

Minutes
Connecticut Housing Finance Authority
Board of Directors' Meeting No. 549
January 26, 2017

Directors Present: Evonne Klein, Chairperson of CHFA Board and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA
Anne Foley, Chairperson of the Mortgage Committee, representing Benjamin Barnes, Secretary, State Office of Policy and Management
Catherine LaMarr, representing Denise Nappier, State Treasurer
Meghan Lowney
Richard Orr
Jorge Perez, State Banking Commissioner
Jared Schmitt, Chairperson of the Finance/Audit Committee
Carla Weil
Alicia Woodsby (by phone)

Directors Absent: Michael Cicchetti
Kathleen Dorgan
Nuala Droney
Catherine Smith, Commissioner of the Department of Economic and Community Development

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. He noted that the report includes highlights from some of the groundbreaking and events that occurred since the Board meeting in November.

Mr. Kilduff discussed the impact of potential federal tax reform on the equity raise for Low-Income Housing Tax Credits ("LIHTCs"). He stated that the possible change in the corporate tax rate has resulted in uncertainty in the LIHTC market with investors and syndicators who utilize LIHTCs to offset tax liability. Mr. Kilduff discussed the impact of the uncertainty on some of the LIHTC multifamily transactions, noting that there could be funding gaps ranging between \$800,000 and \$1,700,000. He spoke about potential ways to address the funding gaps and options CHFA may have available during this extraordinary time. Mr. Kilduff reviewed the transactions currently at risk. In addition to the uncertainty with LIHTC equity raise, Mr. Kilduff noted that the state will see a reduction in available 9 percent LIHTCs due to population loss. Going forward, Mr. Kilduff noted the need to look at transactions holistically while noting that transactions may require different solutions and that all players involved will need to work together to be flexible and bring transactions to fruition.

Mr. Taib discussed the recommendation to authorize the commencement of preparations for the 2017 Series A bond issue to continue to fund the single-family program. He stated that the resolution authorizes the issuance of up to \$275,000,000 of bonds for the single-family program. Mr. Taib reviewed the proposed timing of the issuance and sale and noted that Bank of America Merrill Lynch will act as the book-running senior manager, and Wells Fargo Securities will act as the co-managing underwriter for the bonds.

Upon a motion made by Mr. Schmitt, seconded by Ms. LaMarr, the Board members voted unanimously in favor of adopting the following resolution authorizing the commencement of necessary preparations for the 2017 Series A Bond Issue:

**RESOLUTION FOR THE COMMENCEMENT OF NECESSARY
PREPARATIONS FOR THE 2017 SERIES A BOND SALE
HOUSING MORTGAGE FINANCE PROGRAM**

WHEREAS, in order to maintain continuity of the Authority's Housing Mortgage Finance Program, it is appropriate to obtain additional funds from one or more bond sales;

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

1. The Executive Director of the Authority 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 aggregate amount not to exceed \$275,000,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2017 Series A (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 2017 Series A 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, 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 \$275,000,000 Housing Mortgage Finance Program Bonds, 2017 Series A (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 Chief Financial Officer, 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 or finance new single and/or multi-family mortgage loans (including mortgage-backed securities consisting of such loans), or reimburse the Authority for having made such mortgage loans, and/or refund current and future maturities of outstanding bonds and/or to refund prepayments.

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 \$275,000,000 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 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 and/or Chief Financial Officer are unable to act in accordance with this resolution or otherwise, 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 the following bond underwriting firm is hereby selected to act as the book running senior manager for the Bonds:

Bank of America Merrill Lynch

20. The following bond underwriting firms are hereby selected to act as co-senior bond underwriters for the Bonds:

J.P. Morgan Securities
Morgan Stanley & Co.
RBC Capital Markets

21. The following bond underwriting firms are hereby selected to act as co-managing underwriters for the Bonds:

Barclays Capital
Citigroup Global Markets
Drexel Hamilton
Fidelity Capital Markets
Janney Montgomery Scott
Ramirez & Co.
Raymond James
Rice Financial
Roosevelt & Cross
Wells Fargo Securities

