



**CONNECTICUT  
HOUSING FINANCE  
AUTHORITY**

*The Key To Affordable Housing*

**2015 Summary Report**

PREPARED FOR THE GOVERNOR &  
THE CONNECTICUT GENERAL ASSEMBLY

MARCH 15, 2016

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## ***PURPOSE***

The Connecticut Housing Finance Authority (CHFA) 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 and, when appropriate, to promote or maintain the economic development of this state through employer-assisted housing efforts (*Section 8-250, Connecticut General Statutes*).

CHFA is a self-funded quasi-public organization, which uses its resources to provide below-market interest rate mortgages for first-time single-family homebuyers and for the development of affordable multifamily rental housing. Tax-exempt bonds are the primary source of mortgage capital for the Authority's housing programs. CHFA also administers programs on behalf of the State with state bonding funds.

Since its founding, CHFA has provided mortgage financing for more than 132,000 first-time homebuyers and has financed the development of more than 40,000 affordable rental units.

# 2015 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 apartments, maintaining existing affordable rental apartments and providing apartments for those with special needs.

This report provides a summary of CHFA's housing finance activities in 2015, the State Emergency Mortgage Assistance Program (EMAP) and other foreclosure prevention activity. This report also provides operating results of CHFA in 2015 compared to budget projections. At this time, there is no need for legislative recommendations.

<i>Number of single family mortgages</i>	<i>2,823</i>
<i>Number of Downpayment Assistance Program (DAP) Loans</i>	<i>1,386</i>
<i>Number of EMAP foreclosure prevention loans</i>	<i>198</i>
<i>Number of new affordable rental housing units approved</i>	<i>1,436</i>
<i>Number of rehabilitated affordable rental units approved</i>	<i>73</i>
<i>Number of State-Sponsored Housing Portfolio units funded for renovation</i>	<i>844</i>
<i>Number of affordable units preserved with financing</i>	<i>213</i>

# 2015 New Initiatives and Highlights

**CHFA launched several new initiatives in 2015 to increase the availability of affordable multifamily rental housing as well as expand the opportunities for first time homebuyers to obtain affordable mortgages.**

- **New Executive Director in 2015**

CHFA's Board of Directors conducted a national search for a new executive director in 2015. Karl Kilduff, a Town Administrator from Darien with 20 years of local government management experience including service as town manager in Johnstown, Pennsylvania and North Branford, Connecticut, joined the Authority in August.

- **New Planning, Research & Evaluation Team**

To streamline the gathering and sharing of data across the Authority, planning and research staff in various departments were combined into one team in September. With a focus on performance metrics, program evaluation and assessing outcomes, the group can service the needs of the organization, making CHFA more responsive to clients and partners.

- **Successful Bond Issues in 2015**

CHFA had five successful bond issues for a total of \$492 million in 2015. \$426 million of the issuances were utilized to fund approximately 2,800 single-family mortgages and \$66 million was committed 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.

- **Enhancing the Lean Initiative**

CHFA continued its Lean Initiative with five *Kaizen* events in 2015. Of particular note, CHFA staff joined with our partner, the Department of Housing (DOH) in an intensive Lean project to develop a joint closing process. This project is ongoing, but has already produced a significant reduction in loan documents, projected savings of staff resources and borrower's time and a more simplified closing process for our customers.

In 2015, CHFA began a review of our Lean Initiative, measuring successes and opportunities for improvement. After almost 3 years and fifteen Lean *Kaizen* events, CHFA has seen many program improvements, including faster processing times for our loan programs, more efficient use of staff resources and productive collaborations with DOH. Moving forward, CHFA will build on these successes with a plan to strengthen the Lean culture and infrastructure at CHFA. Next steps include additional training opportunities to cultivate greater engagement, ownership and support for process improvement strategies among all levels of management at CHFA.

- **Housing Authority Partners**

CHFA began conversations with Conn-NAHRO Board members about strengthening the ties between CHFA and the housing authorities. We are working on a common agenda that may include guidance in implementing best practices, creating model Requests for Proposals and other templates, and training/assisting owners to better understand the various funding application processes.

# ***Promoting Single Family Homeownership***

## ***CHFA made homeownership a reality for 2,823 first-time buyers in 2015***

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. These 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, PMI and points.

### **Single Family Mortgage highlights:**

- 2,823 mortgage loans = \$474.9 million invested in single family homeownership
- Average mortgage amount = \$168,256
- Borrowers average yearly gross income = \$61,984
- Average monthly mortgage payment = \$733
- Average age of borrowers = 34
- 29.37% female heads of households (829 loans)
- 32.31% minority borrowers (912 loans)
- 14.67 % of loans made in Federally Targeted areas within Targeted communities (447 loans)
- 55.19% of loans made in 17 communities identified by the State of Connecticut's Conservation & Development Policy Plan as being regional, urban center communities (1,558 loans).
- 140 marketing outreach events worked by CHFA staff, including events across Connecticut to share information on homebuyer programs, Reverse Annuity Mortgages for seniors, foreclosure prevention events, informational sessions for Realtors®, and lender training.

## **Downpayment Assistance Program: 1,386 loans totaling \$15.4 million**

CHFA's research continues to show that saving enough money for a down payment and closing costs is the largest obstacle for first-time homebuyers. CHFA's Downpayment Assistance Program (DAP) addresses this issue 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' first CHFA mortgage.

- Demand for DAP loans increased in 2015 with 49% of CHFA borrowers taking DAP loans compared to 37% in 2014
- DAP loans totaled \$15.4 million in 2015 compared to \$10 million in 2014

## **Targeted Mortgage Programs**

CHFA offers several specialized mortgage programs to increase homeownership. The CHFA interest rate can be reduced by 1/8 % for qualified applicants including: police officers who purchase homes in the towns where they work; teachers, certified in state-determined academic subject matter shortages areas, who purchase homes in priority or transitional districts where they are teaching; military personnel and veterans, and residents of public housing who purchase a home. There are multiple criteria for these programs, outlined on the CHFA website.

