



CHIF

Connecticut  
Housing  
Investment  
Fund, Inc.

**CHIF Staff:**

Left to Right, Row 1:

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Loan Servicing Clerk

**Parelea Morgan**

Account Specialist, Loan Servicing

**Carith Dean**

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**Marge Oi Dixon**

Staff Accountant

**Maureen L. Hansen**

Housing Specialist-Lending Officer

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**Cynthia L. Russell**

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**Angela Zielke**

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**Shelly McDougall**

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**Sharon Costello**

Program Administrator—Special Projects

**Matthew Kosky**

Program Administrator

**Edward J. Poremba, Jr.**

Loss Mitigation Specialist

**Lisa A. Ruggeri**

Program Administrator

**Arlene Dossat**

Loan Servicing Manager



*The Connecticut Housing Investment Fund, Inc. (CHIF) is a statewide non-profit community development financial institution providing flexible financing, loan servicing and technical expertise to developers of affordable housing and neighborhood revitalization projects. CHIF provides housing financing solutions to help strengthen Connecticut communities.*

The keys to affordable housing success



CHIF  
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Annual Report 2004



Dear Colleagues:

We are pleased to present the 2004 Annual Report of the Connecticut Housing Investment Fund, Inc. (CHIF). We recently concluded another successful year providing much-needed financing to neighborhood revitalization projects throughout Connecticut, highlighted by the following major accomplishments:

- CHIF closed \$2.4 million in financing under our Predevelopment, Neighborhood Rebuilder, and Interim Bridge loan programs to provide developers with the funds to construct or rehabilitate 111 new homes and apartments.
- CHIF provided \$1.3 million in loans to 149 homeowners to make improvements to their homes through the CHIF/Connecticut Department of Economic and Community Development Energy Conservation Loan Program.
- CHIF raised \$2.3 million in new capital, and increased CHIF's lending capacity by 18%.

**Key Solutions:** CHIF continues to fulfill its mission of providing flexible financing, loan servicing, and technical services to developers of affordable housing in Connecticut. At the close of 2004, CHIF's total

assets had increased by 5% over 2003, and CHIF had \$8.8 million available to lend to affordable housing developers. In addition to increasing lending activities and raising new capital, CHIF also expanded its loan servicing and administrative services activities. In 2004, CHIF increased the amount of revenue from third party administrative activities by 15.8% over the previous year.

**Key Successes:** CHIF's successes were made possible by key partnerships with key developers who completed projects in key locations. CHIF has continued to implement key strategies set forth in the 2003-2005 Strategic Plan, and is on target to achieve the goals set forth in this ambitious plan. It is therefore appropriate that CHIF has chosen the key as the theme for this annual report.

**Key Players:** Many organizations, investors, and contributors have played a significant role in CHIF's success. CHIF gratefully acknowledges the banks and financial institutions that renewed their investments in the Community Loan Pool during 2004. We also acknowledge our ongoing collaboration with the Connecticut Department of Economic and Community Development, the Connecticut Housing Finance Authority and municipalities and non-profit corporations

throughout the state. Finally, CHIF appreciates the foundations that provided grants for operating support. A complete list of contributors is included on Page 6 of this annual report.

On behalf of the CHIF staff and members of its Board of Directors, we thank all our partners in affordable housing, and look forward to working with you in 2005.



Sincerely,

Gerald W. Hayes  
Chair

Cynthia L. Russell  
President and CEO

**Board of Directors 2004**

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**Craig L. Sylvester, Esq.**  
Attorney/Partner, Reid and Riege, P.C.

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**Philip S. Will**  
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**Michael E. Zammiti**  
Vice President, Cornerstone Real Estate Advisers

## The Neighborhood Rebuilder Loan Program

The Neighborhood Rebuilder Loan Program continues to be CHIF's signature loan program. In 2004, CHIF provided \$1.4 million in construction financing to developers to convert abandoned buildings into new single-family homes. CHIF also provided \$252,000 in Appraisal Gap subsidies to finance twenty-seven homes and rental units. To date, CHIF has financed a total of 144

owner-occupied homes through the Neighborhood Rebuilder Program.

The Neighborhood Rebuilder Loan Program offers communities a solution to addressing decades of disinvestment in residential neighborhoods throughout the state. Examples of completed projects are pictured below.

