

STATE OF CONNECTICUT

2004 Action Plan for Housing & Community Development

I. 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 (HUD) in order to be eligible to apply for funds under the Small Cities 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, 2004 to June 30,2005

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 Connecticut Department of Economic and Community Development (DECD), Compliance Office and Planning/Program Support. 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; and
- Certifications: General and program specific certifications as required by HUD.

II. 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 2004 –2005 Action Plan. So that public input and concerns could be included in the development of the state's 2004-2005 Action Plan, two public hearings were conducted by DECD on January 8 and 9, 2004 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, 2004 to April 9, 2004 and invited citizen participation at three public hearings held on March 22, 2004 in Hamden, March 24,2004 in New Britain and March 26, 2004 in Rocky Hill.

III. FEDERAL REQUIREMENTS

A. 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 2004 funds in the following programs:

HOME Investment Partnerships (HOME)	\$	14,618,263
Small Cities Community Development Block Grant (CDBG)	\$	15,865,419
Emergency Shelter Grants (ESG)	\$	1,131,584
Housing Opportunities for Persons with AIDS (HOPWA)	\$	251,000

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.

B. 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 CDBG 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.

C. 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 CDBG programs will be available to all eligible communities. Communities with greater needs may be given higher priority.

D. 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.

E. 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.

1. The Connecticut Housing Finance Authority (CHFA) will review the Federal Low Income Housing Tax Credit Allocation Plan to assure consistency with state policies described in this Action Plan.
2. Redevelopment of state assisted housing stock will be considered in the award of Housing Tax Credits.
3. 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:
 - a. 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.

- b. 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 to 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).

F. Compliance with CPD Notice 03-09:

DECD is in the process of developing a new management information system to track all of its programs. The Department also purchased and is implementing a software program for the HOME and Small Cities CDBG program that interfaces with IDIS, HUD's expenditure, and reporting process. The 2005 Consolidated Plan for Housing and Community Development, which includes input from multiple state agencies, will further enhance performance measures as they relate to the federal programs the state administers.

IV. PROGRAM ACTIVITIES

A. HOME Program:

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 (FFY) 2004 HOME funds. 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 required time period under the HOME Program. DECD at its' discretion may require to extend the affordability period beyond the minimum required by 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 Participating Jurisdiction (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. It is DECD 's investment goal to provide no more than 30% of the project's Total Development Cost (TDC) as its funding participation.

Geographically, HOME funds will be available to all 169 communities. The Department will accept applications for all HOME eligible activities with the exception of Tenant Based Rental Assistance (TBRA).

1. FFY 2004 Resource Allocation Plan for the Home Program - The Federal Fiscal Year 2004 HUD allocation to the Department of Economic and Community Development for HOME is expected to be \$14,618,263. HOME 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 2004 Allocation	\$13,266,049
State Administration (10%)	\$ 1,326,604
ADMIN. SUBTOTAL	\$ 1,326,604

CHDO Capacity Building	
CHDO Set-aside (15% of Allocation)	\$ 1,989,907
CHDO FUNDS SUBTOTAL	\$ 1,989,907
American Dream Downpayment Initiative	
Federal Fiscal Year 2003 allocation	\$ 620,274
Federal Fiscal Year 2004 allocation	\$ 731,940
Total ADDI	\$ 1,352,214
Program Funds Available	\$ 10,681,478
TOTAL	\$ 14,618,263

2. Reprogramming of Funds - During the fiscal year, DECD may recapture funds from previous fiscal years from:

- Non-performing grantees;
- Grantee's underutilized funds; and
- 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 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.

3. American Dream Downpayment Initiative (ADDI) Program - HUD is currently in the process of launching the American Dream Downpayment Initiative program. DECD will make available \$1,352,214 in ADDI funding under the HOME program. The American Dream Downpayment Initiative, part of HUD's expanded effort to promote homeownership, will help underserved households including residents and tenants of public and manufactured housing and other families assisted by public housing agencies obtain the resources to meet upfront downpayment and closing costs, which is the most significant obstacle to homeownership among lower income groups. Homeownership plays a vital role in creating strong communities by giving families a stake in their neighborhoods and helping them to build wealth by undertaking and maintaining homeownership.

