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**Purpose**

The Connecticut Housing Finance Authority was created in 1969 by the State Legislature for the purpose of helping to alleviate the shortage of affordable housing for low- and moderate-income families and persons in Connecticut.

CHFA is a self-sustaining, quasi-public organization, which uses its resources to provide below-market interest rate mortgages for single-family ownership and for the development of multifamily rental properties. Tax-exempt bonds are the primary source of mortgage capital for the Authority’s housing programs.

Since its founding, CHFA has provided mortgage financing for more than 127,000 first-time homebuyers and has financed the development of more than 35,000 affordable rental homes.
2011 Summary

CHFA works to alleviate the shortage of affordable housing by providing lower cost mortgage financing and administering other assistance programs to expand homeownership, developing new affordable rental homes, maintaining existing affordable rental homes and providing homes for those with special needs.

This report provides a summary of CHFA’s housing finance activities in 2011, including administering the Federal American Recovery and Reinvestment Act (ARRA) and the Federal Emergency Homeowner’s Loan Program (FEHLP), the State Emergency Mortgage Assistance Program (EMAP) and other foreclosure prevention activity. This report also provides operating results of CHFA in 2011 compared to budget projections.

- **Number of single family mortgages** 1,612
- **Number of foreclosure prevention loans (FEHLP & EMAP)** 1,283
- **Number of new affordable housing units approved** 1,813
- **Number of rehabbed affordable units approved** 812
- **Estimated jobs created by approved housing*** 4,252
- **Estimated net state revenue from approved housing*** $44.4 million

*These estimates were generated using the REMI PI +State Model, Regional Economic Models, Inc., Amherst, MA. Jobs are categorized into the following segments: construction, service industries, wholesale and retail trades, finance, insurance and real estate industries and manufacturing.
Promoting Single Family Homeownership

CHFA made homeownership a reality for 1,612 first-time buyers in 2011

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.

Single Family Mortgage highlights:

- The 1,612 mortgage loans totaled $249.8 million
- The average amount of mortgage financing provided was $155,014
- Borrowers had an average annual income of $62,580
- The average monthly mortgage payment was $725
- 35% of borrowers (565 loans) were female heads of households
- 36% (587 loans) were to minority borrowers.
- The average age of these borrowers was 34
- 31% of CHFA’s loans (496 loans) were made in the 18 federally targeted areas within targeted communities
- 70% (1,125 loans) were made in the 33 communities identified by the CT Conservation and Development Policy Plan as being regional, urban center communities.
- CHFA partnered with local housing counseling agencies to provide 96 eight-hour classes on the home buying process, including classes offered in Spanish, in various locations across the state. A total of 751 prospective homeowners attended these classes.
- Through CHFA’s marketing outreach program, staff attended more than 40 events across Connecticut meeting residents and sharing information on homebuyer programs, Reverse Annuity Mortgages for seniors, foreclosure prevention events, informational sessions for Realtors, and lender training.
Downpayment Assistance:

Often the largest obstacle for homeowners to overcome is achieving the funds necessary for a downpayment. Through CHFA’s Downpayment Assistance Program (DAP), 55% of borrowers, (888) were able to obtain downpayment assistance, totaling $9.5 million statewide.

Borrowers receiving a DAP loan must attend homebuyer education classes. In 2011, CHFA sponsored 91, 3-hour homebuyer education classes focusing on the fundamentals of successful homeownership.

Targeted Mortgage Programs

CHFA works to increase homeownership through targeted programs for police officers, teachers, military personnel, and residents of public housing. The first-time homebuyer requirement is waived for people who fall into these categories and the CHFA interest rate is reduced by .025 percent for qualified applicants. In 2011 CHFA provided:

- 24 Teacher Mortgage Assistance loans
- 16 Military Homeownership loans
Foreclosure Prevention for Homeowners

CHFA provided 1,283 loans to prevent foreclosures

As the economic crisis continued through 2011, more homeowners found themselves unable to meet their mortgage obligations. In 2010, CHFA applied to the U.S. Department of Housing and Urban Development (HUD) to participate in the Federal Emergency Homeowners Loan Program (FEHLP). CHFA received a total of $55 million through the program to provide relief to homeowners facing foreclosure.

Using the framework and systems already established to administer the state’s Emergency Mortgage Assistance Loan Program (EMAP), CHFA was able to gear up quickly for FEHLP. As a result, CHFA was able to commit all of the original $33 million allocated for Connecticut, then accept and commit an additional $20 million, providing emergency loans allowing 968 Connecticut homeowners to remain in their homes.

While much of the focus in 2011 was on FEHLP, the state EMAP program provided 315 emergency mortgage loans. These borrowers receive funds to bring their mortgages current and/or monthly mortgage assistance.

