



**CONNECTICUT
HOUSING FINANCE
AUTHORITY**

The Key To Affordable Housing

2017 Summary Report

PREPARED FOR THE GOVERNOR &
THE CONNECTICUT GENERAL ASSEMBLY

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TABLE OF CONTENTS

Mission	3
2017 Summary & 2018 Highlights	4
Single Family Homeownership	6
Homebuyer Education & Foreclosure Prevention	8
Multifamily Housing Development	11
Supporting Special Needs Housing	23
Tax Credit Programs	25
Asset Management	27
Community Development	30
Financial Statement	33

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.

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.

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 nearly 139,000 first-time homebuyers and has financed the development of more 50,000 affordable rental housing units.

2017 highlights, setting the stage for 2018

In 2017, CHFA focused more on the outcomes of its work, looking beyond just the number of mortgages or the number of units financed. The Authority increased activity with its partners, whether it be lenders, Realtors® and real estate agents, 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 at this time.

1. Successful Bond Issues in 2017

CHFA had seven successful bond issues for a total of \$1.07 billion in 2017. Excluding refunding, CHFA raised \$550 million of lendable proceeds to fund single-family mortgages and \$84 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 2018, CHFA anticipates issuing about \$715 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 2017, developments approved by CHFA's Board of Directors are estimated to create 341 construction jobs, and a total of 1,285 jobs in all areas. Using the REMI PI+ State Model, the developments are estimated to generate \$442.55 million in new economic activity and \$24.65 million in additional state revenue. (Please note: These estimates do not include developments that only received tax credit financing.)

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% more likely to be successful in managing their mortgage in the future. In 2017, there was a 17% increase in total attendance at classes, due to increased outreach by the housing counseling agencies and the ease of completing the online classes. CHFA expects the increase in homebuyer education to continue in 2018.

3. CHFA University

A new training program for lenders, was launched in 2017. To improve the underwriting and approval process of mortgages in the single-family department, more targeted lender training programs are being developed. A daylong training conference, specifically for CHFA-Approved Lender processors, underwriters and closers was held in October. Additional sessions are planned for other Single Family partners including Realtors, Loan Officers and Department Managers. CHFA's on-site and webinar trainings schedule has been enhanced to provide more frequent sessions throughout the year. The training sessions have significantly improved file submissions from lenders, which improves the loan approval process for customers.

4. Administering Tax Credits and responding to the changing tax credit environment

CHFA administers the federal Low Income Housing Tax Credit (LIHTCs) program, and awarded \$10.69 million in 9% LIHTCs and \$6.3 million in 4% LIHTCs, which are expected to generate more than \$160 million in tax credit equity from private investment. CHFA also administers and the \$10 million State HTCC tax credit programs.

To preserve 2017 deals that were completed before the changes in the tax credit market, and ensure tax credit deals are viable going forward, CHFA has taken several steps to minimize the impact of the reduced value of tax credits that has accompanied the corporate tax rate reduction:

- requested the CHFA Board of Directors increase the amount of Investment Trust Account (ITA) funds available to close funding shortfalls in existing and future deals
- ensure that developers value engineer their projects to reduce project scale and scope as is necessary
- ensure that developers seek funding from alternative sources before seeking ITA funds for shortfalls

5. Asset Management Listening Tours

CHFA conducted five Regional listening tours with State-Sponsored Housing Portfolio(SSHP) Housing Authority staff and property owners. The tours provided an opportunity for Asset Management staff to hear about the most pressing issues affecting the properties and their residents and begin a more informal dialogue with staff and residents at the properties. These meetings also provided an opportunity for Housing Authority staff to meet CHFA's new security and resident service managers. The "stops" on the tours were centrally located in each region of the state so staff and owners from several area properties could attend and network with their peers as well as CHFA staff.

Promoting Single Family Homeownership

2,967 first-time buyers purchased homes with a CHFA mortgage

To fulfill its mission of helping low- and moderate-income families achieve homeownership, CHFA provides below-market interest rate mortgages to first-time homebuyers, or buyers who have not owned a home in the last three years. The first-time buyer mortgage 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 town. These guidelines are established under U.S. Treasury Department (IRS) revenue procedures. For example, the income limit for a household of three or more people in Hartford County is \$105,455, and \$128,380 in Targeted Areas. The sales price limit in Hartford County is \$332,055, and \$397,290 in Targeted Areas. A “Targeted Area” or qualified census tract is defined by the IRS as an area of chronic economic distress, which could benefit from increased homeownership.

The income and sales price guidelines were updated in 2017. Go to [CHFA’s Resource Map](#) to see the income limits, sales price limits, and targeted areas by town. 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 added the HFA Advantage[®] Mortgage program offered through Freddie Mac in 2017, to complement the HFA Preferred[®] Mortgage program through Fannie Mae. These programs are the most popular mortgages for first-time homebuyers as the mortgage insurance costs are lower.

Single Family Mortgage highlights:

- 2,967 mortgage loans = \$511.2 million invested in single family homeownership
- Average mortgage amount = \$172,309
- Borrowers average yearly gross income = \$69,652
- Average monthly mortgage payment = \$758.43 at 3.32% (2017 average rate)
- Average age of borrowers = 35
- 40.55% female heads of households (1,203 loans)
- 36.50% minority borrowers (1,083 loans)
- 17.02 % of loans made in Federally Targeted areas within Targeted communities (505 loans)
- 57.47% of loans made in 17 communities identified by the State of Connecticut’s Conservation & Development Policy Plan as being regional, urban center communities (1,705 loans)
- 160 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, homebuyer seminars and sporting events.

Downpayment Assistance Program (DAP): 1,486 loans totaling \$16.6 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 can 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 decreased in 2017, with 50% of borrowers applying for DAP loans, compared to 51.5% in 2016, 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 0.125% for qualified applicants including: members of the U. S. Military Services, their 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; people with disabilities or who have disabled family members living with them, and residents of public housing who purchase a home. There are multiple criteria for these programs, outlined on the CHFA website.

