



**CONNECTICUT  
HOUSING FINANCE  
AUTHORITY**

*The Key To Affordable Housing*

**2016 Summary Report**

PREPARED FOR THE GOVERNOR &  
THE CONNECTICUT GENERAL ASSEMBLY

MARCH 15, 2017

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## *MISSION*

To alleviate the shortage of housing for low- and moderate-income families and persons in this state and, when appropriate, to promote or maintain the economic development of this state through employer-assisted housing efforts.

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CHFA is a self-funded, quasi-public organization that fulfills its purpose or mission with two programs:

1. Single family mortgages with below-market interest rate financing to allow low-to-moderate income borrowers to purchase their first homes.
2. Financing to developers of affordable multifamily rental housing to increase the availability of affordable housing.

The chart on the following page describes the jobs and incomes of the low-to moderate-income borrowers CHFA serves.

CHFA issues tax-exempt bonds to raise capital to fund its housing programs, and administers State and Federal housing tax credit programs.

Since 1969, CHFA has provided mortgages to more than 135,000 first-time homebuyers and has financed the development of more 40,000 affordable rental housing units.

# AFFORDABLE FOR WHOM?



The Connecticut Housing Finance Authority is here to serve the residents of Connecticut. Our multi-family financing provides low & moderate income households with affordable rental options, while our homebuyer programs help families purchase their first home.

## LOW

Examples of jobs in this category




<b>Waitress/Waiter</b>	<b>\$19,550</b>
Bartender	\$19,600
Retail salesperson	\$23,020
Dental assistant	\$41,470
Chef	\$43,470

**\$25,000** MEDIAN INCOME

up to 50%  
state median  
income

## MODERATE

Examples of jobs in this category




Paramedic	\$44,160
Social worker	\$54,560
Groundskeeper	\$57,740
<b>Police officer</b>	<b>\$67,520</b>
Loan officer	\$70,000

**\$60,000** MEDIAN INCOME

51 to 80%  
state median  
income

## MIDDLE

Examples of jobs in this category




<b>Kindergarten teacher</b>	<b>\$71,240</b>
Insurance underwriter	\$72,320
Registered nurse	\$76,420
Nuclear technician	\$83,870
Software developer	\$99,480

**\$90,000** MEDIAN INCOME

81 to 120%  
state median  
income

## HIGH

Examples of jobs in this category



Aerospace engineer	\$106,200
Commercial pilot	\$114,090
Lawyer	\$128,070
Sales manager	\$131,320
<b>Physician</b>	<b>\$189,540</b>

**\$125,000** MEDIAN INCOME

over 120%  
state median  
income

# *2016 highlights, setting the stage for 2017*

In 2016, CHFA focused more on the outcomes of its work, looking beyond the number of mortgages or the number of units financed. The Authority increased activity with its partners, whether it be lenders, Realtors® and housing counselors for single family mortgages or developers, owners, managers, and service providers for affordable multifamily housing. CHFA continues to work closely with the Department of Housing, the Department of Economic & Community Development and other state agencies to support the housing needs of state residents. There is no need for legislative recommendations.

## **1. Successful Bond Issues in 2016**

CHFA had seven successful bond issues for a total of \$935 million in 2016. Excluding refunding, CHFA raised \$512 million of lendable proceeds to fund single-family mortgages and \$126 million to fund affordable housing developments.

CHFA's bond program is an important tool for housing finance in the state. In addition to single-family mortgages, bond proceeds are used to finance affordable multifamily rental housing developments, which in turn generate jobs and tax revenue and economic activity in the state. The fact that many orders for the bonds came from local investors reflects the confidence the private sector places on CHFA and its affordable housing mission.

In 2017, CHFA anticipates issuing about \$675 million of bonds, which will allow continuous funding for its first-time homebuyer program and new investment in the creation and preservation of affordable multifamily rental projects.

## **2. Jobs and economic growth supported by affordable housing**

Construction and renovation or rehabilitation of affordable housing generates jobs and economic activity in Connecticut. In 2016, developments approved by CHFA's Board of Directors are estimated to create 253 construction jobs, and a total of 1,045 jobs in all areas. Using the REMI PI+ State Model, the developments are estimated to generate \$348.64 million in new economic activity and \$19.2 million in additional state revenue.

## **3. Increase in Homebuyer Education and Housing Counseling**

CHFA funds homebuyer education and housing counseling programs at housing counseling agencies across the state. These programs are an investment, as research from HUD has shown that borrowers who attend education and counseling programs are 29% less likely to become delinquent on their mortgages in the future. In 2016, there was a 67% increase in attendance at Pre-Purchase classes due to increased outreach by the housing counseling agencies. CHFA expects the increase in homebuyer education to continue in 2017.

#### **4. Searching for innovative funding options**

CHFA has been investigating potential funding options that can fill budget gaps, especially for housing authority properties in the state housing portfolio. For example, CHFA has used Qualified Energy Conservation Bonds, (QECBs) to provide low-cost financing for energy-efficiency measures that can save money on operating costs for multifamily housing developments.

#### **5. New partnerships**

Benchmark CT is a new partnership between CHFA, Connecticut Green Bank, and WEGOWise that offers energy management systems free to housing authorities for one year, allowing them to identify areas for improvement and measure the cost savings of energy-efficiency measures implemented.

#### **6. Administering Tax Credits**

CHFA administers the federal Low Income Housing Tax Credit program, and awarded \$12.16 million in 9% and 4% credits, which are expected to generate more than \$170 million in tax credit equity from private investment. CHFA also administers the QECBs and the \$10 million State HTCC tax credit programs.

#### **7. Housing Authority Partners**

CHFA began conversations with Conn-NAHRO Board members about strengthening the ties between CHFA and the housing authorities. We are working on a common agenda that may include guidance in implementing best practices, creating model Requests for Proposals and other templates, and training/assisting owners to better understand the various funding application processes. In early 2017, CHFA added an employee to work directly with housing authority staff to enhance safety and security measures.

# Promoting Single Family Homeownership

## 2,843 first-time buyers received mortgages through CHFA

To fulfill its mission of helping low- and moderate-income families achieve homeownership, CHFA provides below-market rate mortgages to first-time homebuyers. The first-time mortgage buyer program is financed through proceeds from the sale of bonds issued by CHFA.

To qualify for a CHFA mortgage, applicants must meet specific income criteria and the home they plan to purchase must be within sales price guidelines specific to the area of the state. For example, the income limit for a household of three or more people in Hartford County is \$102,695, and \$125,020 in Targeted Areas. The sales price limit in Hartford County is \$332,890, and \$406,865 in Targeted Areas. A “Targeted Area” or qualified census tract is defined by the IRS as an area of chronic economic distress.

The income and sales price guidelines are updated periodically by the Census Bureau, and were updated in 2016. The complete list is at [www.chfa.org](http://www.chfa.org). The income restrictions may be waived for borrowers purchasing homes in areas of the state targeted for revitalization.

In recent years, CHFA has expanded its mortgage offerings to give borrowers more flexibility and choose loan options that best suit their financial situation. New choices include options for interest rates with Government and Non-Government program rates, Private Mortgage Insurance (PMI) and points. CHFA will be adding another mortgage loan program in 2017.

