

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
November 18, 2020

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, November 18, 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 9:02 a.m. with the following members present throughout, except where noted.

Ann Urling, Chair
David Gardner, Member
John Gianola, Member
Sam Kapourales, Member
Patrick Martin, Member
Thomas Mouser, Representative for the Honorable Kent Leonhardt, Commissioner of Agriculture
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
Tammy Bonham, Division Manager – Loan Servicing
Josh Brown, Senior Manager – Asset Management
Brian Childers, Multifamily Lending Officer
Cathy Colby, Senior Manager – HOME and HTF Programs
Julie Davis, Deputy Director – Production
George Gannon, Communications Administrator
Trisha Hess, Senior Manager – Accounting
Lauren Hunter, Loan Processor and Closer
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 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 THE OCTOBER 28, 2020,
MEETING

Member David Gardner moved the approval of the minutes of the October 28, 2020 meeting. His motion was seconded by Representative Josh Stowers and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED OCTOBER
31, 2020

Crystal Toney presented the financial statements for the period ended October 31, 2020. The financials were accepted as presented.

Member Bob Nistendirk joined the meeting.

CONSIDERATION OF MULTIFAMILY LOAN PROGRAM
CONSTRUCTION LOAN AND HOME PROGRAM LOAN FOR
ASHTON POINTE APARTMENTS

Nathan Testman presented a loan request from Ashton Pointe Apartments Limited Partnership to finance the rehabilitation of a thirty (30) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Elizabeth, West Virginia known as Ashton Pointe Apartments.

Mr. Testman stated that the Project consists of seven (7) buildings (5 residential). Eight (8) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and twenty-two (22) 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 Buckeye Community Hope Foundation ("BCHF"). BCHF as a developer and/or general partner in project partnerships has been awarded competitive tax credits for over 75 rental communities (eleven projects in West Virginia) and staff has a high level of confidence in BCHF's ability to develop the proposed Project. Mr. Testman also explained that 27 of the units benefit from Project-Based Rental Assistance through USDA's 515 Program, which provides additional strength for the Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$2,720,000, with interest at the rate of up to 4.75% or a variable equivalent rate with a **floor, for a term of 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust** on the land and improvements known as Ashton Pointe Apartments, the corporate guarantees of BCHF Elizabeth Housing Partners, Inc. and Buckeye Community Hope Foundation, and Payment and Performance Bonds equal to 100% of the construction contract.

Member Patrick Martin moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Ashton Pointe Apartments, as presented. 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.

Mr. Testman stated that staff is requesting approval of the HOME loan financing of up to \$282,000, with interest at the rate of up to 1%, for a term of 20 years. Based on final underwriting, all or a portion of the HOME loan will be deferred. The loan will be secured by a second lien deed of trust, which position may be shared with USDA-RD, on the land and improvements known as Ashton Pointe Apartments, the corporate guarantees of BCHF Elizabeth Housing Partners, Inc. and Buckeye Community Hope Foundation, and Payment and Performance Bonds equal to 100% of the construction contract.

Member Martin moved to approve the request for the HOME loan for the rehabilitation of Ashton Pointe Apartments, 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.

CONSIDERATION OF MULTIFAMILY LOAN PROGRAM
CONSTRUCTION LOAN FOR PLEASANT HEIGHTS
APARTMENTS

Nathan Testman presented a loan request from Pleasant Heights Apartments Limited Partnership to finance the rehabilitation of a forty (40) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Belmont, West Virginia known as Pleasant Heights Apartments.

Mr. Testman stated that the Project consists of five (5) two-story buildings. Ten (10) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and thirty (30) 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 Buckeye Community Hope Foundation ("BCHF"). BCHF as a developer and/or general partner in project partnerships has been awarded competitive tax credits for over 75 rental communities (eleven projects in West Virginia) and staff has a high level of confidence in BCHF's ability to develop the proposed Project. Mr. Testman stated that 30 units in the Project benefit from Project-Based Rental Assistance through RD's 515 Program, which provides additional strength for the Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$3,955,000, with interest at the rate of up to 4.75% or a variable equivalent rate with a floor, for a term of 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Pleasant Heights Apartments, the corporate guarantees of BCHF Belmont Housing Partners, Inc. and Buckeye Community Hope Foundation, and Payment and Performance Bonds equal to 100% of the construction contract.

