ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS

REGULAR MEETING

June 29, 2016 10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met June 29, 2016 in the AHFC board room, 4300 Boniface Parkway in Anchorage, AK at 10:00 a.m. Board members present were:

BRENT LEVALLEY Anchorage	**BOARD CHAIR** **Member of the Board**
MARTY SHURAVLOFF Via teleconference	**BOARD VICE CHAIR** **Member of the Board**
ALAN WILSON Anchorage	**Member of the Board**
CAROL GORE Anchorage	**Member of the Board**
TARA HORTON Anchorage	**Designee for Commissioner** **Department of Health** **& Social Services** **Member of the Board**
PAM LEARY Via teleconference	**Designee for Commissioner** **Department of Revenue** **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 LEVALLEY proposed the agenda be amended to delete the Executive Session as there was nothing to discuss. Hearing no objection the agenda was approved as amended.

III. **MINUTES OF MAY 25, 2016.** 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 TERM LOAN IN THE AMOUNT OF $4,560,000 FOR THE LONG TERM FINANCING OF A NEWLY CONSTRUCTED 32 UNIT MULTIFAMILY APARTMENT COMPLEX TO BE KNOWN AS "BELLA TERRA APARTMENTS" AND LOCATED IN ANCHORAGE, ALASKA.** BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Anchorage Pacific Associates, LLC, have requested term financing for the development of a 32 unit multi-family apartment complex to be located at 7421 East 4th Avenue in Anchorage Alaska. The request comes from Northrim Bank on behalf of the borrower. Staff recommends approval of this loan based upon: The subject's excellent cash flow at 1.40 debt coverage; loan to value of 80%; and subject to the conditions noted. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-13. ALAN WILSON seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-13

RESOLUTION APPROVING A MODIFICATION TO THE TERM FINANCING FOR A MULTI-FAMILY HOUSING PROJECT TO ANCHORAGE PACIFIC ASSOCIATES, LLC.

VI. B. **CONSIDERATION OF A TERM LOAN IN THE AMOUNT OF $2,907,750 FOR THE LONG TERM FINANCING FOR THE ACQUISITION AND REHABILITATION OF A 65 UNIT MIXED-USE MULTIFAMILY APARTMENT COMPLEX TO BE KNOWN AS "JUNEAU SUPER 8" AND LOCATED IN JUNEAU, ALASKA.** BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Alaska Joint Venture Partners LLC has presented the corporation with a unique opportunity to provide safe and needed affordable housing in Juneau. The request falls within the parameters of the Multi-Family Housing Lending Program; it is reasonable to expect that the loan will be repaid; and it is considered to be an acceptable risk; therefore, staff recommends approval of the request subject to the conditions noted. Discussion followed. TARA HORTON made a motion to approve Resolution 2016-14. CAROL GORE seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-14

RESOLUTION APPROVING TERM FINANCING FOR AN AFFORDABLE MIXED-USE MULTIFAMILY HOUSING PROJECT FOR ALASKA JOINT VENTURE PARTNERS, LLC.

VI. C. CCONSIDERATION OF A TERM LOAN IN THE AMOUNT OF $3,294,000 FOR THE LONG TERM FINANCING FOR THE ACQUISITION OF A 51 UNIT AFFORDABLE MULTIFAMILY APARTMENT COMPLEX KNOWN AS "PARKWOOD APARTMENTS" AND LOCATED IN ANCHORAGE, ALASKA. BRYAN BUTCHER introduced the item and ERIC HAVELOCK presented. Mr. Havelock stated that Parkwood Inn Apartments LLC has requested term loan financing for the acquisition and rehabilitation of an affordable multifamily project containing 51 units and known as "Parkwood Apartments" located at 4455 Juneau Street in Anchorage, Alaska. They have presented the corporation with a unique opportunity to provide safe and needed affordable housing in Anchorage. The request falls within the parameters of the Multi-Family Housing Lending Program; it is reasonable to expect that the loan will be repaid; and it is considered to be an acceptable risk; therefore, staff recommends approval of the request subject to the conditions noted. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-15. TARA HORTON seconded the motion. The resolution was approved. (6-0)

RESOLUTION #2016-15

RESOLUTION APPROVING FUNDS FOR THE TERM FINANCING OF A MULTI-FAMILY HOUSING PROJECT FOR PARKWOOD INN APARTMENTS LLC.

