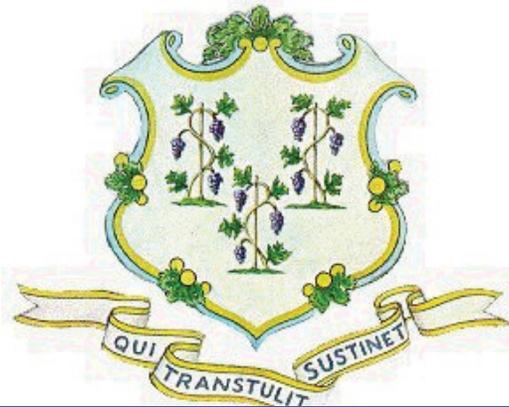




**State of Connecticut
Disaster Recovery Program**

Action Plan



Submitted to the
U.S. Department of Housing and Urban Development

by the
State of Connecticut

JUNE 7, 2013

Table of Contents

I.	Executive Summary	3
II.	Introduction.....	7
III.	Overall Storm Impact and Response	10
IV.	Proposed Use of the Funding	12
V.	Federal, State, Local, Non-profit, and Individual Sources of Funding to be Leveraged	19
VI.	CDBG-DR Program Allocations	22
VII.	Housing.....	24
	Needs Assessment: Owner-Occupied Housing (Rehabilitation & Mitigation).....	24
	Needs Assessment: Multifamily Housing.....	46
	Homelessness, Transitional and Supportive Facilities, Units and Populations.....	48
	Housing Goals	50
VIII.	Economic Revitalization.....	57
	Needs Assessment	57
	Economic Goals.....	61
	Business Assistance Programs	63
IX.	Infrastructure.....	65
	Needs Assessment	65
	Infrastructure Goals	66
	Infrastructure Program	66
	Construction / Reconstruction of Water Sewer Lines or Systems.....	67
	Construction / Reconstruction of Streets and Drainage Systems.....	67
	Rehabilitation/Reconstruction of Other Non-Residential Structures.....	67
X.	Public Facilities	68
	Needs Assessment	68

Public Facilities Goals	68
Public Facilities Programs	69
Rehabilitation / Reconstruction of Public Facilities	70
Rehabilitation / Reconstruction of Other Non-Residential Structures	71
XI. Resilience Investments	71
XII. Statewide Administration and Planning	73
Planning	73
Administration	74
XIII. Long-Term Recovery Planning	77
XIV. Other Program Criteria	79
Green Building Standards	79
Compliance and Monitoring	80
Duplication of Benefits.....	82
Program Income.....	84
Capacity Building.....	85
Minority Owned, Women Owned and Sections 3 (Disadvantaged) Business	85
Citizen Participation Plan	88
Action Plan Amendments	90
XV. Appendices	93
Appendix A: CDBG-DR Allocation Plan	
Appendix B: Intent to Enter Into Agreement with State Housing Preservation Office	
Appendix C: CDBG-DR Compliance Manual	
Appendix D: Summary of Comments and Response Comments Received	

I. Executive Summary

The State of Connecticut Action Plan for Community Development Block Grant Program Disaster Recovery (this “Action Plan”) is required to be submitted by the State of Connecticut (the “State”) to the U.S. Department of Housing and Urban Development (“HUD”) as a condition to its receipt of \$71,820,000 of federal funding under the Community Development Block Grant – Disaster Recovery (CDBG-DR) Program (the “Funding”).¹ The Funding was authorized under The Disaster Relief Appropriations Act (the “Act”), which was signed into law by President Barack Obama on January 29, 2013. The allocation of the Funding to the State is intended primarily to enable it to address immediate unmet housing and economic revitalization needs in those counties and jurisdictions that were most severely impacted by Hurricane Sandy.

The State must submit this Action Plan and obtain its approval by HUD before it can receive any portion of the Funding.

This Action Plan describes the programs and activities for which the State intends to expend the Funding in compliance with the federal requirements set forth in public notices released by HUD on March 5, 2013, in the Federal Register at Vol. 78, No. 43, Page 14329 entitled: “Allocations, Common Application, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy” and April 19, 2013 in the Federal Register at Vol. 78, No. 76, page 23578 entitled: “Clarifying Guidance, Waivers and Alternative Requirements for Hurricane Sandy Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds” (collectively, the “Federal Register Notice”).

In accordance with the Federal Register Notice, this Action Plan must also provide an assessment of the need for the Funding, the State’s public outreach and citizen participation practices. The State is obligated to ensure that the processes, procedures, and fiscal and administrative controls it will use in the course of expending the Funding are sufficient to safeguard the Funding from waste, fraud and abuse.

The Federal Register Notice also imposes strict expenditure and compliance deadlines on the State. Accordingly, HUD is allowing Grantees to request less than the full funding amount in a Partial Action Plan. The State of Connecticut, like other states to which CDBG-DR Program funds were allocated by HUD, will pursue incremental obligation of the Funding to support its Hurricane Sandy relief and restoration programs and activities to ensure compliance with HUD’s deadlines. Specifically, the State is requesting that HUD make \$15 million available immediately upon approval of this Action Plan. HUD has assured the State that as it submits additional requests for additional portions of the Funding to be released, so long as everything is in order, they will approve the request promptly and without delay.

¹ The amount of the Funding is subject to increase, reduction or other modification by Congress, including, without limitation, an act making permanent the impact of sequestration. All amounts based on the amount of the Funding set forth in the Federal Register Notice are subject to change consistent with any change in the amount of the Funding.

Although this Action Plan identifies the State’s current request for the expenditure of \$15 million, this Action Plan fully complies with the Federal Register Notice and describes the State’s intended use of all of the Funding.

Activity	Allocation	Request for Partial Allocation
Owner-Occupied Housing (Rehabilitation & Mitigation)	\$30,000,000	\$6,500,000
Multi-family Housing (Rehabilitation, New Construction & Mitigation)	\$26,000,000	\$5,000,000
Infrastructure	\$4,000,000	0
Public Facilities	\$2,200,000	0
Economic Revitalization	\$4,000,000	\$2,000,000
Administration	\$3,591,000	\$ 500,000
Planning	\$2,029,000	\$1,000,000
TOTAL	\$71,820,000	\$15,000,000

The Act provides that funding under the CDBG-DR Program must be used “for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster.”

In addition to specifying the amount of funds allocated to the State, the Federal Register Notice also sets forth, among other requirements, the areas within the State where the Funding can be expended, the programs or activities for which the Funding can be used, and the national objectives that each program or activity must meet.

The only areas in which the Funding can be expended are Fairfield County, New Haven County, Middlesex County, New London County and the Mashantucket Pequot Indian Reservation. This requirement is consistent with the damage and impact assessments that were reported by the Federal Emergency Management Agency (“FEMA”), the U.S. Small Business Administration (“SBA”), the Connecticut Department of Emergency Services and Public Protection division of Emergency Management and Homeland Security (“DESPP/DEMHS”), as well as municipalities within the impacted counties.

Within these eligible areas, the Federal Register Notice requires that 80% of the Funding must be expended in Fairfield and New Haven Counties.

Broad categories for CDBG-DR Program eligible activities include: Housing, Infrastructure, Public Facilities, Economic Revitalization, and Planning. A limited portion of the funds may be used for the cost of administering the CDBG-DR Program.

Some of the specific CDBG-DR Program eligible activities that HUD has identified include the following:

acquisition of real property; acquisition, rehabilitation and construction of public works and facilities; buyouts; code enforcement; relocation assistance; new construction, reconstruction and rehabilitation of residential and nonresidential properties; new construction, reconstruction and rehabilitation of public housing; repair or rehabilitation of infrastructure; American Disability Act improvements; rental assistance (limited); storm mitigation measures; special economic development including: grants and loans to SBA-defined small businesses, job training, and the revitalization of business districts; fair housing counseling; homeownership counseling and assistance; and assistance to Community-Based Development Organizations for neighborhood revitalization, community economic development, energy conservation projects, homeownership assistance, fair housing, planning, and administrative costs, including actions to meet the grantee's certification to affirmatively further fair housing.

With respect to CDBG-DR Program eligible activities, the State must also ensure that at least 50% of its CDBG-DR grant funds are used for activities that benefit low- and moderate-income ("LMI") persons. LMI persons are defined for the purposes of the CDBG-DR Program as persons and families whose income does not exceed 80% of the area median income ("AMI"), as determined by HUD. This 50% requirement applies to the State's expenditure of the entirety of the Funding, less administration and planning, and does not apply to each individual program or activity. For the purposes of this Action Plan, that would mean a minimum of \$28,728,000 of these funds must be obligated to the national objective of benefitting low- and moderate- income persons.

As set forth in the Federal Register Notice, the Funding cannot be used for any of the following purposes: to assist second homes (as defined in IRS Publication 936); and to assist private utility companies or organizations.

In addition, all expenditures of the Funding, other than Administration and Planning, must meet at least one of the three federally-mandated national objectives (each a "National Objective"): low- and moderate income benefit; elimination of slum and blight; and urgent need.

Any activity not listed in the Housing and Community Development Act, as modified by the Federal Register Notice, is not an activity for which any of the Funding can be used unless a specific waiver of such ineligibility has been granted by HUD and/or the federal Office of Management and Budget. HUD has granted a number of general program waivers which have provided greater flexibility to the administration of the program. One of particular note is that 42 U.S.C. 5305(a) has been waived to the extent necessary to allow: homeownership assistance for households up to 120% of AMI, down payment assistance for up to 100 % of the down payment, and new housing construction. While homeownership assistance may be provided to households up to 120% of AMI, only those funds used to

serve households with up to 80% of AMI may qualify as meeting the low- and moderate-income person benefit National Objective.²

States may request additional waivers of program requirements by providing sufficient evidence that such waiver is necessary for the effective administration of the Funding. As of the date of this Action Plan, the State has not requested any such specific waivers. The State reserves the right to pursue such waivers under all broad program categories as may be appropriate and necessary as additional information relative to “unmet need” and other parameters is obtained.

Governor Dannel P. Malloy has designated the Connecticut Department of Housing (“DOH”) the principal state agency for the allocation and administration of Funding. DOH will administer the Funding through application processes. The eligibility requirements identified by DOH include the following (though not all requirements will apply to all types of projects):

- Applicants must be “Eligible Applicants” as defined by HUD program regulations, as modified by the Federal Register Notice;
- Each proposed activity must be an “Eligible Activity” as defined by HUD program regulations, as modified by the Federal Register Notice;
- Each project must meet at least one National Objective and such National Objective(s) must be fully supported within the application;
- Consistency with the goals and strategies of the Action Plan must be demonstrated;
- Fair Housing and Equal Opportunity compliance must be evidenced by a Fair Housing Action Plan that complies with DOH’s guidelines/policies; and
- Each applicant must be in compliance with all existing assistance agreements with DECD and DOH and cannot be in default under any CHFA or HUD-administered program.

The Federal Register Notice also imposes strict expenditure and compliance deadlines on the State. Accordingly, HUD is allowing Grantees to request less than the full funding amount in a Partial Action Plan. The State of Connecticut, like other states to which CDBG-DR Program funds were allocated by HUD, will pursue incremental obligation of the Funding to support its Hurricane Sandy relief and restoration programs and activities to ensure compliance with HUD’s deadlines. Specifically, the State is requesting that HUD make \$15 million available immediately upon approval of this Action Plan. HUD has assured the State that as it submits additional requests for additional portions of the Funding to be released, so long as everything is in order, they will approve the request promptly and without delay.

DOH is committed to implementing the allocation of the Funding authorized under the Disaster Relief Appropriations Act, and further detailed in the public notices released by HUD on March 5, 2013, in the

² It should be noted that homeowners with incomes above 120% of AMI may be eligible for assistance under the “Urgent Need” national objective, and the State may consider such requests based on funding availability.

Federal Register at Vol. 78, No. 43, Page 14329 entitled: “Allocations, Common Application, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy” and April 19, 2013 in the Federal Register at Vol. 78, No. 76, page 23578 entitled: “Clarifying Guidance, Waivers and Alternative Requirements for Hurricane Sandy Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds” in an effective and efficient manner. DOH recognizes the need to return individuals and families back to their homes and get businesses back in business by addressing immediate unmet needs. DOH will also consider the long term resiliency and mitigation requirements of our communities. DOH has and will continue to work closely with its federal, state, local, and regional partners in addressing the immediate unmet needs in the affected communities, while planning responsibly for the future.

II. Introduction

On Monday, October 29, 2012 Hurricane Sandy made landfall near Atlantic City, New Jersey, as a post-tropical cyclone. The storm created a significant tidal surge from the Mid-Atlantic region to New England. After landfall, Sandy headed north by northwest bringing high winds, rain, and storm surge to coastal areas of Connecticut. The immediate effects of Sandy in the Connecticut included the deaths of six residents and widespread wind and flood damage to homes, businesses, infrastructure, and public facilities. Approximately 650,000 residents lost power and many residents did not have power for more than a week. Many dwellings were rendered uninhabitable and a large number of residents still cannot return to their homes.

In advance of Sandy’s impact, on Saturday, October 27, Governor Dannel P. Malloy had signed a declaration of emergency. The following day the Governor requested, and President Barack Obama approved, a declaration of a pre-landfall emergency in anticipation of Sandy.

In January 2013, in response to the extraordinary destruction caused by Hurricane Sandy, Congress passed, and the President signed into law, The Disaster Relief Appropriations Act, also known as Public Law 113-2 (the “Act”), which, among other things, appropriated approximately \$50 billion for recovery efforts related to Hurricane Sandy and other natural disasters specified in the Act (supplementing almost \$10 million that Congress had appropriated for the National Flood Insurance Program earlier that month). Of those funds, approximately \$16 billion was set aside for the Community Development Block Grant - Disaster Recovery Program (the “CDBG-DR Program”) to be administered by the United States Department of Housing and Urban Development (“HUD”).

On March 5, 2013, HUD released its initial CDBG-DR Program allocations and program requirements in the Federal Register at Vol. 78, No. 43, Page 14329 in a notice entitled: “Allocations, Common Application, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy” (the “Federal Register Notice”). This notice established the requirements and the processes for the allocation of \$71.82 million

in federal CDBG-DR Program funding to the State of Connecticut (the “State”) for disaster relief (the “Funding”).

HUD’s allocation of CDBG-DR Program funds was based on its estimate of critical unmet needs for repairing and rebuilding housing and infrastructure and economic revitalization in the most impacted areas, primarily using data provided by FEMA.

This Action Plan primarily focuses on the State’s proposed use of the Funding, specifically the immediate unmet needs of individuals and families for housing and business assistance affected by Hurricane Sandy as well as assisting local governments in repairing, rebuilding and making more resilient their infrastructure and public facilities and planning for rebuilding and resiliency of infrastructure and public facilities at the State and local level. The State expects to use future allocations of CDBG-DR Program funds by HUD to fund infrastructure and public facility repair and resilience efforts as well as to continue to address the unmet needs of homeowners, owners of multifamily dwellings and small businesses.

Governor Malloy has designated the Department of Housing (“DOH”) as the principal state agency for the administration of the Funding. DOH will oversee the expenditure of the Funding to assist impacted residents, organizations and municipalities with their recovery and rebuilding efforts. DOH will administer the Funding directly to benefit homeowners, property owners, business owners and other beneficiaries.

In accordance with the Federal Register Notice, the State is required to prepare and submit this Action Plan to describe the proposed use of the Funding, including:

- The proposed use of the Funding;
- The criteria for eligibility under any program or activity for which the Funding is to be used;
- How the use of the Funding will address the long-term recovery, restoration of housing, infrastructure and economic revitalization in most impacted and stressed areas;
- The process for Citizen Participation; and
- The standards for grant administration.

This Action Plan must be submitted to HUD within 90 days of the Effective Date of the Federal Register Notice (i.e. March 11, 2013). The State must obtain HUD’s approval of the Action Plan before the State can access the Funding.

Pursuant to Section 4-28b of the Connecticut General Statutes, DOH was also obligated to prepare and submit for review and approval an Allocation Plan to the joint standing committees of cognizance for any federal block grant funds to be received by the State. The Allocation Plan prepared pursuant to this obligation (the “Allocation Plan”) was submitted to the Legislature on April 19, 2013. A joint public hearing consisting of the Appropriations, Commerce, Housing and Public Health committees of the Legislature was held on May 7, 2013, at which time these committees heard and accepted public

testimony on the Allocation Plan. The Allocation Plan was unanimously approved by all four committees immediately following the public hearing. The Allocation Plan is appended to this Action Plan as Appendix A.

The programs and activities set forth in this Action Plan and the policies, processes, and procedures in accordance with which DOH will administer the Funding will comply with all applicable federal requirements, including all requirements specifically set forth in the Federal Register Notice. Without limitation, these requirements include the requirement that at least 80% of the Funding must be expended in the most affected areas – New Haven and Fairfield Counties; that 50% must be expended to benefit low- and moderate-income (“LMI”) persons, and that all of the Funding must be used for eligible activities that achieve at least one of the three federally-mandated national objectives (each a “National Objective”): low- and moderate income benefit; elimination of slum and blight; and urgent need.

As set forth in the Federal Register Notice, the Funding cannot be used for any of the following purposes: to assist second homes (as defined in IRS Publication 936); and to assist private utility companies or organizations.

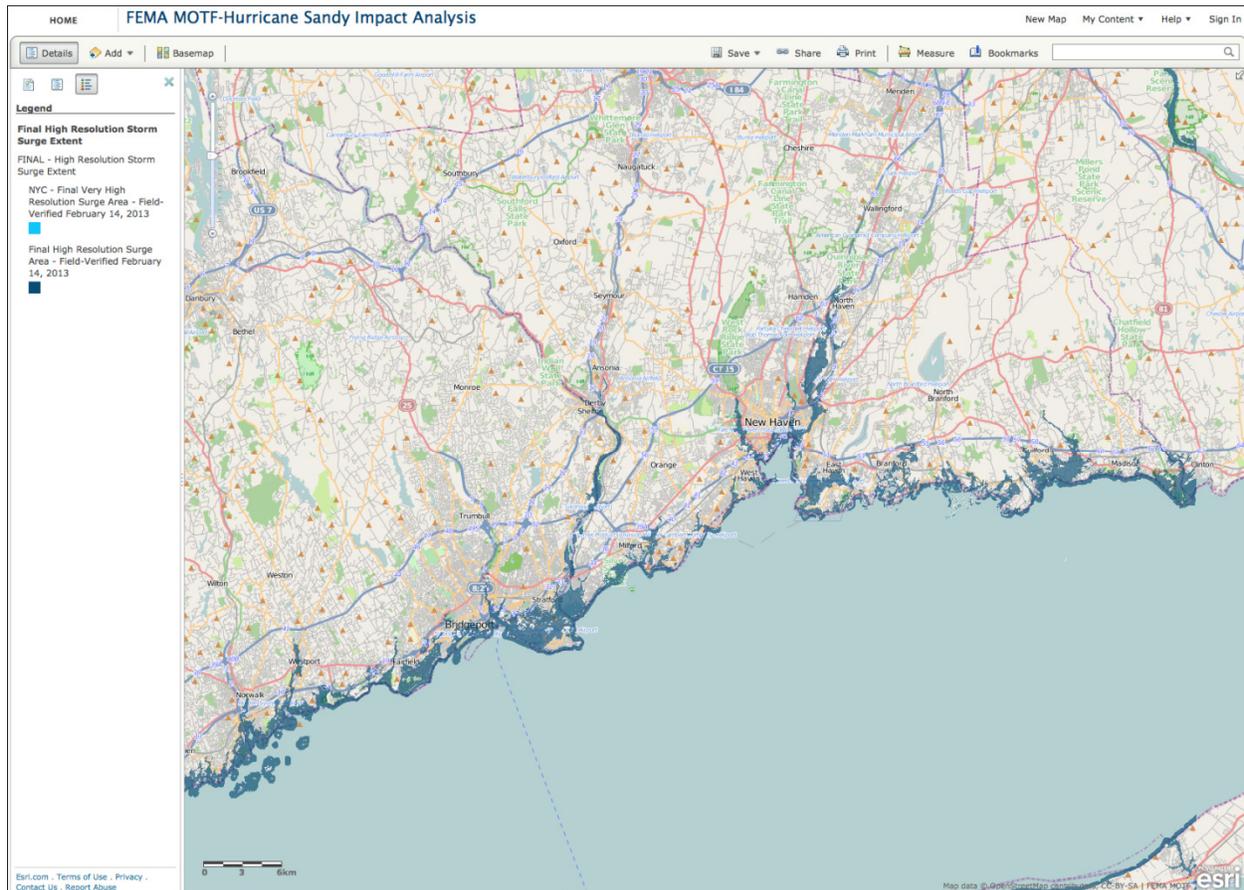
Any activity not listed in the Housing and Community Development Act, as modified by the Federal Register Notice, is not an activity for which any of the Funding can be used unless a specific waiver of such ineligibility has been granted by HUD and/or the federal Office of Management and Budget. HUD has granted a number of general program waivers which have provided greater flexibility to the administration of the program. One of particular note is that 42 U.S.C. 5305(a) has been waived to the extent necessary to allow: homeownership assistance for households up to 120% of AMI, down payment assistance for up to 100 % of the down payment, and new housing construction. While homeownership assistance may be provided to households up to 120% of AMI, only those funds used to serve households with up to 80% of AMI may qualify as meeting the low- and moderate-income person benefit National Objective.

The Federal Register Notice also imposes strict expenditure and compliance deadlines on the State. Accordingly, HUD is allowing Grantees to request less than the full funding amount in a Partial Action Plan. The State, like other states to which CDBG-DR Program funds were allocated by HUD, will pursue incremental obligation of the Funding to support its Hurricane Sandy relief and restoration programs and activities to ensure compliance with HUD’s deadlines. Specifically, the State is requesting that HUD make \$15 million available immediately upon approval of this Action Plan. HUD has assured the State that as it submits additional requests for additional portions of the Funding to be released, so long as everything is in order, they will approve the request promptly and without delay.

This Action Plan was developed after extensive public outreach, data collection, consultation and input from a host of stakeholders, constituents, organizations and other state agencies, as described in more detail in this Action Plan. As specific program details, application policies and procedures are developed, it is anticipated that additional public input will be sought prior to implementation.

III. Overall Storm Impact and Response

As previously discussed, Hurricane Sandy resulted in extraordinary destruction all along the Connecticut coastline, both as a result of high winds, storm surge in excess of 11 feet in some locations due to the astronomical high tide, as well as 6 to 10 foot waves on top of the surge. The illustration below provides a depiction of the overall inundation suffered as a result of this storm surge.



According to the United States Army Corp of Engineers, water levels at the Stamford Hurricane Barrier exceeded all recorded storms, which date back to 1893. Preliminary data indicates Hurricane Sandy resulted in flooding close to, or at, the one hundred year storm level from East Haven to Greenwich. A review of state records indicates that in a significant portion of the State's coastal area, Hurricane Sandy exceeded the 1938 Hurricane, becoming the most severe storm in Connecticut history.

Connecticut sustained severe coastal flooding and damaging winds. Along the coast, tropical storm force winds combined with high tides and a full moon, resulting in tidal stacking and significant wave heights. Entire neighborhoods became inundated with storm waters. Residents who did not heed evacuation orders were trapped in their homes and had to be evacuated. Local fire departments performed a total of 144 rescues, while the Connecticut National Guard supported 73 missions, including 6 life-saving rescue efforts.

There were six fatalities in Connecticut as a result of the storm, including an Easton Fire Lieutenant, killed by a falling tree at the height of the storm while performing response operations.

Telecommunications across the State were crippled by the storm. Cellular transmission sites were disabled or damaged and communications and cable companies brought in hundreds of generators in order to address critical issues such as the loss of 911 dispatch networks.

Flooding and power outages caused raw sewage discharges at treatment plants and pumping stations in seven cities, contaminating flood waters. Bridgeport officials said 15 to 20 million gallons of partially treated sewage from two plants were discharged into the Long Island Sound.

Many essential services were affected by this storm. Airports were either closed entirely or were reduced to limited service. The MetroNorth New Haven Line, Amtrak Intercity and Shore Line East commuter rails were all shut down. On October 31, when New York Harbor was closed to all shipping traffic, fuel barges could not supply fuel terminals in New Haven and Bridgeport. Fuel supply was also impeded as hundreds of gas stations were closed due to the power outages. The State's Department of Consumer Protection reported that at the peak of Hurricane Sandy's impact on the fuel distribution system, 866 out of 1,493 gas stations (i.e. over 50%) were without power and residents were unable to obtain gas, or waited in long lines at the few open stations. Residents not only from Connecticut but from heavily affected communities in bordering New York State, such as Port Chester, Rye and White Plains, came to Connecticut in search of fuel, placing a heavy demand on an already low fuel supply.

However, as a result of Governor Malloy's issuance of a Declaration of Civil Preparedness prior to the landfall of Hurricane Sandy, a series of Executive Orders designed to address specific activities, issues, statutory requirements, and waivers, all intended to safeguard the lives of our citizens and prepare for the aftermath of the storm, were in place and enabled the State to respond quickly and effectively to Hurricane Sandy.

As part of the Hurricane Sandy response and recovery work, a State-led Housing Task Force was formed as a subgroup of the State's Long Term Recovery Working Group (the "LTRWG"), itself formed in the wake of Tropical Storm Irene in 2011. The State-led Housing Task Force is currently co-chaired by staff from the Department of Economic and Community Development ("DECD") and the Department of Social Services ("DSS"). The State-led Housing Task Force facilitated cooperation and coordination among federal, State and local governmental offices, non-profit relief and recovery providers and advocates of vulnerable communities; documented unmet housing needs, and has now undertaken the preparation of a Hurricane Sandy Disaster Plan as well as a steady-state disaster plan to promote preparedness for the impact of any future disaster on the housing needs of Connecticut's communities and residents.

Governor Malloy appointed DESPP/DEMHS Deputy Commissioner William Shea as the State Disaster Recovery Coordinator, with the two co-leaders of the LTRWG as his designated coordinators. Together they have worked closely with the FEMA Federal Disaster Recovery Coordinator on a variety of recovery functions, including identifying unmet needs, building community capacity, natural and cultural resources, and housing. At the direction of the Governor's Office, Deputy Commissioner Shea has also convened an Interagency Recovery Coordination Group to coordinate recovery efforts, manage

outreach, and bring additional agencies together to support recovery. This interagency initiative includes: DESPP/DEMHS, DOH, DECD, the Department of Insurance (“DOI”), DSS, the Department of Education (“DOE”), the Department of Transportation (“DOT”), the Department of Mental Health and Addiction Services (“DMHAS”), the Department of Public Health (“DPH”), the Department of Energy and Environmental Protection (“DEEP”), the Department of Labor (“DOL”), the Office of Policy and Management (“OPM”), the Governor’s Office, the American Red Cross, and United Way 2-1-1.

This Interagency Recovery Coordination Group continues to coordinate the State’s efforts to take full advantage of all available opportunities for federal funding to maximize assistance to the State, its municipalities, residents and various other stakeholders statewide for disaster relief and recovery. The planning work to be undertaken with the Funding and the coordination within the Interagency Recovery Coordination Group will ensure that as many needs as possible are met, and that they are met using the appropriate source(s) of federal funding.

IV. Proposed Use of the Funding

A summary of the unmet needs and proposed allocations by activity category is set forth in the table below.

<u>Activity</u>	<u>Unmet Need in All Eligible Areas</u>	<u>Proposed Allocation</u>
Owner-Occupied Housing (Rehabilitation & Mitigation)	\$57,137,184	\$30,000,000
Multi-family Housing (Rehabilitation, New Construction & Mitigation)	\$147,907,500	\$26,000,000
Infrastructure	\$21,407,853	\$4,000,000
Public Facilities	\$34,527,307	\$2,200,000
Economic Revitalization	\$11,105,000	\$4,000,000
Administration	NA	\$3,591,000
Planning	NA	\$2,029,000
TOTAL	\$272,084,844	\$71,820,000

All of the programs to be administered in the activity categories identified in the table above, with the exception of Administration and Planning, will achieve one or more of the National Objectives and will be undertaken only in the presidentially-declared disaster areas (i.e. Fairfield, New Haven, New London

and Middlesex counties and the Mashantucket-Pequot tribal area). Also, as specific program details, application policies and procedures are developed, it is anticipated that additional public input will be sought prior to implementation.

Owner-Occupied Housing (Rehabilitation & Mitigation):

Allocation \$30,000,000

As most of the damage caused by Hurricane Sandy was to residential structures, getting individuals and families back in their homes is a top priority for the State.

Data from FEMA, SBA, DOI, and the surveys submitted to the State by municipalities and public housing authorities indicate that approximately 38,200 homes were damaged by Hurricane Sandy in the Fairfield, New Haven, Middlesex and New London Counties. The total value of losses exceeded \$288 million. After calculating insured losses, FEMA and SBA financial assistance and other benefits, the remaining unmet need is estimated to be between \$47 and \$57 million representing approximately 7,400 units. This range of estimated unmet housing needs anticipates that as the recovery process proceeds, additional unmet needs may present themselves, including, for example, damages not previously known or estimated, increased mitigation needs, and the consideration of code compliance.

The number of homeowners whose unmet needs can be met through this allocation depends on the actual rehabilitation costs, the availability of federal mitigation funds to be used as leverage, and the ultimate number of homeowners who will be determined to be eligible for assistance with the Funding. In any event, DOH will continue to work closely with our municipal partners to prioritize assistance to LMI persons who have been most impacted. Of the 7,400 units currently estimated to have unmet housing needs, approximately 1,900 are estimated to be ineligible for the Funding. The expected breakdown of remaining 5,500 homes with unmet needs is provided in the table below.

Type of Assistance	Unmet Need Units	Per Unit Average Estimated Cost	Total Estimated Cost
Rehab Assistance Only – Insured	3,700	\$5,000	\$18,500,000
Rehab Assistance Only - Uninsured	1,300	\$25,000	\$32,500,000
Mitigation Assistance – FEMA Leveraged	200	\$10,250	\$2,050,000
Mitigation Assistance – Not FEMA Leveraged	100	\$41,000	4,100,000
TOTAL UNMET NEED	5,500	\$10,391	\$57,150,000

Multi-family Housing (Rehabilitation, New Construction & Mitigation):

Allocation: \$26,000,000

Approximately 1,298 multifamily LMI units were directly affected by Hurricane Sandy. Of these 1,298 units, 483 units are not in a flood plain and only require rehabilitation at an estimated aggregate cost of \$1.63 million (all of which is an unmet need).

The remaining 815 units are in the flood plain and require either rehabilitation and mitigation or demolition and new construction at one or more other sites, at an estimated aggregate cost of \$240 million, and an unmet need of \$148 million.

Based on recent DECD experience, the Funding can be used to leverage other funding for affordable multifamily housing (e.g., 4% and 9% low-income housing tax credits, tax exempt bond financing, private financing, state and federal historic tax credits and other local and federal funding) at a rate of five times (5x), (i.e. every CDBG-DR dollar yields approximately \$4 from another source) so the recommended allocation combined with leverage (i.e. \$130 million) should address approximately 87% of the unmet need (\$148 million). The State expects minimal leverage will be available for the 483 units requiring only rehabilitation and significant leverage will be available for the remaining 815 units.

The unmet need estimate in this housing sector does not include construction of over 100 units of new affordable multifamily units that is needed in the CDBG-DR Program eligible areas. The need for additional affordable units is evidenced by the rent spike highlighted in the Needs Assessment sections below. New affordable units, including net new units affordable to households at low and very low-income levels is critical to minimize the impact of Hurricane Sandy on individuals and families that are homeless or at risk of becoming homeless and a key component to the long term recovery of the State. As indicated in the Federal Register Notice, new construction of affordable units is an eligible activity with the Funding.

The Funding will be used to provide financial assistance for the rehabilitation of units outside the flood plain; feasibility determinations for the rehabilitation and construction of multifamily units within the flood plain to identify the scope of any necessary mitigation activities associated with rehabilitation; and environmental, architectural and engineering activities for eligible projects.

Infrastructure:

Allocation \$4,000,000

In response to the State's request for information regarding unmet infrastructure needs, local governments identified at least thirty-four infrastructure projects with unmet needs totaling approximately \$21.4 million.

There are a number of infrastructure projects that have the potential to affect the health, safety and welfare of the local community and are therefore urgent priorities. The allocation of \$4 million of the Funding for infrastructure projects will focus on unmet needs that are urgent in nature and can be

immediately addressed, including water and sewer repairs (\$1 million); municipal-owned utility repairs (\$1.1 million); and critical road repairs (\$1 million). The balance of the allocation (\$900,000) will be used to initiate architectural, environmental and other preconstruction activities for infrastructure projects to be undertaken with future allocations of funds.

Public Facilities:

Allocation: \$2,200,000

In response to the State’s request for unmet needs data, local governments identified at least eighty-eight projects with unmet needs totaling approximately \$34.5 million.

Based on a preliminary review of the public building repair projects identified by local governments, many are ready to be undertaken immediately at a total cost of approximately \$1.5 million.

Additional funds (\$700,000) will be used to initiate architectural, engineering, environmental and other preconstruction activities for the public facility projects to be undertaken with future allocations of funds.

Economic Revitalization:

Allocation \$4,000,000

In response to the State’s request for unmet needs data, local governments identified at least twelve structural repair projects for businesses totaling \$5.3 million and an additional \$5 million of repair or replacement of equipment. In total, the unmet need for economic revitalization identified by local governments is currently estimated at \$10.3 million.

The following is a summary of the unmet needs related to structural damage reported by eligible jurisdiction and North American Industry Classification System (NAICS) classification (the NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy):

Jurisdiction	Municipality	#	Amount	NAICS Classification	NAICS #
Fairfield County	Fairfield	1	\$ 1,300,000	Other Amusement & Recreational Activities	713990
Fairfield County	Fairfield	1	\$ 900,000	Child Daycare Services	624410
Fairfield County	Fairfield	2	\$ 900,000	Hotels (Except Casino Hotels)	721110

Mashantucket Pequot Reservation		1	\$ 10,888	Hotels (Except Casino Hotels)	721110
Mashantucket Pequot Reservation		1	\$ 92,000	Casino Hotels	721120
Fairfield County	Fairfield	2	\$ 900,000	Limited Service Restaurant	236220
Fairfield County	Fairfield	1	\$ 450,000	Beer, Wine & Liquor Stores	445310
Fairfield County	Stamford	1	\$ 75,000	New Car Dealers	441110
Fairfield County	Stamford	1	\$ 25,000	Beauty Salon	812112
Fairfield County	Stamford	1	\$ 75,000	Marina	713930
New Haven County	Milford	1	\$ 100,000	Marina	713930
Fairfield County	Stratford	3	\$ 100,000	Restaurant	236220
Fairfield County	Stratford	1	\$ 80,000	Plumbing, Heating, and Air Conditioning Contractors	238220
New Haven County	Milford	1	\$ 50,000	Sports & Recreation	611620
SUBTOTAL		18	\$ 5,057,888	(Classified Only)	
UNCLASSIFIED					
Jurisdiction	Municipality	Number	Amount		
New Haven County	Waterbury	--	\$ 160,000		
Fairfield County	Danbury	--	\$ 35,000		
SUBTOTAL		--	\$ 195,000	(UNCLASSIFIED ONLY)	
TOTAL		18	\$ 5,252,888		

A wide range of businesses were impacted with the greatest concentration of monetary damages in Other Amusement and Recreational Facilities (\$1.3 million); Hotels of various types (\$1 million) and Restaurants of various types (\$1 million).

Many of the impacted businesses were either on or close to the shoreline, including a high percentage in the 100-year flood plain. The unmet needs reflected in the table above do not reflect potential mitigation or resiliency costs. Data regarding such costs will be gathered through the application and project cost estimating process.

The following table is a summary of the equipment damage unmet needs reported by jurisdiction and NAICS classification:

Jurisdiction	Municipality	#	Amount	NAICS Classification	NAICS #
Fairfield County	Fairfield	1	\$ 125,000	Hotels (Except Casino Hotels)	721110
Fairfield County	Fairfield	2	\$ 250,000	Limited Service Restaurant	236220
Fairfield County	Fairfield	1	\$ 125,000	Beer, Wine & Liquor Stores	445310
Fairfield County	Stratford	1	\$ 400,000	Plumbing, Heating, and Air-Conditioning Contractors	238220
Fairfield County	Stratford	2	\$ 60,000	Restaurant	236220
SUBTOTAL		7	\$ 960,000	(Classified Only)	
UNCLASSIFIED					
Jurisdiction	Municipality	#	Amount		
New Haven County	New Haven	--	\$ 4,000,000		
Fairfield County	Danbury	--	\$ 45,000		
SUBTOTAL		--	\$ 4,045,000	(UNCLASSIFIED ONLY)	
TOTAL		7	\$ 5,005,000		

A range of businesses were impacted, with the greatest concentration of costs in Plumbing, Heating, and Air-Conditioning Contractors (\$400,000); and Restaurants of various types (\$310,000).

The State will use CDBG-DR funds to further leverage two existing state funded programs, the Small Business Express Program and the Minority Business Assistance Program. The Small Business Express Program provides grants and/or loans to small businesses based on need, financial health, and job

creation or retention using an underwriting process. Grants under the Small Business Express Program require a 50% match by the applicant. CDBG-DR funds will be obligated to provide this match under guidelines to be established consistent with the federal requirements for economic revitalization under CDBG-DR, including the requirements associated with duplication of benefits.

The Minority Business Assistance Program provides minority, women owned and disadvantaged (Section 3) businesses with assistance in obtaining bonding and provides up to 120 day accounts receivable loans for construction contractors.

CDBG-DR funds will be used to provide business training and education through a certification process. Once certified, an eligible business will have access to a loan guarantee pool in order to assist it in obtaining bonding necessary for meaningful participation in the bid work anticipated to be available as a result of the recovery and rebuilding efforts associated with Hurricane Sandy. These two programs will provide leverage to enhance the ability of the State to both meet the unmet needs of affected businesses and to increase the pool of minority, women owned and disadvantaged businesses able to undertake the wide variety of construction projects CDBG-DR will entail.

The State estimates the proposed \$4 million allocation will leverage an additional \$4 million in grants, and allow for up to 50 minority-owned, women-owned and disadvantaged businesses to meaningfully participate in the wide variety of construction projects in the affected jurisdictions.

Mitigation

Although the State recognizes that long term hardening and mitigation of infrastructure and public facilities in the affected jurisdictions is critical, it will focus its mitigation activities on those tied to other eligible activities and allocations as noted above. Specifically, mitigation associated with unmet homeowner rehabilitation and unmet multifamily rehabilitation is included in the estimates in those program activities above. It is anticipated that future allocations of funds will be targeted to “mitigation only” activities.

As indicated in the next section, the State intends to utilize Planning funds to set the stage for mitigation and resiliency activities in the next allocation of CDBG-DR funds (see Planning for details).

Planning: Allocation: \$2,029,000

The State recognizes that future storms may severely damage homes, businesses, infrastructure and public facilities in municipalities throughout Connecticut. It is essential that our infrastructure and public facilities be hardened in anticipation of these events. A portion of these Planning funds (\$1,800,000) will be used to assist the State, regional planning agencies, and/or local governments to plan resiliency and mitigation investments that are anticipated to be addressed with future allocations of funds. For example, the State may undertake a coordinated effort to promote consistency in resiliency and mitigation planning across State agencies and local governments, training and capacity building initiatives to promote preparedness, hazard mitigation, and future disaster resilience at the

local, regional and state level, and specific studies to coordinated, cost effective long-term resiliency and mitigation investments.

In addition, a significant and necessary investment has been made in preparation for the receipt and distribution of the Funding. Accordingly, the State will utilize a portion of these Planning funds to offset the costs incurred to develop the proposed programs and activities through which the Funding will be administered. The State may expend approximately \$229,000 for such costs.

Administration: Allocation: \$3,591,000

The potential for fraud, waste and abuse is significant with this and any federal program. The federal government has seen this all too clearly as a result of other disasters in other parts of the country over the last 5 to 7 years. As a result, the financial and programmatic requirements for the use, distribution, and monitoring of these funds are stringent. Further, there are long term compliance and monitoring requirements associated with the Funding that are likely to require oversight by the State for the next fifteen years. In order to effectively administer the Funding, consistent with these federal requirements, and to ensure that the necessary safe guards are provided, and monitoring processes and procedures are established and followed, the State intends to utilize the full allotment of administrative funds allowed under the Federal Register Notice.

V. Federal, State, Local, Non-profit, and Individual Sources of Funding to be Leveraged

The State has identified the following preliminary list of sources of leverage for the Funding:³

Multifamily Housing		
Program	Explanation	Amount
LIHTC – 4%	Non-competitive open application period with award based on viability of the project	Unlimited
LIHTC – 9%	Competitive allocation of credits; preference points will be awarded to up to two CDBG-DR eligible projects	\$2,000,000 of 9% tax credits
CHFA – Tax Exempt Bond Financing	May be available in conjunction with 4% or 9% tax credit financing	TBD
FEMA	Hazard Mitigation Grant Program	TBD

³ Includes the following State entities, without limitation: DOH, DEMHS, DECD, DOI, DSS, DOE, DOT, DMHAS, DPH, DEEP, DOL, and OPM.

DOH – Affordable (Flexible) Housing Program	State general obligation bond financing for grants and/or loans based on project underwriting	TBD
Single Family Housing		
FEMA	Individual Assistance Program	TBD
FEMA	Hazard Mitigation Grant Program	TBD
North Walker Housing (Fairfield)	To assist up to 150 low and moderate income Norwalk residents with housing rehabilitations, appliance replacement and temporary rental assistance	\$250,000
Operation Hope < http://www.operationhopect.org > (Fairfield):	To help individuals with a demonstrated financial need to be able to return to their homes by providing \$500 to \$5,000 in emergency assistance per household. To replenish funds for the food pantry and community kitchen and provide case management support.	\$140,000
Person-to-Person < http://www.p2pHelps.org > (Fairfield):	To provide financial assistance to at least 60 vulnerable households in Fairfield County, with an emphasis on the housing community of Washington Village.	\$150,000
City of Milford Long Term Recovery Task Force< http://unitedwayofmilford.org/ > (New Haven):	This grant will provide assistance to displaced homeowners in the community of Milford who are struggling with the cost of paying the mortgage, taxes, utilities and insurance on unserviceable homes while paying the rent on temporary housing. Approximately \$16,000 per month will be disbursed on a case-by-case basis by the City of Milford and the Department of Human Services and Family Resource Center to assist with what has become a long-term financial crisis for many families.	\$125,000
Robin Hood Foundation: http://www.robinhood.org/sandygrants . (As of April 2, 2013)	Grant funding	TBD
CT Nongovernmental Organizations Long Term Recovery—CT Rises	Grant funding and in-kind contributions	TBD

Infrastructure		
Program	Explanation	Amount
FEMA	Public Assistance Program	
Contributions by Local Governments	LGs will incur local project delivery costs which will not be reimbursed with any portion of the Funding.	TBD
Public Facilities		
Program	Explanation	Amount
Local Government Contributions	LGs will incur local project delivery costs which will not be reimbursed with any portion of the Funding	TBD
Commercial Revitalization		
Program	Explanation	Amount
Minority Business Enterprise Assistance Program (State)	Bonding TA and loan guarantees to assist WBE/MBE and Section 3 SBA defined small businesses	Up to \$2,000,000
Small Business Express Program (State)	Plant, Equipment and Working Capital loans and/or grants for SBA defined small businesses The Funding will be used as match for grant portion of the program in eligible jurisdictions	\$4,000,000
National Emergency Grant (NEG) from Department of Labor	To create temporary jobs to assist with cleanup and recovery efforts in Connecticut. CT Department of Labor is working with US Department of Labor to identify the best usage for this money.	\$1,800,000
Mitigation		
Program	Explanation	Amount
FEMA	Public Assistance Program	TBD
FEMA	Individual Assistance Program	TBD
FEMA	Hazard Mitigation Grant Program	TBD

In all, the State has identified at least twenty (20) forms of leverage to increase the impact of the Funding. Of the potential sources of leverage, the Multi-family Housing (Rehabilitation, New Construction & Mitigation) program will have the highest leverage. Leverage in the owner occupied rehabilitation program will vary greatly by the applicant and will be dependent on a number of factors which cannot reasonably be quantified at this time, such as the availability of private insurance and National Flood Insurance Program paid claims payments, and foundation and/or other philanthropic awards. Mitigation leverage will be heavily dependent on the ability of the State to identify all applicable properties prior to the required FEMA deadlines for property registration. Infrastructure, Public Facilities and Resiliency measures are expected to have lower leverage ratios.

VI. CDBG-DR Program Allocations

CDBG-DR Program Allocations	
Activity	Allocation
Owner-Occupied Housing (Rehabilitation & Mitigation)	\$30,000,000
Multi-family Housing (Rehabilitation, New Construction & Mitigation)	\$26,000,000
Infrastructure	\$4,000,000
Public Facilities	\$2,200,000
Economic Revitalization	\$4,000,000
Administration	\$3,591,000
Planning	\$2,029,000
TOTAL	\$71,820,000

Consistent with the Federal Register Notice, the primary purpose of the Funding is to address the immediate unmet housing and economic revitalization needs of our most impacted counties. The State's allocation of the Funding by activity (as set forth in the table above) is guided by several critical federal requirements set forth in the Federal Register Notice.

First, the Federal Register Notice requires that not less than 80% of the Funding must be used to provide assistance in Fairfield and New Haven Counties. HUD has explained that this requirement was largely based on where registrants who sought assistance from FEMA and SBA were geographically concentrated. The remaining funds can be expended in Middlesex County, New London County and the Mashantucket Pequot Indian Reservation.

Second, all activities, with the exception of Administration and Planning, must meet at least one of the National Objectives.

Third, at least 50% of the Funding (together with all related future allocations of CDBG-DR Program funds) must meet the Low/Moderate Income Benefit National Objective. As a result, the State must be able to demonstrate that the Funding is being expended to assist LMI persons.

Fourth, while homeownership assistance may be provided to households up to 120% of AMI, however, only those funds used to serve households with up to 80% of AMI may qualify as meeting the low- and moderate-income person benefit national objective.

Finally, the Funding cannot be used to assist second homes (as defined in IRS Publication 936) or private utilities.

The State's first priority with the Funding is to get funding to as many affected residents as possible in order to assist them in repairing their homes and small businesses so they can get their lives back in order and get our local economy back in business. With this priority in mind, the State developed additional factors to determine allocations of the Funding down to the level of specificity required by HUD.

The following factors will determine the allocation of the Funding within the Activities:

- The State's estimate of the unmet needs in the activity areas for which the Funding can be used. The State's estimates are based on its review of Census data, data from FEMA, SBA, and DOI, and the results of the surveys designed by the State and submitted to the State by municipalities, public housing authorities and other local stakeholders in the eligible areas. Additional information regarding the State's estimate of unmet needs is provided in greater detail in the Appendices. This estimate is necessarily preliminary. The State recognizes that the true needs of the State's communities in the aftermath of Hurricane Sandy will change as recovery and rebuilding programs are implemented. We continue to receive and evaluate new or revised data pertaining to unmet needs and the availability of funding from private insurance, FEMA, SBA and other sources. The State's estimate of the both the number of homes and businesses affected by Hurricane Sandy as well as the magnitude of unmet needs will continue to be refined. The focus of this Action Plan is on single family and multifamily homes, small businesses, planning, and funding urgent public facilities and infrastructure needs. Since much of the necessary data is still being gathered and analyzed by the State, regional planning organizations and our local governments, and since future allocations of CDBG-DR Program funding is anticipated to focus on unmet infrastructure and public facilities needs, a description of the allocation of such future funds will be set forth in the future plan required in connection with such funds.
- The prioritization of (a) housing and economic development activities and other activities that directly addresses an urgent unmet need and can be commenced with minimal delay and thereafter completed promptly, (b) housing and economic development activities and other planning activities that affect racial, ethnic and low-income concentrations to promote availability of affordable housing in low-poverty, non-minority areas, and (c) in the case of more complicated projects, necessary planning and predevelopment work that will facilitate the

speedy commencement and completion of such projects when additional funds are allocated to the State.

- The availability of sufficient funds to efficiently and effectively administer the Funding in compliance with all applicable law.

VII. Housing

Needs Assessment: Owner-Occupied Housing (Rehabilitation & Mitigation)

The highest unmet need in the area of Owner Occupied Housing (Rehabilitation and Mitigation) is rehabilitation resulting from wind and associated damage, followed by damage from flooding. The table below provides a breakdown by county of FEMA's Unpaid Losses and Open Claims.

Owner Occupied Properties: Unpaid Losses & Open Claims					
Activity	Total Unmet Need	Fairfield Co	New Haven Co	New London Co	Middlesex Co
FEMA Unpaid Losses & Open Claims	\$47,614,320	\$32,774,493	\$5,155,271	\$8,131,588	\$1,552,968
Adjustment for Undercount @ 20%	\$9,552,864	\$6,554,898	\$1,031,054	\$1,626,317	\$310,594
Total Estimated Need	\$57,137,184	\$39,329,391	\$6,186,325	\$9,757,906	\$1,863,561
Requiring Rehabilitation	\$40,277,564	\$32,909,227	\$4,101,499	\$1,726,154	\$1,540,684
Requiring Flood Mitigation	\$16,859,620	\$6,420,165	\$2,084,827	\$8,031,752	\$322,877

In an effort to collect consistent data on unmet needs, the State also prepared a survey and circulated it to the Chief Elected Officials, Service Chiefs, and Emergency Management Directors of the municipalities affected by Hurricane Sandy. All responses to the unmet needs recommendations request and survey forms were required to be submitted by close of business on March 26, 2013.

DESPP/DEMHS, DECD and DOH then jointly conducted five informational meetings to provide an overview of the Sandy disaster relief funding process, answer questions and to solicit additional input into the development of this Action Plan. The five meetings were held as follows: March 13, 2013 in Milford, March 14, 2013 in Meriden, March 15, 2013 in Middletown, March 18, 2013 in Westport, and March 18, 2013 in Norwich. The meeting locations were in each of the four eligible counties as identified by HUD. The meeting held in Meriden was specifically to obtain input from and respond to questions from public housing authorities in the eligible areas.

Forty-two unmet needs submissions were received by the deadline from eligible municipalities and public housing authorities and additional submissions and supplementary information has continued to be submitted and reviewed. In total, over 190 specific projects with unmet needs in the areas of housing, infrastructure, public facilities, commercial revitalization, and mitigation have been identified by these and other sources and informs the specific funding activity allocations presented in this Action Plan. Input for the development of this Action Plan was also provided by HUD's Hartford Field Office, FEMA, the LTRWG and its State-led Housing Task Force, the State Office of Housing Preservation, DOT, DECD, OPM, DESPP/DEMHS regional staff, and the American Red Cross and other charitable organizations. The information provided by the municipalities collectively did not contradict the FEMA estimated owner occupied rehabilitation needs. Technical corrections were made based on this information.

The experience following Gulf Coast storms suggests the level of owner occupied housing rehabilitation need:

1. Increases in cost as supplemental damage is incurred post storm;
2. Increases in cost as local and state building codes are reset (i.e. new elevation requirements within the flood plain);
3. Is undercounted initially due to evacuation, program misunderstanding by potential applicants, undocumented families' reluctance to request benefits; and voluntary household relocation.

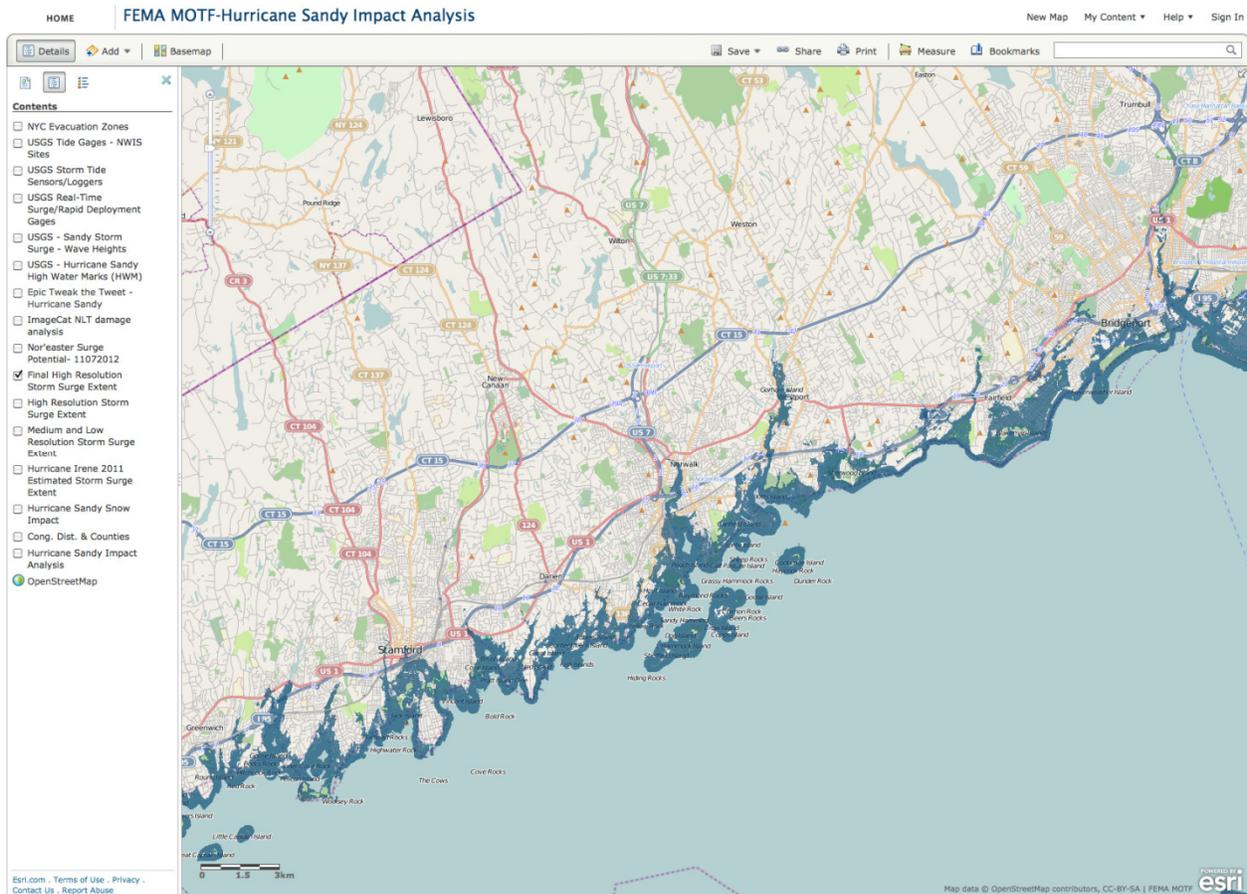
In addition, the State requires that any housing subsidized with federal dollars meet the applicable State or local code. The base unmet need as identified by FEMA and the municipalities was increased by 20% to account for the factors noted.

Fairfield County

Fairfield County's damage is largely concentrated in the central, bay-side communities along the Long Island Sound. Norwalk, Westport, Fairfield, Bridgeport, and Stratford account for 81% of Fairfield County's total damaged homes and half of the State's damaged homes. The westerly-most bayside towns of Greenwich, Stamford, and Darien have the second largest volume of damaged homes in Fairfield County, which account for fourteen percent (14%) of Fairfield County's total damage. Concentration of damage in these communities is quite dispersed; only Greenwich has a sizeable share

of its damaged homes in neighborhoods with heavy or strong concentrations of damage in a small geographic area.⁴

The total estimated unmet need for owner-occupied rehabilitation in all municipalities within Fairfield County is \$39.3 million.



Fairfield County as a whole has a poverty rate of 9.4%, below the State's overall poverty rate of 10.4%.⁵ There are forty-five (45) census tracts within the County that are designated low income.⁶

The affected areas within Fairfield County are experiencing a general depreciation in the value of homes and a simultaneous increase in rents. The charts below illustrate the overall condition of the home value market and rental market.

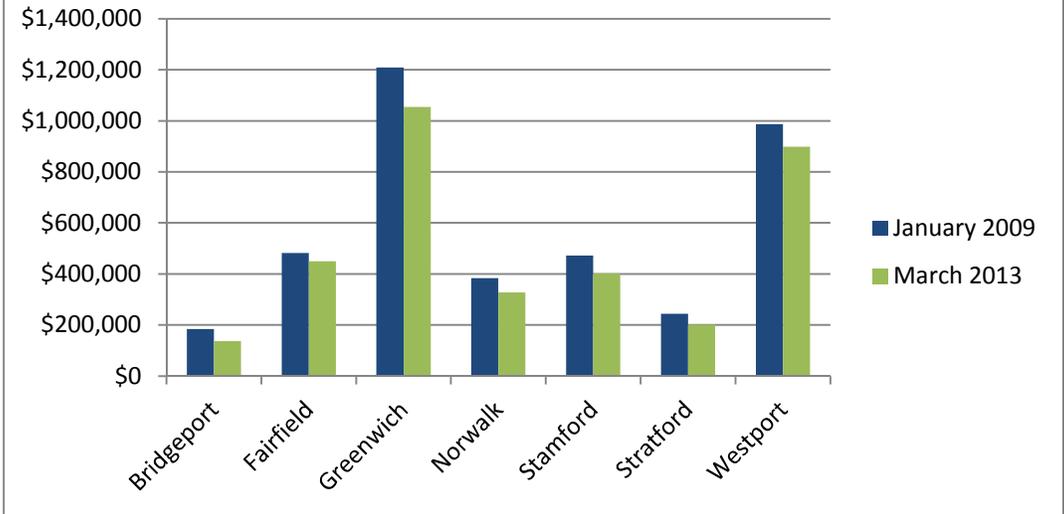
Specific demographic data has been assembled for each of the high impact communities that had over seventy-five homes damaged by Hurricane Sandy. The remaining communities are summarized.

