



West Virginia Caucus Agenda

Tuesday, July 18th, 11am – 3pm

WVHDF Office - 5710 MacCorkle Ave SE, Charleston, Board Room

1) **Welcome and Special Guest Introductions** (*Dave Clark, Vonda Poynter*)
Jon Rogers, Cathy Colby – WVHDF;

2) **Review Previous Minutes and Action Items** *pp. 3-7*

3) **Member Spotlight** (*RCCR, WVAHTF*)

4) **Hot Topics!**

5) **Membership Updates** (*Vonda*)

a. Membership Committee Work

b. Membership Renewals

c. Member Communications

d. Caucus Chair Elections

6) **WVHDF Updates** (*Jon Rogers, Cathy Colby*)

7) **WVAHTF Updates** (*Marlena Mullins*)

8) **Fahe UPDATES** (*Vonda*)

a. Fahe Board Report – Christal Crouso, Karen Jacobson

b. Staffing Changes/Additions *p. 8*

c. Annual Meeting Info

d. Policy/Advocacy Updates

e. Community Lending Services (*Hagen Williams*) *pp. 9-11*

f. Just Choice Lending (*David Brock*) *p. 12*

Please share with your Accounting Departments &/or Update your Software with Fahe's **new mailing address**: 319 Oak St., Berea, KY 40403. We will no longer maintain a PO Box and will be receiving ALL mail at our current street address.

Next Caucus Meeting - Week of October 23rd or 30th

Upcoming Events

- **Member Connection Call**: Mon. July 31st , 11AM - (641) 715-0730 Access Code 429695#
- **NTI Philadelphia**: August 14-18 (Registration is closed)
- **Fahe Facebook Business Page Webinar**: Mon. Aug. 21st Register HERE:
<http://eepurl.com/cTCpH1>
- **Fahe Annual Meeting** – September 12-13, Marriott - Knoxville, TN
- **WV Housing Conference** - September 20-22, Charleston
- **Quarterly Reporting** – **Deadline** for Quarter Ending 9/30/17 – **Mon. Oct. 16th**

West Virginia Caucus Agenda

April 25th, 2017 – 11am-3 pm

WVHDF Offices ~ 5710 MacCorkle Ave SE, Charleston, 1st Fl. Conf. Rm

Member Group	Representatives	Present	Absent
Almost Heaven Habitat for Humanity			X
Fairmont-Morgantown Housing Authority	Theressa Nichols	X	
Garrett Co. CAC			X
HomeOwnership Center	Kate Somers	X	
HA Mingo County	Susan Preece	X	
Mon County Habitat for Humanity			X
North Central WV CAA	Tina Boyer	X	
	Erin Metz	X	
Randolph County Housing Authority	Karen Jacobson	X	
Religious Coalition for Community Renewal			X
Southern Appalachian Labor School (SALS)	John David	X	
West Virginia Affordable Housing Trust Fund			X
Woodlands Development Group	Dave Clark	X	
	Dustin Smith	X	
Guests	Claudette Karr	Coalfield Dev.	
	Brandon Dennison	Coalfield Dev.	
	Cathy Colby	WVHDF	
	Jon Rogers	WVHDF	
Fahe Staff	David Brock	Vonda Poynter	
	Matt Coburn		

58% Attendance – 7 of 12 Members present. Those listed in red had no representative at the meeting.

FOR WV MEMBERS:

ACTION ITEM	DEADLINE
Comments/Suggestions on Membership Renewal process to Vonda	ASAP
Sign/Return Performance Challenge	ASAP

FOR FAHE STAFF:

ACTION ITEM/Responsible Party	DEADLINE
WV Law Clinic Flyer – Vonda to share	When received from Kat

- 1) Welcome and Special Guest Introductions** – Dave welcomed everyone, asked for any additions to the agenda, there were none.
- 2) Review Previous Minutes and Action Items** – Action Items – no flyer yet received from the Law Clinic, Vonda will follow up. Dave indicated that they are experiencing a delay so it's likely that it will be at least another month before the flyer is completed. Minutes approved by consent as presented
- 3) Member Spotlight** – RCCR not present, Vonda will check with them.

