

## COMMISSIONERS' SPECIAL MEETING, DECEMBER 18, 2019

The Commissioners of the East Hartford Housing Authority held a special meeting on Wednesday, December 18, 2019 at the Authority's central office building located at 546 Burnside Avenue, East Hartford, Connecticut. The meeting was called to order by Chairman James Kate at 1:31 p.m.

1. **ROLL CALL:** Commissioner John Carella  
Commissioner Kathleen Stephens  
Vice Chairman Prescille Yamamoto  
Chairman James Kate

Absent was Commissioner Hazelann Cook.

Also present were: Debra Bouchard, Executive Director; Christopher Pliszka, Finance Director; Brenda Pliszka, Executive Secretary/HR Director; Attorney Greg Burton, Legal Counsel; Attorney Dave Panico, Bond Counsel; Helen Muniz, Carabetta; Andrew Daniels, MapPlan; John Cook, Gene Turley and Gene Arnold from East Hartford Affordable Homes Now.

### 2. **EXECUTIVE SESSION**

#### **Discussion of Real Estate Matters Regarding Veterans Terrace**

The motion was made by Vice Chairman Yamamoto to go into Executive Session for the purpose of Discussion of Real Estate Matters Regarding Veterans Terrace. Commissioner Stephens seconded the motion; it was carried by the unanimous vote of the Commissioners present to go into Executive Session at 1:32 p.m. Also in attendance were: Debra Bouchard, Executive Director; Christopher Pliszka, Finance Director; Brenda Pliszka, Executive Secretary/HR Director; Attorney Greg Burton, Legal Counsel; Dave Panico, Bond Counsel; Helen Muniz, Carabetta; Andrew Daniels, MapPlan; John Cook, Gene Turley and Gene Arnold from East Hartford Affordable Homes Now.

The motion was made by Vice Chairman Yamamoto to come out of Executive Session and Commissioner Stephens seconded the motion; it was carried by the unanimous vote of the Commissioners present to come out of Executive Session at 2:05 p.m.

### 3. **POST EXECUTIVE SESSION**

- a. **Authorizing the Housing Authority to consent to Department of Housing Financing Documents**
- b. **Authorizing the Housing Authority to execute a ground lease and transfer of property for Veterans Terrace 1**

The motion was made by Vice Chairman Yamamoto to authorize the Housing Authority to consent to Department of Housing Finance Documents and authorize the Housing Authority to execute a ground lease and transfer of property for Veterans Terrace 1. Commissioner Stephens seconded the motion; it was carried by the unanimous vote of the Commissioners present.

- c. **Review and Approval of Inducement of Bonds**

Attorney Panico stated he is from Robinson & Cole who specialize in Bond Counsel and are authorized to do the legal work to issue bonds and stated briefly what bonds are. Attorney Panico stated that he and Attorney Burton are working together on the bond issuance part of the transaction. The purchase of the property involves additional capital which is going to be raised by the sale of bonds probably to a bank that will give you

the best rates and terms. He explained the drawing that he provided will give you a schematic of how the bond financing will work and reviewed this with the Board. He stated that EHHA will be the issuer of the bonds and you will be acting as a conduit bond issuer. The Housing Authority has no liability whatsoever on these bonds and the only reason the Housing Authority is being used in the bond financing is that as a political subdivision you can issue bonds on a tax-exempt basis. Therefore, investors don't have to pay taxes on the interest on the bonds and that will get you a lower interest rate. The tax advantage goes back into the project because the investors don't demand as much interest so the financing cost is lower. Many documents need to run through the Housing Authority even though you have no liability in the transaction. Attorney Panico said he brought over sections of the Connecticut General Statutes Sec. 8-44 This section allows the Housing Authority the power of authority to do these transactions; Sec. 8-52 This section allows the Housing Authority to pledge only the revenues from the development towards repayment of the bonds and in that section, it states none of the Commissioners have a liability whatsoever in these transactions either. Attorney Panico said what the Board is being asked to do today is to adopt an Inducement Resolution and it is the first resolution that is adopted in these transactions and it provides evidence that you are willing to be the issuer of the bonds provided all the terms and conditions per you and your attorneys are met. That resolution is then handed over to the State and gives them the indication that they have an issuer for the bonds. Attorney Panico said we will come back to you later on in the transaction when all documents are fully drafted and there is a complete financing package. The Board will be asked to adopt a Bond Resolution which goes through all the documents and explained what the banks do. Attorney Panico said the Department of Housing will provide loan funds and they will have their own conditions and the same thing with the equities for the low-income housing tax credits there will be some conditions to contribute their money and all money will come together to complete the project based on a guaranteed maximum price contract. Eventually, the project will then earn revenues and those after expenses will be used to pay back the bank or the bondholder. Attorney Panico went through the Inducement Resolution with the Board. He asked if anyone had any questions and answered a couple of questions.

The motion was made by Vice Chairman Yamamoto to authorize the Housing Authority of the Town of East Hartford to approve the Resolution of Official Intent to Reimburse Expenditures with the Proceeds of Tax-Exempt Bonds agenda item 3. c. Commissioner Stephens seconded the motion; it was carried by the unanimous vote of the Commissioners present.

d. Review & Approval of the Utilization of Veterans Terrace Reserves for Phase 1

Ms. Bouchard said this item is the investment of utilizing reserves for Phase 1. Vice Chairman Yamamoto asked if that is the reserves we have today. Ms. Bouchard said yes. It was discussed that these reserves can only be used at Veterans Terrace.

The motion was made by Vice Chairman Yamamoto approve Resolution No. CT013-176-12-2019 authorizing use of Veterans Terrace Reserves for the purpose of Veterans Terrace Development of Phase 1 per Certified Public Accountant reserve analysis. Commissioner Stephens seconded the motion; it was carried by the unanimous vote of the Commissioners present.

Commissioner Carella asked how much of the reserves is the Housing Authority putting in. Ms. Bouchard said \$91,000 from the investment account and \$578,000 from the reserves.

4. NEW BUSINESS

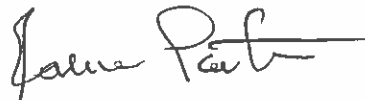
Review & Approval of Housing Authority Insurance

Mr. Pliszka said we need to get Board approval for the Housing Authority Insurance which is over the threshold again this year. It is approximately \$105,000 for all federal properties, central office and scattered sites. Vice Chairman Yamamoto stated that there was no documentation enclosed and she could not remember approving this in the past. Ms. Bouchard said our insurance now for the federal properties is going over the \$100,000 threshold and when that occurs we need to seek Board approval. She stated with insurance rates increasing and that company is really the ones that provide good reasonable housing authority insurance.

The motion was made by Vice Chairman Yamamoto to authorize the Housing Authority to approve accepting the proposal from the Housing Authority Insurance group for the housing authority insurance for our federal properties, central office and scattered sites. Commissioner Stephens seconded the motion; it was carried by the unanimous vote of the Commissioners present.

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 2:24 p.m.

Respectfully submitted,



James Kate  
Chairman of the Board

ATTESTED BY:



Debra Bouchard  
Executive Director