Adopted: January 25, 2018

Minutes
Connecticut Housing Finance Authority
Board of Directors' Meeting No. 558
November 30, 2017

Directors Present: Evonne Klein, Chairperson of CHFA Board and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA
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
Jared Schmitt, Chairperson of the Finance/Audit Committee
Matt Smith representing Jorge Perez, State Banking Commissioner
Tim Sullivan representing Catherine Smith, Commissioner of the Department of Economic and Community Development
Lisa Tepper Bates
Carla Weil

Directors Absent: Michael Cicchetti
Richard Orr
Alicia Woodsby

Ms. Klein called the meeting of the Connecticut Housing Finance Authority ("CHFA") to order at 9:32 a.m. in the Boardroom of CHFA, 999 West Street, Rocky Hill, Connecticut. She noted that this is the last meeting of the year since there is no scheduled December meeting. Ms. Klein asked for public comments, and there were none.

Ms. Klein asked for volunteers from the Board to serve as members of the Low-Income Housing Tax Credit Qualified Allocation Plan Task Force. Interested members should contact Mr. Kilduff.

Mr. Kilduff, Executive Director, provided the Executive Director's report. He discussed some of the ribbon cuttings and other events that occurred in the month of November. Mr. Kilduff briefly discussed how potential federal tax reform could impact CHFA's ability to issue tax-exempt private activity bonds and the production of affordable housing in Connecticut. He noted that CHFA has been working with the Connecticut delegation and will continue to monitor the issue.

Ms. Klein asked for nominations for Vice Chair of the Board. A recommendation was made to elect Ms. DeWyngaert, and Ms. DeWyngaert accepted the nomination.

> Upon a motion made by Ms. Klein, seconded by Ms. Foley, the Board members voted unanimously in favor of electing Ms. DeWyngaert as Vice Chair of the CHFA Board.

As a follow-up to a presentation provided earlier in the year about CHFA's single-family program, Mr. Cabral, Manager of Planning, Research and Evaluation, provided an overview of single-family (1- to 4-family) owner-occupied home mortgage lending in Connecticut based on the results of the 2016 Home Mortgage Disclosure Act (HMDA) data released by the Federal Financial Institutions Examination Council in October 2017. He summarized that loan origination in Connecticut for 2016 increased by approximately 14 percent from 2013 which is higher than the national average but still well below pre-recession, 2007, loan originations. Mr. Cabral mentioned that mortgage companies continue to see an increase in the market share of loan originations. There was a brief discussion about the aging housing stock in Connecticut, and Mr. Kilduff mentioned that this is an issue that is being discussed internally by staff. Mr. Cabral noted that in Connecticut most loan application denials are a result of the applicant's debt-to-income ratios. He explained that CHFA utilizes the HMDA data to assess lending activity, evaluate CHFA's lending performance and to analyze home mortgage lending activity of CHFA's participating lenders. The data is also used to assess regional and neighborhood lending activity and potential opportunities.

Mr. Kilduff presented the Annual Budget and Plan of Operations for 2018 for consideration by the Board. He mentioned that staff provided an overview of the budget at the October meeting, and any subsequent questions provided have been answered. Mr. Schmitt noted that the Finance/Audit Committee members voted unanimously in favor of recommending the adoption of the budget to the Board. He thanked staff and Mr. Kilduff for their work on the budget.

> 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 adoption of the Annual Budget and Plan of Operations for 2018:

RESOLUTION REGARDING THE ADOPTION OF
<u>THE ANNUAL BUDGET AND PLAN OF OPERATIONS FOR 2018</u>

WHEREAS, Section 709 of the General Housing Mortgage Finance Program Bond Resolution (the "Resolution") requires the Connecticut Housing Finance Authority (the "Authority") to adopt an Annual Budget and Plan of Operations covering its fiscal operations for the succeeding calendar year not later than December 1 and file the same with the Trustee; and

WHEREAS, the Board of Directors of the Authority may at its discretion amend said budget from time to time.

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

The attached 2018 Annual Budget and Plan of Operations is hereby adopted.