In 2017, CHFA provided:

- **54 Military Homeownership loans**
- **18 Teacher Mortgage Assistance loans**
- **1 Police Homeownership loan**
- **6 Residents of Public Housing loans**

Homebuyer Education

Attendance at programs up 17% in 2017

CHFA's homebuyer education and counseling programs are an investment in financially educated borrowers. Research shows that borrowers who complete homebuyer education programs are 29% more likely to be successful in paying their mortgage in the future.

CHFA has an online homebuyer education option for the Pre-Closing Counseling program, which continues to increase in popularity with borrowers. E-Home America provides the online class, partnering with local counseling agencies for follow up telephone counseling sessions.

To obtain a CHFA mortgage, borrower(s) are required to attend the following programs, as applicable:

The Pre-Purchase Education 8-hour class is appropriate for potential borrowers who are looking to determine their readiness to begin the homebuying process. Classroom topics discussed include understanding the home purchase process, preparing to become a homeowner, managing your money, understanding credit, maintaining your home, and other areas. Local partnering housing counseling agencies are required to offer individual financial counseling sessions as a follow-up service.

The Individual Financial Counseling Sessions are offered for potential borrowers to receive a one on one session on mortgage readiness, knowledge of and maintaining a budget, better understanding of credit management, and making informed decisions about pursuing homeownership.

The Pre-Closing 3-hour class is intended for mortgage-ready borrowers that are in the process of closing their CHFA loan. This class is required for all borrowers receiving a CHFA first-time homebuyer loan including the Down Payment Assistance Program. Although all areas of the home purchase process are discussed in these classes, a greater emphasis is placed on the mortgage process, the loan closing process; including mortgage documents; home maintenance and repairs; and actions to take in the future, if facing delinquency.

Online Homebuyers Education Program offered through a partnership with eHOME America, this course is provided free of charge ONLY to applicants that have registered for a first time homebuyer mortgage with CHFA. The online counseling option is an accepted, convenient method of meeting the counseling requirement for CHFA loans.

The Landlord Education classes are required for borrowers in the process of obtaining a CHFA mortgage purchasing for a two- to four family home. This education is also made available to any potential homebuyer and existing landlords of a two to four family property. Topics discussed include rights and responsibilities of landlords and tenants in Connecticut, selecting tenants, maintaining your property, and maximizing tax advantages.

All CHFA Housing Education and Counseling services are available free of charge to prospective homebuyers. CHFA partnered with local housing counseling agencies to provide homebuyer education, including classes in Spanish:

The summary below outlines the total clients served for each program:

- **2,288** prospective borrowers completed the Online Pre-Closing homebuyer class
- **1,677** prospective homebuyers attended Pre-Purchase classes on the home buying process, with **1,481** prospective homebuyers also taking advantage of the individual Pre-Purchase counseling sessions
- **869** prospective borrowers attended Pre-Closing homebuyer classes
- **409** 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 **73** homeowners in 2017, with an investment of **\$2,594,385.67**. 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 financial stability. Applicants must have participated in the foreclosure mediation process with their lender prior to receiving an EMAP loan.

2017 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:

Foreclosure Prevention Clinic is offered for individuals and families who are in default and/or in danger of foreclosure. Classroom topics discussed included foreclosure process and what to expect next, Judicial Mediation Program and requirement, home retention and non-retention options, including but not limited to, HUD loss mitigation, assumption, pre-foreclosure sale program, and all other available foreclosure prevention tools, including Emergency Mortgage Assistance Program (EMAP).

Foreclosure Prevention Counseling is made available for individuals and families who are in default and/or in danger of foreclosure with their mortgage. The counseling session includes a timeline for resolution to establish customer expectations, discuss and provide client with information on how to affirmatively further fair housing, assess a financial analysis, develop a written action plan and submit a loss mitigation recommendation to the bank or lender on behalf of the borrower.

Financial Fitness Education 3-hour Class is offered for any client, including those accepted into the Mortgage Crisis Job Training Program (MCJTP). Topics discussed include budgeting, checking accounts and savings plans, an overview of credit, and protection your assets.

The summary below outlines the total clients served for each program:

- **203** people attended Financial Fitness classes within the Mortgage Crisis Job Training Program and foreclosure prevention counseling
- **416** people attended foreclosure prevention counseling sessions
- **81** people attended foreclosure prevention clinics

National Foreclosure Mitigation Counseling Program (NFMC)

The National Foreclosure Mitigation Counseling (NFMC) program was launched in December 2007 with funds appropriated by Congress to address the nationwide foreclosure crisis by dramatically increasing the availability of housing counseling for families at risk of foreclosure.

The NFMC program administered by Neighborhood Reinvestment Corporation, doing business as NeighborWorks[®] distributed grant funds to competitively selected grantee organizations, which in turn provided the counseling services, directly or through sub-grantees.

Since 2009, CHFA has been an award recipient of the NFMC program. The chart below is evidence of CHFA fulfilling the role as the Grantor to assure the foreclosure prevention programs were made available by the selected sub-grantees through our local partnering housing counseling agencies. The NFMC program ended as of September 30, 2017.

Foreclosure Prevention Program			
Year	NFMC Round	Total Award	Total Clients Served
2009	2	\$ 681,230.00	1606
2010	3	\$ 85,150.00	283
2011	4	\$ 50,102.00	170
2012	5	\$ 202,501.00	729
2013	6	\$ 158,686.00	545
2014	7	\$ 170,688.00	574
2015	8	\$ 137,541.00	482
2016	9	\$ 87,821.00	208
2017	10	\$ 82,677.00	187
Total		\$ 1,656,396.00	4784

Financing Affordable Multifamily Rental Housing

CHFA approved financing for the new construction, rehabilitation or preservation of 2,102 affordable housing units in 2017

CHFA provides loans to developers and owners of affordable and mixed-income multifamily rental housing at or below-market interest rates, helping them achieve feasibility for their housing proposals in Connecticut. 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 2017, the CHAMP program Rounds 10 and 11 approved funding to create 367 affordable housing units in the state. Two properties, with a total of 153 units that were approved by the CHFA Board during 2017 received CHAMP funds, 4% LIHTC credits and CHFA Tax Exempt Bond funds. CHFA is also working with DOH and the Department of Developmental Services (DDS) on the Intellectual Disabilities and Autism Disorder Spectrum Housing (IDASH) Program to finance new properties in 2017 and 2018.

