

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
March 27, 2024

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, March 27, 2024. 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. The Chair called the meeting to order at 9:04 a.m. with the following members present throughout, except where noted.

Ann Urling, Chair (in person)
Lynne Gianola, Member (via video)
Troy Giatras, Member (in person)
Kara Hughes, Representative for the Honorable Riley Moore, State Treasurer (via phone)
Patrick Martin, Member (via video)
Kris Raynes, Member (via phone)
Allen Retton, Member (in person)
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General (via phone)
Kellie Wooten-Willis, Member (in person)

Members Absent:

Norm Bailey, Representative for the Honorable Kent Leonhardt, Commissioner of Agriculture
Bob Nistendirk, Member

Staff present:

Erica Boggess, Executive Director
Tammy Bonham, Senior Division Manager Loan Servicing
Cathy Colby, Senior Manager – HOME and HTF Programs
Zach Fisher, Internal Auditor
Antonia Francis, Legal Counsel
Trisha Hess, Senior Manager – Accounting
Whitney Humphrey, Communications Administrator
Darlene King, Senior Multifamily Program Administrator
Maggie Leaptrot, Chief Financial Officer
Chad Leport, Division Manager – Finance and Federal Financial Compliance
Martha Lilly, Legal Assistant
Michael Lindsco, Manager – Asset Management
Alicia Massie, Senior Legal Counsel
Kelley Ridling, Senior Manager – Internal Audit
Jon Rogers, Senior Division Manager – Single Family Lending
Lori Ryan, Executive Assistant
Kristin Shaffer, Deputy Director – Administration and General Counsel

Scott Smith, Senior 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

APPROVAL OF THE MINUTES OF THE FEBRUARY 28, 2024
MEETING

Member Troy Giatras moved the approval of the minutes of the February 28, 2024 meeting subject to one revision to show that Member Kara Hughes attended the full 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 REPORT
FOR THE PERIOD ENDED FEBRUARY 29, 2024

Maggie Leaptrot presented the financial statements and delinquency reports for the period ended February 29, 2024. The financial statements and delinquency reports were accepted as presented.

CONSIDERATION OF BOND INDUCEMENT RESOLUTION OF
UP TO \$10,000,000 FOR FIVE POINTS LLC

Chad Leport presented a request for approval of a Bond Inducement Resolution on behalf of Five Points, LLC (the “Borrower”). The proposed transaction will involve the acquisition and rehabilitation of five (5) properties (collectively, the “Property”) that will provide 162 affordable housing units for families earning no more than 50% of area median income and consist of:

- Chesterfield Village – 24 units – 5201 Chesterfield Avenue, Charleston, WV 25304
- Crossroads Village – 48 units – 100 Crossroads Village Drive, Nitro, WV 25143
- Crossroads Village II – 26 units – 100 Crossroads Village Drive, Nitro, WV 25143
- Elk Crossing – 32 units – 1511 Frame Road, Elkview, WV 25071
- Kanawha Court – 32 units – 500 Kanawha Court, St. Albans, WV 25177

The borrower for the transaction, Five Points, LLC, is in the process of applying for 4% tax credits. If awarded the credits, it will need tax exempt bond financing to fund a portion of the costs of the acquisition and rehabilitation of the project.

Mr. Leport explained that the Fund is being asked to serve as the conduit bond issuer on behalf of Five Points, LLC, and the bond amount requested is not to exceed \$10,000,000. The Fund, as the conduit issuer, will provide access to the tax-exempt bond market. Mr. Leport stated that the bonds will not be a general or moral obligation of the Fund, and the bonds are not a debt of the

State. Any default by the borrower will not affect the Fund's ratings. The bonds will use bond volume cap and count against the Fund's maximum bonds outstanding limit of \$1.25 billion, and Mr. Leport stated that the Fund has sufficient bond volume cap to meet this request. The Fund will receive a financing fee.

