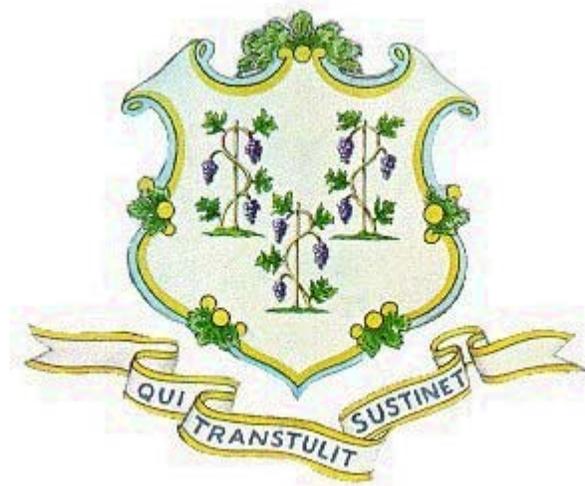


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**State of Connecticut**  
**2009-10 Action Plan**  
**For**  
**Housing and Community Development**

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Submitted to the  
**U.S. Department of Housing and Urban Development**

By  
the State of Connecticut  
May 15, 2009

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## I. EXECUTIVE SUMMARY

### A. Overview:

The annual Action Plan updates the State of Connecticut's 2005-09 Consolidated Plan for Housing and Community Development (ConPlan), a five-year plan addressing Connecticut's housing and community development needs. The state submits the ConPlan 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. The program year for the annual Action Plan is based on the state fiscal year, which is July 1 – June 30. The program year for the 2009-10 Action Plan is July 1, 2009 to June 30, 2010.

For the purpose of clarity in this document, all future references to Fiscal Year (FY) will mean the State Fiscal year as well as the Federal Fiscal Year of 2009-10.

This Action Plan provides a plan for expending Fiscal Year (FY) 2009-10<sup>1</sup> funds in the following programs:

HOME Investment Partnerships (HOME)	\$ 12,045,404
Small Cities Community Development Block Grant (CDBG)	\$ 13,330,342
Emergency Shelter Grants (ESG)	\$ 1,155,155
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 263,000

This document provides information on:

- 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 underserved populations, foster and maintain affordable housing, remove barriers, and assist families in poverty;
- Summary of Public Comments: comments made on the Action Plan and Department of Economic and Community Development (DECD) and/or Department of Social Services (DSS) responses;
- Applications for Assistance: HUD Form SF-424 for the CDBG, HOME, ESG, and HOPWA Programs; and

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<sup>1</sup> Please note that the funding amounts represented above for each program are subject to congressional/federal action, which could affect an increase, reduction or elimination of the funding amounts noted.

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- Certifications: general and program specific certifications as required by HUD.

## B. Performance:

The ConPlan is a five-year strategic plan that describes the housing needs of low and moderate-income residents, examines the housing market, outlines strategies to meet the needs and lists all resources available to implement those strategies, and outlines goals, objectives and measures. The ConPlan sets a unified vision, long-term strategies and short-term action steps to meet priority needs. The annual Action Plan is the annual implementation plan for the goals, objectives and strategies outlined in the state's ConPlan. The Action Plan describes how the state will use allocated funds for the four federal programs governed by the ConPlan for a given fiscal year.

The Performance Evaluation Report (PER) is the annual report to HUD that details the progress DECD has made in carrying out the ConPlan and the annual Action Plan. The PER describes resources made available, the investment of those resources, the amount and source of leveraged funds, the source and use of program income, geographic distribution and location of investments, the number of families and persons assisted and actions taken to affirmatively further fair housing. The PER is due within 90 days after the end of the state's program year (July 1 - June 30). Therefore, performance data for the 2008-09-program year will not be available until the submission of the state's 2008 PER in September 2009. Once submitted to HUD, the 2008 PER will be posted to the DECD web site.

