

Minutes  
Connecticut Housing Finance Authority  
Board of Directors Meeting No. 593  
June 24, 2021

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner of the Department of Housing  
Cindy Butts  
Heidi DeWyngaert, Vice Chairperson of CHFA and Chairperson of the Mortgage Committee  
Kiley Gosselin  
Timothy Hodges  
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: Jerrold Abrahams  
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 10:01 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, provided a report including an overview of this past month's multifamily groundbreaking events. During the report presentation, State Senator Catherine Osten, 19<sup>th</sup> District, was permitted to make a public comment stating opposition to adoption of the proposed qualified allocation plan and requesting a delay in adoption or grandfathering of certain projects located in eastern Connecticut.

Robert Michalik, Director, Government Relations, provided an update summarizing current developments in both state and federal legislation and policy.

Ms. Sanders reported that the Finance Committee discussed the request for proposals for bond underwriters.

Masouda Omar, Managing Director, Multifamily, provided a summary of the Mortgage Committee's recommended resolution authorizing construction-to-permanent mortgage financing of up to \$28,070,000 for Coleman Towers Apartments, located in Stamford, Connecticut.

Upon a motion made by Ms. DeWynngaert, seconded by Mr. Ugalde, the Board members voted by roll call and were in favor of adopting the following resolution regarding Coleman Towers Apartments, located in Stamford, Connecticut. Ms. Butts opposed adoption of the resolution.

RESOLUTION REGARDING FINANCING OF  
COLEMAN TOWERS APARTMENTS, STAMFORD, CONNECTICUT  
CHFA DEVELOPMENT NO. 21 - 402M

WHEREAS, Spruce CT Owner LLC has applied to the Connecticut Housing Finance Authority (the "Authority") for mortgage financing for the acquisition, rehabilitation and expansion of an 89-unit to a 132-unit housing development, to be known as Coleman Towers Apartments, located in Stamford, Connecticut (the "Development"); and

WHEREAS, the Authority desires to provide mortgage financing for the Development to Spruce CT Owner LLC 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 I, dated June 24, 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 a construction loan in a principal amount that shall not exceed \$6,148,450 and a permanent loan in a principal amount that shall not exceed \$24,000,000, *provided, however*, the aggregate principal loan amount of the permanent and construction loans shall not exceed \$28,070,000. The loan shall be secured by a first-priority fee simple mortgage on the Development. The construction loan shall accrue interest on amounts advanced at a rate not to exceed 4.65% per annum and shall be paid monthly, in arrears, over a term of 24 months, after which all construction loan principal and interest shall be due in full, *provided, however*, to the extent that the construction loan is funded with Capital Magnet Fund ("CMF") grant proceeds, it shall accrue interest on amounts advanced at a rate not to exceed 3.00% per annum. The permanent loan shall accrue interest on amounts advanced at a rate not to exceed 4.75% per annum and shall be repaid monthly in arrears, as follows: (i) interest-only payment for a period of 24 months, immediately followed by (ii) principal and interest repayment based upon an amortization schedule of 40 years over a period of 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) on or 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) on or 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 including, without limitation, CMF grant proceeds, 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 interest of the Authority, the Authority finds that mortgage loan financing is not readily available from

another source and 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 27 units shall be set aside for households at or below 50% of area median income and 88 units shall be set aside for households at or below 60% 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. 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 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 March 31, 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.

*(Coleman Towers Apartments, Stamford, 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 \$30,900,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2021 Series G (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 G 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 \$30,900,000 Housing Mortgage Finance Program Bonds, 2021 Series G (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 \$30,900,000 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 G 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 recommended resolution authorizing the prepayment of existing mortgage financing participations for 323 Fairfield Avenue at Bijou Square, located in Bridgeport, Connecticut.

Upon a motion made by Ms. Butts, seconded by Ms. Tepper Bates, the Board members voted by roll call and were unanimously in favor of adopting the following resolution regarding 323 Fairfield Avenue at Bijou Square, located in Bridgeport, Connecticut:

RESOLUTION REGARDING THE PREPAYMENT  
OF MORTGAGE LOAN PARTICIPATIONS FOR  
323 FAIRFIELD AVENUE AT BIJOU SQUARE, BRIDGEPORT, CONNECTICUT  
CHFA DEVELOPMENT NO. 08 – 015GE

WHEREAS, in accordance with resolutions of the Board of Directors of the Connecticut Housing Finance Authority (the "Authority") adopted on April 30, 2009 and December 17, 2009, the Authority entered into a loan participation in the amount of \$12,000,000 in a construction/permanent first mortgage loan (the "First Mortgage Loan") and the amount of \$2,200,000 in a second mortgage loan (the "Second Mortgage Loan"), both made by the Housing Development Fund, Inc. to 323 Fairfield Avenue, LLC (the "Mortgagor") for an 84 unit development known as 323 Fairfield Avenue at Bijou Square and located in Bridgeport, Connecticut (the "Development");

