

STATE OF CONNECTICUT

2003 Action Plan for Housing & Community Development

INTRODUCTION

The Annual Action Plan updates the State of Connecticut's 2000 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 in order to be eligible 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, 2003 to June 30, 2004.

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

In accordance with Connecticut's 2000 –2005 Consolidated Plan for Housing and Community Development, the Department of Economic and Community Development (DECD) solicited public input in developing the 2003 –2004 Action Plan. So that public input and concerns could be included in the development of the state's 2003-2004 Action Plan, a public hearing was conducted by DECD on January 6, 2003 on housing and community development needs throughout the State.

DECD also solicited input on the draft Action Plan through a 30-day public comment period from, March 10, 2003 to April 9, 2003 and invited citizen participation at two public hearings held on March 10, 2003 and March 11,2003 in Hartford and New Haven .

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 2003 funds in the following programs:

HOME Investment Partnerships (HOME)	\$ 12,979,000
Small Cities Community Development Block Grant (CDBG)	\$ 15,537,000
Emergency Shelter Grants (ESG)	\$ 1,025,000
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 1,181,000

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.

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. 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:
 - 1. The State will continue its efforts to reduce the hazards of lead-based paint through a coordinated outreach effort to provide lead based paint hazard reduction information to rehabilitation and construction contractors. In addition, CDBG funds used to support homeownership rehabilitation loans will be increased to absorb the costs associated with the lead based paint hazard reduction methods requirements.
 - 2. Further, the state will continue its association with selected contractors to administer a comprehensive rehabilitation effort through a one-stop process for housing rehabilitation activities including but not limited lead-based paint hazard reduction, code violations and energy conservation improvements. Funding continues to 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 2003 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.

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. The PJ will use its General Fund housing appropriations as its match.

The state is also seeking to expand access to affordable housing through the utilization of partnerships with stakeholders and other funding organizations that leverage non-state resources for development or preservation of affordable housing.

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

FFY 2003 RESOURCE ALLOCATION PLAN FOR THE HOME PROGRAM

The federal Fiscal Year 2003 HUD allocation to the Department of Economic and Community Development for HOME is expected to be \$12,979,000. DECD funds are subject to availability from the federal government.

FFY 2003 Allocation	\$12,979,000
State Administration (10%)	<u>\$ 1,297,900</u>
ADMIN. SUBTOTAL	\$ 1,297,900
CHDO Capacity Building	
CHDO Set-aside (15% of Allocation)	\$ 1,946,850
CHDO FUNDS SUBTOTAL	\$ 1,946,850
PROGRAM FUNDS	<u>\$ 9,734,250</u>
TOTAL	\$12,979,000

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. 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 in accordance with the Action Plan guidelines in effect as of the date of reallocation.

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.

The Department will accept applications for all HOME eligible activities with the exception of Tenant Based Rental Assistance (TBRA).

For non-profit developers, the Department may also utilize HOME funds to refinance existing debt or to retire bridge financing provided the following conditions are met:

A. Refinancing of Existing Permanent Debt – (Applies only to Nonprofit Developers)

DECD may permit the use of HOME funds toward the cost of fully or partially refinancing an existing permanent mortgage loan on rental property provided, in the opinion of the Commissioner, the following conditions are met:

1. The rehabilitation of the housing must be the primary eligible activity. Therefore, the cost of the rehabilitation of the housing must equal or exceed \$25,000 per HOME-assisted unit and the total cost of the refinancing paid for with HOME funds may not exceed 50% of the cost of the eligible HOME rehabilitation activities;

2. A review of the management practices of the applicant must demonstrate that the proposed rehabilitation is not the result of disinvestment in the property by any entity involved in the application for HOME funds;
3. A review of the proposed operating budget for the project must demonstrate that both the cost of the refinancing and the needed rehabilitation of the project can be met and still result in the affordability of the units to HOME-eligible tenants for a period of 15 years or the term of the refinancing, whichever is longer;
4. When compared to the refinancing terms being proposed, the loan being refinanced must have:
 - a. An interest rate higher than the proposed refinancing; or
 - b. A repayment term that is longer than the proposed refinancing; or
 - c. A lump-sum repayment requirement (a balloon payment);
5. Priority may be given to projects located in a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2), a Federally designated Empowerment Zone or Enterprise Community, or a State designated Neighborhood Revitalization Zone; and
6. The activity does not involve the refinancing of a multifamily loan made or insured by any State or Federal program, including CDBG.

