

MINUTES

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
REGULAR BOD MEETING IN ANCHORAGE

June 29, 2022

10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met May 18, 2022, in the AHFC boardroom, 4300 Boniface Parkway in Anchorage, AK at 10:00 a.m. Board members present were:

BRENT LEVALLEY
Anchorage

CHAIRMAN
Member of the Board

VIVIAN STIVER
Via Teleconference

VICE CHAIR
Member of the Board

JESS HALL
Anchorage

Member of the Board

LUCINDA MAHONEY
Via Teleconference

Commissioner
Department of Revenue

SANDRA MOLLER
Via Teleconference

Designee for Commissioner
Department of Commerce, Community &
Economic Development

ALBERT WALL
Via Teleconference

Designee for Commissioner
Department of Health & Social Services

- I. **ROLL CALL.** A quorum was declared present, and the meeting was duly and properly convened for the transaction of business.
- II. **APPROVAL OF AGENDA.** CHAIR LEVALLEY proposed the agenda to be approved as presented. JESS HALL moved to approve the agenda. VIVIAN STIVER seconded. The agenda was approved as presented.
- III. **MINUTES OF MAY 18, 2022.** CHAIR LEVALLEY asked for revisions or acceptance of the minutes. JESS HALL moved to approve the May minutes. ALBERT WALL seconded. The minutes of MAY 18, 2022 were approved as presented.
- IV. **PUBLIC COMMENTS:** There were no public comments.

- V. **OLD BUSINESS:** No Old Business to discuss with the Board.
- VI. **NEW BUSINESS:** A. Consideration of a Resolution approving the FY2023 Operating Budget for the Low-Rent Asset Management Developments (AMPs) and the Central Office Cost Center (COCC). (22-07). BRYAN BUTCHER introduced the item and JAMES WIEDLE presented. Mr. Wiedle stated that while the Governor has approved AHFC's FY2023 operating budget request, the Department of Housing and Urban Development (HUD) requires AHFC Board Approval of the Low Rent AMP and COCC Operating Budgets before the July 1 start date of the new operating budget year. Staff recommends approval of the Resolution for review and approval of the FY2023 Operating Budget Details for the Low-Rent Asset Management Developments (AMPs) and the Central Office Cost Center (COCC). JESS HALL moved to approve Resolution 2022-07. VIVIAN STIVER seconded. A roll call vote was taken and the resolution was unanimously approved. (6-0); **Resolution #2022- 07 Approving the FY2023 Operating Budget for the Low-Rent Asset Management Developments (AMPs) and the Central Office Cost Center (COCC).**
- B. Consideration of a Resolution approving the SFY 2023 GOAL PROGRAM Rating and Award Criteria also known as the Qualified Allocation Plan, for use with the Greater Opportunities for Affordable Living (GOAL) Program. (22-08). BRYAN BUTCHER introduced the item and DANIEL DELFINO and ANDY PETRONI presented. Mr. Delfino stated the proposed changes to the GOAL program Rating and Award Criteria have been collectively developed in response to Public Comments received since implementation of the current Criteria in SFY2020, the observations of staff regarding the current criteria's clarity, efforts to standardize underwriting procedures, and AHFC's ongoing effort to incentivize cost-effective developments. Staff recommends adopting the rating and award criteria, version June 29, 2022. JESS HALL moved to approve Resolution 2022-08. VIVIAN STIVER seconded. A roll call vote was taken and the resolution was unanimously approved. (6-0); **Resolution #2022-08 Approving the SFY 2023 GOAL PROGRAM Rating and Award Criteria, also known as the Qualified Allocation Plan, for use with the Greater Opportunities for Affordable Living (GOAL) Program.**
- C. Consideration of Resolution approving FY2022 Vacated Tenant Accounts Receivable Inactivation. (22-09) BRYAN BUTCHER introduced the item and CATHY STONE presented. Ms. Stone stated that the Public Housing Division submits tenant accounts receivable activity each year to the Board for its Public, S8N Multifamily, and Affordable Housing programs. The activity is necessary, as HUD does not favorably view public housing agencies with large accounts receivable balances for families. Although PHD removes these accounts from its active accounts receivable, staff takes an aggressive stance regarding collection of these accounts. Staff recommends Board approval of the attached resolution that approves vacated tenant accounts receivable inactivation. JESS HALL moved to approve Resolution 22-09. VIVIAN STIVER seconded. Discussion followed. A roll call was taken and the resolution was unanimously approved (6-0). **Resolution #22-09 Approving the FY2022 Vacated Tenant Accounts Receivable Inactivation.**