In 2015, CHFA provided:

- 20 Teacher Mortgage Assistance loans
- 47 Military Homeownership loans
- 1 police homeownership loan
- 10 loans to residents of Public Housing

# Homebuyer Education & Foreclosure Prevention

## *New online class option a success*

CHFA's homebuyer education programs are an investment in educated borrowers. Research shows that borrowers who complete homebuyer education programs are 31% less likely to get into financial difficulty with their mortgage later. To obtain a CHFA mortgage, the borrower(s) must attend either the Pre-Purchase Counseling Class, which is an in-depth 8-hour program, including a financial counseling session, or a Pre-Closing Counseling Class, which is a 3-hour program. In 2015, CHFA added an online option for the Pre-Closing Counseling program, working with E-Home America. CHFA partnered with local housing counseling agencies to provide homebuyer education, including classes in Spanish:

- **1,089** prospective homebuyers attended Pre-Purchase classes on the home buying process
- **556** prospective homebuyers attended individual Pre-Purchase counseling sessions
- **1,645** prospective borrowers attended Pre-Closing homebuyer classes; **771** opted for the new online class
- **1,172** individual financial and credit counseling sessions were provided
- **383** people attended Landlord Education classes

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

The State's Emergency Mortgage Assistance Program (EMAP) provided emergency relief to **198** homeowners in 2015, with an investment of **\$7,817,750**. EMAP loans provide funds to bring homeowners current on their mortgages and, if needed, monthly mortgage assistance for up to 60 months. EMAP loans allow borrowers with a temporary hardship, such as a job loss or health issue, to remain in their homes as they work to regain their financing stability. Applicants must have participated in the foreclosure mediation process with their lender prior to receiving an EMAP loan.

### 2015 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:

- **251** people attended Financial Fitness classes within the Mortgage Crisis Job Training Program and foreclosure prevention counseling
- **391** people attended foreclosure prevention counseling sessions
- **216** people attended at foreclosure prevention clinics



# ***Financing Affordable Multifamily Rental Housing***

## ***CHFA approved financing for the new construction, rehabilitation or preservation of 1,722 affordable housing units in 2015***

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

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

CHFA works closely with the Connecticut Department of Housing (DOH) and other state agencies to maximize the available dollars and to spur private investment in affordable housing. For example, the Competitive Housing Assistance for Multifamily Properties (CHAMP) Program, launched in 2012, is funded by the DOH and supported by CHFA. 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 2015, the CHAMP program Rounds 6 and 7 created more than 700 affordable housing units in the state. Five properties, receiving CHAMP funds, with a total of 570 units, also received 4% LIHTC credits and CHFA Tax Exempt Bond funds

### **Board Approved Transactions in 2015**

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 25-26 in the Asset Management Section of the report.

*The following developments were funded with 9% Low Income Housing Tax Credits, through a competitive funding round awarded in March 2015:*

**515 West Avenue, Bridgeport**, is the new construction of a 4-story mixed-income building with affordable and supportive housing for homeless veterans and homeless residents. The development will maximize existing infrastructure, and will include 5 handicap-accessible units.

<b>Units</b>	48
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	12 units affordable to households at 0-25% AMI, 16 units affordable to households at 25-50% AMI, 10 units affordable to households at 50-60% AMI, 10 units affordable to 80-100% AMI, 10 units set aside as Supportive Housing
<b>Financing</b>	\$8.8 million 9% LIHTC funds, \$1.6 million DOH Financing, \$340k Deferred Developer Fee, \$800k in City of Bridgeport HOME funds, \$200k Green Bank funds, \$190k Chase Grant, \$763k in miscellaneous grant funds

**Avery Park Revitalization Initiative, Stafford Springs**, will be a new 79-unit elderly housing complex replacing the Stafford Housing Authority's existing elderly complex. The new Avery Park will promote economic integration by also including market rate elderly housing and offer supportive services for homeless veterans and residents. Current Avery Park residents will participate in the redevelopment process.

<b>Units</b>	79
<b>Housing Type</b>	Elderly/Supportive
<b>Affordability</b>	21 units affordable to households at 0-25% AMI, 31 units affordable to households at 25-50% AMI, 19 units affordable to households at 50-60% AMI, 8 units affordable to households at 100-120% AMI, 16 units set aside as Supportive Housing with preferences given to homeless veterans
<b>Financing</b>	\$11.1 million 9% LIHTC funds, \$6.5 million DOH FLEX funds, \$95k Developer/Investor Equity, \$688k Deferred Developer Fee, \$800k Private Bank loan

**Crescent Crossings Phase 1B, Bridgeport**, will be the second phase of replacement units at the uninhabitable Hurricane Sandy-damaged units at the former Marina Village site. This new construction Transit-Oriented Development (TOD) will have four buildings. Funding for Crescent Crossing includes CDBG-DR funding from DOH to replace apartments made uninhabitable by Hurricane Sandy on the former Father Panik public housing project site.

Crescent Crossing will provide supportive services for homeless veterans, homeless and very low-income residents while promoting economic integration by including market rate apartments. The financially sustainable development will be cost effective, utilizing the lowest credits per bedroom and includes energy efficient design measures.

<b>Units</b>	84
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	21 units affordable to households at 0-25% AMI, 34 units affordable to households at 25-50% AMI, 11 units affordable to households at 50-60% AMI, 18 units affordable to households at 80-100% AMI, 9 set aside as Supportive Housing units
<b>Financing</b>	\$19.1 million 9% LIHTC funds, \$5 million DOH funds, \$2.8 million DOH/HUD CDBG Small Cities funds, \$2.6 million private loan funds, \$35k Developer/Investor Equity, \$354k Deferred Developer Fee, \$500k from the City of Bridgeport

**East Street Apartments, New Milford**, is the new construction of mixed-income apartments, including the restoration of a historic single family home currently on the property. This TOD will include affordable, supportive, and market rate units and is located in a municipality where there is less than 10% assisted and deed restricted housing. Financial sustainable features include the lowest credits per bedroom and LIHTC equity in an amount that does not exceed 65% of the total development cost. Sustainable design features include low impact design measures to reduce the impact on the town's storm drain and new natural gas infrastructure.

Upon expiration of the Tax Credit Regulatory Agreement (after 15 years), the development will be converted to a condominium. Tenants will be offered right of first refusal to purchase the unit they reside in. Tenants who choose not to buy will be provided with relocation assistance.

<b>Units</b>	38
<b>Housing Type</b>	Family
<b>Affordability</b>	10 units affordable to households at 0-25% AMI, 15 units affordable to households at 25-50% AMI, 5 units affordable to households at 50-60% AMI, and 8 units affordable to households above 120% AMI
<b>Financing</b>	\$6.7 million 9% LIHTC funds, \$4.2 million DOH funds, \$720k private bank loan, \$238k Deferred Developer Fee

**Mill at Killingly Apartments, Killingly** is the redevelopment of a brownfield site and an adaptive reuse of a vacant and blighted mill. The existing building will be demolished and 32 mixed-income apartments will be built in a three-story building with an elevator. This is a Transit Oriented Development, located in a Priority Funding Area. The development will include a mix of rental unit types including very low, low and market rate apartments and will provide rent affordability and supportive services for homeless veterans, homeless and very low-income residents.