Board Approved Transactions in 2017

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 25-28 in the Asset Management Section of the report.

The total unit numbers for some of the transactions listed on the following pages are not included in the 2,102 unit total listed above, as they have been counted in previous years, but came back to the board in 2017 for additional funding. These 131 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 2017:

11 Crown Street, Meriden, is the redevelopment of the former Record Journal building into family housing. Amenities include community space, office space and an on-site playground. The site is within walking distance of commercial facilities, a community college and a public library. It is located within a half mile of a high-speed rail station that is currently under construction.

The City of Meriden will utilize DECD funding to demolish the building and complete environmental remediation. The development will receive a PILOT agreement that reduces the real estate taxes for a term of 17 years and a 65-year ground lease for \$1.00. There will be 38 one bedrooms, 23 two bedrooms, and 20 three bedrooms.

Units	81
Housing Type	Family/Supportive
Affordability	21 units affordable to households at 0-25% AMI*, 33 units affordable to households at 25-50% AMI, 10 units affordable to households at 50-60% AMI, 17 units affordable to households at 80-100% AMI. 17 of the 81 units will be Supportive Housing. 17 of the 81 units will receive project-based subsidies
Financing	\$6 million – DOH Housing Trust Fund, \$18.5 million – 9% LIHTC Funds, \$1.4 million – Developer Loan, \$3.7 million – Private Bank Loan, \$750K – Sponsor Loan

Columbus Commons Phase I, New Britain, is a new construction development with 80 apartments in New Britain’s central business district on the site of the former police station. The building will contain amenities and commercial space on the first floor, with apartments above. The site is currently vacant following demolition and environmental remediation performed by the City of New Britain. It is in close proximity to retail and municipal services. A CTfastrak station is located across the street.

The city is providing a 30-year tax abatement on the residential portion and a seven-year tax abatement on the commercial portion of the building. There will be 30 one bedrooms, and 50 two bedroom units.

Units	80
Housing Type	Family/Supportive
Affordability	16 units affordable to households at 0-25% AMI, 26 units affordable to households at 25-50% AMI, 22 units affordable to households at 50-60% AMI. 16 of 80 units will be Supportive Housing
Financing	\$18.6 million – 9% LIHTC funds, \$200k – Deferred Developer Fee, \$267k – Energy Rebates, \$6 million - DOH Funds, \$1 million – Private Bank Loan, \$5 million – DECD Urban Act

***Area Median Income**

Montgomery Mill, Windsor Locks, is the adaptive re-use of a historic industrial mill located between the Windsor Locks Canal and the Connecticut River. Amenities will include community and office space and bike storage areas. The site is within walking distance of a public library and retail facilities, and is located at the southern end of a four mile park and trail that runs between the canal and river. A commuter rail station is planned across the canal from the building. There will be 79 one bedrooms and 81 two bedrooms.

Units	160
Housing Type	Family
Affordability	17 units affordable to households at 0-25% AMI, 32 units affordable to households at 25-50% AMI, 165 affordable to households at 50-60% AMI, 17 units affordable to households at 60-80% AMI. 78 units are market rate
Financing	\$6 million – DOH Funds, \$4 million – OPM, \$17 million – 9% LIHTC funds, \$10 million – Federal Historic Credit, \$12 million – State Historic Credit, \$1.5 million – Deferred Developer fee, \$4 million – DECD Brownfield Loan, \$7.8 million – Boston Private Bank

Rockview Phase 2, New Haven, is located on a nine-acre site in the West Rock neighborhood of New Haven; and is the fifth phase of the West Rock Revitalization Program. Residents will have access to the programs and supportive services provided at the West Rock Community Center across the street, and access to a nearby state park and state university. The development is located on a bus route offering access to downtown New Haven.

In this family development 62 of the affordable units will receive project-based rental subsidies through the Rental Assistance Demonstration Program. There will be 23 two bedrooms, 51 three bedrooms, and 4 four bedroom units.

Units	78
Housing Type	Family/Supportive
Affordability	20 units affordable to households at 0-25% AMI, 42 units affordable to households at 25-50% AMI, 16 affordable to households at 120% AMI, 16 of the 78 units will be supportive housing; 62 units will receive project-based subsidies
Financing	\$5.6 million – DOH Funds, \$16.4 million – 9% LIHTC funds, \$7.4 million Private Bank Loan, \$1.6 million – General Partner Loan

Windward Apartments, Bridgeport, is the first phase of redevelopment of the Marina Village public housing complex. Within walking distance are retail facilities and several bus stops, including one that takes passengers directly to Bridgeport’s main transportation hub. 15 households will receive project-based Section 8 rental subsidies. The City of Bridgeport provided grant funding for demolition and remediation. South West Community Health Center will lease the commercial space, and is providing funding for construction. There will be 24 one bedrooms and 36 two bedrooms.

Units	60
Housing Type	Family/Supportive

Affordability	15 units affordable to households at 0-25% AMI, 24 units affordable to households at 25-50% AMI, 9 affordable to households at 50-60% AMI, 12 affordable households at 120%. 12 of the 60 units will be Supportive Housing. 15 of the 60 units will receive project-based subsidies.
Financing	\$6 million – DOH Funds, \$850k – City of Bridgeport Infrastructure Grant, \$14.3 million – 9% LIHTC funds, \$500k – Developer / Investor Cash Equity, \$1 million – Deferred Developer Fee, \$200K – Energy Rebates, \$200K Private Bank Loan, \$3 million – Bridgeport Housing Authority Loan, \$50k – Southwest Community Health Center Loan.

