

Minutes
Connecticut Housing Finance Authority
Special Board of Directors Meeting
October 13, 2020

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner of the Department of Housing
Heidi DeWynngaert, Vice Chairperson of CHFA
Jerrold Abrahams
Wendy Clarke
Kiley Gosselin
Timothy Hodges
Steven Kitowicz, representing Melissa McCaw, Secretary, State Office Policy and Management
Catherine MacKinnon
Jorge Perez, State Banking Commissioner
Franklin Perry II
Sarah Sanders, representing Shawn Wooden, State Treasurer
Lisa Tepper Bates
Glendowlyn Thames, representing David A. Lehman, Commissioner, Department of Economic & Community Development
Gregory Ugalde

Directors Absent: Jared Schmitt, Chairperson of the Finance/Audit Committee

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 1:00 p.m.

A roll call of Board members was conducted and a quorum was present.

Hazim Taib, Chief Financial Officer, presented the resolution to amend the existing memorandum of understanding with the Department of Housing regarding the administration of the Temporary Housing Assistance Program.

Upon a motion made by Ms. Tepper Bates, seconded by Mr. Abrahams, the Board members voted by roll call and were unanimously in favor of adopting the following resolution modifying the State of Connecticut Temporary Housing Assistance Program:

RESOLUTION REGARDING MODIFICATIONS TO ADMINISTRATION OF
THE STATE OF CONNECTICUT TEMPORARY HOUSING ASSISTANCE PROGRAM
FOR CERTAIN RENTERS AND HOMEOWNERS IMPACTED
BY THE CORONAVIRUS DISEASE 2019 (COVID-19) OUTBREAK

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;

WHEREAS, on March 10, 2020, 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 of Connecticut (the “Public Emergency”);

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

WHEREAS, in order to prevent eviction and foreclosure actions caused by the Public Emergency and to further the declared policy and purposes set forth in the Act, the Board of Directors adopted a resolution on June 25, 2020 (the “Prior Resolution”) which authorized collaboration and coordination with the State of Connecticut Department of Housing (the “Department”) in order to implement the Temporary Housing Assistance Program, which included the Authority’s administration of approximately \$10,000,000 for certain renters affected by the Public Emergency, and the Authority’s administration of approximately \$10,000,000 for certain homeowners affected by the Public Emergency (collectively, the “Program”);

WHEREAS, on account of the ongoing Public Emergency and continuing effect on renters in the State of Connecticut, the Department now seeks to implement certain Program modifications, including the Authority’s administration of an additional \$30,000,000 for renters, the Authority’s provision of additional Program services, and the amendment of certain Program eligibility criteria (collectively, the “Program Modifications”);

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 Program Modifications to be necessary and desires to authorize the Chief Executive Officer - Executive Director to exercise certain authority to implement the same in accordance with the declared public policy and purposes set forth in the 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 that she deems necessary in order for the Authority to continue administration of the Program and the Program Modifications, including, without limitation, the following: (i) to enter into an amendment to the existing Memorandum of Agreement with the Department in a format similar to that set forth on Attachment A attached hereto, and (ii) to take all other action necessary for the implementation of the Program and the Program Modifications in accordance with the Coronavirus Aid, Relief, and Economic Security Act or other applicable federal law and any executive orders issued by the Governor of the State of Connecticut 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, as may be in the best interest of the Authority and necessary for the development and preservation of quality affordable housing in the State. The authorization hereunder shall be effective so long as is necessary for the Authority to administer the Program and the Program Modifications.

Attachment A

**AMENDMENT TO
MEMORANDUM OF AGREEMENT
BETWEEN
THE STATE OF CONNECTICUT DEPARTMENT OF HOUSING
AND
THE CONNECTICUT HOUSING FINANCE AUTHORITY RE: TEMPORARY
HOUSING ASSISTANCE PROGRAM**

This **AMENDMENT TO MEMORANDUM OF AGREEMENT BETWEEN THE STATE OF CONNECTICUT DEPARTMENT OF HOUSING AND THE CONNECTICUT HOUSING FINANCE AUTHORITY RE: TEMPORARY HOUSING ASSISTANCE PROGRAM** (this "**Amendment**") is made and entered into by and between the State of Connecticut (the "**State**") Department of Housing ("**DOH**") and the Connecticut Housing Finance Authority ("**CHFA**") as of October 5, 2020 (the "**Effective Date**"). CHFA and DOH are referred to herein collectively as the "**Agencies**" and individually as an "**Agency**".