<b>Units</b>	32
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	12 units affordable to households at 0-25% AMI, 13 units affordable to households at 25-50% AMI, 7 units affordable to households above 120% AMI, 16 set aside as Supportive Housing units
<b>Financing</b>	\$5.6 million 9% LIHTC funds, \$4.9 million DOH FLEX funds, \$1 million private bank loan, \$500k FHLBB AHP, \$221k Deferred Developer Fee

**Spruce Ridge/Meadows, Stonington**, is the new construction of mixed-income units on two adjacent sites in a municipality with less than 10% assisted and deed restricted housing. The experienced development team includes a not-for-profit development entity whose Board of Directors includes women and/or minorities with a 51 percent or greater voting interest.

<b>Units</b>	86
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	22 units affordable to households at 0-25% AMI, 39 units affordable to households at 25-50% AMI, 6 units affordable to households at 50-60% AMI, 19 units affordable to households above 120% AMI, 18 set aside as Supportive Housing units
<b>Financing</b>	\$10 million 9% LIHTC funds, \$5 million DOH funds, \$3.5 million DOH HTF funds, \$1.3 million private bank loan, \$746k Deferred Developer fee, \$563k Developer/Investor Equity, \$239k energy rebates, \$5k Liberty Bank Foundation Grant

**Park 215, Stamford**, is the last of the exceptional priorities and the fourth phase of the Vidal Court Revitalization. It will be a mixed-use and mixed-income development including approximately 22,500 square feet of commercial space in one five-story building. The development is adjacent to the Stamford Hospital campus and is served by public transportation. Neighborhood amenities include the primary facility of the Stamford Boys and Girls Club, Lione Park, a large public park which residents of the Development will have views of, and commercial services typical of an urban neighborhood. The Development will offer an on-site Resident Services Coordinator.

<b>Units</b>	78
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	12 units affordable to households at 0-25% AMI, 19 units affordable to households at 25-50% AMI, 16 units affordable to households at 50-60% AMI, 31 units affordable to households above 120% AMI, 6 set aside as Supportive Housing units
<b>Financing</b>	\$18.1 million 9% LIHTC funds, \$7.3 million DOH Urban Act funds, \$114.6 million loans from the City of Stamford, \$16 million private bank loan, and \$956k Deferred Developer fee

**The following developments were funded with 4% Low Income Housing Tax Credits, combined with CHFA Tax Exempt Bond funding:**

**Brookfield Village, Brookfield**, is new construction of two three-story buildings: the top two floors will be one- and two-bedroom apartments, the first floor of one building will be commercial, and the first floor of the other building will be half commercial and half residential, for a total of 48 units of housing and 9,883 square feet of commercial space. The site is made up of two parcels totaling approximately 1.53 acres of land located in the town center, and is within walking distance of many amenities and restaurants.

<b>Units</b>	48
<b>Housing Type</b>	Family
<b>Affordability</b>	3 units affordable to households at 0-25% AMI, 12 units affordable to households at 25-50% AMI, 28 unit affordable to households at 50-60% AMI, and 5 units affordable to households above 120% AMI
<b>Financing</b>	\$2.5 million 4% LIHTC funds, \$4.5 million DOH CHAMP funds, \$4.6 million Tax-Exempt Bond funds, and \$539k Deferred Developer Fee, \$556k Developer/Investor Equity, \$20k Energy Rebates, \$1.2 million Private bank loan

**Lofts at Ponemah Mills, Norwich**, is the first phase of a rehabilitation of the historic 5-building Ponemah Mills complex, built in 1865 on a 7+ acre site along the Shetucket River, it was the largest cotton mill in the United States at the time of its construction. It will consist of the rehabilitation/adaptive reuse of the southern half of Building 1, the main 5-story building in the complex, into 116 rental units. Building five, a small structure, will serve as the fitness center/community space. The units will feature 12-20 foot ceilings, granite countertops, stainless steel appliances, washers and dryers in each unit, exposed wood ceilings, exposed spiral duct work and nine-foot windows.

<b>Units</b>	116
<b>Housing Type</b>	Family
<b>Affordability</b>	70 units affordable to households at 50-60% AMI, 46 units affordable to households at 100-120% AMI
<b>Financing</b>	\$3.9 million 4% LIHTC funds, \$4.9 million DOH CHAMP funds, \$7.5 million Tax-Exempt Bond funds, \$4.8 million Federal Historic Tax Credits, \$4.1 million State Historic Tax Credits, \$135k Developer/Investor Equity, \$1.1 million Deferred Developer Fee, and \$4.3 million Sponsor Loans

**Old Talcott Mill, Vernon** is a renovation project meeting multiple state housing policy objectives: 1) adaptive reuse of historic and other existing structures for residential use, as the property is an abandoned mill located in the Talcottville Historic District; 2) mixed use and transit-oriented housing located within walking distance of public transportation, as the property is located on Route 83 near Interstate 84, and on a bus line, 3) housing with access to parks and recreational opportunities as it is located next to a National Land Trust property with trails, waterways and greenways community gardens.

<b>Units</b>	83
<b>Housing Type</b>	Family
<b>Affordability</b>	83 unit affordable to households at 50-60% AMI
<b>Financing</b>	\$5.7 million 4% LIHTC funds, \$4.4 million DOH CHAMP funds, \$4 million Federal Historic Credit proceeds, \$4.5 million State Historic Tax Credit proceeds, \$1.4 million Deferred Developer Fee, \$5.1 million CHFA Tax-Exempt Bond proceeds

**Crescent Crossings Phase 1-A, Bridgeport**, is a collaboration with The Housing Authority of the City of Bridgeport (d/b/a Park City Communities) to build new affordable apartments on the east side of the city on a portion of the land which was previously part of Father Panik Village. Crescent Crossings 1A will be a Transit Oriented Development (TOD), within walking distance to bus routes, a proposed train station, grocery stores and other retail/commercial activities and services. This development represents the first phase of housing designed to replace the storm-damaged, uninhabitable homes at Marina Village and will serve as a catalyst for revitalizing the neighborhood. Its sister development, Crescent Crossings Phase 1-B, recently received an award of 9% federal LIHTCs as well as CHAMP and CDBG funding.

