

Minutes
Connecticut Housing Finance Authority
Board of Directors' Meeting No. 559
January 25, 2018

Directors Present: Evonne Klein, Chairperson of CHFA Board and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA
Michael Cicchetti (by phone)
Kathleen Dorgan
Nuala Droney
Anne Foley, Chairperson of the Mortgage Committee, representing Benjamin Barnes, Secretary, State Office of Policy and Management
Timothy Hodges
Catherine LaMarr, representing Denise Nappier, State Treasurer (by phone)
Richard Orr
Jorge Perez, State Banking Commissioner
Jared Schmitt, Chairperson of the Finance/Audit Committee
Tim Sullivan representing Catherine Smith, Commissioner of the Department of Economic and Community Development
Lisa Tepper Bates
Carla Weil

Directors Absent: Alicia Woodsby

Ms. Klein called the meeting of the Connecticut Housing Finance Authority ("CHFA") to order at 9:52 a.m. in the Boardroom of CHFA, 999 West Street, Rocky Hill, Connecticut. She asked for public comments, and there were none.

Mr. Nossek from BlumShapiro, CHFA's external auditor, briefly discussed the plan for auditing CHFA's 2017 financial statements and noted that a more detailed presentation was provided at the Finance/Audit Committee meeting. Mr. Nossek explained that one of the objectives of today's meeting is to obtain input on the audit plan and let the Board members know that BlumShapiro is accessible and can be contacted any time throughout the year. He mentioned that as a result of a concern expressed by a Board member last year, the 2016 audit included attribute testing of CHFA's ACH wire transfers. As a result of continued global risks, Mr. Nossek stated that the 2017 audit will be expanded to include both attribute and substantive testing of CHFA's ACH wire transfers. He encouraged the Board to contact BlumShapiro's team with any suggestions, concerns and/or questions. BlumShapiro anticipates completing its review of the 2017 financial statements by the end of March 2018.

Mr. Kilduff, Executive Director, provided the Executive Director's report. Information about ribbon cuttings and events that occurred in January was identified in the materials provided. Mr. Kilduff spoke about impacts of the tax reform legislation on different funding sources for multifamily developments in CHFA's pipeline. He stated that staff's anticipation in 2017 of the reduction of the corporate tax rates and equity raise for low-income housing tax credits has

lessened the impacts and funding gaps for 2018. Mr. Kilduff noted that there are still many uncertainties, and CHFA will continue to work with its stakeholders and advocate for legislation that strengthens housing credits and bonds.

Mr. Taib, Chief Financial Officer, discussed the recommendation to commence necessary preparations for the 2018 Series B Bond issue for the single-family program. He noted that this is the first issuance in 2018 for the program. The bonds are anticipated to generate approximately \$120,000,000 of lendable proceeds, assisting approximately 691 single-family first-time homebuyers. The issue will also consist of refunding of previously issued bonds, which may include bonds impacted by the Tax Cuts and Jobs Act of 2017. Mr. Taib mentioned that Bank of America Merrill Lynch will act as the book running senior manager for the issue. Mr. Schmitt mentioned that the Finance/Audit Committee members unanimously recommend the resolution.

Upon a motion made by Mr. Perez, seconded by Mr. Schmitt, the Board members voted unanimously in favor of adopting the following resolution authorizing the commencement of necessary preparations for the 2018 Series B bond sale for the housing mortgage finance program:

**RESOLUTION FOR THE COMMENCEMENT OF NECESSARY
PREPARATIONS FOR THE 2018 SERIES B 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) 2018 Series B (the "Bonds"), which shall be issued in one or more series and subseries as federally taxable bonds and/or as federally tax-exempt bonds under the Internal Revenue Code of 1986, as amended (the "Code"), or other applicable federal tax law.

4. The Bonds shall be sold on a negotiated basis.

5. The Executive Director and/or Chief Financial Officer is hereby authorized to set the date or dates for receipt of the respective offers from the underwriter(s) or other purchaser(s) (the "Respective Purchasers") to purchase the Bonds.

6. The Executive Director and/or Chief Financial Officer is hereby authorized to execute and cause to be delivered appropriate documentation, including without limitation one or

more Preliminary Official Statements and Underwriting Commitments, to adopt the expectations, beliefs, assumptions and representations expressed and made on behalf of the Authority in the Official Statement(s) of the Bonds (the "Official Statement(s)") and to execute and deliver the Official Statement(s).

7. The Executive Director and/or Chief Financial Officer is hereby authorized both (a) to receive the related offer presented by the Respective Purchasers and (b) to make a formal award of the related portion of the Bonds to the Respective Purchasers and execute one or more Contracts of Purchase, provided the Executive Director 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 2018 Series B bond sale (collectively, the "Swap"). The Executive Director and/or Chief Financial Officer is hereby authorized to approve, execute and deliver all documents necessary to consummate the Swap, 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, 2018 Series B (the "Series Resolution") and hereby authorizes all necessary transfers from the Capital Reserve Fund in accordance with Section 513(8) of the General Bond Resolution on December 1 to the Section 506 account for the purpose of redeeming bonds and the Executive Director and/or Chief Financial Officer is hereby authorized to take whatever other action is necessary to carry out such sale including, without limitation, determining the amount of fixed rate, variable or convertible option bonds and to make such changes, additions, deletions, modifications and amendments to the Series Resolution as may be necessary or desirable and in the best interest of the Authority and not inconsistent with the authorization contemplated at this meeting.

10. The Executive Director and/or Chief Financial Officer is hereby authorized to have the Bonds prepared and to execute and authorize the delivery of the Bonds to the Respective Purchasers upon receipt of the purchase price thereof plus accrued interest, if any, and to pay to any underwriter the underwriters' fee and/or discount and expenses and to do and perform all acts and things and execute any and all documents in the name of the Authority, necessary, useful or convenient to the issuance and sale of the Bonds by the Authority. The Bonds shall bear such rates and maturities, and sinking fund installments shall be made as set forth in the Official Statement(s) and the Series Resolution.

11. The Bonds shall be executed by the manual or facsimile signatures of the Chairperson, Vice Chairperson, Chairperson of the Finance/Audit Committee, or the Executive Director of the Authority and/or 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 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

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 2018 Series B 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.

