



**CONNECTICUT  
HOUSING FINANCE  
AUTHORITY**

*The Key To Affordable Housing*

**2014 SUMMARY REPORT  
PREPARED FOR THE GOVERNOR &  
THE CONNECTICUT GENERAL ASSEMBLY  
MARCH 15, 2015**

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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 130,000 first-time homebuyers and has financed the development of nearly 40,000 affordable rental homes.

## **2014 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.

As required by Section 8-260 of the Connecticut General Statutes, this report provides a summary of CHFA's housing finance activities in 2014, the State Emergency Mortgage Assistance Program (EMAP) and other foreclosure prevention activity. This report also provides operating results of CHFA in 2014 compared to budget projections. At this time, there is no need for legislative recommendations.

<b><i>Number of single family mortgages</i></b>	<b>2,333</b>
<b><i>Number of EMAP foreclosure prevention loans</i></b>	<b>247</b>
<b><i>Number of new affordable rental housing units approved</i></b>	<b>563</b>
<b><i>Number of rehabbed affordable rental units approved</i></b>	<b>1,743</b>
<b><i>Number of State-Sponsored Housing Portfolio units funded for renovation</i></b>	<b>545</b>
<b><i>Number of affordable units preserved with financing</i></b>	<b>846</b>
<b><i>Estimated jobs created by new construction and rehabilitated housing approved in 2014*</i></b>	<b>2,111</b>
<b><i>Estimated net state revenue from new construction and rehabilitated housing approved in 2014*</i></b>	<b>\$24.75 million</b>
<b><i>Estimated new economic activity from new construction and rehabilitated housing approved in 2014 *</i></b>	<b>\$305.6 million</b>

\*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.

# 2014 New Initiatives and Highlights

**CHFA launched several new initiatives in 2014 to increase the availability of affordable multifamily rental housing as well as expand the opportunities for first time homebuyers to obtain affordable mortgages.**

## **Qualified Energy Conservation Bonds (QECB)**

QECBs are federal tax credits distributed to states as part of the American Recovery and Reinvestment Act (ARRA), designed to create jobs and stimulate economic growth. Through the Governor's Executive Order, CHFA received an allocation of \$10.8 million in QECBs.

The Danbury, Milford and Vernon Housing Authorities applied for QECBs in 2014. The three Authorities were awarded a total of more than \$8 million in bonds that will allow them to make energy improvements to 911 units. The improvements will range from heating upgrades, and photovoltaic solar panels to energy efficient L.E.D. lighting, energy star appliances, and water-saving devices. The Housing Authorities will hire energy contractors to measure and verify energy savings to be sure they are in compliance with QECB standards. CHFA will allocate the remaining \$2 million in QECBs in 2015.

## **Transit Oriented Development (TOD) Partnerships**

CHFA is supporting the State's goal to develop a multi-agency financing delivery model for mixed-use projects, transit-oriented developments and energy partnerships with DOT, DECD, CDA, DOH, DEEP and municipalities. CHFA staff have participated in the TOD Working Group and the TOD funding round, supported the TOD fund with DECD and LISC, and developed QAP criteria to support the aligned projects.

## **New Bond Initiative**

In 2014, CHFA offered a Multifamily Bond Initiative to those seeking multifamily construction and/or permanent financing for the creation and preservation of energy-efficient, affordable, multifamily rental housing. The initiative was an incentive for developers to building a location either near a Transit-Oriented Development, or planned rail or CTfastrak station, or within a non-exempt municipality as defined by CGS §8-30G. Proposed projects were also required to have a minimum of 30 housing units targeted to households with incomes of 50% of Area Median Income or below.

## **Self- Insured Mortgages**

The Connecticut Housing Finance Authority (CHFA) is committed to helping low- to moderate- first-time homebuyers achieve the dream of homeownership by providing mortgage loan financing for all eligible applicants. To assist borrowers with credit scores that do not meet the stringent standards and credit overlays required by many lenders and Private Mortgage Insurance (PMI) companies, the CHFA Insured Pilot Program (CIPP) can offer a Mortgage Insurance program for credit worthy applicants with credit scores *less than or equal to 639*.

### **Veteran's Homeownership Pilot Program (VHPP)**

The VHPP offers 0% loans to help veterans with the down payment and/or closing costs on the purchase of their first home. The loan can be for up to \$10,000 for 30 years, and must be combined with a CHFA first mortgage.

### **Multicultural Homeownership Marketing Campaign**

Based on research indicating that minority borrowers felt homeownership was either too complicated or the down payment was too great a barrier, CHFA launched a marketing campaign to increase awareness of CHFA among the Latino, African American and Asian-Pacific communities. CHFA employed bi-lingual TV, radio and bus advertising, Facebook ads, a Spanish homeownership website, social media channels, direct mail postcards, along with sponsorships of summer festivals, outreach events at local malls, and media appearances, to communicate that homeownership was possible and CHFA can help borrowers achieve it. Over the course of the campaign, more than 10 million impressions were generated; more than 25,000 people interacted with CHFA, and more than 1,500 taking some kind of action after exposure to the advertising.

### **Ongoing CHFA Lean Initiative**

CHFA has made a significant commitment to Lean-ing processes, working with DOH and other external partners and customers to make meaningful improvements. Six Lean Kaizen events were held in 2014:

1. Streamlining the Consolidated Application (Joint Lean with DOH)
2. Construction Completion to Final Closing
3. Finance/Multifamily Loan Pre-Closing Process
4. Asset Management Property Review Process
5. Streamlining the Accounts Payable Process
6. Streamlining the Asset Management Property Performance Rating Process

While each Kaizen event had specific issues to address, common themes included identifying opportunities to significantly reduce staff time or processing time by eliminating duplication of effort, forms, and reviews. Lack of standardization in certain program areas was also addressed, resulting in the creation of more shared, standardized documents. The opportunity to promote efficiencies through training and technology were also recurring issues, so more staff training on the capabilities of existing software and upgrades to some technologies to improve customer service are underway.

