

DRAFT MINUTES
MORTGAGE COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
September 26, 2019

Committee Members

Present: Heidi DeWyngaert, Vice Chairperson of CHFA
Lisa Tepper Bates
Anne Foley, Chairperson of Mortgage Committee, representing
Melissa McCaw, Secretary, State Office Policy and
Management
Kiley Gosselin
Carla Weil

Committee Members

Absent: Seila Mosquera-Bruno, Chairperson of CHFA and Commissioner
of the Department of Housing

Staff Present:

Diane Smith, Interim Executive Director
Theresa Caldarone, Assistant Director, Legal
Carol Gooden, Multifamily Underwriter 3
Brenda Kimber, Manager I, Multifamily
Jennifer Landau, Director, Multifamily
Maura Martin, Legislative Program Officer
Wendy Moores, Director, Multifamily
Terry Nash-Giovannucci, Manager II, Planning Research &
Evaluation

Ms. Foley, Chairperson of the Mortgage Committee, called the meeting to order at 9:00 a.m. in the Boardroom of CHFA's offices, 999 West Street, Rocky Hill, Connecticut.

Ms. Nash presented the resolution to authorize the subordination of workforce unit restrictive covenants in connection with the prepayment of mortgage loans for 333 State Street, Bridgeport. She summarized the 2009 financing of the project which includes 59 market rate apartments and 6 workforce units. She reported that the Mortgagor has been working to complete permanent financing under the HUD 223(f) program, which requires a first priority lien. This resolution will allow the workforce units to be recorded in second position behind HUD's first mortgage lien. A question was raised concerning the definition of "workforce unit" and a suggestion was made to have staff further analyze the issue.

Upon a motion made by Ms. DeWyngaert, seconded by Ms. Tepper Bates, the Mortgage Committee members voted unanimously in favor of recommending to the Board for consideration the resolution regarding the Subordination of Workforce Unit Restrictive Covenants in Connection with the Prepayment of mortgage Loans for 333 State Street, Bridgeport.

Ms. Landau presented the amended financing resolution for the Rental Assistance Demonstration (RAD) Program Group III. In March, the Board approved the use of Tax-Exempt Bond (TEB)

proceeds to fund a construction-only leasehold mortgage in the amount of up to \$23,100,000. The Mortgagor, ECC Group III RAD, LLC, is seeking approval to increase the CHFA construction TEB loan by \$1,600,000 from \$23,100,000 to approximately \$24,700,000 primarily to expand the Scope of Work (SOW). RAD Phase III consists of two properties, Charles T. McQueeney Towers and Winslow Celentano Apartments, totaling 213 apartments. The expanded SOW will allow for the replacement of certain building components that have minimal remaining useful life.

Upon a motion made by Ms. Tepper Bates, seconded by Ms. DeWyngaert, the Mortgage Committee members voted unanimously in favor of recommending to the Board for consideration the amended resolution regarding the financing of Housing Authority of New Haven (HANH) Rental Assistance Demonstration (RAD) Group III and Conversion to the HUD Rental Assistance Demonstration Program.

Ms. Mosquera-Bruno asked the Mortgage Committee members to consider the minutes from the June 27, 2019 meeting.

Upon a motion made by Ms. DeWyngaert, seconded by Ms. Gosselin, the Mortgage Committee members voted unanimously in favor of adopting the minutes from the June 27, 2019 meeting as presented.

Ms. Moores reported on multifamily activities, providing a timetable for the 2020 9% Low-Income Housing Tax Credit Round applications, an update of the State-Sponsored Housing Portfolio Critical Needs Program applications and the closing activity this past month. She provided a brief overview of the workshops and conferences attended by staff in September. The requisitions processed this past month as well as a summary of the status of the Rent Stratification program were discussed. She reviewed the multifamily tracking data which show the number of applications in process and what stage they are in as well as a list of projects under construction and the percentage complete. She will provide data on the asset management portfolio at a future meeting. In response to a question, Ms. Moores stated that the biggest challenges to the department are getting a development to initial and final closing once it has been approved, and the limited amount of funding available. Committee members asked if data could be provided showing the time it takes from initial approval to initial and final closing. Ms. Moores said that this information will be provided. A question was also asked about what efforts can be made to bring down the cost of development and whether staff ever considered the concept of design-build. In response to this question, Ms. Landau explained that CHFA likes to see 100% plans before construction begins but that staff would research the design-build concept to assess its feasibility.

Ms. Smith indicated that Single Family will provide an update of department activities at next month's meeting with the intention of providing Multifamily and Single Family updates on a rotating basis.

There being no further business to discuss, upon a motion made by Ms. Weil, seconded by Ms. Gosselin, the meeting was adjourned at 9:25 a.m.