OUR MISSION

To provide flexible, creative and responsive financial products and services that support an inclusive and sustainable economy.

TO OUR PARTNERS

2018 was a busy year of change and partnerships for C4C. Partnership, as this Annual Report illustrates, is central to our ability to leverage and use resources to meet the needs of our communities. But the success of our work also depends on a strong administrative foundation. Fiscal Year 2018, C4C’s first full year of business following the mergers, included a substantial focus on administrative work that will in time yield improved efficiencies, operational effectiveness and an enhanced work environment.

We did this, though, while we aggressively pursued our lending and servicing goals described in this report. We sincerely thank the staff who persevered by juggling their workloads, the Directors who put in extra time and worked with staff on projects, and the Board for its confidence, patience and encouragement in support of our work.

Major improvements at C4C included new accounting and reporting systems, a new loan servicing system, new lending policy and procedures including a new risk rating model, centralized portfolio management and new employee online training processes designed to build a unified culture and strengthen staff capabilities. While we were implementing these changes, we also purchased and started renovating a building in Wallingford where we will consolidate our three current offices this winter.

Throughout the year, we leveraged our numerous partners’ resources to provide record lending and impacts across our markets, particularly in consumer energy and Low Income Multifamily Energy (LIME) lending and multifamily affordable housing development. We could not have done this without the support of our many financing, contractor and development partners. Key to this success was $15 million in commitments from 11 banks to help capitalize our Multifamily Permanent Loan Pool (MPLP), an increase in funding in CEEFCo to $10 million by Webster Bank and a $1.75 million investment by the CT Green Bank to fund a C4C LIME loan that helped complete a long-stalled project in Waterbury. Several other bank partners renewed or restructured loans at increased commitment levels, and a loan participation with another CDFI and funding from Synchrony Bank allowed C4C to finance larger-scale, urban housing developments: the redevelopment of 111 Pearl Street in downtown Hartford and Cherry Street tutor housing in Bridgeport, respectively.

To all our partners, and particularly our funders and investors, we appreciate your confidence and support and look forward to growing our relationships and the impact it yields in the communities where we work. “We all work to develop community, but we become a community in doing it.” (Carla Weil). Thank you for being part of our community.

Calvin B. Vinal  
President & CEO

Dorothy D. Adams  
Board Chair
ENVIRONMENTAL IMPACT

Our goal is to reduce our carbon footprint, provide energy savings and support local contractors.

SOLUTIONS THROUGH PARTNERSHIPS

In partnership with Connecticut’s major utilities we directed thousands of homeowners to the appropriate energy efficiency loan program, helped them find a certified contractor, and processed and underwrote their loan applications. To provide energy efficiency financing to owners of multi-family affordable rental properties we created our innovative LIME (Low-Income Multifamily Energy) loan partnering with the Connecticut Green Bank.

NOTEWORTHY

A $1.75 million loan to a 157-unit affordable residential building for seniors in downtown Waterbury, is the largest LIME (Low-Income Multi-Family Energy) loan closed by C4C to date. C4C partnered with the Connecticut Green Bank, Housing Development Fund, and the John D. and Catherine T. MacArthur Foundation, who provided the additional capital needed for the project. Based on a comprehensive energy audit, cost and energy savings from several key building upgrades were identified. These included the replacement of electric water heaters with energy efficient gas heaters.

Current annual electricity and water bills average $440,000, or 27% of the building’s annual operating expenses. Over $240,000 in savings annually are expected after the new equipment is installed. C4C takes a security interest in the improvements and the Connecticut Green Bank provides a guarantee on a portion of the financing.