Willow Creek Apartments Rental Phase II, Hartford, is the second phase in the redevelopment of Bowles Park, a property in the State’s Moderate Rental Housing portfolio. The redevelopment plan requires existing buildings to be abated and demolished. Amenities will include a community building with office and community space, a business center and a fitness facility. The site is within walking distance of schools, retail establishments and neighborhood recreation centers. Several bus stops will serve the development, and Union Station in downtown Hartford can be directly accessed from the site. Eleven households will receive project-based Section 8 rental subsidies. Supportive services will be provided to five chronically homeless individuals and four families with special needs.

There will be 6 one bedroom apartments, 24 two bedroom apartments and 13 three bedroom units.

Units	43
Housing Type	Family/Supportive
Affordability	11 units affordable to households at 0-25% AMI, 18 units affordable to households at 25-50% AMI, 9 affordable to households at 50-60% AMI, 5 units affordable to households at 120% AMI. There will be 9 units of supportive housing; 11 of the 43 units will receive project-based subsidies
Financing	\$10.3 million – 9% LIHTC Funds, \$698k – Deferred Developer Fee, \$160k – Energy Rebates, \$1.3 million – CHFA ITA Funds, \$750k – CHFA Taxable Bond Funds, \$6 million - DOH Funds

Meriden Commons, Phase II, Meriden, is a residential/retail project in downtown Meriden. The currently vacant site is located within a half mile of a public library, retail facilities and an adult learning center. It is a third of a mile from Meriden’s new Transit Center offering rapid rail transportation to many nearby cities. The City of Meriden undertook an extensive flood control project in the area, resulting in a 14.4 acre park being built adjacent to the site.

The Meriden Housing Authority will provide 26 project-based Section 8 rental subsidies, and 26 units will serve as replacement housing for former Mills Memorial tenants. The City has granted the development an 80% tax abatement for the 15-year tax credit compliance period. There will be 28 one bedroom apartments, 32 two bedroom apartments, 12 three bedrooms, and 4 four bedroom units.

Units	76
Housing Type	Family/Supportive
Affordability	15 units affordable to households at 0-25% AMI, 24 units affordable to households at 25-50% AMI, 21 affordable to households at 50-60% AMI, 16 units affordable to households at 120% AMI. 8 of the 76 units will be Supportive Housing. 26 of the 76 units will receive project-based subsidies
Financing	\$16.7 million – 9% LIHTC Funds, \$216k – Deferred Developer Fee, \$6 million – DOH Funds, \$4.7 million – Permanent Financing

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

Branford Manor, Groton, is an existing 442-unit affordable housing complex that benefits from a project-based Section 8 HAP contract for 441 apartments, with one apartment utilized by the management. Proposed renovations include new boilers, air conditioning systems, windows and siding, unit renovations, significant landscaping and asphalt work, and modernization of the security system, LED lighting, and the addition of a new community building, the rehabilitated Development will include a Community Room. There will be 22 one bedrooms, 397 two bedrooms and 22 three bedrooms.

Units	441
Housing Type	Family
Affordability	441 units of affordable to households at 50-60% AMI. All the units will receive project-based subsidies
Financing	\$26.8 million – 4% LIHTC funds, \$2.9 million – Deferred Developer Fee, \$53 million – Private Activity Bonds

Millport Phase II, New Canaan, is the demolition of 18, obsolete public housing units and the construction of 40 new affordable housing units. The developer, the Housing Authority of the Town of New Canaan, anticipates receiving approval from HUD for 18 project based Section 8 vouchers through its Rental Assistance Demonstration program. The Town provided permanent tax abatement. There will be 18 one bedrooms, 16 two bedrooms and 6 three bedrooms.

Units	40
Housing Type	Family
Affordability	7 units affordable to households at 0-25% AMI, 11 units affordable to households at 25-50% AMI, and 22 units affordable to households a 50-60% AMI
Financing	\$4.1 million – DOH – FLEX, \$4.7 million – 4% LIHTC Funds, \$350k – Deferred Developer Fee, \$67k – Energy Rebates, \$900k – Town of New Canaan Sponsor Note, \$3 million – Private Bank Loan

Lawnhill Terrace Phase 2, Stamford, is the second phase of a planned multi-phase rehabilitation of the 204-unit Lawn Hill Terrace housing development in the State Housing Portfolio. The planned redevelopment will be based on 60 units and will cover extensive work to the exterior, all new kitchens and bathrooms along with individually installed heating systems. Of the 60 units, 6 will be handicapped accessible. There will be 36 two bedrooms and 24 three bedrooms.

Units	60
Housing Type	Family
Affordability	60 units affordable to households at 50-60% AMI
Financing	\$1.2 million – Reserves, \$8.5 million – 4% LIHTC Funds, \$725k – Deferred Developer Fee, \$95k – Energy Rebates, \$4.6 million – DOH – FLEX, \$1.2 million – JP Morgan Chase Perm. Mortgage, \$3.6 million – Charter Oak Communities Seller Note, \$1.5 million – HACS Capital City Funds, \$1.6 million Rippowam Accrued Interest

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:

Center Village, Glastonbury, is a 50-unit elderly rental housing development constructed in 1975 and funded under the State Elderly Program. The development consists of nine buildings and a community building. The plan for redevelopment includes demolition of three buildings plus the community building. A new 38-unit building with community space will be constructed. The remaining 34 studio-sized units will undergo gut rehabilitation and be converted to one-bedroom units. When complete, Center Village will contain 72 one-bedroom units.

Units	72
Housing Type	Elderly
Affordability	20 units affordable to households at 0-25% AMI, 22 units affordable to households at 25-50% AMI, 30 units affordable to households at 50-60% AMI. There will be 15 project based subsidies.
Financing	\$6.5 million – DOH Funds, \$1.3 million – Reserves, \$5.3 million – 4%LIHTC Funds, \$500k- State HTCC, \$340k – Deferred Developer Fee, \$179k – Energy Rebates, \$3 million – CHFA TEB Funds, \$671k – Developer Loan

Parker School Elderly, Tolland, is an adaptive re-use of the former Parker Elementary School, a community with less than 10% of its housing stock classified as affordable housing. When complete, the development will comprise 37 units of affordable housing restricted to elderly residents. The development will be 100% affordable with all units targeted to residents at or below 60% AMI. At least two units will be rented to veterans. There will be 33 one bedrooms, and 4 two bedrooms.

