



NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION ON JANUARY 23, 2020**

The Board of Directors of the Nevada Affordable Housing Assistance Corporation, a Nevada non-profit corporation (“NAHAC”), held a public meeting on January 23, 2020 beginning at 2:30 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 2:30 p.m.
Roll was taken by AJ Gavilanes, Secretary.

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

Board Members absent Michael Holliday (*Nevada Department of Business & Industry, Housing Division*) Director

Also present:

- Verise Campbell, Chief Operating Officer/Chief Executive Officer
- Veronica Lewis, Operations Manager
- AJ Gavilanes, Office Administrator / Secretary
- Brian Hardy (Ellsworth & Stout CPA’s) Financial and Compliance
- Melanie Rollo (Ellsworth & Stout CPA’s) Compliance
- Tyre Gray (Fennemore Craig P.C.), Legal Counsel
- Joel Jarvis (Kaercher Insurance) Insurance

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. December 2, 2019

Director Chandra moved to approve Minutes for December 2, 2019. The Motion was seconded by Director Johnsen and approved by unanimous vote.

b. December 16, 2019

Director Hastings moved to approve Minutes for December 16, 2019. The Motion was seconded by Director Chandra and approved by unanimous vote.

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.



NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

4. Approval of Agenda for January 23, 2020

Director Johnsen moved to approve Agenda for January 23, 2020. The Motion was seconded by Director Hastings and approved by unanimous vote.

5. Items to be Presented for Information and Discussion:

a. November 2019 Financials

Mr. Brian Hardy presented.

b. December 2019 Financials

Mr. Hardy presented.

Chairman Whitright was not certain he understood the increase reflected in the investment account. Mr. Hardy advised this was from receipt of the \$1.7 million final draw from Treasury that will carry NAHAC through April 2020.

c. Update on Down Payment Assistance (DPA) Program

Ms. Campbell advised NAHAC submitted an additional request to Treasury to allow for another round of Down Payment Assistance (DPA) after discussions with representatives of Nevada's elected officials. Treasury had a few questions, and they were ultimately looking for a demonstrative shift in Nevada's economy. NAHAC continues to review data to identify any demonstrative shifts and will respond to Treasury in the very near future.

Ms. Campbell also advised if Treasury approved the request, NAHAC would be looking to extend the program through August 2020. Chairman Whitright inquired what the critical dates were for NAHAC on needing a response from Treasury. Ms. Campbell advised they would like to hear back from Treasury within the next couple of weeks at the latest.

Chairman Whitright asked Mr. Hardy where the cliff's edge was on this. Mr. Hardy advised since NAHAC had received the funds it needed to get through April, if Treasury approved the request it would mean NAHAC could process as many files as it was able to in the time it had left based on the dates NAHAC had provided Treasury. He added with the request was a request for an additional allocation of administrative funds and the initial request had been over \$800,000 but on this request NAHAC had been able to reduce it to around \$550,000.

Ms. Campbell advised because NAHAC was up against the April timeline, it was necessary to wrap this up as NAHAC has begun wind down in certain areas of operation.

Director Hastings inquired if Treasury was looking for a change in the Nevada economy drastic enough to justify and asked if Ms. Campbell has the data for that. Ms. Campbell advised NAHAC was trying to put that together and working with Nevada Housing Division to put together some data points, but she would be reaching out to Mr. Hastings after the meeting. She expressed that everything they have looked at clearly demonstrated Nevada's economy had vastly improved, however; there remains pockets in specific zip codes that have not fully recovered from the housing crisis and additional funds could be utilized in those areas.



NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

d. NAHAC Operations

i. November 2019 Performance Report

Mrs. Lewis presented.

ii. December 2019 Performance Report

Mrs. Lewis presented.

Ms. Campbell advised 2019 was NAHAC's second highest production year since inception of the program, with the highest producing year being 2013, which was the year most residual files were processed during the height of the recession.

Mrs. Lewis confirm NAHAC has approved 26 files during this month for just over \$1 million and that includes \$196,000 in reoccurring Unemployment Mortgage Assistance. There are approximately 7 home retentions files still in process.

Chairman Whitright inquired about the amount of lien recoveries collected in December 2019. Mrs. Lewis confirmed NAHAC collected \$100,000 in lien recoveries.