The American Dream Downpayment Initiative will be administered under DECD's HOME Investment Partnerships Program. DECD will administer this program in conjunction with all applicable HOME rules and ADDI rules as they are promulgated including the requirements of HUD's Interim Rule for ADDI. American Dream Downpayment Initiative funds must benefit low-income families who are first-time homebuyers with downpayment and closing cost assistance of up to 6 percent of the purchase price of a single family housing unit or \$10,000, whichever is greater. Pre and/or post purchase housing counseling for homebuyers is also required.

To meet the goals of this initiative, DECD will encourage applications for homeownership development projects aimed at the ADDI target population as well as applications from organizations with existing downpayment programs seeking to expand their funding capability. In accordance with the ADDI Interim Rule, DECD will require applicants to submit as part of the application process, their plan for conducting targeted outreach to residents and tenants of public and manufactured housing and to other families assisted by public housing agencies. ADDI recipients are obligated to fulfill all of

the requirements of HUD's Interim Rule for the ADDI, which will be included in the application packages.

The Department will not be establishing a new DECD administered consumer-based product associated with this initiative, it therefore will not be accepting requests from individuals interested in down-payment assistance. Individuals interested in downpayment assistance should contact an existing downpayment assistance provider.

4. Debt Refinancing - 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:
 - 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;
 - A review of the management practices of the applicant must demonstrate that the proposed rehabilitation is not the result of dis-investment in the property by any entity involved in the application for HOME funds;
 - 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;
 - When compared to the refinancing terms being proposed, the loan being refinanced must have:
 - An interest rate higher than the proposed refinancing; or
 - A repayment term that is longer than the proposed refinancing; or
 - A lump-sum repayment requirement (a balloon payment).
 - 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
 - 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.

5. Application Process for HOME Program - DECD will continue to accept applications for the HOME program 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 applications 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.
- a. The application process will be as follows:
- All requests for funding must be submitted directly to the Assistant Executive Director of the Office of Housing Finance (OHF);
 - Prospective applicants will then be invited to complete a pre-application in accordance with the Department's administration of the HOME program;
 - Staff will review the pre-application and any attached materials to determine if the project/activity meets minimum program eligibility and threshold requirements. Minimum program eligibility and threshold requirements include applicant's experience with the HOME program and/or other public financing and current status of existing contracts with the Department. Pre-applications that do not meet basic eligibility and threshold review requirements will be rejected for funding;
 - Staff will invite an application if the project/activity is determined to be eligible and the threshold requirements have been addressed;
 - All applications and any attached materials throughout the application process may be reviewed and evaluated by an internal review committee under the direction of the Executive Director; and
 - Applications will be considered against financial and qualitative issues, including but not limited to:
 - Financial feasibility;
 - Reasonableness;
 - Financial leveraging;
 - Social and economic impact on the neighborhood, community, region and state as defined in the strategies and priorities outlined in the ConPlan;
 - Number of current open contracts;
 - Current projects' expenditure rates; and
 - Prior audit or monitoring performance.
- b. Program Eligibility and Threshold Requirements for HOME Program include:
- Eligible Applicants- as defined by HUD program regulations;
 - Applicant Capacity- previous experience with the HOME program and/or other public financing, quality of work product, efficiency and effectiveness in project management;
 - Number of open contracts with the DECD- Applicants with 3 or more open contracts (not pending closeout within six months of application), regardless of funding source, will be rejected;
 - 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 or HUD 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; and
 - Certification/demonstration of compliance with Fair Housing Guidelines.

- c. Application Evaluation and Approval Process for HOME Program - 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. Final review will also include, but not be limited to, the following:
 - The applicant's expenditure rates on open contracts;
 - Readiness to proceed;
 - Compliance with DECD underwriting guidelines;
 - 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.
- d. Recommendations for approval will be made from the Executive Director to the Commissioner. Final recommendations will be based on the overall quality of the application as well as fund availability. Approved applicants will receive notification from the Commissioner's office. If the application is not approved, the Executive Director will advise the applicant of the rejection in writing and identify the reasons for the rejection.