⁴ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

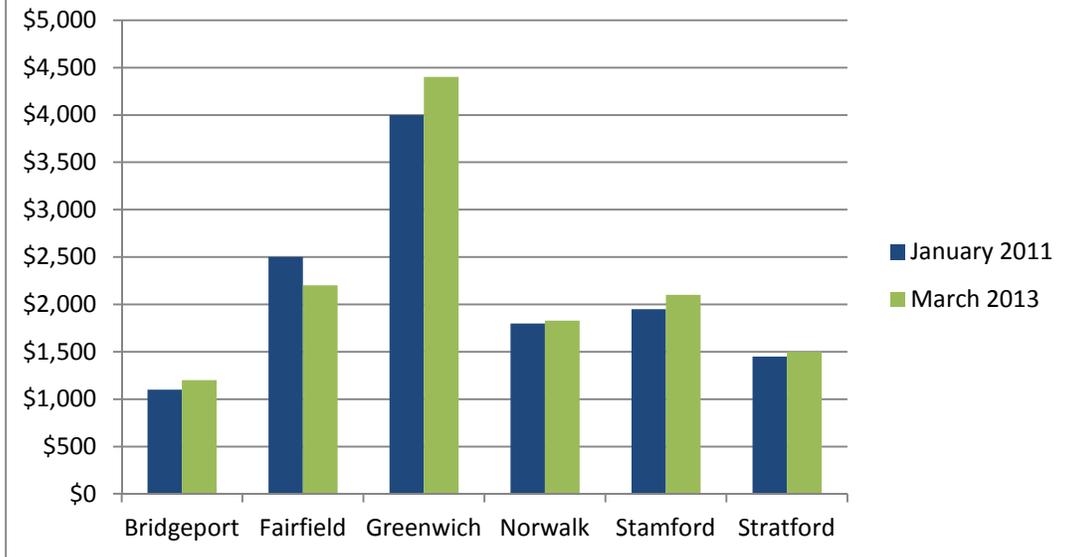
⁵ 2011 American Community Survey 1-Year Estimates

⁶ Qualified Census Tract Generator (<http://qct.huduser.org/>): April 15, 2013

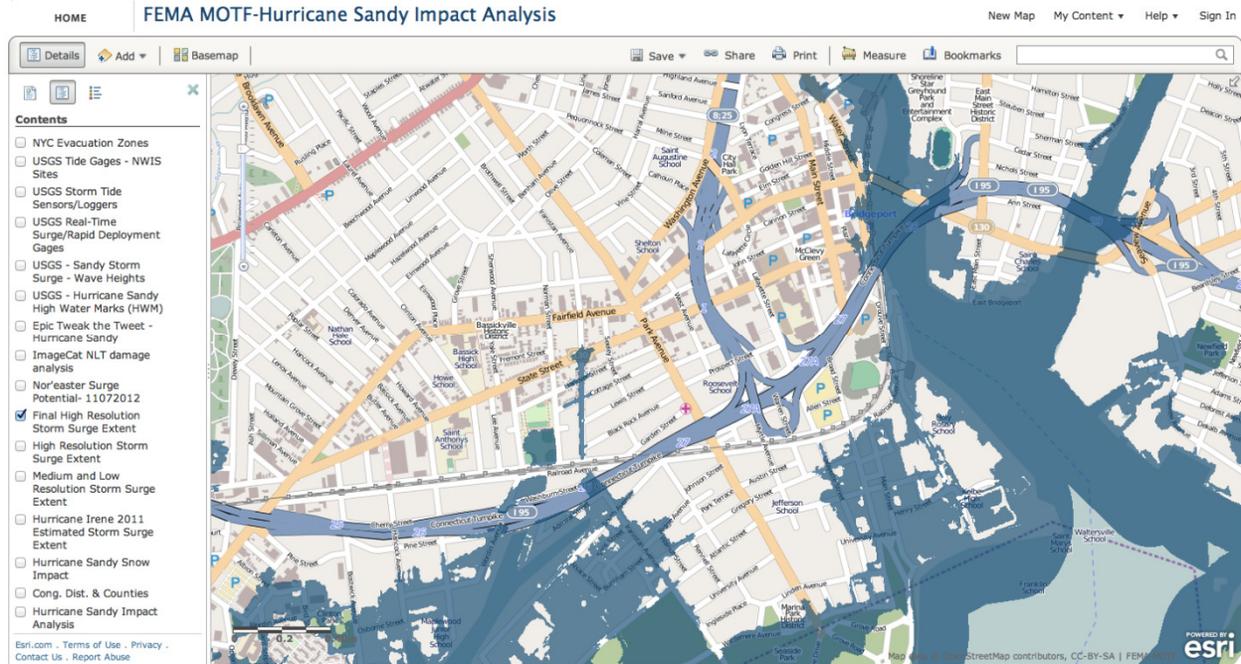
Median Home Value in Select Fairfield Co. Municipalities



Average Rent in Select Fairfield Co. Municipalities



City of Bridgeport



The City of Bridgeport is situated alongside Long Island Sound and numerous neighborhoods are prone to extensive flooding. On October 29, Hurricane Sandy inundated low elevation areas within the City. At the height of the storm, the City was pummeled with sustained 70 mph gale force winds. The combination of the winds, full moon and high tide resulted in Bridgeport recording the State's highest storm surge, nearly 9.8 feet above normal high tide. The storm surge deteriorated the seawall and led to extensive flooding to the majority of the South End. The South End, and more specifically two large housing developments, Marina Village and Seaside Village, which are located in the neighborhood, were especially hard hit. Various other residential and commercial communities situated below South Avenue and to the West of Park Avenue and to the East of Barnum Avenue were also impacted due to the corrosion of the seawall. Besides the South End, Johnson's Creek, a low lying tidal creek in the City's East End, also flooded dramatically as well as sections of the Black Rock neighborhood⁷. Approximately 574 single family homes were affected citywide.⁸

Bridgeport's total population in 2011 was 143,412. Over fifty one percent (51.43%) of Bridgeport's population is minority. The largest minority populations are Blacks, with 34.5% of the population followed by Other at 11.2% and Asian at 6.6% of total population. Over 14 percent (14.6%) of the population is elderly.⁹

⁷ City of Bridgeport Hurricane Sandy Municipal Survey Summary; pg 2

⁸ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

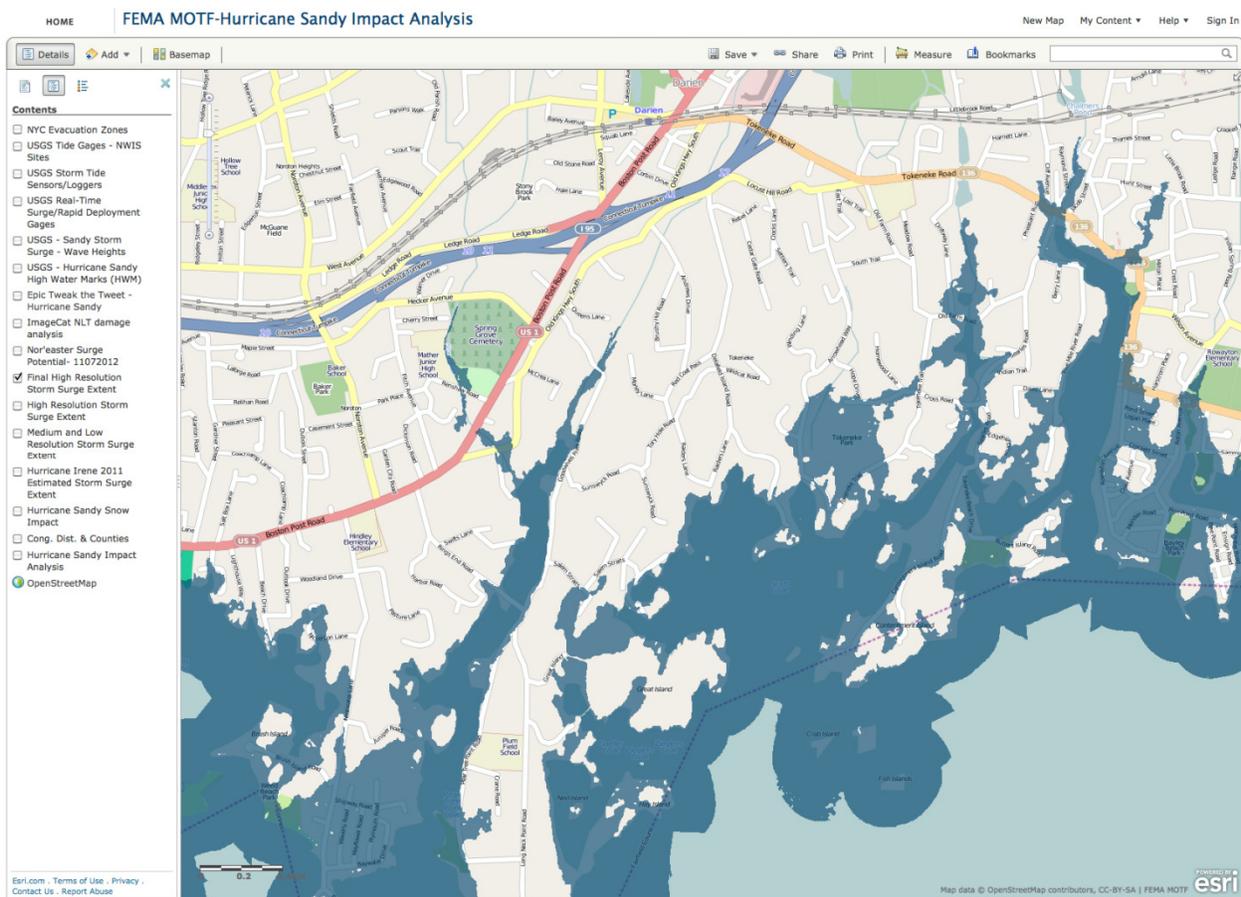
⁹ American Community Survey 2007-2011 Five Year Survey

Bridgeport's estimated median household income in 2011 was \$40,947. The estimated poverty rate for Bridgeport was 21.9%.

Bridgeport's homeownership rate in 2011 was 44.6%.¹⁰ The current estimated median house or condo value is \$136,200, down from \$218,000 in 2009.¹¹ Rents in Bridgeport have risen 9.5% since January of 2011. The current average advertised rent is \$1,635 a month for a three bedroom, two bath unit.¹²

Town of Darien

Darien is a 23.4 square mile town situated on Long Island Sound. The neighborhood with the highest overall Hurricane Sandy impact in the town was the Tokeneke neighborhood along the shoreline. At least 76 single family homes were affected in the town.¹³



Darien's total population in 2011 was 20,580. Nearly 6 percent (5.7%) of Darien's population is minority. The largest minority populations are Asians and Other with 3.2% and 1.1% of the population, respectively. Nearly twenty-two percent (21.5%) of the population is elderly.¹⁴

¹⁰ American Community Survey 2007-2011 Five Year Survey

¹¹ Zillow Home Value Index (http://www.zillow.com/local-info/CT-Bridgeport-home-value/r_3806/); April 29, 2013

¹² Zillow Rent Index Index (http://www.zillow.com/local-info/CT-Bridgeport-home-value/r_3806/#metric=mt%3D50%26dt%3D1%26tp%3D5%26rt%3D8%26r%3D3806%26el%3D0); April 29, 2013

¹³ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

Darien’s estimated median household income in 2011 was \$193,896. The estimated poverty rate for Darien was five percent (5.1%).

Darien’s homeownership rate in 2011 was 88.7%¹⁵. The current estimated median house or condo value is \$1,218,800, up from \$1,116,000 in 2009¹⁶. Rents in Darien have increased 5.6% since January of 2011. The current average advertised rent is \$5,654 a month for a three bedroom, two bath unit.¹⁷

Town of Fairfield

The Town of Fairfield had the largest volume of Hurricane Sandy damaged homes in Fairfield County.¹⁸ At least 893 single family homes were affected in the town.¹⁹



Fairfield is a 31.3 square mile town situated on Long Island Sound. Much of the damage to the town was the result of wind and storm surge along the coastal areas and included both primary and secondary homes, particularly within the area between Fairfield Beach and Shoal Point.

¹⁴ American Community Survey 2007-2011 Five Year Survey

¹⁵ American Community Survey 2007-2011 Five Year Survey

¹⁶ Zillow Home Value Index (http://www.zillow.com/local-info/CT-Darien-home-value/r_11043/); April 29, 2013

¹⁷ Zillow Rent Index (http://www.zillow.com/local-info/CT-Darien-home-value/r_11043/#metric=mt%3D50%26dt%3D1%26tp%3D5%26rt%3D8%26r%3D11043%26el%3D0) April 29, 2013

¹⁸ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD PD&R; March 7, 2013

¹⁹ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013



Flood Waters Near Shoal Point, Fairfield, CT (Michael McAndrews; Hartford Courant Oct 30, 2012)

Fairfield's total population in 2011 was 59,078. Just over eight percent (8.03%) of Fairfield's population is minority. The largest minority populations are Asians with 4.4% of the population followed by Black at 1.6%. Over nineteen percent (19.6%) of the population is elderly.²⁰

Fairfield's estimated median household income in 2011 was \$118,476. The estimated poverty rate for Fairfield was 3.5%.

Fairfield's homeownership rate in 2011 was 85.4%.²¹ The current estimated median house or condo value is \$450,100, down from \$521,000 in 2009.²² Rents in Fairfield have risen 3.9% since January of 2011. The current average advertised rent is \$2,638 a month for a three bedroom, two bath unit.²³

Town of Greenwich

Greenwich is a 62.7 square mile town situated on Long Island Sound. The neighborhood with the highest overall Hurricane Sandy impact in the Town was historic Old Greenwich, which is located on the coastline, including the complete destruction of three waterfront homes on the neighborhood's Binney Lane by a fire spread by the storm's strong winds. At least 176 single family homes were affected in the town.²⁴

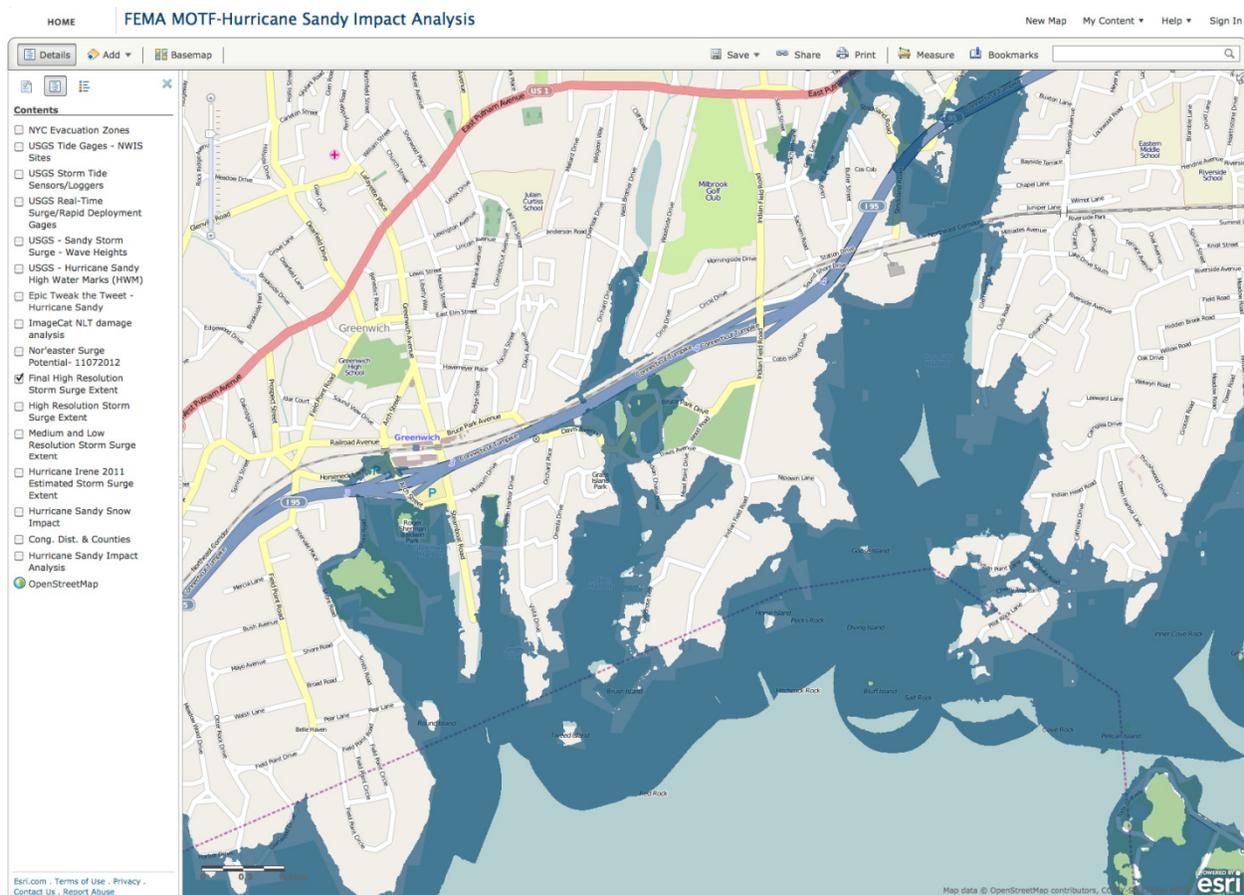
²⁰ American Community Survey 2007-2011 Five Year Survey

²¹ American Community Survey 2007-2011 Five Year Survey

²² Zillow Home Value Index (http://www.zillow.com/local-info/CT-Fairfield-home-value/r_31506/); April 29th, 2013

²³ Zillow Rent Index (http://www.zillow.com/local-info/CT-Fairfield-home-value/r_31506/#metric=mt%3D50%26dt%3D1%26tp%3D5%26rt%3D8%26r%3D31506%26el%3D0); April 29, 2013

²⁴ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013



Greenwich’s total population in 2011 was 61,023. Fourteen percent (13.9%) of Greenwich’s population is minority. The largest minority populations are Asians, Other at and Blacks with 7.1%, 3.5%, and 2.2% of the population, respectively. Nearly twenty-two percent (21.5%) of the population is elderly.²⁵

Greenwich’s estimated median household income in 2011 was \$127,207. The estimated poverty rate for Greenwich was nearly four percent (3.7%).

Greenwich’s homeownership rate in 2011 was 80.5%.²⁶ The current estimated median house or condo value is \$1,054,900, down from \$1,250,000 in 2009.²⁷ Rents in Greenwich have decreased 1% since January of 2011. The current average advertised rent is \$5,014 a month for a three bedroom, two bath unit.²⁸

²⁵ American Community Survey 2007-2011 Five Year Survey

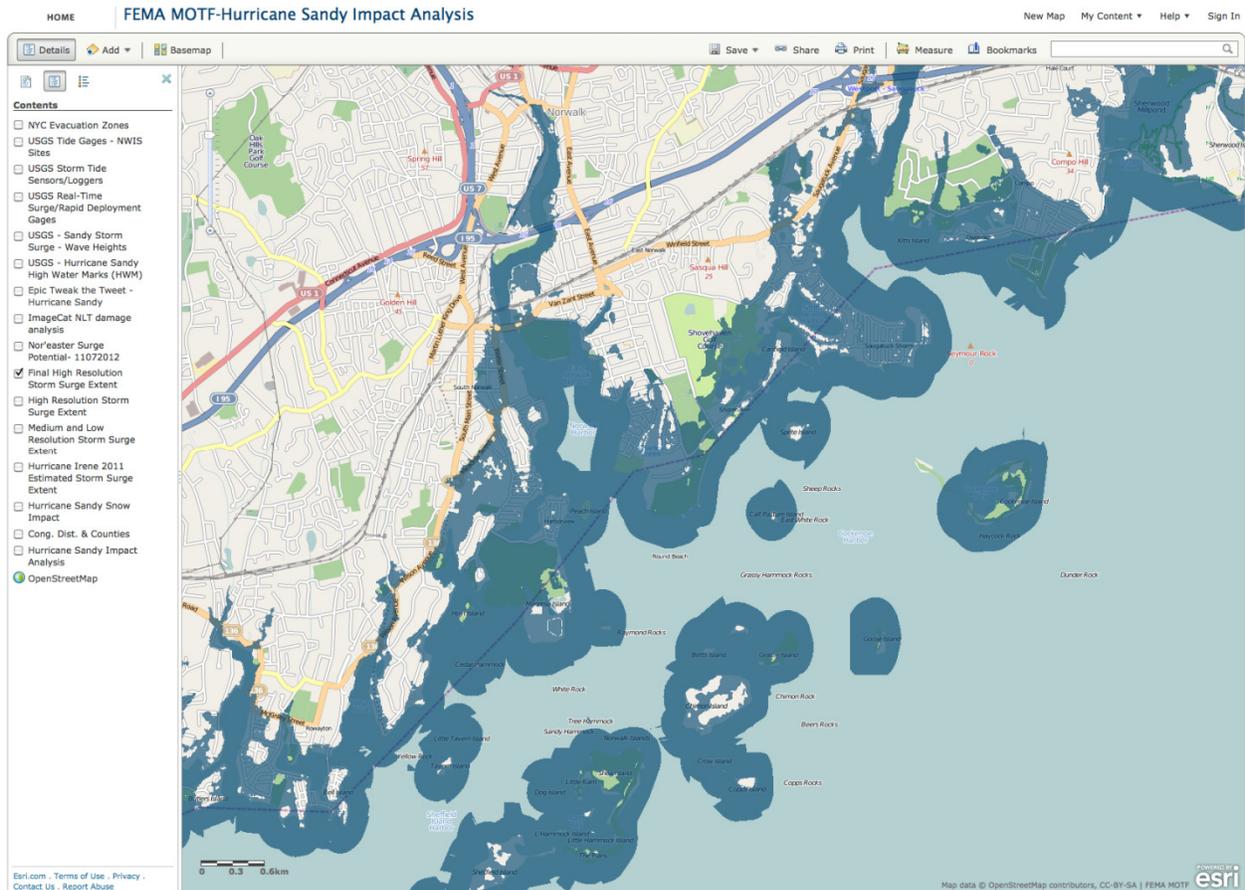
²⁶ American Community Survey 2007-2011 Five Year Survey

²⁷ Zillow Home Value Index (http://www.zillow.com/local-info/CT-Greenwich-home-value/r_45565/); April 29, 2013

²⁸ Zillow Rent Index (http://www.zillow.com/local-info/CT-Greenwich-home-value/r_45565/#metric=mt%3D50%26dt%3D1%26tp%3D5%26rt%3D8%26r%3D45565%252C411767%26el%3D0); April 29, 2013

City of Norwalk

Norwalk is a 36.3 square mile city situated on Long Island Sound. The neighborhoods with the highest overall Hurricane Sandy impact in the city included Bell Island, Rowayton and Shore Haven neighborhoods. At least 544 single family homes were affected in the town.²⁹



Norwalk's total population in 2011 was 85,145. Twenty-four percent (24.5%) of Norwalk's population is minority. The largest minority populations are Blacks and Asians with 12.9% and 3.9% of the population, respectively. Nearly twenty percent (19.8%) of the population is elderly.³⁰

Norwalk's estimated median household income in 2011 was \$76,384. The estimated poverty rate for Norwalk was eight percent (8%).

Norwalk's homeownership rate in 2011 was 65.1%.³¹ The current estimated median house or condo value is \$327,600, down from \$384,000 in 2009.³² Rents in Norwalk have risen 4.1% since January of 2011. The current average advertised rent is \$2,317 a month for a three bedroom, two bath unit.³³

²⁹ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

³⁰ American Community Survey 2007-2011 Five Year Survey

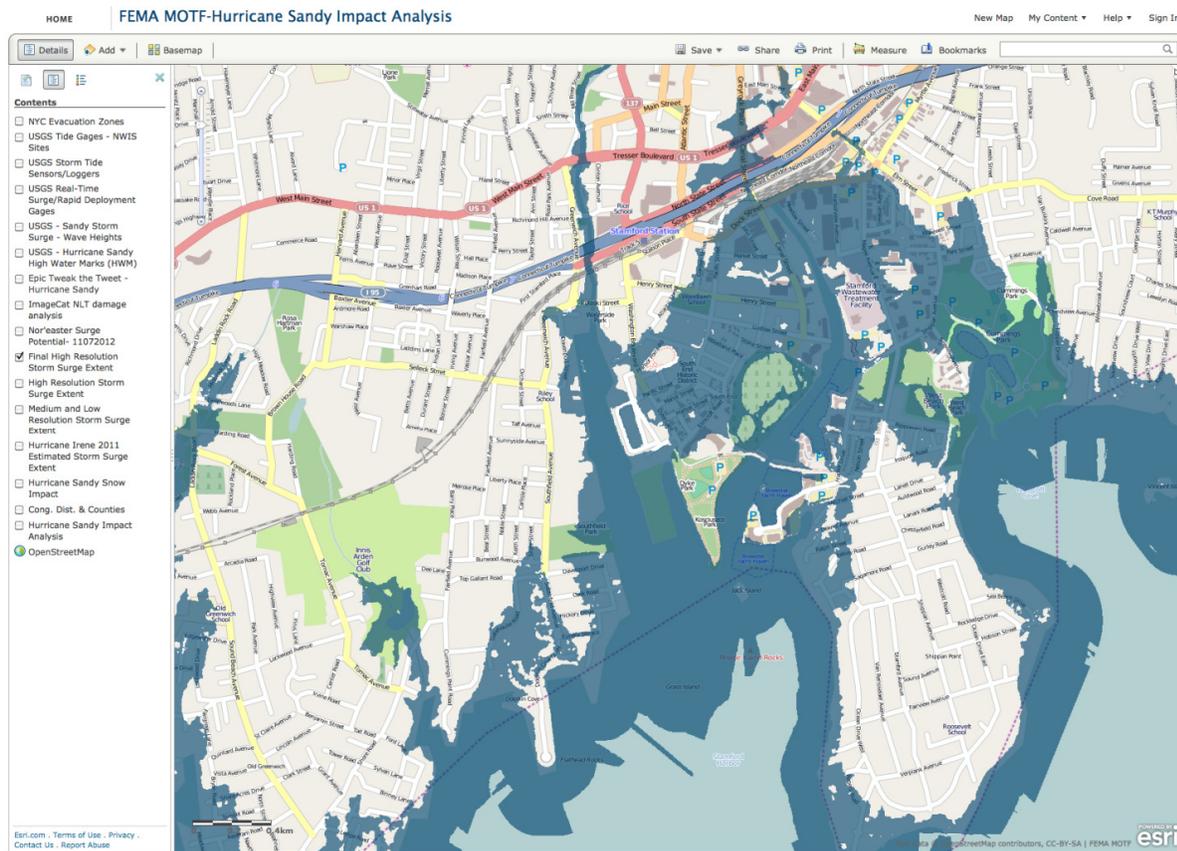
³¹ American Community Survey 2007-2011 Five Year Survey

³² Zillow Home Value Index (http://www.zillow.com/local-info/CT-Norwalk-home-value/r_26222/); April 29, 2013

City of Stamford

Stamford is a 52.1 square mile city situated on Long Island Sound. The neighborhoods with the highest overall Hurricane Sandy impact in the City included Shippan Point, Cove and Southfield Point. Stamford's West Beach, Quigley Beach, Cove Island Park and Cummings Marina suffered millions of dollars' worth of damage. At least 166 single family homes were affected in the city.³⁴

Stamford's total population in 2011 was 121,784. Forty percent (40.4%) of Stamford's population is minority. The largest minority populations are Other, Blacks and Asians with 15.7%, 14.8%, and 8% of the population, respectively. Over sixteen percent (16.5%) of the population is elderly.³⁵



Stamford's estimated median household income in 2011 was \$78,201. The estimated poverty rate for Stamford was nearly eleven percent (10.9%).

³³ Zillow Rent Index (<http://www.zillow.com/local-info/CT-Fairfield-home-> http://www.zillow.com/local-info/CT-Norwalk-home-value/r_26222/#metric=mt%3D50%26dt%3D1%26tp%3D5%26rt%3D8%26r%3D26222%26el%3D0); April 29, 2013

³⁴ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

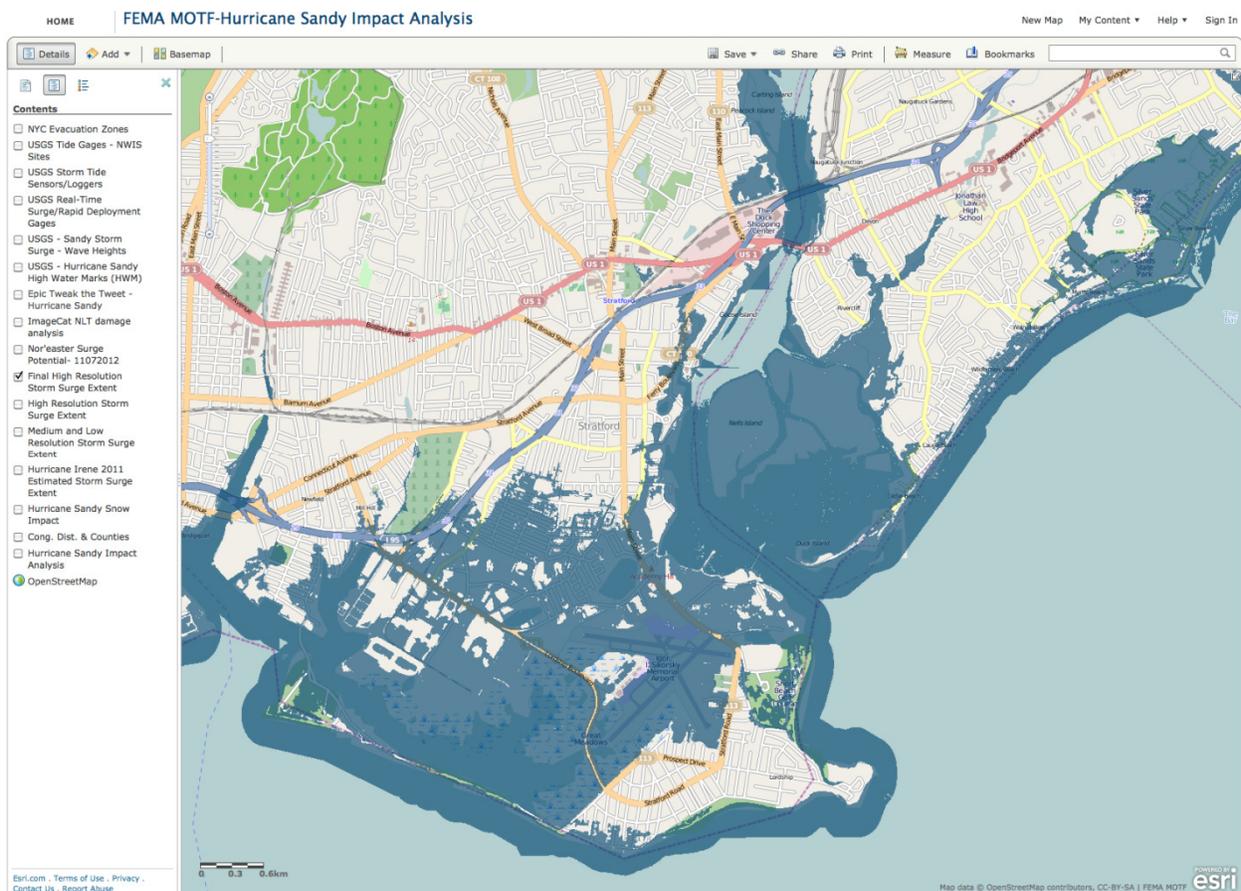
³⁵ American Community Survey 2007-2011 Five Year Survey

Stamford's homeownership rate in 2011 was 56.4%.³⁶ The current estimated median house or condo value is \$402,000, down from \$473,000 in 2009.³⁷ Rents in Stamford have risen 7.1% since January of 2011. The current average advertised rent is \$2,647 a month for a three bedroom, two bath unit.³⁸

Town of Stratford

Stratford is a 19.9 square mile city situated on Long Island Sound. At least 96 single family homes were affected in the town.³⁹

Stratford's total population in 2011 was 51,116. Twenty-two percent (22.0%) of Stratford's population is minority. The largest minority populations are Blacks and Asians with 13.3% and 3.4% of the population, respectively. Nearly twenty-three percent (22.6%) of the population is elderly.⁴⁰



³⁶ American Community Survey 2007-2011 Five Year Survey

³⁷ Zillow Home Value Index (http://www.zillow.com/local-info/CT-Stratford-home-value/r_14016/); April 29, 2013

³⁸ Zillow Rent Index (http://www.zillow.com/local-info/CT-Stratford-home-value/r_14016/); April 29, 2013

³⁹ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

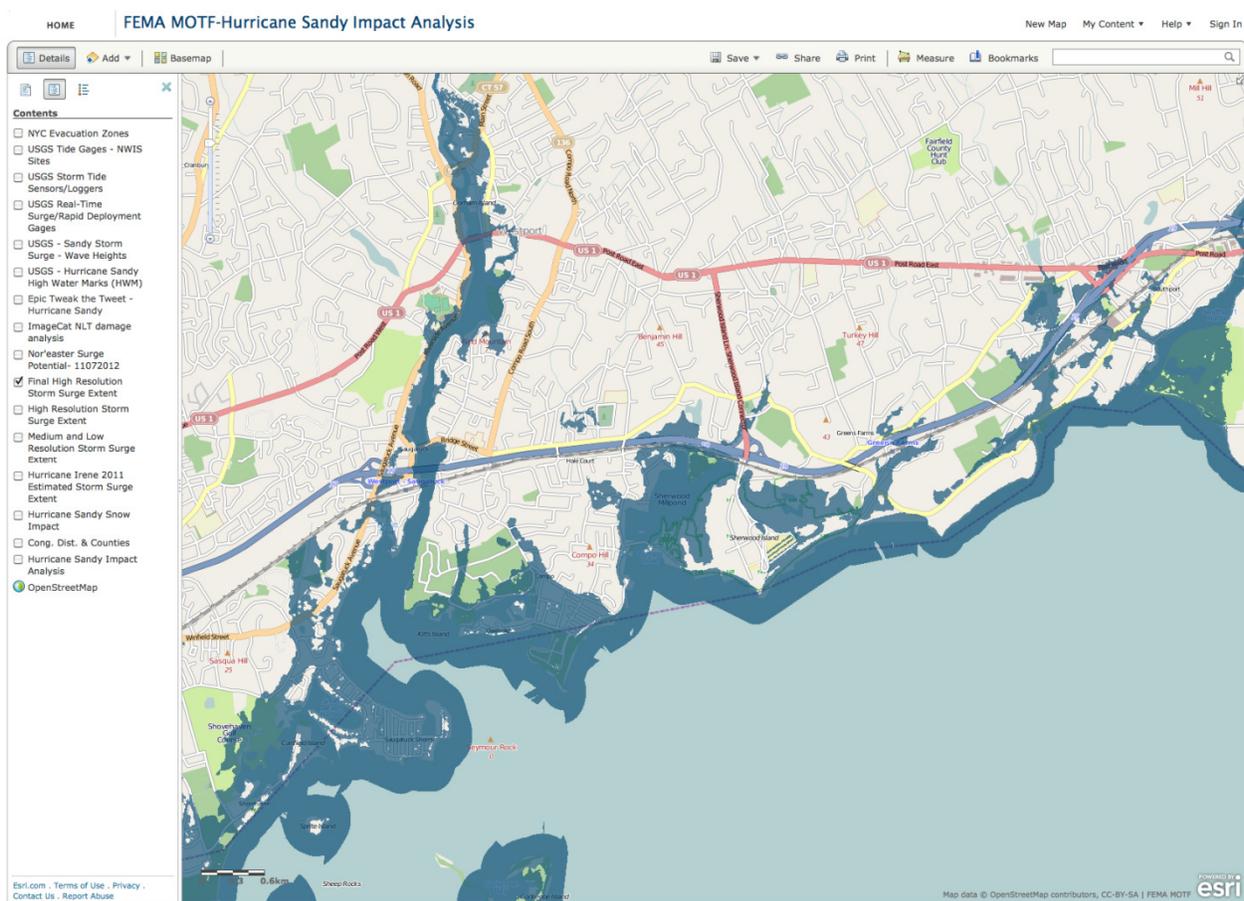
⁴⁰ American Community Survey 2007-2011 Five Year Survey

Stratford's estimated median household income in 2011 was \$67,761. The estimated poverty rate for Stratford was approximately five percent (5.5%).

Stratford's homeownership rate in 2011 was 80.5%.⁴¹ The current estimated median house or condo value is \$202,000, down from \$245,000 in 2009.⁴² Rents in Stratford have risen 8% since January 2011. The current average advertised rent is \$1,798 a month for a three bedroom, two bath unit.⁴³

Town of Westport

Westport is a 33.3 square mile town situated on Long Island Sound. The neighborhoods with the highest overall impact in the town were the waterfront neighborhoods of Saugatuck Shores, Old Mill and Compo Beach. At least 243 single family homes were affected in the town.⁴⁴



Westport's total population in 2011 was 26,249. Eight percent (8.4%) of Westport's population is minority. The largest minority populations are Asians and Blacks with 4.0% and 1.4% of the population, respectively. Twenty-one percent (21.4%) of the population is elderly.⁴⁵

⁴¹ American Community Survey 2007-2011 Five Year Survey

⁴² Zillow Home Value Index (http://www.zillow.com/local-info/CT-Stratford-home-value/r_14016/); April 29, 2013

⁴³ Zillow Rent Index (http://www.zillow.com/local-info/CT-Stratford-home-value/r_14016/); April 29, 2013

⁴⁴ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

Westport’s estimated median household income in 2011 was \$155,792. The estimated poverty rate for Westport was nearly four percent (3.6%).

Westport’s homeownership rate in 2011 was 85.5%.⁴⁶ The current estimated median house or condo value is \$898,500, down from \$987,000 in 2009.⁴⁷ Rents in Westport have risen 7.9% since January of 2011. The current average advertised rent is \$4,750 a month for a three bedroom, two bath unit.⁴⁸

Balance of Fairfield County

A total of six other municipalities in Fairfield County suffered damage to 85 housing units. Summary demographic data for each is provided in the table below.

<i>Additional Towns: Fairfield County</i>									
Town	Damaged Homes	Population	Racial/Ethnic Minority	Elderly	Median Income	Poverty Rate	Home Ownership	Current Median Home Value	Current Average Rent
Danbury	25	80,101	41.3%	16.5%	\$65,656	10.0%	62.5%	\$232,100	\$1,400
Ridgefield	14	24,469	7.9%	18.9%	\$145,000	1.9%	84.2%	\$569,600	\$1,950
Weston	12	10,142	8.5%	15.7%	\$205,563	2.4%	93.0%	\$746,300	\$3,500
New Canaan	12	19,642	6.0%	19.8%	\$191,750	2.2%	83.4%	\$1,116,800	\$3,500
Trumbull	12	35,752	13.7%	23.7%	\$106,058	2.3%	89.4%	\$333,100	n/a
Newtown	10	27,235	11.7%	18.0%	\$114,695	3.3%	92.3%	\$364,700	\$2,200

Applications from homeowners from each of these municipalities may apply for funding under the CDBG-DR owner-occupied rehabilitation program if, like applications from homeowners elsewhere in the eligible jurisdictions, they meet all eligibility criteria, including, for example, the regulatory requirements set forth in the Federal Register Notice.

New Haven County

More than half of all damaged homes in New Haven County are located within the City of Milford. The collection of communities around the New Haven Harbor (West New Haven, East New Haven, and New Haven) account for slightly more than a quarter of New Haven’s damaged homes. Damage in these communities is dispersed throughout neighborhoods. The concentration of flooding in these towns (i.e. West New Haven, East New Haven, and New

⁴⁵ American Community Survey 2007-2011 Five Year Survey

⁴⁶ American Community Survey 2007-2011 Five Year Survey

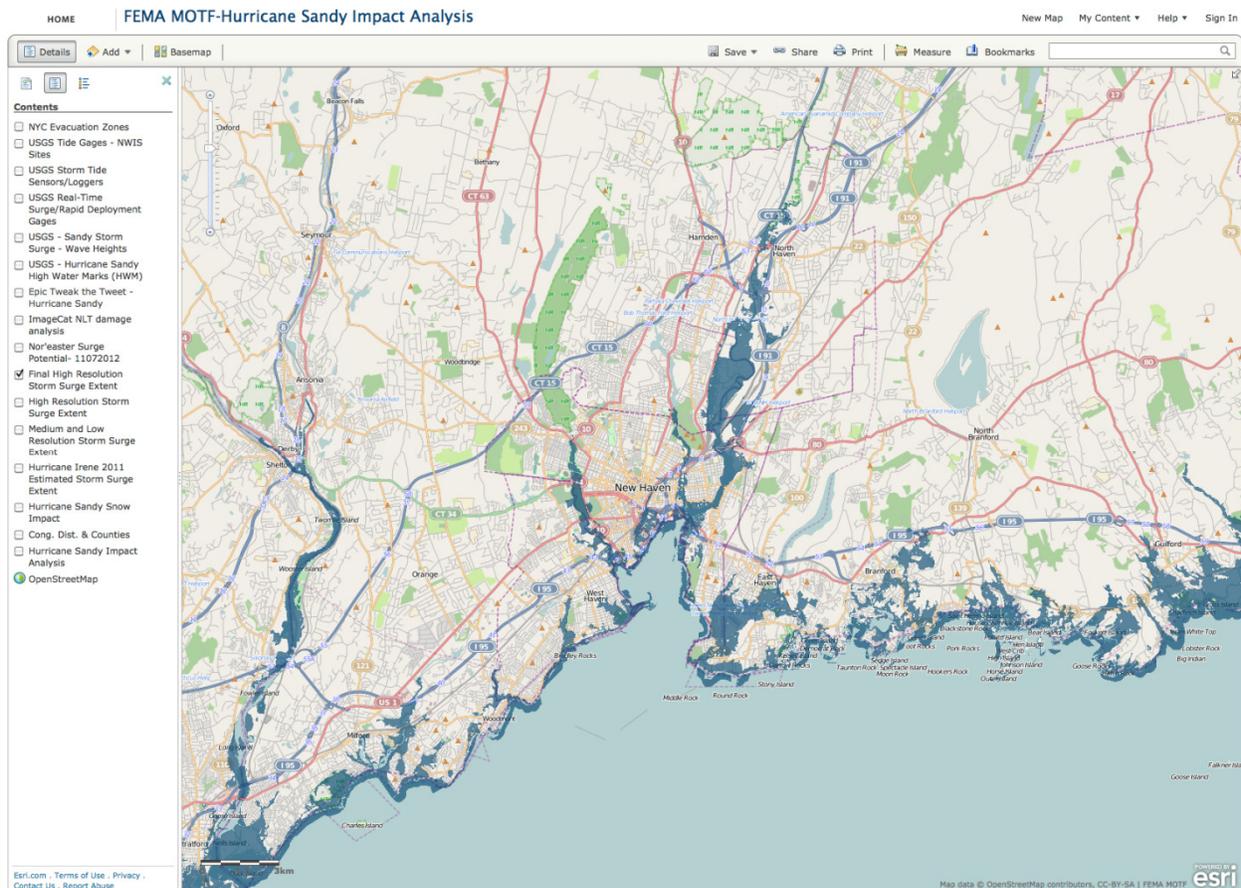
⁴⁷ Zillow Home Value Index (http://www.zillow.com/local-info/CT-Stratford-home-value/r_14016/); April 29, 2013

⁴⁸ Zillow Rent Index (http://www.zillow.com/local-info/CT-Stratford-home-value/r_14016/); April 29, 2013

Haven) was modest, as they only account for 17% of the county's homes that were inspected and found to have had more than four feet of flooding.

The other coastal towns of Branford, Guilford and Madison have another 10% of this county's damaged homes. The vast majority of damaged homes in these areas had flood depths less than four feet.

The inland portions of New Haven County experienced very little damage from Hurricane Sandy. Only Waterbury and Hamden had some damage, mostly located in low-lying areas.⁴⁹



New Haven County as a whole has a poverty rate of 11.4%, which is greater than the State's overall poverty rate of 10.4%⁵⁰. There are forty-two census tracts within the county that are designated low income.⁵¹

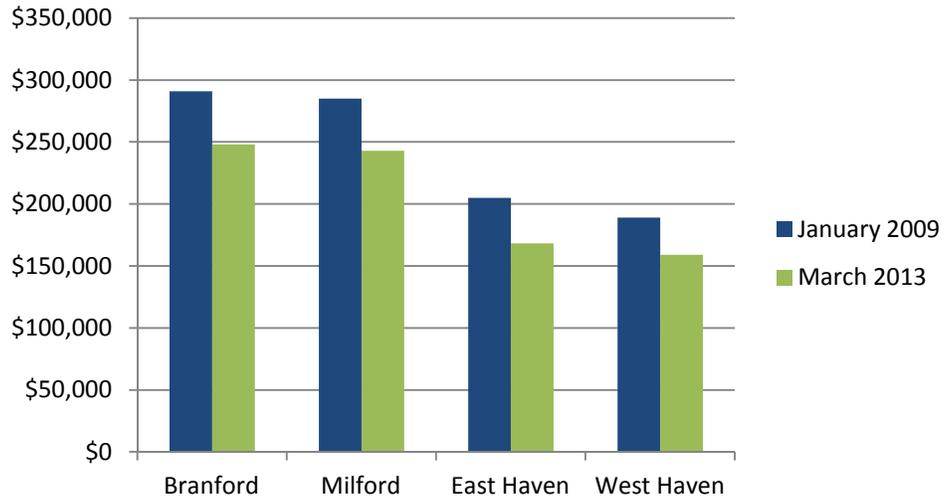
The affected areas within New Haven County are experiencing a general depreciation in the value of homes and a simultaneous increase in rents. The charts below illustrate the overall condition of home value market and rental market in New Haven County by affected cities and towns.

⁴⁹ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

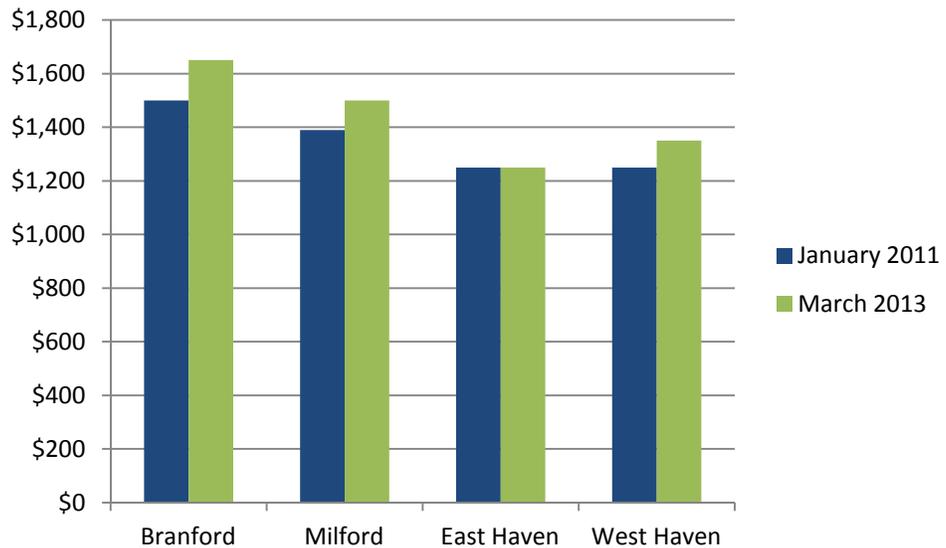
⁵⁰ 2011 American Community Survey 1-Year Estimates

⁵¹ Qualified Census Tract Generator (<http://qct.huduser.org/>): April 15, 2013

Median Home Value in Select Cities & Towns of New Haven Co.



Average Rent in Select Cities & Towns of New Haven Co.

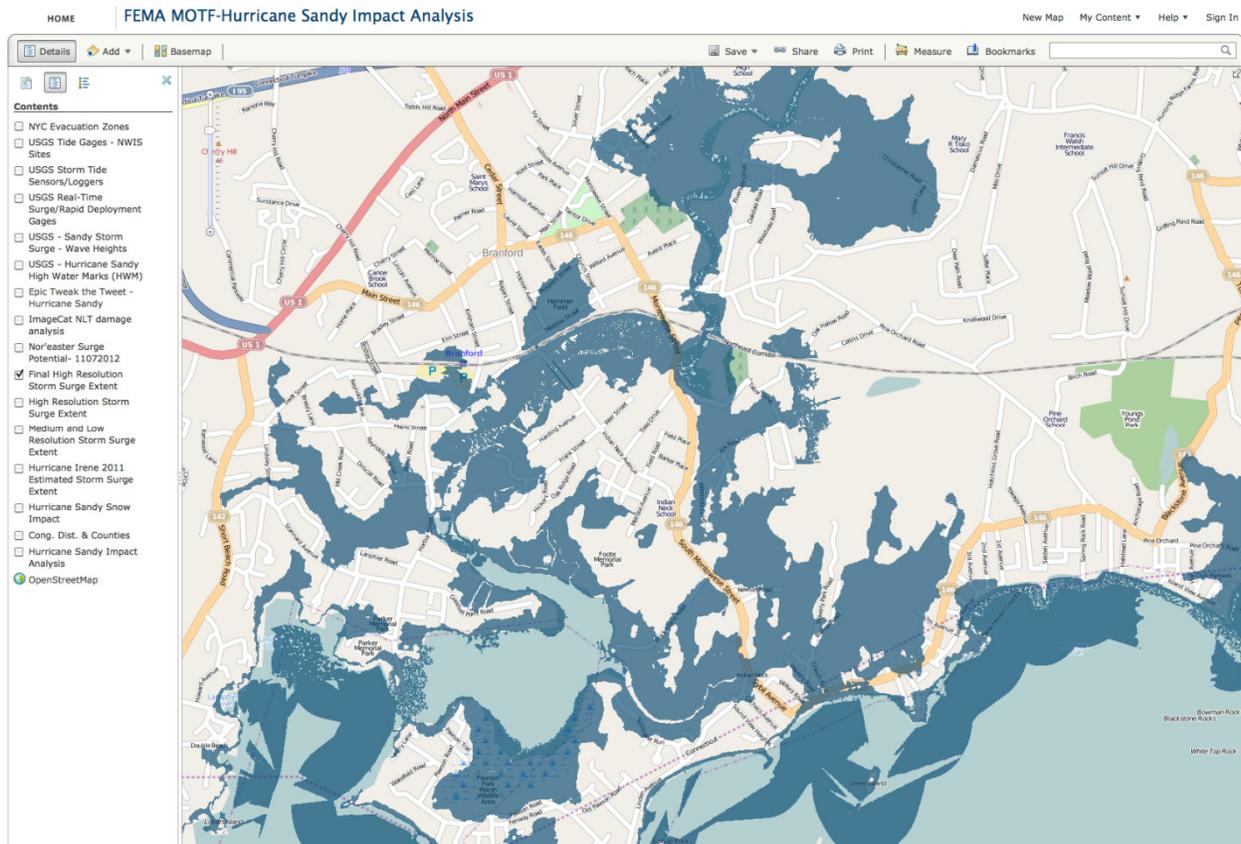


Specific demographic data has been assembled for each of the high impact communities that had over seventy-five homes damaged by Hurricane Sandy. The remaining communities are summarized.

The total estimated unmet need for homeowner rehabilitation in all municipalities within New Haven County is \$6.2 million.

Town of Branford

Branford is a 28 square mile town situated on Long Island Sound. The neighborhoods with the highest overall Hurricane Sandy impact in the town included the Stony Creek and Short Beach neighborhoods. At least 77 single family homes were affected in the town.⁵²



Branford's total population in 2011 was 28,099. Over eight percent (8.1%) of Branford's population is minority. The largest minority populations are Asians, Other, and Blacks with 4.7%, 1.9%, and 1.5% of the population, respectively. Twenty-seven percent (27%) of the population is elderly.⁵³

Branford's estimated median household income in 2011 was \$71,314. The estimated poverty rate for Branford was nearly six percent (5.8%).

Branford's homeownership rate in 2011 was 71.2%.⁵⁴ The current estimated median house or condo value is \$248,100, down from \$291,000 in 2009.⁵⁵ Rents in Branford have increased 4.7% since January of 2011. The current average advertised rent is \$1,760 a month for a three bedroom, two bath unit.⁵⁶

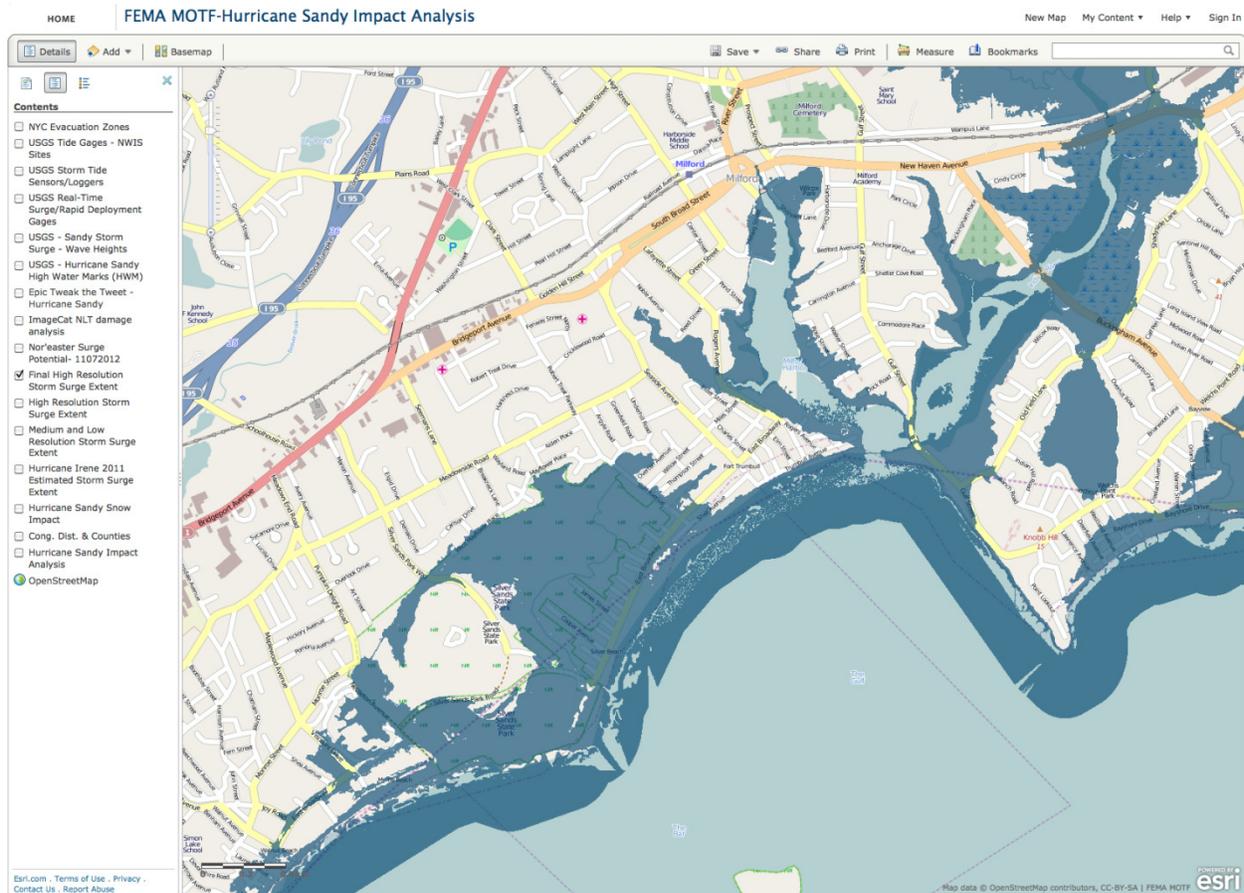
⁵² Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

⁵³ American Community Survey 2007-2011 Five Year Survey

City of Milford

Milford contains over half the homes damaged in the county and the only neighborhoods in the county where more than twenty percent (20%) of the housing stock was damaged. Eighty percent (80%) of the county's homes that were flooded with more than four feet of water are located in Milford.

Milford is a 26.1 square mile town situated on Long Island Sound. Milford has a fourteen mile long coastline. The areas with the highest overall Hurricane Sandy impact were the East Broadway and Silver Sands neighborhoods. At least 669 single family homes were affected in the town.⁵⁷



Milford's total population in 2011 was 52,732. Almost thirteen percent (12.9%) of Milford's population is minority. The largest minority populations are Asians, Blacks and Other with 6.5%, 2.5%, and 1.5% of the population, respectively. Over twenty-one percent (21.2%) of the population is elderly.⁵⁸

⁵⁴ American Community Survey 2007-2011 Five Year Survey

⁵⁵ Zillow Home Value Index (http://www.zillow.com/local-info/CT-Branford-home-value/r_397516/); April 29, 2013

⁵⁶ Zillow Rent Index (http://www.zillow.com/local-info/CT-Branford-home-value/r_397516/#metric=mt%3D50%26dt%3D1%26tp%3D5%26rt%3D8%26r%3D397516%252C37550%26el%3D0); April 29, 2013

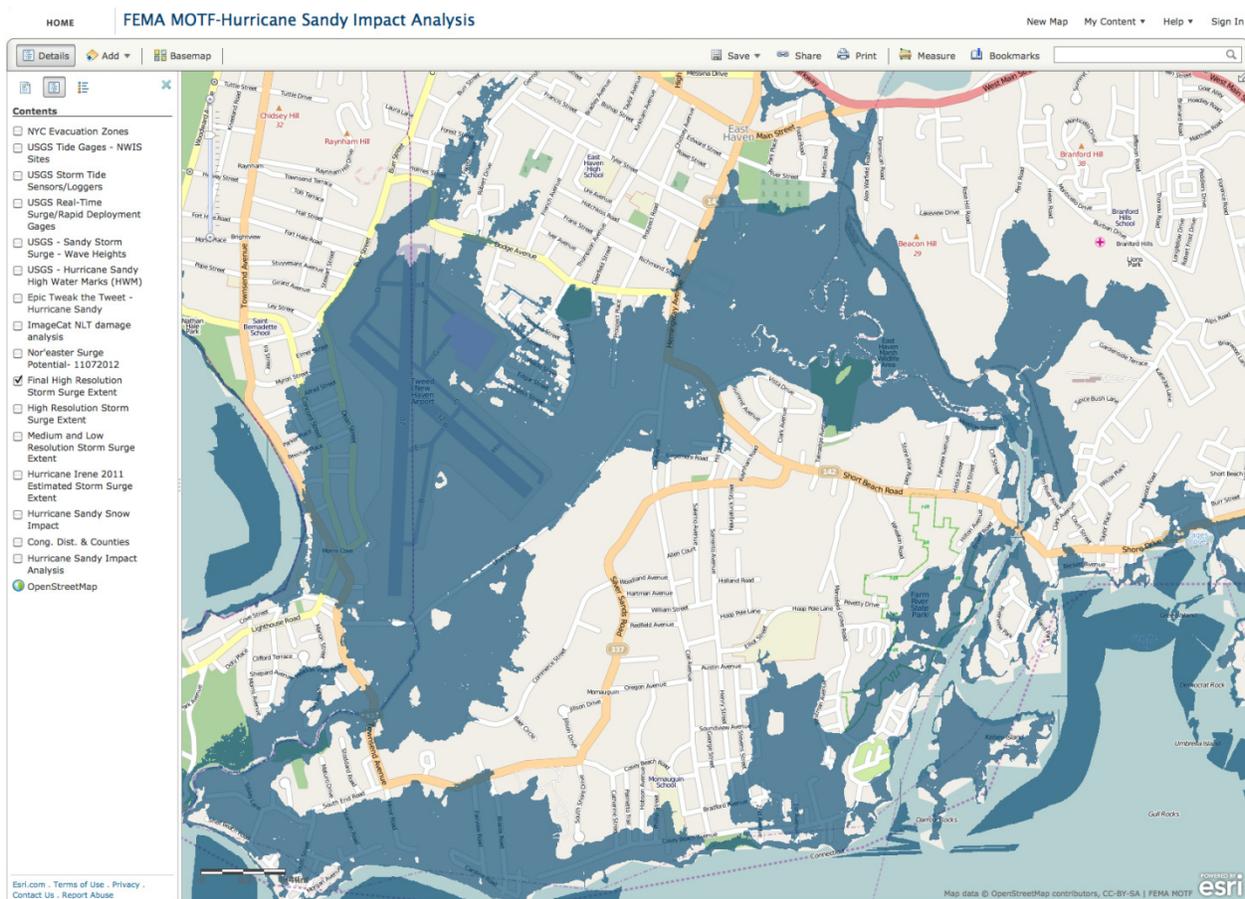
⁵⁷ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

Milford's estimated median household income in 2011 was \$79,828. The estimated poverty rate for Milford was nearly four percent (3.9%).

Milford's homeownership rate in 2011 was 77.5%.⁵⁹ The current estimated median house or condo value is \$242,900, down from \$268,000 in 2009.⁶⁰ Rents in Milford have risen 7.2% since January of 2011. The current average advertised rent is \$1,762 a month for a three bedroom, two bath unit.⁶¹

City of East Haven

East Haven is a 13.4 square mile city situated on Long Island Sound. The neighborhood with the highest overall impact in the city was the area along Cosey Beach. At least 155 single family homes were affected in the city.⁶²



⁵⁸ American Community Survey 2007-2011 Five Year Survey

⁵⁹ American Community Survey 2007-2011 Five Year Survey

⁶⁰ Zillow Home Value Index (http://www.zillow.com/local-info/CT-Stratford-home-value/r_14016/); April 29, 2013

⁶¹ Zillow Rent Index (http://www.zillow.com/local-info/CT-Stratford-home-value/r_14016/); April 29th, 2013

⁶² Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

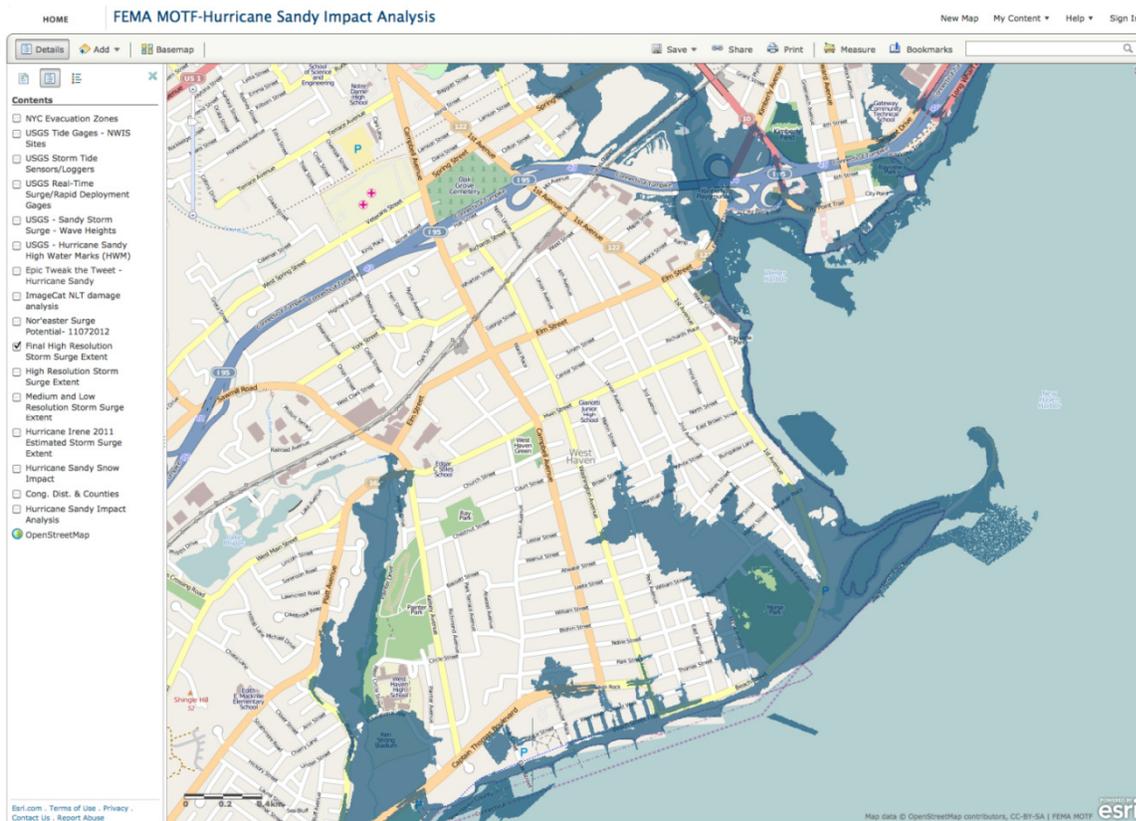
East Haven's total population in 2011 was 29,151. Eight percent (8.2%) of East Haven's population is minority. The largest minority populations are Asians, Blacks, and Other with 2.9%, 2.2%, and 1.9% of the population, respectively. Twenty-one percent (21.9%) of the population is elderly.⁶³

East Haven's estimated median household income in 2011 was \$63,136. The estimated poverty rate for East Haven was nearly eight percent (7.8%).

East Haven's homeownership rate in 2011 was 76.4%.⁶⁴ The current estimated median house or condo value is \$168,200, down from \$205,000 in 2009.⁶⁵ Rents in East Haven have decreased 3% since January of 2011. The current average advertised rent is \$1,450 a month for a three bedroom, two bath unit.⁶⁶

City of West Haven

West Haven is an 11 square mile city situated on Long Island Sound. At least 126 single family homes were affected in the city.⁶⁷



⁶³ American Community Survey 2007-2011 Five Year Survey

⁶⁴ American Community Survey 2007-2011 Five Year Survey

⁶⁵ Zillow Home Value Index (http://www.zillow.com/local-info/CT-East-Haven-home-value/r_4474/); April 29, 2013

⁶⁶ Zillow Rent Index (http://www.zillow.com/local-info/CT-East-Haven-home-value/r_4474/#metric=mt%3D50%26dt%3D1%26tp%3D5%26rt%3D8%26r%3D4474%26el%3D0); April 29, 2013

⁶⁷ Analysis of Communities Impacted by Hurricane Sandy in Connecticut; HUD: PD&R; March 7, 2013

West Haven’s total population in 2011 was 55,249. Twenty-seven percent (27.3%) of West Haven’s population is minority. The largest minority populations are Blacks and Asians, with 18.9% and 3.6% of the population, respectively. Eighteen percent (18.2%) of the population is elderly.⁶⁸

West Haven’s estimated median household income in 2011 was \$53,057. The estimated poverty rate for West Haven was nearly eleven percent (10.5%).

West Haven’s homeownership rate in 2011 was 57.7%.⁶⁹ The current estimated median house or condo value is \$159,000 down from \$189,000 in 2009.⁷⁰ Rents in West Haven have increased 7.1% since January of 2011. The current average advertised rent is \$1,510 a month for a three bedroom, two bath unit.⁷¹

Balance of New Haven County

A total of five other municipalities in New Haven County reported damage to 138 housing units. Summary demographic data for each is provided in the table below.

