

COMMISSIONERS' REGULAR MEETING, APRIL 21, 2021

The Commissioners of the East Hartford Housing Authority held its regular meeting on Wednesday, April 21, 2021 by a Zoom Meeting pursuant to Governor Lamont's Executive Order No. 7B. The meeting was called to order by Chairman James Kate at 1:34 p.m.

Chairman Kate entertained a motion to suspend the agenda and take up item 8. New Business a. Review and Approval of Resolution of Inducement of Bonds for the Summerfield Townhouses Project to allow Marie Phelan from Pullman & Comley to address the Board and the resolution for issuing bonds.

The motion was made by Vice Chairman Yamamoto to approve suspending the agenda and take up item 8. New Business a. Review and Approval of Resolution of Inducement of Bonds for the Summerfield Townhouses Project. Commissioner Cook seconded the motion and it was carried by unanimous vote of the Commissioners' present.

8. NEW BUSINESS

a. Review and Approval of Resolution of Inducement of Bonds for the Summerfield Townhouses Project

Ms. Phelan addressed the Board and gave some background information regarding EHHA's involvement with the Bonds for the Summerfield Townhouses Project and the Resolution of Inducement of Bonds for the Summerfield Townhouses Project.

Ms. Phelan stated a few months ago, they were approached by developers out of California who wanted to purchase and renovate the Summerfield Townhouses. At that time, the developers made a proposal to the East Hartford Housing Authority, which we entered a Letter of Intent with them to issue bonds that would finance their purchase and renovation of the Project. The fee that the Housing Authority will receive for acting as a conduit issuer is \$200,000, which will be payable to the Housing Authority at the closing of the transaction. While the bonds are outstanding, the Housing Authority will earn \$5,000 a year for any kind of compliance that needs to be done, which is really very minimal if any at all. A letter was written to the State Office of Policy and Management and asked for \$43 million of volume cap. A term sheet was just received by Merchants Bank who will be the equity provider and the purchaser of the debt. This will also be FHA insured and there will be a loan from Freddie Mac. Ms. Phelan stated she has done this same exact deal before with these people and they are very professional and go around the country doing these types of deals and she is very comfortable that this will go well and hopefully in the next couple of months there will be a deal ready to go. Ms. Phelan explained that the resolution will authorize the Housing Authority to issue \$43 million of bonds and lend the proceeds to the developer and explained how the proceeds get disbursed. The resolution also authorizes the documentation that the Housing Authority will have to enter including the Trust Indenture and a Loan Agreement with the developer and it allows the Executive Director to sign those documents and clearly states the only liability the Housing Authority will have is to pay the interest and principal and interest on these bonds in connection with the money that it receives through the Loan Agreement. It was explained that the Loan Agreement will be between the Housing Authority and the developer and the developer will make payments under that Loan Agreement and those payments to the Trustee then the Trustee will make the payments on the debt service. This transaction will be a short-term transaction

and the bonds will only be outstanding for a few years and they will be cash collateralized as the developer draws down the money to pay the project costs and Freddie Mac will put the same amount of money with the Trustee to secure the bonds. Ms. Phelan stated that as a conduit issuer this is not your project and the only thing the Housing Authority is doing is issuing the bonds and lending the money to the developer through the Trustee and if there were a problem the Trustee would take over. She explained to the Board in detail that there is a lot of due diligence that will go on between now and when these bonds will actually be issued. Attorney Alexander stated these are non-recourse bonds and the Housing Authority has no obligation. Attorney Phelan stated that is correct and the only obligation is the Housing Authority enters the loan agreement with the developer and the developer is supposed to pay the Housing Authority the money, which it is actually paid to the trustee. The only liability the Housing Authority has is to pay the money that we receive after the loan agreement. Attorney Alexander stated that there is a percentage the Housing Authority receives for issuing the bonds and asked if there was any other cashflow going to the Housing Authority. Attorney Phelan said in the letter of intent the developer would be charged \$200,000 as an issuers fee that we be due to the Housing Authority at closing. Also, the Housing Authority will receive \$5,000 a year for as long as the bonds are outstanding. Chairman Kate reiterated that his understanding is that the Housing Authority entering this agreement has zero liability. Attorney Phelan said that is correct and it is stated in the resolution and the statutes that will be in large print on the bonds themselves. She stated that the Housing Authority is not obligated just because you pass this resolution you are not obligated to issue these bonds. Ms. Bouchard stated that the Housing Authority is not paying any legal fees that is all paid by the developer. She said that Attorney Phelan is our legal counsel but she is being paid out of the settlement development deal so we don't have any legal cost involved with this either. Ms. Clarke asked if this will affect our financial statements. Attorney Phelan said it will be there as a bond issue but as a conduit bond issue where there will be no liability to the Housing Authority so it will have a zero affect. Mr. Martin asked is the Housing Authority securing this bond because the Summerfield Housing partners are unable to secure the funding themselves. Attorney Phelan said no the low-income housing tax credit program works only if there is 50% of the project that is financed with tax exempt bonds. Mr. Martin asked what kind of work is being done at Summerfield Townhouses. Ms. Bouchard said from what she understands it is just renovations inside and not a tear down and rebuild.