B. Small Cities Community Development Block Grant (CDBG) Program:

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.

- 1. FFY 2004 Resource Allocation Plan For Small Cities CDBG Program - The Federal Fiscal Year 2004 HUD allocation to the Department of Economic and Community Development for Small Cities CDBG is expected to be approximately \$15,865,419. CDBG 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 2004 Allocation	\$15,865,419
State Administration (2%)	\$317,308
(Additional State Admin) (\$100,000)	\$100,000
Technical Assistance (1%)	\$158,654
ADMIN SUBTOTAL	<u>\$575,962</u>
 Program Funds Available	 <u>\$15,289,456</u>
 TOTAL	 <u>\$15,865,419</u>

- 2. Reprogramming of Funds - During the fiscal year, DECD may recapture funds from previous fiscal years from:
 - Non-performing grantees;
 - Grantee's underutilized funds; and
 - Program income generated by grantees.

Funds may be reallocated during the program year based on demand and /or emergency situations.

- 3. 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. 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 CDBG 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; and
- 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.

- b. 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; and
- 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 need to provide additional information only if insufficient detail is not already

contained in these documents so that DECD can 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.

4. Planning Grants - Planning grants must be utilized to build local administrative capacity and to develop or manage Small Cities 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.

5. Economic Development Applications - The Small Cities CDBG 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.

Grants will be awarded based on the following determinations: (1) whether Small Cities CDBG funding is appropriate, and (2) that the type and level of Small Cities CDBG assistance is reasonable in relation to the achieved public benefit and does not unduly enrich the business.

6. Section 108 Loans - Section 108 Loan Guarantee Program is an extension of the federal Small Cities CDBG program, which 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 Small Cities 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 CDBG 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, housing development site preparation and infrastructure and economic development. 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 full time equivalent 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 low- moderate-income resident served;
 - The interest rates charged will be pegged to cost of funds, which track treasury rates; and
 - For DECD housing rehabilitation projects, maximum assistance will be capped according to HOME program guidelines.
7. Application Process for Small Cities CDBG Program - DECD will continue to accept applications for the Small Cities CDBG program 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 applications at any time that available funds have been committed.
- a. The application process will be as follows:
- Prospective applicants must complete a pre-application in accordance with the Department's administration of the program. All pre-applications must be submitted directly to the Office of Municipal Development's Program Representative for the community in which the project/activity will be carried out;
 - Staff will review the pre-application and any attached materials to determine if the project/activity meets minimum program eligibility and threshold requirements. Staff are available to provide technical assistance regarding eligibility requirements and funding opportunities;
 - 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. Projects that do not meet basic eligibility and threshold requirements will be rejected for funding and will receive a letter outlining the reason(s); and
 - The Executive Director will review staff recommendations to submit applications if the project is determined to be eligible. The following criteria will be considered:
 - Social and economic impact on the neighborhood, community, region and state as defined in the strategies and priorities outlined in the ConPlan; and
 - Applicant's outstanding obligations, number of open grants, current project expenditure rates, prior audit or monitoring performance.
- b. Program Eligibility and Threshold Requirements for Small Cities CDBG Program include:
- 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 or HUD 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;
 - 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;
 - Match Requirement - 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; and
 - Housing Projects and “Planning only” grants are not subject to the 10% local contribution.
- c. Application Evaluation and Approval Process for Small Cities CDBG Program - 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. Staff will make a recommendation for approval to the Commissioner. Staff review will include the following:
- Applicant outstanding obligations (i.e. findings & concerns);
 - The number of current open contracts;
 - The applicant’s expenditure rates on open contracts;
 - Readiness to proceed; and
 - The extent to which the proposed activity supports the goals of neighborhood, local, regional, and state plans for housing and community development.
- d. Final recommendations will be based on the overall quality of the application and compliance with the threshold and evaluation requirements. 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 the application is not approved, the Executive Director will advise the applicant of the rejection in writing.

C. Evaluation Criteria for HOME and Small Cities CDBG Programs - The following are categories of evaluation criteria and descriptions of factors that will be considered within each category.