Ms. Moores, Assistant Director of Multifamily, reviewed the recommendation for the mortgage financing for the second phase of the adaptive re-use and conversion of the historic Ponemah Mills into a 121-unit housing development to be known as The Lofts at Ponemah Mills Phase 2, Norwich. She mentioned that the proposed mortgagor has applied to CHFA for tax-exempt bond proceeds to fund the development. Ms. Moores reviewed the proposed terms and conditions of the loan. She reviewed the affordability restrictions and other sources of funding for the project. Ms. Moores stated that if financing is approved, initial closing will be contingent, among other things, upon the pay down of the construction loan of phase 1. She mentioned that at the July 2017 meeting the Board approved the extension of a pilot appraisal program waiver that authorizes staff to use estimated total lending costs to determine loan-to-value ratio to size the maximum loan amount for CHFA lending in multifamily transactions. Ms. Moores noted that the appraisal for this project was just received and is still being evaluated. Ms. Foley indicated that the Mortgage Committee members reviewed and recommends the approval. She stated that at the Mortgage Committee meeting Ms. Tepper Bates reported on the positive feedback and excitement from the community about the development.

Upon a motion made by Ms. Foley, seconded by Ms. Weil, the Board members voted unanimously in favor of adopting the following resolution regarding the mortgage financing of The Lofts at Ponemah Mills Phase 2, Norwich:

RESOLUTION REGARDING FINANCING OF
THE LOFTS AT PONEMAH MILLS PHASE 2, NORWICH, CONNECTICUT
CHFA DEVELOPMENT NO. 17-009M

WHEREAS, Ponemah Riverbank Unit A North, LLC has applied to the Connecticut Housing Finance Authority (the “Authority”) for mortgage financing for the second phase of the adaptive re-use and conversion of the historic Ponemah Mill into a 121-unit housing development, to be known as The Lofts at Ponemah Mills Phase 2, located in Norwich, Connecticut (the “Development”); and

WHEREAS, Ponemah Riverbank Unit A North, 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 and Wendy Moores dated November 30, 2017.

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

Section 1. The Authority is authorized to provide a construction loan in a principal amount not to exceed $8,600,000 and a permanent loan in a principal amount not to exceed $8,400,000, provided, however, the aggregate principal loan amount of the permanent and construction loans shall not exceed $17,000,000. Both loans shall be secured by a first-priority fee-simple mortgage on the second phase Development condominium unit(s). The construction loan shall accrue interest on amounts advanced at a rate not to exceed 5.10% per annum and shall be paid monthly, in arrears, over a term of 24 months, after which all construction loan principal and interest shall be due in full. The permanent loan shall accrue interest on amounts advanced at a rate not to exceed 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. The Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Housing for approximately $6,100,000 in construction and/or permanent subordinated funding (and State Bond Commission approval for such funding, if necessary), with terms and conditions satisfactory to the Authority, or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with terms and conditions satisfactory to the Authority;

c. The Proposed Mortgagor's receipt of sufficient 4% Low-Income Housing Tax Credits in order to produce net syndication proceeds of approximately $4,166,584, or that the Proposed Mortgagor produce at least that amount from other sources with terms and conditions acceptable to the Authority;

d. The Proposed Mortgagor's receipt of sufficient annual Federal Historic Tax Credits to produce net syndication proceeds of approximately $5,201,927, or that the Proposed Mortgagor produce a comparable amount from other sources and with terms and conditions acceptable to the Authority;

e. The Proposed Mortgagor's receipt of sufficient annual State Historic Tax Credits to produce net syndication proceeds of approximately $4,140,000, or that the Proposed Mortgagor produce a comparable amount from other sources and with terms and conditions acceptable to the Authority;

f. The Authority's acceptance of the Proposed Mortgagor's receipt of a subordinate General Partner Loan in the amount of approximately $4,050,000 in construction and/or permanent subordinated financing, or that the Proposed Mortgagor produce at least that amount from other sources and with terms and conditions acceptable to the Authority;

g. The Authority's acceptance of the Proposed Mortgagor's receipt of Additional Required Developer Provided Financing in the amount of approximately $287,422 in construction-permanent subordinated financing, or that the Proposed Mortgagor produce at least that amount from other sources and with terms and conditions acceptable to the Authority;

h. The Authority's confirmation that the Proposed Mortgagor pledges to provide a firm commitment for and access to the amount of approximately $93,907 of developer cash equity, or that the Proposed Mortgagor produce at least that amount from other sources and with terms and conditions satisfactory to the Authority;

i. The Authority's acceptance of the Proposed Mortgagor's receipt of a subordinate Deferred Developer Fee Loan in the amount of approximately $908,000, or that the Proposed Mortgagor produce at least that amount from other sources and with terms and conditions acceptable to the Authority;

j. The Authority's confirmation of the Proposed Mortgagor's receipt of a tax abatement/PILOT Agreement with the City of Norwich providing for a 15-year annual abatement and/or payment in lieu of real estate taxes, with terms and conditions acceptable to the Authority;

k. The Authority's confirmation of affordability restrictions on the Development for a period of 40 years, such that 2 units shall be set aside for households at or below 25% of area median income, 25 units shall be set aside for households at or below 50% of area median income, and 47 units shall be set aside for households at or below 60% of area median income;

l. The Authority's receipt of the full principal reduction payment, reducing the outstanding balance to $8,400,000 under the existing construction-to-permanent loan made by the Authority and secured by a mortgage lien on the first phase of the adaptive re-use and conversion of the historic Ponemah Mill;

m. 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;

