

MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS  
WEST VIRGINIA HOUSING DEVELOPMENT FUND  
November 17, 2021

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, November 17, 2021, in person, via video conferencing, and via phone. The video conferencing information 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 9:06 a.m. with the following members present throughout, except where noted.

Ann Urling, Chair (via video)  
Norm Bailey, Representative for the Honorable Kent Leonhardt, Commissioner of Agriculture (via video)  
Kara Hughes, Representative for the Honorable Riley Moore, State Treasurer (via video)  
Sam Kapourales, Member (via phone)  
Bob Nistendirk, Member (via phone)  
Chris Stansbury, Member (via video)  
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General (via video)

Members Absent:

John Gianola, Member  
Patrick Martin, Member  
Kris Raynes, Member

Staff present:

Erica Boggess, Executive Director  
Cathy Colby, Senior Manager – HOME and HTF Programs  
Julie Davis, Deputy Director – Production  
Zachary Fisher, Internal Auditor  
Michael Lindsco, Manager – Asset Management  
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  
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 (via video)

APPROVAL OF THE MINUTES OF THE OCTOBER 27, 2021,  
MEETING

Member Chris Stansbury moved the approval of the minutes of the October 27, 2021 meeting. His motion was seconded by Representative Norm Bailey, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

FINANCIAL STATEMENTS AND DELINQUENCY REPORTS FOR  
THE PERIOD ENDED OCTOBER 31, 2021

Erica Boggess presented the financial statements and delinquency reports for the period ended October 31, 2021. The financials and delinquency reports were accepted as presented.

CONSIDERATION OF MULTIFAMILY CONSTRUCTION LOAN,  
HOUSING TRUST FUND LOAN AND MULTIFAMILY  
PERMANENT LOAN FOR FOX RIDGE APARTMENTS

Nathan Testman presented loan requests from Fox Ridge Apartments TM LLC, to finance the rehabilitation of a one hundred eight (108) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Princeton, West Virginia known as Fort Springs Apartments.

Mr. Testman stated that the Project consists of nine (9) three-story buildings. Twenty-seven (27) units are designated for tenants with income at or below 40% Area Median Income (AMI) and eighty-one (81) units are designated for tenants with income at or below 60% AMI.

Mr. Testman informed the Board that strengths for the Project include an experienced developer and the presence of Project-Based Rental Assistance on all units. The developer for the Project is TM Associates Development, Inc. ("TM"). TM has developed over 150 affordable housing projects with over 80 projects receiving LIHTC awards. TM's leadership combined provides over 141 years of experience in the real estate development industry.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$6,800,000, with interest at the rate of up to 4.0%, 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 Fox Ridge Apartments, Payment and Performance Bonds equal to 100% of the construction contract, and the corporate guarantees of MARG Rural, LLC and TM Associates Development, Inc.

Member Bob Nistendirk moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Fox Ridge Apartments, as presented. His motion was seconded by Member Stansbury, 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 Housing Trust Fund Loan in the amount of up to \$1,110,000, with interest at the rate of up to 1.0%, for a term of 30 years. The Housing Trust Fund Loan will be secured by a third lien deed of trust on the land and improvements known as Fox Ridge Apartments, Borrower's operating and replacement reserves associated with the Project, and the corporate guarantees of MARG Rural, LLC and TM Associates Development, Inc.



Representative Bailey moved to approve the request for the Housing Trust Fund Loan for the rehabilitation of Fox Ridge Apartments, as presented. His motion was seconded by Member Stansbury, 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 of up to \$1,400,000, with interest at the rate of up to 4.75%, 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 Fox Ridge Apartments, Borrower's 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. Mr. Testman also informed the Board that the Multifamily Permanent loan is subject to the fulfillment of all conditions of the USDA Conditional Commitment and radon testing showing appropriate levels for residential use and abatement of all asbestos containing materials.

Representative Bailey moved to approve the request for the Multifamily Permanent loan for the rehabilitation of Fox Ridge Apartments, as presented. His motion was seconded by Member Sam Kapourales, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

CONSIDERATION OF MULTIFAMILY CONSTRUCTION LOAN  
AND MULTIFAMILY PERMANENT LOAN FOR MONONGAH  
HEIGHTS APARTMENTS

The Board material provided loan requests from Monongah Heights Apartments TM LLC, to finance the rehabilitation of a forty (40) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Fairmont, West Virginia known as Monongah Heights Apartments.

The Project consists of five (5) two-story buildings. Ten (10) units are designated for tenants with income at or below 40% Area Median Income (AMI) and thirty (30) units are designated for tenants with income at or below 60% AMI. All units in the Project receive Project-Based Rental Assistance which covers rent costs that exceed 30% of the tenant's income.