VI. D. CONSIDERATION OF A RESOLUTION OF THE ALASKA HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE OF UP TO $60 MILLION COLLATERALIZED BONDS (VETERANS MORTGAGE PROGRAM), 2016 SERIES. BRYAN BUTCHER introduced the item and GERARD DETA presented. Mr. Deta stated that staff is proposing the issuance and sale of not to exceed $55 million Collateralized Bonds (Veterans Mortgage Program), 2016 Series, to refund commercial paper that previously refunded the Collateralized Bonds (Veterans Mortgage Program), 2006 Series, and to provide additional proceeds for qualified borrowers under our veteran's loan program. The proposed transaction will be issued in one or more series as fixed rate tax-exempt bonds and be awarded using a competitive bidding system to the bank whose bid meets the bond specifications and results in the lowest true interest cost to the Corporation. The refunding portion of the bonds will save over $6.0

million (NPV) in debt service payments at current market spreads, or 19% of refunded bonds. The new money portion of the bonds will provide financing for veteran's mortgage program loans for approximately one year. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-16. TARA HORTON seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-16

RESOLUTION OF THE ALASKA HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $55,000,000 COLLATERALIZED BONDS, (VETERANS MORTGAGE PROGRAM) OF THE CORPORATION, IN ONE OR MORE SERIES AND APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE BONDS AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT AND THE SALE OF THE BONDS TO THE SUCCESSFUL BIDDER; AND AUTHORIZING AND APPROVING RELATED MATTERS

VI. E. REVIEW AND APPROVAL OF THE FY2017 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 gave an overview of the highlights and changes being presented for the FY2017 Operating Budgets. Discussion followed. ALAN WILSON made a motion to approve Resolution 2016-17. CAROL GORE seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-17

PHA BOARD RESOLUTION APPROVING OPERATING BUDGET.

VI. F. C APPROVAL TO MOVE THE APPROPRIATED FUNDING OUT OF THE PROJECT RESERVES AND INTO THE ASSOCIATED CAPITAL PROJECT PROGRAM ACCOUNTS FOR THE FACILITY MANAGEMENT PROGRAM. BRYAN BUTCHER introduced the item and LES

CAMPBELL presented. Mr. Campbell gave an overview of the proposed funding for the Facility Management Program. This proposal will move up to $5,000,000 out of the Low Rent and Section 8 New Construction's combined "Operating Reserve" and transfer them to other funds already setup for the Facility Management Program, and will remain there until AHFC exhausts these funds over the next few years. Mr. Campbell stated that this action will have no effect on the Corporation's Profit & Loss Statement for the current year, but will cleanup and help staff to manage and protect the PHD program's critical funding mechanisms. Staff recommends the Board approve this transfer of funds and direct and authorize the Accounting Department to book the above mentioned transfers prior to FY2016 yearend, June 30, 2016. Discussion followed. CAROL GORE made a motion to approve Resolution 2016-18. ALAN WILSON seconded the motion. The resolution was unanimously approved. (6-0)

RESOLUTION #2016-18

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION APPROVING THE TRANSFER AND BOOKING OF CERTAIN PROGRAM OPERATING RESERVES INTO THE ASSOCIATED CAPITAL IMPROVEMENT PROGRAM (CIP) ACCOUNTS FOR THE FACILITY MANAGEMENT PROGRAM

VI. G. C A REPORT FROM THE RESIDENT ADVISORY BOARD TO THE AHFC BOARD OF DIRECTORS. BRYAN BUTCHER introduced the item and CATHY STONE presented. Ms. Stone gave an overview of the Resident Advisory Board of Directors meeting that was held recently. Discussion followed. No action was requested nor required of the Board.

VII. REPORT OF THE CHAIR. CHAIR LEVALLEY stated that the next AHFC Board of Directors meeting will be July 27, 2016 in Anchorage.

VIII. BOARD COMMITTEE REPORTS. KEVIN TUNE gave an over view of the Audit Committee Meeting that was held at 8:30am today.

IX. REPORT OF THE EXECUTIVE DIRECTOR. BRYAN BUTCHER reported on: 1.) Legislative Budget update; 2.) AO281 update; 3.) Deputy Assistant HUD Secretary Lourdes Castro Ramirez visit Mon 7/20-Wed 6/22; 4.) Housing Summit follow up meeting Thurs 6/23; 5.) Rasmuson Foundation Open House Tue 6/28; 6.) AHFC Employee funded picnic Sat 6/18; 7.) Cary Bolling retires after 28 years with the State of Alaska Thurs 6/30.

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

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

2. **Schedule of Board Meetings:**

AHFC Regular BOD Meeting	July 27, 2016	10:00am	Anchorage

X. OTHER MATTERS. CHAIR LEVALLEY asked if there were any other matters to properly come before the board. ALAN WILSON made a motion to adjourn. Seeing and hearing no objections, the meeting was adjourned at 11:17 a.m.

ATTESTED:

Brent LeValley
Board Chair

Bryan Butcher
CEO/Executive Director