

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

MINUTES

Via Microsoft Teams

December 15, 2021

10:03 – 11:34 AM CST

(A recording of the meeting will be retained by the Authority in its office at 201 W. Washington Avenue, Suite 700, Madison, Wisconsin for a period of six months.)

AUTHORITY MEMBERS PRESENT: Mr. Ranell Washington, Chairperson; Mr. Jeffrey Skrenes, Treasurer; Ms. Victoria Parmentier, Secretary; Representative Kalan Haywood; Ms. Raynetta Hill; Ms. Diane House; Assistant Deputy Secretary Ms. Olivia Hwang; Ms. Brianna Sas-Pérez; Senator André Jacque; Rep. Todd Novak

AUTHORITY MEMBERS ABSENT: Senator Janet Bewley; Ms. Missy Hughes;

AUTHORITY STAFF PRESENT: Interim Executive Director, and Deputy Executive Director, Kim Plache; Tonya Buchner, Risk and Compliance Director; Matt Fortney, General Counsel; Sherry Gerondale, Chief Financial Officer; Jennifer Harrington, Chief Operating Officer; Robin Harris, Administration Director; Brenda Marquardt, Communications Director; Kislaya Sinha, Commercial Lending Director; Shreedhar Ranabhat, Commercial Lending Manager; Ana Simpson, Community and Economic Development Director; Dan Zadra, Chief Information Officer; Stacey Wagner, Finance Controller; Emily Francis, Tax Credit Program Manager; Maureen Brunker, Executive Staff Assistant; Tonya Lambeth, Executive Staff Assistant

**CALL TO ORDER/ROLL CALL
(Agenda Item A-B)**

The meeting was called to order at 10:03 a.m. by Mr. Washington. The roll was called and a quorum was present.

**APPROVAL OF THE MINUTES FROM OCTOBER 20, 2021 MEETING
(Agenda Item C, Attachment #1)**

A motion was made by Ms. Hwang, seconded by Rep. Haywood, that the minutes of the October 20, 2021, meeting be approved. The motion carried on a unanimous voice vote. Resolution No. 8456

**AUTHORITY ACTIVITY REPORT
(Agenda Item D, Attachment #2)**

The Authority Activity Report dated December 10, 2021, was included in the materials sent to the Members.

Highlights:

- Ms. Plache highlighted activities within Commercial Lending in regards to hiring and extensive process.
- WHEDA announced the national recognition by The U.S. Department of Housing and Urban Development (HUD) and the Advisory Council on Historic Preservation (ACHP) of the Milwaukee Soldiers Home, Milwaukee, Wisconsin. Soldiers Home is the recipient of the 2021 ACHP/HUD Secretary's Award for Excellence in Historic Preservation.

**REPORT OF THE MEMBERS LOAN COMMITTEE
(Agenda Item E, Attachment #3)**

The report was accepted as presented.

**REPORT OF THE FINANCE COMMITTEE
(Agenda Item F, Attachment #4)**

The report was accepted as presented.

**REPORT OF THE NMTC COMMITTEE AND GREATER WISCONSIN OPPORTUNITIES FUND INVESTMENT
COMMITTEE
(Agenda Item G, Attachment #5)**

The report was accepted as presented.

**REPORT OF THE FACILITIES COMMITTEE
(Agenda Item H, Attachment #6)**

The report was accepted as presented.

Highlights:

- Mark Emmrich provided an update on the new building including the receipt of a completion notice from the contractor. Building is still on target for March 2022.

DECISION ITEMS
Nomination of Board Officers
(Agenda Item I1, Attachment #7)

Annual review of board roles and nomination of members is required. Discussion followed.