<i>Additional Towns: New Haven County</i>									
Town	Damaged Homes	Population	Racial/Ethnic Minority	Elderly	Median Income	Poverty Rate	Home Ownership	Current Median Home Value	Current Average Rent
New Haven	58	129,213	67.1%	13.0%	\$39,094	26.3%	31.1%	\$154,800	\$1,200
Guilford	38	22,272	8.5%	26.3%	\$95,085	3.7%	86.9%	\$331,000	n/a
Madison	17	18,243	4.9%	24.9%	\$106,609	2.1%	87.6%	\$377,400	n/a
Waterbury	15	110,075	53.3%	17.5%	\$41,499	20.6%	49.6%	\$102,800	\$850
Hamden	10	60,547	32.8%	21.5%	\$67,955	7.7%	67.8%	\$188,400	\$1,350

Applications from homeowners from each of these municipalities may apply for funding under the CDBG-DR owner-occupied rehabilitation program if, like applications from homeowners elsewhere in the eligible jurisdictions, they meet all eligibility criteria, including, for example, the regulatory requirements set forth in the Federal Register Notice.

⁶⁸ American Community Survey 2007-2011 Five Year Survey

⁶⁹ American Community Survey 2007-2011 Five Year Survey

⁷⁰ Zillow Home Value Index (http://www.zillow.com/local-info/CT-West-Haven-home-value/r_27864/); April 29, 2013

⁷¹ Zillow Rent Index (http://www.zillow.com/local-info/CT-East-Haven-home-value/r_4474/#metric=mt%3D50%26dt%3D1%26tp%3D5%26rt%3D8%26r%3D4474%26el%3D0); April 29, 2013

New London County

A total of six municipalities in New London County reported damage to 271 housing units. Summary demographic data for each of these municipalities is provided in the table below. The total estimated unmet need for owner-occupied rehabilitation in all municipalities within New London County is \$9.7 million.

<i>New London County</i>									
Town	Damaged Homes	Population	Racial/Ethnic Minority	Elderly	Median Income	Poverty Rate	Home Ownership	Current Median Home Value	Current Average Rent
Groton	64	40,190	25.1%	17.2%	\$59,887	7.4%	51.6%	\$183,100	\$1,200
Stonington	62	18,482	7.2%	25.9%	\$75,972	5.1%	71.6%	\$349,400	\$1,500
Old Lyme	50	7,583	4.2%	25.9%	\$93,682	3.5%	82.3%	\$307,100	n/a
New London	39	27,550	50.6%	13.7%	\$45,509	17.9%	37.9%	\$134,800	\$1,000
East Lyme	31	19,080	18.2%	23.7%	\$80,293	3.2%	82.1%	\$267,300	n/a
Waterford	25	19,451	11.0%	27.6%	\$72,036	4.3%	85.3%	\$202,900	\$1,280

Applications from homeowners from each of these municipalities may apply for funding under the CDBG-DR owner-occupied rehabilitation program if, like applications from homeowners elsewhere in the eligible jurisdictions, they meet all eligibility criteria, including, for example, the regulatory requirements set forth in the Federal Register Notice.

Middlesex County

A total of three municipalities in Middlesex County reported damage to 148 housing units. Summary demographic data for each is provided in the table below. The total estimated unmet need for homeowner rehabilitation in all municipalities within Middlesex County is \$1.8 million.

<i>Middlesex County</i>									
Town	Damaged Homes	Population	Racial/Ethnic Minority	Elderly	Median Income	Poverty Rate	Home Ownership	Current Median Home Value	Current Average Rent
Old Saybrook	76	10,307	3.5%	34.7%	\$80,347	5.9%	81.1%	\$338,100	n/a
Clinton	40	13,291	7.3%	22.6%	\$75,122	3.6%	81.1%	\$239,200	\$1,200
Westbrook	32	6,891	9.9%	27.2%	\$60,422	4.3%	79.9%	\$310,500	\$1,500

Applications from homeowners from each of these municipalities may apply for funding under the CDBG-DR owner-occupied rehabilitation program if, like applications from homeowners elsewhere in the eligible jurisdictions, they meet all eligibility criteria, including, for example, the regulatory requirements set forth in the Federal Register Notice.

Needs Assessment: Multifamily Housing

Summary

Hurricane Sandy damage in multifamily housing developments was concentrated in Fairfield and New Haven Counties. In total, multifamily developments comprising 1,298 units sustained damage. Multifamily properties in the 100- and 500-year flood plains were the hardest hit, with three public housing projects collectively comprising 581 units sustaining the largest overall damage. In total, eight public housing properties with a total of 815 units need to be either elevated and rehabilitated or relocated to higher ground.

Surveys from the affected communities indicated 483 units outside the 100- and 500-year floodplains will require rehabilitation at an estimated cost of \$942,000 in Fairfield County and \$691,000 in New Haven County, for an average estimated cost of \$4,000 per unit. The unmet need associated with the cost of such rehabilitation is \$482,500 and \$425,000, respectively.

Preliminary requests from various multifamily property owners for financial assistance under the CDBG-DR Program for new construction in Fairfield County totaled \$7 million. Total project costs are estimated at \$30.3 million in the aggregate, which would create 104 new units of affordable housing above the 500-year flood plain.

In total, eight requests for the elevation or relocation of existing multifamily housing with a total of 815 units were received as part of the State's surveys from the affected communities. In total, the estimated aggregate cost of the various projects was \$240.7 million. The amount of financial assistance under the CDBG-DR Program was \$140 million. These requests were concentrated in Fairfield County.

Unmet Need

The greatest unmet need is in the relocation of existing multifamily housing that serves LMI persons and is located within the 100 year flood plain in Fairfield County. Six existing large LMI developments, collectively comprising 812 units, have been identified by municipalities or housing authorities as requiring funding in order to be rebuilt outside of the 100-year flood plain. These projects include some that are completely in the 100 year flood plain and others that are partially in the 100-year plain and partially in the 500-year flood plain. Detailed applications and redevelopment plans will be necessary to determine if any of these activities are feasible, either physically or financially, but it is clear that the need to address these units exists.

The estimate of the cost of the unmet need in this category reflects the estimates provided by individual housing authorities for the total cost of replacement housing. These estimates total \$147,000,000,

assuming leverage with over \$123 million in low income housing tax credits and tax exempt bond financing.

The second greatest need in this category is the repair and rehabilitation of LMI housing located outside the 100-year floodplain in both New Haven and Fairfield Counties. These developments, which collectively comprise 483 units, include the rehabilitation of scattered-site single family homes for rent and the replacement of roofs for buildings in small multifamily complexes. The total cost of any such rehabilitation work will include any additional work that may be required to bring the properties up to applicable State or local code.

Multifamily Housing Unmet Needs					
Activity	Total Unmet Need	Fairfield Co	New Haven Co	New London Co	Middlesex Co
LMI Housing relocated from 100 Year Floodplain	\$147,000,000	\$147,000,000	\$0	\$0	\$0
Rehabilitation of Units outside the Floodplain	\$907,500	\$482,500	\$425,000	\$0	\$0
New Units	\$7,000,000	\$7,000,000	\$0	\$0	\$0
TOTALS	\$154,907,500	\$154,482,500	\$425,000	\$0	\$0

Multifamily Costs of Mitigation

One of the primary reasons to consider new construction of affordable replacement housing outside of the floodplain is the extremely high cost of mitigation. It may in fact be more cost effective and efficient to build new units outside of the flood plain, rather than pay the high cost of mitigation in addition to even moderate rehabilitation costs. The table below provides the estimated costs to elevate buildings of various footprint sizes to varying heights.

Multifamily Elevation Costs					
Footprint in Square Feet	First Two Feet	Four Feet Total	Eight Feet Total	Ten Feet Total	Twelve Feet Total
1,000	\$60,000	\$80,000	\$120,000	\$140,000	\$160,000
2,000	\$120,000	\$160,000	\$240,000	\$280,000	\$320,000
3,000	\$180,000	\$240,000	\$360,000	\$420,000	\$480,000
4,000	\$240,000	\$320,000	\$480,000	\$560,000	\$640,000
5,000	\$300,000	\$400,000	\$600,000	\$700,000	\$800,000
6,000	\$360,000	\$480,000	\$720,000	\$840,000	\$960,000

Guidance provided by the Hurricane Sandy Rebuilding Task Force on April 3, 2013 establishes a requirement that all elevations must be one foot above the Base Flood Elevation (“BFE”). In the projects identified by municipalities thus far, the BFE ranges between eight feet and ten feet, resulting in a significant cost to elevate. Elevation, by its nature, results in additional rehabilitation costs related to damage incurred and the relocation of utility connections above the BFE. The typical project submitted has an average of five 5,000 sq. foot buildings, which will require elevation of nine feet, creating an elevation cost basis of \$750,000 per building or a total cost of \$3.75 million for elevation of the typical project.

Homelessness, Transitional and Supportive Facilities, Units and Populations

As stated previously, the State surveyed municipalities, public housing authorities and other local stakeholders, which it conducted in connection with the preparation of this Action Plan. Although we recognize that the displacement of a number families and households has occurred as a result of the damage caused by Hurricane Sandy, to date we have not received any information indentifying any to unmet need or a need for financial assistance to address an increase in homeless individuals or families or physical damage to homeless or transitional housing facilities. Objectively, we recognize that the loss of units, and the displacement of these families, if even temporarily, has placed added stress on this valuable community resource. However, the homeless service community. This result is consistent with inquiries made in the immediate aftermath of Hurricane Sandy to homeless shelter operators.

As a result, the State has not reserved any of the first allocation of Funding specifically to address the rehabilitation, reconstruction or replacement of any McKinney-Vento funded shelters and housing for the homeless – including emergency shelters and transitional and permanent housing for the homeless,

and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program. However, as the State continues to work on recovery efforts, and continues planning activities for future disasters, it will continue to reach out to public housing authorities, owners/operators of HUD-assisted housing, homeless service and shelter providers, as well as the owners and managers of both transitional and permanent housing for the homeless in order address any newly identified unmet needs that may arise. In addition, the State may allocate a portion of additional CDBG Program funding to address the resiliency measures for transitional and permanent housing for the homeless in order to protect the homeless and other vulnerable populations.

Should information relative to unmet need associated with alleviating the pressures of homelessness associated with the devastation caused by Hurricane Sandy become apparent, the State is committed to allocating necessary resources from the next allocation of CDBG-DR Program funding, consistent with all federal requirements and obligations.

Through the State's Entitlement Programs and other resources, there are considerable efforts underway to address the needs of these populations. In accordance with the current State of Connecticut Consolidated Plan for Housing and Community Development (2014), several actions will be taken during the applicable period to address emergency shelter, transitional and permanent housing needs of homeless.

In addition to funding emergency shelters and transitional living programs, the State will continue to provide services through homeless drop-in day programs, Housing First for Families Program, CT Beyond Shelter Program, Housing First for Families; New London County Homelessness Fund Pilot Project; CT Rapid Rehousing-ESG financial assistance; CT Rapid Rehousing housing stabilization supports; food pantries, and connections with other state services. It is the State's expectations that these services will assist with the reduction in the re-occurrence of homelessness by assisting the target population with services to achieve housing stability, based upon individual needs.

The State has an active permanent supportive (chronic homelessness) housing production program, funded with approximately \$30 million in capital and another \$1.5 million in rental and service subsidies in the State's budget for fiscal years 2012 and 2013. An additional \$20 million in capital funding, again with additional funding for rental and service subsidies is proposed for the State's budget for fiscal years 2014 and 2015. This housing production program is expected to fund the creation of 250 permanent supportive housing.

The State has and will continue to contractually require all emergency shelter and transitional living programs to enter information into the HMIS. Various services provided include, but are not limited to: advocacy, intake, needs assessment and case management services; health/mental health services; shelter and housing assistance; transportation/provision of bus tokens, substance abuse counseling, information and referrals, budgeting, etc.

The State anticipates aligning its emergency shelter services with Emergency Solution Grants expectations.

The State will emphasize programs targeted at homelessness prevention and rapid rehousing and supportive housing as the primary means to prevent and end homelessness in Connecticut. The State will work to expand permanent supportive housing in Connecticut to break the cycle of long-term, chronic homelessness.

Housing Goals

The State's housing recovery programs are designed to meet the unmet housing needs of the communities most impacted by Hurricane Sandy (i.e. the costs of repairs, reconstruction and new construction that insurance, FEMA and any other sources of funding does not cover). The objectives of the housing programs include helping people directly affected by Hurricane Sandy by:

1. replacing and rehabilitating homes, including identifying opportunities for mitigation enhancement measures;
2. improving the resilience of their homes while restoring their buildings/residences;
3. Assisting homeowners, multifamily property owners and public housing authorities in completing applications for funding; and
4. Directing homeowners, multifamily property owners and public housing authorities to additional potential sources of funding.

To pursue these objectives, the State has developed a program that incorporates best practices from past disasters; builds upon stakeholder input from agencies and relevant organizations across the affected counties to ensure the diverse needs of residents and communities are appropriately addressed.

The State's strategy will balance speedy response with proper planning, and support while considering and incorporating the distinct needs and resources of different communities the members of those communities. The State will manage all program operations and ensure that all appropriate accountability and oversight mechanisms in place.

Owner-occupied Housing Program

Based on lessons learned from past disasters, and the particular needs of the State's most impacted communities, the State will have a single owner-occupied housing program to provide funding both to property owners that need only rehabilitation assistance and those that need substantial rehabilitation or reconstruction assistance as well as mitigation.

Owner-occupied properties eligible for funding consideration under this program include properties with one to four units, where the owner occupies one of the four units as the owner's primary residence.

DOH staff and third-party contractors will provide assistance to potential applicants at the application stage and then will work closely with homeowners eligible for assistance under this program to evaluate the extent of the damage, engage a contractor to perform the appropriate scope of construction work.

Summary of Program Eligibility and Program Priorities for Owner-occupied Housing Programs

Eligibility Threshold Requirements

- Unmet Needs – Funding is available solely to address unmet needs;
- Eligible/Fundable – each property must be determined to be an eligible and fundable activity under the Housing and Community Development Act as modified by the Federal Register Notice and all other applicable regulations and guidance, including, without limitation, the following activities:
 - acquisition of real property; buyouts; code enforcement; relocation assistance; new construction, reconstruction and rehabilitation of residential and nonresidential properties; new construction, reconstruction and rehabilitation of public housing; American Disability Act improvements; fair housing counseling; homeownership counseling and assistance; and actions to meet the State’s certification to affirmatively further fair housing.
- Impacted and Distressed Area – each property must be located in one of the four counties in which the expenditure of the Funding is allowable (i.e. Fairfield County, New Haven County, Middlesex County, New London County) or the Mashantucket Pequot Indian Reservation, all of which sustained significant damage from Hurricane Sandy;
- Readiness to Proceed – each property must be capable of being undertaken immediately to provide outcomes to intended beneficiaries effected by the disaster;
- Feasibility – each property must be found to be financially feasible, sustainable and likely to contribute to the long-term recovery of disaster impacted communities; and
- Consistency with Consolidated Plan/Action Plan – each property must be reflective of the goals, priorities and requirements of the State of Connecticut’s 2010-2015 Consolidated Plan.

Funding Priorities

- Projects that benefit LMI persons and/or are located in LMI Areas (i.e. an area with household incomes at or below 80% of the area median income);
- Projects that enable the State to satisfy the federal requirement that at least 80% of the Funding be spent in Fairfield and New Haven Counties;
- Projects that include deep income targeted units (i.e. units for extremely low income persons or families, the homeless or persons at risk of becoming homeless);
- Projects that address conditions that threaten the health and safety of either the occupants or the public;
- Projects that contribute significantly to the long-term recovery and economic revitalization of the affected area;

- Projects undertaken on behalf of a beneficiary or sponsor that commits to contribute financially in the repair, construction or mitigation of the project (this can be through private insurance, NFIP, FEMA, SBA, and/or other sources); and
- Mitigation – cost effective resiliency and other activities designed to harden the property in order to minimize reoccurrence of storm damage whenever possible.

It is believed that the allocation of \$30 million for owner-occupied rehabilitation and mitigation should address approximately one-half of the estimated unmet need on a cost basis. However, the number of units that are assisted will depend in large part on the cost of rehabilitating these units up to applicable building code, including the need to elevate these units in certain areas. As discussed in detail in Appendix A, we estimate the funding needed for individual units to vary approximately from \$4,000 to \$100,000 per unit. Therefore, under the owner-occupied rehabilitation and mitigation portion of the Housing Program, we anticipate assisting approximately 3,600 units.

Multifamily Rehabilitation Program

The Multifamily Rehabilitation program will provide financial assistance to rehabilitate LMI units in eligible multifamily properties with unmet need, including public housing, HUD-assisted housing, McKinney-Vento funded shelters and housing for the homeless, which were damaged by Hurricane Sandy and located outside the 100 and 500 year flood plain in any community in Fairfield and New Haven counties. The general requirements of this program are as follows:

1. Eligible applicants include owners of existing low moderate income (LMI) multifamily properties outside of the 100 and the 500 year flood plain in New Haven and Fairfield counties (for-profit and non-profit owners as well as public housing authorities);
2. An eligible applicant’s property must have been damaged by Hurricane Sandy;
3. Each property to be assisted must have been insured at the time of the storm;
4. Each property to be assisted must be current on property taxes, if applicable (“current on property taxes” includes being in compliance with a payment plan or stipulated agreement with the taxing entity);
5. Each property may consist of one or more rental units; however, the property cannot meet the definition of a “second home” as defined by IRS Publication 936. (For owner-occupied properties, see owner-occupied program on page 50 of this document);
6. Properties to be assisted must meet applicable State and local codes at completion;
7. The owner/developer must submit a relocation plan that conforms to the Uniform Relocation Act (the “URA”), if applicable;
8. The owner must propose the financial structure, which, at a minimum shall meet all of the following criteria:

- a. CDBG-DR Program funds are used as gap financing in the form of a subordinate debt, which may be secured by a mortgage;
 - b. CDBG-DR Program funds are limited to the hard and soft costs of rehabilitation;
 - c. The application accounts for the expenditure of all benefits received prior to application, including:
 - i. insurance payments;
 - ii. FEMA or SBA payments;
 - iii. Cash or other benefits provided by any charitable organization in connection with the project;
 - iv. Other federal, State or local financial assistance provided in connection with the project.
9. All properties assisted with CDBG-DR Program funds shall be encumbered with a lien for a period to be determined by DOH based on its underwriting of the project;
10. The property and the applicant meet all of the federal, State and local requirements of eligibility and underwriting for the Funding and all other applicable federal requirements;
11. No portion of the Funding may be used to reimburse the applicant for costs incurred prior to its application.

Multifamily Rehabilitation/Rebuilding and Mitigation Program

The Multifamily Rehabilitation/Rebuilding and Mitigation Program will target eligible LMI multifamily properties with unmet need, including public housing, HUD-assisted housing, McKinney-Vento funded shelters and housing for the homeless, which were damaged by Hurricane Sandy and located within the 100 or 500 year flood plain in any community in Fairfield and New Haven counties. The general requirements of this program are as follows:

- 1. Eligible applicants include owners of existing low moderate income (LMI) multifamily properties outside of the 100 and the 500 year flood plain in New Haven and Fairfield counties (for-profit and non-profit owners as well as public housing authorities);
- 2. An eligible applicant’s property must have been damaged by Hurricane Sandy;
- 3. Each property to be assisted must have been insured at the time of Hurricane Sandy;
- 4. Each property to be assisted must be current on property taxes, if applicable (“current on property taxes” includes being in compliance with a payment plan or stipulated agreement with the taxing entity);
- 5. Each property must have a minimum of twenty units or beds in the case of McKinney-Vento funded shelters (applicants may aggregate existing units to meet the threshold of twenty units);

6. All applicants must submit a feasibility analysis of the most cost effective approach of either mitigation and rehabilitation/reconstruction or relocation and reconstruction;
7. Properties to be assisted must meet applicable State and local codes at completion and meet the federal and State requirements for energy efficiency, if applicable;
8. Relocation of replacement units outside the floodplain;
 - a. Units to be constructed must meet applicable State and local codes at completion and meet the federal and State requirements for green building and energy efficiency;
 - b. The owner/developer must submit a relocation plan that conforms to the URA, if applicable;
 - c. For State Public Housing, the residual vacant land shall be sold at public auction to the highest bidder and the net proceeds (sale price less costs of sale and public or private sector liens) realized from the sale shall be distributed as follows: to DECD/DOH, the total amount of CDBG-DR Program funds, if any, expended on the demolition of the existing units together with one half of the net proceeds, and the balance to the developer/owner;
 - d. A public housing authority applicant proposing the relocation of units out of the flood plain shall provide a HUD disposition plan for the closure of existing public housing units;
9. Elevation and Rehabilitation:
 - a. The applicant shall be required to raise the elevation at least one (1) foot above the applicable flood plain map 100 year elevation; and
 - b. The applicant shall be required to raise all base utilities to the required code level above the elevation;
10. The applicant must propose the financial structure, which, at a minimum shall meet all of the following criteria:
 - a. CDBG-DR Program funds are utilized as gap financing in the form of subordinate debt, which may be secured with a mortgage;
 - b. CDBG-DR Program funds are limited to the hard and soft costs of mitigation and rehabilitation or new construction;
 - c. The applicant must propose a financial structure that leverages CDBG-DR Program funds by:
 - i. Utilizing four percent or nine percent low income housing tax credits; or
 - ii. Utilizing other forms of financing or equity except deferred development fees;

- d. The application accounts for the expenditure of all benefits received prior to application, including:
 - i. insurance payments;
 - ii. FEMA or SBA payments;
 - iii. Cash or other benefits provided by any charitable organization in connection with the project;
 - iv. Other federal, State or local financial assistance provided in connection with the project.
11. All properties assisted with CDBG-DR Program funds shall be encumbered with a lien for a period to be determined by DOH based on its underwriting of the project;
12. The property and the applicant must meet all of the federal, State and local requirements of eligibility and underwriting for CDBG-DR Program funding and all other applicable federal requirements.
13. No portion of the Funding may be used to reimburse the applicant for costs incurred prior to its application.

Funding Priorities

- Projects that benefit LMI persons and/or are located in LMI Areas (i.e. an area with household incomes at or below 80% of the area median income);
- Projects that enable the State to satisfy the federal requirement that at least 80% of the Funding be spent in Fairfield and New Haven Counties;
- Projects that include deep income targeted units (i.e. units for extremely low income persons or families, the homeless or persons at risk of becoming homeless);
- Projects that address conditions that threaten the health and safety of either the occupants or the public;
- Projects that contribute significantly to the long-term recovery and economic revitalization of the affected area;
- Projects undertaken on behalf of a beneficiary or sponsor that commits to contribute financially in the repair, construction or mitigation of the project (this can be through private insurance, NFIP, FEMA, SBA, and/or other sources); and
- Mitigation – cost effective resiliency and other activities designed to harden the property in order to minimize reoccurrence of storm damage whenever possible.

Public Housing Properties

The State intends to provide significant financial assistance, both with a portion of the Funding, as well as with other state-administered resources (see section V. Federal, State, Local, Non-profit, and Individual Sources of Funding to be Leveraged) to specifically address the needs of the most critically

impacted state and federal public housing units identified in the Needs Assessment (see the chart below).

Public Housing Properties in the 100 Year Flood Plain						
County	Town	Description	Estimated Unmet Need	Total Cost	Number of Units	Estimated Cost per Unit
Fairfield	Bridgeport	Marina Village	\$ 50,000,000	\$ 105,000,000	406	\$ 258,621
Fairfield	Stratford	Meadowview Manor	\$ 22,700,000	\$ 32,307,600	100	\$ 323,076
Fairfield	Stratford	Elm Terrace	\$ 11,350,000	\$ 16,153,800	50	\$ 323,076
Fairfield	Stratford	Hearthstone Apartments	\$ 22,700,000	\$ 32,307,600	100	\$ 323,076
Fairfield	Stratford	Robert F. Kennedy Apts.	\$ 17,025,000	\$ 24,230,700	75	\$ 323,076
Fairfield	Norwalk	Washington Village	\$ 16,000,000	\$ 30,416,005	81	\$ 323,076
Fairfield	Milford	136 Merwin Ave (5 1br)	\$ 140,000	\$ 140,000	1	\$ 140,000
Fairfield	Milford	183 Broadway (duplex)	\$ 125,000	\$ 125,000	2	\$ 62,500
Total			\$ 140,040,000	\$ 240,680,705	815	\$ 259,563

In particular, the State is committed to working closely with the affected public housing authorities to identify necessary costs and ensure that funding is dedicated to addressing the unmet needs of damaged public housing. We anticipate that not less than \$13 million of the \$26 million allocated for the Multifamily Rehabilitation/Rebuilding and Mitigation Program will be used to assist public housing units.

HUD-assisted Housing, McKinney-Vento funded shelters, other HUD Properties

Through the various data and information collection efforts carried out by the State, as detailed earlier in this section and described in the Citizen Participation portion of section XII, there have not been any HUD-assisted housing properties identified as having unmet needs. However, these properties are eligible to apply for the Funding, using the criteria established above, and will be eligible to compete for funds necessary to address their specific needs.

It is believed that the allocation of \$26 million for multifamily rehabilitation/rebuilding and mitigation, in combination with the anticipated leverage factor of 5 (each \$1 of CDBG-DR Program funds committed is anticipated to leverage \$4 from other sources), should address approximately 89% of the estimated unmet need on a cost basis. However, the percent of units that are assisted may be less due to the high cost of mitigation (re: elevation) and the cost of alternate sites for the replacement of public housing units. As discussed in detail in Appendix A, we estimate the funding needed for multifamily units to vary approximately anywhere from \$4,000 to \$120,000 per unit. Therefore, under the Multifamily Housing

Rehabilitation/Rebuilding and Mitigation portion of the Housing Program, we anticipate assisting as many as 1,000 units.

VIII. Economic Revitalization

Needs Assessment

Impact to the State's Economy

Hurricane Sandy impacted the State's economy by temporarily or permanently specific economic activity, including, for example, cancelled tourist visits, forgone business revenue due to shuttered offices, and wages not paid to workers who could not work during the storm and in its aftermath. In addition, the physical damage to residential housing, commercial buildings, public facilities, infrastructure and business equipment and inventory required new unplanned expenditures that diverted funds that could otherwise be reasonably expected to have been directed towards savings and investment. This could be viewed as a reduction in the State's wealth and stock of productive resources.

Disruption to the State Economy

As a result of Hurricane Sandy, record-breaking storm surges hit Fairfield County, New Haven County, Middlesex County, New London County and the Mashantucket Pequot Indian Reservation damaging transportation, energy distribution, and telecommunications infrastructure, which led to sustained disruptions to businesses and their employees. The primary economic indicator of Sandy's impact is the weekly initial jobless claims data for the State. Jobless claims jumped in the weeks following the storm. In the week following Hurricane Sandy, the Labor Department reported that initial claims for state unemployment rose by 78,000 to a seasonally adjusted 439,000. That is the highest level since April 2011 and the biggest one-week increase in new claims since 2005. Moody's Analytics estimates that jobs lost in Connecticut were primarily in the leisure and hospitality, local government, and education and healthcare sectors.

Soon after Hurricane Sandy moved out of the area, Moody's Analytics published initial estimates of lost output for the affected region, which stretched from Washington, DC to Bridgeport, Connecticut. The estimates were derived from Moody's regional economic models and assumptions regarding the scope and duration of the disruption. Moody's analysis took into account historical patterns noted in previous disasters, including the observation that while most sectors are harmed, activity in some sectors – such as the construction and manufacturing sectors – is actually enhanced. Moody's provided *net* estimates of base losses which take into account both of these effects. From these base estimates, Moody's then scaled its values by the IMPLAN sector multipliers to include the additional impacts that losses would inflict on other parts of the economy. The total net loss figure was \$19.9 billion for the impacted region.

Unmet Economic Development Needs

According to data gathered by SBA and FEMA and insurance claims data obtained by the State, there are unmet small business needs in the amount of approximately \$11.1 million. These activities include structural repairs (approximately \$5.1 million), repair or replacement of equipment (approximately \$5 million), and working capital (\$1 million). In addition, the Mashantucket Pequot Indian Reservation identified economic revitalization losses. The table below documents these unmet needs.

Economic Revitalization Unmet Needs					
Activity	Total Unmet Need	Fairfield County	New Haven County	Mashantucket Pequot Indian Reservation	All Jurisdictions Eligible for the Funding
Equipment	\$5,005,000	\$1,005,000	\$4,000,000	\$0	\$0
Property	\$5,100,000	\$4,840,000	\$26,000	\$102,888	\$0
Capital	\$1,000,000	\$0	\$0	\$0	\$1,000,000
TOTALS	\$11,105,000	\$5,845,000	\$4,260,000	\$102,888	\$1,000,000

The unmet need in Equipment and Property Repairs represent over 46.26% and 44.48% of the total unmet need, respectively.

The following is a summary of the unmet needs related to building damage reported in the eligible jurisdictions by NAICS classification:

Jurisdiction	Municipality	#	Amount	NAICS Classification	NAICS #
Fairfield County	Fairfield	1	\$ 1,300,000	Other Amusement & Recreational Activities	713990
Fairfield County	Fairfield	1	\$ 900,000	Child Daycare Services	624410
Fairfield County	Fairfield	2	\$ 900,000	Hotels (Except Casino Hotels)	721110
Mashantucket Pequot Reservation		1	\$ 10,888	Hotels (Except Casino Hotels)	721110

Mashantucket Pequot Reservation		1	\$ 92,000	Casino Hotels	721120
Fairfield County	Fairfield	2	\$ 900,000	Limited Service Restaurant	236220
Fairfield County	Fairfield	1	\$ 450,000	Beer, Wine & Liquor Stores	445310
Fairfield County	Stamford	1	\$ 75,000	New Car Dealers	441110
Fairfield County	Stamford	1	\$ 25,000	Beauty Salon	812112
Fairfield County	Stamford	1	\$ 75,000	Marina	713930
New Haven County	Milford	1	\$ 100,000	Marina	713930
Fairfield County	Stratford	3	\$ 100,000	Restaurant	236220
Fairfield County	Stratford	1	\$ 80,000	Plumbing, Heating, and Air- Conditioning Contractors	238220
New Haven County	Milford	1	\$ 50,000	Sports & Recreation	611620
SUBTOTAL		18	\$ 5,057,888	(Classified Only)	

UNCLASSIFIED					
Jurisdiction	Municipality	Number	Amount		
New Haven County	Waterbury	--	\$ 160,000		
Fairfield County	Danbury	--	\$ 35,000		
SUBTOTAL		--	\$ 195,000	(UNCLASSIFIED ONLY)	
TOTAL		18	\$ 5,252,888		

A wide range of businesses were impacted with the greatest concentration of monetary damages in Other Amusement and Recreational Facilities (\$1.3 million); Hotels of various types (\$1 million) and Restaurants of various types (\$1 million).

Many of the impacted businesses were either on or close to the shoreline, including a high percentage in the 100-year flood plain. The unmet needs reflected in the table above do not reflect potential mitigation or resiliency costs. Data regarding such costs will be gathered through the application and project cost estimating process.

The following table is a summary of the equipment damage unmet needs reported by jurisdiction and NAICS classification:

Jurisdiction	Municipality	#	Amount	NAICS Classification	NAICS #
Fairfield County	Fairfield	1	\$ 125,000	Hotels (Except Casino Hotels)	721110
Fairfield County	Fairfield	2	\$ 250,000	Limited Service Restaurant	236220
Fairfield County	Fairfield	1	\$ 125,000	Beer, Wine & Liquor Stores	445310
Fairfield County	Stratford	1	\$ 400,000	Plumbing, Heating, and Air-Conditioning Contractors	238220
Fairfield County	Stratford	2	\$ 60,000	Restaurant	236220
SUBTOTAL		7	\$ 960,000	(Classified Only)	

<u>UNCLASSIFIED</u>					
Jurisdiction	Municipality	#	Amount		
New Haven County	New Haven	--	\$ 4,000,000		
Fairfield County	Danbury	--	\$ 45,000		
SUBTOTAL		--	\$ 4,045,000	(UNCLASSIFIED ONLY)	
TOTAL		7	\$ 5,005,000		

A range of businesses were impacted, with the greatest concentration of costs in Plumbing, Heating, and Air-Conditioning Contractors (\$400,000); and Restaurants of various types (\$310,000).

Assisting the small businesses impacted by Hurricane Sandy aligns well with the existing parameters DECD Small Business Express program, and it is therefore anticipated that a portion of the proposed \$4 million allocation of CDBG-DR funds can be used to leverage sufficient additional grant and loan funds to cover approximately 80% of the unmet need in equipment and property repairs.

Also, although the need for Capital is largely anecdotal and not clearly defined as of yet, it is anticipated that a significant need to assist small and minority-owned businesses exists, particularly in the business of general contracting. A portion of this funding may be used to guaranty funds under the State's Minority Business Assistance Program.

Economic Goals

As stated previously, the only areas within Connecticut in which the Funding can be expended are Fairfield County, New Haven County, Middlesex County, New London County and the Mashantucket Pequot Indian Reservation.

Second, not less than 80% of the Funding must be expended in Fairfield and New Haven Counties.

Third, the State must ensure that at least 50% of the Funding is used for activities that benefit LMI persons. LMI persons are defined for the purposes of the CDBG-DR Program as persons and families whose income does not exceed 80% of AMI, as determined by HUD. This 50% requirement applies to the entirety of the Funding as a whole and does not apply to each individual program or activity.

Finally, while the Funding can be used for any eligible purpose, HUD has indicated that the intended programmatic focus of the Funding is housing rehabilitation and redevelopment and economic revitalization and each activity must meet at least one of the National Objectives.

Activities that can be funded with the Funding include, without limitation: acquisition of real property; acquisition, rehabilitation and construction of public works and facilities; buyouts; code enforcement; relocation assistance; new construction, reconstruction and rehabilitation of residential and nonresidential properties; new construction, reconstruction and rehabilitation of public housing; repair or rehabilitation of infrastructure; American Disability Act improvements; rental assistance (limited); storm mitigation measures; special economic development including: grants and loans to SBA defined small business, job training, and the revitalization of business districts; fair housing counseling; homeownership counseling and assistance; and assistance to Community-Based Development Organizations for neighborhood revitalization, community economic development, energy conservation projects, homeownership assistance, fair housing, planning, and administrative costs, including actions to meet the State's certification to affirmatively further fair housing.

In this section, special emphasis will be paid to "special economic development including: grants and loans to SBA defined small businesses, job training, and the revitalization of business districts" as specified in the CDBG-DR eligible activities for the State of Connecticut.

Under the CDBG program, “special economic development” activities are outlined in 24 CFR Part 570.3: § 570.203 Special economic development activities.

A recipient may use CDBG funds for special economic development activities in addition to other activities authorized in this subpart that may be carried out as part of an economic development project. Guidelines for selecting activities to assist under this paragraph are provided at § 570.209. The recipient must ensure that the appropriate level of public benefit will be derived pursuant to those guidelines before obligating funds under this authority.

Special activities authorized under this section do not include assistance for the construction of new housing.

Activities eligible under this section may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination.

Special economic development activities include:

- The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions.
- The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in § 570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods.
- Economic development services in connection with activities eligible under this section, including, but not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

The State intends to permit the reimbursement of the cost of reasonable expenses incurred by businesses that by incurring storm related expenses, preserved jobs. Such reimbursement shall be limited to \$15,000 per job retained.

Eligible Applicants for Economic and Business Assistance

1. Eligible applicants are either: (a) small businesses, as defined by the SBA, that are located in Fairfield, New Haven, New London and Middlesex counties or the Mashantucket Pequot Indian Reservation and which incurred a loss when its plant and/or equipment was damaged or destroyed by Hurricane Sandy; or (b) minority, women owned or Section 3

businesses in Connecticut that require assistance in obtaining surety bonds, including, bid performance and payment bonds, for capital construction projects directly related to Hurricane Sandy; and

2. Definition of a small business:

- a. While the Small Business Act outlines a very broad definition of what constitutes a small business, the SBA publishes its own size standards that define whether a business entity is 'small'.
- b. The most widely used, and SBA-endorsed, sizing criteria for small businesses is the following: the business must have no more than 500 employees for most manufacturing and mining industries, and no more than \$7 million in average annual receipts for most nonmanufacturing industries.
- c. To determine whether a particular business can be classified as a 'small business', one can refer to this Summary of Size Standards by Industry (<http://www.sba.gov/content/summary-size-standards-industry>) or, for more specific detail, refer to the SBA's Table of Small Business Size Standards (<http://www.sba.gov/content/table-small-business-size-standards>).
- d. The SBA's sizing standards published in these links are matched to the NAICS, and are stated in terms of the number of employees or average annual receipts. Also, it is worth noting that the SBA identifies the maximum size of a business that can be classified as a 'small business'.
- e. This qualification can be determined by the applicant business applying to the SBA for disaster and business assistance before applying to the State's Business Assistance Programs.

Business Assistance Programs

As previously noted, the State currently operates two programs for which a portion of the Funding will be allocated for Economic Revitalization activities.

Small Business Express Program

The general criteria for the State's Small Business Express Program for plant and equipment are:

1. The minimum grant shall be \$10,000;
2. The maximum grant shall be \$50,000.

3. CDBG-DR Program funds will provide up to a one-to-one matching grant for plant and equipment assistance for eligible applicants which, coupled with the Small Business Express grant, will provide economically-impacted businesses with 100% financing to recover from the impact of Hurricane Sandy.
4. Applicants shall be subject to all requirements of the Small Business Express Program;
5. Applicants will be subject to all CDBG-DR applicable requirements including underwriting and financial feasibility for proposed projects and determination of “cost reasonableness” and eligibility for all proposed CDBG-DR expenditures.
6. If the CDBG-DR Program funds are used for working capital purposes, applicants will be required to provide a personal guarantee or a pledge of unencumbered assets as collateral.

Minority Business Assistance Program

Eligible small business applicants will be referred to the Minority Business Assistance Program for participation in their various service programs, where they can receive technical assistance in order to help them do any of the following:

- a. Develop an effective business plan;
- b. Prepare business proposals and bids;
- c. Set-up accounting and payroll systems;
- d. Negotiate contracts;
- e. Secure financing;
- f. Obtain bonding through the Connecticut Minority Bonding Guarantee Fund Program;
- g. Acquire M/WBE state and municipal certification.

In order to qualify, applicants must meet the following requirements:

1. Applicants must be Small Businesses as defined by the SBA.
2. Applicants shall be subject to the requirements of the Minority Business Assistance Program
3. Applicant businesses must be located in a jurisdiction in which the Funding can be expended under the CDBG-DR Program.

It is believed that the allocation of \$4 million for economic revitalization and the guarantee of small business contractor bonding, in combination with the anticipated leverage of \$4 million in state funding, should address approximately 80% of the estimated unmet need on a cost basis. However, the actual number of businesses to be assisted is not known at this time. As discussed in detail in Appendix A, we anticipate the funding needed for economic recovery to vary approximately from \$10,000 to \$100,000 per business. Therefore, under the Economic Revitalization Program, we anticipate assisting more than 40 small businesses and minority/women-owned/disadvantaged companies.

IX. Infrastructure

Needs Assessment

Based on the State’s needs assessment survey, public outreach and FEMA reports, it is clear that Connecticut sustained significant damage to infrastructure as a result of Hurricane Sandy.

Infrastructure unmet needs are, for the purpose of this Action Plan, limited to the repair and replacement of existing infrastructure. The construction of new infrastructure or ‘hardening’ of existing infrastructure not damaged by Hurricane Sandy is included in mitigation, and is discussed elsewhere in this Action Plan.

The largest unmet need identified to date in the area of infrastructure is the repair or replacement of drainage systems. However, roads and seawalls also have significant unmet repair and rebuilding needs. These three areas constitute over seventy-six percent (76.26%) of repair and replacement activities identified. In total, nearly 99% of the activities identified as having unmet needs are located in Fairfield and New Haven counties.

Infrastructure Unmet Needs					
Activity	Total Unmet Need	Fairfield County	New Haven County	New London County	Middlesex County
Drainage	\$6,875,173	\$800,000	\$6,075,173	\$0	\$0
Roads	\$5,084,601	\$2,107,358	\$2,977,243	\$0	\$0
Seawalls	\$4,975,000	\$850,000	\$4,125,000	\$0	\$0
Municipal Utility Repairs	\$1,090,000	\$790,000	\$300,000	\$0	\$0
Water & Sewer	\$1,011,000	\$1,011,000	\$0	\$0	\$0
Sidewalks	\$327,450	\$218,900	\$100,000	\$0	\$8,550
Other	\$2,844,629	\$2,470,148	\$134,481	\$0	\$240,000
TOTALS	\$22,207,853	\$8,247,406	\$13,711,897	\$0	\$248,550
Percent	100%	37.14%	61.74%	0%	1.12%

Infrastructure projects represent a wide range of unmet need encompassing numerous types of infrastructure repair, including, for example, dredging existing channels and repairing or replacing fences and guardrails along critical roadways.

Moreover, the calculation of unmet needs in the infrastructure and public facilities areas is not intended to be comprehensive as much of the necessary data is not yet available. The State will continue to collect and analyze data in connection with future allocations of funding under the CDBG-DR Program.

Infrastructure Goals

The primary goal of Connecticut's CDBG-DR disaster recovery program with regard to infrastructure is to restore a suitable living environment in disaster impacted areas by rehabilitating or reconstructing infrastructure, particularly though exclusively where such infrastructure primarily serves LMI persons. The State also intends to make infrastructure repairs in a manner that supports energy conservation/efficiency objectives and responsible growth as well as transit-oriented development.

Infrastructure Program

The proposed allocation from the Funding specifically for infrastructure activities is \$4,000,000. As previously noted, it is not expected that this amount is sufficient to address a large portion of the State's unmet infrastructure needs. HUD has indicated that future CDBG-DR funding will be intended primarily for unmet infrastructure, public facility and mitigation "only" needs. Connecticut will more fully address its infrastructure needs when such future funds are allocated.

Infrastructure projects will be selected on a basis modeled after the Small Cities CDBG Program. Funding will be available to specific projects submitted by municipalities and their partners through a competitive application round. DOH will provide advance notice of fund availability but will reserve the right to cease accepting applications at any time that all available funds have been committed.

Consistent with CDBG-DR Program requirements, the State's use of a portion of the Funding for this program will be consistent with the following:

Eligibility Threshold Requirements

1. Unmet Needs – Funding is available solely to address unmet needs;
2. Eligible/Fundable – each project must be determined to be an eligible and fundable activity under the Housing and Community Development Act as modified by the Federal Register Notice and all other applicable regulations and related guidance;
3. Impacted and Distressed Area – each project must be located in one of the four counties in which the expenditure of the Funding is allowable (i.e. Fairfield County, New Haven County, Middlesex County, New London County) or the Mashantucket Pequot Indian Reservation, all of which sustained significant damage from Hurricane Sandy;
4. Readiness to Proceed – each project must be capable of being undertaken (design or construction) immediately to provide outcomes to intended beneficiaries effected by the disaster;
5. Feasibility – each project must be found to be financially feasible, sustainable and likely to contribute to the long-term recovery of disaster impacted communities; and
6. Consistency with Consolidated Plan/Action Plan – each project must be reflective of the goals, priorities and requirements of the State of Connecticut's 2010-2015 Consolidated Plan.

Funding Priorities

1. Projects that benefit LMI persons and/or are located in LMI Areas (i.e. an area with household incomes at or below 80% of the area median income);
2. Projects that enable the State to satisfy the federal requirement that at least 80% of the Funding be spent in Fairfield and New Haven Counties;
3. Projects that address conditions that threaten the health and safety of either the occupants or the public;
4. Projects that contribute significantly to the long-term recovery and economic revitalization of the affected area;
5. Projects undertaken on behalf of a beneficiary or sponsor that commits to contribute financially in the repair, construction or mitigation of the project (this can be through private insurance, NFIP, FEMA, SBA, and/or other sources); and
6. Mitigation – cost effective resiliency and other activities designed to harden the property in order to minimize reoccurrence of storm damage whenever possible.

Construction / Reconstruction of Water Sewer Lines or Systems

Infrastructure activities will include the reconstruction or construction of water and sewer lines or systems. While the State has collected detailed information about potential projects (as part of its needs assessment), it plans to select projects through the competitive process described above. Complete information on all selected infrastructure projects will be provided to the public at the conclusion of that process. At the time of the submission of this Action Plan, the State notes that only a very small portion of its unmet needs relate to water and sewer facilities so a relatively small portion of the allocation is likely to be used for this category of improvements.

Construction / Reconstruction of Streets and Drainage Systems

Infrastructure activities will also include the construction or reconstruction of streets and drainage systems. The State's needs assessment indicates a large unmet need for infrastructure repairs related to damaged drainage systems. Necessary repairs are estimated to cost approximately \$6,875,173. Their repair is second only to roads which are estimated to cost \$5,084,601. Anticipated uses of funds in this activity area are expected to include a focus on road and drainage improvements.

Rehabilitation/Reconstruction of Other Non-Residential Structures

Lastly, infrastructure activities will include the rehabilitation/reconstruction of other non-residential structures. The State's needs assessment indicates a large unmet need for infrastructure repairs related to seawalls that either failed or were damaged, and is estimated to cost \$4,975,000. Although vital to the resiliency of the State's communities, the repair of these structures is third in importance to roads

and drainage improvements. It is therefore anticipated that a portion of the Funding will be used to address unmet needs related to seawall repairs. In addition to allocating a portion of the Funding for seawall replacement or repairs, the State may direct a portion of the Funding for improvements to publicly owned utility infrastructure and sidewalks along with a variety of other improvement projects.

X. Public Facilities

Needs Assessment

Based on the State’s needs assessment survey, public outreach and FEMA reports, Connecticut sustained significant damage to public facilities as a result of Hurricane Sandy.

Municipalities identified 88 projects with unmet needs totaling approximately \$34.5 million. These projects range from public building repairs (e.g. community rooms, museums, and schools) to park and recreational facility repairs (e.g. restoring riprap, piling repair, boat launch repair, and swing set replacement).

Public Facilities Unmet Needs					
Activity	Total Unmet Need	Fairfield Co	New Haven Co	New London Co	Middlesex Co
Parks & Recreational Facilities	\$28,929,302	\$11,196,802	\$14,522,500	\$3,210,000	\$0
Public Buildings	\$5,322,814	\$2,879,432	\$2,241,082	\$140,000	\$62,300
Other	\$275,191	\$0	\$275,191	\$0	\$0
TOTALS	\$34,527,307	\$14,076,234	\$17,038,773	\$3,350,000	\$62,300

Public buildings repair projects represented 15.4% of the overall Public Facilities unmet need. As indicated above, requests for parks and recreational facilities represented 83.8% of all of the unmet need.

Public Facilities Goals

The State’s primary goal in allocating a portion of the Funding for the rehabilitation of public facilities is to restore a suitable living environment in disaster impacted areas by rehabilitating or reconstructing public facilities, including those public facilities that primarily serve LMI persons. The State also intends

to make repairs in a manner that supports energy conservation/efficiency objectives and responsible growth as well as transit-oriented development.

Public Facilities Programs

The proposed allocation for public facilities is \$2,200,000. This amount will meet 6.4% of the total unmet need identified above, including the provision of critical funds for necessary architectural, environmental and other preconstruction activities. A future allocation of CDBG-DR Program funding, HUD has indicated, will be intended primarily for unmet infrastructure, public facility and mitigation needs. The State plans to more fully address its public facility unmet needs with a portion of such funds.

Projects will be selected on a basis modeled after the CDBG-Small Cities Program. Funding will be available to municipalities and partners through a competitive funding round. DOH will provide advance notice of fund availability and will reserve the right to cease accepting applications at any time that all available funds have been obligated. Applicants requesting funds for multiple projects will be asked to prioritize those projects within their jurisdiction. Based on funding availability and other considerations, DOH may limit the number of awards to any applicant. Notification of such limitation will be included in DOH's notice of fund availability should DOH elect to set such a limitation.

Consistent with CDBG-DR Program requirements, the State's use of a portion of the Funding for this program will be consistent with the following:

Eligibility Threshold Requirements

1. Unmet Needs – Funding is available solely to address unmet needs;
2. Eligible/Fundable – each project must be determined to be an eligible and fundable activity under the Housing and Community Development Act as modified by the Federal Register Notice and all other applicable regulations and related guidance;
3. Impacted and Distressed Area – each project must be located in one of the four counties in which the expenditure of the Funding is allowable (i.e. Fairfield County, New Haven County, Middlesex County, New London County) or the Mashantucket Pequot Indian Reservation, all of which sustained significant damage from Hurricane Sandy;
4. Readiness to Proceed – each project must be capable of being undertaken (design or construction) immediately to provide outcomes to intended beneficiaries effected by the disaster;
5. Feasibility – each project must be found to be financially feasible, sustainable and likely to contribute to the long-term recovery of disaster impacted communities; and
6. Consistency with Consolidated Plan/Action Plan – each project must be reflective of the goals, priorities and requirements of the State of Connecticut's 2010-2015 Consolidated Plan.

Eligibility Threshold Requirements

1. Unmet Needs – Funding is available solely to address unmet needs;

2. Eligible/Fundable – each project must be determined to be an eligible and fundable activity under the Housing and Community Development Act as modified by the Federal Register Notice and all other applicable regulations and guidance;
3. Impacted and Distressed Area – each project must be located in one of the four counties in which the expenditure of the Funding is allowable (i.e. Fairfield County, New Haven County, Middlesex County, New London County) or the Mashantucket Pequot Indian Reservation, all of which sustained significant damage from Hurricane Sandy;
4. Readiness to Proceed – each project must be capable of being undertaken (design or construction) immediately to provide outcomes to intended beneficiaries effected by the disaster;
5. Feasibility – each project must be found to be financially feasible, sustainable and likely to contribute to the long-term recovery of disaster impacted communities; and
6. Consistency with Consolidated Plan/Action Plan – each project must be reflective of the goals, priorities and requirements of the State of Connecticut’s 2010-2015 Consolidated Plan.

Funding Priorities

1. Projects that benefit LMI persons and/or are located in LMI Areas (i.e. an area with household incomes at or below 80% of the area median income);
2. Projects that enable the State to satisfy the federal requirement that at least 80% of the Funding be spent in Fairfield and New Haven Counties;
3. Projects that address conditions that threaten the health and safety of either the occupants or the public;
4. Projects that contribute significantly to the long-term recovery and economic revitalization of the affected area;
5. Projects undertaken on behalf of a beneficiary or sponsor that commits to contribute financially in the repair, construction or mitigation of the project (this can be through private insurance, NFIP, FEMA, SBA, and/or other sources); and
6. Mitigation – cost effective resiliency and other activities designed to harden the property in order to minimize recurrence of storm damage whenever possible.

Rehabilitation / Reconstruction of Public Facilities

Public Facilities will include the rehabilitation / reconstruction of public facilities. While the State has collected detailed information about potential projects (as part of the needs assessment), it plans to select projects through the competitive process described above. Complete information on all selected infrastructure projects will be provided to the public at the conclusion of that process. At the time of the submission of this Action Plan, the State notes that the needs assessment indicates that the overwhelming need for repairs to public facilities concerns park and recreational facilities. The repair is

estimated to cost \$28,929,302. Public buildings, estimated to cost \$5,322,814, represent a smaller portion of the need. Anticipated uses of funds therefore would likely focus on public buildings.

Rehabilitation / Reconstruction of Other Non-Residential Structures

Only a very small portion of the unmet needs relate to “other non-residential” facilities so a similarly small portion of the allocation is expected to be used for this category of improvements.

XI. Resilience Investments

Connecticut adopted a State Response Framework in 2009, which incorporates the State Natural Disaster Plan and other plans, as well as resources, and an explanation of roles and responsibilities and standard operating procedures into one document. The State’s Standard Hazard Mitigation Plan must be updated every three years. Municipalities and Tribal Areas must update their plans once every five years.

Excluding the State, there are 171 jurisdictions affected by this requirement. Currently, 79 of the State’s municipalities and Tribal Areas (46.2%) have current plans; 34 of the State’s municipalities and Tribal Areas (19.9%) have expired plans in process of being updated; 45 of the State’s municipalities and Tribal Areas (26.3%) are creating new plans; and 6 of the State’s municipalities and Tribal Areas (3.5%) do not have a plan.⁷²

It is anticipated that most resiliency and mitigation investments will be funded with a future allocation of the CDBG-DR Program funding. With over \$24 million in existing requests for resiliency and mitigation measures, the State will seek local and regional cooperation in prioritizing and leveraging these investments by utilizing CDBG-DR Planning funds. In addition, as the State proceeds with the update of the State Hazard Mitigation Plan, as well as the State Plan of Conservation and Development, it is expected that the need for significant investment in resiliency measures associated with infrastructure and public facilities will be further documented. This will be accomplished through the various initiatives, committees and organizations, including, but not limited to, the State’s LTRWG, the State Hazard Mitigation Plan Update, the Conservation and Development Plan Update, and the State Response Framework.

Simultaneously, the State will seek to increase the capacity of the State’s municipalities and Tribal Areas to effectively plan for and define resiliency/mitigation investments by providing training targeted at the needs of the affected communities.

⁷² FEMA: Hazard Plan Mitigation Status; March 29th, 2013

Training will be specifically focused on preparedness, hazard mitigation, and future disaster resilience at the local, regional and State level.

The Interagency Recovery Coordination Group will coordinate recovery efforts, manage outreach, and bring additional agencies together to support recovery. This interagency initiative includes: DESPP/DEMHS, DOH, DECD, DOI, DSS, DOE, DOT, DMHAS, DPH, DEEP, DOL, OPM, the Governor's Office, the American Red Cross, and United Way 2-1-1.

Event presenters, facilitators, and experts will be recruited and drawn from State, Federal, Higher Education, and non-governmental sources. Potential informational and interactive sessions may include, but are not limited to: preparedness; resiliency measures; hazard mitigation; multi hazard mitigation planning; green building; green infrastructure; the National Flood Insurance Program; Advisory Base Flood Elevations; project funding, development, administration, and compliance; and community planning, building, and zoning.

Coordinated Response

Third, the State will encourage LGs, and state and regional planning agencies to develop a coordinated response to resiliency and mitigation investments anticipated to be funded with a future allocation of CDBG-DR Program funds. Specifically, the State will seek consistency in resiliency and mitigation planning across agencies and LG's. The State's objective is to develop and implement a coordinated, cost effective response to long-term resiliency and mitigation investment.

XII. Statewide Administration and Planning

Planning

HUD guidelines allow the State, like other states to which it has allocated CDBG-DR Program funds, to opt to expend up to 15% of its CDBG-DR Program funding allocation on planning activities. It is important for Connecticut to be proactive in anticipation of future natural disasters. Accordingly, DOH intends to expend just over \$2 million in Planning activities to assist in the planning processes associated with improving the resiliency of infrastructure and public facilities, and providing mitigation activities in the areas of the State that are eligible for the expenditure of the Funding.

These Planning activities might include, for example:

- the formulation of local long-term recovery plans;
- plans to address foreseeable mitigation needs at the state, regional or local level;
- research to develop strategies to address the health and safety of homeless individuals and families and other vulnerable populations;
- plans to avoid fuel shortages during future disasters; and

- scoping of mitigation and resiliency projects, particularly as they relate to critical infrastructure.

In addition, consistent with CDBG Program regulations, DOH intends to expend a portion of the Funding on costs incurred in the course of developing the CDBG-DR programs and activities.

Administration

The State, acting through DOH as the lead agency for the administration of the Funding, will administer and directly disburse the Funding directly to benefit homeowners, multifamily property owners, LG's and other eligible beneficiaries of the Funding. The administration of the Funding by DOH will ensure funding will reach as many affected residents as soon as possible in a consistent and coordinated manner to assist them in repairing their homes and small businesses so they can get their lives back in order and get our local economy back in business. DOH will implement the programs and activities detailed in this Action Plan primarily through dedicated staff and third-party contractors.

The third-party contractors to be retained by DOH will vary by activity category (i.e. Homeowner Rehabilitation, Multifamily Rehabilitation/Mitigation, Infrastructure, Economic Revitalization, Public Facilities, and Planning) and will include, but not be limited to:

- Application Intake and Evaluation (specifically for Homeowner programs);
- Architectural and Engineering services;
- Environmental Review services (including historic preservation review);
- Legal services;
- Construction Management services; and
- General Contracting (including subcontracting).

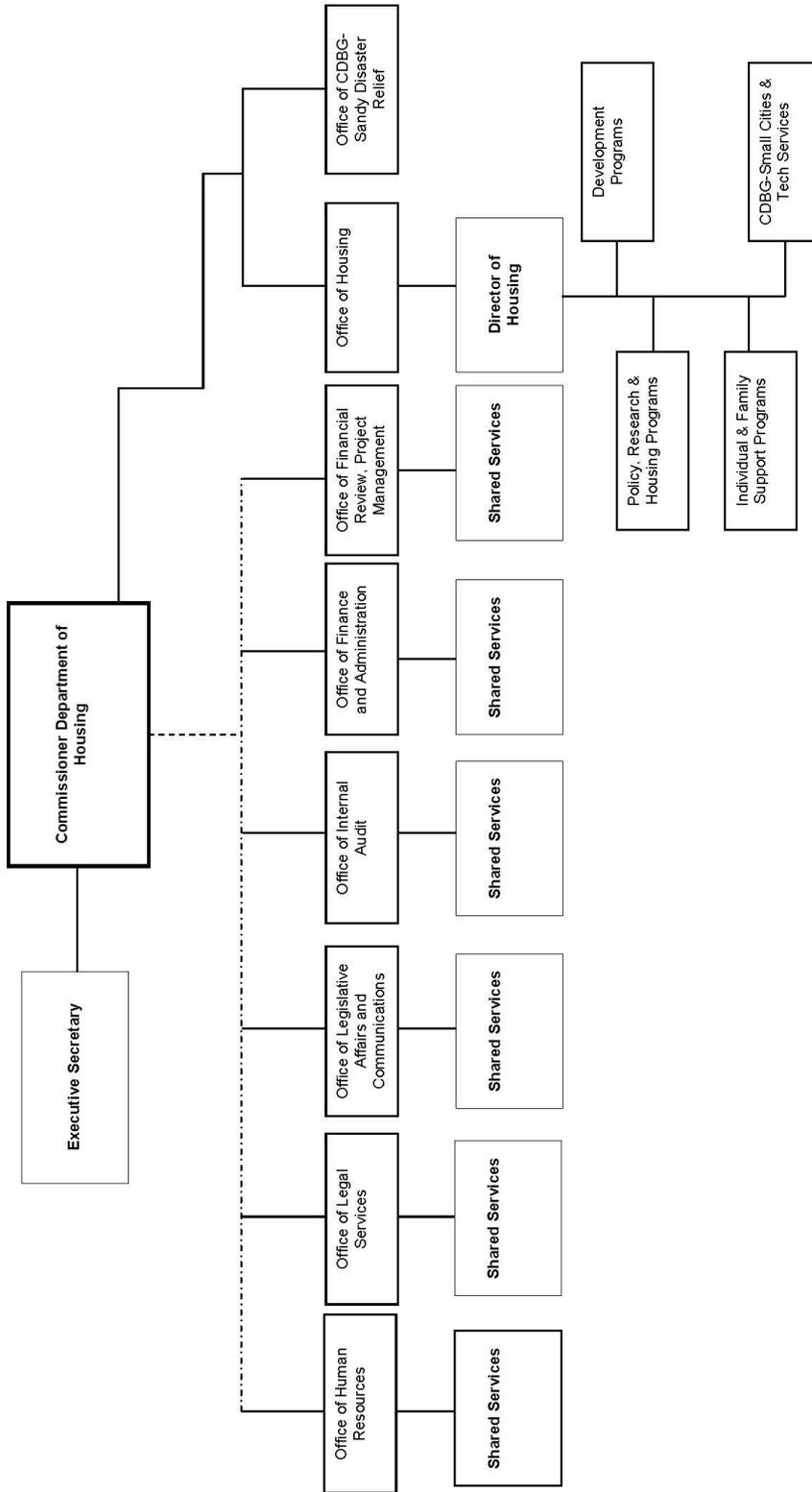
The DOH staff dedicated to the administration of the Funding will be responsible for complying with the significant federal requirements related to financial management and control, programmatic compliance and monitoring, affirmative fair housing, the prevention of fraud, waste and abuse. These staff members will be responsible for administering all aspects of the State's CDBG-DR Program, including oversight of all contractors, working with individual applicants, processing the necessary payments, tracking projects and program activities, reporting in the federal Disaster Recovery Grants Administration (DRGR) system, as well as coordinating the activities of other state agencies in relation to the Sandy recovery.

In addition to these dedicated staff, the Internal Auditor for DOH, who reports directly to the Office of the Commissioner, is responsible for ensuring that procedures to detect fraud, waste and abuse are both adopted and implemented in accordance with federal requirements and consistent with the Statement on Auditing Standards No. 99 (SAS99) and the standards established for the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors (IIA).

DOH staff will also oversee the extensive federal requirements associated with programmatic compliance and monitoring. These staff members will be responsible for ensuring the overall administration of the Funding complies with all applicable federal requirements. They will monitor other DOH staff to ensure the proper implementation of consistent processes and procedures, particularly as they relate to the identification and prevention of the duplication of benefits. This compliance team will also be responsible for monitoring all DOH contractors and service providers as detailed in the CDBG-DR Compliance and Monitoring Manual, attached as Appendix C to this Action Plan. As previously noted, there will also be long term compliance requirements associated with some of these program activities (i.e. liens on homeowner and multifamily properties for extended periods). Due to the scope and complexity necessary to meet these federal obligations, DOH intends to use the full amount HUD allows the State to allocate for administration of the Funding (i.e. 5% of the grant).

Effective July 1, 2013, the Organizational Chart for the Department of Housing can be found on the next page.

