

# CONNECTICUT HOUSING FINANCE AUTHORITY

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March 15, 2013

The Honorable Dannel P. Malloy  
Governor  
State of Connecticut  
State Capitol, Room 202  
Hartford, CT 06106-1591

Dear Governor Malloy:

In accordance with Section 8-260 of the Connecticut General Statutes, please find enclosed a summary report of the Connecticut Housing Finance Authority's activities for 2012, as well as year-end revenue and expense information.

I am available at your convenience should you or any members of your staff have any questions concerning this report.

Sincerely,



Eric Chatman  
President - Executive Director

cc: Connecticut General Assembly  
State of Connecticut Auditors of Public Accountants

Enclosure: CT Housing Finance Authority summary report for 2012





# CONNECTICUT HOUSING FINANCE AUTHORITY

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## *2012 Summary Report*

PREPARED FOR THE CONNECTICUT GENERAL ASSEMBLY  
MARCH 15, 2013

## *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-sustaining, quasi-public housing agency 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.

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.

## 2012 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 housing, maintaining existing affordable rental housing and providing affordable rental housing for those with special needs.

This report provides a summary of CHFA's housing finance activities in 2012, the State Emergency Mortgage Assistance Program (EMAP) and other foreclosure prevention activity. This report also provides operating results of CHFA in 2012 compared to budget projections.

|  |                         |
|--|-------------------------|
| <b><i>Number of single family mortgages</i></b>                      | <b>1,445</b>            |
| <b><i>Number of foreclosure prevention loans</i></b>                 | <b>264</b>              |
| <b><i>Number of new affordable rental housing units approved</i></b> | <b>94</b>               |
| <b><i>Number of rehabbed affordable rental units approved</i></b>    | <b>1,931</b>            |
| <b><i>Estimated jobs created by approved housing*</i></b>            | <b>1,205</b>            |
| <b><i>Estimated net state revenue from approved housing*</i></b>     | <b>\$ 13.01 million</b> |
| <b><i>Estimated new economic activity from housing</i></b>           | <b>\$166.88 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.

# Promoting Single Family Homeownership

## *CHFA made homeownership a reality for 1,445 first-time buyers in 2012*

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. As part of the effort to stabilize and create stronger neighborhoods, income and sales price guidelines are waived for borrowers purchasing homes in Federally Targeted areas.

### Single Family Mortgage highlights:

- The 1,445 mortgage loans totaled \$217.5 million
- The average amount of mortgage financing provided was \$150,536
- Borrowers had an average annual income of \$64,774
- The average monthly mortgage payment was \$645
- 42.5% of borrowers (614 loans) were female heads of households
- 38% (549 loans) were to minority borrowers
- The average age of these borrowers was 35
- 27.5% of CHFA's loans (398 loans) were made in the 18 federally targeted areas within targeted communities
- 67% (973 loans) were made in the 33 communities identified by the CT Conservation and Development Policy Plan as being regional, urban center communities
- CHFA partnered with local housing counseling agencies to provide homebuyer education, including classes in Spanish:
  - 123 eight-hour classes on the home buying process, attended by 921 prospective homeowners
  - 102 three-hour pre-purchase homebuyer classes, attended by 921 prospective homeowners.
  - 795 individual financial and credit counseling sessions
- Through CHFA's marketing outreach program, staff attended more than 40 events across Connecticut meeting residents and sharing information on homebuyer programs, Reverse Annuity Mortgages for seniors, foreclosure prevention events, informational sessions for Realtors, and lender training

## Downpayment Assistance:

Often the largest obstacle for prospective homeowners to overcome is achieving the funds necessary for a downpayment. Through CHFA's Downpayment Assistance Program (DAP), 56.5% of borrowers (817) were able to obtain downpayment assistance, totaling \$8.9 million statewide.

Borrowers receiving DAP loans must attend homebuyer education classes. In 2012, CHFA sponsored 102, 3-hour homebuyer education classes focusing on the fundamentals of successful homeownership.