Mr. Leport recommended the Board's approval of the Bond Inducement Resolution with Five Points, LLC. If approved, Mr. Leport stated that staff and the financing team will begin the preliminary steps of the financing transaction, and staff will return to the Board for approval of the final bond authorizing resolution before issuing the bonds.

Member Giatras moved approval of the Bond Inducement Resolution on behalf of Five Points, LLC for conduit financing of up to \$10,000,000 for the acquisition and rehabilitation of Chesterfield Village, Crossroads Village, Crossroads Village II, Elk Crossing and Kanawha Court. His motion was seconded by Member Allen Retton, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

A copy of the Bond Inducement Resolution is attached as Exhibit A.

CONSIDERATION OF ERA2 LOAN FOR FOX RIDGE
APARTMENTS

Kristin Shaffer informed the Board that in November of 2021, the Board approved three financing requests from Fox Ridge Apartments TM LLC (the "Borrower") for the acquisition and rehabilitation of Fox Ridge Apartments (the "Project"). Ms. Shaffer stated that the construction/rehabilitation phase of the Project is complete, and the Project is approximately \$700,000 over budget due to increased construction material and transportation costs. Delays in the availability of construction materials also resulted in missed deadlines to deliver tax credits to LIHTC investors, resulting in a reduction of project equity of approximately \$320,000. Ms. Shaffer stated that staff is requesting the Board's consideration of an ERA2 loan of up to \$702,000. The borrower will reduce its developer fee to cover the lost equity.

Ms. Shaffer stated that all or some of the loan balance may be deferred, but staff expects that the loan will be repaid in monthly payments amortized over twenty (20) years. Ms. Shaffer explained that, as a USDA-RD 515 project, the Project contains rental assistance for all 108 units, which provides USDA some flexibility to adjust the rent levels to support the Project. USDA has indicated its willingness to adjust the rent levels to accommodate the Project, and USDA is nearing the end of its approval process. Ms. Shaffer noted that the increased rents will not be a burden to the renters because the rents are subsidized through the 515 rental assistance.

Ms. Shaffer stated that staff is requesting approval of an ERA2 Program Loan in the amount of up to \$702,000, with an interest rate of up to 3%, for a term of 20 years. The ERA2 Program Loan will be secured by a fourth lien deed of trust on the land and improvements known as Fox Ridge Apartments and limited, non-recourse guarantees of MARG Rural, LLC and TM Associates Development, Inc. Staff recommends approval of the loan subject to final consent/approval from USDA-RD on the proposed ERA2 loan.

Member Martin moved to approve the request for the ERA2 Program Loan for the permanent financing of Fox Ridge Apartments, as presented. His motion was seconded by Member Giatras, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

CONSIDERATION OF HOME PROGRAM LOAN AND ERA2
LOAN FOR SOUTHSIDE SQUARE EXTENSION

Cathy Colby presented two loan requests from North-Central West Virginia Community Action Association, Inc. ("NCWVCAA") to finance the new construction and permanent loan financing of a four (4) unit HOME Investment Partnerships ("HOME") and ERA2 Program ("ERA2") project located in Belington known as Southside Square Extension.

Ms. Colby stated that the Project will consist of two (2) buildings, containing a total of four (4) units. Three (3) units are designated for tenants with income at or below 50% Area Median Income (AMI) and one (1) unit is designated for tenants with income at or below 60% AMI.

Ms. Colby informed the Board that the borrower, owner, and developer for the project is NCWVCAA. NCWVCAA has been involved in the development of seventeen (17) HOME Program real estate projects in north central West Virginia, for a total of fifty-seven (57) units. Given the developer's experience, staff has a high level of confidence in its ability to develop the proposed project.

Ms. Colby stated that staff is requesting approval of a HOME Program Loan in the amount of up to \$241,000, with a fixed rate of 0.00%, for a term of twenty (20) years. The HOME Program Loan will be secured by a first lien deed of trust on the land and improvements known as Southside Square Extension and by the replacement and preservation reserve accounts associated with the Project. During the construction phase, the HOME Program Loan will be secured by Payment and Performance Bonds equal to 100% of the construction contract.

