

STATE OF CONNECTICUT

2001 Action Plan for Housing & Community Development

INTRODUCTION

The Annual Action Plan updates the State of Connecticut's Consolidated Plan for Housing and Community Development (ConPlan), a five year plan addressing Connecticut's housing and community development needs. The State submits the Plan to the U.S. Department of Housing and Urban Development to apply for funds under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with Aids (HOPWA) programs. This Annual Action Plan covers the program year from July 1, 2001 to June 30, 2002.

References to sections of the ConPlan are made throughout this document. Not all of these sections are duplicated here. Copies of the ConPlan are available from the Public Affairs and Strategic Planning Division of the Connecticut Department of Economic and Community Development. A copy of the Action Plan can be viewed or downloaded by visiting DECD's web site at www.DECD.org.

The activities, programs and resources discussed in this Plan will be administered by various agencies including the Departments of Economic and Community Development, Social Services, Mental Health and Addiction Services, and the Connecticut Housing Finance Authority.

In accordance with federal regulations, the Action Plan includes the following sections:

- Resources: funding sources available to address the State's needs and objectives
- Activities: method for distributing funds for activities that address needs and objectives
- Geographic Distribution: geographic areas to which the State will direct assistance
- Homeless and Special Needs Activities: plans to address homelessness and assist persons with special needs
- Other Actions: strategies to address under served populations, foster and maintain affordable housing, remove barriers, and assist families in poverty
- Summary of Public Comments: comments made on the Action Plan and DECD responses
- Applications for Assistance: HUD Form 424 for the CDBG, HOME, ESG, and HOPWA programs
- Certifications: General and program specific certifications as required by HUD

CITIZEN PARTICIPATION

The Department of Economic and Community Development (DECD) solicited public input in developing the Action Plan. In accordance with Connecticut's 2000 -2005 Consolidated Plan for Housing and Community Development two public hearings were conducted by DECD in March 2001 on housing and community development needs throughout the State so that public input and concerns could be included in the development of the state's 2001-2002 Action Plan.

DECD solicited input on the draft Action Plan through a 30-day public comment period from April 10, 2001 to May 10, 2001 and invited citizen participation at four public hearings held around the state.

1. Resources:

Federal and State resources which will be used during this Action Plan time frame to address the needs and strategies identified in the ConPlan are found in the sections on specific programs in this report. This Action Plan provides a plan for expending FFY 2001 funds in the following programs:

HOME Investment Partnerships (HOME)	\$ 11,097,000
Small Cities Community Development Block Grant (CDBG)	\$ 14,811,000
Emergency Shelter Grants (ESG)	\$ 1,029,000
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 1,060,000

A chart of State and Federal Resources that details those funds that are available to support housing and community development activities is included later in this document. The state cannot anticipate what other public or private funds may be available to support the programs, activities and strategies discussed here, however, the state will make maximum use of any such resources as they become available. The state is committed to making the most efficient and effective use of all resources.

A notice of funding availability will be posted on the DECD website upon funding notification from HUD. The changes contained in year 2001 Action Plan will be retroactive to uncommitted funds.

2. Activities:

The State’s methods of distributing funds and carrying out activities funded by HUD and other federal programs are described in the program-specific sections that follow. However, in recognition of the crucial need for access to funding for housing and community development projects throughout the year, the State is instituting the availability of both HOME and Small Cities funds on a year-round basis. Please refer to the HOME and Small Cities CDBG sections of this document for more detail on these activities.

3. Geographic Distribution:

All communities of the state are eligible for funding from both state and federal programs, in accordance with program requirements. Funds under both the HOME and Small Cities programs will be available to all eligible communities. Communities with greater needs may be given higher priority.

4. Homeless and Other Special Needs Populations:

Homeless and other special need populations are described in detail in the *Needs Assessment* and the *Homelessness* sections of the ConPlan. Strategies to address these needs are listed in the *Strategies* section of the ConPlan. A general description of state and federal resources can be found in the *Institutional Structure* section of the ConPlan.

5. Other Actions:

The strategies to address under served populations, foster and maintain affordable housing, remove barriers and assist families at or below poverty are discussed in the *Strategies* section of the ConPlan. A general description of state and federal resources can be found in the *Institutional Structure* section of the ConPlan.

- A. The Connecticut Housing Finance Authority will review the Federal Low Income Housing Tax Credit Allocation Plan to assure consistency with state policies described in this Action Plan.
- B. Redevelopment of state assisted housing stock will be considered in the award of Housing Tax Credits.

- C. The State of Connecticut will continue to address the reduction of lead-based paint hazards in a manner consistent with current activities at the Department of Economic and Community Development (DECD). These include but are not limited to the following:

The State will continue its efforts to reduce the hazards of lead-based paint through a \$6,000,000 HUD grant awarded in 1994. The State will continue utilizing the HUD lead funds in conjunction with state, local and other resources, to reduce the hazards of lead-based paint in 610 dwelling units in partnership with five high-risk municipalities. These funds are presently utilized to finance a comprehensive program of testing, data collection and evaluation, community education and outreach and cost-contained abatement of lead-based paint hazards. DECD has contributed significant time coordinating the administration of this program with its Regional Offices and the five lead funding recipient municipalities. The department has recently received approval of an extension of this HUD contract to June 30, 2001.

Further, the state will continue its association with the Community Renewal Team (CRT) of Hartford to administer a comprehensive rehabilitation effort through a one-stop process for housing rehabilitation activities including but not limited to energy conservation improvements, code violations and lead-based paint hazard reduction. Funding will be available from the State-funded Energy Conservation Loan Program and the Removal of Hazardous Materials from Residential Structures Program.

The State of Connecticut intends to abide by HUD's new requirements for notification, evaluation and reduction of lead-based paint hazards in federally owned residential property and housing receiving federal assistance (Lead Safe Housing Regulation at 24 CFR Part 35).

ACTIVITIES

A. HOME FUNDS

The State will continue its effort to strengthen the abilities of state and local government to expand and preserve its supply of decent, safe, sanitary, and affordable housing with the use of federal fiscal year 2001 HOME funds.

The Connecticut Housing Finance Authority will review the Low Income Housing Tax Credit Allocation Plan to assure consistency with State policies to foster and maintain affordable housing described under the HOME program in this Action Plan. All HOME assisted rental and home ownership units must meet all program guidelines for income eligibility.

Use restrictions will be applied to all applications for funding under the HOME Program. To this end, the State will invest in the production of affordable housing through new construction or rehabilitation only when it determines that the units produced will remain affordable for the minimum years of affordability required under the HOME Program. If HOME funds are used for homebuyers, the State will abide by the guidelines for resale and recapture as required in Section 92.254 of the HOME Investment Partnerships Program Consolidated Final Rule.

Pursuant to Sec. 92.218-92.222 of the HOME Final Rule, the state PJ incurs a 25% matching obligation for the HOME funds it expends. In order to meet this obligation, each applicant must provide documentation identifying match sources.

Geographically, HOME funds will be available to all 169 communities.

In an effort to increase the expenditure rate of HOME funds, the DECD will evaluate the HOME program process and the HOME data collection and reporting systems and identify areas that can be streamlined and improved. A report outlining the areas in need of improvement and recommendations to improve the process will be issued within 30 days of approval of the 2001-2002 Action Plan by HUD.