## Targeted Mortgage Programs

CHFA works to increase homeownership through targeted programs for police officers, teachers, military personnel, and residents of public housing. The first-time homebuyer requirement is waived for applicants in these categories and the CHFA interest rate is reduced by .025 percent for qualified applicants. In 2012 CHFA provided:

- 17 Teacher Mortgage Assistance loans
- 17 Military Homeownership loans

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

As the economy continued to struggle in 2012, the state's homeowners continued to struggle to meet their mortgage obligations. The State's Emergency Mortgage Assistance Program (EMAP), provided emergency relief to 269 homeowners in 2012, with roughly 200 more EMAP loans approved as of December 31, 2012 and working their way toward closings. 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.

CHFA worked closely with the offices of the State Attorney General and Department of Banking to support the Governor's Free Mortgage Assistance Events. In 2012, three of these events were held in Bridgeport, Storrs, and Waterbury (the first event was held in Hartford in November of 2011). CHFA staff assisted in planning these events, overseeing housing counselors who met with attendees on site, and working directly with over 900 borrowers.

CHFA continues to service more than 950 loans from the Federal Emergency Homeowners Mortgage Loan Program (FEHLP). A U.S. Department of Housing and Urban Development (HUD) program, CHFA received a total of \$55 million under FEHLP to provide relief to homeowners facing foreclosure.

### 2012 Foreclosure Prevention Activity:

Counseling and homebuyer education also play an important role in tools in preventing foreclosures. CHFA dedicated significant time and resources to these programs in 2012:

- Conducted 64 financial fitness classes with 287 attendees for CT FAMILIES borrowers and participants in the Mortgage Crisis Job Training Program.
- Conducted 143 foreclosure prevention counseling sessions for CHFA borrowers.
- Conducted 744 foreclosure prevention counseling sessions open to all borrowers
- Conducted 105 foreclosure prevention clinics with 222 attendees.
- Conducted 56 landlord education classes with 73 attendees.

# Financing Affordable Multifamily Rental Housing

*In 2012, CHFA approved financing for 2,025 new or rehabilitated housing units*

CHFA provides financing to developers and owners for affordable multifamily housing. Increasing the supply of quality, affordable rental units can revitalize and stabilize neighborhoods. In addition, CHFA financing is also available to rehabilitate and preserve existing affordable rental housing stock.

In 2012, CHFA's Board of Directors authorized the following mortgage financing for the construction and/or acquisition/rehabilitation of affordable multifamily rental developments:

## **Foote Commons (f/k/a Beachport Family Housing), Cheshire**

The Cheshire Housing Authority is the developer and owner of the property which will include both new construction and renovation. Current residents will be temporarily relocated during renovations and the Housing Authority has engaged residents in the planning process.

Units: 20 units (14 new, 6 rehabilitated)  
Housing Type: Family  
Affordability: 10 units for families with incomes up to 50% of Area Median Income (AMI), 10 for families with incomes up to 60% AMI  
Financing: DECD & CHFA Investment Trust Account (ITA) and Taxable Bonds  
Estimated  
Economic Impact: 48 new jobs, \$6.5 million in economic activity, net state revenue \$516,900

## **Capitol Towers, Hartford**

Capitol Towers, built in 1971, is located in the Frog Hollow section of Hartford. The 9-story high rise has first-floor commercial space leased to a State-funded daycare facility. Capitol Towers RHF Partners Limited Partnership purchased the property and performed moderate in-place renovations. Renovations, including energy efficiency and safety measures, were completed during the day so residents were able to return their units in the evenings. Affordability of the units is extended by 37 years.

Units: 144  
Housing Type: Elderly, 1-2 bedrooms  
Affordability: 133 project-based section 8 units, 5 for individuals and families with incomes of 60 - 80% AMI  
Financing: \$6.05 million in construction & permanent Tax Exempt Bond (TEB) financing, \$2.3 million in 4% Federal Low Income Housing Tax Credits (LIHTC) equity proceeds  
Estimated  
Economic Impact: 45 new jobs, \$6.1 million in new economic activity, net state revenue \$462,000

### **Country Village, Waterbury**

Country Village is an existing affordable multifamily rental development. Country Village Apartments LLC will purchase and rehabilitate the property, extending affordability for 30 years. Moderate rehabilitation of the property includes replacing building systems, exterior lighting, kitchens & bathrooms.