**ORGANIZATIONAL CHART
DEPARTMENT OF HOUSING
~2013~**



05/21/13

XIII. Long-Term Recovery Planning

The State has a variety of mechanisms in place to ensure that future disaster recovery planning is sound, and sustainable in the long term. The overall planning framework that the State bases its recovery work on is informed by FEMA's new flood plain maps and is supported by sustainability principles embedded in several of the statewide plans. These plans include:

- State Conservation and Development Plan (State C&D Plan): This is the guiding document for state agencies to make funding decisions regarding real property development. It includes 6 growth management principles, which at their core promote smart growth practices: 1) Redevelop and Revitalize Regional Centers and Areas with Existing or Currently Planned Physical Infrastructure; 2) Expand Housing Opportunities and Design Choices to Accommodate a Variety of Household Types and Needs; 3) Concentrate Development Around Transportation Nodes and Along Major Transportation Corridors to Support the Viability of Transportation Options; 4) Conserve and Restore the Natural Environment, Cultural and Historical Resources, and Traditional Rural Lands; 5) Protect and Ensure the Integrity of Environmental Assets Critical to Public Health and Safety; 6) Promote Integrated Planning Across all Levels of Government to Address Issues on a Statewide, Regional and Local Basis . Two of these principles speak directly to natural systems conservation and one explicitly promotes integrated planning across all levels of government. This plan is updated every five years, and the 2013-2018 plan is currently under review by the State legislature. It includes policies to minimize and consider the potential risks and impacts from natural hazards and climate change on existing and future development and to proactively take steps to avoid the same. The Locational Guide Map of the C&D Plan delineates Priority Funding Areas, and state agencies are required under CGS Section 16a-35d to only provide funding for growth-related projects located in such areas, unless certain exception criteria are met. The Locational Guide Map also indicates where various conservation values are present, such as 100-year Flood Zones, Category 1, 2, or 3 Hurricane Inundation Zones, drinking water supply watersheds and aquifer protection areas, to help further assist agencies with their project planning and implementation efforts.
- State Natural Hazard Mitigation Plan (NHMP): DEEP is required to prepare an update to the NHMP every three years for Connecticut to be eligible for federal FEMA funding as set forth in the Disaster Management Act of 2000. DEEP has begun the process of updating its NHMP for release by January 2014 and is coordinating with all state, regional, and local entities involved in hazard prevention, planning and management. The NHMP identifies all hazards, analyzes risks and vulnerabilities, reviews state capabilities for managing disasters, and identifies strategies to mitigate loss of life and damage from any particular events.
- Municipal Development Project Program/Plan (MDP): The MDP program is administered by DECD and is funded through the Manufacturing Assistance Act (MAA) of 1990, Chapter 588 I.

The objective of the program is to promote and stimulate responsible economic and community development in the state through infrastructure provision/expansion and real estate investment. Hazard risk reduction strategies and mitigation are included in the resulting MDP plan's formulation.

All of these plans are currently undergoing revision and updating, and it through this updating process that the State will ensure that its future disaster recovery planning will be sound, well coordinated, and well defined.

Regional Planning Organizations (RPOs) are statutorily authorized regional entities voluntarily established by the municipalities located within the 14 state-defined planning regions. OPM is responsible for the designation of the planning regions within the state under CGS Sec. 16a-4a. There are three types of RPOs: Regional Planning Agencies (RPAs), Regional Councils of Elected Officials (RCEOs), and Regional Councils of Governments (RCOGs). The fourteen RPOs in Connecticut include the Capitol Region Council of Governments, Central Connecticut Regional Planning Agency, Council of Governments of the Central Naugatuck Valley, Greater Bridgeport Regional Council, Housatonic Valley Council of Elected Officials, Litchfield Hills Council of Elected Officials, Lower Connecticut River Valley Council of Governments, Northeastern Connecticut Council of Governments, Northwestern Connecticut Council of Governments, South Central Regional Council of Governments, Southeastern Connecticut Council of Governments, South Western Regional Planning Agency, Valley Council of Governments, and Windham Regional Council of Governments (visit <http://www.ct.gov/opm/cwp/view.asp?q=383046> for links to each of the RPO websites).

The primary statutory responsibilities of all the RPOs are the same. However, most of the activities performed by each RPO are at the direction of their member towns. The RPOs are required to prepare and update a Regional Plan of Conservation and Development according to CGS Sec. 8-35a at least once every ten years. Other typical regional planning efforts that the RPOs coordinate with its member town include but are not limited to transportation planning, emergency response planning, hazard mitigation, comprehensive economic development strategy and watershed planning.

Under the Division of Emergency Management and Homeland Security (DEMHS), the State is divided into five DEMHS planning regions. These regions are now recognized and used by municipalities, regional planning organizations, the state Department of Public Health, and the Connecticut chapter of the American Red Cross, among others, to facilitate planning, especially planning associated with preparedness, response, and recovery from emergencies. The DEMHS Regions are working with the Long Term Recovery Working Group of the DEMHS Advisory Council to identify a regional recovery coordinator in each region as well as recovery coordinators in each municipality. DEMHS is working through the Long Term Recovery Working Group to prepare a State Disaster Recovery Framework that will be implemented in coordination with the existing State Response Framework.

At the local level, each municipality in Connecticut is required to prepare and update the Local Plan of Conservation and Development at least once every ten years. A new provision requires each municipality to have a formally adopted plan in place, which is no more than ten years old on or after

July 1, 2014, following the adoption of the 2013-2018 State C&D Plan, in order to remain eligible for discretionary state funding. In addition, in order to be eligible to receive pre- or post-disaster mitigation funding, municipalities are required to prepare and receive FEMA approval of local hazard mitigation plans.

In the wake of Tropical Storm Irene in 2011, at the direction of Governor Malloy, DEMHS led an Emergency Planning and Preparedness Initiative, which included a statewide exercise in late July of 2012, as well as the establishment of a number of collaborative working groups. One of these groups is the Statewide Long Term Recovery Committee (SLTRC), co-led by representatives from DOI and DECD and made up of members from state agencies, municipal representatives from the five DEMHS geographical emergency planning regions, federal partners, and non-governmental organizations such as the Red Cross and United Way 2-1-1. As part of the Sandy response and recovery work, a Housing Task Force was formed as a subgroup of the SLTRC, and is co-chaired by DECD and DSS.

XIV. Other Program Criteria

Green Building Standards

The State is firmly supportive of construction methods that contribute to the health and wellbeing of its citizens. The State recognizes that a long-term approach to quality construction includes buildings that adhere not only to energy and water efficiency, but also to holistic greening approaches including durability, healthy indoor air quality, and hazard risk mitigation. In affordable housing construction, the State holds the distinction of having the highest ranking possible, an A, for its Qualified Allocation Plan (“QAP”) for obtaining Low-Income Housing Tax Credits (LIHTC’s). The ranking was given by Global Green, an independent sustainable development research and advocacy organization, in an annual review of all 50 QAPs nationally. Connecticut was one of two states to receive a perfect score – the first time perfect scores have been achieved in the 15 years since the evaluation began.

At this moment, the State has a statewide building code whose energy efficiency standards are pegged to the International Energy Conservation Code 2009 (“IECC”). The IECC 2009 is a 12-15% improvement over IECC 2006. While there is an IECC 2012, most states have yet to adopt this substantially more rigorous guidance. There are only two states that have adopted the IECC 2012 standard, and 29 that have adopted the IECC 2009. That is to say, that Connecticut is among the states that understand both the benefits and the constraints to adopting higher energy efficiency standards.

In terms of complying with the Green Building Standard established in the notice, the State will require that all replacement of residential properties, including reconstruction and new construction of substantially damaged properties meet the Enterprise Green Communities Standard. This is a standard that is already recognized as an option through the State’s QAP. The affordable housing development community is familiar with the standard.

For those buildings that are non-substantially damaged, the State will require that they be rehabilitated following the HUD CPD Green Buildings Retrofit Checklist. The requirement for rehabilitation means

that the developer and/or construction team will strive to meet the checklist standard to the extent that there are Energy Star, Water Sense and Federal Energy Management Program-designated products available. The State recognizes that most energy- and water-consuming appliances and products now are available with these designations, and therefore, acknowledges that in a rehabilitation situation most products will be available with conservation designations.

While the standards noted above are for the bricks and mortar aspects of replacing damaged residential properties, the State will also strongly encourage the use of green infrastructure techniques to mitigate against storm water run-off and flooding. The State will instruct all funding recipients to familiarize themselves with the EPA's Green Infrastructure resources and incorporate them into their project to the extent feasible. The Enterprise Green Communities Criteria will guide funding recipients in this regard to a certain extent as well – primarily through landscaping techniques. In New Haven and Bridgeport, two of the impacted communities, feasibility studies were recently completed for incorporating green infrastructure policies into their storm water management planning. So, there is in-state familiarity with the costs and benefits of incorporating green infrastructure techniques.

Compliance and Monitoring

As part of the State's ongoing responsibilities for the administration of HUD's federally funded programs, DOH will conduct comprehensive monitoring reviews for all programs and activities that fall under Title H.R. 152, titled: Division A: The Disaster Relief Appropriations Act; also known as Public Law 113-2. Like many localities and states devastated by Hurricane Sandy, the State of Connecticut is a recipient of funding for the purpose of assisting in the development and redevelopment of homes, facilities and infrastructure lost or devastated by Hurricane Sandy under the Community Development Block Grant Program - Disaster Recovery (CDBG-DR) administered by HUD.

The Funding is targeted to areas with the greatest needs based on data provided by FEMA, the State and local governments. The Funding must be used in accordance with the Federal Register Notice, which provides the regulatory framework established by HUD for the CDBG-DR Program and the Funding.

To assist the State meet its compliance and monitoring obligations, DOH's administration of the Funding shall be subject to review by its Internal Auditor. This Internal Auditor, a DECD staff member who also reports directly to the Office of the Commissioner of DOH, will check for fraud, waste, and abuse by utilizing the applicable internal auditing standards. The Internal Auditor will apply the standards in the Statement on Auditing Standards No. 99 (SAS 99) Consideration of Fraud in a Financial Statement Audit and the standards established in the International Standards for the Professional Practice of Internal Audit as promulgated by the Institute of Internal Auditors ("IIA"). The IIA is the lead organization that sets the standards for the practicing of Internal Auditing.

Program monitoring staff will follow the procedures described in the CDBG-DR Compliance and Monitoring Manual (see Appendix C of this Action Plan), with a particular emphasis on the accuracy of information provided by applicants, identification of the duplication of benefits, compliance with all applicable state and federal requirements associated with the CDBG-DR funding. Specifically, DOH will conduct a risk analysis on all recipients of any portion of the Funding (each, a "Funding Recipient") in

order to identify those programs that are most susceptible to fraud, abuse, or mismanagement. DOH staff will monitor those programs that are identified as high risk as well as sample those deemed to be low risk programs.

Risk analysis is a process or system for rating and ranking Funding Recipients and those programs which pose the greatest risk for compromising the integrity of the CDBG-DR Program. This process will help DOH by providing consistent data to develop monitoring strategies to minimize potential risk. An organization is benefitted because risk analysis helps the agency determine which programs, projects and organizations to focus on. With feedback from this process, DOH will then be able to prioritize decisions, allocate staff and resources appropriately, and determine what type of monitoring is necessary. The process levels the playing field so that all Funding Recipients are treated fairly.

DOH will carefully monitor those Funding Recipients that pose the highest risk of compromising the program rules and regulations. As a part of the monitoring risk management record, the Funding Recipient's name and grant number will be cited along with the following information:

- Identification of which participants will be monitored
- Type of monitoring (e.g., in-depth, limited, on-site, remote)
- Programs/functions to be monitored
- Actions that will be taken to assess program participant performance
- Expected monitoring dates
- Required resources (staff and other monitoring team participants)
- Methodology and tools used for the project

DOH's risk analysis methodology will include a means of determining an estimation of the level of risk, an assessment of the frequency or likelihood of occurrence, consideration for how to best manage risk, and the action that will be taken to mitigate problems. DOH will carefully analyze the assessment of risk for each Funding Recipients and utilize a strategy to reduce and manage the Funding Recipients' risk. HUD regulations governing the CDBG-DR Program, along with the State CDBG-DR Substantial Amendment and HUD Monitoring Handbook, shall be guides for conducting the risk analysis for Funding Recipients. Individualized risk mitigation strategies will be prepared for each Funding Recipients. Methods for identification, analysis, planning, tracking, control and communications shall be outlined.

DOH will use steps for identifying risks that include the following:

- Identify what CDBG-DR projects and performance areas are to be assessed
- Insure that risk is identified and analyzed
- Assign weight to risk factors
- Develop rating criteria and methods to assessing risk
- Determine rating by factor
- Establish criteria for risk "profiles" for each Funding Recipients
- Compile scores and rank organizations
- Utilize resources for monitoring and risk mitigation

Risk analysis, conducted by the staff of the DOH, will pay special attention to Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC 5155 by guaranteeing that there will not be a “duplication of benefits.”

The goal of this attention is to ensure that the State does not engage in any activity that provides federal financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, where such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he or she has received financial assistance under any other program or from insurance or any other source.

Duplication of Benefits

HUD has instituted specific reporting, written procedures, monitoring, and internal audit requirements for each grantee to ensure compliance with program rules for CDBG disaster recovery awards, including rules related to prevention of fraud, abuse, and duplication of benefits. Two authorities form the foundation of duplication of benefit inquiries—the Stafford Act and applicable “necessary and reasonable cost principles in 24 CFR part 570 and in OMB Cost Circulars (codified in title 2 of the Code of Federal Regulations). Supplemental appropriations statutes often reinforce and supplement these authorities.

The Stafford Act. The Stafford Act directs administrators of Federal assistance to ensure that no “person, business concern or other entity” will receive duplicative assistance and imposes liability “to the extent such assistance duplicates benefits available to the person for the same purpose from another source.” 42 U.S.C. 5155(a). Specifically, section 312 of the Stafford Act prohibits any person, business concern, or other entity from receiving “any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.” 42 U.S.C. 5155(a). Duplication occurs when a beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose. The amount of the duplication is the amount of assistance provided in excess of need. The Stafford Act requires a fact specific inquiry into assistance received by each person, household, or entity. A grantee may not make a blanket determination that a duplication of benefits does not exist for all beneficiaries or recipients under a disaster recovery program. As a result, all disaster recovery funds must be governed by policies and procedures to prevent duplication of benefits.

The State, through DOH, will establish a database for the collection of data on each resident/client receiving any portion of the Funding and will implement the following framework for determining and preventing Duplication of Benefits in its CDBG-DR Program:

1. Assessment of need prior to assistance. The State will first determine the applicant’s total post disaster need in the absence of any duplicative benefits or program caps. For housing and infrastructure programs, this will be accomplished by the State’s use of its Construction Specialists or an independent Construction Management Company in obtaining construction

cost estimates on all projects seeking assistance. For recovery programs not involved with physical rebuilding, such as economic development to provide an affected business with working capital, the total need may not necessarily be based on construction cost estimates. In such scenarios, the potential award will be determined by the program and be guided by standard DECD underwriting principles in determining cost reasonableness.

Total assistance available to the person or entity. Assistance includes all benefits available to a funding recipient, including cash and other resources such as insurance proceeds, grants, and SBA loans (private loans not guaranteed by SBA are exceptions and will not be included in accordance with guidance from HUD). DOH through its Grants Administration staff will identify all assistance received by each person, business concern, or other entity, via insurance, FEMA, SBA, other local, state, or federal programs, and private or nonprofit charity organizations. The homeowner, business and/or LG's will be required to sign a "Consent and Release Form". This form will allow DOH to share all of the owner information and all owner non-public personal information with agencies and companies in order to process the application of CDBG-DR funds. Each form only allows the sharing of information required for completing the duplication of benefits check. In addition, each applicant for CDBG-DR funds will be required to complete an "Insurance and Other Fund Sources Affidavit". This form will be used to collect information on assistance received by the homeowner and/or entity for the same purpose.

2. The State will also identify reasonably anticipated assistance, such as future insurance claims or approved SBA loan proceeds. Reasonably anticipated funds include assistance that has been awarded, but has not yet been received. This information will be entered in the database for calculation of the CDBG-DR unmet need. To address any potential duplication, beneficiaries will be required to sign a "Subrogation and Assignment Agreement" to repay any assistance later received for the same purpose as the CDBG –DR funds. The signing of this document ensures that if the applicant receives additional funds, the applicant pays DOH back enough to prevent any duplication of benefit. This also ensures that CDBG-DR funds are not being used to cover losses already covered by "any other source". (Ref. Sec. 312. Duplication of Benefits (42 U.S.C. 5155) The State will identify a method in its administrative manual for the CDBG-DR Program to monitor compliance with the agreement for a reasonable period subsequent to close out of the project.
3. Non-duplicative assistance excluded from final benefit calculation. Once the State has determined the potential award and the total assistance received or to be received, the following assistance will be excluded for duplication of benefit purposes: (1) assistance provided for a different purpose; (2) used for a different, eligible purpose; (3) not available to the applicant; (4) private loan not guaranteed by SBA; or (5) any other asset or line of credit available to the applicant. However, the State will take into consideration that funding for the repair, replacement, rehabilitation, or new construction of public facilities or improvements could potentially involve a duplication of benefits. The owner of these facilities must be able to address whether other sources of funds are available for that same purpose and for that specific project because funds used directly by State and other government entities for public facilities

or other purposes are also subject to the duplication of benefits prohibitions under the Stafford Act.

Program Income

DOH will provide grants within all components of the CDBG-DR. However, liens will be filed on each property to ensure compliance requirements, with recapture of all or a portion of the grant in the event of any noncompliance during that period. DOH does not intend to fund revenue generating activities as part of its administration of the Funding. In the event that any program income is nevertheless generated in connection with DOH's administration of the Funding, such funds will become program income in the State's annual CDBG-Small Cities program and DOH will apply such program income to its annual CDBG-Small Cities allocation and award the funds based on its then current method of distribution as described in the applicable Action Plan. Additionally, DOH will withhold five percent of such program income to offset DOH's CDBG-Small Cities administration cost and any other eligible administrative expenses.

Program Income that has been derived from the CDBG-DR activities may be used only for eligible Small Cities Program activities and in accordance with the provisions of Title I of the Housing and Community Development Act of 1974, as amended, 24 CFR Part 570.489(e), and the program income guidelines of the Small Cities Grant Management Manual. Program Income is defined as gross income received by a recipient (or sub recipient) that has been directly generated from the use of Small Cities Program funds, and includes the following:

- Payments of principal and interest (including late fees) on loans made using CDBG-DR funds. For any loan that was partially funded with CDBG-DR Program funds, program income is only the prorated portion of the income that reflects the actual percentage of CDBG-DR participation. For example, if a loan was made with 50% local funds and 50% CDBG-DR funds and a \$100 payment is received, \$50 would be CDBG-DR program income;
- Interest earned on program income pending disposition of same, but excluding interest earned on funds held in a revolving fund account;
- Net proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR Program funds;
- Proceeds from the disposition of equipment purchased with CDBG-DR Program funds;
- Gross income from the use or rental of real or personal property acquired by a State, a unit of general local government; a tribe or sub recipient of a State or a sub recipient of a unit of general local government or tribe with CDBG-DR Program funds; less the costs incidental to the generation of the income (i.e. net income);
- Net income from the use or rental of real property owned by the a State, a unit of general local government, or tribe or a sub recipient of a unit of general local government or State or tribe, that

was constructed or improved with CDBG-DR Program funds; less the costs incidental to the generation of the income;

- Proceeds from the sale of liens made with CDBG-DR Program funds;
- Proceeds from the sale of obligations secured by liens made with CDBG-DR Program funds;
- Funds collected through special assessments made against properties owned and occupied by households not low-and moderate-income, where the special assessments are used to recover all or part of the CDBG-DR Program portion of a public improvement; and
- Gross income paid to a State, LG, tribe, or paid to a sub recipient thereof from the ownership interest in a for-profit entity in which the income is returned for the provision of CDBG-DR assistance

Program Income is the amount of revenue received in a single program year which is greater than or equal to \$25,000. However, all revenue derived from activities funded with CDBG-DR Program funds will not be subjected to the \$25,000 threshold and will be counted as program income and added to the State's annual CDBG-Small Cities allocation.

Capacity Building

The State will seek to increase the capacity of LG's and Tribal Areas to effectively plan for and define resiliency and mitigation investments by providing training targeted at the needs of the affected communities.

In consideration of the impact on LGs of the volume of permitting and inspections, the State will consider on a case by case basis hiring qualified inspectors to supplement the capacity of LG's who find the volume of permitting and inspections to be in excess of the LG's current capacity. The State will not be using sub-recipients or (LG's) in program implementation.

Minority Owned, Women Owned and Sections 3 (Disadvantaged) Business

The State's Affirmative Outreach and Marketing efforts are governed by the following initiatives, efforts or programs.

Policy: Contracting with Small and Minority Businesses, Women Business Enterprise and Labor Surplus Firms

It is national policy to award a fair share of contracts to small, women and minority business firms. Accordingly, affirmative steps must be taken to assure that small and minority/women businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:

1. Including qualified small and minority/women businesses on solicitation lists.

2. Assuring that small and minority/women businesses are solicited whenever they are potential sources.
3. When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority/women business participation.
4. Using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required.
5. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises.
6. If any subcontracts are to be let, requiring the prime contractor to take affirmative steps in 1 through 5 above.
7. Grantees shall take similar appropriate affirmative action in support of women's business enterprises.
8. Grantees are encouraged to procure goods and services from labor surplus areas.
9. Grantor agencies may impose additional regulations and requirements in the foregoing areas only to the extent specifically mandated by statute or presidential direction.

Definitions

Minority Business Enterprise – A Minority Business Enterprise is a business in which minority group members own 51 percent or more of the company; or, in the case of a publicly-owned business, one in which minority group members own at least 51% of its voting stock and control management and daily business operations. For this purpose, minority group members are those groups of U.S. citizens found to be disadvantaged by the Small Business Administration pursuant to [Section 8\(d\) of the Small Business Act](#). Such groups include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Indian tribes, Asian Pacific Americans, Native Hawaiian Organizations, and other minorities.

Women Business Enterprise - A Women Business Enterprise is a small business that is at least 51% owned by one or more women. In the case of publicly owned businesses, at least 51% of the stock is owned by one or more women and the management and daily operations of the business are controlled by one or more women.

Small Business - A business that is independently owned and operated and which is not dominant in its field of operation and in conformity with specific industry criteria defined by the Small Business Administration (SBA)

Small Disadvantaged Business - A Small Disadvantaged Business is a small business that is at least 51% owned and controlled by a socially and economically disadvantaged individual or individuals. Small Disadvantaged Businesses are often referred to as Section 3 businesses.

Racial and Ethnic Groups - The following are HUD defined recognized and ethnic categories:

White, Not Hispanic Origin - A person having origins in any of the original peoples of Europe, North Africa, or the Middle East, but not of Hispanic origin.

Black, Not Hispanic Origin - A person having origins in any of the black racial groups of Africa, but not of Hispanic origin.

Hispanic - A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

Asian and Pacific Islander - A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

American Indian or Alaskan Native Origin - A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal.

Minority & Small Contractors' Set-Aside Program

The State's Supplier Diversity Program was established to provide Connecticut small businesses an opportunity to bid on a portion of the State's purchases. The main objective of the program is to increase the number of small and minority business enterprises the Office of Supplier Diversity certifies throughout Connecticut.

For the purpose of this program, women-owned business enterprises and business enterprises owned by a person/s with a disability are included in this group.

Business Development Representatives are responsible for identifying and certifying small and minority businesses by conducting thorough and effective eligibility reviews while ensuring vendors receive prompt and responsive customer service.

Eligibility criteria are set forth in Section 4a-60g of the Connecticut General Statutes. The Department of Administrative Services, Office of Supplier Diversity maintains a list of certified small and minority business enterprises, which is available online.

Minority Business Assistance Program

The State of Connecticut provides funds to support the Minority Business Assistance Program in support of the state policies outlined above. The attributes of the program are contained in the Economic Revitalization section (above). The State intends to utilize CDBG-DR Program funds to supplement existing State funds, thereby increasing the ability of the program to provide assistance to MBE/WBE and Section 3 businesses.

Citizen Participation Plan

The State's CDBG-DR Action Plan planning process has been coordinated through a collaborative effort of local, state, federal and private sector partners.

In the wake of Tropical Storm Irene in 2011, DESPP/DEMHS established the LTRWG, co-led by staff members from each of DECD and DOI and made up of members from state agencies, municipal representatives from the five DESPP/DEMHS geographical emergency planning regions, federal partners, and non-governmental organizations such as the American Red Cross and United Way 2-1-1. As part of the LTRWG's Hurricane Sandy response and recovery work, a State-led Housing Task Force was formed as a component of the LTRWG, and is currently co-chaired by staff from DECD and DSS. The State-led Housing Task Force facilitated cooperation and coordination among federal, State and local governmental offices, non-profit relief and recovery providers and advocates of vulnerable communities; documented unmet housing needs, and has now undertaken the preparation of a Hurricane Sandy Disaster Plan as well as a steady-state disaster plan to promote preparedness for the impact of any future disaster on the housing needs of Connecticut's communities and residents.

Governor Malloy appointed DESPP/DEMHS Deputy Commissioner William Shea as the State Disaster Recovery Coordinator, with the two co-leaders of the LTRWG as his designated coordinators. Together they have worked closely with the FEMA Federal Disaster Recovery Coordinator on a variety of recovery functions, including identifying unmet needs, building community capacity, natural and cultural resources, and housing. At the direction of the Governor's Office, Deputy Commissioner Shea has also convened an Interagency Recovery Coordination Group to coordinate recovery efforts, manage outreach, and bring additional agencies together to support recovery. This interagency initiative includes: DESPP/DEMHS, DOH, DECD, DOI, DSS, DOE, DOT, DMHAS, DPH, DEEP, DOL, OPM, the Governor's Office, the American Red Cross, and United Way 2-1-1.

This Interagency Recovery Coordination Group continues to coordinate the State's efforts to take full advantage of all available opportunities for federal funding to maximize assistance to the State, its municipalities, residents and various other stakeholders statewide for disaster relief and recovery. The planning work to be undertaken with the Funding and the coordination within the Interagency Recovery Coordination Group will ensure that as many needs as possible are met, and that they are met using the appropriate source(s) of federal funding.

On March 1, 2013, in anticipation of the release of the Federal Register Notice, DESPP/DEMHS sent a notice to the Municipal Chief Elected Officers, Service Chiefs, and Emergency Management Directors of the municipalities affected by Hurricane Sandy. This notice advised these municipal officials of the anticipated availability of federal funding to address Hurricane Sandy-related disaster recovery needs. It also requested municipalities to submit information regarding unmet housing and economic development needs resulting from Hurricane Sandy as well as recommendations for possible expenditures with such federal funding. The notice stated that this information would assist the State in focusing funding in areas and needs that municipalities identified, and in preparing the Action Plan that

would describe the State's plans for the expenditure of these federal funds. Responses to the notice were to be sent to the DESPP/DEMHS Regional Coordinators/Planners.

A State survey accompanied the March 1st notice from DESPP/DEMHS. This survey was an opportunity for municipal leaders to report information/ data on unmet needs to the State. All responses to the unmet needs recommendations request and survey forms were required to be submitted by close of business on March 26, 2013.

DESPP/DEMHS, DECD and DOH then conducted five informational meetings to provide an overview of the process, answer questions and to solicit input into the development of the Action Plan. The five meetings were held as follows: March 13, 2013 in Milford, March 14, 2013 in Meriden, March 15, 2013 in Middletown, March 18, 2013 in Westport, and March 18, 2013 in Norwich. The meeting locations were in each of the four eligible counties as identified by HUD and the meeting held in Meriden was specifically to obtain input from and respond to questions from public housing authorities in the eligible areas.

Forty-two unmet needs submissions were received by the deadline from eligible municipalities and public housing authorities and additional submissions and supplementary information has continued to be submitted. In total, over 190 specific projects with unmet needs in the areas of housing, infrastructure, public facilities, economic revitalization, and mitigation have been identified by these and other sources which inform the specific funding activity allocations presented in the Action Plan. In addition, the State is cognizant of the fact that additional unmet needs may be identified as the recovery process continues, and will continue its outreach efforts to households, businesses and eligible communities in order to continue to effectively address those unmet needs, as resources will allow. Input for the development of the draft Action Plan was also provided by HUD's Hartford Field Office, FEMA, the LTRWG and its Housing Task Force, the State Office of Housing Preservation, DOT, DECD, OPM, DESPP/DEMHS regional staff, and the American Red Cross and other charitable organizations.

The State's official Storm Sandy page was established on the DECD website in mid March to provide citizens with general information about the initial allocation of CDBG-DR funds. Frequently Asked Questions (FAQ), a brief description of the process, and the notice and survey to collect unmet needs data were also posted to the website. The website continues to be populated with relevant information and such documents as referenced in the citizen participation process described below.

Pursuant to Section 4-28b of the Connecticut General Statutes, the Joint Standing Committees of Connecticut's General Assembly that have cognizance, are required to meet to review Community Development Block Grant Allocation Plans. In preparation for this meeting, the Allocation Plan was made publicly available for a seven day public comment period beginning on April 19, 2013 and ending on April 25, 2013. A legal notice requesting comment on the Allocation Plan was published in two newspapers, including one in Spanish, on April 18, 2013. A copy of the legal notice was sent to all municipalities and public housing authorities and applicable tribes, as well as the Community Partners identified in the State's Consolidated Plan for Housing and Community Development. The legal notice and the Allocation Plan were posted to the designated Hurricane Sandy page on the DECD website for

the full comment period. Comments were accepted in written or electronic versions. Hard copies of documents are also made available upon request. Limited English Proficiency (LEP) is addressed by the availability of a Google translation browser button and upon request.

Following the seven day comment period on the Allocation Plan, all comments received were summarized and responses were prepared and presented at the May 7, 2013 meeting with the Joint Standing Committees of Connecticut's General Assembly. The Allocation Plan was approved at that meeting and has become the framework for the Draft Action Plan.

DOH continued to provide information regarding the Disaster Recovery funding and solicited input into the development of the draft Action Plan through such mechanisms as; press releases like the April 19, 2013 from the Governor's Office, briefings similar to the Community Developers Network (CDN) Quarterly meeting on April 24, 2013, and informational meetings allowing for the discussion of funding opportunities, process, and pending issues including the following meetings held: May 3, 2013 in Fairfield, May 3, 2013 in New Haven County, and May 6, 2013 held in Hartford with officials from New Milford.

The draft Action Plan was made available for a seven day public comment period, starting on May 29, 2013 and ending on June 4, 2013. A Legal Notice requesting comment on the draft Action Plan was published in two newspapers, including one in Spanish on May 29, 2013. A copy of the legal notice was sent to all the municipalities and public housing authorities, applicable tribes, DECD's Community Partners, and the members of the State Legislature's Appropriations Committee, Commerce Committee, Planning and Development Committee, and the Chairs of the Housing Sub-Committee. The legal notice and the Action Plan were posted to the designated Hurricane Sandy page on the DECD website for the seven day comment period. Comments were accepted in written or electronic versions. Hard copies of documents were also made available upon request. Limited English Proficiency (LEP) is addressed by the availability of a Google translation browser button.

Upon completion of the seven day comment period on the draft Action Plan, the comments received pursuant to both the Allocation Plan and the Action Plan will be summarized and responded to in this Action Plan, which will be submitted to HUD within 90 days of the Effective Date of the Federal Register Notice. All comments received with respect to the development of the Allocation Plan and this Action Plan, along with applicable responses, will be included as Appendix D.

Action Plan Amendments

Substantial Amendments to the Action Plan

A Substantial Amendment to the Action Plan shall be defined as:

1. a change in program benefit or eligibility criteria;
2. the addition or deletion of an activity; or
3. the allocation or reallocation of more than \$1 million between activities.

Only those amendments that meet the definition of a Substantial Amendment are subject to the public notification and public comment procedures previously identified herein. Specifically, a public notice will be published and comment will be sought when assistance programs are further defined (i.e. change in program benefit or eligibility criteria) or when funding allocations are further refined by type of activity and location, if applicable.

Citizens, units of local government, and our community partners will be provided with advanced notice and the opportunity to comment on proposed Substantial Amendments to the Action Plan. An electronic copy of the proposed Substantial Amendment will be posted on the official Hurricane Sandy page of the DOH website. Hard copies will also be made available upon request. No less than seven days will be provided for review and comment on the Substantial Amendment. Comments will be accepted electronically or in writing. A summary of all comments received and responses will be included in the Substantial Amendment that is submitted to HUD for approval.

Non-Substantial Amendments to the Action Plan

Non-Substantial Amendments are defined as minor, one that does not materially change the activities or eligible beneficiaries. This provision should not be construed as allowing the general administrative budget to exceed the allowable limit. Additionally, a Substantial Amendment is not required in the case where the State is simply requesting additional funding from HUD. HUD must be notified in advance of a Non-Substantial Amendment becoming effective. Non-Substantial Amendments are not subject to the public notification and public comment procedures previously identified herein. All Amendments to the Action Plan (substantial and non-substantial) will be numbered sequentially and be posted to the Storm Sandy page on the DECD/DOH website.

Performance Reports

The State must submit a Quarterly Performance Report (“QPR”) through HUD’s Disaster Recovery Grant Reporting (DRGR) system no later than thirty days following the end of each calendar quarter. Within three (3) days of submission to HUD, the QPR must be posted on the State’s official Hurricane Sandy page on the DOH website for public review and comment. The State’s first QPR is due after the first full calendar quarter after the grant award. QPR’s will be posted on a quarterly basis until all funds have been expended and all expenditures have been reported. Each QPR will include information about the uses of funds in activities identified in the Action Plan as entered in the DRGR reporting system. This includes, but is not limited to: project name, activity, location, and national objective; funds budgeted, obligated, drawn down, and expended; the funding source and total amount of any non-CDBG-DR Program funds to be expended on each activity; beginning and actual completion dates of completed activities; achieved performance outcomes such as number of housing units complete or number of low and moderate income persons benefiting; and the race and ethnicity of persons assisted under direct-benefit activities. The State must also record the amount of funding expended for each contractor identified in the Action Plan. Efforts made by the State to affirmatively further fair housing will also be included in the QPR.

During the term of the grant, the grantee will provide citizens, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the approved program and to the grantee's use of grant funds as well as contracts procured with CDBG-DR funding. This information shall be posted on the State's official Hurricane Sandy page on the DOH website.

Citizen Complaint Procedures

The State will accept written citizen complaints from citizens related to the disaster recovery programs, Action Plans, Substantial Amendments, or quarterly performance reports. Written complaints should be submitted via email to CT.Housing.Plans@ct.gov or be mailed to:

Program Coordinator
CDBG-DR Program
Department of Housing
505 Hudson Street
Hartford, CT 06106-7106

The State will make every effort to provide a timely written response to every citizen complaint within fifteen working days of the receipt of the complaint, where practical. All citizen complaints relative to Fair Housing/ Equal Opportunity violations involving discrimination will be forwarded to the following address for disposition: Commission on Human Rights and Opportunities, 25 Sigourney Street, Hartford, CT 06106.

Limited English Proficiency

Requests for this Action Plan or related documents in alternate formats consistent with the provisions of federal requirements related to limited English proficiency must be directed to the ADA (504) Coordinator, Antoinette Alphonse of the Department of Economic and Community Development.

XV. Appendices

Appendix A: Department of Housing CDBG-DR Allocation Plan 2013

**Community Development Block Grant
Disaster Recovery Program**

Allocation Plan



DEPARTMENT OF HOUSING

April 2013

Table of Contents

I. Overview of the Disaster Recovery Community Development Block Grant Program.....	2
A. Background.....	2
B. Federal Allocation of the CDBG-DR Program Funding.....	3
C. Use of the First Tranche Funds.....	6
II. Proposed Allocation of Disaster Recovery Funds	9
A. State Allocation Planning Process.....	9
B. Proposed Allocation of the First Tranche Funds.....	11
C. Unforeseeable Reductions in CDBG-Program Funding.....	13
III. Grant Administration	13
A. Federal Requirements.....	13
B. Application and Planning Requirement.....	15
C. Administration of the Program.....	15
APPENDIX A.....	17
UNMET NEED.....	17
Owner-Occupied Rehabilitation:.....	17
Single Family Costs of Mitigation	19
Multifamily Rehabilitation and New Construction.....	20
Multifamily Costs of Mitigation.....	21
Infrastructure.....	22
Public Facilities	23
Economic Revitalization	24
Mitigation	25

I. Overview of the Disaster Recovery Community Development Block Grant Program

A. Background

On Monday, October 29, 2012 Hurricane Sandy made landfall near Atlantic City, New Jersey, as a post-tropical cyclone. The storm created a significant tidal surge from the Mid-Atlantic region to New England. After landfall, Sandy headed north by northwest bringing high winds, rain, and storm surge to coastal areas of Connecticut, causing widespread wind damage, flooding, and power outages. On Saturday, October 27, in advance of Sandy's forecasted impact on Connecticut, Governor Malloy signed a declaration of emergency and the following day the Governor requested, and President Obama approved, a declaration of a pre-landfall emergency.

The size and scope of the storm has been attributed to a convergence of weather systems. As the hurricane pivoted toward land, it merged with a winter storm from the west and cold air moving south from the Arctic. The hybrid storm - with both tropical and extra-tropical characteristics - brought high winds and coastal flooding to southern New England. High wind warnings and coastal flood warnings were issued by the National Weather Service, with storm surge prediction in the range of 6 to 11 feet above astronomic high tide, with 6 to 10 foot waves on top of the surge.

In response to the extraordinary destruction caused by Hurricane Sandy, Congress passed and the President signed into law The Disaster Relief Appropriations Act; also known as Public Law 113-2 (the "Act"), which, among other things, appropriated approximately \$60 billion for recovery efforts related to Hurricane Sandy and other natural disasters specified in the Act. Of those funds, approximately \$16 billion was set aside for the Community Development Block Grant - Disaster Recovery Program (the "CDBG-DR Program") to be administered by the United States Department of Housing and Urban Development ("HUD"). The Connecticut Department of Housing ("DOH") is the principal state agency for the allocation and administration of CDBG-DR Program funds within the State of Connecticut.

As explained in more detail below, \$71,820,000 of these federal block grant funds (the “First Tranche Funds”) has now been allocated to the State of Connecticut and must be expended by the State in a manner consistent with the Act and all other applicable federal and laws and regulations. Therefore, in accordance with Section 4-28b of the Connecticut General Statutes, we now submit the State’s Allocation Plan for these funds for your review and approval. This Allocation Plan pertains only to the First Tranche Funds.

B. Federal Allocation of the CDBG-DR Program Funding

The primary objective of the CDBG-DR Program is to provide financial assistance to the communities most impacted by Hurricane Sandy and certain other natural disasters in their efforts to rebuild and recover.

To achieve this goal, HUD promulgated regulations that established the regulatory framework for the receipt and expenditure of the CDBG-DR Program funds, all as set forth in Federal Register Notice (Vol. 78, No. 43; March 5, 2013 Page 14329) titled: “Allocations, Common Application, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy” (the “Federal Register Notice”).

In accordance with the Act, which provided that HUD must use “best available” data to allocate the CDBG-DR Program funding among the jurisdictions impacted by Hurricane Sandy and the other applicable natural disasters, HUD focused on the unmet needs related to the main activities for which it intended the initial funds to be expended, including: restoration of housing; economic revitalization; and restoration of infrastructure. HUD, however, did not use data regarding unmet infrastructure needs for this first allocation, pending receipt of better information from Federal data sources on infrastructure needs which HUD recognized would require additional time. HUD’s estimated unmet needs were then summed together and an allocation was made among the grantee universe based on their proportional share of the aggregate “unmet needs”. The “best available” data HUD identified as being available to calculate unmet needs came from the following data sources: FEMA Individual Assistance (“FEMA IA”) program data on housing unit damage; the Small Business Administration (“SBA”) disaster assistance loan program for housing repair and

replacement; SBA’s disaster assistance loan program for business real estate repair and replacement as well as content loss. The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for the FEMA IA program. The FEMA IA data was supplemented by the SBA disaster assistance loan program. HUD calculates “unmet housing needs” as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA. A more detailed description of HUD’s methodology for calculating unmet needs is provided in the Federal Register Notice.

On the basis of this analysis, HUD elected to allocate the CDBG-DR Program funding in three separate tranches. As stated in the Federal Register Notice, “To expedite recovery while recognizing that time is needed to get a full understanding of long-term recovery needs, this allocation provides \$5.4 billion of the \$16 billion, reserving the balance to address the full scope of needs when better information is available on those needs.”

As set forth in the Federal Register Notice and in the table below, HUD will allocate \$71,820,000 of this \$5.4 billion tranche to the State of Connecticut.

The table below indicates how the rest of this tranche of funding has been allocated by HUD to the states that were most impacted by Hurricane Sandy.

First Round Allocation of CDBG Disaster Recovery Funds	
New York City	\$1,772,820,000
New York State	\$1,713,960,000
New Jersey	\$1,829,520,000
Connecticut	\$71,820,000
Rhode Island	\$3,240,000
Maryland	\$8,640,000
Total	\$5,400,000,000

It is worth noting that, as shown in the table below, HUD’s proportionate allocation of the funds in the first tranche is generally consistent with the relative amounts of FEMA IA and

SBA financial assistance paid to individuals, households, businesses and others in each of New York, New Jersey and Connecticut.

State	FEMA IA	SBA	FEMA IA & SBA Total	% of total IA+SBA	CDBG allocation	% of total CDBG
CT	14,650,000	42,700,000	57,350,000	1.63%	71,820,000	1.33%
NY/NYC	954,000,000	1,400,000,000	2,354,000,000	66.98%	3,486,780,000	64.70%
NJ	384,000,000	718,900,000	1,102,900,000	31.38%	1,830,000,000	33.96%
Total	1,352,650,000	2,161,600,000	3,514,250,000	100.0%	5,388,600,000	99.99%

Describing the terms of the appropriation for the CDBG-DR program funding, the Act states: “prior to the obligation of funds, a grantee shall submit a plan to the [HUD] Secretary for approval detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas.” This plan (the “Action Plan”), must “detail the proposed use of funds, including criteria for eligibility and how the use of these funds will address disaster relief, long-term recovery, restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas,” and must be submitted to HUD within 90 days of the Effective Date of the Federal Register Notice (i.e. March 11, 2013). The State must obtain HUD’s approval of the State’s Action Plan before the State can access any of the First Tranche Funds.

Based on HUD’s preliminary guidance to date, we expect that the second tranche of CDBG-DR Program funding will be approximately \$500 million in the aggregate and will be targeted for various natural disasters occurring in 2011, 2012, and 2013 , exclusive of Hurricane Sandy (for reference, there have been 158 major disaster declarations in this time period).

The third tranche of CDBG-DR Program funding, HUD has indicated, will be intended primarily for unmet infrastructure, public facility and mitigation needs.

As is always the case, funding levels in all tranches is subject to Congressional action, which could affect an increase, reduction or elimination of funding in the amount allocated to Connecticut.

It is also worth noting that any significant additional allocation of CDBG-DR Program funding by HUD to Connecticut may require either a substantial amendment of the State's Action Plan or a new Action Plan, depending on HUD's requirements. In addition, any significant allocation of CDBG-DR Program funding in addition to the allocation of the First Tranche Funds, which are the subject of this Allocation Plan, will require the submission of an amendment to this Allocation Plan or a new Allocation Plan, as applicable, in accordance with Section 4-28b of the Connecticut General Statutes.

C. Use of the First Tranche Funds

The Act provides that funding under the CDBG-DR Program must be used “for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster.”

In addition to specifying the amount of funds allocated to Connecticut in the first tranche, the Federal Register Notice also sets forth the areas within Connecticut where the First Tranche Funds can be expended, the programs or activities for which the First Tranche Funds can be used, the national objectives that each program or activity must meet and all other critical requirements with which all grantees must comply.

Several specific requirements are especially important.

First, the only areas within Connecticut in which the First Tranche Funds can be expended are Fairfield County, New Haven County, Middlesex County, New London County and the Mashantucket Pequot Indian Reservation. The municipalities within these counties are set forth in the table on the following page.

ELIGIBLE CDBG-DR COMMUNITIES IN CONNECTICUT

Fairfield County	New Haven County	New London County	Middlesex County
Bethel	Ansonia	Bozrah	Chester
Bridgeport	Beacon Falls	Colchester	Clinton
Brookfield	Bethany	East Lyme	Cromwell
Danbury	Branford	Franklin	Deep River
Darien	Cheshire	Griswold	Durham
Easton	Derby	Groton	East Haddam
Fairfield	East Haven	Lebanon	East Hampton
Greenwich	Guilford	Ledyard	Essex
Monroe	Hamden	Lisbon	Haddam
New Canaan	Madison	Lyme	Killingworth
New Fairfield	Meriden	Montville	Middlefield
Newtown	Middlebury	New London	Middletown
Norwalk	Milford	North Stonington	Old Saybrook
Shelton	Naugatuck	Norwich	Portland
Sherman	New Haven	Old Lyme	Westbrook
Stamford	North Branford	Preston	
Stratford	North Haven	Salem	
Redding	Orange	Sprague	
Ridgefield	Oxford	Stonington	
Trumbull	Prospect	Voluntown	
Weston	Seymour	Waterford	
Westport	Southbury		
Wilton	Wallingford		
	Waterbury		
	West Haven		
	Wolcott		
	Woodbridge		

Second, not less than 80% of the First Tranche Funds must be expended in Fairfield and New Haven Counties.

Third, the State must also ensure that at least 50% of its CDBG-DR grant funds are used for activities that benefit low- and moderate-income (“LMI”) persons. LMI persons are defined for the purposes of the CDBG-DR Program as persons and families whose income does not exceed 80% of the area median income, as determined by HUD. This 50% requirement applies to the CDBG-DR Program as a whole and does not apply to each individual program or activity.

Fourth, the First Tranche Funds cannot be used to benefit households above 120% of AMI or second homes (i.e. a home that is not a primary residence).

Finally, while the First Tranche Funds can be used for any eligible purpose, HUD has indicated that the intended programmatic focus of this funds is housing rehabilitation and redevelopment and economic revitalization and each activity must meet at least one of the following national objectives: (1) benefit LMI persons; (2) prevention or elimination of slums or blight; and (3) community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community. A need is considered urgent if it is sudden and unexpected, has arisen in the past 18 months and no other funding is available to address it.

Activities that can be funded with the First Tranche Funds include, without limitation: acquisition of real property; acquisition, rehabilitation and construction of public works and facilities; buyouts; code enforcement; relocation assistance; new construction, reconstruction and rehabilitation of residential and nonresidential properties; new construction, reconstruction and rehabilitation of public housing; repair or rehabilitation of infrastructure; American Disability Act improvements; rental assistance (limited); storm mitigation measures; special economic development including: grants and loans to SBA defined small business, job training, and the revitalization of business districts; fair housing counseling; homeownership counseling and assistance; and assistance to Community-Based Development Organizations for neighborhood revitalization, community economic development, energy conservation projects, homeownership assistance, fair housing, planning, and administrative costs, including actions to meet the grantee’s certification to affirmatively further fair housing.

Broad program categories for CDBG-DR Program eligible activities include: Housing, Infrastructure, Public Facilities, Economic Revitalization, and Planning. A limited portion of the First Tranche Funds may be used for the cost of administering the CDBG-DR Program.

Any activity not listed in the Housing and Community Development Act, as modified by the Federal Register Notice, is ineligible to be assisted with the First Tranche Funds. For example, the First Tranche Funds cannot be used for general government expenses or political activities.

II. Proposed Allocation of Disaster Recovery Funds

A. State Allocation Planning Process

The State's Allocation Plan planning process has been coordinated through a collaborative effort of local, state, federal and private sector partners. In the wake of Tropical Storm Irene in 2011, the Connecticut Department of Emergency Services & Public Protection - Division of Emergency Management & Homeland Security ("DEMHS") established a Long Term Recovery Working Group ("LTRWG"), co-led by representatives from the Department of Insurance ("DOI") and the Department of Economic and Community Development ("DECD") and made up of members from state agencies, municipal representatives from the five DEMHS geographical emergency planning regions, federal partners, and non-governmental organizations such as the American Red Cross and United Way 2-1-1. As part of the Hurricane Sandy response and recovery work, a Housing Task Force was formed as a subgroup of the LTRWG, and is currently co-chaired by staff from DECD and the Department of Social Services ("DSS").

Governor Malloy appointed the DEMHS Deputy Commissioner William Shea as the State Disaster Recovery Coordinator, with the two co-leaders of the LTRWG as his designated coordinators. Together they work closely with the FEMA Federal Disaster Recovery Coordinator on a variety of recovery functions, including identifying unmet needs, building community capacity, natural and cultural resources, and housing. At the direction of the Governor's Office, Deputy Commissioner Shea has also convened an Interagency Recovery

Coordination Group to coordinate efforts, manage outreach, and bring agencies to the table to support this effort. This interagency initiative includes: DEMHS, DECD, DOI, DSS, Department of Education, Department of Transportation, Department of Mental Health and Addiction Services, Department of Public Health, Department of Energy and Environmental Protection, Department of Labor, Office of Policy and Management (“OPM”), the American Red Cross, and United Way 2-1-1.

This Interagency Recovery Coordination Group will coordinate information on all available opportunities for federal funding so as to address the requested assistance from municipalities and various other stakeholders statewide. Through the Disaster Relief Appropriations Act resources and the various other sources of disaster relief funding, the State is committed to appropriately addressing needs with all of the available federal grants and maximizing the federal dollars that can come to Connecticut for disaster relief and recovery. The planning work to be undertaken with the First Tranche Funds and the coordination within this interagency group will ensure that as many needs as possible are met, and that they are met using the appropriate source(s) of federal funding.

On March 1, 2013, in anticipation of the release of the Federal Register Notice, DEMHS sent a notice to the Municipal Chief Executive Officers, Service Chiefs, and Emergency Management Directors of the municipalities affected by Hurricane Sandy. This notice advised these municipal officials of the anticipated availability of federal funding to address Hurricane Sandy-related disaster recovery needs. It also requested municipalities to submit information regarding unmet housing and economic development needs resulting from Hurricane Sandy as well as recommendations for possible expenditures with such federal funding. The notice stated that this information would assist the State in focusing funding in areas and needs that municipalities identified, and in preparing the Action Plan that would describe the State’s plans for the expenditure of these federal funds. Responses to the notice were to be sent to the DEMHS Regional Coordinators/ Planners.

In an effort to collect consistent data on unmet needs, the State also prepared a survey and circulated it to the same entities that received the March 1 notice. All responses to the unmet needs recommendations request and survey forms were required to be submitted by close of business on March 26, 2013.

DEMHS, DECD and DOH then conducted five informational meetings to provide an overview of the process, answer questions and to solicit input into the development of this Allocation Plan. The five meetings were held as follows: March 13, 2013 in Milford, March 14, 2013 in Meriden, March 15, 2013 in Middletown, March 18, 2013 in Westport, and March 18, 2013 in Norwich. The meeting locations were in each of the four eligible counties as identified by HUD and the meeting held in Meriden was specifically to obtain input from and respond to questions from public housing authorities in the eligible areas.

Forty-two unmet needs submissions were received by the deadline from eligible municipalities and public housing authorities and additional submissions and supplementary information has continued to be submitted. In total, over 190 specific projects with unmet needs in the areas of housing, infrastructure, public facilities, commercial revitalization, and mitigation have been identified by these and other sources and inform the specific funding activity allocations presented in this Allocation Plan. Input for the development of this Allocation Plan was also provided by HUD's Hartford Field Office, FEMA, the LTRWG and its Housing Task Force, the State Office of Housing Preservation, DOT, DECD, OPM, DEMHS regional staff, and the American Red Cross and other charitable organizations.

This Allocation Plan is being made publicly available for a seven day public comment period beginning on April 19, 2013. A legal notice requesting comment on this Allocation Plan will be published in two newspapers, including one in Spanish, on or before April 19, 2013. A copy of the legal notice and this Allocation Plan will be sent to all municipalities and public housing authorities, as well as the Community Partners identified in the State's Consolidated Plan for Housing and Community Development. The legal notice and this Allocation Plan will be posted to a designated page on the DECD website for the full comment period.

B. Proposed Allocation of the First Tranche Funds

Our allocation of the First Tranche Funds among the broad eligible activity areas is set forth in the table below:

Activity	Allocation
Owner-Occupied Rehabilitation	\$30,000,000
Multi-family (Rehabilitation & New Construction)	\$26,000,000
Infrastructure	\$4,000,000
Public Facilities	\$2,200,000
Economic Revitalization	\$4,000,000
Mitigation	0
Administration	\$3,591,000
Planning	\$2,029,000
TOTAL	\$71,820,000

Overall, these allocations are driven primarily by the following factors:

- (1) The State's estimation of the unmet needs in the activity areas for which the First Tranche Funds can be used. The State's estimates are based on its review of Census data, data from FEMA, SBA, and DOI, and the results of the surveys designed by the State and submitted by municipalities, public housing authorities and other local stakeholders in the eligible areas. Additional information regarding the State's estimate of unmet needs is described in greater detail in Appendix A. This estimate is necessarily preliminary. The true needs of the State's communities in the aftermath of Hurricane Sandy and the other eligible natural disasters will not be fully known until recovery and rebuilding programs are well underway. Even at this point, new or revised data on activities and the availability of alternative funds from private insurance, FEMA and SBA continue to become available to the State. The State's estimate of the universe and magnitude of unmet needs will have to continue to be refined. Moreover, the entirety of the unmet needs in the infrastructure and public facilities areas is not intended to be documented in this Allocation Plan since much of the necessary data is not yet available. However, this information will be needed and will be obtained in connection with the allocation by HUD of the third tranche of the CDBG-DR Program funds to Connecticut.
- (2) The applicable federal restrictions on the First Tranche Funds described above.
- (3) The prioritization of (a) housing and economic development activities and other activities that provide a tangible benefit that addresses a real urgent unmet need and

can be commenced with minimal delay and thereafter completed promptly and (b) in the case of more complicated projects, necessary planning and predevelopment work that will facilitate the speedy commencement and completion of such projects when third tranche funds become available.

- (4) The allocation of sufficient funds to efficiently and effectively administer the activities to be supported with the First Tranche Funds.

Appendix A provides additional detail setting forth the considerations, assumptions and calculations on which each of the funding allocations above are based.

C. Unforeseeable Reductions in CDBG-Program Funding

This Allocation Plan is based on the expectation that the First Tranche Funds will be in the amount of \$71,820,000. However, the First Tranche Funds, like all CDBG-DR Program funding, are subject to availability of these funds from the federal government. Presently no reduction in the amount of the First Tranche Funds is anticipated as a result of the recent sequestration of federal funds. However, should the amount of the First Tranche Funds be decreased, a reduction in number of funded activities would be necessary.

III. Grant Administration

A. Federal Requirements

The Federal Register Notice includes a number of Stafford Act waivers to the Housing and Community Development Act of 1974. These waivers modify certain CDBG rules enabling the State to administer the First Tranche Funds with the greater flexibility to respond to the unmet needs related to Hurricane Sandy.

The most notable waivers include:

- direct administration of activities by a state grantee;

- a reduction in low- and moderate-income benefits criteria from seventy percent (70%) to fifty percent (50%) of the total allocation less administration and planning.
- streamlined and expedited citizen participation requirements (e.g., no public hearings required for the Action Plan);
- reimbursement of disaster recovery expenses (incurred by a state, local government, homeowner, rental property owner, or business owner) if the underlying activities meet the eligibility criteria;
- allowing grantees to adopt an environmental review performed for a FEMA project where CDBG-DR funds are also used;
- new construction of single family or multifamily housing;
- buyouts of housing within the 100 year flood plain provided the unit of local government or the State will hold and maintain the undeveloped land in perpetuity; and
- homeownership assistance for households with up to 120% of the area median income, down payment assistance for households up to 100% of the down payment.

The following activities or requirements are not waived and are therefore are applicable to the administration of the First Tranche Funds:

- the ineligibility of the repair, rehabilitation or replacement of second homes; and
- the ineligibility of compensation for “interruption of business” losses incurred by small businesses.

The following federal requirements also apply to all projects funded under the CDBG-DR Program:

- the Davis Bacon Act;
- the National Environmental Policies Act (including 24 CFR Part 58 Environmental Review Procedures);
- the Uniform Relocation Act,
- minority Business Enterprise (MBE - Executive Order 11625)
- women’s Business Enterprise (WBE - Executive Order 12138)

- section 3 (24 CFR 570.487.d); and
- the Administrative Requirements of OMB Circular No. A-87.

B. Application and Planning Requirement

As referenced above, the State's application process to HUD for CDBG-DR Program funding includes the submission of an Action Plan meeting all of the requirements set forth in the Federal Register Notice. Among other requirements, the Action Plan must contain an allocation plan by which the state will distribute its CDBG-DR Program funds. The Action Plan must describe the State's proposed allocations by activity area but does not require the identification of specific projects to be funded.

Following the approval of this Allocation Plan in accordance with in accordance with Section 4-28b of the Connecticut General Statutes, DOH will submit the Action Plan to HUD as part of its application package. HUD's approval of the Action Plan is provided when the State receives its Funding Approval/Agreements (HUD Forms 7082).

C. Administration of the Program

DOH will administer the First Tranche Funds through selective application processes wherever feasible. The project eligibility requirements contemplated by DOH include the following (though not all requirements will apply to all types of projects):

- Applicants must be "Eligible Applicants" as defined by HUD program regulations as modified by the Federal Register Notice;
- Proposed activity must be an "Eligible Activity" as defined by HUD program regulations as modified by the Federal Register Notice;
- Projects must meet at least one National Objective and such national Objective(s) must be fully supported within the application;
- Consistency with the goals and strategies of the Action Plan must be demonstrated;
- Fair Housing and Equal Opportunity Compliance must be evidenced by a Fair Housing Action Plan that complies with DOH's guidelines/policies; and

- Applicants must be in compliance with all existing assistance agreements with DECD and DOH and cannot be in default under any CHFA or HUD-administered program.

APPENDIX A UNMET NEED

The Unmet Need Summary Table A.1 provides an overview of the unmet needs as identified through a three-tiered review of available data. The three-tiers include the following sources: FEMA data; data received from each jurisdiction through an electronic survey; and specific requests submitted by jurisdictions, DEMHS, two small business loan funds and public housing authorities. This data continues to be updated and revised as local data on project-specific needs is identified.

Table A.1: Unmet Need Summary						
Activity	Total Unmet Need	Fairfield County	New Haven County	New London County	Middlesex County	State
Owner-Occupied Rehabilitation	\$57,137,183	\$39,329,391	\$6,186,325	\$9,757,906	\$1,863,561	\$0
Multifamily/New Construction	\$147,000,000	\$147,000,000	\$0	\$0	\$0	\$0
Multifamily Rehabilitation	\$907,500	\$482,500	\$425,000	\$0	\$0	\$0
Infrastructure	\$22,167,853	\$8,207,406	\$13,711,897	\$0	\$248,550	\$0
Public Facilities	\$34,527,307	\$14,076,234	\$17,038,773	\$3,350,000	\$62,300	\$0
Economic Revitalization	\$10,797,888	\$5,385,000	\$4,310,000	\$102,888	\$0	\$1,000,000
Mitigation	\$24,601,286	\$12,058,301	\$10,538,985	\$0	\$4,000	\$2,000,000
TOTALS	\$297,139,017	\$226,538,832	\$52,210,980	\$13,210,794	\$2,178,411	\$3,000,000

The Mashantucket Pequot Indian Reservation made specific requests for economic revitalization activities which are included in the totals, but are not broken out in the detail.

Owner-Occupied Rehabilitation:

Significant experience identified as a result of the recent Gulf Coast storms suggests that the level of need associated with owner-occupied housing rehabilitation:

- a. Increases in cost as supplemental damage is incurred post storm;
- b. Increases in cost as local and state building codes are identified; and,
- c. Is initially undercounted due to a variety of factors:
 - i. initially due to evacuation or displacement;
 - ii. eligibility/ineligibility for assistance by potential applicants;
 - iii. undocumented families reluctance to come forward; and,
 - iv. voluntary household relocation.

Although these factors may not necessarily apply in Connecticut to an equivalent level as in the Gulf Coast region, the base unmet need as identified by FEMA and the localities was increased by 20% to account for these factors.

Within the owner-occupied rehabilitation category, the most significant unmet need is rehabilitation resulting from wind and associated damage. This is currently estimated at 70.5% of unpaid losses; approximately \$40,277,564. In addition, damage from flooding is currently estimated at 29.5% of unpaid losses, approximately \$16,859,620.

In total, 10,122 units have already been identified as having unmet needs. Of those units, 5,500 units are likely to be eligible for assistance based on income, extent and type of damage, as well as being a primary residence (e.g. second homes are not eligible under the federal rules). Within this pool of units, as many as 5,280 may require some level of rehabilitation assistance, while approximately 220 units may also require some kind of flood mitigation (e.g. elevating the home, hurricane-resistant windows/roof, drainage), again, based on FEMA data.

For rehabilitation, approximately 75% (i.e. 3,690) are expected to be insured and may require approximately \$4,000 per unit, on average, resulting in an aggregate unmet need of approximately \$15 million. The remaining homes are likely to be under-insured or uninsured homes (i.e. 1,320) and are estimated to require approximately \$25,000 per unit on average, resulting in an aggregate cost of approximately \$33 million.

Those homes that require mitigation will also require \$41,000 per unit on average, assuming 75% of the mitigation costs will be covered by FEMA under their Hazard Mitigation Program, resulting in an aggregate unmet need of approximately \$9 million.

The recommended allocation should address approximately one-half of the estimated unmet need (\$57.1 million). However the cost of rehabilitation of individual units could be much higher, if, consistent with current state policy, the State requires that all units undergoing rehabilitation with First Tranche Funds must be compliant under state and local building code.

Table A.2: Owner Occupied Properties: Unpaid Loses & Open Claims					
Activity	Total Unmet Need	Fairfield County	New Haven County	New London County	Middlesex County
FEMA Unpaid Losses & Open Claims	\$47,614,320	\$32,774,493	\$5,155,271	\$8,131,588	\$1,552,968
Adjustment for Undercount @ 20%	\$9,522,864	\$6,554,898	\$1,031,054	\$1,626,317	\$310,594
Total Estimated Unmet Need	\$57,137,183	\$39,329,391	\$6,186,325	\$9,757,906	\$1,863,561
Requiring Rehabilitation	\$40,277,564	\$32,909,227	\$4,101,499	\$1,726,154	\$1,540,684
Requiring Flood Mitigation	\$16,859,621	\$6,420,165	\$2,084,827	\$8,031,752	\$322,877

Single Family Costs of Mitigation

The costs of mitigation (e.g. elevation) are high. The cost of raising a 1,000 square foot house footprint two (2) feet is estimated at \$60,000. For each linear foot in elevation after

the first two (2) feet, the cost is estimated at \$10,000 a linear foot. Table A.3 provides an overview of estimated elevation costs for a sample set of footprints.