Woodlands Development Group – Dustin Smith: WDG consider themselves a community development group. Take an approach to work with business development and housing development. Working right now in Philippi on 2 mixed-use projects. Hoping to improve the quality of the business community. Have offered their services to the business owners, consulting on

architecture and other things. Some work with historic tax credits, can account for 30% of expenditures in redevelopment and very underutilized. Big learning curve on this process so has been helpful to go through it and then be able to share their knowledge with the other private building owners and also find financing to pair with. Redevelopment is a lot different than new construction. Building relationships with sub-contractors in new communities can be difficult. Step-by-step process can be difficult but has made them more well-equipped to do additional projects in the future. Investors can be difficult to identify. Trying to locate local businesses and banks as partners. Only 24 projects EVER in WV, most in the eastern panhandle. Non-profits must form an LLC for this type of project. Between 2015-2016 they have touched 19 businesses so far, just a little bit of assistance has made a big difference in these little towns.

Possible future discussion on how to break big projects like these big older buildings into smaller “digestible chunks” so that they can be done.

Next Member Spotlight will be **WVAHTF** and start at the beginning again unless RCCR doesn’t get here by the end.

4) Hot Topics!

- **RFP from WVAHTF** (Vonda): The application has been divided into 5 different sections, due on June 7th. The board has done this to try and support different kinds of activities broadly. Marlena will share back with the caucus in July about how the process has worked. This is the first RFP issued since 2014.
- **New Clarification of the HUD Environmental Checklist** – Much different than what’s been done in the past, revamped the process. WDG recently completed one. Lots of pages – plus or minus 1/8” Per Cathy – Time consuming – The logic behind it, just consider, if you lived there, or your mom did, would you be OK with that location? Once you do it the first time, it’ll be easier the next. Some difficulty in getting tax information. What was wrong with the last checklist? This is just a new level of information, a lot more information. If HUD monitors, WVHDF wants to make sure they’ve done their due diligence. The state-wide records system hasn’t necessarily kept pace with these types of data. DHHR is the group that tracks meth labs. Anything with federal funding is required to have this. HOME funds, CHDO, etc.

ALSO – item for possible future discussion. Could there be a private entity that could help with this?

- **Jon Rogers:** 81 Appointments at the current Legislative Session – Erica Boggess is now the Executive Director of the Fund, not the “acting” director.
- A couple of the Members were invited to a meeting with Secretary Thrasher, (Commerce) – **RFP for Community Advancement**. Expressed a significant amount of support for the work of Non-Profits in the state and want to find ways to financially support those groups. \$1MM – already have 200 applications.

5) WVHDF Updates (Cathy Colby)

- HOME/HTF (Cathy) – FYI, HTF doesn’t officially require an environmental – they will still ask for some type of environmental statement so they can prove it’s a good location.
- RFP – Just this year 3 due dates next is May 31st and then Oct. 31st. If you are interested in submitting a proposal, you must supply a pre-ap to Cathy.
- In the midst of submitting the Action Plan to HUD. If you missed any of the public hearings and would like to supply a comment – you can email Cathy. Make sure to indicate that it is a “Public Comment”. Access should be on the website as well.

- February response was 7 applications, 2 were withdrawn, down to 5. 4 got letters of acceptance.
- There will be less money available as time goes on – so it's probably better to apply sooner rather than later.
- May deadline – HOME Application & tax credit projects. Guidelines are about 15 pages. Let your application be your best representation of your project, it makes a difference when the competition is tough like it is now.
- Adaptive use projects have been funded. AU Associates out of Lexington, KY. For profit but partner often with non-profit groups. Problems with older buildings, before you get too far into the projects, do the environmental, get an inspection.

Possible future discussion with the developers and the Fund to show you some of the smaller projects that they've done (without Fund \$\$), what they are capable of doing, what they have successfully managed in the past (lead, asbestos, etc.) Maybe a ½ day meeting with inspectors from the Fund?