D. Consideration of a Resolution Approving term refinancing for a mixed-use multi-family housing project to IT, LLC; RB Enterprises, LLC; Robert A. Gross (22-10) BRYAN BUTCHER introduced the item and MICHELLE GRAVES presented. Ms. Graves noted that the borrowers, Bob and Melanie Gross were present in person at the board meeting. Ms. Graves stated that the initial long term financing was closed in 2011 and the borrowers have operated the mixed-use project since loan closing. The project provides 59 affordable unites for households that meet the definition of “Workforce Housing” as well as households below 50% area median income. AHFC received and reviewed the application by the borrowers requesting funding under this loan program in the amount of \$8,400,000 for the term refinancing of an existing mixed use multi-family project named “Inlet Tower”. Refinancing will the borrower to continue providing a mix of very low income and workforce affordable housing units in the community. Staff has reviewed the application package and his determined that it meets the requirements f of the program and therefore presents an acceptable risk to the Corporation. Staff recommends approval of the \$8,400,000 loan, subject to the terms and conditions of the Multifamily, Congregate and Special Needs Housing Loan Program guidelines. JESS HALL moved to approve Resolution 22-10. SANDRA MOLLER seconded. A roll call was taken and the resolution was unanimously approved (5-0). **Resolution #22-10 Approving term refinancing for a mixed-use multi-family housing project to IT, LLC; RB Enterprises, LLC; Robert A. Gross.**

E. Consideration of a Resolution of the Alaska Housing Finance Corporation authorizing one or more credit agreements in an aggregate commitment amount not to exceed \$500,000,000 and approving related matters. (22-11) BRYAN BUTCHER introduced the item and MIKE STRAND presented. Mr. Strand stated that in November 29, 2017 the Board previously approved Resolution 2017-33, authorizing the Corporation to enter into a \$200 million revolving credit facility to support the Corporation’s self-liquidity obligations issued under its State Capital Project bonds I indenture, its State Capital Project Bonds II indenture, and its Commercial Paper notes program. This authorization as amended has served the Corporation extremely well since its implantation. The Corporation staff recently replaced the Corporations credit agreement with the Industrial and Commercials Bank of China, which was set to expire this year, with a new agreement with Sumitomo Mitsui Banking Corporation that will expire June 13, 2025, unless extended prior to such date pursuant to its terms. Staff and Corporation counsel have drafted the Resolution 2022-11 to refine and supersede the existing authorization in light of professional legal counsel and ongoing market dynamics. Specifically, Resolution 2022-11 authorizes the Corporation through its Authorized Officers to take such actions and enter into, approve, and amend such documents as may be required from time to time to ensure continuous access to external credit of such terms and in those amounts deemed most conducive to the successful performance of the Corporation’s statutorily authorized activities. Staff recommends Board approval. JESS HALL moved to approve Resolution 22-11. COMMISSIONER MAHONEY seconded. Discussion followed. A roll call was taken and the resolution was unanimously approved (6-0). **Resolution #22-11 Approving of the Alaska Housing Finance Corporation authorizing one or more credit**

agreements in an aggregate commitment amount not to exceed \$500,000,000 and approving related matters.

