest at the rate of up to 1%, for a term of 20 years. The loan will be secured by a second lien deed of trust on the land and improvements known as Baltimore Gardens, the Borrower's operating and replacement reserves associated with the Project, the corporate guarantees of Baltimore Gardens GP, LLC, and Severn Development Company, LLC, and the personal guarantee of Arthur W. Edwards, Jr.

Representative Bailey moved to approve the request for the HOME loan for the new construction of Baltimore Gardens as presented subject to the Fund's determination that the rehabilitation of the New Creek Site 1 will not materially impact the construction of the Project at the proposed site. His motion was seconded by Member Martin, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

EXECUTIVE SESSION

Representative Josh Stowers 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 Member Martin, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted. The Board adjourned into Executive Session at 9:41 a.m.

The Executive Session concluded at 10:13 a.m. Chair Urling stated that no action took place during the Executive Session.

ADJOURNMENT

There being no further business, Member Nistendirk moved to adjourn the meeting. His motion was seconded by Member Martin. Meeting adjourned at 10:14 a.m.


Martha Lilly, Assistant Secretary