

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

MINUTES

Senator John R. Plewa Board Room
201 W. Washington Avenue
Madison, Wisconsin

August 15, 2018
10:09 a.m. – 11:28 a.m.

(A tape 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. Gamboa; Ms. Shore; Mr. Horning; Senator Darling; Senator Bewley; Representative Goyke; Representative Allen; Mr. Mark Hogan; Mr. John Hogan

AUTHORITY MEMBERS PRESENT VIA CONFERENCE CALL: Mr. Guse and Mr. Weddle

AUTHORITY STAFF PRESENT: Wyman Winston, Executive Director; Brian Schimming, Deputy Executive Director/COO; Debi Towns, Assistant Deputy Director; Sherry Gerondale, CFO; Matt Fortney, General Counsel; Sean O'Brien, Commercial Lending Director; Farshad Maltes, Strategic Business Development Director; Brenda Marquardt, Communications Director; Dan Zadra, CIO; Mark Emmrich, Administration Director; Dave Rouse, Single Family Director; Jennifer Harrington, Risk and Compliance Director; Stacey Wagner; Sandy Koch; David Ginger; and Maureen Bruncker, Executive Secretary

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

The meeting was called to order at 10:09 a.m. by Mr. Gamboa. The roll was called and a quorum was present

APPROVAL OF THE MINUTES FROM THE
(Agenda Item, C, Attachment #1)

A motion was made by Mr. John Hogan; seconded by Ms. Shore, that the minutes of the June 13, 2018 Board Meeting be approved. The motion carried on a unanimous voice vote. Resolution No. 8275

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

The Authority Activity Report dated August 15, 2018, was included in the materials mailed to the Members.

Highlights:

- WHEDA Office Space – WHEDA has been working with Engberg Anderson to complete a space assessment. Based on this assessment, it looks like we will need approximately 50,000 sq. feet in a stand-alone building. The next steps are to conduct a RFQ for an Owner's Representative and begin the site location process. It is anticipated that the Facilities Committee will meet within the next 90 days.
- Southeastern Wisconsin Housing Summit – Racine County and WHEDA will co-host this summit with invited municipalities within Racine, Kenosha, Walworth, Southern Milwaukee and Waukesha Counties on September 12.

- Single Family – Demand for WHEDA products has grown at a rapid pace over the past 4 fiscal years.
- Commercial Lending – WHEDA received 15 state Housing Tax Credits applications requesting \$10.4 million of state HTC's. With a total available pool of \$7 million, we received requests of \$1.49 for each \$1 that is available. Staff is reviewing the applications and expect to announce the 2018 awards in August.
- Risk and Compliance – Based on financial statement review, it is noted that the loan portfolio over the past two years has been very stable.
- Stuart Kuzik was promoted to Director of the Business and Community Engagement Group.

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

The report was accepted as presented.

**REPORT OF THE NMTc COMMITTEE AND GREATER WISCONSIN OPPORTUNITIES FUND INVESTMENT
COMMITTEE
(Agenda Item F, Attachment #4)**

The report was accepted as presented.

**REPORT OF THE FINANCE COMMITTEE
(Agenda Item G, Attachment #5)**

The report was accepted as presented.

DECISION ITEMS

**DIVIDENDS FOR WISCONSIN, 2018-2019
(Agenda Item H1, Attachment #6)**

Sherry Gerondale reviewed the decision paper entitled "Dividends for Wisconsin, 2018-2019" dated, August 15, 2018. Discussion followed.

In 2018-19 WHEDA will continue with its existing strategic plan, which will be supported in the dividends plan. This dividends plan focuses on continued success and growth. The dividends plan includes new product development, community support and technology improvements. The major initiatives are implementation of new multifamily products, increasing home ownership opportunities through cooperative housing, providing housing with services and expanded economic development products to support small business in distressed areas of the State.

WHEDA will continue the strategy of partnering with lenders, developers, CDFIs, foundations, real estate professionals, community organizations, small business owners and governmental agencies to secure resources and deliver useful housing and business financing products. These partnerships serve the dual purpose of ensuring a financially strong WHEDA and helping local partners expand their capabilities.

The priorities for the 2018-19 dividends plan are affordable housing, economic development, grants and services, and authority operations.

A motion was made by Representative Allen, seconded by Mr. Mark Hogan, that the Members of the Authority approve the draft "Dividends for Wisconsin, 2018-19" and authorize the Executive Director to submit the plan to the Governor. The motion carried on a unanimous voice vote. Resolution No. 8276

**SERIES RESOLUTION AUTHORIZATION THE ISSUANCE OF HOUSING REVENUE BONDS
(Agenda Item H2, Attachment #7)**

Sherry Gerondale reviewed the decision paper entitled "Series Resolution Authorization the Issuance of Housing Revenue Bonds" dated August 15, 2018. Discussion followed.

Approval is being requested to issue up to \$150 million of Housing Revenue Bonds.

The issuance of bonds under this resolution may include funding of new mortgages and 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.

Other key terms relating to the bonds were reviewed with the Members.

A motion was made by Mr. Mark Hogan, seconded by Ms. Shore, that the Members of the Authority adopt the "Series Resolution Authorizing the Issuance of Housing Revenue Bonds" dated August 15, 2018. The motion carried on a unanimous roll call vote as follows: Ayes, 11, (Mr. Gamboa, Mr. Guse, Ms. Shore, Mr. Horning, Mr. Weddle, Senator Darling, Senator Bewley, Representative Goyke, Representative Allen, Mr. Mark Hogan and Mr. John Hogan). Resolution No. 8277

**TAX CREDIT ADMINISTRATION POLICY REVISIONS
(Agenda Item H3, Attachment #8)**

Jennifer Harrington reviewed the decision paper entitled "Tax Credit Administration Policy" dated August 15, 2018. Discussion followed.

