

Proposed Draft Minutes
Connecticut Housing Finance Authority
Board of Directors' Meeting No. 575
July 25, 2019

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA (by phone)
Anne Foley, Chairperson of the Mortgage Committee, representing
Melissa McCaw, Secretary, State Office of Policy and Management
Kiley Gosselin
Timothy Hodges
David Kooris, representing the Department of Economic & Community Development
Franklin Perry II
Jorge Perez, State Banking Commissioner
Sarah Sanders, representing Shawn Wooden, State Treasurer
Jared Schmitt, Chairperson of the Finance/Audit Committee
Lisa Tepper Bates
Carla Weil

Directors Absent: Michael Cicchetti

Ms. Mosquera-Bruno called the meeting of the Connecticut Housing Finance Authority ("CHFA") to order at 9:30 a.m. in the Boardroom of CHFA, 999 West Street, Rocky Hill, Connecticut.

Mr. Thomas A. Hennick, Public Education Officer of the State of Connecticut Freedom of Information ("FOI") Commission, was introduced and provided an overview of the requirements of public agencies under the Freedom of Information Act. He provided a brief history of FOI, stating that the two main provisions of the law are public access to meetings and records. He emphasized the need for transparency. He described three types of meetings held (Regular, Special and Emergency) and the parameters to be followed in regards to meeting notice, minutes and public access. Mr. Hennick also discussed the requirements and reasons for going into Executive Session at a publicly noticed meeting, reiterating the need for transparency. There must be a motion made to go into an Executive Session stating the topic to be discussed and a two thirds vote. He said that the Board can stay in Executive Session as long as it chooses, but stressed that the Board can discuss only the issue that is the subject of the Executive Session. Mr. Hennick also stressed that no votes can be taken in the Executive Session and actions resulting from the session must be voted on in public. He outlined what the definition of "meetings" does not include under FOI, and explained several exemptions set forth in the law with respect to the public disclosure of documents. He also outlined the process and timeline for responding to a request for documents.

Ms. Mosquera-Bruno presented a Proclamation from Governor Ned Lamont to Nancy O'Brien, Managing Director, Multifamily in recognition of her years of service to CHFA. She expressed the Board's appreciation and thanks for Nancy's work at CHFA. Nancy will be retiring at the end of July.

Mr. Taib, Chief Financial Officer, discussed the Request for Proposal ("RFP") process conducted for the selection of an external auditor. The RFP was published on May 20, 2019. CHFA received five proposals. He outlined the evaluation criteria, which included the firm's experience, qualifications and competitiveness.

Upon a motion made by Mr. Hodges, seconded by Mr. Schmitt, the Board members voted unanimously in favor of adopting the following resolution selecting BlumShapiro as the external auditor for CHFA.

RESOLUTION REGARDING EXTERNAL AUDITOR FOR THE AUTHORITY

WHEREAS, pursuant to Section 8-249(c)(4) of the Connecticut General Statutes, and Sections I(D) and V(C-1) of the Procedures of the Connecticut Housing Finance Authority (the "Authority"), the Authority is required to solicit proposals for an external auditor at least once every three (3) years; and

WHEREAS, based upon staff review of qualifications and financial information provided, the Authority has determined that BlumShapiro be selected as external auditor for the Authority for a period of up to three (3) years.

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

Section 1. BlumShapiro is hereby retained by the Authority as external auditor for a period of up to three (3) calendar years subject to negotiation of reasonable contract terms and fees by the Interim Executive Director, or her successor.

Section 2. This Resolution shall take effect immediately.

Ms. Nash, Manager II, Planning, Research & Evaluation, presented the resolution adopting CHFA's 2019 Low-Income Housing Tax Credit ("LIHTC") Qualified Allocation Plan ("QAP"). She noted that at the May 30, 2019 meeting, the Board authorized a public hearing for the QAP. The public hearing was held on June 20, 2019 and public comments were received on that date as well as during the public comment period which took place June 2, 2019 to July 1, 2019. Ms. Nash summarized the comments received and stated that a summary matrix of public comments was provided to the Board for informational purposes. She explained the process that the QAP Task Force follows for reviewing public comments. In consideration of this year's timeframe, the Task Force determined that the comments received will become topics of discussion for the 2020 QAP revision.