Summary of funding for 2008-09 program year:

HOME Investment Partnerships (HOME)	\$ 12,045,409
Small Cities Community Development Block Grant (CDBG)	\$ 13,330,342
Emergency Shelter Grants (ESG)	\$ 1,155,155
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 263,000

## C. Objectives and Outcomes:

In this document, we have outlined the state's proposed accomplishments for the 2009-10 program year based on the performance measurement system presented in the 2005-09 Consolidated Plan and the new HUD Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs. The information is contained in the Goals and Objectives Matrix. The actual outcomes for proposed accomplishments appearing in this Action Plan will be reported on in the 2009 PER.

## D. Citizen Participation:

DECD held two public hearings during the month of September in order to gather input for the development of the 2009-10 Action Plan. Three public hearings are scheduled for the month of December to receive comments on the draft 2009-2010 Action Plan. A 30-day public comment period, from November 21, 2008 to December 22, 2008, will also be provided. The legal notices for the public hearings and comment period were published in seven area newspapers. The public hearings were spread out geographically so that persons from any area of the state could attend to provide their views on either the development of or the written draft of this plan.

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Two written comments were received in response to DECD's request for input in the development of the draft Action Plan. The two written comments are listed below. DECD's response to the comments follows.

## Town of Windham comment

Windham did not want the same threshold formulas that were applied in the 2007 funding year to apply in 2009. The town's expenditure rate on previous grants would not put them in a position to be able to apply for new funding. Windham felt they have a lot of need in the town and is one of the poorer communities and wanted the threshold waived to allow the town to submit an application.

## Connecticut Housing Finance Authority (CHFA) comment

CHFA was requesting that DECD modify the architectural/engineering requirements and signoff that is required with the application. CHFA was concerned that the housing authorities could spend limited resources on completing plans and specifications on a project that may not rate and rank high enough to be funded. They requested two different methods to have the authorities be in compliance and considered for grant funding

## DECD response to Town of Windham comment

DECD responded to Windham's waiver request by explaining why the state has thresholds and the importance of having projects that are ready to proceed. As a point of clarification the formula used in 2007 was unique as two funding cycles occurred within six months of each other. Therefore, the same timeframes would not be applied to the 2009 funding cycle. DECD also pointed out that Windham has made very little progress on its 2006 grant, and that the town required budget extensions of between six months to eighteen months on past grants in order to complete them. In addition to needing more time to finish the projects, the town was also required to de-obligate funds as the town was unable to expend them even after extending the grant an additional eighteen months. DECD acknowledges that Windham has a great need for the CDBG funds but the town must be able to demonstrate the capacity to carry out their projects in a timely manner, which means they are ready to go when submitted.

## DECD response to CHFA comment

CHFA wanted architectural/engineering drawings done on all of their housing authority projects. DECD did not have this same requirement, so in an effort to ensure that CHFA got the A/E info they needed, DECD made it mandatory that the drawings be submitted up front along with their application. Having the information upfront also meant that the awarded projects were ready to proceed and should then meet the DECD timeframe of two years to completion. DECD has made housing projects a priority but as stewards of the CDBG program we must also spend the funds timely. Therefore, CHFA was asked to modify their A/E requirements for all projects funded by CDBG. Since the original correspondence CHFA has now decided to no longer require the additional A/E oversight on projects that do not have any funding from their agency. DECD will therefore, accept preliminary drawings (when required) with applications, but the housing authorities must come up with the final drawings within 60 days of the award date.

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In addition to the above efforts outlined, the legal notices and a copy of the draft Action Plan were posted on the DECD web site. Copies of past Action Plans and the Consolidated Plan for Housing and Community Development: [2005-2009](#) are also available on the DECD web site.

