

MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS  
WEST VIRGINIA HOUSING DEVELOPMENT FUND  
August 24, 2022

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, August 24, 2022. The Board of Directors attended via video conferencing, via phone, and in person. The video conferencing information was made available to the public in the Notice of Meeting of the Board of Directors posted on the West Virginia 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 9:04 a.m. with the following members present throughout, except where noted.

Ann Urling, Chair (via video)  
Patrick Martin, Member (via video)  
Bob Nistendirk, Member (via video)  
Kris Raynes, Member (via phone)  
Allen Retton, Member (in person)  
Kara Hughes, Representative for the Honorable Riley Moore, State Treasurer (via phone)  
Chris Stansbury, Member (via phone)  
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General (via phone)

Members Absent:

Norm Bailey, Representative for the Honorable Kent Leonhardt, Commissioner of Agriculture  
Sam Kapourales, Member

Staff present:

Erica Boggess, Executive Director  
Trisha Hess, Senior Manager - Accounting  
Whitney Humphrey, Communications Administrator  
Brian Jeffrey, Senior Network Administrator  
Maggie Leaptrot, Chief Financial Officer  
Kelley Ridling, Senior Manager – Internal Audit  
Nathan Testman, Senior Division Manager – Multifamily Lending  
Crystal Toney, Deputy Director – Administration  
Dorothy White, Federal Compliance Officer



Others Present:

Mike Fisher – Jackson Kelly PLLC

Samme Gee - Jackson Kelly PLLC

Kelley Goes – Jackson Kelly PLLC

APPROVAL OF THE MINUTES OF THE JULY 27, 2022,  
MEETING

Member Bob Nistendirk moved the approval of the minutes of the July 27, 2022 meeting. His motion was seconded by Member Kara Hughes, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

FINANCIAL STATEMENTS AND DELINQUENCY REPORTS  
FOR THE PERIOD ENDED JUNE 30, 2022

Erica Boggess presented the financial statements and delinquency reports for the period ended June 30, 2022. The financials and delinquency reports were accepted as presented.

CONSIDERATION OF CDBG-DR LOAN TO PATRIOT  
VILLAGE, LLC

Nathan Testman provided an explanation of the Community Development Block Grant – Disaster Recovery (“CDBG-DR”) Program administered by the West Virginia Department of Economic Development (formerly the Development Office) (the “WVDED”) and the Fund’s role in assisting the WVDED with the CDBG-DR Program. Mr. Testman presented a loan request from Patriot Village LLC, to finance the new construction of a thirty (30) unit affordable housing project located in Elkview, West Virginia, known as Patriot Village and explained that, once construction is complete, the Fund will assign the loan to the WVDED.

Mr. Testman stated that the Project consists of one (1) building. At least 51% of the units (16 units) are designated as CDBG-DR units and will serve tenants with income at or below 80% Area Median Income.

Mr. Testman informed the Board that the developer for the Project is Pison Development, LLC (“Pison”). 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 its extensive experience developing affordable housing, which includes experience with LIHTC, HOME and HTF programs, staff has a high level of confidence in Pison’s ability to develop the proposed project.

Mr. Testman stated that staff is requesting approval of a CDBG-DR Loan in the amount of up to \$8,000,000, with interest at the rate of 0.0%, for a term of up to 20 years. The CDBG-DR Loan will be secured by a first lien deed of trust on the land and improvements known as Patriot Village, the replacement reserves associated with the Project, Payment and Performance Bonds equal to 100% of the construction contract, the personal guarantees of William Turner, Lewis Whaley, Mark Miller, and Christopher Kosarek, and corporate guarantees of Pison Development, LLC and Pison KAT, LLC.



Ms. Boggess reminded the Board that the Fund is acting as a subrecipient for CDBG-DR funds and that the Patriot Village project is not an asset of the Fund nor will it be reported on the Fund's financial statements.

Member Patrick Martin moved to approve the request for the CDBG-DR Loan for the construction of Patriot Village, subject to the conditions presented. His motion was seconded by Member Allen Retton, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

#### CONSIDERATION OF EXTENSION OF BOND VOLUME CAP ALLOCATION FOR SOUTHMOOR APARTMENTS

Ms. Boggess informed the Board that, at its April 2022 meeting, the Board approved an allocation of the Fund's bond volume cap to the South Charleston Housing Authority (the "Authority"). The allocation allows the Authority to serve as a conduit issuer in the financing of up to \$13,100,000 of a 15-year tax-exempt note on behalf of Southmoor Redevelopment LP (the "Borrower") to finance the redevelopment of Southmoor Hills Apartments (the "Project"). Under the Fund's Private Activity Bond Volume Cap Allocation Guidelines, an eligible issuing authority must issue bonds within 120 days of the allocation award. The allocation to the Authority was made on May 3, 2022, and the bonds will not be issued within 120 days (which is September 3, 2022). The Borrower reapplied for an allocation of bond volume cap to the Authority in the same amount as requested before, \$13,100,000. The Borrower anticipates that the bonds will be issued in mid to late September.

