



CONNECTICUT HOUSING  
INVESTMENT FUND, INC.

*Responding to Change*

WWW.CHIF.ORG

Annual Report

2010



## Letter from the Chair and CEO

Dear Friends,

In Fiscal Year 2010, the non-profit affordable housing industry grappled in earnest with the continued changes resulting from the struggling financial markets and CT economy. These changes impacted all aspects of the industry and its participants, including CHIF. Limited financing and project funding sources, increased expenses, project delays and declining revenue and grants for operating support were among the challenges CHIF had to manage and adapt to.

CHIF responded effectively, as evidenced by another solid year and highlighted by the achievements noted below. CHIF streamlined its systems to improve and decrease delivery costs while maintaining staffing levels. CHIF increased its loan capital and subsidy for projects and provided responsive financing and/or technical expertise to remove obstacles and ensure deployment of expiring capital for delayed projects. CHIF expanded into new territory by purchasing tax liens for a delinquent HUD elderly rental project that allowed a more cost-effective repayment structure; financing a condominium project where conventional lenders had withdrawn, and acting as the disbursing agent for \$1 million of HOME funds for the city of Bridgeport. All of this resulted in CHIF remaining financially strong, including adding over \$200,000 to its net assets. Some key achievements are highlighted below:

### Community Loan Pool

- o Originated nine loans for \$4.1 million supporting 144 affordable housing units.
- o Reported a total of \$6.3 million in loan commitments and funded loans and \$260,000 of subsidy that together supported development of 270 housing units in nine municipalities.
- o Increased lending capital by \$1.4 million, or 27%, by raising \$712,000 in Community Investment Act funding and designating \$706,000 of retained earnings.
- o Received \$230,774 in subsidy from the CT Trust for Historic Preservation for two affordable housing projects.

### Third-party Contract Administration

- o Designed and administered the Homeownership Emergency Loan Program (HELP), offering \$1.5 million of low-cost financing to CT homeowners for emergency repairs due to heavy rains in March 2010.
- o Engaged by the City of Bridgeport to disburse \$1 million of HOME funding for Lafayette Homes, a 12-unit supportive housing project.
- o Originated over 550 loans/grants for property improvement, energy conservation, home purchase and downpayment assistance loans for nearly \$9 million in funding.
  - 312 DECD ECL loans (\$3.0 million) for single and multifamily energy conservation improvements;
  - 158 grants/loans (\$1.8 million) for DECD's Home Solutions home improvement program;
  - 25 CHFA first-time homebuyer and 16 Downpayment Assistance Program mortgages (\$3.9 million)
  - 60 DECD Wooden Window Program grants for \$231,471.

### Loan Servicing

- o Grew loans under management by 7% to 13,818 loans with \$230 million in balances.
- o Obtained MA Loan Servicer license and added loan portfolio from Springfield Neighborhood Housing Services.
- o Maintained consistently high FHA Tier I ratings, including a 1.0 in August 2010, passed HUD Desktop review and CHFA Audit.

During 2010, CHIF completed a multi-year strategic planning process. The resulting plan has as its core the recognition that, in order to survive, CHIF must respond to the challenges in the marketplace. Strategies to meet these challenges over the next three years include developing new housing products, increasing loan funding, expanding energy lending, developing efficiency-focused collaborations with market peers, and pursuing a more state-wide impact, all with a focus on increased self-sufficiency. A summary of CHIF's strategic focus is provided as an insert in this annual report.

CHIF could not have achieved this success without the critical support and confidence provided by its funders, its business partners, its Board and, of course, its staff. Teamwork is clearly a trademark at CHIF. On behalf of the CHIF Board of Directors, our sincere thanks to all who support CHIF and its mission and work.

Lynn C. Blackwell, Chair

Cal B.Vinal, President & CEO



**The Connecticut Housing Investment Fund's mission is to support the creation and sustainability of affordable housing by providing responsive financial products and services.**



**CHIF's Strategic plan to accomplish this mission includes:**

✓ **Bringing additional capital resources to underserved communities by:**

Increasing capital, to augment the resources available for providing more affordable ownership and rental opportunities.

Responding to market needs for affordable housing developers by continuing to provide existing products as well as expanding into new, related lending.

Building on its home lending and energy conservation lending, CHIF will expand lending that assists homeowners to acquire and stay in their homes.

✓ **Pursuing a green, sustainable focus by offering a range of energy-related products to make housing expenses more affordable for low- and moderate-income households by:**

Creating opportunities for additional homeowners to retrofit their homes.

Seeking to expand resources to lower energy costs at affordable multifamily housing, and thereby reduce the housing expense for low- and moderate-income households.