<b>Units</b>	93
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	19 units affordable to households at 0-25% AMI, 19 units affordable to households at 25-50% AMI, 55 unit affordable to households at 50-60% AMI, and 7 set aside as Supportive Housing units
<b>Financing</b>	\$13.4 million 4% LIHTC funds, \$5 million DOH HOME funds, \$7 million DOH HUD CDBG funds, \$4.1 million CHFA FAF funds, \$3 million private mortgage proceeds, \$500k City of Bridgeport CDBG funds, \$500k Developer/Investor Equity, \$598k Deferred Developer Fee

**Kensington Square Apartments, New Haven,** is an acquisition and rehabilitation of existing low-rise scattered- site apartment buildings. The scope of work includes the restoration of exteriors, replacement of roofs, installation of security systems, and energy-conserving improvements. The transaction funded was under the CHFA’s Multifamily Rate-Lock program. The financing transaction includes the prepayment of an existing HUD-insured mortgage and a partial pay-down of an existing HUD loan.

<b>Units</b>	120
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	24 units affordable to households at 0-25% AMI, 12 units affordable to households at 25-50% AMI, 84 unit affordable to households at 50-60% AMI, and 24 set aside as Supportive Housing units
<b>Financing</b>	\$6.7 million 4% LIHTC funds, \$3.6 million Tax-Exempt Bond funds, \$3.1 million DOH CHAMP4 funds, \$5.1 million Seller Note, \$500k financing from the City of New Haven, \$337k Deferred Developer Fee, \$320k Existing Reserves, \$306k NOI During Construction, \$206k Assumed TCB Note

**Billings Forge Apartments, Hartford,** is the rehabilitation of an existing property with one large and two smaller multifamily rental buildings. Located in the historic Frog Hollow area, the main building was a tool manufacturing plant from 1864 until the 1970s when it was converting to housing. The mixed-income, mixed-use property includes approximately 20,000 sq. ft. of commercial/retail space and acts as a host to an array of activities, including a seasonal farmer’s market, a community garden, Billings Forge Community Works for community support, the Firebox Restaurant, and the Kitchen Cafe.

<b>Units</b>	112
<b>Housing Type</b>	Family
<b>Affordability</b>	101 units affordable to households at 50-60% AMI, 11 units affordable to households above 120% AMI
<b>Financing</b>	\$4.6 million 4% LIHTC funds, \$5 million DOH CHAMP5 funds, \$3.2 million Tax-Exempt Bond funds, \$2 million Federal Historic Tax Credits, \$2 million State Historic Tax Credits, \$642k Deferred Developer Fee, \$250k Developer /Investor Equity, and \$2.1 million in Melville Charitable Trust Seller Note

**Maplewood Court, Bridgeport**, is the rehabilitation of two 121-year-old historic former school buildings. The property has had flooding and drainage problems, which will be corrected during this rehabilitation. Eight apartments are supported under a Regulatory Agreement with the Housing Authority of the City of Bridgeport under the Father Panik relocation program, 31 of the 32 apartments receive project-based rental subsidies, and 23 apartments will receive Section 8 subsidies. The City of Bridgeport has agreed to provide a Tax Cooperation Agreement.

<b>Units</b>	32
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	31 units affordable to households at 25-50% AMI, 1 unit affordable to households at 50-60% AMI, and 8 set aside as Supportive Housing units.
<b>Financing</b>	\$2.2 million 4% LIHTC funds, \$2.1 million DOH FLEX, \$4.1 million CHFA Tax-Exempt Bond (Construction Only) loan, \$100k State HTCC proceeds, \$1.2 million Federal Historic Tax Credits, \$1 million State Historic Tax Credits, \$31k CHFA Repair Escrow, \$150k HOME funds, \$473k Housing Authority Assumed Debt, \$870k Existing CHFA Mortgage

**Cherry Street Lofts Phase 1, Bridgeport**, is an adaptive reuse "gut-rehab" of three historically significant mill buildings into a mixed-income TOD, located near the train station and I-95. The AFL-CIO's Housing Investment Trust will purchase the bonds. The project is expected to be completed in twenty-four months and stabilized by 2018.

<b>Units</b>	157
<b>Housing Type</b>	Family
<b>Affordability</b>	20 units affordable to households at 25-50% AMI, 106 unit affordable to households at 50-60% AMI, 31 units affordable to households at 100-120% AMI
<b>Financing</b>	\$13.2 million 4% LIHTC funds, \$8.1 million Federal Historic Tax Credits, \$7.9 million State Historic Tax Credits, \$82k Developer/Investor Equity, \$1.5 million Deferred Developer Fee, \$201k Cash from Operations, \$11.5 million Tax-Exempt Bond funds, \$5 million CHFA FAF funds, \$1.6 million DECD Brownfield funds, \$500k Seller Note

**Pine Tree Apartments, Fairfield**, was built 45 years ago, as part of the State Elderly Rental Program. It will transition from the elderly program to the family program. As part of the redevelopment the small, 447 square foot units will be demolished and replaced with larger units, sized for families. The new structures will resemble a condominium community, and a new community center will be built. The applicant, Pine Tree Housing L.P. will ground lease the site from the Fairfield Housing Authority for sixty years at an annual rent of one dollar and passed through expenses.

<b>Units</b>	50
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	25 units affordable to households at 25-50% AMI, 20 unit affordable to households at 50-60% AMI, 5 units affordable to households at 60-80% AMI, and 5 set aside as Supportive Housing units
<b>Financing</b>	\$4.8 million 4% LIHTC funds, \$45k Developer/Investor Equity, \$150k Deferred Developer Fee, \$60k Property Reserves, \$141k Energy Rebates, \$4.1 million CHFA ITA funds, \$2.9 million Tax-Exempt Bond funds, \$5.5 million FAF funds



**Zbikowski Park, Bristol**, is a 45-building development in need of moderate rehabilitation. Located on approximately 10 acres in Bristol, Housing Authority of the City of Bristol (HACB) will lease the land and buildings to Zbikowski Park Neighborhood Limited Partnership (ZPLP). ZPLP’s general partner is wholly owned and controlled by HACB. HACB will continue to be the property manager of the development. Residents will be temporarily relocated to vacant units during rehabilitation.