Before the next presentation on the recommendation authorizing the issuance of State-Supported Special Obligation Bonds, Ms. Droney recused herself and left the meeting. Mr. Taib summarized the recommendation and explained that the proceeds of the bonds will be used to provide funding for fourteen group home loans managed by nine 501(c)(3) sponsors. He noted that all of the group homes have been approved by the State. The issue will also include the refunding of previously issued bonds. The sale will be led by Samuel A. Ramirez & Co, as the book running senior manager for the Bonds, and the lead bond counsel will be Robinson & Cole LLP.

Upon a motion made by Ms. Foley, seconded by Mr. Sullivan, the Board members voted in favor of adopting the following resolution regarding the Indenture and State-Supported Special Obligation Bond Sale (Ms. Droney was recused and not present for the vote):

**RESOLUTION REGARDING THE INDENTURE AND
STATE-SUPPORTED SPECIAL OBLIGATION BOND SALE**

WHEREAS, the Connecticut Housing Finance Authority (the “Authority”) has adopted the Special Needs Housing Mortgage Finance Program Indenture of Trust (the “Indenture”) (formerly known as the Group Home Mortgage Finance Program Indenture of Trust), dated as of June 1, 1996, as last amended on October 1, 2010, which provides for the issuance of State Supported Special Obligation Bonds (the “Bonds”) thereunder for the purpose of financing Special Needs Housing Loans, which are used to finance Group Homes, Assisted Living Facilities, Supportive Housing Facilities and the EMAP Program (each as defined in the Indenture); and

WHEREAS, Section 204 of the Indenture provides for the requirements for the issuance of Additional Bonds, including (a) the authorized principal amount of said Series of Bonds; (b) the purpose for which such Series of Bonds are being issued, which shall be one or more of the purposes of the Act (as determined by the Authority); (c) the date or dates of issue, maturity date or dates and amounts of each maturity of the Bonds of said Series; and (d) the interest rate or rates, or the manner of determining such rate or rates of the Bonds of said Series, and the interest payment dates (hereinafter each an Interest Payment Date) therefor; and

WHEREAS, Section 1001 of the Indenture provides that the Authority may supplement the Indenture without the consent of the Bondholders, among other things, to (a) provide for the issuance of Series of Bonds pursuant to the provisions of the Indenture and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed; and (b) insert such provisions clarifying matters or questions arising under the Indenture as are necessary or

desirable in the event any such modifications are not contrary to or inconsistent with the Indenture as theretofore in effect; and

WHEREAS, Sections 1002 and 1101 of the Indenture provide that the Authority may modify or amend the Indenture with the consent of the Holders of not less than 66 2/3% in principal amount of the outstanding Bonds of each Series affected by such amendment or amendments; and

WHEREAS, in 2008, Section 8-265bb of the General Statutes of Connecticut, Revision of 1956, as amended (the "Connecticut General Statutes"), was added to authorize the Authority to issue up to \$50 million of Bonds ("EMAP Bonds") to fund an Emergency Mortgage Assistance Program ("EMAP Program"), and the Treasurer and the Office of Policy and Management to enter into a contract with the Authority to provide for State assistance to pay debt service on EMAP Bonds in the form of payments of principal, interest, interest swap payments, liquidity fees, letter of credit fees, trustee fees and similar bond-related expenses, and pursuant to a resolution adopted by the Authority on May 29, 2008, the President-Executive Director of the Authority entered into the Contract for State Assistance, dated June 30, 2008 (the "EMAP State Assistance Agreement"); and

WHEREAS, by resolution adopted by the Authority on March 25, 2010, as amended on April 29, 2010, the Authority authorized the issuance of (a) not exceeding \$15,000,000 aggregate principal amount of EMAP Bonds (the "EMAP Bond Authorization"), (b) not exceeding \$6,000,000 aggregate principal amount of Bonds to finance Group Homes (the "Group Homes Bond Authorization"), and (c) not exceeding \$19,000,000 aggregate principal amount of Bonds to finance Supportive Housing Facilities (the "Supportive Housing Facilities Bond Authorization"); and

WHEREAS, by resolution adopted by the Authority on June 15, 2010, the Authority amended the Group Homes Bond Authorization from not exceeding \$6,000,000 to not exceeding \$25,000,000; and

WHEREAS, by resolution adopted by the Authority on July 29, 2010, the Authority amended the Group Homes Bond Authorization from not exceeding \$25,000,000 to not exceeding \$35,000,000; and

WHEREAS, by resolution adopted by the Authority on September 30, 2010, the Authority amended the EMAP Bond Authorization from not exceeding \$15,000,000 to not exceeding \$30,000,000; and

WHEREAS, by resolution adopted by the Authority on October 27, 2011, the Authority amended the EMAP Bond Authorization from not exceeding \$30,000,000 to not exceeding \$50,000,000; and

WHEREAS, the Authority now desires to authorize the sale and issuance of one or more series of Bonds to be issued under and pursuant to the Indenture to (a) finance additional Special Needs Housing Loans and (b) refinance previously issued Bonds;

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

Section 1. The Authority is hereby authorized to issue Additional Bonds in one or more series to (a) finance additional Special Needs Housing Loans and (b) refinance previously issued Bonds pursuant to the Indenture (together, the “2018 Bonds”), as amended and approved by this resolution.

Section 2. The Authority hereby approves the execution and delivery of one or more Supplemental Indentures regarding the issuance of the 2018 Bonds in the forms attached hereto with such changes, additions, deletions, modifications, amendments, and designations to such Supplemental Indentures as its Executive Director determines may be necessary or desirable and in the best interest of the Authority and not inconsistent with the authorization contemplated at this meeting, and the Executive Director is hereby authorized to file said Supplemental Indentures with the trustee together with an opinion of counsel with respect thereto.

Section 3. (a) The Executive Director of the Authority and the staff are hereby authorized to issue one or more series of 2018 Bonds under the Indenture for the purpose of financing and refinancing Group Homes and Supportive Housing Facilities; provided, however, the aggregate principal amount of such 2018 Bonds granted by this resolution shall not exceed \$35,000,000.