The motion was made by Commissioner Cook to accept the Resolution of The Housing Authority of the Town of East Hartford Authorizing the Issuance of Not Exceeding \$43,000,000 Multifamily Housing Revenue Bonds and the Making of a Loan to Finance the Cost of the Summerfield Townhouses Project (Resolution attached to Minutes). Vice Chairman Yamamoto seconded the motion and it was carried by unanimous vote of the Commissioners' present.

- ROLL CALL:** Commissioner Hazelann Cook
Commissioner John Carella
Vice Chairman Prescille Yamamoto
Chairman James Kate

Absent was Commissioner Kathleen Stephens.

Also present were: Debra Bouchard, Executive Director; Christopher Pliszka, Finance Director; Brenda Pliszka, Executive Secretary/HR Director; Ralph Alexander, Legal Counsel; Esther Clarke and Connor Martin, Town Council Liaisons and Marie Phelan of Pullman & Comley (for part of meeting).

2. Approval of Regular Board Meeting Minutes, February 17, 2021

The motion was made by Vice Chairman Yamamoto to approve the minutes of the regular meeting of February 17, 2021. Commissioner Cook seconded the motion and it was carried by unanimous vote of the Commissioners' present.

Approval of Special Board Meeting Minutes, March 24, 2021

The motion was made by Vice Chairman Yamamoto to approve the minutes of the special meeting of March 24, 2021. Commissioner Carella seconded the motion and it was carried by unanimous vote of the Commissioners' present.

3. PUBLIC COMMENT

There was no one from the public present to address the Board.

4. Request for Additional Agenda Items

There were no additional agenda items.

5. FINANCE REPORTS

a. Payment Vouchers, February & March, 2021

Chairman Kate asked if there were any questions on the February & March, 2021 payment vouchers. There were no questions.

The motion was made by Vice Chairman Yamamoto to accept the Payment Vouchers, February & March, 2021. Commissioner Carella seconded the motion and it was carried by unanimous vote of the Commissioners' present.

b. Aged Receivables, February & March, 2021

The motion was made by Vice Chairman Yamamoto to accept the Aged Receivables for February & March, 2021. Commissioner Carella seconded the motion and it was carried by unanimous vote of the Commissioners' present.

c. Aged Payables – March, 2021

The motion was made by Vice Chairman Yamamoto to accept the Aged Payables – March, 2021. Commissioner Cook seconded the motion and it was carried by unanimous vote of the Commissioners' present.

d. Rent Collection Reports – February & March, 2021

The motion was made by Vice Chairman Yamamoto to accept the Rent Collection Report – February & March, 2021. Commissioner Carella seconded the motion and it was carried by unanimous vote of the Commissioners' present.

d. Quarterly Notice to Quit Count – January – March, 2021

The motion was made by Vice Chairman Yamamoto to accept the Quarterly Notice to Quit Count – January – March, 2021. Commissioner Cook seconded the motion and it was carried by unanimous vote of the Commissioners' present.

e. Quarterly Withdrawals Direct Deposits – January – March, 2021

The motion was made by Vice Chairman Yamamoto to accept the Quarterly Withdrawals Direct Deposits – January– March, 2021. Commissioner Carella seconded the motion.

Commissioner Cook was looking at the Federal Withholding for January 15, 2021 which was \$19,093.86 and asked why it was so high. Mr. Pliszka said that we had a person retire and she was paid out her vacation and sick time and taxes are paid on that amount.