<b>Units</b>	90
<b>Housing Type</b>	Family
<b>Affordability</b>	77 units affordable to households at 25-50% AMI, 13 units affordable to households at 50-60% AMI
<b>Financing</b>	\$2.9 million 4% LIHTC funds, \$132k Deferred Developer Fee, \$3 million Tax-Exempt Bond funds, \$1.8 million DOH FLEX funds, \$213k DOH Pre-Dev funds, \$2.6 million HACB Lease Financing, \$520k HACB Reserve Contribution Loan, \$311k HACB Energy Rebate Funds loan

*The following development was funded with 4% Low Income Housing Tax Credits, combined with CHFA Investment Trust Account (ITA) funding:*

**Trinity Park, Stamford**, is a high-rise building located in the West Side neighborhood. The property is 42 years old and in need of moderate rehabilitation, including replacement windows and the roof, upgrades to all unit bathrooms, installation of a new site and common area lighting, a new security and entry system and expansion of common and storage areas.

<b>Units</b>	48
<b>Housing Type</b>	Family
<b>Affordability</b>	11 units affordable to households at 0-25% AMI, 26 units affordable to households at 25-50% AMI, 11 units affordable to households at 50-60% AMI
<b>Financing</b>	\$2.5 million 4% LIHTC funds, \$4.4 million CHFA Tax-Exempt Bond Construction Loan, \$220k City of Stamford HOME funds, \$152k Deferred Developer Fee, \$106k NeighborWorks America Grant, \$105k Cash from Operations, \$275k AHP Direct Subsidy, \$750k CHFA ITA funds, \$143k Assumed City of Stamford HOME loan, \$350k City of Stamford Linkage funds, \$1 million Private Bank loan, \$2.8 million MHA/Seller Take-Back financing

*The following developments were funded with CHFA Taxable Bonds:*

**Greenbriar Hills Apartments, Watertown**, is a market-rate development, built in 1969 that CHFA refinanced to secure affordable restrictions on 40% of the units. The financing will also provide for capital improvements including replacement windows, kitchen and bath upgrades, exterior doors, gas boilers, and repairs to the asphalt paving.

<b>Units</b>	182
<b>Housing Type</b>	Family
<b>Affordability</b>	36 units affordable to households at or below 60% AMI, 36 units affordable to households at or below 80% AMI, 110 market rate units
<b>Financing</b>	\$13.7 million CHFA Taxable Bonds and ITA

**Deer Meadow, Bloomfield**, is a 48 unit family property located off Blue Hills Ave. **This transaction is a loan modification only.** Occupancy has been strong at the property, averaging 96% for the last five years.

<b>Units</b>	48
<b>Housing Type</b>	Family
<b>Affordability</b>	20 units affordable to units below 60% AMI, 28 market rate units
<b>Financing</b>	NONE

**Cityscape Apartments, Hartford**, are 12 existing multifamily buildings, eight with historical significance, at various street addresses in the Frog Hollow neighborhood. **This transaction is a loan modification only.**

<b>Units</b>	74
<b>Housing Type</b>	Family
<b>Affordability</b>	62 units affordable to households at 25-50% AMI, 12 units affordable to households at 51-80% AMI
<b>Financing</b>	NONE

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

**Hamden Village, Hamden**, is an elderly housing development and part of the State Sponsored Housing Portfolio. Built in the 1970s, the revitalization will include exterior and interior finishes.

<b>Units</b>	110
<b>Housing Type</b>	Elderly
<b>Affordability</b>	50 units affordable to households at 25-50% AMI, 60 units affordable to households at 60-80% AMI
<b>Financing</b>	\$2.8 million DOH 4 <sup>th</sup> \$30 Million Grant funds, \$32k UI Incentives, \$2.6 million CHFA ITA funds

**Keleher Park, Cedar Village, & New Meadow Village, Newington**, are separate elderly developments in the State Sponsored Housing Portfolio that are operated and managed as one community by the Newington Housing Authority. The rehabilitation will include windows, doors, kitchens and bathrooms updates, fire alarms, call-for-aid systems, signage and ADA upgrades.

<b>Units</b>	106
<b>Housing Type</b>	Elderly
<b>Affordability</b>	73 units affordable to households at or below 50% AMI, 33 units affordable to households at or below 80% AMI
<b>Financing</b>	\$2.5 million DOH 4 <sup>th</sup> \$30 Million Grant funds, \$310k Existing Reserves, \$1 million CHFA ITA funds

*The following transaction was funded with Financing Adjustment Factor (FAF) funding:*

**Elias Howe Elderly Housing, Bridgeport**, is an adaptive re-use of a former school property located on Clinton Avenue. This financing provides CHFA permanent financing to take out the construction funding.

<b>Units</b>	37
<b>Housing Type</b>	Elderly
<b>Affordability</b>	31 units available to households at 0-25% AMI, 6 units available to households at 25-50% AMI
<b>Financing</b>	\$1.4 million CHFA FAF Funds Permanent Mortgage Financing, \$1 million DOH HOME funds, \$75k DOH FLEX funds, \$2.1 million DOH HTF funds, \$356k Developer/Investor Equity, \$49k Deferred Developer Fee, \$875k City of Bridgeport HOME loan, \$108k Developer Loan

# 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 2015, 11 affordable housing developments approved for financing by CHFA's Board of Directors included 141 units of supportive housing in their unit mix.

Development	Town	4% or 9% Program	PSH Units	Total Units	PSH Units as % of Total Units
Crescent Crossing (Phase 1B)	Bridgeport	9%	9	84	11%
Avery Park Revitalization	Stafford Springs	9%	16	79	20%
Spruce Ridge Meadows	Stonington	9%	18	86	21%
515 West Avenue	Bridgeport	9%	10	48	21%
Mill at Killingly Apartments	Killingly	9%	16	32	50%
Park 215	Stamford	9%	6	78	8%
Schoolhouse Apartments	Waterbury	4%	22	213	10%
Crescent Crossings Phase 1A	Bridgeport	4%	7	93	8%
Kensington Square I	New Haven	4%	24	120	20%
Maplewood Court	Bridgeport	4%	8	32	25%
Pine Tree Apartments	Fairfield	4%	5	50	10%
<b>TOTALS</b>			<b>141</b>	<b>915</b>	<b>15%</b>

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

- 75 units or approximately 18% of the total 9% LIHTC production
- 66 units or approximately 13% 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 2015, the ICSHH worked to ensure the end of Veteran homelessness and by the end of the year had turned its attention to ending chronic homelessness amongst all individuals. ICSHH work continues to address the needs of young adults and families as well as individuals re-entering communities, including persons with serious mental health needs and/or substance abuse issues who are community-supervised offenders, who are living in a shelter or who are homeless.