CHFA staff were also part of the organizing team for the November 15 Foreclosure Prevention event sponsored by the Connecticut Attorney General and the Connecticut Banking Department. CHFA staff manned information booths and worked directly with 156 individuals at the event.

CHFA staff participated on the Legislative Task Force on Foreclosure Prevention, working with Representatives Alberts, Morris, and Taborsak to evaluate loss mitigation programs and efforts. The final report of the task force was filed in January 2012.
2011 Foreclosure Prevention Activity:

Counseling and homebuyer education also play an important role in tools in preventing foreclosures. CHFA dedicated significant time and resources to these programs in 2011.

- CHFA funded a total of 1,500 of individual foreclosure prevention sessions.
- CHFA provided 530 individual credit and financial sessions
- CHFA provided 307 Financial Fitness classes
- CHFA conducted 122 foreclosure clinics, attended by 1,477 people
- 185 borrowers attended the Landlord Education classes
- CHFA’s call-center received 60,387 calls throughout the year. Over 109,000 homeowners have called for information on state and federal foreclosure assistance programs since the call center’s opening on July 1, 2008
- CHFA continued the CT Fair Alternative Mortgage Lending Initiative and Education Services (CT FAMLIES) Program which offers refinancing to a 30-year fixed-rate mortgage for homeowners who are delinquent on their adjustable-rate or fixed-rate mortgage. These loans were previously insured by the FHASecure Program established by the Department of Housing and Urban Development, which ended on December 31, 2008. In April 2009, the CT FAMLIES program was reinstated with loans insured by CHFA through its insurance program.
- In 2011, 52 CT FAMLIES loans were purchased totaling $9.7 million. Since the program’s inception, 166 loans have been purchased totaling $32.73 million.
Financing Affordable Multifamily Rental Housing

In 2011, CHFA approved financing for 2,625 new or rehabilitated housing units

CHFA provides financing to developers for affordable multifamily housing. 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.

In 2011, CHFA’s Board of Directors authorized the following mortgage financing for the construction and/or acquisition/rehabilitation of affordable multifamily rental developments:

Clinton Commons, Bridgeport
Located on Clinton Ave in the West End neighborhood of Bridgeport, Clinton Commons is part of the City’s Neighborhood Revitalization Zone Plan. The new building will replace four dilapidated buildings that are now vacant.

Units: 33  |  Housing Type: Family
Affordability:  26 units for households at/below 60% AMI, 7 units at/below 50% AMI
Financing:  $6.75 million from CHFA and DECD, in addition to an allocation of 4% LIHTC and City of Bridgeport HOME Funds.
Estimated Economic Impact:  A total of 132 new jobs, 79 in construction. Net state revenue exceeding $1.39 million
Woodcrest Elderly Housing Expansion, Somers
Somers Housing Authority broke ground in October on Phase II of Woodcrest with 60 new elderly apartments, bringing the complex to a total of 146 units.

Units: 60 | Housing Type: Elderly
Affordability: 24 units for households at/below 60% AMI, 31 units for households between 25 – 50% AMI, and 5 for at or below 25% of AMI.
Financing: $7 million in CHFA in tax-exempt bonds, plus funding from DECD, Rockville Bank, and grant from Fed Home Loan Bank of Boston/$500,000 HTCC
Estimated Economic Impact: A total of 147 new jobs, 85 in construction. Net state revenue of $1.52 million.

Huntington Woods, Bristol
The development, built in 1990 by Colonial Realty with CHFA, DECD, and ITA, TEB and PRIME program funds is currently managed by Winn Residential, LLC. CHFA’s Board approved Winn’s plan to purchase and rehabilitate the complex with new heating systems, roofing and other exterior improvements.

Units: 280 | Housing Type: Family
Affordability: An increase of 88 affordable units, bringing the total to 196 units at or below 60% AMI, remaining units are for households at/below 150% of AMI. Some families may be relocated pending income verification. Affordability is extended for 40 years.
Financing: $25.3 million in tax-exempt bond financing under the NIBP, with an allocation of 4% LIHTC, and DECD funds and deferred developer fee.
Estimated Economic Impact: 257 new jobs and 123 in new construction. Net state revenue is $2.63 million.
Sycamore Place Apartments, Bridgeport
Built in 1974 by the Bridgeport Rotary Club Housing Corp, with HUD financing, Sycamore Place was in need of rehabilitation. CHFA’s Board approved Sycamore Housing Assoc. Ltd Partnership’s proposal to buy and rehabilitate the property. Energy efficiency measures will be incorporated in the rehabilitation.

Units: 118 | Housing Type: Elderly and Disabled
Affordability: 91 units for households with 50% AMI, 27 units rent restricted for 30% of income households. 100% Affordability is maintained
Financing: $8.1 m in TEB funding from NIBP.
Estimated Economic Impact: 114 new jobs, 61 in new construction. Net state revenue is $1.17 million.

