



**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION ON JUNE 19, 2019**

The Board of Directors of the Nevada Affordable Housing Assistance Corporation, a Nevada non-profit corporation (“NAHAC”), held a public meeting on June 19, 2019 beginning at 1:00 p.m. PST at the following location:

Housing Division, 3rd Floor Conference Room: 3300 W Sahara Ave Ste 300 Las Vegas, NV 89102

1. Call to order, Roll call.

The meeting was called to order by Timothy Whitright, Board Chairperson at 1:13 p.m.
Roll was taken by AJ Gavilanes, Secretary.

Board Members present: Timothy Whitright (*Nevada Department of Business & Industry, Housing Division*) Board Chairperson; Michael Holliday (*Nevada Department of Business & Industry, Housing Division*) Director; Sharath Chandra (*Nevada Department of Business & Industry, Real Estate Division*) Director; Rande Johnsen - Independent Director; and Jim Hastings - Independent Director.

Board Members absent: None.

Also present:

- Verise Campbell, Chief Operating Officer/Chief Executive Officer
- Veronica Lewis, Operations Manager
- Tony Cammisio, Call Center Manager & Payroll Manager
- Scott Kotula, Compliance Manager
- AJ Gavilanes, Office Administrator / Secretary
- Brian Hardy (Ellsworth & Stout CPA’s) Financial and Compliance
- Ryan Garner (Ellsworth & Stout CPA’s) Financial and Compliance
- Tyre Gray (Fennemore Craig P.C.), Legal Counsel
- Joel Jarvis (Kaercher Insurance) Insurance Professional

Members of the public attending in person were asked to sign in, and the sign-in-sheet is attached to the original minutes as Exhibit A.

2. Public comment (1st period)¹: None.

3. Approval of Minutes:

- a. **April 29, 2019** This item was tabled.
- b. **May 29, 2019** This item was tabled.

¹ This public comment agenda item is provided in accordance with NRS 241.020(2)(d)(3) which requires an agenda provide for a period devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Comments by the public may be limited to five minutes person as a reasonable time, place and manner restriction, but may not be limited based upon viewpoint.

4. Approval of Agenda for June 19, 2019

Agenda Items #3(a) and #3(b) were tabled.
Agenda Items #6(b) was stricken.

Director Chandra moved to approve Agenda for June 19, 2019 as noted above. The Motion was seconded by Director Hastings and approved by unanimous vote.

5. Items to be Presented for Information and Discussion:

a. May 2019 Financials

Mr. Brian Hardy with Ellsworth & Stout CPA's presented. He shared the following: the cumulative program admin expense is approximately 14 percent; contracted program administrative expense rate is approximately 12.9 percent; and the fiscal Year-To-Date program administrative expense rate is approximately 7.2 percent.

Director Holliday expressed this is a dramatic improvement from the numbers prior to Ms. Campbell's arrival in 2016. Ms. Campbell advised these figures do not include the expenditure of approximately \$11 million in DPA program funds that is expected to clear this month.

Renewal Commercial Property and Commercial General Liability

Mr. Joel Jarvis with Kaercher Insurance presented.

b. NAHAC Operations

• May 2019 Performance Report

Mr. Tony Cammisio presented. Ms. Verise Campbell advised that demand for the home retention programs is diminishing.

Mrs. Veronica Lewis provided an update on the Down Payment Assistance (DPA) Program. The first disbursement of Down Payment Assistance (DPA) Program funds was submitted to Nevada Housing Division (NHD) on May 30, 2019 for \$20,606,693 for 1,086 files. The second disbursement of DPA funds in the amount of \$11,084,217 for 589 files was completed on June 11, 2019. DPA disbursement to date is \$31,690,911 (88% of total program allocation), which represents 1,675 files. Approximately, 190 files are still in decisioning process.

Mr. Scott Kotula introduced the draft Wind Down Plan. The management team has been closely monitoring the production volume, available program funds and the resulting implications to the budget relative to the program end date. An updated Wind Down Timeline will be prepared for board approval at the next meeting.

NAHAC is recommending a monthly incremental reduction in the Unemployment Mortgage Assistance Program (UMAP) beginning with program approval in August 2019.

