

MINUTES
MORTGAGE COMMITTEE MEETING OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
November 29, 2018

Committee Members

Present: Heidi DeWyngaert, Vice Chairperson of CHFA (by phone)
Kathleen Dorgan
Evonne Klein, CHFA Chairperson and Commissioner of the
Department of Housing
Lisa Tepper Bates (by phone—joined at 9:10 a.m.)
Carla Weil

Committee Members

Absent: Anne Foley, Chairperson of Mortgage Committee, representing
Benjamin Barnes, Secretary, State Office Policy and
Management
Richard Orr
Alicia Woodsby

Others Present: Mike Santoro, Department of Housing

Staff Present: Karl Kilduff, Executive Director
Jonathan Cabral, Manager of Planning, Research & Evaluation
Michelle O. DeRosa, Manager 1
Peg Fitzgerald, Director, Government Relations
Robert Hicks, Assistant Director, Legal
Jennifer Landau, Director, Multifamily
Seema Malani, Multifamily Architect 3
Maura Martin, Legislative Program Officer
Wendy Moores, Director, Multifamily
Nancy O'Brien, Managing Director, Multifamily
Victor Rush, Managing Director of Administration
Diane Smith, Director, Planning, Research & Evaluation
Joe Voccio, Director, Multifamily

In the absence of Ms. Foley, Chairperson of the Mortgage Committee (the "Committee"), Ms. Klein called the meeting to order at 9:00 a.m. in the Boardroom of CHFA's offices, 999 West Street, Rocky Hill, Connecticut. There being no objection, the order of the agenda was changed.

Minutes, November 29, 2018, Mortgage Committee Meeting

Adopted January 31, 2019

Mr. Voccio reviewed the request regarding the reservation of 2016 Low-Income Housing Tax Credits (“LIHTC”) for Spruce Meadows/Spruce Ridge, Pawcatuck, a development comprised of 67 affordable units and 19 market rate units. The development was approved for an allocation of 9% LIHTCs from the 2015 or 2016 state housing credit ceiling. Mr. Voccio noted that despite being funded for LIHTCs as a single development, there were separate contractors, separate construction contracts and separate lenders. While construction has been completed on Spruce Meadows, Spruce Ridge experienced some delays. Mr. Voccio summarized the advantages of separating the tax credit allocation between the two projects and providing an allocation of 2018 LIHTCs to Spruce Ridge, conditioned upon a partial return of previously awarded LIHTCs.

Upon a motion made by Ms. Weil, seconded by Ms. Dorgan, the Mortgage Committee members voted unanimously in favor of recommending to the Board for consideration the resolution regarding the 2016 Low-Income Housing Tax Credit allocation for Spruce Meadows/Spruce Ridge, Pawcatuck.

Before presentation by Mr. Voccio on the recommendation regarding the 2016 Low-Income Housing Tax Credit (“LIHTC”) allocation for The Mill at Killingly, Killingly, Ms. Weil noted a potential conflict of interest and recused herself from the discussion. Mr. Voccio mentioned that CHFA approved the reservation of 2016 LIHTCs for The Mill at Killingly. Due to delays in the development schedule, the owner will not be able to complete the requirements to qualify for certification of LIHTCs from the 2016 state housing credit ceiling and staff recommends an allocation from the 2018 state housing credit ceiling conditioned upon the owner retuning all prior credit allocation. In response to a question, Mr. Voccio stated that staff is confident that the owner will meet placed in service requirements for the 2018 state housing credit ceiling.

Upon a motion made by Ms. Dorgan, seconded by Ms. DeWyngaert, the Mortgage Committee members voted in favor of recommending to the Board for consideration the resolution regarding the 2016 Low-Income Housing Tax Credit allocation for The Mill at Killingly, Killingly (Ms. Weil was recused and therefore did not vote).

Ms. Landau discussed the recommendation to authorize the prepayment of South Main Street Limited Equity Cooperative, New Britain, a 10-unit state limited equity cooperative development located within a larger 16-unit condominium complex in New Britain. She mentioned that the first and second mortgage loans on the development were acquired from the State of Connecticut Department of Economic and Community Development in 2003. Ms. Landau stated that the owner has experienced financial and operational difficulties and has been unable to continue operating as a cooperative. All but one member vacated the units and forfeiting authority, and the one remaining member has requested approval to dissolve the cooperative, sell the equity interest and pay all outstanding debt obligations. Ms. Landau stated that the Department of Housing has agreed to release the cooperative from the State-Sponsored Housing Program, allowing for an unrestricted sale and conversion to rental. Ms. Landau discussed the terms of the sale. In response to a question, Ms. Landau stated that the restrictive covenants will be released, but the rental pricing in the market area appears to be within affordable ranges.

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Upon a motion made by Ms. Weil, seconded by Ms. DeWyngaert, the Mortgage Committee members voted unanimously in favor of recommending to the Board for consideration the resolution regarding the prepayment of South Main Street Limited Equity Cooperative, New Britain.

Ms. Klein asked the Mortgage Committee members to consider the minutes from the September 27, 2018 meeting.

Upon a motion made by Ms. Dorgan, seconded by Ms. Weil, the Mortgage Committee members voted unanimously in favor of adopting the minutes from the September 27, 2018 meeting as presented.

Ms. O'Brien reported on multifamily activities, providing an update on the State-Sponsored Housing Portfolio critical needs, CHAMP 12, CHAMP 13 and the 9% Low-Income Housing Tax Credit round. She summarized the overview sessions/workshops held in November.

There being no further business to discuss, upon a motion made by Ms. Dorgan, seconded by Ms. Weil and unanimously approved the meeting was adjourned at 9:27 a.m.