Review the feasibility of offering a second mortgage product to first time homebuyers in its existing loan servicing pool, enabling them to make energy efficiency improvements.

✓ **Building the organizational and operational infrastructure that allows CHIF to deliver on its strategy by:**

Promoting synergy between business lines.

Prioritizing opportunities that share resources and build efficiencies/scale with other CDFI's.

✓ **Expand facilitative roles where CHIF can ease access to financial resources for its long-time partners and developers of affordable housing.**

## Board of Directors 2009-2010:

### Officers:

**Lynn C. Blackwell, Chair**

DMV Division Chief I,  
CT Department of Motor Vehicles

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Executive Vice President,  
First New England Capital Limited  
Partnership

**Michael W. Nichols, Senior Vice Chair**

Managing Director,  
Real Estate Investments  
Aetna Life Insurance Company

**John J. Logan, Secretary**

Principal,  
Logan Associates

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Dept of Psychology  
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**James S. Carter**

Carter Realty, LLC

**Linda Y. Cote**

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**Franca L. DeRosa, Esq.**

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**John M. Dunne**

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Corporation for Supportive Housing

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Vice President,  
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Community Reinvestment  
People's United Bank

**Craig L. Sylvester, Esq.**

Attorney,  
Reid and Riege, P.C.

**Philip S. Will**

President,  
ProDomus, Inc.

## Staff:

Angela Zielke

Loan Servicing Assistant Administrator

Calvin B. Vinal

President and CEO

Carith Dean

Senior Manager of Loan Servicing

Edward J. Poremba, Jr.

Loss Mitigation Specialist

Ernesto Guardado

Program Administrator - Lending

Francine Bellefleur

Staff Accountant

Glenna J. Cote

Loan Servicing Representative

Kristen M. Caplin

Manager, Lending Administration

Laurie J. Evans

Senior Vice President of Operations,  
CFO & Treasurer

Lisa A. Ruggeri

Program Administrator - Lending

Marjorie Oi Dixon

Staff Accountant

Michele R. Brown-Allen

Loan Servicing, Escrow & Reconciliation Specialist

Parelea Morgan

Assistant Manager of Loan Servicing

Sabrina Carlson

Loan Servicing Representative

Stanislaw Olejarczyk

Foreclosures Collection Specialist

Toniko Cox

Loan Servicing Representative

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# CONNECTICUT HOUSING INVESTMENT FUND, INC.

## Statements of Financial Position September 30, 2010-2009

	2010			2009		
	Operating	Loan Funds	Total	Operating	Loan Funds	Total
<b>Assets</b>						
Assets:						
Cash and cash equivalents	\$ 1,310,980	\$ 2,873,794	\$ 4,184,774	\$ 1,533,227	\$ 2,508,654	\$ 4,041,881
Investments	-	300,000	300,000	-	500,000	500,000
Restricted cash	-	2,297,206	2,297,206	-	3,147,746	3,147,746
Accounts receivable, net	65,363	54,216	119,579	36,649	38,278	74,927
Grant receivable	-	274,445	274,445	-	331,000	331,000
Interest receivable	-	15,119	15,119	-	7,826	7,826
Prepaid expenses	49,162	-	49,162	51,624	-	51,624
Other assets	186,239	-	186,239	148,348	-	148,348
Loans receivable, net of allowance	-	3,024,546	3,024,546	-	2,340,649	2,340,649
Property and equipment, net	48,549	-	48,549	59,918	-	59,918
<b>Total assets</b>	<b>\$ 1,660,293</b>	<b>\$ 8,839,326</b>	<b>\$ 10,499,619</b>	<b>\$ 1,829,766</b>	<b>\$ 8,674,153</b>	<b>\$ 10,503,919</b>
<b>Liabilities and Net Assets</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenses	188,377	16,833	205,210	171,929	14,829	186,758
Escrows	-	2,249,177	2,249,177	-	3,096,927	3,096,927
Notes payable	-	3,459,702	3,459,702	-	2,850,000	2,850,000
<b>Total liabilities</b>	<b>188,377</b>	<b>5,725,712</b>	<b>5,914,089</b>	<b>171,929</b>	<b>5,961,756</b>	<b>6,133,685</b>
<b>Net assets:</b>						
Unrestricted:						
Undesignated	1,080,315	-	1,080,315	1,246,236	705,428	1,951,664
Board designated	383,132	2,257,741	2,640,873	383,132	1,552,313	1,935,445
Total unrestricted	1,463,447	2,257,741	3,721,188	1,629,368	2,257,741	3,887,109
Temporarily restricted	8,469	855,873	864,342	28,469	454,656	483,125
<b>Total net assets</b>	<b>1,471,916</b>	<b>3,113,614</b>	<b>4,585,530</b>	<b>1,657,837</b>	<b>2,712,397</b>	<b>4,370,234</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,660,293</b>	<b>\$ 8,839,326</b>	<b>\$ 10,499,619</b>	<b>\$ 1,829,766</b>	<b>\$ 8,674,153</b>	<b>\$ 10,503,919</b>