Bayview Towers, Stamford
Built in 1971, Bayview Towers needs repair and recapitalization as building systems have exceeded their useful life and replacement needs are significant. CHFA’s Board approved the purchase by Bayview Preservation Partners, Ltd. Partnership and the group will acquire the property for $14.7M and complete extensive renovations. Financing will be TEB mortgage of $17.7 m, and 4% LIHTC net proceeds

Units: 200 | Housing Type: Family
Affordability: 181 units for households with incomes at/below 50% of AMI, 9 for households with incomes at/below 60% AMI, 10 units for households at/below 95% AMI.
Financing: $15.6 million in CHFA tax-exempt bond financing, 4% LIHTC, HUD project reserves and developer/investor cash equity
Rockview Phase I Rental, New Haven
This new development of rental housing sits on the former Rockview site and is part of the West Rock Redevelopment Master Plan. The developer is Glendower Group and the Housing Authority of New Haven.

Units: 77 | Housing Type: Family including 16 units of supportive housing.

Affordability: 30 units for households at/below 25% of AMI, 31 units for 25-50% of AMI, 16 supportive units for 60-80% AMI

Financing: $13.8 million 9% LIHTC net proceeds, HUD HOME Funds, private mortgage

Estimated Economic Impact: 294 new jobs, 166 in construction. Net state revenue is $3.04 million.

122 Wilmot Road, New Haven
Another property in the West Rock Redevelopment Master Plan, this mixed-use development will have a resident service coordinator, computer room, community multi-purpose room.

Units: 47 | Housing Type: Elderly and Disabled including 10 units of supportive housing.

Affordability: 26 units for households at/below 25% AMI, 19 units for households 25-50% AMI, 2 units for at/below 60% AMI.

Financing: $12.4 million in LIHTC net proceeds, with funding from Webster Bank, and the Housing Authority of New Haven.

Estimated Economic Impact: 227 new jobs, 125 in construction. Net state revenue $2.34 million
Victory Gardens, Newington
CHFA’s Board approved the financing for Women’s Institute Realty of CT, to gut-rehab 24 existing units and build 50 new townhouse units on the U.Ss Dept of Veterans Affairs (VA) campus in Newington. This development includes remediation of a blighted brownfield site and the addition of a playground, community building and common garden. Created under an innovative new program, the VA’s Enhanced-Use Lease, makes lands and buildings available via long-term leases to housing developers selected by the VA.

Units: 74 | Housing Type: Family including 37 units of supportive housing.

Affordability: 30 units for households at/below 25% AMI, 27 for households at 25% AMI, and 17 for households at 50-60% AMI

Financing: $15.4 million in 9% LIHTC net proceeds, $5.5 million in DECD funds, plus Webster Bank and VA-EUL Capital Contribution


Allen O’Neill Homes, Darien
The Darien Housing Authority, working with Developer AON, LLC proposed demolition of 51 of 53 existing obsolete and underutilized units. CHFA’s Board approved the plan and the new units will be designed to fit into the residential character of the area. The site is within walking distance of a train station grocery, other retail/commercial and town services

Units: 106, 53 new | Housing Type: Family, Transit Oriented Development

Affordability: 27 units for at/below 25% AMI, 43 units 25-50% AMI, 32 units for 50-60% AMI and 4 units for at/below 60% AMI

Financing: $21.2 million of 9% LIHTC net proceeds, plus $4.2 million in DECD HUD HOME funds, $5.2 million FHA first mortgage

Marshall Commons (fka Ludlow Place) Stamford, CT
Located in historic South End District of Stamford, this new construction will be located in close proximity to the Harbor Point redevelopment. On site education and employment opportunities for residents and an on-site resident services coordinator. The energy efficiency of the development will feature wall insulation that exceeds CHFA standards, EnergyStar® ceiling fans, WaterSense® high-efficiency toilers and high-efficiency photovoltaic panels.

Units: 47 | Housing Type: Family with 10 units of supportive housing, 8 of which are handicap accessible

Affordability: 13 units for households at or below 25% AMI, 10 units for 25-50% AMI, and 27 units for 50-60% AMI.

Financing: $14.9 million 9% LIHTC net proceeds, $1.8 in CHFA taxable bonds, $1.5 in ITA money and $1.2 million from DECD and $500,000 in HTCC and $1.7 million from the City of Stamford and other grants.

Estimated Economic Impact: 224 jobs, 125 in construction. Net state revenue $2.3 million
Supporting Special Needs Housing

CHFA approved 260 supportive units in 2011

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.

- Since 1993, the State of Connecticut has been active in implementing supportive housing through a unique collaboration of public and private organizations including the Office of Policy and Management (OPM), CHFA, the Department of Economic and Community Development (DECD), the Department of Mental Health and Addiction Services (DMHAS), the Department of Social Services (DSS), and the Corporation for Supportive Housing through the Interagency Committee for Supportive Housing (ICSH).