Table A.3: Costs of Elevation: Residential					
Footprint in Square Feet	First Two Feet	Four Feet Total	Eight Feet Total	Twelve Feet Total	Fourteen Feet Total
500	\$30,000	\$40,000	\$60,000	\$80,000	\$90,000
750	\$45,000	\$60,000	\$90,000	\$120,000	\$135,000
1,000	\$60,000	\$80,000	\$120,000	\$160,000	\$180,000
1,500	\$90,000	\$120,000	\$210,000	\$240,000	\$270,000
2,000	\$120,000	\$160,000	\$240,000	\$320,000	\$360,000

As previously indicated, the high cost of mitigation can be partially offset by FEMA’s Hazard Mitigation Grant Program (up to 75%).

Multifamily Rehabilitation and New Construction

A significant number of existing LMI multifamily housing is located within the 100 year flood plain. The majority of these properties are located in Fairfield County. Initially, six (6) existing large LMI developments comprising 815 units, in the aggregate, identified the need for funds to rebuild or replace these units outside of the 100 year flood plain. In addition, one LMI development of 109 units located in the 500 year flood plain identified the need to relocate 19 of 109 units, and convert the use of the ground floor to parking as a way to increase in elevation in the units to be occupied. One large project is located partially in the 500 year flood plain and partially in the 100 year flood plain and may require rehabilitation, off-site redevelopment and some on-site mitigation. Two smaller projects have also been identified, a duplex and a single family rental project, that are within the 100 year flood plain.

The unmet need identified in Table A.4 below reflects the estimates provided by public housing authorities in the affected counties. Based on current experience using state affordable housing funds, it is estimated that the \$147 million in unmet needs identified in Table A.4 can be addressed using First Tranche Funds as gap financing to leverage over \$105 million in federal Low Income Housing Tax Credits, historic tax credits (state and

federal), private financing, and/or tax-exempt bond financing from the State or the Connecticut Housing Finance Authority. Therefore, the recommended allocation of \$26 million, combined with leverage noted above (i.e. \$105 million) should address approximately 89% of the unmet need (\$147 million).

Approximately 257 multifamily units of LMI housing located outside of the 100 year floodplain were affected by Hurricane Sandy. These appear to have minimal unmet repair needs an estimated cost of \$1 million in the aggregate; which amounts to less than \$4,000 per unit.

It is important to note that the unmet need estimates in Table A.4 do not include the construction of net new affordable multifamily housing units in eligible areas. However this is an eligible activity and the need for such units was highlighted by the affects of Hurricane Sandy.

Table A.4: Multifamily Housing					
Activity	Total Unmet Need	Fairfield County	New Haven County	New London County	Middlesex County
LMI Housing relocated from 100 Year Floodplain	\$147,000,000	\$147,000,000	\$0	\$0	\$0
Rehabilitation of Units outside the Floodplain	\$907,500	\$482,500	\$425,000	\$0	\$0
New Units	\$7,000,000	\$7,000,000	\$0	\$0	\$0
TOTALS	\$154,907,500	\$154,482,500	\$425,000	\$0	\$0

Multifamily Costs of Mitigation

One the primary reasons to consider new construction outside of the floodplain is the cost of mitigation. Table A.5 provides a series of footprints and the associated costs for elevation.

Table A.5: Multifamily Elevation Costs					
Footprint in Square Feet	First Two Feet	Four Feet Total	Eight Feet Total	Ten Feet Total	Twelve Feet Total
1,000	\$60,000	\$80,000	\$120,000	\$140,000	\$160,000
2,000	\$120,000	\$160,000	\$240,000	\$280,000	\$320,000
3,000	\$180,000	\$240,000	\$360,000	\$420,000	\$480,000
4,000	\$240,000	\$320,000	\$480,000	\$560,000	\$640,000
5,000	\$300,000	\$400,000	\$600,000	\$700,000	\$800,000
6,000	\$360,000	\$480,000	\$720,000	\$840,000	\$960,000

The Hurricane Sandy Rebuilding Task Force on April 3, 2013 announced the requirement that all elevations must be one (1) foot above the Base Flood Elevation (“BFE”). In the projects identified thus far, the BFE ranges between eight (8) feet and ten (10) feet, resulting in a significant cost to elevate. Elevation, by its nature, results in additional rehabilitation costs related to damage incurred and the relocation of utility hook-ups above the BFE. The typical project submitted has an average of five (5) buildings of 5,000 sq. feet, each of which will require elevation of nine (9) feet, creating an elevation cost basis of \$650,000 per building or a total cost of \$3.25 million for elevation of the typical project.

Infrastructure

Infrastructure encompasses repair and replacement of existing infrastructure only. The development of new infrastructure is included in mitigation, and is discussed later in this appendix.

The largest unmet need identified to date is the repair or replacement of drainage systems. However, roads and seawalls also have significant unmet repair and rebuilding needs. These three (3) areas constitute over seventy-six percent (76.26%) of repair and replacement activities identified. In total, nearly 99% of the activities identified as having unmet needs are located in Fairfield and New Haven counties.

Table A.6: Infrastructure					
Activity	Total Unmet Need	Fairfield County	New Haven County	New London County	Middlesex County
Drainage	\$6,875,173	\$800,000	\$6,075,173	\$0	\$0
Roads	\$5,084,601	\$2,107,358	\$2,977,243	\$0	\$0
Seawalls	\$4,975,000	\$850,000	\$4,125,000	\$0	\$0
Municipal Utility Repairs	\$1,090,000	\$790,000	\$300,000	\$0	\$0
Water & Sewer	\$1,011,000	\$1,011,000	\$0	\$0	\$0
Sidewalks	\$327,450	\$218,900	\$100,000	\$0	\$8,550
Other	\$2,844,629	\$2,470,148	\$134,481	\$0	\$240,000
TOTALS	\$22,207,853	\$8,247,406	\$13,711,897	\$0	\$248,550
Percent	100%	37.14%	61.74%	0%	1.12%

Infrastructure projects represent a wide range of unmet need encompassing numerous types of infrastructure repair. These range from the dredging of existing channels to the repair or replacement of fences and guardrails along critical roadways.

Moreover, the calculation of unmet needs in the infrastructure and public facilities areas is not intended to be comprehensive as much of the necessary data is not yet available, but will be collected and finalized in connection with the allocation of the State's third tranche of the DCBG-DR Program funds to Connecticut.

Public Facilities

Municipalities have identified 88 projects with unmet needs totaling approximately \$34.5 million. These projects range from public building repairs (e.g. community rooms, museums, and schools) to park and recreational facility repairs (e.g. restoring riprap, piling repair, boat launch repair, and swing set replacement).

Table A.7: Public Facilities					
Activity	Total Unmet Need	Fairfield County	New Haven County	New London County	Middlesex County
Parks & Recreational Facilities	\$28,929,302	\$11,196,802	\$14,522,500	\$3,210,000	\$0
Public Buildings	\$5,322,814	\$2,879,432	\$2,241,082	\$140,000	\$62,300
Other	\$275,191	\$0	\$275,191	\$0	\$0
TOTALS	\$34,527,307	\$14,076,234	\$17,038,773	\$3,350,000	\$62,300

Public buildings repair projects represented 15.4% of the overall Public Facilities unmet need. As indicated above, requests for parks and recreational facilities represented 83.8% of all of the unmet need. The proposed allocation meets 6.4% of the total reported unmet need, including the provision of critical funds for necessary architectural, environmental and other preconstruction activities.

Economic Revitalization

According to the SBA, FEMA and insurance claims data obtained, there are unmet small business needs in the amount of approximately \$11.1 million. These activities include structural repairs (approximately \$5.1 million), repair or replacement of equipment (approximately \$5 million), and working capital (\$1 million). In addition, the Mashantucket Pequot Indian Reservation identified economic revitalization losses, which are included Table A.8: Economic Revitalization.

Table A.8: Economic Revitalization					
Activity	Total Unmet Need	Fairfield County	New Haven County	Mashantucket Pequot Indian Reservation	All Jurisdictions
Equipment	\$5,005,000	\$1,005,000	\$4,000,000	\$0	\$0
Property	\$5,100,888	\$4,840,000	\$260,000	\$102,888	\$0
Capital	\$1,000,000	\$0	\$0	\$0	\$1,000,000
TOTALS	\$11,105,888	\$5,845,000	\$4,260,000	\$102,888	\$1,000,000

The unmet need in Equipment and Property Repairs represent forty-six percent (46.26%) and forty-four percent (44.48%) of the total unmet need, respectively.

These activities align themselves with the DECD Small Business Express program, and it is anticipated that the proposed \$4 million allocation of CDBG-DR funds can be used to leverage sufficient additional grant and loan funds to cover approximately 80% of the unmet need.

Also, although the need for Capital is largely anecdotal and not clearly defined, it is anticipated that a significant need to assist small and minority-owned businesses exists, particularly in the business of general contracting. A portion of this funding may be used to guaranty funds under the State's Minority Business Enterprise Assistance Program.

Mitigation

Mitigation as an activity is woven into all of the activities noted being carried out in the first two (2) years following an event. However, most of CDBG-DR mitigation projects associated with public infrastructure will be funded by HUD's third tranche allocation. It is during this first two year period when FEMA mitigation programs can cover significant portions of the overall costs of mitigation (up to 75%). The unmet need identified relative to Mitigation includes items and actions that are expected to reduce or modify the impact of future storms. The largest unmet needs identified to date are in infrastructure mitigation, primarily the development or restoration of seawalls. In addition, as we found as a result of both Hurricane Sandy and Tropical Storm Irene, there exists a significant need, and therefore a substantial unmet need, for emergency equipment (e.g. large scale generators).

Table A.9: Mitigation					
Activity	Total Unmet Need	Fairfield County	New Haven County	Middlesex County	State
Seawalls	\$15,235,875	\$7,440,875	\$7,795,000	\$0	\$0
Generators	\$3,946,700	\$178,200	\$1,768,500	\$0	\$2,000,000
Waterlines	\$3,000,000	\$3,000,000	\$0	\$0	\$0
Roads	\$664,910	\$664,910	\$0	\$0	\$0
Buildings & Building Preparedness	\$640,770	\$126,700	\$514,000	\$0	\$0
Sidewalks	\$637,051	\$596,566	\$36,485	\$4,000	\$0
Other	\$552,750	\$177,750	\$375,000	\$0	\$0
TOTALS	\$24,678,056	\$12,185,071	\$10,488,985	\$4,000	\$2,000,000

Overall, thirty-eight (38) mitigation projects were identified. As we have seen throughout this exercise, the unmet need is primarily located in Fairfield and New Haven Counties. Seawalls represent over sixty-one percent (61.7%) of the unmet need.

Appendix B: Intent to Enter Into Agreement with State Housing Preservation Office

The CT Department of Housing (DOH), the State Historic Preservation Officer (SHPO), and the Advisory Council on Historic Preservation will enter into a programmatic agreement to expedite the environmental review of single-family properties that have experienced damage from Hurricane Sandy. The agreement acknowledges that while there will be a cross-section of damaged properties that have historic significance, the vast majority will not and therefore, a full historic preservation audit will not be necessary. The purpose of this agreement is to ensure that those properties that do have historic significance are identified and undergo the appropriate review to meet Section 106 regulations, and that there is clarity around which properties need additional review and which do not. Because the two-year expenditure timeline of the Sandy Recovery funding demands an efficiency of review for these properties, DOH, SHPO and the Advisory Council have begun to lay out a procedure for property reviews that includes:

- Determining which redevelopment/rebuilding actions can be excluded from SHPO review
- Defining a process to determine the accurate scope of work for projects
- SHPO pre-screening of CDBG-DR properties to provide initial assessment of which properties may need additional review
- Determining an efficient and effective process to address properties that are identified as having historic significance, with the recognition that the majority of properties will not advance to this level of review

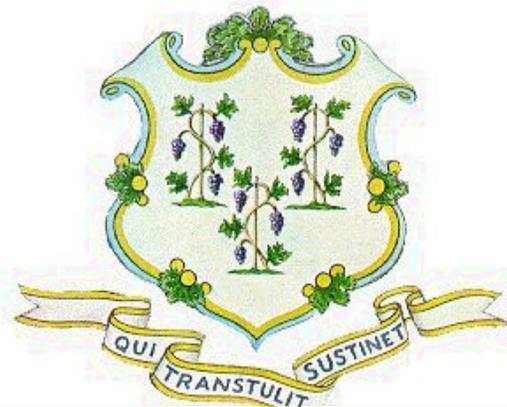
The SHPO and Advisory Council have created an appendix to the programmatic agreement that lists which actions will be categorically excluded from historic review, and therefore, relieve DOH of any additional obligations under Section 106.

Appendix C: CDBG-DR Compliance and Monitoring Manual



Community Development Block Grant – Disaster Recovery (CDBG-DR)

Compliance and Monitoring Manual



**State of Connecticut
Department of Housing**

2013

1. Introduction

As part of the State's ongoing responsibilities for the administration of HUD's federally funded programs, DOH will conduct comprehensive monitoring reviews for all programs and activities that fall under Title H.R. 152, titled: Division A: The Disaster Relief Appropriations Act; also known as Public Law 113-2. Like many localities and states devastated by Hurricane Sandy, the State of Connecticut is a recipient of funding for the purpose of assisting in the development and redevelopment of homes lost or devastated by Hurricane Sandy under the Community Development Block Grant Program - Disaster recovery (CDBG-DR) administered by the United States Department of Housing and Urban Development.

Funds for the State of Connecticut's CDBG-DR program are targeted to areas with the greatest needs based on foreclosures, subprime mortgages, mortgage delinquencies, and defaults. All funds must be used in accordance with The Federal Register Notice (Vol. 78, No. 43; March 5th, 2013 Page 14329) titled: "Allocations, for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy" (the "Federal Register Notice") provides the regulatory framework established by the United States Department of Housing and Urban Development (HUD) and must be determined to be an eligible activity and meet national objectives. States and localities that receive CDBG-DR funds pursuant to Public Law 113-2 are required to comply with all HUD's rules and regulations concerning program performance and any rules and regulations unique to the Disaster recovery legislation.

Connecticut's Department of Housing (DOH) Monitoring Handbook provides a description of the State's program and all applicable federal regulations issued by HUD. The Handbook also provides guides for areas of programmatic review and responsibilities relating to compliance which will enable funding recipients and the general public to understand the program, its objectives, and methods to insure success program implementation. DOH understands the importance and need for a compliance program that insures that all participants in the CDBG-DR program are adequately and responsibly carrying out their various ethical, legal and fiduciary responsibilities in the administration of its programs and activities. The State of Connecticut and DOH will work to insure that all policies, practices, program requirements, and guidelines are being followed in ways that safeguard against risks and liabilities inherent in programs and activities that receive CDBG-DR funds.

Applicability

The State of Connecticut as grantee and recipient of CDBG-DR funds is responsible for ensuring that the funds are used in accordance with all applicable program requirements. DOH understands that the use of subgrantees or subrecipients does not relieve the State of compliance responsibilities. As of the production of this compliance manual, DOH does not intend to use subgrantees or subrecipients. As a part of ongoing compliance requirements DOH recognizes that the organization is also responsible for ensuring all funding recipients are adequately performing and corrective action must be taken when

performance problems arise. As a grantee, DOH will monitor its staff and all contractors to assure compliance with applicable federal requirements and that performance goals are being achieved.

The Handbook applies to monitoring the following programs and technical areas:

1. Program Progress
2. National Objectives
3. Cooperative Agreements
4. Beneficiary/Contractor Requirements
5. Continued Affordability Requirements
6. Eligible Uses
7. Fair Housing and Equal Opportunity
8. Homebuyer Programs
9. Homeowner Rehabilitation Programs
10. Rental Projects
11. Administrative and Financial Requirements
12. Environmental Reviews
13. Labor Standards Administration
14. Lead Based Paint Compliance
15. Relocation and Real Property Acquisition
16. Fraud, Waste and Mismanagement

Program Overview

HUD provides funds for Disaster Recovery that are generally construed to be a component of the Community Development Block Grant (CDBG) Program. The regulatory structure for CDBG is currently being used to implement CDBG-DR rules and regulations for the state of Connecticut.

The State of Connecticut, like other CDBG-DR grantees, has developed its programs and funding priorities consistent with the needs, demands and requirements for the area, while being sensitive to the unique problems created by Hurricane Sandy.

CDBG-DR funds may be used for activities which include but are not limited to:

- acquisition of real property;
- acquisition, rehabilitation and construction of public works and facilities;
- buyouts;
- code enforcement;
- relocation assistance;
- new construction;
- reconstruction and rehabilitation of residential and nonresidential properties;
- new construction, reconstruction and rehabilitation of Public Housing;
- American Disability Act (ADA) improvements;
- rental assistance;

- repair or rehabilitation of infrastructure;
- storm mitigation measures;
- special economic development including: grants and loans to SBA defined small business, job training, and the revitalization of business districts;
- fair housing counseling;
- homeownership counseling and assistance;
- assistance to Community-Based Development Organizations (CBDO's) for neighborhood revitalization;
- community economic development;
- energy conservation projects;
- homeownership assistance;
- fair housing;
- planning and administrative costs, including actions to meet the grantee's certification to affirmatively further fair housing.

Objectives

HUD describes monitoring as an integral management control techniques and a Government Accounting Office ("GAO") standard. It is an ongoing process that assesses the quality of a program participant's performance over a period of time. Accordingly, the monitoring process shall provide DOH information about its program participants that will be critical for making informed judgments about CDBG-DR program effectiveness and management efficiency. Monitoring is helpful in identifying occurrences of fraud, waste and abuse. Like HUD, DOH will use monitoring to accomplish the following objectives:

- Provide that all CDBG-DR activities and projects are carried out efficiently, effectively, and in compliance with applicable laws and regulations;
- Assist contractors to improve their performance, develop or increase capacity, and augment management and technical skills;
- If applicable, ensure that subgrantees with management responsibility are monitored through regular ongoing risk assessment; that they are regularly performing and reviewing risk assessments; and recommending and assuring that appropriate steps are taken to design, implement, or modify compliance activities to reduce the compliance risks identified by risk assessments;
- If applicable, ensure that compliance roles and responsibilities are clearly established across the Subgrantee's system and that care is given to delegating substantial authority;
- If applicable, ensure that Subgrantees implement standards of conduct, have written policies and procedures and internal control systems capable of ensuring compliance and reducing possible ethnic concerns within their organizations;
- Individuals responsible for CDBG-DR compliance and ethics programs have adequate resources, authority, and competencies to carry out their responsibilities;

- If applicable, ensure that Subgrantees' CDBG-DR compliance standards, procedures and expectations, are effectively communicated through education and training programs, publications, and other appropriate means;
- If applicable, ensure that reasonable steps have been taken to achieve CDBG-DR compliance with regulations, policies, and procedures throughout the Subgrantee's organization through the use of auditing and monitoring systems as well as periodic evaluation of the compliance program's effectiveness;
- If applicable, ensure that contractors maintain an effective mechanism for employees and agents to report or seek guidance regarding potential or actual wrongdoing, including mechanisms to allow for anonymous reporting, and appropriate safeguards to protect against potential retaliation;
- Enable the State to submit appropriate and documented quarterly reports in HUD's Disaster recovery Grant Reporting (DRGR) system;
- Report the implementation and effectiveness of the CDBG-DR compliance program to the appropriate staff of DOH;
- Enable the State to submit annual financial summary reports in HUD's Disaster recovery Grant Reporting (DRGR) system; and
- Take such other actions, or make such other recommendations, as are necessary to promote an ethical organizational culture.

2. Management of Monitoring Activities

Use of Risk Analysis

Consistent with HUD requirements detailed in the CPD Monitoring Handbook - 6509.2 Rev-6, DOH will conduct a risk analysis as a part of CDBG-DR grant administration. As a part of the ongoing monitoring process for its CDBG-DR programs, DOH will conduct a risk analysis on all contractors participating in the CDBG-DR program in order to identify those programs that are most susceptible to fraud, abuse, or mismanagement. DOH staff will monitor those programs that are identified as high risk as well as sample those deemed to be low risk programs.

Risk analysis is a process or system for rating and ranking funding recipients and those programs which pose the greatest risk for compromising the integrity of the CDBG-DR. This process will help DOH by providing consistent data to develop monitoring strategies to minimize potential risk. An organization benefits from risk analysis because it helps the agency determine on which programs, projects and organizations to focus. With feedback from this process, DOH will then be able to prioritize decisions, allocate staff and resources appropriately, and determine what type of monitoring is necessary. This process levels the playing field ensuring fair and equal treatment of all funding recipients.

DOH will carefully monitor those funding recipients that pose the highest risk of compromising the program rules and regulations. As a part of the monitoring risk management record, each funding recipient's name and grant number will be cited along with the following information:

- Identification of which participants will be monitored
- Type of monitoring (e.g., in-depth, limited, on-site, remote)
- Programs/functions to be monitored
- Actions that will be taken to assess program participant performance
- Expected monitoring dates
- Required resources (staff and other monitoring team participants)
- Methodology and tools used for the project

DOH's risk analysis methodology will include means of determining an estimation of the level of risk, an assessment of the frequency or likelihood of occurrence, consideration for how to best manage risk, and the action that will be taken to mitigate problems. DOH will carefully analyze the assessment of risk for each funding recipient and utilize a strategy to reduce and manage the funding recipient's risk. HUD regulations governing the CDBG-DR program, along with the State CDBG-DR Substantial Amendment and HUD Monitoring Handbook, shall be guides for conducting the risk analysis for funding recipients. Individualized risk mitigation strategies will be prepared for each funding recipient. Methods for identification, analysis, planning, tracking, control and communications shall be outlined.

DOH will use steps for identifying risks that include the following:

- Identify what CDBG-DR projects and performance areas are to be assessed
- Insure that risk is identified and analyzed
- Assign weight to risk factors
- Develop rating criteria and methods to assessing risk
- Determine rating by factor
- Establish criteria for risk "profiles" for each funding recipient
- Compile scores and rank organizations
- Utilize resources for monitoring and risk mitigation

Risk analysis, conducted by the staff of DOH, will pay special attention to Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42USC 5155 by guaranteeing that there will not be a "duplication of benefits".

The goal of this attention is to assure such that no program participant has an activity that provides federal financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, has the program participant assured that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he or she has received financial assistance under any other program or from insurance or any other source.

For review of compliance with Section 582(a) governing projects in flood plains, the DOH reviewers will use Exhibit 27-1 of this Community Planning and Development Monitoring Handbook 6509.2 REV-6, "Guide for Review of Flood Insurance Protection," especially questions 7, 8 and 11.)

Preparing for Monitoring

Efficient monitoring of CDBG-DR Programs starts with a careful and thorough review of all written documents that are currently being used in CDBG-DR such as regulations, reports, written agreements, reports and documentation of performance and compliance. DOH will review all written and appropriate documents that provide information about the CDBG-DR Program to determine the types of questions to ask to ensure appropriate monitoring.

DOH staff responsible for monitoring must be familiar with all regulations and program requirements for the CDBG-DR projects and activities to be monitored. Staff will have acquainted themselves with knowledge of the funding recipients to be monitored as well as their program descriptions. Priority will be given to this type of preparation so that the reviewer can make accurate assessments and observations which will enable those monitoring to make recommendations that will minimize risk and improve program performance. This preparation process involves:

1. Understanding the governing statutes, regulations and official guidance;
2. Reviewing and analyzing participant reports, available data, program files, audits and financial information, including DRGR reports, previous monitoring reports and issues; and
3. Obtaining other relevant information from knowledgeable staff.

Based on information gathered in the preliminary stages of the monitoring process, revisions may be required for each funding recipient's individual monitoring strategy. Modifications may be based on areas that must be reviewed, estimated time frames, and or staff resources that may be required.

Consistent with HUD monitoring practices, DOH will use similar procedures to define the scope and focus of monitoring efforts. Identification of the following will occur:

1. The programs/areas/functions to be reviewed;
2. Data or information to be submitted by the program participant prior to monitoring (if any);
3. The names of any participant staff members who will need to be consulted during the monitoring;
4. Anticipated staff who will conduct the monitoring;
5. Clearly defined areas of responsibilities for each reviewer (to avoid duplication) if more than one staff person will be conducting the monitoring;
6. A schedule for carrying out the monitoring tasks and the anticipated time frames; and
7. Required resources.

Immediate follow up will include timely and concise written documentation to support conclusions drawn during the reviews.

Coordination

The Department will develop a coordination and communication strategy for monitoring CDBG-DR grantees (individuals, families and businesses) which will be communicated to all participants in the program. Steps for the strategy include setting a date for the monitoring as well as scheduling times to meet with owners, tenants, contractors or other beneficiaries.

Additional efforts to communicate with funding recipients will include a written formal letter to coordinate the monitoring schedule, identify activities that will be reviewed, request staff availability, and identify all key players who will be responsible for coordinating and participating in the monitoring.

Certain chapters of the State's Monitoring Handbook contain guidance and Checklists for reviews of technical areas which should be carefully reviewed in advance of monitoring visits.

These areas include:

- Program Progress,
- National Objectives of Benefit to CDBG-R eligible beneficiaries
- State requirements,
- Affordability Requirements,
- Environmental,
- Fair Housing and Equal Opportunity (FHEO),
- Labor,
- Homebuyer and Homeowner Programs,
- Rental Projects,
- Administrative and Financial Management Requirements,
- Relocation and Acquisition, and
- Lead Hazards.

Staff will make every effort to follow the guidance contained within the applicable chapter with respect to decision-making authority, coordination, and follow-up required during each of its reviews of funding recipients.

Conducting the Monitoring

Monitoring consists of the following elements:

1. Notification to the Funding Recipient - After the monitoring plan has been developed, communicate with the contractor to establish a date (whether on-site or remote). Once a date has been set, a formal written letter to the funding recipient should be sent. Unless there are extenuating circumstances, this letter should be sent at least two weeks prior to the monitoring. The letter should discuss the monitoring schedule; identify the areas to be reviewed, and the names and titles of the individuals who will be conducting the

monitoring. It should also request that the necessary funding recipient staff, if applicable, be available during the monitoring. For on-site monitoring, the letter should confirm the need for any required services (e.g., conference rooms, telephones, and computers). For remote monitoring, the letter should identify specific information to be submitted by the funding recipient and a timeframe for submission.

2. Entrance Conference - The purpose of the entrance conference is to:
 - a. Explain how the monitoring will be conducted;
 - b. Identify/confirm key funding recipient staff that will assist during the monitoring;
 - c. Set up or confirm meeting or interview times (including any clients who may be interviewed) and, if applicable, schedule physical inspections; and
 - d. Verify the programs/activities to be reviewed and, if on-site, how access to files and work areas will be granted (some programs files can be sensitive; some work areas can be hazardous).
3. The Assessment Process - The “real work” of monitoring entails interviews and file reviews to verify and document compliance and performance (and can include physical inspections, if monitoring is conducted on-site):
 - a. *Evaluate* - The checklist questions are designed to assess and document compliance with program requirements based upon:
 - i. File reviews to determine the accuracy of the information, using both automated and manual data and reports submitted to DOH by the ; and
 - ii. Interviews with program participant staff, contractors, sub-grantees, and clients to clarify and determine the accuracy of the information, assess level of satisfaction with the provision of services or the “end products,” and document performance.

Specific responses to the checklist questions are expected. Although this approach can take more time up-front, it yields higher quality reviews that provide a better picture of a Contractor's grant program for supervisory staff, future DOH monitoring staff for the Contractor and others who have a need to review the Contractor's performance, such as DOH. The responses to each question provide important documentation for the State's administrative record. Since it is unlikely that DOH's monitoring staff will be able to monitor all of a Contractor's activities, projects and/or functions, or even review activities in a specific area spanning a Contractor's entire program year, sampling is generally expected to form the basis for drawing conclusions about the Contractor's performance. Best practices for monitoring suggest a random sampling of 10-15% of program files for each program activity being monitored. For non random samples, DOH staff should give consideration to unresolved problems remaining from previous monitoring, any new types of activities being undertaken, and/or the extent of any activities considered high risk. Any sample review or spot-check of Contractor records that raises questions concerning the accuracy of the data indicates the need for further follow-up. Use a common sense approach and

engage in a thorough evaluation date and other information to draw defensible and supportable conclusions. Always keep in mind that the main objective of monitoring is to assist Contractors in carrying out their program responsibilities. Ask the question “Is the program purpose being accomplished? Are the program beneficiaries being served as intended?” Are program requirements being met?

b. *Communicate* - Throughout the monitoring, maintain an on-going dialogue with the Contractor. Such communication keeps the Contractor informed as to how the monitoring is progressing, enables discussions of any problem areas encountered, and provides the Contractor an opportunity to make “on-the-spot” adjustments or corrections or present additional information to help the DOH staff responsible for monitoring. It also minimizes the potential for surprises to the Contractor when the exit conference is held as well as when the monitoring results are formally communicated in writing.

c. *Document* - The responses to the questions in this Handbook's Checklists form the basis for monitoring conclusions and are supplemented by Contractor records copied or reviewed during the monitoring. All Checklist questions must be clearly answered (the “Yes/No/N/A” box, the “Comment” section and the Chapter Summary sheet). For example, an N/A response could indicate either that the question did not apply or staff was unable to answer it (due to time constraints, unexpected problems in other areas, etc.). Keep in mind that people unfamiliar with the Contractor, CDBG-DR or the project or activity being monitored may review written monitoring reports. Therefore, monitoring conclusions must be written in such a way that they will be clear to persons unfamiliar with the Contractor, the program or technical area. Documentation requirements for the entire monitoring process are discussed elsewhere in the handbook.

4. Exit Conference - When the monitoring review is completed, DOH staff will conduct an exit conference with the appropriate Contractor officials or staff to discuss preliminary conclusions. In part, this serves to confirm the accuracy and completeness of the information used to form the basis for the monitoring conclusions. It may also highlight areas of disagreement between DOH and the Contractor.

DOH staff is responsible for developing “Chapter Summary Forms” not only to prepare for the exit conference by clearly and concisely summarizing the conclusions; but also to document the issues discussed at the exit conference, the date and time of the meeting, and the names and titles of the attendees. To the extent that a program participant signifies disagreement, the basis for any objections should be noted. These summarizations are used to develop the monitoring letter, which is discussed below.

Monitoring Conclusions

1. As a result of monitoring, staff at DOH may reach one or more conclusions that:

a. Performance was adequate or exemplary;

- b. Significant achievements were made;
- c. Specific concerns need to be brought to the Contractor's attention
- d. Technical assistance was provided or is needed; and/or
- e. Findings will require corrective actions.

All conclusions – positive or negative - must be supportable, defensible, and adequately documented.

2. Findings and Concerns - Where deficiencies are identified, the following procedures apply:
 - a. *Findings* - Where an identified deficiency results in a finding, the finding must include the **condition, criteria, cause, effect, and required corrective** action.
 - i. A **condition** describes what was wrong or what the problem was.
 - ii. **Criteria** cite the regulations or statutes that were not met.
 - iii. The **cause** explains why the condition occurred.
 - iv. The **effect** describes what happened because of the condition.
 - v. The **corrective action** identifies the action(s) needed to resolve the problem and, unless inapplicable or there are extenuating circumstances, should include the time frame by which the participant should respond to the finding.
 - b. *Concerns* - Monitoring concerns brought to the Contractor's attention should include the **condition, cause, and effect**. DOH staff should suggest or recommend actions that the program participant can take to address a concern, based on sound management principles or other guidelines. However, corrective actions are not required for concerns.

Sanctions

1. The Process - Identified monitoring deficiencies that rise to the level of a “finding” require corrective action. Responsibility rests both with the DOH reviewer and the Contractor being monitored. The DOH reviewer must validate that there is sufficient documented information and/or evidence to support a finding of noncompliance. The entity being monitored has a responsibility to determine, or assist the DOH reviewer in determining, the reason why a requirement was violated or provide evidence of compliance. A key ingredient of effective monitoring is the ability to identify the root cause(s) of any identified deficiencies, whether the problem is an isolated occurrence or systemic. Such knowledge leads to the development of optimal corrective actions. Keep in mind that there may be any number of acceptable solutions to resolve a deficiency. Ideally, the program participant should agree with DOH's assessment of the cause and offer a workable solution. In some cases, the DOH reviewer may need to determine appropriate action if compliance is not possible, i.e., do we want money recovered, CDBG-DR funding reduced, limited or terminated? Contemplation of those or other serious corrective

actions triggers the need for the DOH CDBG-DR Management Team to contact their Connecticut HUD Field Office CPD Representative. Additionally, suspected instances of fraud or misconduct may be referred to the Office of the Inspector General for further investigation after consultation with the HUD Field Office.

2. Checklist Structure - The questions contained within the Checklists in this Handbook have been set up to assist the DOH reviewer in correctly identifying deficiencies that rise to the level of a “finding.” Each Checklist contains a “Note” under the heading, advising the reviewer that certain questions contain, as a parenthetical below the question, statutory or regulatory citations and/or contract/agreement references. A negative response (“No”) by the DOH reviewer to any such question indicates noncompliance that constitutes a “finding.” Including the basis for the requirement enables the entity being monitored to specifically reference the program requirement at issue. That entity is not precluded from self-assessing during the monitoring to determine if it has additional information or supporting documentation that would cause the DOH reviewer to form a different conclusion.

Understanding the cause serves to outline the action or actions needed to resolve the violation(s). To assist the DOH reviewer in developing corrective actions for findings of noncompliance, this Chapter provides a “sanctions table” by program or technical area. DOH’s discretion for resolving deficiencies lies within these parameters. An important and fundamental principle of the monitoring process is that DOH, as the HUD, CDBG-DR Grantee is *required to make findings* when there is evidence that a statute, regulation or requirement has been violated but it retains *discretion in identifying appropriate corrective action(s)* to resolve deficiencies. An equally fundamental principle is that program participants have due process rights to contest findings.

The Monitoring Letter

Within 30 days after completion of monitoring, DOH will send the monitoring letter to the Subrecipient describing the results – in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. Each monitoring letter is to include:

1. The program, project or entity monitored;
2. The dates of the monitoring;
3. The name(s) and title(s) of the DOH staff that performed the monitoring review;
4. A listing of the program/project/activity areas reviewed (which, in most cases, will repeat the areas outlined in the notification letter to the participant);
5. If applicable, a brief explanation of the reasons why an area specified in the notification letter was not monitored (e.g., time constraints, unanticipated problems arising in another area);
6. Monitoring conclusions
7. If applicable, clearly labeled findings and concerns;
8. If there are findings, an opportunity for the Subrecipient to demonstrate, within a time prescribed by DOH, that the Subrecipient has, in fact, complied with the requirements;

9. response time frames, if needed;
10. an offer of technical assistance, if needed or a description of technical assistance provided during the monitoring.

Because DOH works in partnership with the units of local government it funds, generally, the tone of the monitoring letter should be positive, in recognition of our common goal to responsibly and effectively implement DOH's programs. Include significant accomplishments or positive changes to establish and maintain positive relationships and to recognize the dedication and commitment of the Subrecipient staff to our program missions. However, the monitoring letter should not include general statements that the Subrecipient "complied with all applicable rules and regulations." Such broad general statements can negate DOH's ability to apply sanctions, if deemed necessary at a later date. Monitoring reviews cover selected program or technical areas and, oftentimes, are based on a selected sample. Monitoring conclusions, therefore, should be qualified, i.e., "based upon the materials reviewed and the staff interviews, the activity/area was found to be in compliance with (specify requirements)." In other words, these conclusions must be "defendable" should they be contested.

Closing Findings

1. General - Follow-up by DOH reviewers serves two purposes:
 - a. It provides an opportunity to evaluate the effectiveness of our monitoring efforts in maintaining or improving participant performance; and
 - b. It enables us to determine that required corrective actions are implemented.

HUD and DOH only consider the monitoring process to be completed after an identified deficiency has been corrected, the corrective action produces improvements and it is determined that management action is not needed. (see GAO/AIMD-00-21.3.1, *Standards for Internal Control in the Federal Government*, "Monitoring").

2. Follow-Up - All follow-up actions are documented and communicated to Contractors. Target dates are assigned when corrective actions are required and relayed to the participant in the monitoring letter.
 - a. In the event that a Contractor fails to meet a target date - and has not alerted the DOH reviewer as to the reasons prior to the date (and, if appropriate and agreed-upon, established a new date) - the DOH reviewer is to follow-up either by telephone or email, with a reminder. Either form of contact must be documented.
 - b. If the Contractor has not responded within 30 days after the date of the reminder, a letter is to be sent to the Contractor requesting the status of the corrective action(s) and warning the Contractor of the possible consequences (under the applicable program requirements) of a failure to comply. Where the program participant is unresponsive or uncooperative, the DOH reviewer is to contact the DOH - CDBG-DR Manager for guidance on carrying out progressive sanctions.

c. When the Contractor notifies the DOH reviewer that the corrective actions have been implemented, the appropriate staff is to review the submitted information within 15 working days. Regardless of whether the response is acceptable (and/or sufficient to close a monitoring finding) or inadequate, a letter is to be sent to the Contractor within 30 calendar days of receipt of its submission. The correspondence will either inform the Contractor that a finding has been closed; acknowledge any interim actions that have been taken and reaffirm an existing date; or state that additional information/action is needed and establish a new target date to resolve the deficiency. When determining whether it is reasonable or appropriate to establish new target dates, consider the Contractor's good faith efforts as well as any extenuating circumstances beyond the participant's control that impact timely and effective resolution.

Building an Administrative Record

1. The Basis for the Need - An Administrative Record includes all documents considered, either directly or indirectly, by DOH Reviewers in reaching a final decision on an issue. Documents can include contracts, forms, agreements, internal memoranda and notes, correspondence, email, electronic submissions, and any other document considered by the DOH Reviewer in reaching the decision. It can be used to take enforcement actions (e.g., to reduce or terminate a participant's grant agreement) or to defend DOH's decision if DOH is sued. Once the final decision is made, the Administrative Record cannot be supplemented with subsequent documents.

It is critical that DOH Reviewers create a sufficient administrative record that supports its decisions so that DOH can defend itself against appeals of the decision. The administrative record provides the primary evidence.

2. How to Make It Work for You - Making the administrative record work for you and improve your ability to perform your job is mostly common sense. First, all basic documents should be readily available (and you should be familiar with their contents). Second, write correspondence with the realization that it can be used effectively either for or against DOH in litigation. Therefore, any written correspondence "stands on its own," whether you initiate it or are replying to a submission from the Contractor (or outside of the Department). It should be understandable to a third party reading it for the first time months or years later.

Correspondence containing administrative decisions requires special attention. When DOH makes a finding, a request for corrective action is being conveyed, or DOH is saying "no" to a request, the Department's letter conveying the decision or action needs to show our understanding of the nature of the issue and explain our reasons. Adverse actions must cite the authority, e.g., the applicable regulation, OMB Circular, or statutory

provision. Avoid characterizations or personal opinions in written correspondence, whether letters, emails, or internal memorandums. Answer all correspondence within a reasonable amount of time after you receive it. Demands or requests that we make of our program participants must be reasonable and it must be possible to complete required actions within the time allotted. Retain all attachments to incoming or outgoing correspondence. All dates, signatures, and concurrences should be clearly legible. These actions will help protect DOH against allegations of arbitrary and capricious conduct.

Return telephone calls you receive. When you take notes of such calls, include the date of the call, the names of the people who participated in the call, and the substance of the conversations. For non-documentary materials, such as pictures, videotapes, recordings of interviews, etc., identify each item as to date, place, and names or narrators (if applicable).

3. Errors to Avoid - To the extent that compliance issues arise with a Contractor that results in litigation, indefensible or incomplete administrative records hurt DOH's ability to prove our case or can make DOH look bad in court. Some of these problems are fixable; some are not. However, any problems either have to be corrected before DOH can go to court or a judgment made by the State that a problem is fatal to any enforcement effort. Problems that are difficult to fix include:
 - a. Letters from DOH that deny a request but do not explain the basis for the denial or cite the wrong authority;
 - b. Letters from DOH containing unreasonable requests, either in time or action;
 - c. Unfulfilled promises by DOH;
 - d. Letters that demonstrate our lack of understanding of what a participant was asking for or proposing;
 - e. Actions taken by DOH that do not follow our own procedures including inconsistencies in making findings;
 - f. Letters that do not stand on their own (i.e., are not understandable to a third party reading them for the first time months or years later);
 - g. Missing or illegible documents; and/or
 - h. Letters that clear findings without stipulations or verification of compliance.
4. Potential Consequences - Remember that almost all documents in DOH files must be disclosed in litigation if the program participant requests it. Therefore, when you create any kind of document, particularly internal memos, avoid conclusions, predictions, or inferences - they can harm the Department in litigation. Note that email messages are

retained in back-up systems for up to three years after you delete them and, in most cases, must be disclosed in litigation. Voice mail messages are generally retained for up to three calendar days. Avoid the temptation to take shortcuts! All monitoring conclusions must be supported. If you are scrupulous in maintaining an administrative record with the possibility of litigation in mind, it will pay off in the end.

Documentation

It is essential that each step of the monitoring process be adequately documented. Documenting preserves the valuable results, both positive and negative. All correspondence, documentation and working papers relating to the monitoring and conclusions are to be maintained in the official DOH files. Where appropriate or required, information can be maintained in electronic form.

The cost to DOH of not maintaining such documentation is substantial and potentially embarrassing. This is especially true when DOH reviewers have been reassigned or changed. Support documentation becomes extremely significant when DOH seeks to take enforcement actions that are challenged, as discussed above.

3. The Risk Analysis and Monitoring Process

It is the policy of the State of Connecticut CDBG-DR Program to monitor all CDBG-DR-projects and contractors for risk analysis, program compliance, and long-term sustainability. The State 's Monitoring plan will address three CDBG-DR components:

- The structures and infrastructures financed with CDBG-DR funds;
- The actual beneficiaries of CDBG-DR program expenditures; and
- The actual documentation that describes the actions and intentions of program participants (whether subrecipient, developer, or contractor).

In addition, the Monitoring Process will review and monitor three general areas:

- Administrative and Financial Monitoring
 - This monitoring will address program compliance and cross-cutting requirements
- Program Monitoring
 - This monitoring will address overall CDBG-DR program performance
- Project Monitoring
 - This monitoring will address specific CDBG-DR project compliance

The goal of the Department's Monitoring process is to conduct a risk analysis to determine which program areas and specific CDBG-DR-funded projects should receive intensive monitoring in a given year. While attention will be paid to "higher risk" projects, the CDBG-DR Program will, at a minimum, conduct a "desk monitoring review" of all funded CDBG-DR projects on an annual basis.

To the greatest degree possible, the State 's monitoring checklists will incorporate the questions and concerns outlined in the CPD Monitoring Handbook 6509.2, Rev-6, Chapter 6, Disaster Recovery CDBG Supplemental Grants Program exhibit 6-1 outlined as follows:

CPD Monitoring Handbook 6509.2, Rev-6, Chapter 6:

Exhibit Citation	Specific issues addressed by that exhibit question
Exhibit 6-1(1)	Are all grant activities related to the direct effects of the disaster(s) for which the supplemental appropriation was made?
Exhibit 6-1(2)	Is the program participant current in submitting quarterly reports in the Disaster Recovery Grant Reporting (DRGR) system?
Exhibit 6-1(3)	Is the program participant current in submitting annual financial summary reports in the Disaster Recovery Grant Reporting (DRGR) system?
Exhibit 6-1(4)	Duplication of benefits: If the program participant has an activity that provides federal financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, has the program participant assured that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he or she has received financial assistance under any other program or from insurance or any other source?
Exhibit 6-1(5)	If Disaster Recovery CDBG Supplemental Grants were used for acquisition and construction purposes (including rehabilitation) for real property located within the Special Flood Hazard Area (SFHA), are those assisted properties in compliance with the flood insurance purchase and community participation requirements at Sections 102(a) and 202(a) of the Flood Disaster Protection Act of 1973, as amended, and at 24 CFR 570.605 and 24 CFR 570.509(a) (4) (iv)?.
Exhibit 6-1(6)	If Disaster Recovery CDBG Supplemental Grants were provided in a flood disaster area, and were used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for flood damage to any personal, residential, or commercial property where the person previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance, did the program participant first confirm that the person receiving the payment had maintained the required flood insurance on the property in accordance with Section 582(a) of the National Flood Insurance Reform Act of 1994?

Note: While the State of Connecticut may not fund all CDBG-DR program activities, they are listed here in the possibility that the State of Connecticut may decide to fund such in the future.

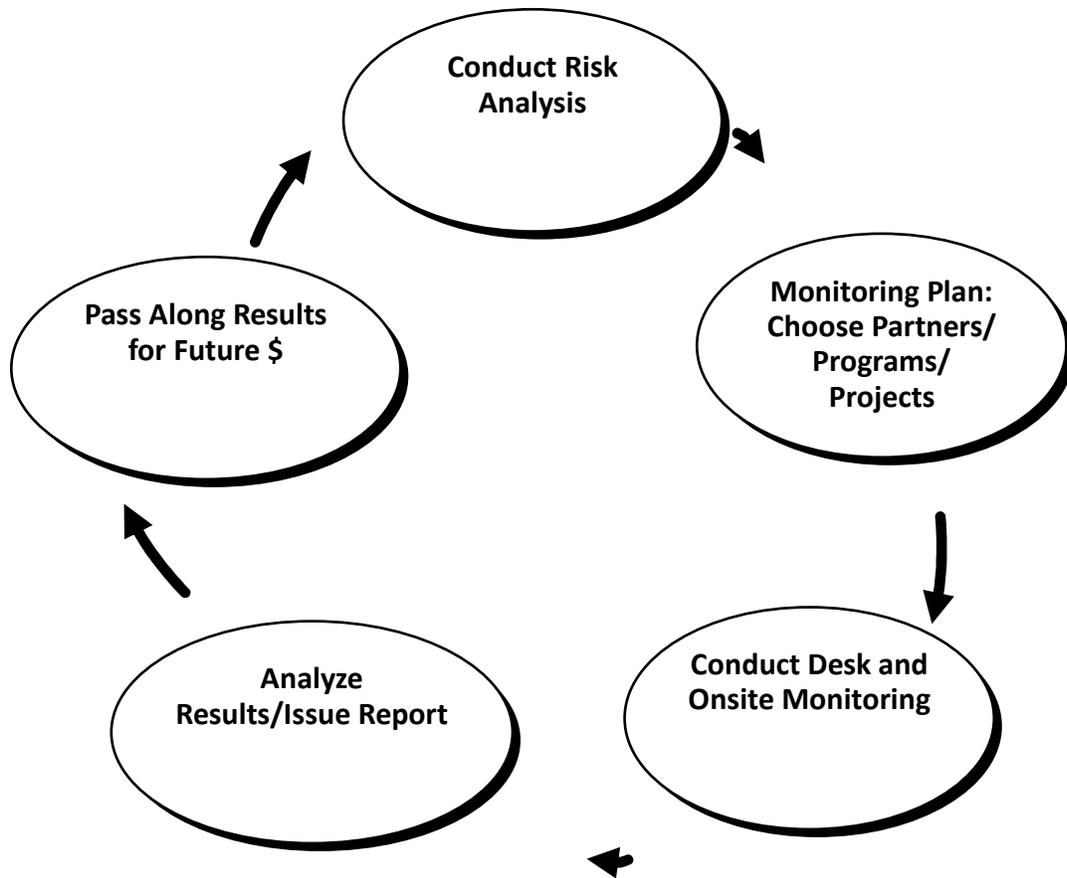
Timing of CDBG-DR Monitoring

It is the policy of State of Connecticut to conduct CDBG-DR monitoring as an ongoing process. The State will conduct on-going monitoring in three phases:

- Initial review, analysis, and feasibility of project eligibility during threshold reviews
- Monitoring during project development , implementation and operation

- Monitoring for long-term sustainability and project completion

The on-going monitoring process is outlined in the following graphic:



Monitoring objectives

At a minimum, the objectives of the State’s CDBG-DR Monitoring process will include the following:

- Identify and track CDBG-DR program and project results;
- Identify technical assistance needs for CDBG-DR, Subrecipient, developer and contractor staff;
- Ensuring timely and appropriate expenditures of CDBG-DR funds;
- Documenting compliance with all CDBG-DR and federal cross-cutting requirements;
- Guaranteeing that federal funds are spent on eligible, allowable, and allocable costs; and

- Making programmatic changes as necessary to safeguard the CDBG-DR program for the future.

It is the policy of State of Connecticut to guarantee that all CDBG-DR program participants, whether Subrecipients, developers, contractors, or other CDBG-DR-funded entities, will comply with all CDBG-DR monitoring policies and objectives.

Risk assessment process

State of Connecticut's monitoring process is based on risk analysis that attempts to quantify certain factors that can diminish the productivity and compliance of a funded CDBG-DR activity. To determine the relative risk of a specific CDBG-DR funded activity, State of Connecticut will use the following CDBG-DR Risk factors to help determine those CDBG-DR projects and activities that receive both immediate monitoring preference (including on-site visit, greater than normal staff attention) and possible program interventions.

CDBG-DR Risk Assessment Criteria, State of Connecticut

State of Connecticut has adopted the following criteria to be used in determining the relative risk of a CDBG-DR project or activity is found on the following page.

CDBG-DR Project Risk Assessment

Subrecipient / Project Name		Date:	
	Type of Program	Affordable Housing	
		Facilities	
		Infrastructure	
		Public Service	
	Number of projects	How many?	
	Number of project participants	How many?	
	Multi-Year Project	Yes or No	
	Complexity of financing	CDBG-DR funded only? How many funders? _	
	Project Staff turnover	Within last year?	
	Staff CDBG Experience	Number of years: __	
	Projects completed	Number ____	
	Current Award Amount	\$	
	Project Completion	Est. Date:	
	Meeting Project Timeline	Yes or No	
	Spendingtimeliness	Yes or No	
	Changes in agency	Within last year?	
Project Capacity	Amount of contract	\$	
	Duration of contract	# days:	
	Contractor experience	Outstanding concerns?	
	Timely reports	Always timely?	
	Single Audit submissions	Always timely?	
		Any audit findings?	
	Project documentation	Documents missing?	
Regulatory compliance	Outstanding issues?		
Other Concerns	Evidence of regulatory knowledge	Yes or No	
	Outstanding issues	Yes or No	
	Beneficiary complaints	Yes or No	
	General Comments	Yes or No	

Monitoring schedule and strategy

Based on the risk analysis factors outlined above, the State will conduct CDBG-DR monitoring in the following manner:

1. Desk Reviews are conducted throughout the program year as reimbursement requests are submitted and quarterly when status reports are submitted. Desk reviews will include an analysis of all submitted reports, DRGR reports, draw requests and invoices and the risk factors outlined below. When desk reviews trigger “high risk” projects, the State will schedule on-site monitoring. A desk review should pay particular attention to the CDBG-DR application and executed CDBG-DR written agreement.
2. On-site monitoring will involve a site visit to the project to conduct an on-site document review and a physical assessment of any structural expenditure paid for with CDBG-DR funds at commencement of construction, completion of project, or when warranted by risk assessment. The on-site monitoring process will include the following steps and sample formats for letters of notification may be found in Exhibit A:
 - a. *Pre-site visit preparation* - The CDBG-DR staff will prepare for the on-site visit by reviewing the following in-house information:
 - i. CDBG-DR funding application
 - ii. CDBG-DR written agreement
 - iii. CDBG-DR progress reports
 - iv. Draw requests and supporting documentation
 - v. DRGR reports
 - vi. Any CDBG-DR project correspondence
 - vii. Any previous CDBG-DR monitoring reports
 - viii. The most recently submitted financial audits
 - b. The CDBG-DR staff will prepare a pre-visit letter to the project staff outlining the date, agenda, information to be available, staff to be accessible, and any specific areas that the staff plans to monitor on-site.
 - c. The CDBG-DR staff will provide the appropriate project monitoring checklists from Exhibit B, which will be utilized during the site visit. As necessary, CDBG-DR staff will use exhibits from the CPD Monitoring Handbook, 6509.2 REV-6, Exhibit 6-1, CDBG-DR Program.
3. Conducting the monitoring visit - At a minimum, the on-site monitoring visit will consist of the following steps:
 - a. Entrance conference: to reiterate the purpose and goals of the visit
 - b. On-site data documentation and research
 - c. Visits with staff and beneficiaries
 - d. Exit conference: to present preliminary conclusions and “next steps”

4. Post-site visit follow-up - Within two weeks of the exit interview, the CDBG-DR monitor will follow-up with the monitoring visit with a follow- letter that outlines:
 - a. Projects monitored
 - b. Monitoring staff who conducted the visit
 - c. Date(s) of the monitoring visit
 - d. List of documents reviewed
 - e. List of individuals interviewed
 - f. Any conclusions reached from the visit
 - g. Strengths and weaknesses of the project
 - h. Any specific areas of non-compliance or findings
 - i. Suggested corrective actions to “cure” any findings

5. Corrective actions, if necessary - The CDBG-DR Monitor will establish a date specific for a response to the monitoring letter, for all corrective actions to be completed, and for the State to respond to the corrective actions.

6. Subsequent follow-up - The State reserves the right to revisit the project to determine compliance and when corrective actions are not undertaken, to use any and all remedies outlined in the CDBG-DR written agreement and HUD rules and regulations to enforce compliance.

In the final analysis, the results of State CDBG-DR monitoring will be a factor in determining funding in future year’s CDBG and CDBG-DR competition for funding.

Exhibit A – Sample Monitoring Visit Letters

NOTICE TO SUBRECIPIENT OF COMPLIANCE REVIEW

(Date)

John Doe

City Manager of Smallville

35 Street Road

Smallville, Connecticut

Subject: Compliance Review
Community Development Block Grant Disaster Recovery Program

Dear Mr./Ms. Doe:

We are planning to conduct a compliance review of your Community Development Block Grant (CDBG-DR) program. This review will cover all aspects of your project administration and operations.

The review will take place on _____, _____, 20____,
at _____ a.m. The review will be conducted by _____,
DOH's CDBG-DR analysts.

It would be appreciated if you and members of your staff could give _____ whatever
assistance is required to conduct the review. Should timing or scheduling pose a problem, however,
_____ can be contacted by calling (_____).

Sincerely,

Community Development Manager

c: _____
Director, Community Development
City of Smallville

SAMPLE COMPLIANCE REVIEW

(Date)

John Doe
City Manager of Smallville
35 Street Road
Smallville, Connecticut

Subject: Compliance Review
Community Development Block Grant Program

Dear Mr./Ms. Doe:

Reference is made to our letter of _____, in which we requested your assistance in our review of compliance under your Community Development Block Grant (CDBG-DR) program. As a result of our review, we have noted the following items which we feel should be brought to your attention. These items are based on our review of _____ projects.

- A. Projected Analysis
- B. Major Findings

Our review of _____ projects has revealed the following major problems:

- *designated corrective action*

Should you have any questions concerning our review, please contact _____,
_____ at _____.

Sincerely,

Community Development Manager

c: _____
Director, Community Development
City of Smallville

Exhibit B - Monitoring Checklists

PUBLIC SERVICE CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information. Source	Comments (Attached)
1. Design program, establish goals and objectives, establish eligibility criteria, and identify tasks to be accomplished.			
2. Establishment of program files including:			
a. Contract file			
b. Equal opportunity file			
c. Applicant file			
d. Service recipient file (clients)			
e. Financial file (audit, CDBG-DR funds by year, ESPR's etc.) Files for other funding sources, expenditures.			
f. Quarterly Status Report files			
g. Correspondence file			
h. State Information Memo to Beneficiary (CIMS) file			
i. Monitoring file			
3. Solicitation for clients			
4. Program delivery			
5. Have the types of assistance/services to be provided been identified?			
6. Has a target area been established?			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information. Source	Comments (Attached)
7. Is there a standardized applicant selection process?			
8. Does the organization maintain records on recipients to include data on ethnicity, female head of household?			
9. Have applicant eligibility criteria been established using HUD income levels? Other criteria?			
10. Does the organization require a certification of income eligibility?			
11. Other:			

RECORDS CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information . Source	Comments (Attached)
1. Payroll:			
a. Are payroll records maintained?			
b. Are signed time and attendance records maintained?			
c. Are there time distribution records by program?			
d. Are employee payroll deductions reflected?			
2. Are leases maintained?			
a. Are lease agreements maintained?			
3. Reports to the State : Expenditure Summary and Payment Requests (ESPR's) and Quarterly Status Reports (QSR's)			
a. Are reports on time?			
b. Are reports complete?			
c. Are reports accurate?			
4. Are there records on beneficiary income verification?			
5. Are there records on minority, sex, handicapped status of beneficiaries?			
6. Are there records/reports of progress against goals?			
7. Is there a procurement policy on file?			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information . Source	Comments (Attached)
8. Is the most recent audit on file?			
a. Are there any outstanding findings?			
9, Are contracts with contractors maintained?			
10. Are there supporting documents with ESPR's?			
11. Other:			

ACQUISITION/RELOCATION CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable / Not Reviewed	Information Source	Comments (Attached)
1. Are there separate files for each parcel acquired?			
2. Is there a real estate acquisition policy?			
3. Are there contracts with independent appraisers?			
4. Are there contracts with independent negotiators?			
5. Does the appraisal include:			
a. Description of subject parcel?			
b. Description of comparable parcels?			
c. Description of comparable parcels?			
d. Description of appraisal methods?			
e. Definition of "Fair Market Value"?			
f. Description of appraiser's qualifications?			
g. Evidence of property owner involvement?			
h. Date of valuation?			
i. Conflict of interest statement?			
j. Opinion of fair market value?			
Questions to be asked/answered:	Yes/No/Not Applicable / Not Reviewed	Information Source	Comments (Attached)

6. Have the following steps been taken?			
a) Identify site.			
b) Site Inspection and environmental approval.			
c) Preliminary notice of intent to purchase / preliminary title report.			
d) Ordering of appraisal.			
e) Obtaining a review appraisal.			
f) Establishment of just compensation.			
g) Delivery of either "Notice not to purchase" or "Purchase offer" (cities only).			
h) Open escrow.			
i) Close escrow.			
j) Close file.			
7. Are the following dates on record:			
a. Date of official determination to acquire?			
b. Date of notice of intent to acquire?			
c. Date of initial negotiations?			
d. Date owner accepted offer?			

Questions to be asked/answered:	Yes/No/Not Applicable / Not Reviewed	Information Source	Comments (Attached)
e. Date of final firm contract?			
f. If condemnation, date condemnation proceedings began?			
g. If condemnation, date just compensation deposited with court?			
h. Date title vested in public agency?			
i. Date of 90 day notice to vacate?			
8. Is there evidence of compliance with the real property acquisition policy act of 1970?			
a. Is there a listing of all persons occupying the property at each of the following time periods: (1) initial submission of application for assistance and (2) the date applicant obtains site control;			
b. Is there documentation in the file for tenants that will not be displaced but elect to relocate permanently to support the reason for their decision?			
c. For displaced persons, is there a separate case file for each person including documentation as required in Section 6-3 of HUD Handbook 1378?			
d. For tenants being temporarily displaced does communication specify they are able to return?			

CITIZEN PARTICIPATION CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable / Not Reviewed	Information Source	Comments (Attached)
Is there a record of public notice of availability of RFP and/or funds?			
Are there minutes of citizens' planning meetings?			
Is there a direct mailing list for RFPs and announcements?			
Is there documentation for the offer of technical assistance to citizen groups?			
Is there documentation for the type/date of technical assistance to citizen groups?			
Were display ads posted?			
Is there a record of the location of display ads posted?			
If a large number of non-English speaking people were involved, was an interpreter provided?			
Are written complaints and grievances responded to in writing within 15 days?			
How documents are made available for citizen review?			
Is there a record of persons attending meetings and hearings?			
Are copies of any material prepared for citizens maintained on file?			

Questions to be asked/answered:	Yes/No/Not Applicable / Not Reviewed	Information Source	Comments (Attached)
Is there evidence of efforts to secure minority, female or low-income participation?			
Are copies of citizen complaints/comments maintained?			
Is there a citizen participation timetable?			
<p>Was a display ad published? If yes, did it contain;</p> <ul style="list-style-type: none"> - Notice of availability of CDBG-DR funding? - Information on the public hearing process? - Encouragement of citizen input? 			

CONSTRUCTION/PUBLIC IMPROVEMENTS CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable	Comments
<p><u>Architectural and/or Engineering (A/E)</u></p> <p>A/E solicitation</p> <ul style="list-style-type: none"> - RFP, solicitation letter or notice - Statement of required qualifications - Ensure professional's eligibility 		
<p>Are the following documents on file:</p> <ul style="list-style-type: none"> - Selection criteria document and/or selection procedure - Acceptable review of proposals/qualifications 		
<p>Contract provisions</p> <ul style="list-style-type: none"> - General administrative provisions - Scope of services - Method of compensation - Federal compliance standards provisions 		
<p>A/E Documents</p> <ul style="list-style-type: none"> - Executed A/E contract - Verification of Qualifications - Records of payments and supporting documentation - Contract amendments, if any - Correspondence 		
<p><u>Bid Document and Bid procedural documents</u></p> <p>Copy of bid document on file?</p>		

Questions to be asked/answered:	Yes/No/Not Applicable	Comments
Bid document contents: Technical bid specifications Copy of applicable Federal Wage Determination Schedule Section 3 requirements and form		
Procedural documents on file Copy of Invitation to bid (or advertisement) on file? Letter of Bid Opening Letter of Award or Notice to Proceed		
<u>Pre-Construction Conference:</u> Was a pre-construction conference held? Date? Attendance list (sign-in sheet)? Minutes of the pre-construction conference?		
<u>Construction Contract:</u> Is there an executed contract in the file (with signed certifications)?		
Contract contents <ul style="list-style-type: none"> - Specification documents (could be Bid Package) - HUD 4010 "Federal Labor Standards Provisions" - Applicable DOL Federal Wage Determination Schedule (or reference) - Records retention clause - Contract termination clause - Cost information - Timetable including payment schedule - Bonds (Performance, Labor/Materials, etc.) 		