B. Grants or Loans to Pay Off a Bridge Loan – (Applies only to Nonprofit Developers)

DECD may permit the use of HOME funds for the repayment of all or part of any reasonable bridge loans secured by a nonprofit developer to pay for project costs necessarily incurred prior to the availability of HOME or other financing. Such expenses may include the cost of acquisition of real property, real estate options and feasibility studies, which in the opinion of the Commissioner were necessary to the development of the project. Any services paid for with such a bridge loan that will be repaid with HOME funds must be for HOME-eligible expenses. The applicant must have secured all services in accordance with a DECD-approved Procurement Plan.

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

The Department will accept applications for all Small Cities eligible activities.

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 in accordance with the Action Plan guidelines in effect as of the date of reallocation.

FFY 2003 RESOURCE ALLOCATION PLAN FOR THE SMALL CITIES PROGRAM

The federal Fiscal Year 2003 HUD allocation to the Department of Economic and Community Development for Small Cities is expected to be approximately \$15,537,000. 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 2003 Allocation	\$15,537,000
State Administration (2%)	\$310,740
(Additional State Admin) (\$100,000)	\$100,000
Technical Assistance (1%)	\$155,370
ADMIN SUBTOTAL	\$566,110
Program Funds Available	\$14,970,890
TOTAL	\$15,537,000

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.

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) or the aggregation of housing units authorized by 24CFR 570.483 (e)(5)(ii) 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 or the aggregation of housing units 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.

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.

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 objectives. To meet this requirement, planning grants must be for a specific CDBG eligible activity.

Requests 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. Total awards for planning grants will not exceed 2% of the State's annual allocation.

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 businesses in 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.

Grants will be awarded based on the following determinations: (1) whether CDBG funding is appropriate, and (2) that the type and 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.

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, for as long as funds continue to be available. The Department reserves the right to cease accepting application at any time that available funds have been committed. Applications will be rejected at that time, and applicants will be warned to proceed at their own risk.

The application process will be as follows:

- Prospective applicants must complete a pre-application in accordance with the Department's administration of each program. All applications must be submitted directly to the regional field office serving the community in which the project/ activity will be carried out.
- Regional staff will review the pre-application and any attached materials to determine if the project/activity meets minimum program eligibility and threshold requirements. (Regional field

staff are available to provide technical assistance regarding eligibility requirements and funding opportunities).

- Projects that do not meet basic eligibility and threshold review requirements will be rejected for funding by the Regional Staff. Prospective applicants will be advised of deficiencies.
- Regional Staff may present projects that meet basic eligibility and threshold requirements to the Division Director. At the Division Director's sole discretion, the prospective applications may be referred to a Project Review Committee.
- The Division Director's Project Review Committee (PRC) may review Regional Staff recommendations for applicants to submit applications if the project/activity is determined to be eligible and the threshold requirements have been addressed. The Project Review Committee may review the project to verify that it has in fact met basic eligibility criteria. The Committee may also consider qualitative issues, including but not limited to: social and economic impact on the neighborhood, community, region and state as defined in the strategies and priorities outlined in the ConPlan; applicant's outstanding obligations; number of current open grants; current projects' expenditure rates; prior audit or monitoring performance. The Committee will provide a balanced, impartial global viewpoint that will ensure that the activities of a given project will be carried out in furtherance of Connecticut's Consolidated Plan as well as ensure long-term compliance with the requirements of the Small Cities or HOME Programs. Projects referred to the committee will be reviewed in context with other activities being undertaken around the state in other communities.
- Based upon the PRC evaluation, the Division Director will approve or reject the solicitation of a formal application. Projects that are rejected will receive a letter from the Division Director, indicating the decision of the PRC, and the reason(s) for the rejection.