Member Giatras moved to approve the request for the HOME Program Loan for the new construction of Southside Square Extension, as presented. His motion was seconded by Member Retton, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

Ms. Colby stated that staff is requesting approval of an ERA2 Loan in the amount of up to \$680,800, with a fixed rate of 0.00%, for a term of 20 years. The ERA2 Loan will be secured by a second lien deed of trust on the land and improvements known as Southside Square Extension and 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.

Member Giatras moved to approve the request for the ERA2 Loan for the new construction of Southside Square Extension, as presented. His motion was seconded by Member Retton, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

CONSIDERATION OF INCREASED ERA2 LOAN AND
DECREASED MULTIFAMILY LOAN PROGRAM LOAN FOR
BECKLEY PRESERVATION, INC.

Erica Boggess reminded the Board that in October of 2022, the Board approved a proposal to begin using ERA2 funds to finance the production/preservation of affordable housing units. Over the last year, staff identified 14 affordable housing projects that can utilize ERA2 funds for this purpose, and Ms. Boggess explained that staff is closely monitoring each project's progress towards closing to ensure compliance with ERA2's December 31, 2025 expenditure deadline. Ms. Boggess stated that staff may be requesting flexibility on future loan approvals from the Board to allow staff to adjust funding sources available to a project to ensure that all ERA2 funds are expended by the December 31, 2025 deadline.

Ms. Boggess explained that staff would like to request this flexibility on the funding sources for the Beckley Preservation project. In December of 2023, the Board approved a loan in the amount of up to \$35,326,000 to Beckley Preservation, LLC for the rehabilitation and permanent financing of the Beckley Preservation project, a 309-unit Low-Income Housing Tax Credit Program ("LIHTCP") project located at three (3) scattered sites in Beckley. Up to \$14,000,000 of the total proposed loan was to be funded with ERA2 funds.

Ms. Boggess stated that staff is requesting flexibility to increase the portion of the Beckley Preservation loan that will be funded from ERA2 funds from \$14,000,000 to up to \$14,750,000 to allow staff to quickly deploy up to an additional \$750,000. Ms. Boggess noted that the proposed change will not change the overall loan amount of \$35,326,000. The Multifamily Loan Program loan will be decreased by up to \$750,000 and the ERA2 loan will be increased by up to \$750,000. Aside from the proposed increase of ERA2 funds from \$14,000,000 to up to \$14,750,000, no other changes are being proposed.

Member Giatras moved to approve the request for an increase to the ERA2 Program loan to Beckley Preservation, LLC from \$14,000,000 to \$14,750,000 as presented. His motion was seconded by Representative Kara Hughes, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

RECOMMENDATION TO AUTHORIZE ALLOCATION TO
HOME4GOOD PROGRAM

Ms. Boggess informed the Board that at the May 2018 Board meeting, the Board authorized the Fund to enter into an agreement with the Federal Home Loan Bank of Pittsburgh (FHLB) to administer the Home4Good program. Since 2018, FHLB has allocated \$5,300,000 to the State of West Virginia, and the Fund has contributed matching funds in the amount of \$1,250,000. Collectively, the Home4Good program has funded 93 projects totaling \$6,550,000 across the State.

Ms. Boggess noted that FHLB has committed \$1,375,000 to the Home4Good program for the State of West Virginia in 2024. FHLB has asked for the Fund's continued partnership to administer the program and has requested, although not required, a matching contribution to leverage program funds.

Ms. Boggess stated that staff is recommending that the Board authorize the allocation of up to \$250,000 in matching dollars toward the program, which is consistent with the Fund's matching contribution in prior years. Ms. Boggess explained that the Fund's matching dollars will continue to be allocated only to costs that are permissible under the Fund's Act. In addition, Ms. Boggess stated that staff is recommending that the Board authorize the execution of necessary documents to continue the partnership with FHLB and the administration of the Home4Good program.