- In the years since its inception, the ICSH has expanded to include additional state agencies to meet the needs and priorities of the State. The Department of Children and Families (DCF) joined the ICSH to address the needs of homeless youth and young adults including those aging out of state care or transitioning out of youth systems such as foster care or residential programs. The Department of Corrections and the Court Support Services Division of the Judicial Branch both joined to address the needs of individuals re-entering communities including persons with serious mental health needs and/or substance abuse issues who are community-supervised offenders supervised by the executive or judicial branch and who are living in a shelter or who are homeless.

CHFA’s Board of Directors approved two developments with support services for all units. In addition, eight other approved developments incorporated a total of 115 supportive units, bringing the total number of supportive units approved in 2011 to 260.
West Village Apartments, New Haven (aka 52 Howe St.)
West Village Apartments is a historically designated, mixed-use property that includes the Central CT Coast YMCA offices, program space, and athletic facilities. CHFA’s Board approved the acquisition and rehabilitation by West Village Limited Partnership.

Units: 127 | Housing Type: Supportive, YMCA provides supportive services funded by a Grant from DMHAS

Affordability: 127 units for very low, low and moderate income chronically homes, 93 with Section 8 rental subsidy. Affordability is extended for 38 years

Financing: $7.9 million in tax-exempt bond construction financing, ARRA funding, 4% LIHTC, DECD funds and a loan from The Community Builders.


Elmcrest Terrace Supportive Housing, Norwalk
CHFA’s Board approved financing for conversion and reuse of a vacant three-story medical building into affordable, supportive units. Liberation Programs will provide support services. The property will be renovated for increased energy efficiency, adding insulation, new HVAC, electrical system upgrades, redesign for residential use.

Units: 18 | Housing Type: Supportive

Affordability: 5 units for households at/below 25% of AMI, 13 for households 25-50% AMI

Financing: $3.9 million 9% LIHTC net proceeds, plus DECD Home and HUD funds

Estimated Economic Impact: 77 jobs, 43 in construction. Net state revenue is $790,000
Maintaining Affordable Rental Housing

In 2011, CHFA also provided additional financing for the maintenance of several developments in its multifamily housing loan portfolio.

River Run Apartments, New Haven (aka 50 Grand Ave)
Section 8 elderly housing 140 units built in 1985. CHFA’s Board approved the purchase by River Run Preservation L. P., which will perform moderate in-place rehabilitation by modernizing fixtures and finishes, replacing older equipment.

Units: 141 | Housing Type: Elderly

Affordability: Affordability is extended for 36 years.

Financing: $9.1 million in tax-exempt bond financing, LIHTC, assumed & restructured first mortgage.

Estimated Economic Impact: 78 jobs, 38 in construction. Net state revenue $790,000.

Sigourney Mews Apartments, Hartford
Built in 1988 on land leased from City. CHFA’s Board approved to the purchase and substantial renovation by Sigourney Partners/David Case. The development, in the Asylum Hill section of Hartford includes day care, community meeting space and a new public park area.

Units: 88 (79 rehab, 9 new) | Housing Type: Family, with 18 units of supportive housing

Affordability: 22 units for households at/below 25% of AMI, 36 units for households with 25-50% AMI, and 30 units with 50-60% AMI

Financing: $14.9 million in LIHTC net proceeds and seller financing

Horace Bushnell Apartments, Hartford
This 9-building historic multifamily complex is located in Hartford’s Upper Albany neighborhood. CHFA’s Board approved financing for Sheldon Oak Central to upgrade and renovate the property for energy efficiency and safety. The complex will include a community space, and washers, dryers, microwaves added to each unit.

Units: 74 | Housing Type: Family, with 8 units of supportive housing

Affordability: 15 units for households at/below 25% AMI, 30 units for households 25-50% AMI, 14 units for households 50-60% AMI, and 15 units for households at 120% AMI

Financing: $8 million of 9% LIHTC net proceeds, plus $3.6 million DECD funds, Federal Historic Tax Credits and City of Hartford.

Estimated Economic Impact: 213 jobs, 85 in construction. Net state revenue is $2.2 million

Jefferson Heights, New Britain
Jefferson Heights is the first phase of Mount Pleasant Public Housing Revitalization Initiative by the Housing Authority of New Britain. Jefferson Heights replaces the Bond St. elderly development built in 1939 and past usefulness. The new apartments will have Solar Photovoltaic systems to bring renewable energy to the site for environmental efficiency.

Units: 70 | Housing Type: Elderly, with 7 units of supportive housing for homeless veterans.