### Single Family Mortgage highlights:

- 2,843 mortgage loans = \$480.6 million invested in single family homeownership
- Average mortgage amount = \$169,053
- Borrowers average yearly gross income = \$67,760
- Average monthly mortgage payment = \$721.47 at 3.25%
- Average age of borrowers = 34
- 41.33% female heads of households (1,175 loans)
- 34.19% minority borrowers (972 loans)
- 15.86 % of loans made in Federally Targeted areas within Targeted communities (451 loans)
- 56.88% of loans made in 17 communities identified by the State of Connecticut’s Conservation & Development Policy Plan as being regional, urban center communities (1,617 loans)
- 130 marketing outreach events worked by CHFA staff, including events across Connecticut to share information on homebuyer programs, Reverse Annuity Mortgages for seniors, foreclosure prevention events, informational sessions for Realtors®, and lender training.

## **Downpayment Assistance Program (DAP): 1,466 loans totaling \$16 million**

Saving money for a down payment and closing costs is the largest obstacle for first-time homebuyers. With higher rents in Connecticut, some renters find that a mortgage payment would be lower than their current rent, but without enough savings for the down payment, they struggle to make the transition from renter to homeowner.

CHFA addresses this issue through its Downpayment Assistance Program (DAP) by offering loans to help qualified first-time borrowers cover the cost of a down payment and/or closing costs. A DAP loan is a second mortgage loan and the interest rate is the same as the rate on a borrowers' CHFA first mortgage.

Demand for DAP loans increased again in 2016, with 51.5% of borrowers applying for DAP loans, compared to 49% in 2015 and 37% in 2014.

## **Specialized Mortgage Programs**

CHFA offers several specialized mortgage programs to increase homeownership. The CHFA interest rate can be reduced by .0125% for qualified applicants including: members of the military services, surviving spouses and veterans; teachers certified in state-determined academic subject-matter shortages areas (may purchase in any district) or teachers who purchase homes in priority or transitional districts where they are teaching; police officers who purchase homes in the towns where they work; and residents of public housing who purchase a home. There are multiple criteria for these programs, outlined on the CHFA website.

In 2016, CHFA provided:

- **62 Military Homeownership loans**
- **27 Teacher Mortgage Assistance loans**
- **2 Police Homeownership loans**
- **5 Residents of Public Housing loans**



# Homebuyer Education & Foreclosure Prevention

## Online class option continues to attract borrowers

CHFA's homebuyer education programs are an investment in financially educated borrowers. Research shows that borrowers who complete homebuyer education programs are 31% less likely to get into financial difficulty with their mortgage later. To obtain a CHFA mortgage, the borrower(s) must attend either the Pre-Purchase Counseling Class, which is an in-depth 8-hour program, including a financial counseling session, or a Pre-Closing Counseling Class, which is a 3-hour program.

In 2015, CHFA added an online option for the Pre-Closing Counseling program, which has proved to be popular with borrowers. E-Home America provides the online class, partnering with local counseling agencies for follow up.

CHFA partnered with local housing counseling agencies to provide homebuyer education, including classes in Spanish:

- **1,823** prospective homebuyers attended Pre-Purchase classes on the home buying process, with **1,083** prospective homebuyers also taking advantage of the individual Pre-Purchase counseling sessions
- **1,627** prospective borrowers took the Online Pre-Closing homebuyer class
- **757** prospective borrowers attended Pre-Closing homebuyer classes
- **439** people attended Landlord Education classes

## Foreclosure Prevention for Connecticut Homeowners: Emergency Mortgage Assistance Program (EMAP)

The State's Emergency Mortgage Assistance Program (EMAP) provided emergency relief to **121** homeowners in 2016, with an investment of **\$4,890,579**. EMAP loans provide funds to bring homeowners current on their mortgages and, if needed, monthly mortgage assistance for up to 60 months. EMAP loans allow borrowers with a temporary hardship, such as a job loss or health issue, to remain in their homes as they work to regain their financing stability. Applicants must have participated in the foreclosure mediation process with their lender prior to receiving an EMAP loan.

### 2016 Foreclosure Prevention Activity:

Foreclosure prevention counseling clinics and prevention sessions play an important role in the tools available to reduce foreclosures, although the demand for and attendance at these classes is down from previous years as the housing market continues to improve. CHFA provides funding to HUD-Approved counseling agencies to provide these classes:

- **233** people attended Financial Fitness classes within the Mortgage Crisis Job Training Program and foreclosure prevention counseling
- **282** people attended foreclosure prevention counseling sessions
- **197** people attended foreclosure prevention clinics

# *Financing Affordable Multifamily Rental Housing*

## *CHFA approved financing for the new construction, rehabilitation or preservation of **1,647** affordable housing units in 2016*

CHFA provides loans to developers and owners of affordable and mixed-income multifamily rental housing in Connecticut at or below- market interest rates to help them achieve feasibility for their housing proposals. Increasing the supply of quality, affordable rental units can revitalize and stabilize neighborhoods. In addition, CHFA financing is also available to rehabilitate and preserve existing affordable rental housing stock.

CHFA mortgage financing is often combined with other funding mechanisms, including 9% and 4% Federal Low Income Housing Tax Credits (LIHTC) and the State Housing Tax Credit Contributions (HTCC) program. Developers are encouraged to combine CHFA funding with private bank financing, private grants or equity as well as public sources as available.

CHFA works closely with the Connecticut Department of Housing (DOH) and other state agencies to maximize the available dollars and to spur private investment in affordable housing. For example, the Competitive Housing Assistance for Multifamily Properties (CHAMP) program, launched in 2012, is funded by DOH and CHFA's Technical Services group reviews plans, specs, and costs for these applications. CHFA also participates with DOH in joint review meetings, as there is overlap with tax credit applications.

The CHAMP program provides gap funding in the form of grants and/or loans that can be leveraged with tax credits and other funding. In 2016, the CHAMP program Rounds 8 and 9 approved funding to create 372 affordable housing units in the state. Five properties, with a total of 550 units that were approved by the CHFA Board received CHAMP funds, 4% LIHTC credits and CHFA Tax Exempt Bond funds.

### **Board Approved Transactions in 2016**

The transactions listed on the following pages are developments approved for financing by CHFA's Board of Directors. The transactions are listed by primary type of financing awarded or the type of transaction. State Sponsored Housing Portfolio (SSHP) transactions that received funding through the Capital Plan (the Governor's \$300 million 10-year commitment) are listed on pages 23-26 in the Asset Management Section of the report.

The total unit numbers for some of the transactions listed on the following pages are not counted in the 1,647 unit total listed above because they have been counted in previous years, but came back to the board in 2016 for additional funding. These units are indicated with an asterisk.

*The following developments were funded with 9% Low Income Housing Tax Credits, through a competitive funding round awarded in March 2016:*

**177 State Street, Meriden**, will be mixed-income building with ground level retail space. The project will be within walking distance of Meriden’s new Transit Center. There will be 27 one bedrooms, 32 two bedrooms, and 16 three bedrooms.

<b>Units</b>	75
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	15 units affordable to households at 0-25% AMI, 24 units affordable to households at 25-50% AMI, 21 units affordable to households at 50-60% AMI, 15 units affordable to households at 120% AMI. 8 of the 75 units will be Supportive Housing. 26 of the 75 units will receive project-based subsidies.
<b>Financing</b>	\$15 million – 9% LIHTC Funds, \$765k – Deferred Developer Fee, \$1 million – Leasing Innovations Power Purchase, \$4.9 million – DOH Financing, \$2.8 million - Private Bank Loan.