FFY 2001 RESOURCE ALLOCATION PLAN FOR THE HOME PROGRAM

The federal Fiscal Year 2001 HUD allocation to the Department of Economic and Community Development for HOME is expected to be \$11,097,000. DECD funds are subject to availability from the federal government.

FFY 2001 Allocation	\$	11,097,000
State Administration (10%)	\$	<u>1,109,700</u>
ADMIN. SUBTOTAL	\$	<u>1,109,700</u>
 CHDO Funds		
CHDO Set-aside (15% of Allocation)	\$	1,664,550
CHDO Operating Funds (5% of Allocation)	\$	554,850
CHDO Pre-development Funds (10% of CHDO set-aside)	\$	<u>166,455</u>
CHDO FUNDS SUBTOTAL	\$	<u>2,385,855</u>
 Program Funds		
Discretionary Urgent Need (5%)	\$	380,072
High Priority (60%)	\$	4,560,867
Medium Priority (30%)	\$	2,280,434
Low Priority (5%)	\$	<u>380,072</u>
PROGRAM FUNDS SUBTOTAL	\$	<u>7,601,445</u>
TOTAL	\$	<u>11,097,000</u>

Reprogramming of Funds:

During the fiscal year, DECD may recapture funds from previous fiscal years from:

- Non-performing grantees
- Grantee’s underutilized funds
- Program Income generated by grantees

Funds may be reallocated during the program year based on demand and /or emergency situations. The changes contained in year 2001 Action Plan will be retroactive to uncommitted funds.

When awarding those funds DECD will use current program guidelines. DECD reserves the right to increase or decrease the allocation of a program component. When these cumulative changes meet the threshold criteria of an amendment DECD will follow the process in accordance with the State's Consolidated Plan and regulations at 24 CFR 91.505.

The Department of Economic and Community Development (DECD) proposes to use ten percent of its annual HOME allocation for program administration. The remaining funds are proposed to be allocated for HOME eligible activities. A minimum of fifteen percent of the annual allocation will be set-aside for Community Housing Development Organizations (CHDO) as required by federal law.

Ten percent (10%) of the CHDO set aside will be reserved for CHDO Predevelopment Loans. (Upon repayment of a CHDO loan, the repaid funds shall be placed in a revolving loan account to fund new CHDO Predevelopment Loans).

"Under the HOME Program, a PJ may set-aside up to 5% of its annual HOME allocation for a CHDO Operating Expense Program. Beginning with the Department’s distribution of 2001 HOME funds, the Department will implement such a program. Funds shall be awarded in the following order until all funds set aside for this program are exhausted:

First to state designated CHDO's that were newly successful in obtaining DECD HOME funds for a HOME project. The maximum award under this section of the program will be limited to 7.5% of the amount of HOME funds awarded for the approved HOME project. Under federal law, a CHDO may not receive HOME support that provides more than 50% of its operating budget in any fiscal year or \$50,000, whichever is greater. Under Connecticut's program, operating expense assistance will be capped at \$50,000.

Second to state designated CHDO's that were awarded assistance for a HOME project in a previous year and whose progress has been deemed to be satisfactory to the Department. Under federal law a CHDO may not receive HOME support that provides more than 50% of its operating budget in any fiscal year or \$50,000, whichever is greater. Under Connecticut's program, operating expense assistance will be capped at \$50,000.

Funds awarded under this program will be distributed as follows:

For new awards, the funds shall be disbursed in four equal amounts beginning three months following the execution of the contract for the HOME-assisted project and every three months thereafter until the award has been exhausted. All requests for reimbursement of operating expenses by the CHDO must be supported by documentation demonstrating that the reimbursement is for HOME-eligible operating expenses.

For awards that are renewing a previous grant, the funds shall also be disbursed in four equal amounts beginning on a date no earlier than three months following the disbursement of the last quarterly payment for the preceding award. Again, all requests for reimbursement of operating expenses by the CHDO must be supported by documentation demonstrating that the reimbursement is for HOME-eligible operating expenses."

HOME Discretionary funds may be used for proposals that are considered to meet the Urgent Need standard (The definition of urgent or eminent need rehabilitation of state financed housing can be found in attachment A). The applicant must demonstrate that it meets all of the following criteria: A) the proposal addresses a serious, unique and immediate housing need related to public health and safety; B) the problem must not have been able to be anticipated in the last 18 months; and C) HOME funds must be last resort funding.

The Department will accept applications for all HOME Investment Partnerships Program eligible activities. All applications will be required to meet program eligibility and threshold requirements. Applications will be reviewed using the evaluation criteria, and evaluation process described herein.

Applicants in the Danbury and Stamford-Norwalk FMR areas may choose to use the 2001 "uncapped" income limits set by HUD in accordance with the Quality Housing and Work Responsibility Act of 1998 (Title V of Public Law 105-276). Please refer to Attachment D of this document for additional information regarding this issue.

B. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR SMALL CITIES

The Department will accept applications for all Small Cities eligible activities with the exception of applications for the rehabilitation of existing state-financed public housing in non-entitlement communities, which will be eligible but only for non-urgent rehabilitation activities. If an applicant has an urgent need, they should apply directly to the Department of Economic and Community Development for state bond funds as soon as the need has been identified. The definition of urgent or eminent need rehabilitation of state financed housing can be found in attachment A.

In the event that additional funds are allocated that affect Connecticut's initial allocation and/or are recaptured from other states and reallocated to Connecticut during the program year, these funds will be distributed.

FFY 2001 RESOURCE ALLOCATION PLAN FOR THE SMALL CITIES PROGRAM

The federal Fiscal Year 2001 HUD allocation to the Department of Economic and Community Development for Small Cities is expected to be approximately \$14,811,000. DECD funds are subject to availability from the federal government. If changes to this distribution become necessary, procedures outlined below will be observed in making those changes.

FFY 2001 Allocation	\$	14,811,000
State Administration (2%)	\$	296,220
(Additional State Admin) (\$100,000)	\$	100,000
Technical Assistance (1%)	\$	148,110
ADMIN SUBTOTAL	\$	<u>544,330</u>
Program Funds Available	\$	14,266,670
Discretionary Urgent Need (5%)	\$	713,334
High Priority (80%)	\$	11,413,336
Medium Priority (10%)	\$	1,426,667
Low Priority (5%)	\$	<u>713,333</u>
PROGRAM SUBTOTAL	\$	<u>14,266,670</u>
TOTAL	\$	<u>14,811,000</u>

Reprogramming of Funds:

During the fiscal year, DECD may recapture funds from previous fiscal years from:

- Non-performing grantees
- Grantee's underutilized funds
- Program Income generated by grantees

Funds may be reallocated during the program year based on demand and /or emergency situations. The changes contained in year 2001 Action Plan will be retroactive to uncommitted funds.

When awarding those funds DECD will use current program guidelines. DECD reserves the right to increase or decrease the allocation of a program component. When these cumulative changes meet the threshold criteria of an amendment DECD will follow the process in accordance with the State's Consolidated Plan and regulations at 24 CFR 91.505. DECD may also have cause to fund from any allocation or resources to respond to corrective actions after program closeouts or as a result of other administrative errors.

COMMUNITY REVITALIZATION STRATEGIES

In 1996, HUD established criteria for allowing States to approve a locally determined strategy for revitalizing an area that is among the community's most distressed. In order to provide some incentive for grantees to undertake such revitalization, the CDBG regulations provide certain benefits for the use of CDBG funds in such an area. DECD will apply the same criteria to communities eligible for Small Cities CDBG.