WHEREAS, the Authority's participation in the First Mortgage Loan was funded with taxable bond proceeds and the Authority's participation in the Second Mortgage Loan was funded with Community Investment Act funds;

WHEREAS, the Mortgagor has requested permission to transfer ownership of the Development and to prepay the First Mortgage Loan and the Second Mortgage Loan (collectively, the "Loan") in accordance with terms and conditions provided herein; and

WHEREAS, the Authority desires to waive certain accrued interest and applicable fees and permit the prepayment of the First Mortgage Loan and the Second Mortgage Loan upon terms and conditions ensuring the preservation of affordable housing, as stated herein and as described in the attached Memorandum from Mentor Ameti, Asset Manager III, dated June 24, 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 Loan is hereby authorized upon the following conditions:

(a) The full repayment to the Authority of all amounts due on the First Mortgage Loan, *provided, however*, all prepayment fees required in accordance with the terms of the First Mortgage Loan and all late fees and other charges provided for in accordance with the terms of the First Mortgage Loan shall both be waived and not payable;

(b) The full repayment to the Authority of all amounts due on the Second Mortgage Loan, *provided, however*, all accrued interest, all prepayment fees required in accordance with the terms of the Second Mortgage Loan, and all late fees and other charges provided for in accordance with the terms of the Second Mortgage Loan shall both be waived and not payable;

(c) Evidence acceptable to the Authority that the Development will remain subject to a continued affordability restrictive covenant for the remainder of the original term of, and on substantially the same terms and conditions as, the existing HOME program funds affordability restrictive covenant in favor of the City of Bridgeport;

(d) Evidence acceptable to the Authority that the Development will remain subject to the existing housing trust funds restrictive covenant in favor of the State of Connecticut Department of Economic and Community Development;

(e) Compliance by the Mortgagor and any proposed purchaser with all applicable law, the Authority's policies and procedures, the provisions of the Memorandum, and such other requirements deemed necessary for the benefit and preservation of affordable housing, *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 2. The Chief Executive Officer - Executive Director is hereby authorized to accept prepayment of the Loan and to execute all required documents and releases to effectuate the prepayment as provided herein and upon terms and conditions as she determines to be in the best interest of the Authority, *provided, however*, the transaction is completed to the satisfaction of the Authority on or before December 31, 2021, unless time for compliance is further extended by the Chief Executive Officer - Executive Director upon good cause shown and payment of any extension or other fees as may be required.

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Terry Nash Giovannucci, Community Engagement Manager, presented the resolution to adopt the 2022-23 low-income housing tax credit qualified allocation plan, summarizing the review process including the public comment period, common themes expressed at the public hearing and the level of outreach to stakeholders and their level of engagement in development of the 2-year QAP. Upon a motion made by Ms. Gosselin and seconded by Mr. Perez, discussion ensued regarding adoption of the proposed 2022-2023 low-income housing tax credit qualified allocation plan and certain public comment and correspondence made by members of the Connecticut general assembly.

Upon a motion made by Mr. Perez, seconded by Ms. Butts, the Board members voted by roll call and were in favor of tabling or postponing the motion to adopt the 2022-23 low-income housing tax credit qualified allocation plan until the next Board meeting. Ms. Gosselin and Mr. Ugalde opposed postponing the motion.



Mr. Ugalde stated the importance of the established public input process in support of his opposition. Ms. DeWyngaert was not present for the vote.

Hazim Taib, Chief Financial Officer, provided an update on the status of the Single Family Homeownership Program, outlining implemented and proposed strategies to assist low-to-moderate income borrowers in purchasing and retaining their homes.

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

Upon a motion made by Ms. Butts, seconded by Mr. Hodges, the Board members voted by roll call and were unanimously in favor of accepting the following consent agenda items. Ms. DeWyngaert was not present for the vote.

Reports Accepted:

- Request for Proposals for Bond Underwriters
- Financial Reports
- Delinquency and Forbearance Reports
- Immediate and Temporary Financial Accommodations for Multifamily Mortgagors due to COVID-19 Pandemic
- Monthly Tracking Report
- Multifamily Activities
- Minutes from May 27, 2021 Regular Meeting

Ms. Mosquera-Bruno stated that July's meeting will be a virtual meeting and there was discussion regarding the conduct of future meetings.

There being no further business to discuss, upon a motion made by Ms. Tepper Bates, seconded by Mr. Ugalde, the meeting adjourned at 11:23 a.m.