1. 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 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, and a market analysis of the proposed activity and waiting lists (if appropriate).
2. 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, and historic preservation requirements. Development feasibility will consider: project cost including total development cost, per unit cost and program cost (“soft cost”), proposed development budget, appraisals, funding commitments from other sources, amount of funding leveraged by HOME or Small Cities CDBG funds, the extent to which HOME or Small Cities CDBG is used as gap financing or funding of last resort, the extent to which HOME funds are limited to 30% of the total development costs, 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, and cash flow projections for the project.

3. 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 DECD, CHFA or HUD 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.
4. Community Impact - DECD 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, and if the proposed activity is located in a targeted investment area such as a Neighborhood Revitalization Zone or Enterprise Zone.
5. Fair Housing and Equal Opportunity - DECD 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. Applicants must submit a Fair Housing Plan that has been updated within the last two 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, and 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.

D. Compliance & Monitoring for HOME and Small Cities CDBG Programs:

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 Small Cities 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.

E. State and Federal Resources for DECD: State Fiscal Year 2004-05

ECONOMIC & COMMUNITY DEVELOPMENT (DECD)	STATE> 04-05	HUD >04-05	TOTAL
HOME (includes ADDI \$)	\$0	*\$14,618,263	*\$14,618,263
Small Cities Community Development Block Grant	\$0	\$15,865,419	\$15,865,419
Lead Based Paint Removal	\$0	\$0	\$0
Flexible Housing Funds	\$10,000,000	\$0	\$10,000,000
Assisted Living Funds	\$854,300	\$0	\$854,300
Housing Assistance and Counseling	\$588,903	\$0	\$588,903
Elderly/Congregate Rental Assistance	\$1,523,004	\$0	\$1,523,004
Congregate Operating Subsidy	\$5,258,151	\$0	\$5,258,151

Urban Act Funds (Community Development)	\$0	\$0	\$0
TOTAL FOR DECD:	\$18,224,358	\$30,483,682	\$48,708,040

Note DECD figures are based on Governor's Recommended Budget
 *Amount includes FY03 and FY04 American Dream Downpayment Initiative Allocations

CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)	STATE > 04-05	HUD >04-05	TOTAL
LOW INCOME HOUSING TAX CREDIT	\$0	\$TBD	\$TBD
TOTAL FOR CHFA:	\$0	\$TBD	\$TBD

F. Priority Objectives and Performance Goals for HOME and Small Cities CDBG Programs:

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

The following year 2004 objectives and performance goals are specific to HOME and Small Cities 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 2004 fiscal year HOME and Small Cities 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 Small Cities 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.

1. HOME Program - Projected Outcomes/Objectives and Performance Goals for the 2004 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.

	<u>Total</u>	<u>Rental</u>	Home Ownership	Strategies Addressed
<u>Units</u>	309	204	105	1,3,6,7,8,9,11,
<u>People</u>	772	510	262	15

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

<u>0 to 30% AMI - Units</u>	81		3,6,7,8,9,11,15
<u>0 to 30% AMI - People</u>	204		
<u>31 to 50% AMI - Units</u>	81	21	1,3,6,7,8,9,11,
<u>31 to 50% AMI - People</u>	204	53	15
<u>51 to 80% AMI -Units</u>	41	83	1,3,6,7,8,9,11,
<u>51 to 80% AMI - People</u>	102	209	15

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

<u>Disabled/Special Needs Units</u>	30	15	1,3,4,6,7,8,9,11,15
Disabled/Special Needs People	76	40	
Elderly Units	20		3,6,7,8,9,11,15
Elderly People	51		
Homeless Units	30		3,6,7,8,9,11,15
Homeless People	76		

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	38		
31 to 50% AMI - Elderly Units	5		3,6,7,8,9,11,15
31 to 50% AMI - Elderly People	13		
0 to 30% AMI - Disabled/Special Needs - Units	23		3,6,7,8,9,11,15
0 to 30% AMI - Disabled/Special Needs - People	57		
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	19		
0 to 30% AMI - Homeless Units	30		3,4,6,7,8,9,11,15
0 to 30% AMI - Homeless People	76		

