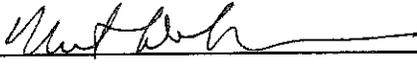


CAPITAL BUDGET REQUEST

Department of Housing

Agency Priority	Title	Request Yr:1	Request Yr:2
1	Flex Housing	135000000	135000000
2	Housing Trust Fund	40000000	25000000
3	Main Street Investment Fund	5000000	5000000
<b>Totals</b>		180000000	165000000



9/10/14

Commissioner Evonne Klein

Date

Nicholas D. Lundgren  
Deputy Commissioner

## Capital Budget Request

### Department of Housing

#### Project Title

Flex Housing

#### Contact

Nick Lundgren

#### Authorization Language

For the Department of Housing (DOH): Housing development and rehabilitation, including, without limitation, moderate cost housing, moderate rental, congregate and elderly housing, urban homesteading, community housing development corporations, housing purchase and rehabilitation, housing for the homeless, housing for low-income persons, limited equity cooperatives and mutual housing projects, abatement of hazardous material including asbestos and lead-based paint in residential structures, emergency repair assistance for senior citizens, housing land bank and land trust, housing and community development, predevelopment grants and loans, reimbursement for state and federal surplus property, private rental investment mortgage and equity program, housing infrastructure, septic system repair loan program, acquisition and related rehabilitation, loan guarantees for private developers of rental housing for the elderly, projects under housing and/or community revitalization programs authorized by specific legislation, and participation in federal programs, including administrative expenses associated with those programs eligible under the general statutes.

#### Justification

## Capital Budget Request

### Department of Housing

The need for affordable and supportive housing in Connecticut is undeniably great. Affordable rental and homeownership opportunities are critical to strong communities and a robust, competitive economy, but housing in the State is unaffordable for too many residents. This problem is especially acute among low-income residents, seniors, young professionals, and moderate income young families. Much of the affordable housing that is available for the State's neediest households needs to be rehabilitated or redeveloped. As detailed in the State Long Range Plan for Housing and Community Development and the 2013-2014 Action Plan, in order to address the State's affordable housing needs it is necessary to add new affordable housing units as well as preserve existing units presently serving households in need. It is also essential that all efforts, state and local, be undertaken consistent with responsible growth principles that will make the most efficient uses of energy, land, travel time and other societal resources and that such efforts take full advantage of other public investments in education, health, transportation and economic development.

Permanent supportive housing, and other services enhanced housing, is a critical component of the State's overall approach to enabling its residents to become housed in a stable and sustainable way. Through the State's Interagency Council on Supportive Housing and Homelessness, created pursuant to Executive Order #34 issued in 2004, the State has evaluated the need for and value of supportive housing to end homelessness, including the relative savings from the expansion of supportive housing compared with the cost of other alternatives (shelters, nursing homes, institutionalization, incarceration, etc.). Accordingly, in addition to making supportive housing units a priority within State-funded affordable housing developments, the State has undertaken two biennial rounds of funding for supportive housing developments. Despite progress, the need for many more permanent supportive and service enhanced residential units remains.

With the Flex funding appropriated for FY 2015 (\$90 million) DOH is greatly expanding the number of affordable and supportive units through a variety of initiatives, including the semi-annual Competitive Housing Assistance for Multifamily Properties (CHAMP) funding rounds, capital funds to make projects awarded 9% low-income housing tax credits financially feasible, permanent supportive housing, grants for accessibility improvements to support the State's nursing home rebalancing initiative, urban homeownership projects, competitive funding rounds to promote and incentive mixed-income projects and innovation in affordable housing development and finance, predevelopment loans, and project financing and technical assistance to rehabilitate and/or redevelop properties within the State-sponsored housing portfolio (SSHP), a portfolio of properties comprising approximately 14,000 affordable units, as part of the Governor's 10-year \$300 million SSHP revitalization initiative. The SSHP properties, most of which are owned by local housing authorities, are among the few housing options for the State's lowest income residents but, due to the passage of time and neglect, are now in dire need of revitalization.

#### Description

## Capital Budget Request

### Department of Housing

Affordable housing development takes years of planning and significant upfront at-risk expenditures. To ensure developers invest in the planning and design of a sufficient number of projects to increase the number of affordable housing units statewide, the predictability of funding rounds and the availability of a sufficient pool of funding are both critical. Predictable funding also enables developers to leverage more efficiently funding from other sources so that the maximum number of affordable housing units is produced relative to the State funds deployed. In addition, funding is needed for various programs and initiatives that support the creation and preservation of affordable housing. This request is for a total of \$135,000,000 to be authorized for each fiscal year. Of these funds, DOH would expect to use at least \$30,000,000 each fiscal year to fund redevelopment, rehabilitation and/or predevelopment activities at properties within the SSHP, consistent with the Governor's SSHP revitalization initiative, approximately \$5,000,000 for Money Follows the Person accessibility grants and the Loans and Grants for Accessibility program, approximately \$5,000,000 for capital improvements to support the State's Rapid Rehousing initiative in furtherance of the effort to reduce and end homelessness, approximately \$5,000,000 for predevelopment loans, and approximately \$90,000,000 for affordable and supportive housing projects, including projects selected through CHAMP and other DOH competitive funding rounds, affordable housing projects that have been awarded 9% low-income housing tax credits and need additional capital financing to become financially feasible, affordable homeownership projects, shelter capital improvements, and single-site and scattered site permanent supportive housing projects.