Units	37
Housing Type	Elderly
Affordability	2 units affordable to households at 25-50% AMI, 14 units affordable to households at 25-50% AMI, 21 units affordable at 50-60% AMI.
Financing	\$4.6 million – DOH FLEX Funds, \$2.5 million – 4% LIHTC funds, \$536k – Homeownership Sales Proceeds, \$69k – Energy Rebates, \$910k – Donated Building Value and Land, \$750k – FHLBB AHP Grant, \$1.7 million – Putnam Bank

Housing Authority of New Haven, New Haven, The Housing Authority of the City of New Have (HANH) received HUD approval to convert 13 properties with up to 912 units to a project-based 20-Year Housing Assistance Payment Contract (HAP) under the Rental Assistance Demonstration (RAD) Program. Under RAD, the 20-year HAP contract, with statutorily mandated contract renewal, allows public housing agencies to leverage public and private debt and equity in order to address the long-term capital improvement needs of at-risk public housing properties. Phase I of the RAD conversion consist of the acquisition and rehabilitation of four existing properties comprised of 14 buildings containing 144 elderly public housing apartments for low-income elderly residents at Katherine Harvey Terrace, Newhall Gardens, Prescott Bush Mall and Constance Baker Motely. The proposed scope of work, based on a third-party firm includes critical repair needs, short- and long-term rehabilitation needs, market comparable improvements, energy efficiency, physical accessibility, and environmental remediation, including asbestos.

There will be 30 studios, 107 one bedrooms and 7 two bedrooms.

Units	144
Housing Type	Elderly

Affordability	46 units affordable to households at 25-50% AMI, 98 units affordable to households at 50-60% AMI
Financing	\$6.7 million – 4% LIHTC Funds, \$5.2 million – Sponsor Loan HANH MTW, \$4.8 million – CHFA TEB Funds, \$1 million – CT Greenbank, \$7.4 million – Seller Note

Mary Shephard, Middletown, is the renovation of the historic nurses’ residence on the campus of the Connecticut Valley Hospital into 32 units of supportive housing for homeless adults with preference for veterans. All 32 apartments will receive Section 8 project-based rental subsidies from the Middletown Housing Authority. There is strong support for this development from the City of Middletown, including a 39-year 0% tax abatement.

The operating budget includes a salary for a full-time case worker that can devote all their attention to the residents of this development. Amenities include community space and carports for resident use. The development is within a mile of a grocery store and other commercial and medical facilities. There will be 6 studios and 26 one bedrooms.

Units	32
Housing Type	Supportive
Affordability	13 units affordable to households at 0-25% AMI, 19 units affordable to households at 25-50% AMI. All 32 units will be Supportive Housing and will receive project- based subsidies
Financing	\$.44 million – DOH CHAMP Funds, \$2.1 million – 4% LIHTC Funds, \$1.5 million – Federal Historic Credit, \$1.8 million – State Historic Credit, \$377k – Deferred Developer Fee, \$58k – Solar Panel Equity

The Lofts at Ponemah Mills Phase 2, Norwich, will be the second phase of the Ponemah Mills redevelopment located in the Taftville Section of Norwich. . The mixed-income property will include washers and dryers in each unit, exposed wood ceilings, exposed spiral ductwork and nine-foot windows. A fitness center and community space will also be offered. There will be 51 one bedrooms, 69 two bedrooms and 1 three bedroom.

Units	121
Housing Type	Family
Affordability	2 units affordable to households at 0-25% AMI, 25 units affordable to households at 25-50% AMI, 47 units affordable to households at 50-60% AMI and 47 will be market-rate apartments
Financing	\$4.1 million – 4% LIHTC Funds, \$5.2 million – Federal Historic Credit, \$4.1 – State Historic Credit, \$93k – Developer/Investor Cash Equity, \$908k – Deferred Developer Fee, \$7.9million CHFA TEB Funds, \$6.1 million – DOH CHAMP Funds, \$4 million – GP Loan, \$287k – Additional Required Developer Financing

The following developments were funded with CHFA Investment Trust Account (ITA) funding:

Amistad Court Cooperative, Hartford, was rehabbed in 1993. It consists of 2 three-story buildings. The property was a struggling Limited Equity Cooperative and the members voted to sell the building ensuring continued occupancy with a new owner. The affordability requirements remain in place. There are total 14 units consisting of 11 two bedrooms, 2 three bedrooms and 1 four bedroom apartment.

Units	14
Housing Type	Family
Affordability	14 units affordable to households at 80-100% AMI
Financing	\$250k – ITA Funds.

Sheldon Commons Cooperative, Hartford, was sold in 2017. This loan will restructure some existing CHFA debt and provide debt relief on the 2 loans transferred from DECD in 2003. The terms proposed are 0% interest for 30 years. The first two years will be interest only. There are 9 units, 4 two bedrooms, 4 three bedrooms and 1 four bedroom.

Units	9*
Housing Type	Family
Affordability	14 units affordable to households at 80-100% AMI
Financing	\$250k – ITA Funds

Victoria Gardens, Waterford, is a 90-unit, mixed-income housing development for persons 55 and over, to be built in the Town of Waterford. Of the 90 units at Victoria Gardens, 72 will be affordable and there will be a preference for 2 veterans in the non-supportive units. The site is in a Moderate Opportunity Zone and a Priority Funding Area. The project received a 9% LIHTC award in March 2016. There will be 85 one bedrooms, and 5 two bedrooms.

Units	90*
Housing Type	Elderly / Supportive
Affordability	18 units affordable to households at 0-25% AMI, 29 units affordable to households at 25-50% AMI, 25 units affordable to households at 50-60% AMI. 18 units affordable to households at 120% AMI. 18 of the 90 units will be Supportive Housing
Financing	\$7.8 million – 9% LIHTC Funds, \$581k – Deferred Developer Fee, \$236k – Energy Rebates, \$100 – G.P. Contribution, \$725k – ITA Funds, \$4.1 million – CHFA Taxable Bond Funds, \$5 million – DOH Housing Trust Fund

Mill at Killingly, Killingly, is the redevelopment of a brownfield site and a vacant, blighted mill circa 1860 located in the Danielson borough of Killingly. The existing building will be abated and demolished, the site remediated, and a new three-story mixed-income housing development will be constructed in its place. The development will include a community room with a kitchen to serve the social needs of the tenants, supportive service's office space and a manager's office. There will be 28 one bedrooms, and 4 two bedrooms.

