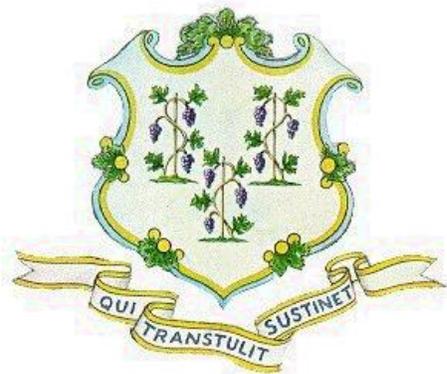




**Community Development Block Grant  
Disaster Recovery (CDBG-DR)**

**Second Tranche - Infrastructure Activities**

**Program Guide**



**State of Connecticut  
Department of Housing**

July 2, 2014



## Table of Contents

---

<b>Introduction</b>	3
<b>Program Requirements</b>	4
<b>Definitions</b>	5
<b>Funding Priorities</b>	8
<b>Minimum/Maximum Assistance</b>	8
<b>Application Rating and Ranking</b>	9
<b>DOH Roles and Responsibilities</b>	9
<b>Eligible Applicants</b>	10
<b>Eligible Activities</b>	10
<b>Scope of Work</b>	11
<b>Duplication of Benefits</b>	11
<b>Environmental Review</b>	12
<b>Green Infrastructure Projects and Activities</b>	13
<b>Long-Term Efficacy and Fiscal Sustainability</b>	13
<b>The Enterprise Green Communities Criteria</b>	13
<b>Davis-Bacon Act</b>	13
<b>Construction Phase</b>	14
<b>Requisitions and Payments</b>	15
<b>Project Closeout</b>	15
<b>Compliance/Monitoring</b>	15

---

## Introduction

The State of Connecticut's primary goal in allocating funding for the rehabilitation and resiliency of infrastructure is to restore a suitable living environment in disaster impacted areas by rehabilitating or reconstructing existing infrastructure and to add resiliency to minimize damage from future storm events. 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 (See CDBG-DR Action Plan and Substantial Amendment). For the purposes of these guidelines, the State has allocated \$30,000,000 toward the rehabilitation and adding resiliency to infrastructure.

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 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 assemble representatives from within the Department, as well as from the DESPP, DEMHS, DEEP and DECD for application review. Detailed rating and ranking criteria has been established in this program guide and it's consistent with the Funding Priorities identified, as well as the Comprehensive Risk Analysis used to develop the Connecticut Natural Hazard Mitigation Plan. 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.

## Program Requirements

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:

1. **Unmet Needs** –funding is available to address unmet needs, but each project must contain resiliency features.
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 Superstorm Sandy.
4. **Readiness to Proceed** – each project must capable of being undertaken (design or construction) immediately to provide outcomes to intended beneficiaries affected by the disaster. All projects must include a project timeline that allows DOH to meet the Federal expenditure deadline of September 30, 2017.
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.
6. **Consistency with Consolidated Plan/Action Plan** – each project must be reflective of the goals, priorities and requirements of the State of Connecticut's Disaster Recovery Action Plan.

## Definitions

**CDBG-DR** –Community Development Block Grant Disaster Recovery program

**CHAMP** –Competitive Housing Assistance for Multifamily Properties

**CHFA** - Connecticut Housing Finance Authority

**Contractors** - Procured contractors providing supplies, equipment, construction, or services, and may be further restricted by Program Rules or other guidance including applications.

**Demolition** – Clearance and proper disposal of dilapidated buildings and improvements.

**DOH** - Department of Housing or its duly authorized agent

**DECD** - Department of Economic and Community Development

### **NATIONAL OBJECTIVES:**

**Low to Moderate Income (LMI) National Objective** – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size.

1. **Very low:** Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size;
2. **Low:** Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size;
3. **Moderate:** Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size.

**Slum and Blight National Objective** – Activities which help to eliminate slums and blighted conditions. Use of this National Objective is limited due to its inability to contribute towards the overall requirement for. Slum and Blight activities must meet the criteria of one of the three following categories:

1. Prevent or eliminate slums and blight on an area basis;
2. Prevent or eliminate slum and blight on a spot basis; or
3. Be in an urban renewal area.

**Urgent Need National Objective** – An urgent need that exists because existing conditions pose serious and immediate threat to health/welfare of community, the existing conditions are recent

or recently became urgent (typically within 18 months), and because other funding sources are not available.

**DOL** - Federal Department of Labor

**Duplication of Benefits** - The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which financial assistance has already been received under any other program or from insurance or any other source.