22. The following bond underwriting firms are hereby selected to act as the selling group members for the Bonds:

Academy Securities
Blaylock Robert Van
HJ Sims & Co., Inc.
Intercoastal Capital Markets, Inc.
Jefferies & Company
Loop Capital Markets
Prager, Sealy & Co.
Robert W. Baird & Co.
Rockfleet Financial Svcs.
Ross, Sinclair & Associates
Siebert, Brandford, Shank
Stern Brothers & Co.
The Williams Capital Group
Toussaint Capital Partners, LLC

23. 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 A Bond issue to provide an update to the Statutory provisions, affidavits and certifications, charitable contributions in the State of Connecticut, investigations, administrative or other legal proceedings and/or settlements by or with governmental entities regulating the conduct of their business, submitted as part of their agreements with the Authority, to the Chief Financial Officer.

24. 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.

Mr. Taib discussed the state carryover bond allocation. He noted that the recommended resolution updates the 2017 lending plan based on the final award of Private Activity Bond Volume Cap awarded by the State Bond Commission and reflects revised amounts for the 2017 tax-exempt bond allocation, the 9 percent federal low-income housing tax credits and 4 percent federal low-income housing tax credits.

Upon a motion made by Mr. Schmitt, seconded by Mr. Perez, the Board members voted unanimously in favor of adopting the following resolution regarding State Carryover Bond Allocation:

**RESOLUTION REGARDING STATE
CARRYOVER BOND ALLOCATION**

WHEREAS, pursuant to Connecticut General Statutes section 32-141, the State of Connecticut receives an annual allocation of tax exempt bond authority, a portion of which is allocated to the Connecticut Housing Finance Authority (the "Authority"); and

WHEREAS, pursuant to Connecticut General Statutes section 32-142, the State Bond Commission may modify and re-allocate allocations established under section 32-141 which have not been used; and

WHEREAS, at its November 11, 2016 meeting, the State Bond Commission allocated \$21,600,860 additional tax exempt bond authority (the "State Carryover Bond Allocation") in addition to the Authority's own unused 2016 annual allocation of \$102,398,160 to the Authority for single or multifamily family revenue bonds.

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

Section 1. The State Carryover Bond Allocation of \$123,999,020 is hereby added to the 2017 budget of the Authority for homeownership ongoing programs and single family bonds.

Section 2. Except as modified herein, the 2017 budget is hereby affirmed and remains in full force and effect.

Section 3. The Executive Director and/or Chief Financial Officer is hereby authorized to take all further actions deemed necessary or desirable to effectuate the intent of this resolution.

Ms. Olson, Manager II, Asset Management, reviewed the background of limited equity cooperatives. She discussed the recommendation regarding the loan request and assumption of mortgage for Amistad Court, a 14-unit limited equity cooperative located in Hartford. Ms. Olson mentioned that CHFA acquired the loan from the Department of Economic and Community Development as part of the portfolio that was transferred in 2003. She reviewed the loan balance

and explained some of the issues the owner has experienced. Ms. Olson discussed the proposed terms and conditions of the sale and new loan. She summarized that the proposed transaction will help to stabilize the ownership, eliminate the tax lien on the property and allow time for the new owner to apply for resources to address the long-term needs of the property. Ms. Olson noted that following acquisition the property will be converted from the State Limited Equity Program into the State Moderate Rental Program which will help ensure continued affordability.