Affordability: 21 units for households at/below 25% AMI, 28 units for households at 25-50% AMI and 21 units for households at 50-60% AMI

Financing: $8.89 million LIHTC net proceeds, $2.5 M in DECD Home HUD funds, private investor & city of New Britain

Estimated Economic Impact: 176 new jobs, 103 in construction. Net state revenue $1.81 million
Managing Affordable Rental Housing

CHFA Multifamily Portfolio

CHFA continued its ongoing portfolio management oversight, which included performance management of its portfolio of 277 developments and 21,746 apartments, which includes Real Estate Owned (REO) properties held by subsidiaries of the Authority. In 2011, the following activities were completed in support of those objectives. CHFA:

- Financed 10 Investment Trust Account loans totaling $3.29 million for 407 apartments. These funds will be used for capital needs and operating deficits.
- Acted as HUD contract administrator for 74 project-based Section 8 developments, including the review and approval of $65.2 million in subsidy payments for 6,800 apartments. Also sub-contracted to oversee 155 Section 8 apartments for Housing Authorities.
- Monitored low-income housing tax credit compliance of 11,452 apartments for 177 properties.
- Restructured 10 loans that were either delinquent or troubled assets impacting 317 units.

Asset Management devoted significant time during the year to improve its procedures, processes, forms and guidance documents. Based on meetings and input from the CHFA’s Multifamily Advisory Committee, this effort will result in greater transparency to customers and improve service delivery.

CHFA State Housing Portfolio

CHFA’s ongoing portfolio management with oversight of the State Housing Portfolio of 14,147 apartments. Site visits were performed to analyze the financial, physical, capital needs and management of the developments.

As part of the Federal ARRA program, $18.5 million was targeted for weatherization measures. CHFA is working with the Department of Social Services (DSS) to administer this program, which implement energy saving measures in more than 4,000 units at 70 properties in the state-financed portfolio.
Energy Conservation Efforts

Beyond the ARRA funds dedicated to weatherization in the state portfolio, energy conservation measures and weatherization efforts continue to increase at CHFA as a means to reduce operating costs and reduce energy consumption. CHFA is partnering with utility companies to increase awareness of conservation measures among developers and CHFA’s Standards of Design & Construction require applicants to provide more information on energy use.

The Connecticut Efficient Healthy Homes Initiative (CTEHHI) is a statewide home energy efficiency program for income-eligible families being administered by United Illuminating (UI). CHFA is working with UI to provide weatherization measures such as installation of compact fluorescent light bulbs, water-saving faucet aerators and showerheads and caulking windows and doors to reduce drafts. This initiative will assist 400 families in 22 CHFA-financed properties.

CHFA has also established a Multifamily Energy Conservation Loan Program providing loans of up to $500,000 for developments to finance improvements that increase energy efficiency, reduce operating expenses and conserve environmental resources.

Producing Results with ARRA Funds
13 developments, 1,058 new units

In 2009, The American Recovery and Reinvestment Act (ARRA) provided CHFA with a total of $81.1 million in funding from two federal programs. The funds, totaling over $92 million in the form of $26.1 million from the Tax Credit Assistance Program (TCAP) and $66 million from the Tax Credit Exchange Program (TCEP), were intended to supplement Low Income Housing Tax Credits and jump start developments that may have been slowed or stalled by the sluggish economy. The ARRA funds provided incentives for the development of affordable rental housing in the state while at the same time creating jobs and stimulating the economy.

The ARRA program required that funds be fully disbursed by February 2012. At the end of 2011, CHFA had committed all funds and had disbursed 99% of the available funding. Between the two programs, CHFA was able to finance 13 developments with 1,058 new units across Connecticut. The estimated economic impact of these developments was 3,090 jobs and $401 million in economic activity.
Housing Tax Credit Contribution (HTCC) Program - 2011

CHFA issues tax credit vouchers to business firms that make cash contributions to qualified non-profits who develop affordable housing. The total amount available under the HTCC program is $10 million annually. There is a $2 million set-aside priority for supportive housing and a workforce housing set-aside of $1 million. CHFA allocated the full $10 million under the Housing Tax Credit Contribution Program to the non-profit organizations listed below, who in turn will develop a total of 847 affordable homes and apartments.

**Non-profit Organizations Receiving Cash Contributions**

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<th>Development</th>
<th># of Units</th>
<th>Contribution Received</th>
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<tr>
<td>New Fair Haven XIV aka Nueva Vida XIV</td>
<td>11</td>
<td>$268,500</td>
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<tr>
<td>West Main Street Commons</td>
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<td>$500,000</td>
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<tr>
<td>Park Renewal 2011</td>
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<tr>
<td>Vista/Taftville Apartments</td>
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<td>Quintard Manor</td>
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<td>122 Wilmot Road</td>
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<td>Habitat for Humanity Homes-6</td>
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<td>Affordable Housing Development Project</td>
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<td>Parish Court Apartments</td>
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<td>Columbus House Supportive Housing</td>
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<td>40 South Main Street</td>
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<td>Sayebrooke Village East</td>
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<td>Live Where You Work Program fka Workforce Housing Down Payment Fund) Round 6</td>
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847 $10,000,000

S = Supportive Housing Set Aside, W=Workforce Housing Set Aside, G=General Affordable Housing
Low-Income Housing Tax Credit (LIHTC) Program – 2011

Debt financing for the development of multifamily housing, such as mortgage loans, must be supplemented or augmented in order 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. Below is a listing of LIHTC Program activity for the past calendar year.