Questions to be asked/answered:	Yes/No/Not Applicable	Comments
Contract contents (continued) <ul style="list-style-type: none"> - Insurance - Change order policy 		
<u>Prime Contractor Documents</u> Are the following Prime Contractor items on file? <ul style="list-style-type: none"> - Prime Contractor’s eligibility (verification) - Contractor’s authorization form on file for payroll signature? - “Certification of Understanding and Authorization” for unauthorized persons to sign payrolls - Applicable Federal Wage Decisions (if any) Form HUD-4230A “Report of Additional Classification and Rate” (if any) - “Certification for Applicable Fringe Benefit Payments for non-State/Federal deductions” (“Other”, if any) signed by employee - Section 3 Reports 		
Payroll Documents: <ul style="list-style-type: none"> - Form WH-347 “Certified Payrolls” on file - Form WH-348 “Statement of Compliance” (signed) - Are the payrolls numbered? - Is there evidence of staff review and initials? 		
Do the payrolls include:- <ul style="list-style-type: none"> Name -Address (required on first payroll only) -Social Security Number (required on first payroll only) 		

Questions to be asked/answered:	Yes/No/Not Applicable	Comments
<ul style="list-style-type: none"> - Correct classification - Hourly rates of wages paid - Daily and weekly number of hours worked - Deductions made - Actual wages paid 		
<p>Is there correspondence file containing wage dispute information, violations, and wage restitution?</p>		
<p><u>Apprentices</u></p> <p>Are all apprentices' part of a registered apprentice/trainee program verified by documentation?</p>		
<p>Do the apprentice/trainee ratios and wage rates comply with programs?</p>		
<p><u>Employee interviews</u></p> <p>Were employee interviews conducted?</p> <p>Are Form HUD-11 "Employee Interview" on file?</p> <p>Are forms complete?</p> <p>Were sufficient employee interviews conducted? (One per sub contractor; 10% of classification, etc., which are representative of trades and workers.)</p>		
<p><u>Job site inspections</u></p> <p>Are there records of job site inspections for required signage, i.e., EEO posters, wage determination, etc?</p> <p>Pictures of job site verifying signage and posters?</p>		

Questions to be asked/answered:	Yes/No/Not Applicable	Comments
<p><u>Project Documents:</u></p> <p>Change Orders:</p> <ul style="list-style-type: none"> - Are copies of all change orders on file? - Are change order approval letters on file (or evidence of approval)? 		
<p>Construction management documents:</p> <ul style="list-style-type: none"> - Payment records? - Proof of payment (copies of checks, etc.)? - Milestone records? - Notice of completion? 		
<p>Project Completion documents:</p> <ul style="list-style-type: none"> - Final Inspection and Acceptance - Completion of Compliance Files - Close-out Procedures (if any) - Completion Letter to HUD 		

ENVIRONMENTAL CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Is the project in compliance with federal labor standards provisions?			
Have environmental reviews been cleared?			
Has the State and HUD issued formal approval to proceed?			
Is there evidence of compliance with CEQA?			
Is the project consistent with State wide environmental goals?			
Has the project been reviewed for: <ul style="list-style-type: none"> - Categorical exclusion? - Applicability of prior environmental reviews? 			
Does the environmental review process include: <ul style="list-style-type: none"> - Assessment of project environmental effects? - Assessment of cumulative impacts? - Assessment of mitigations? - Implementation decisions? - Follow-up monitoring and inspection? 			
Does the file contain: <ul style="list-style-type: none"> - A notice of release of funds? - A request for release of funds and certification? - State and local environmental analysis and reports? 			
Is there evidence of compliance with NEPA?			

FINANCIAL/ACCOUNTING CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
<p>Does the organization operate on a basis of:</p> <ul style="list-style-type: none"> - Cash - Accrual 			
<p>Does the organization maintain:</p> <ul style="list-style-type: none"> - A double entry accounting system? - A general ledger?- - A cash receipts journal? - A cash disbursements journal? - A payroll ledger? 			
<p>In the cash journal, is the following included:</p> <ul style="list-style-type: none"> - Date? - Receipt number: - Cash debit columns? - Income credit columns? 			
<p>Do income credit columns (above) identify:</p> <ul style="list-style-type: none"> - Organization/city payments? - Contributions? - Other income? - Description? 			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
<p>In cash disbursements journal, is the following included:</p> <ul style="list-style-type: none"> - Date? - Check number? - Cash (credit) column? - Expense account name? - Description? 			
<p>Does the General Ledger include:</p> <ul style="list-style-type: none"> - Assets? - Liabilities? - Fund balances? - Expenditures? - Revenues? 			
<p>Does the Payroll Ledger include:</p> <ul style="list-style-type: none"> - Name? - Position? - Social Security Number? - Payment records, including: <ul style="list-style-type: none"> Accrual period? Gross pay? Itemized deductions? Check number? 			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Does Petty Cash include: - Record of disbursements? - Supporting receipts?			
Are checks filed numerically?			
Are invoices filed by date?			
Are invoices filed by vendor name?			
Are vouchers filed numerically?			
Are timecards filed by date?			
Are timecards filed alphabetically?			
Are purchase orders on file?			
Are ESPRs on file?			
Are encumbrances/obligations recorded against CDBG-DR funds?			
Do the following seem reasonable and necessary: - Salaries and related costs? - Administrative services? - Contracts? - Travel expenditures? - Other administrative costs?			
Is there program income?			
If program income, is there evidence of: - Revenue accounts? - Revenue procedures?			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Is program income in accordance with contract?			
Are any and all advances maintained in interest-bearing accounts?			
Do financial records allow for the following kinds of disclosure of financial results: - Current? - Accurate? - Complete?			
Is there effective control over funds?			
Is there effective accountability for funds?			
Are costs exceeding the budget?			
What procedures are used to allow changes to the original budget?			
How effective are the financial management systems?			
Is there fiscal integrity of all financial transactions?			
Is there a procedure to ensure the timely and appropriate response to and resolution of audit findings?			
Is there analysis of and explanation for cost overruns?			
Is there analysis of and explanation for high unit costs?			
Is there a need for change in the budget estimates?			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
<p>FOR SUBGRANTEES ONLY:</p> <ul style="list-style-type: none"> - Are separate account numbers maintained for each project activity? - Can project costs be broken out on a line item basis? - Can budget line items be compared against incurred cost? 			
Are there regular financial status reports?			
Are there appropriate controls for accountability?			
Is there an approved budget for the project?			
Is there reconciliation of financial data and quarterly status reports?			
Is there program income?			
Is there evidence of internal monitoring?			
Is source documentation collected prior to any disbursements?			
Are independent audits conducted?			

IDENTIFICATION OF GOALS/ELIGIBILITY CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Has the organization identified: <ul style="list-style-type: none"> - A scope of services? - The number of people to be served? - The time period in which the project is to be completed? - Its intended client group? - The number and percentage of persons of lower/moderate income? 			
What are the measurable goals of this project?			
What are the measurable accomplishments of the project to date?			
What are the reasons for goals not having been met?			
Was a needs assessment conducted?			
How adequate was the project proposal?			
What are the project's strengths?			
What are the project's weaknesses?			
Is there evidence of compliance with CDBG-DR primary objectives?			

PROCUREMENT CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Is there an established method for procurement?			
Does the procurement method include: - Small purchases? - Competitive sealed bids? - Competitive negotiation?			
Are there bonding and insurance requirements listed?			
Is there a procedure to encourage contracting with: - Small businesses? - Minority-owned businesses? - Women-owned businesses? - Labor surplus area businesses?			
Is there evidence of affirmative action?			
Have written standards of conduct been established? If yes, has disciplinary action been defined?			
Is there a procedure to avoid conflict of interest?			
Is there a procedure for ensuring no unnecessary or duplicative purchase?			
Is there a clear and accurate description of the technical requirements in all			

procurement documents?			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
In procuring, is there consideration of: - Contractor integrity? - Past performance? - Financial and technical resources? - Price and/or cost analysis? - System for contract administration?			
Are there established requirements for professional services?			
Is maximized competition encouraged?			
Are there complete files on all procurements?			

PROJECT MANAGEMENT CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Has the project schedule been identified?			
Is there appropriate separation of CDBG-DR and non-CDBG-DR records?			
Is there a procedure for procurement?			
Is there a procedure for contracting?			
Is there maintenance of client files?			
Is the project manager sufficiently involved in the day-to-day operations of the project?			
<p>Is the project in compliance with the following aspects of the contract:</p> <ul style="list-style-type: none"> - Operating budget? - Scope of service? - Intended beneficiaries - Method of payment? - Performance schedule? - Use of program income? 			
Is there any evidence of conflict of interest?			
Have procedures for relocation been developed?			
Have milestones been established?			

Does the organization have insurance coverage?			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Is there a sufficient number of people on staff?			
Does the organization track the project's physical progress?			
Is the organization aware of civil rights requirements?			
Does the organization attend subgrantee meetings?			
What is the organization's capacity to continue to use CDBG-DR funds?			
Is there a listing of officers and directors on file?			
Is there a proof of the organization's legal authority?			
Does the organization have a policy on the disposition of CDBG-DR-funded property?			
Do the conditions of employment seem adequate?			
Is there compliance with and knowledge of: <ul style="list-style-type: none"> - Environmental requirements? - Historic preservation? - Hatch Act? - National Flood Insurance Program? - Clean Air Act? - Federal Water Pollution Control Act? - Lead-based Paint Poisoning Prevention Act? 			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Is there any evidence for potential delays or adverse conditions?			
What favorable events have occurred throughout this project?			
Is the project manager sufficiently familiar with HUD's basic requirements?			
Are records kept for a minimum of five years?			
Is there evidence of lobbying with CDBG-DR funds?			

REHABILITATION CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Rehabilitation Program Administration			
Is the program design and administration adequate?			
Has a contracting process been established?			
Is there a reasonable relationship between workload and staffing? (e.g., 25 cases per person)			
Is there a lump sum agreement in effect?			
Is there a plan for minimizing displacement?			
<ul style="list-style-type: none"> - Is this: - A grant program? - A direct loan program? - A leveraged loan program? 			
<p>Are the following tracking system documents maintained:</p> <ul style="list-style-type: none"> - Property inspection? - Loan processing status? - Approved projects? - Construction status? - Record of cases? 			
Are the procedures and documentation for ensuring low/mod benefit adequate?			
Is there a clear record of administrative costs?			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
<p>Is there compliance with and knowledge of:</p> <ul style="list-style-type: none"> - Environmental requirements? - Historic preservation? - National Flood Insurance Program? - Lead-based Paint Poisoning Prevention Act? 			
<p>Have the following steps been taken:</p> <ol style="list-style-type: none"> 1) Establishment of goals and objectives? 2) Program design/procedural requirements established: <ul style="list-style-type: none"> - Eligibility criteria (property, applicant, types of improvements) - Maximum grant/loan amount - Contracting requirements 3) Management organization and staffing? 4) Solicitation for clients/preliminary screening of applicants? 5) Work write-ups, cost estimates and selection of recipients? 6) Rehabilitation contracting? 			
Individual Rehabilitation Files and Cases			
<p>Do the individual rehabilitation case files include the following:</p> <ul style="list-style-type: none"> - Case activity log? - Applicant data sheet? - Title/deed? 			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Income verification? - Property description? - Occupancy data? - Tenure? - Work write-up? - Executed contracts? - Change orders? - Inspection reports? - Payment requests? - Certificate of completion? - Liens and/or waivers?			
Is the following material on file: - Contract package for rehabilitation projects? - Notice of acceptance of work? - Release of lien forms? - Evidence of historic preservation data on each property rehabilitated? - Evidence of flood control insurance for each property rehabilitated?			
Code Enforcement Program			
Is there a Code Enforcement program that coordinates with the Housing Rehabilitation Program?			
How are code enforcement cases identified?			

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
How are the cases recorded? Categories?			
How are closed cases recorded and reported for CDBG-DR?			
What is the staffing for the Code Enforcement Program?			
Does the City have a Code Enforcement program for non-CDBG-DR eligible areas? How is it kept separate?			

Appendix D: Summary of Comments and Response

Comments Received

Citizen Participation

- A-1. Summary of Public Comment Process
- A-2. Outline of Public Comment Activity
- A-3. Public Comments Received and Responses

A-1. Summary of Public Comment Process

The CDBG-DR Allocation Plan was made publicly available for a seven day public comment period beginning on April 19, 2013 and ending on April 25, 2013. A legal notice requesting comment on the Allocation Plan was published in two newspapers, including one in Spanish, on April 18, 2013. A copy of the legal notice was sent to all municipalities, public housing authorities and applicable tribes, as well as the Community Partners identified in the State's Consolidated Plan for Housing and Community Development. The legal notice and the Allocation Plan were posted to the designated Storm Sandy page on the DECD/DOH website for the full comment period. Comments were accepted in written or electronic versions. Hard copies of documents are also made available upon request. In accordance with C.G.S. 4-28b, the Joint Standing Committees of Connecticut's General Assembly, met to review and approve the Allocation Plan on May 7, 2013. The Allocation Plan became the framework for the draft Action Plan. The amount and source of comments received is outlined below in A-2.

The draft Action Plan was made available for a seven day public comment period, starting on May 29, 2013 and ending on June 4, 2013. A Legal Notice requesting comment on the draft Action Plan was published in two newspapers, including one in Spanish on May 23, 2013. A copy of the legal notice was sent to all the municipalities, public housing authorities, and applicable tribes, as well as DECD's Community Partners, and the members of the State Legislature's Appropriations Committee, Commerce Committee, Planning and Development Committee, and the Chairs of the Housing Sub-Committee. The legal notice and the draft Action Plan were posted to the designated Hurricane Sandy page on the DECD/DOH website for the seven day comment period. Comments were accepted in written or electronic versions. Hard copies of documents were also made available upon request. The amount and source of comments received is outlined below in A-2.

A-2. Outline of Public Comment Activity

April 19, 2013 through April 25, 2013 Allocation Plan public comment period: Nine comments were received from New Milford residents. Additionally three municipalities' submitted comments: Bridgeport, Norwalk, and Milford. A summary of the comments received and DOH responses are included below in A.3

May 29, 2013 through June 4, 2013 draft Action Plan public comment period: Comments were received from twenty-eight sources. Eight comments were received from the general public; four were received from municipalities; eight were received from municipal agencies or organizations; four were received from the advocacy

community; and four were received from state legislators. A summary of the comments received and DOH's responses to these comments are included below in section A.3.

A-3. Summary of Public Comments received and DOH's Response

Please note that in this section, received comments have been summarized to reflect the salient issue(s) presented by the commenter. Complete copies of received letters/emails appear in Attachment B of this document.

A-3. a. Summary of Public Comments received for Allocation Plan and DOH's response

1. Eleven comments were received questioning the methodology of allocation and a lack of allocation by municipality.
 - a. Based on State methodology (no subrecipients/sub grantees), that is correct.
2. Twelve comments were received relative to the state considering mitigation as an eligible activity, but the Allocation Plan excludes mitigation.
 - a. As detailed on pages 19-20 of the Allocation Plan, mitigation of single family homes is included in the homeowner rehabilitation allocation. The State is not allocating any funds for Mitigation "only" activities from the First Allocation, but mitigation associated with other eligible activities is included in unmet need by activity.
3. Two comments were received relative to the adoption of the NFIP standards, which require mitigation when 50% threshold has been exceeded. Hundreds of properties require mitigation solely to be able to continue to get NFIP.
 - a. Mitigation only activities, including owner-occupied mitigation only, intend to be addressed with the second allocation of funds, in accordance with HUD priorities.
4. Five comments were received relative to leveraging and timeliness of available funding.
 - a. This Allocation plan is required to prioritize the immediate needs of housing and economic recovery, with the majority of infrastructure and mitigation being addressed when additional CDBG-DR funds are allocated by HUD.
5. One comment was received relative to only having 220 properties that are required to be elevated due to the 50% damage rule. The unmet need would then be \$134,000 per unit totaling \$29.5 million.
 - a. The 1st Tranche of funds is not targeted to mitigation only activities. It may be "desirable" and even in the best interests of the State/municipality/residents to mitigate, but the "need" to elevate applies to those properties at or above 50% damage in the flood zone. Therefore, those estimates cannot be included in unmet need, but will be considered with the next tranche of federal funding.

6. Eleven comments were received questioning the accuracy of the unmet need data.
 - a. The state collected data from FEMA, SBA, Municipalities, Public Housing Authorities, and Regional Planners and the general public in the determination of unmet need. The State intends to update the unmet needs data as recovery occurs.
7. Three comments were received stating that specific projects were not identified.
 - a. A “selective” application process will be used. This means that DOH will make funding selections based on priorities identified in the Allocation Plan, wherever possible. For example, under owner-occupied rehabilitation, priority will be given to low- and moderate-income homeowners in order to assist the State in meeting the federal obligation of using at least 50% of the total allocation to serve persons or families at or below 80% of the area median income. Under Infrastructure, projects or activities that bring “other funding” into the project may receive a priority over those that require 100% CDBG-DR funding. See pages 15 and 16 of the Allocation Plan.
8. One comment was received requiring that the Action Plan needs assessment should include the “costs of incorporating mitigation and resiliency measures to protect against future hazards”.
 - a. This ALLOCATION PLAN does take the cost of mitigation and resiliency into consideration, as demonstrated in Table A.1, Table A.2, Table A.3, Table A.5, and Table A.9. As further indicated in the Allocation Plan, additional information continues to be gathered relative to the need for mitigation activities, and it is the State’s intent to further bolster this needs assessment with that additional data when the next allocation of federal funds becomes available. Further, it is anticipated that the work of the Connecticut State Hazard Mitigation Plan will be complete and will play an important role in the development of the next Action Plan.
9. One comment was received relative to the inclusion of mitigation funding within other allocation categories.
 - a. This ALLOCATION PLAN does take the cost of mitigation and resiliency into consideration, both in the narrative and as demonstrated in Table A.1, Table A.2, Table A.3, Table A.5, and Table A.9.
10. Five comments were received on specific homeowner reimbursement, income eligibility, and potential buyout.
 - a. All funding options that eligible in accordance with HUD regulations are currently available. However, assistance to persons above 120% AMI may be considered under the “Urgent Need” national objective and as funding availability allows.
11. Three comments were received requesting restriction of first allocation only to housing and economic recovery in hardest hit communities.

- a. State recognizes those communities that were hardest hit as having greatest need, but will not exclude any eligible homeowner or business that was affected.
12. Six comments were received questioning the availability of leveraged funds and impact the CDBG-DR funds could have as a result.
 - a. Leverage assumptions were based on actual experience of DECD and discussions with CHFA and other funders.
13. Two comments were received questioning specific waiver relative to LMI and ability of State to meet it.
 - a. The State is committed to meeting the required LMI benefit, and will structure specific program policies to ensure compliance.
14. Two comments were received on lack of detail relative to green sustainability development and construction.
 - a. The State has incorporated green standards in the Action Plan.
15. One comment questioning if funding will be provided as grants or loans.
 - a. The State does not intend to provide loans at this time, however, reserves the right to do so, particularly as it relates to multifamily redevelopment or replacement.
16. One comment indicating a significant amount of misinformation, a lack of information or a source for concrete answers were not detailed.
 - a. The State has and will maintain a webpage dedicated to the CDBG-DR funding. As information becomes available including applications, policies and procedures, they will be posted to that website. In addition, upon approval of the Action Plan by HUD, the state intends an aggressive marketing campaign specifically targeted at eligible homeowners in order to ensure that correct and up to date information is provided.
17. One comment was received regarding lack of public forum for review of documents or to get feedback from those affected.
 - a. Both the Allocation Plan and the Action Plan will be made available for the required public comment period. The state has also been in consultation with the affected Municipalities, Housing Authorities, Regional Planners, and Charitable Foundations.
18. One comment questioning the counting of the dates for the 7 day comment period.
 - a. The 7 day public comment period on the Allocation Plan started on April 19, 2013 and ended on April 25, 2013.

A-3. b. Summary of Public Comments received for draft Action Plan and DOH response

1. Five comments were received seeking individual assistance.
 - a. Requests for individual assistance are premature at this time.
2. Four comments were received regarding eligibility of single family rental units (dwellings with 1-4 rental units) and the federal regulation that prohibits assistance to second homes.
 - a. The Federal Register Notice prohibits assistance to second homes, as such are defined under IRS Publication 936, page 4. Under Multifamily Housing, the minimum requirement has been eliminated in order to allow dwellings with under 5 units to be eligible for financial assistance.
3. Three comments were received in opposition to eligibility for homeowner assistance being limited to households under 120% of AMI.
 - a. As a result of comments received, the State will not prohibit applications from homeowners with incomes over 120% of AMI. However, the needs of applicants with incomes under 80% of AMI will be prioritized. Applicants with incomes over 120% of AMI will be eligible for financial assistance, subject to the availability of funding.
4. One comment was received relative to the definition of unmet need and the inclusion of mitigation.
 - a. As detailed in the Action Plan, the cost of mitigation is a component of unmet need.
5. One comment was received in support of the proposed allocations and the need to prioritize and address unmet need.
 - a. The State appreciates the support.
6. One comment requested the State consider “distressed municipalities” under CGS 32-9p as a priority for funding.
 - a. The State will consider this proposal request with the next allocation of CDBG-DR Program funds.
7. One comment was received requesting additional details on how the Economic Revitalization Program will work.

- a. Details on all program parameters are being formulated and will be made available to the public prior to implementation.
8. One comment was received relative to a lack of funds being provided directly to municipalities.
 - a. The State, acting through DOH, will directly assist eligible homeowners, public housing authorities and other eligible recipients in order to ensure consistent, efficient and effective implementation of the CDBG-DR Program.
9. Two comments were received requesting a greater proportionate allocation of the Funding to Infrastructure and Public Facilities.
 - a. The State recognizes there are significant needs relative to Infrastructure and Public Facilities. However, Funding is intended primarily to enable us to address immediate unmet housing and economic revitalization needs in the counties and jurisdictions that were most severely impacted by Hurricane Sandy. We anticipate that future allocations of funds will be available to address Infrastructure and Public Facilities needs.
10. Three comments were received relative to homeowner reimbursement not being specifically identified as an eligible activity.
 - a. No eligible activity under CDBG-DR regulations is excluded at this time.
11. One comment was received questioning the eligibility of nonprofit corporations under Economic Recovery program.
 - a. Nonprofit corporations are not excluded from applying for assistance.
12. Two comments were received questioning the allocation of any CDBG-DR program income being moved to the State CDBG-Small Cities program.
 - a. In order to ensure compliance with the requirements for the use and retention of Program Income detailed in the Federal Register Vol. 78, No. 43 Section VI. Applicable Rules, Statutes, Waivers, and Alternative Requirements, the State believes transferring these funds immediately to the CDBG-Small Cities program will maximize the potential use of these funds.
13. One comment was received relative to the proportion of the allocation in relation to the documented unmet need.

- a. Based on the State's unmet needs and the anticipated leverage identified in this Plan, the State believes that these allocations levels are appropriate.
14. One comment was received relative to all leveraged funds not having specific commitment amounts.
 - a. The anticipated amount of leveraged funds will be a direct result of the applications received or are not known at this time.
15. One comment was received relative to the prioritization of multifamily rehabilitation and questioning why the details of the distribution of the allocation within Multifamily Housing are not identified.
 - a. The State believes it is critical that multifamily rehabilitation and redevelopment receive priority, as it has the greatest impact on our low- and moderate-income families affected by Sandy. A detailed distribution of funds under Multifamily Housing will not be available until actual applications have been received and evaluated.
16. One comment was received relative to the use of 4% and 9% Low Income Housing Tax Credits (LIHTC) as leverage.
 - a. Given the limited amount of the Funding, it is critical for the State to leverage as many other resources as may be available to the extent possible. We recognize, however, that not all activities will be able to take advantage of leveraged funds.
17. One comment was received relative to submission of a partial request for funds.
 - a. To ensure compliance with federal expenditure deadlines, it is most advantageous for the State to request funds on an ongoing basis as specific projects are identified.
18. One comment was received relative to the accuracy of the census data for the City of Bridgeport.
 - a. DOH used the most up-to-date Census or American Community Survey data (2011) available.
19. Seven comments were received relative to the State's "reluctance" to reinvest in the flood plain.

- a. The State is not reluctant to invest in the flood plain. There are specific statutory and regulatory review processes that must be followed in order for such investment to occur. The State is committed to working with our municipal partners and property owners to ensure that any redevelopment within the flood plain is appropriate under the circumstances and undertaken using all appropriate mitigation measures.
20. Two comments were received relative to the accuracy of the unmet need damage.
 - a. The State collected data from FEMA, SBA, municipalities, public housing authorities, regional planners, and the general public in its calculation of unmet need. The State intends to update its unmet needs data as additional information becomes available.
21. Two comments were received relative to priority for funding to low- and moderate-income households and landlords of low- and moderate-income housing.
 - a. We agree that addressing the needs of this population is critical, and that is why addressing the needs of this population group is being prioritized.
22. Three comments were received relative to lack of priority for mitigation activity.
 - a. Although the State is not allocating any of the Funding for mitigation “only” activities. Mitigation associated with other eligible activities (including homeowner rehabilitation, multifamily rehabilitation and any new construction or reconstruction in the flood plain.
23. Three comments were received supporting the redevelopment of Washington Village, a public housing project, in Norwalk.
 - a. The State recognizes the need for the rehabilitation and/or replacement of state and federal-assisted public housing damaged by Hurricane Sandy, including the need to rehabilitate or replace such housing. We are committed to working with each affected municipality, public housing authority, property owner and other appropriate parties towards this end.
24. Three comments were received relative to the availability of leveraging funds; specifically the availability and use of LIHTC’s and FEMA’s Hazard Mitigation Grant funds.

- a. Given the limited amount the Funding, it is critical for the State to leverage as many other resources as may be available to the extent possible. We recognize, however, that not all activities will be able to access leveraged funds.
25. One comment was received claiming that the requirement that the sale of any property vacated as a result of public housing must be sold to the highest bidder is bad policy.
 - a. Under state law, this requirement only applies to state-assisted public housing.
26. One comment was received questioning the requirement that privately-owned homes had to have been insured prior to Hurricane Sandy in order for it to be eligible for assistance.
 - a. Privately-owned homes will not be ineligible for financial assistance solely because they were not insured.
27. One comment was received relative to the demographics in Norwalk and the need to reflect allocation of resources to low- and moderate-income areas.
 - a. We agree and that is why priorities of low- and moderate-income benefit occurs in both the multifamily and homeownership programs.
28. Four comments were received from state legislative members offering general support for comments by the Mayor of Milford.
 - a. No response.
29. One comment was received in support of the Action Plan relative to mitigation and activity within the 100 year flood plain.
 - a. The State appreciates this support.
30. One comment was received stating that there appears to be no provision for the construction of single family homes in the 100 year flood plain.
 - a. There are specific statutory and regulatory review processes that must be followed in order for such investment to occur. The State is committed to working with our municipal partners and property owners to ensure that any redevelopment within the flood plain is appropriate under the circumstances and undertaken using all appropriate mitigation measures.
31. One comment was received that the Action Plan does not include specific criteria relative to eligibility of homeownership.

- a. Details on homeownership program eligibility will be made available to the public prior to implementation.
32. One comment was received relative to the exclusion of the FEMA Increased Cost of Compliance Coverage (ICC) program not being included as part of leverage.
- a. ICC was not included as a potential leverage source because it is a reimbursement only program and those funds would not be available to eligible homeowners until after completion.
33. One comment was received questioning whether SBA disaster assistance would be considered a benefit for the purpose of calculating the duplication of benefits under the CDBG-DR Program.
- a. All resources received by businesses, including for example SBA disaster assistance, will be evaluated as a potential duplication of benefit prior to any award of CDBG-DR funds.
34. One comment was received in support of the State's intention to assist municipalities with capacity building.
- a. The State appreciates this support.
35. One comment was received questioning who will be responsible for managing the distribution of funds and that the details on the parameters of the programs were not clear.
- a. As indicated in the Action Plan, the State of Connecticut, acting through DOH, will be responsible for the administration and distribution of all funds under the CDBG-DR Program and program parameters will be made available to the public prior to implementation.
36. One comment was received questioning the State's ability to meet Section 3 and other Equal Opportunity requirements of the CDBG-DR Program and specifically requests that HUD withhold Connecticut's allocation until "the spirit of the law" has been met.
- a. DOH has met and continues to meet all legal requirements relative to the Section 3 and Equal Opportunity requirements. We intend to do so with the Funding.

Citizen Participation Documents

- B.1. Legal Notices for Public Comment Periods
- B.2. Copy of all public comments received

B-1. a. Legal Notice Public Comment Period for Allocation Plan

NOTICE OF PUBLIC COMMENT PERIOD
The State of Connecticut Department of Housing
is seeking public comment on the DRAFT Community Development Block Grant –
Disaster Recovery (CDBG-DR) Allocation Plan

A seven day comment period on the DRAFT CDBG-DR Allocation Plan will begin on April 19, 2013 and end on April 25, 2013. On March 5, 2013, HUD released a Federal Register Notice announcing the initial allocation of CDBG-DR funding as appropriated by the Disaster Relief Appropriations Act, 2013 (Public Law 113-2). Subsequently the State collected data on the unmet needs resulting from Storm Sandy. The data was reviewed and analyzed to quantify the unmet needs and then to formulate the specific funding requests contained in the draft CDBG-DR Allocation Plan. In accordance with Connecticut General Statutes Section 4-28b, the Joint Standing Committees of Connecticut's General Assembly, are required to meet to review the Community Development Block Grant- Disaster Recovery Allocation Plan.

State residents are invited to provide comment on the DRAFT State of Connecticut CDBG-DR Allocation Plan. Written comments may be sent to Michael C. Santoro, Community Development Specialist, Office of Housing and Community Development, Department of Economic & Community Development, 505 Hudson Street, Hartford, CT 06106-7106 or to CT.Housing.Plans@ct.gov through the close of business on April 25, 2013. All comments received will be summarized and responded to in the CDBG-DR Action Plan. For a copy of the DRAFT CDBG-DR Allocation Plan and related information, please refer to the Department of Economic and Community Development's (DECD) website Hurricane Sandy page at <http://www.ct.gov/ecd/cwp/view.asp?a=3680&q=521046>.

The Department of Housing programs are administered in a nondiscriminatory manner, consistent with equal employment opportunities, affirmative action, and fair housing requirements. Questions, concerns, complaints or requests for information in alternative formats must be directed to the ADA (504) Coordinator, Antoinette Alphonse at 860-270-8022.

Publication Date: April 18, 2013

B-1. b. Legal Notice Public Comment Period for Allocation Plan (Spanish)

AVISO DE COMENTARIOS PÚBLICOS

El Departamento de Vivienda del estado de Connecticut (State of Connecticut Department of Housing) desea comentarios públicos sobre el BORRADOR del Community Development Block Grant – Disaster Recovery (CDBG-DR) Allocation Plan (Plan de atribución de subvenciones para recuperación después de un desastre)

Un periodo de siete días para comentarios acerca del DRAFT CDBG-DR Allocation Plan (Borrador del plan de subvenciones CDBG-DR), comenzará el 19 de abril de 2013 y terminará el 25 de abril de 2013. El 5 de marzo de 2013 HUD publicó un aviso del Federal Register, anunciando la atribución inicial del financiamiento de tal como determinado de acuerdo con el acta Disaster Relief Appropriations Act, 2013 (Public Law 113-2). Posteriormente el estado reunió la información sobre las necesidades no resueltas como resultado de la tormenta Sandy. La información fue revisada y analizada para cuantificar las necesidades no resueltas y entonces formular la demanda específica de financiamiento contenida en el borrador CDBG-DR Allocation Plan. Según los Estatutos General de Connecticut, Sección 4-28b, las comisiones mixtas permanentes de la Asamblea general de Connecticut están obligadas de reunirse para revisar el plan Community Development Block Grant – Disaster Recovery Allocation Plan.

Se invita a los residentes del estado a ofrecer sus comentarios sobre el borrador DRAFT State of Connecticut CDBG-DR Allocation Plan. Los comentarios escritos pueden ser enviados a Michael C. Santoro, Community Development Specialist (especialista en desarrollo comunitario), Office of Housing and Community Development, Department of Economic & Community Development, 505 Hudson Street, Hartford, CT 06106-7106 o a: CT.Housing.Plans@ct.gov hasta la hora de cierre de la oficina, el 25 de abril de 2013. Todos los comentarios recibidos serán resumidos y respondidos en el CDBG-DR Action Plan. Para obtener una copia del borrador DRAFT CDBG-DR Allocation Plan e información relacionada, favor de comunicarse con el Department of Economic and Community Development's (DECD), página Web Hurricane Sandy en: <http://www.ct.gov/ecd/cwp/view.asp?a=3680&q=521046>

Los programas del Departamento de Viviendas (Department of Housing) son administrados de manera no discriminatoria, consistente los principios de igualdad de oportunidades para el empleo, la Acción Afirmativa y los requisitos justos para obtener vivienda. Preguntas, preocupaciones, quejas o solicitudes de información en formatos alternativos deben ser dirigidas a la coordinadora de ADA (504): Antoinette Alphonse at 860-270-8022.

B-1. c. Legal Notice Public Comment Period for draft Action Plan

NOTICE OF PUBLIC COMMENT PERIOD

The State of Connecticut, Department of Economic and Community Development/Department of Housing is seeking public comment on the DRAFT Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan

A seven day comment period on the DRAFT CDBG-DR Action Plan will begin on May 29, 2013 and end on June 4, 2013. On March 5, 2013, the Department of Housing and Urban Development (HUD) released a Federal Register Notice announcing the initial allocation of CDBG-DR funding as appropriated by the Disaster Relief Appropriations Act, 2013 (Public Law 113-2). Connecticut's initial allocation is for \$71,820,000 to address unmet housing and economic revitalization needs as a result of Hurricane Sandy.

A survey form was created and used to collect the unmet needs data from the most impacted and distressed counties as identified in the Federal Register Notice. The data was then reviewed and analyzed to quantify the unmet needs and to formulate the specific funding activities contained in the CDBG-DR Allocation Plan. The CDBG-DR Allocation Plan was reviewed and approved by the Joint Standing Committees of Connecticut's General Assembly, on May 7, 2013, in accordance with Connecticut General Statutes Section 4-28b. The CDBG-DR Allocation Plan then became the framework for the DRAFT CDBG-DR Action Plan.

State residents are now invited to provide comment on the State of Connecticut DRAFT CDBG-DR Action Plan. Written comments may be sent to Michael C. Santoro, Community Development Specialist, Office of Housing and Community Development, Department of Economic & Community Development/Department of Housing, 505 Hudson Street, Hartford, CT 06106-7106 or to CT.Housing.Plans@ct.gov through the close of business on June 4, 2013. All comments received will be summarized and responded to in the CDBG-DR Action Plan submitted to HUD. For a copy of the DRAFT CDBG-DR Action Plan and related information, please refer to the Department of Economic and Community Development/Department of Housing website Hurricane Sandy page at <http://www.ct.gov/ecd/cwp/view.asp?a=3680&q=521046>

The Department of Economic and Community Development/Department of Housing programs are administered in a nondiscriminatory manner, consistent with equal employment opportunities, affirmative action, and fair housing requirements. Questions, concerns, complaints or requests for information in alternative formats must be directed to the ADA (504) Coordinator, Antoinette Alphonse at 860-270-8022.

Publication Date: May 23, 2013

B-1. d. Legal Notice Public Comment Period for draft Action Plan (Spanish)

AVISO DE COMENTARIOS PÚBLICOS

El The State of Connecticut, Department of Economic and Community Development/Department of Housing (Departamento Económico y de Desarrollo Comunitario/ Departamento de Vivienda) desea comentarios públicos sobre el BORRADOR del Community Development Block Grant – Disaster Recovery (CDBG-DR) Allocation Plan (Plan de atribución de subvenciones para recuperación después de un desastre).

Un período de siete días para comentarios acerca del DRAFT CDBG-DR Allocation Plan (Borrador del plan de subvenciones CDBG-DR), comenzará el 29 de mayo de 2013 y terminará el 4 de junio de 2013. El 5 de marzo de 2013 HUD publicó un aviso del Federal Register, anunciando la atribución inicial del financiamiento de tal como determinado de acuerdo con el acta Disaster Relief Appropriations Act, 2013 (Public Law 113-2). Posteriormente el estado reunió la información sobre las necesidades no resueltas como resultado de la tormenta Sandy. La atribución inicial a Connecticut fue de \$71,820,000 para ser consagrados a las necesidades no resueltas y para las necesidades de rehabilitación económica como resultado de la tormenta Sandy.

Se creó un formulario de encuesta para recoger la información sobre las necesidades no resueltas de los condados más afectados tal y como fueron identificados en el aviso del Federal Register. La información fue revisada y analizada para cuantificar las necesidades no resueltas y entonces formular la demanda específica de financiamiento contenida en el CDBG-DR Allocation Plan. El CDBG-DR Allocation Plan fue revisado y aprobado por las comisiones mixtas de la Connecticut's General Assembly (permanentes la Asamblea general de Connecticut) el 7 de mayo de 2013, de acuerdo con los Estatutos Generales de Connecticut, Sección 4-28b. Así, el CDBG-DR Allocation Plan se convirtió en el marco de referencia del DRAFT (borrador) CDBG-DR Action Plan.

Se invita a los residentes del estado a ofrecer sus comentarios sobre el borrador DRAFT State of Connecticut CDBG-DR Action Plan. Los comentarios escritos pueden ser enviados a Michael C. Santoro, Community Development Specialist (especialista en desarrollo comunitario), Office of Housing and Community Development, Department of Economic & Community Development/ Department of Housing, 505 Hudson Street, Hartford, CT 06106-7106 o a: **CT.Housing.Plans@ct.gov** hasta la hora de cierre de la oficina, el 4 de junio de 2013. Todos los comentarios recibidos serán resumidos y respondidos en el CDBG-DR Action Plan sometidos al HUD. Para obtener una copia del borrador DRAFT CDBG-DR Action Plan e información relacionada, favor de comunicarse con el Department of Economic and Community Development's/ Department of Housing, página Web Hurricane Sandy en: **<http://www.ct.gov/ecd/cwp/view.asp?a=3680&q=521046>**

Los programas del Department of Economic and Community Development's/ Department of Housing son administrados de manera no discriminatoria, consistente los principios de igualdad de oportunidades para el empleo, la Acción Afirmativa y los requisitos justos para obtener vivienda. Preguntas, preocupaciones, quejas o solicitudes de información en formatos alternativos deben ser dirigidas a la coordinadora de ADA (504): Antoinette Alphonse at 860-270-8022.

B-2. a. Copy of all Public Comments Received for Allocation Plan

From: Thomas Ivers [TIvers@ci.milford.ct.us]

Cc: Thomas Ivers; Bob Gregory

Subject: Sandy Relief Funding from HUD - CT Action Plan & Request for Public Comment

Greetings:

You are receiving this communication by virtue of requesting information on funding for storm Sandy related damage and elevation assistance for your home.

As you may know, CT received the first of three allocations of funding from the Sandy Relief Act equaling \$71,820,000 from HUD through the Community Development Block Grant Program – Disaster Relief (CDBG-DR). The State is required to submit an Action Plan detailing how the funds will be allocated. The Action Plan must be made available to the public for comment prior to being submitted to HUD for final approval. Due to the need to expedite the process, the public comment period has been reduced to seven days.

Attached please find the Public Notice and the proposed Action Plan.

Some specifics:

- The plan does not allocate funds by town or county, just by activity.
- The allocation table provide \$0 for mitigation (house elevation).
- The plan suggests that 69% of the unmet housing needs are in Fairfield County and only 11% in New Haven County.
- The plan does not make any representations on how funds will be made available to the public other than “through selective application processes wherever feasible.”

Since this is a public process and they are requesting public comment, we thought it was important to make this information available to you and to encourage your input.

Tom Ivers
Block Grant Coordinator
Milford Community Development

From: Blumner, Danielle [danielleblumner@prudentialct.com]
Sent: Monday, April 22, 2013 11:29 AM
To: CT Housing Plans
Subject: Fwd: Sandy Relief Funding from HUD - CT Action Plan & Request for Public Comment

Sir/Madam:

Have you seen Milford's Silver Sands area recently? What had been a vibrant, active, family, year round community now looks like a combination ghost and shanty town! It's a disgrace. And obviously a big

concern for those of us who sustained significant damage two years in a row, and yet need and want to stay in our homes.

My response to Tom Ivers is below. I would like to see and understand the criteria showing how the monies are to be allocated by community, and for what repairs they are in place for. There's a major disconnect in here leaving Milford/New Haven county getting such a small percentage of the monies versus Fairfield.

Please let me know if there's anything that a concerned, affected and frightened resident can provide as back up information to help in this process.

Thanks in advance,

Danielle Blumner
Home address:
19 Chetwood st.
Milford CT

But living in a rental...

From: Sprague, Tiffany [tiffany.sprague@yale.edu]
Sent: Sunday, April 21, 2013 6:04 PM
To: CT Housing Plans
Subject: FW: Sandy Relief Funding from HUD - CT Action Plan & Request for Public Comment
Attachments: cdbg_dr_allocation_plan_final.pdf

Dear Mr. Santoro,

I am a Milford, Connecticut, homeowner who has been adversely affected by both of the recent hurricanes. Tom Ivers in Milford's Department of Community and Development distributed the Community Development Block Grant Disaster Recovery Program's Allocation Plan to the residents affected by the storms. Below please find my comments, questions, and concerns on the document, for public record.

I would welcome the opportunity to speak further with you or anyone else in our government about the plan, and I look forward to receiving answers to the questions and concerns posed below, which many of us share. I can be contacted at this email address, or at 203 952 4884.

With thanks for your time,
Tiffany Sprague

Tiffany Sprague
Director of Publications and Editorial Services
Yale University Art Gallery
P.O. Box 208271
New Haven, CT 06520-8271
t. 203.432.9501
f. 203.432.9523
<http://artgallery.yale.edu>

From: Asra Ali [aaali65@hotmail.com]
Sent: Sunday, April 21, 2013 3:04 PM
To: CT Housing Plans
Subject: FW: Sandy Relief Funding from HUD - CT Action Plan & Request for Public Comment

I am a resident of Milford, CT and was asked to forward my comments/concerns regarding the option of property buyout plan. I don't see this in any of the information provided to residents. Please see my comments/concerns below. I can be reached at this number to discuss further: 475-227-2177 (Home) or via e-mail at aaali65@hotmail.com.

If this is not the appropriate contact to send this inquiry/concern to, please let me know as soon as possible.

I look forward to hearing from you soon.

Thanks

From: Beth Vogler [b19vogler@gmail.com]
Sent: Thursday, April 25, 2013 5:22 PM
To: CT Housing Plans
Subject: Fund Approval

Dear Michael Santoro,

As someone that lives in Milford and is being told that my house must be elevated I have a question about the HUD funding plan. How is this plan going to help residents that have to elevate their structures? With the new elevation rules how can people afford to do this without help. We have been told that there are 0 dollars allotted for mitigation and yet some of us have no choice. Any accurate information would be appreciated. Thanks.

Beth Vogler

Sent from my iPhone

From: Fred [fredvp@optimum.net]
Sent: Tuesday, April 23, 2013 5:45 PM
To: CT Housing Plans
Subject: Disaster Recovery (CDBG-DR) Allocation Plan

To:
Michael C. Santoro,

Community Development Specialist,

Office of

Housing and Community Development,

Department of Economic & Community Development, 505 Hudson

Street, Hartford, CT 06106-7106

Hello

I am commenting on the above plan. My home was affected by Hurricane Irene and Storm Sandy. We had water almost to the first floor from Irene and a few inches on the first floor from Sandy. Our block floods easily in the middle as it dips down almost to sea level in the middle where we are so if water goes over Merwin Ave it builds up on our street and can't get out until low tide.

We would like to raise our structure to the new FEMA flood level guidelines to alleviate the fear and expense of future flooding.

I found the information in this plan very disturbing and quite upsetting. Of the money allocated to Connecticut, 69% will be going to Fairfield County while only 11% will be coming to New Haven County. I also take offense that \$102,888 is allocated to the Mashantucket Pequot Indian Reservation for economic revitalization activities, while we struggle to get our houses repaired! According to the plan, the average cost to elevate a 1,000 square foot house 6 feet will cost approximately \$100,000.00 and yet the plan will allocate 0 dollars for mitigation. We are told in the plan that FEMA will pay 75% of the cost to elevate but no Federal Mitigation Grant money has been approved and Milford's Mitigation Plan expired in July 2012.

We were hoping for some sort of assistance grant to help with the costs of mitigation. We hope you see fit to modify this plan to help us.

Thank You

Fred Van Pala
11 Sperry St.
Milford, Ct 06460

From: gina528@comcast.net
Sent: Tuesday, April 23, 2013 9:35 PM
To: CT Housing Plans
Cc: Tlvers@ci.milford.ct.us
Subject: Sandy Relief Funding from HUD-CT Action Plan & Request for Public Comment

Attention: Mr. Michael C. Santoro

My house is located on Bridgewater Avenue, Milford which was substantially damaged due to Storm Sandy. We own this house for 31 years when it was just a bungalow. My husband refurbished it, winterized it, etc. and have rented it since. We are presently waiting for Fema to revise figures, etc. The City of Milford inspected the property and advised us it must be raised. We anticipate getting ICC funds for raising it, however, due to the raising, we need to put in new pilings. It doesn't look like we are going to have enough money to do this without help. We fear losing our home which we worked so hard for all these years. Outlined below are my concerns:

1. The house is uninhabitable and empty all winter. The longer this exists, I am worried about the weather, and another hurricane happening, which will be detrimental. Vandals and animals doing further damage.
2. The City of Milford will not give any tax relief until maybe next year, which means I will be out of rental income for perhaps another year or so and still higher taxes to be paid. This is a hardship for us since my husband is in his eighties and I in my seventies.
3. I believe this matter needs immediate attention and that the property owners needing help must be given assistance as soon as possible and that mitigation must be included in this plan.
4. After everyone gets their homes in safe condition, I believe that the beaches need to be made safer by way of seawalls, sand barriers, etc. so that we will be protected in the future and prevent this devastation from happening again. If not, our homes will be completely destroyed and the people will not be able to get their lives back together again.

Thank you for your consideration to these concerns and I hope my plea will be heard.

Respectfully submitted,

Gina and John Tenaglia

From: Betty Piacitelli [Betty@scinto.com]
Sent: Thursday, April 25, 2013 2:25 PM
To: CT Housing Plans; tivers@ci.milford.ct.us
Subject: FW: Community Development Block Grant - Disaster Recovery Allocation Plan

-----Original Message-----

From: Betty Piacitelli

Sent: Thursday, April 25, 2013 2:22 PM

To: 'CT'; tiverson@ci.milford.ct.us

Subject: Community Development Block Grant - Disaster Recovery Allocation Plan

To whom it may concern,

This letter is in response to the Allocation Plan as requested by your department. The Allocation Plan email was sent out to the community on Friday, April 19, 2013 at 4:33 p.m. Therefore, we have until the end of the business day on April 26, 2013 to respond not the 25th. In all fairness and justice the 7 day response period is the end of the business day April 26.

In response to the Allocation Plan, I find the proposal unfair and quite upsetting. I live in the Silver Sands Beach Area by East Broadway of Milford and it's a ghost town. So many houses were destroyed that I think we would use the entire 11% is this area alone. Most of these houses are small approximately 1100 - 1400 square feet. The questions that I have are:

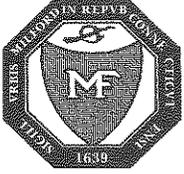
- WHY IS THE MORE AFFLUENT FAIRFIELD COUNTY ALLOCATED 69%?
- WHY IS \$102,888 ALLOCATED TO THE MASHANTUCK PEQUOT INDIAN RESERVATION FOR REVITALIZATION ACTIVITIES? I TAKE OFFENSE TO THIS. MILFORD PEOPLE ARE HOMELESS.

They have sufficient income to provide for their own land They have their own government system.

According to the plan, the average cost to elevate a 1,000 square foot house 6 feet will cost approximately \$100,000.00 and yet the plan will allocate 0 dollars for mitigation. We are told in the plan that FEMA will pay 75% of the cost to elevate. As we all know, no Federal Mitigation Grant money has been approved. Since Milford's Mitigation Plan expired in July 2012, the chance that we'll get any funding for this is questionable. The plan is currently in the process and an action plan is scheduled to be announced May 15th. Are we being setup for more disappointments?

Please, I beg you to reevaluate the Plan. New Haven County Shoreline, especially Milford, Silver Beach area is in desperate need of financial assistance. We don't have the money Fairfield County shoreline has. I hope that you redistribute the money more fairly after reconsidering the needs of New Haven County.

Thank you for your conderation,
Betty Piacitelli



City of Milford, Connecticut

- Founded in 1639 -

Benjamin G. Blake
Mayor

City Hall
110 River Street
Milford, CT 06460

April 24, 2013

Michael C. Santoro
Community Development Specialist
Office of Housing & Community Development
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7106

RE: CDBG-DR Allocation Plan

Dear Mr. Santoro:

I have reviewed the CDBG-DR Allocation Plan ("Plan") and discussed its contents with our Long Term Recovery Committee ("Committee"). It is our understanding that this Plan will form the basis, after review by the joint standing committee of the General Assembly, for the Action Plan to be submitted for approval by HUD. We will look forward to the opportunity to provide public comment on the draft of the Action Plan when it becomes available. In the meantime, on behalf of the Committee, I offer the following comments to the CDBG-DR Allocation Plan:

- The proposed allocation schedule provides a breakdown of allocations by activity, without providing an indication of funding by municipality. It is impossible to provide insightful and well-informed commentary on this Plan without knowing where the funds are expected to be allocated.
- The allocation schedule excludes mitigation entirely. No explanation or justification is provided for the exclusion of funding for this activity.
- In the text of Appendix A, flood mitigation unmet needs appear to be grossly understated. On page 18 it is stated that "as many as 5,280 [units?] may require some form of rehabilitation assistance, while 220 units may require some kind of flood mitigation." Milford reported 209 single family units with over 50% damage. All of these homes will be required to be elevated, by flood zone regulations, before building permits for repair can be issued. Virtually all of these property owners are seeking financial assistance.

- The availability of FEMA's Hazard Mitigation Grant Program is referenced as a primary resource for residential mitigation activities. In fact, two dozen of the most severely damaged Milford homes from Tropical Storm Irene have already been disqualified for FEMA Mitigation Grants due to the subsequent damage caused by Sandy. Hundreds of additional Milford homes are ineligible to apply due to the severity of the damage (50% or over). The vast majority of the affected properties have already received rehabilitation funding from their insurance settlements but are unable to begin repairs due to the lack of funding for flood code required mitigation. These funds are sitting in escrow accounts waiting for reconstruction plans, including mitigation, to receive building permits.
- In response to pressure from FEMA and the National Flood Insurance Program (NFIP), municipalities have adopted new flood zone regulations, following NFIP standards, which require mitigation when the 50% cost threshold has been exceeded. This threshold is based on costs for storm related repairs and non-storm related repairs and improvements accumulated over a 10 year period. Failure to adopt these standards has homeowners facing dramatically increased flood insurance premiums, or worse, places the communities at risk of being dropped from the NFIP altogether. By combining the damage assessments of Irene and Sandy and the added cost of making non-storm related repairs and improvements, it is anticipated that hundreds of additional properties will be required to elevate their structures as a condition of the issuance of a building permit.
- At the present time, FEMA has not announced the availability of funds for Hazard Mitigation Grants. In the recent past, after Storm Irene, August 2011, funding was announced in December and applications were submitted in March 2012 for properties along the Connecticut coastline. These applications were still being reviewed seven (7) months later when Sandy hit. Should funding availability be announced soon, it would still be more than 12 months before FEMA funding allocations might be decided and, being a competitive program, some applications will likely be rejected at the end of the process. As previously mentioned, by the present rules, properties with more than 50% damage are ineligible to apply for these grants. While this program has value and can assist those property owners in stable residences planning to elevate to prevent future damage, it is not a program for those who have been displaced from their homes for 6-18 months and need immediate financial assistance to rebuild their homes.

- The Plan makes no mention of the NFIP Increased Cost of Compliance Coverage (ICC) option available to property owners through their flood insurance policies. This funding is only available to properties with more than 50% damage and is capped at \$30,000. While this is a valuable and immediately accessible source of mitigation funding, it will only cover a portion of the cost of elevation and is only made available to property owners after the project has been completed. For this reason, we are advocating for bridge loan funding to assist property owners' participation in the ICC program.
- The Plan states "homes that require mitigation will also require \$41,000 per unit on average, assuming 75% of the mitigation costs will be covered by FEMA." The aggregate cost is estimated at \$9 million, presumably based on the aforementioned 220 homes. For the properties that potentially receive assistance through the FEMA Hazard Mitigation Program, where is the additional \$9 million expected to come from if not from the Relief Act?
- If there are only 220 properties that are required to be elevated due to the 50% damage rule (the actual number is probably closer to 2,500), the only source of funding would be ICC. The unmet need would then be \$134,000 per unit totaling \$29.5 million.
- All of the Unmet Needs tables are tabulated by county but are based on data provided for each municipality. If these tables were organized by municipality, it would better illustrate the character of the unmet needs. If these numbers become the basis for the allocation of funds, the increased level of detail is critical to enable proper evaluation of the proposed Plan.
- Table A.1 suggests that 76.2% of the Unmet Needs are in Fairfield County. Table A.2 suggests that the Unpaid Losses and Open Claims for owner-occupied housing are 69% in Fairfield County, 17% in New London County and only 11% in New Haven County. If the allocation of funds is based upon these figures, I foresee additional issues.
- Table A.1 suggests that the Unmet Need for mitigation in New Haven County is only \$10,538,985. We are estimating the need for \$14,250,000 in gap funding for Milford residential properties alone based on assisting 400 properties over the next two years.
- The Plan states that the Department of Housing (DOH) will administer the First Tranche of the program "through selective application processes wherever feasible." It is unclear what this process will involve or who/what "Eligible Applicants" might be.

- The Federal Register Docket No. FR-5696-N-01, which describes the CDBG-DR appropriation, when describing the content of the Action Plan, states that a “needs assessment must take into account the costs of incorporating mitigation and resiliency measures to protect against future hazards.” As such, it is vitally important that hazard mitigation needs are accurately assessed and that the costs be appropriately incorporated into the Allocation and Action Plans.
- If mitigation funding has been included within other allocation categories, the provision of that incorporation should be clearly noted in the text of the Allocation Plan. Preferably mitigation should be separately allocated to cover all forms of housing, owner-occupied, rental and multi-family.

I hope you find our observations helpful. Our hope is that with this input the Allocation and Action Plans may be crafted such that the residents most severely impacted by these storms are not overlooked. If you have any questions, or need any additional information, please do not hesitate to contact me.

Very Truly Yours,



Benjamin G. Blake
Mayor

Cc. Commissioner Evonne Klein, Department of Housing
Nick Lundgren, Housing & Community Development
John Field, DEMHS Region 1
Robert Kenny, DEMHS Region 2
Rita Stewart, DEHMS Recovery Coordinator
Governor's Office
Senator Richard Blumenthal
Senator Christopher Murphy
Congressman James Himes, 4th District
Congresswoman Rosa DeLauro, 3rd District
Milford State Legislative Delegation



OFFICE OF THE MAYOR

RICHARD A. MOCCIA

Michael Santoro
Community Development Specialist
Office of Housing and Community Development
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7106

April 26th, 2013

Dear Mr. Santoro:

On behalf of the City of Norwalk, thank you for your thoughtful consideration of the following comments as they relate to the State of Connecticut's draft Allocation Plan for the First Tranche of Community Development Block Grant Disaster Recovery funding for Hurricane Sandy.

The City of Norwalk acknowledges and appreciates the State's hesitation to fund construction that could potentially be jeopardized by future disasters. My hope, however, is that the State will consider meaningful mitigation measures such as elevation as an appropriate alternative to relocation outside of the 100-year floodplain. Our City's associated concern is the potentially harmful impacts of a housing recovery policy that so strongly discourages, and seemingly goes so far as to preclude, reconstruction within the 100-year flood plain. It is our sincere hope that the State's CDBG-DR Allocation Plan and its Action Plan will provide explicit room for case-by-case waivers to CT DEEP restrictions against State investments in critical uses located within the flood plain. Norwalk, like most cities in coastal Connecticut, developed around a working waterfront. This means that our historic downtowns are generally in or just outside the floodplain. Over the course of centuries, these downtowns developed into dense urban cores which contain the vast majority of our cities' infrastructure and services. Beginning in the 1950s and 1960s, higher-income residents who were largely white abandoned urban centers for the leafier and wealthier parts of town or the State, leaving an urban core population that was disproportionately poor and minority. As the State is well aware, urbanism is being revived country-wide, and higher-income residents are moving back into urban centers, in many cases resulting in the displacement of long-time low- and moderate-income residents which has begun a trend referred to as the "suburbanization of poverty". This major economic and demographic shift is making housing with the best access to transit and civil and social services highly unaffordable to low- and moderate-income residents, burdening such households with higher housing and transportation costs while limiting their access to much-needed services. It is therefore absolutely critical that deed restricted affordable housing, both public and private, be preserved in urban core neighborhoods that are at risk of gentrification. Given the increasingly high value of land that is near to both water and city centers, it is Norwalk's firm belief that the absence of CDBG-DR and other State investments that support housing built within the 100-year floodplain, even if more than adequately mitigated through elevation and other flood proofing measures, will not have the intended impact of preventing or even discouraging development in these areas. Rather, it is likely to ensure that the low- and moderate-income housing which so often requires State and Federal

subsidy will be excluded from these neighborhoods and relegated to less desirable areas of the city. This is arguably a Fair Housing concern. Such policy would result in a major missed opportunity to integrate cities and would disproportionately and negatively affect the quality of life of low- and moderate-income persons, many of whom have lived in the impacted neighborhoods for decades.

On a related note, the City is concerned that the comparison costs of mitigation (i.e. elevation) and reconstruction outside of the 100-year floodplain does not take into account the pre-existing grade of properties that may be located within the 100-year floodplain but which require less elevation due to the fact that already those properties have been graded to minimize the gap between buildings' first floors and the at least one foot above the base flood elevation they should be at. While elevation comes at a significant cost, the costs of constructing replacement housing outside the 100-year floodplain cannot be discounted. Land costs in Fairfield County, which the draft Allocation Plan notes was the part of Connecticut most heavily impacted by Hurricane Sandy, are exceedingly high. Further, given the area's proximity to New York City and its associated density, municipalities along the southeast coast of Connecticut have been long since built out, leaving very few large vacant lots which could be affordably consolidated into a development parcel of any meaningful scale.

The realities of the proposed redevelopment of Washington Village, which the city and State elected officials have identified as a priority project in need of CDBG-DR assistance, are a clear illustration of the challenges to financing a mixed income development which is substantially low income. The transformation plan for Washington Village calls for the replacement of 136 units of existing but obsolete and deteriorating public housing as well as the addition of 137 new units which would be a combination of subsidized and market rate units. What makes this project financeable is the two vacant parcels of City owned land which it can commit in order to achieve the mixed income community that a broad collaboration of project residents, area residents, the City, community leaders, State elected officials and the Department of Housing and Urban Development have developed over the course of the past two years. The buildings' design which elevates the living quarters well above the 100-year base flood elevation meaningfully and sufficiently mitigates the risk of flood damage to these housing units. It is simply not possible to relocate this project to another Norwalk location given not only the costs of acquiring sufficient land and conducting the required demolition of existing uses, but also given residents' clear and vocal commitment to remaining an integral part of a neighborhood where they have been long-term residents. Though Norwalk and its elected partners have been vocal advocates for CDBG-DR support to this redevelopment effort given the significant damage Hurricane Sandy wreaked on the existing un-elevated housing development, it is unclear to us in reading the draft Allocation Plan as to whether this project will receive all or any of the funding that is needed to commence the redevelopment of this housing project.

The City has further concerns that the needs for multi-family rehabilitation are not sufficiently addressed through the recommended allocation plan and is hopeful that the State will reconsider and increase the allocation which has been recommended. While HUD holds FEMA and SBA records to be fairly accurate and complete data on the number of primary single family residences damaged by Hurricane Sandy, it should be noted that the number of multi-family housing units which were damaged are likely to be grossly undercounted by FEMA and SBA data, as the majority of multi-family housing is rental housing that would not have been eligible for rehabilitation grant assistance from FEMA, a reality that discouraged many owners of both small and large multi-family housing who did not want or could not afford an SBA loan to even register their losses with either FEMA or

SBA. While the survey administered by the State included a question as to the number of multi-family properties damaged by Hurricane Sandy, municipalities could provide only best guesses based on the data they had available to them (the most comprehensive of which was likely to have been FEMA/SBA data). Beyond the issue of undercounting, the City will appreciate the State's consideration of our concern that many owners of rental housing which would have been damaged by the Hurricane are not large companies of means, but rather individuals which own a handful of rental properties which they can barely afford to maintain. To date, grant assistance has not been available to help these property owners restore their rental units to livable condition for their tenants, which has resulted in a major hit to the city's non-deed-restricted but de facto affordable housing stock. It is our firm belief that this loss has been largely undocumented and unaddressed to date.

While the State of Connecticut should certainly be commended for its commitment to delivering the multitude of resources it has made available to support the development and rehabilitation of affordable housing, the City has some concerns relating to the likelihood that these resources can be sufficiently leveraged, and in a timely fashion to support rehabilitation/reconstruction needs of multi-family housing damaged by the storm. LIHTC and historic tax credits, which were identified as potential resources which could be leveraged require substantial technical knowledge that will pose major challenges to less experienced developers such as the owners of smaller multi-family properties. Further, the time it takes to receive a commitment of these tax credits is not necessarily consistent with the strict time constraints on CDBG-DR drawdowns imposed by OBM.

While the specific manner in which the needs of private homeowners will be addressed is a bit unclear in the draft Allocation Plan, Norwalk is hopeful that the State has and will continue to consider the feedback which Norwalk's Long Term Recovery Committee has provided to DECD staff. Put simply, a significant amount of time has already lapsed since the disaster event occurred. Homeowners with "unmet needs" had no clear indication that additional financial assistance would be coming available and thus dipped into what little savings they may have had in order to restore their homes to a livable condition. While these homeowners no longer have textbook "unmet needs," they are now one small hiccup away from financial disaster. The State's flexibility and understanding of this complex situation and its related consideration of a reimbursement program for income eligible households who incurred eligible expenses which would not have required a full environmental review is absolutely critical. It is the City's understanding that such CDBG-DR projects are considered eligible by HUD and that they have been successfully implemented by Gulf states which were impacted by past hurricanes.

Other separate but related concerns we have heard from homeowners are from moderate income households who may earn above 120% of area median income but who still cannot afford to repair the extensive damage they incurred, and also from homeowners with greater than 50% damage to their homes whose preference is to be bought out considering the substantial cost of rehabilitating their homes and mitigating them to a sufficient extent to prevent similar loss in future disasters.