2. Small Cities CDBG Program – Projected Outcomes/Objectives and Performance Goals for the 2004 allocation year are as follows:

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	350	179	171	1,3,4,5,6,7,8,9,11,15
People	875	448	427	
Very Low Income Units (0 to 30% AMI)		72		1,3,4,5,6,7,8,9,11,15
Very Low Income People (0 to 30% AMI)		179		
Low Income Units (31 to 50% AMI)		72	68	1,3,4,5,6,7,8,9,11,15
Low Income People (31 to 50% AMI)		179	171	
Moderate Income Units (51 to 80% AMI)		36	34	1,3,4,5,6,7,8,9,11,15
Moderate Income People (51 to 80% AMI)		90	86	

Non-Housing

The following are generalized categories.

		Strategies Addressed
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	
Public Facilities		10,13,14,17
Public Facilities/ADA	5-10 Projects benefiting Low/Moderate Income People	

<u>Public Service</u>		3,4,5,8,10,13, 14,17,18
Public Service	2-3 Projects Low/Moderate Income People	
<u>Technical Assistance</u>		15
Technical Assistance	Held in reserve for use as need arises.	

3. Income Group Definitions for HOME and Small Cities CDBG Programs -

a. HOME Program

Extremely Low Income Persons/Families (0 to 30% Area Medium Income (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.

b. 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 do 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 incomes exceed fifty percent but 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 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.

G. ConPlan Strategies Reference Table for all Programs:

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

* The state considers Rent Subsidies a high priority. As there are specific dollars earmarked for this activity none of the federally allocated funding to DECD will be used for this purpose.

H. Emergency Shelter Grants (ESG) Program:

Connecticut anticipates \$1,131,584 in Federal Emergency Shelter Grants Program (ESG) funds for the new consolidated plan program year beginning July 1, 2004. Federal ESG funds will be pooled with \$1,887,124 in annual funding from Connecticut's general operating budget and \$6,800,463 from the U.S. Department of Health and Human Services' TANF and Social Services Block Grants. The Connecticut Department of Social Services (DSS) administers these funds.

The pool of funds are allocated to local community and faith-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, 2003.

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.

1. 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 a quarterly demographics report, as well as annual performance report. The projected numerical goals represent statewide outcomes that will be evaluated throughout the program year.
 - a. Outcome: 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 an 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; and
- Family Housing Programs: For consumers with an 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.

I. Housing Opportunities for Persons with AIDS (HOPWA) Program:

Connecticut anticipates \$251,000 in Federal Housing Opportunities for Persons with AIDS (HOPWA) funds for the new consolidated plan program year beginning July 1, 2004. As a result of changes to the MSAs from the census and Bridgeport's designation as a new jurisdiction, Connecticut's state HOPWA program is being reduced by \$930,000 (\$779,000 is being allocated directly to Bridgeport), resulting in a net loss to Connecticut HOPWA funding of \$45,000. HOPWA funds will be pooled with \$2,972,344 million in annual funding from Connecticut's general operating budget and \$882,090 from the US Department of Health and Human Services (HHS). The Connecticut Department of Social Services administers these funds.

HOPWA funds will be distributed to twenty-five community and faith-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 4,257 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 1,207 individuals living with HIV/AIDS and their families will receive supportive housing assistance. The population to be served is 47.70% male adult, 30.30% female adult and 22% 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, and willingness to abide by program regulations such as drug free environments

The community and faith-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.

1. 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, and also submit semi-annual reports. The numerical goals identified below represent the statewide goal for all individual AIDS residence programs.

a. Outcome: Program will strive to maintain maximum capacity.

Measure:

- Programs will maintain an occupancy rate of 80%.

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

Measures:

- 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; and
- 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.