(b) For the purpose of providing for the issuance of 2018 Bonds and further setting forth the terms and provisions applicable to the 2018 Bonds, the Authority hereby authorizes the Executive Director of the Authority to enter into one or more Supplemental Indentures with respect to the 2018 Bonds, in form and substance satisfying the requirements of the Indenture, and to determine the terms and provisions of the 2018 Bonds and each series to be set forth in said Supplemental Indentures as necessary or desirable and in the best interest of the Authority, including, without limitation, (i) establishing with respect to each series of 2018 Bonds, the final aggregate principal amount of the 2018 Bonds, (ii) the principal amount of 2018 Bonds maturing in each year, (iii) the date of the 2018 Bonds, (iv) the date or dates on which the 2018 Bonds will mature, (v) the rate or rates at which the 2018 Bonds will bear interest and the manner of determining such interest rate or rates and the interest payment dates therefor, (vi) the amount and date of each sinking fund installment, if any, (vii) the redemption price or prices, if any, (viii) whether there shall be credit enhancement for the 2018 Bonds of any series and the terms and conditions of such enhancement, (ix) the form of the 2018 Bonds, (x) the purchase price to be paid for the 2018 Bonds, and (xi) any other provisions not inconsistent with the provisions of the Indenture and this resolution. Execution and delivery of such Supplemental Indentures by the Executive Director of the Authority shall constitute conclusive evidence of the Authority’s approval thereof and its acceptance of the terms set forth therein.

Section 4. Bonds issued to finance Group Homes (referred to herein as the “Group Home Bonds”) shall be (a)(i) secured by the Special Needs Housing Capital Reserve Fund (as defined in the Indenture) and not any State Assistance Agreement Fund (as defined in the Indenture), and (ii) issued in series separate and apart from any series of Bonds constituting Supportive Housing Bonds or EMAP Bonds, and (b) shall not be issued unless (i) there is delivered to the State Treasurer a certificate of the Executive Director as to the sufficiency of the revenues for purposes of Section 1-124 of the General Statutes of Connecticut, as amended (the “General Statutes”), and (ii) approved by the State Treasurer pursuant to said Section 1-124 of the General Statutes.

Section 5. Bonds issued to finance Supportive Housing Facilities (“Supportive Housing Bonds”) and EMAP Bonds shall be (a)(i) secured by the Supportive Housing State

Assistance Agreement Fund and the EMAP State Assistance Agreement Fund, respectively (each as defined in the Indenture) and not the Special Needs Housing Capital Reserve Fund, and (ii) each issued in series separate and apart from the other series or any series of Bonds constituting Group Home Bonds, and (b) each shall not be issued unless (i) the form and terms of each series of such Bonds and the form and terms of the sale thereof shall be approved by the State Treasurer, and (ii) there shall have been executed by the Authority and the State, acting by and through the State Treasurer and the Secretary of the Office of Policy and Management, an amendment or supplement to (A) the Supportive Housing State Assistance Agreement, dated as of September 13, 2007 (the "Supportive Housing State Assistance Agreement") with respect to Supportive Housing Bonds and (B) the EMAP State Assistance Agreement with respect to EMAP Bonds. Execution and delivery of an amendment or supplement to the Supportive Housing State Assistance Agreement and the EMAP State Assistance Agreement by the Executive Director of the Authority is hereby authorized and said execution and delivery shall constitute conclusive evidence of the Authority's approval thereof and its acceptance of the terms set forth therein.

Section 6. For the purpose of providing for the sale of the 2018 Bonds, which 2018 Bonds shall be sold on a negotiated basis to the underwriters listed below (the "Underwriters") at a time to be coordinated with the State Treasurer's Office, the Executive Director is hereby authorized to (a) set the date for receipt of the offer from the Underwriters to purchase the 2018 Bonds; (b) receive said offer presented by the Underwriters; (c) make a formal award of the 2018 Bonds and execute one or more agreements to purchase the 2018 Bonds with the Underwriters (the "Purchase Contracts"); and (d) take any other steps necessary to consummate the sale of the 2018 Bonds in accordance with the provisions contained in the Indenture and the Supplemental Indentures.

Underwriters. The following firms are selected as underwriters for the sale of the 2018 Bonds issued under this Resolution:

- (a) Samuel A. Ramirez & Co., Inc. is selected as the book running senior manager;
- (b) Roosevelt & Cross, Incorporated is selected as a co-managing underwriter;
- (c) Siebert, Brandford, Shank & Co., LLC is selected as a co-managing underwriter.

Section 7. For the purpose of providing for the public offering of the 2018 Bonds and further setting forth information relating to the 2018 Bonds, the Executive Director is hereby authorized (a) to cause to be prepared and distributed by the Underwriters one or more Preliminary Official Statements with respect to the 2018 Bonds and to deem said Preliminary Official Statements final as of their dates for purposes of paragraph (b)(1) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under and pursuant to the Securities Exchange Act of 1934, as amended, and (b) to execute and deliver in the name of the Authority one or more final Official Statements on and after the sale of the 2018 Bonds, with such changes, omissions, insertions and revisions as such Executive Director shall deem advisable and not contrary to the terms of the Supplemental Indentures and the Purchase Contracts. Execution and delivery of the Official Statements shall constitute conclusive evidence of the Authority's approval thereof. The distribution of such Official Statements to prospective purchasers and the use thereof by the Underwriters in connection with the offering of the 2018 Bonds are hereby authorized.

Section 8. The Executive Director is hereby authorized, at any time after the receipt of all necessary consents, proceedings and approvals, to have the 2018 Bonds prepared and executed as provided in the Indenture and the Supplemental Indentures and deliver the 2018 Bonds to the Underwriters upon receipt of the purchase price thereof plus accrued interest, if any, and to do and perform all acts and things and execute and deliver any and all documents in the name of the Authority necessary, useful or convenient to the issuance and sale of the 2018 Bonds by the Authority to the Underwriters. Execution and delivery of said documents shall constitute conclusive evidence of the Authority's due authorization and approval of said documents.

Section 9. The Executive Director of the Authority is hereby authorized to issue a certification as to the Authority's reasonable expectations regarding the amount and use of the proceeds of the 2018 Bonds as described in Section 1.148(b)(2) of the Treasury Regulations relating to Section 148 of the Internal Revenue Code of 1986, as amended, on the date such certificate is issued. The Authority may make or finance, on an interim basis, certain mortgage loans for Group Homes, EMAP and/or Supportive Housing Facilities, 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 \$35,000,000 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.

Section 10. The Executive Director is authorized to establish the interest rate on the loans financed with the moneys attributable to certain of the proceeds of the 2018 Bonds.

Section 11. The Executive Director is hereby authorized, at any time after the receipt of all necessary consents, proceedings and approvals, to approve the amendments to the Indenture attached hereto as **Exhibit A** and included in the Supplemental Indentures, and to do and perform all acts and things and execute and deliver any and all documents in the name of the Authority necessary, useful or convenient to the amendment of the Indenture. Execution and delivery of said documents shall constitute conclusive evidence of the Authority's due authorization and approval of said documents.

