

*Greetings  
From*

**CONNECTICUT**



# HUD In Your Community

Affordable Housing Alliance of Connecticut

Housing 2019: The Annual Conference of the Affordable Housing Alliance

September 19, 2019



# 2019 National HUD Budget

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## **\$52.7B:**

- \$22.8 billion for Housing Choice Vouchers, which is \$197 million more than 2018
- \$11.7 billion to renew all project-based rental assistance contracts, an increase of \$632 million over 2018
- \$2.6 billion for Homeless Assistance Grants, \$99 million more than 2018

## ***FY 2020 Budget...TBD, but President's \$44.1B proposal would:***

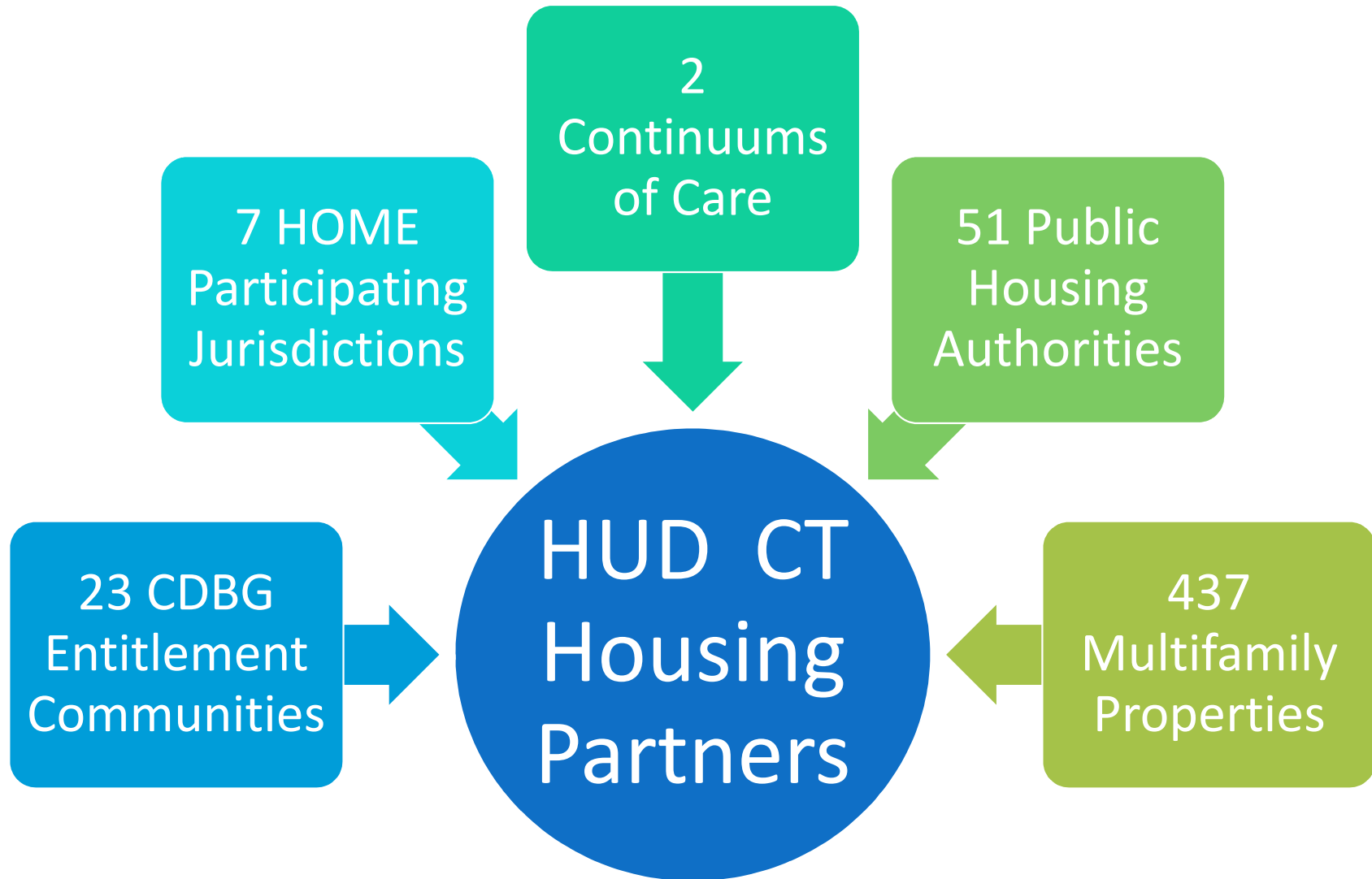
- Increase rental assistance to \$37.9 billion
- \$2.6 billion in Homeless Assistance Grants
- \$290 million in lead removal grants and technical development.