There were no developments funded through the ICSHH in 2015. ICSHH member agencies continue to work together to secure and implement federal funding for supportive housing opportunities and in 2015 secured grants from the U.S. Department of Housing and Urban Development through its Section 811 program and the U.S. Department of Health and Human Services through its Community Mental Health Services and Substance Abuse Prevention and Treatment Block Grant program. These funds enabled the expansion of supportive housing throughout the state by providing critical service supports and rental subsidies necessary to integrate supportive housing in existing developments. CHFA, as the State's housing finance authority and tax credit allocating agency, is an important partner in these efforts.

# Administration of Tax Credit Programs

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

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 2015 to non-profit organizations and their programs listed below, which will result in the development of 766 affordable homes and apartments.

Project Name	Town	Units	Contribution Received	Set Aside
Live Where You Work Program-Round 10	Various	0	\$500,000.00	W
Brookside Commons	New Milford	12	\$500,000.00	S
The Harrison	Bridgeport	102	\$500,000.00	S
SoNo Life Center	Norwalk	16	\$500,000.00	S
2015 New Haven Rehabilitation Initiative	New Haven	9	\$500,000.00	G
699 Main Street	Willimantic	20	\$500,000.00	G
94 Edwards	Hartford	6	\$500,000.00	G
Armstrong Court	Greenwich	42	\$500,000.00	G
Belden Street - 2015	New London	4	\$500,000.00	G
Center Village	Glastonbury	72	\$500,000.00	G
CHIF Community Loan Pool	Various	0	\$500,000.00	G
Crescent Crossings Phase 1B	Bridgeport	84	\$54,734.00	G
Four Habitat for Humanity Homes in Eastern CT	Various	4	\$220,000.00	G
The Glen Apartments	Danbury	100	\$500,000.00	G
Hartford Area HFH-Hartford Project	Hartford	4	\$226,000.00	G
HCLF Revolving Loan Fund 2015	Various	0	\$500,000.00	G
Hill Development Project	New Haven	65	\$500,000.00	G
Hill House Rehab	Riverside	38	\$500,000.00	G
Pequot Village	Groton	104	\$500,000.00	G
Rye Field Manor	Old Lyme	39	\$500,000.00	G
Stonington Acres	Hartford	45	\$499,266.00	G
Urban Community Loan Pool	New Haven	0	\$500,000.00	G
<b>Total</b>		<b>766</b>	<b>10,000,000</b>	

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

## 9% Low-Income Housing Tax Credit (LIHTC) Program – 2015

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 2015, CHFA received applications totaling more than double the amount of tax credits available. The pool of 16 applicants requested \$19.47 million in tax credits, to create 1,016 total units of housing, and 911 qualified units of affordable housing. The tax credits recipients are listed below and credits were awarded in 2015. The credits of \$6,428,907 are expected to generate equity of \$60,407,055 for the developments.

### 9% Low Income Housing Tax Credit Awards

City/Town	Project Name	Type of Housing	Qualified Units	Credit Awarded
Stafford Springs	Avery Park Revitalization Initiative	Elderly/Supportive	79	\$1,195,862
Bridgeport	Crescent Crossings Phase 1B	Family/Supportive	84	\$1,973,214
Stonington	Spruce Ridge Meadows	Family/Supportive	86	\$1,120,227
Bridgeport	515 West Avenue	Family/Supportive	48	\$839,951
New Milford	East Street Apartments	Family	38	\$674,653
Killingly	Mill at Killingly Apartments	Family/Supportive	32	\$625,000
			<b>367</b>	<b>\$6,428,907</b>

## Small Loan Program Transactions

CHFA created the Small Loan Program to address property needs under \$1 million and for transactions designed to move a project forward in a timely manner.

Property	Town	Units	Loan Amount	Funding Source	Transaction
Park Ridge I	New Haven	72	N/A	N/A	Prepayment
Liberty Hall Apts.	Waterbury	16	\$ 30,000	CIA	Early Stage Development Loan Modification
Sanford Commons	Hamden	33	\$ 530,646	ITA	Bridge Loan
Liberty Gardens	Hartford	10	\$ 293,289	ITA	Bridge Loan
Milestone Apts.	Bridgeport	30	\$ 884,250	ITA	Bridge Loan
Lawnhill Terrace	Stamford	206	N/A	N/A	Loan Modification and Prepayment
Historic Asylum Hill	Hartford	24	N/A	N/A	Modification of First and Co-First Mortgage
Fairfield Ridge/Mill Ridge	Danbury	30	N/A	N/A	Loan Modification
	<b>Total</b>	<b>421</b>	<b>\$ 1,738,185</b>		



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

## State-Sponsored Housing Portfolio - 12,248 units

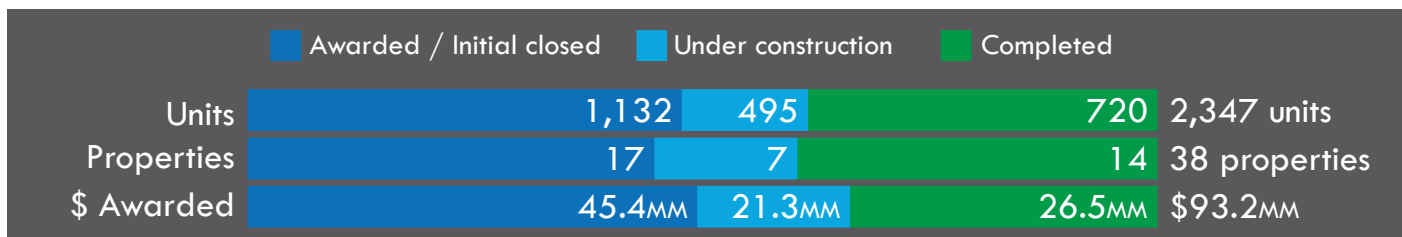
In 2012, Governor Malloy announced a \$300 million commitment to fund improvements and revitalize the state’s public housing over 10 years. These funds are being administered by CHFA on behalf of the Department of Housing (DOH), with \$30 million being allocated each year.