6) Membership Updates (Vonda)

- Prospective Member: Coalfields Development – Fahe has completed their review and are recommending Coalfields for Membership. (Karen) Of what value is Fahe Membership to you? Brandon: Peer networking, across state lines perspectives, some of the innovative financial products, like Uplift. Brandon – working currently on USDA 515's – 3 bldgs, one had to be torn down; but replaced with 8 brand new special needs units, has taken 2 years. Rehab almost done. 12 units will remain in the 515 Program. Lincoln Co. just closed 24 units of 515. 7 units in Wayne – IRP - Solar units. They have an old school building that they are still trying to do something positive with. The caucus approved by consensus that they will recommend that Coalfield should be approved for Membership.
- Membership Committee Work – Christal Crouso, Looking at updating Membership Criteria, improving renewal process, less documents, possibly every 2 years instead of every year. Member Value Proposition – Networking is the most often mentioned benefit but we would like a Value Statement about Membership. The Membership Department is not a profit making department, we are part of the flow of information and services to the Members. Please share if you have any suggestions.
- Membership Renewals – Renewals will be coming out in June and due on the 31st
- Caucus Chair Elections – Will occur at the next Caucus Meeting. If you are interested, talk to Dave or Vonda.

Craig Snow – introduced to Coalfields and wanted to replicate that in McDowell Co. – put together a construction crew, develop the crew, their skills, personal and professional. They worked on housing for teachers. Acquired dilapidated buildings for repurposing. County has suffered a lot of trauma so the rehab activity and the new construction have meant a lot. Over 100 people have stopped to comment about how inspiring the work is. They got lots of "no's" but Fahe said "yes". Next is an abandoned building downtown Welch.

WVHDF Updates cont'd (Jon Rogers)

- PBS to be airing a program that is critical of the use of Tax Credits. Criticism of for-profit developers becoming millionaires as a result of the use of credits. Nat'l Council of State Housing Finance Agencies notified that it will air the first week of May. Frontline.
- Tax-Exempt Bond Sale – \$ 39.5MM combined with the refinancing of some older bonds. Generated about \$25MM of new money to loan out at 4.25% as of today.

- Continuing to respond to Flood Recovery needs. Going to Roane Co. 3 rebuilds. Repair, Rebuild, new construction. SALP (Special Asst. Loan Program) money, demand hasn't been as high as anticipated. May reopen the SALP program later this year with a couple hundred thousand dollars if not needed for the flood recovery. 23 Coordinators on staff since Jan. to help with unmet flood needs so there may be some renewed interest in using the money. Program is listed on their website. There is some 5-year forgivable money for folks below 30% AMI. Must have flood insurance.

7) WVAHTF Updates (see notes above as well)

- RFP's: <https://www.wvaht.org/request-for-proposals.html>
- Loan Product: <https://www.wvaht.org/programs/loan-programs> - Marlena is interested to know what the caucus thinks about the loan program, what works and what doesn't.

8) Fahe UPDATES (Vonda)

- a. Spring Meeting Follow-up - Email and grid from Jim from the Spring Retreat. See outline of the meeting in the packet. Political/Funding landscape is not easy. Please read the Memo included in the packet. We need to be able to share out information on the good work that we do. Lift-up the rural work/stories. Unity gives Fahe a unique strength recognized by both NWA and OFN. Performance Challenge – if you haven't signed on, you should. Power Grid is something that you can use at your own organization, or you can do it around one topic or piece of legislation.
- b. Policy/Advocacy Updates – discussed on the Membership Connection Call, Budget, Omnibus, see packet, update from Tom Carew & Rapoza Assoc. Uplift Funds – KY Rep. Andy Barr and Jim are interested in getting Ben Carson, Sec. of HUD to come for and Appalachian Tour.
- c. Community Lending Services – Uplift Funds \$50MM about \$12MM is committed at this point. USDA money for community facilities. Babcock is a partner as well. We need to deploy this chunk of money – 40 years at 5.5% interest. Anything with a community benefit, healthcare, nursing homes, even city halls, public buildings, fire stations, airplane hangars, police stations, cars, libraries, schools, distance learning equipment. Local food programs, gardens, food banks, greenhouses, etc. also would qualify. Pre-payment penalty for first 15 years. Looking for 80% loan to value but please call David Howard to discuss. Minimum \$50K, Maximum \$5MM. Recreational facilities are not eligible. There are some discounts available if you talk to David. 1% closing fee can go into the loan. Cannot be flat-out refinancing.
- d. Just Choice Lending – New Matrix snapshot of programs offered. Home Possible – (client can be 100% AMI or underserved areas have NO limit) conventional loan which will be sold to Freddie Mac. What makes this program unique is that Student loan debt is considered at the borrower's actual monthly payment, even if it's deferred or income based and \$0 payment. 3% down and we have assistance to cover the 3% - Project Reinvest – 30yr. deferred payment, see flyer \$10,500. Will help folks that can't find a decent home at what they qualify for. This will help those folks. They do have to complete 8 full hours of Homebuyer Education (can be eHome America - \$99 fee). 100% AMI. Not enough houses for sale – demand for housing is high in our area of KY. Morgantown is experiencing some of that.