There was discussion regarding the Opportunity Zones and potential changes to the 2019 QAP to include additional points allowing developers and investors to take full advantage of the tax benefits associated with the program. The timing associated with the different benefit levels was provided. A concern was expressed with providing more incentives for affordable housing in areas that already have a high concentration of poverty. There was further discussion about the challenges that LIHTC investors face in accessing the tax benefits afforded with respect to the Opportunity Zone program. It was noted that the final regulations for the Opportunity Zone program have not been finalized and in consideration of the timing of the next LIHTC Round there was general consensus to move forward with adopting the 2019 QAP as presented.

Upon a motion made by Ms. Weil, seconded by Mr. Perez, the Board members voted unanimously in favor of adopting the following resolution adopting the 2019 Low-Income Housing Tax Credit Qualified Allocation Plan of CHFA.

RESOLUTION ADOPTING THE 2019 LOW-INCOME HOUSING TAX CREDIT
QUALIFIED ALLOCATION PLAN OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY

WHEREAS, the Connecticut Housing Finance Authority (the “Authority”) is the designated state housing credit agency responsible for the allocation and administration of Low-Income Housing Tax Credits for the State of Connecticut; and

WHEREAS, by resolution approved May 30, 2019, the Authority authorized for public hearing its 2019 Low-Income Housing Tax Credit Qualified Allocation Plan; and

WHEREAS, a public hearing was held on June 20, 2019; and

WHEREAS, the public hearing has ended and comments have been reviewed; and

WHEREAS, the Authority desires to adopt the 2019 Low-Income Housing Tax Credit Qualified Allocation Plan, as provided herein.

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

Section 1. The attached Low-Income Housing Tax Credit Qualified Allocation Plan for 2019 is hereby adopted.

Section 2. The Interim Executive Director of the Authority, or her successor, is hereby authorized to take all other actions consistent with this Resolution, the Qualified Allocation Plan, the Internal Revenue Code and the Regulations thereunder, as amended, as may be necessary to effectuate this Resolution.

Ms. Nash stated that at the May 30, 2019 meeting, the Board authorized for public comment proposed amendments to the Low-Income Housing Tax Credit (“LIHTC”) Procedures. She reported that no specific comments were received regarding the proposed amendments and there was one general comment regarding the cap on tax credits per unit. A red-lined copy of the proposed changes and a clean copy were provided to the Board prior to the meeting. She recommended that the Board adopt the amended LIHTC Procedures, as presented.

Upon a motion made by Ms. Tepper Bates, seconded by Ms. Gosselin, the Board members voted in favor of adopting the following resolution adopting amendments to CHFA’s Low-Income Housing Tax Credit Procedures. Ms. Sanders was not present for the vote.

**RESOLUTION ADOPTING AMENDMENTS TO THE
CONNECTICUT HOUSING FINANCE AUTHORITY
LOW-INCOME HOUSING TAX CREDIT PROCEDURES**

WHEREAS, the Connecticut Housing Finance Authority (the “Authority”) is the designated state housing credit agency responsible for the allocation and administration of Low-Income Housing Tax Credits in the State of Connecticut; and

WHEREAS, the Authority is subject to the provisions of Chapter 12 of Title 1 of the Connecticut General Statutes (the “Quasi-Public Agencies Act”); and

WHEREAS, by Resolution approved May 30, 2019, the Authority authorized, for public comment purposes, proposed amendments to its Low-Income Housing Tax Credit Procedures; and

WHEREAS, the public comment period has ended and comments have been reviewed; and

WHEREAS, the Authority desires to adopt amendments to its Low-Income Housing Tax Credit Procedures, as provided herein.

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

The Board of Directors hereby adopts the attached amendments to the Authority’s Low-Income Housing Tax Credit Procedures.

