

**BUILD4CT - Workforce Housing Program**  
*Program Criteria*

Program Description:	To provide subordinate financing that will offer favorable terms and more flexible underwriting to incentivize developers of market rate multifamily properties to create units that are affordable to middle income households.
Loan Types:	Construction-to-permanent and permanent only
Project Size:	Minimum 50+ unit developments with exceptions made on a case-by-case basis.
Lender Participation:	Funding provided in participation with designated participating middle-income housing lenders
Targeted AMI:	At least 20% of the total units between 60-120% AMI. Maximum allowed rents affordable to middle income households must reflect a discount to market rents.  CHFA may consider funding against a portion of middle-income affordability restrictions required for inclusionary zoning.
Development Activities:	To be built or completed, market rate multifamily unrestricted developments including adaptive reuse and substantial rehabilitation of existing market rate multifamily developments that do not currently have any affordability restrictions in targeted areas.
Loan Term:	Construction Loan: Up to 36 months Permanent Loan: 20 years
Interest rate:	1% - 3% fixed for the term Loan/s. Rate is determined by CHFA in its sole discretion and largely dependent on how much of a discount the restricted units' rental rates provide when compared to market rents as determined in the Senior Lender's appraisal.
Repayment:	Construction: Interest-only payments Permanent: 40-year amortization
LTV:	80% maximum combined LTV inclusive of Senior Loan.
Loan amount:	Up to \$125,000 per middle income unit (as determined by CHFA in its discretion)

Prepayment:	At any time with a minimum yield of 1%
Lien position:	Subordinate to participating/senior middle income lender
Debt Coverage:	As determined by participating Senior Lender subject to minimum 1.15x amortizing DSCR.
Fees:	75bps or as otherwise required by CHFA in its discretion
Rate lock:	Rate confirmed at approval and receipt of senior lender's appraisal confirming market rents.
Affordability Compliance:	Affordability restrictive covenant encumbering Development so long as the Loan is outstanding, <b>but not less than 6 years</b> from issuance of initial certificate of occupancy and annual certifications
Escrows:	Real estate taxes and insurance to be collected in accordance with participating lender's requirements.
Recourse:	Carve-out guaranty typically required with additional completion or repayment guaranty may be required by CHFA in its discretion.
Additional requirements:	All underwriting requirements of the participating middle income housing lender will need to be met and accepted by CHFA. In addition, items identified on Exhibit A will be required in form and content that is acceptable to CHFA.

## Exhibit A

<b>CHFA - BUILD4CT UNDERWRITING CHECKLIST</b>				
<b>Development Name:</b>				
<b>Development Address:</b>				
<b>Senior Lender:</b>				
<b>Mortgagor:</b>				
	Item	AWAITING submission or CHFA REVIEWING	Ready For Program Approval (Yes/No)	Comments
1	Senior Lender Approved Development Underwriting Loan Submission			
2	Mortgagor Organizational Chart			
3	Mortgagor Partnership/Operating Agreement & Entity Organizational Documents			
4	Property Appraisal			
5	Environmental Site Assessment			
6	Development Construction Schedule			
7	Development Construction Budget			
8	Project Specific Requirements - To Be Determined /To Be Customized for required items specific to each transaction			