Upon a motion made by Ms. Foley, seconded by Ms. Weil, the Board members voted unanimously in favor of adopting the following resolution regarding the loan modification for Amistad Court, Hartford:

**RESOLUTION REGARDING LOAN MODIFICATION FOR AMISTAD COURT, LEC
HARTFORD, CONNECTICUT CHFA DEVELOPMENT NO. 95055D**

WHEREAS, pursuant to a Memorandum of Understanding effective April 9, 2003, by and between the State of Connecticut Department of Economic and Community Development (“DECD”) and the Connecticut Housing Finance Authority (the “Authority”), the Authority acquired the interest of DECD in loan to Amistad Court Limited Equity Cooperative (the “Acquired Loan”), a 14-unit limited equity cooperative (the “Borrower”) evidenced by a Mortgage and Assistance Agreement regarding property known as Amistad Court Cooperative, (the “Development”); and

WHEREAS, the Owners desire to sell the Cooperative; and

WHEREAS, the Authority desires to modify the Acquired Loan and provide financial assistance as set forth herein and as described in the attached memorandum from Debra Olson and Janet Bonner dated January 26, 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 modify the mortgage financing as follows:

a. Provide financing in an amount not to exceed \$250,000 at a term of not more than 30 years, at an interest rate of 0% for two years and at an interest rate of 4% for the remaining 28 years. Amortization shall not exceed 28 years and will begin after the first two years of 0% interest rate. The Authority will fund this loan from Investment Trust Account Funds (“ITA”).

b. Amend and restate the Acquired Loan by adjusting the principal amount to include any unpaid amounts due with delinquent principal to be paid at closing. Defer the principal payments for two years and extend the maturity to 2047 by providing a new 30-year note, re-amortized for 28 years.

c. Allow the sale of Amistad Court Cooperative and the Assumption of the ITA and Acquired Loan.

d. Permit pre-payment of both the ITA Loan and the amended Acquired Loan upon a capital transaction or a sale and subject to the approval of CHFA’s management upon conditions satisfactory to the Authority.

Section 2. The Executive Director is authorized to impose other conditions deemed to be in the best interest of the Authority including, but not limited to, failure to comply with Authority requirements and to add or modify such terms and conditions as may be determined to be in the best interests of the Authority and necessary for the development of quality affordable housing.

Section 3. Failure to complete the transaction by August 31, 2017, shall render this Resolution void and of no further effect, provided the Executive Director may upon good cause shown and payment of an extension or other fees as may be required extend the time for compliance.

Ms. Olson discussed the recommendation to approve an Investment Trust Account loan, the debt cancellation of the existing acquired loan, the sale, and the assumption of the new mortgage for Sheldon Commons Cooperative I & II, Limited Equity Cooperative, Hartford. She explained the background of CHFA's involvement with the properties and some of the financial problems the owner has experienced. Ms. Olson reviewed the proposed terms and conditions of the sale and noted that the sale will be contingent upon the release of a ground lease. Ms. Olson noted that following the acquisition, the property will be converted from the State Limited Equity Program into the State Moderate Rental Program.

Upon a motion made by Ms. Foley, seconded by Mr. Orr, the Board members voted unanimously in favor of adopting the following resolution regarding a loan modification for Sheldon Commons Cooperative I & II Limited Equity Cooperative, Hartford:

**RESOLUTION REGARDING LOAN MODIFICATION FOR
SHELDON COMMONS COOPERATIVE I & II LEC
HARTFORD, CONNECTICUT CHFA DEVELOPMENT NO. 95040D**

WHEREAS, pursuant to a Memorandum of Understanding effective April 9, 2003, by and between the State of Connecticut Department of Economic and Community Development ("DECD") and the Connecticut Housing Finance Authority (the "Authority"), the Authority acquired the interest of DECD in loans to Sheldon Commons Cooperative (the "Acquired Loans"), a 9 unit limited equity cooperative (the "Borrower") evidenced by a Mortgage and Assistance Agreement regarding property known as Sheldon Commons Cooperative, (the "Development"); and

WHEREAS, in 2007 and 2014 the Authority provided loans to the Borrower from Investment Trust Account funds (the "ITA Loans") for capital needs repairs and pay property taxes; and

WHEREAS, the Owners desire to sell the Cooperative and transition from the State Limited Equity Program into the State Moderate Rental Program; and

