



NEWS RELEASE

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U.S. Treasury Awards Connecticut \$5 Million to Jump Start Stalled Housing Funds Will Turn Vacant Building into Senior Housing

Rocky Hill – The Treasury Department recently announced the Connecticut Housing Finance Authority (CHFA) will receive \$5 million in American Recovery and Reinvestment Act (ARRA) funds to resume rehabilitation of a stalled housing project in New Britain. When the work is completed, The New Royal Bride building, a now vacant seven-story building in New Britain, will contain two floors of commercial space and 28 affordable senior housing apartments. The total development cost of the project is projected at \$12 million and the construction project will support approximately 125 jobs. The adaptive reuse of the building, listed on the National Register of Historic Places, is expected to contribute to the revitalization of downtown New Britain.

“This is the third award of its kind CHFA has received this year. Each one helps gets construction going again on a stalled housing project, creating jobs and affordable housing, both of which are critically important to spurring growth in Connecticut’s economy,” said Timothy F. Bannon, CHFA President – Executive Director. “These funds are the product of a real team effort and we’re proud to have been part of it. Without the contributions of the Connecticut Department of Economic and Community Development, headed by Commissioner Joan McDonald, Governor Rell’s support of the ARRA legislation and the tremendous effort of Connecticut’s congressional delegation and the Obama administration, none of these federal dollars and none of these jobs would have been possible.”

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 \$5 million award is the third installment of funds for Connecticut from the Treasury Department. A total of \$56 million has been awarded to CHFA under the program. ARRA also 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 financing, reducing overall development costs and enabling apartments to be offered at affordable rents. However, with the economic downturn, many of the developments receiving credits were unable to sell them at a price that would make developments feasible.

The previous two awards of \$34 million and \$17 million will allow five developments that received tax credits in 2008 and 2009 in Manchester, Westport, Hamden, Norwich and Stamford to return their tax credits in exchange for grant funds. These projects will create 307 affordable apartments and nearly 1,300 jobs at a total development cost of \$111 million.

“We are working with developers to get these funds out the door and shovels in the ground as quickly as possible,” said Mr. Bannon. Three of the developments, 58 Progress Drive in Stamford, Summitwoods II in Norwich and Highwood

Square in Hamden are already under way. “Every job we can help to generate and every home we can help to create strengthens a Connecticut family and contributes to our economic recovery.”

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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 or by calling (860) 721-9501.