<b>Request Yr1</b>	<b>Gov. Yr1</b>	<b>Leg Rec Yr1</b>
135,000,000.00	0.00	0.00
<b>Request Yr2</b>	<b>Gov. Yr2</b>	<b>Leg. Yr2</b>
135,000,000.00	0.00	0.00
<b>Proj. Yr3</b>	<b>Proj. Yr4</b>	<b>Proj. Yr5</b>
0.00	0.00	0.00

<b>Statutory Ref</b>	8-37pp
<b>Town</b>	Statewide
<b>Program</b>	Housing and Community Development

#### Prior State Authorizations

Section Act	Authorized	Unallocated
PA 11-57, Sec. 28	87,500,000.00	65,606.00
PA 13-239 sec.9(1)	70,000,000.00	27,265,566.00
PA 13-239, Sec. 28; PA14-98, Sec. 85	90,000,000.00	90,000,000.00

#### Project Cost Estimates

Project Item	Total Project Cost	Previous Funding	Other Funds	Year1	Year2	Balance
--------------	--------------------	------------------	-------------	-------	-------	---------

#### Previous Funding

Source	SBC Meeting Date	Amount
--------	------------------	--------

## Capital Budget Request

### Department of Housing

#### Project Title

Housing Trust Fund

#### Contact

Nick Lundgren

#### Authorization Language

For Department of Housing (DOH): Housing development and rehabilitation, including moderate cost housing, moderate rental, congregate and elderly housing, urban homesteading, community housing development corporations, housing purchase and rehabilitation, housing for the homeless, housing for low income persons, limited equity cooperatives and mutual housing projects, abatement of hazardous material including asbestos and lead-based paint in residential structures, emergency repair assistance for senior citizens, housing land bank and land trust, housing and community development, predevelopment grants and loans, reimbursement for state and federal surplus property, private rental investment mortgage and equity program, housing infrastructure, septic system repair loan program, acquisition and related rehabilitation, loan guarantees for private developers of rental housing for the elderly, projects under the Housing Trust Fund program in Chapter 137e of the general statutes, and participation in federal programs, including administrative expenses associated with those programs eligible under the general statutes.

#### Justification

The need for affordable housing in Connecticut is undeniably great. Affordable rental and homeownership opportunities are critical to strong communities and a robust, competitive economy, but housing in the State is unaffordable for too many residents. This problem is especially acute among low-income residents, seniors, young professionals, and moderate income young families. Much of the affordable housing that is available for the State's neediest households needs to be rehabilitated or redeveloped. As detailed in the State Long Range Plan for Housing and Community Development and the 2013-2014 Action Plan, in order to address the State's affordable housing needs it is necessary to add new affordable housing units as well as preserve existing units presently serving households in need. It is also essential that all efforts, state and local, be undertaken consistent with responsible growth principles that will make the most efficient uses of energy, land, travel time and other societal resources and that such efforts take full advantage of other public investments in education, health, transportation and economic development. With the HTF funds allocated for fiscal year 2015 (\$30 million), DOH is continuing to fund affordable multifamily housing projects throughout the state on a competitive basis, though the semi-annual funding round known as Competitive Housing Assistance for Multifamily Properties (CHAMP) and a new funding round for affordable homeownership projects in high opportunity suburban towns close to job growth and high performing schools. The need far outstrips DOH's resources. In the most recent CHAMP round, for which DOH budgeted \$25 million, DOH received 26 applications seeking in the aggregate over \$100 million in financial assistance. Given the magnitude of the affordable housing needs in Connecticut, DOH expects to continue annually to conduct two competitive CHAMP funding rounds (for which HTF funds will be used for appropriate projects) and in FY 16 to conduct an additional competitive affordable homeownership funding round.

#### Description

## Capital Budget Request

### Department of Housing

Affordable housing development takes years of planning and significant upfront at-risk expenditures. To ensure developers invest in the planning and design of a sufficient number of projects to increase the number of affordable housing units statewide, the predictability of funding rounds and the availability of a sufficient pool of funding are both critical. Predictable funding also enables developers to leverage more efficiently funding from other sources so that the maximum number of affordable housing units is produced relative to the State funds deployed. This request is for a total of \$65,000,000 under the Housing Trust Fund, with \$40,000,000 to be authorized for FY 16 and \$25,000,000 to be authorized for FY 17.