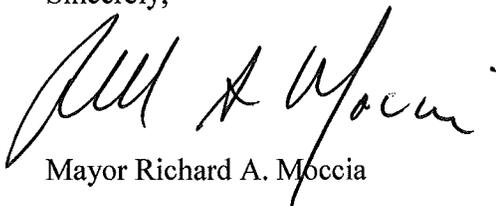
As the City understands it, HUD, as directed by Congress, has indicated that there will be three "tranches" of CDBG-DR funding in response to Hurricane Sandy, the first of which is to focus on housing rehabilitation and urgent economic revitalization needs and that infrastructure and mitigation needs were to be addressed with the remaining two allocations from HUD which are anticipated before the end of this year. While Norwalk, like many other coastal Connecticut cities, has a number of infrastructure and mitigation needs resulting from the storm, we have a great number of residents

who are still displaced or who are living in substandard conditions because the financial resources needed to help them recover have not been available. Assisting these households, as well as those businesses which were severely impacted by the storm, is our first priority. I thus strongly encourage the State to consider restricting the use of First Tranche Funds to activities that directly support the housing and economic recovery of those communities hardest hit by the storm.

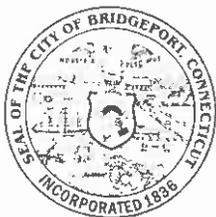
A note as to process: while the City recognizes and appreciates that the State fully complied with the minimum Public Engagement requirements as were established in HUD's Federal Notice regarding the CDBG-DR allocation for Hurricane Sandy, it is our belief that City departments and most specifically Community Development departments could have been more fully engaged in the process. Emergency Management departments hold critical information and knowledge relating to the immediate aftermath of disasters like this one, and we commend the State for its engagement of DEMHS staff and local EM directors in its efforts to inform the public about the State's progress in drafting the CDBG-DR Action Plan, and to collect the informational inputs needed for the development of this Plan. But for the unique collaborative relationship of our City's Emergency Management Department and the Norwalk Redevelopment Agency which serves as the community development department for the city, those local staff with the greatest familiarity with the City's demographic realities and housing and community development needs would have been left out of this important discussion. Given that the community departments in Connecticut's largest coastal towns have extensive CDBG experience as direct recipients of regular CDBG entitlement funds, and given their connections and understanding of their cities' low- and moderate-income community, we are hopeful that the State will engage them as active partners in the administration of CDBG-DR programming and the development of Action Plans for subsequent tranches of funding moving forward.

Thank you again for your thoughtful consideration of the above concerns. The City of Norwalk very much appreciates the State's efforts and assistance as we recover from the lasting impacts of Hurricane Sandy. We look forward to having you as a partner moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Moccia". The signature is fluid and cursive, with a large initial "R" and "M".

Mayor Richard A. Moccia



OFFICE OF THE MAYOR
CITY OF BRIDGEPORT, CONNECTICUT

999 BROAD STREET
BRIDGEPORT, CONNECTICUT 06604
TELEPHONE (203) 576-7201
FAX (203) 576-3913

BILL FINCH
Mayor

April 25, 2013

Mr. Michael C. Santoro
Community Development Specialist
Office of Housing and Community Development
505 Hudson Street
Hartford, CT 06206-7106

Dear Mr. Santoro:

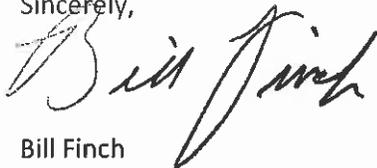
Thank you for providing the City of Bridgeport with an opportunity to comment on the State of Connecticut's proposed Community Development Block Grant – Disaster Recovery (CDBG-DR) Allocation Plan. Please consider the following comments from the City of Bridgeport:

1. The State does not appear to make an explicit commitment to put 100% of the funding in New Haven and Fairfield Counties though those two counties are where the vast majority of damage occurred. The City recognizes the commitment to the minimum 80% of the funding for these two counties but strongly encourages the State to consider appropriating 100% of the funding to where the damage was the greatest. The City and the Bridgeport Housing Authority submitted the survey that specified unmet needs. Since the submittal, FEMA has provided Bridgeport with more accurate and detailed information. It would be in the best interest of all to have the opportunity for communities to update these surveys with more accurate and detailed information so that the funds meet unmet needs in the most damaged areas of the State ;
2. The State is only funding 17.6% of the unmet need for multi-family housing through this program though the data on costs of multi-family rehab/reconstruction is more specific and the population served is clearly a low-moderate income population as defined by HUD. Table A-4 includes \$147,000,000 of unmet needs for the Multifamily Rehabilitation and New Construction category. It is explained that in Tranche 1, only \$26,000,000 will be used as gap financing to leverage over \$105 million. The State indicates a mixture of other public and private financing adding up to \$105 million will help meet the need but there are no assurances that these funds will be committed to these activities. There is no further discussion on the amount of funds allocated for this. On the other hand, the State is funding 52% of all unmet need for homeowners through this program though the data for the need seems vague and those residents are more likely to be at the top of the eligible income bracket;

3. Despite the fact HUD has waived the requirement that 70% of the funding must be used to benefit low and moderate income activities by lowering it to 50%, the Allocation Plan does not appear to meet the higher threshold which would benefit more low and moderate income families throughout Connecticut. Assuming all of the owner occupied investment does not benefit an LMI population and all the multi-family, infrastructure and economic revitalization investment does benefit an LMI population, only 54% of the funding is earmarked to LMI activities;
4. There does not appear to be much detail on how the Plan addresses both sustainable and "green" development/ construction even though it is clearly a priority for HUD in the formal notice. Ensuring that reconstructed units are designed to be efficient and healthy will reduce residents' utility costs, health bills, and greenhouse gas emissions, limited future climate change.
5. There is discussion of repair and rebuilding of seawalls and some mention of mitigation strategies. Repair of the Seaside Park seawall to pre-existing conditions is not sufficient in the City of Bridgeport's case. The City intends to rebuild the seawall under a new design in order to provide long term storm damage protection. Funds for activities of this nature have not been made available by FEMA and this is, therefore, an unmet infrastructure need the Plan could seek to address, particularly in areas occupied by low and moderate income households;
6. The Grants Administration section of the Plan gives an overview of allowable expenses and federal compliance requirements but does not fully detail the process of fund disbursement and project management. Clarifying this process will allow for smoother grant management.

Thank you for the opportunity to comment on the CDBG-DR Allocation Plan. Please contact Alanna Kabel, Assistant Chief Administrative Officer, at 203-337-2341 if you have any questions or require any further information.

Sincerely,

A handwritten signature in black ink that reads "Bill Finch". The signature is written in a cursive, flowing style.

Bill Finch
Mayor

B-2. b. Copy of all Public Comments Received for draft Action Plan

From: John calash [johncalash@sbcglobal.net]
Sent: Wednesday, May 29, 2013 7:22 PM
To: CT Housing Plans

what our you doing we been waiting for 7 month where the governer with all his promise
john calash 131 hillside av milford now in a 1 bedroom WHEN OUR YOU GOING TO
DO SOMETHING

From: Deborah A. Dinan [debbydinan@aol.com]
Sent: Friday, May 31, 2013 8:43 PM
To: CT Housing Plans
Cc: debbydinan@aol.com; dddad17@aol.com; Tom Ivers
Subject: RE: HUD / Super Storm Sandy Relief Money

Dear Gov.Malloy,

My name is Deborah A. Dinan and I have been a Registered Nurse in the State of Connecticut for the past 38 years. I am a graduate of St. Vincent's Medical Center.

I am asking you for your personal response regarding the rebuilding of my home located at 17 Orland Street, Milford, CT 06460. I lost over 50% of my home and since October 29, 2012 I have been living in apartments.

No work had begun on my home. I have owned my home for 14 years and paid for Flood Insurance which has been very cooperative. I have also found that ICC has informed me that I do qualify for ICC money.

My current issue is that I cannot begin work, even though I have all of my workers ready to go because I am not certain our government is going to assist me with the cost difference.

You see, eight years ago and after returning to school to become a Paralegal in addition to being a Registered Nurse to pay for my son's college education, I was diagnosed with breast cancer. Soon thereafter I needed to go on Disability. I continued to work for the Appellate Court for Social Security in New Haven, CT, but unfortunately my cancer left me with severe side effects and I needed to further surgery and go on Total and Permanent Disability.

I am asking you to help me in doing whatever it takes to keep the home I have owned for the past 14 years. I fought hard for breast cancer and the fight to keep my home and going through the Home Modification Loan Program seems like nothing compared to what I have to do now to get back home. Once again, the chemo has worn me down from the past and I need yet another Total Knee Replacement in July 2013 at YALE NEW HAVEN HOSPITAL.

I would like to know what I need to do in order for me to stop living in an apartment and have the necessary funds made available in order for me to go home.

Please feel free to contact me yourself with positive information. I feel at this point that things are moving along, but afraid that I will never be able

to repair my home and have it up to CODE without the government funds being made available for HUD clients. I will be 59 years old next month and believe me, I wish I could go back to working in the hospital tomorrow!!!

The Flood Insurance money and the ICC money being made available will not be enough to cover the costs of all the work needing to be done. My home is only 650 sq. feet. I think with a home that size and considering future surgery such as hip replacements due to side effects of chemo, it would not be too much to ask for grant assistance from the HUD fund money being given to Milford, CT.

I thank you for taking good care of this State of Connecticut and do hope you will consider me as a potential candidate for the grant. Please feel free to call me at 203-913-4308 or my temporary address which is at 56 Broad Street APT-7, Milford, CT 06460.

Sincerely, I am,

Deborah A. Dinan R.N.

17 Orland Street
Milford, CT 06460
(203) 913-4308 or (203) 878-8897

From: gina528@comcast.net
Sent: Monday, June 03, 2013 12:53 PM
To: CT Housing Plans
Subject: Draft CDBG-DR Action Plan

Attention: Mr. Michael C. Santoro

I am the owner of a single family structure, which I rent to low income renters. This is very common in the neighborhood and I am not alone. My house was severely damaged (over 50% due to Super Storm Sandy) and I have been told by the City of Milford that before it is repaired, it must be raised. Flood insurance will not cover all the repairs and the need for a new foundation, etc. is very costly. In reading the draft of the proposed Action Plan, I do not see any mention of getting any resources from HUD to single family rental property owners. The plan **does include multi-family rental but makes no reference to single family rental.**

It is my belief that this is discriminatory and not fair. We, too, are paying the same taxes as the owner-occupied property owners. Why are we being treated this way?

Respectfully submitted,

Gina A. Tenaglia

From: Morrison, Cathy [cmorrison@stvincents.org]

Sent: Monday, June 03, 2013 1:57 PM
To: CT Housing Plans
Cc: ilebish@optonline.net
Subject: Sandy relief

My 83 year old husband, Irwin Lebish, and I have been displaced since Sandy. Between delays from permits being granted to raise our home on Fairfield Ave. in Westport (where we've lived for over 27 years) and difficulty in finding a home lifter once permits were granted, we have now moved once again into a temporary rental. We have received minimal rental assistance and are incurring expenses necessitating applying for a SBA loan. The rental costs in our area are based on "summer rentals" costs, which are higher. We had to move from the condo we were sub letting until June 1, and are now paying \$800.00 more for a more modest apartment. We are hoping to recoup the value of our home and sell in a few years, however, at this time in our lives, this has been a physical and financial hardship. (I should also add that my husband was diagnosed with pancreatic cancer 2 years ago and has undergone Whipple surgery and chemotherapy). Our flood insurance is only covering ½ of the maximum \$250,000, which will cover less than 50% of our losses.

In seeing the amount of money allocated to Connecticut, please advise as to how we might access expedited relief and hopefully obviate the need to incur dept at this stage of our lives.

Hoping to hear from you soon,

Cathryn Morrison (this is my work e-mail) and Irwin Lebish (e-mail at : ilebish@optonline.net)

From: Betty Piacitelli [Betty@scinto.com]
Sent: Tuesday, June 04, 2013 11:20 AM
To: CT Housing Plans
Subject: Disaster Recovery Program

The program is vague and difficult to comment on. There are 200 homes on the Milford shoreline that sustained over 50% damage by storms Irene and Sandy. They are required by law to either raise or reconstruct the home at their own expense. The cost to elevate as described on Table A.5 is extremely expensive, in the hundreds of thousands of dollars. For this reason alone using the median income chart as a eligible criteria for financial assistance is completely unfair. Many families earning 150% of the median will be forced to permanently abandon their homes. This system would only work in a perfect world. Most families have varying mortgage payments, medical bills, daycare expenses, etc. Their net income may be far less after expenses than those earning below the median. They are disqualified with no option for an appeal. Each case should be reviewed individually and given the opportunity to provide documentation to prove the need for assistance. The cost to reconstruct or elevate is the same in Milford as it is in other towns in Fairfield County where the median may be significantly higher. This system makes the higher salaried homeowner eligible for assistance for the same expense. It doesn't make sense.

Please consider using criteria that works for all people in all counties.

Thank you.

Betty Piacitelli

From: Debby Dinan [dddad17@aol.com]
Sent: Tuesday, June 04, 2013 12:30 PM
To: CT Housing Plans
Subject: Fwd: HUD / Super Storm Sandy Relief Money

Addendum to letter
From :Deborah A. Dinan
Damaged Address:
17 Orlando St
Milford, CT 06460

Tel.No.: 203-878-8897

Dear Governor Malloy,

This is an addendum to my original letter. I am the Registered Nurse who has lived in Connecticut all my life. I worked for 38 yrs in this stare. In my previous email, I mentioned I had breast cancer, 18 months of chemo, and going on my second knee replacement. I eventually will need hips replaced due to the side effects of chemo. I am on Total and Permanent Disability.

When Storm, Hurricane or call it what you may hit my property on October 29th, 2013, I was astounded to see the immense destruction the flood damage did to my home. This was the first time in 14 years and 3 other flood claims it into my home and the water damaged destroyed my furnace, hot water heater, all electrical, floors cabinets, appliances and more.

I did have my Home Owner's insurance come out and in a formal letter (which I can provide) provided and an Inspection by the Company, it was decided my home sustained no wind damage. Now perhaps that could be the case for homes directly on the shoreline but my home is not. It is a side street off of Bayshore Drive in Milford, CT.

What I am asking if you is to seriously and thoroughly review my file to see every bit of information has been provided and documented with FEMA, ICC and Robin Hood fund.

Unfortunately, the total amount will not be covering my Contractor's estimated \$100,000.00. I hope you will follow up on my case and help me stay in my home. It is affordable only because I was accepted by the Home Modification Loan.

I can provide you with many photos if you do desire. I had to throw most everything I owned away because of the WATER damage. The house smells of mold and the floors are buckling

Once again, I will be having my other knee replaced on July 11th at Yale.

I am in need of Mitagation. It is now mandatory I raise my home and do the repairs to Code. I look forward to your reply very soon. Thank You.

Sincerely,

Deborah A. Dinan

From: Barnhart, Mark [mbarnhart@town.fairfield.ct.us]
Sent: Tuesday, June 04, 2013 2:55 PM
To: CT Housing Plans; Lundgren, Nick; Santoro, Michael C
Cc: Klein, Evonne; Tetreau, Mike
Subject: Storm Sandy CDBG-DR Action Plan

Thank you for the opportunity to review and offer comments on the proposed State of Connecticut Disaster Recovery Program Action Plan. My comments are as follows:

It is my understanding that applicants for owner-occupied housing rehabilitation and mitigation assistance cannot have a household income that would exceed 120% of the area median income (AMI). The 2013 Income Limits published by HUD for the Bridgeport PMSA are \$87,900 (i.e. 120% = \$105,480). According to data published in the draft Action Plan, the estimated median household income for Fairfield is \$118,476. Consequently, I am very concerned that use of this standard will exclude a lot of people who may still need assistance in rebuilding and meeting code and flood elevation requirements.

The Plan indicates that funding is "available solely to address unmet needs," which could be interpreted to mean that homeowners seeking reimbursement for costs already incurred may be ineligible. It has been more than seven months since Storm Sandy wreaked its path of destruction through Connecticut and the entire tri-State region. Many homeowners had an understandable desire to return to their homes as quickly as possible. Some drained their life savings or retirement accounts, or went into debt, to rebuild their storm-damaged homes. It is noted that the draft Action Plan explicitly states that the State will permit reimbursement of reasonable storm-related expenses incurred by businesses limited to \$15,000 per job retained. No such explicit statement exists for reimbursement of reasonable storm-related costs incurred by homeowners in order to re-occupy their place of residence. I would like the Plan to be amended to allow reimbursement of legitimate storm-related expenses for repairs to owner-occupied dwelling units.

The Plan indicates that only projects with a minimum of five units be eligible for multi-family rehabilitation funds. Many of the rental properties that were affected in Fairfield have less than five units, and therefore would not meet the eligibility requirements. I propose that this threshold be lowered to a minimum of two units.

I note that the State intends to use CDBG-DR funds to leverage its Small Business Express Program in providing grants and/or loans to small businesses impacted by Storm Sandy. Grants under the Small Business Express Program typically require a 50% match by the applicant, and it is my understanding that the State proposes to use CDBG-DR funds to satisfy that matching requirement. It is unclear, however, whether non-profit entities like the Trinity Parish Nursery School (would be eligible under this program. Trinity Parish Nursery School, located at 651 Pequot Avenue, sustained significant damage during Storm Sandy. The loss was estimated at \$2 million, of which approximately half was uncovered. Repairs to the nursery school are well underway, as the new school term is only a few months away. Still, Trinity is seeking funds to help cover the loss not paid by insurance. I would like the State to clarify eligibility requirements so that non-profit entities like Trinity may apply.

I note that the general requirements of the "Multi-family Rehabilitation/Rebuilding and Mitigation Program" indicate that "eligible applicants include owners of existing low moderate income (LMI) multifamily properties outside of the 100 and 500 year flood plain...", yet the program is targeted at

“LMI multifamily properties damaged by Hurricane Sandy and located within the 100 or 500 year flood plain.” (As a general observation, it would be helpful if the pages were numbered.)

It is noted that funding to meet infrastructure needs is limited to \$4 million statewide, as part of this initial tranche. The Plan indicates that funding will be made available to specific projects submitted by municipalities and their partners through a competitive application process. The Plan prioritizes the construction or reconstruction of water and sewer lines, roads and drainage systems. This amount is inadequate, but it is my understanding that subsequent rounds of funding are expected to address community infrastructure needs.

Funding for public facilities is limited to \$2.2 million. Again, funding will be made available through a competitive application process, and communities with multiple projects “will be asked to prioritize those projects within their jurisdiction.” Again, this amount is wholly inadequate to address these needs, but it is my understanding that additional funding will be made available in subsequent rounds to address these unmet needs.

The State proposes to recapture and allocate any program income generated to its CDBG-Small Cities Program, for which entitlement communities like Fairfield are ineligible. It is noted that many of the hardest hit communities are entitlement communities. While I understand that the State does not anticipate generating much program income, I would like to see this imbalance addressed in some way.

Thank you for your consideration.

Mark S. Barnhart,
Director of Community & Economic Development
611 Old Post Road
Fairfield, CT 06824
(203) 256-3120
(203) 256-3129 (fax)
mbarnhart@town.fairfield.ct.us

From: JOSEPH MIRMINA [mirminaj@optonline.net]
Sent: Tuesday, June 04, 2013 7:41 PM
To: CT Housing Plans
Subject: Disaster Recovery Program

I am a home owner that was affected by both storm Irene and storm Sandy. My home was deemed substantially damage by the city of Milford and I am being forced to elevate my home at an expense of around \$100,000. I was also turned down for SBA loans. I have read the recovery plan and tried to understand it. I have many concerns, but most of all what is the definition of unmet needs. As someone in my position were insurance has paid me for my damages but since I am insured I am being held to a higher standard and forced to elevate is that considered an unmet need. I also have a concern about the income guide lines. Based on the chart I would not be able to receive assistance from this program, but I was also turned down for an SBA loan so I would be forced to walk away from my home.

Joe Mirmina
22 James Street
Milford Conn 06460

From: Debby Dinan [debbydinan@aol.com]
Sent: Tuesday, June 04, 2013 11:04 PM
To: CT Housing Plans
Cc: Tom Ivers; ebento@ci.milford.ct.us; hburr@ci.milford.ct.us;
debbydinan@aol.com
Subject: Addendum sent Re: action Plan / Super Storm Sandy Relief Money

Dear Gov. Malloy,

It is me, Deborah A. Dinan once again sending you one last effort letter to please read my initial letter and two following Addendum letters regarding the MITIGATION Grant Funds which I desperately need in order to complete the ELAVATION of my home.

I realize it is difficult to sort out how funds will be distributed, but I am once again asking you to PLEASE take a personal look into my file. There you will see that this has not been the first flood claim I have made. Although O do not qualify for the total amounts required for "Repetitive Damages", FEMA along with my Flood Insurance has made past claims possible to allow me to move my furnace and hot water heater to a higher location such as in my attic space.

Therefore, our own Government is now spending much more money for me to rent because now it has been mandated that I ELEVATE my home due to all the flood water destruction.

Once again, that was early stated in a letter from my insurance company stating all DAMAGES were due to FLOODING. I worked hard to be approved for President Obama's Home Loan Modification and desire to repair my home due to the flood damage caused by Hurricane Sandy.

Being on Total and Permanent Disability beginning in my early 50's was a ver hard thing to accept. I was forced to give up a job as a Registered Nurse/Paralegal and will do whatever I can to remain in my 650 square foot home located off Bayshore Drive in Milford, CT.

I would gladly meet with you to share the multiple photos taken immediately after the Hurricane.

My past medical history over the recent years has included Breast Cancer followed by 18 months of chemotherapy at Yale New Haven Hospital. According to my Oncologist, I suffered severe side effects. I was diagnosed with bilateral hip necrosis, have already gone through one knee replacement and I am now scheduled for the other knee to be replaced which had a direct correlation with my side effects. It has even ruptured my tibia.

All I am asking of you is to please help me with the cost difference to complete the elevation of my home so I can go home again. I have lived there for 14 years and truly prefer keeping my over 50% water damaged home. I do not feel Senior Living is necessary for me as yet. I truly am of sound mind and attempting in every way possible to remain of sound body. My home is located at 17 Orland Street, Milford, CT 06460.

I have been working hard with the greatest staff of the Town of Milford which includes Mr. Thomas Ivers, Ms. Hillary Burr, Ms. Erica Benton and Ms Emmyline Harrigan. They are the most wonderful people one could ever find who are so kind and caring and only desire to help me get home.

I thank you again for your consideration for the Mitigation Grant and truly look forward to your print and positive response. If there is anything I can provide to expedite the process or help

in any way, I welcome your phone call or visit. I keep all those affected by this Disaster in my prayers and you for all you hard work in this great State of Connecticut. My number is (203) 913-4308 and temporarily reside in an apartment at 56 Broad Street Apt 7, Milford, CT. Thank you again for your time.

Sincerely, I am,

Deborah A. Dinan R.N.

June 4, 2013

Mr. Michael C. Santoro
Community Development Specialist
Office of Housing and Community Development
Department of Economic & Community Development/Department of Housing
505 Hudson Street
Hartford, CT 06106-7106

RE: State of Connecticut DRAFT CDBG-DR Action Plan

Dear Mr. Santoro:

I am writing to provide comments on the above-referenced draft plan on behalf of the Mayor and the Town of Stratford as per the State's CDBG-DR Citizen Participation Plan.

On the whole, the Town is pleased with the proposed allocations and the level of assistance being made available to various activities. We appreciate the time and effort expended by the State to put together this plan in an expedited manner and meet the deadlines set forth by HUD. We especially understand the necessity to primarily address the unmet housing needs of the State's residents with this plan. With regard to the longer term impact of Sandy, however, we would like the State to consider a few factors in terms of the ability of an affected municipality to recover from such an event.

The Plan notes in several locations, in accordance with the authorizing legislation, that the Funding must be spent in the "most impacted and distressed areas." Prior to the onset of Sandy, however, the State had established its own criteria for identifying distressed municipalities as per C.G.S. Section 32-9p. Bridgeport and Stratford are two of the Sandy-impacted municipalities that met that criteria. Sandy presented even greater challenges to our communities as we have a diminished ability to recover from such an event without increasing taxes and/or further cutting needed public services in other areas to address the urgent needs presented by a natural disaster. The leverage section of the draft plan notes that local governments will not be reimbursed "local project delivery costs" for infrastructure and public facility projects with the Funding. It is the Town's hope that the State would reconsider this decision, especially for municipalities considered "distressed" prior to the storm, and set up at least a partial reimbursement plan for these communities. The Town of Stratford anticipates FEMA's standard 75% reimbursement level for post-storm clean-up and emergency infrastructure and public facility repair activities. Given the magnitude of this event, a 75% reimbursement rate for these costs will still present an economic hardship to the Town and its residents.

With regard to the economic revitalization section of the plan, the Town seeks clarification as to how the Funding may work within the context of the State's



Mr. Michael C. Santoro
June 4, 2013
Page 2

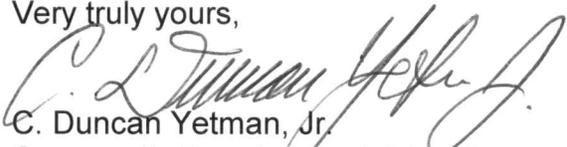
Small Business Express Program (EXP). {For your information, a Stratford business identified in the unmet needs section as a plumbing, heating, and air conditioning contractor is also a sheet metal work manufacturer (NAICS code 332322) that provides sheet metal products to many out-of-state HVAC contractors.}

For instance, will all small business assistance be provided through this program? On p. 63, the plan mentions special economic development activities and then mentions that "the State intends to permit the reimbursement of the cost of reasonable expenses incurred by businesses that by incurring storm related expenses, preserved jobs." Will this reimbursement activity, as well, be delivered through EXP? It may be helpful to provide a few hypothetical examples within the plan of how a combination of grants, loans, owner's equity, etc. in EXP may be used to make a hypothetical business, facing a certain set of circumstances from the storm, whole.

With regard to prioritizing business assistance, the Town wants to mention again its status as a distressed municipality and urges the State to prioritize for assistance especially the tourist-related and summer trade businesses in such communities. The Sandy-damaged businesses in Stratford have total real estate, personal property, and motor vehicle worth of over \$4.5 million on the Town's 2011 Grand List. They represent 0.10% of the entire Grand List, a miniscule percentage, but as a percentage of the Town's growth in its grand list from 2011 to 2012, their total value is equal to over 43% of that growth. Making these businesses whole will help Stratford to sustain the growth in its grand list and generate additional business growth as we continue to slowly make our way out of the recession.

We appreciate this opportunity to comment on the DRAFT Plan and look forward to working with you and the Office of Housing and Community Development at DOH on plan implementation this summer.

Very truly yours,


C. Duncan Yetman, Jr.
Community Development Administrator

cc: John A. Harkins, Mayor
Stephen Nocera, CAO
Marc Dillon, Mayor's Chief of Staff
Karen Kaiser, Director of Economic Development
Maurice McCarthy, Director of Public Works
Brian Carey, Conservation Administrator



CCM 2013 Testimony

900 CHAPEL STREET, 9th FLOOR, NEW HAVEN, CT 06510-2807 PHONE (203) 498-3000 FAX (203) 562-6314

Your source for local government management information www.ccm-ct.org

Comments Of the Connecticut Conference of Municipalities On the Disaster Recovery Action Plan

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 93% of Connecticut's population.



Thank you for providing the CCM with the opportunity to comment on the State of Connecticut's proposed Community Development Block Grant- Disaster Recovery (CDBG-DR) Action Plan.

CCM echoes the comments submitted by Connecticut's towns and cities that have been impacted by Hurricane Sandy. In addition to the comments and concerns raised by CCM's member towns, CCM would like to raise a few concerns the proposed CDBG-DR Action and the distribution of the \$71 million in Federal relief assistance.

CCM would respectfully ask the State to maximize the opportunity for municipal flexibility in using funds allocated by the Action Plan within the approved Federal guidelines. Our municipal leaders are in the best position to understand the needs of their communities, to know where CDBG-DR funding will have the greatest impact, and to make efficient and immediate use of these funds.

While CCM and its member towns and cities, support the prioritization of funding for the repair and rehabilitation of damaged housing and to undertake mitigation efforts to minimize future damage, we raise the concerns detailed below regarding the initial distribution of the \$15 million identified in the Request for Partial Allocation.¹

The initial allocation of funding within the Draft Action Plan contains no funding for the repair of infrastructure and public facilities, despite the identification of need within these categories at over \$56 million. These important projects include repair to water and sewer systems, rebuilding roads and bridges and cannot be delayed. Repairs to these basic and crucial public services must be made now. Municipalities are struggling to

¹ State of Connecticut, *Disaster Recovery Program, Action Plan*; p.5 (Office of Housing and Community Development, 2013)

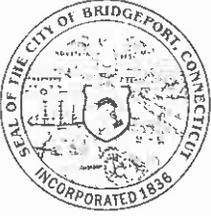
fund current budget needs and maintain existing facilities and infrastructure, failure to provide immediate assistance will compound the pressure on municipal budgets and local tax payers. CCM would respectfully ask the State to reconsider, and allocate funding for these critical projects.

Additionally, the proposed allotment of funds within the Draft Action Plan provides limited funding to assist in economic revitalization (\$2 million), which is a key step in rebuilding and maintaining strong communities. Rebuilding local economies and restoring jobs impacted by the storm and creating new jobs for Connecticut's residents must remain a top priority in the plan t adopted by the State.

Thank you for your consideration of CCM's comments and the input provided by the Connecticut municipalities impacted by Hurricane Sandy. CCM appreciates the State's continued efforts and assistance to our towns and cities as they work to recover from the impacts of Hurricane Sandy and implement measures to mitigate the potential impact of future storms.



If you have any questions, please contact M. Randall Collins Jr., Senior Legislative Associate for CCM via email rcollins@ccm-ct.org or via phone (203) 498-3000.



OFFICE OF THE MAYOR
CITY OF BRIDGEPORT, CONNECTICUT

999 BROAD STREET
BRIDGEPORT, CONNECTICUT 06604
TELEPHONE (203) 576-7201
FAX (203) 576-3913

BILL FINCH

Mayor

June 4, 2013

Mr. Michael C. Santoro
Community Development Specialist
Office of Housing & Community Development
505 Hudson Street
Hartford, CT 06206-7106

Dear Mr. Santoro:

Thank you for providing the City of Bridgeport with an opportunity to comment on the State of Connecticut's most recent proposed Community Development Block Grant – Disaster Recovery (CDBG-DR) Allocation Plan. Please consider the following comments from the City of Bridgeport:

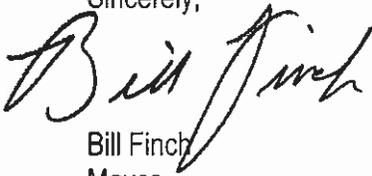
1. The proportion of requested support for multi-family vs. single family housing unmet need remains out of proportion. This appears to be exacerbated by the limited initial request to the U.S. Department of Housing & Urban Development for \$15 million. Initially, the State is asking HUD for 11% of the unmet need for single family housing and 3.3% for multi-family housing (overall the State is asking for 52% for single family housing and 17.6% for multi-family housing). The State is asking for 14% less in actual funds for multi-family housing even though the multi-family unmet need is 160% greater than single family need.
2. The Plan makes the assertion that multi-family relief of \$26 million will leverage additional funding to help meet 87% of the need. However, the charts outlining the sources of the leveraged funds are filled with "TBD" instead of actual or proposed amounts.
3. Page 16 of the Plan appears to indicate the State is going to prioritize, at least for the first round of funding, repair of multi-family units outside the flood plan given the State's assertion that leveraged funds are available for multi-family units inside the floodplain. However, actual or proposed amounts are not included in the Plan.
4. Pages 57 and 58 of the Plan indicate multi-family applicants must use 4% or 9% Low Income Housing Tax Credits for projects funded with CDBG-DR funds. Such a requirement arbitrarily limits the ability of cities and towns like Bridgeport to apply for funding of eligible, ready-to-go projects.
5. The City encourages the State to apply for all project funds even though the regulations allow for application by project phase. Undue delay in getting the funds to the State and its municipal partners could shorten the window for their use which could potentially have a negative impact on low and moderate income households in the areas of the State impacted by Sandy.

6. The demographics on page 31 of the Plan indicate there is no identifiable Latino community in Bridgeport. The City of Bridgeport is extremely diverse. According to the 2010 Census, Bridgeport is Connecticut's largest municipality with a population of 144,229, 72.8% of which is minority: 38.2% Hispanic and 34.6% African American, as compared to the State's minority population rate of 23.5%.

Attached please find a copy of the comments submitted by the City of Bridgeport during the first CDBG-DR public comment period as many of these comments are still relevant.

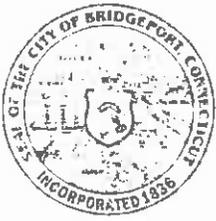
Once again, thank you for the opportunity to comment on the CDBG-DR Allocation Plan. Please contact Alanna Kabel, Assistant Chief Administrative Officer, at 203-337-2341 if you have any questions or require any further information.

Sincerely,

A handwritten signature in black ink that reads "Bill Finch". The signature is written in a cursive style with a large, prominent "B" and "F".

Bill Finch
Mayor

enclosure



OFFICE OF THE MAYOR
CITY OF BRIDGEPORT, CONNECTICUT
999 BROAD STREET
BRIDGEPORT, CONNECTICUT 06604
TELEPHONE (203) 576-7201
FAX (203) 576-3913

BILL FINCH
Mayor

April 25, 2013

Mr. Michael C. Santoro
Community Development Specialist
Office of Housing and Community Development
505 Hudson Street
Hartford, CT 06206-7106

Dear Mr. Santoro:

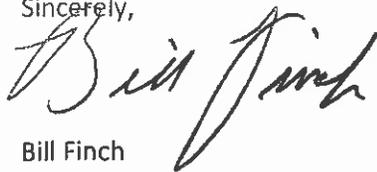
Thank you for providing the City of Bridgeport with an opportunity to comment on the State of Connecticut's proposed Community Development Block Grant – Disaster Recovery (CDBG-DR) Allocation Plan. Please consider the following comments from the City of Bridgeport:

1. The State does not appear to make an explicit commitment to put 100% of the funding in New Haven and Fairfield Counties though those two counties are where the vast majority of damage occurred. The City recognizes the commitment to the minimum 80% of the funding for these two counties but strongly encourages the State to consider appropriating 100% of the funding to where the damage was the greatest. The City and the Bridgeport Housing Authority submitted the survey that specified unmet needs. Since the submittal, FEMA has provided Bridgeport with more accurate and detailed information. It would be in the best interest of all to have the opportunity for communities to update these surveys with more accurate and detailed information so that the funds meet unmet needs in the most damaged areas of the State ;
2. The State is only funding 17.6% of the unmet need for multi-family housing through this program though the data on costs of multi-family rehab/reconstruction is more specific and the population served is clearly a low-moderate income population as defined by HUD. Table A-4 includes \$147,000,000 of unmet needs for the Multifamily Rehabilitation and New Construction category. It is explained that in Tranche 1, only \$26,000,000 will be used as gap financing to leverage over \$105 million. The State indicates a mixture of other public and private financing adding up to \$105 million will help meet the need but there are no assurances that these funds will be committed to these activities. There is no further discussion on the amount of funds allocated for this. On the other hand, the State is funding 52% of all unmet need for homeowners through this program though the data for the need seems vague and those residents are more likely to be at the top of the eligible income bracket;

3. Despite the fact HUD has waived the requirement that 70% of the funding must be used to benefit low and moderate income activities by lowering it to 50%, the Allocation Plan does not appear to meet the higher threshold which would benefit more low and moderate income families throughout Connecticut. Assuming all of the owner occupied investment does not benefit an LMI population and all the multi-family, infrastructure and economic revitalization investment does benefit an LMI population, only 54% of the funding is earmarked to LMI activities;
4. There does not appear to be much detail on how the Plan addresses both sustainable and "green" development/ construction even though it is clearly a priority for HUD in the formal notice. Ensuring that reconstructed units are designed to be efficient and healthy will reduce residents' utility costs, health bills, and greenhouse gas emissions, limited future climate change.
5. There is discussion of repair and rebuilding of seawalls and some mention of mitigation strategies. Repair of the Seaside Park seawall to pre-existing conditions is not sufficient in the City of Bridgeport's case. The City intends to rebuild the seawall under a new design in order to provide long term storm damage protection. Funds for activities of this nature have not been made available by FEMA and this is, therefore, an unmet infrastructure need the Plan could seek to address, particularly in areas occupied by low and moderate income households;
6. The Grants Administration section of the Plan gives an overview of allowable expenses and federal compliance requirements but does not fully detail the process of fund disbursement and project management. Clarifying this process will allow for smoother grant management.

Thank you for the opportunity to comment on the CDBG-DR Allocation Plan. Please contact Alanna Kabel, Assistant Chief Administrative Officer, at 203-337-2341 if you have any questions or require any further information.

Sincerely,

A handwritten signature in black ink that reads "Bill Finch". The signature is written in a cursive, flowing style with a large, prominent "B" and "F".

Bill Finch
Mayor



OFFICE OF THE MAYOR

RICHARD A. MOCCIA

June 4, 2013

Re: Public Comment from the Norwalk Community Related to CDBG-DR Action Plan

Michael Santoro
Community Development Specialist
Office of Housing and Community Development
Department of Housing and Community Development
505 Hudson Street
Hartford, CT 06106-7106

Dear Mr. Santoro,

This correspondence serves as an introduction to the comments of various expert agencies which provide relevant information and perspective pertaining to the State of Connecticut Draft Action Plan for CDBG Disaster Recovery related to Hurricane Sandy. Those agencies and organizations who have submitted comment on this Draft include: the Greater Norwalk Long Term Recovery Committee, the Norwalk Fire Department's Office of Emergency Management, the Norwalk Redevelopment Agency, the City's Fair Housing Office, the City's Human Relations and Fair Rent Department, the City's Planning and Zoning Department, the Norwalk Housing Authority, the Washington Village Tenant Council (a collective of Hurricane Sandy-impacted public housing residents), and Trinity Financial and EJP Consulting Group (both partners of the Norwalk Housing Authority, the City and the Norwalk Redevelopment Agency on the community-wide effort to redevelop Washington Village). It is my hope that the attached combination of comments will be considered a comprehensive response reflective of the perspectives of the many stakeholders and advocates whose work is relevant to Norwalk's recovery from Sandy.

These comments will address the startling disconnect between the needs of the Norwalk community as presented in the plan and the reality on the ground, most especially the needs of this city's low and moderate income residents who seven months post-storm, are still struggling to recover. They will address the safety, health, and financial need of the residents most impacted by the storm, as well as the critical need for housing rehabilitation. They will also address the need for realistic options to help both homeowners and the owners of affordable rental properties to meaningfully mitigate the potential impacts of future storms.

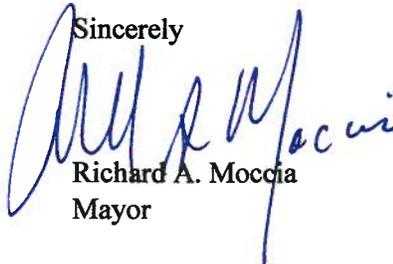
With compelling reason, the comments attached will address the reluctance expressed in the Draft to reinvest in the floodplain, despite local zoning regulations allowing development in the floodplain so long as risk from flooding is mitigated in accordance with FEMA guidelines. In very simple terms, policy that either prohibits or substantially inhibits reinvestment in the floodplain will ensure that the low and moderate income neighborhoods along the Norwalk River and in close proximity to the South Norwalk Rail Station and the City's historic urban center will face rapid and complete gentrification resulting in the displacement of the communities that have called these neighborhoods home for generations. Input

from the City's Fair Housing Office offers particularly poignant insight on the potential of the policies laid out in the Draft to cause disparate negative impact on low/moderate income and minority households.

Of particular concern is the Draft Action Plan as it may pertain to Norwalk's appropriate plan of redevelopment for Washington Village, a 136-unit public housing development which experienced severe damage due to the storm. The City of Norwalk is fortunate that it had a plan for the Washington Village site which it had developed with the assistance of a 2011 Choice Neighborhoods Initiative planning grant from the U.S. Department of Housing and Urban Development. The Washington Village/South Norwalk Transformation Plan was developed over an 18-month period through a broad-based, community planning process that included residents, businesses and elected officials. The vision for the future of South Norwalk includes strategies identified as critical to improving the neighborhood, its housing, the people, and their educational opportunities. These strategies provide a roadmap for managing change that builds a better future for those who live in South Norwalk now and those who will live there in the years to come. As a practical matter, there is no other location available for the redevelopment of Washington Village. We are left to decide whether to allow residents to live in deteriorating conditions or to effectuate an appropriate plan to redevelop their neighborhood where it is. The proposed elevation of the redeveloped units more than six feet about the Base Line Flood Elevation as well as the provision of dry egress in the event of flood represent meaningful mitigation measures that will ensure the safety of residents and the sustainability of the development even considering its location within the flood plain.

There are other matters of concern contained within the Draft, each of which is expressed more fully in the letters which follow this cover. The concerns are valid; I endorse them all encourage a thorough and sympathetic review.

Sincerely

A handwritten signature in blue ink, appearing to read "Richard A. Moccia". The signature is fluid and cursive, with the last name "Moccia" being particularly prominent.

Richard A. Moccia
Mayor



**Greater Norwalk
Long Term
Recovery
Committee**

June 3, 2013

Michael C. Santoro
Community Development Specialist
Office of Housing and Community Development
Department of Economic and Community Development/ Department of Housing
505 Hudson Street
Hartford, CT 06106-7106

Mr. Santoro.

This letter is being submitted on behalf of the Greater Norwalk Long Term Recovery Committee in response to the Community Development Block Grant-Disaster Recovery Program Action Plan.

I would first like to address a significant misrepresentation in the report for the damage in Norwalk. The Summary of impact to Norwalk on page 35 does not account for the damage to single and multifamily homes as well as public housing in South Norwalk. Nor does it reflect the impact in moderate-income homes in Harborview and Shorefront Park that received significant damage from Sandy. To focus only on Rowayton (which includes Belle Island) and Shorehaven, which are our higher income areas is to minimize the impact this storm had on our most vulnerable residents.

During Sandy, the City's Social Service Emergency Operations task force conducted outreach and needs assessments in the most heavily impacted areas in South Norwalk, such as Washington Village. As the City moved from response to recovery, the task force also transitioned into the Long Term Recovery Committee under the leadership of the Office of Emergency Management and in partnership with City agencies and community partners, such as American Red Cross, Person to Person and United Way.

In the immediate weeks following the storm, two partner agencies of the Recovery Committee were able to secure funds from the Robin Hood Foundation to help address the immediate needs and repair needs of our low and moderate-income residents. However, the funds needed to help with significant repairs as well as assistance for 2-4 unit multi-family homes, including owner-occupied units, remain missing.

Many impacted homeowners also sustained damage during Irene and Sandy had to depend on their savings and other loans to make repairs, since FEMA funding was not enough. Although SBA claims to offer low-interest loans, if an applicant can demonstrate a steady income and some savings, the low-interest rate does not apply. These struggling residents, at all income levels, need grants to assist in their recovery, not more loans.

Greater Norwalk Long Term Recovery Committee
121 Connecticut Avenue
Norwalk, Connecticut 06854
(203) 854-0238

As a State and impacted community, we are now seven months, post Sandy, and still unsure of the funding sources and criteria that will be available to households. Even National non-profit agencies, such as the American Red Cross and United Way have not solidified their disaster relief guidance. In the absence of resources, many property owners had to find a way to repair and/or elevate in order to mitigate against subsequent loss, even if it meant depleting their savings. Reimbursement grants, even if only partial (50% of costs), are needed for these impacted residents.

While at the local level, we are trying to assist residents and provide guidance, the unmet needs far exceed what we can provide. From the H1 data provided by FEMA, we know that of the 845 households who applied, there are 373 applicants with unmet needs. (Damage or loss exceeds the FEMA or insurance assistance provided.) Of those residents with unmet needs, almost half are low/ moderate income. The average amount of unmet needs for applicants is approx \$9,500. In Norwalk alone, there are more than \$3.5 million dollars in unmet needs for our residents.

We continue to see a vast amount of funds coming into the State of Connecticut for disaster relief, from a variety of sources, yet there is little hope that these funds will benefit the communities most impacted, especially when there is a startling disconnect between the assumed needs and reality. On behalf of the Greater Norwalk Long Term Recovery Committee, I encourage the DECD to explore grant programs that can directly assist our homeowners and owners of small multi-family property so they and the community can recover from Sandy.

As you know, the 2013 Hurricane Season began on June 1, based on our experience in recent years, we know the impact these storms can have on communities and we need to do more to protect residents and empower them to mitigate against future loss, recover more efficiently and become a more disaster resilient community. With the effective use of CDBG- DR funds, more residents can be positively impacted.

Sincerely,

Michele DeLuca
Deputy Director
Norwalk Fire Department-Office of Emergency Management
Chair- Greater Norwalk Long Term Recovery Committee

Greater Norwalk Long Term Recovery Committee
121 Connecticut Avenue
Norwalk, Connecticut 06854
(203) 854-0238

NORWALK  DEVELOPMENT AGENCY

Michael Santoro
Community Development Specialist
Office of Housing and Community Development
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7106

June 4th, 2013

Dear Mr. Santoro:

On behalf of the Norwalk Redevelopment Agency, as well as the City of Norwalk and its residents which it serves, thank you for your thoughtful consideration of the following comments as they relate to the State of Connecticut's draft Disaster Recovery Program Action Plan.

First and foremost, I would take this opportunity to clarify that Hurricane Sandy's impact on Norwalk was not simply to high income neighborhoods along the Long Island Sound as the draft Action Plan seemingly suggests. Wind and related damage occurred throughout the City to households of all income levels. South Norwalk and Norwalk Center, which are predominantly low/moderate income neighborhoods and home to a great deal of Norwalk's affordable housing stock, experienced substantial flooding during Sandy. Nearly half of all FEMA applicants earn less than 80% of the Area Median Income (i.e. are considered by HUD to be "low/moderate income"). Further, more than half of Norwalk's population as a whole fits this definition. The attached map illustrates, from a birds eye view, the geographic distribution of FEMA applicants as broken down by household income. The map highlights the concentration of FEMA requests by low/moderate income households likely to have the greatest need around the South Norwalk neighborhood which is home to Washington Village. Also attached is a presentation summarizing needs and a proposed recovery framework that will to assist low and moderate income households and neighborhoods to not only recover from the storm, but also to mitigate prospective losses in future disasters and to prepare for such circumstances in order to enable an even more effective disaster response during the next event.

On a related note, the need for funding to assist households to recover from flooding is seriously understated. While the Draft notes that the greatest unmet need is for repair from wind damage, the vast majority of property owners having basic home insurance would have received an insurance settlement for this damage. Rates of flood insurance coverage are so alarmingly low (especially among the low/moderate income households that may need it the most) that the vast majority of flood damage was not covered by insurance and was only partly assisted by FEMA grant funding. As a point of reference, 93% of the low/moderate income applicants for Robin Hood Hurricane Sandy Relief funding being administered by the North Walke Housing Corporation, a 501c3 subsidiary of the Norwalk Redevelopment Agency, had flood damage exclusively and 100% of these households have been in need of grant assistance to help return their flood-damaged homes to a habitable state.

NORWALK DEVELOPMENT AGENCY

I would also reinforce several points which are highlighted in the letters submitted by my colleagues:

- The top priority of both the State and the City must be, without question, to provide meaningful financial and technical assistance to those individuals and neighborhoods least able to recover from the impacts of TS Sandy. This means providing grant funding (including reimbursements where consistent with HUD guidelines) to those low- and moderate-income households and landlords who bear the greatest recovery costs. This includes individuals who pre-storm did not have appropriate home and/or flood insurance costs, those whose homes were significantly damaged by floodwaters, and those in need of mitigation funding because they cannot afford to relocate despite their home's location within the floodplain.
- While seemingly reasonable when examined at the policy level, an unwavering reluctance by the State to fund housing reconstruction or even substantial rehabilitation within the flood plain does not take into account the severe, negative, and disparate impact such an approach would have to low/moderate income people and the neighborhoods they have belonged to for generations. Norwalk, like most coastal cities originally developed around a working waterfront. As a result, its infrastructure, transit nodes, and oldest and most affordable housing are all located in or near to relatively low-lying areas. Now, urbanism is being revived country-wide, and higher-income residents are moving back into historic urban centers, in many cases resulting in the displacement of long-time low- and moderate-income residents. The land along the Long Island Sound and the Norwalk River are among the most valuable in the city of Norwalk. Local zoning codes allow for appropriate development within floodplains so long as such development complies with FEMA and other regulations. The absence of State subsidy to repair the affordable housing stock located within the city's floodplain will not have the presumably desired impact of limited floodplain development; on the contrary, it will bolster aggressive new development by clearing the way for market rate investors who stand to gain financially from the sweeping gentrification of those Norwalk neighborhoods having the best access to waterfront, transit, job centers, and numerous other amenities. It is critical that Norwalk remain an inclusive and accessible city to households of all income levels. It is all the more critical that State policy governing the use of Federal disaster recovery funds not counteract the City's commitment to preserving affordable housing within high opportunity neighborhoods where mitigation can sufficiently address flood risks.
- Mitigation measures must be supported through both policy and funding. Wishing neighborhoods away from the floodplain will not erase them from the map. There are substantial land acquisition costs and limited land available for new development in Norwalk. Both challenges are grossly understated in the draft Action Plan and must be meaningfully reconsidered.
- The urgent need to redevelop Washington Village cannot be understated. This public housing development is now obsolete, and Hurricane Sandy along with the threat of future storms render this housing borderline unlivable for its current residents. Simply relocating the development proposed in Norwalk's thorough and widely supported Transformation Plan is not

NORWALK  DEVELOPMENT AGENCY

feasible for reasons outlined in the letters submitted by my colleagues. Mitigation measures given the development's location within the 100-year floodplain have been closely assessed, go beyond the minimum measures required by FEMA, and are more than sufficient to ensure the health, safety and welfare of current and future residents.

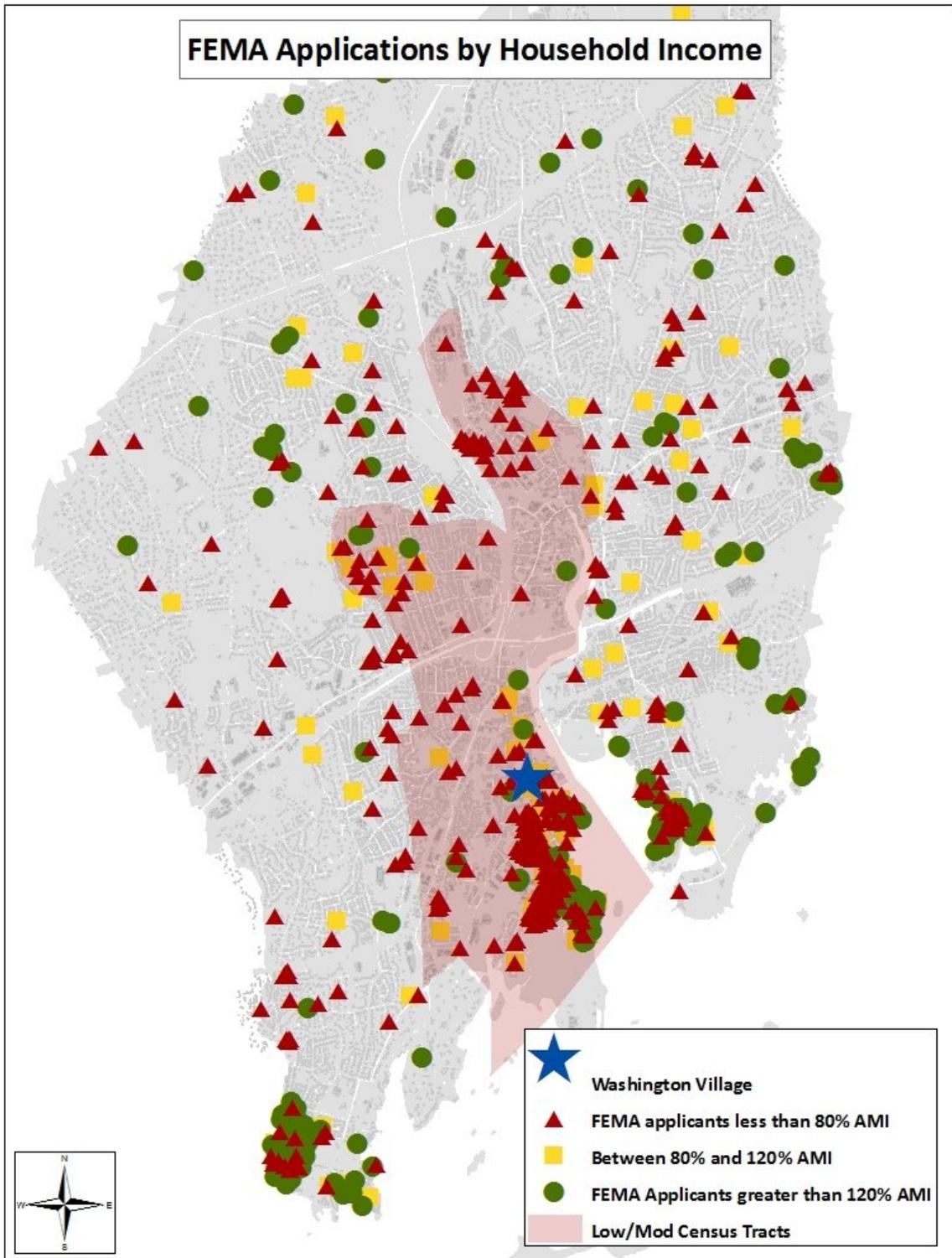
- The needs of multi-family housing, most especially small multi-family housing (2, 3, and 4-unit homes, many of them rental properties) must be addressed given that this is a critical source of affordable housing, especially within the low/moderate income neighborhoods flooded during Sandy by the Norwalk River.
- As was stated in Mayor Moccia's public comment letter on the State's draft CDBG-DR Allocation Plan, resources identified as leverage must actually be leverage-able for those who need them the most. LIHTC and historic tax credits, which were identified as potential resources which could be leveraged require substantial technical knowledge that will pose major challenges to less experienced developers such as the owners of smaller multi-family properties. Further, the time it takes to receive a commitment of these tax credits is not necessarily consistent with the strict time constraints on CDBG-DR drawdowns imposed by OBM. The excessive timeframe, restrictive eligibility requirements and administrative hurdles that currently embody FEMA's Hazard Mitigation Grant Program makes it an unrealistic resource for recovering households at this time.

Thank you again for your thoughtful consideration of the above concerns. You will note that many of these concerns were raised in the City's response to the State's draft Allocation Plan. It is my sincere hope that a more detailed review of the valid points being raised by various community development and housing experts within the Norwalk community will be heard, responded to, and incorporated into the Final Disaster Recovery Program Action Plan as will be submitted by the State to HUD. We look forward to having you as a partner moving forward.

Please do not hesitate to contact us if there is anything that would be helpful for us to elaborate on.

Sincerely,

Timothy T. Sheehan
Executive Director
Norwalk Redevelopment Agency
(203) 854-7810 ext. 46786
tsheehan@norwalkct.org



CITY OF NORWALK
FIRE DEPARTMENT

121 CONNECTICUT AVENUE
NORWALK, CONNECTICUT 06854



Tel: (203) 854-0200

June 3, 2013

Michael C. Santoro
Community Development Specialist
Office of Housing and Community Development
Department of Economic and Community Development/ Department of Housing
505 Hudson Street
Hartford, CT 06106-7106

Mr. Santoro.

This letter is being submitted on behalf of the Norwalk Office of Emergency Management in response to the Community Development Block Grant-Disaster Recovery Program Action Plan

Seven months post storm, residents impacted from Sandy and Irene are still struggling to recover with little access to resources. Residents who can't afford to repair their homes, are now living on upper floors of their residences with limited electricity, open/gutted floors and may be dependent on makeshift cooking and heating sources. This is an obvious safety concern for these families as well as first responders.

Multiple sources of funds exist for the sole purpose of disaster relief. The guidelines regulating the distribution of funds make many residents with the highest need ineligible for relief. These residents have the lowest discretionary resources and little time to navigate a complex process governing relief options. Each flood event impacts this group to a greater level than their more affluent neighbors. The long term health of the community requires that these residents and this housing stock is supported. If not available low and middle income housing options will be significantly diminished.

Norwalk's consistent message to the public is that while we cannot control disasters, we can control our response to them. This includes focusing not only on preparedness but also mitigation. In early May, 16 houses were issued permits to elevate and we anticipate more permits will be issued as the summer progresses. The cost to elevate can range from \$100k to \$300k or more depending on the size of the house. The limited FEMA and Insurance relief covers a fraction of these costs and the FEMA Hazard Mitigation Grant program is not a realistic option for homeowners for several reasons. First, the timeline from application is more than a year. This exposes the damaged home to one or more additional Hurricane Seasons. The City of Norwalk currently has 3 applications pending from Irene and after 18 months are still several months from completing the process. Second, although the grant is a 75%/25% cost match, many required costs aren't eligible under the grant effectively increasing the match from the residents. Finally, although many costs may be borne by the homeowner since they are ineligible, these costs are still factored into the Benefit Cost Analysis (BCA) and negatively impacts their project rating and eligibility. The charts in the CDGB Action Plan undervalue the cost of house raising by approximately 30 -40%. Those costs are only for eligible reimbursements. The total costs for residents are much higher.

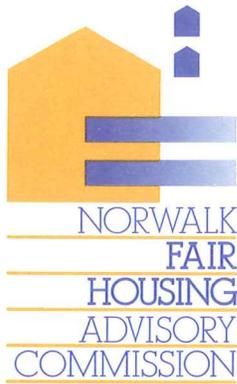
In outreach meetings with residents immediately following TS Sandy, FEMA officials repeatedly explained that they would work hard to make financial relief available to every resident it could legally

assist. FEMA regulations which most if not all other relief programs are tied to effectively exclude many low and middle income residents.

CDBG-DR funding is needed to support elevations and other mitigation projects, including education. There needs to be options for homeowners and owner-occupied multi-family homes to elevate and protect their homes. This could be a partial reimbursement for out-of-pocket expenses. Many residents who were forced to deplete their savings for repairs from Irene and Sandy no longer have a safety net for the next disaster. By providing assistance, more homeowners may be willing to elevate or mitigate against future losses (i.e. relocating utilities from the basement to the first floor, adding sump pumps and generators to reduce flooding). In the 1990's FEMA Project Impact was a successful approach to flood mitigation. Residents who experienced repetitive loss were provided support for engineered mitigation initiatives. These options favored the low and middle income residents who are most adversely impacted by storm damages. Flood proofing projects funded through Project Impact were a more realistic approach to those low and middle income residents.

The more mitigation assistance we can make available to residents, the better prepared they will be and less dependent on City, State and Federal resources to assist after future storms.

Denis McCarthy
Fire Chief /Director of Emergency Management
Norwalk CT



June 4, 2013

Michael Santoro
Community Development Specialist
Office of Housing and Community Development
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7106

RE: State Draft Action Plan for CDBG-Disaster Recovery

Dear Mr. Santoro:

Unfortunately, I am out of the office for the few days that encompass the comment period and therefore able to provide only some preliminary thoughts as to Fair Housing concerns in that arise from portions of this draft plan, at least insofar as Norwalk is concerned. They are substantial, however, and include:

1. In Norwalk, the reality is that the City's urban core developed along the waterfront and river, in what is today recognized as a floodplain. Because the urban core is in this flood plain so is the vast majority of Norwalk's older and affordable housing, both rental and ownership. This area is also home to the vast majority of Norwalk's low-moderate income residents and minority residents.
2. This urban core area of Norwalk is also home to Norwalk's railroad station and the area near it, along with the Wall Street area, are already being redeveloped, which redevelopment puts pressure on Norwalk's minority and lower income residents. Washington Village, Connecticut's oldest public housing development, is within this urban core and flood plain area, and the city has invested untold money and human resources in developing plans to revitalize it, looking to transform that public housing development to a mixed income community, replete with community services, thereby minimizing and mitigating some of the significant gentrification pressures already at work in this area due to private development. It is my understanding that flood mitigation has to be part of this Choice Neighborhoods transformation plan.
3. If this plan requires the relocation of current residents, which include Washington Village's residents, to other areas, and then the sale of the land, presumably to the highest bidder, the impact will be a reverse Robinhood -- taking from the poorer to sell to the richer. The disparate impact of such a policy on low moderate income and minority residents would be substantial. And there can be little doubt that this land will be snapped up by those with deep enough pockets who are able to develop it, including required substantial flood mitigation, as this is waterfront property in one of the richest areas of the state, indeed the country. Such high cost mitigation and development by private developers is most likely to result in very high cost housing, thus completing the removal of the historic low-moderate income, minority community,

Ms. MaryGrace Weber
Norwalk Redevelopment Agency
June 4, 2013
Page 2 of 2

from this urban core of Norwalk and replacing it with high income earners who are most likely to be non-minority.

4. A potential Fair Housing issue is that assistance will be restricted to those who had insurance at the time of the storm. It appears unclear as to the type of insurance being referenced; however, again, this likely has a disparate impact on low income communities and people of color. We know that nearly 30% of FEMA applicants from Norwalk had no insurance of any kind: data will tell us whether they were also low income and minority, elderly or other protected classifications.

5. While Norwalk has some very high income waterfront areas, the urban core discussed in this letter is not such a community. It is, as has been described, predominantly low-moderate income, old housing stock of 1-4 family homes, much of it is rental, in short, it is not an area inhabited by high income earners. The summary, and the plans based upon it, need to reflect the reality that more than 50% of Norwalk residents are low-moderate income (using HUD's definition) and a disproportionate number of them live in this urban core/flood plain area.

6. If 2-4 family units are not eligible for CDBG-DR assistance, again, that will impact a significant amount of the housing stock in this urban core/flood plain area, and will disproportionately impact low-moderate income and minority residents.

For the foregoing reasons, Norwalk Fair Housing encourages the reconsideration of these issues with Fair Housing in mind, so that the good work that will be done to help communities recover from recent storms will not inadvertently create Fair Housing problems.