Section 12. In the event the Executive Director is unable to act in accordance with this resolution or otherwise, then the Chief Financial Officer is hereby authorized to carry out all necessary functions to consummate the sale of the 2018 Bonds. In the event the Chief Financial Officer 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 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 of the Authority shall designate a Chairperson of the Sale Committee.

Section 13. The resolution shall take effect immediately.

EXHIBIT A

Amendments to Indenture

Section 1001 Amendments Not Requiring Bondholder Consent:

“**Fitch**” means Fitch, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

“**Group Home**” means, a community-based residential facility which houses up to six persons with intellectual disability or autism spectrum disorder and which provides food, shelter, personal guidance and, to the extent necessary, continuing health-related services and care for persons requiring assistance to live in the community. Such facility shall be licensed and may be certified as provided by law.

“**Moody’s**” means Moody’s Investors Service Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

“**S&P**” means S&P Global Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

Section 1101 Prospective Amendments: (shall not become effective and binding upon the Holders of all Bonds Outstanding until: (i) the Holders of not less than 66 2/3% in principal amount of the Outstanding Bonds of each Series affected by such amendments have consented thereto, and (ii) upon satisfaction of the other provisions for adoption of an amendment set forth in Article XI of the Special Needs Housing Indenture):

“**Special Needs Housing Working Capital Account Requirement**” means, for Additional Bonds issued under the Indenture to fund Special Needs Housing Loans, an amount established as the Special Needs Housing Working Capital Account Requirement for such Additional Bonds as set forth in the Supplemental Indenture for such Additional Bonds.

607. Special Needs Housing Working Capital Account. On or before any Interest Payment Date, the Trustee shall transfer the amount available in the Special Needs Housing Working Capital Account to the respective Interest Accounts and Principal Accounts for Additional Bonds as set forth in the Supplemental Indenture for such Additional Bonds. Amounts on deposit in the Special Needs Housing Working Capital Account shall be transferred and expended for Interest Requirements and Principal Requirements prior to the expenditure of any Special Needs Housing Revenues deposited to such Interest Accounts and Principal Accounts for such purpose.

610. Holding Account. A. Monies in the Holding Account shall be deposited or transferred in each year by the Authority in the following order, without regard to any transfer thereto from the Special Needs Housing Working Capital Account:

(1) on or before each Interest Payment Date, to the Interest Account in the amount necessary to increase the amount in such Interest Account so that it equals the Interest Requirement due and payable on such Interest Payment Date, and

- (2) on or before each Principal Installment Date, in the following order to:
 - (a) the Interest Account the amount necessary to increase the amount in such Interest Account so that after transfers, if any, pursuant to Subsection (1) of this Section, it equals the Interest Requirement due and payable on such Principal Installment Date, without regard to any transfers thereto from the Special Needs Housing Working Capital Account, and
 - (b) to the Principal Installment Account the amount necessary to increase the amount in such Principal Installment Account so that it equals the Principal Installment due and payable on such Principal Installment Date, without regard to any transfers from the Special Needs Housing Working Capital Account;
 - (3) on any date after November 11 and before December 2, or in any year in which a certificate to the State is necessary in accordance with Section 909 hereof, on the same day as such certification is to be made and just prior thereto, in the following order:
 - (a) to the Special Needs Housing Capital Reserve Fund the amount necessary to increase the amount in such Fund so that it equals the Special Needs Housing Capital Reserve Fund Maximum Requirement,
 - (b) to the payment of (x) any Termination Payment, (y) any Subordinated Swap Payments, or (z) any termination payment on Swaps (other than Termination Payments), and
 - (c) at the direction of the Authority upon filing with the Trustee of a certificate of an Authorized Officer of the Authority stating that the requirements of Subsections (a) and (b) of this Subsection (3) have been met, to the Authority for reimbursement of or application for Special Needs Housing Operating Expenses in accordance with the Annual Budget or to the Redemption Account or the Bond Proceeds Account, in such amount or amounts therefor as the Authority so directs. In any event, on the date one year after the Bonds and Notes secured by the Special Needs Housing Capital Reserve Fund, together with interest on such Bonds and Notes, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the Holders thereof, are fully met and discharged, such monies shall be paid to the State first as repayment of amounts, if any, theretofore advanced by the State for deposit in the Special Needs Housing Capital Reserve Fund and second as a contribution to the State general fund. (amended by the Third Supplemental Indenture dated as of July 1, 2001)
- B. At any time, the Authority may withdraw monies equal to the Rebate Amount from the Holding Account and deposit such monies in the Rebate Account.
- C. On or after December 2 of each Fiscal Year, if amounts previously deposited to the Holding Account are not required to make the payments set forth above during such Fiscal Year, the Authority, at any time, may utilize such monies in the Holding Account (1) to satisfy any existing or new requirements imposed by the Indenture or any Supplemental Indenture for any Series of Outstanding Bonds or any Additional Bonds to be issued, or (2) for any purpose of the Authority approved by resolution of the Board of Directors.
- D. Notwithstanding Subsection D of Section 602, pending the deposits or transfers that may be required by this Section 610, the Authority may direct the Trustee to invest the monies in the Holding Account in Investment Obligations so that the maturity date or date of redemption at the option of the Holder of such obligations shall be on or before the December 1 next succeeding the date when such investment is made.

Mr. Taib spoke about the Private Activity Bond Volume Cap, noting that on November 29, 2017 the State Bond Commission awarded CHFA unused carryforward. He stated that CHFA anticipates carrying forward any remaining and unissued 2017 Volume Cap allocation to single family. Mr. Taib noted that CHFA's 2018 Lending Plan will be amended to show the revised amounts for the carryforward allocation and to reconcile final numbers for the 2018 tax-exempt bond allocation, 9% federal low-income housing tax credits, financing adjustment factor proceeds and Investment Trust Account carryforward allocation.

Upon a motion made by Mr. Schmitt, seconded by Mr. Perez, the Board members voted unanimously in favor of adopting the following resolution regarding the 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 29, 2017 meeting, the State Bond Commission allocated \$46,458,080 additional tax exempt bond authority in addition to the Authority's own unused 2017 annual allocation of \$110,049,566 (the "State Carryover Bond Allocation") to the Authority for single 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 \$156,507,646 is hereby added to the 2018 budget of the Authority for homeownership ongoing programs and single family bonds.