### Low-Income Housing Tax Credit Program Activity for 2011

**Tax Credit Reservations Authorized in 2011**

<table>
<thead>
<tr>
<th>City/Town</th>
<th>Project Name</th>
<th>Type of Housing</th>
<th># of Units</th>
<th>Qualified Units</th>
<th>Tax Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Haven</td>
<td>Rockview Family</td>
<td>77</td>
<td>61</td>
<td>$1,626,074</td>
<td></td>
</tr>
<tr>
<td>New Haven</td>
<td>122 Wilmot Rd Elderly</td>
<td>47</td>
<td>42</td>
<td>$1,511,883</td>
<td></td>
</tr>
<tr>
<td>Darien</td>
<td>Allen O’Neill Homes Family</td>
<td>106</td>
<td>102</td>
<td>$2,470,784</td>
<td></td>
</tr>
<tr>
<td>New Britain</td>
<td>Jefferson Heights Elderly</td>
<td>70</td>
<td>70</td>
<td>$1,022,415</td>
<td></td>
</tr>
<tr>
<td>Hartford</td>
<td>Sigourney Mews Family</td>
<td>88</td>
<td>88</td>
<td>$1,609,962</td>
<td></td>
</tr>
<tr>
<td>Norwalk</td>
<td>Elmcrest Terrace Family</td>
<td>18</td>
<td>18</td>
<td>$547,389</td>
<td></td>
</tr>
<tr>
<td>Hartford</td>
<td>Horace Bushnell Family</td>
<td>74</td>
<td>59</td>
<td>$939,018</td>
<td></td>
</tr>
<tr>
<td>Newington</td>
<td>Victory Gardens Family</td>
<td>74</td>
<td>74</td>
<td>$1,842,068</td>
<td></td>
</tr>
</tbody>
</table>

**Low-Income Housing Tax Credit Allocation Certifications Issued in 2011**

<table>
<thead>
<tr>
<th>City/Town</th>
<th>Project Name</th>
<th>Type of Housing</th>
<th># of Units</th>
<th>Qualified Units</th>
<th>Tax Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Windsor</td>
<td>Hillcrest (fka Hillstead/Kelly) Family</td>
<td>88</td>
<td>66</td>
<td>$852,568</td>
<td></td>
</tr>
<tr>
<td>Stamford</td>
<td>Fairgate (fka Fairfield Ct) Family</td>
<td>90</td>
<td>55</td>
<td>$1,697,734</td>
<td></td>
</tr>
</tbody>
</table>
Strengthening Communities through Housing & Community Development

CHFA is committed to strengthening neighborhoods through helping to integrate housing within overall community development efforts. During 2011, CHFA continued its important collaborative investments with others active in this field and through direct program investments.

Corbin Heights and Pinnacle Heights Extension, New Britain
Revitalization of Corbin Heights and Pinnacle Heights Extension has been a multi-year process. In 2008, Richman Konover LLC (“Konover”) was approved as the developer for the property. At a special meeting in February of 2011, CHFA’s Board of Directors adopted resolutions providing separate first mortgage construction and permanent ITA financings to KR Corbin Pinnacle Holdings, LLC, an affiliate of Konover for the acquisition and construction of the development. When completed, Corbin Heights will be a 235-unit, 100% affordable family apartment complex. Pinnacle Heights Extension will be renovated into a 66 unit, 100% affordable family apartment complex. CHFA staff continues to work with KR Corbin Pinnacle Holdings, LLC, towards a targeted closing in March of 2012.

Security Manor, New Britain
Security Manor is an elderly development located in New Britain and was acquired by CHFA in the transfer of Corbin Heights, Pinnacle Heights, and Pinnacle Heights Extension. The property consists of 50 units on 2.88 acres with 22 efficiency units and approximately 300 square feet of and 28 one-bedroom units of approximately 600 square feet. In 2011, a rent increase was approved by both DECD and CHFA staff. The property had been offered for sale via RFP in 2010 with little interest and no responses. Through outreach efforts in 2011, two interested parties were identified and a letter of intent was received. CHFA staff worked diligently to complete the transfer of the property, which is expected to be finalized in the second quarter of 2012.