WITNESSETH:

WHEREAS, the DOH Commissioner is authorized under Section 8-37u of the Connecticut General Statutes ("**CGS**") to coordinate on an ongoing basis the activities and programs of state agencies or quasi-state authorities which have a major impact on the cost, production or availability of housing necessary to carry out the purposes of CGS Chapter 127c, as amended to date;

WHEREAS, CGS § 8-244e(b)(4) provides that, for the purposes of performing the duties of the agency, the DOH Commissioner may enter into agreements with CHFA for the sharing of resources;

WHEREAS, on July 13, 2020, the Governor of the State of Connecticut issued Executive Order No. 7GGG (the "**Executive Order**") modifying CGS §§ 8-265cc through 8-265kk to authorize the Chief Executive Officer of CHFA to modify or waive requirements of those statutes, known as the Emergency Mortgage Assistance Program, only to the extent necessary to create and administer the Homeowner Program;

WHEREAS, as of July 25, 2020 the Agencies entered into a certain Memorandum of Agreement regarding a certain Temporary Housing Assistance for Renters Program (the "**Renter Program**") and a certain Temporary Mortgage Assistance Program (the "**Homeowner Program**"; the Renter Program and the Homeowner Program, collectively, the "**Program**") as a comprehensive response to the various housing issues associated with the advent of COVID-19 and the economic impact on housing stability;

WHEREAS, the implementation of the Program includes CHFA's administration of approximately \$10,000,000 for the Homeowner Program and an initial amount of approximately \$10,000,000 for the Renter Program, and the contracting with a call center and the coordination and provision of information and the administrative and counseling activities of participating HUD Certified Housing Counseling Agencies and CHFA for the Renter Program;

WHEREAS, CGS § 8-250(42) authorizes CHFA to enter into agreements with DOH for the delivery of services by CHFA and the executive director of CHFA is authorized to enter into this Amendment under CGS § 8-246, and in accordance with those certain Resolutions of the Board of Directors of CHFA regarding the administration and payment of expenses related to the Program dated June 28, 2020 and October 13, 2020 (collectively, the "**CHFA Authorizing Resolution**");

WHEREAS, the Agencies now desire to amend the MOA in order to effectuate (i) "Phase 2" of the Renter Program ("**Phase 2**"), (ii) CHFA's administration of an additional amount of approximately \$30,000,000 in connection with the Renter Program, (iii) the direct provision by CHFA of administrative services during Phase 2 of the Renter Program, and (iv) to otherwise modify, extend and provide for the payment of certain administrative expenses of the Program.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Agencies agree as follows:

1. **Amendment of Program Criteria, Design and Parameters.** As of the Effective Date of this Amendment: (a) the Homeowner Program criteria established by the Commissioner of DOH in accordance with the Executive Order and the Renter Program criteria established by DOH and otherwise necessary for the implementation and administration of the Program (collectively, the "**Program Criteria**") shall be as set forth on the amended and restated **Exhibit A**, attached hereto and incorporated herein, and (b) CHFA shall perform direct Program services during Phase 2 of the Renter Program upon a file assignment by DOH in accordance with the Phase 2 Program Criteria for Housing Counseling Agencies ("**HCA**"), as set forth on **Exhibit A**. The Agencies may, by mutual written agreement, revise **Exhibit A** from time to time as appropriate, *provided, however*, in each case such change or changes shall be approved in accordance with the Executive Order.