Section 2. Except as modified herein, the 2018 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. Koroser-Crane, Director of Multifamily Housing Asset Management, presented the recommendation to approve the prepayment of CHFA's loan and accrued interest to the Middlefield Housing Authority for Sugarloaf Terrace, Middlefield. She stated that the loan on the 30-unit development matures on July 1, 2019. The Middlefield Housing Authority is seeking to make capital improvements to the property and determined that the offered terms and rates from a conventional lender were beneficial to the property. The new financing will address upgrades to the development and the conversion of three units to meet the American's with

Disabilities Act requirements. Ms. Koroser-Crane stated that CHFA will approve all plans and specifications for the rehabilitation. She noted that the property will remain affordable through both a Section 8 contract administered by the Department of Housing and the State of Connecticut Elderly Housing Program. Ms. Koroser-Crane explained that the proposed repayment is consistent with CHFA's preservation policy. Ms. Foley stated that the proposal was unanimously recommended by the Mortgage Committee.

Upon a motion made by Ms. Foley, seconded by Mr. Hodges, the Board members voted unanimously in favor of adopting the following resolution regarding the prepayment of the mortgage loan for Sugarloaf Terrace, Middlefield:

**RESOLUTION REGARDING THE PREPAYMENT OF MORTGAGE LOAN
FOR SUGARLOAF TERRACE, MIDDLEFIELD, CONNECTICUT
CHFA DEVELOPMENT NO. 85097D**

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 Middlefield, evidenced by a loan agreement and promissory note (the "Loan") regarding property of the Housing Authority of the Town of Middlefield (the "Owner") known as Sugarloaf Terrace a 30-unit, Section 8, State Elderly development (the "Development") located in Middlefield, Connecticut; and

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

WHEREAS, the Owner 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 Lynn Koroser-Crane dated January 25, 2018.

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. The principal balance and all accrued interest be paid to the Authority;
- b. Evidence acceptable to the Authority that the Development will remain in the CT State Elderly program; and
- c. The Authority approve all plans and specifications for the contemplated rehabilitation of the Development.

Section 2. The Executive Director is hereby authorized to accept prepayments of the Loan and to execute all required documents and releases to effectuate the prepayment as provided herein upon terms and conditions contained herein and 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 May 1, 2018 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. Moores, Assistant Director, Multifamily, discussed the proposal to provide mortgage financing for Bloomfield Specialty Housing, a 38-unit apartment building to be constructed in Bloomfield. She stated that the financing application was submitted in response to the Intellectual Disabilities and Autism Spectrum Disorder Housing (IDASH) Notice of Funding Availability. Ms. Moores stated that IDASH capital funding, annual supportive service funding, and annual rental assistance payments are contemplated for awarded projects of non-profit applications. She reviewed the proposed terms and conditions of the loan. Ms. Moores stated that all units will be affordable, and will have 40-year affordability restrictions. State bond commission approval of the funding is required and scheduled for the next State Bond Commission meeting. Ms. Moores discussed both the strengths and challenges with the proposal. She noted that an appraisal was received at the beginning of the month; but due to a revision in the application, the appraisal must be updated, and CHFA is waiting for the results of the updated appraisal. Ms. Foley mentioned that the State supports this model to enhance opportunities for this population.

Upon a motion made by Ms. Weil, seconded by Ms. Tepper Bates, the Board members voted unanimously in favor of adopting the following resolution regarding the financing of Bloomfield Specialty Housing, Bloomfield:

RESOLUTION REGARDING FINANCING OF
BLOOMFIELD SPECIALTY HOUSING, BLOOMFIELD, CONNECTICUT
CHFA DEVELOPMENT NO. 17-411

WHEREAS, Bloomfield Specialty Housing, LLC has applied to the Connecticut Housing Finance Authority (the "Authority") for mortgage financing for the construction of a 38 unit housing development, to be known as Bloomfield Specialty Housing, located at 458 & 470 Cottage Grove Road, Bloomfield, CT 06002 (the "Development"); and

WHEREAS, Bloomfield Specialty Housing, LLC and/or a related entity otherwise acceptable to the Authority (the "Proposed Mortgagor") is proceeding with its application in a manner satisfactory to the Authority; and

WHEREAS, the Authority desires to provide mortgage financing to the Proposed Mortgagor, as described in the attached memorandum from Peter Simoncelli dated January 25, 2018.

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 not to exceed \$3,950,000.00 and a permanent loan in a principal amount not to exceed \$1,850,000.00, provided, however, the aggregate principal loan amount of the permanent and construction loan shall not exceed \$5,800,000.00. Both loans shall be secured by a first-priority fee simple mortgage. The construction loan shall accrue interest on amounts advanced at a rate not to exceed 5.42% per annum and shall be repaid 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 5.86% per annum and shall be repaid monthly in arrears, as follows: (i) interest only repayment 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. The Authority will fund this loan with Tax-Exempt Bond (TEB) proceeds, including the issuance of bonds as described in Attachment A attached hereto 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. 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 shall be conditioned upon the following:

- a. All governmental approvals for the Development be in place;
- b. Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from FAVARH Bloomfield Supportive Housing, LLC ("FBSH") for up to approximately \$6,888,470 construction-to-permanent subordinated financing, in conjunction with the same amount of "IDASH" grant funding to FBSH from the Connecticut Department of Housing, all with terms and conditions satisfactory to the Authority, or that the Proposed Mortgagor produces a commitment for a comparable amount from another source(s) with the terms and conditions satisfactory to the Authority;
- c. The Proposed Mortgagor's receipt of sufficient annual 4% Low-Income Housing Tax Credits ("LIHTCs") to produce net syndication proceeds of approximately \$2,783,883 or that the Proposed Mortgagor produces at least that amount from another source(s) with terms and conditions satisfactory to the Authority;
- d. The Authority 's confirmation satisfactory to the Authority of the availability of the Proposed Mortgagor's Deferred Developer Fee Loan in the approximate amount of \$203,772, or that the Proposed Mortgagor produces comparable funds from another source(s) with terms and conditions satisfactory to the Authority;
- e. The Proposed Mortgagor's receipt of Energy Rebate(s) for up to approximately \$96,875 with terms and conditions satisfactory to the Authority, or that the Proposed Mortgagor produces comparable funds from another source(s) with terms and conditions satisfactory to the Authority;
- f. The Proposed Mortgagor's receipt prior to initial closing, of documentation satisfactory to the Authority, that project-based rental assistance payments from the State of

Connecticut (“RAPs”) for nine (9) apartments, with rental income subsidy amounts that are consistent with the Authority’s underwriting, are available for the Development;

g. 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;

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

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

j. The Authority’s acceptance and approval of the Development’s proposed operating income and expenses;

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

l. The Authority’s acceptance and approval of independent “as-is” and “as-developed” appraisals and a market acceptance analysis for the Development; and

m. Compliance with all of the Authority’s requirements contained in the “Standard Closing Requirements” which materials are available at <http://www.chfa.org/Rental%20Housing/Loan%20Closing%20Materials/default.aspx>, the terms of which are incorporated herein by reference. If there is any inconsistency between the provisions of this Commitment and the Standard Closing Requirements, the terms of this Commitment 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 October 31, 2018 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.