DECD notified all municipal chief elected officials and the state's Regional Planning Organizations about the dates, times and locations of the Action Plan public hearings and of the timing of the commentary period. All parties were directed to the DECD web site for a copy of the draft Action Plan and the 2005-09 ConPlan. DECD also submitted the draft Action Plan and public hearing/public commentary schedules to members of the state legislature who sit on committees of cognizance over matters related to housing, economic and community development and state finances.

## **E. Other Outreach:**

There are other ways in which DECD gathers information and input on what Connecticut needs to consider in developing the Action Plan. There are at least 60 state boards and commissions that the Commissioner and various staff (on behalf of the Commissioner) attend. These groups focus on economic development, mental health and other social service issues, transportation, etc. and DECD is invited to attend because of the link to housing and community development. The exchange of ideas and feedback on the state's efforts around affordable housing (for example, supportive housing) as well as innovative thinking and programming are often a result of the connections with these groups.

DECD's Small Cities CDBG Program staff provided outreach during the 2007-08 program year by conducting multiple workshops for program applicants including; Competitive Application, Labor Standards, Fair Housing/Civil Rights and Analysis of Impediments to Fair Housing/Fair Housing Action Plan. In addition significant technical assistance was made available to grantees regarding the department's Small Cities CDBG Program competitive application funding process. For the 2008-09 program year, Small Cities CDBG Program staff, will provide another training workshop on the competitive application.

DECD's HOME Program staff provided outreach during the 2007-08 program year by providing the following workshops; Community Housing Development Organization (CHDO) Recertification, and Fair Housing. HOME Program staff also began specific outreach to communities in Eastern Connecticut to promote increased utilization of the HOME Program. For the 2008-09 program year, HOME Program staff, will be providing training workshops on the new "Consolidated Application" used for DECD and CHFA funds.

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## II. INTRODUCTION

The Annual Action Plan updates the State of Connecticut's 2005-09 Consolidated Plan for Housing and Community Development (ConPlan), a five-year plan addressing Connecticut's housing and community development needs. The state submits the ConPlan 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 2009-10 program year from July 1, 2009 to June 30, 2010.

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), Office of Strategy and Policy. A copy of both the 2005-09 ConPlan and this Action Plan can be viewed or downloaded by visiting DECD's web site at [www.decd.org](http://www.decd.org).

The activities, programs and resources discussed in this Action 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.

The Action Plan includes the following sections in accordance with federal regulations:

- 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 underserved populations, foster and maintain affordable housing, remove barriers, and assist families in poverty;
- Summary of Public Comments: comments made on the Action Plan and Department of Economic and Community Development (DECD) and/or Department of Social Services (DSS) responses;
- Applications for Assistance: HUD Form SF-424 for the CDBG, HOME, ESG, and HOPWA Programs; and
- Certifications: general and program specific certifications as required by HUD.

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## III. CITIZEN PARTICIPATION

In accordance with Connecticut's 2005-09 ConPlan DECD solicited public input in developing the 2009-10 Action Plan. Two public hearings to gather public input and concerns on housing and community development needs throughout the state were conducted by DECD on September 5, 2008, in Rocky Hill and September 7, 2008, in Hamden.

DECD will also solicit input on the draft 2009-10 Action Plan through a 30-day public comment period from November 21, 2008, to December 22, 2008. DECD will hold three public hearings in December 2008; December 8th in Hamden, December 10th in Coventry, and December 11th in Rocky Hill. The legal notices and a copy of the draft plan will be posted on the DECD web site.

DECD notified all municipal chief elected officials and the state's Regional Planning Organizations about the dates, times and locations of the Action Plan public hearings and of the timing of the commentary period. All parties were directed to the DECD web site for a copy of the draft Action Plan and the 2005-09 ConPlan. DECD directed all parties to the DECD web site for a copy of the draft plan and the 2005-09 Consolidated Plan. DECD also submitted the draft Action Plan and public hearing/public commentary schedules to members of the state legislature who sit on committees of cognizance over matters related to housing, economic and community development and state finances.