The following slate was proposed by Mr. Washington:

Vice Chairperson – Ms. Hill
Secretary – Ms. Parmentier
Treasurer – Mr. Skrenes

A motion was made by Mr. Washington, seconded by Ms. Hill, to elect the proposed slate. The motion carried on a unanimous voice vote. Resolution No. 8457

Nomination of Committee Members
(Agenda Item I2, Attachment #8)

The following appointments to committees were proposed and adopted:

Facilities Committee:

Rep. Todd Novak nominated to be a committee member
Raynetta Hill nominated as the committee chair

A motion was made by Mr. Washington, seconded by Ms. Parmentier, to adopt the proposed appointments. The motion carried on a unanimous voice vote.
Resolution No. 8458

Finance Committee:

Ms. Parmentier was nominated to be a committee member

A motion was made by Mr. Washington, seconded by Sen. Jacque, to adopt the proposed appointment. The motion carried on a unanimous voice vote.
Resolution No. 8459

Members Loan Committee:

Ms. Sas-Perez was nominated to be a committee member
Ms. Parmentier was nominated to be committee chair

A motion was made by Mr. Washington, seconded by Ms. Hill, to adopt the proposed appointments. The motion carried on a unanimous voice vote.

Resolution No. 8460

**Corporate Signatory Resolutions
(Agenda Item I3, Attachment #9)**

Matt Fortney reviewed the decision paper entitled "Corporate Signatory Resolutions" dated December 15, 2021. Discussion followed.

A motion was made by Mr. Washington, seconded by Ms. Parmentier, to adopt the Ginnie Mae Resolution as presented, to adopt the Freddie Mac Signatory Resolution as presented, and to authorize certain personnel to execute Freddie Mac Certificates of Incumbency as presented. The motion carried on a unanimous voice vote. Resolution No. 8459

**Supplemental Resolution Number 10 Authorizing the Issuance of Multifamily Housing
Bonds or Notes
(Agenda Item I4, Attachment #10)**

Sherry Gerondale reviewed the decision paper entitled "Supplemental Resolution Number 10 Authorizing the Issuance of Multifamily Housing Bonds or Notes" dated December 15, 2021. Discussion followed.

The Multifamily Housing Bond Resolution (the "Resolution") was created in 2006 for the issuance of stand-alone bonds. It was expanded in 2016 to allow the issuance of notes. The stand-alone bond financing program offers owners of larger developments more flexibility in the determining the bond terms and the timing of the financing.

This Resolution is also used for conduit bond issuances. For a conduit issuance, the Authority has no financial or reporting obligations after the issuance of the bonds. All rights and responsibilities are assigned to a Trustee, a Paying Agent, a Rebate Consultant or the private-placement holder of the bonds.

The Resolution delegates the approval of specific Series Resolutions to the Members Loan Committee.

This Resolution does not carry its own bond rating. Each issuance is evaluated individually related to holder of the bonds, security for the bonds and a rating, if necessary. Information related to these items are included in the Series Resolution approved by the MLC.

To date, \$540 million of bond approval authority has been delegated to MLC, \$470 million of bonds have been approved (\$247 million as conduit bonds and \$223 million as general obligation bonds). Additional conduit bonds are anticipated from the 2021 and 2022 State Housing Tax Credit allocations.

The Supplemental Resolution 10 creates an additional \$100 million of authority under the Resolution and delegates the specific issuance approval to MLC.

A motion was made by Ms. Parmentier, seconded by Ms. House. The motion carried on a roll call vote as follows: Ayes, 9 (Mr. Washington, Ms. Hill, Mr. Skrenes, Ms. House, Ms. Parmentier, Ms. Sas-Pérez Senator Bewley, Representative Novak. Representative Haywood, Senator Jacque and Ms. Hwang); Nays, 0. Resolution No. 8460

Series Resolution Authorizing the Issuance of Housing Revenue Bonds (Agenda Item I5, Attachment #11)

Sherry Gerondale reviewed the decision paper entitled Supplemental Resolution Number 10 Authorizing the Issuance of Multifamily Housing Bonds or Notes dated December 15, 2021. Discussion followed.

Approval of a series resolution allowing the issuance of up to \$150 million of Housing Revenue Bonds.