**HUD** – Federal Department of Housing and Urban Development

**Sub-recipient** - Cities, Counties, Indian Tribes, local governmental agencies (including Councils of Government {COGs}), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o).

**Family** – A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or wellbeing, and the surviving member or members of any family described in this definition who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his or her death.

**Household** – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of:

1. a single family,
2. two (2) or more families living together, or
3. any other group of related or unrelated persons who share living arrangements.

For housing activities, the test of meeting the low to moderate income objective is based on the LMI of households.

**INFRASTRUCTURE** –For this program, an infrastructure project is an activity or a group of activities related to critical sectors like energy, communications, water and wastewater systems,

transportation and other support measures such as flood control (NEPA 40 CFR Part 1508 and 24 CFR Part 58.); the technical structures that support a society, for example: roads, bridges, water supply, sewers, electrical grids, telecommunications; the physical components of interrelated systems.

***Related Infrastructure Project:*** Related if a project automatically triggers other projects or actions; cannot or will not proceed unless other projects or actions are taken previously or simultaneously; or are interdependent parts of a larger action and depend on that larger action for justification. (Consistent with 40CFR part 1508)

***Green Infrastructure:*** as defined in the Federal Notices is the “integration of natural systems and processes, or engineered systems that mimic natural systems and processes, into investments in resilient infrastructure.”

***Low impact development (LID)*** is often used interchangeably with green infrastructure.

***MITIGATION*** – Cost effective resiliency and other activities designed to reduce loss of life and property by lessening the impact of disasters; taking action now – before the next disaster – to reduce the human and financial consequences later (analyzing risk, reducing risk, insuring against risk); lessening the force or intensity; making a condition or consequence less severe.

***PRWORA*** - Personal Responsibility and Work Opportunity Reconciliation Act

***FEMA*** - Federal Emergency Management Agency

***FEMA- Areas Of High Risk*** - Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

***NFIP*** - National Flood Insurance Program

***Area of High Minority Concentration*** – A census block group that consists of 65% or more of minorities. Minorities include all racial and ethnic population groups other than “White, non-Hispanic (Anglo).

***Area of High Poverty Concentration*** – A census block group that consists of 35% or more of the residents living in poverty. A household that meets the US Census Bureau’s poverty threshold is considered to be at or below poverty level for the Disaster Recovery Program.

***NTP*** - Notice to Proceed

*IECC* - International Energy Conservation Code 2009

***Demonstrable Hardship*** – an applicant for assistance has identified and documented one or more instance or condition which would prevent them from fully meeting any non-regulatory guideline.

***Not Suitable for Rehabilitation*** – properties where the cost of rehabilitation exceeds the after rehab appraisal and there is not a compelling historical or community justification to save the property.

## **Funding Priorities**

Funding Priorities for the infrastructure projects are as follows:

- The ability of the project to address conditions that threaten health and safety of either occupants or public safety.
- Restoration or replacement of infrastructure damaged as a result of Superstorm Sandy, especially for projects that are vital for the redevelopment of residential properties damaged as a result of Superstorm Sandy.
- Resiliency/mitigation activities related to potable water or waste water systems.
- Resiliency/mitigation activities related to roads and drainage systems.
- Resiliency /mitigation of transportation systems and controls
- Resiliency/mitigation of energy systems.
- Projects that enable the State to satisfy the federal requirement that at least 80% of the funding must be spent in Fairfield and New Haven Counties.
- Projects that contribute significantly to the long-term recovery and economic revitalization of the affected area.

## **Minimum/Maximum Assistance:**

Financial assistance to eligible communities shall be determined based on unmet need. The minimum allocation will be \$100,000. There will be not set maximum. However, local governments shall be required to provide a 25% match toward the total development costs. In kind matches are allowable, but they must be supported by proper documentation acceptable to DOH. The State will determine the actual amount of assistance based on an evaluation of submitted project materials and the content of the application.

## Application Rating and Ranking

All applications submitted will be evaluated on the basis of the following criteria (rating and ranking will be based on a 50 point total: maximum score provided for each criterion in parenthesis).

