

Minutes
Connecticut Housing Finance Authority
Board of Directors Meeting No. 591
April 29, 2021

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner of the Department of Housing
Jerrold Abrahams
Heidi DeWyngaert, Vice Chairperson of CHFA and Chairperson of the Mortgage Committee
Kiley Gosselin
Timothy Hodges
Steven Kitowicz, representing Melissa McCaw, Secretary, State Office Policy and Management
Catherine MacKinnon
Jorge Perez, State Banking Commissioner
Sarah Sanders, representing Shawn Wooden, State Treasurer
Lisa Tepper Bates
Gregory Ugalde

Directors Absent: Cindy Butts
Wendy Clarke
Franklin Perry II
Glendowlyn Thames, representing David A. Lehman, Commissioner, Department of Economic & Community Development

By video conference due to the COVID-19 public health crisis and in accordance with Governor Lamont's Executive Order 7B, Ms. Mosquera-Bruno called the meeting of the Connecticut Housing Finance Authority to order at 10:02 a.m.

A roll call of Board members was conducted and a quorum was present. Ms. Mosquera-Bruno asked for public comments by virtue of the public call-in line and there were none.

Nandini Natarajan, Chief Executive Officer-Executive Director, summarized the first quarter strategic plan accomplishments. She also reported that, in response to findings in last year's landscape analysis, a new department called Research, Outreach and Marketing has been created to help strengthen and coordinate CHFA's marketing and outreach activities. The department is currently looking at ways to increase public awareness of CHFA in general and the single family first-time homebuyer programs in particular. Work continues on strengthening partnerships with stakeholders, streamlining the development engagement process, improving organizational capacity and increasing staff engagement.

Ronald Nossek from CliftonLarsonAllen LLP, CHFA's external auditor, provided a summary of the audit results of CHFA's 2020 financial statements. Mr. Nossek reported that CliftonLarsonAllen did not find any material weaknesses or significant deficiencies and there were no instances of noncompliance with the Generally Accepted Auditing Standards (GAAS), Generally Accepted Government Auditing Standards (GAGAS) and Uniform Guidance and the

State Single Audit Act. He stated that CliftonLarsonAllen has issued a clean audit opinion and that CHFA's financial statements fairly represent its financial position and operations.

Masouda Omar, Managing Director, Multifamily, provided a summary of the resolution authorizing approval of a construction-to-permanent first mortgage loan of up to \$17 million utilizing tax exempt bond proceeds to Huntington Senior Associates, LLC. The developer's efforts to balance construction and tenant displacement and the overall demand for affordable housing in New London were noted.

Upon a motion made by Ms. DeWyngaert, seconded by Mr. Ugalde, the Board members voted by roll call and were unanimously in favor of adopting the following resolution regarding funding of Huntington Towers, New London:

RESOLUTION REGARDING FINANCING OF
HUNTINGTON TOWERS, NEW LONDON, CONNECTICUT
CHFA DEVELOPMENT NO. 20 - 410M

WHEREAS, Leon N. Weiner & Associates Inc. has applied to the Connecticut Housing Finance Authority (the "Authority") for mortgage financing of the acquisition and rehabilitation of a 120-unit housing development known as Huntington Towers, located in New London, Connecticut (the "Development"); and

WHEREAS, the Authority desires to provide mortgage financing for the Development to Huntington Senior Associates, LLC and/or a related entity otherwise acceptable to the Authority (the "Proposed Mortgagor"), all as described in the attached Memorandum and Development Summary Materials from Deborah J. Alter, Manager I, dated April 29, 2021 (the "Memorandum").

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

Section 1. The Authority is authorized to provide a construction loan in a principal amount of approximately \$4,550,000 and a permanent loan in a principal amount of approximately \$12,450,000, *provided, however*, the aggregate principal loan amount of the permanent and construction loans shall not exceed \$17,000,000. The loan shall be secured by a first-priority fee simple mortgage on the Development. The construction loan shall accrue interest on amounts advanced at a rate not to exceed 4.51% per annum and shall be paid monthly, in arrears, over a term of 24 months, after which all construction loan principal and interest shall be due in full. The permanent loan shall accrue interest on amounts advanced at a rate not to exceed 4.63% per annum and shall be repaid monthly in arrears, as follows: (i) interest-only payment for a period of 24 months, immediately followed by (ii) principal and interest repayment based upon an amortization schedule of 40 years over a period of 40 years, after which all outstanding permanent loan principal and interest shall be due, *provided, however*, the permanent loan may be prepaid in full: (i) on or after 15 years of the permanent loan term by virtue of refinance with a mortgage loan from the Authority and subject to the satisfaction of all applicable Authority requirements, including the payment of a housing program maintenance fee equal to 1% of the outstanding principal balance, or (ii) on or after 20 years of the permanent loan term and subject to the satisfaction of all applicable Authority requirements, including the payment of a housing program maintenance fee equal to 1%

of the outstanding principal balance. The Authority will fund this loan with Tax-Exempt Bond proceeds, including the issuance of bonds as described in Attachment A, attached hereto, or from such other sources of funding, and upon such terms and conditions, as are deemed to be in the best interests of the Authority. To the extent other sources of funding are deemed to be in the best interest of the Authority and the Authority finds that mortgage loan financing is not readily available from another source and that it is appropriate and in the public interest for the Authority to provide such financing from the proceeds of taxable bonds. With respect to any such expenditure, this Resolution is intended to satisfy the technical requirements of Section 1.150-2(d)(1) of the United States Treasury Regulations.

