



OLR RESEARCH REPORT

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HOUSING TRUST FUND: OVERVIEW AND FUNDING UPDATE

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You asked for information on the Housing Trust Fund Program and its funding history.

SUMMARY

PA 05-5, June Special Session, established (1) the Housing Trust Fund Program to, among other things, encourage housing development for low- and moderate-income families and (2) the Housing Trust Fund as its funding source (CGS § [8-336m](#) et seq.). DECD administers the program and must report on it annually to the governor and legislature. The Housing Trust Fund Program Advisory Committee advises DECD on (1) administering and managing the program; (2) its objectives; and (3) developing regulations, procedures, and rating criteria for it.

The Housing Trust Fund is a nonlapsing fund that the state treasurer holds separate from all other money, funds, and accounts. It consists of (1) proceeds from bonds authorized for the program; (2) all funds received in return for financial assistance awarded through the program; (3) private contributions; and (4) to the extent not otherwise prohibited by state or federal law, certain local, state, or federal funds DECD receives.

DECD may award program funds as loans or grants to nonprofit organizations, public housing authorities, and other eligible applicants. It must make funding available at least semiannually on a competitive basis (i.e., “funding rounds”).

The law allows the State Bond Commission to authorize up to \$160 million in bonds over eight years to capitalize the Housing Trust Fund. DECD has awarded \$94,917,627 since the program’s inception and estimates it will award another \$29,186,000 in the next funding round.

PROGRAM OVERVIEW

Goals

By law, the Housing Trust Fund Program must:

1. encourage the creation of housing for homeownership at a cost that makes it affordable for low- and moderate-income people, meaning they pay no more than 30% of their gross household income for it;
2. promote the rehabilitation, preservation, and production of quality, well-designed rental and ownership housing that is affordable for low- and moderate-income people;
3. maximize the leveraging of state and federal funds by encouraging private-sector investment in housing developments receiving public assistance;
4. encourage housing that maximizes residents’ housing choices;
5. enhance economic opportunity for low- and moderate-income people and their families;
6. promote (a) efficient land use that utilizes existing infrastructure and (b) open space conservation; and
7. encourage the development of housing that aids in community revitalization.

The program defines “low- and moderate-income families and persons” as people whose income falls within income levels the commissioner sets, except she may establish income levels up to 120% of the area median income (AMI), as determined by the U. S. Department of Housing and Urban Development. (Connecticut law bases affordability on

the proportion of income a family spends on housing. A unit is considered affordable if a family earning no more than the town's AMI pays no more than 30% of its income for the housing (CGS § [8-39a](#)).

Eligible Applicants

Housing Trust Fund financial assistance is available to:

1. nonprofit entities;
2. municipalities and municipal developers;
3. housing authorities;
4. the Connecticut Housing Finance Authority;
5. community development financial institutions;
6. businesses that have as one of their purposes the construction, financing, acquisition, rehabilitation, or operation of affordable housing, including (a) corporations incorporated or authorized to do business by law and (b) any partnership, limited partnership, limited liability company, joint venture, sole proprietorship, trust, or association; or
7. any combination of these.

Financial Assistance and Forms of Assistance

Housing Trust Fund Program funding resources (e.g., no- and low-interest loans) must be available, at least semiannually, on a competitive basis. Financial assistance may be in the form of:

1. no-interest and low-interest loans,
2. loan guarantees,
3. revolving loans,
4. grants, or
5. appraisal gap and other similar financing necessary to make rent or home prices affordable.

Any financial assistance must supplement existing loan and tax credit programs available under state and federal law and grants, loans, or financial assistance from any nonprofit or for-profit entity.

Other Requirements

In each fiscal year that the Housing Trust Fund has funds available for distribution, DECD must allocate \$300,000 from it for matching grants dedicated to funding purchases of primary residences for people participating in the state’s individual development account (IDA) program. (The Connecticut IDA Initiative allows certain low-income people and people with disabilities to open savings accounts and receive matching funds from the Department of Labor as an incentive for saving for specified purposes; withdrawals are limited to certain activities, including a home purchase or a lease deposit on a primary residence.)

BOND AUTHORIZATIONS AND FUNDING HISTORY

The law authorizes up to \$160 million in bonds over eight years to capitalize the Housing Trust Fund. Table 1 shows the maximum bond authorization for each year.

Table 1: Housing Trust Fund Bond Authorizations

<i>Fiscal Year</i>	<i>Maximum Bond Authorization (in millions)</i>
FY 06	\$20
FY 07	20
FY 08	20
FY 09	30
FY 10	20
FY 11	No bond authorization
FY 12	25
FY 13	25
TOTAL	\$160

According to figures DECD provided, the agency has awarded \$94,917,627 to eligible applicants through nine funding rounds and it estimates it will award another \$29,186,000 in the next round, bringing the program total to \$124,103,627 (see Attachment 1).

