

MINUTES
MORTGAGE COMMITTEE MEETING OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
January 26, 2017

Committee Members Present: Evonne Klein, CHFA Chairperson and Commissioner of the Department of Housing
Heidi DeWyngaert, Vice Chairperson of CHFA
Anne Foley, Chairperson of Mortgage Committee, representing Benjamin Barnes, Secretary, State Office Policy and Management
Meghan Lowney
Richard Orr
Carla Weil

Committee Members Absent: Kathleen Dorgan
Alicia Woodsby

Others Present: Dan Arsenault, Department of Housing
Carol Martin, Westport Housing Authority
Lou Trajcevski, Newcastle Housing Ventures

Staff Present: Karl Kilduff, Executive Director
Mentor Ameti, Asset Manager II
Norbert Deslauriers, Managing Director of Homeownership
Peg Fitzgerald, Director, Government Relations
Lisa Kidder, Director, Communications
Lynn Koroser-Crane, Director, Multifamily Housing Asset Management
Maura Martin, Legislative Program Officer
Nancy O'Brien, Interim Deputy Managing Director for Multifamily Programs
Deb Olson, Manager II, Multifamily
George Rapp, Manager II, Multifamily
Victor Rush, Managing Director of Administration
Diane Smith, Director, Planning, Research & Evaluation
Marcus Smith, Manager I, Planning, Research & Evaluation

Ms. Foley called the Mortgage Committee meeting of the Connecticut Housing Finance Authority to order at 9:00 a.m. in the Boardroom of CHFA, 999 West Street, Rocky Hill, Connecticut.

Mr. Smith discussed the State-Sponsored Housing Portfolio (SSHP) report noting that in the fall of 2016 Governor Malloy announced funding for nine SSHP properties totaling 539 units. He

stated that two of the funded properties are in higher opportunity areas and the remaining developments are scattered throughout the state. Mr. Smith continued that the SSHP Notice of Funding Availability (NOFA) has been published with approximately \$20 million available in total funding under this round. Mr. Smith noted that the NOFA applications are due April 26, 2017.

Ms. Olson reviewed the background of limited equity cooperatives and how they operate for committee members. Next, Ms. Olson discussed the Amistad Court Limited Equity Cooperative request for an Investment Trust Account (ITA) loan not to exceed \$250,000, amend the existing Acquired Loan, sale of the development and the assumption of the new and existing mortgages. Ms. Olson reviewed the background of the property noting that CHFA acquired the loan from the Department of Economic and Community Development (DECD) as part of the portfolio transfer in 2003. Ms. Olson explained that the development has experienced significant financial issues, is unable to manage as a cooperative and is delinquent in taxes and in jeopardy of being foreclosed upon. Ms. Olson reviewed the financing proposal. She noted that following acquisition the property will be converted from the State Limited Equity Program into the State Moderate Rental Program.

Upon a motion made by Ms. Weil, seconded by Ms. Klein, the Mortgage Committee members unanimously voted in favor of recommending to the Board for consideration the resolution authorizing the loan request, modification and assumption of mortgage for Amistad Court Limited Equity Cooperative, Hartford, Connecticut.

Ms. Olson discussed the resolution for Sheldon Commons I & II Limited Equity Cooperative located in Hartford. Ms. Olson explained approval of an ITA loan not to exceed \$250,000, debt cancellation of the Acquired Loans and sale and assumption of the new mortgage is being requested. Ms. Olson continued that CHFA acquired two of the four loans from DECD as part of the portfolio transfer in 2003. Ms. Olson explained the development is in financial distress due to lack of carrying charge collection which led to non-payment of the mortgage property taxes, water and garbage removal. Ms. Olson reviewed the financing proposal and noted after acquisition the property will transfer from the State Limited Equity Program into the State Moderate Rental Program.

Upon a motion made by Ms. Weil, seconded by Ms. DeWyngaert, the Mortgage Committee members unanimously voted in favor of recommending to the Board for consideration the resolution authorizing loan request, modification and assumption of mortgage for Sheldon Commons I & II Limited Equity Cooperative, Hartford, Connecticut.

Ms. Olson continued with a prepayment request for Canal Park, Westport. Ms. Olson stated the Housing Authority of the Town of Westport owns and operates the 50-unit, Section 8, State Elderly Program development. Ms. Olson explained the owner is refinancing the property and requests approval to prepay the Financing Adjustment Factor (FAF) loan they hold with CHFA. Ms. Olson also noted that along with the prepayment a \$198,993.82 program maintenance fee will be paid to CHFA. Ms. Olson commented that the transaction preserves sustainability of the

property for a minimum of 20 years with affordability maintained into perpetuity under the State Elderly Housing Program. Ms. Olson stated that prepayment funds will be used to support other eligible FAF projects and prepayment is contingent upon the approval of new Department of Housing and Urban Development (HUD) insured mortgage financing and the new Housing Assistance Payment (HAP) contract.

Upon a motion made by Mr. Orr, seconded by Ms. Weil, the Mortgage Committee members unanimously voted in favor of recommending to the Board for consideration the resolution authorizing prepayment for Canal Park, Westport, Connecticut.

Mr. Rapp discussed the Hill Central Community Cooperative request for prepayment as part of the sale of the property. Mr. Rapp noted the cooperative is a 72-unit, Section 8 HUD-insured family community located in New Haven. Mr. Rapp continued the debt balance is \$433,945 which is scheduled to mature September 1, 2019. Mr. Rapp stated that in return for prepayment the buyer has agreed to enter into a 30-year affordability requirement, contingent upon availability of subsidy through the U.S. Department of Housing and Urban Development (HUD). Mr. Rapp continued that along with prepayment a program maintenance fee of \$9,357.74 will be paid to CHFA.

Upon a motion made by Ms. Weil, seconded by Mr. Orr, the Mortgage Committee members unanimously voted in favor of recommending to the Board for consideration the resolution authorizing prepayment for Hill Central Community Cooperative, New Haven, Connecticut.

Mr. Rapp next reviewed the prepayment request for Shippan Place. Mr. Rapp noted that the property is a 148-unit elderly development located in Stamford. Mr. Rapp noted that the owner wishes to sell the property and in return for prepayment the buyer has agreed to enter into a new 30-year affordability requirement contingent upon funding availability of subsidy through HUD. Mr. Rapp also noted that along with the prepayment a program maintenance fee of \$258,557 will be paid to CHFA. Mr. Rapp reviewed financing CHFA holds on the property which are all due to mature in 2020.

Upon a motion made by Ms. DeWyngaert, seconded by Mr. Orr, the Mortgage Committee members voted in favor of recommending to the Board for consideration the resolution authorizing prepayment of Shippan Place, Stamford, Connecticut.

Ms. Foley asked the Mortgage Committee members to consider the minutes from the November 17, 2016 meeting.

Upon a motion made by Mr. Orr, seconded by Ms. Weil, the Mortgage Committee members unanimously voted in favor of adopting the minutes from the November 17, 2016, meeting as presented.

Ms. O'Brien summarized the Upcoming Multifamily Activities report:

- CHAMP 10 applications have been submitted and CHFA is currently reviewing
- A LEAN event focusing on the workout process will be held 1/30/17-2/3/17
- HTCC applications are due 2/8/17
- SSHP funding applications are due 4/26/17

There being no further business to discuss, upon a motion made by Mr. Orr, seconded by Ms. Weil the meeting was adjourned at 9:30 a.m.