**Willow Creek Apartments, Hartford**, is the first phase of new rental housing to replace the uninhabitable property formerly known as Chester A. Bowles Park. The site is located near several public schools and the University of Hartford. Several bus stops are located in the complex offering access to commercial and retail amenities. Redevelopment will also include the construction of a Community Building offering a business center, fitness facility, community space and offices for on-site management. The Housing Authority of the City of Hartford is co-sponsor. There will be 12 one bedrooms, 40 two bedrooms, 9 three bedrooms and 1 four bedroom units.

<b>Units</b>	62
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	16 units affordable to households at 0-25% AMI, 25 units affordable to households at 25-50% AMI, 21 units affordable to households at 50-60% AMI. 8 of 62 units will be Supportive Housing, 16 of the 62 units will receive project-based subsidies.
<b>Financing</b>	\$18.6 million – 9% LIHTC funds, \$635k – Developer/ Investor Cash Equity, \$248k – Deferred Developer Fee, \$6 million - DOH Funds, \$167k Energy Rebates, \$1.8 million – Bank of America Loan.

**Victoria Gardens, Waterford**, is a mixed-income housing development for persons 55 and over with 72 affordable units and a preference for 2 veterans in the non-supportive units. The site is in a Moderate Opportunity Zone and a Priority Funding Area. There will be 85 one bedrooms and 5 two bedrooms.

<b>Units</b>	90
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	18 units affordable to households at 0-25% AMI, 29 units affordable to households at 25-50% AMI, 25 affordable to households at 50-60% AMI. 18 of the 90 units will be Supportive Housing.
<b>Financing</b>	\$8.6 million – 9% LIHTC funds, \$490k – Deferred Developer Fee, \$5 million – DOH Funds, \$3.7 million PNC Loan.

**Warner Gardens Phase II, Waterbury**, began with the demolition of the dilapidated multi-unit wood-framed buildings and new construction of 64 units of affordable housing to be known as Davis Gardens. There will be 6 one bedrooms, 42 two bedrooms and 16 three bedrooms.

Phase I received LIHTCs in 2014 for the initial 58 units. The total for Phases I and II will be 122 units.

<b>Units</b>	64
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	16 units affordable to households at 0-25% AMI, 21 units affordable to households at 25-50% AMI, 14 affordable to households at 50-60% AMI, 13 units affordable to households at 80-100% AMI. 13 of the 64 units will be Supportive Housing. 16 of the 64 units will receive project-based subsidies.
<b>Financing</b>	\$11.8 million – 9% LIHTC funds, \$750k – Deferred Developer Fee, \$240k – Energy Rebates, \$5 million – DOH Funds, \$400k – Bank of America Loan.

**Cherry Apartments, Waterbury**, will convert a plumbing warehouse into a 40-unit apartment community for family housing. The first floor will consist of office and recreational space. A community facility will hold a computer lab, office space for a leasing agent/property manager and office space for an on-site service coordinator to provide supportive services for residents. There will be 34 one bedrooms and 6 two bedrooms.

<b>Units</b>	40
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	8 units affordable to households at 0-25% AMI, 13 units affordable to households at 25-50% AMI, 11 affordable to households at 50-60% AMI. 8 of the 40 units will be Supportive Housing.
<b>Financing</b>	\$6.8 million – 9% LIHTC funds, \$175k – Deferred Developer Fee, \$3.2 million – DOH Funds, \$400k – Alden Torch Loan.

**616 New Park, West Hartford**, is the new construction of a multi-story building that will contain 54 mixed-income apartments and approximately 3,367 square feet of commercial space. In a convenient location to both Hartford and West Hartford, this is a Transit-Oriented Development. There will be 42 one-bedroom apartments and 12 two-bedroom apartments.

<b>Units</b>	54
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	14 units affordable to households at 0-25% AMI, 18 units affordable to households at 25-50% AMI, 11 affordable to households at 50-60% AMI, 11 units affordable to households at 120% AMI. 11 of the 54 units will be Supportive Housing.
<b>Financing</b>	\$11.6 million – 9% LIHTC Funds, \$529k – Deferred Developer Fee, \$110k – Energy Rebates, \$5 million – DOH Funds, \$2.7 million – Permanent Financing, \$2.1 million - DECD Brownfield Loan, \$1.3 million – General Partner Loan.

**The following developments were funded with 4% Low Income Housing Tax Credits:**

**Millport Phase I, New Canaan,** is a Smart Growth development, located in the center of New Canaan approximately 1/2-mile from downtown with access to grocery stores, banks, pharmacies, a post office, a library, and many other daily conveniences. Additionally, the New Canaan train station is also approximately 1/2-mile from the Millport site and provides frequent rail access to Stamford and New York City via Metro-North Railroad. There will be 15 one bedrooms, 12 two bedrooms and 6 three bedrooms.

<b>Units</b>	33
<b>Housing Type</b>	Family
<b>Affordability</b>	33 units affordable to households at 50-60% AMI.
<b>Financing</b>	\$3.1 million - 4% LIHTC funds, \$800k- Deferred Developer Fee, \$49k – Energy Rebates, \$4.7 million – Bankwell Bank Loan, \$1.7 million – Town of New Canaan Contribution, \$170k – Town of New Canaan Land Contribution.

**Squire Village, Manchester,** is a rehabilitation with extensive physical improvements including the addition of a new community center which will provide space for a management office, a large resident common room, several small meeting rooms and study rooms, a library with desktop computers and laptop charge stations, an exercise room, and a new community kitchen. In addition, site lighting and energy-efficient improvements will be made to the buildings. There will be 101 one bedrooms, 200 two bedrooms and 78 three bedrooms.

<b>Units</b>	379
<b>Housing Type</b>	Family
<b>Affordability</b>	175 units affordable to households at 25-50% AMI, 204 units affordable to households at 50-60% AMI.
<b>Financing</b>	\$27 million - 4% LIHTC funds, \$348k Deferred Developer Fee, \$2.9 million – Existing Property Reserves, \$61.5 million – Private lender.

**AJ DeLorenzo Towers, Bristol,** is an acquisition, refinancing and moderate rehabilitation of a 90-unit, 100% affordable elderly housing apartment building. The unit mix consists of 23 studio apartments and 67 one-bedroom apartments. All 90 apartments have a project-based rent subsidy covered by a Housing Assistance Payments (HAP) contract. There will be 23 studios and 67 one bedrooms.

<b>Units</b>	90
<b>Housing Type</b>	Elderly
<b>Affordability</b>	32 units affordable to households at 25-50% AMI, 58 units affordable to households at 50-60% AMI.
<b>Financing</b>	\$3.6 million - 4% LIHTC Funds, \$5.7 million – HUD Insured 223(f) Financing, \$4.3 million – Related Entity Financing.

**Cedar Court Apartments, Norwalk**, is the rehabilitation of the existing property. Norwalk Housing Authority will issue the bonds in the amount of \$12,410,000 for the construction loan and Key Bank will provide the construction take-out financing for the full amount through HUD's 221(d) (4) program. All units are one bedroom.