2. Amendment of Funding. As of the Effective Date of this Amendment: DOH shall contribute and pay to CHFA an aggregate amount of \$2,200,000 to be expended in connection with the administration and implementation of the Program, which amount shall include CHFA's receipt of \$300 for each file assignment made by DOH in accordance with the Phase 2 Program Criteria for Housing Counseling Agencies. It is understood and agreed by the Agencies that: (i) all obligations of DOH, including the issuance of contracts, are contingent upon the availability of State funds and in no event shall DOH be liable for any disbursement of contracts or funds hereunder in excess of such available funds, and (ii) all of CHFA's obligations hereunder are limited to those set out in the MOA and this Amendment, subject to the CHFA Authorizing Resolution, and are dependent on sufficient funding and legal authority being provided to CHFA by the State, as applicable. Each party hereto agrees to notify each other party of the existence of any law or proposed law limiting the ability of, or preventing, such party from complying with the terms of the MOA and this Amendment, as amended, as soon as is practicable.

3. Miscellaneous Provisions. Nothing herein shall be construed to provide any third (3rd) party beneficiary rights to any person or party other than the Agencies. The term of the MOA, as amended by this Amendment, shall be for the period beginning on the Effective Date of the MOA and continuing through the date that CHFA and DOH cease implementation and administration of the Program. The MOA, as amended by this Amendment, shall be subject to termination upon the mutual agreement of the Parties in writing. The Parties hereby agree that it may be necessary from time to time for each of them to take additional actions and provide additional information to administer, carry out, implement or monitor the Program and each of the Parties agrees to cooperate with the others in this regard and execute and deliver such documents or certificates as may be necessary or advisable to confirm or verify such actions of information pertaining to the Program. This Amendment may be executed in three (3) counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute the same Agreement. It is the intention of the Agencies that the MOA, including all amendments thereto, be read, construed and interpreted as one and the same instrument.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the Agencies have caused this MOA to be executed by their duly authorized representatives, effective as of the Effective Date.

**State of Connecticut
Department of Housing**

By: _____, 2020
Seila Mosquera-Bruno, Commissioner

Connecticut Housing Finance Authority

By: _____, 2020
Nandini Natarajan, Chief Executive Officer - Executive Director

Exhibit A

Program Criteria

Homeowner Program Criteria and General Parameters

Funding Available: \$10,000,000

Eligible Applicants:

1. Homeowner household income shall not exceed 120% of the Area Median Income by household size for Calendar 2019
2. Homeowner shall not be delinquent greater than 45 days for February 1, 2020 due payment
3. Homeowner must document and demonstrate impact of COVID-19 on their ability to pay their full mortgage payment, on or after March 1, 2020

Examples of Impact by COVID-19 (not limited to the following)

- Job loss, furlough or layoff
 - Reduction in hours of work or pay
 - Store, restaurant or office closure
4. Homeowner must demonstrate payment arrearage for the month of March, 2020 or any subsequent month
 5. Homeowner must demonstrate a continued inability to pay the arrearage or full mortgage payment on a monthly basis
 6. Homeowner is currently employed or must demonstrate a pending employment

Eligible Assistance:

1. Mortgage payment assistance includes principal, interest, taxes and insurance, utilities or other Housing Expense (as defined by the statute) and other costs to bring the loan current.
2. Mortgage payment assistance is only available for first-priority mortgage loan.
3. Each household may receive mortgage payment assistance for up to \$25,000 in mortgage assistance
4. Homeowner must pay 35% of aggregate family income towards Housing Expense to CHFA
5. Upon receipt of the Homeowner's portion of monthly payment, total mortgage payment will be made directly to Lender/Servicer on Homeowner's behalf
6. Assistance will represent a subordinate 30 year mortgage on the property
7. Homeowner will begin repaying the 30 year mortgage on the anniversary after the assistance ends provided its Housing Expense and repayment are less than 35% of aggregate family income.

Additional Program Requirements

1. Mortgage is not federally insured.
2. Primary residence

3. Homeowner must have tried to negotiate a repayment plan with their lender.
4. Lender is encouraged to modify its existing mortgage based on a homeowner's financial condition.
5. Homeowner is offered housing counseling
6. Cannot be in bankruptcy

Renter Program Criteria and General Parameters – Phase 1

FUNDING AVAILABILITY

Funding Available: \$10,000,000 from the CARES Act

ELIGIBLE ASSISTANCE

Eligible households may receive up to \$4,000 in total assistance over the twelve-month period for rent due beginning March 1, 2020, with a limit of \$1,000 per month.

