



Ned Lamont
Governor

STATE OF CONNECTICUT DEPARTMENT OF HOUSING



Seila Mosquera-Bruno
Commissioner

Bond Subcommittee Hearing March 20th, 2023

A. Crumbling Foundations Assistance Fund - PRIOR

Prior allocation of bond funds; \$25,000,000 per year (total of \$100 MM)

Funds are transferred to Connecticut Foundation Solutions Indemnity Company, Inc. (CFSIC), the captive insurance company specifically authorized to carry out this activity.

According to CFSIC, more than 1,000 covered claims have been issued.

B. Energy Conservation Loan Fund – Unallocated Balance \$750,000

1. Do you need the unallocated balance? **Yes**
 - a. If so, for what purpose? **Backstop for program fund exhaustion**
 - b. Within what time frame? **Unspecified**
2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **These funds are available for when the revolving fund is depleted.**
 - a. If attached to projects, please provide information on the projects. **N/A**
3. Allocation of Funds
 - a. When was the last time funds for the program were allocated, if ever? **2010**
 - b. Have the funds been requested for allocation by the bond commission? **If so, how much and when? Yes, \$250,000 on 4/13/2018.**
4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **N/A**

C. Affordable (Flexible) Housing Program - \$293,281,235

This is the Department's primary source of funding for affordable housing creation/preservation. The Governor is requesting an additional \$100,000,000 in authorizations in each of the next two years.

1. Do you need the unallocated balance? **Yes**
 - a. If so, for what purpose? **Provide funding for current and future projects in the pipeline.**

- b. Within what time frame? **12 to 18 months**
- 2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **Yes, the majority of these funds are needed for projects that are currently in the Department's pipeline.**
 - a. If attached to projects, please provide information on the projects. **They are not yet attached to specific projects...projects are not guaranteed to receive funding until a contract is executed and the amount of assistance is subject to detailed underwriting prior to contract execution. It is not advisable to publicly share projects that are actively under consideration.**
- 3. Allocation of Funds
 - a. When was the last time funds for the program were allocated, if ever? **The last biennial budget.**
 - b. Have the funds been requested for allocation by the bond commission? **The Department requests allocation by the Bond Commission on a regular basis, as projects are ready to begin construction.**
- 4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
- 5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **We have more than 3,400 units currently under consideration for funding, which would exhaust the current authorization.**

D. Healthcare Workforce Housing - \$20,000,000

In accordance with PA 22-118, Sec. 359, the Commissioner and CHFA prepared and submitted a report on their efforts associated with establishing a partnership with one or more hospitals for the purpose of increasing workforce housing options for healthcare workers.

- 1. Do you need the unallocated balance? **YES**
 - a. If so, for what purpose? **DOH is discussing a potential project with a hospital for a pilot development for their healthcare workers.**
 - b. Within what time frame? **24 to 36 months**
- 2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **We continue to look for other opportunities as part of this initiative.**
 - a. If attached to projects, please provide information on the projects. **N/A**
- 3. Allocation of Funds
 - a. When was the last time funds for the program were allocated, if ever? **N/A**
 - b. Have the funds been requested for allocation by the bond commission? **No**
- 4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
- 5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **N/A**

E. Healthy Homes Lead Abatement - \$10,000,000

These funds are used in collaboration with other federal funding under the Lead Hazard Mitigation Grant to provide assistance to rental housing that is serving low/moderate income households.

Funds are provided through the CT Children's Medical Center for remediation.

6. Do you need the unallocated balance? **Yes**
 - a. If so, for what purpose? **To provide additional funding when the current pool of funds have been fully utilized.**
 - b. Within what time frame? **18 to 24 months**
7. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **Funds are available for future needs, as the current pool is depleted.**
 - b. If attached to projects, please provide information on the projects. **N/A**
8. Allocation of Funds
 - c. When was the last time funds for the program were allocated, if ever? **December 2021**
 - d. Have the funds been requested for allocation by the bond commission? **Not as of yet.**
9. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
10. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **N/A**

F. Grant-in-aid to CHFA for Emergency Mortgage Assistance Program (EMAP) - \$5,000,000

These funds are used to fund CHFA's Emergency Mortgage Assistance Program (EMAP, which is a 30-year, fixed-rate loan for eligible homeowners who are having trouble making their mortgage payments).

Currently, federal funds under the Homeowner Assistance Fund are being used for a more expansive program, so activity is reduced at this time.

1. Do you need the unallocated balance? **Eventually, yes.**
 - a. If so, for what purpose? **To provide additional funding when the current pool of funds have been fully utilized.**
 - b. Within what time frame? **24 to 36 months**
2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **Funds are available for future needs, as the current pool is depleted.**
 - a. If attached to projects, please provide information on the projects. **N/A**
3. Allocation of Funds

- a. When was the last time funds for the program were allocated, if ever? **Last allocation was in 2017.**
- b. Have the funds been requested for allocation by the bond commission? **No.**
- 4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
- 5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **N/A**

G. Grant-in-aid for Incentive Housing Zone - \$3,500,000

Incentive Housing Zones (“IHZ”) established under Connecticut’s Housing for Economic Growth (“HEG”) Program help municipalities of all types and sizes plan for and create mixed-income housing that is critical to attracting and retaining young professionals, working families, retirees, and people in critical professions, such as firefighters, police officers, teachers and nurses. The statute provides the opportunity for incentives to municipalities that create IHZs in eligible locations, such as near transit facilities, an area of concentrated development or an area that because of existing, planned or proposed infrastructure is suitable for development as an IHZ.