Mr. Taib summarized the amendment to the Crumbling Foundations Act establishing a supplemental collapsing foundation loan program to be administered by CHFA. He outlined the program parameters and the need to enter into a Memorandum of Understanding (“MOU”) with the Department of Banking and State Comptroller to adopt relevant protocols to implement the program. He explained how the Supplemental Collapsing Foundation Loan Guaranty Program works in conjunction with the State captive insurance company. It was noted that CHFA has an

administrative role in the program and the administrative process is dictated by law. A question was raised as to whether the Board would need to modify the resolution if changes are made to the program by the State Legislature. Counsel advised that the resolution authorizes the Interim Executive Director to take action consistent with the public act.

Upon a motion made by Ms. Tepper-Bates, seconded by Mr. Perry, the Board members voted in favor of adopting the following resolution regarding the Memorandum of Understanding for the Supplemental Collapsing Foundation Loan Guarantee Program. Ms. Sanders was not present for the vote.

RESOLUTION REGARDING MEMORANDUM OF UNDERSTANDING
FOR THE SUPPLEMENTAL COLLAPSING
FOUNDATION LOAN GUARANTEE PROGRAM

WHEREAS, a supplemental collapsing foundation loan program (“the “Program”) was established pursuant to Public Act 19-192 (the “Act”) to guarantee repayment of loans made by eligible financial institutions, which Program is to be administered by the Connecticut Housing Finance Authority (the “Authority”);

WHEREAS, in accordance with the Act, the Authority, the Department of Banking (“DOB”), and the Office of State Comptroller (the “Comptroller”) may enter into a memorandum of understanding in order to carry out the provisions of the Program; and

WHEREAS, the Authority desires to enter into a memorandum of understanding with DOB and the Comptroller, as described in the attached memorandum dated July 25, 2019 from Hazim Taib, Chief Financial Officer.

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

Section 1. The Interim Executive Director, or her successor, is authorized to enter into a memorandum of understanding with DOB and the Comptroller in order to carry out the Authority’s administration of the Program.

Section 2. The Interim Executive Director, or her successor, is hereby authorized to modify or supplement the terms and conditions hereof and to take all other actions consistent with the Act, as may be necessary to effectuate this Resolution.

Ms. Martin, Federal Legislative Program Officer and Interim Managing Director of Administration, provided an update on federal legislative activities. She reported that the House just approved a two year spending deal raising spending levels over the existing caps and raising the debt ceiling limit until 2021. The Senate is expected to approve the deal next week. CHFA continues to monitor the progress of the Cantwell-Young Bill.

Ms. Martin reported on the status of CHFA's process improvement initiatives. An in-depth review of the Housing Counseling Program's curriculum is being conducted with the goal of reviewing the current curriculum and maximizing the efficient use of CHFA resources in this area. Completion of the project is expected this fall. The Data Management Project team and the Information Technology department have developed an automated cross-check system to fix inconsistencies in the data of the loan origination system and loan servicing system. The project is near completion and should be finalized in August. There was a request that a matrix of the goals and accomplishments of the Lean program be provided to the Board. It was also requested that Board members be given the opportunity to attend process improvement events. A list of meetings will be provided.

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

Upon a motion made by Mr. Perez, seconded by Ms. Weil the Board members voted in favor of accepting the following consent agenda items. Ms. Sanders was not present for the vote.

Reports Accepted:

- Financial Reports
- Delinquency Reports
- Investment and Swap Reports
- Finance/Audit Monthly Tracking Report
- Multifamily Activities
- Minutes from June 19, 2019 Meeting
- Minutes from June 27, 2019 Meeting

Ms. Diane Smith, Interim Executive Director, stated that the Annual National Council of State Housing Agencies ("NCSHA") Conference will be held October 19th-22nd in Boston. Board members interested in attending should contact Ms. Mosquera-Bruno. A meeting agenda will be sent to the Board for their consideration. Ms. Smith also reported that CHFA's Annual Report has been published and is available for review on the website.

There being no further business to discuss, the meeting adjourned at 10:55 a.m.