A community that is interested in seeking approval of a community revitalization strategy (CRS) must submit a request to DECD prior to and separate from an application for a Small Cities grant. Once a CRS is approved, the community is eligible for the following incentives:

Job Creation/Retention as Low/Moderate Income Area Benefit: job creation/retention activities undertaken pursuant to the CRS may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the income of the persons that take or are considered for such jobs.

Aggregation of Housing Units: units assisted pursuant to the CRS may be considered to be part of a single structure for purposes of applying the low- and moderate-income national objective criteria, thus providing greater flexibility to carry out housing programs that revitalize neighborhoods.

Aggregate Public Benefit Standard Exemption: Economic development activities carried out under the strategy may be exempt from the aggregate public benefit standards, thus increasing a community's flexibility for program design as well as reducing its record-keeping requirements.

Public Service Cap Exemption: Public services carried out pursuant to the CRS by a Community Based Development Organization will be exempt from the public service project funding cap.

A community's strategy must be designed to provide for the economic empowerment of the low and moderate income residents of a particular area that is among the community's most distressed. It must also provide for other long-term improvements within a reasonable period of time. Therefore, the CRS must clearly describe how it meets the following criteria:

Boundaries: the community must identify the neighborhood's boundaries for which the CRS applies. All areas within the boundaries must be contiguous.

Demographic Criteria: the designated area must be a primarily residential area that contains at least 51 percent low and moderate-income residents. However, a community may not utilize the area benefit presumption authorized by 24 CFR 570.483(e)(5)(i) unless it meets the additional demographic criteria outlined in 24 CFR 570.483(b)(1)(v). Communities that intend to utilize the area benefit presumption must provide DECD with the census data needed to support the LMI percentage and poverty rate in the designated area.

Consultation: The community must describe how the CRS was developed in consultation with the area's stakeholders, including residents, owners/operators of businesses and financial institutions, nonprofits, and community groups that are in or serve the neighborhood.

Assessment: the CRS must include an assessment of the economic conditions of the area and an examination of the opportunities for economic development improvement and the problems likely to be encountered.

Economic Empowerment: there must be a realistic development strategy and implementation plan to promote the area's economic progress focusing on activities to create meaningful jobs for the unemployed low and moderate income residents of the area as well as activities to promote the substantial revitalization of the area.

Performance Measures: the CRS must identify the results expected to be achieved, expressing them in terms that are readily measurable, in the form of benchmarks.

In order to avoid an unnecessary burden for the community in describing its CRS, the community may refer to specific portions of other documents that the community must provide to DECD. The community may only need to provide additional information to the extent that insufficient detail is not already contained in these documents in order that DECD determine that each of the criteria has been met.

Since DECD regional office staff will review the CRS submission, the community must consult with its regional office staff to discuss what existing documents and information the community will be relying on for its submission and what additional information DECD will need to make this approval. For example, a community with an approved Neighborhood Revitalization Zone pursuant to Public Act 95-340 may use the strategic plan developed for the NRZ as the CRS as long as any additional information required by DECD is also provided.

ACTIVITY FUNDING CAPS FOR THE CDBG PROGRAM

The maximum funding request for each type of activity is as follows:

Housing (site acquisition/improvements, etc.)	\$ 750,000
Housing Rehabilitation Loan Funds	\$ 500,000
Community Facilities	\$ 500,000
Public Services	\$ 75,000
Public Services – Multi-jurisdictional	\$ 200,000
Economic Development	\$ 500,000
Planning	\$ 50,000
Section 108	\$4,000,000

DECD may consider exceptions to these caps if it is determined by DECD that an approved activity requires funding in excess of the funding cap.

Discretionary Applications

Discretionary Grants are Single-Purpose Grants that meet the HUD "urgent need" national objective. Applications may be submitted year-round or until funds are exhausted for this category. Awards are made on a first-come first-served basis. A written request must be submitted to the Regional Office serving their community. Full applications will not be accepted unless the applicant has been invited to submit after this pre-application process.

HUD Urgent Need Discretionary grants must meet the three following criteria: 1) they must address a serious, unique, and immediate community development need related to public health and safety, 2) the problem must not have been able to be anticipated in the past 18 months, and 3) it must be last resort funding.

Planning Grants

Planning grants must be utilized to build local administrative capacity and to develop or manage Community Development Block Grants. Federal and State policy requires that all Planning Only grants develop plans that, if implemented, would meet the low/moderate income national objective. To meet this requirement, planning grants must plan for a specific CDBG eligible activity.

Request for funding will be approved on first come, first served basis. Towns are limited to one planning grant request per program year in an amount not to exceed \$50,000.

Economic Development Applications

The Small Cities Program will award grants under the Economic Development Category to eligible local governments or multi-jurisdictional applicants to assist business meeting the national objective for low and moderate income benefit through job creation or retention. The type and level of assistance shall not unduly enrich the business or be unreasonable in relation to the achieved public benefit.

Application will be accepted on an open window basis. The maximum funding request for an economic development application is \$500,000. Grants will be awarded based on negotiations that determine (1)

whether CDBG funding is appropriate, and (2) that the type of level of CDBG assistance are reasonable in relation to the achieved public benefit and does not unduly enrich the business.

Section 108 Loans

Section 108 Loan Guarantee Program is an extension of the federal CDBG program. This program provides a source of financing for community development projects in accordance with Section 108 of the Housing and Community Development Act of 1974 as amended. The program is designed to finance large-scale projects that address public needs or stimulate economic development.

Guaranteed by the U.S. Department of Housing and Urban Development and backed by the full faith and credit of the United States, Section 108 notes are issued to investors through private underwriters. The Section 108 funds are offered to localities in the form of loans, which must be repaid in full. The State pledge of future Small Cities CDBG funds serves as one source of security. All projects will be required to provide additional security and demonstrate that the 108 borrowing can be paid back. All Section 108 projects must fulfill at least one of the Federal CDBG national objectives. In this program year, the State of Connecticut will conduct a "demonstration Section 108 program" which is intended to test (1) the demand for this type of financing, and (2) the State criteria and procedures. Depending on the demonstration results, the program may be amended, contracted or expanded in the future.

Applications will be approved on an "open" window basis. The awards will be made for projects qualifying on non-competitive criteria until funding authority is less than pending pre-applications. When and if demand exceeds supply, the statewide Small Cities evaluation criteria will be employed.

Proposals for Section 108 loans will be accepted by the State throughout the year and will be evaluated on project merits by a review team. Localities will be requested to complete a pre-application, which will enable the State to determine that the proposal meets federal eligibility and feasibility criteria. Proposals will be accepted for housing rehabilitation, economic development and related projects. The amount of funds committed to a particular project will be based on financial need and public benefit relative to risk.