TOTAL AMOUNT AND NUMBER OF ENERGY LOANS TO HOMEOWNERS

1800 LOANS

ENERGY EFFICIENT HOME UPGRADES MADE POSSIBLE FROM LOANS

INCREASED NUMBER OF ENERGY EFFICIENT HOMES

$18 MILLION

NOTEWORTHY

1800 LOANS

$18 MILLION

TOTAL AMOUNT AND NUMBER OF ENERGY LOANS TO HOMEOWNERS

ENERGY EFFICIENT HOME UPGRADES MADE POSSIBLE FROM LOANS

INCREASED NUMBER OF ENERGY EFFICIENT HOMES

C02 SAVINGS

1,076 Metric Tons = 230 cars off the road for one year

ELECTRIC SAVINGS

1,446,667 kW/H = 161 homes’ use for one year

SOLVED BY PARTNERSHIPS

In partnership with Connecticut’s major utilities we directed thousands of homeowners to the appropriate energy efficiency loan program, helped them find a certified contractor, and processed and underwrote their loan applications. To provide energy efficiency financing to owners of multi-family affordable rental properties we created our innovative LIME (Low-Income Multifamily Energy) loan partnering with the Connecticut Green Bank.

NOTEWORTHY

A $1.75 million loan to a 157-unit affordable residential building for seniors in downtown Waterbury, is the largest LIME (Low-Income Multi-Family Energy) loan closed by C4C to date. C4C partnered with the Connecticut Green Bank, Housing Development Fund, and the John D. and Catherine T. MacArthur Foundation, who provided the additional capital needed for the project. Based on a comprehensive energy audit, cost and energy savings from several key building upgrades were identified. These included the replacement of electric water heaters with energy efficient gas heaters.

Current annual electricity and water bills average $440,000, or 27% of the building’s annual operating expenses. Over $240,000 in savings annually are expected after the new equipment is installed. C4C takes a security interest in the improvements and the Connecticut Green Bank provides a guarantee on a portion of the financing.

$3 MILLION

TOTAL AMOUNT OF LIME LOANS

277 UNITS

NUMBER OF ENERGY EFFICIENT UNITS

UTILIZED FOR MULTIFAMILY PROPERTIES ACROSS THE STATE
AFFORDABLE HOUSING IMPACT

Our goal is to use capital from our many partner sources to create affordable housing opportunities through our lending.

SOLUTIONS THROUGH PARTNERSHIPS

C4C combines investments from a variety of sources with its own equity to offer flexible financing for affordable housing solutions. Investments come from local, state and federal government sources, foundations, faith-based groups, social impact investors and banking and financial institutions. This year C4C closed its second Multifamily Permanent Loan Pool with 11 bank participants. This $20 million investment provides long term loans for the renovation or construction of multi-family and mixed-use properties that will provide housing affordable to residents earning up to 80% of the Area Median Income.

NOTEWORTHY

90 Alden Avenue in Enfield received both a $50,000 pre-development loan and a $1.4 million construction-to-permanent loan from C4C to finance the major renovation of a former parochial school. The building provides 20 affordable rental units, five of which are designated as supportive housing for persons with disabilities. The Corporation for Supportive Housing provided technical assistance to the developer, Bellsite Development LLC, and added $250,000 in subsidy to the project. The Connecticut Department of Housing allocated five rental vouchers for the supportive units. The property is located near shopping, dining and service offerings, transportation and parks.

DID YOU KNOW?

30% of all renters in CT qualify as extremely low income.
URBAN REVITALIZATION IMPACT

Our goal is to invest in revitalization projects to help better our community and advance growth.

SOLUTIONS THROUGH PARTNERSHIPS

Large-scale neighborhood revitalization requires vision and the participation of multiple partners to help move projects from the drawing board to reality. Public, private and nonprofit partners work with local stakeholders and utilize complex and innovative programs and financing tools to reinvest and create opportunity in areas that need it most. C4C targets investments into market savvy, community-supported, mixed-use projects that help to transform neighborhoods and provide exciting new housing, commercial and retail options for residents. These projects align with our mission, leverage our unique menu of financial products, and allow us to play a key role in neighborhood transformation.

