

Minutes  
Connecticut Housing Finance Authority  
Board of Directors' Meeting No. 574  
June 27, 2019

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner of the Department of Housing  
Heidi DeWyngaert, Vice Chairperson of CHFA  
Michael Cicchetti (by phone)  
Kathleen Dorgan (by phone)  
Kiley Gosselin  
Timothy Hodges  
David Kooris, representing the Department of Economic & Community Development (by phone)  
Sarah Sanders, representing Shawn Wooden, State Treasurer  
Jared Schmitt, Chairperson of the Finance/Audit Committee  
Matt Smith, representing Jorge Perez, State Banking Commissioner  
Lisa Tepper Bates (by phone)  
Carla Weil

Directors Absent: Anne Foley, Chairperson of the Mortgage Committee, representing  
Melissa McCaw, Secretary, State Office of Policy and Management  
Franklin Perry II

Ms. Mosquera-Bruno called the meeting of the Connecticut Housing Finance Authority ("CHFA") to order at 9:35 a.m. in the Boardroom of CHFA, 999 West Street, Rocky Hill, Connecticut. She asked for public comments, and there were none.

Ms. Mosquera-Bruno asked the Board to consider going into executive session as listed on the meeting agenda for the purpose of discussing the appointment of the Interim Executive Director and the appointment of a Personnel Search Committee regarding a permanent Executive Director.

Upon a motion made by Mr. Schmitt, seconded by Mr. Smith, the Board members voted unanimously in favor of going into executive session at 9:36 a.m. to discuss the appointment of the Interim Executive Director and the appointment of a Personnel Search Committee regarding a permanent Executive Director. Attorney Hicks and Mr. Bates were invited to remain during the executive session.

The executive session ended at 10:00 a.m. and the regular meeting was immediately reconvened.

Ms. Smith, Interim Executive Director, provided the Interim Executive Director Report. She recognized Ms. Foley for receiving the Diane Randall Award for her exemplary leadership efforts in preventing and ending homelessness. Ms. Smith mentioned that she and Ms. Mosquera-Bruno visited the Massachusetts Housing Finance Agency to learn about its products

and services offered. Ms. Smith and Ms. Mosquera-Bruno will be contacting each member of the Board to talk about the structure of the Board and Committee meetings and to obtain input on what is needed and/or expected from staff.

Mr. Taib, Chief Financial Officer, discussed the recommendation to commence necessary preparations for the 2019 Series E Bond issue for the single-family program. The bonds, together with other available funds, are anticipated to generate approximately \$125,000,000 of lendable proceeds to finance approximately 701 first-time homeowners. CHFA expects the sale to commence on July 16<sup>th</sup> and close on August 8<sup>th</sup>. Due to the scarcity of its private activity bond volume cap, CHFA anticipates using \$64,000,000 of the 2019 allocation, \$15,000,000 of taxable and \$46,000,000 of prepayments to generate the funding. Mr. Taib stated that the resolution names RBC Capital Markets to act as the book running senior manager for the issue. Staff was asked to provide education to the Board on the private activity volume cap.

Upon a motion made by Mr. Hodges, seconded by Mr. Smith, the Board members voted unanimously in favor of adopting the following resolution authorizing the commencement of necessary preparations for the 2019 Series E bond sale for the housing mortgage finance program.

**RESOLUTION FOR THE COMMENCEMENT OF NECESSARY  
PREPARATIONS FOR THE 2019 SERIES E BOND SALE  
HOUSING MORTGAGE FINANCE PROGRAM**

WHEREAS, in order to maintain continuity of the Authority's Housing Mortgage Finance Program, it is appropriate to obtain additional funds from one or more bond sales;

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

1. The Interim Executive Director 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 aggregate amount not to exceed \$150,000,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2019 Series E (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 Interim 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 Interim 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) for the Bonds (the "Official Statement(s)") and to execute and deliver the Official Statement(s).

7. The Interim 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 Interim 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 Interim 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 meet the requirements of the General Bond Resolution and is satisfactory to the Interim Executive Director and/or Chief Financial Officer in conjunction with the 2019 Series E bond sale (collectively, the "Swap"). The Interim Executive Director and/or Chief Financial Officer is hereby authorized to approve, execute and deliver all documents necessary to consummate the Swap, in the best interest of the Authority, as determined by the Interim Executive Director and/or Chief Financial Officer. The Interim 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 Interim 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 \$150,000,000 Housing Mortgage Finance Program Bonds, 2019 Series E (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 Interim 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 Interim 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 Interim Executive Director of the Authority and/or Chief Financial Officer, 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 Interim Executive Director or another duly Authorized Officer of the Authority.

