

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
October 26, 2022

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, October 26, 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 9:00 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 (in person)

Kara Hughes, Representative for the Honorable Riley Moore, State Treasurer (via phone)

Sam Kapourales, Member (via phone)

Patrick Martin, Member (via phone)

Bob Nistendirk, Member (in person)

Allen Retton, Member (via video)

Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General (via phone)

Members Absent:

Kris Raynes, Member

Staff present:

Erica Boggess, Executive Director

Jack Burgess, Multi-Family Loan Processor/Closer

Cathy Colby, Senior Manager – Home and HTF Programs

Julie Davis, Deputy Director - Production

Zach Fisher, Internal Auditor

Amelia Goldman, Multi-Family Loan Processor/Closer

Trisha Hess, Senior Manager - Accounting

Whitney Humphrey, Communications Administrator

Maggie Leaptrot, Chief Financial Officer

Chad Leport, Division Manager – Finance and Federal Financial Compliance

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
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

APPROVAL OF THE MINUTES OF THE SEPTEMBER 28,
2022, MEETING

Member Bob Nistendirk moved the approval of the minutes of the September 28, 2022 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 REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

Maggie Leaptrot presented the financial statements and delinquency reports for the period ended September 30, 2022. The financials and delinquency reports were accepted as presented.

CONSIDERATION TO USE REMAINING ERA2 FUNDS FOR
HOUSING PRODUCTION

Nathan Testman noted that staff has been providing updates to the Board regarding the ERA 1 and ERA 2 programs over the past eighteen (18) months. Mr. Testman explained that, approximately twelve (12) months ago, prioritization was given to ERA 2 because it has more flexibility than ERA 1, including that states can use 25% of their ERA 2 allocation for “other affordable housing and eviction prevention activities,” provided that certain obligation requirements were met by September 30, 2022. Mr. Testman reported that the Fund met the obligation requirements and now has approximately \$30 million to be used for “other affordable housing and eviction prevention activities” in accordance with Treasury’s requirements.

Mr. Testman explained Treasury’s requirements for the ERA 2 fund and noted that staff’s proposed uses include, but are not limited to:

- Use with 4% LIHTC similar to the CDBG-DR RFP
- Use similar to HOME CHDO funds and for other special initiatives
- Use as a gap filler on 9% LIHTC Projects

Mr. Testman stated staff is requesting Board's approval to use the approximately \$30 million in remaining ERAP2 funds as outlined above and that each specific project receiving ERA 2 funding would be brought back to the Board for approval. Mr. Testman also explained that the Fund has approximately \$20 million in remaining ERA 2 funds that has been set aside to help address homelessness, imminent evictions and to provide other housing stability services through the Fund's non-profit community partners.

Representative Bailey moved to approve the use of remaining ERA2 Funds as outlined. His motion was seconded by Member Nistendirk, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

CONSIDERATION OF A CONSTRUCTION LOAN AND HOUSING TRUST FUND LOAN FOR GILBERT HEIGHTS

Mr. Testman presented two loan requests from Gilbert Heights, L.P., to finance the acquisition, rehabilitation and permanent financing of a thirty-five (35) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Gilbert known as Gilbert Heights Apartments.

Mr. Testman stated that the Project will consist of four (4) buildings. Nine (9) units are designated for tenants with income at or below 40% Area Median Income (AMI) and twenty-six (26) units are designated for tenants with income at or below 60% AMI.

Mr. Testman informed the Board that the developer for the project is Buckeye Community Hope Foundation (BCHF). BCHF is a very experienced developer that has developed 114 projects consisting of more than 4,700 units of affordable housing across Ohio, West Virginia, Illinois, Indiana, Kentucky, Tennessee, Pennsylvania, North Carolina and South Carolina. This includes the development of 23 LIHTC projects in West Virginia. Given BCHF's extensive development experience, staff has a high level of confidence in its 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 \$3,600,000, with a fixed interest rate of up to 4.0%, for a term of up to 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Gilbert Heights Apartments, corporate guarantees of BCHF Gilbert Housing Partners, Inc. and Buckeye Community Hope Foundation, and Payment and Performance Bonds equal to 100% of the construction contract.

Member Pat Martin joined the meeting.

Member Allen Retton noted that he would abstain from the vote due to the relationship between WesBanco and Buckeye Community Hope Foundation.

Member Nistendirk moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Gilbert Heights 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. (Member Retton did not vote).

Mr. Testman stated that staff is requesting approval of a Housing Trust Fund loan (HTF) in the amount of up to \$500,000, with a fixed rate of up to 1%, for a term of 30 years. The HTF Loan will be secured by a shared second lien deed of trust (behind the Fund's Multifamily Construction Loan). The HTF lien will be shared with the USDA RD-515 loan. After construction, the MLP construction loan will be paid off and the HTF loan will be in a shared first-lien position (with the USDA RD-515 loan). During construction, the HTF loan will be secured by Payment and Performance Bonds, equal to 100% of the construction contract. During construction, the HTF loan will include the corporate guarantees of Buckeye Community Hope Foundation and BCHF Gilbert Housing Partners, Inc. Limited non-recourse guarantees may be required during the permanent phase.

Representative Bailey moved to approve the request for the permanent HTF Program Loan for the rehabilitation of Gilbert Heights 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. (Member Retton did not vote).

CONSIDERATION OF A CONSTRUCTION LOAN AND HOME LOAN FOR LOGANWOOD APARTMENTS

Nathan Testman presented two loan requests from Loganwood, LLC, to finance the new construction of a thirty-three (33) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Logan known as Loganwood Apartments.

Mr. Testman stated that the Project will consist of one (1) building. Ten (10) units are designated for tenants with income at or below 40% Area Median Income (AMI) and twenty-three (23) units are designated for tenants with income at or below 60% AMI.

Mr. Testman informed the Board that the developer for the project is Loganwood, LLC. Loganwood is owned by AU Loganwood, GP, LLC, which is owned by Holly Weidemann and Johan Graham ("Owners"). The Owners have completed 31 LIHTC Properties representing 1,200 affordable housing units throughout Kentucky and West Virginia. This includes the development of four LIHTC projects in West Virginia. Given the Owners' extensive development experience, staff has a high level of confidence in their 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 \$5,600,000, with a fixed interest rate of up to 4.0%, for a term of up to 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Loganwood Apartments, corporate guarantees of AU Associates, Inc., AU Loganwood GP, LLC, and AU Development, LLC, as well as the personal guarantees of Holly Wiedeman and Johan Graham, and Payment and Performance Bonds equal to 100% of the construction contract.

Representative Bailey moved to approve the request for the Multifamily Construction Loan for the new construction of Loganwood Apartments, as presented. His motion was seconded by Member Pat Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of a HOME Program Loan in the amount of up to \$1,900,000, with a fixed rate of up to 1%, for a term of 20 years. During construction, the HOME Program Loan will be secured by a second lien deed of trust (behind the Fund's Multifamily Construction Loan). After construction, the MLP construction loan will be paid off and the HOME loan will be in the first position. The Fund will also be secured by the Borrower's operating and replacement reserves associated with the project. During the construction period, the Fund will be secured by Payment and Performance Bonds, equal to 100% of the construction contract. During the construction phase, the loan will include the corporate guarantees of AU Associates, Inc., AU Loganwood GP, LLC, and AU Development LLC, as well as the personal guarantees of Holly Wiedemann and John Graham. Limited non-recourse guarantees of the corporate owners may also be required during the permanent phase of the loan.

Representative Bailey moved to approve the request for the HOME Program Loan for the new construction of Loganwood Apartments, as presented. His motion was seconded by Member Martin, and, upon the affirmative vote 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.

ADJOURNMENT

There being no further business, Member Kapourales moved to adjourn the meeting. His motion was seconded by Member Martin. Meeting adjourned at 9:37 a.m.


Martha Lilly, Assistant Secretary