

Minutes  
Connecticut Housing Finance Authority  
Board of Directors Meeting No. 589  
February 25, 2021

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner of the Department of Housing  
Jerrold Abrahams  
Cindy Butts  
Wendy Clarke  
Kiley Gosselin  
Timothy Hodges  
Steven Kitowicz, representing Melissa McCaw, Secretary, State Office Policy and Management  
Catherine MacKinnon  
Jorge Perez, State Banking Commissioner  
Franklin Perry II  
Sarah Sanders, representing Shawn Wooden, State Treasurer  
Lisa Tepper Bates  
Gregory Ugalde

Directors Absent: Heidi DeWyngaert, Vice Chairperson of CHFA and Chairperson of the Mortgage Committee  
Glendowlyn Thames, representing David A. Lehman, Commissioner, Department of Economic & Community Development

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 that CHFA received a \$3 million Capital Magnet Fund Award from the Community Development Financial Institutions Fund. She also reported that she was a speaker at the National Council of State Housing Agencies racial justice symposium held to discuss how to enable greater degrees of housing equity and racial justice through public policy settings, business practices and partnerships. She stated that discussion of the impact of the 4% Low-Income Housing Tax Credit fixed rate on CHFA's pipeline will be on next month's Board agenda followed by discussion of homeownership strategies in April.

Robert Michalik, Director, Government Relations, provided a federal legislative update outlining the new political landscape in Washington and the major provisions of the proposed American Rescue Plan which includes substantial housing dollars for rental assistance, emergency rental

assistance and homeowner assistance. Mr. Michalik summarized state legislative proposals that directly impact CHFA including a bill regarding the Down Payment Assistance Program and, an additional loan guaranty program similar to EMAP and a bill that would permit the use of insurance instead of surety bonds for board member and staff liability coverage.

Masouda Omar, Managing Director, Multifamily, provided a summary of the Mortgage Committee's recommendation of a resolution authorizing approval of the prepayment of loans and permanent tax exempt bond mortgage financing for Barnum House, located in Bridgeport, Connecticut.

Upon a motion made by Mr. Ugalde, seconded by Mr. Kitowicz, the Board members voted by roll call and were in favor of adopting the following resolution regarding Barnum House, Bridgeport. Mr. Hodges abstained from voting.

RESOLUTION REGARDING FINANCING OF  
BARNUM HOUSE, BRIDGEPORT, CONNECTICUT  
DEVELOPMENT NO. 20 - 412M

WHEREAS, prior resolutions adopted by the Board of Directors of the Connecticut Housing Finance Authority (the "Authority") authorized mortgage financing for Barnum House, a 84-unit elderly development located in Bridgeport, Connecticut (the "Development") and provided Barnum House Associates Limited Partnership (the "Mortgagor") with mortgage financing (the "Prior Loans"); and

WHEREAS, the Mortgagor has requested permission to prepay the Prior Loans and Barnum House Developer, LLC, an affiliate of The Related Companies, Inc., has applied to the Authority for mortgage financing for the acquisition and rehabilitation of the Development; and

WHEREAS, the Authority desires to permit prepayment of the Prior Loans and to provide mortgage financing to Barnum House Preservation, L.P. and/or a related entity otherwise acceptable to the Authority (the "Proposed Mortgagor"), all as described herein and in the attached Memorandum and Development Summary Materials from Colette Slover, Underwriter III, dated February 25, 2021 (the "Memorandum").

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

Section 1. Prepayment of the principal balance and all accrued interest of the Prior Loans is hereby authorized in connection with the completion of the acquisition and rehabilitation of the Development and the mortgage financing authorized herein.

