Connecticut agency’s strategic plan targets affordable housing

By Paul Burton

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The Connecticut Housing Finance Authority is launching a three-year strategic plan to guide affordable housing investment.

“Connecticut is not alone in terms of affordable housing, but we definitely have an affordable crisis,” chief executive Nandini Natarajan said in an interview.
This CHFA-financed property, The Lofts at Ponemah Mills in Norwich, includes affordable and market-rate housing at a former mill built in 1865. Connecticut Housing Finance Authority

CHFA's board of directors in November approved the plan, which they call a roadmap for creating greater opportunities for low- and moderate-income state residents.

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The organization lends more than $500 million annually for affordable housing.

A needs assessment CHFA conducted early last year showed that more than three-fourths of lower income households are paying more than 30% of their income for housing. Further, the analysis revealed that four out of five homeowners with incomes up to 50% of the area median income are cost burdened.
Other measures outlined in the strategic plan call for greater community engagement. Last April and May 2020, the nonprofit Leadership Greater Hartford worked with the CHFA strategic planning committee to gather additional data through online surveys and virtual focus group sessions.

“During the pandemic, CHFA spent a significant amount of time listening to the needs and concerns of developers, property owners, lenders and other partners to determine how we could help them serve their customers during the crisis,” Natarajan said.

With limited resources available to fund affordable housing, CHFA is reviewing new funding strategies, including plans to create a resource it calls an Opportunity Fund. The new fund, which the board also approved, is designed to provide financing for affordable housing programs and initiatives in need of additional financial support.

Natarajan called it “the mission-driven side of CHFA.” The amount designated for the fund varies by year, based on fee-generating activity.

“CHFA intends to go beyond business as usual. Creating an Opportunity Fund that can invest in programs and initiatives that would not otherwise come to fruition is precisely the type of work quasi-public agencies should be doing,” said Seila Mosquera-Bruno, CHFA board chairwoman and commissioner of the state Department of Housing.

Like other agencies, CHFA has had to adjust to the COVID-19 pandemic.

“We are in the midst of a pandemic, but we had plenty of problems before the pandemic. The pandemic has exacerbated certain trends,” Natarajan said.

CHFA found itself communicating with lenders and borrowers about guidelines related to mortgage forbearance and other relief measures.
"I can’t believe it’s been a year,” said the authority’s first female head in its 51-year history. She arrived from the similarly structured Illinois Housing Development Authority, where she had been chief financial officer.

“You get to work with people who are committed and have a strong identity with the mission,” Natarajan said of housing agencies. Before IDHA, she was a financial advisor for Caine Mitter & Associates in New York.

“We’re not a policymaking agency but we are at the crosshairs of policy and finance,” CHFA chief executive Nandini Natarajan said. Connecticut Housing Finance Authority

State lawmakers created the authority in 1969 as a self-supporting agency charged with expanding affordable housing opportunities for low- and moderate-income persons.
CHFA is also planning efforts to expand outreach to underserved minority communities and underserved geographic areas of the state.

“Black and minority ownership is severely lacking,” she added, noting that for or a large percentage of the population, home ownership is a way to build wealth. “Not everyone owns stocks and bonds.”

To date, the combined mortgage financing of CHFA’s single-and multifamily housing programs has exceeded $17 billion. In addition, it has financed the creation of more than 55,000 affordable rental units statewide.
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