NOTEWORTHY

Capital for Change provided a $3.7 million loan to Cherry Street Partners for the construction of an apartment complex in conjunction with an expanding charter school in Bridgeport. The apartments will house members of the Great Oaks Tutor Corps and the ten one-bedroom, and seven two-bedroom units will house 55 tutors. The overall project is a comprehensive redevelopment that will also include hundreds of new affordable and market rate housing units and commercial spaces as part of the transformation of a block of formerly abandoned industrial buildings. Great Oaks Charter School is expanding to this new site, with a loan from C4C partner BlueHub Capital, to accommodate its growth to serve 750 students from grades K to 12. C4C first assisted the project with an $800,000 acquisition loan to help the owners purchase the entire city block boarded by Cherry Street, Hancock Avenue, Railroad Avenue, and Howard Avenue.
PROGRAMS

We create high impact programs and products that broaden access to affordable housing, energy efficiency and job opportunities for underserved communities and the families who live there.

Affordable + Energy Efficient Housing
C4C makes flexible loans to support affordable housing development and to make housing more energy efficient. We assist developers who create affordable rental housing, supportive housing, mutual housing, cooperatives, and homeownership. C4C also works closely with property owners to make energy efficiency improvements to multi-family properties or condominium developments.

Homeowners
C4C’s programs allow homeowners to make improvements to make their homes more efficient, provide financing for targeted homebuyers and assistance with home repairs and prepare families for homeownership and assist homeowners in danger of losing their homes.

Supporting Local Economy
C4C expands economic opportunity by making loans to small businesses and nonprofit organizations that contribute to the well-being of their communities. Our loan programs provide financing for working capital, fixed asset acquisition, and financing of commercial real estate and leasehold improvements. These investments support job creation and much needed services in Connecticut’s communities.

Servicing
C4C specializes in providing cost-effective, comprehensive loan servicing to more than 20 different non-profit organizations and government agencies that make affordable housing loans to low- and moderate-income borrowers. Our senior level staff service various loan and portfolio types, including escrow management, investor reporting, payment processing, collections and default management.

SOLUTIONS THROUGH PARTNERSHIPS

1915
HOMEOWNERS SERVED

100+
FAMILIES GIVEN FORECLOSURE PREVENTION COUNSELING AND LANDLORD EDUCATION

275
LOCAL CONTRACTORS ENGAGED, THUS STIMULATING THE ECONOMY AND HELPING THE ENVIRONMENT
FINANCIALS

Consolidated Statement of Financial Position

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH</td>
<td>$8,780,863</td>
</tr>
<tr>
<td>LOAN PORTFOLIO</td>
<td>$69,611,610</td>
</tr>
<tr>
<td>LOAN LOSS RESERVES</td>
<td>($3,489,093)</td>
</tr>
<tr>
<td>OTHER ASSETS</td>
<td>$11,289,007</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$86,192,387</td>
</tr>
<tr>
<td>DEBT CAPITAL</td>
<td>$38,879,027</td>
</tr>
<tr>
<td>OTHER LIABILITIES</td>
<td>$17,182,318</td>
</tr>
<tr>
<td>DEFERRED REVENUE</td>
<td>$1,244,161</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>$28,886,881</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$86,192,387</td>
</tr>
</tbody>
</table>

Consolidated Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>C4C</th>
<th>CEEFCo</th>
<th>CT CDFI</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL REVENUE + SUPPORT</td>
<td>$6,086,944</td>
<td>$683,199</td>
<td>$2,740</td>
<td>$(1,087,603)</td>
<td>$5,685,280</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>$5,781,970</td>
<td>$1,467,455</td>
<td>$14,131</td>
<td>$(1,087,603)</td>
<td>$6,175,953</td>
</tr>
<tr>
<td>NET INCOME / (LOSS)</td>
<td>$304,974</td>
<td>$(784,256)</td>
<td>$(11,391)</td>
<td>$(1,087,603)</td>
<td>$(490,673)</td>
</tr>
</tbody>
</table>

NOTE

The Connecticut Energy Efficiency Finance Company (“CEEFCo”) is a 501(c)(3) tax exempt organization, created to assist utility companies’ mandates to enhance energy conservation efforts. Since 2011, this special purpose organization has received non-recourse contributions of $14,150,000, exclusively for the purpose of making residential energy efficiency loans to consumers, and to administer the residential financing program for these loans. This Fiscal Year, CEEFCo sustained a loss, primarily caused by state budget cuts which eliminated additional funding typically granted to CEEFCo. However, due to the design of CEEFCo’s agreement with Eversource, losses associated with administering the program will be covered by releasing funds from permanently restricted net assets.