The developer for the Project is TM Associates Development, Inc. ("TM"). TM has developed over 150 affordable housing projects with over 80 projects receiving LIHTC awards. TM's leadership combined provides over 141 years of experience in the real estate development industry.

The Board materials also requested approval of a Multifamily Construction Loan in the amount of up to \$2,200,000, with interest at the rate of up to 4.0%, 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 Monongah Heights Apartments, Payment and Performance Bonds equal to 100% of the construction contract, and the corporate guarantees of MARG Rural, LLC and TM Associates Development, Inc.

Representative Bailey moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Monongah Heights Apartments, as presented. His motion was seconded by Member Stansbury, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

The Board materials requested approval of a Multifamily Permanent loan of up to \$400,000, with interest at the rate of up to 4.75%, 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 Monongah Heights Apartments, Borrower's operating and replacement reserves associated with the project, and USDA 538 GRRHP Option 1 Permanent Loan Guarantee. 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 Monongah Ridge Apartments, as presented. His motion was seconded by Representative Kara Hughes, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

CONSIDERATION OF MULTIFAMILY CONSTRUCTION LOAN  
AND HOME LOAN FOR LAURYN LANE GARDENS

Mr. Testman presented loan requests from Lauryn Lane Gardens LLC, to finance the new construction of a thirty (30) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Mason, West Virginia known as Lauryn Lane Gardens.

Mr. Testman stated that the Project consists of one (1) building. Eight (8) units are designated for tenants with income at or below 50% Area Median Income (AMI) and twenty-two (22) units are designated for tenants with income at or below 60% AMI.

The developer for the Project is Severn Development Company, LLC ("Severn"). This is the Fund's second collaboration with Severn. Severn has successfully constructed or rehabilitated 26 developments in Virginia, Maryland and Delaware. Given the developer's experience, staff has a high level of confidence in Severn's ability to develop the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to \$4,100,000, with a variable interest of Wall Street Journal Prime (currently 3.25%) with a floor of 3.5% (or fixed rate equivalent), 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 Lauryn Lane Gardens, Payment and Performance Bonds equal to 100% of the construction contract, personal guarantee of Arthur W. Edwards, Jr., and the corporate guarantees of Severn Development Company, LLC and Lauryn Lane Gardens Development LLC.

Representative Bailey moved to approve the request for the Multifamily Construction Loan for the new construction of Lauryn Lane Gardens, as presented. His motion was seconded by Member Stansbury, 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 HOME Program loan of up to \$1,553,000, with interest at the 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 Lauryn Lane Gardens and Borrower's operating and replacement reserves associated with the Project. During construction, the HOME Loan will also be secured the personal guarantee of Arthur W. Edwards, Jr., and corporate guarantees Severn Development Company, LLC, and Lauryn Lane Gardens Development LLC.

Representative Bailey moved to approve the request for the HOME Program loan for the new construction and permanent financing of Lauryn Lane Gardens, as presented. His motion was seconded by

Representative Hughes, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

CONSIDERATION OF PRI LOAN TO THE KANAWHA COUNTY  
COMMISSION

Mr. Testman presented a Property Rescue Initiative ("PRI") loan request from Kanawha County Commission (KCC), in the amount of up to \$500,000 to demolish blighted structures at scattered sites throughout Kanawha County.

Mr. Testman informed the Board that this is the Commission's second PRI loan request to the Fund. The first, which was also in the amount of \$500,000, was made in 2017 and allowed the Commission to demolish 77 dilapidated structures. The prior loan performed as agreed and was paid off in 2021, two years ahead of schedule.

Mr. Testman stated that staff is requesting approval of a loan in the amount of up to \$500,000, with interest at the rate of 0% in years 1-2, 3% interest in year 3, 4% interest in year 4, and 5% interest in years 5-7. The loan will be secured by an assignment of the Borrower's Building Permit Account and Stabilization Account. These accounts have a combined average balance of over \$500,000 and minimal loan balances will be required to fully secure the loan.

Representative Bailey moved to approve the request for the Property Rescue Initiative loan for the demolishing of blighted structures throughout Kanawha County, as presented. His motion was seconded by Member Stansbury, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

UPDATE ON MOUNTAINEER RENTAL ASSISTANCE PROGRAM

Ms. Boggess presented an update on the Mountaineer Rental Assistance Program and the Housing Assistance Fund.

ADJOURNMENT

There being no further business, Representative Bailey moved to adjourn the meeting. His motion was seconded by Member Stansbury. Meeting adjourned at 9:45 a.m.

  
Martha Lilly, Assistant Secretary