<b>Units</b>	90
<b>Housing Type</b>	Elderly
<b>Affordability</b>	11 units affordable to households at 25-50% AMI, 79 units affordable to households at 50-60% AMI.
<b>Financing</b>	\$5.8 million - 4% LIHTC Funds, \$500k State HTCC proceeds, \$157k – Deferred Developer Fee, \$12.4 million – Key Bank.

*The following developments were funded with 4% Low Income Housing Tax Credits, combined with CHFA Investment Trust Account (ITA) funding, CHFA Tax Exempt Bond funding, CHAMP and/or Financial Adjustment Factor (FAF) funds:*

**Schoolhouse Apartments, Waterbury**, is the acquisition and moderate rehabilitation of an existing elderly development. The Development consists of three historic former school buildings on three different sites. Amenities include common sitting areas, community rooms and generous green spaces. The development is fully occupied and currently has a waiting list with over 140 names. All 213 apartments receive project-based rental subsidies. The development is within walking distance to mass transit. There will be 159 one bedroom and 54 two bedrooms.

<b>Units</b>	213*
<b>Housing Type</b>	Elderly
<b>Affordability</b>	54 units affordable to households at 0-25% AMI, 159 units affordable to households at 50-60% AMI.
<b>Financing</b>	\$9,7 million – 4% LIHTC Funds, \$3,7 million – CHAMP Funds, \$3.9 million – Federal Historic Credits, \$4.1 million – State Historic Credits, \$325k – Deferred Developer Fee, \$315k – Existing NOI, \$500k – Replacement Reserves, \$6.9 million – CHFA TEB Funds, \$6.2 million – HUD Assumed Debt.

**Sheldon Wyllys, Hartford**, will combine two existing multifamily developments: Sheldon Oak II Cooperative and Wyllys Lisbon. Together, the new Sheldon Wyllys will have 107 units in 24 buildings. Renovations will include new roofs, renovations to kitchens and bathrooms, and various interior energy-efficiency improvements, including the installation of high-efficiency boilers. Additional improvements are planned to increase safety, and bring the development up to current building code standards. There will be 30 two bedrooms, 69 three bedrooms and 8 four bedrooms.

<b>Units</b>	107*
<b>Housing Type</b>	Family
<b>Affordability</b>	32 units affordable to households at 25-50% AMI, 72 units affordable to households at 50-60% AMI, 3 units affordable at 60-80% AMI.
<b>Financing</b>	\$2.2 million - 4% LIHTC funds, \$4.6 million – DOH CHAMP Funds, \$170k – Deferred Developer Fee, \$90k – City of Hartford Existing Mortgage, \$107k Replacement Reserve Contribution, \$500k – CHFA TEB Funds, \$751k – Seller Note.

**Teachers Corner, Hartford**, is an adaptive reuse of a vacant office building at 370 Asylum Street. The conversion will create a mixed-income, mixed-use building. The building is within close proximity to the mass transit at Union Station and Bushnell Park. A CTfastrak bus rapid transit stop is located in front of the building and the Dash bus line also services the site. There will be 37 studios, 18 one bedrooms and 5 two bedrooms.

<b>Units</b>	60
<b>Housing Type</b>	Family
<b>Affordability</b>	2 units affordable to households at 0-25% AMI, 10 units affordable to households at 25-50% AMI.
<b>Financing</b>	\$4.2 million – DOH CHAMP Funds, \$560k – DECD Brownfield Fund, \$1.1 million - 4% LIHTC Funds, \$1 million - Developer/ Investor Cash Equity, \$4 million CRDA, \$11 million – CHFA TEB funds, \$5.4 million – Prudential 1 <sup>st</sup> Mortgage Loan, \$665k – City of Hartford 3 <sup>rd</sup> Mortgage Loan.

**Casa Nueva, Hartford**, is a 100% Project-Based Section 8 family community located in the Frog Hollow neighborhood. The complex consists of 11 three and four-story walkup garden-style buildings and 1 single-story community building / office. The unit mix is comprised of 11 one-bedroom, 26 two-bedroom, 29 three-bedroom units, 11 four-bedroom units and 2 five-bedroom units on 1.82 acres. The property was originally constructed between 1910- 1927, and fully rehabbed in 1980. The renovation will include modern enhancements to improve the buildings’ aesthetic appeal, safety, functionality and quality of life for the tenants. There will be six ADA accessible units, including two units designed for the hearing/visually impaired.

<b>Units</b>	79*
<b>Housing Type</b>	Family
<b>Affordability</b>	16 units affordable to households at 25-50% AMI, 63 units affordable to households at 50-60% AMI. All 79 units will receive project- based subsidies.
<b>Financing</b>	\$4 million - 4% LIHTC Funds, \$100k – Developer / Investor Cash Equity, \$63k – Deferred Developer Fee. \$425k – NOI during Development, \$2.3 million – ITA Funds, \$5.5 million CHFA TEB Funds.

**Cherry Street Lofts, Bridgeport**, is in the Railroad Avenue Historical District of Bridgeport, with eight buildings situated on the site. The redevelopment will include converting a portion of the site into a mixed-use development with rental units, a charter school and a tutor dormitory. A townhouse building and a mid-rise building will also contain a leasing office/health club & community center. The financing for the redevelopment of the school and tutor dormitory will be provided by an entity other than CHFA. There will be 8 studios, 85 one bedrooms, 61 two bedrooms and 3 three bedrooms.

<b>Units</b>	157*
<b>Housing Type</b>	Family
<b>Affordability</b>	20 units affordable to households at 25-50% AMI, 106 units affordable to households at 50-60% AMI. 31 units affordable to households at 100-120% AMI.

<b>Financing</b>	\$15 million – 4% LIHTC Funds, \$8.4 million – Federal Historic Credit, \$6.8 – State Historic Credit, \$180k – Developer/Investor Cash Equity, 1.8 million – Deferred Developer Fee, \$1 million – Cash From Operations, \$182k – Developer Loan, \$12.5 million CHFA TEB Funds, \$5 million – FAF Funds, \$1.3 million – TPC Investment Fund Loan, \$1.5 million – DECD Brownfield Funds, \$500k – Seller Note.
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**Fairfield Ridge, Danbury**, is an existing affordable rental development owned and operated by The Housing Authority of the City of Danbury. The development is in need of moderate rehabilitation, including new siding windows, doors, and interior upgrades to kitchens and bathrooms. The unit mix consists of 45 two-bedroom townhouse style apartments and 13 three-bedroom contained in 25 duplex apartments and 8 single-family ranch apartments. All units will be available for households with incomes less than 60% of the Area Median Income.

<b>Units</b>	58
<b>Housing Type</b>	Family
<b>Affordability</b>	12 units affordable to households at 25-50% AMI, 46 units affordable to households at 50-60% AMI. 20 of the 58 units will receive project-based subsidies.
<b>Financing</b>	\$3.3 million – 4% LIHTC Funds, \$267k – Deferred Developer Fee, \$29k – Energy Rebates, \$3k – NOI during Development, \$2.6 million – CHFA TEB Funds, \$2.5 million – DOH SSHP, \$500k – ITA, \$1.7 – Seller Note.

**Hamden Specialty, Hamden**, is the new construction of an affordable, supportive complex in two buildings. The complex will have seven units with supportive services for veterans or other homeless individuals, and services will be provided by co-developer, Columbus House. An additional 13 units will be set aside for people living with physical and cognitive disabilities and needing supportive services coordinated by the National Multiple Sclerosis Society. Hamden, with less than 10% affordable housing is also a C.G.S. Section 8-30g community. The buildings will contain a mix of residential and common spaces. There will be 35 one bedrooms, 36 two bedrooms and 6 three bedrooms.