WHEREAS, the Authority desires to cancel the Acquired Loans and paydown the ITA Loans as set forth herein and as described in the attached memorandum from Debra Olson and Elizabeth Chasse dated January 26, 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 modify the mortgage financing as follows:

a. Provide financing in an amount not to exceed \$250,000 at a term of not more than 30 years, at an interest rate of 0% for two years and at an interest rate of 5% for the remaining 28 years, amortization shall not exceed 28 years and will begin after the two years of the 0% interest rate. The Authority will fund this loan from Investment Trust Account Funds ("ITA").

b. The Authority will cancel the debt and any amounts due relating to the Acquired Loans and provide a release of the Acquired Loans.

c. The Authority will permit prepayment of the ITA Loan authorized pursuant to Section 1a hereof upon a capital transaction or sale and subject to the approval of CHFA's management upon conditions satisfactory to the Authority. A yield maintenance fee of 5% of the pre-payment value may be required if net sale/refinancing proceeds are in excess of the prepayment value of the Loan.

Section 2. The Executive Director is authorized to impose other conditions deemed to be in the best interest of the Authority including, but not limited to, failure to comply with Authority requirements and to add or modify such terms and conditions as may be determined to be in the best interests of the Authority and necessary for the development of quality affordable housing.

Section 3. Failure to complete the transaction by August 31, 2017, shall render this Resolution void and of no further effect, provided the Executive Director may, upon good cause shown, extend the time for compliance and payment of an extension or other fees as may be required.

Ms. Olson discussed the proposed prepayment of Canal Park, a 50-unit Section 8 State Elderly Program development located in Westport. She explained that a loan from Financing Adjustment Factor (FAF) funds was provided in 2010 for capital improvements. The owner has applied for the HUD 223F Mark-to-Market Program together with new HUD-insured mortgage financing, and the financing will be used to pay off the CHFA FAF loan and establish a replacement reserve fund. Ms. Olson explained that the repaid FAF funds can be used for other FAF eligible projects.

Upon a motion made by Ms. Foley, seconded by Ms. DeWynngaert, the Board members voted unanimously in favor of adopting the following resolution regarding the prepayment of the mortgage loan for Canal Park, Westport:

RESOLUTION REGARDING THE PREPAYMENT
OF MORTGAGE LOAN FOR CANAL PARK, WESTPORT, CONNECTICUT
CHFA DEVELOPMENT NO. 85218D

WHEREAS, pursuant to a Memorandum of Understanding effective April 9, 2003, by and between the State of Connecticut Department of Economic and Community Development (“DECD”) and the Connecticut Housing Finance Authority (the “Authority”), the Authority acquired the interest of DECD in a loan to the Housing Authority of the Town of Westport, evidenced by a loan agreement and promissory note (the “Loan”) regarding property of the Housing Authority of the Town of Westport (the “Owner”) known as Canal Park a 50-unit, Section 8, State Elderly development (the “Development”) located in Westport, Connecticut; and

WHEREAS, at its March 28, 2008, meeting the Authority authorized an increase in the Loan using funds acquired by CHFA pursuant to its Finance Adjustment Factor (“FAF”) Agreement with the Department of Housing and Urban Development; and

WHEREAS, the Loan will mature October 1, 2031 at which time the Mortgagor’s obligations to the Authority will cease; and

WHEREAS, the Mortgagor has requested permission to prepay the Loan in accordance with terms and conditions as provided herein; and

WHEREAS, the Authority desires to allow prepayment of the Loan upon terms and conditions for preservation of affordable housing as stated herein, and as described in the attached memorandum from Debra Olson and Thomas Bourque dated January 26, 2017.

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

Section 1. Prepayment of the Loan is hereby authorized upon the following conditions:

- a. A housing program maintenance fee of \$198,993.82 to be paid to the Authority.
- b. Approval of new U.S. Department of Housing and Urban Development insured mortgage financing and a new Housing Assistance Payments contract satisfactory to the Authority.
- c. Such other requirements for the benefit of affordable housing, as may be determined by the Authority.