Section 2. The Authority's commitment to provide mortgage financing for the Development shall be conditioned upon the Authority's acceptance and approval in its sole discretion of the following:

- a. Affordability restrictions on the Development for a period of 40 years, such that 24 units shall be set aside for elderly households at or below 50% of area median income and 96 units shall be set aside for elderly households at or below 60% of area median income;
- b. An independent appraisal and a market acceptance analysis for the Development;
- c. All required governmental approvals, tax abatement agreements, hazardous waste testing at the Development, and hazardous waste removal and disposal (if applicable);
- d. Final construction costs and plans and specifications;
- e. Commitments for sources of funds, as further described in the Memorandum, or in such other amounts and/or from such other comparable sources as are acceptable to the Authority, such that the total of the sources and uses of funds for completion of the Development are in balance;
- f. Proposed operating income and expenses, all required reserve and escrow funding, tenant relocation plan, and property management organization and plan;
- g. United States Department of Housing and Urban Development approval of the transfer of ownership of the Development to the Proposed Mortgagor and the issuance of a Section 8 Housing Assistance Payments contract benefitting the Development through 2051;
- h. Compliance by the Proposed Mortgagor with all applicable law, the Authority's Procedures, the provisions of the Memorandum, and all applicable Authority policies, *provided, however*, if there is any inconsistency between the provisions of this Resolution and the Authority's policies, the terms of this Resolution shall control.

Section 3. The Chief Executive Officer - 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 January 31, 2022 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 Chief Executive Officer - Executive Director may extend the time for compliance hereunder.

(Huntington Towers, New London, Connecticut)

ATTACHMENT A

1. The Chief Executive Officer - Executive Director and/or Chief Financial Officer 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 amount not to exceed \$18,700,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2021 Series E (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 Chief Executive Officer - 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 Chief Executive Officer - 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 Chief Executive Officer - 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 Chief Executive Officer - 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 Chief Executive Officer - 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 Chief Executive Officer - Executive Director and/or Chief Financial Officer in conjunction with the 2021 Series E bond sale (collectively, the "Swap"). The Chief Executive Officer - 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 Chief Executive Officer - Executive Director and/or Chief Financial Officer. The Chief Executive Officer - 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 Chief Executive Officer - 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 \$18,700,000 Housing Mortgage Finance Program Bonds, 2021 Series E (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 Chief Executive Officer - 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 Chief Executive Officer - 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 Chief Executive Officer - Executive Director of the Authority and/or her 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 Chief Executive Officer - Executive Director or another duly Authorized Officer of the Authority.

12. The Chief Executive Officer - 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 Chief Executive Officer - 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 \$18,700,000 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 Chief Executive Officer - 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 Chief Executive Officer - 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 Chief Executive Officer - 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 Chief Executive Officer - 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 2021 Series E 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 Chief Executive Officer - 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.

Terry Nash Giovannucci, Community Engagement Manager, presented the resolution to authorize a public hearing for the Draft Low Income Housing Tax Credit 2022 and 2023 Qualified Allocation Plan (QAP). She summarized the public hearing timeline and the proposed changes to the plan and there was discussion of the incentives and point allocations for high opportunity areas.

Upon a motion made by Mr. Abrahams, seconded by Ms. Tepper Bates, to adopt the resolution authorizing a public hearing for the 2022 and 2023 Low-Income Housing Tax Credit Qualified Allocation Plan, the Board members discussed amending the proposed draft language in the QAP to expand the local impact competitive points available to proposed developments included in concerted community revitalization plans also to those included in affordable housing plans adopted in accordance with Connecticut General Statute. Upon a motion to amend made by Ms. Tepper Bates, seconded by Mr. Perez, the Board members voted by roll call and were unanimously in favor of amending the motion to include the revised language in the QAP. Mr. Hodges was not present for the vote.

The Board members present voted by roll call and were unanimously in favor of adopting the following resolution, as amended, authorizing a public hearing for the 2022 and 2023 Low-Income Housing Tax Credit Qualified Allocation Plan as amended:

**RESOLUTION AUTHORIZING A PUBLIC HEARING
FOR THE LOW-INCOME HOUSING TAX CREDIT
2022 and 2023 QUALIFIED ALLOCATION PLAN**

WHEREAS, the Connecticut Housing Finance Authority (the "Authority") is the designated housing credit agency for the administration and allocation of Low-Income Housing Tax Credits in the State of Connecticut; and

WHEREAS, as designated housing credit agency, the Authority is subject to the requirements of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Authority desires to authorize a public hearing regarding the proposed adoption of the 2022 and 2023 Low-Income Housing Tax Credit Qualified Allocation Plan in accordance with the requirements of the Code, as further described in the attached Memorandum dated April 29, 2021 from Terry Nash Giovannucci, Community Engagement Manager.

