Adopted: April 27, 2017

Minutes
Connecticut Housing Finance Authority
Board of Directors' Meeting No. 551
March 30, 2017

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
Catherine LaMarr, representing Denise Nappier, State Treasurer (by phone)
Meghan Lowney (by phone)
Richard Orr
Jared Schmitt, Chairperson of the Finance/Audit Committee
Tim Sullivan representing Catherine Smith, Commissioner of the Department of Economic and Community Development
Carla Weil

Directors Absent:
Nuala Droney
Jorge Perez, State Banking Commissioner
Alicia Woodsby

Ms. Klein called the meeting of the Connecticut Housing Finance Authority ("CHFA") to order at 9:30 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's report noting that the groundbreakings and events that occurred in February are listed in the report. He mentioned that staff attended the National Council of State Housing Agencies annual legislative conference in early March and met the Connecticut delegation to outline CHFA's key legislative priorities, including the preservation and strengthening of low-income housing tax credits and tax-exempt bonds. Mr. Kilduff provided a report to the Board highlighting the impacts of the low-income housing tax credits and tax-exempt bonds on Connecticut's economy. He briefly spoke about Connecticut's interest, along with other states, to recycle and redistribute unused volume cap.

Mr. Kilduff mentioned that CHFA is moving forward with the disposition of Ninth Square, New Haven. Following the conclusion of litigation with some of the tenants at Eno Farms, a real-estate owned property located in Simsbury, Mr. Kilduff mentioned that CHFA will also be proceeding with the disposition of Eno Farms.

Mr. Taib, Chief Financial Officer, reviewed the recommendation to commence preparations for the 2017 Series D bond issue to continue providing funding for the single-family programs. He stated that the proceeds will generate about $175,000,000 of lendable proceeds for the program and refund previously issued bonds. Mr. Taib mentioned that the resolution names J.P. Morgan Securities as the book running senior manager for this issue. He explained that through March 19, CHFA has reserved and committed approximately $89,700,000 of loans with a weighted average mortgage rate of 3.54 percent. Subject to market conditions, staff anticipates selling the bonds on or about April 24, 2017 and closing on or about May 11, 2017. Mr. Schmitt mentioned that the Finance/Audit Committee members support the resolution.

> Upon a motion made by Mr. Schmitt, seconded by Mr. Cicchetti, the Board members voted unanimously in favor of adopting the following resolution for the commencement of necessary preparations for the 2017 Series D bond sale:

RESOLUTION FOR THE COMMENCEMENT OF NECESSARY PREPARATIONS FOR THE 2017 SERIES D BOND SALE
<u>HOUSING MORTGAGE FINANCE PROGRAM</u>

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 $300,000,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2017 Series D (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 D 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 $300,000,000 Housing Mortgage Finance Program Bonds, 2017 Series D (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 $300,000,000 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:

J.P. Morgan Securities

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

Bank of America Merrill Lynch
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, Sinclaire & 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 D 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. Cabral, Manager of Planning, Research & Evaluation, discussed the background of the Small Multifamily Community Development Financial Institution (CDFI) loan pool, noting that the program was launched in 2014 with $5,000,000 of funding to leverage its relationship with CDFIs to help finance smaller, investor owned rental properties not normally financed through CHFA's products. The pool provides participating CDFIs with low-cost funds on a project-by-project basis to help finance the acquisition, rehabilitation and permanent financing of new or vacant and/or blighted multifamily properties with 3 to 20 units of rental housing. Mr. Cabral stated that the average disbursement from the loan pool is $124,000 with a per-unit cost of approximately $31,500. To date, CHFA has disbursed approximately $4,200,000 under the program, and staff recommends that the loan pool be increased to an amount not to exceed a total of $7,000,000 for a period of five years. Mr. Cabral stated that the resolution authorizes the Executive Director to establish the terms, conditions and interest rates on loans to participating CDFIs. Ms. Foley stated that the Mortgage Committee recommends the approval and noted that Ms. Weil abstained from the vote because she is affiliated with one of the participating CDFIs.

> Upon a motion made by Ms. Foley, seconded by Mr. Sullivan, the Board members voted in favor of adopting the following resolution regarding the Small Multifamily Community Development Financial Institution Loan Pool (Ms. Weil abstained from the vote):

RESOLUTION REGARDING SMALL MULTIFAMILY COMMUNITY
DEVELOPMENT FINANCIAL INSTITUTION LOAN POOL

WHEREAS, in 2014 the Connecticut Housing Finance Authority (the "Authority") established the Small Multifamily Community Development Financial Institution (CDFI) Loan Pool in the amount of $5 million to help support affordable housing initiatives; and

WHEREAS, the CDFI Loan Pool has disbursed over $4.2 million and will require additional capital in order to continue to provide funds to participating CDFIs through 2017; and

WHEREAS, the Authority desires to provide such funds to as set forth herein and as described in the attached memorandum from Jonathan Cabral dated March 30, 2017.

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

Section 1. The Small Multifamily Community Development Financial Institution Loan Pool is hereby increased up to $7 million and funded from Investment Trust Account Funds for a period of five years.