<b>Units</b>	77
<b>Housing Type</b>	Family/ Supportive
<b>Affordability</b>	8 units affordable at 0-25% AMI, 15 units affordable to households at 25-50% AMI, 54 units affordable to households at 50-60% AMI. 7 of the 77 units will be Supportive Housing. 8 of the 77 units will receive project-based subsidies.
<b>Financing</b>	\$4.5 million - 4% LIHTC Funds, \$759k – Deferred Developer Fee, \$210k – Energy Rebates, \$3.2 million –CHFA TEB Funds, \$9.2 million – DOH CHAMP Funds.

**Farnam Courts Phase I, New Haven**, is new construction of mixed-income housing and 7,000+ square feet of retail/commercial space in two five-story buildings on 1.1 acres formerly delineated as a park, which fronts on Grand Avenue. The housing will be a mixture of one-, two-, three-, and four-bedroom apartments, 86 of which will be affordable and 8 of which will be market-rate. One building will include space for commercial use and amenities that will serve the residents of both buildings, including a management office, community room with kitchen, maintenance space, and social services office.

<b>Units</b>	94
<b>Housing Type</b>	Family
<b>Affordability</b>	61 units affordable to households at 0-25% AMI, 25 units affordable to households at 25-50% AMI. 86 of the 94 units will receive project-based subsidy.



<b>Financing</b>	\$4 million – DOH CHAMP Funds, \$3 million – City of New Haven, \$15.1 million – 4% LIHTC Funds, \$1.6 million – Deferred Developer Fee, \$12.4 million – Housing Authority/ HUD MTW Funds, \$8.1 million – Private Activity Bonds.
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**Beechwood Gardens, New Haven,** Vesta Beechwood LLC has acquired this property from an affiliate and is undertaking an extensive renovation program with hard costs totaling approximately \$11.3 million, over \$53,000 per unit, to include new roofing, windows, extensive new plumbing, parking lot and sidewalk repairs, modernize finishes and fixtures, and remediate hazardous materials pursuant to a EPA Consent Decree. All units are two bedroom units.

<b>Units</b>	82
<b>Housing Type</b>	Family
<b>Affordability</b>	67 units affordable to households at 50-60% AMI. 15 units affordable to households at 80-100% AMI. All 82 units will receive project-based Subsidy.
<b>Financing</b>	\$3.2 million - 4% LIHTC Funds, \$75k – Developer/Investor Cash Equity, \$659k – Deferred Developer Fee, \$7.1 million –CHFA TEB Funds, \$685k – City of New Haven Lead Funds, \$271k – Developer Loan.

**Liberty Place, Clinton,** is the new construction units for families in Clinton, an 8-30g community on a vacant three-acre parcel. This will be the first affordable apartment complexes in Clinton, and the town has shown support for the development. The development has secured a commitment from the Estuary 9-Town Transit service for a bus stop at the property. This service will connect residents to the local area as well as to the Shoreline East train station in Clinton, and will also connect with buses to Middletown, New Haven and Hartford. Amenities will include a community room. There will be 9 one bedrooms, and 12 two bedrooms.

<b>Units</b>	21
<b>Housing Type</b>	Family
<b>Affordability</b>	21 units affordable to households at 25-50% AMI.
<b>Financing</b>	\$1.9 million - 4% LIHTC Funds, \$880k – CHFA TEB Funds, \$4.7 million – FAF.

*The following development was funded with CHFA Investment Trust Account (ITA) funding:*

**Bellwood Court/Chatham Acres, East Hampton,** are existing properties owned and operated by the East Hampton Housing Authority under the State Elderly Housing Program. Both properties have had minor improvements and energy-efficiency upgrades over the year, but are in need of more extensive repairs. This proposed redevelopment will supplement the work done previously and includes a plan for long-term financial stabilization. The Housing Authority will support this effort using funds from its independently-held replacement reserves. All units will be affordable, with DOH providing rental assistance payments (RAPs) for up to 17 tenants at 50% of AMI.

<b>Units</b>	70*
<b>Housing Type</b>	Elderly
<b>Affordability</b>	17 units affordable to households at 25-50% AMI. 53 units affordable to households at 60-80% AMI. 17 of the 70 units will receive project-based Subsidy.
<b>Financing</b>	\$1.1 million – DOH – SSHP Funds, \$428k – Current Replacement Reserves, \$700k – ITA Funds.

*The following developments were funded by DOH, but as State-Supported Housing Portfolio (SSHP) properties, CHFA had an active role in the approval and closing process for these transactions.*

**Pitkat Congregate, Vernon,** will undergo a substantial rehabilitation to include new kitchen, baths, with new fixtures and appliances, as well as new roofing, trim and gutters. Owned, by the Vernon Housing Authority, the unit count will increase by one, as an office will be converted back into an apartment. Finishes in the common areas - community room, commercial kitchen, library, arts and crafts room, and dining room – will also be upgraded. The site also contains a maintenance garage and gazebo. In addition to providing housing, the Pitkat provides congregate services to its residents.

<b>Units</b>	44
<b>Housing Type</b>	Elderly
<b>Affordability</b>	44 units affordable to households at 60-80% AMI.
<b>Financing</b>	\$3.9 million – DOH SSHP- Second \$30 million

**Jackie Schaffer Apartments, Hartford,** built in 1990, will undergo a renovation to improve asphalt paved roadways, parking areas, site lighting and walk ways, and replace roofing and vinyl siding. In addition, the units will receive new kitchens and bathrooms as well as energy saving improvements, vinyl siding, roof replacement, new kitchens and bathrooms. The owners have also requested 9 permanent RAP vouchers to support the newly renovated development.

<b>Units</b>	10
<b>Housing Type</b>	Family
<b>Affordability</b>	10 units affordable to households at 60-80% AMI.
<b>Financing</b>	\$950k – DOH SSHP- Second \$30 million

**Liberty Hall Apartments, Waterbury,** is a 16 unit SSHP property located in Waterbury. Owned by St. Vincent dePaul of Waterbury, Inc. a non-profit organization, has applied for DOH’s Pre-Transaction Critical Needs funding to replace the failing boiler units. The property has already applied for and was approved for April 2015 SSHP funding’s, however the boiler units cannot wait for the transaction to commence. There will be 16 two bedroom units.

<b>Units</b>	16
<b>Housing Type</b>	Family
<b>Affordability</b>	16 units affordable to households at 60-80% AMI.
<b>Financing</b>	\$176k – Pre-Transactional Critical Needs, \$1.2 million DOH SSHP – Second \$30 million Grant, \$39k –RAP Subsidy.

# Supporting Special Needs Housing

Supportive housing creates permanent, affordable service-supported housing opportunities for very-low income homeless individuals and families with severe and prolonged mental illness and/or chronic chemical dependency, and those who are homeless or at risk of becoming homeless, particularly those experiencing repeated or persistent homelessness.

In 2016, seven affordable housing developments approved for financing by CHFA’s Board of Directors included 73 units of supportive housing in their unit mix.

