

Proposed Draft Minutes
Connecticut Housing Finance Authority
Board of Directors' Meeting No. 573
May 30, 2019

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA (by phone)
Kathleen Dorgan
Kiley Gosselin
Timothy Hodges
David Kooris, representing David Lehman, Commissioner of the Department of Economic & Community Development
Franklin Perry II
Jorge Perez, State Banking Commissioner
Sarah Sanders, representing Shawn Wooden, State Treasurer
Lisa Tepper Bates
Carla Weil

Directors Absent: Michael Cicchetti
Anne Foley, Chairperson of the Mortgage Committee, representing Melissa McCaw, Secretary, State Office of Policy and Management
Jared Schmitt, Chairperson of the Finance/Audit Committee

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 members to consider adding to the agenda a discussion and action on the contract for the Executive Director.

Upon a motion made by Ms. Dorgan, seconded by Ms. DeWyngaert, the Board members voted unanimously in favor of adding to the agenda at the end of the meeting a discussion and action on the contract for the Executive Director.

Mr. Kilduff, Executive Director, provided the Executive Director's report. He referred to the ground breakings listed in the report provided. Mr. Kilduff mentioned that CHFA was recognized by *The Bond Buyer* as being the first housing finance agency to issue bonds based on the Secured Overnight Financing Rate ("SOFR"). Mr. Taib elaborated and explained that SOFR is an alternate index to the popular London Interbank Offered Rate ("LIBOR"), used for benchmarking interest rates and measuring borrowing costs. He mentioned that in addition to being the first housing finance agency in the country, CHFA was the fourth overall in the market to issue bonds based on SOFR. Mr. Perez recognized the excellent presentation made at the Finance/Audit Committee meeting this morning by Bank of America Merrill Lynch on CHFA's 2019 Series B issue. The Board members thanked the CHFA team and consultants for taking the lead in the market.

Mr. Kilduff reported on the crumbling foundation legislation and stated that CHFA anticipates playing a role in administering the loan guarantee program for the State of Connecticut.

In continuation of providing Board education, Mr. Kilduff provided an overview of CHFA. He discussed the public act establishing CHFA and other significant federal and state legislation impacting CHFA over the last 50 years. Mr. Kilduff summarized CHFA's impact in the State and noted that CHFA has been able to offer lower than traditional interest rates because of its exceptional bond rating and by maintained discipline.

Ms. Nash, Manager II, Planning, Research & Evaluation, presented the recommendation to authorize a public comment period for the proposed amendments to CHFA's Low-Income Housing Tax Credit ("LIHTC") Procedures. She reviewed the proposed changes that are the subject of the public input and summarized that the amendments support applicant capacity and encourage applicant capacity building with the goal of achieving development completion and tenant occupancy most expeditiously. A suggestion was made to provide more clarity in the new language proposed under A-2, specifically with reference to "the two preceding years" and "until such time." Ms. Nash reviewed the proposed timeline for publication and public comments.

Upon a motion made by Mr. Hodges, seconded by Mr. Kooris, the Board members voted unanimously in favor of adopting the following resolution authorizing the public comment period for proposed amendments with the further modifications discussed herein to the Connecticut Housing Finance Authority Low-Income Housing Tax Credit Procedures:

**RESOLUTION AUTHORIZING PUBLIC COMMENT PERIOD FOR
PROPOSED AMENDMENTS TO THE
CONNECTICUT HOUSING FINANCE AUTHORITY
LOW-INCOME HOUSING TAX CREDIT PROCEDURES**

WHEREAS, the Connecticut Housing Finance Authority (the "Authority") is the designated housing credit agency for the administration and allocation of Low-Income Housing Tax Credits in the State of Connecticut and has adopted Procedures in connection with said responsibilities; 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, the Authority desires to advertise proposed amendments to its Low-Income Housing Tax Credits Procedures for purposes of receiving public comments in accordance with the Quasi-Public Agencies Act; and

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

The Executive Director is hereby authorized to prepare proposed amendments to the Authority's Low-Income Housing Tax Credits Procedures, to publish notice of the Authority's intent to adopt such proposed amendments, and to make available such proposed amendments to the public for comment.

Ms. Nash discussed the recommendation to authorize a public hearing for the LIHTC Qualified Allocation Plan (“QAP”), noting that no changes are being recommended. She stated that CHFA is the allocating agency for Connecticut and allocates LIHTCs in accordance with policies and priorities set forth in the QAP. Ms. Nash mentioned that the QAP Task Force met and reviewed the QAP and determined that no changes would be recommended. In accordance with Internal Revenue Service, a public hearing is required prior to obtaining the approval from the Governor on the QAP, regardless of whether or not there are changes. Subject to Board approval, a public hearing will take place on June 20, 2019 at 1:00 p.m., and the public comment period would be June 2 through July 1. All comments received will be summarized and presented to the Board at the regularly scheduled meeting in July.