# Promoting Single Family Homeownership

## *CHFA made homeownership a reality for 2,333 first-time buyers in 2014*

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.

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

- 2,333 mortgage loans = \$384.3 million invested in single family homeownership
- Average mortgage amount = \$164,717
- Borrowers average income = \$61,252/year
- Average monthly mortgage payment = \$733
- Average age of borrowers = 35
  
- 40.4% female heads of households (942 loans)
- 35.9% minority borrowers (838 loans)
- 19.2% of loans made in Federally Targeted (447 loans)
- 59.4% loans made in communities identified by the State of Connecticut's Conversation & Development Policy Plan as being regional, urban center communities (1,385).
- 142 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 (DAP): 868 loans**

Often the largest obstacle for prospective homeowners to overcome is achieving the funds necessary for a down payment. Through CHFA's Downpayment Assistance Program (DAP), 37.2% of borrowers (868) were able to obtain down payment assistance, totaling \$10 million statewide.

Borrowers receiving DAP loans must attend a three-hour homebuyer education class. In 2014, CHFA sponsored 137 three-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 CHFA interest rate is reduced by 1/8 percent for qualified applicants. In 2014, CHFA provided:

- **29** Teacher Mortgage Assistance loans
- **42** Military Homeownership loans

## **Homebuyer Education & Foreclosure Prevention Counseling**

2014 was a good year for homebuyer education and foreclosure prevention counseling, because the demand for homebuyer education increased and the need for foreclosure prevention decreased over 2013.

- **Attendance at Pre-closing Classes for first-time homebuyers increased by 140%**
- **Attendance at Foreclosure Prevention Clinics decreased by 16%**

CHFA partnered with local housing counseling agencies to provide homebuyer education, including classes in Spanish:

- **1,315** prospective homebuyers attended 127 eight-hour pre-purchase classes on the home buying process
- **1,833** prospective homeowners attended 137 three-hour pre-closing homebuyer classes
- **1,172** individual financial and credit counseling sessions were provided
- **306** people attended the 65 landlord education classes offered

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

The State's Emergency Mortgage Assistance Program (EMAP) provided emergency relief to **247** homeowners in 2014. 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.

### **2014 Foreclosure Prevention Activity:**

Foreclosure prevention counseling clinics and prevention sessions play an important role in tools in reducing foreclosures, although the demand for and attendance at these classes is down from previous years. CHFA provides funding to HUD-Approved counseling agencies to provide these classes:

- **206** participants in the 48 financial fitness classes within the Mortgage Crisis Job Training Program and foreclosure prevention counseling
- **1,391** foreclosure prevention counseling sessions
- **404** attendees at 69 foreclosure prevention clinics

CHFA also worked closely with the offices of the State Attorney General and Department of Banking to support the Governor's Free Mortgage Assistance Events. In 2014, events were held in Trumbull and Waterbury. CHFA staff assisted in planning these events, overseeing housing counselors who met with attendees on site, and working with about 500 people.

## **Financing Affordable Multifamily Rental Housing**

*CHFA approved financing for the new construction, rehabilitation or preservation of **3,687** affordable housing units*

CHFA offers loans to developers and owners of affordable multifamily rental housing in Connecticut at or below market interest rates to help them achieve feasibility for their housing proposals. CHFA mortgage financing can be combined with other funding mechanisms, like the federal Low Income Housing Tax Credits (LIHTCs) and state Housing Tax Credit Contribution (HTCC) program, to expand the financing options for the construction or rehabilitation of affordable, high-quality apartments throughout the state. 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 Department of Housing, and supported by CHFA. The CHAMP program is designed to provide gap funding in the form of grants and/or loans that can be leveraged with tax credits and other funding. In 2014, Rounds 4 and 5 of the CHAMP program created more than 1,000 affordable housing units in the state. Seven properties, receiving CHAMP funds, with a total of 635 units, also received 4% LIHTC credits and CHFA Tax Exempt Bond funds.

### **Board Approved Transactions in 2014**

The development transactions listed on the following pages are developments approved for financing by CHFA's Board of Directors. The transactions are grouped by primary type of financing awarded, or the type of transaction. Transactions in the State Sponsored Housing Portfolio that received funding from the Governor's \$300 million are listed on pages 26-27 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**

**24 Colony Street, Meriden**

This project is a new to-be-constructed 5-story, mixed-use and mixed-income apartment/commercial complex located in a newly created “Transit Oriented District.” It will include retail space and a new parking garage being constructed in conjunction with the State Department of Transportation. Energy efficiency measures are estimated to result in units that will be 50-56% better than Energy Code Minimum.

<b>Units</b>	63
<b>Housing Type</b>	Family
<b>Affordability</b>	14 units affordable to households at 0-25% AMI, 23 units affordable to households at 25-50% AMI, 19 units affordable to households at 50-60% AMI
<b>Financing</b>	\$12.7 million in Federal 9% LIHTC net proceeds, \$3.6 million CHFA ITA Financing, \$6.0 million DOH Financing, and a \$158K Energy Rebate

*\*Area Median Income*

**Carroll Apartments, Waterbury**

This is a rehab of a five-story apartment building that has been vacant for 20 years. It is located in a National Historic district of Waterbury.

<b>Units</b>	35
<b>Housing Type</b>	Family
<b>Affordability</b>	9 units affordable to households at 0-25% AMI, 14 units affordable to households at 25-50% AMI, 5 units affordable to households at 50-60% AMI
<b>Financing</b>	\$6.4 million in Federal 9% LIHTC net proceeds, \$2.9 million in DOH FLEX funds, \$412k in a private bank loan, and \$158k in Deferred Developer fee.

**Lawnhill Terrace, Stamford**

Lawnhill Terrace 1 is the first phase of a multi-phased rehabilitation of an existing 204-unit housing development originally constructed in 1959 under the State Moderate Rental Program. Located in a Qualified Census Tract, this first phase includes eight buildings to be completely renovated with considerable site improvements to be undertaken.