### Eligible Activities- Please Select Only 1 Eligible Activity Items 1 thru 5

1. Restoration or replacement and mitigation of infrastructure damaged as a result of Superstorm Sandy, especially for projects that are vital for the redevelopment of residential properties damaged by Superstorm Sandy (15 Points).
2. Mitigation/resiliency of energy systems (15 Points).
3. Mitigation/resiliency related to potable water or waste water systems (15 Points).
4. Mitigation/resiliency related to streets and drainage systems (12 Points).
5. Mitigation/resiliency of transportations systems and controls (12 Points).
6. The ability of the Project to address conditions that threaten the health and safety of the public (10 Points).
7. The readiness to proceed and the ability of the project to be completed by the September 30, 2017 spending deadline:  
Completion Period: (12 Months = 3 Points; 18 Months = 2 Points; 24 Months = 1 Point).
8. Projects that enable the State to satisfy the Federal requirement that at least 80% of the funding is spent in Fairfield and New Haven Counties (5 Points).
9. All funding commitments for this project are in place (7 Points).
10. Projects that allow the State to satisfy the Federal requirement that at least 50% of the funding benefit households that are at or below 50% of AMI (5 Points).
11. Projects that contribute significantly to the long term recovery and economic revitalization of the affected area (5 Points).

## DOH Roles and Responsibilities

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 of

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 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).

## **Eligible Applicants**

Applicants must be an "Eligible Applicant" as defined by the HUD CDBG Program Regulations (Part 24-CFR.570) and modified by the Federal Register Notice (570.702) to include Entitlement Communities (Vol.78, No.43 Dated March 5, 2013 and any revisions) for example - Towns, Municipalities, Entitlement Communities, Eligible Sub-Recipients (570.501c). The preceding list is not exhaustive. Applicants may include, but are not limited to, owners of infrastructure. Joint Applications will be considered in instances where solving a shared problem requires mutual action.

## **Eligible Activities**

1. Construction / Reconstruction / Resiliency of Streets and Drainage Systems
2. Construction / Reconstruction / Resiliency of Water Lines, Sewer Lines or Related Systems
3. Construction / Reconstruction / Resiliency of Other Non-Residential Structures- including but not limited to micro grids, generators, seawalls and revetments.

## **Scope of Work**

A proposed description of work must be submitted with each application from a local government or other party. The scope of work must be developed by an engineer/architect licensed to practice in Connecticut, and must include, at a minimum, the following information:

- Describe the project area including the larger planning area if part of a larger plan.
- Describe all resiliency and mitigation measures built into the project to minimize future storm damage.
- Map(s) of the project area showing a schematic layout. Include scale and legend.
- Describe the damage caused by Superstorm Sandy that will be mitigated.
- Describe the critical need for the project as it relates to health and environmental consequences.
- Describe the project design.
- Provide a discussion of easements or right-of-way and any street repairs necessary to the improvement.
- Provide color copies of NOAA Sea Level Rise Maps showing 1', 3' and 5' Rises
- Provide an itemized cost estimate and the amount of unmet need anticipated at the time of application.
- Provide the estimated term of construction.
- Provide information on permits needed and how long it will take for their receipt once application is made.

All projects must be competitively bid in accordance with 24 CFR 85.

## **Duplication of Benefits**

The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance under any other program or from insurance or any other

source. Duplication of Benefits also exists if funds were received from other sources and not used for a recognized “Allowable Activity.” Applicants will be required to contribute unspent Sandy funds in order to receive assistance from the Program

The DR Program Manager will coordinate and work closely with the eligible local government and other sources as appropriate to determine the total amount of money received by the local government for the repair of the infrastructure, as well as any other costs being considered for funding by the CDBG-DR Infrastructure program.

Examples of other sources which, if received, applicants will be required to disclose in order to receive assistance from this program include:

- FEMA benefits (Public Assistance, Individual Assistance, Hazard Mitigation Grant Program, etc.)
- Army Corps of Engineers Assistance
- HUD Community Development Programs
- Other State or charitable assistance
- Private Insurance
- Any other funding source that may duplicate assistance.

## **Environmental Review**

Participation in the CDBG-DR Program requires compliance with the National Environmental Policy Act (NEPA). The Environmental Review Process and the compilation of the Environmental Review Record will be started and administered by DOH with the assistance of the applicant as soon as the Scope of the CDBG-DR Project is determined.

DOH is prohibited from incurring any hard costs, entering into contracts, or acquiring property prior to HUD’s written approval of DOH’s Request for Release of Funds (RROF) as described below.

Activities improperly incurring funds prior to the issuance of a Release of Funds May likely result in project ineligibility.

Following completion of the Environmental Review Record inclusive of a Statutory Checklist, Environmental Assessment Checklist, and the Eight Step Process DOH is required to submit to HUD a Request for the Release of Funds (RROF). Until HUD's written approval of the RROF is received, DOH cannot commit HUD funds for any activity or project (24 CFR Part 58, Section 58.22(a)).

### **Green Infrastructure Projects and Activities:**

It is the State's expectation that any project receiving CDBG-DR dollars will incorporate green infrastructure practices where appropriate and feasible. Any infrastructure project that does not, will either not receive funding or will have to demonstrate using acceptable cost-benefit methodologies why it is not feasible and/or cost effective.