Units: 232 units  
Housing Type: Family  
Affordability: majority of the units for families with incomes at 50-60% of AMI  
Financing: \$9.9 million in 4% LIHTC equity proceeds, \$20 million in TEB construction financing reducing to \$15.5 million in CHFA TEB permanent financing \$3.5 million HUD second mortgage assumed

Estimated

Economic Impact: 250 jobs, \$35.98 million in new economic activity, \$2.72 in net state revenue.

### **Dutton Heights, Bristol**

The Housing Authority of the City of Bristol, partnering with Bristol Communities GP, LLC will substantially rehab the 42-two story duplex buildings, which are part of the State Moderate Rental Program. There will be 9 supportive units for veterans and their families who are homeless or at risk of homelessness. The VA Connecticut Healthcare System will provide on-site services.

Units: 84  
Housing Type: Family  
Affordability: 53 units for families with incomes at 25-50% of AMI, 31 units for families with incomes of 50-60% AMI  
Financing: \$4.1 million in 4% LIHTC equity proceeds, \$8.58 million in TEB construction financing reducing to \$6 million CHFA TEB permanent financing, \$4.8 million DECD

Estimated

Economic Impact: 183 jobs, \$25.03 million in new economic activity, \$2.02 million in net state revenue.

### **Elias Howe Elderly Housing, Bridgeport**

Elias Howe Realty LLC (EHR) owned in part by Mutual Housing Association of South Central Connecticut is acquiring the property that is part of the Farther Panik Village housing replacement program. EHR will renovate the existing three-story brick building, which is currently vacant. Affordability will be 40 years.

Units: 37 units  
Housing Type: Elderly  
Affordability: 15 units for those with 25-50% AMI, 22 units for those with 50-60% AMI  
Financing: \$2.2 million CHFA taxable bonds, \$2.2 million DECD funds

Estimated

Economic Impact: 63 jobs, \$8.9 million new economic activity, \$690,000 net state revenue

### **Greenfield Apartments, Stamford**

Greenfield Apartments is the third phase of the redevelopment of Vidal Court, replacing obsolete and deteriorated units built in the mid-1950s. Charter Oak Communities (COC) a subsidiary of the Stamford Housing Authority is the developer, and Greenfield is designated as an Exceptional Priority that provides extraordinary public benefit. The new development will include 10 new buildings, 6 duplexes and 4 townhouse buildings.

Units: 45, new construction, includes 9 supportive units  
Housing Type: Family  
Affordability: 27 units for families with incomes up to 60 % AMI, 18 units for families with incomes of up to 120% of AMI  
Financing: \$10.9 million in 9% LIHTC Equity proceeds, \$6 million FHA loan proceeds, \$2.3 million COC/City of Stamford loan, \$342,000 COC/DECD loan  
Estimated  
Economic Impact: 280 jobs, \$37.1 million in new economic activity, \$2.9 million in net state revenue.

### **M.D. Fox Manor, Hartford**

M.D. Fox Manor was constructed as a school in 1918, and converted to senior housing in 1982. CHFA worked with M.D. Fox Associates, to secure the extended affordability and rehabilitation of this Section 8 subsidized housing in the Barry Square section of Hartford. In March of 2012, CHFA authorized a mortgage loan of \$3.3 million until TEB financing could be finalized in July of 2012.

Units: 90  
Housing Type: Elderly  
Affordability: 100% affordable  
Financing: \$9 million CHFA TEB construction loan converting to a \$5.6 million TEB permanent first mortgage and an assumed, restructured \$3.3 million construction only first mortgage loan. \$4.3 million in 4% LIHTC equity proceeds, \$2.1 million Federal Historic Tax Credits, \$1.3 State Historic Tax Credits  
Estimated  
Economic Impact: 112 jobs, \$16.23 economic activity, \$1.26 net state revenue

### **River Commons, Norwalk**

CHFA is financing the moderate rehabilitation of an existing affordable multifamily property. The purchaser, Cross River Preservation Associates LP, plans upgrades to create a community room, exercise space and computer room. Energy efficiency upgrades are also planned. Current residents will be relocated and have first preference for newly rehabbed units. Affordability of the development is extended by approximately 28 years.