<b>Units</b>	60
<b>Housing Type</b>	Family
<b>Affordability</b>	All units are available to households with less than 80% AMI
<b>Financing</b>	\$12.4 million Federal 9% LIHTC net proceeds, \$3.2 DOH Housing Trust Fund, \$2.7 Seller Loan, \$425,000 Deferred Developer Fee

**Wall Street Place, Phase 1, Norwalk**

Wall Street Place is intended to recreate the "uptown" part of the urban fabric that was once the heart of the city.

<b>Units</b>	36
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	15 units affordable to households at 25-50% AMI, 21 units affordable to households at 50-60% AMI, 10 set aside as Supportive Housing units.
<b>Financing</b>	\$8.6 million in Federal 9% LIHTC net proceeds, \$3.5 million in DOH FLEX funds, \$3.4 million in a private bank loan, and \$495k in Deferred Developer fee.

**Washington Village, Phase 1, Norwalk**

This new construction project is part of a multi-phase redevelopment effort in the southern area of Norwalk. When completed, a total of 273 mixed-income units will replace the oldest public housing in the State of Connecticut.

<b>Units</b>	80
<b>Housing Type</b>	Family
<b>Affordability</b>	22 units affordable to households at 0-25% AMI, 18 units affordable to households at 25-50% AMI, 18 units affordable to households at 50-60% AMI
<b>Financing</b>	\$20.1 million in Federal 9% LIHTC net proceeds, \$9.9 million in DOH CDBG Small Cities funds, \$2.8 million in a private bank loan

**Warner Gardens, Waterbury**

The existing development has 24 non-habitable units that will be demolished and rebuilt new from designs by property manager. Project includes playground, picnic area and community garden space.

<b>Units</b>	56
<b>Housing Type</b>	Family/Supportive
<b>Affordability</b>	15 units affordable to households at 0-25% AMI, 23 units affordable to households at 25-50% AMI, 18 units affordable to households at 50-60% AMI, 12 set aside as Supportive Housing units
<b>Financing</b>	\$12.6 million in Federal 9% LIHTC net proceeds, \$5.2 million in DOH FLEX funds, \$700k in private loan funds, \$350k in Deferred Developer fee, and \$294k in State HTCCs

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

**Billings Forge, Hartford**

Rehabilitation of a three story built in 1864 as a tool manufacturing plant. The property was converted to rental housing in the 1980s. Located in the Frog Hollow Section of Hartford, the complex will include commercial/retail space. This development also received funding from CHAMP 5 through DOH.

<b>Units</b>	112
<b>Housing Type</b>	Family
<b>Affordability</b>	112 units affordable to households at 50-60% AMI
<b>Financing</b>	\$4.4 million in Federal 4% LIHTC net proceeds, \$2.6 million in CHFA Tax Exempt Bond funds, \$5 million in DOH CHAMP5 FLEX funds, \$1.7 million in Federal Historic Credit proceeds, \$1.8 million in State Historic Credit proceeds,, \$2.1 million in Melville Charitable Trust Seller Note\$535k Deferred Developer Fee

**Charles Street Apartments, Meriden**

The current 4.38-acre site contains four attached historic mill buildings, as well as a pump house building currently being utilized as a community center. This development also received funding from CHAMP 5 through DOH.

<b>Units</b>	80
<b>Housing Type</b>	Family
<b>Affordability</b>	3 units affordable to households at 0-25% AMI, 4 units affordable to households at 25-50% AMI, 73 units affordable to households at 50-60% AMI
<b>Financing</b>	\$3.6 million in DOH CHAMP funds, \$3.4 million in Federal 4% LIHTC net proceeds, \$1.1 million in Federal Historic Credit proceeds, \$1 million in State Historic Credit proceeds, \$1.3 million in CHFA mortgage funds (non-bond proceeds), \$990k CHFA Tax Exempt Bond funds, \$600k sellers' note, \$150k Developer/Investor Equity

**Crescent Crossings, Bridgeport**

Crescent Crossing, LLC is working in collaboration with the Housing Authority of the City of Bridgeport to build affordable housing in six buildings on a portion of the land from the former Father Panik Village. The development will be close to bus routes, grocery stores, schools, and a proposed train station. This development also received funding from CHAMP 5 through DOH.

<b>Units</b>	93
<b>Housing Type</b>	Family
<b>Affordability</b>	19 units affordable to households at 0-25% AMI, 19 units affordable to households at 25-50% AMI, 55 units affordable to households at 50-60% AMI, 7 set aside as Supportive Housing units.
<b>Financing</b>	\$12 million in Federal 4% LIHTC net proceeds, \$7 million in DOH CDBG Small City funds, \$5 million in DOH CHAMP funds, \$6 million in CHFA Tax Exempt Bonds, \$1 million in Deferred Developer Fee, \$1 million Public funds from Bridgeport Housing Authority, \$500k State HTCCs

**Frost Homestead, Waterbury**

A non-profit developer is acquiring this 100% affordable apartment community consisting of 21 residential and one community building. The rehabilitation will include modifications to accommodate six new handicapped accessible apartments. Site improvements include new handicapped accessible parking, landscape plantings, new paving for walks, driveways and parking areas and new signage.

<b>Units</b>	63
<b>Housing Type</b>	Family
<b>Affordability</b>	63 units affordable to households at 50-60% AMI
<b>Financing</b>	\$2 million in Federal 4% LIHTC net proceeds, \$4.4 million DOH Financing, \$520k CHFA Tax Exempt Bond Financing, \$750k Home Financing from the Waterbury Development Corp.

**Maplewood School Apartments, Bridgeport**

This project involves the rehabilitation of two 121-year old former school buildings. This development also received funding from CHAMP 4 through DOH.

