Adopted: June 28, 2018

Minutes
Connecticut Housing Finance Authority
Board of Directors' Meeting No. 563
May 31, 2018

Directors Present: Evonne Klein, Chairperson of CHFA Board and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA (by phone)
Michael Cicchetti
Kathleen Dorgan (by phone)
Anne Foley, Chairperson of the Mortgage Committee, representing Benjamin Barnes, Secretary, State Office of Policy and Management
Timothy Hodges (by phone)
David Kooris representing Catherine Smith, Commissioner of the Department of Economic and Community Development ("DECD")
Catherine LaMarrr, representing Denise Nappier, State Treasurer
Richard Orr (by phone)
Jared Schmitt, Chairperson of the Finance/Audit Committee
Carla Weil

Directors Absent: Jorge Perez, State Banking Commissioner
Lisa Tepper Bates
Alicia Woodsby

Ms. Klein called the meeting of the Connecticut Housing Finance Authority ("CHFA") to order at 9:32 a.m. in the Boardroom of CHFA, 999 West Street, Rocky Hill, Connecticut. She asked for public comments, and there were none.

Mr. Kilduff, Executive Director, provided the Executive Director's report. In addition to the ribbon cuttings and events that occurred in April, Mr. Kilduff spoke about the focus groups recently held with real estate agents. He stated that CHFA is taking advantage of opportunities to build relationships in the state. In response to a question about building relationships with the multifamily development community, Mr. Kilduff mentioned that CHFA has had focus groups in the past and receives regular feedback from the multifamily development community. He stated that early in the tax reform process, CHFA obtained input from low-income housing tax credit syndicators.

Mr. Kilduff provided a preliminary update on the public comments received to date on the Low-Income Housing Tax Credit Qualified Allocation Plan and Procedures, and noted that a majority of the comments are against reducing points for sustainable and passive house design. Staff will summarize the comments received and provide the summary to the Board in June. Mr. Kilduff noted that if additional substantive changes are recommended, it may be necessary for another public comment period.

As a follow up to the update provided in April on Parkside Gable in Stamford, Mr. Kilduff stated that CHFA is working with the Department of Housing, representatives from Parkside Gable and Mutual Housing to navigate through some challenges and come to some resolution.

Ms. Moores, Director of Multifamily, reviewed the recommendation regarding the financing of Saint Mary Place, New London, for the renovation and conversion of the Saint Mary Star of the Sea School into 20 units of mixed-income affordable housing in New London. She described the background of the proposal, the development team, the income mix, the renovations, the terms and conditions of the financing, and the sources of funding. In response to a question, Ms. Moores indicated that state funding for the development is on the bond commission agenda. A question arose about one of the challenges being the mix of only studio and one-bedroom units. Ms. Moores explained that the market study shows a demand for both studio and one-bedroom units in the area.

> Upon a motion made by Ms. Foley, seconded by Ms. Weil, the Board members voted in favor of adopting the following resolution regarding the financing of Saint Mary Place, New London (Noting a potential conflict of interest, Mr. Hodges abstained from the vote):

RESOLUTION REGARDING FINANCING OF
SAINT MARY PLACE, NEW LONDON, CONNECTICUT
CHFA DEVELOPMENT NO. 15–089M

WHEREAS, The Connection Fund, Inc. has applied to the Connecticut Housing Finance Authority (the "Authority") for mortgage financing for the construction and/or rehabilitation of a 20 unit housing development, to be known as Saint Mary Place, and located in New London, Connecticut (the "Development"); and

WHEREAS, The Connection Fund, Inc. and/or a related entity otherwise acceptable to the Authority (the "Proposed Mortgagor") is proceeding with its application in a manner satisfactory to the Authority; and

WHEREAS, the Authority desires to provide mortgage financing to the Proposed Mortgagor, as described in the attached memorandum from Michelle O. DeRosa and Joe Voccio dated May 31, 2018.

NOW THEREFORE, be it resolved by the Board of Directors of the Connecticut Housing Finance Authority, as follows:

Section 1. The Authority is authorized to provide a construction loan in a principal amount of up to $3,800,000 which shall be secured by a first-priority leasehold mortgage. The construction loan shall accrue interest on amounts advanced at a rate not to exceed 5.43% per annum and shall be repaid monthly, in arrears, over a term of 2 years, after which all construction loan principal and interest shall be due in full. The Authority will fund this loan with Tax-Exempt Bond (TEB) proceeds, including the issuance of bonds as described in Attachment A attached hereto or from such other sources of funds, and upon such terms and conditions, as are deemed to be in the best interests of the Authority. With respect to any such expenditure, this Resolution is intended to satisfy the technical requirements of Section 1.150-2(d)(1) of the United States Treasury Regulations.

