

MINUTES
MORTGAGE COMMITTEE MEETING OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
September 27, 2018

Committee Members

Present: Anne Foley, Chairperson of Mortgage Committee, representing Benjamin Barnes, Secretary, State Office Policy and Management
Heidi DeWyngaert, Vice Chairperson of CHFA
Kathleen Dorgan
Evonne Klein, CHFA Chairperson and Commissioner of the Department of Housing
Lisa Tepper Bates
Carla Weil

Committee Members

Absent: Richard Orr
Alicia Woodsby

Others Present:

Mike Santoro, Department of Housing

Staff Present:

Karl Kilduff, Executive Director
Michelle O. DeRosa, Manager 1
Peg Fitzgerald, Director, Government Relations
Maura Hayden-Walker, Underwriter 3
Robert Hicks, Assistant Director, Legal
Lynn Korososer-Crane, Director, Multifamily Housing Asset Management
Jennifer Landau, Director, Multifamily
Seema Malani, Multifamily Architect 3
Maura Martin, Legislative Program Officer
Wendy Moores, Director, Multifamily
Nancy O'Brien, Managing Director for Multifamily Programs
Deb Olson, Manager 2, Multifamily
Victor Rush, Managing Director of Administration
Diane Smith, Director, Planning, Research & Evaluation
Joe Voccio, Director, Multifamily

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

Mr. Voccio reviewed the mortgage financing request for Courtland Arms. Mr. Voccio noted that Tax-Exempt Bond (TEB) proceeds for a first mortgage financing for a construction-permanent loan in an amount not to exceed \$4,050,000 to Chrysalis Center Real Estate Corporation is being recommended. He explained the loan will be evidenced by two notes: (1) a construction note in a principal amount of approximately \$3,750,000 paying interest at a rate no higher than 5.75% per annum for up to 24 months and a permanent loan in a principal amount of approximately \$250,000 at an interest rate no higher than 5.94% per annum payable interest only for 24 months converting to a fully amortizing permanent loan with a 30-year term. Mr. Voccio continued the project site is a vacant multifamily residential building in New Britain. The vacant building will be renovated into 24 one-bedroom apartments. Mr. Voccio noted all units will be rented to households with mixed incomes ranging from 0%-80% Area Median Income (AMI). Mr. Voccio stated that 4 of the units will be subsidized with rental assistance vouchers for homeless veterans. Mr. Voccio reviewed the strengths and challenges associated with the project.

Ms. Tepper Bates and Ms. Dorgan arrived at this time.

Upon a motion made by Ms. Klein, seconded by Ms. Weil, the Mortgage Committee members voted unanimously in favor of recommending to the Board for consideration the resolution regarding mortgage financing for Courtland Arms, New Britain.

Ms. Moores talked about the resolution regarding Housing Authority of New Haven (HANH) Rental Assistance Demonstration (RAD) Group II. Ms. Moores reviewed the proposed financing noting that TEB proceeds for a construction-only first leasehold mortgage loan of up to \$12,604,800 for a maximum term of 24 months at an interest-only rate not to exceed 5.76% is proposed. Ms. Moores noted that the HANH has been authorized under The Department of Housing and Urban Development Rental Assistance Development Program to convert up to 912 housing units in 14 properties to project-base rental assistance under 20-year Housing Assistance Payment contracts. Ms. Moores noted that this application is HANH Conversion Group II, which includes three family developments totaling 70 units. She summarized the scope of work for these properties with improvements being made to unit interiors and exteriors and mechanical systems. Ms. Moores stated that the developments will continue to be 100% affordable and no existing residents will be permanently displaced.

Upon a motion made by Ms. Klein, seconded by Ms. Weil, the Mortgage Committee members voted in favor of recommending to the Board for consideration the resolution to provide mortgage financing for the Housing Authority of New Haven Rental Assistance Demonstration Group II, New Haven.

Ms. Landau discussed the Security Manor prepayment request. Ms. Landau noted the prepayment will include accrued interest and fees as well as approval of a 30-day extension on the moratorium due to expire September 30, 2018. She continued in that in 2012 TFC, a non-profit organization purchased the property and obtained a CHFA mortgage of \$475,000 of Investment Trust Account funds. Ms. Landau noted that deferred maintenance, low rents and loss of elderly Rental Assistance Payments has resulted in the owner not being able to address capital needs as well as the operating needs of the development. TFC approached CHFA in 2017

indicating they wished to sell the development. Ms. Landau continued that the highest bidder 470 Burritt LLC, with Levi Hecht as principal owner, was selected for a purchase price of \$851,000. Ms. Landau reviewed the terms of sale noting that the property will be transferred to the State Moderate Rental program to maintain eligibility and meet CT State Statutes.

Upon a motion made by Ms. Klein, seconded by Ms. Weil, the Mortgage Committee members voted unanimously in favor of recommending to the Board for consideration the resolution regarding prepayment of the loan to Security Manor, New Britain.

Ms. O'Brien updated the committee on multifamily activities.

Ms. Foley asked the Mortgage Committee members to consider the minutes from the July 26, 2018, meeting.

Upon a motion made by Ms. Klein, seconded by Ms. DeWyngaert, the Mortgage Committee members voted in favor of adopting the minutes from the July 26, 2018. Ms. Tepper Bates abstained.

There being no further business to discuss, upon a motion made by Ms. Klein, seconded by Ms. DeWyngaert and unanimously approved the meeting was adjourned at 9:25 a.m.