CT CDFI, was formed in 2001 with the primary purpose of financing the acquisition and development of affordable and special needs housing in Connecticut. CT CDFI was originally formed as a collaborative union of several Community Development Financial Institutions (“CDFIs”), although C4C is currently the sole remaining member. Liabilities associated with this entity are expected to be forgiven by the end of 2019.

BIG NEWS!

C4C is moving in early 2019! Renovations are underway at our new 22,000 square foot building at 10 Alexander Drive in Wallingford, Connecticut.
Corporate and Foundation Contributors

- Avangrid
- Baker Tilly
- Citizens Bank
- Cohn Reznick
- Connecticut Housing Finance Authority, Interest on Real Estate Brokers’ Trust Accounts, (IOREBTA)
- Curran Foundation
- ERJ Fund, The Community Foundation for Greater New Haven
- Eversource
- KeyBank Foundation
- Liberty Bank
- Liberty Bank Foundation
- M&T Charitable Foundation
- Neubert, Pepe and Monteith, P.C.
- People’s United Community Foundation
- People’s United Bank
- Southern Connecticut Gas Company
- Susman, Duffy and Segaloff, P.C.
- Synchrony Bank
- TD Bank Charitable Foundation
- United Bank Foundation
- Webster Bank
- Wells Fargo
- Wells Fargo Housing Foundation

Social Impact Investors

In appreciation of Jean Roger Arcand (1924 to 2017) and Elizabeth Hutchinson (1921-2017)

- Emily Aber & Robert Wechsler
- Dorothy Adams & Josephus de Groot
- Jean Roger Arcand
- Common Good Finance
- Daughters of the Holy Spirit Charitable Trust
- Stephanie Fitzgerald & Frank Cochran
- Frances Giffin
- William C. Graustein
- The William Casper Graustein Memorial Fund
- Ann T. Greene
- Interfaith Volunteer Caregivers
- Mary Link and William Spademann
- Mercy Partnership Fund
- Methot Irrevocable Trust
- The Melville Charitable Trust
- Sarah Miller & Lee Cruz
- The New Haven Monthly Meeting of the Religious Society of Friends
- New Visions Investments, LLC
- Frances & John Padilla
- Maria Padilla
- The Pikaart Family Trust
- Religious Communities Investment Fund, (RCIF)
- Jeffrey Robinson
- Seton Enablement Fund
- Sisters of Charity of St. Elizabeth
- Sisters of St. Francis of Philadelphia
- Marcus Stern, (in Memory of Ruth Stern)
- Lee & Byron Stookey
- Clients of the Sustainability Group
- Julie Tamler
- Clients of Trillium Asset Management Corporation
- Dr. Katie Trotta
- Susan and C. Michael Tucker
- Ursuline Sisters of Tildonk
- Nancy & Dr. Jerry Weil
- Rachel Weil
- Sally Willoughby
- Yale Hunger and Homelessness Action Project

Government Agencies and Financial Institutions

- Bank of America
- Chase Bank
- Chelsea Groton Bank
- Citibank
- Citizens Bank
- City of Bridgeport - EPA Revolving Loan Fund
- Connecticut Community Bank
- Community Development Financial Institutions (CDFI)
- Fund of the U.S. Treasury
- Connecticut Housing Finance Authority (CHFA)
- Darien Rowayton Bank
- Dime Bank
- Farmington Bank
- First Republic Bank
- Housing Development Fund Inc/MacArthur Foundation
- Ion Bank
- KeyBank
- Liberty Bank
- M&T Bank
- The Opportunity Finance Network
- People’s United Bank
- Small Business Loan Fund of the CDFI Fund
- State of Connecticut Department of Housing and Community Development
- Synchrony Bank
- TD Bank
- Connecticut Green Bank
- United Bank
- U.S. Economic Development Administration (EDA) of the U.S. Department of Commerce