USDA Direct – funding will probably be gone by next month. If you've got something in the pipeline, please get it in as soon as possible. Pipeline from 2016 probably took some of the funding from 2017 and banding may have helped get more people qualified.

Next Caucus Meeting – Tues. July 18th **Member Spotlight:** WVAHTF & RCCR

Upcoming Events

- **Member Connection Call**: Tues. May 30th, 11AM - (641) 715-0730 Access Code 429695#
- **NTI Minneapolis, MN**: May 22-26 - Registration closed
- **Quarterly Reporting** – **Deadline** for Quarter Ending 6/30/17 – **Mon. July 17th**
- **NTI Philadelphia**: August 14-18
- **Fahe Annual Meeting** – September 12-13, Marriott - Knoxville, TN



Community Lending Products



	PREDEVELOPMENT	ACQUISITION	CONSTRUCTION	RENTAL PERMANENT LOAN
PURPOSE	Provides funding for costs such as reservation fee, market study, Phase I environmental, engineering and design fees, professional fees, etc.	To pay purchase price and closing costs for real property acquisition	To pay hard and soft costs of construction of new or renovation projects	To expand the delivery of affordable multi-family rental housing
PROJECT TYPE	Rental housing; for-sale housing, mixed use projects; health facilities	Acquisition of real property for future development as affordable for-sale S/F, multi-family rental, mixed-use or healthcare	Rental housing; for-sale housing, mixed use projects; health facilities	Rental housing
LOAN AMOUNT	\$25,000 - \$250,000	\$25,000 - \$5,000,000**	\$25,000 - \$5,000,000**	\$100,000 - \$5,000,000
INTEREST RATE	5.75% fixed***	5.75% fixed***	5.75% fixed***	Base rate 5.75% to 6.5%*** fixed, rate based on 30 year Treasury Yield
TERM	Up to 18 months	Up to 24 months	Up to 24 months	Up to 30 years
REPAYMENT	Interest only monthly, Principal at closing of construction loan	Interest only monthly	Interest only monthly	Monthly principal and interest payments based on a 30 year amortization schedule. Prepayment penalty in the first 15 years, unless the loan is on a 10 year term.
LOAN FEES	1% + Legal Fees	1% + Legal Fees	1% + Legal Fees	1% + Legal/Closing costs
COLLATERAL	Generally secured, but can be unsecured	Typically the real-estate being purchased, up to 80% L/V	Typically the real estate being developed up to 80% L/V; Assignment of take-out	First lien position on the subject real estate with less than an 80% LTV, property appraisal less than 1.5 years old required

For more information on Fahe's loan products: David Howard at dhoward@fahe.org

Terms subject to change. All loans are subject to underwriting and credit approval.