J. State and Federal Resources for DSS: State Fiscal Year 2004-5

SOCIAL SERVICES (DSS)	STATE	HUD	HHS	TOTAL
Emergency Shelters	1,887,124	1,131,584	6,800,463	9,819,171
Domestic Violence Programs	1,202,539		1,694,200	2,896,739
Housing Opportunities for Persons With AIDS	2,972,344	231,000	882,090	4,105,434
Section 8 Rental Assistance		33,320,087		33,320,087
Special Needs Housing Benefits (incl. in TFA,AABD expenditures)	425,009		181,971	606,980
Time-Limited Rental Assistance	1,148,963			1,148,963
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	342,239			342,239
Eviction Prevention Program	226,515		925,254	1,151,769
Transitional Living Program	2,884,934	56,250	541,846	3,483,030
TOTAL FOR DSS	23,558,751	34,758,921	11,025,824	69,343,496

K. Monitoring for ESG and HOPWA Programs:

The following describes the standards and procedures that the Department of Social Services (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.

1. ESG Monitoring - The Department of Social Services 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.

2. HOPWA Monitoring - HOPWA contracts are handled a little differently than ESG. In addition to the above review, a coordinated effort between DSS 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 I, a completely independent housing program, to Level VI for those who need skilled nursing care.

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

The Standards of Care are 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 staff representatives along with CARC staff use this tool to identify programs' strengths and weaknesses, highlight their best practices, and develop a framework, timeline and process for technical assistance to correct deficiencies.

Standards of Care review includes:

- Program Policies and Procedures: Program and Services, Admissions and Intake Services, and Supervision;
- Life, Health, Safety: Facility and Sanitation Safety, Health Care and Food Service;
- General Admission: Administration, Fiscal Management, Human Resources, Staff Development, Record Keeping and Information Systems;
- Citizen and Community Participation;
- Grievance;
- Structural and Design Considerations;
- Confidentiality; and
- Tuberculosis Screening and Management.

V. 2004 ACTION PLAN – ATTACHMENT A

Citizen Participation :

Process for Public Hearings and Public Commentary Period

The department held two Public Hearings on January 8 and 9, 2004 to elicit input into the development of the State's 2004-5 Action Plan for Housing and Community Development. Notification for these hearings appeared in nine (9) newspapers around the state. See attached copy of the notification. No testimony was received at either hearing. See attached copy of the hearing transcripts.

On March 10, 2004, the department initiated a 30-day public commentary on the Draft Action Plan. The public commentary period was concluded on April 9, 2004. The department also held three public hearings; March 22, 2004 in Hamden, March 24, 2004 in New Britain and March 26, 2004 in Rocky Hill. See attached copy of hearing transcripts. Notification for the public commentary period as well as the three aforementioned public hearings appeared in nine (9) 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 copy of the legal notice for the public commentary period and public hearings as well as a copy of the draft Action Plan.

The Chief Elected Officials of all 169 municipalities in the state received a Department Notice informing them of the public commentary period as well as the public hearings. See attached copy of the notice. The draft Action Plan was also made available at the Regional Planning Agencies during the 30-day commentary period.

Comments Received at the Initial Public Hearing :

Lou Salve's Comments

Mr. Lou Salve stated: "My name is Lou Salve. I am from the City of New Britain, and right now I am Chairman of the Board of Finance and Taxation. And previously I was the common counsel liaison to the New Britain Public Housing Commissioners.

I am here today simply to talk about public housing in New Britain. My remarks will be extemporaneous, and I hope I won't bore you too much.

Let me just start off with a little bit of history. New Britain is relatively young as far as cities go in the state of Connecticut; probable was incorporated back around 1850. And as you probably know, New Britain became a large manufacturing Mecca.

At one time we were known as the hardware city of the world. The factories that we had were mostly in the center of the city, and around those factories grew up a lot of multifamily housing. That housing housed the workers in those factories. Most people did not own automobiles. The housing was very close to the factories. After two world wars we had quite a bit of multifamily housing, and included amongst that multifamily housing were a number of housing projects, state and federal.

In the 1960s -- probably around the 1960s, the factories in New Britain started to move out, and right now there are very few left. The only one left, actually, is Stanley Works. Other than that, we have a few job shops which are around the perimeter of the town. What we are left with in New Britain is a plethora, a surfeit, or whatever, surplus of multifamily housing of all kinds, privately owned, state owned federal owned. Projects such as Pinnacle Heights, Pinnacle Heights Extension, Corbin Heights, Corbin Heights

Extension, Security Manor, Mount Pleasant Housing Project, Malkoski (phonetic) Circle. We have a number of things.