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.
- Statement of compliance with all program requirements.
- Applicants must be in compliance with all existing DECD Assistance Agreements and cannot be in default under any CHFA administered program. (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 the 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 source. Rural communities with populations of 3,000 or less which are

classified as economically disadvantaged under any state or federal authority are not subject to the match requirement. A waiver of the 10% local contributions threshold may be requested at the time of application. The Commissioner, at his sole discretion, may approve or disapprove the appeal.

- **Housing Projects and planning only** grants are not subject to the 10% local contribution.

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:

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 a recommendation for approval through the Division Director to the Commissioner. Final recommendations will be based on the overall quality of the application as well as fund availability. Staff review will include, but will not be limited to, the following: the applicant's outstanding obligations, the number of current open contracts, the applicant's expenditure rates on open contracts, readiness to proceed, the extent to which the proposed activity complies with DECD underwriting guidelines (and if not, why not), the extent to which the proposed activity supports the goals of neighborhood, local, regional and state plans for housing and community development, and the ability of the applicant to demonstrate that they will be able to secure firm financial commitments from other funding sources.

Approved applicants will receive notification from the Commissioner's office. If the application is not approved, the Division Director will advise the applicant of the rejection in writing and identify the reasons for the rejection.

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

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 site, the neighborhood, the community, the municipality and the region in which the activity is proposed; the documented need for the specific activity proposed; the documented need for the specific activity proposed; the extent to which low and moderate income households will be served or will benefit; 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 priority shall be given to all projects that have a "ready to go" status. "Ready to go" means that necessary approvals are in place such as permits, funding, certifications, etc.

This category will consider distinct areas: site, development, 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 (“soft cost”) 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

All applicants must meet all thresholds and be in full compliance with any and all Assistance Agreements with DECD and cannot be in default under any CHFA administered program. This category will consider the applicant's: success with previous DECD funded projects; development experience; experience of the development team and staff, management experience; performance in administering previous grants and/or loans from DECD; and performance in promoting fair housing and equal opportunities.

Community Impact

The Department will consider whether the project is part of a comprehensive planning process for the community such as a Community Revitalization Strategies Plan, 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

The Department will consider the demonstration of a previously approved and active Fair Housing Plan, and the applicant's performance in achieving the goals of the plan. Applicant's Fair Housing Plan should reflect the requirements of DECD's Analysis of Impediments Action Plan. In addition, the Department will also consider the demonstration of an active Equal Opportunity Plan and the applicant's performance against that plan. Applicant must submit a Fair Housing 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.

COMPLIANCE & MONITORING

The Department will monitor applicants' compliance to program requirements in accordance with 24 CFR 92.508 and 24 CFR 570.492 for the HOME and CDBG programs respectively. Applicants will be notified in advance of any project monitoring. Applicants should be aware of the long term compliance requirements associated with their respective projects in advance of accepting a contract for funding with the Department.

STATE AND FEDERAL RESOURCES

ECONOMIC & COMMUNITY DEVELOPMENT (DECD)	STATE> 03-04	HUD >03-04	TOTAL
HOME	\$0	\$12,979,000	\$12,979,000
Small Cities Community Development Block Grant	\$0	\$15,537,000	\$15,537,000
Lead Based Paint Removal	\$0	\$0	\$0
Flexible Housing Funds	\$15,000,000	\$0	\$15,000,000
Assisted Living Funds	\$0	\$0	\$0
Housing Assistance and Counseling	\$0	\$0	\$0
Elderly/Congregate Rental Assistance	\$0	\$0	\$0
Congregate Operating Subsidy	\$0	\$0	\$0
Urban Act Funds (Community Development)	\$0	\$0	\$0
TOTAL FOR DECD:	\$15,000,000	\$28,516,000	\$43,516,000

Figures for SFY03-04 are based on Governor's Recommended Budget
 Capital figures consist of Gov. Recommend. Budget plus balance @ SFY12/31/02

CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)	STATE> 03-04	HUD >03-04	TOTAL
LOW INCOME HOUSING TAX CREDIT	\$0	\$6,055,880	\$6,055,880
TOTAL FOR CHFA:	\$0	\$6,055,880	\$6,055,880

PRIORITY OBJECTIVES AND PERFORMANCE GOALS

The state intends to make available CDBG and HOME funds to eligible recipients based on the priorities set forth in the 2000-2005 Consolidated Plan and this document.

