

DRAFT MINUTES
MORTGAGE COMMITTEE MEETING OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
February 22, 2018

Committee Members Present: Anne Foley, Chairperson of Mortgage Committee, representing Benjamin Barnes, Secretary, State Office Policy and Management
Evonne Klein, CHFA Chairperson and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA
Kathleen Dorgan by phone
Carla Weil
Alicia Woodsby

Committee Members Absent: Richard Orr
Lisa Tepper Bates

Others Present: Dan Arsenault, Department of Housing

Staff Present: Karl Kilduff, Executive Director
Norbert Deslauriers, Managing Director of Homeownership
Peg Fitzgerald, Director, Government Relations
Maura Hayden-Walker, Underwriter II
Lisa Kidder, Director, Communications
Lynn Koroser-Crane, Director, Multifamily Housing Asset Mgmt.
Jennifer Landau, Assistant Director, Multifamily
Seema Malani, Architect 2
Maura Martin, Legislative Program Officer
Wendy Moores, Assistant Director, Multifamily
Deb Olson, Manager 2, Multifamily
Nancy O'Brien, Interim Deputy Managing Director for Multifamily Programs
Victor Rush, Managing Director of Administration
Peter Simoncelli, Manager I, Multifamily
Seth St. Jean, Multifamily Operations Officer II

Ms. Foley 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 resolution regarding Canton Specialty Housing. Ms. Moores noted that this request is similar to the Bloomfield Specialty Housing presented at last month's

meeting. Ms. Moores reviewed the financing noting that Tax-Exempt Bond proceeds for first mortgage financing as a construction loan in an amount not to exceed \$3,560,000 and a permanent loan in an amount not to exceed \$2,540,000 is recommended. Ms. Moores mentioned that all 40 units will be affordable and the application was submitted in response to the Intellectual Disabilities and Autism Spectrum Disorder Housing (IDASH) \$20 million Notice of Funding Availability issued in 2016 by the Connecticut Department of Housing in collaboration with the Connecticut Department of Development Services and the Connecticut Department of Social Services. Ms. Moores continued that the units are comprised of 14 one-bedroom, 24 two-bedroom and 2 three-bedroom units. She stated that the units will have a 40-year affordability restriction with income targeting at 60% Area Median Income (AMI). Ms. Moores reviewed the other permanent funding sources noting there is approximately \$6,086,896 IDASH funding as well as Rental Assistance Payments for ten apartments occupied by IDASH residents. Ms. Moores explained that this financing will assist in creating 40 new affordable apartments, generate approximately \$16.5 million of new economic activity and approximately 49 new jobs. Ms. Foley expressed her appreciation to staff noting this is an important development for the state.

Upon a motion made by Ms. Weil, seconded by Ms. DeWyngaert, the Mortgage Committee members voted unanimously in favor of recommending to the Board for consideration the resolution regarding Canton Specialty Housing in Canton.

Ms. Weil noting a potential conflict recused herself from the Green Court and 54 Grand Street discussions.

Ms. Moores noted that she would discuss the next two agenda items Green Court and 54 Grand Street together and then speak to the specifics of each. Ms. Moores stated that both properties are located in Middletown, owned by Nehemiah Housing Corporation and managed by DeMarco Management. Ms. Moores continued that due to lack of oversight by the borrower each property has incurred past due taxes. Ms. Moores continued that Nehemiah Housing Corporation has entered into a sales contract for both properties with Columbus House, Inc. a non-profit organization that provides services to individuals and families who are difficult to house.

Ms. Moores discussed the Green Court resolution recommending a new loan from Investment Trust Account funds. She continued the property was originally financed under CHFA's Small Unit Rental Program in 1993 for families making less than 80% AMI. Ms. Moores explained that the current occupants are below 50% AMI and all have Section 8 subsidies. Ms. Moores noted that CHFA's Small Loan Committee recently authorized a protective advance under the mortgage to pay the delinquent and current property taxes of approximately \$53,000. Ms. Moores reviewed the proposed financing terms of a new loan up to \$58,000 from ITA funds for real estate taxes advanced by CHFA and closing costs contingent upon the sale and assumption by Columbus House, Inc. Ms. Moores explained that approval of the proposed loan assumption and modification will stabilize the property, preserve the housing and allow CHFA to recoup its investment over time.

Next, Ms. Moores discussed the 54 Grand Street resolution. Ms. Moores noted the property was originally financed under CHFA's Pilot Non-Profit Site Acquisition Program whose intent was

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to rehabilitate property and sell to families who met CHFA's single family gross income restriction guidelines. Ms. Moores explained that due to a market downturn sales were nonexistent and the property was converted to rental. Ms. Moores explained that CHFA has a first mortgage in the amount of \$200,000, which matured in 2010 after being extended four times from 2008. Ms. Moores noted that the CHFA Small Loan Committee recently authorized an advance of \$14,298.81 to pay delinquent and current taxes. Ms. Moores reviewed the terms of the loan assumption and modification and noted approval will stabilize the property and preserve the housing.

Upon a motion made by Ms. Klein, seconded by Ms. DeWyngaert, the Mortgage Committee members voted in favor of recommending to the Board for consideration the resolution regarding Green Court in Middletown. Ms. Weil abstained from the vote.

Upon a motion made by Ms. Klein, seconded by Ms. DeWyngaert, the Mortgage Committee members voted in favor of recommending to the Board for consideration the resolution regarding 54 Grand Street in Middletown. Ms. Weil abstained from the vote.

Ms. Foley asked the Mortgage Committee members to consider the minutes from the January 25, 2018, meeting.

Upon a motion made by Ms. DeWyngaert, seconded by Ms. Weil, the Mortgage Committee members voted in favor of adopting the minutes from the January 25, 2018, meeting as presented. Ms. Woodsby abstained.

Ms. O'Brien reported on multifamily activities comprised of funding rounds, sessions/workshops and the Qualified Allocation Plan Task Force.

There being no further business to discuss, upon a motion made by Ms. Klein, seconded by Ms. Woodsby and unanimously approved the meeting was adjourned at 9:20 a.m.