- Payments will be made directly to the Landlord/Property Manager on Applicant's behalf.
- Applicant households must pay a **minimum** 30% of gross income toward rent based on lowest consecutive 30-day income during the months of March, April, and May.
- Assistance is calculated at time of application and once established will not change during eligibility period.
- Applicant's eligibility is reviewed monthly to determine continuation in the program. An Applicant is no longer eligible when there is no further impact by COVID-19 on their ability to pay rent. An Applicant's failure to pay their balance of the rent disqualifies them from further assistance.

ELIGIBILITY THRESHOLD FACTORS

The call center intake staff, using the Threshold Checklist, will screen the threshold eligibility of each potential applicant (once compliant with all the threshold items, the intake staff will refer the household/person to CHFA).

Eligibility Threshold Factors:

- A. The rental must be the Applicant's primary residence in Connecticut.
- B. The Applicant must not be receiving subsidy from a Federal or State rental assistance program.
- C. The Applicant must not be under a court ordered eviction prior to March 11, 2020.
- D. The Applicant's household 2019 Income must not be greater than 80% of Area Median Income (AMI), adjusted for family size. Income from minors and full time students is excluded. The Applicant must certify that the household was negatively impacted by COVID-19 resulting in the Applicant's inability to pay full rent on or after March 1, 2020 (i.e. job loss, furlough, layoff, reduction in hours/wages, other reasons that resulted in a loss or reduction of income, etc.).
- E. The Applicant is "Current in rent" (i.e. the Applicant has paid rent in full up to the date of application, or the Applicant is under a voluntary or court-ordered Repayment Agreement with the landlord for all past due rent, less anticipated assistance from the Program).

ELIGIBLE APPLICANTS

Eligible Applicants: Renter Households with incomes up to 80% of the AMI by household size for Calendar 2019. Applicant must complete the application form and provide the following:

- A. Must document impact of COVID-19 on their ability to pay their full rent, on or after March 1, 2020.

Examples of Impact by COVID-19 (not limited to the following)

1. Job loss, furlough or layoff
 2. Reduction in hours of work or pay
 3. Store, restaurant or office closure
 4. The need to miss work to care for a home-bound, school age child or elderly person
- B. Must demonstrate need for assistance at the time of or prior to application
 - C. Cannot have been under an eviction order for non-payment of rent prior to March 11, 2020
 - D. Applicant must be "Current in Rent" – See Eligibility Threshold Factor F. above

PRIORITY FACTORS

- A. Tier 1 Priority: Eligible households denied unemployment benefits and/or denied Pandemic Unemployment Assistance, with at least one minor household member, and income of not more than 60% of AMI.
- B. Tier 2 Priority: Eligible households denied unemployment benefits and/or denied Pandemic Unemployment Assistance with income of not more than 80% of AMI.
- C. Tier 3: All other eligible households with income of not more than 80% of AMI.

APPLICATION PROCESS

- A. Threshold Eligibility: Prospective applicants will be instructed to contact a Centralized Call Center where intake staff will collect information on the eligibility threshold and priority factors. The Call Center will determine threshold eligibility of each prospective applicant.
- B. Call Center will summarize all caller information received on the prior day transmit to CHFA/DOH for review.
- C. CHFA/DOH will issue an E-mail notification to each Caller deemed eligible or ineligible informing them that a notice will be issued to the Caller once a final determination has been made.
CHFA/DOH will review threshold eligible Callers for priority eligibility and assign all priority eligible threshold callers to a Housing Counseling Agency (HCA) based on geographic proximity, workload of the agency and other distribution considerations **Note: If the number of eligible Callers exceeds the amount of assistance in any given Tier (Section VI. Priority Factors), then Callers will be selected by random lottery.*
- D. HCA will work with the prospective Applicant to complete the TRHAP Application for Renters and all verification documents, and upload this information to CHFA/DOH.

CONTRACTING

If application is Approved:

- A. HCA will contact the landlord for necessary information and will provide payment contract for execution.

- B. Upon receipt, HCA executes contract with the landlord and transmits a copy to CHFA/DOH as part of the complete application packet.
- C. The HCA will transmit to CHFA/DOH.
- D. After contracting is complete, weekly, or as often as is deemed necessary, CHFA will transmit spreadsheet of approved payments to JDA for processing.