Units	32*
Housing Type	Elderly / Supportive
Affordability	12 units affordable to households at 0-25% AMI, 13 units affordable to households at 25-50% AMI, and 7 units affordable to households at 120% AMI. 16 of the 32 units will be Supportive Housing. 25 of the 32 units will receive project-based subsidies
Financing	\$5.4 million – 9% LIHTC Funds, \$500k – State HTCC Funds, \$220k – Deferred Developer Fee, \$2.6 million - DECD Brownfield Remediation Funds, \$500k – FHLBB AHP, \$85k – Energy Rebates, \$600k – ITA Funds, \$4.9 million – DOH Assistance – Bond of Federal Funds, \$1 million Private Bank Loan

Rehoboth Place, Hartford, is located at 39-49 Vine Street in Hartford. The building was built as a Limited Equity Cooperative in 1995. The members were financially struggling to keep the building repaired, pay their taxes and current bills. The members voted to sell the property ensuring continued occupancy with a new owner that was required to keep the units affordable. The property consists of two buildings, total 15 units. There are 9 two bedrooms and 6 three bedrooms.

Units	15
Housing Type	Family
Affordability	15 units affordable to households at 60-80% AMI
Financing	\$120k – CHFA ITA Funds

The following developments were funded by DOH

Helen DeVaux, Shelton, Shelton Housing Authority was awarded funds in the SSHP Recapitalization – NOFA for Helen DeVaux Apartments through the 10 year \$300 million initiative to revitalize the SSHP portfolio. The funds will go towards the following improvements: membrane roof replacement, community room kitchen and bathroom – ADA upgrades, stairwell / common entrance finish replacements, unit bathroom and kitchen upgrades, circuit breaker and panel replacements, driveway resurfacing, vinyl siding and trim repair / replacements, exterior common entrance floor replacements and canopy provision and asphalt shingle roofing – power wash and repairs. There are 28 studios and 12 one bedrooms.

Units	40
Housing Type	Elderly
Affordability	40 units affordable to households at 60-80% AMI
Financing	\$800k – DOH / HUD CDBG Funds, \$298k – DOH Pre-Dev Loan, \$3.3 million – State 5 th \$30 million, \$24k – Energy Rebates

Rose Garden Cooperative, Hartford, is an 8-unit Limited Equity Cooperative in Hartford. This grant application will fund new furnaces, water heaters, kitchen counter and sink replacement, exterior doors and window replacement, interior door and hardware replacement, painting, lighting, repaving, and vinyl siding. There are 7 three bedrooms and 1 four bedrooms.

Units	8
Housing Type	Family
Affordability	8 units affordable to households at 60-80% AMI
Financing	\$1.2 million – DOH – Second \$30 million, \$19k – Energy Company

Yale Acres, Meriden, is an existing 162-unit Moderate Income Rental project owned by the Housing Authority of the City of Meriden (MHA). MHA as co-sponsor, will long-term lease the project to its developer, Maynard Road Corporation. The redevelopment plan includes substantial rehab of 154 existing units, demolition of 8 units and construction of 8 new units. The development has obtained 69 Section 8 rental subsidies from HUD. MOU with supportive service provider indicates services will be available for all households. There will be 21 one bedrooms, 91 two bedrooms and 50 three bedrooms.

Units	162
Housing Type	Family
Affordability	33 units affordable to households at 0-25% AMI, 29 units affordable to households at 25-50% AMI, and 100 units affordable to households at 50-60% AMI
Financing	\$250k – Reserves, \$13.45 million – 4% LIHTC Funds, \$20k – Developer / Investor Cash Equity, \$1.2 million- Deferred Developer Fee, \$23.3 million – Private Activity Bonds, \$5.7 million – DOH – FLEX Funds, \$3.5 million – Housing Authority Purchase Money Mortgage

Marcella Eastman, Hartford, is a moderate rental development consisting of 78 units within 44 individual buildings which was originally constructed in 1952. The SSHP funds will be utilized to improve the building envelopes, including roofing, siding, windows, and site work and create the much needed accessibility accommodations to the site. The development currently does not have the requisite number of Handicapped Accessible units available to its residents. There will be 16 one bedrooms, 32 two bedrooms and 28 three bedrooms.

Units	78
Housing Type	Family
Affordability	78 units affordable to households at 60-80% AMI.
Financing	\$4.8 million – DOH / Fifth Thirty Loan, \$143k – DOH / Bond Commission Approved \$5M, \$206k – Reserves, \$500k – HTCC proceeds, \$\$161k – Eversource Letter of Participation

The Marvin, Hartford, is a 50 unit Congregate Housing Facility. The property is heavily reliant upon operating subsidy given the nature of the program which provides for the frail elderly who require congregate services and in some cases Assisted Living Services. Specific improvement items included upgraded walks, entries and access to rear patio area which will improve accessibility for frail elderly residents as well as upgraded site lighting is necessary to improve visibility to exterior entrances and parking area. Other capital improvements include upgraded efficient mechanical systems, window replacement and sealing, and an upgraded heating and cooling system. Additionally other improvements will stabilize and maintain the building’s functionality over the next twenty years with an emphasis on energy efficiency measures, which will result in lower energy costs. There will be 50 one bedrooms.

