

Minutes
Connecticut Housing Finance Authority
Board of Directors Meeting No. 622
May 30, 2024

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA Board of Directors and
(In Person) Commissioner of the Department of Housing
(Virtually) Jerrold Abrahams
 Cindy Butts
 Philip DeFronzo
 Heidi DeWyngaert, Vice Chairperson of CHFA Board of Directors and
 Chairperson of the Mortgage Committee
 Claudio Gualtieri, Undersecretary of Health and Human Services,
 representing Jeffrey R. Beckham, Secretary, Office of Policy and
 Management
 Timothy Hodges
 Catherine MacKinnon
 Jorge Perez, State Banking Commissioner
 Franklin Perry II
 Matthew Pugliese, Deputy Commissioner, representing Daniel O’Keefe,
 Commissioner of the Department of Economic and Community
 Development
 Chelsea M. Ross
 Sarah Sanders, Chairperson of the Finance/Audit Committee and Deputy
 Treasurer, representing Erick Russell, State Treasurer
 Gregory Ugalde

Directors Absent: Wendy Clarke
 Lisa Tepper Bates

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. Mr. Scott Hunter, a resident of the town of Woodbridge, Connecticut, was present at the meeting and provided comments regarding the William H. Warner elderly housing community located in Woodbridge.

Nandini Natarajan, CEO-Executive Director, summarized the status of the Build for CT middle income rental housing program launched in late 2023 and stated that there is significant interest in this program by developers across the state. Ms. Natarajan also noted that three transactions have closed that will have 213 units of middle-income housing and reported that a strong pipeline has been built for this program. Ms. Natarajan spoke about completing her Achieving Excellence program and thanked the Board for their support. She explained that in the program, she had to solve an organizational challenge of her choice; the challenge had to be central to the mission of CHFA and had to be both challenging and achievable in a reasonable period of time. Her challenge was solving for greater access to affordable and equitable homeownership for black and brown first-time homebuyers. She looked to see if CHFA could take positive steps to remedying this problem and explained the pilot initiative for the Board’s consideration regarding expanding

access to homeownership for first-time homebuyers with student loan debt. Ms. Natarajan also noted that staff will be presenting a discussion regarding financing strategies for mobile and manufactured home loans.

Pasquale Guliano, Managing Director of Multifamily, presented the resolution authorizing approval of a construction-permanent loan of up to \$16,700,000 from taxable bond proceeds for Armstrong Court Phase 4, located in Greenwich, Connecticut.

Upon a motion made by Mr. Ugalde, seconded by Ms. DeWyngaert, the Board members voted by roll call and were unanimously in favor of adopting the following resolution for financing of Armstrong Court Phase 4, located in Greenwich, Connecticut:

**RESOLUTION REGARDING FINANCING OF ARMSTRONG COURT PHASE 4,
GREENWICH, CONNECTICUT; CHFA TAX CREDIT NO. 23 - 904M**

WHEREAS, by resolution adopted on April 27, 2023 (the “Prior Resolution”), the Connecticut Housing Finance Authority (the “Authority”) authorized a reservation of \$1,438,000 of low-income housing tax credits (the “Credits”) for Armstrong Court Phase 4, a proposed 48-unit development to be located in Greenwich, Connecticut (the “Development”), and the Credits were conditionally allocated to the Development on December 22, 2023 in accordance with the low-income housing tax credit program requirements set forth in the Authority’s Qualified Allocation Plan (the “QAP”), Section 42 of the Internal Revenue Code of 1986 (the “Code”), and the regulations promulgated thereunder (the “Regulations”);

WHEREAS, the Housing Authority of the Town of Greenwich (the “Developer”) has applied to the Authority for permanent mortgage financing for the Development; and

WHEREAS, the Authority desires to provide mortgage financing to Armstrong Court Phase 4 Development Limited Partnership and/or a related entity otherwise acceptable to the Authority (the “Proposed Mortgagor”), as described in the attached memorandum and Development Summary Materials from Steven Norris, Multifamily Development Officer IV, dated May 29, 2024 (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 of approximately \$7,200,000 and a construction-to-permanent loan in a principal amount of approximately \$9,500,000, *provided, however*, the aggregate principal loan amount of the construction loan and the construction-to-permanent loan shall not exceed \$16,700,000. Both loans shall be secured by a first-priority fee simple and/or leasehold mortgage lien on the Development. The construction loan shall accrue interest on all amounts advanced at a rate not to exceed: (a) in the event the initial closing of the construction loan occurs on or before December 31, 2024, 6.25% per annum; or (b) in the event the initial closing of the construction loan occurs on or after January 1, 2025, 7.80% per annum. The construction loan 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. The construction-to-permanent loan shall accrue interest on amounts advanced at a rate not to exceed 7.45% 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 35 years, after which all outstanding construction-to-permanent loan principal and interest shall be due, *provided, however*, the construction-to-permanent loan may be prepaid in full: (A) on or after 15 years of the construction-to-permanent loan permanent 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 (B) on or after 20 years of the construction-to-permanent loan permanent 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 the construction loan and/or the construction-to-permanent loan with taxable 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. The Authority may adjust the interest rate limitation set forth herein solely to permit payment of Authority costs and fees related to the mortgage financing. To the extent other sources of funding are deemed to be in the best interests of the Authority, the Authority finds that permanent 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 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 15 units shall be set aside for households at or below 50% of area median income and 33 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 all 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, housing subsidies benefitting the Development, payments to provide supportive services to chronically homeless persons or at risk of becoming homeless, and property management organization and plan; and

(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, the Procedures, the QAP, the Code and the Regulations, 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 February 28, 2025 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.