# Strategic Secretarial Priorities

- Envision Center Expansion
- Reduce Lead Hazards in Housing
- Expansion of Section 3
- Reduce Homelessness



# HUD ANNUAL INVESTMENT IN CT

FY 2018: \$3,823,601,575

FY 2017: \$958,958,568

FY 2016: \$977,391,482

FY 2015: \$880,320,185

FY 2014: \$825,505,345

\*\*\*TOTALS DO NOT INCLUDE MF & SF INSURANCE IN FORCE

## The Numbers: A Snapshot

- Public Housing Units: 13,933
- Section 8 Vouchers: 42,045
- Multifamily Project Based Section 8: 35,942 at or below market rate
- HOME (project based): 6,954
- HOME (tenant based): 908

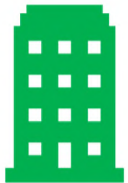
**TOTAL: 99,782 Units**

# IMPACT of HUD'S FHA INSURANCE PROGRAM in CONNECTICUT



## Single Family Mortgage Insurance (1-4 units)

In FY 2018, HUD's Single Family Program insured **103,270** FHA loans in CT, with **63,896** going to First Time Homebuyers.



## Multifamily Mortgage Insurance and Healthcare Facilities

In FY 2018, HUD's Multifamily FHA insurance in force, including Healthcare, in Connecticut exceeds **\$1.4 billion**.



# UPCOMING FUNDING OPPORTUNITIES

## Choice Neighborhoods Implementation Grant Program

- Implementation of comprehensive neighborhood revitalization plans that are expected to achieve the following three core goals:
  - Housing: Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood
  - People: Improve outcomes of households living in the target housing related to employment and income, health, and children's education;
  - Neighborhood: Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community.
- Closing date 11/4/19

# UPCOMING FUNDING OPPORTUNITIES

## Jobs Plus Initiative

- Develops locally-based, job-driven approaches that increase earnings and advance employment outcomes through work readiness, employer linkages, job placement, educational advancement, technology skills, and financial literacy for residents of public housing
- Closes 10/1/19



# Opportunity Zones

**HUD is working to maximize the impact of Opportunity Zones for the communities it serves**

HUD is planning to provide preference points for Opportunity Zones in many of our competitive grants, which exceed \$750 million annually

Additionally, HUD is also going to be providing technical assistance to communities on potential Opportunity Zone investment, such as offering guidance on how to attract Qualified Opportunity Fund investment through the utilization of various HUD grants and holding convenings with relevant stakeholders

# HUD Programs & Opportunity Zones

## Community Development Block Grants (CDBG)

- **Section 108 Loan Guarantee Program**

## HOME Investment Partnerships Program (HOME)

## Rental Assistance Demonstration Program (RAD)

## Multifamily Programs

- **FHA Incentives:**
  - **Processing by designated HUD Underwriters**
  - **Reduced FHA Mortgage Insurance Application Fee**
- **New Pilot: Streamlines FHA mortgage insurance applications for eligible projects with equity from LIHTC and covers New Construction and Substantial Rehabilitation projects under Section 221(d)(4) and Section 220 of the National Housing Act**
- **Section 220: All Opportunity Zone census tracts are now automatically eligible areas under Section 220 of the National Housing Act.**

# Rockview Phase II New Haven

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- New Haven Housing Authority
- Rental Assistance Demonstration (RAD) conversion
- 62 HUD-subsidized RAD units and 16 market rate units
  - RAD are deeply subsidized by HUD and residents in HUD units are protected from homelessness as their rent fluctuates with their income
- HUD units will receive rental subsidy of \$663,000 per year (\$13,260,000 in a twenty-year term at least)
- HUD also contributed \$6.2 million to the construction budget (Moving to Work funds)
- Additional funding sources:
  - DECD grants
  - 9% LIHTC from Connecticut Housing Finance Authority (CHFA)
  - Conventional debt







# Shepherd Home Middletown

- Columbus House
- Newly-restored 30,000 square foot building that sits on the Connecticut Valley Hospital campus
- Will house 32 veterans who are experiencing homelessness or are at imminent risk of homelessness
- HUD is providing 32 project-based vouchers, via the Middletown Housing Authority
  - Over the next 15 years, the total subsidy is approximately \$4.3M
- Other funding partners:
  - CHFA
  - CT DMHAS
  - CT DOH