(Bloomfield Specialty Housing - 458 & 470 Cottage Grove Road, Bloomfield)

1. The Executive Director and/or Chief Financial Officer of the Authority (the “Executive Director”) and staff are hereby authorized to continue the Authority’s Housing Mortgage Finance Program by way of one or more bond sales.

2. The timing of such bond sales shall be determined in coordination with the State Treasurer’s Office.

3. The bond sales shall be in an amount not to exceed \$6,300,000.00 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2018 Series C (the “Bonds”), which shall be issued in one or more series and subseries as federally taxable bonds and/or as federally tax-exempt bonds under the Internal Revenue Code of 1986, as amended (the “Code”), or other applicable federal tax law.

4. The Bonds shall be sold on a negotiated basis.

5. The Executive Director and/or Chief Financial Officer is hereby authorized to set the date or dates for receipt of the respective offers from the underwriter(s) or other purchaser(s) (the “Respective Purchasers”) to purchase the Bonds.

6. The Executive Director and/or Chief Financial Officer is hereby authorized to execute and cause to be delivered appropriate documentation, including, without limitation, one or more Preliminary Official Statements and Underwriting Commitments, to adopt the expectations, beliefs, assumptions and representations expressed and made on behalf of the Authority in the Official Statement(s) of the Bonds (the “Official Statement(s)”) and to execute and deliver the Official Statement(s).

7. The Executive Director and/or Chief Financial Officer is hereby authorized both (a) to receive the related offer presented by the Respective Purchasers, and (b) to make a formal award of the related portion of the Bonds to the Respective Purchasers and execute one or more Contracts of Purchase, provided the Executive Director 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 2018 Series C bond sale (collectively, the “Swap”). The Executive Director and/or Chief Financial Officer is hereby authorized to approve, execute and deliver all documents necessary to consummate the Swap, provided the Swap results in a net interest rate savings to the Authority of not less than 20 basis points of the Swap portion or in the best interest of the Authority, as determined by the Executive Director and/or Chief Financial Officer. The Executive Director and/or Chief Financial Officer is hereby authorized to make such changes, additions, deletions, modifications and amendments to the Swap and other related documents as may be necessary or desirable and in the best interests of the Authority, and not inconsistent with this authorization. The Executive Director and/or Chief Financial Officer is hereby authorized to approve changes, additions, deletions, modifications, novations and amendments to interest rate swap agreements previously executed

by the Authority and intended to be allocated to the Bonds, in each case as may be necessary or desirable and in the best interests of the Authority, and not inconsistent with this authorization.

9. The Authority hereby adopts the Series Resolution Authorizing the issuance of not more than \$6,300,000.00 Housing Mortgage Finance Program Bonds, 2018 Series C (the "Series Resolution") and hereby authorizes all necessary transfers from the Capital Reserve Fund in accordance with Section 513(8) of the General Bond Resolution on December 1 to the Section 506 account for the purpose of redeeming bonds and the Executive Director and/or Chief Financial Officer is hereby authorized to take whatever other action is necessary to carry out such sale including, without limitation, determining the amount of fixed rate, variable or convertible option bonds and to make such changes, additions, deletions, modifications and amendments to the Series Resolution as may be necessary or desirable and in the best interest of the Authority and not inconsistent with the authorization contemplated at this meeting.

10. The Executive Director and/or Chief Financial Officer is hereby authorized to have the Bonds prepared and to execute and authorize the delivery of the Bonds to the Respective Purchasers upon receipt of the purchase price thereof plus accrued interest, if any, and to pay to any underwriter the underwriters' fee and/or discount and expenses and to do and perform all acts and things and execute any and all documents in the name of the Authority, necessary, useful or convenient to the issuance and sale of the Bonds by the Authority. The Bonds shall bear such rates and maturities, and sinking fund installments shall be made as set forth in the Official Statement(s) and the Series Resolution.

11. The Bonds shall be executed by the manual or facsimile signatures of the Chairperson, Vice Chairperson, Chairperson of the Finance/Audit Committee, or the Executive Director of the Authority and/or his designee, and the official seal of the Authority or a facsimile thereof shall be affixed, impressed or imprinted on the Bonds and attested by the manual or facsimile signature of the Executive Director or another duly Authorized Officer of the Authority.

12. The Executive Director and/or Chief Financial Officer is authorized to establish the interest rate on mortgage loans financed with the proceeds of the Bonds ("Proceeds"), provided that such interest rate shall not exceed that which is permitted or authorized under the Code.

13. The Proceeds are to be used to make new single and/or multi-family mortgages and/or refund current and future maturities of outstanding bonds and/or to refund prepayments. The Executive Director and/or Chief Financial Officer is hereby authorized to determine which multifamily projects are to be funded from proceeds of the Bonds.

14. U.S. Bank National Association is hereby authorized to act as Paying Agent and U.S. Bank National Association is hereby authorized to act, if required, as Tender Agent.

15. The Authority may make or finance, on an interim basis, certain mortgage loans, which costs are reasonably expected to be paid or reimbursed with the proceeds of debt to be incurred by the Authority in the maximum amount of \$6,300,000.00 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 is unable to act in accordance with this resolution or otherwise, then the Chief Financial Officer is hereby authorized to carry out all necessary functions to consummate the sale of the Bonds. In the event his designee is unable to act in accordance with this resolution or otherwise, then a committee of not less than three (3) members of the Board of Directors, at least one of whom shall not be a state employee, is hereby authorized to carry out all necessary functions to consummate the sale of the Bonds (the "Sale Committee"). If neither the Chairperson nor the Vice Chairperson of the Authority is able to attend, then the Chairperson of the Finance/Audit Committee shall be the Chairperson of the Sale Committee, and if he/she is unable to attend, then the Chairperson of the Mortgage Committee shall be the Chairperson of the Sale Committee, and if neither of them is able to attend, the Chairperson or Vice Chairperson of the Authority shall designate a Chairperson of the Sale Committee.