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

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

p. The Authority's acceptance and approval of the Development's proposed operating income and expenses;

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

r. The Authority's acceptance and approval of an independent "as-is" appraisal, and (if applicable), an independent "as-developed" appraisal, and a market acceptance analysis for the Development; and

s. Compliance by the Proposed Mortgagor with the Authority's Standard Closing Requirements, which materials are available online at http://www.chfa.org/Rental%20Housing/Loan%20Closing%20Materials/default.aspx, the terms of which are incorporated herein by reference, provided, however, if there is any inconsistency between the provisions of this Resolution and the Standard Closing Requirements, the terms of this Resolution shall control.

Section 3. The Executive Director is hereby authorized to modify or supplement the terms and conditions hereof and to take all other actions consistent with this Resolution, as may be in the best interest of the Authority and necessary for the development of quality affordable housing.

Section 4. Failure to provide any of the above-referenced requirements in a form acceptable to the Authority and to close the mortgage financing authorized herein on or before August 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.

(The Lofts at Ponemah Mills Phase 2, Norwich, Connecticut)

ATTACHMENT A

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 $18,700,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2017 Series I (the "Bonds"), which shall be issued in one or more series and subseries as federally taxable bonds and/or as federally tax-exempt bonds under the Internal Revenue Code of 1986, as amended (the "Code"), or other applicable federal tax law.

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

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

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

7. The Executive Director and/or Chief Financial Officer is hereby authorized both (a) to receive the related offer presented by the Respective Purchasers, and (b) to make a formal award of the related portion of the Bonds to the Respective Purchasers and execute one or more Contracts of Purchase, provided the Executive Director and/or Chief Financial Officer may make such award only if the net interest cost on the tax-exempt portion or related portion of the Bonds

does not exceed the Bond Buyer Revenue Bond Index published most recently prior to the award by more than 50 basis points.

8. The Executive Director and/or Chief Financial Officer and staff of the Authority are hereby authorized to negotiate one or more interest rate swap agreements with counterparties that meets the requirements of the General Bond Resolution and is satisfactory to the Executive Director and/or Chief Financial Officer in conjunction with the 2017 Series I 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 $18,700,000 Housing Mortgage Finance Program Bonds, 2017 Series I (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 $18,700,000 and with respect to any such expenditures, this resolution is intended to satisfy the technical requirements of Section 1.150-2(d)(1) of the Treasury Regulations.

16. The 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 2017 Series I 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 discussed the recommendation to provide financing from Investment Trust Account Funds or other sources of funding for Willow Creek Apartments Rental Phase II, Hartford. He mentioned that the proposed mortgagor was awarded 9 percent Low-Income Housing Tax Credits (LIHTCs), and the development was on track to close with private mortgage financing. However, a drop in the equity pricing has resulted in a funding gap. Mr. Voccio mentioned that staff has been working with the proposed mortgagor to modify and/or reduce the development scope and increase the deferred developer fee. He noted that the proposed resolution authorizes Mr. Kilduff to negotiate the final size and terms of the loan but not to exceed the amount specified in the resolution. Ms. Foley stated that there was a discussion at the Mortgage Committee meeting about costs. Mr. Voccio explained that even though each of these types of requests is unique, staff has applied a consistent approach and process in working with the mortgagors/developers to address the issues.

> Upon a motion made by Ms. Foley, seconded by Ms. Weil, the Board members voted in favor of adopting the following resolution regarding the financing of Willow Creek Apartments Rental Phase II, Hartford (Ms. Droney abstained from the vote):

RESOLUTION REGARDING FINANCING OF
WILLOW CREEK APARTMENTS RENTAL PHASE II, HARTFORD, CONNECTICUT
<u>CHFA DEVELOPMENT NO. 17-917</u>

WHEREAS, Overlook Village Associates II, LLC has applied to the Connecticut Housing Finance Authority (the "Authority") for mortgage financing for the construction and/or rehabilitation of a 43 unit housing development, to be known as Willow Creek Apartments Rental Phase II, and located in Hartford, Connecticut (the "Development"); and

WHEREAS, Overlook Village Associates II, 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 Joe Voccio and Colette Slover dated November 30, 2017.