Units: 34 units  
Housing Type: Family  
Affordability: 6 units for families or individuals with incomes of 25-50% AMI, 28 units for families with 50-60% AMI  
Financing: \$3.2 million 4% LIHTC equity proceeds, \$5.4 million TEB construction loan, converting to \$300,600 CHFA TEB permanent first mortgage and restructure of a CHFA first mortgage of approximately \$3.2 million.  
Estimated  
Economic Impact: 76 jobs, \$10.8 million new economic activity, net state revenue of \$838,000

### **Sunset Ridge, New Haven**

Developed in 1977, this property was developed for low and moderate income families. CHFA financed the acquisition, construction and rehab of the property in 1999 and the mortgage matures in 2029. The current owner, Belfonti Companies LLC, requested a refinance which will extend the affordability of the development for an additional 13 years and provide reserves for future improvements.

|                |  |
|----------------|--|
| Units:         | 312 Units  |
| Housing Type:  | Family   |
| Affordability: | 146 units for individuals and families with incomes less than 30% AMI, 138 units for those with incomes of 31-50%AMI, 17 units for those with incomes of 51-80% AMI and 11 at greater than 80% of AMI. |
| Financing:     | \$8.2 million refinance of first mortgage, \$7.4 million in CHFA taxable bonds   |

### **Sale of Corbin Heights & Pinnacle Heights Extension**

The revitalization of Corbin Heights & Pinnacle Heights Extension in New Britain has been a multiyear process. In 2008, CHFA's Board of Directors approved the developer for the Corbin & Pinnacle properties. During this time, the developments were owned by CPS Properties, Inc., a subsidiary of CHFA, which supervised the management of the properties while new owners were sought.

In 2011, CHFA's board approved financing for first mortgage construction and permanent ITA financing was approved to KR Corbin Pinnacle Holdings, LLC, an affiliate of Richman Konover LLC. Sales & closings for the Corbin Heights & Pinnacle Heights Extension properties were finalized effective May 31, 2012.

Construction and redevelopment will be staged over 3 years to minimize relocation of residents. Residents are expected to begin moving into the first phase of new rental units in the first quarter of 2013. The development implementation has served as a model of redevelopment for State public housing and resident participation. When completed, Corbin Heights will be a 235-unit, 100 % affordable family apartment complex and Pinnacle Heights Extension will be a 66 unit, 100% affordable family apartment complex.

# ***Supporting Special Needs Housing***

## ***CHFA approved financing for 270 permanent supportive units in 2012***

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.

### **Albion Street Apartments, Bridgeport**

Part of the Father Panik Village housing replacement program, 35 new supportive apartments will be built on land owned by the Housing Authority of the City of Bridgeport as part of a mixed-use development that include a medical and a dental clinic. Supportive services will be provided by Southwest Community Health Center.

|                  |  |
|------------------|--|
| Units:           | 35   |
| Housing Type:    | Supportive family  |
| Affordability:   | 100% affordable to families and individuals with incomes of less than 25% of AMI           |
| Financing:       | \$3.9 million in 4% LIHTC equity proceeds, \$7.9 million HUD                               |
| Estimated        |  |
| Economic Impact: | 148 new jobs, \$20.24 million in new economic activity, \$1.6 million in net state revenue |

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

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

In May 2012, CHFA's Board of Directors approved a resolution authorizing CHFA's President & Executive Director to approve financing for developments proposed under the Permanent Supportive Housing Initiative, and endorsed by the ICSH. Financing for two developments were authorized:

### **Jefferson Commons Apartments, New London**

Development consists of 12 units of new supportive apartments that will be funded by the state Permanent Supportive Housing Initiative in conjunction with HUD's Section 811 program for individuals with disabilities. Supportive services will be provided by The Connection, Inc.

Units: 12  
Housing Type: Supportive family  
Affordability: 100% affordable to families and individuals with incomes of less than 50% of AMI  
Financing: \$1.7 million in PSHI funding, \$2.3 million HUD

Estimated

Economic Impact: 24 new jobs, \$5.64 million in new economic activity, \$480,000 in net state revenue

### **Cosgrove Commons, Hartford**

Owner/developer/service provider Chrysalis Center, Inc. will build a three-story building with supportive housing, a common room, meeting room and office space. 10 units will be set aside for homeless veterans with special needs; other unit will be set aside for homeless young adults with special needs and/or are transitioning out of the foster care system.