Comments received during the public hearings and public commentary period and DECD and/or DSS response to said comments appear in Attachments A & B of this document.

### A. Other Outreach:

There are other ways in which DECD gathers information and input on what Connecticut needs to consider when developing affordable housing. There are at least 60 state boards and commissions that the Commissioner and various staff (on behalf of the Commissioner) attend. These groups focus on economic development, mental health and other social service issues, transportation, etc. and DECD is invited to attend because of the link to housing and community development. The exchange of ideas and feedback on the state's efforts around affordable housing (for example, supportive housing) as well as innovative thinking and programming are often a result of the connections with these groups.

DECD's Small Cities CDBG Program staff provided outreach during the 2007-08 program year by conducting multiple workshops for program applicants including; Competitive Application, Labor Standards, Fair Housing/Civil Rights and Analysis of Impediments to Fair Housing/Fair Housing Action Plan. In addition significant technical assistance was made available to grantees regarding the department's Small Cities CDBG Program competitive funding application process. For the 2008-09 program year, Small Cities CDBG Program staff, will provide another training workshop on the competitive application.

DECD's HOME Program staff provided outreach during the 2007-08 program year by providing the following workshops; Community Housing Development Organization

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(CHDO) Recertification, and Fair Housing. HOME Program staff also began specific outreach to communities in Eastern Connecticut to promote increased utilization of the HOME Program. For the 2008-2009 program year, HOME Program staff will be providing training workshops on the new "Consolidated Application" used for DECD and CHFA funds.

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## IV. FEDERAL REQUIREMENTS

### A. Resources:

Federal and state resources, which will be used during this Action Plan's program year to address the needs and strategies identified in the ConPlan, are found in the program-specific sections of this report. This Action Plan provides a plan for expending FY 2009-10<sup>2</sup> funds in the following programs:

HOME Investment Partnerships (HOME)	\$ 12,045,404
Small Cities Community Development Block Grant (CDBG)	\$ 13,330,342
Emergency Shelter Grants (ESG)	\$ 1,155,155
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 263,000

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. Connecticut's 2005-09 ConPlan outlines how the state plans to leverage Small Cities CDBG, HOME, ESG and HOPWA funds against other sources of funding.

### B. Activities:

The state's methods of distributing funds and carrying out activities funded by HUD are described in the program-specific sections that follow. HOME funds are available on a year-round basis through an "open " application process. Small Cities CDBG funds will be administered through a competitive application funding process. Please refer to the HOME and Small Cities CDBG Program sections of this document for more detail on these activities.

### C. Geographic Distribution:

All communities of the state are eligible for funding in accordance with program requirements. Funds under both the HOME and Small Cities CDBG Programs will be available to all eligible communities. On November 6, 2008 Governor Rell sent a letter to Steve Preston, Secretary of HUD requesting that HUD allow the Neighborhood Stabilization Program (NSP) rules and guidelines to be extended to the normal CDBG (Small Cities) block grant annual funding round for the next two federal fiscal years. This would allow states to spend money in entitlement and non-entitlement areas that have been affected by the mortgage crisis. A copy of the aforementioned letter appears in XX of this document. Add document \*\*\*

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<sup>2</sup> Please note that the funding amounts represented above for each program are subject to congressional/federal action, which could affect an increase, reduction or elimination of the funding amounts noted.

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## 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 underserved populations, to foster and maintain affordable housing, to remove barriers and to assist families at or below the poverty level 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) annually reviews the Federal Low Income Housing Tax Credit Qualified Allocation Plan to assure consistency with state policies described in this Action Plan.
2. CHFA also considers the preservation and redevelopment of state-assisted housing stock in the awarding of Federal Low Income 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 DECD. These include but are not limited to the following:
  - a. DECD 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, Small Cities 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; and
  - b. Further, DECD 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.

DECD abides by HUD's 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).