Section 2. The Authority's commitment to provide mortgage financing shall be conditioned upon the following:

a. All governmental approvals for the Development be in place;

b. The Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Housing for up to approximately $2,912,500 in construction and/or permanent subordinated funding (and State Bond Commission approval for such funding, if necessary), with terms and conditions satisfactory to the Authority, or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with terms and conditions satisfactory to the Authority;

c. The Proposed Mortgagor's receipt of sufficient 4% Low-Income Housing Tax Credits in order to produce net syndication proceeds of approximately $2,044,366, or that the Proposed Mortgagor produce at least that amount from other sources with terms and conditions acceptable to the Authority;

d. The Proposed Mortgagor's receipt of sufficient annual Federal Historic Tax Credits to produce net syndication proceeds of approximately $1,031,692, or that the Proposed Mortgagor produce a comparable amount from other sources and with terms and conditions acceptable to the Authority;

e. The Proposed Mortgagor's receipt of sufficient annual State Historic Tax Credits to produce net syndication proceeds of approximately $1,282,500, or that the Proposed Mortgagor produce a comparable amount from other sources and with terms and conditions acceptable to the Authority;

f. The Authority's acceptance of the Proposed Mortgagor's receipt of a subordinate Deferred Developer Fee Loan in the amount of approximately $190,711, or that the Proposed Mortgagor produce at least that amount from other sources and with terms and conditions acceptable to the Authority;

g. The Authority's acceptance and approval of a commitment from the Federal Home Loan Bank for approximately $140,000 in permanent mortgage loan financing and a $100,000 AHP Direct Subsidy Grant, both upon terms and conditions acceptable to the Authority, or that the Proposed Mortgagor produce a comparable amount from other sources and with terms and conditions acceptable to the Authority;

h. The Authority's acceptance and approval of a project-based rental assistance letter of intent from the State of Connecticut Department of Housing for 5 units at the Development upon terms and conditions acceptable to the Authority, or that the Proposed Mortgagor produce a comparable commitment from other sources and with terms and conditions acceptable to the Authority;

i. The Authority's confirmation of affordability restrictions on the Development for a period of 40 years, such that 5 units shall be set aside for households at or below 25% of area median income, 7 units shall be set aside for households at or below 50% of area median income, and 8 units shall be set aside for households at or below 60% of area median income;

j. The Authority's confirmation of the Proposed Mortgagor's receipt of commitments satisfactory to the Authority, such that the total of the Sources and Uses of funds for completion of the Development are in balance;

k. The Authority's acceptance and approval of the Development's final construction costs, plans and specifications;

l. The Authority's acceptance and approval of documentation regarding hazardous waste testing at the Development and, if applicable, hazardous waste removal and disposal;

m. The Authority's acceptance and approval of the Development's proposed operating income and expenses;

n. The Authority's acceptance and approval of the Development's proposed property management organization and related documents;

o. The Authority's acceptance and approval of an independent "as-is" appraisal, and (if applicable), an independent "as-developed" appraisal, and a market acceptance analysis for the Development; and

p. Compliance by the Proposed Mortgagor with the Authority's "Standard Closing Requirements", which materials are available online at http://www.chfa.org/assets/1/6/standard_closing_requirements.pdf?7577, the terms of which are incorporated herein by reference, provided, however, if there is any inconsistency between the provisions of this Resolution and the Standard Closing Requirements, the terms of this Resolution shall control.

Section 3. The Executive Director is hereby authorized to modify or supplement the terms and conditions hereof and to take all other actions consistent with this Resolution, as may be in the best interest of the Authority and necessary for the development of quality affordable housing.

Section 4. Failure to provide any of the above-referenced requirements in a form acceptable to the Authority and to close the mortgage financing authorized herein on or before February 28, 2019 shall render this Resolution void and of no further effect, *provided*, *however*, upon good cause shown and upon payment by the Proposed Mortgagor of any extension or other fees as may be required by the Authority, the Executive Director may extend the time for compliance hereunder.

(*Saint Mary Place, New London, Connecticut*)

ATTACHMENT A

1. The Executive Director and/or Chief Financial Officer of the Authority (the "Executive Director") and staff are hereby authorized to continue the Authority's Housing Mortgage Finance Program by way of one or more bond sales.