Units: 24  
Housing Type: Supportive  
Affordability: 100% affordable to families and individuals with incomes of less than 50% of AMI  
Financing: \$4.5 million in PSHI funding

Estimated

Economic Impact: 42 new jobs, \$5.78 million in new economic activity, \$471,000 in net state revenue

CHFA's Board of Directors also approved additional funds to The American Legion Veterans Housing for structural repair and renovations to the historic building with 18 supportive units and loan restructures for The Crescent Apartments and Fairfield Apartments part of a supportive housing demonstration project with a total of 72 units.

## *Maintaining Affordable Rental Housing*

In 2012, CHFA also provided additional financing totaling \$5.8 million from its Investment Trust Account (ITA) for the maintenance of several developments in its multifamily housing loan portfolio.

### **111 Pearl, Trumbull on the Park, Hartford**

A total loan of \$611,423 was approved for the two properties to cover debt service and closing costs until the anticipated closing on the sale of the building in 2013. Trumbull on the Park, a 100 unit, mixed use, market rate development, and 111 Pearl Street, a vacant 70,000 square foot commercial building.

### **CPS Properties – Security Manor, New Britain,**

A 50-unit elderly housing development received \$475,000 loan to be used for near-term capital needs, operational support, to stabilize the property for at least 5 years as a buyer is sought. The property was sold at the end of 2012.

### **Ella Grasso, Putnam**

CHFA approved a refinance of a \$4.2 million loan for this 72 -unit, Section 8, low-income elderly housing development. The refinance will extend the affordability of the development for 20 years.

### **Lawrence Crest, Waterbury**

This 13-unit cooperative was unable to manage its day-to-day operations, so \$140,000 loan and restructure will bring some financial stability to the property, allowing a management company to take over and implement steps to bring the property to financial viability.

### **Renaissance Plaza, Bridgeport**

As an interim step to allow this 81-unit property to improve and market 15 units, while a longer term solution is crafted, a \$100,000 loan was approved.

### **Riverside, Torrington**

As part of CHFA's Small Loan Program, this 12-unit property in a renovated school received \$135,000 to pay back taxes and restructure debt.

### **Summer Square Hartford**

The 9 unit cooperative had financial difficulties and requested DECD's approval to dissolve the coop. The \$130,000 loans will allow the current property manager to purchase the property and restore it to financial viability.

# *Managing Affordable Rental Housing*

## *CHFA Multifamily Portfolio*

CHFA continued its ongoing portfolio management oversight, which included performance management of its portfolio of 284 developments and 21,769 apartments, which includes Real Estate Owned (REO) properties held by subsidiaries of the Authority. In 2012, the following activities were completed in support of those objectives. CHFA:

- Acted as HUD contract administrator for 74 project-based Section 8 developments, including the review and approval of \$65 million in subsidy payments for 6,800 apartments. Also sub-contracted to oversee 155 Section 8 apartments for Housing Authorities
- Monitored low-income housing tax credit compliance of 11,452 apartments for 177 properties.

Restructured 9 loans that were either delinquent or troubled assets impacting 645 units in both the CHFA and State Portfolios.

- In 2012, the loans on four properties were paid, removing these developments from CHFA's portfolio:
  - Cornerstone Residences, New Haven
  - CUHO Commons, New Haven
  - Huntington Towers, New London
  - Springville Mill, Vernon
- Asset Management devoted significant time during the year to new initiatives:
  - Reviewed 43 applications for the SHRP (State Housing Rehabilitation & Preservation Program)
  - Provided refinancing to market-rate developments willing to convert a portion of available units to affordable units. In 2012, two properties converted a total of 184 units from market rate to affordable.
  - Applied to become the Performance Based Contract Administrator (PBCA) for HUD (awaiting outcome).

# CHFA State Housing Portfolio

CHFA's continues its oversight of the State Housing Portfolio of 14,039 apartments. Site visits were performed to analyze the financial, physical, capital needs and management of the developments. Two key initiatives were undertaken in 2012:

- Preparing RFP and hiring consultants to complete the 10-Year Capital Plan (report due in June 2013).
- Administering \$20 million of on behalf of DECD for capital improvements to properties in the State Sponsored Housing Portfolio. These funds are part of the Governor's Public Housing Revitalization Initiative.