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## V. PROGRAM ACTIVITIES

### A. HOME Investment Partnerships (HOME) Program:

The State of Connecticut will continue its effort to strengthen the abilities of state and local governments to expand and preserve its supply of decent, safe, sanitary, and affordable housing with the use of Fiscal Year (FY) 2009-10 HOME funds. All HOME Program assisted rental and home ownership units will meet all program guidelines for income eligibility.

DECD 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 (15 years) under the HOME Program. DECD, at its discretion, may 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 Participating Jurisdiction (PJ) incurs a 25% matching obligation for the HOME funds it expends. The State of Connecticut (PJ) will continue to use State Funds 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. DECD will accept applications for all HOME Program eligible activities with the exception of Tenant Based Rental Assistance (TBRA).

However, DECD will allow for a small statewide demonstration project using TBRA which is targeted towards family homelessness prevention and rapid re-housing; provided it is done in a coordinated manner with other state agencies linking families to all needed services, including but not limited to credit counseling and job training; and with an evaluation tool to show the cost effectiveness of the demonstration. The length of the demonstration would not exceed 24 months.

#### 1. FY 2009-10 Resource Allocation Plan for the HOME Program:

The FY 2009-10 HUD allocation to DECD for the HOME Program is anticipated to be \$12,045,404. 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. DECD will use 10% of its annual HOME allocation for program administration. A minimum of 15% of the annual allocation will be set-aside for Community Housing Development Organizations (CHDO) as required by federal law.

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FY 2009-10 Allocation	\$ 12,045,404
State Administration (10%)	\$ 1,204,540
CHDO Set-aside (15%)	\$ 1,806,811
ADDI Funding (subject to funding availability)	\$ 125,947
Subtotal	\$ 3,137,298
Allocation available for other eligible activities	\$ 8,908,106

## 2. Reprogramming of Funds:

During the FY, 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.

## 3. American Dream Downpayment Initiative (ADDI):

DECD will make available \$125,947 in ADDI funding under the HOME Program. ADDI is part of HUD's expanded effort to promote homeownership. ADDI helps 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, the most significant obstacles 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.

DECD will administer this program in conjunction with all applicable HOME Program rules and ADDI rules as they are promulgated including the requirements of HUD's Interim Rule for ADDI. ADDI funds must benefit low-income families who are first-time homebuyers with downpayment and closing cost assistance of up to 6% 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 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.

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DECD will not be establishing a new consumer-based product associated with this initiative. DECD will not be accepting requests from individuals interested in downpayment assistance. Individuals interested in downpayment assistance should contact an existing downpayment assistance provider.

#### **4. Debt Refinancing:**

For non-profit developers, DECD 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;
- The housing has not been previously financed with HOME funds;
- The financing and rehabilitation to be financed with HOME funds can not exceed 80% of maximum per unit subsidy limits;
- 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, a state-designated Neighborhood Revitalization Zone, or Neighborhood Stabilization Program; and
- The activity does not involve the refinancing of a multifamily loan made or insured by any state or federal program, including the Small Cities CDBG Program.

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## **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. Resale and Recapture Guidelines:**

In compliance with 24 CFR Part 92.254 (a)(5), Qualification as Affordable Housing/Homeownership, DECD will require that a deed restriction or restrictive covenant be placed on each property assisted with HOME funds to enforce the affordability requirements. For homeowner rehabilitation projects DECD will look to recapture all or a portion of the subsidy during the period of affordability. For homebuyer projects, DECD may utilize HOME and/or ADDI funds to assist homebuyers provided the following resale and recapture requirements are met:

