



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803)896-9001

TTY: (803) 896-8831

Donald R. Tomlin, Jr.
Chairman

Valarie M. Williams
Executive Director

REGULAR COMMISSION MEETING

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority met on Wednesday, January 18, 2017 at approximately 10:00 a.m., at the Authority's office, 300-C Outlet Pointe Boulevard, Columbia, South Carolina.

The following Commissioners were in attendance:

Donald R. Tomlin, Jr., Chairman
Robert D. Mickle, Jr., Vice Chairman
Bradley J. Allen
Charles E. Gardner
Chris Goodall
Kenneth E. Ormand, Jr.
Mary Sieck

The following Commissioner was excused: Brad Allen and Sue Shannon.

Staff and Guests attending the meeting included the following:

STAFF:

Valarie M. Williams, Executive Director
Ed Knight, Deputy Director of Programs
Richard Hutto, Deputy Director of Finance
Laura Nicholson, Development
Tracey Easton, General Counsel
James Galluzzo, Human Resources
Carl Bowen, Rental Assistance
Steve Clements, Mortgage Production
Lisa Rivers, Mortgage Servicing
Reggie Bell, Marketing & Procurement
Kim Wilbourne, SC HELP
Clayton Ingram, Marketing
Leanne Johnson, Development
Mandie Anderson, SC HELP
Jeff Player, I.T.
Angela McCauley, Development
Courtney Davis, Development
Bonita Shropshire, Executive Assistant

GUESTS: Mike Koessel, Citigroup
Ray Jones, Parker Poe
Joe Wilczewski,

Freedom of Information Act Statement & Recognition of Guests

Chairman Tomlin called the meeting to order and asked Valarie Williams to read into the record the Freedom of Information Statement.

“As required by the provisions of Section 30-4-80(e) of the Code of Laws of South Carolina, notification of this meeting has been given to all persons, organizations, local news media, and other news media which have requested such notifications.”

The Executive Director then recognized all guests.

Agenda

The Chairman presented the agenda for approval.

MOTION Commissioner Goodall moved to adopt the agenda as amended. The motion received a second from Commissioner Sieck. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Minutes

Chairman Tomlin asked if there were any additions or corrections to the minutes of November 16, 2016. There being none, he called for a motion to approve the minutes.

MOTION Commissioner Mickle moved to approve the minutes of November 16, 2016 as presented. The motion received a second from Commissioner Goodall. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Finance & Audit Committee

Review of Audited Financial Statements for FY 2016

The Chairman asked Richard Hutto for the financial audit review. Mr. Hutto presented the audited financial statements as issued by Elliott Davis, LLC, Certified Public Accountants, for the period ending June 30, 2016. He provided an in-depth overview of the audited statements highlighting the summary page which showed an unmodified opinion with no comments or findings. Mr. Hutto also reported that the Authority’s Mortgage Revenue Bond Indenture has been upgraded from a AA1 to a AAA rating.

Commissioner Goodall took a moment to commend the staff for an exemplary audit based on the complexity of the agency and no findings in the audit.

Bond Committee**Final Resolution – MRB 2017A**

The Chairman called on Tracey Easton to present the MRB 2017A Final Resolution. According to Ms. Easton the Resolution makes final provision for approval of a bond issuance not exceeding \$60,000,000. She stated that the bonds for 2017A may be tax-exempt and/or taxable bonds. Ms. Easton reported that the preliminary resolution was approved at the September 21, 2016 board meeting and that the State Fiscal Accountability Authority granted its approval on December 13, 2016. Ms. Easton concluded that staff had presented and recommended approval of this final Resolution to the Bond Committee and deferred to Commissioner Mickle. Commissioner stated that the Bond Committee had reviewed the Resolution earlier and recommends approval by the full Board.

MOTION Commissioner Mickle moved to approve the Resolution. Not requiring a second and no further discussion, all Commissioners voted in the affirmative and the motion carried.

Development Division**Tax Credit Update**

The Chairman asked Laura Nicholson for the Tax Credit program update. Ms. Nicholson reminded the Commissioners that approval had been given at the November 16, 2016 board meeting to forward the Proposed Final 2017-2018 Qualified Allocation Plan (QAP) to the Governor for approval and signature. Ms. Nicholson reported that the QAP was signed by Governor Haley on December 12, 2016. According to Ms. Nicholson, the annual Tax Credit Workshop has been scheduled for January 25, 2017 at the Embassy Suite Hotel in Columbia.

Ms. Nicholson went on to discuss the impending reduction in the corporate tax rate from 35% to a speculated 15% rate and the affects that the uncertainty is having on the current tax credit market. Ms. Nicholson reported that investors have already begun making adjustments which is affecting the financial feasibility of awarded 2016 developments. According to Ms. Nicholson staff will have to make adjustments to the 2017 tax credit program. She anticipates that additional tax credits will be allocated to 2016 awarded development from the Authority's 2017 tax credit ceiling in order to make them financially feasible and able to move forward with construction. Ms. Nicholson reported that a notice regarding the process would be posted soon.

HTF Flood Initiative Update

Ms. Nicholson also provided a HTF Flood Initiative update. She reminded the Board that \$1 million was set aside to assist citizens whose home had been damaged during the October 2015 flood and October 2016 hurricane. Ms. Nicholson reported that there are currently five nonprofit organizations that have been approved to work with the program, however only two have submitted projects for funding consideration. According to Ms. Nicholson, the nonprofits have expressed that one of their biggest challenges is the amount of required paperwork in order to qualify homeowners for funding. Ms. Nicholson stated that staff agrees that a dedicated admin staff person would be useful to both the Authority and the nonprofits who are currently more construction focused with completing the applications. Ms. Nicholson concluded with a

recommendation from the Staff to increase the Program's current \$8,500 per application to \$9,000, which includes a \$500 developer fee for each project submitted. She explained that the nonprofits would use the \$500 developer fee to pay for an admin person to assist in completing applications.

