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Stamford Housing Group Is Award Finalist

By Jeff Haynes

AND THE WINNER IS ... AFFORDABLE HOUSING. With a \$2.75 million grant at stake, the Stamford-based nonprofit Housing Development Fund is one of two finalists up for a national award to be presented Dec. 12 in Miami. If HDF comes home the winner, the money is earmarked for helping developers build more affordable housing.

"Part of what we had to do for the grant application was come up with a new product that – if we got this award – [would demonstrate] the next innovative thing we would do," said Joan Carty, president and chief executive officer of HDF. "The new concept is basically a structured finance product that will allow nonprofit developers to expand their housing stock."

The other finalist competing for the grant money is San Antonio-based Accion Texas, a nonprofit specializing in microloans to businesses. The organization provides credit to small businesses that do not have access to loans from commercial sources.

The award program, created this year, is the Wachovia Next Award for Opportunity Finance.

"I think the purpose of the award is to elevate public awareness of the whole [community development financial institution] industry," Carty said. The grant is sponsored by the Wachovia Foundation and the John D. and Catherine T. MacArthur Foundation, and is designed to highlight efforts by community nonprofits in creating and keeping af-

fordable housing, helping small businesses grow and developing new community facilities.

Founded in 1989, HDF is a nonprofit bank providing funding for affordable housing and homebuyer assistance programs. Some of its programs include a Homebuyer Assistance Loan, which provides down payment and closing cost assistance, and the SmartMove Homeownership Fund, which is designed to help homebuyers by providing low-interest, 20-year second mortgages of up to 20 percent of the purchase price. It is aimed at homebuyers who cannot make large down payments and would have trouble paying mortgage insurance. The SmartMove fund is three years old, and has grown from \$9 million to \$25 million, Carty said.

"We started it partly as an anti-predatory mechanism, to give low- and moderate-income people an incentive to stay with a conventional, fixed-rate 30-year first mortgage," Carty said. "It helps a lot of people reach homeownership that otherwise wouldn't. Our whole goal is to keep people out of harms way."

HDF also has a \$28 million fund for multifamily developments, she said. HDF borrows funding from private banks and then loans those funds to developers who are building, rehabilitating or preserving affordable housing.

HDF first received information about the Wachovia Next Award this past spring, and the application was due by early August, Carty said. HDF was named a semi-finalist Oct. 2, and then picked as one of two finalists for the grant earlier this month. ■

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