The following year 2003 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 2003 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 2003 Projected Outcomes/Objectives and Performance Goals

Outcomes/objectives and performance goals for 2003 allocation year 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	304	201	103	1,3,6,7,8,9,11,15
People	761	503	258	15

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

0 to 30% AMI - Units	80		3,6,7,8,9,11,15
0 to 30% AMI - People	201		
31 to 50% AMI - Units	80	21	1,3,6,7,8,9,11,15
31 to 50% AMI - People	201	52	
51 to 80% AMI -Units	40	82	1,3,6,7,8,9,11,15
51 to 80% AMI - People	101	206	

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	30	15	1,3,4,6,7,8,9,11,15
Disabled/Special Needs People	75	39	
Elderly Units	20		3,6,7,8,9,11,15
Elderly People	50		
Homeless Units	30		3,6,7,8,9,11,15
Homeless People	75		

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	15		3,6,7,8,9,11,15
0 to 30% AMI - Elderly People	15		
31 to 50% AMI - Elderly Units	5		3,6,7,8,9,11,15
31 to 50% AMI - Elderly People	5		
0 to 30% AMI - Disabled/Special Needs - Units	23		3,6,7,8,9,11,15
0 to 30% AMI - Disabled/Special Needs - People	23		
31 to 50% AMI - Disabled/Special Needs - Units	8		3,4,6,7,8,9,11,15
31 to 50% AMI - Disabled/Special Needs - People	8		
0 to 30% AMI - Homeless Units	30		3,4,6,7,8,9,11,15
0 to 30% AMI - Homeless People	30		

CDBG

2003 allocation year Projected Outcomes/Objectives and Performance Goals

Outcomes/objectives and performance goals for 2003 allocation year 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	303	155	148	1,3,4,5,6,7,8,
People	758	388	370	9,11,15
Very Low Income Units (0 to 30% AMI)				
		62		1,3,4,5,6,7,8,
Very Low Income People (0 to 30% AMI)		155		9,11,15
Low Income Units (31 to 50% AMI)				
		62	118	1,3,4,5,6,7,8,
Low Income People (31 to 50% AMI)		155	296	9,11,15
Moderate Income Units (51 to 80% AMI)				
		31	30	1,3,4,5,6,7,8,
Moderate Income People (51 to 80% AMI)		78	74	9,11,15

CDBG –Housing Supportive or Non-Housing
The following are generalized categories

Strategies Addressed

CDBG – Economic Development		10,12,13,14, 16,17
Employer Driven Training Assistance	25-50 Low/Moderate Income People	
Assorted Economic Development Projects	15-30 Low/Moderate jobs created and/or retained	
CDBG – Public Facilities		10,13,14,17
Public Facilities/ADA	5-10 Projects benefiting Low/Moderate Income People	
CDBG - Public Service		3,4,5,8,10,13, 14,17,18
Public Service	2-3 Projects Low/Moderate Income People	
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 \$1,025,000 in Federal Emergency Shelter Grants Program (ESG) funds for the new consolidated plan program year beginning July 1, 2003. Federal ESG funds will be pooled with \$ 5,812,519 in annual funding from Connecticut's general operating budget and \$ 3,370,642 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.

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 25 shelters for single individuals, 8 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, 2002.