MOTION After a brief discussion, Commissioner Goodall moved to approve the request to add a \$500 developer fee to the HTF Flood Initiative. The motion received a second from Commissioner Gardner. All Commissioners voted in the affirmative and the motion carried.

National HTF Update

Ms. Nicholson continued her reports with an update on the National HTF initiative. She reported that the National HTF Allocation Plan was submitted to HUD on August 16, 2016 for review and approval. According to Ms. Nicholson there were a few issues that the HUD staff commented on which the Authority has since modified and in December of 2016 HUD gave final approval of the Authority's Plan. Ms. Nicholson reported that the Authority should receive the Funding Agreement from HUD in the amount of \$3 million by the end of January. She concluded that staff has begun working on the applications and forms to be submitted and anticipates having them posted on the Authority's webpage by the end of February with applications due June 2017.

Homeownership

SC HELP Update

The Chairman asked Steve Clements for the SC HELP update. Mr. Clements reported that new applications were down in the month of December. He then provided program figures including total number of applicants; funds committed and expended. He reported that staff continues to meet with companies that are pending closure and/layoffs.

Mortgage Production Update

Mr. Clements also presented the mortgage production update highlighting loan volume, mortgage rates and origination fees, and down payment assistance data. He then provided updated loan reservations figures for the Mortgage Tax Credit (MCC) program.

Both reports were accepted as information.

2016 Investment Report

Chairman Tomlin called on Clayton Ingram to present the 2016 Investment Reports. Mr. Ingram gave a thorough overview of the report, highlighting some of the agency's program data by congressional districts and the economic impact the programs have made in the State. He also shared how the reports are used and distributed. Mr. Ingram pointed out that the data in the report has again been analyzed and vetted with the assistance of Dr. Joey Von Nessen with the University of South Carolina's Darla Moore School of Business.

Reports

Chairman

Chairman Tomlin provided a briefing on the Agency Head Salary Commission's decision to increase the salary range of the Executive Director's position. The Chairman commended James Galluzzo for his diligence and efforts in steering this task through. The Chairman expressed optimism in the Authority's ability to affect future salaries and positions throughout the agency now that the Executive Director's range has been improved.

Executive Director

The Chairman called upon Valarie Williams for the Executive Director's report. Ms. Williams began by expressing how grateful she was for the Board's and Staff's efforts in working to get her salary and pay band increased. Ms. Williams reminded the Commissioners of the March 30, 2017 filing deadline for the Statement of Economic Interests with the SC Ethics Commission. She also announced the NCSHA Legislative Conference scheduled for March 6 - 8 in Washington, D.C.

Deputy Director for Programs

Chairman Tomlin asked Ed Knight to present his report. Mr. Knight began by announcing two potential partnerships that could be used in conjunction with the Authority's Disaster Initiative to assist S.C. homeowners affected by the flood or hurricane. One partnership is with the Federal Home Loan Bank of Atlanta (FHLB) and SC State Bank. According to Mr. Knight, FHLB has disaster funds that can be used to assist homeowners with mold remediation and home repairs. Mr. Knight stated that staff will continue to meet with FHLB and SC State Bank to determine if this is a feasible option to engage. The second partnership that Mr. Knight mentioned was with Habitat of Humanity. According to Mr. Knight, staff has discussed a funding plan with high performing habitat affiliates to build homes within the declared disaster counties. Mr. Knight stated that he hopes to have a proposed plan and request for consideration by the March 2017 board meeting.

Director of Human Resources

The Chairman called on James Galluzzo to present the Human Resources (HR) report. Mr. Galluzzo began by highlighting the HR staffing data and then allowed division managers to introduce the new hires, promotions, and transfers within their departments. He concluded with recognition of two participants from the Authority's Leadership Program, Ms. Mandie Anderson and Mr. Jeff Player.

Executive Session

The Chairman called for a motion to enter executive session to discuss a personnel matter and a legal matter.

MOTION Commissioner Goodall moved to enter executive session for the stated purpose. The motion received a second from Commissioner Mickle. All Commissioners voted in the affirmative and the motion carried.

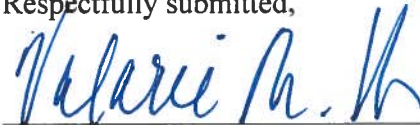
[EXECUTIVE SESSION]

Upon rising from executive session, the Chairman reported that there were no actions or votes taken.

Other Business

There being no additional business to come before the Board, Chairman Tomlin adjourned the meeting.

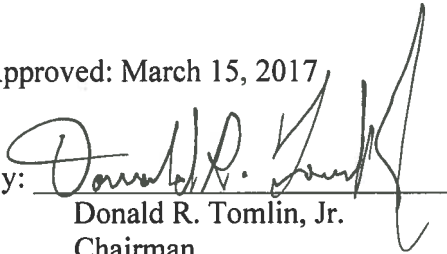
Respectfully submitted,



Valarie M. Williams, Secretary

Approved: March 15, 2017

By:



Donald R. Tomlin, Jr.
Chairman

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[EXECUTIVE SESSION]

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Respectfully submitted,

Valarie M. Williams, Secretary

Approved: March 15, 2017

By: _____
Donald R. Tomlin, Jr.
Chairman