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

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

## Update on Completed Projects

Now in Year 4 of the Governor’s 10-Year revitalization plan for the SSHP, the following summary provides an overview of the impact DOH and CHFA activities will have had on completed developments by December 31, 2015:



## SSHP Capital and Predevelopment funding continue

In 2015, eight properties, with a total of 567 units received allocations from the Governor's \$30 million. One of these properties, Zbikowski Park, also received Federal 4% LIHTCs and CHFA Tax Exempt Bond financing. Avery Park received Federal 9% LIHTCs.

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

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

### Summary of Funding Activities - Fiscal Year 2014-15

#### Capital Funding

Property Name	Town	# units	\$ Award	Tot. Dev. Cost	% Complete
96-98 Martin St	Hartford	6	564,689	567,311	Awarded
Bellwood Court / Chatham Acres	East Hampton	70	1,126,318	2,135,859	Awarded
Flagg Road Cooperative	West Hartford	10	933,273	933,273	100%
Ivy Street Apartments	Branford	29	1,061,224	1,061,224	Awarded
Oak Terrace and Extensions	Naugatuck	230	3,701,675	5,951,675	Awarded
River Mill Village	Thompson	53	3,749,114	3,749,114	Awarded
Avery Park	Stafford Springs	79	6,500,000	19,204,512	Awarded
Zbikowski Park	Bristol	90	1,844,948	11,365,000	Awarded
<b>Subtotal</b>		<b>567</b>	<b>19,481,241</b>	<b>44,967,968</b>	

#### Predevelopment Funding

Property Name	Town	# units	\$ Award
McCluggage Manor	Griswold	30	254,710
Rye Field Manor	Old Lyme	39	139,750
Overlook Village (aka Bowles Park)	Hartford	410	300,000
Reynolds Ridge	Bethel	40	128,000
Yale Acres	Meriden	162	175,000
Jackie Schaffer	Hartford	10	42,320
Pitkat Congregate	Vernon	44	233,506
<b>Subtotal</b>		<b>735</b>	<b>1,273,286</b>

## Partnerships and Impact of Technical Assistance Outreach

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

- *Technical Assistance to Owners Concerning Resident Engagement*  
Conn-NAHRO and Housing Education Resource Center have provided technical assistance to 60 housing authorities and property management companies with properties that are subject to provisions of CGS 8-64c to ensure meaningful engagement between residents, owners and housing authorities. Trainings explain the law, offer case studies of best practices, and explore the importance and impact of effective resident participation.
- *Technical Assistance to Residents Concerning Resident Engagement*  
Tovah, Inc. has provided training and technical assistance to residents at 14 housing authorities regarding the statutory requirements of resident participation in redevelopment.
- *Technical Assistance to Owners for Redevelopment + Technical Assistance to Limited Equity Coops for Redevelopment*  
DOH has deployed three firms (TAG Associates Inc., TDA Consulting Inc., and Housing Development Team, LLC) for technical assistance targeted toward building capacity of owners and assisting in building a development team to prepare for funding applications. To date, fifteen housing authorities/owners have received services and an additional thirteen assignments were made in October 2015.
- *Affordable Housing Academy*  
Building on the success of the previous class, DOH will be supporting a second SSHP-specific Affordable Housing Academy. Owners will participate in a four-month project development training and capacity-building course. The AHA model has received national recognition and is being emulated in other states. Classes are set to begin in January.

## 2015 Multifamily Funding Initiatives applicable to the SSHP

- *9% Low-Income Housing Tax Credits (LIHTCs) – Deadline: November 9, 2015 – Up to \$5 million available*  
Several SSHP developments applied for an allocation of 9% LIHTCs around to be awarded in Spring 2016. 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) 8 – Deadline: December 2, 2015*  
SSHP developments must meet strict criteria in order to be eligible for CHAMP funding. A proposal must include the creation of at least 20 new residential units, and the number of newly created rental units is equal to or exceeds 20% of the existing project units.
- *Critical Needs Funding- Rolling basis.* SSHP developments may apply for certain capital needs noted in their Capital Plan as Critical Needs.
- *Pre-development funding- Rolling Basis.* DOH funding is available for pre-development activities such as Environmental testing, Architectural design, development consultant costs and feasibility costs.

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

CHFA and DOH oversight of the SSHP includes annual oversight of budgets and accounting procedures. This process can be cumbersome as the SSHP's 300 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 Account 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 Generally Accepted Accounting Principles (GAAP), beginning in January 2017.

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

## **Private Portfolio Activity - 24,678 units**

- CHFA continued its ongoing portfolio management oversight, which included performance management of its portfolio of 311 developments and 24,678 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 \$58.5 million in subsidy payments for 23,417 apartments. CHFA also subcontracts the oversight of 236 Section 8 apartments for Housing Authorities.
- CHFA monitors low-income housing tax credit compliance of 17,058 apartments for 242 properties.

### **CHFA's Board of Directors approved the following loan moratoriums in 2015**

- Westbrook Village & Bowles Park , Hartford, 1 year moratorium effective 5/1/2015
- Maplewood School Apartments, 9 month moratorium, effective 10/1/2015

### **CHFA's Board of Directors approved the following prepayments in 2015:**

- Lawnhill Terrace, Stamford
- Park Square West, Stamford – approved by the Board, but application was not completed.

## **REO/Equity Properties**

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

# Strengthening Communities through Housing & Community Development Special Programs

## 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 2015, CHFA continued its important collaborative investments with others active in this field and through direct program investments.

### Community Investment Account (CIA)

The Community Investment Account 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 2015.

- **CHFA/CGB Demonstration Program** – Under an MOA signed in 2013, CHFA and the Connecticut Green Bank (fka the Clean Energy Finance and Investment Authority or “CEFIA”) are collaborating to identify opportunities to finance clean energy improvements and to deliver measureable benefits to property owners in CHFA’s portfolio. Over the course of the pilot initiative, the CHFA/CGB Demonstration Program provided five properties in CHFA’s portfolio with access to a number of resources, including in-depth guidance from industry experts. Among the key findings in the demonstration has been that, although there are opportunities for clean energy enhancements to Connecticut’s existing multi-family building stock, there are significant impediments to providing access to these opportunities. CHFA and CGB continue to work to address these challenges, including increasing awareness and improving effectiveness of existing programs. .
- **Come Home to Downtown Pilot Program** –The pilot program is aimed at facilitating viable, interesting housing opportunities while revitalizing downtown neighborhoods by providing customized technical assistance to communities and property owners of small, under-utilized downtown properties. This pilot program is the result of a successful collaboration between the Connecticut Main Street Center and CHFA. Over the course of the last three years, six communities – Meriden, Middletown, New Britain, Norwich, Torrington, and Waterbury – as well as seven property owners and their buildings have been the focus of the program. During 2015, the property owners in both Waterbury and Middletown decided to move forward and convert their property’s vacant downtown office space into new housing units. Both 99 West Main Street in New Britain and 20 East Street in Waterbury will yield a total of 54 new housing units. The program’s other targeted properties may result in up to an additional 75 new rental units in currently vacant properties.
- **“Rural/Suburban Program” (Housing Connections)** – The Local Initiatives Support Corporation in partnership with the Connecticut Housing Coalition administers the program known as “Housing Connections.” This program provides technical assistance to smaller towns that are interested in learning about, or developing, affordable housing. During 2015, the Housing Connections program provided technical assistance to 47 groups in 43 towns throughout the state. Since its inception, the program has provided technical assistance leading to the development and/or redevelopment of 462 affordable homes, representing nearly \$78 million of development activity. Additionally, the