18. The Executive Director and/or Chief Financial Officer is hereby authorized to change the series designation of the Bonds and/or any other of the Authority's bonds and to change the selected bond underwriting firms as necessary and in the best interest of the Authority.

19. The Bonds may be sold as one or more series and bond underwriting firms to act as the book running senior or co-senior managers, co-managers and/or selling group members for the Bonds may be determined by the Executive Director and/or Chief Financial Officer for each series of Bonds from among the appointed Housing Mortgage Finance Program Bond Underwriters.

20. The senior manager, the co-senior bond underwriters and the co-managing underwriters designated by the Authority for participation in the Authority's bond issues are hereby required prior to participation in the 2018 Series C Bond issue to provide an update to the statutory provisions, affidavits and certifications submitted as part of their agreements with the Authority.

21. Failure to provide the above required information in such form and content as determined by the Executive Director and/or Chief Financial Officer necessary to satisfy the requirements of this resolution shall render the senior manager, co-senior bond underwriters or co-managing underwriters ineligible to participate in the designated bond issue.

Mr. Voccio, Assistant Director, Multifamily, reviewed the proposal for the mortgage financing of Threadmill Apartments, Stonington. He discussed the background of the proposal and noted that the Board adopted a resolution in February 2014 authorizing tax-exempt bond financing for the development. Mr. Voccio explained that the developer experienced significant cost overruns during rehabilitation but the development was completed in 2016. He noted that the developer continues to face challenges with the lease up of the apartments and reduction in equity funds from both federal and state historic tax credits. Staff recommends additional financing, an extension of time to achieve final closing, and a waiver of the accrued extension fees of the loan

if closed by April 30, 2018. Mr. Voccio reviewed the proposed terms and conditions of the loan. In response to a question, Mr. Voccio stated that the proposal anticipates that normal reserves will be maintained. Ms. Foley mentioned that staff was able to satisfy questions raised by the Mortgage Committee members about potential continued problems with the development in the future.

Upon a motion made by Ms. Tepper Bates, seconded by Ms. Foley, the Board members voted unanimously in favor of adopting the following resolution regarding the financing of Threadmill Apartments, Stonington:

RESOLUTION REGARDING FINANCING OF
THREADMILL APARTMENTS, STONINGTON CONNECTICUT
CHFA DEVELOPMENT NO. 12-072M

WHEREAS, pursuant to Resolutions dated February 27, 2014, June 26, 2014, and September 24, 2014, the Connecticut Housing Finance Authority (the "Authority") approved financing for a 58 unit housing development known as Threadmill Apartments located in Stonington, Connecticut (the "Development") owned by Threadmill Partners LLC (the "Owner"); and

WHEREAS, the Authority desires to provide additional mortgage financing as described in the attached memorandum from Deborah J. Alter and Joe Voccio dated January 25, 2018.

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 an additional, permanent loan in a principal amount of up to \$900,000. The loan shall be secured by a co-first-priority fee simple mortgage. The loan shall accrue interest on amounts advanced at a rate not to exceed 0% per annum and shall be repaid periodically (but not less than frequently than annually) in an amount of not less than fifty (50%) of the Development's adjusted cash flow prior to the calculation of surplus cash. In addition, the Owner upon receipt thereof shall pay the Authority the outstanding net syndication proceeds from Federal Historic Tax Credits of approximately \$319,600.00 in partial repayment of the loan. All outstanding interest and principal shall be due upon the maturity of the existing co-first mortgage. Prepayment of the loan in whole or in part shall be permitted at any time. 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. 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 deadline for the Owner to pay down the existing Tax-Exempt Bond loan (the "TEB Loan") and achieve final closing of the TEB Loan is hereby extended to April 30, 2018 and any extension fees that accrue prior to April 30, 2018 are hereby waived.

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 April 30, 2018 shall render this Resolution void and of no further effect, provided, however, upon good cause shown and upon payment by the Owner 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 discussed the proposed loan restructure for The Glen, 49 units of elderly housing located in Winsted. CHFA previously approved loans for the development which were then modified due to financial difficulties. In July 2017, a moratorium was granted to the owner on its payment obligations of the Investment Trust Account loan. She noted that the owner has complied with the requirements of the moratorium and has requested the restructure of the tax-exempt loan and Investment Trust Account loan. Ms. Moores explained the proposed restructure and noted that there is general consensus that this development is an important source of affordable housing in Winsted and the goal of the loan restructure is to stabilize the development, protect the residents, and preserve the property.

Upon a motion made by Ms. Foley, seconded by Mr. Perez, the Board members voted unanimously in favor of adopting the following resolution regarding the restructure and financing for The Glen, Winsted:

RESOLUTION REGARDING RESTRUCTURE AND FINANCING FOR
THE GLEN, WINSTED, CONNECTICUT
CHFA DEVELOPMENT NO. 96-002M

WHEREAS, by resolution adopted November 19, 1997, as amended June 24, 1998, October 23, 2002, October 28, 2010 and February 23, 2012, the Connecticut Housing Finance Authority (the "Authority") authorized construction and permanent financing of The Glen, containing 49 units of elderly housing, located in Winsted, Connecticut (the "Development"), owned by The Glen Limited Partnership (the "Owner"); and

WHEREAS, the resulting financing consisted of a \$1,778,505.62 Tax-Exempt Bonds construction-to-permanent first mortgage provided in conjunction with 4% Low Income Housing Tax Credits (the "TEB Loan"), and a \$1,091,002.87 Investment Trust Account construction-to-permanent loan (the "ITA Loan"); and

WHEREAS, the TEB Loan and the ITA Loan were modified in 2002 and 2012 due to financial difficulties, caused in part by construction delays, the property's slow lease-up to stabilization and shortfall in cash flow from a tenancy comprised of 50% or below Area Median Income residents compared to projections based on 60% AMI; and

WHEREAS, the modification of the TEB Loan extended the maturity to 2052, and the modification of the ITA Loan provided for interest to accrue, annual payments of 50% of Surplus Cash applied to deferred interest and principal, and a balloon payment of approximately \$996,000 in January of 2016. Owner has been unable to pay the ITA Loan, and has received a moratorium on the payment obligations of the ITA Loan authorized by a Board resolution of July 27, 2017; and

WHEREAS, the Owner has complied with the requirements of the moratorium, and a plan to restructure the TEB Loan and the ITA Loan and use additional financing has been developed.