Member Martin moved the approval of a Home4Good Program allocation in the amount of \$250,000 and the authorization to execute necessary documents to continue the partnership with FHLB and the administration of the Home4Good program, as presented. His motion was seconded by Member Giatras, and, upon the affirmative vote of the nine (9) members present, the Chair declared the motion adopted.

INFORMATIONAL ITEM

LEGISLATIVE UPDATE

Ms. Boggess informed the Board that SB 261 passed. This will create a WV Veterans' Home Loan Mortgage Program to be administered by the Fund and will go into effect June 8, 2024, and Ms. Boggess stated that staff is working on materials for the program.

Ms. Boggess also stated that the Fund may still receive \$50 million from the State as announced by the Governor for housing and will monitor any future budget sessions for this funding.

ADJOURNMENT

There being no further business, Member Giatras moved to adjourn the meeting. His motion was seconded by Member Martin. Meeting adjourned at 9:39 a.m.



Martha Lilly, Assistant Secretary

WEST VIRGINIA HOUSING DEVELOPMENT FUND

BOND INDUCEMENT RESOLUTION

RESOLUTION PRELIMINARILY AUTHORIZING THE ISSUANCE
OF NOT TO EXCEED \$10,000,000 AGGREGATE PRINCIPAL
AMOUNT OF THE ISSUER'S REVENUE BONDS AND
AUTHORIZING THE REIMBURSEMENT OF COSTS INCURRED
PRIOR TO BOND ISSUANCE

WHEREAS, the West Virginia Housing Development Fund, a public body corporate and governmental instrumentality of the State of West Virginia (the "Issuer"), under Chapter 31, Article 18 of the Code of West Virginia, 1931, as amended (the "Act"), has plenary power and authority to finance residential housing projects by making loans to others to provide funds for the financing, acquisition, construction and improvement of such residential housing projects and to issue revenue bonds for the purpose of defraying the costs of financing, acquiring, constructing and improving such projects;

WHEREAS, Five Points, LLC ("Five Points"), a West Virginia limited liability company (the "Borrower"), has requested that the Issuer assist the Borrower in financing the acquisition and renovation of (i) a 24-unit affordable residential rental project available for low-income families known as Chesterfield Village, located at 5201 Chesterfield Avenue, Kanawha County, Charleston, West Virginia 25304 ("Chesterfield Village"); (ii) a 48-unit affordable residential rental project available for low-income families known as Crossroads Village, located at 100 Crossroads Village Drive, Kanawha County, Nitro, West Virginia 25143 ("Crossroads Village"); (iii) a 26-unit affordable residential rental project available for low-income families known as Crossroads Village II, located at 100 Crossroads Village Drive, Kanawha County, Nitro, West Virginia, 25143 ("Crossroads Village II"); (iv) a 32-unit affordable residential rental project available for low-income families known as Elk Crossing, located at 1511 Frame Road, Kanawha County, Elkview, West Virginia 25071 ("Elk Crossing"); and (v) a 32-unit affordable residential rental project available for low income families known as Kanawha Court, located at 500 Kanawha Court, Kanawha County, St. Albans, West Virginia 25177 ("Kanawha Court"; together with Chesterfield Village, Crossroads Village, Crossroads Village II and Elk Crossing, the "Property"), and the payment of certain costs and expenses related thereto (collectively, the "Project") (A detailed description of the Property and the Project is attached hereto as Exhibit A.);

WHEREAS, the Borrower has requested that the Issuer issue its revenue bonds or notes in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds") pursuant to an indenture, financing agreement or other like document (the "Indenture"), between the Issuer and/or a trustee, fiscal agent or other like entity named therein (the "Trustee"), and/or the Borrower and/or the holder of the Bonds, such Bonds to be secured under such Indenture, and the proceeds of such Bonds to be used by the Issuer for the purpose of providing funds to finance certain costs of the Project;

