

Minutes  
Connecticut Housing Finance Authority  
Board of Directors' Meeting No. 550  
February 23, 2017

Directors Present: Evonne Klein, Chairperson of CHFA Board and Commissioner of the Department of Housing  
Heidi DeWyngaert, Vice Chairperson of CHFA  
Kathleen Dorgan (by phone)  
Catherine LaMarr, representing Denise Nappier, State Treasurer (by phone)  
Meghan Lowney  
Jorge Perez, State Banking Commissioner  
Tim Sullivan representing Catherine Smith, Commissioner of the Department of Economic and Community Development  
Carla Weil  
Alicia Woodsby

Directors Absent: Michael Cicchetti  
Nuala Droney  
Anne Foley, Chairperson of the Mortgage Committee, representing Benjamin Barnes, Secretary, State Office of Policy and Management  
Richard Orr  
Jared Schmitt, Chairperson of the Finance/Audit Committee

Ms. Klein called the meeting of the Connecticut Housing Finance Authority ("CHFA") to order at 9:58 a.m. in the Boardroom of CHFA, 999 West Street, Rocky Hill, Connecticut.

Ms. Klein asked for public comments, and there were none.

Mr. Kilduff, Executive Director, provided the Executive Director report highlighting some of the groundbreaking events that occurred in January. Attorney Dickerson provided an update on the Amicus brief prepared on behalf of CHFA in response to litigation brought to the Connecticut Supreme Court relating to an appeal about the use of low-income housing tax credits in the valuation of affordable housing for a property located in Colchester. He noted that the Supreme Court upheld the trial court's ruling in favor of the Town of Colchester. Attorney Dickerson noted that the Supreme Court did not consider the statutory issue or whether or not low-income housing tax credits should be used in the assessment of real estate value for property tax purposes. In response to a question, it was noted that there isn't a universally accepted method for the valuation of real estate with low-income housing tax credits. A suggestion was made to request that owners/developers work with the towns and cities early in the process to determine how real estate with low-income housing tax credits will be valued.

Mr. Kilduff provided an update on CHFA's Strategic Plan. He reviewed the framework that will be the foundation for the development of more specific tactics and measurements of the activities, outputs and outcomes. Mr. Kilduff explained that the Strategic Plan will define the impacts that CHFA will have, the outcomes needed to drive strategies and the tactics required to achieve the outcomes. He asked the Board for further input before staff begins to develop the tactics. In response to questions raised as to whether the Strategic Plan will convey the Board's commitment to specific housing issues such as fair housing and lending, Mr. Kilduff explained that focuses and commitments will be more evident in the tactics and measurements. There was general consensus that the framework presented incorporates the Board's direction to date. Mr. Kilduff reiterated that the new plan will move away from a quantitative result driven focus to a tool that lays out the impacts of CHFA's activities, actions and products to accomplish its mission. He noted that the plan should be flexible and adaptable enough to respond to changes. In response to a comment about CHFA being more proactive and being able to understand and address problems and issues, Mr. Kilduff stated that the new plan will help CHFA focus and determine whether the programs it offers allow Connecticut residents to move into sustainable affordable housing. Staff will proceed to develop the tactics and measurements and will report back to the Board.

Mr. Smith, Manager of Planning, Research & Evaluation, provided some background information on the Qualified Energy Conservation Bond ("QECCB") program noting that the Governor allocated approximately \$10,800,000 of funding to CHFA to be used to finance energy improvements in affordable multifamily rental housing properties. Approximately \$9,600,000 of those QECCB funds allocated to CHFA have been utilized to date. Mr. Smith explained that in March 2016, the Board authorized staff to loan approximately \$3,100,000 of the QECCBs to the Connecticut Green Energy Bank to finance energy conservation improvements under the Solarize State-Sponsored Housing Portfolio Program. The resolution will expire on April 1, 2017, and staff recommends the extension to April 1, 2018 in order to utilize the approximately \$1,200,000 of remaining funds.