12. The Interim 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 or finance new single and/or multi-family mortgage loans (including mortgage-backed securities consisting of such loans), or reimburse the Authority for having made such mortgage loans, and/or refund current and future maturities of outstanding bonds and/or to refund prepayments.

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 \$150,000,000 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 Interim 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 Interim Executive Director and/or Chief Financial Officer are unable to act in accordance with this resolution or otherwise, 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 Interim 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 the following bond underwriting firm is hereby selected to act as the book running senior manager for the Bonds:

RBC Capital Markets LLC

20. The following bond underwriting firms are hereby selected to act as co-senior bond underwriters for the Bonds:

Bank of America Merrill Lynch (dba Merrill Lynch, Pierce, Fenner & Smith Incorporated)  
Citigroup Global Markets Inc.  
Morgan Stanley & Co. LLC

21. The following bond underwriting firms are hereby selected to act as co-managing underwriters for the Bonds:

Barclays Capital  
Drexel Hamilton LLC  
Janney Montgomery Scott LLC  
J.P. Morgan Securities LLC  
Samuel A. Ramirez & Co. Inc.  
Raymond James & Associates, Inc.  
Rice Financial Products Company  
Roosevelt & Cross, Incorporated  
TD Securities (USA) LLC  
Wells Fargo Securities, LLC

22. The following firms are hereby selected to act as the selling group members for the Bonds:

Academy Securities Inc.  
Bancroft Capital, LLC  
Blaylock Van LLC  
Herbert J. Sims & Co., Inc.  
Intercoastal Capital Markets, Inc.  
Jefferies LLC  
Loop Capital Markets LLC  
Mesirow Financial, Inc.  
Oppenheimer & Co. Inc.

Robert W. Baird & Co. Incorporated  
Ross, Sinclaire & Associates LLC  
Siebert, Cisneros, Shank & Co. LLC  
Stern Brothers & Co.  
UBS Financial Services Inc.

23. The book running 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 2019 Series E Bond issue to provide an update to the Statutory provisions, affidavits and certifications, charitable contributions in the State of Connecticut, investigations, administrative or other legal proceedings and/or settlements by or with governmental entities regulating the conduct of their business, submitted as part of their agreements with the Authority, to the Chief Financial Officer.

24. Failure to provide the information required pursuant to paragraph 23 above, in such form and content as determined by the Interim Executive Director and/or Chief Financial Officer necessary to satisfy the requirements of this resolution, shall render the book-running senior manager, co-senior bond underwriters or co-managing underwriters, as applicable, ineligible to participate in the designated bond issue.

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Ms. Moores discussed authorization for the prepayment of two loans for McKenna Court, a 30-unit, Section 8, State Elderly Program development located at 1-30 McKenna Court in Wallingford. She stated that the Housing Authority of the Town of Wallingford is refinancing the property through the Housing and Urban Development ("HUD") 223(f) Multifamily Loan Program which will allow for the prepayment of the CHFA Investment Trust Account loan (including a Program Maintenance Fee) as well as the original Department of Economic and Community Development loan which was transferred to CHFA in 2003 as part of the State-Sponsored Housing Portfolio. She discussed the details of the loans and summarized the capital needs improvements that will be made to the property. The development will remain in the State Elderly Program and a new 20 year Housing Assistance Program contract has been signed to ensure sustainability and affordability of the property. CHFA will continue to monitor affordability of rent for residents.

Upon a motion made by Mr. Smith, seconded by Ms. Gosselin, the Board members voted in favor of adopting the following resolution regarding the prepayment of the mortgage loans for McKenna Court, Wallingford. Ms. Weil abstained from voting. Mr. Kooris was not present for the vote.