## Energy Conservation Efforts

Energy conservation measures and weatherization efforts continue to increase at CHFA as a means to reduce operating costs and reduce energy consumption. CHFA is partnering with utility companies to increase awareness of conservation measures among developers and CHFA's Standards of Design & Construction require applicants to provide more information on energy use.

CHFA is partnering with Clean Energy Finance & Investment Authority (CEFIA) and the Connecticut Energy Efficiency Fund (CEEF) on additional energy investments in the portfolio. Approximately 4,500 units at 83 properties are targeted for investment in 2013.

# *Administration of Tax Credit Programs*

## **Housing Tax Credit Contribution (HTCC) Program - 2012**

CHFA issues tax credit vouchers to business firms that make cash contributions to qualified non-profits who develop affordable housing. The total amount available under the HTCC program is \$10 million annually, with a \$2 million set-aside for supportive housing and a workforce housing set-aside of \$1 million. CHFA allocated the Housing Tax Credit Contributions to the non-profit organizations listed below, which will result in the development of 795 affordable homes and apartments.

### **HTCC Non-Profit Programs Receiving Contributions**

| <b>PROJECT NAME</b>   | <b>Units</b> | <b>Contribution Received</b> | <b>Set Aside</b> |
|---|--------------|------------------------------|------------------|
| Workforce Revolving Loan Program  | 0            | \$500,000                    | W                |
| New London County Downpayment Loan Program                                    | 0            | \$325,000                    | W                |
| HousingUS Workforce Housing Revolving Loan Fund Accessory Apartment Program   | 0            | \$50,000                     | W                |
| Live Where You Work Program (fka Workforce Housing Down Payment Fund) Round 7 | 0            | \$125,000                    | W                |
| Southend Community Building Initiative Phase II                               | 9            | \$500,000                    | S                |
| Greenfield  | 45           | \$500,000                    | S                |
| Horace Bushnell Apartments  | 74           | \$500,000                    | S                |
| 40 South Main Street  | 44           | \$500,000                    | S                |
| Park Renewal 2012   | 14           | \$500,000                    | G                |
| Affordable Housing Development Project  | 13           | \$500,000                    | G                |
| Quebec Square   | 57           | \$500,000                    | G                |
| CHIF Community Loan Pool  | 0            | \$500,000                    | G                |
| 885 North Main Street   | 10           | \$500,000                    | G                |
| Parish Court Apartments   | 100          | \$332,766                    | G                |
| The Zunner Building   | 4            | \$500,000                    | G                |
| Access to Assets Windham  | 5            | \$350,000                    | G                |
| Carriage Maker Place  | 32           | \$300,000                    | G                |
| Sullivan McKinney Elder Housing   | 40           | \$0                          | G                |
| Bayview Towers  | 200          | \$500,000                    | G                |
| Indian Field Apartments   | 40           | \$149,216                    | G                |
| Beacon II   | 5            | \$452,000                    | G                |
| Project Independence  | 7            | \$0                          | G                |
| Village Green   | 50           | \$500,000                    | G                |
| Bridgeport Neighborhood Build   | 3            | \$116,148                    | G                |
| 9 South Ledyard & 36 Georgiana Street   | 3            | \$500,000                    | G                |
| Affordable Homeownership  | 13           | \$333,955                    | G                |
| Hartford Habitat South Marshall Street Project                                | 16           | \$100,000                    | G                |
| Two Habitat for Humanity Homes in New London County                           | 5            | \$85,448                     | G                |
| Lakeview Apartments   | 6            | \$100,000                    | G                |
|   | 795          | \$9,819,533                  |                  |

## Low-Income Housing Tax Credit (LIHTC) Program – 2012

Debt financing for the development of multifamily housing, such as mortgage loans, must be supplemented or augmented in order to balance the development budget and achieve development feasibility while servicing low-income households. Low-income housing tax credits are a critical source of equity for developers, and they continue to be highly sought in a time when subsidy dollars are limited. Below is a listing of LIHTC Program activity for the past calendar year.

