

Minutes
Connecticut Housing Finance Authority
Board of Directors Meeting No. 586
October 29, 2020

Directors Present: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA and Chairperson of the Mortgage Committee
Jerrold Abrahams
Wendy Clarke
Kiley Gosselin
Timothy Hodges
Steven Kitowicz, representing Melissa McCaw, Secretary, State Office Policy and Management
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: Jared Schmitt, Chairperson of the Finance/Audit Committee
Franklin Perry II

Invited Guests: Ted Carroll, Leadership Greater Hartford
Gene Slater, CGS Advisors

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 10:02 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 an update regarding CHFA's administration of the Temporary Rental Housing Assistance Program. Ms. Natarajan also reported that she was recently elected to the National Council of State Housing Agencies (NCSHA) Board of Directors. She also solicited Board interest in attending the NCSHA annual development and educational workshop for board members of housing finance agencies.

Hazim Taib, Chief Financial Officer, requested approval for CHFA to enter into a Master Securities Forward Transaction Agreement (MSFTA) with qualified firms for its single family program.

Upon a motion made by Mr. Abrahams, seconded by Mr. Ugalde, the Board members voted by roll call and were unanimously in favor of adopting the following resolution to enter into a Master Securities Forward Transaction Agreement:

**RESOLUTION TO ENTER INTO A MASTER SECURITIES
FORWARD TRANSACTION AGREEMENT**

WHEREAS, in order to maintain continuity of the Authority's Housing Mortgage Finance Program, it is appropriate to obtain funds from a safe financing alternative to augment funds from bond issues, especially tax-exempt bonds which are limited as to amounts by federal tax laws; and

WHEREAS, in current financial markets there are opportunities to sell mortgage-backed securities ("MBSs") at favorable prices, particularly on a forward delivery basis, and often also enable the seller to retain a portion of the interest on the MBS, which forward delivery sales are made pursuant to an industry standard document entitled a Master Securities Forward Transaction Agreement ("MSFTA"), a form of which is attached hereto as Attachment A; and

WHEREAS, the Authority's practice of investing in MBSs and pooling loans into MBSs affords the Authority an opportunity to sell its MBSs, and yet at its option retain a portion of the interest thereon, consistent with the Authority's Investment Policy, thereby providing a safe alternative source of funding for its Housing Mortgage Finance Program;

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

1. The Chief Executive Officer – Executive Director of the Authority and staff are hereby authorized to sell Authority MBSs as an alternative source of funding to continue the Authority's Housing Mortgage Finance Program.

2. The Chief Executive Officer – Executive Director and/or the Chief Financial Officer and staff of the Authority are hereby authorized to negotiate one or more master securities forward transaction agreements ("MSFTAs") with counterparties that are satisfactory to the Chief Executive Officer – Executive Director and/or the Chief Financial Officer. 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 MSFTAs, including opening related bank accounts to accomplish efficient execution of such transactions, in the best interest of the Authority, as determined by the Chief Executive Officer – Executive Director and/or the Chief Financial Officer. The Chief Executive Officer – Executive Director and/or the Chief Financial Officer is hereby authorized to make such changes, additions, deletions, modifications and amendments to the MSFTAs 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 the Chief Financial Officer is hereby authorized to approve changes, additions, deletions, modifications, novations and amendments to MSFTAs previously executed by the Authority, in each case as may be necessary or desirable and in the best interests of the Authority, and not inconsistent with this authorization.

Masouda Omar, Managing Director, Multifamily, provided a summary of the resolution authorizing approval of prepayment, residual receipt disbursement, and permanent financing for Mapleview Towers, Stamford. Discussion ensued regarding the past performance history of the developer and staff's future monitoring of the progress of the project.

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 Mapleview Towers, Stamford. Mr. Hodges abstained from voting.

RESOLUTION REGARDING FINANCING OF
MAPLEVIEW TOWERS, STAMFORD, CONNECTICUT
CHFA DEVELOPMENT NO. 20-404M

WHEREAS, Stamford Grove Associates applied to the Connecticut Housing Finance Authority (the "Authority") for the financing of Mapleview Towers, a 100-unit elderly development located in Stamford, Connecticut (the "Development") and by resolution adopted on July 31, 2002, the Authority authorized capitalized financing for the Development and provided a \$3,712,460 mortgage loan (the "ITA Loan"), which ITA Loan which will mature on November 1, 2030; and

WHEREAS, the Mortgagor has requested permission to prepay the ITA Loan and to distribute the total available funds in the approximate amount of \$646,000 held by the Authority in the Development's existing residual receipt reserve account (the "Development Funds"), in accordance with terms and conditions as provided herein; and

WHEREAS, The Related Companies, Inc. has applied to the Authority for mortgage financing for the acquisition and rehabilitation of the Development; and

WHEREAS, the Authority desires to permit prepayment of the ITA Loan, to authorize distribution of the Development Funds, and to provide mortgage financing to Mapleview Tower Preservation, LP and/or a related entity otherwise acceptable to the Authority (the "Proposed Mortgagor"), all as described herein and in the attached Memorandum and Development Summary Materials from Colette Slover, Underwriter II, dated October 29, 2020 (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 principal balance and all accrued interest of the ITA Loan is hereby authorized in connection with the completion of the acquisition and rehabilitation of the Development and the mortgage financing authorized herein.

