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 the 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 much 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	$14,072,234	$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	$226,534,832	$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 $10.8 million. These activities include structural repairs (approximately $4.8 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**	**State**
Equipment	$4,995,000	$995,000	$4,000,000	$0	$0
Property	$4,802,888	$4,390,000	$310,000	$102,888	$0
Capital	$1,000,000	$0	$0	$0	$1,000,000
TOTALS	$10,797,888	$5,385,000	$4,310,000	$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.