



**NOTICE OF FUNDING FOR
*BUILD FOR CT***



**HOUSING FOR MIDDLE INCOME
HOUSEHOLDS**

The Department of Housing (DOH) and the Connecticut Housing Finance Authority (CHFA) are excited to provide this notice of funding for Workforce Housing (Housing For Middle Income Households) to be known as ***Build For CT***.

A. BACKGROUND

This year, the Connecticut Legislature passed, and Governor Lamont signed Public Act 23-205, which provides more than \$800MM in bonding for the creation and preservation of housing covering a wide spectrum of need: from deep income targeted to middle income rental housing, as well homeownership opportunities. The purpose of this notice is to alert financial institutions, developers, and owners of the newest, exciting and critically important financing program that is part of this bonding that will help to provide housing options for Connecticut's middle-income households who are essential to Connecticut's economic vitality and the state's future growth.

B. PUBLIC-PRIVATE ALLIANCE

Utilizing the efforts and resources of private financial institutions to cultivate and promote the acquisition and development of market rate housing that will serve middle income residents, DOH and CHFA have developed the program which CHFA will administer on behalf of DOH to provide financial support to fund housing units that would otherwise not be financially feasible. Those financial institutions are important allies in the effort to help all of Connecticut provide housing for its workforce not only now but in the years and decades to come.

C. FUNDING TYPES AND ELIGIBLE PROPERTIES

Funding provided may be used in numerous ways, including for construction to permanent purposes, permanent financing purposes, and for substantial rehabilitation. Previously proposed housing and housing in the process of construction but in need of funding to be completed may be eligible. Subject to funding availability and projected time to completion, eligibility may also be available for properties at earlier stages of development. The presently anticipated income restrictions are that at least 20% of total units at any site will be income restricted for tenants earning between 60% and 120% of area median income (AMI). (Funding for properties principally consisting of low income housing units is not available under this program but is available under other DOH and CHFA programs.)

D. ANTICIPATED FINANCING TERMS (subject to change)

Build For CT is expected to provide favorable financing as follows:

Construction-permanent loans with construction terms up to 36 months. Permanent loans with terms up to 20 years and with amortizations of up to 40 years.

Subordinate lien and payment priority.

Debt coverage ratios of 1.15.

Below market interest rates.

CLTV generally capped at 80%.

Loan amounts up to \$125,000 per eligible income restricted unit, which may be increased at the discretion of the Commissioner of DOH.

Prepayments allowed 6 years after close of permanent loan with a minimum yield maintenance fee of 1%.

E. INTERESTED PERSONS

Developers and other interested parties should work with their financial institutions, who will need to coordinate the submission of documentation to CHFA for consideration of funding requests. All inquiries should be directed to BuildForCT@chfa.org.

F. OTHER INFORMATION

All information submitted to CHFA in response to this notice are the sole property of the State and CHFA and subject to the provisions of Connecticut's Freedom of Information Act, Connecticut General Statutes Sections 1-200 et seq., which provide that public records and documents are subject to public access and copying unless specific exemptions to disclosure exist. If a person believes that portions of its submissions are exempt from disclosure, they should mark the specific portions as confidential. Acceptance of submissions by CHFA that contains such reservations is not an agreement that the material is confidential or exempt from disclosure. DOH and CHFA reserve the right to amend or cancel this notice, to modify or waive any requirement, condition or other term set forth in this notice or any application, to request additional information at any time from one or more persons, to select any number of applications submitted in response to this notice, or to reject any or all such submissions, in each case at DOH's and/or CHFA's sole discretion. DOH and/or CHFA may exercise the foregoing rights at any time without notice and without liability to any person or any other party. Information submitted in response to this notice shall be prepared at the sole expense of the person making the submission and shall not obligate DOH and/or CHFA to procure any of the services described therein or herein from any person. DOH and/or CHFA shall not be obligated to any person until a final written agreement has been executed by all necessary parties thereto and all applicable approvals have been obtained. Funding is subject to Bond Commission approval.

