
ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING

April 25, 2018

10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met April 25, 2018 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

ALAN WILSON
Anchorage

VICE CHAIRMAN
Member of the Board

HAVEN HARRIS
via teleconference

Member of the Board

MIKE BARNHILL
via teleconference

Designee for Commissioner
Department of Revenue
Member of the Board

RANDALL BURNS
Anchorage

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

MIKE NAVARRE
via teleconference

Commissioner
Department of Commerce,
Community & Economic
Development

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



III. **MINUTES OF FEBRUARY 28, 2018.** CHAIR LEVALLEY asked for revisions or acceptance of the minutes. 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 \$1,500,000 LOAN REQUEST FOR COOK INLET LENDING CENTER UNDER THE LOANS TO SPONSORS PROGRAM.** BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Cook Inlet Lending Center, Inc. has applied for \$1,500,000 to fund its loan "Down Payment assistance Program" under the new guidelines. In September, 2004, and at various time thereafter, Cook Inlet Lending Center, Inc. was approved for funding under the Loans-to-Sponsors Program, to provide funds for its loan "Down Payment Assistance Program" which assists in the financing of second mortgages and/or down payment and closing costs for persons of low to moderate income. Discussion followed. RANDALL BURNS made a motion to approve Resolution 2018-05. ALAN WILSON seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2018-05

RESOLUTION APPROVING A \$1,500,000 LOAN TO PROVIDE FUNDS UNDER THE LOANS-TO-SPONSORS PROGRAM.

VI. **B. CONSIDERATION OF A TERM LOAN REQUEST IN THE AMOUNT OF \$730,000 FOR THE LONG TERM FINANCING OF A 20 UNIT AFFORDABLE HOUSING PROJECT KNOWN AS "MILL BAY TOWNHOMES" AND LOCATED AT 1223 MILL BAY ROAD IN KODIAK, ALASKA.** BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Mill Bay Townhomes LLC, through their managing member Mill Bay Partners LLC, has applied to Alaska Housing Finance Corporation for term funding under the Multifamily, Special Needs and Congregate Housing Program for the development of a 20-unit affordable multifamily complex to be located in Kodiak, Alaska. Discussion followed. ALAN WILSON made a motion to approve Resolution 2018-06. RANDALL BURNS seconded the motion. The resolution was unanimously approved. (7-0)



RESOLUTION #2018-06

**RESOLUTION APPROVING TERM FINANCING FOR A
MULTI-FAMILY HOUSING PROJECT TO MILL BAY
TOWNHOMES LLC.**

VI. C. CONSIDERATION OF A TERM LOAN REQUEST IN THE AMOUNT OF \$637,000 FOR THE LONG TERM FINANCING OF A STATE LICENSED ASSISTED LIVING HOME KNOWN AS "SUNSHINE HAVEN ASSISTED LIVING" AND LOCATED AT 15944 SUNSET BEND CIRCLE IN ANCHORAGE, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that The Sunshine Haven Assisted Living Home LLC has applied to Alaska Housing Finance Corporation for funds to provide the term financing for a special needs housing facility located in Anchorage Alaska. There is a need to provide safe and sanitary housing for the care of individuals with developmental disabilities, the purpose of the financing falls within the established program regulations. Discussion followed. ALAN WILSON made a motion to approve Resolution 2018-07. RANDALL BURNS seconded the motion. The resolution was approved. (6-1) RANDALL BURNS voted no.

RESOLUTION #2018-07

**RESOLUTION APPROVING FUNDS FOR THE TERM
FINANCING OF A SPECIAL NEEDS HOUSING FACILITY
FOR SUNSHINE HAVEN ASSISTED LIVING HOME LLC.**

VI. D. CONSIDERATION OF A RESOLUTION APPROVING THE FY2019 MOVING TO WORK ANNUAL PLAN AND CAPITAL FUND PROGRAM. BRYAN BUTCHER introduced the item and CATHY STONE presented. Ms. Stone stated that AHFC's Board of Directors approved an extension of AHFC's participation in the MTW Demonstration Program with Resolution 16-11 on May 25, 2016 extending AHFC's participation to 2028. In compliance with the MTW Agreement, a draft plan was developed, and the scope of the plan covers activities falling within the Public Housing Program, the Capital Fund Program, and the Housing Choice Voucher program, including but not limited to rental subsidy, operations, administration, and modernization as expressly outlined in the MTW Agreement. AHFC invited comment on the plan through notices posted on its web site and notices in the *Anchorage Daily News*, *Fairbanks News-Miner*, and *Juneau Empire* on February 2, 2018 allowing for a 30-day comment period with a public hearing held on February 22, 2018, responses to public



comments are contained within the plan. This annual plan is due to HUD at least 75 days before the AHFC fiscal year end. Discussion followed. RANDALL BURNS made a motion to approve Resolution 2018-08. ALAN WILSON seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2018-08

**RESOLUTION APPROVING THE FY2019 MOVING TO
WORK ANNUAL PLAN AND CAPITAL FUND PROGRAM.**

VI. E. CONSIDERATION OF A RESOLUTION TO AUTHORIZE THE ISSUANCE OF UP TO \$135,000,000 STATE CAPITAL PROJECT BONDS II. BRYAN BUTCHER introduced the item and MIKE STRAND presented. Mr. Strand stated that along with the issuance of the State Capital Project Bonds II, 2018 Series A, staff is proposing to amend our Revolving Credit Agreement with the Industrial and Commercial Bank of China ("ICBC"), from \$200 million up to an amount not to exceed \$300 million. The amendment provides the additional liquidity support needed for the new variable rate bonds. Staff worked together with our financial advisor, Hilltop Securities, to determine the most appropriate source of liquidity for the variable rate bonds. Based on the success of our last transaction in December, we determined that amending our existing Revolving Credit Agreement with ICBC to increase our credit limit would satisfy all our internal risk requirements and be the most economical liquidity option. Discussion followed. ALAN WILSON made a motion to approve Resolution 2018-09. RANDALL BURNS seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2018-09