# The Hub on Park Hartford

- Mutual Housing Association of Greater Hartford
- 45 Units; 36 of the units are new construction and 9 are historic preservation
- Transit-oriented development (located within a half mile of the Parkville CTfastrak station)
- Mixed-income development
- HUD: \$1M (HOME)
- DOH: \$5.3M
- LIHTC: \$9.7M



# Looking Ahead: New Capital for Community Development

Housing 2019: Annual Conference, Affordable Housing Alliance September 2019



# Strategic Partnerships



**Cooperatively owned, Wholesale Bank**



**73 Member Financial Institutions of all types in Connecticut, 440+ Total**



**Serving New England and Beyond**

# Reliable Funding



**Reliable funding and credit products and services that facilitate housing and economic growth**



**Six Primary Housing and Community Investment (HCI) programs including the Affordable Housing Program (AHP)**



**Fund AHP & EBP with 10 percent of the Bank's net earnings**

## FHLBank Boston and Our Members: Community Development Capital

- **Affordable housing grants and subsidized loans** for rental and homeownership initiatives (AHP: 30 – 80% AMI)
- **Down payment and closing cost assistance** (EBP: up to 80%AMI)
- **Down payment assistance** (HOW: 81-120%AMI)
- Below market financing to support **small business lending** (JNE)
- Low-cost wholesale debt for **community development lending** (CDA: up to 115% AMI)
- **Flexible, low-cost capital** to support **state HFA** housing initiatives

# Housing and Community Investment In Connecticut

<b>AHP</b>	<p>\$36 million in direct grants disbursed \$50.3 million in subsidized advances disbursed <b>\$47.7 million in total subsidy disbursed</b> <b>4,029 housing units (rental, homeownership)</b></p>
<b>EBP</b>	<p>\$5.4 million in down payment assistance grants disbursed <b>475 first-time, low-income homebuyers assisted</b></p>
<b>HOW</b>	<p>\$30,000 down payment assistance grants disbursed <b>2 homebuyers funded, 5 enrolled</b></p>

<b>CDA</b>	<p><b>\$2.5 billion advances disbursed</b> \$1+ billion for small business lending 10,647 housing units</p>
<b>JNE</b>	<p><b>\$15+ million advances disbursed</b> \$1.9 million subsidy disbursed <b>599 jobs created/retained</b></p>
<b>HHNE</b>	<p><b>\$22.68 million in funding disbursed</b> \$3 million in subsidy disbursed</p>

*Program totals from inception through 6/30/2019. HOW program opened 2019. JNE and HHNE opened in 2019.*



## AHP Overview: 2020 and 2021

- **Phasing in New Regulation by 1/1/2021: 12 CFR 1291**
- **Up to \$1 million** in subsidy per application (capital grants, interest-rate subsidies)
- **Gap funder**
- Annual competitive application process, **Members and Sponsors apply together**
- Eligibility, Feasibility, Need for Subsidy, Cost Reasonableness
- 12 scoring categories (100 points)
- Rental, Homeownership, RLFs; communities across Connecticut
- AHP Implementation Plan, updated annually
- Targeted Community Lending Plan, updated annually

## AHP Key Elements

- Deep Affordability
- Economic Empowerment
- Member Financial Participation
- Smart Growth
- Sustainable Development
- Energy Efficiency
- Preservation
- Rural, Economic Diversity
- FTHB



**Sayebrooke Village South, Old Saybrook**

**Sponsor: Elderly Housing Dev. Corp. of Old Saybrook**

**Member: Essex Savings Bank**

\$500,000 AHP Direct Subsidy, \$950,000 Sub. Advance  
\$4.5 Million TDC, 15 units

# FHLBank Boston: Looking Ahead for AHP

- **We need your input to implement the New AHP Regulation by 2021**
  - Critical to make sure AHP is positioned to meet current and future housing needs
  - Participate in upcoming listening sessions and workshops throughout New England (1Q20)
- **Potential significant changes to AHP priorities and scoring framework**
  - Extremely low-income households, other underserved communities/demographics
  - Creating Economic Opportunity – high opportunity areas, empowerment services
  - Preservation, rehabilitation of blight, other?
  - Up to 50 points for New England priorities
- **Potential monitoring changes, flexibility**

# FHLBank Boston: Expanding Access to Capital

- Help members access capital & realize new community development business opportunities
  - Affordable and middle-income housing
  - First-time homebuyers, workforce housing
  - Small business lending
  - Community development investments (CDA for LIHTC; CRA)
- Encourage partnerships
  - Health & housing, housing design/construction innovations & climate resiliency
- Diversity & Inclusion
  - Incorporating Bank values, integration in community investment programs and outreach

# Questions?