Development	Town	4% or 9% Program	PSH Units	Total Units	PSH Units as % of Total Units
177 State Street	Meriden	9%	8	75	11%
Willow Creek Apartments	Hartford	9%	8	62	13%
Victoria Gardens	Waterford	9%	18	90	20%
Warner Gardens 2	Waterbury	9%	13	64	20%
Cherry Apartments	Waterbury	9%	8	40	20%
616 New Park Avenue	West Hartford	9%	11	54	20%
Hamden Specialty	Hamden	4%	7	77	10%
<b>TOTALS</b>			<b>73</b>	<b>462</b>	<b>16%</b>

Note: Supportive housing to be provided for adults and families as well as veterans and persons experiencing chronic homelessness. Production represents:

- 66 units or approximately 16% of the total 9% LIHTC production
- 7 units or approximately 10% of the total 4% LIHTC production

## ***The Interagency Committee for Supportive Housing and Homelessness***

Since 1993, the State of Connecticut has been active in implementing supportive housing through a unique collaboration of public and private organizations that today includes the Office of Policy and Management (OPM), CHFA, and the State of Connecticut Departments of Children and Families (DCF), Correction (DOC), Developmental Services (DDS), Housing (DOH), Mental Health and Addiction Services (DMHAS), Social Services (DSS), Veterans Affairs (DVA), the Judicial Branch Court Support Services Division (CSSD) and the Corporation for Supportive Housing (CSH) through the Interagency Committee for Supportive Housing & Homelessness (ICSHH).

The ICSHH meets regularly to address the needs and priorities of the State related to ending homelessness. In 2016, the ICSHH turned its attention to ending chronic homelessness amongst all individuals. ICSHH work continues to address the needs of young adults and families as well as individuals re-entering communities, including persons with serious mental health needs and/or substance abuse issues who are community-supervised offenders, who are living in a shelter or who are homeless.

There were no developments funded through the ICSHH in 2016. ICSHH member agencies continue to work together to secure and implement federal funding for supportive housing opportunities and in 2016 utilized grants from the U.S. Department of Housing and Urban Development through its Section 811 program and the U.S. Department of Health and Human Services through its Community Mental Health Services and Substance Abuse Prevention and Treatment Block Grant program. These funds enabled the expansion of supportive housing throughout the state by providing critical service supports and rental subsidies necessary to integrate supportive housing in existing developments. CHFA, as the State's housing finance authority and tax credit allocating agency, is an important partner in these efforts.

# Administration of Tax Credit Programs

## State Housing Tax Credit Contributions (HTCC) Program – 2015-2016

CHFA issues tax credit vouchers to business firms making cash contributions to qualified non-profits that develop affordable housing. The HTCC program awards \$10 million annually, with \$2 million set-aside for supportive housing, and \$1 million set-aside for workforce housing. The HTCCs awarded in 2016 will fund development of 844 affordable homes or apartments.

Project Name	Town	Units	Contribution Received	Set Aside
Live Where You Work Program-Round 11	Various	N/A	\$500,000.00	W
Avery Park Revitalization Initiative – Woodland Springs Phase I	Stafford Springs	79	\$500,000.00	S
HOH Center for Community	Hartford	13	\$500,000.00	S
SoNo Life Center	Norwalk	16	\$351,145.00	S
East End Phase III – 1534 Seaview Avenue	Bridgeport	4	\$500,000.00	S
Lighthouse I	Stamford	9	\$148,855.00	S
Affordable Homeownership Development Project	New Haven	13	\$500,000.00	G
Beaver Street Homeownership	New Britain	4	\$361,349.00	G
Crescent Crossings	Bridgeport	93	\$250,000.00	G
Hartford Area HFH – New Britain Project	New Britain	3	\$161,460.00	G
Atlantic(The)	Stamford	28	\$375,000.00	G
HOPE Homeownership in New London 2016	New London	3	\$500,000.00	G
Warner Gardens Phase 2	Waterbury	64	\$130,000.00	G
Williams Street Residence	New London	3	\$397,340.00	G
Elizabeth Street and Hillside Apartments	Norwich	55	\$336,250.00	G
Norfolk Town Center Rentals	Norfolk	12	\$320,000.00	G
Four Habitat for Humanity Homes in Eastern Connecticut	Various	4	\$220,000.00	G
Scattered Site Supportive Housing	Various	38	\$187,934.00	G
94 Edwards	Hartford	5	\$210,000.00	G
CHIF Community Loan Pool	Various	0	\$500,000.00	G
Cityscape Apartments	Hartford	74	\$500,000.00	G
New Haven Habitat Homebuilding	New Haven	3	\$119,619.00	G
Saybrook Village West Redevelopment	Old Saybrook	14	\$402,000.00	G
Essex Place	Essex	22	\$200,220.00	G
Stillwater Heights	Stamford	15	\$125,000.00	G
Park 215	Stamford	78	\$404,048.00	G
Edythe K. Richmond Homes	Pawcatuck	60	\$500,000.00	G
Cedar Court Apartments	Norwalk	92	\$500,000.00	G
Indian Field Apartments	New Milford	40	\$299,780.00	G
<b>Total</b>		<b>844</b>	<b>10,000,000</b>	

\*W=Workforce Housing S=Supportive Housing G=General Housing

## 9% Low-Income Housing Tax Credit (LIHTC) Program – 2016

Debt financing for the development of multifamily housing, such as mortgage loans, must be supplemented or augmented to balance the development budget and achieve development feasibility, while servicing low-income households. Low-Income Housing Tax Credits are a critical source of equity for developers, and they continue to be highly sought in a time when subsidy dollars are limited.

### Applicant requests far exceeded available tax credits

In 2016, there was a pool of 19 applicants who requested \$23.4 million in tax credits, to create 1,242 total units of housing, and 1,028 qualified units of affordable housing. The tax credits recipients are listed below and credits were awarded in 2016.

### 9% Low Income Housing Tax Credit Awards

City/Town	Project Name	Type of Housing	Qualified Units	Credit Awarded
Meriden	177 State Street	Family/Supportive	60	\$1,500,000
Hartford	Willow Creek Apartments	Family/Supportive	62	\$1,722,498
Waterford	Victoria Gardens	Family/Supportive	72	\$871,165
Waterbury	Warner Gardens 2	Family/Supportive	51	\$1,186,714
Waterbury	Cherry Apartments	Family/Supportive	32	\$769,302
West Hartford	616 New Park	Family/Supportive	43	\$1,067,670
			<b>320</b>	<b>\$7,117,349</b>

# Asset Management Staff oversees the State-Sponsored Housing Portfolio and a Private Portfolio

## State-Sponsored Housing Portfolio – 11,903 units

In 2012, Governor Malloy announced a \$300 million commitment to fund improvements and revitalize the state’s public housing over 10 years. These funds are being administered by CHFA on behalf of the Department of Housing (DOH), with \$30 million being allocated each year.

To guide the allocation of funds to meet the most pressing needs across the 295 properties in the State-Sponsored Housing Portfolio (SSHP), CHFA commissioned The Capital Plan, which was completed in March 2014. The Capital Plan, which makes funding, policy and regulatory recommendations, is the road map for deployment of the Governor’s \$300 million as well as \$1.5 million in Rental Assistance Payment (RAP) program subsidies.

CHFA and DOH work closely on the implementation of the Capital Plan. Staffs from both organizations work together evaluating, rating and ranking applications. Depending on types of financing requested, CHFA or DOH will review the applications, however, CHFA’s Technical Services Group reviews all applications. DOH reviews applications for Predevelopment Funding and Technical Assistance for most applications.

