

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
April 27, 2022

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, April 27, 2022. Board of Directors attended 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. No members of the public attended the meeting. The Chair called the meeting to order at 9:02 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 phone)
John Gianola, Member (via phone)
Sam Kapourales, Member (via phone)
Patrick Martin, Member (via video)
Kris Raynes, Member (via phone)
Allen Retton, Member (via phone)
Karl Shanholtzer, Representative for the Honorable Riley Moore, State Treasurer (via phone)
Chris Stansbury, Member (via video)
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General (via phone)

Members Absent:

Bob Nistendirk, Member

Staff present:

Erica Boggess, Executive Director
Tammy Bonham, Division Manager – Loan Servicing
Cathy Colby, Senior Manager – HOME and HTF Programs
Trisha Hess, Senior Manager – Accounting
Whitney Humphrey, Communications Administrator
Chad Leport, Division Manager – Finance and Federal Financial Compliance
Martha Lilly, Legal Assistant
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

Ryan White – White Law Firm, LLC, counsel for Southmoor Redevelopment LP

APPROVAL OF THE MINUTES OF THE FEBRUARY 23, 2022
MEETING

Member John Gianola moved the approval of the minutes of the February 23, 2022 meeting. His motion was seconded by Member Pat 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 MARCH 31, 2022

Erica Boggess presented the financial statements and delinquency reports for the period ended March 31, 2022. The financials and delinquency reports were accepted as presented.

Representative Norm Bailey joined the meeting.

CONSIDERATION OF PERMANENT LOAN AND HOME
PROGRAM LOAN FOR LIBERTY VILLAGE

Nathan Testman presented two loan requests from Liberty Village, LLC to finance the rehabilitation (adaptive reuse) of the former YWCA building to a forty-eight (48) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Charleston known as Liberty Village.

Mr. Testman stated that the Project will consist of one (1) building. Twelve (12) units are designated for tenants with income at or below 50% Area Median Income (AMI) and thirty-six (36) units are designated for tenants with income at or below 60% AMI.

Mr. Testman informed the Board that the developer for the project is Pison Development, LLC. Pison is a very experienced developer with an extensive history with the Fund's LIHTC program. This includes the development of 20 LIHTC projects representing 794 units in West Virginia. Given the developer's experience and the market for the units, staff has a high level of confidence in the development team'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 \$410,000, with a fixed interest rate of up to 5.0%, for a term of 20 years. The Multifamily Permanent Loan will be secured by a first lien deed of trust on the land and improvements known as Liberty Village, limited, non-recourse guarantees of Pison KAT, LLC, William Turner, Lewis Whaley, Mark Miller, and Christopher Kosarek, and operating and replacement reserves associated with the project.

Member Gianola noted that he has to abstain from the vote as he is on the Board of Summit Community Bank.

Member Martin moved to approve the request for the Multifamily Permanent Loan for the rehabilitation (adaptive reuse) of Liberty Village, as presented. 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. (Mr. Gianola did not vote).

Mr. Testman stated that staff is requesting approval of a HOME Program Loan in the amount of up to \$1,470,000, with a fixed rate of up to 1%, for a term of 20 years. The HOME Program Loan will be secured by a second lien deed of trust on the land and improvements known as Liberty Village. During the construction period, the Fund will be secured by Payment and Performance Bonds equal to 100% of the construction contract, corporate guarantee of Pison KAT, LLC and the personal guarantees of William Turner, Lewis Whaley, Mark Miller, and Christopher Kosarek. After construction, the HOME loan will be secured by the limited guarantees of Pison KAT, LLC, William Turner, Lewis Whaley, Mark Miller and Christopher Kosarek and a lien on the project's operating and replacement reserve accounts.

Member Martin moved to approve the request for the HOME Program Loan for the rehabilitation (adaptive reuse) of Liberty Village, as presented. His motion was seconded by Representative Karl Shanholtzer, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted. (Mr. Gianola did not vote).

CONSIDERATION OF AN INCREASE IN COMBINED HOME AND HOUSING TRUST FUND LOAN FOR RIVERVIEW APARTMENTS

Mr. Testman informed the Board that in December 2020, the Board approved four (4) loans to the Randolph County Housing Authority to finance the acquisition and rehabilitation of Riverview Apartments (the "Project"), a 15-unit affordable housing project for families and three commercial units in Elkins, WV, in the amounts of 1) WVHDF MLP Loan – up to \$400,000, 2) WVHDF AHFP Loan – up to \$183,500 and 3) HOME and HTF Loans – up to \$1,600,000 (combined). Mr. Testman explained that the COVID-19 pandemic's economic effect on construction material prices and labor shortages have resulted in an increase in the Project's overall budget, creating the need for additional funds from the HOME Program and/or the HTF Program.