## Key Location: Hartford

CIL Affordable Housing, Inc. (CIL), one of Hartford's most active housing developers, continued to redevelop vacant residential properties during 2004. Pictured is one of several homes rehabilitated by CIL in Hartford's Upper Albany neighborhood, and financed by a CHIF Neighborhood Rebuilder Construction Loan and Appraisal Gap Subsidy. CIL created a home with a rental unit for a first-time homebuyer. To date, CIL has financed 122 homes in Hartford with CHIF financing.  
**Sponsor: Corporation for Independent Living (CIL)**



## Key Location: New Haven



Fair Haven Development Corporation (FHDC) completed the acquisition and rehabilitation of this property in the Fair Haven neighborhood of New Haven during 2004. CHIF provided FHDC with a CHIF Neighborhood Rebuilder Construction Loan and Appraisal Gap Subsidy to create this two-family home. To date, CHIF has provided \$840,000 in financing to FHDC.  
**Sponsor: Fair Haven Development Corporation**



## Key Location: New London

Alderhouse Residential Communities, Inc., a statewide non-profit development organization, obtained a CHIF Neighborhood Rebuilder Construction Loan and Appraisal Gap Subsidy to rehabilitate this building in New London's historic Coit Street neighborhood. The property is one of 40 buildings identified for improvement through the City's House New London neighborhood revitalization program. To date, CHIF has provided \$434,000 in financing to improve buildings in the House New London program, and has created 5 new first-time homeowners.

**Sponsor: Alderhouse Residential Communities**



## Key Location: Waterbury

CIL Affordable Housing, Inc. (CIL) used a CHIF Neighborhood Rebuilder Construction Loan and Appraisal Gap Subsidy to renovate this building in one of Waterbury's older residential neighborhoods. Since 1997, CIL has rehabilitated vacant buildings and created new homes in cities throughout Connecticut with financing provided by CHIF.  
**Sponsor: Corporation for Independent Living (CIL)**



## Key Location: Manchester

CIL Affordable Housing Inc. (CIL) partnered with the City of Manchester to convert this historic building into a new home for a first-time homebuyer. CIL received a CHIF Neighborhood Rebuilder Construction Loan and Appraisal Gap Subsidy to finance the rehabilitation of the building. CIL is a statewide non-profit housing development organization that revitalizes neighborhoods and creates affordable housing opportunities.  
**Sponsor: Corporation for Independent Living (CIL)**



## Key Supporters



### Contributors

CHIF acknowledges with appreciation the following investors and contributors during FY 2004. (October 1, 2003–September 30, 2004)

Aetna Foundation, Inc.	Massachusetts Mutual Life Insurance Company
Aetna Life Insurance Co.	The Melville Charitable Trust
All Souls Unitarian Universalist Congregation	People's Bank
Banknorth, N.A.	The Phoenix Companies, Inc.
Citizens Bank of CT	The Phoenix Foundation
Connecticut Department of Economic and Community Development	The Philanthropic Initiative
Connecticut Housing Finance Authority (CHFA)	Prudential Financial, Inc.
CHFA/IOREBTA Program	State Street Foundation
Fannie Mae	The Travelers Indemnity Company
F.B. Heron Foundation	U.S. Trust Company of CT
JP Morgan Chase Bank	Wachovia Foundation
J.P. Morgan Chase & Co.	Webster Bank
The J.P. Morgan Chase Foundation	The Wiremold Foundation, Inc.



**Patricia Kingsley Ritter**

1920–2004

Pat began CHIF in 1964 with her husband George to help minority families purchase their first homes. Long before the

Civil Rights Act made housing discrimination illegal, Pat promoted fair housing by establishing programs at CHIF to provide minority families with down payment assistance and second mortgages. Pat “retired” from CHIF in the late 1970s, but remained interested in all of CHIF’s current programs.

The CHIF staff and board members will always remember her with great admiration and affection.

