

MINUTES
MORTGAGE COMMITTEE MEETING OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
July 27, 2017

Committee Members Present: Evonne Klein, CHFA Chairperson and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA
Kathleen Dorgan
Meghan Lowney by phone
Richard Orr by phone
Carla Weil

Committee Members Absent: Anne Foley, Chairperson of Mortgage Committee, representing Benjamin Barnes, Secretary, State Office Policy and Management
Alicia Woodsby

Others Present: Dan Arsenault, Department of Housing

Staff Present: Karl Kilduff, Executive Director
Norbert Deslauriers, Managing Director of Homeownership
Fred Cover, Underwriter 2, Multifamily
Peg Fitzgerald, Director, Government Relations
Carol Gooden, Underwriter 3, Multifamily
Lisa Kidder, Director, Communications
Lynn Koroser-Crane, Director, Multifamily Housing Asset Mgmt.
Jennifer Landau, Assistant Director, Multifamily
Maura Martin, Legislative Program Officer
Wendy Moores, Assistant Director, Multifamily
Terry Nash, Manager 2, Multifamily
Nancy O'Brien, Interim Deputy Managing Director for Multifamily Programs
Victor Rush, Managing Director of Administration
Peter Simoncelli, Manager 1, Multifamily
Joe Voccio, Assistant Director, Multifamily

Ms. Klein called the Mortgage Committee meeting of the Connecticut Housing Finance Authority to order at 9:00 a.m. in the Boardroom of CHFA, 999 West Street, Rocky Hill, Connecticut.

Ms. Moores discussed the moratorium request for The Glen a 49-unit development located in Winsted. Ms. Moores noted the six-month moratorium is needed to allow the mortgagor time to develop a comprehensive plan to address capital needs and refinance the Investment Trust

Account (ITA) and Tax-Exempt Bond (TEB) loans with CHFA. Ms. Moores reviewed the terms of the moratorium and noted that the mortgagor will provide monthly progress reports to CHFA on its efforts to recapitalize the property and refinance CHFA debt. In answer to a question Ms. Moores explained that financial difficulties at the property are partly due to construction delays, slow lease up, an expired tax abatement and a shortfall of cash flow from residents comprised of 50% or below Area Median Income which led to non-payment of the balloon payment on the ITA loan. It was noted that CHFA will work with the mortgagor to assist in a successful turnaround.

Upon a motion made by Ms. DeWyngaert, seconded by Ms. Dorgan, the Mortgage Committee members unanimously voted in favor of recommending to the Board for consideration the resolution authorizing a moratorium for The Glen, Winsted, Connecticut.

Mr. Voccio reviewed the resolution regarding financing for the Housing Authority of New Haven (HANH) Rental Assistance Demonstration (RAD) Group 1. Mr. Voccio reviewed the two-note financing structure of approximately \$11,169,000 includes a construction mortgage loan of up to \$6,344,000, a construction/permanent loan in the approximate amount of \$5,905,000 and a second construction/permanent loan funded from ITA funds in the approximate amount of \$1,080,000. Mr. Voccio explained that due to uncertain interest rates the loan amounts are slightly broader. Mr. Voccio reviewed the background explaining that this is the first phase of HANH's four existing properties containing 144 units of elderly housing to be converted and the removal of up to 912 public housing assisted units to subsidized project-based rental assistance under the U.S. Department of Housing and Urban Development (HUD) RAD Program. Mr. Voccio explained that after CHFA approval the development will need to submit to HUD for approval of the conversion and will be required to close within 90 days. In answer to a question, Mr. Voccio noted that the ITA loan will be used if the CT Greenbank funds are not available.

Upon a motion made by Ms. Dorgan, seconded by Ms. DeWyngaert, the Mortgage Committee members unanimously voted in favor of recommending to the Board for consideration the resolution authorizing financing and conversion to the Department of Housing and Urban Development Rental Assistance Demonstration Program for the Housing Authority of New Haven, Group 1, New Haven, Connecticut.

Ms. Klein asked the Mortgage Committee members to consider the minutes from the June 29, 2017, meeting.

Upon a motion made by Ms. DeWyngaert, seconded by Ms. Dorgan, the Mortgage Committee members unanimously voted in favor of adopting the minutes from the June 29, 2017, meeting as presented.

Ms. O'Brien reported on the Upcoming Multifamily Activities Report:

- 9% Low-Income Housing Tax (LIHTC) credit round applications are due November 25;

- The 2017 LIHTC Qualified Allocation Plan has been signed by the Governor;
- Staff will conduct an overview session on 9% LIHTCs September 7 at the Lyceum;
- Twenty-five applications have been received for the State-Sponsored Housing Portfolio round received for the rehabilitation/renovation of 1,198 units and are currently under review;
- CHAMP 11 round – 16 applications have been submitted for over 870 units and \$220 million in funding. Staff is working with DOH and applications are currently under review;
- Staff provided training to Liberty Bank underwriters on 4% and 9% LIHTCs on July 19;
- Staff will present information regarding CHFA updates, funding opportunities and LIHTCs at the U.S. Congressman Joe Courtney Annual Community Development event held at Eastern Connecticut State University on August 18 and 25;
- August 27 - 30 Asset Management staff will attend and present at the Conn-NAHRO Annual Convention; and
- On August 4 the annual Community Development Financial Institution Round Table will be held.

Ms. Klein noted that DOH has transferred the SSHP review to CHFA due to a number of retirements and reduced staff at the agency. Ms. Klein also explained that the CHAMP 11 announcements will be delayed for the same reason. Ms. Klein thanked CHFA staff for their assistance and efforts.

There being no further business to discuss, upon a motion made by Ms. DeWyngaert, seconded by Ms. Dorgan and unanimously approved the meeting was adjourned at 9:15 a. m.