

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS

REGULAR MEETING

June 10, 2015

10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met June 10, 2015 in the AHFC board room, 4300 Boniface Parkway in Anchorage, AK at 10:00 a.m. Board members present were:

FRANK ROPPEL
Anchorage

CHAIR
Member of the Board

CLAI PORTER
Anchorage

VICE CHAIR
Member of the Board

BRENT LEVALLEY
Anchorage

Member of the Board

MARTY SHURAVLOFF
Anchorage

Member of the Board

JERRY BURNETT
Anchorage

Designee for Commissioner
Department of Revenue
Member of the Board

TARA HORTON
Anchorage

Designee for Commissioner
Department of Health
& Social Services
Member of the Board

JON BITTNER
Anchorage

Designee for Commissioner
Department of Commerce,
Community & Economic
Development
Member of the Board

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 ROPPEL proposed the agenda as presented. Seeing and hearing no objections, the agenda was approved.

III. MINUTES OF APRIL 29, 2015. CHAIR ROPPEL asked for revisions or acceptance of the minutes. BRENT LEVALLEY made a motion to accept the minutes as presented. CLAI PORTER seconded the motion. Seeing and hearing no objection, the minutes were approved as presented.

IV. PUBLIC COMMENTS. In Anchorage: no public were present. In Fairbanks: no public were present. In Juneau: no public were present.

V. OLD BUSINESS. No Old Business to discuss with the Board.

VI. A. CONSIDERATION OF A REQUEST FOR TERM FINANCING IN THE AMOUNT OF \$2,800,000 FOR THE REFINANCE OF A 35 UNIT MULTIFAMILY PROJECT KNOWN AS "KAMARU APARTMENTS" AND LOCATED IN ANCHORAGE, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Alaska USA Mortgage Company on behalf of the borrowers, Hillborn Properties, LLC have applied to Alaska Housing Finance Corporation to receive funds under the Multi-Family Participation Loan Purchase Program for term financing for the refinance with rehabilitation, and equity extraction to purchase an additional multifamily property, of a 35 unit multi-family apartment complex located at 3938 Cope Street in Anchorage, Alaska. Discussion followed. CLAI PORTER made a motion to approve Resolution 2015-17. BRENT LEVALLEY seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2015-17

RESOLUTION APPROVING TERM FINANCING FOR THE REFINANCING OF A MULTI-FAMILY HOUSING PROJECT TO HILLBORN PROPERTIES, LLC.

VI. B. ADVISORY DISCUSSION ON THE STATUS OF A TERM LOAN COMMITMENT APPROVED ON JUNE 19, 2013 FOR THE DEVELOPMENT OF 40 UNITS OF AFFORDABLE HOUSING TO BE KNOWN AS "JUNEAU I VOA HOUSING" AND LOCATED IN JUNEAU, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Juneau I VOA Limited Partnership was approved for a \$2,774,200 loan for the long term financing of an affordable multi-family apartment complex consisting of 40 units to be named "Juneau I VOA Housing" and located at NHN Vista Drive in Juneau, Alaska at the June 19, 2013 board meeting. The initial development schedule proposed a June, 2015 term loan closing based on the project being able to obtain the necessary conditional use permits from the City and Borough of Juneau and site work being able to get started in the fall of 2013. The public process of obtaining the necessary permits and the subsequent diligence in completing the architectural renderings for the project combined with the due diligence requirements of the Low Income Housing Tax Credit investor delayed ground breaking until

April of 2014. This pushed the fiscal ability of the borrower to close the term loan to April, 2016. The term loan commitment expires on June 19, 2015 and regulations do not allow for an extension. The borrower has requested a soft closing. Staff recommends the soft closing as the delays were beyond the control of the borrower or the development team; the committed interest rate is comparable to today's interest rates; regulations do not have to be waived to meet the needs of the project; and, all of the original terms and conditions of the loan approval dated June 19, 2013 remain the same. This is just an update to the Board on this project at this time. Discussion followed. No action from the Board was requested or required.

VI. C. CONSIDERATION OF A RESOLUTION TO RESCIND THE FY2016 APPROVED SALARY SCHEDULES WITH THE 2.5% COLA AND ADOPT A FY2016 REVISED SALARY SCHEDULES WITHOUT A COLA. BRYAN BUTCHER introduced the item and LES CAMPBELL presented. Mr. Campbell stated that this is a resolution requesting the AHFC Board of Directors' approval and adoption of the revised Salary Schedule which removes increases for AHFC employees effective July 1, 2015; and the revised FY2016 Salary Schedules. The Corporation's personnel rules provide for a salary schedule that is comparable to the State of Alaska salary schedule. Generally, the Corporation follows the State's Non-covered employees. Although previously approved, the Legislature adjusted the salary schedule for FY2016 through HB176. At this time, this has not been signed by the Governor; however, the Governor has signed HB72 that removed the funding from the previously approved FY2016 salary schedules with a two and a half percent (2.5%) increase effective July 1, 2015. As of the date of this memo, the Legislature and the Governor of the State of Alaska have not agreed upon, nor approved funding for a 2.5% COLA for the FY2016 salary schedule; therefore, the Corporation has revised the Corporation's Salary Schedules to reflect the funding changes made thus far by the Legislature and the Governor of the State of Alaska. Effective July 1, 2015, the amounts set out in the FY2016 salary schedules are revised to reflect a zero percent (0%) increase above the FY2015 salary schedules as no additional funding was included in the FY2016 budget cycle to date. Should the funding for the 2.5% COLA be subsequently approved by the Legislature, now in a Special Session, and signed by the Governor of the State of Alaska, the FY2016 Salary schedules already approved by the Board will remain in place; otherwise the Board of Directors of the Alaska Housing Finance Corporation approves the salary adjustments as provided in these revised FY2016 Salary Schedules with a 0% COLA to be effective July 1, 2015. Discussion followed. CLAI PORTER made a motion to approve Resolution 2015-18. BRENT LEVALLEY seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2015-18