Section 2. The Executive Director is hereby authorized to accept prepayment of the Loan and to execute all required documents and releases to effectuate the prepayment as provided herein upon terms and conditions contained herein as he determines to be in the best interest of the Authority, provided the transaction is completed to the satisfaction of the Authority on or before December 31, 2017 unless time for compliance is further extended by the Executive Director upon good cause shown and payment of an extension or other fees as may be required.

Mr. Rapp, Manager II, Multifamily, presented the recommendation to authorize the prepayment of the mortgage loan for Hill Central Community Cooperative, 72 units of Section 8 HUD-insured family units in New Haven. He explained that the loan will mature in 2019. The proposed purchaser of the development is working with HUD to assume the loan and extend the Section 8 Housing Assistance Payment (HAP) contracts. He stated that the prepayment would be conditioned upon the approval of the new HAP contract and funding availability of subsidies through HUD. Mr. Rapp noted that authorizing the prepayment of the loan will extend the affordability of the units for an additional 30 years.

Upon a motion made by Ms. Foley, seconded by Mr. Orr, the Board members voted unanimously in favor of adopting the following resolution regarding the prepayment and preservation of affordable housing for Hill Central Community Cooperative, New Haven:

**RESOLUTION REGARDING THE PREPAYMENT
OF MORTGAGE LOAN AND PRESERVATION OF AFFORDABLE HOUSING
FOR HILL CENTRAL COMMUNITY COOPERATIVE
NEW HAVEN, CONNECTICUT, CHFA DEVELOPMENT NO. 73037M**

WHEREAS, the Connecticut Housing Finance Authority (the "Authority") previously approved a mortgage for construction and permanent financing to Hill Central Community Cooperative, Inc. (the "Owner") for Hill Central Homes a 72-unit, Section 8 family development (the "Development") located in New Haven, Connecticut; and

WHEREAS, at its March 2, 1978 and May 27, 1982 meetings the Board of Directors authorized additional financing (the "Loan") for the Development; and

WHEREAS, the Loan will mature September 1, 2019 at which time the Mortgagor's obligations to the Authority will cease; and

WHEREAS, the Owner intends to sell the Development and has requested permission to prepay the Loan in accordance with terms and conditions as provided herein; and

WHEREAS, the Authority desires to allow prepayment of the Loan upon terms and conditions for preservation of affordable housing as stated herein, and as described in the attached memorandum from George Rapp and Brenda Kimber dated January 26, 2017.

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

Section 1. Prepayment of the Loan is hereby authorized upon the following conditions:

a. A housing program maintenance fee of \$9,257.74 to be paid to the Authority as part of the sale of the property.

b. The Development is subject to affordability restrictions and reporting requirements satisfactory to the Authority as described in a Declaration of Restrictive Covenants to be recorded on the land records of the City of New Haven, Connecticut.

c. The Authority shall collect reasonable fees from the Owner in an amount to be determined by the Authority to cover expenses associated with the Authority's Asset Management duties under the revised Declaration of Restrictive Covenants.

d. Buyer of the Development agrees to be subject to the Recorded Declaration of Restrictive Covenants and further agrees to enter into a new 30-year affordability requirement contingent upon funding availability of subsidy through the U.S. Department of Housing and Urban Development.

e. Such other requirements for the benefit of affordable housing, as may be determined by the Authority.

Section 2. The Executive Director is hereby authorized to accept prepayment of the Loan and to execute all required documents and releases to effectuate the prepayment as provided herein upon terms and conditions contained herein as he determines to be in the best interest of the Authority, provided the transaction is completed to the satisfaction of the Authority on or before September 1, 2017 unless time for compliance is further extended by the Executive Director for good cause shown upon payment of an extension or other fees as may be required.

Mr. Rapp discussed the recommendation to authorize the prepayment of the mortgage loan for Shippan Place, a 148-unit elderly development located in Stamford. He reviewed the terms and balances of the loans and noted that allowing the prepayment will extend the affordability for 30 years.