## Update on Completed Projects

Now in Year 5 of the Governor’s 10-Year revitalization plan for the SSHP, the following summary provides an overview of the impact DOH and CHFA activities will have had on completed developments by December 31, 2016:



## SSHP Capital and Predevelopment funding continue

In 2016, eight properties, with a total of 410 units received allocations from the Governor's \$30 million. One of these properties, Fairfield Ridge, also received 4% LIHTCs and CHFA Tax Exempt Bond (TEB) financing. Center Village was awarded funding through CHAMP.

The charts below show the multiple phases of development activity in the revitalization of the SSHP through The Capital Plan. While some properties are in the construction phases and nearing completion, other properties are in pre-development or using the technical assistance offered to get them ready to complete the necessary applications.

**Please note that the funding in the Capital Plan and SSHP is tracked on a July-June fiscal year so the totals below reflect that period versus the calendar year reporting.**

### State-Sponsored Housing Portfolio

#### Summary of Funding Activities - Fiscal Year 2015-16

Updated as of 12/31/2016

#### "Year 4" Projects

Property Name	Town	# units	\$ Award	Tot. Dev. Cost	% Complete
Tiffany Place	Brooklyn	27	2,047,000	3,811,672	Awarded
Fairfield Ridge (incl. 4% LIHTC)	Danbury	58	2,500,000	11,494,625	Awarded
Hamden Village	Hamden	110	2,805,000	5,380,000	Awarded
Jackie Schaffer	Hartford	10	950,000	952,438	Awarded
Ryefield Manor	Old Lyme	39	2,057,000	2,721,183	Awarded
Cedar Vill., Keleher Park, New Meadow Vill.	Newington	106	2,495,000	3,805,041	Awarded
Pitkat Congregate	Vernon	44	3,913,000	3,913,000	Initial Closing
Liberty Hall	Waterbury	16	1,192,000	1,192,000	Awarded
<b>Subtotal</b>		<b>410</b>	<b>17,959,000</b>	<b>33,269,959</b>	

#### Predevelopment Funding - Awarded

Property Name	Town	# units	\$ Award
Yale Acres	Meriden	162	175,000
Jackie Schaffer	Hartford	10	42,320
Reynolds Ridge	Bethel	80	128,000
Center Village	Glastonbury	50	295,000
Parkside Village I	Branford	50	300,000
Tannery Brook	Litchfield	16	106,000
Jonathan Trumbull	Willimantic	40	300,000
Helen Devaux	Shelton	40	298,987
Armstrong Court	Greenwich	144	300,000
The Marvin	Norwalk	49	240,000
Patchogue Place	Westbrook	12	118,000
Snipsic Village I & II	Ellington	30	124,000
Mt Carmel Congregate	Hamden	30	180,000
Dublin Village	Colchester	40	220,100
<b>Total</b>		<b>753</b>	<b>2,827,407</b>

	Units served	\$ Invested
<b>Total Fiscal Year Investment</b>	<b>1,163</b>	<b>20,786,407</b>



## Partnerships and Impact of Technical Assistance Outreach

CHFA and the DOH are collaborating to support the deployment of a wide range of technical assistance resources to assist the properties in the SSHP. The following is a brief summary of each program and an update on overall impact.

- *Technical Assistance to Owners Concerning Resident Engagement*  
Conn-NAHRO and Housing Education Resource Center provided technical assistance to housing authorities and property management companies with properties that are subject to provisions of CGS 8-64c to ensure meaningful engagement between residents, owners and housing authorities. Trainings explain the law, offer case studies of best practices, and explore the importance and impact of effective resident participation. This contract ended in 2016.
- *Technical Assistance to Residents Concerning Resident Engagement*  
Tovah, Inc. is providing training and technical assistance to residents at Hartford Housing Authority's Westbrook and Bowles Park complexes regarding the statutory requirements of resident participation in redevelopment. These sites are seeking to fully redevelop the 770 units of existing 1950's family housing.
- *Technical Assistance to Owners for Redevelopment + Technical Assistance to Limited Equity Coops for Redevelopment*  
DOH has deployed three firms (TAG Associates Inc., TDA Consulting Inc., and Housing Development Team, LLC) for technical assistance targeted toward building capacity of owners and assisting in building a development team to prepare for funding applications.

## 2016 Multifamily Funding Initiatives applicable to the SSHP

- *9% Low-Income Housing Tax Credits (LIHTCs) – Up to \$5 million available*  
Several SSHP developments applied for an allocation of 9% LIHTCs in a funding round to be awarded in Spring 2017. This is a very competitive funding resource, and SSHP applications requesting both LIHTCs and DOH capital funding will be scored in accordance with the Qualified Allocation Plan as well as DOH criteria.
- *Competitive Housing Assistance for Multifamily Properties (CHAMP) 10*  
SSHP developments must meet strict criteria in order to be eligible for CHAMP funding. A proposal must include the creation of at least 20 new residential units, and the number of newly created rental units is equal to or exceeds 20% of the existing project units.
- *Critical Needs Funding- Rolling basis.* SSHP developments may apply for certain capital needs noted in their Capital Plan as Critical Needs.
- *Pre-development funding- Rolling Basis.* DOH funding is available for pre-development activities such as Environmental testing, Architectural design, development consultant costs and feasibility costs.

## **New Initiative Regarding SSHP Accounting and Auditing Methodology**

CHFA and DOH oversight of the SSHP includes annual oversight of budgets and accounting procedures. This process can be cumbersome as the SSHP's 295 properties within various housing programs utilize a unique State of Connecticut chart of accounts, while CHFA uses the HUD Multifamily chart of accounts and Generally Accepted Accounting Principles (GAAP).

CHFA and DOH have jointly committed to transitioning the SSHP to the HUD Multifamily chart of accounts currently used in the CHFA Multifamily housing program and to GAAP, beginning in January 2017.

In order to accomplish this, working groups from both agencies along with industry users have developed new forms and began launching the new format in 2015 to allow for input from owners and managing agents before finalizing in 2016.

## **Private Portfolio Activity - 24,994 units**

- CHFA continued its ongoing portfolio management oversight, which included performance management of its portfolio of 313 developments and 24,994 apartments, which includes Real Estate Owned (REO) properties held by subsidiaries of the Authority.
- CHFA acts as the HUD Contract Administrator for 59 project-based Section 8 developments, including the review and approval of \$63 million in subsidy payments for 5,667 apartments. CHFA also subcontracts the oversight of 236 Section 8 apartments for Housing Authorities.
- CHFA monitors low-income housing tax credit compliance of 15,487 units at 242 properties.

## **REO Properties**

- Eno Farms, Simsbury: The property is held by CHFA Small Properties, Inc.

## Strengthening Communities through Housing & Community Development Special Programs

CHFA is committed to strengthening neighborhoods by helping to integrate housing within overall community development efforts. During 2016, CHFA continued its important collaborative investments with others active in this field and through direct program investments.