RESOLUTION TO AUTHORIZE THE ISSUANCE AND SALE OF NOT TO EXCEED \$135,000,000 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; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT RELATING TO THE SALE OF EACH SUCH SERIES AND A CONTINUING DISCLOSURE CERTIFICATE RELATING TO THE SALE OF EACH SUCH SERIES; TO APPROVE THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE BONDS AND THE FORM AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE BONDS; AND TO AUTHORIZE AND APPROVE RELATED MATTERS.



VI. F. CONSIDERATION OF A RESOLUTION TO AMEND A REVOLVING CREDIT AGREEMENT FROM \$200,000,000 TO \$300,000,000. BRYAN BUTCHER introduced the item and MIKE STRAND presented. Mr. Strand stated that staff is proposing the issuance of up to \$135 million State Capital Project Bonds II, 2018 Series A & B. The Series A Bonds will be up to \$90 million in taxable, variable rate bonds that enable the Corporation to further hedge our balance sheet with short-term liquidity and provide new money for mortgage purchases. The Series B Bonds will be up to \$45 million in tax-exempt, fixed rate bonds that will refund certain outstanding obligations of the Corporation, reimburse for prior governmental purpose expenditures and pay for future capital budget appropriations. Staff worked together with our financial advisor, Hilltop Securities, to determine the most appropriate method-of-sale and concluded that a negotiated sale executed through a competitive RFP process would achieve the best financing structure and lowest borrowing costs. We sent out an RFP last April to choose the most qualified underwriter and received six proposals. The responses were evaluated based on bond structure, pricing spreads, total costs, banking firm and AHFC relationship. Bank of America Merrill Lynch received the highest overall score and was chosen as the senior manager. Based on the other scores, Jefferies, JP Morgan, Raymond James and Wells Fargo were recommended as co-managers for the fixed rate Series B Bonds to help support the deal. No co-managers were recommended for the Series A Bonds, as a syndicate is not needed on a variable issuance. In accordance with our Fiscal Policies and subject to the Board's concurrence, this Bond Resolution approves the various financing documents and authorizes the sale of the bonds by a negotiated method-of-sale with Bank of America Merrill Lynch as senior book running manager. Discussion followed. HAVEN HARRIS made a motion to approve Resolution 2018-10. RANDALL BURNS seconded the motion. The resolution was unanimously approved. (7-0)

RESOLUTION #2018-10

RESOLUTION TO AUTHORIZE AN AMENDMENT TO INCREASE THE COMMITMENT AMOUNT UNDER THE CORPORATION'S REVOLVING CREDIT AGREEMENT WITH THE INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK BRANCH, TO AN AMOUNT NOT TO EXCEED \$300,000,000 TO PROVIDE FUNDS FOR PAYMENT OF AMOUNTS REQUIRED TO BE PAID BY THE CORPORATION; TO AUTHORIZE THE EXECUTION AND DELIVERY OF AGREEMENTS RELATING TO SUCH REVOLVING CREDIT AGREEMENT; AND TO AUTHORIZE AND APPROVE RELATED MATTERS:



VII. REPORT OF THE CHAIR. CHAIR LEVALLEY stated that the next meetings will be May 30, 2018 in Anchorage. Chair LeValley said that the annual meeting is being looked into as an away meeting some place in Alaska, more to follow.

VIII. BOARD COMMITTEE REPORTS. Alan Wilson gave an overview of the Audit Committee meeting that was held earlier today.

IX. REPORT OF THE EXECUTIVE DIRECTOR. BRYAN BUTCHER reported on: 1.) Carol Gore Resignation (Thurs, 4/5); 2.) Budget Hearings in Juneau (Wed & Thurs, 3/14 & 3/15); 3.) Foraker Meeting updates; 4.) Foraker Pre-Development program suspension; 5.) UAA Real Connections Award Weidner School Lunch UAA (Fri, 3/30); 6.) Assoc. of AK Housing Authorities Quarterly Meeting. (Mon. 4/9); 7.) Senator Sullivan video meeting w/homebuilders (Thurs, 4/19); 8.) Meeting with Senator Murkowski, (Mon, 4/30); 9.) Meeting with Kodiak mayor, discussion with AHFC staff (Robenett), Rural Leadership Forum, (Thurs, 4/26); 10.) Housing and Homelessness Network Meeting 9-11:30 am & Alaska Council on the Homeless Meeting with Governor (AO) 1 - 4 pm, (Tues, 5/15); 11.) AAHA Homeless discussion, (Wed, 5/16); 12.) AHFC Retirements: Robenett Sagalkin, David McDowell, Victor Peralta and Brian Baines.

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

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

2. Schedule of Board Meetings:

AHFC BOD Meeting	May 30, 2018	10:00am	Anchorage
------------------	--------------	---------	-----------

XI. EXECUTIVE SESSION: CORPORATION'S OPERATIONAL MATTERS THAT MAY HAVE AN IMPACT ON THE CORPORATION. No Executive Session was required today.



XII. OTHER MATTERS. CHAIR LEVALLEY asked if there were any other matters to properly come before the board. RANDALL BURNS made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 11:25 a.m.

ATTESTED:



Brent LeValley
Board Chair



Bryan Butcher
CEO/Executive Director