Key program elements for the Section 108 Loan Guarantee Program include:

- DECD Statewide assistance is limited to \$14 million or no more than \$1,500,000 principal and interest payments annually
- DECD minimum amount per project is \$500,000
- DECD maximum loan guarantee per applicant or per project will not exceed \$4 million
- The maximum loan term will be 20 years
- Loans will be capped at 75% to 80% Section 108 loan to collateral value pledged
- Repayment feasibility must be reasonably assured
- Each project must demonstrate at least 10% equity participation
- Section 108 loan funds cannot constitute more than 90% of total project costs
- For economic development projects, the cost per FTE job cannot exceed \$35,000 in Section 108 funds (all permanent jobs)
- For economic development projects Section 108 assistance is limited to a maximum of \$350 per LMI resident served
- The interest rates charged will be pegged to cost of funds, which track treasury rates
- For DECD housing rehabilitation projects, maximum assistance will be capped according to HOME program guidelines

APPLICATION PROCESS FOR HOME & CDBG PROGRAMS

DECD will continue to accept applications for the Small Cities CDBG and HOME programs under the "open" application process.. Applications will be accepted on a continuing basis year-round.

The application process will be as follows:

- Prospective applicants must send a written request with a one-page project description to the DECD field office serving the community in which the project/ activity will be carried out.
- Regional staff will meet with the prospective applicant to discuss the project/activity in greater detail to determine if the project/activity meets minimum program eligibility and threshold requirements. (Regional field staff is available to provide technical assistance regarding eligibility requirements and funding opportunities.)
- Regional staff will invite an application if the project/activity is determined to be eligible and the threshold requirements have been addressed or the prospective applicant will be advised of deficiencies.

PROGRAM ELIGIBILITY AND THRESHOLD REQUIREMENTS

The following requirements apply to the HOME and Small Cities CDBG programs:

- Eligible Applicants, as defined by HUD program regulations.
- Eligible Activity - Only those activities eligible under the appropriate Federal Acts will be funded.
- Compliance with all program requirements.
- Applicants must be in compliance with all existing DECD Assistance Agreements. (Waiver provision provided in extraordinary circumstances.)
- The applicant must identify how the project meets and is consistent with the goal/strategy(ies) of the DECD Consolidated Plan.
- Certification/demonstration of compliance with Fair Housing Guidelines

The following requirements are specific to the Small Cities CDBG Program:

- National Objective - Each proposed activity must meet at least one national objective. The national objective claim must be fully supported, and in some cases, the Agency should pre-approve your approach for meeting the national objective.
- Certification/demonstration of compliance with Citizen Participation criteria
- Applicants must provide a minimum local contribution of 10% of the DECD amount requested from a non-state or non-federal source. (Waiver provision provided in extraordinary circumstances)
- **Housing Projects and planning only** grants are not subject to the 10% local contribution.

If the applicant is denied funding based on not meeting the 10% local contribution threshold, the applicant may make written appeal to the Commissioner, the Commissioner at his discretion may approve or disapprove the appeal.

APPLICATION EVALUATION AND APPROVAL PROCESS FOR THE HOME AND SMALL CITIES PROGRAMS`

Applications for both the HOME and Small Cities Block Grant Programs will be evaluated as follows:

A review team comprised of DECD staff will conduct due diligence and evaluate eligible applications using the evaluation criteria described herein. Depending on the nature of the proposed activity, site inspections may be conducted by DECD staff. An evaluation of the site's feasibility will be completed and considered as part of the final review.

Regional staff will make recommendation for approval to the Commissioner. Final recommendations will be based on the overall quality of the application. The ability of the applicant to demonstrate that they will be able to secure firm financial commitments from other funding sources will also be a determining factor.

Approved applicants will receive notification from the Commissioner's office. If application is not approved, regional staff will advise the applicant of deficiencies and provide necessary technical assistance.

EVALUATION CRITERIA FOR THE HOME AND SMALL CITIES CDBG PROGRAMS

The following are categories of evaluation criteria and descriptions of factors that will be considered within each category.

Need and Marketability

Is the project a stated priority of the applicant. Communities are encouraged to set priorities for projects and funding on an annual basis. The governing or legislative body of the applicant must provide a written resolution attesting to the priority of the project as part of the application process. The project must meet one or more of the priorities as outlined in the ConPlan. This category will consider: the overall housing and community development needs of the community and the region in which the activity is proposed; the documented need for the specific activity proposed; the extent to which low and moderate income households will be served or will be benefited; the extent to which health and safety issues apply; the extent to which the proposal addresses the community's special needs housing; a market analysis of the proposed activity and waiting lists (if appropriate).

Project Feasibility

DECD must expend federal funds in a timely manner, therefore all projects must have a "ready to go" status which means that necessary approvals are in place such as permits, funding, certifications, etc. This category will consider distinct areas: site feasibility, development feasibility, and operational feasibility. Site feasibility will consider the environmental condition of the proposed activity; site control; current zoning and approvals; infrastructure condition and needs; the presence of hazardous materials; historic preservation requirements. Development feasibility will consider: project cost including total development cost, per unit cost and program (HOME or Small Cities) cost; proposed development budget; appraisals; funding commitments from other sources; amount of funding leveraged by HOME or Small Cities funds; the extent to which HOME or Small Cities is used as gap financing or funding of last resort; relocation; project time line, and project readiness to proceed. Operational feasibility will consider: proposed operating budget; proposed rents and/or purchase prices, the reasonableness of operating expenses including fees, cash flow projections for the project.

Applicant/Sponsor Capacity

Is the applicant in full compliance with any and all Assistance agreements with DECD. This will be determined internally within DECD. This category will consider the applicant's: development experience; management experience; performance in administering previous grants and/or loans from DECD, specifically HOME and Small Cities; performance in promoting fair housing and equal opportunities.

Community Impact

Is the project part of a comprehensive planning process for the community such as CRS, Plan of Development or similar planning effort. The applicant must provide evidence of the planning effort supporting the project. This category will consider: the relationship between the proposed activity and the other housing, economic and community development activities that are planned or underway in the

impacted neighborhood; the relationship of the proposed activity to priorities identified in the municipality's or region's plan of development; the economic impact of the proposed activity; local government support for the proposed activity; neighborhood support for the proposed activity; if the proposed activity is located in a targeted investment area such as a Neighborhood Revitalization Zone or Enterprise Zone.

Fair Housing and Equal Opportunity

Is there evidence of a previously approved and active Fair Housing Plan. How is the applicant performing in terms of achieving the goals of the plan. Has the Plan been revised to reflect the requirements of DECD's Analysis of Impediments Action Plan. Is there evidence of an active Equal Opportunity Plan. How is the applicant performing in terms of achieving the goals of the plan. Applicant must submit a Plan that has been updated within the last 2 years and milestones/achievements as a result of the plan. This category will consider the extent to which proposals promote racial and economic integration; the extent to which the proposal offers housing choice and opportunities to extremely low, very low, low and moderate income households and to persons with special needs; the extent to which the proposed project reduces racial segregation. The fair housing category will only apply to housing proposals, while Equal Opportunity will be applied to all proposals.