A summary of changes recommended by staff for approval by MLC and the Board was reviewed.

A motion was made by Representative Goyke, seconded by Mr. Mark Hogan, that the Members of the Authority approve the Tax Credit Administration Policy revisions noted in the redlined version of the Policy and also noted in the summary dated August 15, 2018. The motion carried on a unanimous voice vote. Resolution No. 8278

**ADMINISTRATION OF ADDITIONAL HOUSING VOUCHERS FROM MARSHFIELD HOUSING AUTHORITY
(Agenda Item H4, Attachment #9)**

Jennifer Harrington reviewed the decision paper entitled "Administration of Additional Public Housing Vouchers" dated August 15, 2018. Discussion followed.

A motion was made by Senator Bewley, seconded by Mr. Mark Hogan, that the Members of the Authority hereby authorize the Authority to undertake the administration of the HCV program currently administered by Marshfield; and that the Executive Director is hereby authorized to execute and deliver to HUD and Allegiant Property Management LLC all amendments to the Authority's Consolidated Annual Contributions Contract with HUD, and all other contracts, agreements, certificates and other documents necessary or convenient to implement such administration, each in such form and under such terms and conditions as may be acceptable to the Executive Director. The motion carried on a unanimous voice vote. Resolution No. 8279

**HOUSING TAX CREDIT WAIVER REQUEST – NATIONAL SOLDIERS' HOME
(Agenda Item H5, Attachment #10)**

Dave Ginger reviewed the decision paper entitled "Housing Tax Credit Waiver Request" dated August 15, 2018. Discussion followed.

A motion was made by Ms. Shore, seconded by Mr. Mark Hogan, that the Members of the Authority hereby (a) approve the request from National Soldiers Home Residences I, LLC to return the 2017 Housing Tax Credit award (#6274) of \$1,395,517, with the same credit amount to be awarded to National Soldiers Home Residences I, LLC in 2018, subject to the conditions noted in the Decision Paper and (b) approve the request from National Soldiers Home to transfer 37 units, and the related development costs and eligible basis, in 2017 Housing Tax Credit award #6274 to a 2018 4% application that will include an additional 21 units, subject to the conditions noted in the Decision Paper. The motion carried on a unanimous voice vote. Resolution No. 8280

**DEFINITION OF PERSONS AND FMAILIES OF LOW AND MODERATE INCOME
(Agenda Item H6, Attachment #11)**

Matt Fortney reviewed the decision paper entitled "Definition of Persons and Families of Low and Moderate Income" dated August 15, 2018. Discussion followed.

The Members last adopted a definition of low and moderate income under Section 234.01(10) in 1997. In order to continue to fulfill the Authority's mission and statutory mandate to serve persons and families of low and moderate income, it is prudent for Members to revisit the definition.

It is proposed that the Authority reaffirm and continue to use the following to define persons and families of low and moderate income as adopted in 1997:

- Low Income: ≤80% area median income
- Moderate Income: >80% to ≤ 140% area median income

A motion was made by Mr. Mark Hogan, seconded by Mr. Horning, that the Members of the Authority hereby adopt the low and moderate income definition as outlined in the Decision Paper entitled "Definition of Low and Moderate Income Household" dated August 15, 2018, for Authority housing loan products where income limitations are not required by the funding source. The motion carried on a unanimous voice vote. Resolution No. 8281

**GINNIE MAE SIGNATORY RESOLUTION
AND
FREDDIE MAC SIGNATORY RESOLUTION
(Agenda Item H7, Attachment #12)**

Matt Fortney reviewed the decision paper entitled "Ginnie Mae Signatory Resolution and Freddie Mac Signatory Resolution" dated August 15, 2018. Discussion followed.

A motion was made by Mr. Mark Hogan, seconded by Mr. Horning, that the Members of the Authority hereby adopt and approve the Ginnie Mae and Freddie Mac Signatory Resolutions and direct the Executive Director to execute and deliver the Certificate of Incumbency for Housing Finance Authority to Ginnie Mae and to Freddie Mac. The motion carried on a unanimous voice vote. Resolution No. 8282

**INFORMATION SECURITY PROGRAM REPORT
(Agenda Item H8, Attachment #13)**

Dan Zadra reviewed the Information Security Program Report dated August 15, 2018. Discussion followed.

A motion was made by Mr. Weddle, seconded by Representative Goyke, that the Members of the Authority hereby approve the Information Security Program as outlined in the Information Security Program Report. The motion carried on a unanimous voice vote. Resolution No. 8283

**OTHER BUSINESS
(Agenda Item I)**

There was no other business to come before the Members.

**ADJOURNMENT
(Agenda Item J)**

A motion was made by Mr. Mark Hogan, seconded by Representative Goyke, that the meeting of the Wisconsin Housing and Economic Development Authority be adjourned. The motion carried on a unanimous voice vote. Resolution No. 8284

The August 15, 2018 meeting of the Wisconsin Housing and Economic Development Authority adjourned at 11:28 a.m.

The next scheduled meeting of the Authority will be held on Wednesday, October 24, 2018 at 10:00 a.m. at the Charmant Hotel, located at 101 State Street, LaCrosse, Wisconsin.