Upon a motion made by Ms. Foley, seconded by Mr. Orr, the Board members voted unanimously in favor of adopting the following resolution regarding the prepayment and preservation of affordable housing for Shippan Place, Stamford:

RESOLUTION REGARDING THE PREPAYMENT
OF MORTGAGE LOAN AND PRESERVATION OF AFFORDABLE HOUSING
FOR SHIPPAN PLACE, STAMFORD, CONNECTICUT
CHFA DEVELOPMENT NO. 77043M, 77043V , 77043C

WHEREAS, at its April 27, 1979 meeting the Board of Directors of the Connecticut Housing Finance Authority (the "Authority") authorized mortgage financing (the "Loans") to Forest City Sound View Associates (the "Owner") for Shippan Place a 148-unit elderly development (the "Development") located in Stamford, Connecticut; and

WHEREAS, the Loans will mature September 1, 2020, April 1, 2020 and September 1, 2020 at which time the Mortgagor's obligations to the Authority will cease; and

WHEREAS, the Owner intends to sell the Development and has requested permission to prepay the Loan in accordance with terms and conditions as provided herein; and

WHEREAS, the Authority desires to allow prepayment of the Loans upon terms and conditions for preservation of affordable housing as stated herein, and as described in the attached memorandum from George Rapp and Mentor Ameti dated January 26, 2017.

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

Section 1. Prepayment of the Loan to Forest City Sound View Associates is hereby authorized upon the following conditions:

- a. A program maintenance fee of \$258,557.00 to be paid to the Authority as part of the sale of the property.
- b. Affordability restrictions and reporting requirements satisfactory to the Authority as described in a Declaration of Restrictive Covenants to be recorded in the land records of the City of Stamford, Connecticut.
- c. The Authority shall collect reasonable fees from the Owner in an amount to be determined by the Authority to cover expenses associated with the Authority's Asset Management duties under the revised Declaration of Restrictive Covenants.
- d. Buyer of the Development agrees to be subject to the recorded Declaration of Restrictive Covenants and further agrees to enter into a new 30-year affordability requirement contingent upon funding availability of subsidy through the U.S. Department of Housing and Urban Development.
- e. Such other requirements for the benefit of affordable housing, as may be determined by the Authority.

Section 2. The Executive Director is hereby authorized to accept prepayment of the Loan and to execute all required documents and releases to effectuate the prepayment as provided herein upon terms and conditions contained herein as he determines to be in the best interest of the Authority, provided the transaction is completed to the satisfaction of the Authority on or before September 1, 2017 unless time for compliance is further extended by the Executive Director upon good cause shown and payment of an extension or other fees as may be required.

Ms. Zajac, Research Analyst, reported on Section 8-37bb of the Connecticut General Statutes which requires CHFA to submit an annual report to the legislature regarding fair housing choice and racial and economic integration. She explained how the data for the reports is collected. Ms. Zajac summarized both single-family and multifamily income distribution along with the proportion of minority residents based in the different Area Median Income categories. For future reports, staff was asked to show mapping of the lower-income and minority residents/homeowners in the higher opportunity areas.

Ms. Martin, Legislative Program Officer – Federal, provided an update on anticipated federal legislative activity, including the federal budget for fiscal year 2018 and tax reform. She noted that overall, low-income housing tax credits have received strong bipartisan support; but there is no clear signal regarding support for private activity bonds.

Ms. Martin summarized CHFA's lean projects to date, noting that since April 2013, CHFA has pursued 19 lean projects. Efforts will be made to continue to improve the lean initiative and identify ways to increase training opportunities to assist staff in applying lean principles.

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

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

Reports Accepted:

- 2016 Audit Plan
- Financial and Delinquency Reports
- Finance Audit Monthly Tracking Report
- Internal Audit Report
- State-Sponsored Housing Portfolio

Ms. Klein asked the Board members to consider the minutes from the November 17, 2016 regular meeting.

Upon a motion made by Ms. Foley, seconded by Ms. Lowney, the Board members voted unanimously in favor of adopting the minutes from the November 17, 2016 regular meeting as presented.

There being no further business to discuss, upon a motion made by Ms. Foley, seconded by Ms. Weil, the Board voted to adjourn the meeting at 11:02 a.m.