WHEREAS, the Borrower has requested that the Issuer lend the proceeds of the Bonds to the Borrower pursuant to a financing agreement, loan agreement or other like instrument (the "Loan Agreement") among the Issuer and the Borrower and/or the holder of the Bonds;

WHEREAS, the financing of the Project by the Issuer will promote and assist the Borrower to provide affordable housing to the citizens of West Virginia, and the financing of the Project is a public purpose of the Issuer under the Act;

WHEREAS, it is intended that this Resolution shall constitute a "bond resolution or some other official action" in respect of the issuance of the Bonds for the Project and related reimbursement purposes under the income tax regulations promulgated by the United States Department of the Treasury (the "Regulations") under the Internal Revenue Code of 1986, as amended (the "Code"), including a declaration of the Issuer's official intent under Section 1.150-2 of the Regulations to reimburse the Borrower or the Issuer for qualified costs of the Project paid or incurred by the Borrower or the Issuer during the period beginning 60 days prior to the date hereof until the date of issuance of the Bonds (plus preliminary expenditures) (i) in an amount up to \$2,000,000 with respect to Chesterfield Village, (ii) in an amount up to \$2,000,000 with respect to Crossroads Village, (iii) in an amount up to \$2,000,000 with respect to Crossroads Village II, (iv) in an amount up to \$2,000,000 with respect to Elk Crossing (v) in an amount up to \$2,000,000 with respect to Kanawha Court and (vi) in a total amount up to \$10,000,000;

WHEREAS, the Bonds, together with the interest thereon, shall be secured by loan payments from the Borrower under the Loan Agreement, revenues of the Project, a mortgage loan or loans on the Property and/or a form or forms of credit enhancement, and under no circumstances will the Bonds be payable from funds of the Issuer; and

WHEREAS, it is now necessary to provide for the preparation of the Indenture, the Loan Agreement and other documents with respect to the issuance and sale of the Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE WEST VIRGINIA HOUSING DEVELOPMENT FUND, AS FOLLOWS:

1. It is hereby found and determined, subject to a public hearing to be held prior to issuance of the Bonds, that proceeding with the financing of the Project for the Borrower is a public purpose of the Issuer and is in the public interest.

2. The Issuer hereby determines it intends to issue, pursuant to the Act, the Bonds, if so requested by the Borrower, in an aggregate principal amount to be agreed upon by the Issuer and the Borrower, not to exceed \$10,000,000, and to finance qualifying costs of the Project (which may include reimbursing the Borrower for the acquisition, rehabilitation and construction of, and the making of certain improvements to, the Property), such Bonds to be secured by and payable from loan payments from the Borrower under the Indenture and/or the Loan Agreement, revenues of the Project, a mortgage loan or loans on the Property and/or a form or forms of credit enhancement (such as cash collateral, a mortgage-backed security of a government-sponsored enterprise, such as the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac), or a credit facility), and which Bonds may be additionally secured by such instruments as the Borrower and the Issuer shall agree.

3. The Bonds shall bear such dates, mature at such time or times, bear interest at such rate or rates and contain such other terms and provisions as shall be determined by subsequent action of the Issuer and approved by the Borrower. The Bonds shall be special limited obligations of the Issuer, and it is expressly provided that any and all Bonds and the interest thereon, as may be so issued, shall in no way constitute or become an indebtedness of the Issuer or the State of West Virginia and shall never give rise to any pecuniary liability of the Issuer or the State of West Virginia. The Bonds shall be secured by and payable from loan payments from the Borrower under the Indenture and/or the Loan Agreement, revenues of the Project, a mortgage loan or loans on the Property and/or a form or forms of credit enhancement, and shall not be a general obligation or moral obligation of the Issuer or in any way secured by any assets of the Issuer other than pursuant to the Indenture and the Loan Agreement, subject to the Issuer's rights thereunder.