It is also recommended that new approvals and remaining homeowners in active disbursements in January 2020 receive one final lump sum comprising of up to 3 months of assistance ending (representing February, March, and April 2020).

Discussions with US Treasury guided NAHAC to leverage what California is doing with their unemployment program.

Ms. Campbell expressed it has been increasingly difficult to retain staff in this pre-wind down stage. She elaborated the NAHAC compliance unit only has one person, and NAHAC does not have anyone in-house on staff to process files as of the previous week. She advised at the next meeting an item would be presented to engage Springboard again to pick-up the processing and eligibility functions of the operation.

Ms. Campbell also shared that Scott Kotula would be leaving NAHAC in July 2019. She expressed her gratitude to Mr. Kotula for sharing his invaluable expertise and assistance. Chairman Whitright echoed that sentiment.

Mr. Kotula expressed that it was a pleasure working with the team.

6. Items for Board Information, Discussion and Possible Action:

- a. Authorization for President/Chairperson to bind renewal coverage with RSUI Indemnity Company for annual Directors & Officers Liability commencing on July 1, 2019 in an amount not to exceed \$16,920.**

Mr. Joel Jarvis with Kaercher Insurance presented. Mr. Jarvis shared RSUI offered the renewal at a lower rate of \$16,920 (down \$90 from the previous year).

Ms. Gavilanes advised she had listed an incorrect date of commencement on the agenda item, and it should be July 1, 2019.

Mr. Tyre Gray of Fennemore Craig P.C. confirmed this was a clerical error on an insurance coverage that was already in place and the renewal would be expected as long as the corporation is operating.

Director Johnsen moved to approve authorization for President/Chairperson to bind renewal coverage with RSUI Indemnity Company for annual Directors & Officers Liability commencing on the corrected date of July 1, 2019 in an amount not to exceed \$16,920. The Motion was seconded by Director Holliday and approved by unanimous vote.

- b. Authorization for President/Chairperson to execute an extension to Independent Contractor Agreement with Scott Kotula in an amount not to exceed \$8,750 per month for a period through program wind-down to provide Compliance and other oversight. This item was stricken.**
- c. Approval of Fiscal Year 2020 Budget.**

Mr. Brian Hardy with Ellsworth & Stout CPA's presented. The overall administrative budget is capped at a total of \$25M per the HPA agreement, and Treasury has not approved any increase to the administrative budget. Administrative funds are expected to be exhausted on or about May 2, 2020. The goal is to operate as lean as possible up to and throughout the wind down. The budget is intended to be conservative yet realistic. There is approximately \$135,000 in unrestricted funds, which with board approval, could be used for unexpected expenses at the end of the program.

Chairman Whitright inquired if there were any further anticipated settlements or legal costs that might require use of the unrestricted funds. Mr. Hardy advised legal expenses are budgeted for \$100,000. Ms. Campbell also clarified NAHAC does not have any outstanding legal matters.

Director Holliday expressed concern over several accounts that appeared higher on the new budgets than the previous year. Mr. Hardy then realized there was a typographical error in the column header. He advised that "PY" column should read "FY19" and "FY19" column should read "FY20"

Director Holliday thanked Mr. Hardy for clearing up that misconception.

Director Holliday moved to approve the Fiscal Year 2020 Budget with the correction to the annual budget on Page 1 of 3 changing the FY19 budget to FY20 budget. The Motion was seconded by Director Hastings and approved by unanimous vote.

7. **General Board Comments, Questions and Items for Future Board Meetings:** None.
8. **2nd period of Public Comment and Discussion²:** None.
9. **Adjournment.**

Director Hastings moved to adjourn the meeting. The Motion was seconded by Director Johnsen.

The meeting adjourned at 1:56 p.m.

Board approval confirmation:

Pending Board Approval

AJ Gavilanes
NAHAC Corporate Secretary

² This public comment agenda item is provided in accordance with NRS 241.020(2)(d)(3) which requires an agenda provide for a period devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Comments by the public may be limited to five minutes person as a reasonable time, place and manner restriction, but may not be limited based upon viewpoint.