The population in New Britain has gone down from its hay day in the 80,000s down to around 71,000. Most of the units in some of the state-owned housing projects, such as Pinnacle Heights and Pinnacle Heights Extension, are 80 percent vacant. People don't want to live there. They find the area, whatever, the size of the apartments and everything not to their liking. Instead they are accepting Section 8 vouchers and going out into privately-owned, multifamily housing, which leaves us with a problem.

The problem is that New Britain is very small and only about 13.3 square miles. Of those 13.3 squares miles, back -- starting back in the 1960s the state ripped the heart out of the center of New Britain by putting highways like I-84, 72, Route 9 through the town. So now we have very little developable land, and we have a lot of public housing left over. As you know -- and this is not meant as a disparaging remark, but public housing and multifamily housing very often attracts low income people, people who send their kids to New Britain public schools.

As our superintendent of schools has said, people from these housing projects, low income people, usually send kids to school which have a greater -- who have, rather, a greater number of needs, and those needs usually translate in to Special Education needs. Right now our education budget, particularly the Special Education budget, is killing us. We get very little in return in terms of payment from the state for our Special Education students. Somewhere between 15 and 20 percent of this we get reimbursed for that. And yet, while the population of New Britain has with gone down, the number of children in our schools has gone up. Right now we have the largest school in the state, New Britain High School, which is, oh, about 3,000 students. A vast majority of those students are minority students and Special Ed. We have some of them in out-of-state placements, which are costing us hundreds of thousands of dollars. We have all kinds of problems, and we don't seem to be able to garner any grand list growth. Mostly because we have no land to develop.

So the last thing we need to develop is any more public housing or any kind of multifamily housing. In the last session of the legislature Senator Donald DeFonzo and state reps from New Britain pushed through legislation which they said would do the trick for us. It won't, because that legislation indicates that for every four units of public housing that we demolish or tear down, we have to replace three of them. That doesn't make any sense to me. It doesn't make any sense to a lot of people in New Britain. Also our public housing authority has been in the red for so long that they recently, finally, turned over the state-owned public housing to CHFA.

Now CFHA, in turn, is supposed to choose a manager to do something with the public housing. Anyway, what I would like to see done, and what other people in New Britain associated with this project would like to see done, is that CHFA allow the -- well, kind of gave up the loans that the city of New Britain, has against CFHA, and have CFHA turn the, especially Pinnacle Heights, Pinnacle Heights Extension, land around that is occupied by public housing near Slater Road in New Britain, near I-84, turn that over to the city of New Britain and allow us to develop it as commercial land, change the zoning and only develop it as commercial land. If we were to put up more housing -- let's say we put up a hundred, single-family homes in town, and each one of them would bring in \$6,000 worth of taxes each year, which they won't, not in New Britain, that would give us about \$600,000 on the grand list. That's about, a little more than a quarter of a mil right now, because a mil is worth about \$2 million in the city of New Britain at this point.

What we don't need is any more housing. We need to take whatever land we can get, and especially land very close to the highways, and turn that land into commercial property so we can get some development, commercial development which would give us a lot more growth in our grand list, because right now property tax relief, another thing our legislators campaigned on the last time, is not a reality. The upcoming session of the legislature, which is only a short one, three months, and -- again, pardon me for saying something like this -- but if you think that the legislators are going to be concentrating on anything like property tax relief, you know, you have a lot more faith in them than I do, because they are going to be concentrating on trying to get rid of John Rowland. So I don't see anything being done very soon for cities like New Britain.

So I am here to beg, borrow, implore, anything, for the state to, through CFHA to turn that land over to the city of New Britain and allow us to develop it for commercial development. That is my statement.”

Mr. Salve added: “Incidentally, our mayor and others have had meetings with CFHA, Gary King, Tim Coppers (phonetic), et cetera, and they are aware of all this, and are in the process of, perhaps, doing something. I just took the opportunity to come here.”