Member John Gianola moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Pleasant Heights Apartments, 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 LOAN PROGRAM
CONSTRUCTION LOAN AND HOUSING TRUST FUND LOAN
FOR CAVALIER HEIGHTS APARTMENTS

Nathan Testman presented a loan request from Cavalier Heights Apartments Limited Partnership to finance the adaptive reuse of a twenty-eight (28) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Montgomery, West Virginia known as Cavalier Heights Apartments.

Mr. Testman stated that the Project consists of one (1) three-story building. Three (3) of the units are designated for tenants with an income at or below 30% of Area Median Income (AMI), five (5) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and twenty (20) units are designated for tenants with an income at or below 60% of AMI. Eight of the units will receive Project-Based Rental Assistance through USDA RD's 515 Program.

Mr. Testman informed the Board that the developer for the Project is Douglas E. Pauley. Mr. Pauley has extensive development experience and has renovated and/or developed over 55 affordable housing developments across West Virginia. Staff has a high level of confidence in Mr. Pauley's ability to develop the proposed Project.

Mr. Testman noted that Recommendation #1 in the Board packet includes a typo in the loan amount and clarified that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$3,500,000, with interest at the rate of up to 5.0% or a variable equivalent rate with a floor, for a term of 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Cavalier Heights Apartments, the corporate guarantee of Cavalier Heights GP, LLC, the personal guaranty of Douglas E. Pauley, and either a Letter of Credit in the amount of 15% of the construction contract or Payment and Performance Bonds equal to 100% of the construction contract.

Representative Stowers moved to approve the request for the Multifamily Construction Loan for the adaptive reuse of Cavalier Heights Apartments, 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 an HTF loan financing of up to \$360,000, with interest at the rate of up to 1%, for a term of 20 years. Based on final underwriting, all or a portion of the HTF loan will be deferred. The loan will be secured by a second lien deed of trust on the land and improvements known as Cavalier Heights Apartments, the corporate guaranty of Cavalier Heights GP, LLC, the personal guaranty of Douglas E. Pauley, a Letter of Credit in the amount of 15% of the construction contract or Payment and Performance Bonds equal to 100% of the construction contract. After the Multifamily Construction Loan is paid off, the HTF loan will be secured by a first position deed of trust lien.

Member Martin moved to approve the request for the HTF loan for the adaptive reuse of Cavalier Heights Apartments, as presented. His motion was seconded by Representative Stowers, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

CONSIDERATION OF MULTIFAMILY LOAN PROGRAM
CONSTRUCTION LOAN AND HOME PROGRAM LOAN AND
FOR VICKERS PARKE II APARTMENTS

Nathan Testman presented a loan request from Vickers Parke II Apartments Limited Partnership to finance the rehabilitation of a forty (40) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in South Charleston, West Virginia known as Vickers Parke II Apartments.

Mr. Testman stated that the Project consists of five (5) two-story buildings. Ten (10) units are designated for tenants with income at or below 50% of Area Median Income (AMI) and thirty (30) 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 Douglas E. Pauley. Mr. Pauley has extensive development experience and has renovated and/or developed over 55 affordable housing developments across West Virginia. Staff has a high level of confidence in Mr. Pauley's ability to develop the proposed Project. Two of the Project's units receive Project Based Rental Assistance from USDA RD's 515 Program.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$2,350,000, with interest at the rate of up to 5.0% or a variable equivalent rate with a floor, for a term of 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Vickers Parke II Apartments, the corporate guaranty of Vickers Parke II GP, LLC, the personal guaranty of Douglas E. Pauley, and either a Letter of Credit in the amount of 15% of the construction contract or Payment and Performance Bonds equal to 100% of the construction contract.

Representative Stowers moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Vickers Parke II Apartments, 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.

Mr. Testman stated that staff is requesting approval of HOME loan financing of up to \$961,000, with interest at the rate of up to 1%, for a term of 20 years. Based on final underwriting, all or a portion of the HOME loan will be deferred. The loan will be secured by a second lien deed of trust, which lien position may be shared with USDA RD, on the land and improvements known as Vickers Parke II Apartments, the corporate guaranty of Vickers Parke II GP, LLC, the personal guaranty of Douglas E. Pauley, and either a Letter of Credit in the amount of 15% of the construction contract or Payment and Performance Bonds equal to 100% of the construction contract. After the Multifamily Construction Loan is paid off, the HOME loan will be secured by a first position deed of trust lien, which position may be shared with USDA RD.

Member Martin moved to approve the request for the HOME loan for the rehabilitation of Vickers Parke II Apartments, as presented. His motion was seconded by Member Gardner, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

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 Sam Kapourales. Meeting adjourned at 9:46 a.m.



Martha Lilly, Assistant Secretary