



# CONNECTICUT HOUSING FINANCE AUTHORITY POLICY STATEMENT

Policy #:	Title:	Revised as of:
CHFA-2010-3	Very Low-Income Construction Employment	9/26/13

## POLICY STATEMENT

The Connecticut Housing Finance Authority (CHFA) requires that applicants for CHFA-funded multifamily mortgages and Low-Income Housing Tax Credits (LIHTCs) commit to undertaking good faith efforts to hire or train very low-income persons from the area of housing constructed or rehabilitated with CHFA funding.

This requirement will apply when i). multifamily developments are constructed or acquired and rehabilitated with funds provided through bond issuance, Investment Trust Account (ITA) proceeds, Community Investment Act (CIA) funds and/or LIHTCs, and ii). budgeted hard construction costs equal or exceed one million dollars.

CHFA-funded developments otherwise required to comply with Section 3 of the Housing and Community Development Act of 1968 or a local government hiring program will be deemed in compliance with this policy.

## GUIDELINES

CHFA will implement this requirement according to the following guidelines:

- 1) Good faith efforts to hire and train very low-income residents in the area (see "Definitions") can be demonstrated by a range of advertising and outreach activities as well as participation in, and cooperation with, a variety of local job training and employment initiatives.
- 2) CHFA will identify activities that constitute good faith efforts. These activities will be weighted and assigned points according to the degree of effort required. Completing a combination of efforts that totals four points of which no more than two can be from the first category will satisfy CHFA's requirement.
- 3) Good faith efforts will be undertaken by recipients of LIHTCs and mortgagors and reported according to guidance provided by CHFA.
- 4) Failure to undertake these good faith efforts will result in the principals being barred from applying to CHFA for multifamily mortgages or LIHTCs for a period of 12 months unless waived by the Board.



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## **BACKGROUND AND STATEMENT OF NEED**

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The construction and rehabilitation of multifamily rental housing can present opportunities for the hiring and training of very low-income persons. These opportunities can provide very low-income individuals with needed income as well as transferable skills and experience necessary for future employment. Like affordable housing itself, employment of very low-income area residents can enable individuals and families to become financially stable and secure.

Federal housing assistance programs, such as Public Housing, the Choice Neighborhoods Initiative, the HOME Investment Partnership and the Community Development Block Grant programs, are subject to Section 3 of the Housing and Community Development Act of 1968. This policy requires housing developments funded through these programs to meet specific goals for contracting, hiring and training of very low-income persons.

Local governments that have made a financial contribution or tax/regulatory concession to a particular development may sometimes condition such assistance on the applicants hiring local residents in that construction or rehabilitation activity. Typically this is accomplished on a case-by-case basis. Connecticut municipalities have, from time to time, made such hiring a condition of assisting development projects.

## **IMPLEMENTATION & RESPONSIBLE DEPARTMENTS**

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CHFA will stipulate in its LIHTC Qualifying Allocation Plan (QAP) that compliance with this policy is a threshold criterion to apply for Low Income Housing Tax Credits and CHFA multifamily mortgage funding.

CHFA will offer program documentation, guidance and technical assistance to support development teams in their good faith efforts to comply with this policy, including links to job training programs and agencies that can provide "employment ready" persons in the building and related trades.

CHFA will require reporting submissions to document the efforts of development teams to comply with this policy as well as the persons hired as a result of good faith efforts.

Responsible Department: Multifamily Housing Development Programs  
Responsible Position: Vice President – Multifamily Housing



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## RELATIONSHIP TO OTHER POLICIES AND GUIDELINES

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LIHTC QAP

CHFA Multifamily Housing Development Program guidelines and requirements

CHFA lending programs financed through bond issuance, ITA proceeds, CIA funding or LIHTCs

## DEFINITIONS

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"Very low-income residents" are those qualified under Section 3 of the Federal Housing and Community Development Act of 1968 as administered by the Department of Housing and Urban Development.

"Area" is the Metropolitan Statistical Area in which the housing development is located.

"Good faith efforts" are those actions identified by CHFA in Attachment A to this policy or other similar activity accepted by CHFA.

## Board Approval

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Date of Board Approval:

July 29, 2010

Effective Date:

July 29, 2010

Date of Board Approved Revisions:

September 26, 2013

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

10/3/13

**Eric Chatman**  
CHFA President-Executive Director



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## **CHFA Very Low Income Construction Employment Policy Attachment A**

### **Examples of Efforts to Offer Training and Employment Opportunities to Very Low-Income Persons**

Undertaking activities totaling 4 points of which no more than 2 points can be from the first category (1 Point category) complies with CHFA's Requirement

#### **1 Point**

- \_\_\_ Advertising training and employment positions by distributing and posting flyers (that identify the positions to be filled, the qualifications required and where to obtain additional information about the applications process) to every occupied dwelling unit, common areas or other prominent areas in the housing development or developments.
- \_\_\_ Contacting resident councils, resident management corporations or other resident organizations, where they exist, in the housing development or developments and community organizations in the neighborhood, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
- \_\_\_ Consulting with state and local agencies administering training programs funded through Workforce Investment Act (WIA) or Jobs First Employment Services (JFES), probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting very low income residents.
- \_\_\_ Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation and radio advertising.

#### **2 Points**

- \_\_\_ Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by the owner, developer or contractor(s) at a location in the housing development or local neighborhood.
- \_\_\_ Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments and in the neighborhood or area in which the development is located.
- \_\_\_ Arranging for a location in the housing development or developments where very low income persons reside or the neighborhood of the development, where job applications may be delivered to and collected by a contractor's (s') representative .



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- \_\_\_ Contacting agencies administering HUD Youthbuild programs and requesting their assistance in recruiting HUD Youthbuild program participants.
- \_\_\_ Employing a job coordinator or contracting with a business that is licensed in the field of job placement that will undertake, on behalf of the developer, owner or contractors, the efforts to match eligible and qualified very low-income residents with the training and employment positions that the developer, owner or contractors intend to fill.
- \_\_\_ Where there are more qualified very low-income residents than there are positions to be filled, maintaining a file of eligible, qualified very low-income residents for future employment positions.
- \_\_\_ Undertaking job counseling, education and related programs in association with local educational institutions.
- \_\_\_ Undertaking such continued job training efforts as may be necessary to ensure the continued employment of very low-income residents previously hired for employment opportunities.
- \_\_\_ After selection of bidders but prior to contract execution, incorporating into the contract negotiated provisions for a specific number of very low-income residents to be trained or employed.

### **3 Points**

- \_\_\_ Entering into "first source" hiring agreements with organizations representing very low-income residents.
- \_\_\_ Sponsoring or establishing an employment and training program for other very low-income residents.
- \_\_\_ Coordinating employment opportunities and training needs with the local Workforce Investment Board, Department of Labor or local CTWorks office.
- \_\_\_ For a developer, owner or contractor(s), employing very low-income residents directly on either a permanent or a temporary basis to perform work generated by CHFA's funding.
- \_\_\_ Subcontracting with a Section 3-certified or public housing resident-owned business for a portion of the construction.