4. The Project shall be owned by the Borrower and financed pursuant to the Loan Agreement, the terms of which are to be mutually agreed upon by the Borrower and the Issuer, and which shall provide that the Borrower will be obligated to repay the loan made to the Borrower by the Issuer under the Loan Agreement and to pay a loan financing fee payable to the Issuer, the charges of the Trustee and certain other expenses under the Indenture.

5. Such approvals, consents, certificates of compliance, opinions of counsel and other instruments and proceedings satisfactory to the Issuer and to the Borrower as to such matters with respect to the Bonds and the tax exemption of interest thereon for federal income tax purposes and the tax exemption thereof and income thereon for the State of West Virginia and local tax purposes, the Indenture, the Loan Agreement, any credit enhancement documents and other necessary documents as shall be specified by the Issuer and the Borrower shall have been obtained from such governmental and nongovernmental agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertinent thereto and to the Project and shall be in full force and effect at the time of the issuance of the Bonds.

6. This Resolution is an affirmative declaration of official intent of the Issuer toward the issuance of the Bonds as contemplated herein in accordance with the purposes of the laws of the State of West Virginia, the Code and the Regulations, including the declaration of the Issuer's official intent described in Section 1.150-2 of the Regulations, and it is understood that the Borrower may rely upon this Resolution in commencing with the Project and providing temporary financing therefor. The Issuer hereby declares its intent, as of the date hereof, to timely reimburse the Borrower or itself for certain qualified costs of the Project paid or incurred by the Borrower or the Issuer during the period beginning 60 days prior to the date hereof until the date of issuance of the Bonds (plus preliminary expenditures), (i) in an amount up to \$2,000,000 with respect to Chesterfield Village, (ii) in an amount up to \$2,000,000 with respect to Crossroads Village, (iii) in an amount up to \$2,000,000 with respect to Crossroads Village II, (iv) in an amount up to \$2,000,000 with respect to Elk Crossing, (v) in an amount up to \$2,000,000 with respect to Kanawha Court and (vi) in a total amount up to \$10,000,000, with the proceeds of the Bonds, the interest on which will be exempt from federal income tax. However, the Issuer's ability to actually issue the Bonds is subject to satisfying the conditions in Paragraphs numbered 4 and 5 herein.

7. The law firm of Hawkins Delafield & Wood LLP, New York, New York ("Bond Counsel"), is hereby appointed bond counsel to the Issuer in connection with the issuance and sale of the Bonds, and said firm is hereby authorized and directed to act in such capacity in the

preparation of the Indenture, the Loan Agreement and other documents necessary for the authorization, issuance and sale of said Bonds, subject to submission of all such documents to the designated attorney for the Issuer. The fees and charges of said Bond Counsel shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.

8. Jackson Kelly PLLC (“General Counsel”) is hereby appointed as general counsel to the Issuer in connection with the issuance and sale of the Bonds. The fees and charges of said General Counsel shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.

9. Piper Sandler & Co. (the “Financial Advisor”) is hereby appointed as financial advisor to the Issuer in connection with the issuance and sale of the Bonds. The fees and charges of said Financial Advisor shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.


10. The members of the board of directors of the Issuer, the officers and employees of the Issuer and the Issuer itself shall not have any expense, financial liability or financial obligation of any kind in connection with the Bonds except as shall be reimbursed by the Borrower.

11. The Borrower is responsible for (i) all rebate calculations and rebate obligations in respect of the Bonds under the Code and the Regulations, (ii) compliance with all other provisions of the Code and the Regulations applicable to the Bonds and the Project and (iii) compliance with all secondary market reporting obligations in respect of the Bonds, if any.

12. This Resolution shall become effective immediately.

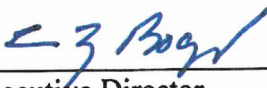
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Adopted this 27th day of March, 2024.



Chair, Board of Directors
West Virginia Housing Development Fund

Adopted this 27th day of March, 2024.



Executive Director
West Virginia Housing Development Fund