2. The timing of such bond sales shall be determined in coordination with the State Treasurer's Office.

3. The bond sales shall be in an amount not to exceed $4,500,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2018 Series F (the "Bonds"), which shall be issued in one or more series and subseries as federally taxable bonds and/or as federally tax-exempt bonds under the Internal Revenue Code of 1986, as amended (the "Code"), or other applicable federal tax law.

4. The Bonds shall be sold on a negotiated basis.

5. The Executive Director and/or Chief Financial Officer is hereby authorized to set the date or dates for receipt of the respective offers from the underwriter(s) or other purchaser(s) (the "Respective Purchasers") to purchase the Bonds.

6. The Executive Director and/or Chief Financial Officer is hereby authorized to execute and cause to be delivered appropriate documentation, including, without limitation, one or more Preliminary Official Statements and Underwriting Commitments, to adopt the expectations, beliefs, assumptions and representations expressed and made on behalf of the Authority in the Official Statement(s) of the Bonds (the "Official Statement(s)") and to execute and deliver the Official Statement(s).

7. The Executive Director and/or Chief Financial Officer is hereby authorized both (a) to receive the related offer presented by the Respective Purchasers, and (b) to make a formal award of the related portion of the Bonds to the Respective Purchasers and execute one or more Contracts of Purchase, provided the Executive Director and/or Chief Financial Officer may make such award only if the net interest cost on the tax-exempt portion or related portion of the Bonds does not exceed the Bond Buyer Revenue Bond Index published most recently prior to the award by more than 50 basis points.

8. The Executive Director and/or Chief Financial Officer and staff of the Authority are hereby authorized to negotiate one or more interest rate swap agreements with counterparties that meets the requirements of the General Bond Resolution and is satisfactory to the Executive Director and/or Chief Financial Officer in conjunction with the 2018 Series F bond sale (collectively, the "Swap"). The Executive Director and/or Chief Financial Officer is hereby authorized to approve, execute and deliver all documents necessary to consummate the Swap, provided the Swap results in a net interest rate savings to the Authority of not less than 20 basis points of the Swap portion or in the best interest of the Authority, as determined by the Executive Director and/or Chief Financial Officer. The Executive Director and/or Chief Financial Officer is hereby authorized to make such changes, additions, deletions, modifications and amendments to the Swap and other related documents as may be necessary or desirable and in the best

interests of the Authority, and not inconsistent with this authorization. The Executive Director and/or Chief Financial Officer is hereby authorized to approve changes, additions, deletions, modifications, novations and amendments to interest rate swap agreements previously executed by the Authority and intended to be allocated to the Bonds, in each case as may be necessary or desirable and in the best interests of the Authority, and not inconsistent with this authorization.

9. The Authority hereby adopts the Series Resolution Authorizing the issuance of not more than $4,500,000 Housing Mortgage Finance Program Bonds, 2018 Series F (the "Series Resolution") and hereby authorizes all necessary transfers from the Capital Reserve Fund in accordance with Section 513(8) of the General Bond Resolution on December 1 to the Section 506 account for the purpose of redeeming bonds and the Executive Director and/or Chief Financial Officer is hereby authorized to take whatever other action is necessary to carry out such sale including, without limitation, determining the amount of fixed rate, variable or convertible option bonds and to make such changes, additions, deletions, modifications and amendments to the Series Resolution as may be necessary or desirable and in the best interest of the Authority and not inconsistent with the authorization contemplated at this meeting.

10. The Executive Director and/or Chief Financial Officer is hereby authorized to have the Bonds prepared and to execute and authorize the delivery of the Bonds to the Respective Purchasers upon receipt of the purchase price thereof plus accrued interest, if any, and to pay to any underwriter the underwriters' fee and/or discount and expenses and to do and perform all acts and things and execute any and all documents in the name of the Authority, necessary, useful or convenient to the issuance and sale of the Bonds by the Authority. The Bonds shall bear such rates and maturities, and sinking fund installments shall be made as set forth in the Official Statement(s) and the Series Resolution.

11. The Bonds shall be executed by the manual or facsimile signatures of the Chairperson, Vice Chairperson, Chairperson of the Finance/Audit Committee, or the Executive Director of the Authority and/or his designee, and the official seal of the Authority or a facsimile thereof shall be affixed, impressed or imprinted on the Bonds and attested by the manual or facsimile signature of the Executive Director or another duly Authorized Officer of the Authority.