**RESOLUTION REGARDING THE PREPAYMENT OF MORTGAGE LOANS FOR  
MCKENNA COURT, WALLINGFORD, CONNECTICUT  
CHFA DEVELOPMENT NO. 85209D**

WHEREAS, pursuant to a Memorandum of Understanding effective April 9, 2003, by and between the State of Connecticut Department of Economic and Community Development ("DECD") and the Connecticut Housing Finance Authority (the "Authority"), the Authority acquired the interest of DECD in a mortgage loan made to the Housing Authority of the Town

Wallingford (the “DECD Loan”) regarding property of the Housing Authority of the Town of Wallingford (the “Owner”) known as McKenna Court, a 30-unit, Section 8, State Elderly development located in Wallingford, Connecticut (the “Development”); and

WHEREAS, by resolutions adopted on April 24, 2008 and July 31, 2008 the Authority authorized a \$150,000 loan to the Owner from the Investment Trust Account (the “ITA Loan”), to finance capital repairs and replacements at the Development; and

WHEREAS, the DECD Loan will mature January 1, 2020 at which time the Owner’s obligations to the Authority will cease and the ITA Loan will mature April 1, 2025, at which time the Owner’s obligations to the Authority will cease; and

WHEREAS, the Owner has requested permission to prepay the DECD Loan and the ITA Loan in accordance with terms and conditions as provided herein; and

WHEREAS, the Authority desires to allow prepayment of the DECD Loan and the ITA Loan upon terms and conditions for the preservation of affordable housing as stated herein, and as described in the attached memorandum dated June 27, 2019 from Elizabeth Chasse, Asset Manager III and Brenda Kimber, Manager I.

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

Section 1. Prepayment of the ITA Loan and the DECD Loan are hereby authorized upon the following conditions:

- a. The full repayment to the Authority of the principal balance and all accrued interest on the ITA Loan and the DECD Loan;
- b. Evidence acceptable to the Authority that the Development will remain in the State Elderly Program, the Development has entered into new U.S. Department of Housing and Urban Development insured mortgage financing and into a new Housing Assistance Payments contract;
- c. The payment to the Authority of a housing program maintenance fee on the ITA Loan of approximately \$12,747;
- d. Such other requirements for the benefit of affordable housing, as may be determined by the Authority.

Section 2. The Interim Executive Director or her successor is hereby authorized to accept prepayment of the ITA Loan and the DECD Loan and to execute all required documents and releases to effectuate the prepayment as provided herein upon terms and conditions contained herein as he or she determines to be in the best interest of the Authority, provided the transaction is completed to the satisfaction of the Authority on or before March 30, 2020, unless time for compliance is further extended by the Interim Executive Director or her successor upon good cause shown and payment of any extension or other fees as may be required.

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Ms. Fitzgerald, Director of Government Relations, updated the Board on the adopted legislation that will directly impact CHFA. She reported on Public Act 19-74 “An Act Concerning Minority Teacher Recruitment and Retention” and House Bill No. 7179 as amended by House Amendment A “An Act Concerning Crumbling Foundations.” In response to a question on the interest rate for the loans for the crumbling foundations bill, it was stated that, in accordance with the Act, rates cannot exceed the applicable rate of the Federal Home Loan Bank of Boston for Amortizing Advances through the New England Fund program. The state is guaranteeing the loan. It is anticipated that a Memorandum of Understanding (“MOU”) between CHFA, the Department of Banking and State Comptroller to carry out the provisions of the act will be brought before the Board for consideration in July. Staff was commended for their efforts with regard to the passage of this legislation.

Ms. Mosquera-Bruno reported that the Bond Commission has approved \$64,000,000 to fund some of the projects in the State Housing Portfolio and some of the projects that were awarded low-income housing tax credits. The Department of Housing has reviewed and prioritized the projects already in the pipeline and projects ready to close within the next 2-3 months will be given top priority. Ms. Mosquera-Bruno was commended for her efforts to understand and prioritize each project and for moving the process forward.

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

Upon a motion made by Ms. Weil, seconded by Mr. Smith the Board members voted unanimously in favor of accepting the following consent agenda items.

Reports Accepted:

- Financial Reports
- Delinquency Reports
- Finance/Audit Monthly Tracking Report
- Internal Audit Report
- Multifamily Activities
- Minutes from May 30, 2019 Meeting

There being no further business to discuss, upon a motion made by Ms. Sanders, seconded by Mr. Hodges and unanimously approved, the Board members voted to adjourn the meeting at 10:12 a.m.