

Minutes
Connecticut Housing Finance Authority
Board of Directors Meeting No. 592
May 27, 2021

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

Directors Absent: Wendy Clarke
Franklin Perry II

By video conference due to the COVID-19 public health crisis and in accordance with Governor Lamont's Executive Order 7B, Ms. Mosquera-Bruno called the meeting of the Connecticut Housing Finance Authority to order at 10:03 a.m.

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

Nandini Natarajan, Chief Executive Officer-Executive Director, reported on plans for staff return to the workplace, the housing assistance pilot program, multifamily development engagement process and the strategic plan.

Ms. Sanders provided a brief summary of the Finance Committee meeting, reporting on the CHFA Series B bond issuance and sale.

Masouda Omar, Managing Director, Multifamily, provided a summary of the resolution authorizing approval of a construction-to-permanent first mortgage loan of up to \$1.7 million utilizing tax exempt bond proceeds to the Willimantic Housing Authority.

Upon a motion made by Mr. Ugalde, seconded by Mr. Kitowicz, the Board members voted by roll call and were unanimously in favor of adopting the following resolution regarding funding of Hevrin Terrace, Willimantic:

RESOLUTION REGARDING FINANCING OF
HEVRIN TERRACE, WILLIMANTIC, CONNECTICUT
CHFA DEVELOPMENT NO. 18 - 307M

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 certain grants made to the Willimantic Housing Authority (the “Housing Authority”) regarding property known as Hevrin Terrace, a 90-unit, family housing development located in Willimantic, Connecticut (the “Development”); and

WHEREAS, the Housing Authority has applied to the Authority for mortgage financing for the rehabilitation of the Development; and

WHEREAS, the Authority desires to provide mortgage financing for the Development to the Housing Authority and/or a related entity otherwise acceptable to the Authority (the “Proposed Mortgagor”), all as described in the attached Memorandum and Development Summary Materials from Deborah J. Alter, Manager 1, dated May 27, 2021 (the “Memorandum”).

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

Section 1. The Authority is authorized to provide: (i) a construction-to-permanent loan (the “Construction-to-Permanent Loan”), or (ii) a construction loan (the “Construction Loan”) and a permanent loan (the “Permanent Loan”), each such loan shall be in a principal amount not to exceed \$1,744,000 and shall be secured by a first-priority fee simple mortgage on the Development.

a. The Construction-to-Permanent Loan shall accrue interest on all amounts advanced at a rate not to exceed 4.54% per annum for the initial 36 months, and at a rate not to exceed 4.54% per annum for the immediately succeeding 30 years. The Construction-to-Permanent Loan shall be repaid monthly, in arrears, as follows: (i) interest-only payment for a period of 36 months (the “Interest Only Period”), immediately followed by, (ii) principal and interest payment based upon an amortization schedule of 30 years over a term of 30 years (the “Amortization Period”), after which all outstanding Construction-to-Permanent Loan principal and interest shall be due. Notwithstanding the foregoing, in the event that a new “Mark Up To Market Program” 20-year Section 8 Housing Assistance Payments Contract benefitting the Development and satisfactory to the Authority is entered into prior to the expiration of the Interest Only Period, the Interest Only Period shall expire, the Amortization Period shall commence early on the first (1st) day of the next succeeding month. The Authority will fund the Construction-to-Permanent Loan with taxable bond proceeds, including the issuance of bonds as described in Attachment A, attached hereto, or from such other sources of funding and upon such terms and conditions as are deemed to be in the best interests of the Authority. The Authority finds that mortgage loan financing is not readily available from another source and that it is appropriate and in the public interest for the Authority to provide such financing from the proceeds of taxable bonds. With respect to any such expenditure, this Resolution is

intended to satisfy the technical requirements of Section 1.150-2(d)(1) of the United States Treasury Regulations.

b. The Construction Loan shall accrue interest on all amounts advanced at a rate not to exceed 3.00% per annum for a term of 36 months. The Construction Loan shall be repaid monthly, in arrears, interest-only for a period of 36 months, after which all outstanding Construction Loan principal and interest shall be due. Notwithstanding the foregoing, in the event that a new “Mark Up To Market Program” 20-year Section 8 Housing Assistance Payments Contract benefitting the Development and satisfactory to the Authority is entered into during the term of the Construction Loan, the maturity date of the Construction Loan shall be accelerated to the first (1st) day of the next succeeding month. The Authority will fund the Construction Loan with Capital Magnet Fund (“CMF”) grant proceeds or from such other sources of funding and upon such terms and conditions as are deemed to be in the best interests of the Authority.