****Loans over \$5,000,000 are possible and typically require participation by other lenders.**

*****Discounts available with other lending services.**

.25% for ACH payment withdrawal

.25% conversion from Fahe construction to Rental Perm loan

.25% good borrower discount

Rev. 9/19/2016

Community Lending Products



	MINI-TERM	BRIDGE	WORKING CAPITAL
PURPOSE	To provide longer term financing for projects requiring stabilization or interim financing	To bridge the timing gap between the project or program costs and receipt of cash from committed or anticipated sources	To provide flexible capital to meet organizational, seasonal or cyclical cash needs
PROJECT TYPE	Rental housing; for-sale housing; mixed use projects; health facilities	Rental housing; for-sale housing; mixed use projects; health facilities; services provided under reimbursement contract or grant	Rental housing; for-sale housing; mixed use projects; health facilities; general operational needs
LOAN AMOUNT	\$25,000 - \$5,000,000	\$25,000 - \$5,000,000**	\$25,000 - \$5,000,000**
INTEREST RATE	5.75% fixed***	5.75% fixed***	6.25% fixed***
TERM	Up to 36 months	Up to 3 years, depending on contract term	Up to 24 months, renewable for another 24 months
REPAYMENT	Depending on project type, amortizing payments based on up to a 25-year amortization. Payable monthly	Interest only monthly	Interest only monthly, annual "rest" typically required
LOAN FEES	1% + Legal Fees	1% + Legal Fees	1% + Legal Fees; renewals at 1%
COLLATERAL	Typically the real-estate being purchased, up to 80% LTV	Bridged receipts; Assignment of contract; or real estate	Generally secured; Unsecured with financial covenants

For more information on Fahe's loan products: David Howard at dhoward@fahe.org

****Loans over \$5,000,000 are possible and typically require participation by other lenders.**

*****Discounts available with other lending services.**

.25% for ACH payment withdrawal

.25% conversion from Fahe construction to Rental Perm loan

.25% good borrower discount

Rev. 9/19/2016

Community Lending Products



PURPOSE	COMMUNITY FACILITIES PERMANENT LOAN Purchase, construct and/or improve essential community facilities where the borrower is a public body or nonprofit corporation located in a USDA eligible rural community of less than 20,000.
PROJECT TYPE	<ul style="list-style-type: none">• Health Care facilities such as hospitals, medical clinics, dental clinics, nursing homes or assisted living facilities.• Public facilities such as town halls, courthouses, airport hangers, or street improvements.• Community support services such as child care centers community centers, fairgrounds or transitional housing.• Public safety service such as fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment.• Educational Services such as museums, libraries, or schools.• Utility services such as telemedicine or distance learning equipment.• Local food systems such as community gardens, food pantries, community kitchens, food banks, food hubs or greenhouses.
LOAN AMOUNT	\$50,000-\$5,000,000**
INTEREST RATE	5.25% with discounts below***
TERM	40 years
REPAYMENT	Monthly principal and interest
LOAN FEES	1% + legal/closing costs
COLLATERAL	First Lien position on the subject real estate or equipment with less than 80% LTV.

For more information on Fahe's loan products: David Howard at dhoward@fahe.org

***Loans over \$5,000,000 are possible and typically require participation by other lenders.*

****Discounts available with other lending services.*

.25% for ACH payment withdrawal

.25% conversion from Fahe construction to Rental Perm loan

.25% good borrower discount



Snapshot Matrix

Loan Program	Credit Score	Income Limits	Ratios	LTV	Property Eligibility	Lender Requirements
USDA Guaranteed	620+ for all borrowers True no score w/ 3 alternative credit trade lines	Family Size 1-4 \$78,200 5-8 \$103,200	29/41	100%	http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do	GUS accept or refer with conditions acceptable of credit waiver
FHA	620+ for all borrowers	None	31/43	96.50%	All areas eligible	DU Accept
VA	640+ for all borrowers True no score w/ 3 alternative credit trade lines	None	41 back	100%	All areas eligible	VA Eligibility DD214
Conventional	680+	None	36/45	80%	None	DU Accept
Conventional No MI (KY Only) KHC	680+	\$97,650	28/45	97%	KY Properties	DU Accept
Home Possible	620+	100% AMI per census tract (unless property is located in a underserved area then there are no income limits) http://www.freddiemac.com/homepossible/eligibility.html	29/41	97% (down payment assistance available)	None	AUS Accept
USDA Direct	640+ for all borrowers True no score w/ 3 alternative credit trade lines	80% AMI for household size	29/41	100%	http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do	N/A

JustChoice Lending

Fair. Just. Home Loans that Build a Better Future.

* Other conditions may apply

* Call JCL Staff for information on specialized funds.

David Brock 859-228-2111 or Janel Martin 859-228-2119

DAP is now available, contact David Brock for additional information