Trumbull Centre, Hartford
Trumbull Centre a mixed-use, market-rate development consisting of 100 residential apartments, 7,500 square feet of retail space on the first floor and a 600+ space-parking garage. Trumbull Centre is the development was part of the “Six Pillars” initiative to generate development activity in downtown Hartford.
111 Pearl Street, Hartford
A vacant, seven story, 70,000 square foot commercial office space located at the corner of Trumbull and Pearl Streets, the building will be part of the revitalization of Hartford.

After a review and recommendation by a consultant, CHFA’s Subsidiary Board decided to sell both Trumbull Centre and 111 Pearl Street in Hartford. It is anticipated that an RFP for the sale of both properties will be issued in the first quarter of 2012.

Eno Farms, Simsbury
Eno Farms is a 50-unit multifamily apartment community located in Simsbury. It is comprised of 27 buildings on 10.6 acres that is ground leased from the City of Simsbury. The property, formerly owned by the Corporation for Independent Living, was foreclosed on due to loan default and acquired by CHFA in August of 2009. In 2010, CHFA replaced the roofs on the entire property, replace targeted windows and replaced the boilers.

At the end of 2011 CHFA Subsidiary Board in December decided to put the property up for sale and an RFP for a commercial Broker was released. The property is expected to be placed on the market in early 2012.
Community Investment Act (CIA) Proceeds

The Community Investment Act (CIA) was established through legislation, which requires the collection of recording fees for all documents entered into the municipal land records. The proceeds of this account are distributed amongst CHFA, the Department of Economic and Community Development, the Connecticut Department of Energy and Environmental Protection and the Connecticut Department of Agriculture. This legislation allows CHFA to use the CIA proceeds to supplement new or existing affordable housing programs.

CHFA has used CIA funds for initiatives supporting programs that provide financing for mixed-use properties, technical assistance and training for non-profit developers, second mortgage financing for homebuyers in selected areas, and selected multifamily developments. With regard to multifamily developments, the CIA funding has provided much-needed, flexible gap financing for shovel-ready developments that had already received CHFA Board approval for financing and/or tax credits. **CHFA has utilized a total of $22,796,512 of CIA funds since 2007, which has created or improved 1,439 units of housing.**

- **Pilot Suburban and Rural Affordable Housing Technical Assistance Program**
  In 2006, the Authority issued an RFP to create the Program to provide technical assistance to smaller towns that are interested in learning about or developing affordable housing. The Local Initiatives Support Corporation in partnership with the Connecticut Housing Coalition, was selected as the Program’s administrator. Since its inception, “Housing Connections” has provided technical assistance leading to the development and/or rehabilitation of 502 affordable homes in 29 communities in with 30 organizations totaling $47.5 million of development activity.

- **The Connecticut Trust for Historic Preservation**
  The Trust utilized Community Investment Act funds to support its Historic Building Financing Fund, which provides forgivable loans for houses being restored in urban areas. CHFA provided $261,681 of CIA funds to invest in the rehabilitation of three sites in two of Hartford’s historic neighborhoods, Asylum Hill and Upper Albany. All three sites contain blighted, vacant buildings and will create affordable homeownership. The total development cost for the ten homes is $2,677,137. The funding provided by CHFA will allow the developers, the Christian Activities Council (CAC) and the Northside Investment Neighborhood Alliance (NINA), to complete the buildings. The Asylum Hill sites are completed and sold, the Upper Albany properties are complete and available for sale.
• **Housing Authority Small Improvement Program**
  The Authority is providing $250,000 to developments that improve the quality of life for the residents and encouraging private investment into these communities through matching funds. Applicants can request up to $25,000 from the fund, and are required to demonstrate matching funds from private sources at the ratio of 1:1. The Notice of Funding Availability was issued in January 2011.

• **Mixed-Use Real Estate Planning Pilot**
  CHFA is partnering with the Connecticut Main Street Center (CMSC) in developing a Mixed-Use Real Estate Planning Pilot program to provide planning and technical assistance to redevelop downtown real estate into mixed-use properties that expand housing opportunities. The Authority will allocate $250,000 of CIA funds in conjunction with funds provided by United Illuminating and Connecticut Light and Power. CMSC has an established economic development technical assistance program that helps revitalize downtowns. The Mixed-Use Real Estate Planning Pilot would strengthen CMSC’s existing program by designing a technical assistance program specifically directed at the redevelopment of downtown properties into mixed-use buildings that create housing opportunities in these areas.

• **Farmers Market**
  This program will utilize $250,000 of CIA funds provide vouchers to purchase Connecticut-grown fresh food to approximately 2,700 families with children over the age of five, who are currently ineligible. The existing DOA distribution system will be utilized as approximately 25 Housing Authorities already provide direct distribution and many other existing social service agencies within the municipalities currently participate.