Units	50
Housing Type	Elderly
Affordability	50 units affordable to households at 60-80% AMI
Financing	\$240k – DOH – FLEX

Ludlow Commons, Hartford, is a congregate senior apartment. The units are all one bedroom flats in a 4-story elevator building which was originally a school before conversion. The building has a commercial kitchen, dining area and community space. The Norwalk Housing Authority and the Development Team identified the following work items for the SSHP grant: New Energy Star windows, common area hallways flooring, common area ADA bathroom upgrades, elevator upgrades, fire alarm system upgrades, unit door replacement (entry and closet), ADA walk-in showers (6 units) and mixing valves, as well as accessory, and exhaust fan (44 units), kitchen cabinet replacement, unit flooring replacement, unit painting, laundry room upgrades, LED site lighting, LED lighting upgrades (unit & common areas), and new asphalt paved roadway / parking areas. There will be 44 one bedrooms.

Units	44
Housing Type	Elderly
Affordability	44 units affordable to households at 80-100% AMI
Financing	\$3.4 million – DOH Funds, \$100k – Reserves, \$42k – Energy Letters of Participation

Westhill Gardens, Manchester, was built in 1992 for elderly citizens over 62. It consists of 37 one-bedroom units within one residential two-story building. The scope of work proposed for this funding is repair or replacement of most asphalt paved roadways and surface parking areas, repair of concrete spalling, repair of concrete sidewalks, replacement of localized sealed glass units, replacement of the single –ply roof membrane installed at flat roof areas, replacement of asphalt shingles at sloped roof areas, replacement of three domestic hot water boilers, completion of ongoing heating and cooling improvements, repair or replacement of sectional pinhole leaks, replacement of the original zone type fire alarm control panel, replacement of vinyl flooring as needed, and improvements of visual flashing signs in common areas, the intercom pane, and other needed modifications to bathroom and public laundry fixtures to ensure

compliance with handicap accessibility standards. There will be 37 one bedrooms.

Units	37
Housing Type	Elderly
Affordability	37 units affordable to households at 80-100% AMI
Financing	\$3.5 million – DOH Funds, \$113k – Energy Incentives

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 2017, seven affordable housing developments approved for financing by CHFA's Board of Directors included 110 units of supportive housing in their unit mix.

Development	Town	4% or 9% Program	PSH Units	Total Units	PSH Units as % of Total Units
11 Crown Street	Meriden	9%	17	81	21%
Columbus Commons Phase I	New Britain	9%	16	80	21%
Rockview Phase II	New Haven	9%	16	78	21%
Windward Apartments (The)	Bridgeport	9%	12	60	20%
Willow Creek Apartments Rental Phase II	Hartford	9%	9	43	21%
Meriden Commons Phase II	Meriden	9%	8	76	11%
Mary Shephard	Middletown	4%	32	32	100%
TOTALS			110	450	24%

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

- 78 units or approximately 19% of the total 9% LIHTC production
- 32 units or approximately 100% 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 2017, the ICSHH continued to work ending chronic homelessness amongst all individuals and families. ICSHH additionally addresses 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 2017. ICSHH member agencies continue to work together to secure and implement federal funding for supportive housing opportunities and in 2017 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 – 2016-2017

CHFA issues tax credit vouchers to business firms making cash contributions to qualified non-profits that develop affordable housing. The total amount available under the HTCC program is \$10 million annually, with a \$2 million set-aside for supportive housing, and a \$1 million set-aside for workforce housing. CHFA allocated the HTCCs in 2017 to non-profit organizations and their programs listed below, which will result in the development of 692 affordable homes and apartments.

Project Name	Town	Units	Contribution Received	Set Aside
Live Where You Work Program (formerly Workforce Housing Down Payment Fund)	Statewide	0	\$500,000.00	W
West Gate Apartments	Bridgeport	48	\$200,000.00	S
Mill At Killingly Apartments	Killingly	32	\$500,000.00	S
Lighthouse I	Stamford	15	\$148,880.00	S
Open Door Family Housing	Norwalk	3	\$422,840.00	S
84 Holly Street	Bridgeport	4	\$300,000.00	S
Capital for Change Loan Pool	Statewide	0	\$500,000.00	G
Elm Grove	West Hartford	40	\$446,725.00	G
NHSW Scattered Site Rehabilitation Project	Waterbury	0	\$270,375.00	G
Victoria Gardens	Waterford	90	\$500,000.00	G
Center Village	Glastonbury	72	\$500,000.00	G
SLDC 16 Dickerman Homeownership	New Haven	2	\$276,050.00	G
223 Wethersfield Ave	Hartford	14	\$110,000.00	G
Hartford Homeownership Project	Hartford	4	\$429,098.00	G
HFHECT Homes in Eastern CT	Norwich	2	\$170,000.00	G
Ivy Street Apartments	Branford	29	\$394,109.00	G
2017 Middletown Substantial Rehabilitation Program	Middletown	10	\$500,000.00	G
Marcella Eastman Terrace	Windham	78	\$500,000.00	G
HOPE Homeownership – 2017	New London	2	\$300,000.00	G
Grove Street Mutual Housing	Windsor Locks	21	\$473,708.00	G
Norwich Community Apartments	Norwich	32	\$500,000.00	G
Fairfield Ridge Apartments	Danbury	58	\$500,000.00	G
Cityscape Apartments	Hartford	74	\$500,000.00	G
19 Maple Street Extension	Kent	3	\$65,000.00	G
Mystic River Homes Elderly Housing	Noank	46	\$500,000.00	G
Affordable Homeownership Development Project	New Haven	10	\$493,215.00	G
Total		692	10,000,000	

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

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

9% Low-Income Housing Tax Credit (LIHTC) Program – 2017

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.

In 2017, there was a pool of 18 applicants who requested \$20 million in tax credits, to create 1,213 total units of housing. The tax credits recipients are listed below and credits were awarded in 2017.

9% Low Income Housing Tax Credit Awards

City/Town	Project Name	Type of Housing	Qualified Units	Credit Awarded
Meriden	11 Crown Street	Family/Supportive	64	\$1,829,176
New Britain	Columbus Commons Phase I	Family/Supportive	64	\$1,600,000
Windsor Locks	Montgomery Mill	Family	65	\$1,624,508
New Haven	Rockview Phase II	Family/Supportive	62	\$1,549,845
Bridgeport	Windward Apartments (The)	Family/Supportive	48	\$1,379,862
Hartford	Willow Creek Apartments Rental Phase II	Family/Supportive	38	\$1,092,167
Meriden	Meriden Commons II	Family/Supportive	60	\$1,619,838
			401	\$10,695,396

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

State-Sponsored Housing Portfolio – 11,706 units

Governor Malloy announced a \$300 million commitment to fund improvements and revitalize the state's public housing over 10 years, beginning in 2012. These funds are 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 Pre-development Funding and Technical Assistance for most applications.