Upon a motion made by Ms. DeWyngaert, seconded by Ms. Weil, the Board members voted in favor of adopting the following amended resolution authorizing the Qualified Energy Bond Supplemental Resolution and loan for energy conservation improvements (Ms. Woodsby was not present for the vote):

**AMENDED RESOLUTION AUTHORIZING QUALIFIED ENERGY BOND  
SUPPLEMENTAL RESOLUTION  
AND LOAN FOR ENERGY CONSERVATION IMPROVEMENTS**

WHEREAS, the Connecticut Housing Finance Authority (the Authority) by resolution dated February 26, 2015, adopted the Qualified Energy Conservation Bond (QECCB) Resolution and authorized the QECCB Program; and

WHEREAS, by resolution dated September 24, 2015 the Authority authorized to supplement the QECCB Bond Resolution and the QECCB Program to include loans to the Green Bank under the Solarize SSHP Program as additional QECCB Loans and authorized a Supplemental Resolution; and

WHEREAS, by resolution dated March 31, 2016, the Authority authorized staff to loan

the balance of QECBs to the Connecticut Green Bank to finance energy conservation improvements under the Solarize SSHP Program; and

WHEREAS, the Authority desires to extend the term of the resolution as described in the attached memorandum from Marcus Smith dated February 23, 2017.

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

Section 1. Section 2 of the Resolution approved March 31, 2016 is amended as follows:

Failure to provide any of the above-referenced requirements in a form acceptable to the Authority and to the satisfaction of the Authority by April 1, 2018 shall render this Resolution void and of no further effect, provided, upon good cause shown and payment by the Applicant of any extension or other fees as may be required by the Authority, the Executive Director and/or Chief Financial Officer may extend the time for compliance.

Section 2. In all other respects the Resolution remains in full force and effect.

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Mr. Voccio, Assistant Director of Multifamily, discussed the recommendation to authorize, as a pilot practice, the use of estimated total lending cost as the standard for determining loan-to-value under Section A-9(3) and A-9(8) of CHFA's Procedures for determining a maximum loan amount for CHFA lending in multifamily transactions. He explained that the goal of the pilot practice is to avoid under-sizing capitalized debt and having to use more low-income housing tax credits or other limited resources and not impair CHFA's ability to size a sustainable and appropriate level of debt. In response to questions about the need to consider a waiver of the standards, Mr. Voccio explained that changes in the housing market have prompted staff to consider how CHFA can continue achieving its mission with the limited resources available. Ms. DeWyngaert noted that the Mortgage Committee had some questions about the six-month waiver; but because of the dislocation in the market at this time, the Mortgage Committee members agree that being flexible is essential and that the waiver will reduce the reliance on other limited subsidy resources to fill funding gaps. Mr. Kilduff stated that each loan that is subject to the waiver will be presented to the Board.

Upon a motion made by Ms. DeWyngaert, seconded by Mr. Sullivan, the Board members voted unanimously in favor of adopting the following resolution approving the pilot waiver of CHFA's Multifamily Housing Procedures:

**RESOLUTION APPROVING PILOT WAIVER TO PROCEDURES  
REGARDING MULTIFAMILY HOUSING**

WHEREAS, The Connecticut Housing Finance Authority (the "Authority") is subject to the provisions of Chapter 12, Sections 1-121 through Sections 125 of the Connecticut General Statutes entitled "Quasi-Public Agencies" the ("Quasi-Public Agencies Act"); and

WHEREAS, the Authority's Section A-9(3) and Section A-9(8) of the Multifamily Housing Procedures provide standards for determining Loan-to-Value ratios and maximum loan amounts for Authority lending in multifamily transactions; and

WHEREAS, changes in the multifamily housing markets have resulted in a reconsideration of the effectiveness of these sections in furthering the mission of the Authority; and

WHEREAS, Section A-17 of the Multifamily Housing Procedures authorizes the Board of Directors to waive or modify requirements; and

WHEREAS, the Authority desires to implement a pilot waiver of the Loan-to-Value standards of Sections A-9(3) and A-9(8) for a period of up to six months.

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

The Board hereby authorizes the waiver of Section A-9(3) and Section A-9(8) of the Multifamily Housing Procedures of the Authority for a period of up to six months upon terms and conditions as determined by the Executive Director to be in the best interests of the Authority.

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Mr. Voccio, reviewed the proposed financing proposal to facilitate the new construction and substantial rehabilitation of the Center Village, Glastonbury, into 72 affordable apartments for the elderly. He discussed the proposed redevelopment plan and provided some background information about the development. Mr. Voccio stated that the development has municipal support.