### **Long-Term Efficacy and Fiscal Sustainability:**

DOH will assure the long-term efficacy and sustainability of projects through ongoing monitoring and evaluations. During implementation, DOH will ensure that all the appropriate mitigation measures are put into place and meet government standards.

### **The Enterprise Green Communities Criteria**

The Enterprise Green Communities Criteria will guide grant recipients in selecting green infrastructure components particularly related to sensitive site protection; connections to existing development and infrastructure; erosion control; low-impact design; landscaping, surface stormwater management; energy efficiency.

### **Davis-Bacon Act**

Infrastructure projects must comply with Davis-Bacon and Related Acts (DBRA). DOH is responsible for enforcement of the DBRA requirements, such as on-site interview of workers, review of contractor's payrolls, and conducting a pre-construction conference.

The requirements of the Davis-Bacon Act and the procedures that must be followed to prove compliance are complex. Therefore, for projects that will be subject to Davis-Bacon, it is strongly recommended that the following HUD handbooks be consulted:

- Making Davis-Bacon Work, A Practical Guide for States, Indian Tribes and Local Agencies
- A Contractor's Guide to Davis-Bacon Wage Requirements and Certified Payroll Reports
- Labor Standards Administration and Enforcement Guidelines for HUD Program Participants.

Failure to comply with the requirements of the Davis-Bacon Act or an inability to prove compliance is a serious matter and can result in a forfeiture of all Federal funds spent on the project.

## **Construction Phase**

The applicant will be responsible for all construction procurement. The applicant must bid the construction of all infrastructure projects. The applicant must follow all of the requirements of 24 CFR part 85 and the DOH procurement policy. The applicant must select the lowest, responsible bidder for each project.

As part of the application process, DOH Staff shall meet with the local government staff or designee assigned to the project and the contractor regarding the responsibilities and obligations of each during the development of a project, including, but not limited to the following:

- Davis Bacon Wage requirements
- Section 3 Hiring requirements
- EEO requirements, CHRO Affirmative Action Plan
- Property Acquisition and Relocation requirements
- Procurement requirements
- Draw down procedures and requirements

DOH Staff shall monitor a project for compliance with the above requirements on a regular basis within the development phase. This monitoring may be a “desk monitoring”: using reports submitted by the contractor or local government, or it may be an actual on-site monitoring of the project. Projects will be monitored on-site depending on the results of a risk analysis.

## **Requisitions & Payments**

Upon satisfactory completion of work and sign-off by DOH Staff program funds are issued to the applicant. Payments are made as the work progresses and with DOH Staff approval; roughly once per month. All cost overruns will be the responsibility of the applicant.

## **Project Closeout**

Once the construction work is completed, DOH will ask the local government for sign-off on the construction and local code requirements. DOH staff will do a final inspection of all work to ensure that construction is complete and meets local code requirements. DOH Staff will be required to ensure that documents are complete and signed. CDBG-DR cross cutting requirements should be maintained in the project files including:

- Environmental Review Record
- Davis- Bacon payrolls and interviews
- Section 504 Compliance
- Section 3 Compliance
- Procurement Documentation

## **Compliance/Monitoring**

HUD regulations governing the CDBG-DR Program, along with the State CDBG-DR Substantial Amendment and HUD Monitoring Handbook, will be guides for conducting the risk analysis for 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 follow steps for identifying risks that include the following:

1. Identify what CDBG-DR projects and performance areas are to be assessed
2. Insure that risk is identified and analyzed
3. Assign weight to risk factors
4. Develop rating criteria and methods to assessing risk
5. Determine rating by factor
6. Establish criteria for risk “profiles” for each Funding Recipients
7. Compile scores and rank organizations
8. Utilize resources for monitoring and risk mitigation

The risk analysis, conducted by DOH staff, will pay particular 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.

Program monitoring staff will follow the procedures described in the CDBG-DR Compliance and Monitoring Manual, 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.

A 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 assist DOH by providing consistent data to develop monitoring strategies to minimize potential

risk. Feedback from this process will enable DOH to prioritize decisions, allocate appropriate resources, and determine the type of monitoring necessary.

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

1. Identification of which participants will be monitored
2. Type of monitoring (e.g., in-depth, limited, on-site, remote)
3. Programs/functions to be monitored
4. Actions that will be taken to assess program participant performance
5. Expected monitoring dates
6. Required resources (staff and other monitoring team participants)
7. 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 Recipient and utilize a strategy to reduce and manage the Recipients' risk.

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.