The motion made and seconded was carried by unanimous vote of the Commissioners' present.

f. Monthly Actuals for Period Ending – February 28, 2021 & March 31, 2021

The motion was made by Vice Chairman Yamamoto to accept the Monthly Actuals for Period Ending – February 28, 2021 & March 31, 2021. Commissioner Carella seconded the motion and it was carried by unanimous vote of the Commissioners' present.

6. CONSENT AGENDA

The motion was made by Vice Chairman Yamamoto to approve the Consent Agenda as follows: a. Capital Fund & Major Maintenance Reports (March, 2021); b. Occupancy Reports (February & March, 2021); c. Section 8 Voucher Reports (February & March, 2021); d. Scattered Sites Properties Reports (February & March, 2021); e. Attorney's Reports (April, 2021); f. Unit Turnaround AMP 1, AMP 2, VT (February & March, 2021) and g. Quarterly Resident Services Coordinator Report (No Report for this Quarter). Commissioner Cook seconded the motion.

Chairman Kate asked if there were any questions on the following:

- a. Capital Fund & Major Maintenance Reports – March 31, 2021 – There were no questions on this report.
- b. Occupancy Reports – Vice Chairman Yamamoto stated that last month Mr. Pliszka noted that there was an error with Hockanum Park and is not sure if that was corrected. Mr. Pliszka said that he believes this was corrected in March and it should be correct now with the total vacants and the end of the month occupancy. There were two vacancies at the end of the month at Hockanum Park.
- c. Section 8 Housing Voucher – There were no questions on this report.
- d. Scattered Sites Properties Report – There were no questions on this report.
- e. Attorney's Report – Attorney Alexander stated that the moratorium has been extended by the Governor until May 20, 2021 and by the CDC until June 30, 2021. He explained that is for nonpayment of rent and doesn't include serious nonpayment of rent, which is more than six

months in arrears. Commissioner Cook asked if Attorney Alexander thought this would be extended again. Attorney Alexander has heard that they might push it as far as September.

- f. Unit Turnaround AMP 1, AMP 2, VT – There were no questions on this report.
- g. Quarterly Resident Services Coordinator Report – There was no report.

The motion previously made and seconded was carried by unanimous vote of the Commissioners' present.

7. DIRECTOR'S REPORT/COMMISSIONERS' COMMENTS

Veterans Terrace Redevelopment - Phase 1 – Ms. Bouchard said we are closing on April 27, 2021 and with HUD on April 28, 2021. The construction for Phase 1 should start the beginning of May, 2021. There was an incident with work being done on the road at Veterans Terrace but that had nothing to do with the Housing Authority and relayed that to the Town Engineer this morning. All the 45 units in Phase 1 are boarded up and gated and security cameras will be going up primarily because the cost of lumber especially when renovations begin. Phase 2 – Ms. Bouchard said the tentative date for closing on Phase 2 is sometime in August, which is about 55 units and relocation will have to be done for those residents. As units get erected in Phase 1, some of the individuals from Phase 2 if they meet the occupancy level for that particular unit they will go over to Phase 1 as a permanent residence. Commissioner Cook asked if the residents that have been moved from Phase 1 have the right to come back? Ms. Bouchard said as long as they are a tenant in good standing and Mr. Pliszka said as long as there are units that meet their criteria as well. Ms. Bouchard explained that as people left their units in Phase 2 and Phase 3 those units were kept offline because we knew we were going to have to do relocation and tried to keep as many people on site as possible. She stated there were actually only two residents that actually moved off site and one went to Meadow Hill and one moved to Meriden due to accessibility issues but they do have a right to come back once the development is finished. The Housing Authority paid for all moving costs. Ms. Bouchard explained in greater detail how residents will be moved. Phase 3 – Ms. Bouchard said the application has not been submitted for this Phase primarily because we had two open funding rounds that had not been closed on. The new date will be January, 2022 because CHFA changed the submission date from November to January. Fire Department Training – Ms. Bouchard stated that the Housing Authority gave the Fire Department an opportunity to do training in the vacant buildings at Veterans Terrace. CDBG Funds – Ms. Bouchard said that we applied for CDBG funds through the Town but did not receive the award. She stated the Housing Authority asked for \$30,000 to increase the parking lot site lighting at Elms Village to increase the parking lot lighting. Commissioner Cook asked if we received any funds last year. Ms. Bouchard said the last year we received funds was for the Larson Center and the Housing Authority transferred the money received over to the YMCA and that was a while ago. Commissioner Cook asked why they are not giving it to the Housing Authority. Ms. Bouchard said they didn't tell us this time. She stated we want to increase our security cameras at Elms Village but the lighting needs to be done as well for them to work properly. Miller Gardens Fire – Ms. Bouchard stated that there was a fire/water damage at Miller Gardens on the sixth floor. The Housing Authority had to relocate all the units that were affected over to a hotel and we have now transferred those individuals over to other properties except for one. This particular resident

