

MINUTES

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

May 18, 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
Anchorage

VICE CHAIR
Member of the Board

JESS HALL
Anchorage

Member of the Board

DEVEN MITCHELL
Anchorage

Designee for Commissioner
Department of Revenue

JULIE SANDE
Via Teleconference

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. VIVIAN STIVER moved to approve the agenda. JESS HALL seconded. The agenda was approved as presented.
- III. **MINUTES OF April 27, 2022.** CHAIR LEVALLEY asked for revisions or acceptance of the minutes. JESS HALL moved to approve the April minutes. VIVIAN STIVER seconded. The minutes of April 27, 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 transfer of funds to Alaska Corporation for Affordable Housing in accordance with FY2023 Moving to Work Annual Plan and Capital Fund Program. (22-04).** BRYAN BUTCHER introduced the item and Cathy Stone presented. Ms. Stone stated that in accordance with the MTW Agreement, AHFC maintains program reserves and has the authority to encumber those reserves for MTW activities. MTW Activity 2023-3 estimated a budget of \$20 million with a \$10 million contribution by ACAH to construct 56 affordable housing units in Fairbanks, Alaska. The transfer of funds from AHFC to ACAH will enable ACAH to provide its contribution to the new development. Staff recommends Board approval of the attached resolution that approves its transfer of funds from AHFC to ACAH. JESS HALL moved to approve Resolution 2022-04 .Discussion followed. VIVIAN STIVER seconded. The resolution was unanimously approved. (5-0); **Resolution #2022-04 Approving the transfer of funds to Alaska Corporation For Affordable Housing in accordance with the FY2023 Moving To Work Annual Plan and Capital Fund Program.**

B. Consideration of a Resolution authorizing the issuance and sale of not to exceed \$400,000,000 State Capital Project Bonds II in one or more series approving related matters. (22-05). BRYAN BUTCHER introduced the item and MIKE STRAND presented. Mr. Strand stated that the Series A Bonds will be issued as taxable, variable rate bonds backed by a Letter of Credit from Barclays Bank PLC. Proceeds totaling \$140 million will be used to refund the State Capital Project Bonds II, 2014 Series C, resulting in debt service savings of about \$3 million over the next seven years. The remaining proceeds will be used to replace prior series of variable rate bonds backed by self-liquidity while continuing to act as a cash hedge on our balance sheet. Although there are no savings with this replacement, it will reduce our self-liquidity requirements and transfer some credit risk exposure on our balance sheet. With the Board's approval, we would price the Series A Bonds on May 31 in order to deliver them on June 1, which is the mandatory redemption date, thus carrying no negative arbitrage. The Series B Bonds will be tax-exempt, fixed rate bonds issued to refund certain outstanding obligations, reimburse for prior governmental purpose expenditures and for any other authorized purpose. Since the authority for this type of issuance only comes from qualified government expenses, the size is limited by prior dividend appropriations, and, as such, is normally capitalized into a bond deal on an annual basis to both take advantage of economies of scale and for market diversification. With the Board's approval, we would anticipate issuing up to \$110 million in bonds in July to leverage our dividend at a favorable cost of capital for business operations. JESS HALL moved to approve Resolution 2022-05. VIVIAN STIVER seconded. The resolution was unanimously approved. (6-0); **Resolution #2022-05 Resolution of the Alaska Housing Finance Corporation Authorizing the issuance and sale of not to exceed \$400,000,000 State Capital Project Bonds II, in one or more series; Authorizing the execution and delivery of a series supplemental indenture to secure each**

such series; Authorizing the execution and delivery of a bond purchase agreement and a continuing disclosure certificate relating to the sale of each such series; Approving the form of the preliminary official statement with respect to each series of bonds and the form and distribution of a final official statement with respect to each series of bonds; and authorizing and approving related matters.

C. Consideration of Resolution authorizing issuance and sale of not to exceed \$12 million Conduit Revenue Bonds, 2022 (Fairbanks Affordable Housing Project) and approving related matters. (22-06) BRYAN BUTCHER introduced the item and MIKE STRAND presented. Mr. Strand stated that the Fairbanks Affordable Housing Project, spearheaded by ACAH, is an affordable 58- unit scattered site multi-family housing development in Fairbanks, Alaska. It includes 4% low-income housing tax credits, which require that 50% of the project costs be funded with tax-exempt bonds. This conduit revenue bond issuance satisfies that IRS requirement by selling short-term bonds directly to the construction lender and retiring them when the loan is repaid through tax-credit proceeds, mortgages or other revenues. The bonds will be sold directly, by private placement, to the construction lender and serviced by the borrower, Fairbanks Affordable Housing, LLC. The borrower has chosen First National Bank Alaska as their construction lender. 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. JESS HALL moved to approve Resolution 22-05. VIVIAN STIVER seconded. The resolution was unanimously approved. (6-0) Resolution #22-06 Resolution of the Alaska Housing Finance Corporation Authorizing the issuance and sale of a not to exceed \$12,000,000 Revenue Bond, 2022 (Fairbanks Affordable Housing Project); authorizing a loan agreement; and authorizing and approving related matters.

VII. **REPORT OF THE CHAIR:** CHAIR LEVALLEY stated that he is pleased that in-person meetings.

VIII. **BOARD COMMITTEE REPORTS:** None.

IX. **REPORT OF THE EXECUTIVE DIRECTOR.** BRYAN BUTCHER reported on 1) Operating budget was approved as submitted. 2) Capital budget has not had any reductions. In fact, there have been a few small increases. 3) Amy Hiley retired at the end of April. 4) Met with Fairbanks Realtors' Group along with the Governor's office. There are challenges in housing and difficulty obtaining appraisals quickly. 5) Spoke at Providence Alaska House ground-breaking, a permanent support of housing. Has 51 units for seniors with chronically homeless situations. 6) Upcoming AHFC retirements: Pamela Stantorf, Project Specialist, Victoria Wilson, Program Development Coordinator. 7) Next meeting is Wednesday, June 29 with an AHFC regular meeting and an Audit Committee meeting.

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.

Audit Committee	June 29, 2022	8:30 am Anchorage
AHFC Regular BOD Meeting	June 29, 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 10:40am.

ATTESTED:



Brent LeValley - Board Chair


Bryan Butcher
CEO/Executive Director