c. The Permanent Loan shall accrue interest on all amounts advanced at a rate not to exceed 4.54% per annum for a term of 30 years. Principal and interest payment on the Permanent Loan shall be made monthly based upon an amortization schedule of 30 years over a term of 30 years, after which all outstanding Permanent Loan principal and interest shall be due. The Authority will fund the Permanent Loan with taxable bond proceeds, including the issuance of bonds as described in Attachment A, attached hereto, or from such other sources of funding and upon such terms and conditions, as are deemed to be in the best interests of the Authority. The Authority finds that mortgage loan financing is not readily available from another source and that it is appropriate and in the public interest for the Authority to provide such financing from the proceeds of taxable bonds. With respect to any such expenditure, this Resolution is intended to satisfy the technical requirements of Section 1.150-2(d)(1) of the United States Treasury Regulations.

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

a. Affordability restrictions on the Development for a period of 40 years, such that 60 units shall be set aside for households at or below 25% of area median income, and 30 units shall be set aside for households at or below 50% of area median income;

b. An independent appraisal and a market acceptance analysis for the Development;

c. All required governmental approvals, tax abatement agreements, hazardous waste testing at the Development, and hazardous waste removal and disposal (if applicable);

d. Final construction costs and plans and specifications;

e. Commitments for sources of funds, as further described in the Memorandum, or in such other amounts and/or from such other comparable sources as are

acceptable to the Authority, such that the total of the sources and uses of funds for completion of the Development are in balance;

f. Proposed operating income and expenses, all required reserve and escrow funding, tenant relocation plan, and property management organization and plan;

g. United States Department of Housing and Urban Development's commitment or other satisfactory intent to issue a new "Mark Up To Market Program" 20 year Section 8 Housing Assistance Payments Contract benefitting the Development; and

h. Compliance by the Proposed Mortgagor with all applicable law, the Authority's Procedures, the provisions of the Memorandum, all applicable CMF requirements, and all applicable Authority policies, *provided, however*, if there is any inconsistency between the provisions of this Resolution and the Authority's policies, the terms of this Resolution shall control.

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

Section 4. Failure to provide any of the above-referenced requirements in a form acceptable to the Authority and to close the mortgage financing authorized herein on or before February 28, 2022 shall render this Resolution void and of no further effect, *provided, however*, upon good cause shown and upon payment by the Proposed Mortgagor of any extension or other fees as may be required by the Authority, the Chief Executive Officer - Executive Director may extend the time for compliance hereunder.

(Hevrin Terrace, Willimantic, Connecticut)

ATTACHMENT A

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

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

3. The bond sales shall be in an amount not to exceed \$1,920,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2021 Series F (the "Bonds"), which shall be issued in one or more series and subseries as federally taxable bonds and/or as federally tax-exempt bonds under the Internal Revenue Code of 1986, as amended (the "Code"), or other applicable federal tax law.

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

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

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

7. The Chief Executive Officer - Executive Director and/or Chief Financial Officer is hereby authorized both (a) to receive the related offer presented by the Respective Purchasers, and (b) to make a formal award of the related portion of the Bonds to the Respective Purchasers and execute one or more Contracts of Purchase, provided the Chief Executive Officer - Executive Director and/or Chief Financial Officer may make such award only if the net interest cost on the tax-exempt portion or related portion of the Bonds does not exceed the Bond Buyer Revenue Bond Index published most recently prior to the award by more than 50 basis points.