12. The Executive Director and/or Chief Financial Officer is authorized to establish the interest rate on mortgage loans financed with the proceeds of the Bonds ("Proceeds"), provided that such interest rate shall not exceed that which is permitted or authorized under the Code.

13. The Proceeds are to be used to make new single and/or multi-family mortgages and/or refund current and future maturities of outstanding bonds and/or to refund prepayments. The Executive Director and/or Chief Financial Officer is hereby authorized to determine which multifamily projects are to be funded from proceeds of the Bonds.

14. U.S. Bank National Association is hereby authorized to act as Paying Agent and U.S. Bank National Association is hereby authorized to act, if required, as Tender Agent.

15. The Authority may make or finance, on an interim basis, certain mortgage loans, which costs are reasonably expected to be paid or reimbursed with the proceeds of debt to be incurred by the Authority in the maximum amount of $4,500,000 and with respect to any such

expenditures, this resolution is intended to satisfy the technical requirements of Section 1.150-2(d)(1) of the Treasury Regulations.

16. The Executive Director and/or Chief Financial Officer is hereby authorized to issue a certification as to the Authority's reasonable expectations regarding the amount and use of the Proceeds as described in Section 1.148-2(b)(2) of the Treasury regulations relating to Section 148 of the Code on the date such certificate is issued.

17. In the event the Executive Director is unable to act in accordance with this resolution or otherwise, then the Chief Financial Officer is hereby authorized to carry out all necessary functions to consummate the sale of the Bonds. In the event his designee is unable to act in accordance with this resolution or otherwise, then a committee of not less than three (3) members of the Board of Directors, at least one of whom shall not be a state employee, is hereby authorized to carry out all necessary functions to consummate the sale of the Bonds (the "Sale Committee"). If neither the Chairperson nor the Vice Chairperson of the Authority is able to attend, then the Chairperson of the Finance/Audit Committee shall be the Chairperson of the Sale Committee, and if he/she is unable to attend, then the Chairperson of the Mortgage Committee shall be the Chairperson of the Sale Committee, and if neither of them is able to attend, the Chairperson or Vice Chairperson of the Authority shall designate a Chairperson of the Sale Committee.

18. The Executive Director and/or Chief Financial Officer is hereby authorized to change the series designation of the Bonds and/or any other of the Authority's bonds and to change the selected bond underwriting firms as necessary and in the best interest of the Authority.

19. The Bonds may be sold as one or more series and bond underwriting firms to act as the book running senior or co-senior managers, co-managers and/or selling group members for the Bonds may be determined by the Executive Director and/or Chief Financial Officer for each series of Bonds from among the appointed Housing Mortgage Finance Program Bond Underwriters.

20. The senior manager, the co-senior bond underwriters and the co-managing underwriters designated by the Authority for participation in the Authority's bond issues are hereby required prior to participation in the 2018 Series F Bond issue to provide an update to the statutory provisions, affidavits and certifications submitted as part of their agreements with the Authority.

21. Failure to provide the above required information in such form and content as determined by the Executive Director and/or Chief Financial Officer necessary to satisfy the requirements of this resolution shall render the senior manager, co-senior bond underwriters or co-managing underwriters ineligible to participate in the designated bond issue.

Before the presentation from Attorney Dickerson, General Counsel, on the recommendation for the appointment of bond and special counsel, Mr. Cicchetti, noting a potential conflict of interest, recused himself from the discussion on this issue. Attorney Dickerson stated that in accordance with Connecticut General Statutes, Section 8-249(c)(4), CHFA solicited proposals for legal services, and after reviewing the responses received on or before the deadline, CHFA recommends the appointment of bond and special counsel as identified in the resolution. Several board members expressed concern that two of the firms selected for bond counsel do not have a primary presence in Connecticut. Ms. LaMarr expressed the importance of utilizing more Connecticut firms. Mr. Taib, Chief Financial Officer, explained that some of the Connecticut firms that responded for bond counsel did not provide satisfactory answers to questions in the RFP that would convey an understanding of the tax complexities involved with CHFA's bond transactions. Ms. LaMarr stated that CHFA should consider diversity and inclusion as part of its selection process for all responses to RFPs. Mr. Orr stated that he shares the same concerns about utilizing large out of state firms rather than Connecticut firms. He noted that not every firm will have all of the expertise required and suggested adding Connecticut firms to do the work that is not as specialized or sophisticated and/or having Connecticut firms team with the larger firms to gain the expertise. A suggestion was made to provide feedback to the firms that did not get selected so they have the opportunity to make changes before the next RFP. Ms. Dorgan expressed the importance of developing local expertise and talent.