STATE AND FEDERAL RESOURCES

ECONOMIC & COMMUNITY DEVELOPMENT (DECD)	STATE> 01-02	HUD >01-02	TOTAL
HOME	\$ 0	\$11,097,000	\$ 11,097,000
Small Cities Community Development Block Grant	0	14,,811,000	14,811,000
Lead Based Paint Removal	1,650,000	0	1,650,000
Flexible Housing Funds	31,326,856	0	31,326,856
Assisted Living Funds	5,500,000	0	5,500,000
Housing Assistance and Counseling	149,100	0	149,100
Payment-In-Lieu-Of-Taxes	2,900,000	0	2,900,000
Tax Abatement	2,243,276	0	2,243,276
Elderly/Congregate Rental Assistance	370,417	0	370,417
Congregate Operating Subsidy	1,863,335	0	1,863,335
Urban Act Funds (Community Development)	11,474,453	0	11,474,453
TOTAL FOR DECD:	\$ 57,477,437	\$25,908,000	\$83,385,437

CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)	STATE> 01-02	HUD >01-02	TOTAL
LOW INCOME HOUSING TAX CREDIT	\$ 0	\$4,923,047	\$4,923,047
TOTAL FOR CHFA:	\$ 0	\$4,923,047	\$4,923,047

PRIORITY OBJECTIVES AND PERFORMANCE GOALS

In order to address the diverse need that exists within the State, Connecticut has elected to employ an overall comprehensive strategy of “Controlled Flexibility”. The concept of “Controlled Flexibility” evolved out of our consolidated planning process; a process that brought together a diverse group of people representing municipal governments, non-profit and for profit developers, service providers, housing and social service advocates, other state agencies and housing authorities. As this process progressed it became apparent that the need for and desired uses of funding were as diverse as the different constituents represented on various planning committees. In addition to the vastly divergent needs and demand for funds, two other factors helped shape the concept of “Controlled Flexibility”: the need to maximize funds to generate the greatest impact and, the need to be able to respond rapidly to, and capitalize on, demographic, housing market and economic shifts.

“Controlled Flexibility” ensures that high priority issues will be addressed in a way that promotes and encourages the leveraging of federal, state and local funds to create, develop and implement projects and programs that meet the different needs that exist in the state.

The “Controlled Flexibility” approach will allow the state to be more proactive and strategic in its disbursement of federal funds.

The state intends to make available CDBG and HOME funds to eligible recipients in a ratio that is based on priority. The largest portion of the state’s federal allocation will address High Priority issues, followed by Medium Priority issues and then Low Priority issues.

The specific ratios are:

CDBG (percentage of the total allocation minus administration), 80% for High Priority issues, 10% for Medium Priority issues, 5% for Low Priority issues, 5% for Urgent Need.

HOME (percentage of the total allocation minus administration and CHDO set-asides) 60% for High Priority issues, 30% for Medium Priority issues, 5% for Low Priority issues, 5% for Urgent Need.

In using this formula the state will be able to maximize the impact of the funds and address multiple strategies.

The following year 2001 objectives and performance goals are specific to HOME and CDBG. The Strategies section of the Consolidated Plan contains all of the five-year strategies and the five-year objective and performance goals.

The following series of tables contain the projected outcomes/objectives and performance goals, and the strategies that they address for the year 2001 fiscal year HOME AND CDBG programs. The projected outcomes/objectives and performance measures are listed in terms of units created or rehabilitated and people served. People served is estimated at 2.5 people per unit. These outcomes are further broken down into sub-categories that identify the number of units created or rehabilitated according to income group and again further broken down by special needs grouping. The corresponding strategies enlisted in effecting these outcomes or accomplished through projects under the HOME and CDBG programs are listed by number. Details regarding these strategies appear in the Strategies and Objectives and Performance Measures section of the ConPlan. For easy reference, a simplified recap to these strategies appears in a table at the end of this section.

HOME

Year 2001 Projected Outcomes/Objectives and Performance Goals

Outcomes/objectives and performance goals for fiscal year 2001 are as follows:

The DECD expects to fund the rehabilitation or construction of the following number of units, which will serve the corresponding number of individuals.

	Total	Rental	Home Ownership	Strategies Addressed
Units	325	179	146	1,3,6,7,8,9,11,15
People	813	447	366	15

The following is the distribution of the above mentioned Rental and Homeownership opportunities between income groups.

0 to 30% AMI - Units	72		3,6,7,8,9,11,15
0 to 30% AMI - People	180		
31 to 50% AMI - Units	72	29	1,3,6,7,8,9,11,15
31 to 50% AMI - People	180	65	
51 to 80% AMI -Units	36	117	1,3,6,7,8,9,11,15
51 to 80% AMI - People	90	260	

The following is the allocation from the total of the above-mentioned Rental and Homeownership opportunities between the different special need categories.

Disabled/Special Needs Units	27	15	1,3,4,6,7,8,9,11,15
Disabled/Special Needs People	27	38	5
Elderly Units	18		3,6,7,8,9,11,15
Elderly People	18		
Homeless Units	27		3,6,7,8,9,11,15
Homeless People	27		

The following is a further breakdown of the allocation of the Rental and Homeownership opportunities for the different special need categories by income group.

0 to 30% AMI – Elderly Units	14		3,6,7,8,9,11,15
0 to 30% AMI - Elderly People	14		
31 to 50% AMI - Elderly Units	4		3,6,7,8,9,11,15
31 to 50% AMI - Elderly People	4		
0 to 30% AMI - Disabled/Special Needs - Units	20		3,6,7,8,9,11,15
0 to 30% AMI - Disabled/Special Needs - People	20		
31 to 50% AMI - Disabled/Special Needs - Units	7		3,4,6,7,8,9,11,15
31 to 50% AMI - Disabled/Special Needs - People	7		
0 to 30% AMI - Homeless Units	27		3,4,6,7,8,9,11,15
0 to 30% AMI - Homeless People	27		

CDBG

Year 2001 Projected Outcomes/Objectives and Performance Goals

Outcomes/objectives and performance goals for fiscal year 2001 are as follows:

CDBG –Housing

The DECD expects to fund the rehabilitation or construction of the following number of units, which will serve the corresponding number of individuals.

	Total	Rental	Home Ownership	Strategies Addressed
Units	361	217	144	1,3,4,5,6,7,8,9,
People	701	421	280	11,15
Very Low Income Units (0 to 30% AMI)				
		87		1,3,4,5,6,7,8,9,
Very Low Income People (0 to 30% AMI)				
		169		11,15
Low Income Units (31 to 50% AMI)				
		87	115	1,3,4,5,6,7,8,9,
Low Income People (31 to 50% AMI)				
		168	224	11,15
Moderate Income Units (51 to 80% AMI)				
		43	29	1,3,4,5,6,7,8,9,
Moderate Income People (51 to 80% AMI)				
		84	56	11,15

CDBG –Housing Supportive or Non-Housing			Strategies Addressed
The following are generalized categories			
CDBG – Economic Development			10,12,13,14, 16,17
Employer Driven Training Assistance	50-100 Low/Moderate Income People		
Assorted Economic Development Projects	30-40 Low/Moderate jobs created and/or retained		
CDBG – Public Facilities			10,13,14,17
Public Facilities/ADA	9-12 Projects benefiting Low/Moderate Income People		
CDBG - Public Service			3,4,5,8,10,13, 14,17,18
Public Service	4-6 Projects Low/Moderate Income People		
CDBG – Urgent Need/Discretionary			1,2,3,4,5,6,7,8, 9,10,11,12,13, 14,15,16, 17,18
Discretionary	Held in reserve for urgent need.		
CDBG – Technical Assistance			15
Technical Assistance	Held in reserve for use as need arises.		

INCOME GROUPS DEFINITIONS FOR THE SMALL CITIES CDBG PROGRAM:

Extremely/Very Low Income Persons (0 to 30% AMI) - are defined as those families and individuals whose incomes do not exceed **thirty percent** of the area median income; to avoid inconsistencies with other income limits, it is defined as sixty percent of the four person family low-income limit, adjusted for family size.