## Statements of Activities and Changes in Net Assets For Years Ended September 30, 2010-2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Operating revenue:</b>						
<b>Support:</b>						
Interest income - Investment	25,144	-	25,144	58,531	-	58,531
Interest income - Loans	144,925	-	144,925	178,623	-	178,623
Total interest	170,069	-	170,069	237,154	-	237,154
Interest expense on borrowings	(63,507)	-	(63,507)	(67,738)	-	(67,738)
Net interest income	106,562	-	106,562	169,416	-	169,416
Fee income	1,330,580	-	1,330,580	1,217,141	-	1,217,141
Grants and contributions	63,975	723,855	787,830	117,750	-	117,750
Total operating revenue	1,501,117	723,855	2,224,972	1,504,307	-	1,504,307
Release of program restrictions	342,638	(342,638)	-	75,146	(75,146)	-
<b>Total revenue</b>	<b>1,843,755</b>	<b>381,217</b>	<b>2,224,972</b>	<b>1,579,453</b>	<b>(75,146)</b>	<b>1,504,307</b>
<b>Expenses:</b>						
Program services	1,388,889	-	1,388,889	1,429,000	-	1,429,000
General and administrative	298,149	-	298,149	74,001	-	74,001
Total operating expenses	1,687,038	-	1,687,038	1,503,001	-	1,503,001
Subsidy activities	322,638	-	322,638	75,146	-	75,146
<b>Total expenses</b>	<b>2,009,676</b>	<b>-</b>	<b>2,009,676</b>	<b>1,578,147</b>	<b>-</b>	<b>1,578,147</b>
<b>Change in net assets</b>	<b>(165,921)</b>	<b>381,217</b>	<b>215,296</b>	<b>1,306</b>	<b>(75,146)</b>	<b>(73,840)</b>
<b>Net assets, beginning of year</b>	<b>3,887,109</b>	<b>483,125</b>	<b>4,370,234</b>	<b>3,885,803</b>	<b>558,271</b>	<b>4,444,074</b>
<b>Net assets, end of year</b>	<b>\$ 3,721,188</b>	<b>\$ 864,342</b>	<b>\$ 4,585,530</b>	<b>\$ 3,887,109</b>	<b>\$ 483,125</b>	<b>\$ 4,370,234</b>



## Programs and Services:

CHIF supports projects that help stabilize neighborhoods and create affordable housing opportunities with the

### **Neighborhood Rebuilder Program:**

Construction; Bridge and Predevelopment Financing for Acquisition, Rehabilitation and new Construction

CHIF assists first-time homebuyers to obtain low interest mortgages with the

### **First Time Homebuyer Program:**

US Department of Agriculture loans for Rural Areas

CHFA Home Loans

Down Payment Assistance loans for those who qualify

CHIF specializes in servicing affordable housing and community development loans for our customers which include State, municipal and private lenders

### **Loan Servicing Services:**

Remittance Processing

Delinquency Administration

Investor Accounting and Escrow management

Superior Customer Service

CHIF administers energy improvement and home improvement programs

### **Administration Services:**

Wooden Window Repair and Replacement Program

Community Renewal Team Home Solutions Program

People's United Bank Home Improvement Loan Program

Energy Conservation Loan Program

Multi-family Energy Conservation Loan Program

Over 30 years of providing financing at below market rates to single family and multi-family residential property owners for the purchase and installation of cost-saving energy conservation improvements

## Contributors and Investors:

Citizens Bank Foundation

Connecticut Department of Economic and Community Development

Connecticut Housing Finance Authority

Craig L. and Denise Sylvester

Dina L. Anselmi

Franca L. DeRosa

Hudson City Savings

James S. Carter

John and Billye Logan

John L. Ritter and Melissa Dowling

Lynn C. Blackwell

Michael and Kim Lesley Nichols

Peoples United Community Foundation

Philip J. and Linda S. Ward

Philip S. and Karen C.P. Will

Roger and Deborah Goldbeck

Royal Bank of Scotland

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The Hartford Foundation for Public Giving

Timothy B. and Kelly Hodges

Wachovia Wells Fargo Foundation

Webster Bank N.A.

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