<b>Units</b>	32
<b>Housing Type</b>	Family
<b>Affordability</b>	10 units affordable to households at 0-25% AMI, 21 units affordable to households at 25-50% AMI, 1 unit affordable to households at 50-60% AMI, 8 set aside as Supportive Housing units
<b>Financing</b>	\$2.4 million in Federal 4% LIHTC net proceeds, \$2.1 million in DOH CHAMP funds, \$150k DOH HOME funds, \$25k DOH/HUD CDBG Small Cities funds, \$1.1 million in Federal Historic Tax Credit funds, \$874k in State Historic Tax Credit funds, \$100k State HTCCs, \$1.9 million in assumed debt (various sources)

**Northside Terrace, Torrington**

This is a redevelopment of a rental complex, originally built in 1968, substantially rehabilitated in 1995 and now significantly deteriorated. This development also received funding from CHAMP 5 through DOH.

<b>Units</b>	91
<b>Housing Type</b>	Family
<b>Affordability</b>	25 units affordable to households at 0-25% AMI, 47 units affordable to households at 25-50% AMI, 19 units affordable to households at 50-60% AMI, 10 set aside as Supportive Housing units.
<b>Financing</b>	\$3 million in Federal 4% LIHTC net proceeds , \$3 million in DOH CHAMP5 funds, \$2.7 million assumed HUD debt, \$2.6 million CHFA Tax Exempt Bonds, \$362k Existing Reserves, \$101k Deferred Developer Fee, and \$590k seller note

### Sheldon Wyllys, Hartford

Sheldon Wyllys will combine two existing multifamily developments: Sheldon Oak Central Cooperative II and Wyllys Lisbon. Proposed renovations include energy efficiency upgrades, exterior repairs, and interior refurbishment. This development also received funding from CHAMP 4 through DOH.

<b>Units</b>	107 in 24 buildings
<b>Housing Type</b>	Family
<b>Affordability</b>	32 units affordable to households at 25-50% AMI, 75 units affordable to households at 50-60% AMI
<b>Financing</b>	\$4.6 million in DOH CHAMP funds, \$2.4 million in Federal 4% LIHTC net proceeds, \$148k in energy rebates, and \$107k in existing mortgage

Sasco Creek and Zbikowski Park are State-Sponsored Housing Portfolio (SSHP) properties that also received a portion of their funding from the Governor's \$300 million. These funds are leveraged with Federal 4% LIHTCs and CHFA's Tax Exempt Bonds, maximizing their value and allowing great numbers of affordable housing units to be built.

### Sasco Creek, Westport

Sasco Creek Apartments is the second phase of the Westport Housing Authority's ("WHA") effort to revitalize and expand its existing affordable housing portfolio. The redevelopment plan involves removal and demolition of 33 existing trailer homes, adding site infrastructure and construction of fourteen (14) buildings a community building. The new property will increase the inventory of affordable units in Westport by 20.

<b>Units</b>	54, including 6 new supportive units
<b>Housing Type</b>	Family
<b>Affordability</b>	12 units rented to households at 0-25% of AMI, 29 units rented to households at 31-50% AMI, 13 units rented to households at 51-60% AMI. Six 1 bedroom units set aside for Supportive Housing
<b>Financing</b>	\$6.8 million CHFA -Tax Exempt Bond funds, \$8.5 million State Sponsored Housing Portfolio funds, \$5.8 million in Federal 4% LIHTC net proceeds.

### Zbikowski Park, Bristol

This is a moderate rehabilitation of an existing 90-unit family rental development built in 1951. The complex includes 45 duplex buildings on 17.3 acres. Eighty-five apartments will receive project-based RAP subsidies. Bristol Housing Authority (BHA) will continue to own the land and will lease the improvements to the to-be-created ownership entity. BHA is the overall sponsor of the redevelopment effort and current owner of the complex, and will also serve as developer and property management agent.

<b>Units</b>	90
<b>Housing Type</b>	Family
<b>Affordability</b>	85 units available for households with less than 50% AMI, 3 units available for households between 50-60% AMI, 2 units available for households between 60-80% AMI
<b>Financing</b>	\$1.8 million State Sponsored Housing Portfolio funds, \$30 million Grant funds, \$3 million CHFA Tax Exempt Bond funds, \$2.7 million Federal 4% LIHTC net proceeds

**Threadmill, Stonington**

Threadmill is the last transaction from the 2013 Rate Special that offered reduced rates as an incentive for developers to move projects forward quickly. Threadmill is an adaptive re-use of a former mill building for apartments and retail space. Energy efficiency measures will result in units that will be 20-31% better than Energy Code Minimum.

<b>Units</b>	58
<b>Housing Type</b>	Family
<b>Affordability</b>	12 units affordable for households at 50-60% AMI*
<b>Financing</b>	\$7.7 million in CHFA Tax Exempt Bond funds, \$5 million in DOH/HUD HOME funds, 4.1 million in Federal Historic Tax Credit net proceeds, \$4.7 million in State History Tax Credit net proceeds, \$1.3 million in Developer/Investor Cash Equity

\*Area Median Income

**The following developments received funding from the Qualified Energy Conservation Bond Fund (QECB) program.**

**Danbury Housing Authority, Danbury**

Danbury Housing Authority’s Housing Portfolio consists of housing units that are funded primarily through HUD’s Public Housing Program of the State of Connecticut Housing Program. The proceeds of this financing will fund multiple energy conservation improvements in the Housing Authority Federal Program.

<b>Units</b>	357
<b>Housing Type</b>	Family & Elderly
<b>Affordability</b>	Public Housing, all units affordable to households less than 50% AMI
<b>Financing</b>	\$2.55 million QECBs

**Milford Redevelopment and Housing Partnership, Milford**

The Milford Redevelopment and Housing Partnership has implemented an Energy Performance Contract to reduce its utilities consumption and costs, increase the comfort and safety of its tenants while modernizing its infrastructure and reducing maintenance requirements among all of its buildings in this federal public housing portfolio.

<b>Units</b>	330
<b>Housing Type</b>	Family
<b>Affordability</b>	All properties have less than 50% AMI restriction
<b>Financing</b>	\$3.6 million QECBs

**Vernon Housing Authority, Vernon**

The funding will be used for a myriad of energy conservation improvements in three elderly federal projects containing 216 units and scattered homes containing seven family units. Improvements include energy efficient heating systems, photovoltaic panels in a laundry area, LED lighting, energy star refrigerators and water saving devices.