Upon a motion made by Ms. DeWyngaert, seconded by Ms. Lowney, the Board members voted unanimously in favor of adopting the following resolution regarding the financing of Center Village, Glastonbury:

RESOLUTION REGARDING FINANCING OF  
CENTER VILLAGE, GLASTONBURY, CONNECTICUT  
CHFA DEVELOPMENT NO. 16-003

WHEREAS, Center Village Limited Partnership or to-be-formed entity approved by the Authority (the "Proposed Mortgagor") has applied to the Connecticut Housing Finance Authority (the "Authority") to finance the rehabilitation of an existing elderly housing development and related new construction located in Glastonbury, Connecticut known as Center Village (the "Development"); and

WHEREAS, the Proposed Mortgagor is proceeding in a manner satisfactory to the Authority; and

WHEREAS, the Authority desires to provide financing as provided herein and as described in the attached memorandum from Joe Voccio dated February 23, 2017.

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 construction and permanent mortgage financing as follows:

a. A first-priority leasehold construction loan and permanent mortgage loan, in an aggregate amount not to exceed \$9,300,000. Loan advances will be made pari passu proportionally from both loans during the construction term pursuant to two promissory notes with the following terms: (a) a construction loan note of up to \$6,000,000 with interest payable monthly on amounts advanced at a rate of 4.50% per annum and a maturity date at the end of approximately 28 months; and (b) a permanent loan note of up to \$3,300,000, with interest payable monthly during an approximately 28-month construction term on all amounts advanced at a rate not to exceed 5.99% per annum, and fully-amortizing at the same rate over a 40 year permanent term. The Authority will fund this loan from Tax-Exempt Bond (TEB) proceeds including the issuance of bonds as described in Attachment A and/or such other funds as determined by 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 financing shall be conditioned upon the following:

- a. All governmental approvals for the Development be in place;
- b. Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Housing (DOH) for up to approximately \$6,500,000 in permanent subordinated funding with terms and conditions satisfactory to the Authority or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with the terms and conditions satisfactory to the Authority;
- c. The Proposed Mortgagor's receipt of sufficient annual 4% Low-Income Housing Tax Credits ("LIHTCs") to produce net syndication proceeds of approximately \$5,344,050 or that the Proposed Mortgagor produce at least that amount from other sources and with terms satisfactory to the Authority;
- d. 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;
- e. The Authority's acceptance and approval of the Development's final construction costs, plans and specifications;
- f. The Authority's acceptance and approval of documentation regarding hazardous waste testing at the Development and, if applicable, removal and disposal;
- g. The Authority's acceptance and approval of the Development's proposed operating income and expenses;

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

i. The Authority's acceptance and approval of evidence of a project-based rental subsidy from DOH;

j. The Authority's acceptance and approval of independent "as-is" and/or "as-developed" appraisals, if applicable, and a market acceptance analysis for the Development;

k. Compliance with all of the Authority's requirements contained in the "Standard Closing Requirements" which materials are available at <http://www.chfa.org/Rental%20Housing/Loan%20Closing%20Materials/default.aspx>, as may be amended, the terms of which are incorporated herein by reference. 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 affordable housing.

Section 4. Failure to provide any of the above-referenced requirements in a form acceptable to the Authority by November 30, 2017 shall render this Resolution void and of no further effect, provided, upon good cause shown and 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.

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(Center Village, Glastonbury)

#### 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 \$10,000,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2017 Series C (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 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 2017 Series C 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 \$10,000,000 Housing Mortgage Finance Program Bonds, 2017 Series C (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 \$10,000,000 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 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 2017 Series C 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.

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Mr. Voccio presented staff's recommendation to provide financing for the construction of a 90-unit mixed income housing development located in Waterford. He explained that the Board approved the reservation and allocation of low-income housing tax credits ("LIHTCs") for the development in March 2016. However, a drop in the equity raise resulted in a funding gap and the proposed mortgagor is now requested financing and the reservation of additional LIHTCs from CHFA. Mr. Voccio reviewed the proposed terms and conditions of the loan. He noted that the proposed mortgagor has applied for Housing Tax Credit Contribution funds and if successful, the Investment Trust Account loan amount can be reduced.