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 program 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 \$ 1,181,000 in Federal Housing Opportunities for Persons With AIDS (HOPWA) funds for the new consolidated plan program year beginning July 1, 2003. HOPWA funds will be pooled with \$ 2,972,344 million in annual funding from Connecticut's general operating budget, \$1,006,920 from the US. Department of Health and Human Services (HHS) and approximately \$ 1,500,000 raised annually by community based organizations from private sources. In addition, Connecticut has approximately \$ 600,000 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 eleven different Connecticut communities and provide housing with supportive services to approximately 4,731 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 1,144 individuals living with HIV/AIDS and their families will receive supportive housing assistance. The population to be served is 47.40% male adult, 30.50% female adult and 22.10% 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 semi-annual newsletter to approximately 1,200 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 in order 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 2003)

SOCIAL SERVICES (DSS)	STATE	HUD	HHS	TOTAL
Emergency Shelters	5,812,519	1,025,000	3,370,642	10,208,161
Domestic Violence Programs	308,848		2,866,546	3,175,394
Housing Opportunities for Persons With AIDS	2,972,344	1,181,000	1,006,920	5,160,264
Section 8 Rental Assistance		31,174,957		31,174,957
Special Needs Housing Benefits (incl. in TFA,AABD expenditures)	441,816		572,736	1,014,552
Time-Limited Rental Assistance	1,223,382			1,223,382
Rental Assistance Program	12,318,787			12,318,787
Family Home Share Program	54,762			54,762
Elderly Home Share Program	95,535			95,535
Security Deposit Program	436,591			436,591
Eviction Prevention Program	226,515		919,860	1,146,375
Transitional Living Program	2,201,582		760,680	2,962,262
TOTAL FOR DSS	26,092,681	33,380,957	9,497,384	68,971,022

MONITORING

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 little 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

2003 Action Plan - Attachment A

Summary of public comments made at the public hearings and during the 30-day public commentary period.

PUBLIC HEARINGS AND PUBLIC COMMENTARY PERIOD

The department held one Public Hearing on January 16, 2003 to elicit input into the development of State's 2003 Action Plan for Housing and Community Development. Notification for this hearing appeared in ten (10) newspapers around the state. See attached copy of the notification. No testimony was received at this hearing. See attached copy of the hearing transcript.

The department initiated a 30 day public commentary on March 10, 2003. The public commentary period was concluded on April 9, 2003.

The department held two public hearings on March 10, 2003 and March 11, 2003, one in Hartford and one in New Haven.

Notification for the public commentary period as well as the two aforementioned hearings appeared in ten (10) newspapers around the state. See attached copy of the notification.

In addition to the public hearings and commentary period, the department posted the draft Action Plan on the agency's web site. This was noted in the public notices. The department also submitted, via e-mail, to the members of the State Legislature's Appropriations Committee, Commerce Committee, Planning and Development Committee and the Chairs of the Housing Sub-Committee, a schedule of the public hearings and commentary period as well as a copy of the draft Action Plan.

COMMENTS RECEIVED AND DECD RESPONSE

Lawrence Wagner

"...it does appear that there's some minor changes, one of which is the exclusion of non-state funding from the match requirement, the ten percent match requirement required by the program.

I would appreciate it if DECD could clarify the definition of non-state. For example, funds through DOT that originated at the federal level, are they going to be considered as a non-state funding because they are federal, or because they are going through DOT will they be considered as a state match, or the state funding, therefore excluded from the match.

I think it puts communities in a difficult situation because many times CBG (CDBG) funds are the most flexible federal funds, and I believe it was congress's intent to use these money(ies) as seed money to generate other projects.

But I think the clarification would help communities better define what they want to apply for."

DECD's Response

Non-State funds are defined as any funds which are not General Obligation funds of the State of CT (state bond funds) or General Fund sources. Federal funds being managed by state agencies are not "state" funds, they are "federal".

Mutual Housing Association of South Central Connecticut

"Mutual Housing Association of South Central Connecticut submits the following comments on the State Department of Economic and Community Development's 2003-2004 Annual Action Plan for Housing and Community Development.