<b>Units</b>	223
<b>Housing Type</b>	Elderly
<b>Affordability</b>	223 units are affordable for households under 50% AMI
<b>Financing</b>	\$1.7 million QECBs

## **Supporting Special Needs Housing**

***In 2014, CHFA approved financing for four supportive developments with 93 units, through the State's Permanent Supportive Housing Initiative.***

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. Funding for the developments listed below came from the state's Permanent Supportive Housing Initiative (PSHI), administered by the Interagency Committee on Supportive Housing (IACSH) described below.

### **Center Street Apartments, Manchester**

Center Street Apartments consists of 20 units in a three-story mixed commercial and residential property on 2 acres. The building will contain non-residential space on the first floor and 20 one-bedroom units on the second and third floors. All units will be service-enriched.

<b>Units</b>	20
<b>Housing Type</b>	Supportive Housing
<b>Affordability</b>	20 units rented to households at 25-50% AMI
<b>Financing</b>	\$4 million in funds, 1% simple interest to be accrued for 30 years

### **Liberty Gardens, Hartford**

Liberty Gardens is the rehabilitation of a vacant, historic eight-unit apartment building and the construction of a new addition to create 10 supportive housing apartments for child-welfare involved families. The building will include case management offices and family activity rooms. The development is located on a bus line in a mostly residential area of Hartford.

<b>Units</b>	10
<b>Housing Type</b>	Supportive Housing
<b>Affordability</b>	10 units affordable to households at 25-50% AMI
<b>Financing</b>	\$4 million Permanent Supportive Housing Initiative II Funding, \$400k City of Hartford HOME, \$400k State Historic tax credits

**Milestone Apartments, Bridgeport (fka Milestone at Stratford Ave.)**

Milestone Apartments is new construction of a mixed income/mixed use facility with 15 apartments set aside for individuals needing supportive services with incomes less than 25% of Area Median Income (AMI), 5 apartments designated for low-income individuals at less than 50% of AMI, and 10 apartments for individuals earning less than 80% of AMI. The supportive housing set aside is as follows: eight units for veterans ineligible for VASH vouchers and seven units for Adults with Special Needs. The proposal includes approximately 8,000 square feet of commercial space for a preschool.

<b>Units</b>	30
<b>Housing Type</b>	Supportive Housing and Workforce Housing
<b>Affordability</b>	15 units affordable to households at 0-25% AMI, 5 units affordable to households at 25-50%, 10 units affordable to households at 60%- 80% AMI
<b>Financing</b>	\$9.1 million Permanent Supportive Housing Initiative II Funding, \$500K City of Bridgeport HOME

**Sanford Commons, Hamden**

Sanford Commons is the new construction of a thirty-three (33) unit mixed-income supportive rental housing development in Hamden. Seventeen (17) of the apartments will be targeted to special needs populations earning at or below 50% Area Median Income (AMI). Of the remaining apartments, seven (7) will be targeted for populations earning at or below 50% AMI and nine (9) apartments will be targeted for population earning at or below 80% AMI. Site plan, zoning, and special permit approvals are all in place. Capital financing will come from the State’s Permanent Supportive Housing Initiative. The service provider will be New Reach, Inc.

<b>Units</b>	33
<b>Housing Type</b>	Supportive
<b>Affordability</b>	24 units affordable to households at 25-50% AMI, 9 units affordable to households at 60-80% AMI, 7 units set aside for Supportive Housing

**Supportive Housing in other developments:**

Seven affordable housing developments also included 61 units of supportive services in their housing mix.

29 units or approximately 9% of the total 9% LIHTC unit production

- Carroll Apartments, Waterbury - 7 units
- Warner Gardens, Waterbury - 12 units
- Wall Street Place, Norwalk - 10 units

32 units or approximately 5% of the total 4% LIHTC program unit production

- Kensington Square I Apartments, New Haven - 24 units
- Maplewood Court, Bridgeport - 8 units

### ***The Interagency Committee for Supportive Housing***

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 Housing (DOH), 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 (IACSH).

In the years since its inception, the IACSH 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 IACSH 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 Correction (DOC) and the Court Support Services Division (CSSD) 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.

The Department of Veterans Affairs has joined the IACSH to address the needs of the state's veterans who are experiencing homelessness including those with special needs. The Department of Developmental Services (DDS) also joined the IACSH to expand the housing opportunities for the state's citizens with intellectual or developmental disabilities.

**The following properties received financing or refinancing to preserve affordability for the future**

**Atlantic Park, Stamford**

Atlantic Park is a supportive housing development consisting of two three story wood-sided buildings rehabbed in 1997. All units are studios, and recreation and common areas are available to residents, along with a community laundry area. Management and support service staff have offices on site. Future capital needs will be completed with Replacement Reserve funds.

<b>Units</b>	27
<b>Housing Type</b>	Supportive Housing
<b>Affordability</b>	27 units rented to households at 0-30% AMI, affordability extended an additional 15 years
<b>Financing</b>	1% simple interest accrued 30 yrs, mortgage expiration extended 15 yrs

**Brick Row, Willimantic**

Brick Row is supportive housing development rehabbed in 1997. Recreation, community laundry and common areas are available to residents. Support service staff has offices on site. Some immediate capital needs and/or upgrades to units and common areas will be completed in 2014 and 2015. Future capital needs will be completed with Replacement Reserve funds.

<b>Units</b>	30
<b>Housing Type</b>	Supportive Housing
<b>Affordability</b>	30 units rented to households at 0-30% AMI, affordability extended an additional 15 years
<b>Financing</b>	1% simple interest accrued 30 yrs, mortgage expiration extended 15 yrs

**Casa Nueva, Hartford**

The property contains 79 units of State Moderate Rental Section 8 family housing located in 11 buildings in the south end of Hartford. To facilitate a sales transaction and allow time for the purchaser to put a tax credit recapitalization deal together, CHFA has offered short-term bridge financing and allowed for the current debt to be assumed.