There has not been any new activity since 2018.

- 1. Do you need the unallocated balance? **Eventually, yes.**
 - a. If so, for what purpose? **To provide incentives to municipalities as they create housing in eligible IHZ’s.**
 - b. Within what time frame? **36 to 72 months**
- 2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **Funds are available for future needs as units are created.**
 - a. If attached to projects, please provide information on the projects. **N/A**
- 3. Allocation of Funds
 - a. When was the last time funds for the program were allocated, if ever? **\$2MM on September 27, 2013**
 - b. Have the funds been requested for allocation by the bond commission? **No.**
- 4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
- 5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **N/A**

H. Nursing Home Diversification Funds (Right-sizing) - \$4,000,000

These funds are available to assist nursing facilities licensed by the State who are interested in diversifying or establishing a new business model upon pending closer of that facility. Funds are for

the structural reconfiguration of the buildings and improvements in conjunction with that business model diversification.

1. Do you need the unallocated balance? **Unknown at this time.**
 - a. If so, for what purpose? **Should an eligible nursing facility be slated for closing, and the owner/operator desires to diversify consistent with DPH policies, these funds would be available for building/improvement modifications.**
 - b. Within what time frame? **36 to 72 months**
2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **Funds are available for future needs as nursing facilities are decommissioned.**
 - a. If attached to projects, please provide information on the projects. **N/A**
3. Allocation of Funds
 - a. When was the last time funds for the program were allocated, if ever? **\$582,500 on September 29, 2015**
 - b. Have the funds been requested for allocation by the bond commission? **No.**
4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **N/A**

I. IDASH - \$1,524,634

The current status of the IDASH program is that we have stopped accepting specific applications, as we are able to fund these activities within our broader programmatic authority (See the Affordable (aka Flexible) Housing Program). There is no need for a standalone set-aside of funding for this activity, as units targeting this population group can and are being included in broader more diverse activities. in large part because we have applications well in excess of the available authorizations.

1. Do you need the unallocated balance? **No, these activities can be conducted under our other more "flexible" funding programs.**
 - a. If so, for what purpose? **N/A**
 - b. Within what time frame? **N/A**
2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **No**
 - a. If attached to projects, please provide information on the projects. **N/A**
3. Allocation of Funds
 - a. When was the last time funds for the program were allocated, if ever? **Project finishing completion (Bayonet Street Apartments, New London) 12/11/2020**
 - b. Have the funds been requested for allocation by the bond commission? **No.**
4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **N/A**

J. Homeless Prevention and Response Fund - \$10,420,007

1. Do you need the unallocated balance? **No, this program has been identified as being ineffective, as described in the statute.**
 - a. If so, for what purpose? **N/A**
 - b. Within what time frame? **N/A**
2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **No**
 - a. If attached to projects, please provide information on the projects. **N/A**
3. Allocation of Funds
 - a. When was the last time funds for the program were allocated, if ever? **\$1,704,993 on July 20, 2022**
 - b. Have the funds been requested for allocation by the bond commission? **No.**
4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **N/A**

K. Housing Trust Fund - \$63,874,905

This is one of the Department's primary sources of funding for affordable housing creation/preservation, as well as "workforce housing", and is the primary source for homeownership related initiatives, including Time To Own. The Governor is requesting an additional \$200,000,000 in authorizations in each of the next two years. (\$50MM in General HTF, \$50MM for TTO, \$100MM Workforce)

1. Do you need the unallocated balance? **Yes**
 - a. If so, for what purpose? **For funding Time to Own in current fiscal year (\$20MM), as well as other affordable housing projects/developments**
 - b. Within what time frame? **3 to 6 months**
2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? **\$20MM is anticipated for Time To Own, with the remainder being allocated to specific projects, as they move through the closing process.**
 - a. If attached to projects, please provide information on the projects. **The specific projects have not yet been identified, however, they would come from the current pipeline of potential projects that are currently being underwritten.**
3. Allocation of Funds
 - a. When was the last time funds for the program were allocated, if ever? **December 8, 2022**
 - b. Have the funds been requested for allocation by the bond commission? **Not as of yet.**
4. What impediments, if any, have there been in accessing and using the unallocated bond funds? **None**
5. If new or increased bond authorizations have been proposed for FY 24 or FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? **The**

Governor is requesting an additional \$200,000,000 in each of the next two years. These funds will be targeted for Time To Own, a new Workforce Housing Initiative in collaboration with CHFA, and other affordable housing activities.