Attorney Dickerson stated that Day Pitney LLP disclosed a potential violation with the State Elections Enforcement Commission ("SEEC") with respect to a $40 donation made to a Political Action Committee at a fundraiser by an employee. Day Pitney has requested a mitigating circumstances letter from the SEEC.

> Upon a motion made by Ms. Foley, seconded by Mr. Kooris, the Board members voted in favor of adopting the following resolution regarding the appointment of bond and special counsel (Ms. LaMarr voted against the adoption of the resolution, and Ms. Weil and Mr. Cicchetti abstained from the vote):

RESOLUTION REGARDING THE APPOINTMENT OF
BOND AND SPECIAL COUNSEL

WHEREAS, the Connecticut Housing Finance Authority (the "Authority") from time to time, requires the services of bond and special counsel to represent its interests and provide professional advice in matters including but not limited to the issuance of bonds by the Authority, loan restructuring, litigation and contracts; and

WHEREAS, in accordance with Connecticut General Statutes Section 8-249(c)(4) and the Procedures of the Authority, the Authority has solicited proposals for bond and special counsel services; and

WHEREAS, the Authority has reviewed the submitted proposals and desires to designate bond and special counsel pursuant to the applicable statutes and Procedures.

NOW THEREFORE, be it resolved by the Board of Directors of the Connecticut Housing Finance Authority as follows:

Section 1. A. The Authority hereby selects:

Hawkins Delafield & Wood LLP
Kutak Rock LLP
Lewis & Munday

to act as co-bond counsel for the Authority's Housing Mortgage Finance Program Bonds for a period of up to three years and/or until their successors are designated.

B. The Authority hereby selects:

Robinson & Cole
Lock Lord LLP

to act as co-bond counsel for the Authority's special needs bonds, other bonds and/or conduit bonds for a period of up to three years and/or until their successors are designated.

Section 2. The Authority hereby selects:

Brown Paindiris & Scott LLP
Cicchetti Tansley & McGrath LLP
Day Pitney LLP
Halloran & Sage LLP
Murtha Cullina
Pullman & Comley LLC
Robinson & Cole
Shipman & Goodwin LLP

to act as special counsel for the Authority for a period of up to three years and/or until their successors are designated.

Section 3. The fees and scope of services for bond and special counsel shall be in accordance with the proposal submitted by each respective named firm or as determined by the Executive Director to be in the best interest of the Authority.

Section 4. The Executive Director is hereby authorized to effect the assignment and transfer of pending matters being handled by previous counsel in the best interest of the Authority and may, with the concurrence of the Chairperson of the Board of Directors, authorize additional counsel to represent the Authority where necessary or desirable due to conflicts of interest or the need for special expertise in a particular matter.

Ms. Klein asked the Board members to consider the items on the Consent Agenda.

Upon a motion made by Ms. Foley, seconded by Mr. Cicchetti, the Board members voted unanimously in favor of accepting the following consent agenda items:

Reports Accepted:
- 2018 Series B Bond Issue (Single Family)
- Financial and Delinquency Reports
- Finance Audit Monthly Tracking Report
- Internal Audit Report
- Housing Tax Credit Contribution (HTCC) Program Raking and Ranking Results

Ms. Klein asked the Board members to consider the minutes from the April 26, 2018 regular meeting.

> Upon a motion made by Mr. Cicchetti, seconded by Ms. Weil, the Board members voted in favor of adopting the minutes from the April 26, 2018 regular meeting as presented (Ms. Foley and Mr. Schmitt abstained from the vote).

Ms. Klein asked the Board members to consider going into executive session to discuss pending litigation regarding Temple Street, Hartford.

> Upon a motion made by Ms. Weil, seconded by Ms. Foley, the Board members voted unanimously in favor of going into executive session at 9:57 a.m. to discuss pending litigation regarding Temple Street, Hartford. Attorney Dickerson, Mr. Kilduff, Ms. Moores, Ms. O'Brien and Mr. Taib were invited to remain during the executive session.

The executive session ended at 10:29 a.m., and the regular meeting was immediately reconvened.

There being no further business to discuss, upon a motion made by Ms. Foley, seconded by Mr. Kooris, the Board members voted to adjourn the meeting at 10:30 a.m.