(Armstrong Court Phase 4, Greenwich, 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 \$18,500,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2024 Series H (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 the 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 the Chief Financial Officer may make such award only if the highest interest rate of any maturity of tax-exempt or taxable fixed-rate Bonds does not exceed by more than 50 basis points the highest interest rate of any maturity of tax-exempt or taxable fixed-rate bonds, respectively, sold in a comparable housing bond pricing included in pricing information provided by the book-running senior manager in connection with the award. Variable-rate Bonds shall bear interest at rates determined in accordance with the below-defined Series Resolution.

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 2024 Series H 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 \$18,500,000 Housing Mortgage Finance Program Bonds, 2024 Series H (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 Trust Company, National Association is hereby authorized to act as Paying Agent and U.S. Bank Trust Company, 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, including, but not limited to, those pooled into mortgage-backed securities, with proceeds of interim borrowings (including, but not limited to, taxable borrowings and lines of credit) or the Authority's own funds, which expenditures are reasonably expected to be reimbursed with the proceeds of tax-exempt debt to be incurred by the Authority in the maximum amount of \$18,500,000. With respect to the reimbursement of any such expenditures, this resolution is the Authority's declaration of intent to authorize such reimbursements and is intended to satisfy the technical requirements of Section 1.150-2(d)(1) of the Treasury Regulations. This reimbursement declaration shall cover expenditures financed by the debt authorized by this resolution or debt approved by later resolution.

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 2024 Series H 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.

Mr. Guliano presented a draft resolution authorizing approval of modified financing of three existing loans for the William H. Warner elderly housing development, located in Woodbridge, Connecticut. Discussion followed.

Upon a motion made by Mr. Pugliese, seconded by Mr. Perez, the Board members voted by roll call and were unanimously in favor of tabling action on the Resolution Regarding Modified Financing of William H. Warner, Woodbridge, Connecticut.

Ms. Hensley, Managing Director of Homeownership Programs, presented the resolution regarding a Pilot Interest Rate Reduction Program to Offset Student Loan Debt.

Upon a motion made by Ms. Butts, seconded by Mr. Ugalde, the Board members voted by roll call and were unanimously in favor of adopting the following Resolution Regarding a Pilot Interest Rate Reduction Program to Offset Student Loan Debt:

RESOLUTION REGARDING PILOT INTEREST RATE
REDUCTION PROGRAM TO OFFSET STUDENT LOAN DEBT

WHEREAS, the Connecticut Housing Finance Authority (the “Authority”) is established as a body politic and corporate, constituting a public instrumentality and political subdivision pursuant to Chapter 134 of the Connecticut General Statutes (the “Act”) for the purpose of alleviating the shortage of housing for low and moderate income families and persons in the State of Connecticut (the “State”);

WHEREAS, student loan debt is deemed to be a significant impediment to first-time homeownership in the State and the reduction of Authority homeownership program interest rates and the resulting reduction of debt-to-income ratios and other financial benefits to first-time homebuyers is found to be consistent with the statutory purposes of the Authority;

WHEREAS, in order to sustain and encourage the homeownership rates of persons with student loan debt in the State, a commitment of \$10,000,000 from the Authority’s Opportunity Fund or such other sources of funding (the “Authority Funds”) is deemed necessary for the establishment and implementation of a certain “Pilot Interest Rate Reduction Program to Offset Student Loan Debt” and a related “Student Loan Borrower Financial Coaching Pilot Program” (collectively, the “Program”);

WHEREAS, the Board of Directors desires to authorize the Chief Executive Officer - Executive Director to commit the Authority Funds in order to establish the Program, as further described in the attached Memorandum dated May 29, 2024 from Lisa Hensley, Managing Director of Homeownership.

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

Section 1. In order to establish the Program, the Chief Executive Officer - Executive Director is hereby authorized to commit and expend the Authority Funds and take all other action consistent with the Act and this Resolution that she deems necessary.

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 the Act, as may be in the best interest of the Authority and necessary for the enhancement of opportunities for homeownership for low and moderate income families and persons in the State with student loan debt.

Ms. Hensley provided a presentation on Financing Strategies for Mobile and Manufactured Homes.

Ms. Mosquera-Bruno asked Board members for a motion to approve the items on the Consent Agenda.

Upon a motion made by Mr. Abrahams, seconded by Mr. Perez, Board members voted by roll call and were unanimously in favor of approving the following consent agenda items.

- 2024 Series C Bond Issue (Single Family)
- Financial Reports
- Production and Delinquency Reports
- Monthly Tracking Report
- Minutes from April 25, 2024 Meeting

There being no further business to discuss, upon a motion made by Mr. Perez, the meeting adjourned by unanimous consent at 11:10 a.m.