<b>Request Yr1</b>	<b>Gov. Yr1</b>	<b>Leg Rec Yr1</b>
40,000,000.00	0.00	0.00
<b>Request Yr2</b>	<b>Gov. Yr2</b>	<b>Leg. Yr2</b>
25,000,000.00	0.00	0.00
<b>Proj. Yr3</b>	<b>Proj. Yr4</b>	<b>Proj. Yr5</b>
0.00	0.00	0.00

<b>Statutory Ref</b>	8-336m
<b>Town</b>	Statewide
<b>Program</b>	Housing and Community Development

#### Prior State Authorizations

Section Act	Authorized	Unallocated
PA 05-5, sec 17	220,000,000.00	44,852,662.00

#### Project Cost Estimates

Project Item	Total Project Cost	Previous Funding	Other Funds	Year1	Year2	Balance
--------------	--------------------	------------------	-------------	-------	-------	---------

#### Previous Funding

Source	SBC Meeting Date	Amount
--------	------------------	--------

# Capital Budget Request

## Department of Housing

### Project Title

Main Street Investment Fund

### Contact

Nick Lundgren

### Authorization Language

For the Department of Housing (DOH): The Main Street Investment Fund (MSIF) program provides grants, not to exceed 500,000, to municipalities with populations of not more than 30,000 or municipalities eligible for the small town economic assistance program (STEAP) pursuant to section 4-66g of the general statutes for eligible projects as defined in section 4-66h(d)(2) of the general statutes. The grant shall be used for improvements to property owned by the municipality, except the municipality may use a portion of the proceeds of the grant to provide a one-time reimbursement to owners of commercial private property for eligible expenditures that directly support and enhance an eligible project. Eligible expenditures include expenses for cosmetic and structural exterior building improvements, signage, lighting and landscaping that is visible from the street, including, but not limited to, exterior painting or surface treatment, decorative awnings, window and door replacements or modifications, storefront enhancements, irrigation, streetscape, outdoor patios and decks, exterior wall lighting, decorative post lighting and architectural features, but do not include (A) any renovations that are solely the result of ordinary repair and maintenance, (B) improvements that are required to remedy a health, housing or safety code violation, or (C) nonpermanent structures, furnishings, movable equipment or other nonpermanent amenities.

### Justification

The MSIF program provides funding to develop or improve town commercial districts in order to attract small businesses, increase local jobs, and improve pedestrian access and livability in town centers. It's an important state tool that supports local communities that are striving to revive and strengthen their commercial centers to attract additional businesses. By investing in infrastructure renovations and other improvements, towns are creating vibrant, walkable centers where existing and new businesses can thrive. These communities are also laying the foundation for expanded economic activity and housing opportunities.

This vital community development program is in high demand. In July 2013, DOH awarded \$4,973,865 in MSIF grants to 14 municipalities across Connecticut. During DOH's second MSIF funding round, the department received 33 applications with an aggregate request of approximately \$13.5 million, more than double the amount of available funding. DOH is announcing the 13 municipal awardees in the near future and is requesting allocation of the remaining \$5 million in the fund at the next State Bond Commission meeting for these grant recipients.

### Description

Smaller communities are relying on the MSIF funding rounds to support their efforts to revitalize their commercial centers. Many could not afford to realize their town improvement plans without this assistance from the state. DOH anticipates continued strong interest in this program. This request is for a total of \$10,000,000 under the Main Street Investment Fund, with \$5,000,000 to be authorized for each fiscal year. With this funding, DOH would continue its annual MSIF competitive funding rounds.

Request Yr1	Gov. Yr1	Leg Rec Yr1
5,000,000.00	0.00	0.00
Request Yr2	Gov. Yr2	Leg. Yr2

Capital Budget Request

Department of Housing

5,000,000.00	0.00	0.00
<b>Proj. Yr3</b>	<b>Proj. Yr4</b>	<b>Proj. Yr5</b>
0.00	0.00	0.00

---

**Statutory Ref**            4-66h  
**Town**                     Statewide  
**Program**                 Housing and Community Development

---

**Prior State Authorizations**

<b>Section Act</b>	<b>Authorized</b>	<b>Unallocated</b>
PA 11-1 (OSS), Sec. 79; PA13-239, Sec. 90	10,000,000.00	5,000,000.00

---

**Project Cost Estimates**

<b>Project Item</b>	<b>Total Project Cost</b>	<b>Previous Funding</b>	<b>Other Funds</b>	<b>Year1</b>	<b>Year2</b>	<b>Balance</b>
---------------------	---------------------------	-------------------------	--------------------	--------------	--------------	----------------

---

**Previous Funding**

<b>Source</b>	<b>SBCMeeting Date</b>	<b>Amount</b>
---------------	------------------------	---------------

## DOH CEPF Request FY 16/17

		Quantity	Unit Cost	Amount	Quantity	Unit Cost	Amount
Item:	Desktop PCs	3	1150	3450			
Justification:	Equipment for new staff/interns						
		FY 2016 Request		FY 2017 Request			
Item:	Hybrid laptop/tablet	5	1900	9500	4	1900	7600
Justification:	Technological mobility of management						
							20550