<b>Units</b>	79
<b>Housing Type</b>	Family
<b>Affordability</b>	Section 8 Housing - affordable to households below 50%AMI
<b>Financing</b>	CHFA ITA Loan of approximately \$5,040,000

**The Colony Apartments, Stamford**

The Colony is supportive housing development consisting of a single 3-story vinyl sided building built in 1996. Recreation and common areas are available to the residents, along with a community laundry area. Management and support service staff have offices on site. Future capital needs will be completed with Replacement Reserve funds.

<b>Units</b>	29
<b>Housing Type</b>	Supportive Housing
<b>Affordability</b>	29 units rented to households at 0-30% AMI, affordability extended additional 15 years
<b>Financing</b>	1% simple interest accrued 30 yrs, mortgage expiration extended 15 yrs

### Cornfield Apartments, Ellington

The property contains 216 units, the majority of the units are townhouses with 12 one-bedroom ranch units that are handicap accessible. *The developer is adding an additional 22 units for households below 60% AMI, and extending affordability to coincide with the 40-year term.* All capital needs would be funded through existing reserve balance, initial contribution from owners and monthly replacement reserves to comply with the Capital Needs Assessment.

<b>Units</b>	216
<b>Housing Type</b>	Family
<b>Affordability</b>	Targeted for 22 households below 60% AMI, 43 households below 80% AMI, the rest of the units are market rate.
<b>Financing</b>	Restructure of existing debt- increased amortizing debt balance to 10,000,000 and created a soft second in the amount of \$3,694,000.

### Heritage Commons, Middletown

Heritage Commons is an elderly congregate community. Congregate housing offers frail elders, 62 years or older, one main meal in a communal setting, light housekeeping and 24-hour security. Transportation and recreational services may also be provided.

<b>Units</b>	87
<b>Housing Type</b>	Congregate
<b>Affordability</b>	20% of the units are reserved at 80% of AMI
<b>Financing</b>	Re-amortize the balance of the existing loan at its current rate of 6.65% for 40 years.

### Kensington Square, New Haven

Kensington Square is an acquisition-rehabilitation that will address existing capital needs. The scope of work includes the restoration of exteriors, replacement of roofs, installation of security systems, and energy-conserving improvements. The proposed transaction is anticipated to improve the safety and living environments of the residents and enhance the livability of the neighborhood. This development received CHAMP 5 funds from DOH.

<b>Units</b>	120
<b>Housing Type</b>	Family
<b>Affordability</b>	24 units affordable to households at 0-25% AMI, 12 units affordable to households at 25-50% AMI, 84 units affordable to households at 50-60% AMI
<b>Financing</b>	\$5.7 million in Federal 4% LIHTC net proceeds, \$4.415 million CHFA Tax Exempt Bond Financing \$3.128 million in DOH CHAMP 5 funds, \$403K Deferred Developer Fee, \$320K Existing Reserves

**Laurelwood Place, Bridgeport**

This is a moderate rehabilitation an 11-story building constructed in 1980. The rehabilitation will add two additional units for senior citizens age 62 and older and disabled persons of any age. Ten apartments are handicapped accessible. Amenities include a community room with a kitchen, computer room, common lounges on each floor, and a private park with walking paths and benches.

<b>Units</b>	102
<b>Housing Type</b>	Elderly
<b>Affordability</b>	100 units rented to households at 25-50% AMI, 2 units rented to households at 50-60% AMI. Affordability will be extended for an additional 22 years.
<b>Financing</b>	\$3.8 million in Federal 4% LIHTC net proceeds, \$10 million CHFA Tax Exempt Bond funds, and \$320k Seller Reserves

**Mohican Senior Apartments, New London**

This development is an 11-story brick/veneer high rise.

<b>Units</b>	146
<b>Housing Type</b>	Elderly
<b>Affordability</b>	Section 8 Housing - affordable to households below 50%AMI
<b>Financing</b>	In conjunction with a recapitalization of this asset by 4% LIHTC and City of New London bonds, CHFA will accept prepayment of their debt with a Housing Program Maintenance Fee. The transaction will preserve the housing for an additional 23 years.

**New Algiers, Stamford**

The property is a project-based Section 8 development and consists of two-three story buildings with two commercial spaces. In accordance with CHFA preservation policy, the development was refinanced to provide an additional 40 years of affordability.

<b>Units</b>	12
<b>Housing Type</b>	Family
<b>Affordability</b>	9 units rented to households at 0-30% AMI, 3 units rented to households at 30-50% AMI
<b>Financing</b>	\$1.25 million CHFA ITA

## Administration of Tax Credit Programs

### State Housing Tax Credit Contribution (HTCC) Program – 2014

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 Housing Tax Credit Contributions to the non-profit organizations listed below, which will result in the development of 568 affordable homes and apartments.

#### HTCC Non-Profit Programs Receiving Contributions

Project Name	Units	Contribution Received	Set Aside
CHIF LIME (Low-Income Multifamily Energy) Loan	0	500,000	W
Live Where You Work Program (fka Workforce Housing Down Payment Fund) Round 9	0	500,000	W
Southend Community Building Initiative Phase III	5	500,000	S
Warner Gardens	56	500,000	S
Hanover Place	9	454,731	S
Harrison Apartments	102	350,000	S
Boston Avenue Supportive Housing	24	150,000	S
Affordable Housing Development Project	13	500,000	G
699 Main Street	20	500,000	G
Essex Place	22	500,000	G
Summit Park	42	500,000	G
Goodwin (The)	47	500,000	G
29 Tiffany Street	12	500,000	G
Workforce III Revolving Loan Fund	0	500,000	G
Beacon II A	4	500,000	G
2014 EIH Acquisition-Rehabilitation Initiative	10	500,000	G
Lawnhill Terrace 1	60	425,242	G
Six Habitat for Humanity Homes in Eastern Connecticut	6	347,252	G
Park Renewal 2014	12	327,311	G
New London County Down payment Loan Program	0	290,000	G
499 Newhall Street	2	285,000	G
Bridgeport Neighborhood Build 3	6	283,500	G
Beckley House Extension	10	195,000	G
Pequot Village II	40	174,695	G
Hartford Area Habitat for Humanity- Bristol Project	3	172,000	G
24 Colony Street	63	45,269	G
<b>Total</b>	<b>568</b>	<b>10,000,000</b>	

\*W= Work Force Housing S= Supportive Housing G= General Housing

## Low-Income Housing Tax Credit (LIHTC) Program – 2014

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.