Section 2. The Executive Director is hereby authorized to establish terms, conditions and interest rates on loans to participating CDFIs and make such further amendments and/or modifications to the agreements and applicable loan documentation as the Executive Director may determine to be in the best interests of the Authority.

Mr. Voccio, Assistant Director of Multifamily, reviewed the recommendation to authorize additional mortgage financing and/or additional low-income housing tax credits for the Spruce Ridge Meadows located in Pawcatuck. He explained that the proposed mortgagor was previously awarded CHAMP III funds and low-income housing tax credits, and 43 of the 86 units have been completed under Phase I. Mr. Voccio discussed the proposed terms and conditions of the additional funding.

> Upon a motion made by Ms. Weil, seconded by Ms. Foley, the Board members voted unanimously in favor of adopting the following resolution regarding the financing of Spruce Ridge Meadows, Pawcatuck:

RESOLUTION REGARDING FINANCING OF
SPRUCE RIDGE MEADOWS, PAWCATUCK, CONNECTICUT
CHFA DEVELOPMENT NO. 16-904

WHEREAS, Spruce Meadows, LLC has applied to the Connecticut Housing Finance Authority (the "Authority") for mortgage financing for the construction and/or rehabilitation of a 86 unit housing development to be known as Spruce Ridge Meadows and located in Pawcatuck, Connecticut (the "Development"); and

WHEREAS, by Resolution dated March 26, 2015, the Authority approved the reservation and allocation of Low-Income Housing Tax Credits ("LIHTCs") from the 2015 or 2016 state housing credit ceiling for the Development; and

WHEREAS, Spruce Meadows, LLC and/or a related entity otherwise acceptable to the Authority (the "Proposed Mortgagor") has completed construction and begun rental of 43 units in Phase I of the Development and is proceeding with its application for the completion of Phase II of the Development in a manner satisfactory to the Authority; and

WHEREAS, the Authority desires to provide additional funding by a loan of Investment Trust Account proceeds and/or the allocation of additional LIHTCs to the Proposed Mortgagor, as described herein and as described in the attached memorandum from Michelle O. DeRosa and Joe Voccio dated March 30, 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 additional funding in the amount of up to $1,500,000, as follows:

> a. a first and/or second-priority fee simple mortgage, as described in the attached memorandum, which shall accrue interest on amounts advanced at a rate not to exceed 0% per annum, and shall have a construction term of approximately 24 months and a permanent term of 30 years. Annually during the permanent term of the loan, 20% of the Development's adjusted cash flow shall be applied on a priority basis to pay down the outstanding balance of the loan. All outstanding principal and interest shall be due upon the earlier of maturity or a sale or refinance of the Development, and full

prepayment of the loan shall be otherwise permitted. The Authority will fund this loan with Investment Trust Account (ITA) proceeds 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; or

b. the allocation of additional LIHTCs from the 2017 state housing credit ceiling authorized hereby as may be required in an amount of up to $56,000 upon terms and conditions as the Executive Director of the Authority determines consistent with this Resolution; or

c. upon a combination of subsections a. and b. herein, as determined by the Executive Director;

provided, such additional funding shall not be made in the event funds are available from other sources, as determined by the Executive Director.

Section 2. The Authority's commitment herein to provide mortgage financing and/or additional allocation of LIHTCs 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 $4,999,618 in construction and/or permanent subordinated CHAMP 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 Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Housing for up to approximately $3,523,526 in construction and/or permanent subordinated Affordable Housing Program 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 terms and conditions satisfactory to the Authority;

d. The Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from Liberty Bank for up to approximately $2,475,000 in construction and/or permanent 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 terms and conditions satisfactory to the Authority;

e. The Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from Boston Community Loan Fund for up to approximately $9,700,000 in subordinate bridge construction 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 terms and conditions satisfactory to the Authority;

f. The Proposed Mortgagor's receipt of sufficient 9% Low-Income Housing Tax Credits in order to produce net syndication proceeds of approximately $10,123,875, or that the

Proposed Mortgagor produce at least that amount from other sources with terms and conditions acceptable to the Authority;

g. The Authority's acceptance of the Proposed Mortgagor's receipt of a subordinate Deferred Developer Fee Loan in the amount of approximately $1,054,547, or that the Proposed Mortgagor produce at least that amount from other sources and with terms and conditions acceptable to the Authority;

h. 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;

i. The Authority's confirmation of affordability restrictions on the Development for a period of 50 years, such that 17 units shall be set aside for households at or below 25% area median income, 44 units shall be set aside for households at or below 50% area median income, 6 units be set aside for households at or below 60% area median income, and 19 units shall be set aside as market rate units;

j. The Authority's acceptance and approval of the Development's Phase II 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, hazardous waste 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; and

n. Compliance by the Proposed Mortgagor with the Authority's Standard Closing Requirements, which materials are available online at http://www.chfa.org/Rental%20Housing/Loan%20Closing%20Materials/default.aspx, 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 December 31, 2017 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.