Yours very truly,



Margaret K. Suib, Esq.
Norwalk Fair Housing Officer
137 East Ave., 2nd Floor
Norwalk, CT 06851
(203) 854-7820
MSuib@norwalkct.org

cc: Fair Housing Advisory Commission members



June 3, 2013

Via Email: Ct.Housing.Plans@ct.gov

Michael C. Santoro, Community Development Specialist
Office of Housing and Community Development
Department of Economic and Community Development/Housing Development
505 Hudson Street
Hartford, CT 06106-7106

RE: Comment on State of Connecticut CDBG-DR Action Plan; Risk to Preservation and Creation of Affordable Housing

Dear Mr. Santoro:

I write as both Director of the City of Norwalk's Human Relations and Fair Rent Department and as the Mayor's representative to Greater Norwalk Opening Doors, the organization that is implementing our Ten Year Plan to Prevent and End Homelessness. I request changes to the CDBG-DR Action Plan, which would allow for the preservation of critical affordable housing units in Norwalk. Specifically, I am writing to request the inclusion of grants to owners of two to four family rental units properties so that they might preserve their affordable market rate units that were damaged in the storm, and to allow for funding to be spent in flood plains where appropriate mitigation efforts are being planned.

Despite an economically diverse population, the City of Norwalk is part of one of the least affordable metro areas in the country. The need for affordable housing in Greater Norwalk is infamous. According to the National Low Income Housing Coalition's annual report, *Out of Reach*, we were listed as being the third most expensive housing metro-area in the country, behind only Honolulu, Hawaii, and San Francisco, California. The report is based on federal data that the U.S. Department of Housing and Urban Development relies on to determine the Fair Market Rent. The 2013 *Out of Reach* report calculates that to afford a two-bedroom apartment at Fair Market Rent in Norwalk, a family must earn \$31.69 per hour, working full-time. As the minimum wage in Connecticut is only \$8.25, it can be very difficult for low-moderate income families to find housing.

Data from the Connecticut Multiple Listing Service (CMLS) confirm that despite the substantial drop in the price of homes for sale, the rental market barely dipped in 2009 and has been climbing ever since, now at its highest rate ever.

Anecdotally, as the Director of our Fair Rent Commission, I can tell you that it is a common refrain to have tenants come into our office to complain about living conditions only to find that the units are illegal/unpermitted. The tenants would prefer to ignore the sometimes substantial problems rather than risk trying to move, because despite earning a decent income, they have looked around and believe that the illegal unit is all they can afford in Norwalk. The clarification that “fair rent” in “Fair Rent Commission” is only a relative term and only applies to rents being charged that are so far above the market in Norwalk as to be “harsh and unconscionable” is a constant disappointment to tenants who believe that if they work hard they ought to be able to afford to live in safe, sanitary housing in Norwalk.

As the market allows most landlords to charge high rental rates, the preservation of affordable housing where it exists now, be it deed restricted or occurring naturally in low market rate neighborhoods, is critical to the ability of our low-moderate income residents to stay in Norwalk and to the economic vitality and diversity of our City.

The Greater Norwalk Ten Year Plan to Prevent and End Homelessness was developed through a collaboration of nearly 100 leaders from the Greater Norwalk private sector, faith-based ministries, homeless services providers, housing agencies, civic organizations, municipal departments, and service-consumer communities. Recognizing that one of the causes of homelessness in Greater Norwalk is the lack of safe, sanitary, and affordable housing, one of the goals set by the plan is the creation of 250 affordable housing units, not to mention the retention of what units we have presently. In 2011 survey of homeless individuals and families in Norwalk, over half (56%) of adults without children and approximately one-third of families (33%) in Norwalk cited rent problems as a contributing cause of homelessness.

One of the neighborhoods most affected by the storm is the area in South Norwalk that is east of Woodward Avenue and South Main Street, and includes the area from Haviland Street in the north to Yost Street in the south. This neighborhood in the flood plain has nearly 150, two to four family residential buildings, not including public housing. Hundreds of low-moderate income families live in this community. Although not deed restricted, many of the units in the neighborhood meet the state’s definition of affordable housing as the rents being charged are often affordable to families earning less than 60% of the Area Median Income. The Draft CDBG-DR Action Plan does not fund two to four family units. Additionally, the Draft CDBG-DR Action Plan only provides loans and not grants to multi-family units. Many of the owners of these multi-family houses are low-moderate income themselves, and despite the investment

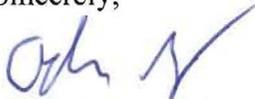
property, are not able to rebound without assistance. It is critical to the recovery of Norwalk, especially to the low-moderate income families that reside here, that the CDBG-DR Action Plan be amended to include grants to the owners of two to four family units.

I understand that the CDBG-DR Action Plan does not generally support funding projects in the flood plain. As the Director of the City's Human Relations Commission, I am concerned about the impact of not funding recovery in the flood plain. I understand that other Norwalk area agencies will be discussing this issue in greater depth, so I will address this issue in summary fashion. Although that policy may make sense on paper, here in Norwalk, the cost of relocation far outweighs the cost of sensible mitigation in most cases. But even more importantly, the impact it would have on those families with roots and community support networks in the neighborhood, including a large host of social services agencies, to have to relocate are simply incalculable.

As Director of the City's Fair Rent Commission, I can tell you one of the most difficult types of intakes we received after the storm were those related to tenants who were forced out of their houses or were living in unsanitary conditions because their landlords were unable to afford repairs. Contact with the landlords provided a common refrain "we can't afford to fix it and the insurance won't help." The options for these tenants are slim, as they have no means to help their landlords fix up their homes, yet are desperate to stabilize their housing and move on with their lives. Moving somewhere else affordable often means moving away from work, public transit, and the neighborhood social services that are heavily relied upon. Therefore, moving out of the neighborhood to another low/moderate income rental is often not a viable option.

On behalf of Greater Norwalk Opening Doors and the City of Norwalk's Human Relations and Fair Rent Department, I ask that you make three changes to the CDBG-DR Action Plan. (1) Include two to four family properties as recipients; (2) consider the owners of two to four family units for grant awards when their finances make loans impractical, and; (3) change your policy discouraging investment in the flood plain to allow for awards where reasonable mitigation efforts are part of the recovery plan.

Sincerely,



Adam D. Bovilsky
Director



June 3, 2013

Michael Santoro, Community Development Specialist
Office of Housing and Community Development
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7106

Re: Response to State of Connecticut Action Plan for CDBG-Disaster Recovery funding

Dear Mr. Santoro,

In response to your request for public input on the draft State of Connecticut Action Plan for CDBG-Disaster Recovery funding, we would like to submit the following comments for your consideration.

The City of Norwalk zoning regulations permit development in the flood plain so long as preventative measures are taken and the construction complies with Federal Emergency Management Agency (FEMA) guidelines. Recent zoning permits issued to properties seeking to rebuild after Hurricane Sandy indicate that most of the storm damage occurred in older structures and not those constructed in accordance with the FEMA regulations. With that in mind, the importance of rebuilding Norwalk's older urban neighborhoods cannot be underestimated. Significantly, Norwalk's downtown areas, SoNo and Norwalk Center, are both located along the Norwalk River and significant portions are within the floodplain. In addition, much of the City's older housing stock is also located in this area. The allocation of Federal and State funding to assist in the rehabilitation of these neighborhoods is desperately needed and is in keeping with the State's Transit Oriented Development (TOD) concept of locating housing in close proximity to job centers and major transportation centers.

The City continues to focus its recovery efforts on mitigation measures like elevating structures to comply with FEMA guidelines rather than precluding development in already-developed flood plains and recommends that State funding be provided to assist the most impacted and distressed areas within the municipalities affected. The recent devastation from Hurricane Sandy included damage to many 2-4 family homes located in low and moderate income neighborhoods and impacted many small property owners without the resources to absorb losses from such disasters; these are the properties who most need CDBG assistance..

The State of Connecticut and the City of Norwalk cannot preclude development in the flood prone areas as that would constitute an illegal taking, therefore Disaster Recovery funding can and should be used to rebuild and protect life and property through strict compliance with FEMA rebuilding requirements. We believe the State's rebuilding emphasis should be on mitigation, rather than relocation.

We appreciate the opportunity to comment on the distribution of CDBG-DR funding and hope that the Action Plan will be revised to address these important modifications.

Very truly yours;

A handwritten signature in blue ink, appearing to read "MBG" followed by a flourish and the initials "DMW".

Michael B. Greene, Director
Planning & Zoning Commissions



June 4, 2013

Mr. Mike Santoro
Community Development Specialist
Dept. of Economic & Community Development
505 Hudson Street
Hartford, Connecticut 06106-7106

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Executive Director

CANDACE E. MAYER
Deputy Director

LATTARULO LAW FIRM, LLC
General Counsel

UNITED WAY
COMMUNITY PARTNER

Dear Mr. Santoro:

Subject: State's Action Plan for CDBG/ Disaster Recovery Funding

Hurricane Sandy caused significant flooding damage for Washington Village residents, all of whom had water in the first floor of their apartment, some as much as 15 inches. Upon return most found they had lost all their personal property and none had personal flood insurance. Utility repairs from the flood continue.

Fortunately, Norwalk had secured a 2011 Choice Neighborhood Planning Grant and intensive planning was already underway for how a storm resilient neighborhood, that included safe egress for residents, apartments with living space above the 100 year flood plain and storm resilient utilities could be developed.

While Washington Village, a 136-unit family public housing development in South Norwalk, constructed in 1941, is obsolete and in need of replacement, Hurricane Sandy dramatically altered the urgency of the redevelopment. In order to thoughtfully plan for the future of this critical affordable housing resource, the Norwalk Housing Authority (NHA) secured a highly competitive Choice Neighborhoods Planning Grant from the Department of Housing and Urban Development in the first round of funding in March 2011. NHA was one of 17 grantees nationwide, out of 117 applicants, and after three funding rounds it remains the only Choice Neighborhoods grantee in the State of Connecticut. The City of Norwalk acting through the Norwalk Redevelopment Agency matched the \$250,000 requested from HUD in the application. Upon award an incredibly inclusive and

Housing Authority of the City of Norwalk

P.O. Box 508, 24 ½ Monroe Street • Norwalk, Connecticut 06856-0508
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public planning process for the redevelopment of Washington Village and the revitalization of the South Norwalk neighborhood commenced. All planning analyses, meeting minutes, public presentations, etc. are available at www.norwalkha.org.

The engagement process involved key organizations including Norwalk Community College, Board of Education, Stepping Stones Museum for Children, Fairfield County Community Foundation, Chamber of Commerce, elected state and local officials, ministers, others and most importantly residents. The charge to the participants was to develop a mixed income housing community to deconcentrate poverty and to create economic opportunity where every family has high quality education from cradle through college, in a safe, attractive neighborhood which has quality infrastructure and amenities where all residents will have a better future. In looking to replace the housing in a "neighborhood of opportunity" NHA and the City explored numerous options and determined that rebuilding in South Norwalk, on the original site and on two adjacent city-owned properties, was strategic for several reasons:

1. Washington Village residents, many of whom are long time residents, are deeply connected to their community – both physically and socially – and want to remain here.
2. The location of the redeveloped housing provides residents with ready access to the quality services and programs they need to thrive. It is in a walkable neighborhood, and rich in services and facilities including a public park, a branch library, food establishments, small shops, churches, the Maritime Aquarium (Connecticut's second largest tourist attraction), and the multi-modal South Norwalk Train/Bus Station. Per HUD's definition, this location is in a "neighborhood of opportunity" where deeply subsidized housing should be located. It has many amenities not found in other Norwalk neighborhoods.
3. There is no publicly owned, developable land of similar size in the City of Norwalk. The city's contribution of land to the redevelopment effort not only reflects its strong support of rebuilding in this location, it also makes the financing of the redevelopment effort financially feasible.

4. Market studies have indicated a strong demand for market-rate housing in South Norwalk. This makes possible the proposed income mix of deeply subsidized units, workforce housing, and market-rate rentals in a single redevelopment effort – a primary HUD goal for deconcentrating poverty.
5. The community repeatedly expressed concerns about the gentrification of South Norwalk and therefore wanted not only to replace the public housing units in the proposed location but also to include income-restricted workforce housing along with the market-rate rental units in the new development. If the public housing units were not replaced in this location, the neighborhood would become unaffordable to most Norwalk residents. Conceptual plans are in process for luxury condominiums along the riverfront, across Water Street from Washington Village. A short walk away, on Long Island Sound, luxury condominiums sell for \$1,000,000.
6. Understanding that these units are in the 100 year flood plain, the developer, NHA and the city are working closely with architects, engineers, and regulatory agencies on design strategies to make the new housing storm resilient including dry egress and infrastructure resiliency. Current plans call for the first floor of residential use to be 6.5 feet above the Base Flood Elevation. Similar design techniques have been used to replace affordable housing in floodplain areas in New Orleans, Galveston, and other vulnerable areas.

For all of these reasons, the residents of Washington Village and the broader Norwalk community have shown their strong support of the proposed redevelopment effort on the proposed sites. The NHA Board, the City's Planning Committee, and the Common Council have all approved the Choice Neighborhoods Transformation Plan which is being submitted to HUD in late June. Design and permitting are in process. Careful thought has been given to creating a plan that will be highly competitive when applying for implementation funding.

Residents who were active participants or advised of every step in the planning process have embraced the sequencing where 81 units will be built in the first phase on the two vacant city-owned parcels. A critical aspect of the Transformation Plan was to enable residents to see new units that are thirty percent larger and have current market amenities before demolition of the existing site.

The Washington Village Transformation Plan has been called the most important project in thirty years in Norwalk and after extensive review and discussion has received overwhelming bipartisan support as it offers the only realistic option to address hurricane resiliency. Now is the time to implement this plan to protect residents from future hurricane damage.

With both the flood mitigation measures and the extensive planning, community engagement and strong support for the Washington Village redevelopment plan, please consider an exception to building multifamily housing in the 100 and 500 year flood plain for Washington Village. The Norwalk community has invested two years in planning for the transformation of this public housing site and is eager to move forward with its vision for a vibrant mixed-income housing development in this important South Norwalk neighborhood.

Should you have any questions/comments, please feel free to contact this office at 203-838-8471 ext. 141.

Sincerely,



Curtis O. Law
Executive Director

COL/nr

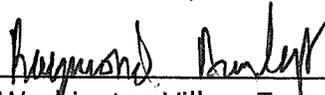
Washington Village Tenant Council

Letter of support:

The Washington Village Tenant Council and residents have been involved in the Choice Neighborhood Planning Process since March 2011. They have attended numerous community wide meetings, Washington Village resident meetings and participated in a household survey with a 96% response rate. Data was gathered on household demographics, community and neighborhood safety, amenities, transportation, employment and education for both adults and children in the household, supportive service's needs, and the housing and site design preference for future development. The resident needs assessment provides a focused snapshot of the resident's perspective on the Choice Neighborhoods Transformation Plan (attachment #1). A recent statement by a resident shares a perspective of feeling respected and included in the planning process.

"I like the fact that they acknowledge we are living in sub-standard conditions and that we make the best of what we have. I like the fact that there is a plan in place to keep some people on site during Phase 1 as well as a plan during development using section 8 vouchers. Finally, I like the fact that the residents are acknowledged as individuals, adults, children, families rather than a unit. I support this plan without hesitation". Michelle Lee McRae Washington Village Resident

The Washington Village Tenant Council and Residents are fully supportive to the Choice Neighborhoods Transformation Plan which was approved by the City of Norwalk Common Council on May 28, 2013



Washington Village Tenant Council, President
Raymond Dunlap

6-3-13

Survey Purpose and Process

As part of the Choice Neighborhood planning process to consider development options for Washington Village in Norwalk, Family and Children’s Agency developed and conducted a survey of the 135 heads of households during the month of September 2011. Data was gathered on household demographics, community and neighborhood safety and amenities, transportation, employment and education for both adults and children in the household, supportive services needs, and housing and site design preferences for future redevelopment efforts. The survey was developed in collaboration with the Norwalk Housing Authority (NHA) and results were analyzed by Housing Innovations.

NHA will use these results to inform its plans for Washington Village through the Choice Neighborhoods Initiative.

Household Characteristics

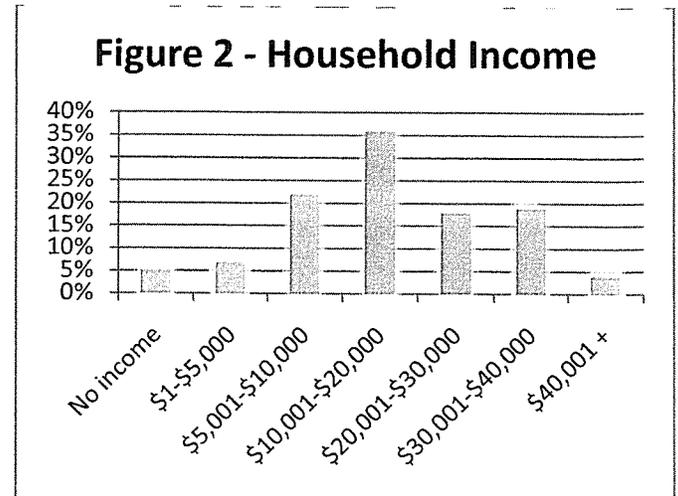
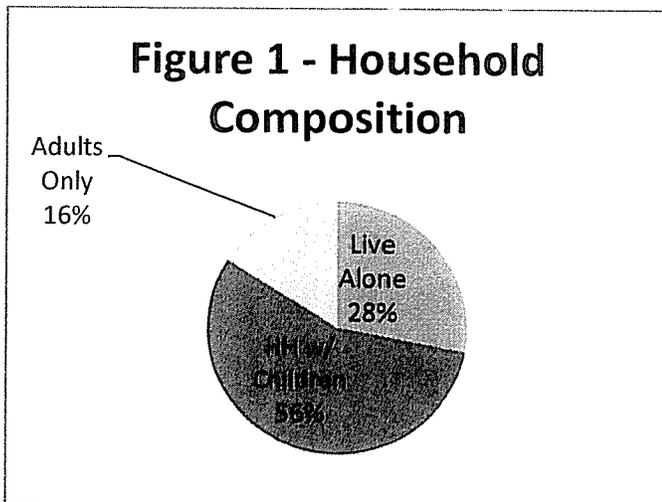
The average household size at Washington Village is 2.3 persons. Twenty eight percent of households reported living alone and 72 percent are multi-person for a total of 300 people.

The response rate for this survey is 96%, 129 out of 135 households in Washington Village!

Fifty six percent of households have children in the home. Nine percent of all residents are seniors (27); 48 percent live alone and the balance live with other adults. Twenty one percent of heads of households are married.

Most residents have limited income resources

- Average household income is \$16,720
- 34% have \$10,000 or less in annual income
- 70% have \$20,000 or less in annual income

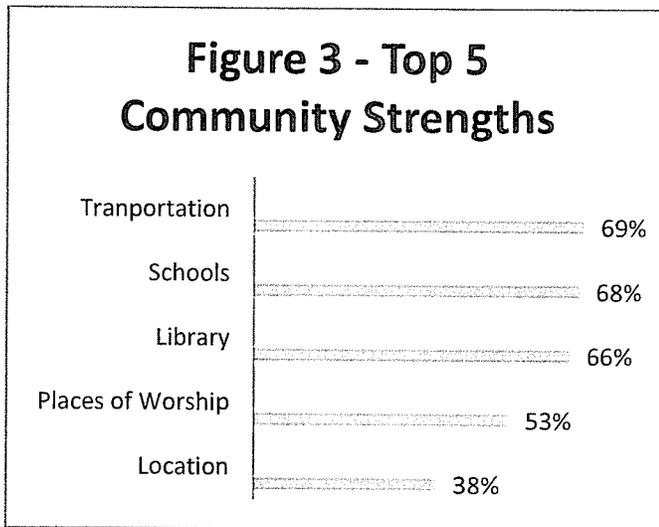


The average length of time living in Washington Village of respondents is nine and one half years. In spite of this long tenure, more than half have lived there for five years of less (58 percent). Twenty percent reported living there more than fifteen years.

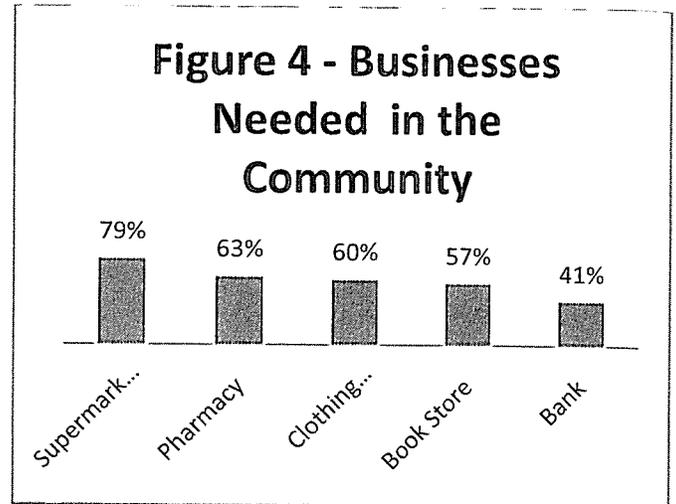
The primary language for 1/3 or respondents is not English:

- 23% speak Spanish
- 10% speak Creole
- ESL services were repeatedly noted as needed by residents

Community and Neighborhood



Twenty five percent of respondents consider the neighborhood very safe and thirty seven percent feel safe everywhere. Fifty four percent find it somewhat safe and only four percent consider the neighborhood very unsafe. Only seven percent feel that there is frequent crime in the community and most (95 percent) feel least safe in the late evening.



In spite of the fact that most people feel relatively safe most of the time:

- 62 percent reported that drug use and sales were an issue
- 50 percent states that gang activity was a problem
- More than two-thirds of respondents recommended better security systems, more police patrols and better street lighting to make Washington Village safer

Eleven percent of households participate in the neighborhood association and ten percent are involved in the tenant management council. Sixty six percent of respondents are registered to vote and sixty four percent have a library card. Fifty six percent would like a volunteer opportunity.

The services people would like to see in the community include:

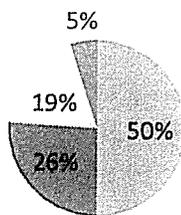
- Youth programs - 76%
- Crime prevention - 69%
- Computer classes - 69%
- Parenting skills - 66%
- Programs for seniors - 60%
- Physical fitness - 58%

Transportation

Rates of car ownership among residents are high. More than half of Washington Village households have at least one car. Sixty percent of heads of households have a driver's license and 53 percent have a car in their family for a total of 75 cars.

Figure 5 - Primary Mode of Transport

Car Bus Family/friends Other-taxi,train,walk



Fifty nine percent rated public transportation as adequate. The vast majority (72 percent) of those who work travel less than 10 miles to get there.

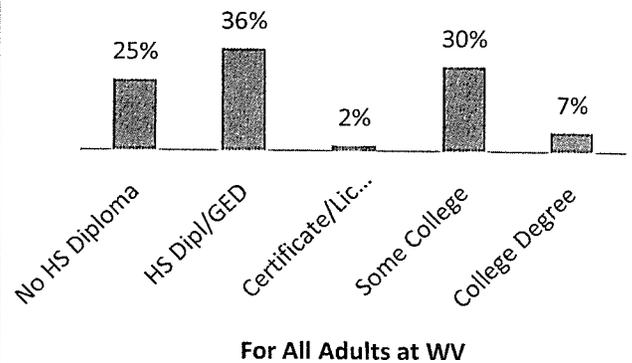
- 48 percent said that lack of adequate transportation was a barrier when attempting to get to work school, or medical appointments
- 62 percent report having trouble finding parking

Education and Training

The adult residents of Washington Village are fairly well educated and almost three quarters of adults have at least a HS Diploma or GED.

Seventy three percent of households reported having Internet access. Of those with access, 58 percent have it through a home computer and 18 percent via smart phones. Fourteen percent of people use the library for access.

Figure 6 - Highest Degree Attained



Educational attainment rates for adults living at Washington Village are high.

- 75% of all adult residents have at least a high school diploma or GED
- 36% of all adults have a GED/HS Diploma

Only 20 percent of households reported any adults currently enrolled a training or educational program. Of those enrolled in a program, community college, computer training and vocational training were most common.

The trainings households would most like to see:

- Computer training – 51%
- Job readiness – 33%
- Vocational training - 30%
- CPR - 27%
- Basic first aid - 22%
- ESL – 21%

Of those who indicated an interest in vocational training, 64 percent would like a 4 year degree program and 46 percent would like to see certificate programs available.

Employment

Residents reported a variety of job skills, most commonly in health care, nursing, retail, office work, clerical skills, receptionist, cooking, child care, housekeeping, maintenance and customer service.

47% of Households report having income from wages.

Those not working who are looking or would want to look for work would like employment in:

- Health care – 50%
- Child care - 38%
- Retail – 35%
- Restaurant/food service – 32%

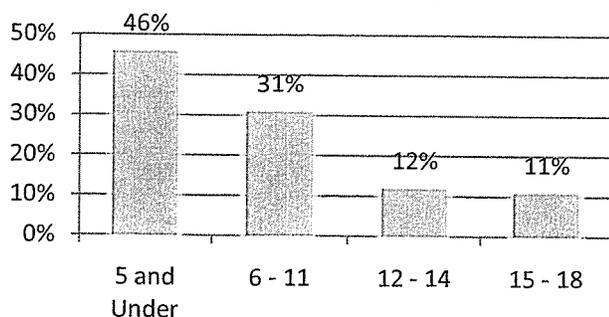
Economic Development

A majority of the households (57 percent) have an interest in starting a business.

The businesses that residents are most interested in are restaurants, clothing/retail stores, daycare or children's/teen programs and grocery stores.

Children and Youth

Figure 7 - Distribution of Children by Age



Fifty six percent of households report having children in the home).

- 58% percent of households with children have pre-schoolers, toddlers and infants aged five and under.
- 46% of children are aged 5 and under

Fifty six percent of children aged 5 and under are enrolled in Early Head Start, Head Start, kindergarten or other day care program.

Fifty four percent of children were reported to be in grades 1-12. The vast majority of children attend Norwalk schools (84 percent).

Of those children in grades 1-5, 78 percent attend the local elementary school, Cranberry. The next most common elementary school is Side by Side.

Ninety two percent of children in middle school attend West Rocks and 94 percent of high school students attend Norwalk High. One child attends Columbus School.

Residents were generally satisfied with the quality of schools their children attend, 75 percent were very happy and 20 percent were somewhat happy. None were very unhappy and almost all felt their children were safe in school.

Almost unanimously, respondents indicated that their child's school welcomes their involvement.

Improving Services for Children and Youth

The major suggestion for helping to increase parental involvement in school was bilingual support.

66% percent of people who have children in the home feel there are inadequate programs for youth.

66% of respondents would like to see the following programs for young people:

- drug prevention
- job training
- tutoring
- job opportunities
- mentoring
- weekend and summer programs
- recreation/social activities
- safe sex and birth control education

To make Washington Village a better place to raise children

- 82% recommended more programs for children and teens
- 75% said a safer environment
- 73% said more organized community activities

Services Available

The vast majority of Washington Village residents have access to quality, affordable health care.

Fifty percent use Norwalk Community Health Center, 21% use Day Street Community Health Center and more than 40% have private doctors.

**More than 90 percent
of households have
access to health care**

Only 40 percent reported using social or supportive services themselves or by a household member. The most commonly used services included youth programs, child care/ day care, ESL and emergency food banks.

Services needed but not used include:

- Computer training - 35%
- ESL - 19%
- Job training - 17%
- GED classes - 9%

Reasons services were not used:

- 40% were unaware of available services.
- 32% said services had inconvenient hours

Home Ownership

A large majority of residents (70 percent) would be interested in home ownership.

In order to buy a home:

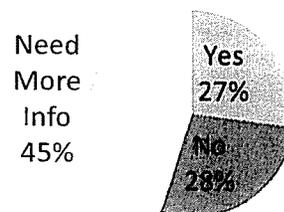
- More than 66% indicated a need for help with financing, down payment assistance and more income.
- More than 50% need assistance with credit repair and training in home ownership and maintenance

Preferred areas to buy a home include another Norwalk neighborhood for two thirds (66 percent). Eight percent would like to buy in the Washington Village neighborhood and ten percent would like to move outside of Norwalk.

Relocation Preferences

Regarding relocation preferences, 46 percent would like a Section 8 HCV, 39 percent would need more information before making a decision, 13 percent would like a new unit in the Washington Village area and 2 percent would like to move to Another Norwalk Housing Development.

Figure 8 - Interest in Returning to a Redeveloped WV if Expenses Covered



Six percent of all respondents said they would be interested in a housing development for seniors only.

Site and Unit Design

Residents had numerous suggestions for future development efforts at Washington Village. Most relate to site design and amenities.

Figure 9 - Ideas for Future Development

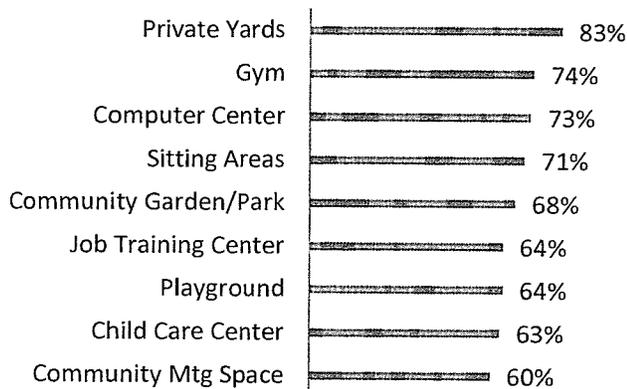
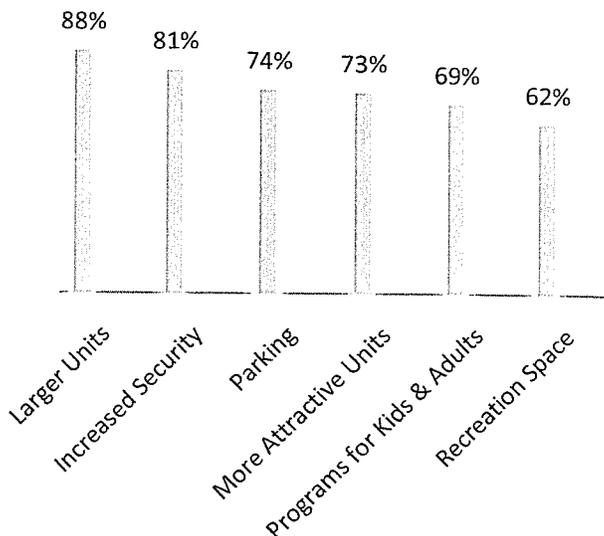


Figure 10 - Suggestions for Improvements



Additional improvements residents would like to see include:

- Resolving ongoing flooding problems
- Front and back doors
- Private space between apartments
- Assigned parking spaces
- Better maintenance
- Individual controls for utilities in the units

When asked if they had any other comments about the Choice planning process, the most common suggestions made by 30% or more of respondents were:

- Keep residents informed of changes that will occur
- Provide assistance to residents in making any needed transitions

76% of respondents are interested in being part of the planning process for the Choice Neighborhood Initiative!

Gaps, Key Findings and Recommendations

The population at Washington Village is diverse and includes a mix of single adults, households with children and adults only households from very young to very old. English is not the primary language for 1/3 of households. Bi-lingual staff and ESL access are necessary.

Slightly more than half of households have school age children and of these, more than half have children ages 5 and under. Of the youngest children, only half are enrolled in early childhood programs. Parents need help accessing these programs and services as the research shows the benefits of these services, especially for very poor children.

While Washington Village has an educated tenancy with nearly three fourths of adults having achieved at least a high school degree, only forty percent of adults report income from wages. Residents could benefit from employment services.

In general, people like the neighborhood noting the schools, public transportation and location as being above average. Residents feel safe but many wanted more security and other measures to increase safety. More than half of households have cars and many cited parking as a problem.

Many residents have aspirations and are interested in owning businesses and/or their own homes but need assistance to do so.

Residents identified a number of services needs but the most commonly cited were programs for children and youth, computer and other job training, ESL and more opportunities for organized community interaction.

Recommendations for a Redeveloped Washington Village

Site and Design

- Private entrances and yards
- Parking lots with designated spaces for residents
- Community and play spaces
- Larger units
- Good security and maintenance
- Address flooding problems

Planning Process and Transition

- Ongoing process for gathering resident input
- Ongoing process for keeping residents informed of plans
- Assistance with transition issues and decisions

Key Services and Amenities Needed

- Services in Spanish and Creole
- Computer lab
- Job placement assistance
- ESL
- Computer and other job training
- Connections to early childhood resources for children under age 5
- Programs for children and teens
- Home ownership counseling
- Small business development

A number of residents told interviewers that they appreciated the opportunity to participate in the survey and the planning process.



*Real Estate Finance
Development Planning
Project Management*

June 3, 2013

Michael Santoro
Community Development Specialist
Office of Housing and Community Development
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7106

RE: Washington Village/South Norwalk Redevelopment

Dear Mr. Santoro:

Trinity Financial, Inc, a real-estate development firm, and EJP Consulting Group, have been working with the City of Norwalk, the Norwalk Redevelopment Agency, and the Norwalk Housing Authority to develop a plan to redevelop the Washington Village public housing site in South Norwalk. Our plan seeks to create a vibrant, mixed-income community in South Norwalk by building a better future for those who live there now and welcoming new residents who will help bring new vitality to the area.

Washington Village, constructed in 1941, was built to last, with concrete block walls and masonry construction over poured-in-place basements and crawlspaces. However, at over 70 years old, it is obsolete and no longer meets current codes, nor is it energy-efficient. Its durable construction also makes it extremely difficult and cost-prohibitive to address structural, systems, and infrastructure deficiencies. The building envelope is structurally sound, but there is no insulation, making it difficult to regulate the temperature within the units. The crawlspaces and basements sometimes flood, resulting in mold and poor air quality in the units. During the height of Superstorm Sandy in November 2012, up to 15 inches of water seeped into many of the first floor units, ruining appliances, medications, and personal belongings and requiring the temporary relocation of almost half of the Washington Village households due to uninhabitable conditions. For these reasons, it is critical that the Washington Village site be redeveloped now and residents provided with safe living conditions that that can survive future storm surges.

The City of Norwalk and Norwalk Housing Authority have identified three parcels for redevelopment to occur - the existing Washington Village site and two nearby City-owned sites. These three sites are located within the 100-year flood plain – an area that the State of Connecticut views as a risky investment of public resources. Working with the project architect and civil engineer, we have developed a design strategy to demolish the existing 136 public housing units and replace them in a new 273 unit mixed-income development with 360 parking spaces and community facilities in a way that accounts for the environmental conditions, meets all safety and FEMA requirements, and most efficiently utilizes public dollars.

One of the design techniques our team is proposing for the project is to raise the first habitable floor 6.5 feet above the Base Flood Elevation. The raising of the housing comes with a cost, which a construction estimator has projected to be approximately \$5 million, or \$18K per unit. This premium on the construction cost affects the overall budget, but after reviewing the alternative options, we have concluded that not only does it bolster the South Norwalk community, it is also the most financially feasible option.

The financing structure for a project of this scale requires that the underlying land be publicly owned so that acquisition costs are not incurred. The Washington Village/South Norwalk redevelopment project would not be feasible if the City and the NHA were not providing the development parcels, totaling 6.55 acres, for \$1 per year under a long-term lease. There is no other vacant City-owned land of this size in Norwalk available for development. Based on conversations with several local developers, we understand that the costs to assemble/acquire land for this level of development elsewhere in Norwalk are estimated to be at least \$3-\$3.5 million per acre. Using these assumptions for land acquisition, the cost to assemble and acquire 6.55 acres of privately-owned land elsewhere in the City would cost approximately \$19.7-\$23 million dollars, or approximately \$72K-\$84K per unit. The premium to locate and acquire land in order to realize this development is \$14.7-\$18 million, or \$54K-\$66K per unit, higher than the cost premium to raise the utilize design techniques, such as raising the buildings, in the NHA and City-owned parcels that have been identified for this project but are within the flood zone. Even with the NHA and city-owned land, the first phase of this project currently has a \$16 million funding gap – adding these land costs would increase the phase one gap by nearly \$6 million.

This analysis does not even take into account the special TOD zoning district that the NHA and City-owned sites exist in, which allow for 273 units to be built on 6.55 acres of land. Elsewhere in the City, zoning requirements would likely require more than six acres for a development of this scale, increasing the land cost premium even more. In the D residential zoning district, which the City has indicated would likely be where we might find large areas of privately-owned land, a minimum of 15.3 acres of land would be required in order to build an equivalent amount of residential building square footage (and units) we have proposed for this project and comply with zoning regulations.

We believe that our team has identified design techniques for the Washington Village/South Norwalk redevelopment that will not only create a beautiful, safe, and desirable place to live for individuals and families of all types, but will also be the most cost effective solution and best use of public resources. We hope you take this into consideration as you finalize the Disaster Recovery Program for the State of Connecticut.

Please feel free to contact either of us if you have any questions.

Sincerely,



Eva Erlich, Project Manager
Trinity Financial, Inc.
(617) 720-8400



Gayle Epp, Partner
EJP Consulting Group, LLC
(617) 477-9319



City of Milford, Connecticut

- Founded in 1639 -

Benjamin G. Blake
Mayor

City Hall
110 River Street
Milford, CT 06460

June 4, 2013

Michael C. Santoro
Community Development Specialist
Office of Housing & Community Development
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7106

RE: CDBG-DR Action Plan

Dear Mr. Santoro:

I have reviewed the CDBG-DR Action Plan and after consulting with our Long Term Recovery Team would like to take this opportunity to offer the following comments:

- In contrast with the Allocation Plan, the Action Plan makes clear reference to the support of mitigation activities, specifically the elevation of structures within the 100 year floodplain. Based on our assessment of the impact Sandy had in Milford, this is without question the greatest unmet need.
- It is not clear how or if non-owner occupied single family structures will be included in the relief program. Coastline communities have evolved from the early development of summer cottages and now include a substantial number of single family rental properties. These dwellings often provide housing to low and moderate income households and should be included in the Action Plan as single family rentals.
- Similarly, there is rehabilitation and mitigation for single family structures but no provision for new construction. Frequently, single family structures are too damaged or sub-standard in their construction characteristics to make elevation practical. In these cases, only new construction can appropriately address mitigation needs. Single family

new construction could also be a means of relocating families to areas outside the flood zones. New construction is only mentioned for multi-family housing in the Action Plan.

- The Action Plan references the Federal Register as setting income limits of up to 120% of the AMI for all households receiving assistance with HUD funds. This appears to be a misinterpretation of the regulations as this limitation only applies to the provision of homeownership assistance.
- The Action Plan profiles each shoreline community and documents the median income of the municipality. In the interest of clarity, as required by the Federal Register, these statistics are misleading as they would suggest that the income criteria being applied to each municipality is based on the amount being reported. The Action Plan does not provide a table or any reference to the MSA income limits for the affected communities that would provide the public with the income criteria being used to determine eligibility. As an example, the Action Plan states that the median household income in Darien is \$193,896. This would suggest that a household with an income of \$155,117 would meet the 80% LMI threshold.
- With respect to the leveraging of funds for mitigation, repeated reference has been made to the FEMA Hazard Mitigation Grant Program. While this is a potential funding source for flood mitigation projects, under present rules, properties with more than 50% damage are not eligible to participate in this program. Additionally, this program has a lengthy timeline and, as a practical matter, few if any properties will benefit from this program within the next two years.
- There is no mention of the National Flood Insurance Program (NFIP) Increased Cost of Compliance Coverage program (ICC) as leverage funding. This provision of the flood insurance coverage provides up to \$30,000 toward the elevation of covered structures with at least 50% damage. These funds are readily available to anyone who applies, whereas the HMGP is a competitive grant and applicants can wait years only to be denied. The unmet need with ICC is that the funds will only be released *after* the project is finished. An appropriate use of HUD funds would be to provide bridge loans so property owners can complete their projects to become eligible for reimbursement. This has been found to be a significant unmet need.
- There is no mention of the Small Business Association (SBA) disaster assistance program and how these funds would be affected by HUD funds and the avoidance of duplication of benefits.

- We applaud the inclusion of support to municipalities in capacity building for land use departments. The issuance of permits for building, CAM, Zoning, Inland Wetlands and Variances is labor intensive and time consuming. The Action Plans inclusion of funding and support for additional local building and zoning inspectors as well as project engineers is absolutely critical. To provide relief to property owners, Milford has already waived the permit fees related to post-Storm Irene and Sandy construction and has been shouldering the burden of the increased construction activity without the historic corresponding revenue. Support in this capacity will ensure that reconstruction activity is not delayed due to permitting.
- The Action Plan is unclear as to whom will be managing the distribution of funds and what the program parameters for various applicants would be. The Action Plan simply states that the programs will be managed by dedicated staff and third party contractors and then lists the categories of funding. There is no mention of grant size limits as required in the Federal Register and no detail on what the process will be for the various types of applicants (homeowners, landlords, Housing Authorities, non-profits, municipalities, etc.). There is no discussion on how the assistance might differ by income level or ownership status and no discussion regarding how funds might be recaptured and under what circumstances. This should be detailed in the Action Plan.
- It is suggested that any funds recovered as Program Income would be re-directed from relief efforts and allocated to the Small Cities program. In the interest of developing a long term recovery plan, it would seem inappropriate to remove these resources from relief efforts into a program with little, if any, recovery utility. Program Income can play a vital role in long term recovery. As such, the State should incorporate Program Income mechanisms into the Action Plan in a way that provides the necessary support to those in the greatest need while being responsible with the distribution of public funds.
- One of the greatest concerns of the lower income property owners is the recovery of their savings and retirement funds invested into obtaining permits to rebuild or preliminary construction costs. Permits alone for elevation projects (architecture, engineering, surveys, soil tests, etc.) can easily reach \$15,000 and is not covered by insurance. Delays in the arrival of federal relief have exacerbated this problem. Section 18 of the Federal Register Reimbursement of disaster recovery expenses

Michael C. Santoro
June 4, 2013
Page 4

specifically permits the reimbursement of sub-grantees and sub-recipients. The Action Plan is silent on this provision.

Having received direct feedback from the community - so many of the stories have been heartbreaking - we have a grass roots perspective concerning the needs of the Milford community. I expect they are similar across the Connecticut coastline. I hope this feedback is helpful in the development of the final Action Plan.

Very Truly Yours,

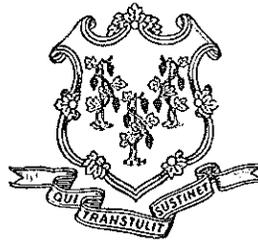


Benjamin G. Blake
Mayor

Cc. Commissioner Evonne Klein, Department of Housing
Nick Lundgren, Housing & Community Development
John Field, DEMHS Region 1
Robert Kenny, DEMHS Region 2
Rita Stewart, DEHMS Recovery Coordinator
Governor's Office
Senator Richard Blumenthal
Senator Christopher Murphy
Congressman James Himes, 4th District
Congresswoman Rosa DeLauro, 3rd District
Milford State Legislative Delegation

SENATOR GAYLE SLOSSBERG

Legislative Office Building
Room 2000
Hartford, CT 06106-1591
Toll-free 1-800-842-1420
Tel. (860) 240-0482
Home (203) 878-6412



State of Connecticut
SENATE
Fourteenth District

Chair
Human Services

Vice Chair
Public Health
Veterans' Affairs

June 4, 2013

Michael C. Santoro
Community Development Specialist
Office of Housing & Community Development
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7106

RE: CDBG-DR Action Plan

Dear Mr. Santoro,

I am writing on behalf of the Milford legislative delegation: Representative Paul Davis (117th District), Representative James Maroney (119th District), and Representative Kim Rose (118th District). As you are aware the Milford coast line has been devastated by Storm Sandy. Many homes have been lost, and more left uninhabitable. Mayor Blake has been at the forefront of addressing these issues and we write to underscore his letter dated June 4, 2013 regarding development of the CDBG-DR Action Plan. We support those comments and recommendations offered by the Mayor in consultation with the Long Term Recovery Team and would appreciate due consideration of those comments. If we can be of any assistance please do not hesitate to contact us.

With warmest wishes,

A handwritten signature in black ink that reads "Gayle Slossberg".

Senator Gayle Slossberg

16.

Waterbury Opportunities Industrialization Center, Inc
(WOIC) Joseph Jaynes Center
77-79 Bishop Street, Waterbury, CT 06704
Phone: (203-756-7987)—Fax: (203-754-2118)
Email: opportunity.indus@snet.net

May 30, 2013

Mr. Michael C. Santoro, Community Development Specialist
Office of Housing and Community Development/Department of Housing
State of Connecticut
Department of Economic and Community Development/Department of Housing
505 Hudson Street
Hartford, CT 06106-7106

Re: CDBG-DR Action Plan (Public Law 113-2)
Public Comment Period

Dear Specialist Santoro:

As a state resident and director of this independent non-profit agency, please accept the following comments with regard to "Draft Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan".

The initial HUD allocation for our State of \$71,800,000 is vital in assisting our residents after Hurricane Sandy.

WOIC, as an independent non-profit in our 39th year of providing job readiness and life skills training has for the last four years become a HUD Section 3 advocate.

The implementation of these funds must (according to the Department of Housing's Allocation Plan-April 2013), be in compliance with HUD's Section 3 requirements, and other equal opportunity provisions, e.g. Minority/Women's Business Enterprise for which WOIC questions the ability of DECD/DOH to administer properly.

For example, mailed requests by this agency (enclosed) to the Commissioner on a project for information on who at DECD administers Section 3, HOME funds and the Minority Set-Aside, have went unanswered for many months. A complaint has been filed and still no answer. Enforcement activity is unknown. If this small (\$2.4 million) project cannot be answered, how can DECD assert it will undertake compliance in CDBG-DR funding?

According to the Draft-"pg.14", the following Federal requirement also apply to all projects funded under the CDBG-DR Program:

1. Minority business enterprise (MBE- Executive Order 11625).
2. Women's business enterprise WBE-Executive Order 12138).
3. Section 3 (24 CFR 570.487.d).

In addition the Plan on pg. 15, notes, "Fair Housing and Equal Opportunity Compliance must be evidenced by a Fair Housing Plan that complies with DOH's guidelines/policies, and pg.16". Applicants must be in compliance with all existing assistance agreements with DECD and DOH and cannot be in default under any CHFA or HUD administered program. As many DECD assistance agreements with HUD funding have Section 3 requirements, without monitoring and enforcement, it is very difficult to determine if recipients are in compliance.

Proposed allocation of the First Tranche Funds notes \$3,591,000 for "administration" and although waivers to modify certain rules "enabling the State to administer those funds with greater flexibility", equal opportunity provisions were not waived. What is the purpose of these additional administration funds when the State already receives CDBG, HOME, and other HUD assistance programs? Will this enhanced revenue for administration insure compliance?

Therefore, at this time, our State, due to its lack of enforcement of Section 3 is ill prepared to administer CDBG-DR funding, until this concern is addressed.

Again as a resident and director of a Section 3 organization and Section 3 business concern, I request that HUD withhold Connecticut's initial allocation until Connecticut demonstrates a plan to monitor and lead Section 3 and equal opportunity concerns that encompass the spirit of the law. Taxpayers should know these funds, as important as they are, gives residents and business concerns an opportunity and preference in participation noted in the law; and our State has a known process to enforce those requirements.

I look forward to your response, and trust it will be a part of DECD's summarization and DECD's response to HUD.

Sincerely,



Reginald G. Beamon, Executive Director
Individually, and on behalf of WOIC, Inc.

cc: The Honorable Dannell Malloy, Governor
Tim Robison, Director, FH+EO, Boston
The Honorable Larry B. Butler, Co-Chair Housing Committee
The Honorable Juan Candeleria, LBPR, Caucus Chair

Enclosure (1)

**Waterbury Opportunities Industrialization Center, Inc.
(WOIC) Joseph Jaynes Center
77-79 Bishop Street, Waterbury, CT 06704
Phone: (203-756-7987) – Fax: (203-754-2118)
Email: opportunity.indus@snet.net**

December 4, 2012

The Honorable Catherine Smith, Commissioner
State of Connecticut
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106

Re: Grace Development/Hearth Homes of Waterbury/FOI Requests

Dear Commissioner Smith:

On December 11, 2011 DECD sent notification to GDC/Hearth Homes of Waterbury of DECD's financial support (\$2,400,000-HUD-Home Community Development Housing Organization-Reserve Funds) for this project. On December 30, 2011, Larry C. Green, President of Hearth Homes signed off accepting the "conditions and requirements" of our State's assistance to this most worthy and needed housing project.

Within your commitment letter there were "attachments" of "mandatory State contracting requirements", of which this correspondence addresses. The project has begun.

WOIC, Inc. is an independent non-profit in our 38th year of providing job and life skills training programs. WOIC is also a community advocate for minority and Section 3 business concerns in the City of Waterbury.

WOIC, Inc. requests under the Freedom of Information Act, the following project file information:

A: A copy of the "Developer's Section 3 Plan", submitted with GDC's application for DECD's assistance for this funding, and DECD's approval of the plan.

B: Copies of DECD mandated quarterly progress and financial reports due 30 days after March 30, June 30, and September 30, 2012, respectively. (Appendix A-Section 13-Project Progress Reporting)

In DECD's attachment, "Attachment A, Section 6 State Set-Aside Benefit Program":

C: WOIC also requests DECD to provide information on GDC/Hearth Homes compliance to this policy.

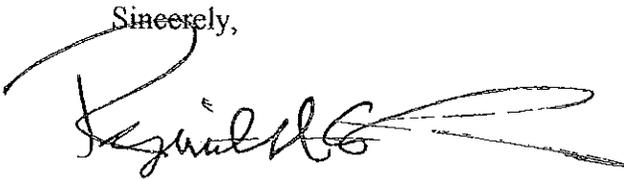
"It is the policy of DECD that recipients of financial assistance shall contract with small and minority/female owned businesses for projects for which financial assistance is awarded."

WOIC further requests if this policy has been met by GDC, then (\$600,000) of the award, would be "set aside" and awarded to small and female/minority business concerns:

D: For DECD to provide WOIC how this was accomplished. WOIC also requests information on the "competitive solicitation in which only small businesses/minority and/or female business enterprises may compete for the Set Aside" was conducted or when it will be conducted.

WOIC would appreciate an expeditious response to our requests.

Sincerely,

A handwritten signature in black ink, appearing to read "Reginald G. Beamon". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Reginald G. Beamon
Executive Director

Waterbury Opportunities Industrialization Center, Inc.
(WOIC) Joseph Jaynes Center
77-79 Bishop Street, Waterbury, CT 06704
Phone: (203-756-7987) – Fax: (203-754-2118)
Email: opportunity.indus@snet.net

March 21, 2013

Mr. Timothy Robison, Director
U.S. Department of Housing and
Urban Development
Office of Fair Housing & Equal Opportunity
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street
Boston, MA 02222-1092

Re: Complaint # 01-12-0001-3 Grace Development/Hearth Homes

Dear Director Robison:

As noted in the above referenced complaint and its amendment, WOIC asserts there was not outreach or a comprehensive Section 3 plan which would have granted or allowed Section 3 business participation on the project.

(The enclosed report from the State of Connecticut Department of Economic and Community Development (DECD) supports our complaint).

Section 3 residents and business concerns have been and remain harmed by lack of compliance to Section 3. WOIC appreciates FH+EO's ongoing investigation, and now 8 months into it, WOIC seeks a written update.

Over the past months, WOIC has provided evidence of lack of compliance while patiently waiting for some entity that monitors Section 3 to begin to erase the harm caused our community.

The enclosure is a copy of WOIC's FOI request to DECD which funded the project \$2.4 million in 2011. A part of the "Assistance Agreement" was DECD would monitor Section 3, and other federal regulations, (including HOME).

The City of Waterbury also through HOME funding signed an agreement which included monitoring of Section 3, while HUD through your 202 program also has Section requirements that should be enforced.

With regard to the general contractor and subcontractors, GDC/Hearth Homes remain (as the enclosure indicates) in non-compliance.

Terryl Mitchell Smith, WOIC's Board Chairperson sought this information and was summarily dismissed from the Hearth Homes Board after the consultant refused to answer how subcontractors were chosen for the project without a Section 3 effort.

It is apparent that GDC/Hearth Homes did not seek technical assistance from HUD, the City or DECD to implement Section 3 priorities.

Without enforcement our community remains harmed.

WOIC would appreciate FH+EO's providing a written update on the investigation, procedures taken, corrective action, remedies, and a timeline for its conclusion.

Again, WOIC remains ready to assist and provide additional information to enhance Section 3 compliance, if requested.

Sincerely,



Reginald G. Beamon
Executive Director

cc: The Honorable John Trasviña, Assistant Secretary
Staci Gilliam-Hampton, Director, Section 3

Enclosure: FOI Quarterly Report 12/31/12

Waterbury Opportunities Industrialization Center, Inc.
(WOIC) Joseph Jaynes Center
77-79 Bishop Street, Waterbury, CT 06704
Phone: (203-756-7987) – Fax: (203-754-2118)
Email: opportunity.indus@snet.net

April 11, 2013

The Honorable Catherine Smith, Commissioner
State of Connecticut
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106

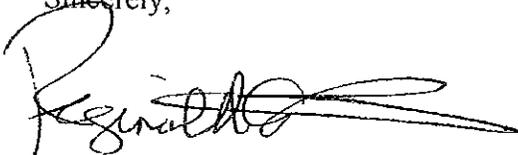
Dear Commissioner Smith:

Enclosed is a copy of WOIC's correspondence to you dated March 21, 2013 requesting your reply.

Again, WOIC requests "your response on how your agency has monitored HUD Section 3 regulations", for the Grace Development/Hearth Homes Project.

An expeditious response would be greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Reginald G. Beamon". The signature is stylized with a large initial "R" and a long horizontal flourish at the end.

Reginald G. Beamon
Executive Director

Enclosure

cc: The Honorable Dannel P. Malloy, Governor

Waterbury Opportunities Industrialization Center, Inc.
(WOIC) Joseph Jaynes Center
77-79 Bishop Street, Waterbury, CT 06704
Phone: (203-756-7987) – Fax: (203-754-2118)
Email: opportunity.indus@snet.net

March 21, 2013

The Honorable Catherine Smith, Commissioner
State of Connecticut
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106

Re: Grace Development/Hearth Homes-Section 3.

Dear Commissioner Smith:

WOIC renders this correspondence as follow-up to our December 4, 2012 letter of request via FOI, for the above referenced project.

WOIC thanks Crystal Knight and Amy Filotto, Esq. for their assistance on the request which was received yesterday, March 19, 2013.

WOIC as an advocate for Section 3 residents and business, filed a complaint date July 11, 2012 with Fair Housing and Equal Opportunity of HUD (Complaint #01-12-0001-3). According to HUD as of March 15, 2013, the "investigation is continuing".

Therein is our concern with your agency and its monitoring of Section 3, WOIC requests your response on how your agency has monitored HUD Section 3 regulations, for this project.

According to the "Assistance Agreement" between DECD and the sponsor "Grace Development Corporation", DECD will Monitor and administer the project in accordance with any and all federal regulations. DECD will require the Sponsor to strictly adhere to the federal regulations and rules that will govern the operations of the units... and any related financial activity with HOME program funding (which includes Section 3).

Also noted in Agreement, the sponsor assured DECD that it would submit reports to DECD, and would adhere to "mandatory DECD contracting requirements", including but not limited to the following concerns:

- "State Set-Aside Benefit Program" which notes the sponsor must also comply with Section 3 of the Housing and Urban Development Act of 1968.
- WOIC's complaint to HUD and now to DECD, is there were no opportunities and notification for Section 3 residents and business concerns to participate in the project, and neither entity enforced these requirements on the sponsor.
- No preferences as noted in the Section 3 regulations were given.

Therefore WOIC asserts, our community has been harmed by DECD's lack of monitoring.

WOIC asserts GDC's inaction coupled with DECD's lack of monitoring has violated compliance to Section 3 and the State's Set-Aside Program. These actions constitute a breach in the assistance agreement.

Since DECD does not have a complaint form (similar to HUD Form 958) to address Section 3 compliance, WOIC submits this letter as a formal complaint for DECD's investigation and action.

WOIC awaits your response to this complaint.

Sincerely,



Reginald G. Beamon
Executive Director

cc: Timothy Robison, Director FH+EO, Boston
Terry Mitchell Smith, Board Chair

enclosure:



Department of Economic and
Community Development

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REC'd
12-20-12
RC

December 13, 2012

VIA EMAIL & FIRST CLASS MAIL

Reginald G. Beamon
Executive Director
Waterbury Opportunities Industrialization Center, Inc. (WOIC)
Joseph Janyes Center
77-79 Bishop Street
Waterbury, CT 06704

Re: Freedom of Information Request – Grace Development/Hearth Homes of Waterbury (the “Project”)

Dear Mr. Beamon:

The Department of Economic and Community Development (“DECD”) has received your Freedom of Information request dated December 4, 2012 (DECD received December 7, 2012) requesting information relating to the Project.

Specifically you requested:

- A: A copy of the "Developer's Section 3 Plan", submitted with GDC's application for DECD's assistance for this funding, and DECD's approval of the plan.
- B: Copies of DECD mandated quarterly progress and financial reports due 30 days after March 30, June 30, and September 30, 2012, respectively. (Appendix A-Section 13- Project Progress Reporting).
- C. In DECD's attachment, "Attachment A, Section 6 State Set-Aside Benefit Program", information on GDC/Hearth Homes compliance to this policy.
- D. Documentation related to the following policy: "It is the policy of DECD that recipients of financial assistance shall contract with small and minority/female owned businesses for projects for which financial assistance is awarded", including information on the competitive solicitation.

We will search our files for information responsive to your request and the DECD Project manager will assemble the responsive material. We will contact you when materials are ready for your review. Please be advised that there is a charge of \$.25 per page for each page copied. Once the materials have been assembled, we will contact you with the estimated charges.

In the meantime, please contact me or Crystal Knight, our legal unit's paralegal, at Crystal.Knight@ct.gov or 860-270-8225 if we can be of assistance.

Very truly yours,


Amy J.K. Filotto
Legal Counsel

Application Documents:

- C-1 Application Form HUD 424:
- C-2 Program Certifications:

Application for Federal Assistance SF-424		Version 02
*1. Type of Submission		*2. Type of Application
<input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		<input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision
*3. Date Received:		*If Revision, select appropriate letter(s): * Other (Specify)
4. Application Identifier:		
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
* a. Legal Name: State of Connecticut		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 32-0410548 (EIN)		*c. Organizational DUNS: 078847898
d. Address:		
*Street1: 505 Hudson Street Street 2: *City: Hartford County: *State: Connecticut Province: Country: USA		
*Zip/ Postal Code: 06106-7106		
e. Organizational Unit:		
Department Name: Department of Housing		Division Name:
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: Ms. Middle Name: M. *Last Name: Klein Suffix:		First Name: Evonne
Title: Commissioner		
Organizational Affiliation: State Agency		
*Telephone Number: 860-270-8037		Fax Number:
*Email: Evonne.Klein@ct.gov		

Application for Federal Assistance SF-424

Version 02

9. Type of Applicant 1: Select Applicant Type: A. State Government

Type of Applicant 2: Select Applicant Type:

- Select One -

Type of Applicant 3: Select Applicant Type:

- Select One -

*Other (specify):

*10. Name of Federal Agency:

U.S. Department of Housing & Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.269

CFDA Title:

Community Development Block Grant -Disaster Recovery(CDBG) Program

*12. Funding Opportunity Number:

*Title:

Community Development Block Grant -Disaster Recovery (CDBG-DR) Program

13. Competition Identification Number: N/A

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Fairfield County, New Haven County, Middlesex County, New London County and the Mashantucket Pequot Indian Reservation

*15. Descriptive Title of Applicant's Project:

Connecticut's CDBG-DR Program will be used for necessary expenses related to disaster relief, long term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Sandy. At least 50% of the funding must be used for activities that benefit low-and moderate -income persons.

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant State of Connecticut

*b. Program/Project: CDBG-DR

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project: State of CT. CDBG-DR Program

*a. Start Date: 7/1/2013

*b. End Date: 3/11/2019

18. Estimated Funding (\$):

*a. Federal	\$15,000,000.00
*b. Applicant	\$0.00
*c. State	\$0.00
*d. Local	\$0.00
*e. Other	\$0.00
*f. Program Income	\$0.00
*g. TOTAL	\$15,000,000.00

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

- Yes
- No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

**I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Ms. *First Name: Evonne

Middle Name: M.

*Last Name: Klein

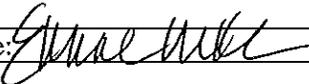
Suffix:

*Title: Commissioner, Department of Housing

*Telephone Number: 860-270-8037

Fax Number:

*Email: Evonne.klein@ct.gov

*Signature of Authorized Representative: 

Date Signed: 6/7/2013

Application for Federal Assistance SF-424

Version 02

***Applicant Federal Debt Delinquency Explanation**

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

N/A



Evonne M. Klein
Commissioner

Department of Housing

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GRANTEE CERTIFICATIONS

- a. The grantee certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard (see 24 CFR 570.487(b)(2) and 570.601(a)(2)). In addition, the grantee certifies that agreements with subrecipients will meet all civil rights related requirements pursuant to 24 CFR 570.503(b)(5).
- b. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- c. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- d. The grantee certifies that the Action Plan for Disaster Recovery is authorized under State and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.
- e. The grantee certifies that activities to be administered with funds under this Notice are consistent with its Action Plan.
- f. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this Notice.
- g. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- h. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- i. Each State receiving a direct award under this Notice certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including method of distribution of funding, or activities carried out directly by the State.
- j. The grantee certifies that it is complying with each of the following criteria:
 - (1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization



Evonne M. Klein
Commissioner

in the most impacted and distressed areas for which the President declared a major disaster in the aftermath of Hurricane Sandy, pursuant to the Stafford Act.

(2) With respect to activities expected to be assisted with CDBG-DR funds, the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

(3) The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the grant amount is expended for activities that benefit such persons.

(4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

k. The grantee certifies that it (and any subrecipient or recipient)) will conduct and carry out the grant in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations.

l. The grantee certifies that it has adopted and is enforcing the following policies. In addition, States receiving a direct award must certify that they will require UGLGs that receive grant funds to certify that they have adopted and are enforcing:

(1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

(2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

m. Each State or UGLG receiving a direct award under this Notice certifies that it (and any subrecipient or recipient) has the capacity to carry out disaster recovery activities in a timely manner; or the State or UGLG will develop a plan to increase capacity where such capacity is lacking.

n. The grantee will not use grant funds for any activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.



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- o. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- p. The grantee certifies that it will comply with applicable laws.
- q. The grantee certifies that it has reviewed the requirements of this Notice and requirements of Public Law 113-2 applicable to funds allocated by this Notice, and that it has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds, to maintain comprehensive websites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds.

Signature of Authorized Official
Evonne M. Klein, Commissioner
Department of Housing

Date