Low Income Persons - (31 to 50% AMI) are defined as those families and individuals whose incomes exceed **thirty percent** but does **not exceed fifty percent** of the median income of the area involved, as determined by the U.S. Department of Housing and Urban Development with adjustments for areas with unusually high or low incomes.

Moderate Income Persons (51 to 80% AMI) - are defined as those families and individuals whose income **exceed fifty percent but does not exceed eighty percent** of the median income of the area involved, as determined by the U.S. Department of Housing and Urban Development with adjustments for smaller and larger families.

Low/Moderate Income Persons - (31 to 80% AMI) are defined as those families and individuals whose incomes do not exceed **eighty percent** of the median income of the area involved as determined by the U.S. Department of Housing and Urban Development with adjustments for areas with unusually high or low income or housing costs. The area involved has been determined by HUD to be the same area as determined for purposes of assistance under Section 8 of the United States Housing Act of 1937.

INCOME GROUPS DEFINITIONS FOR THE HOME PROGRAM:

Extremely Low Income Persons/Families (0 to 30% AMI) are defined as those families/individuals whose annual incomes do not exceed 30% of the median income for the area as determined by HUD adjusted for family size.

Very Low Income Persons/Families (31 to 50% AMI) are defined as those families/individuals whose annual incomes do not exceed 50% of the median income for the area as determined by HUD adjusted for family size.

Low Income Persons/Families (51 to 80% AMI) are defined as those families/individuals whose annual incomes do not exceed 80% of the median income for the area as determined by HUD adjusted for family size.

ConPlan STRATEGIES REFERENCE TABLE

The following table contains the strategies that appear in the ConPlan.

No.	Strategy	Priority
1	Homeownership	High
2	Rent Subsidies	High
3	Homelessness and Prevention	High
4	Special Needs-Persons with Disabilities	High
5	Special Needs-Persons with AIDS/HIV	High
6	Housing Rehabilitation and Preservation	High
7	New Development and Housing Production	Medium
8	Fair Housing	High
9	Financing and Incentives	High
10	Neighborhood and Community-based programs	High
11	Lead Abatement and Hazardous Materials	Medium
12	Job Training and Welfare to Work	High
13	Urban Center-related	High
14	Urban-Suburban Partnerships	Medium
15	Technical Assistance: Non-Profits, Grantees, Sub-recipients	Low
16	Small Business-related	Medium
17	Transportation and Infrastructure Facilities	Low
18	Community Development Support Services	Medium

C. EMERGENCY SHELTER GRANTS (ESG)

Connecticut anticipates \$1,029,000 in Federal Emergency Shelter Grants Program (ESG) funds for the new consolidated plan program year beginning July 1, 2001. Federal ESG funds will be pooled with \$6,459,224 in annual funding from Connecticut's general operating budget and \$2,701,896 from the U.S. Department of Health and Human Services' TANF and Social Services Block Grants. The Connecticut Department of Social Services administers these funds.

The pool of funds are allocated to local community based organizations and municipalities for the provision of temporary shelter for homeless individuals and families. Federal and state funds provide operational costs, rehabilitation activities, essential services such as counseling, case management, health, education, employment and training as well as help finding permanent housing and homeless prevention activities such as mediation programs and a rent bank.

Federal ESG funds will primarily be targeted for operational costs (65% of available funds) followed by essential services (30%) and administrative services (5%).

Connecticut currently has 13 shelters for single individuals, 20 shelters that support families and 13 shelters for both families and individuals. These shelters were established over the years due to the documented need to support homeless individuals and families. As needs are identified in local communities, the Department of Social Services examines its current financial capability to determine if there is financial and program support for new shelters.

An estimated 17,000 individuals, including families with children, will receive emergency shelter services during the program year that began July 1, 2000.

The Department of Social Services consults with the Connecticut Coalition to End Homelessness for the provision of technical assistance program development service model recommendations and program evaluation.

OUTCOME MEASURES FOR HOMELESS SHELTERS

The Department of Social Services has negotiated the following client based outcomes and measures with directors of emergency shelters. Each shelter will select and negotiate individual numerical outcomes and measures with DSS staff and will submit a monthly statistical and quarterly demographics report. The projected numerical goals represent statewide outcomes that will be evaluated throughout the program year.

OUTCOMES

Consumer attains alternate housing and/or accesses social and/or treatment services.

MEASURES

(Singles Housing Programs)

At least 30% of consumers will access another community housing setting such as transitional housing, residential (treatment) housing or permanent housing.

(Family Housing Programs)

At least 55% of consumers will access another community housing setting such as transitional housing, residential treatment program or permanent housing.

(Singles Housing Programs)

At least 40% of consumers will access additional social services.

(Family Housing Programs)

At least 65% of consumers will access additional social services.

(Singles Housing Programs)

For consumers with agreed upon goal of accessing information in order to make informed decisions about their health, education, housing, etc., 95% of consumers will be provided with such information to enable them to make informed decisions.

(Family Housing Programs)

For consumers with agreed upon goal of accessing information in order to make informed decisions about their health, children's education, housing, etc., 95% of consumers will be provided with such information to enable them to make informed decisions.

D. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

Connecticut anticipates \$1,062,000 in Federal Housing Opportunities for Persons With AIDS (HOPWA) funds for the new consolidated plan program year beginning July 1, 2001. HOPWA funds will be pooled with \$3,017,608 million in annual funding from Connecticut's general operating budget, \$861,555 from HHS and approximately \$1.5 million raised annually by community based organizations from private sources. In addition, Connecticut has approximately \$500,000 available in bond funds for acquisition, rehabilitation, or new construction of AIDS housing programs. The Connecticut Department of Social Services administers these funds.

HOPWA funds will be distributed to twenty-four community-based organizations statewide that provide AIDS housing services. These funds in conjunction with state appropriations will be used for community residence operational costs, rental assistance, technical assistance to non-profit organizations, supportive and case management services, housing information and resource identification.

The types of housing that will be funded include scattered site apartments, community residences with and without 24 hour staffing and respite/hospice care. The housing programs are located in sixteen different Connecticut communities and provide housing with supportive services to approximately 600 individuals at any one time.

Supportive services include case management, medical services, legal assistance, substance abuse counseling and recovery support, pastoral and emotional counseling, cooking and cleaning assistance, transportation, social, recreational, educational and volunteer opportunities.

An estimated 1,037 individuals living with HIV/AIDS and their families will receive supportive housing assistance. The population to be served is 43% male adult, 30% female adult and 27% children. It is estimated 75% of adults will have a history of substance abuse. Each housing program has specific criteria for admission which includes verification of HIV/AIDS diagnosis, income verification, review of living situation with preference provided to those living in shelters or on the streets, willingness to abide by program regulations such as drug free environments.

The community-based organizations that provide the described services have established excellent reputations within their communities. Each has developed networks that are informed of the available housing and supportive services provided. Staff work closely with discharge planners from hospitals, homeless shelters and correction facilities, as well as, with case managers and care coordinators from the regional AIDS consortia. In addition the statewide Connecticut AIDS Residence Coalition (CARC) mails a quarterly newsletter to approximately 1,500 social service and housing contacts. The Department of Social Services consults with CARC for technical assistance in the development of service models and program evaluation. CARC is a membership organization for AIDS housing providers in the state.