The Connecticut Housing Finance Authorities Response :

The following is in response to your request for CHFA to respond to the public comments of Mr. Salve regarding the New Britain Housing Authority:

The revitalization of the New Britain Housing Authority properties which were acquired by a subsidiary of the Connecticut Housing Finance Authority will be done in accordance a plan as agreed upon by the City of New Britain, the Department of Economic and Community Development and the Connecticut Housing Finance Authority. The plan will include the ultimate disposition and development of land known as Pinnacle Heights. The property was acquired by CHFA in accordance with legislation and the plan will be consistent with the requirements of the legislation.

Comments received during the 30 day Public Commentary Period :

City of New London

In a letter to the department, dated April 7, 2004, Mr. Richard M. Brown, City Manager of the City of New London wrote:

On behalf of the City of New London, I am requesting that DECD set aside \$250,000 of its annual HOME allocation for development of a HOME Consortia in Southeastern Connecticut.

This would be a one-time allocation of funds that will allow us to make direct application to the U.S. Department of Housing & Urban Development for an annual grant from the federal HOME funds. As you know, the Housing Study completed in 2002 under the auspices of the Council of Governments of Southeastern Connecticut, indicated a need for construction of 5,100 units of housing by the year 2005 and 10,200 units by the year 2010 in order to meet the demand in our area. The influx of workers employed at both Foxwoods Resort & Casino and the Mohegan Sun Casino over the past several years, has contributed to the need for new housing and exacerbated the critical shortage of affordable housing in our region.

While recent development in the past two years has resulted in a substantial number of new units created, the affordability factor for many low wage and service workers, places many of them in the untenable situation of having to live in overcrowded houses and apartments.

In fact, the Housing Study points out that “ the most fundamental housing need is for additional units...that will be affordable by the region’s changing population” and that “the need for low-moderate income housing is growing more rapidly than other population segments.

Development of a Consortia will allow us to access the funds needed in our communities to contribute to that portion of the housing shortage where the funding gap is substantial and the resources scarce.

I hope that DECD will seriously consider adding this to the 2004 Action Plan.

DECD Response :

DECD responded in writing on April 22, 2004:

Dear Mr. Brown:

Thank you for contacting the Connecticut Department of Economic and Community Development concerning the state's 2004-2005 Action Plan for Housing and Community Development.

The public commentary process is designed to capture and address the public's concerns or comments regarding the structure and strategic direction of the state's action plan. Our interpretation of your inquiry, dated April 7, 2004, is that it is a funding request and not a comment or concern regarding the structure and strategic direction of the state's action plan.

As you are requesting funding for a specific project, we suggest that you direct a request to Ms. Diane Smith, Director of the department's Office of Housing Finance. We note that consortia regulations require that the consortia:

- be made of geographically contiguous units of general local governments;
- that it have sufficient authority and administrative capacity to run the program on behalf of its members;
- "will, according to a written certification by the State, direct its activities to the alleviation of housing problems within the State.";
- develop a consolidated plan.

Therefore, we suggest that your request for funding include the following information:

- list the member governments;
- a copy of the proposed or actual participation agreement between the consortia members;
- identification of the lead member and their capacity to administer the program on behalf of the consortia;
- identification and description of any and all proposed or planned activities to be funded, including but not limited to a proposed budget and source and use of funds statement;
- indication as to whether a consortia consolidated plan has been drafted.

Based on the CPD-03-06 issued by HUD in June 2003, establishment of consortia reduces the allocation provided to the State. The Department would need to consider any such request against available data regarding a demonstrated track record of both production and demand from the consortia member communities.

I hope that this correspondence is helpful to you in the furtherance of your development objectives. Again thank you for contacting the department and your interest in the 2004-2005 action plan and funding cycle.

VI. 2004 ACTION PLAN – ATTACHMENT B

Copies of Citizen Participation Documents:

- Legal Notices for Public Comment Period and Public Hearings;
- Public Hearing Transcripts; and
- Notice to CEO's of Public Comment Period and Public Hearings.

VII. 2004 ACTION PLAN – ATTACHMENT C

Applications for Assistance (HUD form 424) and Certifications: