

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
November 16, 2022

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, November 16, 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 9:02 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)
Kara Hughes, Representative for the Honorable Riley Moore, State Treasurer (via phone)
Sam Kapourales, Member (via phone)
Kris Raynes, Member (via phone)
Bob Nistendirk, Member (via video)
Allen Retton, Member (in person)
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General (via phone)

Members Absent:

Patrick Martin, 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
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
Michael Lindsco, Manager – Asset Management
Kelley Ridling, Senior Manager – Internal Audit
Jon Rogers, Senior Division Manager – Single Family Lending

Lori Ryan, Executive Assistant
Kristin Shaffer, Senior Legal Counsel
Nathan Testman, Senior Division Manager – Multifamily Lending
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 26,
2022, MEETING

Member Bob Nistendirk moved the approval of the minutes of the October 26, 2022 meeting. His motion was seconded by Member Allen Retton, 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 OCTOBER 31, 2022

Representative Norm Bailey joined the meeting.

Maggie Leaptrot presented the financial statements and delinquency reports for the period ended October 31, 2022. The financials and delinquency reports were accepted as presented.

CONSIDERATION OF A MULTIFAMILY PROGRAM
CONSTRUCTION LOAN AND MULTIFAMILY PROGRAM
PERMANENT LOAN FOR FORREST PLACE APARTMENTS

Nathan Testman presented two loan requests from Forrest Place Preservation Associates, LLC, for rehabilitation and permanent financing of a thirty-nine (39) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Kermit known as Forrest Place Apartments.

Mr. Testman stated that the project will consist of two (2) buildings. Ten (10) units are designated for tenants with income at or below 40% Area Median Income (AMI) and twenty-nine (29) units are designated for tenants with income at or below 60% AMI. Mr. Testman explained that the project is located in the 100-year plain and will require flood insurance in the amount of \$500,000 for the term of any financing provided by the Fund.

Mr. Testman informed the Board that strengths for the project include the presence of USDA 515 Project-Based Rental Assistance on all 39 units and developer experience. Mr. Testman stated that the developer is RHPA Developers, LLC, a subsidiary of the Rural Housing Preservation Association, LLC, which is owned by Leon N. Weiner & Associates ("LNWA"). LNWA is an experienced housing developer, as it is

responsible for the development of nearly 15,000 affordable housing units in over 10 states. 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 \$4,000,000, 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 Forrest Place Apartments, corporate guarantees of Leon N. Wiener & Associates, Inc., Rural Housing Preservation Associates, LLC, Milford Housing Development Corporation, RHPA Developers, LLC and MHDC, Inc., and a letter of credit equal to 30% of the construction contract.

Member Retton moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Forrest Place Apartments, as presented. His motion was seconded by Representative Kara Hughes, 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 Multifamily Permanent Loan in the amount of up to \$1,000,000, with a fixed interest rate of up to 4.5%, for a term of up to 40 years. The Multifamily Permanent Loan will be secured by a first lien deed of trust on the land and improvements known as Forrest Place Apartments, and USDA 538 GRRHP Option 1 Permanent Loan Guarantee, which will cover 90% of the permanent loan balance. Limited, non-recourse guarantees of the corporate owners may be required.

Member Retton moved to approve the request for the Multifamily Permanent Loan for the rehabilitation of Forrest Place Apartments, as 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.

CONSIDERATION OF A MULTIFAMILY PROGRAM
CONSTRUCTION LOAN, MULTIFAMILY PROGRAM
PERMANENT LOAN, HOME LOAN AND ERA2 LOAN FOR
BARNETT COMMONS

Nathan Testman presented four loan requests from Barnett Commons L.P., to finance the new construction of a thirty-two (32) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Huntington known as Barnett Commons.

Mr. Testman stated that the Project will consist of two (2) buildings. Eight (8) units are designated for tenants with income at or below 50% Area Median Income (AMI) and twenty-four (24) units are designated for tenants with income at or below 60% AMI.

Mr. Testman informed the Board that the developer for the project is Spire Development, Inc. ("Spire"). Spire is owned by Thomas Grywalski and Scott Harrold who have been involved in the acquisition, pre-development, and development of over 2,300 multifamily housing units. Spire has been a co-developer on 4 prior LIHTC projects in West Virginia. Given the developer'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 \$6,500,000, 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 Barnett Commons, corporate guarantees of Barnett Commons GP, LLC, Spire Real Estate Holdings, LLC, and Spire Development, Inc., as well as the personal guarantees of Scott Harrold and Tom Grywalski, and Payment and Performance Bonds equal to 100% of the construction contract. The property will continue to be subject to all applicable LIHTC terms and restrictions.

Member Retton moved to approve the request for the Multifamily Construction Loan for the new construction of Barnett Commons, as presented. His motion was seconded by Member Sam Kapourales, 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 Multifamily Permanent Loan in the amount of up to \$1,050,000, with a fixed interest rate of up to 4.5%, for a term of up to 20 years. The Multifamily Permanent Loan will be secured by a first lien deed of trust on the land and improvements known as Barnett Commons and borrower's operating and replacement reserves associated with the property. Limited, non-recourse guarantees of the corporate owners may be required. The property will continue to be subject to all applicable LIHTC terms and restrictions.

Member Nistendirk moved to approve the request for the Multifamily Permanent Loan for the new construction of Barnett Commons, as presented. His motion was seconded by Representative Hughes, 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 \$880,000, with a fixed rate of up to 1%, 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 Barnett Commons and by the Borrower's operating and replacement reserves associated with the Project. During construction, the loan will be secured by Payment & Performance Bonds equal to 100% of the construction contract. The loan will include the personal guarantees of Thomas Grywalski and Scott Harrold as well as the corporate guarantees of Barnett Commons GP, LLC, Spire Real Estate Holdings, LLC, and Spire Development, Inc.

Member Nistendirk moved to approve the request for the HOME Program Loan for the new construction of Barnett Commons, as presented. His motion was seconded by Representative Steven Travis, 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 an ERA2 Loan in the amount of up to \$973,000, with a fixed rate of 0%, for a term of 20 years. The ERA2 loan will be secured by a third lien deed of trust on the land and improvements known as Barnett Commons and by the Borrower's operating and replacement reserves associated with the Project. During construction, the loan will be secured by Payment & Performance Bonds equal to 100% of the construction contract. The loan will include the personal guarantees of Thomas Grywalski and Scott Harrold as well as the Corporate guarantees of Barnett Commons GP, LLC, Spire Real Estate Holdings, LLC, and Spire Development, Inc.

Member Nistendirk moved to approve the request for the ERA2 Loan for the new construction of Barnett Commons, as presented. His motion was seconded by Representative Travis, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

CONSIDERATION OF A PERMANENT HOUSING TRUST FUND LOAN FOR HART HOUSE II APARTMENTS

Nathan Testman presented a loan request from Hart House II Limited Partnership for permanent financing of a twenty (20) unit Low-Income Housing Tax Credit Program ("LIHTCP") project located in Spencer known as Hart House II Apartments.

Mr. Testman stated that the Project will consist of one (1) building. Five (5) units are designated for tenants with income at or below 30% Area Median Income (AMI) and fifteen (15) units are designated for tenants with income at or below 60% AMI.

Mr. Testman informed the Board that the developer for the project is Harbinger Developments ("Harbinger"). Harbinger is owned and controlled by Mr. Douglas E. Pauley. Mr. Pauley has renovated and/or developed over 55 affordable housing developments for a total of 2,111 units across West Virginia, including the first USDA 538 guaranteed project in the country. Given the Harbinger'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 Housing Trust Fund ("HTF") Loan in the amount of up to \$400,000, with a fixed interest rate of up to 1.0%, for a term of up to 30 years. The Housing Trust Fund Loan will be secured by a deed of trust lien on the land and improvements known as Hart House II Apartments, which may be shared with or subordinate to the USDA RD 515 loan, and limited, non-recourse guarantees of Hart House II GP, LLC, Harbinger Development and Douglas E. Pauley.

Representative Bailey moved to approve the request for the HTF Loan for the rehabilitation of Hart House II Apartments, as 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.

CONSIDERATION OF A HOME PROGRAM LOAN FOR HENRY AVENUE APARTMENTS

Nathan Testman presented a HOME Program loan request from Woodlands Development Group, Inc., to finance the new construction of a two (2) unit HOME Investment Partnerships ("HOME") Program project located in Elkins known as Henry Avenue Apartments.

Mr. Testman stated that the Project will consist of one (1) building. Both units are designated for tenants with income at or below 60% Area Median Income (AMI).

Mr. Testman informed the Board that Borrower, Owner, and Developer for the project is Woodlands Development Group, Inc. ("WDG"). WDG is an experienced developer and has been involved in the development of twenty (20) HOME Program real estate projects and three (3) Low-Income Housing Tax Credit projects, representing one hundred twenty-one (121) total units. Given WDG's 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 HOME Loan in the amount of up to \$576,100, with an interest rate of 0.0%, for a term of up to 20 years. The HOME Loan will be secured by a first

lien deed of trust lien on the land and improvements known as Henry Avenue Apartments and by replacement and preservation reserve accounts associated with the project. During construction, the loan will be secured by a Letter of Credit equal to 15% of the construction contract.

Member Nistendirk moved to approve the request for the HOME Loan for the new construction of Henry Avenue Apartments, as presented. His motion was seconded by Member Retton, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

ADJOURNMENT

There being no further business, Member Nistendirk moved to adjourn the meeting. His motion was seconded by Member Kapourales. Meeting adjourned at 9:48 a.m.



Martha Lilly, Assistant Secretary