



March 6, 2015

Senator John W. Fonfara &  
Representative Jeffrey J. Berger  
Finance, Revenue & Bonding Committee  
Connecticut General Assembly  
Legislative Office Building, Room 3700  
Hartford, CT 06106

Dear Senator Fonfara & Representative Berger:

I am writing today to ask your support in preserving funding for one of Connecticut's most effective community development programs – the Community Investment Act. If the proposals in S.B. 946 (“An Act Concerning Revenue Items to Implement the Governor’s Budget”) are approved, all funding for the Community Investment Act will be eliminated over the next two years. This will essentially terminate the program and threaten the many accomplishments that have been supported by the Act.

My organization, Local Initiatives Support Corporation (LISC), has worked in Connecticut for over thirty years. LISC works statewide in cities and small towns alike. In the cities like Hartford and Waterbury, LISC invests in development that will stimulate neighborhood revitalization. LISC also provides affordable housing technical assistance in Connecticut’s suburban and rural towns to increase housing choice and opportunity in all communities.

I would like to share two examples of how the Community Investment Act (CIA) has helped us to advance the goals of neighborhood revitalization and affordable housing development across the State.

Since 2007, the Connecticut Housing Finance Authority (CHFA) has provided CIA support through a contract to LISC to provide technical assistance to help rural and suburban communities to expand affordable housing. The program, called *Housing Connections*, is providing technical assistance to support development of 939 units of affordable housing. Eleven developments have been completed with 271 units. These represent \$46 million of development, creating jobs and business opportunities across the state. An additional 668 affordable housing units are currently in development. This work is taking place in all eight of Connecticut’s counties and it includes family and elderly rental, homeownership and supportive and veterans’ housing. The attached map shows the scope of work that this program is supporting.

**Local Initiatives Support Corporation**

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860-525-4821 \* [www.lisc.org/hartford](http://www.lisc.org/hartford)

CHFA has also utilized CIA funds to launch a new \$15 million fund for Transit-Oriented Development (TOD) with LISC. This fund will provide predevelopment and acquisition financing for projects near transit along the *CTfastrak* and Hartford line corridors. CHFA's \$1 million investment of CIA funds will be matched by the Department of Economic and Community Development (DECD), and together they will leverage \$13 million of LISC capital. With this financing, it will be possible to stimulate development near transit, linking residents to jobs and educational opportunities throughout the region. It will also encourage the inclusion of affordable housing in TOD to insure that low-and moderate income residents are included in this new economic growth. A summary of this fund is also attached.

The Community Investment Act has provided vital support in a creative way that our categorical funding programs cannot address. This had enabled us to reach many more communities and residents across the state. The CIA funds have also enabled us to leverage significant private investment which is very important in these times of fiscal challenge.

I hope that you and the committee will support the work of LISC and many others by preserving funding for the Community Investment Act. If I may be of any assistance with further information, please do not hesitate to contact me at 860-525-4821 or [apereira@lisc.org](mailto:apereira@lisc.org). Thank you for your consideration of my comments.

