Alaska Housing FINANCE CORPORATION

MINUTES

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS

REGULAR MEETING

November 20, 2024 10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation (AHFC) met November 20, 2024, in the AHFC Board Room, 4300 Boniface Parkway in Anchorage, Alaska, at 10:00 a.m. Board members present in the room and via teleconference were:

BRENT LEVALLEY (telephonic)	**Chair** **Member of the Board**
JESS HALL (telephonic)	**Vice Chairman** **Member of the Board**
ALLEN HIPPLER (telephonic)	**Member of the Board**
DAVID PRUHS (telephonic)	**Member of the Board**
FADIL LIMANI	**Deputy Commissioner** Department of Revenue Designee **Member of the Board**
HEIDI HEDBERG (telephonic)	**Commissioner** Department of Health **Member of the Board**
JULIE SANDE (telephonic)	**Commissioner** Department of Commerce, Community & Economic Development **Member of the Board**

I. **ROLL CALL** CHAIR LEVALLEY called the meeting to order. A quorum was declared present, and the meeting was duly and properly convened for the transaction of business.

II. **APPROVAL OF AGENDA.** CHAIR LEVALLEY asked if there were any changes to the agenda. Mr. Butcher stated that he would like to remove Item C Term Loan Request from the Agenda, as it is still in process and not ready to be presented to the board. CHAIR LEVALLEY stated that Item C is removed and then asked for a motion to approve the agenda as amended. JESS HALL moved to approve the agenda as amended. FADIL LIMANI seconded. Hearing no objections, the agenda was approved as amended.

III. **APPROVAL OF MINUTES: October 30, 2024.** CHAIR LEVALLEY asked for a motion to approve the minutes. FADIL LIMANI moved to approve the October 30, 2024, minutes as presented. JESS HALL seconded. Hearing no objections, the meeting minutes were approved as presented.

IV. **PUBLIC COMMENTS:** There were no public comments.

V. **OLD BUSINESS:** There was no Old Business to come before the Board.

VI. **NEW BUSINESS:**

A. **Consideration of a Resolution authorizing the issuance and sale of Conduit Revenue Bonds, 2025 (Valdez Affordable Housing Project) in an amount not to exceed $12,000,000; and authorizing and approving related matters. (2024-24)** - Mr. Butcher introduced this agenda item, and Mike Strand provided the details of this project. Mr. Strand stated the resolution is for the 20-unit multifamily rental housing facility for low-income tenants in Valdez. Financing for this project includes 4% low-income housing tax credits, which require that 50% of the costs be funded with tax exempt bonds and this bond, like other deals, will satisfy that IRS requirement. The bond will be sold directly to the construction lender, First National Bank of Alaska (FNBA) and will be a private placement directly with the bank. The loan agreement provides for the payment of the costs on the bond in amounts that will be sufficient to pay all debt service when due. Payments by the borrower will be the only source of revenue on this bond and no assets or revenues of the corporation will be pledged to this transaction. This is an Alaska Corporation for Affordable Housing (ACAH) partnership deal. The bond will be up to $12 million and is expected to pay off in less than two years. JESS HALL moved to approve Resolution 2024-24. FADIL LIMANI seconded. A roll call vote was taken, and the resolution was approved unanimously. (7-0).

B. **Consideration of a Term Loan Request in the amount of $1,100,000 for the long-term financing for the refinance of a newly constructed 16-unit assisted living facility located in Anchorage, Alaska (2024-25)** - Mr. Butcher introduced this agenda item and asked Jim McCall, Manager of Senior Housing, and Rich McKinstry, Multifamily Underwriter Manager, to present the details. Mr. McCall stated over the past five years, the Municipality of Anchorage has experienced growth of the older population by 17% with those seniors 75 years old and above increasing by 34% or 15,000 residents. Of those, approximately 1,100 are aged 90 and above. Alaska's old age dependency ratio of 19.2 per 100 working age persons points to a significant senior population emphasizing the importance of assisted living and related senior support services. Mr. McKinstry presented the loan proposal and explained that the borrowers are in the process of converting their triplex building into a 16-bed senior assisted living home. They are experienced operators of assisted living homes and will be transferring their existing clients to this new home upon completion of construction. AHFC will purchase the loan once the construction has been completed. The loan has a very low loan to value ratio of 50% as well as an excellent debt service coverage ratio of 2.29%. AHFC is also collecting a six-month operating reserve to provide a smooth transition into the new home. Staff recommended approval of the resolution. DAVID PRUHS moved to approve Resolution 2024-25. FADIL LIMANI seconded. A roll call vote was taken, and the resolution was approved unanimously. (7-0).

VII. **REPORT OF THE CHAIR.** CHAIR LEVALLEY confirmed that all had received the boardmanship booklets put together by John Wagner of Kutak Rock.

VIII. **BOARD COMMITTEE REPORTS.** There were no Committee Reports to discuss with the Board.

IX. **REPORT OF THE EXECUTIVE DIRECTOR:** Bryan Butcher detailed the month of November with multiple meetings including First National Bank Alaska, Wells Fargo, the head of the Alaska director for HUD, and CEO for the Rasmussen Foundation, Gretchen Guess. These were all different meetings, among others. There is a lot of coordination that goes into the housing sector, not just we're moving forward with our proposals, but also when other areas, and other parties are weighing in and considering where they are going to invest, and what they're going to do moving forward. Included in that group is the home builders. Mr. Butcher spoke to the state home builders at their annual dinner, which provides AHFC with an opportunity to discuss what is going on in the home building sector. He stated he attended the Resource Development Council conference. He related this was the first time that housing had a seat at the table and that we have been in a discussion at that conference. AHFC has been asked by Alaska's United States Senator Dan Sullivan as well as HUD to participate in the Alaska Housing Task Force. This task force will focus on the specific Alaska challenges seen in housing. The next regular AHFC Board Meeting will be on Wednesday, January 29th.

X. **ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD.**

1. Monthly Reports. Directors of Finance and Mortgage presented their monthly reports for discussion and review. Director of the IT Department updated the Board with the overall state of IT at AHFC including risk management, access to the network, changes in management, and training.

2. Schedule.

AHFC Regular Board Meeting	January 29, 2025

XI. **EXECUTIVE SESSION:** *Corporation's operational and personnel matters that may have an impact on the Corporation's financial matters if discussed in public. Board action related to this matter, if any, will take place in the public session following the Executive Session.* BRYAN BUTCHER requested an Executive Session to discuss a matter that would be detrimental to the corporation's operational and financial bottom lines if it were discussed in public.

DAVID PRUHS moved to go into Executive Session. FADIL LIMANI seconded. Hearing no objections, the board went into executive session at 10:46 a.m.

Board members came out of executive session at 11:22 a.m. CHAIR LEVALLEY stated that no official actions were taken by the board while they were in executive session.

XII. **ADJOURNMENT:** With no other matters to come before the board, CHAIR LEVALLEY asked for a motion to adjourn the meeting. FADIL LIMANI moved to adjourn the meeting. Heidi HEDBERG seconded.

CHAIR LEVALLEY adjourned the meeting at 11:23 a.m.

ATTESTED:

Brent LeValley
Board Chair

Bryan Butcher
CEO/Executive Director