Upon a motion made by Ms. Weil, seconded by Mr. Sullivan, the Board members voted unanimously in favor of adopting the following resolution regarding the financing of Victoria Gardens, Waterford:

RESOLUTION REGARDING FINANCING OF  
VICTORIA GARDENS, WATERFORD, CONNECTICUT  
CHFA DEVELOPMENT NO. 16-007

WHEREAS, Waterford Development Associates, LLC (the "Proposed Mortgagor") has applied to the Connecticut Housing Finance Authority (the "Authority") to finance the construction of a 90-unit mixed income housing development located in Waterford, Connecticut known as Victoria Gardens (the "Development"); and

WHEREAS, by Resolution dated March 31, 2016, the Authority approved the reservation and allocation of Low-Income Housing Tax Credits from the 2016 or 2017 state housing credit ceiling for the Development; and

WHEREAS, the Proposed Mortgagor is proceeding in a manner satisfactory to the Authority; and

WHEREAS, the Authority desires to provide financing and to authorize allocation of additional Low-Income Housing Tax Credits as provided herein and as described in the attached memorandum from Joe Voccio dated February 23, 2017.

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 construction and permanent mortgage financing as follows:

a. A fee simple first-priority mortgage construction and permanent loan in an aggregate amount not to exceed \$10,300,000, with a construction term of approximately 24 months, and a permanent term of 35 years. The loan will be evidenced by two promissory notes: (a) a construction loan note of up to \$6,000,000 with interest payable monthly on amounts advanced at a rate of 4.50% per annum, and a maturity date at the end of the construction term; and (b) a permanent loan note of up to \$4,300,000, with interest payable monthly on all amounts advanced at a rate not to exceed 4.50% per annum during the construction term, fully-amortizing at a rate not to exceed 4.50% over the permanent term. The Authority will fund this loan from Taxable Bond (TB) proceeds including the issuance of bonds as described in Attachment A and/or such other funds as determined by 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.

b. A fee simple construction and permanent co-first mortgage loan in an amount of approximately \$800,000 accruing interest at a rate of 0% during the construction term of up to approximately 24 months. During the permanent term of 35 years immediately following the construction term, interest at 0% per annum will continue to accrue. All outstanding principal shall be due upon the earlier of maturity or a sale or refinance of the development. CHFA will fund this loan from Investment Trust Account (ITA) proceeds and/or from other sources as determined by CHFA.

Section 2.

a. The Authority hereby authorizes the Executive Director to allocate additional Low-Income Housing Tax Credits (LIHTC) from the 2017 state housing credit ceiling as may be required in an amount up to \$56,000 upon terms and conditions as he determines consistent with this resolution. Such allocation shall not be made in the event funds are available from other sources as determined by the Executive Director.

Section 3. The Authority's commitment to provide construction and permanent first and co-first mortgage financing, and an additional allocation of 9% LIHTCs shall be conditioned upon the following:

- a. All governmental approvals for the Development be in place;
- b. Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Housing (DOH) for up to approximately \$5,000,000 in construction and permanent subordinated funding with terms and conditions satisfactory to the Authority or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with the terms and conditions satisfactory to the Authority;

c. The Proposed Mortgagor's receipt of sufficient annual 9% Low-Income Housing Tax Credits ("LIHTCs") to produce net syndication proceeds of approximately \$7,839,670 or that the Proposed Mortgagor produce at least that amount from other sources and with terms satisfactory to the Authority;

d. 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;

e. The Authority's receipt of the acceptance and approval of the Development's Service Plan by the State of Connecticut Department of Mental Health and Addiction Services ("DMHAS");

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

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

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

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

j. The Authority's acceptance and approval of independent "as-is" and/or "as-developed" appraisals, if applicable, and a market acceptance analysis for the Development;

k. Compliance with all of the Authority's requirements contained in the "Standard Closing Requirements" which materials are available at <http://www.chfa.org/Rental%20Housing/Loan%20Closing%20Materials/default.aspx>, as may be amended, the terms of which are incorporated herein by reference. If there is any inconsistency between the provisions of this Resolution and the Standard Closing Requirements, the terms of this Resolution shall control.

l. The Proposed Mortgagor has applied for 2017 Housing Tax Credit Contribution (HTCC) funds and the proceeds of tax award received will be applied to reduce the Authority Loan authorized in Section 1b herein.