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

<u>Section 1</u>. The Authority is authorized to provide a construction to permanent loan in a principal amount of approximately $1,300,000.00. The loan shall be secured by not less than a

second-priority leasehold condominium mortgage. The loan shall accrue interest on amounts advanced at a rate of 0% per annum or such higher amount as the Authority may determine and shall be repaid monthly, in arrears, over a construction term of not more than two years. Thereafter, the loan shall accrue interest on amounts advanced at a rate not to exceed 0% per annum or such higher amount as the Authority may determine and shall be repaid monthly in arrears with principal and interest repayment based upon an amortization schedule of forty (40) years over a period of forty (40) years, after which all outstanding permanent loan principal and interest shall be due, provided that prepayment of the loan shall be allowed. 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 Authority's commitment to provide mortgage financing shall be conditioned upon the following:

a. All governmental approvals for the Development be in place;

b. The Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Housing for up to approximately $6,000,000.00 in construction and/or permanent subordinated funding (and State Bond Commission approval for such funding, if necessary), with terms and conditions satisfactory to the Authority, or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with terms and conditions satisfactory to the Authority;

c. The Proposed Mortgagor's receipt of sufficient 9% Low-Income Housing Tax Credits in order to produce net syndication proceeds of approximately $10,000,000.00, or that the Proposed Mortgagor produce at least that amount from other sources with terms and conditions acceptable to the Authority;

d. The Proposed Mortgagor's receipt of an additional commitment for the Authority's construction mortgage financing for approximately $9,000,000.00 and for the Authority's additional permanent mortgage financing for approximately $750,000.00;

e. The Authority's confirmation of affordability restrictions on the Development for a period of 40 years, such that 38 units shall be set aside for households at or below 60% of area median income with 11 units set aside for households at or below 25% of area median income, 18 units set aside for households at or below 50% of area median income, and 9 of the units set aside as supportive housing units;

f. 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;

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

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

i. The Authority's acceptance and approval of the Development's proposed operating income and expenses;

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

k. The Authority's acceptance and approval of an independent "as-is" appraisal, and (if applicable), an independent "as-developed" appraisal, and a market acceptance analysis for the Development; and

l. Compliance by the Proposed Mortgagor with the Authority's Standard Closing Requirements, which materials are available online at http://www.chfa.org/Rental%20Housing/Loan%20Closing%20Materials/default.aspx, the terms of which are incorporated herein by reference, provided, however, if there is any inconsistency between the provisions of this Resolution and the Standard Closing Requirements, the terms of this Resolution shall control.

Section 3. The Executive Director is hereby authorized to modify or supplement the terms and conditions hereof and to take all other actions consistent with this Resolution, as may be in the best interest of the Authority and necessary for the development of quality affordable housing.

Section 4. Failure to provide any of the above-referenced requirements in a form acceptable to the Authority and to close the mortgage financing authorized herein on or before May 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.

Since a majority of the Board was present during the Mortgage Committee presentation and discussion on the amended resolution regarding the financing of Mill at Killingly, Ms. Klein asked if there were any additional questions, and there were none.

Upon a motion made by Ms. Foley, seconded by Mr. Sullivan, the Board members voted unanimously in favor of adopting the following resolution regarding the financing of Mill at Killingly, Killingly:

AMENDED RESOLUTION REGARDING FINANCING OF
MILL AT KILLINGLY, KILLINGLY, CONNECTICUT
CHFA DEVELOPMENT NO. 16-022

WHEREAS, by resolution adopted February 23, 2017 (the "Resolution"), the Connecticut Housing Finance Authority (the "Authority") authorized a mortgage loan (the "Loan") to the Mill at Killingly Apartments, LLC (the "Proposed Mortgagor") to finance the demolition of an existing mill building and replace it with a new approximately 38,830 sq. ft. 32 unit, mixed income, three-story apartment building as well as retain an existing historic tower located in Killingly, Connecticut known as Mill at Killingly (the "Development"); and

WHEREAS, the Proposed Mortgagor has requested the Resolution be amended and the deadline for compliance with the Resolution be extended as set forth herein and described in the attached memorandum from Joe Voccio dated November 30, 2017.