has lived at the property for a long time and wants to go back and is remaining at the hotel. There was further discussion on how many units were involved and the extent of the damage. COVID – Ms. Bouchard said that we recently did a vaccination clinic with the Town of East Hartford for our residents at Meadow Hill and our staff as well.

8. NEW BUSINESS

b. Discussion of the UniteCT Program

Ms. Bouchard explained that UniteCT is a rental assistance/utility assistance program, which the State of Connecticut is putting out \$235,000,000 for people that are no more than six months in arrearage of rents or utilities and they try to assist them with the back rent. She said the only issue with that is 15% of the rent the landlord would have to forego. If the Housing Authority decided to do this, we would need to get the permission from HUD since they are allowing subsidized units to participate but HUD does not allow the housing authorities to write off debt unless someone has vacated the unit. It was explained that the residents in subsidized units are only paying 30% of their income for rent. Ms. Bouchard said she has reached out to HUD as well as others to find out if we are allowed to do that before we can enter this program. For the scattered site units, there is no restriction because they are market rate units and we have the ability to write off that debt. Ms. Bouchard said she wanted to see how the Board felt about this because we are starting to receive calls from residents that are trying to use this program. The program was open on March 31, 2021 and all the funds have to be committed by the end of September and make all final payments by the end of the year. Ms. Bouchard did state that the resident needs to be below 80% of area median income and they are taking priority for people who are 50% below area median income. She stated that while they are in this program, the resident cannot be evicted for non-payment of rent. As of this date, we have not received anything from HUD saying that we can do this. Mr. Pliszka said that we received one request for a scattered site tenant who is behind in market rent for almost six months. There was a brief discussion of what other options the housing authority has to collect rents. Mr. Martin asked how many of the residents are behind in rent? Ms. Bouchard said that she does not have an exact figure but looking at the aged receivables it has tripled so that means there are a lot of people who are not paying. Mr. Pliszka said that it has started to go down slightly if you look at it from February to March for AMP 1 and Veterans Terrace has gone down significantly. He stated people are now starting to come more current but there are still quite a few behind but ones that owe more than six months is a small percentage. There was a discussion on evictions and the backlog of court cases. Questions from Town Council Liaisons - Ms. Clarke asked about the increase in bonds from the March 24, 2021 meeting from \$9.5 million to \$11 million and there was a discussion regarding that issue. Mr. Martin asked how much CARES money did the Housing Authority receive? Ms. Bouchard said that the Section 8 program received \$90,000 and the federal program received approximately \$300,000. She explained what the Housing Authority was using the funds for. Mr. Martin asked if the Housing Authority received additional capital funds. Ms. Bouchard said that the Housing Authority did not receive any additional capital funds. She explained we have are capital funds money and CARES money, which HUD classifies what you can use it for. The other thing that was put out was Mainstream Vouchers as part of the CARES act. Ms. Bouchard said she applied for

the Mainstream Vouchers, which is extra housing assistance, and received 40 extra vouchers to house people between the ages of 18-61 where someone in the household is disabled.

9. OLD BUSINESS

There was nothing to discuss under this heading.

10. EXECUTIVE SESSION

There was nothing to discuss under this heading.

There being no further business to come before the Board of Commissioners, Chairman Kate entertained a motion to adjourn which was made by Vice Chairman Yamamoto and seconded by Commissioner Cook said motion being carried by the unanimous vote of the commissioners' present and the meeting was adjourned at 2:35 p.m.

Respectfully submitted,

James Kate
Chairman of the Board

ATTESTED BY:

Debra Bouchard
Executive Director