Section 4. 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 affordable housing.

Section 5. Failure to provide any of the above-referenced requirements in a form acceptable to the Authority by November 30, 2017 shall render this Resolution void and of no further effect, provided, upon good cause shown and 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.

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(Victoria Gardens, Waterford)

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 \$11,000,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2017 Series B (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 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 2017 Series B 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 \$11,000,000 Housing Mortgage Finance Program Bonds, 2017 Series B (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 \$11,000,000 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 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 2017 Series B 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.

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Mr. Voccio discussed the proposal regarding the financing of the Mill at Killingly. He explained that the proposed mortgagor received an allocation of low-income housing tax credits ("LIHTCs") in March of 2015. Due to the rescission of the original LIHTC syndicator a substitute syndicator was obtained but at a lower equity pricing, resulting in a funding gap. Unforeseen environment issues with associated costs have also added to funding gap costs, and the proposed mortgagor is requesting that CHFA fund the gap with Investment Trust Account proceeds. Mr. Voccio reviewed the proposed terms and conditions of the loan and noted that the

proposed mortgagor has applied for Housing Tax Credit Contribution funds, and if successful the Investment Trust Account loan amount can be reduced.

Upon a motion made by Ms. DeWyngaert, seconded by Ms. Weil, the Board members voted unanimously in favor of adopting the following resolution regarding the financing of the Mill at Killingly, Killingly:

RESOLUTION REGARDING FINANCING OF  
MILL AT KILLINGLY, KILLINGLY, CONNECTICUT  
CHFA DEVELOPMENT NO. 16-022-T9

WHEREAS, the Mill at Killingly Apartments, LLC (the “Proposed Mortgagor”) has applied to the Connecticut Housing Finance Authority (the “Authority”) to finance the demolition of an existing mill building and replace it with a new approximately 38,830 sq. ft. 32 unit, mixed income, three-story apartment building as well as retain an existing historic tower located in Killingly, Connecticut known as Mill at Killingly (the “Development”); and

WHEREAS, the Proposed Mortgagor is proceeding in a manner satisfactory to the Authority; and

WHEREAS, the Authority desires to provide financing as provided herein and as described in the attached memorandum from Joe Voccio dated February 23, 2017.

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 construction and permanent second mortgage financing as follows:

a. A fee simple construction to permanent second-priority mortgage loan in an amount of approximately \$600,000 accruing interest at a rate of 0% during the construction term of up to approximately 24 months. During the permanent term of 35 years immediately following the construction term, interest at 0% per annum will continue to accrue. All outstanding principal shall be due upon the earlier of maturity or a sale or refinance of the Development. The Authority will fund this loan from Investment Trust Account (ITA) proceeds and/or from other sources as determined by the Authority. Prepayment of the loan will be allowed.

Section 2. The Authority’s commitment to provide construction and permanent second mortgage financing shall be conditioned upon the following:

- a. All governmental approvals for the Development be in place;
- b. Authority’s confirmation of the Proposed Mortgagor’s receipt of a commitment from the Farmington Savings Bank for up to \$1,000,000 in permanent first mortgage financing with terms and conditions satisfactory to the Authority or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with the terms and conditions satisfactory to the Authority.

c. Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Housing (DOH) for up to approximately \$4,918,601 in permanent subordinated funding with terms and conditions satisfactory to the Authority or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with the terms and conditions satisfactory to the Authority;

d. Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Economic and Community Development (DECD) for up to approximately \$2,017,204 in permanent subordinated funding with terms and conditions satisfactory to the Authority or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with the terms and conditions satisfactory to the Authority;

e. The Proposed Mortgagor's receipt of sufficient annual 9% Low-Income Housing Tax Credits (LIHTCs) to produce net syndication proceeds of approximately \$5,437,500 or that the Proposed Mortgagor produce at least that amount from other sources and with terms satisfactory to the Authority;

f. The Authority's acceptance of the Proposed Mortgagor's receipt of a subordinate Deferred Developer Fee Loan in the approximate amount of \$343,713 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 confirmation of the Proposed Mortgagor's receipt energy rebates in the amount of approximately \$85,000, or that the Proposed Mortgagor produce a commitment for at least that amount from other sources with the terms and conditions satisfactory to the Authority;

h. The Authority's confirmation of the Proposed Mortgagor's receipt of FHLB Direct Subsidy Grant of approximately \$500,000, or that the Proposed Mortgagor produce a commitment for at least that amount from other sources with the terms and conditions satisfactory to the Authority;

i. 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;