KS:ro

Attachment 1: Housing Trust Fund - Use of Funds

Funded Programs - Round 1

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>HTF Contract</i>
\$10,000,000					
	Grants for Accessibility-Tenant Prog.	CIL	Statewide	12/9/2005	\$1,000,000
	Bristol Residential Rehab Program	City of Bristol	Bristol	12/9/2005	\$400,000
	200 Homes by 2009	Hartford Area HFH	Hartford	12/9/2005	\$1,850,000
	Housing Dev Fund	Housing Dev Fund	Southwest	12/9/2005	\$3,000,000
	A-Gap**	CDFI Alliance	Statewide	12/9/2005	\$662,453
	IDA	NHS of New Haven	NH area	12/9/2005	\$300,000
	Reg. Gap Financing Pool	Greater NH Comm Loan Fund	NH area	12/9/2005	\$870,000
	Gap Financing for Owner Occ ADA	Greater NH Comm Loan Fund	NH area	12/9/2005	\$880,000
Total RD 1					\$8,962,453

Funded Projects - Round 2

BC Allocation	Project	Recipient	Town	BC App. Date	HTF Contract
\$10,000,000					
	Department of Labor			6/9/2006	\$300,000
	Barnum Ave Homes	Bridgeport Neigh Trust	Bridgeport	6/9/2006	\$200,000
	Grafton Beldon Home. Initiative	CIL	Statewide	6/9/2006	\$300,000
	Afford. Hsg. Dev. Project	NHS of New Haven	New Haven	6/9/2006	\$600,000
	Woodhaven Village***	Salem Turnpike Housing Corp.	New Haven	6/9/2006	\$774,354
	Homeownership Phase II	Asylum Hill Homes	Hartford	6/9/2006	\$50,000
	New Britain Artist Housing	Alderhouse	New Britain	6/9/2006	\$200,000
	Amston Village	Nutmeg Housing Corp	Colchester	6/9/2006	\$500,000
	16 Bank St	16 Bank St LLC	Seymour	6/9/2006	\$729,822
	St. Lukes	St. Lukes Senior Housing	New Haven	6/9/2006	\$450,000
	Grandfamilies	CRT	Hartford	6/9/2006	\$1,591,018
	Hartford Cityscape	SINA	Hartford	6/9/2006	\$2,608,748
	6 Hill Houses	RHRI	New Haven	6/9/2006	\$321,000
	Vine/Irving Streets	Christian Act. Council	Hartford	6/9/2006	\$340,590
	Vernon Village Street	Vernon NPHC	Vernon	6/9/2006	\$780,000
Total Rd 2					\$9,745,532

Funded Projects -Round 3

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>HTF Contract</i>
\$10,000,000					
	East Main Mews	East Main LLC	Bridgeport	6/29/2007	\$460,000
	Low Inc Hsg Loan Program	COMCAP	Bridgeport	6/29/2007	\$907,500
	Pequonnock replacement Phase 1	BNT	Bridgeport	6/29/2007	\$1,100,000
	Hollander Foundation Ctr	Common Ground	Hartford	6/29/2007	\$2,000,000
	Friendship House	MHA of SWC	Stamford	6/29/2007	\$2,000,000
	Fair Haven Homeownership	MHA of SCC	New Haven	6/30/2007	\$525,000
	Whalley Ave. II	Marrekech	New Haven	6/29/2007	\$266,445
	NH Home Repair Program	Empower New Haven	New Haven	6/29/2007	\$752,860
	Indian Field	Women's Institute	New Milford	6/30/2007	\$1,100,000
	South Norwalk Targeted Rehab	Northge Walke Hsg Corp	Norwalk	7/1/2007	\$19,889
				Total Rd 3	\$9,131,694

Funded Projects - Round 4

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>HTF Contract</i>
\$10,000,000					
	Department of Labor			1/25/2008	\$300,000
	Stamford Metro Apartments	Stamford Metro Green, LLC	Stamford	1/25/2008	\$2,000,000
	16 Bank Street Apartments	16 Bank Street LLC	Seymour	1/25/2008	\$313,000
	360 State Street	Becker + Becker	New Haven	1/25/2008	\$2,000,000
	Orchard Street	Beulah Dev. Corp.	New Haven	1/25/2008	\$450,000
	Affordable Housing Project	NHS of New Haven	New Haven	1/25/2008	\$500,000
	Edgewood Street	CAC	Hartford	1/25/2008	\$807,500
	CIL Money Follows the Person	CIL	Statewide	1/25/2008	\$500,000
	Milbank Supportive	Pathways	Greenwich	1/25/2008	\$176,000
	Summitwoods II	SOC	Norwich	1/25/2008	\$2,000,000
	West Village Apartments	TCB	New Haven	1/25/2008	\$1,676,000
	Middletown North End Redev	Nehemiah Housing Corp	Middletown	1/25/2008	\$425,000