## Financial Statements

### Consolidated Statements of Financial Position September 30, 2004 and 2003

	2004			2003		
	Operating	Loan	Total	Operating	Loan	Total
<b>Assets:</b>						
Cash and cash equivalents	\$ 724,645	\$ 4,370,246	\$ 5,094,891	\$ 675,129	\$ 2,377,459	\$ 3,052,588
Accounts receivable	106,061	–	106,061	112,872	–	112,872
Interest receivable	15,905	–	15,905	21,946	–	21,946
Prepaid expenses	74,483	–	74,483	56,326	–	56,326
Other assets	21,006	–	21,006	20,143	–	20,143
Loans receivable, net of allowance for loan losses	–	2,225,732	2,225,732	–	3,848,085	3,848,085
Property and equipment, net	230,946	–	230,946	280,960	–	280,960
<b>Total assets</b>	<b>\$ 1,173,046</b>	<b>\$ 6,595,978</b>	<b>\$ 7,769,024</b>	<b>\$ 1,167,376</b>	<b>\$ 6,225,544</b>	<b>\$ 7,392,920</b>
<b>Liabilities and Net Assets</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 181,207	\$ –	\$ 181,207	\$ 188,447	\$ –	\$ 188,447
Notes payable	–	4,018,514	4,018,514	–	3,551,247	3,551,247
<b>Total liabilities</b>	<b>181,207</b>	<b>4,018,514</b>	<b>4,199,721</b>	<b>188,447</b>	<b>3,551,247</b>	<b>3,739,694</b>
<b>Net Assets:</b>						
Unrestricted:						
Undesignated	207,757	1,314,193	1,521,950	230,036	1,314,193	1,544,229
Board designated	762,864	–	762,864	660,327	–	660,327
<b>Total unrestricted</b>	<b>970,621</b>	<b>1,314,193</b>	<b>2,284,814</b>	<b>890,363</b>	<b>1,314,193</b>	<b>2,204,556</b>
Temporarily restricted	21,218	1,263,271	1,284,489	88,566	1,360,104	1,448,670
<b>Total net assets</b>	<b>991,839</b>	<b>2,577,464</b>	<b>3,569,303</b>	<b>978,929</b>	<b>2,674,297</b>	<b>3,653,226</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,173,046</b>	<b>\$ 6,595,978</b>	<b>\$ 7,769,024</b>	<b>\$ 1,167,376</b>	<b>\$ 6,225,544</b>	<b>\$ 7,392,920</b>

### Consolidated Statements of Activities For the years ended September 30, 2004 and 2003

	2004			2003		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Operating revenue:</b>						
Interest income – Investments	\$ 55,881	\$ –	\$ 55,881	\$ 89,815	\$ –	\$ 89,815
Interest income – Loans	221,865	–	221,865	165,770	–	165,770
<b>Total interest income</b>	<b>277,746</b>	<b>–</b>	<b>277,746</b>	<b>255,585</b>	<b>–</b>	<b>255,585</b>
Interest expense on borrowings	(90,120)	–	(90,120)	(93,897)	–	(93,897)
<b>Net interest income</b>	<b>187,626</b>	<b>–</b>	<b>187,626</b>	<b>161,688</b>	<b>–</b>	<b>161,688</b>
Fee income	1,248,231	–	1,248,231	1,260,471	–	1,260,471
Grants and contributions	28,100	931,000	959,100	55,925	155,000	210,925
<b>Total operating revenue</b>	<b>1,463,957</b>	<b>931,000</b>	<b>2,394,957</b>	<b>1,478,084</b>	<b>155,000</b>	<b>1,633,084</b>
Satisfaction of program restrictions	107,348	(107,348)	–	64,018	(64,018)	–
<b>Total revenue</b>	<b>1,571,305</b>	<b>823,652</b>	<b>2,394,957</b>	<b>1,542,102</b>	<b>90,982</b>	<b>1,633,084</b>
<b>Expenses:</b>						
Program services	1,224,598	–	1,224,598	1,209,704	–	1,209,704
General and administrative	266,449	–	266,449	259,780	–	259,780
<b>Total operating expenses</b>	<b>1,491,047</b>	<b>–</b>	<b>1,491,047</b>	<b>1,469,484</b>	<b>–</b>	<b>1,469,484</b>
Forgivable loans	–	987,833	987,833	–	220,733	220,733
<b>Total expenses</b>	<b>1,491,047</b>	<b>987,833</b>	<b>2,478,880</b>	<b>1,469,484</b>	<b>220,733</b>	<b>1,690,217</b>
Change in net assets	80,258	(164,181)	(83,923)	72,618	(129,751)	(57,133)
Net assets, beginning of year	2,204,556	1,448,670	3,653,226	2,131,938	1,578,421	3,710,359
<b>Net assets, end of year</b>	<b>\$ 2,284,814</b>	<b>\$ 1,284,489</b>	<b>\$ 3,569,303</b>	<b>\$ 2,204,556</b>	<b>\$ 1,448,670</b>	<b>\$ 3,653,226</b>

From Connecticut Housing Investment Fund, Inc. Consolidated Financial Statements, September 30, 2004 and 2003, and Independent Auditor's Report Thereon, November 8, 2004, Kostin, Ruffkess & Company, LLC. Complete audited Financial Statements and Opinion by Kostin, Ruffkess & Company are available upon request from CHIF.