

CHEFA COMMUNITY DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS
Minutes of Board Meeting
June 18, 2024

The Meeting of the Board of Directors (the “CDC Board”) of CHEFA Community Development Corporation, a Connecticut nonstock Corporation (the “Corporation” or “CHEFA CDC”) was held via videoconference on Tuesday, June 18, 2024.¹

The videoconference meeting was called to order at 2:55 p.m. by Mr. Peter W. Lisi, Chair of the Board of Directors. Those present and absent were as follows:

PRESENT: Peter W. Lisi, Board Chair
Michael Angelini, Vice Chair
Steven L. Elbaum
Alan Mattamana
Cesarina Thompson

ABSENT: Lawrence Davis
Kimberly Kennison
Susan Martin
Sarah Sanders
Mark Varholak

ALSO, PRESENT: Jeanette W. Weldon, Executive Director, CHEFA CDC
Denise E. Aguilera, General Counsel, CHEFA
Charles A. Bodie, Managing Director of Finance & Operations, CHEFA
Rebecca Hrdlicka, Sr. Administrative Services Assistant, CHEFA
Bob Jandreau, Sr. Finance Associate, CHEFA
Dan Kurowski, Manager of Program Development, CHEFA CDC
Andrew Kwashnak, Senior Data & Systems Analyst, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Michael F. Morris, Managing Director, Client Services, CHEFA
Julia Pollano, Operations Reporting Analyst, CHEFA
Kara Stuart, Manager of Administrative Services, CHEFA

¹ All attendees participated in the meeting via conference telephone that permitted all parties to hear each other.

APPROVAL OF MINUTES

Mr. Lisi requested a motion to approve the minutes of the November 8, 2023 special meeting of the Board of Directors. Mr. Lisi moved to approve the minutes which was seconded by Mr. Angelini.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini Steven L. Elbaum Peter W. Lisi Cesarina Thompson	None	Alan Mattamana ²

FY 2025 PROPOSED OPERATING BUDGET

Mr. Kurowski stated that the CHEFA CDC FY 2025 proposed operating budget would allow for CHEFA CDC to continue its pursuit of New Markets Tax Credit (NMTC) and other financing vehicles that fit within its mission.

Mr. Kurowski presented the FY 2025 proposed operating budget, with total revenues at \$0 and total expenses at \$80,100. Mr. Kurowski stated that most of the operating expenses are for support services and a CDE consultant. These consultant services are to assist CHEFA CDC in obtaining NMTCs. Staff has not yet engaged a consultant to provide these services but would seek Board approval before doing so.

Mr. Kurowski reported that the CHEFA CDC budget operating loss for FY2025 is \$80,100, which would lower CHEFA CDC’s net position to -\$379,355. A brief discussion ensued.

Mr. Lisi requested a motion to approve the FY 2025 CHEFA CDC proposed operating budget. Mr. Elbaum moved for approval, which was seconded by Mr. Mattamana.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini Steven L. Elbaum Peter W. Lisi Alan Mattamana Cesarina Thompson	None	None

² Mr. Mattamana abstained from voting as he did not attend the Board of Directors Meeting on November 8, 2023.

NEW MARKETS TAX CREDIT PROGRAM UPDATE

Mr. Kurowski reported that over the past 18 months, staff has met with numerous nonprofits to discuss their upcoming capital projects. Due to the COVID pandemic, inflation, and increased availability of federal and state dollars, many of the projects these organizations are willing to undertake are smaller and not suitable for traditional NMTC financing. As a result, staff has had difficulty identifying a pipeline of suitable sized projects that would support a strong NMTC application.

Mr. Kurowski stated that to address the current need of the organizations we serve, staff is proposing to shift their focus to establishing a loan fund program which is enhanced by the NMTC program. This loan fund program would use the equity from NMTC investors to provide below market financing rates to organizations in low-income communities to finance smaller capital projects. The program is a unique structure which allows Community Development Entity's (CDEs), like CHEFA CDC, to utilize tax credits to address the smaller organizations that do not have the capacity or desire to undertake capital projects exceeding \$10 million.

Mr. Kurowski noted that to achieve this loan fund program, staff needs to continue its effort of building its project pipeline of smaller capital projects, which will require more outreach. Staff plans to host "road show" events across the state, which will allow staff to present CHEFA's and CHEFA CDC's financing products to nonprofits. Once staff is able to establish the pipeline of projects identified through these efforts and demonstrate a significant need for a loan fund program, staff can begin to identify resources to capitalize it, including obtaining NMTC.

Mr. Kurowski reported that because the amount of tax credits needed for a loan fund program are significantly smaller, staff would not need to submit a NMTC application, but instead would be seeking a suballocation from another CDE that already received a NMTC allocation. This suballocation would allow the senior CDE to respond to an objective question on their application showcasing that they are supporting other CDEs and would also allow CHEFA CDC the opportunity to demonstrate that they have the capacity and ability to utilize NMTC in accordance with the federal rules. Mr. Kurowski stated that to accomplish this, staff would engage a CDE consultant to help identify a potential CDE to obtain a suballocation of tax credits from. Simultaneously, staff would also need to explore other resources to capitalize the loan fund, which may include the possibility of obtaining CRA investments from banks.

Mr. Kurowski reported that overall, the loan fund program would help CHEFA CDC address the needs of the organizations in Connecticut's low-income communities including organizations that are typically unable to obtain affordable and flexible financing. These organizations are also underserved by CHEFA since their projects are smaller than the traditional bond sizes. Mr. Kurowski stated that this approach allows the Authority an opportunity to address these needs as well as using a suballocation of tax credits to demonstrate that CHEFA can utilize NMTC appropriately, which will enhance future NMTC applications. A brief discussion ensued.

OTHER BUSINESS & ADJOURNMENT

Mr. Lisi commented that the next CHEFA CDC Board of Directors meeting is scheduled for September 17, 2024.

ADJOURNMENT

There being no further business, Mr. Lisi requested a motion to adjourn the meeting. Mr. Mattamana moved to adjourn the meeting and Ms. Thompson seconded the motion.

Upon a voice vote, the "Ayes," "Nays" and "Abstentions" were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini Steven L. Elbaum Peter W. Lisi Alan Mattamana Cesarina Thompson	None	None

The videoconference meeting adjourned at 3:08 p.m.

Respectfully submitted,

Kara Stuart
Acting Secretary