MONTHLY CERTIFICATION

- A. If initial payment satisfies the need of the applicant such that they have the ability to pay full rent, then assistance will cease, but information will be kept for the duration of the contract with the landlord, after which, information will be digitized for records retention and sent to CHFA/DOH.
- B. If continuing assistance is required and available (not to exceed \$4,000 or twelve months) the HCA must contact the applicant each month of continued assistance availability to determine continued need for assistance, based on employment/income changes.
- C. If the HCA determines that the COVID-19 hardship no longer affects the participant's ability to pay their rent in full, HCA will recommend termination of assistance and notify CHFA/DOH. CHFA/DOH will issue the Participant Termination Letter to the Participant and Landlord.
- D. If during the assistance period, the Participant does not make their required payment to the Landlord, the Landlord must contact the HCA.
- E. HCA must reach out to the Participant to determine why non-compliance occurred, and to provide mediation/counsel and other services to address the Participant's issue, if appropriate.

If Participant is intentionally non-compliant, HCA will recommend termination of assistance and notify CHFA/DOH. The assistance may cease, and CHFA/DOH will issue the TRHAP Participant Termination Letter to the Participant and Landlord.

Renter Program Criteria and General Parameters – Phase 2

FUNDING AVAILABILITY

Funding Available: \$30,000,000 from the CARES Act plus any balance not expended under Phase 1

ELIGIBLE ASSISTANCE

Eligible households may receive up to \$4,000 in total assistance for the period between March 1, 2020 thru March 2, 2021.

- Payments will be made directly to the Landlord/Property Manager on Applicant's behalf.
- Assistance is calculated at time of application and a one-time payment will be made to cover arrearage, if any, plus any monthly assistance if applicable.

ELIGIBILITY THRESHOLD FACTORS

Eligibility Threshold Factors:

- A. The rental must be the Applicant's primary residence in Connecticut.

- B. The Applicant must not be receiving subsidy from a Federal or State rental assistance program.
- C. The Applicant's household 2019 Income must not be greater than 80% of Area Median Income (AMI), adjusted for family size, OR their currently annual income must not be greater than 80% of Area Median Income (AMI), adjusted for family size. Income from minors and full time students is excluded.
- D. The Applicant must certify that the household was negatively impacted by COVID-19 resulting in the Applicant's inability to pay full rent on or after March 1, 2020 (i.e. job loss, furlough, layoff, reduction in hours/wages, other reasons that resulted in a loss or reduction of income, etc.).

Examples of Impact by COVID-19 (not limited to the following)

- 1. Job loss, furlough or layoff
- 2. Reduction in hours of work or pay
- 3. Store, restaurant or office closure
- 4. The need to miss work to care for a home-bound, school age child or elderly person

APPLICATION PROCESS

- A. For Phase 2, all applications will be submitted through the Web Form, either directly by the Renter, or by another person on their behalf.
- B. CHFA will download submissions as often as necessary to prepare an assignment file for distribution, in consultation with DOH, to HCA and/or CHFA.
- C. HCA or CHFA will work with the prospective Applicant to complete the TRHAP Application for Renters and all verification documents, and upload this information to CHFA/DOH.

CONTRACTING

If application is Approved:

- A. HCA or CHFA will contact the landlord for necessary information and will provide payment contract for execution.
- B. Upon receipt, HCA or CHFA executes contract with the landlord and transmits a copy to CHFA/DOH as part of the complete application packet.
- C. The HCA or CHFA will transmit the contract to CHFA/DOH.
- D. After contracting is complete, weekly, or as often as is deemed necessary, CHFA will transmit spreadsheet of approved payments to DOH for quality control review prior to JDA for processing.

Nandini Natarajan, Chief Executive Officer-Executive Director, introduced Gene Slater, Chairman and Tim Rittenhouse, President of CSG Advisors. Mr. Slater presented the results of a strategic capital analysis performed by CSG Advisors in concert with the Authority's executive staff. There was general discussion amongst Mr. Slater, Authority staff and members of the Board of Directors regarding the findings and proposals contained in the strategic capital analysis.

There being no further business to discuss, the meeting adjourned at 1:47 p.m.