



## **NEWS RELEASE**

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## **U.S. Treasury Awards Connecticut Millions in Recovery Act Funds Money Will Create Jobs, Provide Affordable Housing**

Rocky Hill – The Treasury Department today announced the Connecticut Housing Finance Authority (CHFA) will receive \$34 million in American Recovery and Reinvestment Act (ARRA) funds to provide affordable housing and create jobs in Connecticut. The funds will spur the rehabilitation and development of 184 units of affordable housing throughout the state and create an estimated 800 jobs.

“This award comes at a critical time for Connecticut’s residents. As we struggle with the impact of the national economy, we need jobs and we need affordable housing. These funds provide both,” said Timothy F. Bannon, CHFA President – Executive Director. “We appreciate the hard work of the Obama Administration and Connecticut’s Congressional Delegation in providing these funds as well as Governor Rell’s support for ARRA. I also want to take particular note of the leadership role played by Connecticut’s Department of Economic and Community Development (DECD), headed by Commissioner Joan McDonald. The partnership between CHFA and DECD has been critical in advancing these multifamily projects at a time when obtaining private financing can be difficult.”

The funds are part of federal efforts to stimulate the economy by providing grants in exchange for federal tax credits. The funds are available to developments that received low-income housing tax credits in 2007, 2008 or 2009. The \$34 million is the first installment of funds for Connecticut from the Treasury Department. ARRA allows for additional requests for funding from developments receiving 2009 tax credits.

CHFA is the administrator of the federal low-income housing tax credit (LIHTC) program. Typically developments receiving low-income housing tax credits would sell the credits to raise equity, thereby maintaining affordability. However, with the economic downturn, many of the developments were unable to sell the credits at a price that would allow financial feasibility.

The \$34 million will allow four developments that received tax credits in 2008 in Manchester, Westport, Hamden and Norwich to return their tax credits in exchange for grant funds to be invested in the affordable housing. Together these four developments represent 184 affordable housing units with total development costs of \$63 million. The rehabilitation and new construction of these units may lead to the creation of as many as 832 jobs.

“We are working closely with the developments to ensure these funds are distributed as quickly as possible so that the projects can move forward,” said Mr. Bannon. “The sooner these funds get out the door, the sooner people can get to work and the sooner we can house Connecticut’s low- and moderate-income residents.”

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*CHFA was created in 1969 by the State Legislature. CHFA's purpose is to help alleviate the shortage of affordable housing for low- and moderate-income families and persons in Connecticut, and when appropriate, to promote or maintain the economic development of the State through employer-assisted housing efforts. CHFA is financially self-sufficient and operates without state tax revenues. Information about CHFA is available on our website at [www.chfa.org](http://www.chfa.org) or by calling (860) 721-9501.*