In 2014, CHFA received applications totaling more than double the amount of tax credits available. The pool of 12 applicants requested \$15.47 million in tax credits, to create 890 total units of housing, and 726 qualified units of affordable housing. The tax credits recipients are listed below and credits were awarded in 2014. The credits of \$7,723,842 are expected to generate equity of \$72,744,009 for the developments.

### 9% Low Income Housing Tax Credit Awards

City/Town	Project Name	Type of Housing	Qualified Units	Credit Awarded
Meriden	24 Colony Street	TOD/mixed-income, family	63	\$1,400,000
Norwalk	Washington Village, Phase One	mixed-income, family	80	\$1,895,188
Waterbury	Warner Gardens	family, supportive	56	\$1,388,488
Waterbury	Carrol Apartments	family	35	\$733,133
Norwalk	Wall Street Place, Phase One	mixed use	36	\$864,014
Stamford	Lawnhill Terrace	family	60	\$1,443,019
			<b>330</b>	<b>\$7,723,842</b>

# ***CHFA's Asset Management Staff oversees the State Sponsored Housing Portfolio and a Private Portfolio***

## **State-Sponsored Housing Portfolio: 12,623 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.

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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 are working closely on the implementation of the Capital Plan. Staff 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.

In 2014, eight properties, with a total of 475 units received allocations from the Governor's \$30 million. Two of these properties, Sasco Creek and Zbikowski Park also received Federal 4% LIHTCs and CHFA Tax Exempt Bond financing, and Lawnhill Terrace received Federal 9% LIHTCs. Please note that the funding in the Capital Plan and SSHP is tracked on a July-June fiscal year so the totals reflect that period versus the calendar year reporting. The charts below also show the multiple phases of development activity in the revitalization of the SSHP.

Property Name	Town	# units	\$ Award	% Complete
Atlantic	Stamford	28	1,108,800	Initial Closing
Faylor Apartments	East Lyme	36	1,260,000	29%
Glen Apartments	Danbury	100	5,173,769	22%
Historic Townley Street	Hartford	28	1,900,000	38%
Londonberry Gardens	New London	86	4,874,299	43%
Sasco Creek (incl. 4% LIHTC)	Westport	54	8,507,550	Initial Closing
River Mill Village	Thompson	53	3,749,000	Awarded
Zbikowski Park	Bristol	90	1,844,000	Awarded
<b>Subtotal</b>		<b>475</b>	<b>28,417,418</b>	

The charts below also 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.

**Predevelopment Funding - Awarded**

Property Name	Town	# units	\$ Award
Security Manor	New Britain	50	90,000
Cobbs Mill Crossing	Glastonbury	32	70,000
Rose Garden Co-op	Hartford	8	90,000
Zbikowski Park	Bristol	90	215,000
Woodside Park, Ella Grasso Manor, Windsor Court, Enfield Manor/Ext	Enfield	190	480,000
Sunset Park	Norwich	53	375,000
Oak Terrace	Naugatuck	194	250,000
Sugarloaf Terrace	Rockfall	30	65,000
<b>Total</b>		<b>647</b>	<b>1,635,000</b>

**Technical Assistance**

Program	Contractor	Contract Amt
TA for Redevelopment	Housing Development Team	100,000
TA for Redevelopment	TAG Associates	100,000
TA for Redevelopment	TDA Consulting	100,000
TA for Limited Equity Coops	CT Housing Coalition	353,700
Affordable Housing Academy	CT Housing Coalition	90,000
TA - Residents re Resident Engagement	PHRN	150,000
TA - Owners re Resident Engagement	Conn-NAHRO / HERC	90,000
TA - Residents re Resident Engagement	Tovah, Inc.	32,380
<b>Total</b>		<b>1,016,080</b>

## Resident Engagement

- CHFA contracted with Tovah, Inc. to provide technical assistance to residents at five Housing Authority sites where redevelopment is contemplated and statutory requirements for resident participation apply.
- CHFA contracted with Conn/NAHRO and HERC to provide technical assistance to Housing Authority staff and Board members regarding the resident participation statute.

## Private Portfolio Activity: 23,573 units

- CHFA continued its ongoing portfolio management oversight, which included performance management of its portfolio of 299 developments and 23,573 apartments, which includes Real Estate Owned (REO) properties held by subsidiaries of the Authority.
- Acted as HUD contract administrator for 60 project-based Section 8 developments, including the review and approval of \$59 million in subsidy payments for 5,663 apartments. Also sub-contracted to oversee 236 Section 8 apartments for Housing Authorities
- Monitored low-income housing tax credit compliance of 17,058 apartments for 242 properties

## REO/Equity Properties

- 11 Erwin Place, New Britain: CHFA took title in September 2014. The property is held by CHFA Small Properties, Inc. and has been offered for sale.
- 111 Pearl Street, Hartford: The contract for the sale of this property has been extended to June 30, 2015
- 272 Cleveland Avenue, Hartford: CHFA took title in September 2014. The property is held by CHFA Small Properties, Inc. and an RFP for sale was published in February 2015.
- Trumbull Centre, Hartford: s sold in 2014.
- Winthrop Drive, Farmington: CHFA took title in June 2014. The property is held by CHFA Small Properties, Inc. and an RFP for sale was published in March 2015.
- Eno Farms, Simsbury: A buyer was selected through an RFP process, however litigation with 5 residents that failed to re-certify and also filed a "Verified claim" on the land records (which affects the title) continues to hold up a sale.