SSHP Capital and Pre-development funding continue

During the 2017 calendar year covered by this report, sixteen properties, with a total of 998 units received allocations from two rounds of the Governor's \$30 million.

The charts below highlight the funding in the Capital Plan and SSHP, which is tracked on a July-June fiscal year so the totals below reflect that period versus the calendar year reporting.

Updated as
of 3/1/2018

Summary of Funding Activities - Fiscal Year 2017-18

"Year 6" Projects

Property Name	Town	# units	\$ Award	Tot. Dev. Cost	% Complete
Patchogue Place	Westbrook	12	1,192,200	1,243,972	Awarded
George Washington Carver	New London	128	4,257,122	4,890,321	Awarded
Common Thread	Manchester	16	1,314,345	1,320,012	Awarded
McGuire Court	Wallingford	50	3,662,127	4,498,627	Awarded
Snipsic Village	Ellington	42	2,439,973	2,701,506	Awarded
Stern Village Stern Center	Trumbull	186	5,286,139	6,990,646	Awarded
Eastwood Court	Norwich	25	1,822,738	2,103,439	Awarded
Subtotal		459	19,974,644	23,748,523	

Pre-Transaction Critical Needs

Property Name	Town	# units	\$ Award	Tot. Dev. Cost	% Complete
Forest Court	Farmington	36	35,314	76,074	100%
Villa Coqui, LLC	Hartford	13	127,530	127,530	69%
Kirtland Commons	Deep River	26	475,000	553,277	21%
Rehoboth Place	Hartford	15	120,000	120,000	0%
Subtotal		90	757,843	876,881	

	Units served	\$ Invested
Total Fiscal Year Investment	549	19,974,644

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 for Redevelopment + Technical Assistance to Limited Equity Coops for Redevelopment*
DOH has deployed nine firms (Housing Development Team, LLC/Housing Coalition) for technical assistance targeted toward building capacity of owners and assisting in building a development team to prepare for funding applications.

2017 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 2018. 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

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, all SSHP properties transitioned their budgets to the new format.

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 - 24,785 units

- CHFA continued its ongoing portfolio management oversight, which included performance management of its portfolio of 312 developments and 24,785 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 \$64 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 16,583 units at 255 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 2017, 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 Community Investment Account (CIA) continued to provide funding for the following programs in 2017:

- **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. Since the inception of the initiative, more than 1,100 multifamily buildings have been uploaded into the benchmark platform. 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 completed its last year in 2017. This pilot program is the result of a successful collaboration between the Connecticut Main Street Center and CHFA which provided customized technical assistance to communities and property owners of small, under-utilized downtown properties. The program operated in eight communities – Danbury, Hartford, Meriden, Middletown, New Britain, Norwich, Torrington, and Waterbury with nine property owners and their buildings have been the focus of the program. Properties in Waterbury and New Britain have been completed, and others in Meriden, Hartford and Norwich are in funding negotiations or underway potentially resulting in up to 132 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. The Housing Connections program has provided technical assistance leading to the development and/or redevelopment of 539 affordable homes, representing nearly \$112 million of development activity. Additionally, the program is providing technical assistance to 30 other projects with the potential of an additional 667 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) in 2019. 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.
- 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 the Local Initiatives Support Corporation (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 2017, 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 Bridgeport and New Britain.
- 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 2017, \$57,600 in funding was expensed. to 484 housing units with 1098 residents served.

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 Local Initiative Support Corporation (LISC), Capital for Change (C4C), the Hartford Community Loan Fund, and the Housing Development Fund (HDF). The funds invested in CDFIs between 1999 and 2017 have resulted in 140 completed transactions financing over 2,600 housing units. The Authority's cost per unit on these transactions was approximately \$11,500.

CHFA's Small Multifamily CDFI Loan Pool Program makes available \$6 million in low-cost capital for the redevelopment or rehabilitation of vacant or blighted small multifamily rental properties with less than 20 units. The Hartford Community Loan Fund, the Housing Development Fund, and Capital for Change are participants. Since its inception in 2014, participating CDFIs have utilized \$4.7 million to finance the rehabilitation of 37 properties resulting in 145 new affordable units. Due to the low-cost funds, the program has saved property owners on average \$230 per month.

Funding and Financial Statements 2017

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 AND EXPENSES WITH COMPARISON TO BUDGET
TWELVE MONTHS ENDED DECEMBER 31, 2017
(in 000's)**

	<u>2017 Budget Projection</u>	<u>YTD December 2017 Preliminary</u>	<u>Variance to 2017 Budget</u>
Operating Revenues			
Interest on mortgage loans	157,000	151,752	(5,248)
Interest on investments	38,000	47,734	9,734
Fees and other income	4,400	14,232	9,832
Total Operating Revenues	<u>199,400</u>	<u>213,718</u>	<u>14,318</u>
Operating Expenses			
Interest	131,000	137,424	6,424
Bond Issuance Costs	6,750	7,497	747
Servicer fees	11,150	11,482	332
Administrative	41,631	34,807	(6,824)
Provision for losses	5,000	1,595	(3,405)
Total Operating Expenses	<u>195,531</u>	<u>192,805</u>	<u>(2,726)</u>
Net Operating Income	<u>3,869</u>	<u>20,913</u>	<u>17,044</u>

Notes:

1) Does not include amounts received or expensed pursuant to CGS Sec 4-66aa (CIA), the National Foreclosure Mitigation Counseling Program (NFMC), Emergency Mortgage Assistance Program (EMAP), the Federal Comprehensive Counseling Grant, Zero-16 Initiative and the Federal QECB Interest Subsidy.

2) The adjustment to record the fluctuation in the market value of investments is not included.