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

Section 1. The Chief Executive Officer - Executive Director is hereby authorized to hold a public hearing with regard to the proposed 2022 and 2023 Low-Income Housing Tax Credit Qualified Allocation Plan attached hereto in accordance with the requirements of the Code.

Hazim Taib, Chief Financial Officer, presented the resolution authorizing CHFA to administer the Connecticut Homeowner Assistance Fund Program. Discussion ensued regarding the potential need for additional staffing to administer the program and whether the Act provides for funding of this expense.

Upon a motion made by Mr. Ugalde, seconded by Ms. DeWynngaert, the Board members voted by roll call and were unanimously in favor of adopting the following resolution authorizing CHFA to administer the Connecticut Homeowner Assistance Fund Program:

**RESOLUTION REGARDING AUTHORIZATION OF THE
THE CONNECTICUT HOMEOWNER ASSISTANCE FUND PROGRAM**

WHEREAS, the Connecticut Housing Finance Authority (the “Authority”) is established as a body politic and corporate, constituting a public instrumentality and political subdivision pursuant to Chapter 134 of the Connecticut General Statutes (the “Act”) for the purpose of alleviating the shortage of housing for low and moderate income families and persons in the State of Connecticut (the “State”);

WHEREAS, on March 10, 2020 and thereafter, the Governor of the State of Connecticut issued declarations of public health and civil preparedness emergencies, proclaiming a state of emergency throughout the State of Connecticut as a result of the coronavirus disease 2019 (“COVID-19”) outbreak in the United States and confirmed spread in the State (the “Public Emergency”),

WHEREAS, the ability of certain documented households in the State to pay their full housing costs continues to be negatively affected by, among other things, income loss and/or greater expenses caused by the Public Emergency;

WHEREAS, in accordance with the federal American Rescue Plan Act of 2021 (the “Rescue Act”), the United States Department of the Treasury (the “Treasury”) has established a

homeowner assistance fund for the allocation of resources to states for the implementation of programs designed to prevent homeownership delinquencies, defaults, foreclosures, loss of utilities or home energy services or other displacement of homeowners;

WHEREAS, the State, acting by and through the Department of Housing (“DOH”), has submitted a notice of funds request to the Treasury for funds allocated to the State under the Rescue Act, and DOH has requested that the Authority administer a program under the Rescue Act on its behalf;

WHEREAS, the Authority intends to collaborate and coordinate with DOH in the establishment, administration and implementation of a State Homeowner Assistance Fund Program (the “Program”) which shall include, among other things, the Authority’s administration of an initial allocation of approximately \$12,136,792 and a total allocation of approximately \$123,136,792, all in accordance with the Rescue Act and as further described in the attached Memorandum from Hazim Taib, Chief Financial Officer, dated April 29, 2021 (the “Memorandum”).

WHEREAS, in accordance with Section 8-246 of the Act, the Board of Directors may direct the Chief Executive Officer - Executive Director to carry out the purposes of the Act;

WHEREAS, the Board of Directors deems the Authority’s administration of the Program to be necessary and desires to authorize the Chief Executive Officer - Executive Director to exercise certain authority to administer the Program in accordance with the declared public policy and purposes set forth in the Act and the Rescue Act.

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

Section 1. The Chief Executive Officer - Executive Director is hereby authorized to take all action consistent with the Act and the Rescue Act that she deems necessary in order for the Authority to implement and administer the Program, including, without limitation, the following: (i) to enter into a Memorandum of Agreement with DOH regarding the administration of certain Program functions and the disbursement of Program funds, (ii) to enter into agreements with counseling agencies, foundations, contributors or other third-parties for the provision of services or of other funding necessary for the implementation of the Program, and (iii) to take all other action necessary for the implementation of the Program in accordance with the Rescue Act or other applicable federal law and any executive orders issued by the Governor of the State or other applicable State law.

Section 2. The Chief Executive Officer - Executive Director is hereby authorized to modify or supplement the terms and conditions hereof and to take all other actions consistent with this Resolution. The authorization hereunder shall be effective so long as is necessary for the Authority to administer the Program.

Ms. Omar presented a summary of the impact of 4% Low-Income Housing Tax Credit Minimum Rate change outlining the impact on credit calculations in the current environment.

Ms. Mosquera-Bruno asked Board members to consider the items on the Consent Agenda.

Upon a motion made by Mr. Kitowicz, seconded by Mr. Ugalde, the Board members voted by roll call and were unanimously in favor of accepting the following consent agenda items. Ms. Sanders was not present for the vote.

Reports Accepted:

- 2020 Audited Financial Statements
- Financial Reports
- Delinquency and Forbearance Reports
- Monthly Tracking Report
- Immediate and Temporary Financial Accommodations for Multifamily Mortgages due to COVID-19 Pandemic
- Multifamily Activities
- Minutes from March 25, 2021 Regular Meeting

There being no further business to discuss, upon a motion made by Mr. Ugalde, seconded by Mr. Kitowicz, the meeting adjourned at 11:04 a.m.