Staff is requesting that the Board approve the reapplication for the allocation of bond volume cap in the amount of \$13,100,000 to the Authority for this Project.

Member Martin moved approval of the reapplication for allocation of bond volume cap in the amount of \$13,100,000 to South Charleston Housing Authority, in essentially the form presented. His motion was seconded by Member Nistendirk, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

#### ANNUAL ELECTION OF OFFICERS AND APPOINTMENT OF ASSISTANT OFFICERS

Erica Boggess stated that, under West Virginia Code §§ 31-18-4 (g) and 31-18-5 (d), the Board must annually elect a Vice-Chair, Secretary and Treasurer from its membership. The Chair of the Board is the Governor or his designee. Vice-Chair is currently Chris Stansbury, Treasurer is the State Treasurer Riley More, and Bob Nistendirk serves as Secretary. Ms. Boggess explained that the State Treasurer usually serves as the Fund's Treasurer.

Member Martin moved to nominate Chris Stansbury as Vice-Chair, Bob Nistendirk as Secretary, and State Treasurer Riley Moore as Treasurer. His motion was seconded by Member Retton, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Member Nistendirk moved to approve the nominations of Chris Stansbury as Vice-Chair, Bob Nistendirk as Secretary, and State Treasurer Riley Moore as Treasurer. His motion was seconded by Member



Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Ms. Boggess noted that, under Article V, Sections 3 and 4 of the Fund's Bylaws, the Board may appoint or designate one or more Assistant Secretaries and Assistant Treasurers.

Ms. Boggess stated that staff recommends the reappointment of Crystal Toney and Julie Davis as Assistant Treasurers, and the reappointment of Kristin Shaffer and Martha Lilly as Assistant Secretaries.

Member Hughes moved to reappoint Crystal Toney and Julie Davis as Assistant Treasurers and to reappoint Kristin Shaffer and Martha Lilly as Assistant Secretaries. Her motion was seconded by Member Nistendirk, and, upon the approval of the eight (8) members present, the Chair declared the motion adopted.

#### INFORMATIONAL ITEM

Ms. Boggess presented an update to the Board on the Mountaineer Rental Assistance program and the Homeowner Assistance Fund program.

#### EXECUTIVE SESSION TO DISCUSS LEGAL MATTERS PURSUANT TO W. VA. CODE §6-9A-4(b)(7) AND EXECUTIVE SESSION TO DISCUSS MATTERS INVOLVING COMMERCIAL COMPETITION, WHICH IF MADE PUBLIC, MIGHT ADVERSELY AFFECT THE FINANCIAL OR OTHER INTEREST OF THE STATE OR ANY POLITICAL SUBDIVISION PURSUANT TO W. VA CODE §6-9A-4(b)(9)

Member Hughes moved that the Board enter Executive Session to discuss legal matters pursuant to W. Va. Code §6-9A-4(b)(7) and Executive Session to discuss matters involving commercial competition, which if made public, might adversely affect the financial or other interest of the State or any Political Subdivision pursuant to W. Va. Code §6-9A-4(b)(9). Her motion was seconded by Member Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted. The Board adjourned into Executive Session at 9:43 a.m.

The Executive Session concluded at 10:27 a.m. Chair Urling stated that no action took place during the Executive Session.

#### CONSIDERATION TO AUTHORIZE ACTION WITH RESPECT TO HUD PROCUREMENT PROCESS

Ms. Boggess informed the Board that since 2000, HUD has outsourced project-based Section 8 contract administration to qualified public housing agencies (PHAs) which serve as Project





Based Contract Administrators (PBCAs). The Housing Development Fund (HDF) was awarded the contract for the State of West Virginia and continues to serve as contract administrator.

In January 2017, the Board approved staff's request to hire a consultant to assist in responding to the RFP and to possibly partner with other HFAs to participate in a regional bid. The Board authorized staff with the condition the Chair be consulted prior to hiring any consultant and that any actions would be reported to the full Board. The Board also authorized staff to engage Morris, Manning, & martin, LLP.

HUD has recently announced intent to solicit bids for the PBCA contracts and, again, there are serious concerns with the proposed contract structure. HUD is again proposing to bid the PBCA contracts on a regional basis and has added new requirements.

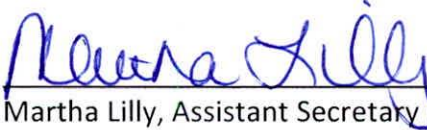
Staff is requesting the following authorizations:

- The approval to partner with other HFAs to submit a proposal on a regional basis if necessary;
- Engage Morris, Manning, & Martin, LLP to represent the Fund in the procurement and any related contract protest;
- Contract with a consultant to prepare bid documents in accordance with federal procurement guidelines.

Member Martin moved the approval of staff's recommendation as outlined. His motion was seconded by Member Hughes, and upon the approval of the eight (8) members present, the Chair declared the motion adopted.

#### ADJOURNMENT

There being no further business, Member Martin moved to adjourn the meeting. His motion was seconded by Representative Travis. Meeting adjourned at 10:30 a.m.

  
Martha Lilly, Assistant Secretary