| <b>9% Tax Credit Reservations Authorized in 2012</b>                             |                       |                 |            |                 |                   |
|--|-----------------------|-----------------|------------|-----------------|-------------------|
| City/Town  | Project Name          | Type of Housing | # of Units | Qualified Units | Tax Credit Amount |
| Stamford   | Greenfield Apartments | Family          | 45         | 27              | \$1,113,167       |
| <b>9% Low-Income Housing Tax Credit Allocation Certifications Issued in 2012</b> |                       |                 |            |                 |                   |
| City/Town  | Project Name          | Type of Housing | # of Units | Qualified Units | Tax Credit Amount |
| Avon   | Peachtree Village     | Elderly         | 115        | 78              | \$780,000         |
| Bridgeport   | The Eleanor           | Elderly         | 62         | 62              | \$1,274,576       |
| Bridgeport   | Aryeto Apartments     | Elderly         | 20         | 20              | \$513,276         |

# *Strengthening Communities through Housing & Community Development: Special Programs*

CHFA is committed to strengthening neighborhoods through helping to integrate housing within overall community development efforts. During 2012, CHFA continued its important collaborative investments with others active in this field and through direct program investments.

## **Community Development Financial Institutions**

CHFA invests in Community Development Financial Institutions (CDFIs) to provide technical assistance to non-profit developers, provide financing associated with community development, and assist in the coordination of comprehensive community development in urban areas of the State. In 2012, CHFA continued its partnerships with the Local Initiative Support Corporation (LISC), the Connecticut Housing Investment Fund (CHIF), and the Greater New Haven Community Loan Fund (GNHCLF). These three organizations have missions dedicated to affordable housing, community development, and neighborhood stabilization. CHFA partners with these organizations through the capitalization of their lending programs. The value of these investments total \$8.58 million.

## **Community Investment Act (CIA) Funding**

### **Pilot Suburban and Rural Affordable Housing Technical Assistance Program**

In 2006, CHFA issued an RFP to create the Program to provide technical assistance to smaller towns that are interested in learning more about or developing affordable housing. The Local Initiatives Support Corporation in partnership with the Connecticut Housing Coalition was selected as the Program's administrator. Since its inception "Housing Connections" has provided technical assistance leading to the development and/or rehabilitation of 566 affordable homes in 34 communities in with 36 organizations totaling nearly \$59 million of development activity.

### **Mixed-Use Real Estate Planning Pilot**

CHFA partnered with the Connecticut Main Street Center (CMSC) to develop a mixed-use real estate planning pilot which provides selected communities with new tools to strengthen their economic health and restore vitality to their downtowns, facilitating the development of viable, interesting housing opportunities while improving downtown neighborhoods. A workshop was held in September where first selectmen, economic development officials, town planners and town managers representing 19 communities were introduced to the pilot. 12 communities submitted letters of interest and were evaluated on criteria set forth during the workshop. Middletown, Torrington, and Waterbury were selected to participate in the "Come Home to Downtown" pilot. The CMSC is working with those municipalities in selecting properties in their downtowns which may best take advantage of the pilot.

### **Connecticut Rapid Re-Housing Program**

The Connecticut Coalition to End Homelessness Housing Prevention and Rapid Re-Housing Program provides individuals and households with financial assistance including temporary rent and utility assistance, security and utility deposits, and rent arrearages. Non-financial services included case management and legal services. Since October of 2009 the program was funded as part of the American Recovery and Reinvestment Act which helped provide 9,000 individuals and 4,000 households' financial assistance and services to prevent homelessness, or to re-house and stabilize those who had become homeless. While demand for the program continues to be high, Federal funding has been exhausted. CHFA has provided \$500,000 in CIA funds to the Connecticut Coalition to End Homelessness to address a gap in the funding for this program.

### **Farmers Market**

This program will utilize \$250,000 of CIA funds provide vouchers to purchase Connecticut-grown fresh food at Farmer's Markets. In 2012, 18 sites participated with approximately 1700 families receiving vouchers. Vouchers were redeemed at 120 Farmer's Markets in the amount of \$85,113. The reimbursement rate was approximately 55% of what was handed out to eligible families. A survey has been distributed to the participants and will provide additional information in 2013 on any needed changes to the program.

## *Funding and Financial Statements*

CHFA is a self-sustaining quasi-public organization, which uses its resources to provide below market interest rate mortgages for single-family homeownership and multifamily rental property. Tax-exempt bonds are the primary source of mortgage capital for the Authority's Housing programs. CHFA maintains a credit rating of AAA with Standard & Poor's, as well as an Aaa rating with Moody's Investor Service.