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

a. Approval of the Internal Compliance Review Report for 1st Quarter of Fiscal Year 2020.

Ms. Melanie Rollo presented.

Director Chandra moved to approve the Internal Compliance Review Report for 1st Quarter of Fiscal Year 2020. The Motion was seconded by Director Hastings and approved by unanimous vote.

b. Authorization for President/Chairperson to execute an Independent Contractor Agreement with Rakisha Stokes in an amount not to exceed a total of \$2,500 for validation of files for program eligibility for the period of January 2020 through April 2020.

Ms. Campbell advised NAHAC ran into a timing crunch while reviewing all files and processing approvals due before the end of January 2020 after Springboard lost a key employee. NAHAC brought back an individual who previously performed quality assurance to assist with decisioning the final file.

Director Johnsen inquired if Ms. Campbell intended contract with Springboard in the future. Ms. Campbell advised that would only be considered if another round of DPA was approved. Springboard would have other individuals that could assist in that area and were currently training an additional person, but that would not be soon enough for NAHACs current timeline. Because of the specialized nature of NAHAC's home retention files, it takes longer to get new staff trained for that area.

Mr. Tyre Gray advised because this individual would not be an employee, there were no legal ramifications for having services performed and authorizing payment for it later as an independent contractor.

Chairman Whitright thanked Mr. Gray for that clarification.

Director Hastings moved to approve President/Chairperson to execute an Independent Contractor Agreement with Rakisha Stokes in an amount not to exceed a total of \$2,500 for validation of files for program eligibility for the period of January 2020 through April 2020. The Motion was seconded by Director Johnsen and approved by unanimous vote.

- c. Authorization for President/Chairperson to bind renewal coverage with Travelers Casualty and Surety Company of America for an annual commercial crime policy commencing on January 30, 2020 in an amount of \$1,650.**

Mr. Jarvis advised there has been no change in cost and it is very inexpensive for a \$1 million crime policy which is a great policy with an A++ rated company.

Ms. Campbell inquired regarding refund options if the policy was not needed for a full year. Mr. Jarvis advised this particular policy is on an "Occurrence Basis" and there is no need for tail coverage so NAHAC could cancel at any time and get a partial refund.

Director Chandra moved to approve President/Chairperson to bind renewal coverage with Travelers Casualty and Surety Company of America for an annual commercial crime policy commencing on January 30, 2020 in an amount of \$1,650. The Motion was seconded by Director Johnsen and approved by unanimous vote.

- d. Authorization for President/Chairperson to bind renewal coverage with AmTrust North America / Wesco Insurance Company for an annual professional liability and cyber liability policy commencing on January 30, 2020 in an amount of \$15,419.**

Mr. Jarvis advised there has been no change in cost and it is a very robust program in cyber with a good company.

Mr. Hardy inquired if the prorated reimbursement would apply to this policy as well. Mr. Jarvis advised this one operates a bit differently. This is a "Claims-made" policy with one retro date for the cyber liability and one retro date for the professional liability. NAHAC may need to purchase tail coverage if there were potential claims. NAHAC would not be able to get a refund in the sense that it would still need the coverage. Mr. Jarvis recommended keeping this coverage in place until the end of the term at least and then start discussing tail coverage in the event claims came up in the future for professional liability and cyber liability. He also advised the tail coverage generally costs three to four times the current policy cost in order to go unlimited. If NAHAC chose to cancel the policy midterm and get a refund, there would be no coverage if there was a claim. As a claims-made policy you must have coverage in place when a claim is made so he always recommends getting some tail coverage.

Chairman Whitright advised Ms. Campbell and Mr. Jarvis that he would like to have some discussion in the future on these concerns, not specific to these policies, but in general. Ms. Campbell responded she will schedule a meeting so that some questions can be fleshed out on the topic.

Director Hastings moved to approve President/Chairperson to bind renewal coverage with AmTrust North America / Wesco Insurance Company for an annual professional liability and cyber liability policy commencing on January 30, 2020 in an amount of \$15,419. The Motion

was seconded by Director Chandra and approved by unanimous vote.

7. General Board Comments, Questions and Items for Future Board Meetings:

Ms. Campbell advised she would add an agenda item to report to the Board after discussions on future liability insurance.

8. 2nd period of Public Comment and Discussion²: None.

9. Adjournment.

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

The meeting adjourned at 3:09 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.