## **Loan Modifications & Moratoriums**

CHFA's Board of Directors approved the following loan modifications in 2014:

- Science Park, New Haven: Loan Modification and partial principal payment
- Cornfield Apartments, Ellington: Loan Modification for current loan balance of approximately \$7.9 million
- Harrison Apartments, Bridgeport: Loan Modification accruing 1% simple interest and extend maturity
- Fitch Court, Windsor: Loan Restructure and new \$390k mortgage

CHFA's Board of Directors approved the following loan moratoriums in 2014

- Westbrook Village & Bowles Park, Hartford: One year moratorium extension commencing May 1, 2014
- Harrison Apartments, Bridgeport: Six month moratorium beginning July 1, 2014

The mortgages on one property was prepaid in 2014, removing it from the CHFA Portfolio:

- Frances Ward Towers at St. Mary Home, West Hartford

## **Energy Conservation Loans**

- Deerfield Apartments, Windsor: \$625k ITA loan to fund energy improvements
- Brookside Commons Apartments, East Hartford: \$480k ITA loan to fund energy improvements

## **Small Loan Program**

- Sheldon Commons I & II, Hartford: \$65.5k ITA loan to pay delinquent real estate taxes
- Liberty Hall Apartments, Waterbury: \$76.1k Early Stage Development loan for predevelopment activities
- Villa Coqui, Hartford: \$286k loan to fund the purchase of this Limited Equity Cooperative
- Don B. Oquendo (REO property), New Britain: \$200k ITA loan to CHFA Small Properties Inc. to fund real estate taxes and operating expenses
- Jefferson Commons, New London: \$150k gap financing for cost overruns on this Permanent Supportive Housing Initiative property
- Quarry Heights & Extension, Portland: \$100k Early Stage Development loan for predevelopment activities

## 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 2014, 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. In 2014, the Community Investment Account (CIA) provided funding for the programs listed below. The CIA program was transferred to the Department of Housing by Public Act.

- **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. In 2014, the CHFA/CGB Demonstration Program tracked five properties in CHFA’s portfolio through a year-long pilot program. Property owners have been given access to a number of resources, including in-depth guidance from industry experts. The program aims to establish best practices in making energy efficiency improvements to multifamily affordable housing. Additionally, the program provides investment-grade energy audits and benchmarking services for the participating properties, as well as ongoing technical assistance and program administration.
- **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 two years, five communities – Meriden, Middletown, New Britain, Torrington, and Waterbury – as well as five property owners and their buildings have been the focus of the program. The program’s five targeted properties may result in up to 100 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 2014, the Housing Connections program provided technical assistance to 44 groups in 40 towns throughout the state. Since its inception, the program has provided technical assistance leading to the development and/or redevelopment of 271 affordable homes, representing nearly \$47 million of development activity. Additionally, the program is providing technical assistance to 27 other projects with the potential of an additional 668 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.
- **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 2014, the HASIP program provided 782 units with capital improvements such as installing handicap ramps and energy efficiency improvements. The program also offered residents services such as health fairs, nutrition services among other services that serviced 1,750 units. Nearly \$298,606 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 \$13 million private capital fund managed by the Local Initiatives Support Corporation. 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.
- **The Connecticut Integrated Health and Housing Neighborhoods Pilot Program** – A pilot initiative of AIDS-CT and the Partnership for Strong Communities to provide housing (through 150 State RAPs) and coordinate patient-centered health care for 150 individuals in Hartford, New Haven, Bridgeport/Stamford/Norwalk, New London, and Waterbury.
- **Affordable Housing Academy** – The Connecticut Housing Coalition developed a five-month project development training and capacity building series that focuses 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 Improvement Program** – Provides the Corporation for Supportive Housing to catalog all units of permanent supportive housing created through “Integrated” funding streams, assess the quality of each of the projects, and develop a plan to improve the quality through technical assistance. In addition, the program provides assistance aimed at increasing the capacity of organization to create supportive housing, build capacity of supportive housing, 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 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. In 2014, CHFA continued and expanded its partnership with 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).

The funds invested in CDFIs between 1999 and 2014 resulted in 107 completed transactions financing 2,214 housing units. The Authority's cost per unit on these transactions was approximately \$10,600.

In 2014, CHFA launched the Small Multifamily Properties Loan Pool, 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. The Hartford Community Loan Fund, the Housing Development Fund, and the Greater New Haven Community Loan Fund are participants. In 2014, 15 properties were financed through this new program resulting in 61 new affordable units. Due to the low-cost of funds, the program has saved on average \$241 per month to the property owner.

## **Funding and Financial Statements**

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, EXPENSES WITH COMPARISON TO BUDGET**  
**TWELVE MONTHS ENDED DECEMBER 31, 2014**  
**(in 000's)**

	<u>2014 Budget Projection</u>	<u>YTD December 2014 Actual</u>	<u>Variance to 2014 Budget</u>
<b>Operating Revenues</b>			
Interest on mortgage loans	168,400	168,334	(66)
Interest on investments	23,400	22,954	(446)
Fees and other income	5,300	8,516	3,216
<b>Total Operating Revenues</b>	<u>197,100</u>	<u>199,804</u>	<u>2,704</u>
<b>Operating Expenses</b>			
Interest	133,700	125,859	(7,841)
Bond Issuance Costs	5,900	6,345	445
Servicer fees	8,100	8,397	297
Administrative	39,830	34,391	(5,439)
Provision for losses	5,000	1,833	(3,167)
<b>Total Operating Expenses</b>	<u>192,530</u>	<u>176,825</u>	<u>(15,705)</u>
<b>Net Operating Income</b>	<u>4,570</u>	<u>22,979</u>	<u>18,409</u>

**Notes:**

- 1) Does not include amounts received or expensed or expected to be 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) and the Emergency Mortgage Assistance Program (EMAP).
- 2) No adjustment for the fluctuation in the market value of investments is included.
- 3) Gain on sale of real-estate owned is not included.