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

Section 1. Reduce the existing interest rate from 6.00% to 5.00% on the TEB Loan of approximately \$1,466,985 principal and re-amortize the principal balance over a new 40-year schedule.

a. All existing covenants will remain in place, and the Owner will forego any deferred distribution accrued to the date of closing.

Section 2. All late fees on the ITA Loan of approximately \$996,022 principal will be waived and, all existing accrued interest, including the default interest, which is approximately \$214,370, will be capitalized with the remaining balance into a new modified note of approximately \$1,210,392. having a 0% interest rate, a 40-year maturity co-terminous with the modified TEB Loan and will be pre-payable at any time, with a 3% prepayment penalty.

Repayment on the ITA Loan will be made from available adjusted cash flow after scheduled debt service payments on the TEB Loan as follows:

- a. 50% towards payment of principal;
- b. 25% to be held by CHFA to fund part of an approved capital spending plan; and
- c. 25% to the Owner.

Section 3. Provide Financing Adjustment Factor (“FAF”) financing and/or other sources as determined by CHFA as a loan in the approximate amount of up to \$500,000, on the following terms and conditions:

a. A payment deferred loan having a 0% interest rate maturing co-terminously with the TEB Loan and the ITA Loan in 40 years, and secured by the modified mortgage deed with funds available to fund capital needs and other property needs as agreed to by CHFA, and consistent with FAF federal funds requirements.

Section 4. Modify the existing Extended Low Income Housing Commitment to provide a unit mix as follows:

- a. 8 units at 50% AMI;
- b. 38 units at 60% AMI;
- c. 2 units at 80% AMI

The revised unit mix will be accomplished as units are vacated, and no displacement of current tenants will occur.

Section 5. 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 6. 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 April 30, 2018 shall render this Resolution void and of no further effect, provided, however, upon good cause shown and upon payment by the Owner of any extension or other fees as may be required by the Authority, the Executive Director may extend the time for compliance hereunder.

Mr. Voccio reviewed the proposal to reserve Investment Trust Account proceeds to fund potential gaps in financing throughout the 2018 calendar year that may result from changes in income tax treatments incorporated in the Tax Cuts and Jobs Act of 2017. He explained that CHFA will continue to ask that projects be value engineered to reduce the project scale and/or scope, to defer additional developer fees, and to seek alternative sources to fund the gap before making a request to CHFA.

Upon a motion made by Mr. Schmitt, seconded by Ms. Foley, the Board members voted unanimously in favor of adopting the following resolution regarding the reservation of Investment Trust Account Funds for gap mortgage financing of developments utilizing low-income housing and federal historic tax credits:

**RESOLUTION REGARDING THE RESERVATION OF
INVESTMENT TRUST ACCOUNT FUNDS FOR
GAP MORTGAGE FINANCING OF DEVELOPMENTS
UTILIZING LOW-INCOME HOUSING AND FEDERAL HISTORIC TAX CREDITS**

WHEREAS, the Connecticut Housing Finance Authority (the “Authority”) makes Investment Trust Account Funds (“ITA Funds”) available, from time to time, for mortgage financing for affordable housing located in State of Connecticut; and

WHEREAS, throughout calendar year 2018, the Authority anticipates allocating Low-Income Housing Tax Credits and/or providing mortgage financing for affordable housing projects qualifying for Federal Historic Tax Credits, all in accordance with the requirements of the Authority’s Multifamily Rental Housing Program (the “2018 Developments”); and

WHEREAS, changes in the federal income tax code resulting from the Tax Cut and Jobs Act of 2017 are expected to have a prominent effect on investor valuations of the 2018 Developments and pending 4% Low-Income Housing Tax Credit transactions and the Authority desires to set-aside and reserve ITA Funds for the purposes described in the attached memorandum from Deborah J. Alter and Joe Voccio dated January 25, 2018.

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

Section 1. The Authority hereby authorizes the Executive Director to set aside and reserve ITA Funds in the aggregate amount of up to \$6,000,000, which ITA Funds may be used for the purpose of gap mortgage financing of developments utilizing Low-Income Housing and

Federal Historic Tax Credits solely upon future Development-specific authorization by the Board of Directors.

Section 2. The Executive Director is hereby authorized 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.

Ms. Zajac, Multifamily Development Officer, summarized the Annual Report regarding Fair Housing Choice and Racial and Economic Integration provided to the legislature. She noted that the report is a collection of both CHFA single-family and multifamily housing activity segregated by income and ethnicity. Ms. Zajac stated that the process captures single-family mortgage data reported from an internal database, and the multifamily data is collected from a yearly tenant survey sent to CHFA portfolio property managers. She provided highlights on activities and accomplishments in both single-family and multifamily housing. The Board asked that the report be forwarded to the Fair Housing Work Group.

Ms. Martin, Legislative Program Officer, Federal, discussed proposed changes to the Board Policy Statement on Multifamily Rental Housing Development Costs. The policy was originally adopted in 2010 and revised in 2014. The only change recommended is a technical amendment to reflect a change in job title. Ms. Dorgan noted the importance of the policy having an appropriate balance between costs and quality, and she commended staff for their attention to this issue. Ms. Klein asked CHFA to work with the Department of Housing on this issue. The adoption of the policy with the change will be included on the February Board agenda.

Ms. Martin provided an update on federal legislation, noting that CHFA will continue to monitor contingency plans in the event Congressional leaders do not adopt a budget beyond February 8. CHFA continues to work with affordable housing stakeholders and advocates on legislation that strengthens housing tax credits and bonds.

Ms. Martin presented the semi-annual lean initiative report. To date, CHFA has completed 22 *Kaizen* lean projects. Ms. Martin mentioned that CHFA continues to build upon the culture of process improvement and is committed to working on several events in 2018 that will focus on targeted program areas. Staff from each area will be designated to be trained to facilitate *Kaizen* events in their program areas.

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

Upon a motion made by Ms. Foley, seconded by Mr. Perez, 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
- Internal Audit Report
 - 2017 Internal Audit Plan Update
 - 2018 Internal Audit Plan

Ms. Klein asked the Board members to consider the minutes from the November 30, 2017 regular meeting.

Upon a motion made by Ms. Foley, seconded by Ms. Weil, the Board members voted in favor of adopting the minutes from the November 30, 2017 regular meeting as presented (Mr. Cicchetti, Mr. Perez and Mr. Orr abstained from the vote).

There being no further business to discuss, upon a motion made by Ms. Foley, seconded by Ms. DeWyngaert and unanimously approved, the Board members voted to adjourn the meeting at 10:35 a.m.