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA
HOUSING FINANCE CORPORATION APPROVING ADOPTION OF
THE REVISED FY2016 SALARY SCHEDULES.**

VI. D. REVIEW AND APPROVAL OF THE FY2016 OPERATING BUDGET DETAILS FOR THE LOW-RENT ASSET MANAGEMENT DEVELOPMENTS (AMPS) AND THE CENTRAL OFFICE COST CENTER (COCC). BRYAN BUTCHER introduced the item and LES CAMPBELL presented. Mr. Campbell stated that in general the budget supports the FY2016 MTW Plan Year #7 and that all salaries were calculated using the proposed new FY2016 Salary Schedules with 0% COLA. The budget fully funds all current and projected contracts as submitted in the Governor's budget and allows for changes between Categories but holds to the Bottom Line. Discussion followed. BRENT LEVALLEY made a motion to approve Resolution 2015-19. MARTY SHURAVLOFF seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2015-19

**PHA BOARD RESOLUTION APPROVING OPERATING
BUDGET.**

VI. E. CONSIDERATION OF A RESOLUTION TO APPROVE THE PUBLIC HOUSING DIVISION VACATED TENANT ACCOUNT WRITE-OFFS BRYAN BUTCHER introduced the item and MIKE COURTNEY presented. Mr. Courtney stated that throughout the year, the Public Housing Division turns over its delinquent accounts to a collection agency for assistance with collection of debts owed. Types of debts owed to PHD include unpaid rent, costs for damages to a unit, unpaid payment agreements, and back payment for undeclared income. Each year PHD writes off these accounts, by moving monies from current accounts receivable to a debt account. Through this process PHD will continue to actively pursue the debt, however it will no longer appear on its active books as a debt. Discussion followed. CLAI PORTER made a motion to approve Resolution 2015-20. BRENT LEVALLEY seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2015-20

**RESOLUTION FOR THE APPROVAL OF THE PUBLIC HOUSING
DIVISION VACATED TENANT ACCOUNT WRITE-OFF.**

VI. F. A REPORT FROM THE RESIDENT ADVISORY BOARD TO THE AHFC BOARD OF DIRECTORS. BRYAN BUTCHER introduced the item and MIKE COURTNEY presented. Mr. Courtney gave an overview of the Resident Advisory Board of Directors meeting that was held April 15, 2015. Discussion followed. No action was requested nor required of the Board.

VII. REPORT OF THE CHAIR. CHAIR ROPPEL stated that the Audit Committee, ACAH and AHFC BOD meetings will be held in Anchorage at the AHFC building beginning at 8:30am.

VIII. BOARD COMMITTEE REPORTS. There were no Committee reports to present to the Board.

IX. REPORT OF THE EXECUTIVE DIRECTOR. BRYAN BUTCHER reported on: 1.) Legislative update; 2.) Housing Anchorage Conference at BP Energy Center 5/11; 3.) AEDC LWP updates 5/19; 4.) Alaska Council on Homelessness Meetings 5/20; 5.) State DOC Reentry Council meeting 5/28; 6.) Statewide Supportive Housing Strategic Plan meeting 6/2; 7.) Discussion on work with the Building a Sustainable Future for Alaska transition teams on Infrastructure and Consumer Energy; 8.) Homelessness transition subcommittee meeting; 9.) National Disaster Resilience phase 2 timeline discussion; 10.) Pre-Development Partners Meeting with the Foraker Group 6/15; 11.) Retiring AHFC employees are Elaine Hollier (22 years) and Ray Utter (36 years).

X. OTHER MATTERS. CHAIR ROPPEL asked if there were any other matters to properly come before the board.

1. Monthly Loan Reports. Finance, Mortgage, R2D2 Public Housing and GR&PA reports were presented for discussion and review.

2. Schedule of Board Meetings:

Audit Committee Meeting	July 29, 2015	8:30 am	Anchorage
AHFC Regular BOD Meeting	July 29, 2015	10:00 am	Anchorage

X. OTHER MATTERS. CHAIR ROPPEL asked if there were any other matters to properly come before the board. CLAI PORTER made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 11:00 a.m.

ATTESTED:



Frank Roppel
Board Chair



Bryan Butcher
CEO/Executive Director