CARC and its members, through its Quality Assurance Program, will continue to work closely with the State Department of Social Services to establish appropriate and measurable performance measures for the coalition's activities.

OUTCOME MEASURES FOR AIDS HOUSING

The Department of Social Services has negotiated the following outcomes and measures with the AIDS residence service providers. Each organization that receives HOPWA funds will establish numerical goals for the outcomes and measures selected. The numerical goals identified below represent the statewide goal for all individual AIDS residence programs.

OUTCOMES

Program will strive to maintain maximum capacity.

Residents with HIV/AIDS will receive services and support to improve their quality of life.

MEASURES

Programs will maintain an occupancy rate of 80%.

For residents with an agreed upon goal of accessing financial and medical entitlement, at least 90% will be assisted in accessing such benefits.

For residents with an agreed upon goal of improving daily living skills, at least 90% will demonstrate abilities in one or more functional area(s).

For residents with an agreed upon goal of participation in support groups, counseling, therapy or substance abuse treatment, at least 90% will participate 70% of the time.

For residents with an agreed upon goal of accessing legal services, at least 90% will access legal services.

For residents with an agreed upon goal of accessing information about medical services, treatment and/or medications to make informed decisions about their health, 100% will access the above identified services to enable them to make informed decisions about their medical treatment.

STATE AND FEDERAL RESOURCES (SFY 2001)

SOCIAL SERVICES (DSS)	STATE >01-02	HUD> 01-02	HHS> 01-02	TOTAL
Emergency Shelters	\$ 6,459,224	\$ 1,025,000	\$ 2,701,896	\$ 10,186,120
Domestic Violence Programs	278,091		2,307,231	2,585,322
Housing Opportunities for Persons With AIDS	3,017,608	947,000	861,555	4,826,163
Section 8 Rental Assistance		24,808,993		24,808,993
Special Needs Housing Benefits (incl.in TFA,AABD expenditures)			1,039,803	1,039,803
Time-Limited Rental Assistance	3,420,500			3,420,500
Rental Assistance Program	10,446,517		1,860,148	12,306,665
Family Home Share Program	55,596			55,596
Elderly Home Share Program	98,838			98,838
Security Deposit Program	136,553		409,658	546,211
Eviction Prevention Program	229,965		919,860	1,149,825
Transitional Living Program	1,988,503		580,930	2,569,433
TOTAL FOR DSS	\$ 26,131,395	\$ 26,780,993	\$ 10,681,081	\$ 63,593,469

2001 Action Plan - Attachment A

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

RENTAL REHABILITATION PROGRAM

ELIGIBLE WORK ITEMS CATEGORIZED BY DEGREE OF URGENCY (but not limited to)

The following is a list of potential rehabilitation and improvement work items classified under the 4-degree of urgency criteria definitions. The list is not conclusive and some work items based on the severity of the work can fall under more than one degree of urgency category. Also items are not prioritized in order of necessity under each degree of urgency category.

Further, we would consider immediate emergency failed system work items directly for remedial action.

1A - Urgent Need - May be a threat to life

- electric service and circuit panel upgrade
- electrical wiring and circuits upgrade
- electrical ground fault interruption (GFI) in kitchens & bathrooms
- structural defects, cause for structure to be unsafe
- potential boiler failure, cause for explosion or fire to occur
- severe roof problem, cause for collapse or water penetration
- severe deterioration of exterior brick lintels or relief supports
- basement oil tank failure
- fencing in of water hazardous and/or open culvert
- non-operational smoke detection and/or fire alarm system
- child safe bars/screens – in bldg.'s w/ three or more stories
- lead abatement in unit where a EBL child resides
- deteriorated chimney flues
- septic system failing
- well system health & equipment problems
- friable exposed hazardous asbestos containing material
- severe deterioration of exterior fire escape structure
- exterior and/or interior lead abatement, units identified to contain TLL & defective surfaces where a child under the age of six resides

1 - Eminent Need - May be a threat to life.

- inoperable bedroom egress windows
- non-operational site & security lighting
- deterioration of exterior cantilever balcony
- other work items similar to 1A except of a less severity
- individual electrical hazard
- building equipment code violations or failures

2 - Moderate Code Violations or Deterioration - Affect the health and safety of tenants.

- boiler replacement
- oil tank replacement
- window replacement
- entry door replacement
- site lighting upgrade for security
- roof replacement, start of leaks
- severe deteriorated walks, roads or parking areas

- exterior brick cracks, to cause water penetration
- bathroom renovations
- kitchen renovations
- site drainage problems, cause for water to enter basements
- health code violations
- code citations from local building official
- window security grilles
- install exterior railings per code
- upgrade entry door lock hardware to code
- upgrade smoke detection and/or fire alarm system
- upgrade common area emergency lighting
- handicapped accessibility deficiency
- replace problem electric baseboard heating unit
- severe termite & other insect infestation problem
- interior and/or exterior environmental situation
- vacant boarded-up out of service units/buildings

3. Minimum Essential Renovations and Improvements - Maintain structures from future deterioration

- normal roof replacement, no leaks, visual deterioration & outlasted life expectancy
- gutter/leader replacement
- normal walks, road & parking area resurfacing and/or replacement
- site watershed drainage problems
- storm drainage problems
- basement bulkhead replacement
- basement hatchway stair replacement
- termites & other insect infestation problem
- replace individual bathroom fixture
- replace individual component and/or kitchen fixture
- elevator upgrade

2001 Action Plan - Attachment B

MONITORING

THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT (DECD)

The following describes the standards and procedures that the DECD will use to monitor activities carried out in furtherance of Connecticut's consolidated plan and will use to ensure long-term compliance with requirements of the CDBG and Home programs.

Small Cities Program Compliance and Monitoring

DECD performs monitoring to ensure that Department funds are being spent correctly and in compliance with federal regulations. The Department prepares a biannual monitoring plan. Each grant must be monitored on-site at least once prior to closeout. Monitoring reviews will be scheduled in accordance with the Small Cities Program Monitoring Schedule.

DECD monitors housing program compliance and financial compliance with federal and state regulatory mandates. The on-site monitoring visit and the desk reviews are mechanisms used for in-depth investigation and overall assessments. Quarterly financial reports are required for all Small Cities grant recipients.

The review of activities that include a rehabilitation or construction component must include an inspection of the "project" that was rehabilitated or constructed (e.g., the rental units rehabilitated, roads or sidewalks constructed, etc.). The DECD Building Construction Specialist who assists the DECD Project Manager with the monitoring review will inspect the project to ensure that it was rehabilitated or constructed in accordance with state & local building codes and with the plans & specifications for the project.

Sub-recipients of federal funds are also monitored for compliance with Single Audit, OMB Circulars, and contractual financial requirements. In-depth financial monitoring and technical assistance are provided to improve financial accountability and fiscal responsibility. In addition, financial reviews are conducted upon the request of and in concert with program area staff through team monitoring visits.

HOME Monitoring

DECD will monitor grantee files on a yearly basis and perform a 20% random selection of projects to monitor.

Project managers will complete the HOME Monitoring Checklist (See DECD HOME Monitoring Checklist) for each project monitored.

All grantees will be notified and required to submit quarterly status reports on their projects for the periods ending 9/30, 12/31, 3/31 and 6/30.

DECD will conduct site inspections with grantees, as warranted. Site inspections will include, but not be limited to, a review of the rent structure, utility allowance, yearly re-certification of income, verification of income and review of resident folders.