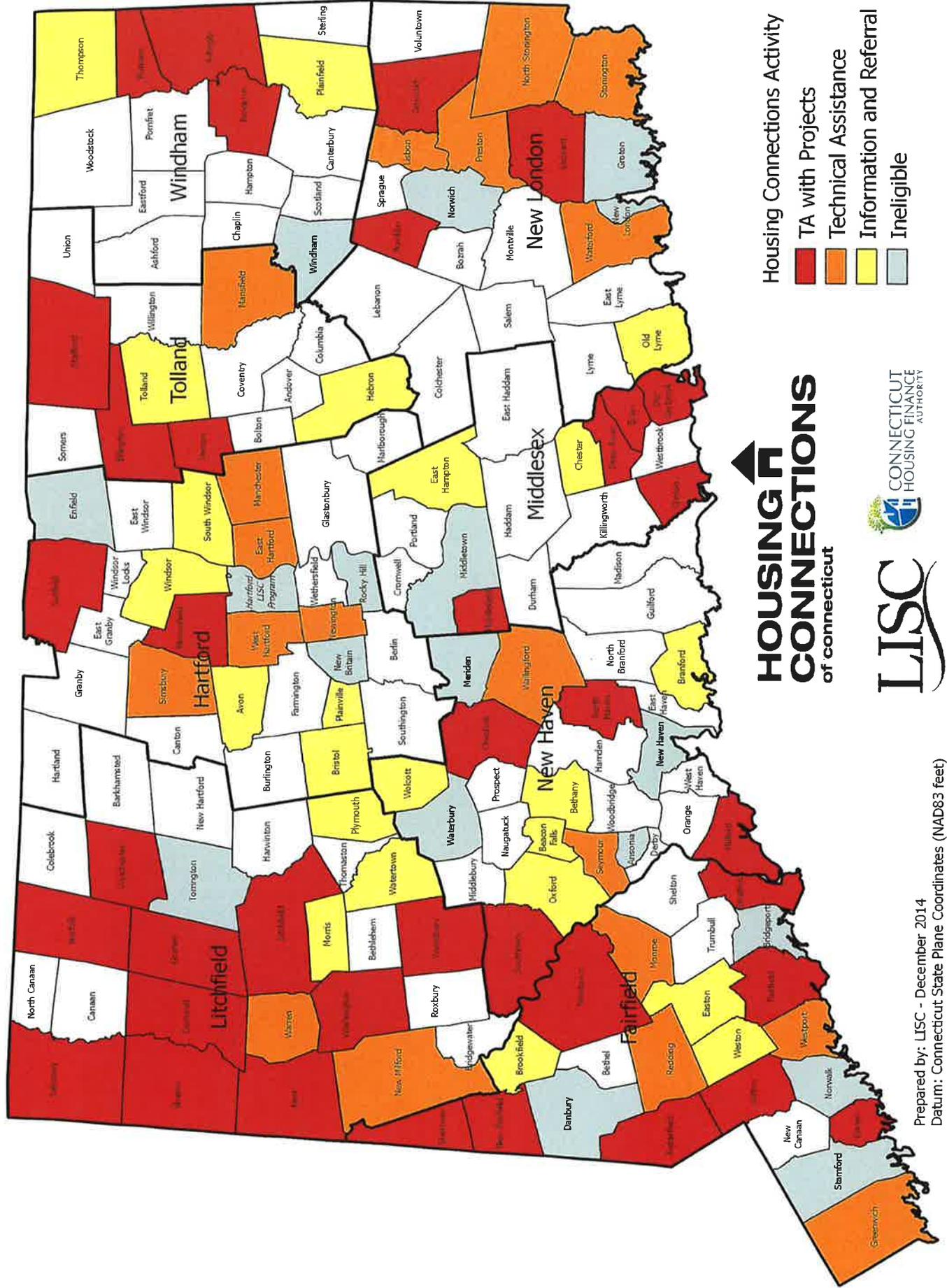
Sincerely,



Andrea Pereira  
Executive Director  
Hartford & Connecticut Statewide LISC

Attachments

# Housing Connections Activity 2014



## HOUSING CONNECTIONS of connecticut



Prepared by: LIISC - December 2014  
 Datum: Connecticut State Plane Coordinates (NAD83 feet)



## *A new catalyst for economic opportunity*

### **The Connecticut TOD Fund**

The State of Connecticut is making an historic investment in transit that opens the door to economic vitality and opportunity. The State of Connecticut, the Connecticut Housing Finance Authority (CHFA) and the Local Initiatives Support Corporation (LISC) have created a new loan fund to encourage transit oriented development around station stops along the CTfastrak and New Haven-Hartford-Springfield rail corridors. The fund will offer predevelopment and acquisition financing to eligible projects and developers.

### **What is Transit Oriented Development (TOD)?**

Transit oriented development features a mix of uses, including new housing, retail, commercial and office space near transit stops. TOD encourages the use of mass transit, reduces reliance on driving and fosters more compact, walkable communities. TOD helps communities expand access to jobs and education while jump-starting community revitalization.

### **Why is TOD important?**

Connecticut has a unique opportunity to leverage significant new public transit investment along the CTfastrak and New Haven-Hartford-Springfield rail corridors. The State's recent transit investments are laying the groundwork for growth in communities along these corridors, bringing new businesses and jobs, creating new housing choices, and connecting local institutions in a rich regional network of educational and cultural assets. If done now and managed properly, TOD will enhance both the quality of life for our citizens and the long-term financial stability for our cities and towns.

### **What is the Connecticut TOD Fund?**

The Connecticut TOD Fund is a \$15 million loan fund for site acquisition and predevelopment to support transit oriented development along the CTfastrak and New Haven-Hartford-Springfield rail corridors. The fund includes \$1 million each from the State of Connecticut and CHFA and \$13 million from LISC. The fund will be managed by LISC.



Department of Economic and  
Community Development





## Who qualifies for loans and where?

Projects and developers must meet the following minimum threshold criteria in order to be considered for access to TOD fund loans.

### **The project must:**

- be located within a half mile of a station or stop along the CTfastrak corridor or the New Haven-Hartford-Springfield rail corridor;
- include a residential component, a minimum percentage of which is affordable housing (percentage is based on the median household income of the census tract and the amount of existing affordable housing in that immediate area.)

### **The developer must be:**

- a private non-profit or for-profit corporation;
- in good standing with the State of Connecticut;
- able to demonstrate it has the experience and financial capacity to execute the proposed project.

## How will lending decisions be made?

Once projects meet the threshold criteria, they will be evaluated based on the project's ability to achieve the following TOD goals:

- create residential and mixed use development near transit;
- increase affordable housing options;
- expand neighborhood retail, commercial or community services;
- revitalize vacant, blighted or underutilized property;
- leverage significant private investment;
- create construction and permanent jobs.

Both predevelopment and acquisition loans will be available. The following are the underwriting criteria LISC will use to evaluate the projects and to approve loans:

- feasibility of the project;
- capacity and track record of the developer;
- ability to leverage sufficient financing to complete the project;
- benefit to the community.

## What are the loan terms?

TOD loans for site acquisition and predevelopment will be available at a 5% interest rate for up to 36 months. The maximum loan size is \$3 million. More details are available to qualified developers through a conversation with LISC in Hartford at 860-525-4821, e-mail [CT-TOD@lisc.org](mailto:CT-TOD@lisc.org), or visit our websites: [www.lisc.org/connecticut\\_statewide](http://www.lisc.org/connecticut_statewide); [www.lisc.org/hartford](http://www.lisc.org/hartford) .

For more information:

- CTfastrak: [www.CTfastrak.com](http://www.CTfastrak.com)
- New Haven-Hartford-Springfield rail corridor: [www.nhhsrail.com](http://www.nhhsrail.com)

### **Local Initiatives Support Corporation**

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