The Community Investment Account (CIA) was established through legislation in 2005, requiring the collection of recording fees for all documents entered into the municipal land records. The Authority receives these funds in proportion to fees collected. The CIA program was transferred to the Department of Housing by Public Act; however, existing CHFA contracts funded with the CIA continued to provide funding for the following programs in 2016:

- **CHFA/CGB Energy Benchmarking Initiative** –CHFA and the Connecticut Green Bank (fka the Clean Energy Finance and Investment Authority or “CEFIA”) are partnering with WegoWise, Inc., a software company that provides web-based energy benchmarking and monitoring services. Through energy benchmarking, property owners will compare energy and water consumption of their buildings against similar peers. Owners will also be able to quickly and easily identify the biggest opportunities for improvement, which can reduce utility costs for the property and its residents, improve NOI, and increase overall building efficiency. The initiative is projected to benchmark 1,600 multifamily buildings across Connecticut.
- **Come Home to Downtown Pilot Program** –The pilot program is aimed at facilitating viable, interesting housing opportunities while revitalizing downtown neighborhoods by providing customized technical assistance to communities and property owners of small, under-utilized downtown properties. This pilot program is the result of a successful collaboration between the Connecticut Main Street Center and CHFA. Over the course of the last four years, eight communities – Danbury, Hartford, Meriden, Middletown, New Britain, Norwich, Torrington, and Waterbury – as well as nine property owners and their buildings have been the focus of the program. The property owners in Meriden, Middletown, and Waterbury have decided to move forward and convert their property’s vacant downtown office space into new housing units. The property at 99 West Main Street in New Britain is in the process of redevelopment and is expected to be ready for occupancy by March of 2017. The New Britain property will yield 16 new residential units and is located about a quarter mile from the New Britain CTfastrak Station. The properties at 20 East Street in Waterbury and 21 Colony Street in Meriden are working with developers to move forward and will yield a total of 54 new housing units. The program’s other targeted properties may result in up to an additional 78 new rental units in currently vacant properties.
- **“Rural/Suburban Program” (Housing Connections)** – The Local Initiatives Support Corporation (LISC) in partnership with the Connecticut Housing Coalition administers the program known as “Housing Connections.” This program provides technical assistance to smaller towns that are interested in learning about, or developing, affordable housing. During 2016, the Housing Connections program provided technical assistance to 43 groups in 40 towns throughout the state. Since its inception, the program has provided technical assistance leading to the development and/or redevelopment of 485 affordable homes, representing nearly \$84 million of development activity. Additionally, the program is providing technical assistance to 28 other projects with the potential of an additional 622 units.

- South Norwalk Pilot Renovation Program** – The Norwalk Redevelopment Agency, through its nonprofit community development housing corporation North Walker Housing Corporation (NWHC), provides housing opportunities for low- and moderate-income individuals and families in Norwalk. NWHC has partnered with Jonathan Rose Companies to establish a purchase rehabilitation program to support revitalization and stabilization efforts in the community near the South Norwalk Train Station, while providing much needed affordable housing. Through a CIA investment, NWHC will purchase and rehabilitate up to five small multifamily properties (2 to 4-family houses) over the next 3 years. Once rehabilitated, the target owner for the home are families and individuals with incomes at 80% area median income (AMI), with the rental unit targeted toward families and individuals earning 50% AMI. In early November 2016, 68 Lexington Avenue, once a run-down and empty property, was completed and new owners selected via outreach programs in community centers and churches.
- Transit-Oriented Development Capital Fund** – The Department of Economic and Community Development and CHFA invested in the creation of a \$15 million private capital fund managed by LISC. This fund prioritizes the development of a mix of uses including new housing, retail, and commercial office space, near transit hubs to encourage the use of mass transit, reduce the reliance on driving, and foster denser, livable, walkable communities. In 2016, LISC approved three new loans providing acquisition and predevelopment financing for the redevelopment of three properties in Hartford and West Hartford. There are additional requests in the towns of Meriden, New Britain, and Windsor Locks.
- Housing Authority Small Improvement Program (HASIP)** -- The purpose of the program is to provide funds to SSHP owned developments that wish to make physical improvements to the property or provide resident activities or programming. In 2016, 1,275 housing units with 1,596 residents served, \$129,650 in funding was expensed.
- Supportive Housing Quality Assurance Program** – Corporation for Supportive Housing was retained to catalog all units of permanent supportive housing created through mainstream funding resources, particularly the Low-Income Housing Tax Credit program, assess the quality of each of the projects, and develop a plan to improve the quality through technical assistance. In addition, the Quality Assurance Program provides assistance aimed at increasing the capacity of organizations to create supportive housing, build capacity of supportive housing providers, and contributes to the mission of ending homelessness in the state.

## **Community Development Financial Institutions**

CHFA invests in Community Development Financial Institutions (CDFIs) to provide technical assistance and financing to non-profit and for profit developers, provide financing associated with community development, and assist in the coordination of comprehensive community development throughout the state. CHFA currently has investments in and partnerships with the LISC, the Hartford Community Loan Fund, and the Housing Development Fund (HDF), and Capital for Change (C4C), which was formed by a merger of between the Connecticut Housing Investment Fund and the Greater New Haven Community Loan Fund.

The funds invested in CDFIs between 1999 and 2016 have resulted in 128 completed transactions financing over 2,500 housing units. The Authority's cost per unit on these transactions was approximately \$11,000.

The Hartford Community Loan Fund, the Housing Development Fund, and Capital for Change are participants. Since the program's inception in 2014, participating CDFIs have utilized \$4.2 million to finance the rehabilitation of 134 units in 34 properties. Due to the low-cost of funds, the program has saved property owners on average \$230 per month.

# ***Funding and Financial Statements 2016***

CHFA is a self-funded quasi-public organization, which uses its resources to provide below market interest rate mortgages for single-family homeownership and multifamily rental property. Tax-exempt bonds are the primary source of mortgage capital for the Authority's Housing programs. CHFA maintains a credit rating of AAA with Standard & Poor's, as well as an Aaa rating with Moody's Investor Service.

**\*\* PRELIMINARY - UNAUDITED \*\***

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES WITH COMPARISON TO BUDGET**  
**TWELVE MONTHS ENDED DECEMBER 31, 2016**  
**(in 000's)**

	<u>2016 Budget Projection</u>	<u>YTD December 2016 Preliminary</u>	<u>Variance to 2016 Budget</u>
<b>Operating Revenues</b>			
Interest on mortgage loans	167,000	163,180	(3,820)
Interest on investments	25,055	36,990	11,935
Fees and other income	4,233	6,812	2,579
<b>Total Operating Revenues</b>	<u>196,288</u>	<u>206,982</u>	<u>10,694</u>
<b>Operating Expenses</b>			
Interest	130,000	127,917	(2,083)
Bond Issuance Costs	6,000	8,428	2,428
Servicer fees	10,280	11,203	923
Administrative	42,414	38,263	(4,151)
Provision for losses	5,000	17,982	12,982
<b>Total Operating Expenses</b>	<u>193,694</u>	<u>203,793</u>	<u>10,099</u>
<b>Net Operating Income</b>	<u>2,594</u>	<u>3,189</u>	<u>595</u>

**Notes:**

- 1) Does not include amounts received or expensed pursuant to CGS Sec 4-66aa (CIA), the National Foreclosure Mitigation Counseling Program (NFMC), QECB Interest Subsidy, Zero-16 Initiative, Emergency Mortgage Assistance Program (EMAP) and the Federal Comprehensive Counseling Grant.
- 2) The adjustment to record the fluctuation in the market value of investments is not included.