

Department of Housing

Bonding Subcommittee Hearing: Request for Follow-up Information

April 1, 2024

1. *What are the details of the two **workforce housing projects** the Commissioner referenced that are receiving bond funding so far (\$25 million was the amount referenced)?*
 - A. Kelson Row, new construction of 213 units in Rocky Hill with 44 units committed to workforce housing (22 at 100% AMI and 22 at 80% AMI). A loan of \$5.5mm was provided with a 40-year amortization, 20-year term and 2% interest rate. The loan closed in December of 2023 and funds were disbursed in February of 2024. Average annual rent discount per unit is approximately \$6,968 for an aggregate reduction in rent of approximately \$306,575. Senior lender is Liberty bank with a senior loan of \$50mm. Construction has already begun.
 - B. Steelpointe, new construction of 420 units in Bridgeport with 160 units committed to workforce housing (36 at 120% AMI, 102 at 100% AMI, 22 at 80% AMI). A loan of \$20mm was provided with a 40-year amortization, 20-year term and 2% interest rate. The loan closed in March with the first \$10mm being disbursed at closing. We are scheduled to make the second disbursement of \$5mm on or about 4/8 and then the final disbursement of \$5mm on or about 5/8. Average annual rent discount per unit is approximately \$4.614 per unit for an aggregate reduction in rent of approximately \$738,284. Senior lender is a participation led by Old National Bank. The developer is in the process of mobilization, construction is expected to start shortly thereafter.
2. *Relatedly, please provide an update on the Build for CT program including what demand has been, where projects stand that may receive funding, what sort of projects are being developed under the program, and how much bond funding is anticipated to be utilized this fiscal year (FY 24) and in FY 25?*

In November of 2023, CHFA received the first \$50mm block of bond funding for the program. The total amount disbursed or committed from those funds is \$26.625mm leaving \$23.375mm available for commitment. While we have not yet officially committed any of these remaining funds, we are currently working with requests that total more than \$44mm that we anticipate will close and require disbursement by early summer. We currently have another \$50mm in requests being underwritten that we project will close by the end of 2024.

The projects being funded or reviewed for funding are all market rate multifamily rental developments. The projects range in size from 40-420 total units. Some of the projects may have small retail components and except for some inclusionary zoning requirements are otherwise unrestricted. Most of the projects are shovel ready with financing gaps created by rising costs and interest rates. Presently, we are in discussions with 50+ developers and continue to have introductory calls with new developers, municipal officials, legislators, lenders and law firms, adding new deals to the pipeline on a regular basis.

3. *Please describe (1) the amount of funds currently available and (2) source of those resources, for CHFA's Small Multifamily Housing Loan Program (required under PA 23-45).*

At this time, CHFA has approximately \$8.8mm available in its Small Multifamily Loan Program. Approximately \$4.8mm is designated for small loan (general) uses and \$4mm is designated for small loans with an emphasis on Responsible Growth as defined by OPM. Approximately \$6.8mm of the total available funds is from CHFA resources and \$2mm remains from the amount originally committed to the program by OPM. Currently, there are requests in process for slightly more than \$3mm.