The Housing Revenue Bond Resolution is the large, parity resolution created by the Authority in 1974. To date, \$2.2 billion have been issued and as of June 30, 2021, \$751 million remain outstanding. This resolution has a rating of Aa3 by Moody's and AA by S&P. The resolution has substantial net worth, established by re-lending of excess revenues within the resolution. This net worth is required by the rating agencies to support the existing un-insured, un-enhanced mortgage portfolio and to allow continued growth of the resolution. The Authority has priced and entered into a contract of purchase for an additional bond issue under the Housing Revenue Bond Resolution in the amount of \$94.5 million scheduled to close on December 15th.

The issuance of bonds under this resolution may include:

- Funding of new mortgages. Commercial Lending has received approval for five developments and is currently working on additional developments to be funded in early 2022. These are expected to be primarily loans awarded the State Housing Tax Credits or loans using the Federal 4% Housing Tax Credit.
- Refunding of existing bonds to provide additional spread to the Authority and potential rate reductions to borrowers or as requested by a borrower to modify the terms of their existing mortgage.

A motion was made by Mr. Skrenes, seconded by Rep. Haywood. The motion carried on a roll call vote as follows: Ayes, 9 (Mr. Washington, Ms. Hill, Mr. Skrenes, Ms. House, Ms. Parmentier, Ms. Sas-Pérez Senator Bewley, Representative Novak. Representative Haywood, Senator Jacque and Ms. Hwang); Nays 0). Resolution No. 8461

Allocation of Dividends Encumbrances for Rural Workforce Housing Initiative Pilot (Agenda Item I6, Attachment #12)

Sherry Gerondale reviewed the decision paper entitled “Allocation of Dividends Encumbrances for Rural Workforce Housing Initiative Pilot” dated December 15, 2021. Discussion followed. Sen. Jacque shared his appreciation for the work.

A motion was made by Sen. Jacque, seconded by Ms. Sas-Pérez, to allocate \$1.5 million from the Category II – Multifamily Housing encumbrance for the Rural Workforce Initiative to make a long-term, no interest loan to the entity created by the Door County Community Foundation, Inc. and Neighborworks Green Bay and \$100,000 from the Category IV - Grants and Services encumbrance for the Rural Workforce Housing Initiatives encumbrance to support the Door County pilot initiatives. The motion carried on a unanimous voice vote. Resolution No. 8462

WHEDA Foundation Housing Grant Awards (Agenda Item I7, Attachment #13)

John Vogt reviewed the decision paper “2021 WHEDA Foundation Housing Grant Awards Housing Grant Program Fund Emergency/Transitional Housing Category and Permanent Housing Category” dated December 15, 2021. Discussion followed.

A motion was made by Ms. Hwang, seconded by Ms. Hill, to authorized and directed to transfer \$1,000,000 of dividend funds encumbered in April 2021, to the WHEDA Foundation, Inc. for the purpose of funding grant awards to all Qualifying Applications as described in the Decision Paper entitled “2021 WHEDA Foundation Housing Grant Awards, Housing Grant Program Fund – Emergency/Transitional Housing Category and Permanent Housing Category.” The motion carried on a unanimous voice vote. Resolution No. 8463

Loan Policy Review & Approval (Agenda Item I8, Attachment #14)

Tonya Buchner reviewed the decision paper entitled “Approval of Loan Policy and Term Sheet Changes Documented in the Amended and Restated Loan” dated December 15, 2021. Discussion followed.

Issue:

The ILC and MLC committee members will review, revise if necessary, and approve Loan Policy changes documented in the attached Amended and Restated Loan Policy dated December 15, 2021.

The changes in the Loan Policy are summarized below:

- Alternates were added for the Director of Commercial Lending and the Director of Risk & Compliance.
- The ability for ILC to vote via email was removed.
- The following items were added as ILC required approvals: payoff exceptions not designated in the policy over \$250,000, dispositions, multifamily and economic development loans that do not meet term sheet guidelines, and workouts.
- Revisions were made to reflect the correct title and responsibilities of the Director of Commercial Lending.
- The positions of Commercial Services Director and Strategic Business Development were removed.

☐ These positions either no longer exist or duties will be modified when rehired.