Upon a motion made by Ms. Weil, seconded by Ms. Tepper Bates, the Board members voted unanimously in favor of adopting the following resolution authorizing a public hearing for the 2019 Low-Income Housing Tax Credit Qualified Allocation Plan:

RESOLUTION AUTHORIZING A PUBLIC HEARING FOR
THE 2019 LOW-INCOME HOUSING TAX CREDIT
QUALIFIED ALLOCATION PLAN

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

WHEREAS, the Authority is subject to the requirements of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Authority desires to authorize a public hearing regarding the proposed adoption of the 2019 Low-Income Housing Tax Credit Qualified Allocation Plan in accordance with the requirements of the Code.

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

The Executive Director is hereby authorized to hold a public hearing with regard to the proposed 2019 Low-Income Housing Tax Credit Qualified Allocation Plan in accordance with the requirements of the Code.

Ms. Landau, Director of Multifamily, discussed the Memorandum of Agreement (“MOA”) originally executed in 2013 between CHFA and the Department of Housing to accommodate various funding, program and technical assistance activities. The MOA, as extended, will expire, and staff recommends a further extension of the MOA for one additional year. Ms. Landau summarized some of the critical capital improvements made to the State-Sponsored Housing Portfolio since 2013.

Upon a motion made by Mr. Perez, seconded by Mr. Perry, the Board members voted unanimously in favor of adopting the resolution regarding an amendment to the Memorandum of Agreement for the State-Sponsored Housing Portfolio:

RESOLUTION REGARDING AMENDMENT TO THE
MEMORANDUM OF AGREEMENT
FOR THE STATE-SPONSORED HOUSING PORTFOLIO

WHEREAS, the State of Connecticut has authorized \$300 million for rehabilitation of State-Sponsored Housing portfolio developments; and

WHEREAS, the Connecticut Housing Finance Authority (the “Authority”) and the State of Connecticut Department of Housing (“DOH”) are parties to a Memorandum of Agreement regarding the administration of capital funds (the “MOA”), originally executed by the parties in 2013 and amended and extended several times subsequently thereto; and

WHEREAS, the Authority desires to extend the MOA with DOH for one year, as described in the attached memorandum dated May 30, 2019 from Jennifer Landau, Director, Multifamily.

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

Section 1. The Executive Director is authorized to extend the MOA with DOH for one year through June 30, 2020, and any further amendments or annual renewals subsequent thereto will be brought to the Board of Directors for consideration.

Section 2. The 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 necessary to effectuate this Resolution.

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. Sanders, the Board members voted unanimously in favor of accepting the following consent agenda items.

Reports Accepted:

- 2019 Series B Bond Issue (Single Family)
- Financial Reports
- Delinquency Reports
- Finance Audit Monthly Tracking Report
- Single-Family Program Overview
- Community Development Financial Institutions, Quarterly Report

Ms. Mosquera-Bruno asked the Board members to consider the minutes from the April 25, 2019 regular meeting.

Upon a motion made by Ms. Sanders, seconded by Mr. Perez, the Board members voted unanimously in favor of adopting the minutes from the April 25, 2019 regular meeting as presented.

Ms. Mosquera-Bruno asked the Board to consider going into executive session as listed on the meeting agenda regarding pending litigation and a pending claim.

Upon a motion made by Mr. Perez, seconded by Ms. Weil, the Board members voted unanimously in favor of going into executive session at 10:05 a.m. to discuss strategy with respect to pending litigation and a pending claim. Attorney Hicks, Attorney Caldarone, and Mr. Kilduff were invited to remain during the executive session. Attorney Curtin from Murtha Cullina, outside counsel, joined the executive session.

The executive session ended at 10:35 a.m. and the regular meeting was immediately reconvened.

Ms. Mosquera-Bruno asked the Board members to consider going into executive session to discuss the contract of the executive director.

Upon a motion made by Ms. Tepper Bates, seconded by Ms. Gosselin, the Board members voted unanimously in favor of going into executive session at 10:36 a.m. to discuss the contract of the executive director.

The executive session ended at 11:04 a.m., and the regular meeting was immediately reconvened.

Ms. Tepper Bates discussed the recommendation of the Personnel Committee related to the executive director's contract.

Upon a motion made by Ms. Tepper Bates, seconded by Ms. Gosselin, the Board members voted in favor of not renewing the contract of the executive director and providing notice pursuant to the terms of the contract (Ms. Sanders abstained from the vote).

There being no further business to discuss, upon a motion made by Ms. Tepper Bates, seconded by Ms. Gosselin, the Board members voted to adjourn the meeting at 11:06 a.m.