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

<u>Section 1.</u> Section 2.d of the Resolution is hereby amended to read as follows:

d. Authority's confirmation of the Proposed Mortgagor's receipt of a commitment from the State of Connecticut Department of Economic and Community Development (DECD) for up to approximately $2,617,204 in permanent subordinated funding with terms and conditions satisfactory to the Authority or that the Proposed Mortgagor produce a commitment for a comparable amount from other sources with the terms and conditions satisfactory to the Authority;

<u>Section 2.</u> Section 2.f of the Resolution is hereby amended to read as follows:

f. The Authority's acceptance of the Proposed Mortgagor's receipt of a subordinate Deferred Developer Fee Loan in the approximate amount of $220,793 or that the Proposed Mortgagor produce at least that amount from other sources and with terms and conditions acceptable to the Authority;

<u>Section 3.</u> Section 4 of the Resolution is hereby amended to read as follows:

<u>Section 4.</u> Failure to provide any of the above-referenced requirements in a form acceptable to the Authority by May 31, 2018 shall render this Resolution void and of no further effect, provided, upon good cause shown and 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.

In all other respects the Resolution remains in full force and effect.

Ms. Foley mentioned that Ms. Koroser-Crane, Director of Multifamily Housing Asset Management, reported at the Mortgage Committee meeting that the loan for Edward Czescik Homes, Stamford will be paid off in full rather than the mortgagor proceeding with a loan modification that was approved by the Board in September 2017. In response to a question, Ms. Murphy, Director of Financial Reporting and Control, explained that the funds received for the loan payoff will not go into the Investment Trust Account but will be deposited into the operating budget.

The 2018 meeting calendar was presented to the Board members for consideration.

Upon a motion made by Ms. Foley, seconded by Mr. Smith, the Board members voted unanimously in favor of adopting the 2018 meeting calendar as presented.

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

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

Reports Accepted:
- Financial and Delinquency Reports
- Finance/Audit Monthly Tracking Report

Ms. Klein asked the Board members to consider the minutes from the October 26, 2017 regular meeting. Ms. LaMarr asked that the minutes be amended to reflect that she participated by phone.

> Upon a motion made by Ms. Weil, seconded by Mr. Sullivan, the Board members voted in favor of adopting the minutes from the October 26, 2017 regular meeting as amended (Ms. DeWyngaert, Ms. Dorgan, Ms. Droney and Mr. Schmitt abstained from the vote).

Ms. Klein asked the Board to consider going into executive session to discuss pending claims relating to Temple Street, Hartford and a personnel matter regarding the Executive Director.

> Upon a motion made by Ms. Foley, seconded by Mr. Smith, the Board members voted unanimously in favor of going into executive session to discuss Temple Street, Hartford. Attorney Dickerson, General Counsel; Mr. Kilduff, Executive Director; Ms. O'Brien, Interim Deputy Managing Director for Multifamily Programs; and Ms. Moores, Assistant Director of Multifamily, were invited to remain during the executive session.

Mr. Kilduff, Ms. O'Brien and Ms. Moores left the executive session at 10:48 a.m., and Mr. Bates, Director of Business Services, was invited to join.

The executive session ended at 11:03 a.m., and the regular meeting was immediately reconvened.

> Upon a motion made by Ms. DeWyngaert, seconded by Mr. Sullivan, the Board members voted unanimously in favor of adopting the following resolution:

RESOLUTION REGARDING APPROPRIATE PLACEMENT OF THE
<u>EXECUTIVE DIRECTOR</u>

WHEREAS, pursuant to Connecticut General Statutes Section 8-246, the Board of Directors of the Connecticut Housing Finance Authority (the "Authority") on June 25, 2015 authorized the Board Chairperson to negotiate the terms and conditions of employment of Karl F. Kilduff as Executive Director of the Authority; and

WHEREAS, Mr. Kilduff commenced employment with the Authority on August 31, 2015; and

WHEREAS, the Personnel Committee of the Board of Directors met on September 12, 2017; and

WHEREAS, the Personnel Committee has identified pay disparity at the Authority, and the Personnel Committee recommends that Mr. Kilduff not be paid any less than the highest paid employee at CHFA.

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

Section 1. Mr. Kilduff will be brought to the salary level of the highest paid employee.

Section 2. That this resolution will become effective November 30, 2017.

There being no further business to discuss, upon a motion made by Mr. Schmitt, seconded by Ms. LaMarr and unanimously approved, the Board members voted to adjourn the meeting at 11:03 a.m.