F. Consideration of a Resolution of the Alaska Housing Finance Corporation authorizing the issuance and sale of not to exceed \$15,000,000 Conduit Revenue Bonds, 2022 (Fairbanks Affordable Housing Project) and approving related matters. (22-12) BRYAN BUTCHER introduced the item and MIKE STRAND presented. Mr. Strand stated the Board of Directors previously approved the issuance of a Revenue Bond for the Fairbanks Affordable Housing Project, spearheaded by ACAH. This resolution will increase the issuance from \$12,000,000 to \$15,000,000 to provide additional capacity for the increase in construction costs. The development will remain a scattered site affordable multi-family housing development in Fairbanks, Alaska, consisting of 58 units between two sites. The bonds will be privately placed with the construction lender and serviced by the Borrower, Fairbanks Affordable Housing, LLC. AHFC will only act as an administrator and no corporate funds or credit will be used as the debt service on the bonds will be paid solely by the borrower. This bond resolution will supersede the previously approved issuance, approves the various bond documents and authorizes the sale of up to \$15,000,000 in bonds by private placement to First National Bank Alaska. Staff recommends board approval. JESS HALL moved to approve Resolution 22-12. VIVIAN STIVER seconded. Discussion followed. A roll call was taken and resolution was unanimously approved (6-0). **Resolution #22-12 Approving the Alaska Housing Finance Corporation amending prior board resolution 2022-06 and authorizing the issuance and sale of not to exceed \$15,000,000 revenue bond, 2022 (Fairbanks Affordable Housing Project); authorizing a loan agreement; and authorizing and approving related matters.**

- VII. REPORT OF THE CHAIR:** CHAIR LEVALLEY congratulated Mark Romick, Deputy Executive Director, on his retirement and thanked him for all his years of service. He wished Mr. Romick well in his retirement endeavors
- VIII. BOARD COMMITTEE REPORTS: AUDIT REPORT.** BRYAN BUTCHER introduced the item and KEVIN TUNE presented. Mr. Tune Mr. Tune stated that the Audit Committee met this morning and first item on the agenda was an update from Eide Bailly concerning their audit activities. The have almost completed the interim work, which indicates no findings or deficiencies noted. They plan to be on-site mid-August. We presented six internal audit reports, two servicing reports, one planning report, and three admin services reports. With the exception of the Wells Fargo audit, all of them received a satisfactory opinion. We then discussed our fiscal year internal audit activity—the audit side of the department, the grant side of the department, all of our follow-up activity, and Jerusha Gatfield presented on our affordable housing compliance monitoring. We also presented the FY23 plan for approval. The audit committee accepted the plan and approved it. Lastly, we presented our five-year quality assessment review. In order to comply with the standards of the Institute of Internal Audit, the Internal Audit Department has to be assessed every five years and validated by an independent agency. As with prior years, we did a self-assessment and Eide Bailly performed the independent validation. We received a generally conforms, which is the highest opinion

you can receive from a quality assessment review. No questions from the committee.
ACTING CHAIR BRENT LEVALLEY made a comment.

IX. **REPORT OF THE EXECUTIVE DIRECTOR.** BRYAN BUTCHER reported on 1) Operating budget was signed into law as approved by the board last October; 2) Capital budget was higher than approved by the board; 3) Attending and Participating in various homelessness councils: Governor's Homelessness Council; People First Homelessness Council; Anchorage Homeless Leadership Council; and Homeless Stabilization Program with Mayor Bronson; 4) Meeting with HUD Region 10 Director, Margaret Salazar; 5) Upcoming AHFC retirements: Melanie Smith, Multi-Family Underwriter II, Pamela Brown-McMillan, Human Resources Analyst, Gregory Evans, Maintenance Mechanic, Mark Romick Deputy Executive Director. 6) Next meeting is Wednesday, July 20 with an AHFC regular meeting. No questions from the board.

X. **ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD.**
MONTHLY REPORTS AND MEETING SCHEDULES. BRYAN BUTCHER asked for report on Finance and Mortgage.

1. Monthly Loan Reports. Finance, and Mortgage reports were presented for discussion and review.

2. Schedule of Board Meetings.

AHFC Regular BOD Meeting July 20, 2022 10:00 am Anchorage

XI. **EXECUTIVE SESSION: CORPORATION'S OPERATIONAL MATTERS THAT MAY HAVE AN IMPACT ON THE CORPORATION.** No Executive session called.

XII. **OTHER MATTERS:** CHAIR LEVALLEY asked if there were any other matters to properly come before the board. No other matters were presented. JESS HALL made a motion to adjourn. VIVIAN STIVER seconded the motion. Seeing and hearing no objections, the meeting was adjourned at 11:02 am.

ATTESTED:



Brent LeValley - Board Chair



Bryan Butcher
CEO/Executive Director