Section 2. The Authority is authorized to provide a permanent loan in a principal amount not to exceed \$9,300,000. The permanent loan shall be secured by a first-priority fee simple mortgage on the Development, shall accrue interest on amounts advanced at a rate not to exceed 4.5% per annum and principal and interest repayment shall be based upon an amortization schedule of 40 years over a term of up to 40 years, after which all outstanding permanent loan

principal and interest shall be due, *provided, however*, the permanent loan may be prepaid in full: (i) after 15 years of the permanent loan term by virtue of refinance with a mortgage loan from the Authority and subject to the satisfaction of all applicable Authority requirements, including the payment of a housing program maintenance fee equal to 1% of the outstanding principal balance, or (ii) after 20 years of the permanent loan term and subject to the satisfaction of all applicable Authority requirements, including the payment of a housing program maintenance fee equal to 1% of the outstanding principal balance. The Authority will fund this loan with Tax-Exempt 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. To the extent other sources of funding 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 3. 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 17 units shall be set aside for elderly households at or below 50% of area median income, 66 units shall be set aside for elderly households at or below 60% of area median income, and 1 unit shall be set aside as a non-revenue/employee unit;
- 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 approval of the transfer of ownership of the Development to the Proposed Mortgagor and the issuance of a new 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, 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 4. 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 5. 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 November 30, 2021 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.

*(Barnum House, Bridgeport, 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 \$10,230,000.00 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2021 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 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 B 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 \$10,230,000 Housing Mortgage Finance Program Bonds, 2021 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 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 \$10,230,000 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 B 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.

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Ms. Omar provided a summary of the Mortgage Committee's recommendation of a resolution extending the agreement for CHFA's Suburban and Rural Affordable Housing Technical Assistance Program for an additional year.

Upon a motion made by Mr. Ugalde, seconded by Mr. Kitowicz, the Board members voted by roll call and were in favor of adopting the following resolution approving the Renewal of Investment in Suburban and Rural Affordable Housing Technical Assistance Program:

**RESOLUTION REGARDING RENEWAL OF INVESTMENT IN SUBURBAN  
AND RURAL AFFORDABLE HOUSING TECHNICAL ASSISTANCE PROGRAM**

WHEREAS, in 2006, the Connecticut Housing Finance Authority (the "Authority") issued a request for proposal for the administration of a pilot program of technical assistance for the development of affordable housing in suburban and rural communities within the State (the "Program"); and

WHEREAS, in 2007, the Authority selected the proposal of Local Initiatives Support Corporation ("LISC") for the Program and entered into an agreement (the "Program Agreement")

for the administration and funding of the Program with LISC, which agreement was extended in accordance with a resolution of the Board of Directors dated January 30, 2020; and

WHEREAS, the Authority desires to renew and extend the term of the Program Agreement, as described in the attached Memorandum dated February 25, 2021 from Terry Nash Giovannucci, Community Engagement Manager (the “Memorandum”).

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

Section 1. The Chief Executive Officer - Executive Director is hereby authorized to renew and extend the Program Agreement for an additional term of up to one year and to take all other actions consistent with this Resolution and the Memorandum, as may be in the best interest of the Authority and necessary for the development of quality affordable housing.

Section 2. 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 and as may be necessary to effectuate this Resolution.

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Ms. Omar presented proposed revisions to CHFA’s Preservation of Housing Affordability policy statement. Discussion ensued regarding the benefits of prepayments to the developer, restrictions on annual employment income verification, clarification of safeguards regarding equity guidelines and the use of CEO-Executive Director delegated authority for prepayments and reporting to the Board of Directors.

Ms. Omar reported on the status of the COVID forbearance program, stating that there were no new requests since last month, demand continues to be lower than expected and that staff continues to evaluate the program to determine if it will need to be extended past June 30, 2021.

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

Upon a motion made by Mr. Ugalde, seconded by Mr. Kitowicz, the Board members voted by roll call and were in favor of accepting the following consent agenda items. Mr. Kitowicz and Ms. Gosselin abstained from voting on the January 28, 2021 regular meeting minutes. Ms. Tepper Bates was not present for the vote.

Reports Accepted:

- 2021 Series A Bond Issue (Single Family)
- Financial Reports
- Delinquency and Forbearance Reports
- Finance Audit Monthly Tracking Report
- Temporary Mortgage Assistance Program Report
- Multifamily Activities
- Minutes from January 28, 2021 Regular Meeting

There was discussion of the potential impact the provisions of the American Rescue Plan may have on CHFA staff, the parameters of the assistance to be provided and the status on the development of the processes to administer the assistance programs.

There being no further business to discuss, upon a motion made by Mr. Ugalde, seconded by Mr. Kitowicz, the Board members voted unanimously to adjourn the meeting at 10:59 a.m.