Total Rd 4 **\$11,147,500**

Funded Projects - Round 5

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>HTF Contract</i>
\$10,000,000					
	80 Fair Street	New Neighborhoods Inc	Norwalk	10/30/2009	\$4,703,089
	Pequonnock Phase 2	Bridgeport Neighborhood Trust	Bridgeport	10/30/2009	\$1,550,000
	Holly Street Homes	Bridgeport Neighborhood Trust	Hartford	10/30/2009	\$310,000
	Sheldon Terrace	Shel. Ter. Supp. Hsg. Corp	New Haven	10/30/2009	\$500,000
	Earle Street net Zero	SAND	Hartford	10/30/2009	\$1,058,167
	Melrose Park	Norwich HA	Norwich	10/30/2009	\$2,000,000
	Townhomes at Dutch Point	TCB	Hartford	1/25/2008	\$766,986

Total Rd 5 **\$10,888,242**

Funded Projects - Round 6

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>HTF Contract</i>
\$10,000,000					
	Arcade Completion Project	Urban Green Equities	Bridgeport	7/13/2010	\$3,015,000
	Briarcliff Apartments	NLHA/Carabetta	New London	7/13/2010	\$2,000,000
	Metro Green 2	Affordable Housing Development Co	Stamford	7/13/2010	\$2,541,498

Total Rd 6 **\$7,556,498**

Funded Projects - Round 7

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>HTF Contract</i>
\$10,000,000					
	Berlin Workforce Housing	Metro Realty	Berlin	2/24/2011	\$1,869,515
	New Meadow Elderly	Newington Eld Hsg	Newington	2/24/2011	\$1,351,213
	Ferry Crossing	Women's Institute	Old Saybrook	2/24/2011	\$3,056,980
	Brookside 2	Michaels Development	New Haven	2/24/2011	\$2,843,000
	Bates Briar 2	NLHA/Carabetta	New London	2/24/2011	\$2,865,000
	Money Follows the Person	CIL	Statewide	2/24/2011	\$500,000
Total Rd 7					\$12,485,708

Funded Projects - Round 8 (SHRP)

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>HTF Contract</i>
\$10,000,000					
	Sunset Ridge/Rockwood Acres	Middletown HA	Middletown	12/16/2011	\$3,000,000
	Village Green	Glastonbury HA	Glastonbury	12/16/2011	\$3,000,000
	Davis Building	Friendship Center	New Britain	12/16/2011	\$577,880
	Highview Terrace	Wethersfield HA	Wethersfield	12/16/2011	\$644,341
	Mark Twain Congregate	Enfield HA	Enfield	12/16/2011	\$1,444,115
	Mount Carmel Elderly	Hamden HA	Hamden	12/16/2011	\$1,063,839
	Mystic River Congregate	Mystic River Homes, Inc.	Groton	12/16/2011	\$269,825
Total Rd 8					\$10,000,000

Funded Projects round 9

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>HTF Contract</i>
\$15,000,000					
	NHS Newhallville	NHS of New Haven	New Haven	4/27/2012	\$2,100,000
	Elias Howe School Elderly	Primrose Development	Bridgeport	4/27/2012	\$2,100,000
	Beachport Family Housing	Cheshire HA	Cheshire	4/27/2012	\$3,350,000
	Wintergrove Elderly	NWNH	Southington	4/27/2012	\$2,000,000
	Bonney Brook Elderly	Cornwall HA	Cornwall	4/27/2012	\$565,000
	Elmcrest	Liberation Programs	Norwalk	4/27/2012	\$1,241,848
	Horace Bushnell Apartments	Sheldon Oak Central	Hartford	4/27/2012	\$3,643,152
				Total Rd 9	\$15,000,000

Funded Projects round 10 (CHAMP)

<i>BC Allocation</i>	<i>Project</i>	<i>Recipient</i>	<i>Town</i>	<i>BC App. Date</i>	<i>Estimated HTF Contract</i>
	Mechanics & Farmers Bank Bldg	Forestone Cap.	Bridgeport	tbd	\$3,500,000
	Jayson/Newfield	Urban Green	Bridgeport	tbd	\$5,000,000
	Southend Comm Bldg Init	BNT, Inc	Bridgeport	tbd	\$183,000
	Boston Terrace Net Zero	Guilford HA	Guilford	tbd	\$1,894,000
	777 Main Street	Becker & Becker	Hartford	tbd	\$2,700,000
	MD Fox Manor	MD Fox Assoc.	Hartford	tbd	\$3,300,000
	On the Plaza	5CP LLC	Hartford	tbd	\$2,000,000
	Winchester Lofts	ForestCity	New Haven	tbd	\$4,000,000
	River Commons	Cross River LP	Norwalk	tbd	\$3,609,000
	The Lofts at Ponemah Mills	Ponemah Riverbank LLC	Norwich	tbd	\$3,000,000
Total Rd 10					\$29,186,000