Ms. Moores, Assistant Director, Multifamily, reviewed the recommendation for a six-month moratorium of debt service and replacement reserve payments for Temple Street, Hartford. Temple Street was constructed under the State's Six Pillars Program and is an adaptive reuse of the former Sage-Allen department store. Ms. Moores stated that the property underperformed from the start and explained some of the modifications made since the closing. Ms. Foley noted that the Mortgage Committee members expressed concern that the moratorium may be just delaying the inevitable. Staff was asked to convey to the developer that the Board will not grant a moratorium beyond six months. There was some discussion on the issues causing the financial problems and whether or not the Capital Region Development Authority can provide financial assistance.

> Upon a motion made by Ms. Foley, seconded by Mr. Cicchetti, the Board members voted in favor of adopting the following resolution regarding a moratorium for Temple Street, Hartford (Mr. Schmitt was opposed):

RESOLUTION REGARDING MORATORIUM FOR TEMPLE STREET
HARTFORD, CONNECTICUT
<u>CHFA DEVELOPMENT NO. 02-015M</u>

WHEREAS, by resolution adopted December 18, 2002 the Connecticut Housing Finance Authority (the "Authority") authorized construction and permanent financing of Temple Street, 78 apartment units and a parking garage located in Hartford, Connecticut (the "Development") owned by 18 Temple Street LLC (the "Owner"); and

WHEREAS, by resolutions adopted November 18, 2003, December 15, 2004 and January 26, 2006 the Authority modified the financing by authorizing financing of an additional 42 units, increasing the mortgage amounts and August 27, 2009 and January 26, 2012 amending the terms of financing to the present taxable bond loan (the "Taxable Bond Loan") and an Investment Trust Account Loan (the "ITA Loan"), (the Taxable Bond Loan and the ITA Loan collectively, the "Loan"); and

WHEREAS, the Owner anticipates an inability to repay the Loan over time, and needs time to put together a comprehensive restructure proposal for the Loan; and

WHEREAS, the Owner has requested the Authority implement a moratorium on debt service and replacement reserve payments on the Loan from April 1, 2017 through September 1, 2017; and

WHEREAS, the Authority desires to implement a moratorium on debt service and replacement reserve payments in the best interests of the Authority in accordance with the attached memorandum from Wendy Moores dated March 30, 2017.

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

<u>Section 1</u>. The Executive Director is hereby authorized and directed to grant the moratorium on debt service payments and replacement reserve deposits due on the Loan to 18

Temple Street LLC, regarding property known as Temple Street from April 1, 2017 through and including September 1, 2017.

a. All debt service payments accruing during this moratorium will be due on October 1, 2017.

b. The borrower will submit monthly operating statements to CHFA by the 25th of the following month, beginning May 25, 2017, along with all net cash flow generated.

c. The borrower's operation is to remain within the budgeted amounts, without allowing payables to accrue.

d. No capital is to be spent on the property without prior written approval from CHFA except for emergency repairs.

e. Net cash flow generated will be put into a CHFA controlled escrow and will be used for such purposes as CHFA determines, including but not limited to debt service shortfalls.

f. No distributions to be taken for 2016 or 2017.

g. Any surplus cash generated by the property in 2016 or 2017 will be paid to CHFA and applied as CHFA determines.

h. All late fees incurred prior to the moratorium period will be waived.

i. The borrower will provide monthly reports on progress toward a comprehensive restructure proposal to CHFA beginning on May 25, 2017.

j. Any failure by borrower to comply with the terms of this resolution is grounds for the immediate cancellation of the moratorium and commencement of repayment on the Loan terms.

<u>Section 2</u>. The proposed moratorium will require additional terms and conditions as requested by the Authority be met by the Owner regarding the Development.

<u>Section 3.</u> The Executive Director is authorized to modify or supplement the terms and conditions herein and/or impose other conditions including, but not limited to, termination of the moratorium for failure to comply with Authority requirements as deemed to be in the best interest of the Authority.

Ms. Martin, Legislative Program Officer—Federal, reported on some of the federal legislative activity in the first quarter of 2017. She mentioned the 2017 fiscal year budget is being finalized, and the 2018 budget which begins October 1 is being drafted. The detailed federal budget proposal for 2018 is expected to be provided to Congress in May but is likely to have significant reductions for housing programs. Ms. Martin mentioned that Senators Cantwell and Hatch reintroduced their legislative proposal to strengthen the low-income housing tax credit program.

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

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

Reports Accepted:

- Financial and Delinquency Reports
- Finance Audit Monthly Tracking Report

Ms. Klein asked the Board members to consider the minutes from the February 23, 2017 regular meeting.

> Upon a motion made by Ms. Weil, seconded by Mr. Sullivan, the Board members voted in favor of adopting the minutes from the February 23, 2017 regular meeting as presented (Mr. Cicchetti, Ms. Foley, Mr. Orr and Mr. Schmitt abstained from the vote).

There being no further business to discuss, upon a motion made by Ms. Foley, seconded by Mr. Cicchetti, the Board members voted to adjourn the meeting at 9:56 a.m.