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

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

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

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



n. The Authority's receipt of the acceptance and approval of the Development's Service Plan by the State of Connecticut Department of Mental Health and Addiction Services (DMHAS);

o. The Authority's acceptance and approval of evidence of a service subsidy to benefit the Development's residents from DMHAS and/or DOH;

p. The Authority's acceptance and approval of evidence of a project-based rental subsidy from DOH and/or DMHAS;

q. The Authority's acceptance and approval of independent "as-is" and "as-developed" appraisals and a market acceptance analysis for the Development; and

r. Compliance with all of the Authority's requirements contained in the "Standard Closing Requirements" which materials are available at <http://www.chfa.org/Rental%20Housing/Loan%20Closing%20Materials/default.aspx>), as may be amended, the terms of which are incorporated herein by reference. If there is any inconsistency between the provisions of this Resolution and the Standard Closing Requirements, the terms of this Resolution shall control.

s. The Proposed Mortgagor has applied for 2017 Housing Tax Credit Contribution (HTCC) funds and the proceeds of award, if received, may be applied to reduce and/or paydown the Authority Loan authorized herein as solely determined by the Authority.

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 affordable housing.

Section 4. Failure to provide any of the above-referenced requirements in a form acceptable to the Authority by November 30, 2017 shall render this Resolution void and of no further effect, provided, upon good cause shown and 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.

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Ms. Fitzgerald, Director of Government Relations, reported on pending state legislation impacting CHFA. She summarized the following proposed bills:

- No. 742 "An Act Concerning Certain Housing Developments and Discrimination on the Basis of Age"
- No. 356 "An Act Requiring Executive and Legislative Review of Certain Quasi-Public Agency Contracts and Agreements"
- No. 6965 "An Act Concerning Connecticut Jobs"
- No. 604 "An Act Applying the State Personnel Act to Quasi-Public Agencies"
- "An Act Contracting with Quasi-Public Agencies and Recovery of Attorney Fees Under the State Code of Ethics"
- An Act Concerning the Assignment of Certain Liens and Relief for Homeowners Under EMAP"

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

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

Reports Accepted:

- 2017 Series A Bond Issue (Single Family)
- Financial and Delinquency Reports
- Finance Audit Monthly Tracking Report
- Mutual Housing Association of Southwestern Connecticut: Parkside Gables, Stamford

Ms. Klein asked the Board members to consider the minutes from the January 26, 2017 regular meeting.

Upon a motion made by Ms. DeWyngaert, seconded by Mr. Perez, the Board members voted in favor of adopting the minutes from the January 26, 2017 regular meeting as presented (Ms. Dorgan abstained from the vote).

Ms. Klein asked the Board members to consider amending the agenda to add a discussion and consideration of action on pending litigation relating to Ninth Square, New Haven.

Upon a motion made by Ms. Weil, seconded by Mr. Sullivan, the Board members voted unanimously in favor of adding to the agenda a discussion and consideration of action on pending litigation relating to Ninth Square, New Haven.

Upon a motion made by Ms. Weil, seconded by Mr. Sullivan, the Board members voted unanimously in favor of going into executive session at 10:28 a.m to discuss litigation regarding Ninth Square, New Haven. Mr. Kilduff, Mr. Taib and Attorney Dickerson were invited to remain during the executive session.

The executive session ended at 10:48 a.m., and the regular meeting was immediately reconvened.

Upon a motion made by Ms. Weil, seconded by Ms. Lowney, the Board members voted unanimously in favor of authorizing the Executive Director to sign a forbearance agreement and take the necessary steps to further the disposition of Ninth Square, New Haven.

There being no further business to discuss, upon a motion made by Mr. Perez, seconded by Ms. Weil, the Board members voted to adjourn the meeting at 10:50 a.m.