program is providing technical assistance to 28 other projects with the potential of an additional 568 units.

- **South Norwalk Pilot Renovation Program** – The Norwalk Redevelopment Agency, through its nonprofit community development housing corporation North Walker Housing Corporation (NWHC), provides housing opportunities for low- and moderate-income individuals and families in Norwalk. NWHC has partnered with Jonathan Rose Companies to establish a purchase rehabilitation program to support revitalization and stabilization efforts in the community near the South Norwalk Train Station, while providing much needed affordable housing. Through a CIA investment, NWHC will purchase and rehabilitate up to five small multifamily properties (2 to 4-family houses) over the next 3-years. Once rehabilitated, the target owner for the home are families and individuals with incomes at 80% area median income (AMI), with the rental unit targeted toward families and individuals earning 50% AMI. NWHC is currently wrapping up construction of the first property and will begin marketing the project in early 2016.
- **Housing Authority Small Improvement Program (HASIP)** – This program provides funds to State-Sponsored Housing Authority owned developments that wish to make physical improvements to the property or provide resident activities or special programming. In 2015, the HASIP program provided 350 units with capital improvements such sidewalk/parking lot repairs and conversion of a garage to community room space. The program also offered residents services such as community gardens, cooking and nutrition classes, socialization activities, exercise programs and resident empowerment classes that benefitted residents in 2,300 households. Nearly \$170,000 was expensed through this program.
- **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 2015, LISC approved the first loan in the fund providing acquisition and predevelopment financing for the redevelopment of consecutive parcels along Park Street in Hartford, within proximity to the Parkville CTfastrak station. The project is anticipated to create 38 units of affordable family rental units in a row house style.
- **Affordable Housing Academy** – The Connecticut Housing Coalition completed a five-month project development training and capacity building series that focused on delivering targeted training and project assistance to ten owners of properties in the State-Sponsored Housing Portfolio. The Academy is designed to build capacity, pipeline, and prepare participants to deliver high quality projects.
- **Supportive Housing Quality Assurance Program** – Corporation for Supportive Housing was retained to catalog all units of permanent supportive housing created through mainstream funding resources, particularly the Low-Income Housing Tax Credit program, assess the quality of each of the projects, and develop a plan to improve the quality through technical assistance. In addition, the Quality Assurance Program provides assistance aimed at increasing the capacity of organizations to create supportive housing, build capacity of supportive housing providers, and contributes to the mission of ending homelessness in the state.

## Community Development Financial Institutions

CHFA invests in Community Development Financial Institutions (CDFIs) to provide technical assistance and financing to non-profit and for profit developers, provide financing associated with community development, and assist in the coordination of comprehensive community development throughout the state. CHFA currently has investments and partnerships in the Local Initiative Support Corporation (LISC), the Connecticut Housing Investment Fund (CHIF), the Greater New Haven Community Loan Fund, the Hartford Community Loan Fund, and the Housing Development Fund (HDF). In 2015, the Urban Land Institute awarded CHFA the Robert C. Larson Housing Policy Leadership Award recognizing CHFA's strategy in partnering up with CDFIs to help provide financing for small multifamily rental development.

The funds invested in CDFIs between 1999 and 2015 have resulted in 121 completed transactions financing over 2,300 housing units. The Authority's cost per unit on these transactions was approximately \$10,800.

In addition, CHFA's Small Multifamily CDFI Loan Pool Program, which makes available \$5 million in low-cost capital for the redevelopment or rehabilitation of vacant or blighted small multifamily rental properties with less than 20 units, was awarded the 2015 Innovative Housing Award by the Connecticut Chapter of the American Planning Association. The Hartford Community Loan Fund, the Housing Development Fund, and the Greater New Haven Community Loan Fund are participants. Since its inception in 2014, participating CDFIs have utilized \$2.9 million to finance the rehabilitation of 26 properties were financed through this new program resulting in 100 new affordable units. Due to the low-cost of funds, the program has saved on average \$237 per month to the property owner.

# *Funding and Financial Statements 2015*

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, 2015**  
**(in 000's)**

	<u>2015 Budget Projection</u>	<u>YTD December 2015 Preliminary</u>	<u>Variance to 2015 Budget</u>
<b><u>Operating Revenues</u></b>			
Interest on mortgage loans	168,600	164,632	(3,968)
Interest on investments	23,400	25,294	1,894
Fees and other income	6,533	5,466	(1,067)
<b>Total Operating Revenues</b>	<u>198,533</u>	<u>195,392</u>	<u>(3,141)</u>
<b><u>Operating Expenses</u></b>			
Interest	130,000	125,264	(4,736)
Bond Issuance Costs	5,800	4,118	(1,682)
Servicer fees	8,500	10,518	2,018
Administrative	39,907	38,499	(1,408)
Provision for losses	5,000	16,164	11,164
<b>Total Operating Expenses</b>	<u>189,207</u>	<u>194,563</u>	<u>5,356</u>
<b>Net Operating Income</b>	<u>9,326</u>	<u>829</u>	<u>(8,497)</u>

**Notes:**

1) Does not include amounts received or expensed pursuant to CGS Sec 4-66aa (CIA), the National Foreclosure Mitigation Counseling Program (NFMC), Making Home Affordable Outreach and Intake Project (MHA), Emergency Mortgage Assistance Program (EMAP) and the Federal Comprehensive Counseling Grant.

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

3) Gains and losses from the sale of real-estate owned is not included.