The grantee will be notified of the monitoring/inspection findings and required remedies to any deficiencies that exist.

Project managers will conduct requisite follow-ups with the grantee to insure that all remedies are enacted and completed in a comprehensive, timely and efficient manner.

THE DEPARTMENT OF SOCIAL SERVICES (DSS)

The following describes the standards and procedures that the DSS will use to monitor activities carried out in furtherance of Connecticut's consolidated plan and will use to ensure long-term compliance with requirements of the ESG and HOPWA programs.

ESG Monitoring

The Department of Social Services Regional Grants and Contract Staff monitor ESG Programs using a tool developed by the staff which, in a comprehensive manner, reviews each program's Administration, Personnel Policies and Procedures, Accounting, Budgeting, Reporting, Program Services, Goals and Objectives, Outcomes and Measures, Contractor's Self-Evaluation Process, Quality Assurance/Licensure Compliance. After all phases of the program have been evaluated, the Staff Representative will write up any Areas of Concern with whatever follow-up is needed. DSS staff will provide follow-up if it is deemed necessary-

HOPWA Monitoring

HOPWA contracts are handled a littler differently than ESG, In addition to the above review, a coordinated effort between DSS Regional Staff Representatives and the Staff of Connecticut AIDS Residence Coalition (CARC) perform a Standards of Care Review.

The Standards of Care is a comprehensive tool first produced in 1992 and carefully reviewed and updated twice since then. The philosophy behind this tool's development and use is the belief that all people have a right to safe, affordable, accessible, and permanent housing that enhances their quality of life. The Standards of Care was developed by the Standards Committee of CARC to describe the best practices of operating supportive residential programs for people living with HIV/AIDS. The Standards of Care describes six levels of supportive housing from Level 1, a completely independent housing program, to Level VI for those who need skilled nursing care.

The Standards address: resident eligibility, screening potential residents, staffing, and policies and procedures. These guidelines offer detailed description of programs in establishing and running a residence.

The Standards is a tool to assure the quality of programs by setting down guidelines for services, health and safety, and general management, A dual-committee of DSS Regional Staff Representative along with CARC staff use this tool to identify programs' strengths and weaknesses, highlight their best practices, and develop a framework, time line and process for technical assistance to correct deficiencies.

Standards of Care review includes:

1. Program Policies and Procedures: Program and Services, Admissions and Intake, services, and Supervision.
2. Life, Health, Safety: Facility and Sanitation, Safety, Health Care. and Food Service.
3. General Admission: Administration, Fiscal Management, Human Resources, Staff Development, Record Keeping, and Information Systems.
4. Citizen and Community Participation.
5. Grievance
6. Structural and Design Considerations
7. Confidentiality
8. Tuberculosis Screening and Management

2001 Action Plan - Attachment C

Comments made at the public hearings and during the 30-day public commentary period.

Four public hearings were held at various locations around the state during the 30-day public commentary period from April 10, 2001 through May 10, 2001. See attached public notice.

The Four public hearings yielded no comments on the 2001 Action Plan. Transcripts of the public hearings are attached.

The 30-day public commentary period yielded one written response.

DECD's Responses

The following is DECD's response to comments and concerns raised by Thomas Sales in his letter dated May 2, 2001.

Concerns addressed by Thomas Sales related to the Action Plan in his letter dated May 2, 2001.

Mr. Sales indicated that he has specific concerns regarding a Small Cities contractor and asked about available remedies "to air one's concerns". Under the established complaint procedure, someone who has a complaint about how the Small Cities Program is being administered locally, they should ask the community(ies) to look into the situation. If the community does not satisfy them, they can contact the program representative at DECD. DECD has assigned staff to contact Mr. Sales to discuss his concerns.

The following is a listing of Mr. Sales other areas of concern and DECD's response.

Set-asides for minority contractors. The federal guidelines and our contracts with communities call for the Program to be administered in an affirmative manner. Communities are asked to make a best effort to reach minority contractors. Communities are required to market appropriately. Our affirmative action office monitors this activity through quarterly reports and on-site monitoring.

Minority consulting firms - communities decide how they staff their local small cities projects. They decide whether to hire staff, a consultant or a combination. The federal guidelines and DECD policy require that all hiring be done in an affirmative manner. Job postings must be openly advertised. Consultants are hired under the federal procurement procedures for professional services. The community must advertise their request for proposal and get quotes from more than 1 firm (preferably at least 3 firms). This hiring also must be done in an affirmative manner. Marcia could provide more on information on this requirement and how her office has monitored in this area.

Minority homeowners/ property owners. Our experience is that towns either advertise to all homeowners in the area being served, or if the rehabilitation is being performed on a town-wide basis, they traditionally advertise in local newspapers. Many towns develop brochures which are handed out to homeowners. Marcia may have some additional information on this based on her monitoring efforts.

Outreach to contractors - Communities are asked to advertise each job openly or to develop a list of contractors that can be used. If a list is maintained, this list is supposed to up-dated regularly so that participation is open to all contractors. If there are few or no minority contractors in an area, the community(ies) are supposed to advertise in ways that will make the advertisement available to minority contractors in other parts of the state.

2001 Action Plan - Attachment D
HUD Memorandum Regarding Uncapped Income Limits for 2001



U.S. Department of Housing and Urban Development

Connecticut State Office
Office of Community Planning and Development
One Corporate Center, 19th Floor
Hartford, Connecticut 06103-3220

Telephone: (860) 240-4800, ext. 3059
Facsimile: (860) 240-4857

May 11, 2001

MEMORANDUM FOR: CDBG Entitlement Grantees Danbury, Stamford,
and Norwalk, and State of CT DECD; and HOME grantees Stamford
and DECD

FROM: Mary Ellen Morgan, Community Planning
and Development Director

SUBJECT: Attached Memorandum Regarding Uncapped Income Limits for
2001

The Quality Housing and Work Responsibility Act of 1998 (Title V of Public Law 105-276) enacted a provision that directed the Department to grant exceptions to at least 10 jurisdictions that are currently "capped" under HUD's low-and moderate-income limits. Under this exception, a total of 68 CDBG entitlement grantees may use "uncapped" income limits which reflect 80 percent of the actual median income for the area.

The attachment to this memorandum provides the 2001 "uncapped" income limits for the jurisdictions covered by this exception. Grantees that choose to use the "uncapped" income limits for some or all of their HOME or CDBG-assisted activities must reflect this determination in their Consolidated Plan Action Plans.

The use of "low-income limits" in the attachment is a reference to the Section 8 low-income limits. As provided in the CDBG regulations at 570.3, a low/moderate-income person is defined as a member of a family having an income equal to or less than the Section 8 low-income limits established by HUD.

Please call me at (860)240-4800, ext. 3059, or contact your Community Planning and Development Representative if you have questions.

FMR AREA	State	FY 2001 Median Family Income	FY 2001 Four Person Low Income	Uncapped FY 2001 Low Income Limits							
				1 Persons	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Danbury	CT	\$93,500	\$52,500	\$52,400	\$59,800	\$67,300	\$74,800	\$80,800	\$86,800	\$92,800	\$98,700
Stamford-Norwalk	CT	\$109,800	\$61,700	\$61,500	\$70,300	\$79,100	\$87,800	\$94,900	\$101,900	\$108,900	\$115,900