8. The Chief Executive Officer - Executive Director and/or Chief Financial Officer and staff of the Authority are hereby authorized to negotiate one or more interest rate swap agreements with counterparties that meets the requirements of the General Bond Resolution and is satisfactory to the Chief Executive Officer - Executive Director and/or Chief Financial Officer in conjunction with the 2021 Series F bond sale (collectively, the “Swap”). The Chief Executive Officer - Executive Director and/or Chief Financial Officer is hereby authorized to approve, execute and deliver all documents necessary to consummate the Swap, provided the Swap results in a net interest rate savings to the Authority of not less than 20 basis points of the Swap portion or in the best interest of the Authority, as determined by the Chief Executive Officer - Executive Director and/or Chief Financial Officer. The Chief Executive Officer - Executive Director and/or Chief Financial Officer is hereby authorized to make such changes, additions, deletions, modifications and amendments to the Swap and other related documents as may be necessary or desirable and in the best interests of the Authority, and not inconsistent with this authorization. The Chief Executive Officer - Executive Director and/or Chief Financial Officer is hereby authorized to approve changes, additions, deletions, modifications, novations and amendments to interest rate swap agreements previously executed by the Authority and intended to be allocated to the Bonds, in each case as may be necessary or desirable and in the best interests of the Authority, and not inconsistent with this authorization.

9. The Authority hereby adopts the Series Resolution Authorizing the issuance of not more than \$1,920,000 Housing Mortgage Finance Program Bonds, 2021 Series F (the “Series Resolution”) and hereby authorizes all necessary transfers from the Capital Reserve Fund in accordance with Section 513(8) of the General Bond Resolution on December 1 to the Section 506 account for the purpose of redeeming bonds and the Chief Executive Officer - Executive Director and/or Chief Financial Officer is hereby authorized to take whatever other action is necessary to carry out such sale including, without limitation, determining the amount of fixed rate, variable or convertible option bonds and to make such changes, additions, deletions, modifications and

amendments to the Series Resolution as may be necessary or desirable and in the best interest of the Authority and not inconsistent with the authorization contemplated at this meeting.

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

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

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

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

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

15. The Authority may make or finance, on an interim basis, certain mortgage loans, which costs are reasonably expected to be paid or reimbursed with the proceeds of debt to be incurred by the Authority in the maximum amount of \$1,920,000 and with respect to any such expenditures, this resolution is intended to satisfy the technical requirements of Section 1.150-2(d)(1) of the Treasury Regulations.

16. The Chief Executive Officer - Executive Director and/or Chief Financial Officer is hereby authorized to issue a certification as to the Authority's reasonable expectations regarding the amount and use of the Proceeds as described in Section 1.148-2(b)(2) of the Treasury regulations relating to Section 148 of the Code on the date such certificate is issued.

17. In the event the Chief Executive Officer - Executive Director is unable to act in accordance with this resolution or otherwise, then the Chief Financial Officer is hereby authorized to carry out all necessary functions to consummate the sale of the Bonds. In the event his designee is unable to act in accordance with this resolution or otherwise, then a committee of not less than

three (3) members of the Board of Directors, at least one of whom shall not be a state employee, is hereby authorized to carry out all necessary functions to consummate the sale of the Bonds (the "Sale Committee"). If neither the Chairperson nor the Vice Chairperson of the Authority is able to attend, then the Chairperson of the Finance/Audit Committee shall be the Chairperson of the Sale Committee, and if he/she is unable to attend, then the Chairperson of the Mortgage Committee shall be the Chairperson of the Sale Committee, and if neither of them is able to attend, the Chairperson or Vice Chairperson of the Authority shall designate a Chairperson of the Sale Committee.

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

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

20. The senior manager, the co-senior bond underwriters and the co-managing underwriters designated by the Authority for participation in the Authority's bond issues are hereby required prior to participation in the 2021 Series F Bond issue to provide an update to the statutory provisions, affidavits and certifications submitted as part of their agreements with the Authority.

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

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

Upon a motion made by Mr. Ugalde, seconded by Mr. Hodges, the Board members voted by roll call and were unanimously in favor of accepting the following consent agenda items.

Reports Accepted:

- 2021 Series B Bond Issue (Single and Multifamily)
- Financial Reports
- Delinquency and Forbearance Reports
- Monthly Tracking Report
- Immediate and Temporary Financial Accommodations for Multifamily Mortgagors due to COVID-19 Pandemic

- Cherry Street Lofts, Bridgeport, Status Update
- Multifamily Activities
- Minutes from April 29, 2021 Regular Meeting

There being no further business to discuss, upon a motion made by Mr. Hodges, seconded by Ms. DeWyngaert, the meeting adjourned at 10:21 a.m.