The FFY 2003 Allocation. Plan for the HOME Program does not include the funding of Pre-Development and Operating Expenses activities for Community Housing Development Organizations (CHDOs). As you are aware, the State of Connecticut's budget crisis has diminished the State funding available for affordable Housing development by eliminating the State Housing Tax Credit program and Flex Housing program funding in FY 2004. CHDOs will be severely limited by the lack of State funding for housing development and, in particular, predevelopment activities. Traditional lenders for pre-development funding are difficult for a nonprofit development agency to locate and this problem creates more need for the Federal funds available for this purpose. In particular, the HOME Program allows for Pre-Development funding as an eligible activity. In order to complete an application for funding under this program, a nonprofit developer must complete site acquisition, an environmental review record, architectural design and construction plans, and include legal fees, to create sample documents and real estate closings. Recently, Mutual Housing Association received pre-development loans for our Ferry Street, New Haven, a 24 unit residential development. The pre-development funding enabled us to complete site acquisition, environmental requirements and architectural designs required for construction and permanent funders. Without the pre-development loans, we would not have a viable project ready to proceed with construction. Therefore, we suggest that DECD not eliminate the CHDOs essential development tool by allocating HOME funds for Predevelopment activities.

Additionally, the 2003 Action Plan for Housing and Community Development has not allocated resources for operational expenses of their qualified CHDO's. The HOME Final Rule, 92.208, allows for 5% of Connecticut's HOME program allocation to be spent on CHDO operating expenses. To allocate resources solely for development does not meet the CHDO capacity building as stipulated by the Department of Housing and Urban Development, Final Rule, 92.300(b). This operational funding is critical to the ongoing support and capacity building of the CHDO. As required by 92.2, CHDO boards are comprised of a minimum one-third low-income residents of the communities they serve. As such, these CHDO boards provide valuable input from the low-income people they serve. Support of the CHDOs also provides DECD with an important communication link to the State of Connecticut's low-income population it has been empowered to serve. This communication link should continue to be funded by DECD as the information it provides is more than raw statistical data on the housing stock of Connecticut residents - the link provides DECD with the viewpoint of the people who will have to reside in the housing DECD funding will create. Therefore, I would suggest that DECD develop an allocation formula that not only includes a 15% required set-aside allocation for project specific CHDO developments, but also funds the operational costs of the qualified DECD CHDOs.

Another deficiency of the 2003-2004 Action Plan is the Proposed application process for the HOME and Small Cities programs. The proposed application process would accept applications until funds are no longer available. The current State fiscal crisis has eliminated or severely cut LHTC State Housing Tax Credit and Flex Housing programs. This fiscal crunch is likely to create a greater demand for the funds of these two programs and increase the number of applications I would suggest that DECD return to a closed application format, such as the Connecticut Housing Financing Authority, Federal Home Loan Bank and Neighborhood Reinvestment Corporation currently use. A closed format would enable DECD to view the entire pool of proposed housing activities and choose projects best fitting the needs identified in the State's Consolidated Plan before committing funds to day projects. The first in, first committed approach, will not enable DECD to review projects in the context of other proposed housing activities and provide a balanced, global viewpoint to carry out the furtherance of Connecticut's Consolidated Plan, but rather would create a restricted viewpoint of the State's housing needs.

Thank you for the opportunity to comment on the 2003-2004 Annual Action Plan for Housing and Community Development.

Sincerely, Seila Mosquera, Deputy Executive Director"

DECD's Response

Concern: the elimination of the Pre-Development and Operating Expenses for Community Housing Development Organizations

Although it appears that the State of Connecticut, through DECD, has eliminated the funding for pre-development activities, the Department has made predevelopment loans available to eligible developers through the Flexible Housing Program. It is intention of the Department to continue this support as funding allows.

With regard to operating expenses for CHDOs, administrative costs are, in fact, eligible activities under the HOME program and can be incorporated as part of the budget for a particular project. An applicant for HOME funds can develop a line item in the project budget for all project related administrative costs.

Concern: the application process for HOME and Small Cities Programs

The State of Connecticut, through DECD, has changed its' application procedure to an "open window" process. We believe that this is the best format to get innovative, viable projects "off the ground." The open application process allows applicants to submit projects that are ready to proceed when they are in fact ready to proceed rather than losing time waiting for an application cycle, or submitting an application prematurely just to meet an application deadline. The Department has also worked diligently to make any funding under our control available to eligible applicants and projects as funds are available. This allows the Department to continue to entertain development applications even if the federal funds have been exhausted.

2003 Action Plan - Attachment B

COPIES:

- **Notices of Public Commentary and Public Hearings**
- **Public Hearing Transcripts**
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CERTIFICATIONS