**\*\*\*DRAFT-INCOMPLETE AND SUBJECT TO CHANGE\*\*\***

**CONNECTICUT HOUSING FINANCE AUTHORITY**  
**COMPARISON OF REVENUE AND EXPENSE PROJECTION TO ACTUAL RESULTS**  
**TWELVE MONTHS ENDED DECEMBER 31, 2012**  
(in 000,000's)

| <u>Category</u>                                    | <u>2012<br/>Budget<br/>Projection</u> | <u>YTD<br/>Actual ***</u> | <u>Variance<br/>to<br/>Budget</u> |
|--|---------------------------------------|---------------------------|-----------------------------------|
| <b>Net Operating Revenues</b>                      | <b>21.3</b>                           | <b>25.5</b>               | <b>4.2</b>                        |
| <b>Net Non-Operating Revenues (Expenses)</b>       | <b>(11.8)</b>                         | <b>(10.0)</b>             | <b>1.8</b> <sup>(1)(2)</sup>      |
| <b>Total Net Revenues (change in net position)</b> | <b>9.5</b>                            | <b>15.5</b>               | <b>6.0</b> <sup>(1)(2)</sup>      |
| <br>   |                                       |                           |                                   |
| <b>Net Operating Revenues</b>                      | <b>21.3</b>                           | <b>25.5</b>               | <b>4.2</b>                        |
| Total Operating Revenues:                          | 232.2                                 | 224.3                     | (7.9)                             |
| Mortgage Loan Interest                             | 190.7                                 | 185.6                     | (5.1)                             |
| Investment Interest                                | 37.0                                  | 33.5                      | (3.5)                             |
| Fees and Other Income                              | 4.5                                   | 5.2                       | 0.7                               |
| Total Operating Expenses:                          | 210.9                                 | 198.8                     | (12.1)                            |
| Interest   | 160.8                                 | 157.4                     | (3.4)                             |
| Servicer Fees                                      | 9.5                                   | 8.1                       | (1.4)                             |
| Operating Budget Expenses                          | 35.5                                  | 31.5                      | (4.0) <sup>(3)</sup>              |
| Foreclosure Expenses                               | 1.5                                   | 1.3                       | (0.2) <sup>(3)</sup>              |
| Mortgage Insurance Fund Claims                     | 0.1                                   | 0.0                       | (0.1)                             |
| Other Expenses                                     | 3.5                                   | 0.5                       | (3.0)                             |
| <b>Net Non-Operating Revenues (Expenses)</b>       | <b>(11.8)</b>                         | <b>(10.0)</b>             | <b>1.8</b> <sup>(1)(2)</sup>      |
| Total Non-Operating Revenues:                      | 0.0                                   | 0.0                       | 0.0                               |
| Realized Asset or Investment Gains                 | 0.0                                   | 0.0                       | 0.0                               |
| Other Non-Operating Revenues                       | 0.0                                   | 0.0                       | 0.0                               |
| Total Non-Operating Expenses:                      | 11.8                                  | 10.0                      | (1.8)                             |
| Realized Asset or Investment Losses                | 0.0                                   | 0.0                       | 0.0                               |
| Depreciation (Building)                            | 0.2                                   | 0.2                       | 0.0                               |
| Provision for Losses                               | 5.0                                   | 3.1                       | (1.9)                             |
| Bond Issuance, Premiums, Rebates                   | 6.6                                   | 6.7                       | 0.1                               |
| <b>Total Net Revenues (change in net position)</b> | <b>9.5</b>                            | <b>15.5</b>               | <b>6.0</b> <sup>(1)(2)</sup>      |

\*\*\* Amounts related to arbitrage rebate expense and independent audits for subsidiaries, including Trumbull Centre have not been received and are therefore not reflected in these numbers.

- (1) No adjustment for the fluctuation in the market value of investments is included.
- (2) Does not include amounts received or expensed or expected to be received or expensed pursuant to CGS Sec 4-66aa (recording fee income), PA 08-176 (Emergency Mortgage Assistance Payment Program), the Federal Exchange/TCAP Program, the Federal Emergency Homeowners Loan Program or the National Foreclosure Mitigation Counseling Program.
- (3) Combined total = 2012 Net Operating Budget (as amended).