- The term sheet for SUBORDINATE DEBT FOR SCATTERED SITES was removed.

☐ It is no longer needed. Scattered sites are covered by other term sheets.

- The term sheet for the Preservation Revolving Loan Fund (PRLF) was modified to be the Multifamily Preservation Loan Fund (MFPLF). Revisions to the preferred loan amount, rate floor, and origination fee were made.

☐ NOTE: This was an ILC & MLC decision item, as it was not previously approved.

- Single Family & Multifamily term sheets were updated per previously approved changes.
- The maximum aggregate loan amount was updated in the Commercial Lending Concentration Policy.

A motion was made by Rep. Novak, seconded by Ms. Parmentier, to approve the Loan Policy and term sheet changes documented in the Amended and Restated Loan Policy dated December 15, 2021 as presented. The motion carried on a unanimous voice vote. Resolution No. 8464

Tax Credit Issues (pending outcome of 12-14-21 MLC meeting)
(Agenda Item I9, no attachment)
Item was pulled from the agenda.

DISCUSSION ITEMS

New Market Tax Credit (NMTC) Overview
(Agenda Item J1)

Stacey Wagner and Jennifer Harrington reviewed and presented the paper New Market Tax Credit Overview dated December 15, 2021. Discussion followed.

INCORPORATING NMTC WITHIN WHEDA:

Applying for NMTCs is a large, complicated task and historically the knowledge of the program and information needed to apply was found within a few individuals. Over the past five years, WHEDA has attempted to draw more people into the process and subject matter expertise of NMTCs with little success. We continued to rely heavily on a few select resources and consultants to assist us in filing compliance reports and answering technical questions.

Recently WHEDA has undertaken the process of creating product teams for those products or funding sources that have been considered nonstandard or of limited knowledge within the organization. NMTC is one of the product teams. Each product has a product owner and four to five team members. The goals of the product teams are:

- Create a core team of individuals with specialized knowledge
- Ensure accountability in the appropriate departments
- Ensure accountability in the appropriate individuals
- Document requirements, process and procedures
- Share information, train backup staff to fill in if necessary
- Better manage steady state product cycle

WHEDA was planning on utilizing the NMTC application process for 2021, along with our internal subject matter experts and a consultant, to educate the team on the product and the process. With the loss of our most senior subject matter expert combined with other competing priorities, the decision to not apply in 2021 gives the NMTC team time to learn the product at a reasonable pace and begin the application for 2022 significantly earlier in 2022.

We expect Lift Wisconsin shall apply for NMTC in 2022.

Format for Future WHEDA Board Meetings (Agenda Item J2)

Kim Plache reviewed the current situation of WHEDA workforce primarily working from home and continual monitoring regarding in-office presence with the anticipation of being able to meet in-person or use a blended format in 2022.

It is anticipated the April 2022 board meeting may be the first meeting to change to a blended format of in-person and remote.

2022 meeting dates (Agenda Item J3)

Tonya Lambeth presented the proposed 2022 meeting dates aligning with established occurrence is every other month on the third Wednesday. The proposed dates for the 2022 meetings are as follows:

Wednesday, February 16, 2022
Wednesday, April 20, 2022
Wednesday, June 15, 2022
Wednesday, August 17, 2022
Wednesday, October 19, 2022
Wednesday, December 21, 2022

Calendar adjusted to December 14, 2022 per Chairperson Washington's request.

OTHER BUSINESS (Agenda Item K)

There was no other business to come before the Members.

ADJOURNMENT (Agenda Item L)

A motion was made by Rep. Novak seconded by Sen. Jacque, that the meeting of the Wisconsin Housing and Economic Development be adjourned. The motion carried on a unanimous vote. Resolution No. 8466

The December 15, 2021, meeting of the Wisconsin Housing and Economic Development Authority adjourned at 11:34 a.m.

**WISCONSIN HOUSING and
ECONOMIC DEVELOPMENT
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The next scheduled meeting of the Authority will be held on Wednesday, February 16, 2022, at 10:00 a.m.