Mr. Testman stated that Staff is requesting the Board's consideration and approval of an increased HOME and HTF combined loan of up to \$2,000,000 (previously \$1,600,000). Mr. Testman informed the Board that no other changes to the terms and conditions of the December 2021 approval are being requested.

Member Martin moved the approval of the increased HOME and HTF combined loan for Riverview Apartments in substantially the form presented. His motion was seconded by Representative Shanholtzer, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

CONSIDERATION OF AMENDMENT TO DEBT MANAGEMENT POLICY DUE TO SB 686

Ms. Boggess informed the Board that the West Virginia Legislature passed SB686 passed on March 12, 2022 and the Governor signed on March 30, 2022. The legislation became effective upon passage and made technical changes to the Fund's Act.

The changes include:

- 1) Authorizing the Fund to issue notes with up a 20-year term from the current 10-year term.
- 2) Requiring credit enhancements to certain bonds and note programs, protecting the Fund's AAA credit ratings and bond market reputation.
- 3) Authorizing the Fund to allocate a portion of its share of federal private activity bond volume authority to a political subdivision or a city or county housing authority to issue multifamily housing bonds.

Ms. Boggess explained that, under US Treasury regulations, each state gets an annual allocation of Bond volume cap for private activity bonds. The State of West Virginia gets the small State minimum, which is then split between the Economic Development Authority and the Fund. Senate Bill 686 allows the Fund to further allocate its allocation to a political subdivision or city or county housing authority to issue private activity bonds for the purpose of providing qualified residential rental projects. Ms. Boggess stated that Staff is requesting approval of an amendment to the Fund's Debt Management Policy to incorporate these changes.

Member Martin moved to approve the adoption of the amendment to the Debt Management Policy as presented. His motion was seconded by Representative Shanholtzer, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

CONSIDERATION OF BOND VOLUME CAP ALLOCATION FOR SOUTHMOOR HILLS APARTMENTS

Ms. Boggess informed the Board that Southmoor Redevelopment LP (the "Borrower") has requested that the Fund allocate a portion of its private activity bond volume cap to the South Charleston Housing Authority (the "Authority") to allow the Authority to serve as the conduit issuer for the financing of up to \$13,000,000 of a 15-year tax-exempt note. The Authority is eligible to obtain private activity bond volume cap from the Fund under Senate Bill 686 and the amendment to the Fund's Debt Management Policy that the Board just approved.

The proposed transaction will involve the acquisition and rehabilitation by the Borrower of Southmoor Hills Apartments, a 216-unit affordable residential rental project for families located in South Charleston (the "Property").

Ms. Boggess recommended the Board's approval of the allocation to South Charleston Housing Authority, noting a small correction to Board Packet. Due to COVID-19, the Authority had to cancel its meeting to approve the inducement resolution. Therefore, staff is requesting the Board's approval to allocate bond volume cap to the Authority contingent upon the Fund's receipt of the adopted inducement resolution in essentially the form that is presented in the Board packet today.

Member Martin moved approval of the volume cap allocation of \$13,000,000 to South Charleston Housing Authority, contingent upon receipt of the adopted inducement resolution, in essentially the form presented. His motion was seconded by Representative Shanholtzer, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

INFORMATIONAL ITEMS – LEGISLATIVE UPDATE ON SB 523;
HOUSING FINANCE 2022 A BOND ISSUANCE; ERA1 AND ERA2
REALLOCATION AND HAF LAUNCH UPDATE

Ms. Boggess provided an update regarding the West Virginia Jobs Investment Trust (WVJIT). The Fund currently provides administrative support services for the WVJIT. Senate Bill 523 passed by the Legislature moves WVJIT, including its administrative functions, to the West Virginia Economic Development Authority.

Ms. Boggess updated the Board on the Single-Family Bond transaction Housing Finance Bond 2022 A.

Member Gianola left the meeting.

Ms. Boggess updated the Board on ERA1 and ERA2 reallocation. Ms. Boggess noted that West Virginia received more money than is needed for the renters in West Virginia. She informed the Board that some funds have been and additional funds will be recaptured and reallocated to other States with a greater need for rental assistance. Ms. Boggess also presented an update on the Homeowner Rescue Program launch.

ADJOURNMENT

There being no further business, Member Stansbury moved to adjourn the meeting. His motion was seconded by Member Martin. Meeting adjourned at 10:17 a.m.



Martha Lilly, Assistant Secretary