Section 2. Subject to the determination of the United States Department of Housing and Urban Development as to the ownership of the Development Funds, distribution of the Development Funds is hereby authorized to provide a loan in a principal amount of approximately \$646,000. The Development Funds loan shall be secured by a fee-simple mortgage on the Development, shall accrue interest on amounts advanced at a rate not to exceed 0% per annum,

and shall be repaid annually from 50% of the Proposed Mortgagor's available adjusted cash flow determined annually by the Authority over a term not to exceed 40 years, after which term all outstanding loan principal and interest shall be due and payable, *provided, however*, the Development Funds loan shall be due in full upon sale, refinance or other transfer of the Development.

Section 3. The Authority is hereby authorized to provide a permanent loan in a principal amount not to exceed \$24,350,000. The permanent loan shall be secured by a first-priority fee-simple mortgage on the Development, shall accrue interest on amounts advanced at a rate not to exceed 4.50% per annum and principal and interest repayment shall be based upon an amortization schedule of 40 years over a term of 40 years, after which all outstanding permanent loan principal and interest shall be due, *provided, however*, the permanent loan may be prepaid: (i) in full after 15 years of the 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 fee equal to 1% of the outstanding principal balance, or (ii) in full after 20 years of the loan term and subject to the satisfaction of all applicable Authority requirements, including the payment of a 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 funds, and upon such terms and conditions, as are deemed to be in the best interests of the Authority. To the extent other sources are deemed to be in the best interests of the Authority, the Authority finds that 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 4. 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 100 units shall be set aside for elderly households at or below 50% 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. United States Department of Housing and Urban Development approval of the transfer of ownership of the Development to the Proposed Mortgagor and the issuance of a new 20 year Section 8 Housing Assistance Payments contract benefitting the Development;

h. 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 5. 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 6. 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 July 31, 2021 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.

(Mapleview Towers, 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 \$26,800,000 for the Housing Mortgage Finance Program Bonds, of the series designated (subject to paragraph 18 below) 2020 Series P (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 2020 Series P 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 \$26,800,000 Housing Mortgage Finance Program Bonds, 2020 Series P (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 \$26,800,000 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 2020 Series P 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.

Ms. Natarajan provided a detailed presentation of CHFA's 2021-2023 Strategic Plan outlining the goals, strategies, tactics and key performance indicators of the three-year plan. She reported that an implementation plan for each of the tactics in year one will be developed and interim and quarterly updates as well as an annual review of the plan will be provided to the Board. There was further discussion about the establishment of an opportunity fund and the presentation of specific projects for Board approval.

Upon a motion made by Mr. Ugalde, seconded by Ms. Gosselin, the Board members voted by roll call and were unanimously in favor of adopting the following resolution regarding the 2021-2023 Strategic Plan of the Connecticut Housing Finance Authority:

**RESOLUTION ADOPTING THE 2021-2023 STRATEGIC PLAN
OF THE CONNECTICUT HOUSING FINANCE AUTHORITY**

WHEREAS, the statutory purpose of the Connecticut Housing Finance Authority (the "Authority") is to alleviate the shortage of housing for low and moderate income families and persons in the State of Connecticut (the "State") and, when appropriate, to promote or maintain the economic development of the State through employer-assisted housing efforts; and

WHEREAS, as a result of surveys, focus groups and interviews with members of the Board of Directors of the Authority, Authority staff and external stakeholders, the Authority desires to articulate certain values, goals, strategies and performance indicators in a three year strategic plan in order to achieve a State where all low and moderate income residents have a range of choices where they can live in affordable, safe, quality housing located in environmentally sustainable and economically healthy communities; and

WHEREAS, the Authority desires to adopt the 2021-2023 Strategic Plan, as further described in the attached memorandum dated October 29, 2020 from Nandini Natarajan, Chief Executive Officer-Executive Director.

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

Section 1. The 2021-2023 Connecticut Housing Finance Authority Strategic Plan is hereby adopted.

Section 2. The Chief Executive Officer - Executive Director of the Authority is hereby authorized to take all other actions consistent with this Resolution as may be necessary to effectuate this Resolution.

Mr. Taib presented preliminary information regarding the 2021 Annual Budget and Plan of Operations which included highlights of the 2020 financials, 2021 annual budget, 2021 lending plan and future capital investment projections.

Terry Nash Giovannucci, Community Engagement Manager updated the Board on the process plan for revising the 2022 Qualified Allocation Plan (QAP) and discussed the formation of the 2021 Board QAP Task Force membership.

Ms. Omar reported that there were no new updates on the demand for COVID forbearance since last month's summary. She indicated that the program is set to expire at the end of the year and a request for authorization to extend the program for an additional 6 months will be brought to the Board next month.

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

Upon a motion made by Mr. Hodges, seconded by Ms. Tepper Bates, the Board members voted by roll call and were in favor of accepting the following consent agenda items. Mr. Abrahams and Ms. Thames were not present for the vote.

Reports Accepted:

- 2020 Series D Issue (Multifamily)
- Financial Reports
- Delinquency and Forbearance Reports
- Investment and Swap Reports

Adopted: November 19, 2020

- Finance Audit Monthly Tracking Report
- Temporary Mortgage Assistance Program Report
- CHFA Downpayment Assistance Program Report
- Multifamily Activities
- Minutes from September 24, 2020 Regular Meeting
- Minutes from October 13, 2020 Special Meeting

There being no further business to discuss, upon a motion made by Mr. Ugalde, seconded by Mr. Hodges, the Board members voted to adjourn the meeting at 11:29 a.m.