**Community Development Financial Institutions**

CHFA invests in Community Economic Development Financial Institutions (CDFIs) to provide technical assistance non-profit developers, provide financing associated with community development, and assist in the coordination of comprehensive community development in urban areas of the State. In 2011, CHFA continued its partnerships with the Local Initiative Support Corporation (LISC), the Connecticut Housing Investment Fund (CHIF), the Greater New Haven Community Loan Fund (GNHCLF) CHFA partners with these organizations through the capitalization of their lending programs. These three organizations have missions dedicated to community and housing development and neighborhood stabilization. The total value of these investments is $7.58 million. CHFA’s investment with the Community Economic Development Fund (CEDF) ended in December 2011.
**Funding and Financial Statements**

CHFA is a self-sustaining 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. In August 2011, Standard & Poor’s placed CHFA’s bonds under negative CreditWatch when it downgraded the federal government’s rating, because CHFA’s collateral for the bonds consists mainly of mortgages that benefit from government insurance and guarantees. S&P removed CHFA from its watch list and affirmed the AAA rating in December of 2011.

**Mortgage Revenue Bond Program**

The U.S. Treasury Department announced in 2009 a new initiative for state and local housing finance agencies – the New Issue Bond Program (NIBP). Under this program, $219.3 million was allocated to CHFA ($191.7 million for single family and $27.6 million for multifamily) using authority provided by the Housing and Economic Recovery Act of 2008 (HERA). This allocation meant that the Treasury, working through the government sponsored entities Fannie Mae and Freddie Mac, would purchase up to $219.3 million of CHFA’s bonds. As required by the program, the bonds were first issued by the end of 2009 as taxable floating rate bonds and put into escrow. During 2010, $100 million of these escrowed bonds were converted to long-term securities and their proceeds made available to provide low-cost mortgages through CHFA’s Home Mortgage Program. In 2011, CHFA converted the remaining $91.7 million of single family and $27.6 million of multifamily to long-term bonds to finance low interest mortgages.

The following financial statement indicates the operating results of the Authority compared to its 2010 budget projections. They are provided in anticipation of completion of audited Financial Statements for the Authority and are subject to the limitations and conditions noted.
<table>
<thead>
<tr>
<th>Category</th>
<th>2011 Budget Projection</th>
<th>YTD Actual ***</th>
<th>Variance to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Revenues</td>
<td>19.7</td>
<td>45.0</td>
<td>25.3</td>
</tr>
<tr>
<td>Net Non-Operating Revenues (Expenses)</td>
<td>(11.1)</td>
<td>(21.6)</td>
<td>(10.5) (1)(2)(3)(4)</td>
</tr>
<tr>
<td>Total Net Revenues (change in net position)</td>
<td>8.6</td>
<td>23.4</td>
<td>14.8 (1)(2)(3)(4)</td>
</tr>
</tbody>
</table>

Net Operating Revenues:
- Total Operating Revenues: 240.2
  - Mortgage Loan Interest: 201.9
  - Investment Interest: 34.8
  - Fees and Other Income: 3.5

Total Operating Expenses:
- Total Operating Expenses: 220.5
  - Interest: 169.6
  - Servicer Fees: 9.9
  - Operating Budget Expenses: 36.4
  - Foreclosure Expenses: 1.0
  - Mortgage Insurance Fund Claims: 0.1
  - Other Expenses: 3.5

Net Non-Operating Revenues (Expenses):
- Total Non-Operating Revenues: 0.0
  - Realized Asset or Investment Gains: 0.0
  - Other Non-Operating Revenues: 0.0

Total Non-Operating Expenses:
- Total Non-Operating Expenses: 11.1
  - Realized Asset or Investment Losses: 0.0
  - Depreciation (Building): 0.1
  - Provision for Losses: 5.0
  - Bond Issuance, Premiums, Rebates: 6.0

Total Net Revenues (change in net position): 8.6

*** Amounts related to arbitrage rebate expense and independent audits for subsidiaries, including Trumbull Centre have not been received and are therefore not reflected in these numbers.
(1) No adjustment for the fluctuation in the market value of investments is included.
(2) Does not include amounts received or expenses or expected to be received or expenses pursuant to CGS Sec 4-66aa recording fee income, PA 08-176 (Emergency Mortgage Assistance Payment Program), the Federal Exchange/TCAP Program, the Federal Emergency Homeowners Loan Program or the National Foreclosure Mitigation Counseling Program.
(3) Includes $5.5 million of capitalized interest which was offset by recording a $5.5 million provision for loss as a result of the restructure of existing debt associated with the (i) refinancing of the Huntington Woods project located in Bristol ($5.4 million) and (ii) Cityscape project located in Hartford ($0.1 million).
(4) Includes a $6.5 million increase in the reserve associated with the Ninth Square project located in New Haven as a result of a $0.5 million decrease in the net operating income of the project.