- **Affordability Period:** The minimum affordability period is established by HUD based on the amount of HOME financial assistance in each unit; however, the applicant may request or DECD may require a longer affordability period in neighborhoods that are experiencing rapidly appreciating housing costs. A neighborhood with “rapidly appreciating housing cost” is one where, at the time of application, housing costs are increasing at a rate beyond the rate for housing costs contained in the Consumer Price Index;
- **Direct Subsidy (also referred to as):** Buyer’s subsidy consists of any financial assistance that reduces the purchase price from fair market to an affordable price, or otherwise subsidizes the purchase (e.g., downpayment or closing cost assistance, subordinate financing);
- **Development Subsidy (also referred to as):** Developer’s subsidy is provided to the developer and is the difference between the cost to create or rehabilitate housing and the market price. While the subsidy does not go directly to the homeowner, it helps make development of an affordable home feasible;
- **Affordability Enforcement:** In compliance with 24 CFR Part 92.254 (b), DECD will require recapture provisions for all homeowner rehabilitation projects to be applied to HOME Program assisted properties in the form of a mortgage to ensure recapture and a restrictive covenant to ensure affordability. For HOME Program assisted homebuyer projects, HOME Program rules require that a resale and/or subsidy recapture restriction be applied to the units. If the sole HOME Program financial assistance to a unit is a developer’s subsidy (not combined with a buyer’s subsidy), then the only type of restriction permitted is a resale restriction;

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- Resale Restrictions: A resale restriction requires the resale of the unit to HOME Program qualified homebuyers throughout its affordability period. Successful use of this restriction requires imposition of a deed restriction or a restrictive covenant at the initial sale and diligent oversight and assistance at the time of resale. Because of this obligation, DECD normally will not permit resale restrictions unless the sponsor has a long-standing history in owning and/or managing affordable housing. A “long-standing history” means at least 10 years;
- Subsidy Recapture: A subsidy recapture requires that the resale of; a HOME Program assisted ownership unit or a homeowner rehabilitation unit during the affordability period trigger a repayment of the HOME Program subsidy that the buyer received when they originally purchased the unit. Subsidy recapture may be structured so that it is reduced using the following formula:  $\text{Yearly Reduction} = 1/\#$  where # equals the number of years of affordability required. Thus, if the affordability period is 15 years, each year the amount of subsidy subject to recapture decreases by 1/15. However, in no event shall the subsidy recapture calculation result in a repayment greater than that which would result in calculating the net sales proceeds with a pro-rata share to the owner based on the original purchase; and
- Choice of Enforcement Method: DECD, working with the applicant for financial assistance, will determine which of the two enforcement mechanism will be used. However, the specific method must be selected prior to the start of the program. If, in the sole determination of DECD, the applicant for financial assistance does demonstrate adequate experience; then the subsidy recapture method of enforcement will be utilized.

## 6. HOME Final Rule, CFR Part 92:

DECD has made the following policies with regard to the requirements outlined in the HOME Final Rule.

- Income, § 92.203B - DECD has selected the Section 8 definition for annual income for its HOME program.
- Eligible Activities, § 92.209 - DECD will allow all HOME Program eligible activities with the exception of Tenant Based Rental Assistance (TBRA). However, DECD will allow for a small statewide demonstration project using TBRA which is targeted towards family homelessness prevention and rapid re-housing for up to two years.
- Match, § 92.218 et seq. - The State of Connecticut (PJ) will continue to use DECD’s General Fund housing appropriations as its match.
- Maximum Per Unit Subsidy Limits, § 92.250 - DECD adheres to the HOME statute and the HOME regulation at 24 CFR 92.250(a) which limits the amount of HOME funds that a PJ may invest in a HOME-assisted unit. The maximum HOME per-unit subsidy limit is the basic Section 221(d)(3)(ii) mortgage limit for elevator-type projects, by bedroom size. However, the HOME statute authorizes HUD to increase the per-unit subsidy limit in any "high cost" geographic area by an amount not to exceed 140% of the basic Section 221(d)(3) mortgage limit. Via this Action Plan, DECD intends to request HUD’s approval of the Stamford-

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Norwalk and Danbury MSA as “high cost” areas and allow the maximum HOME per-unit subsidy limit to be 240% of the Section 221(d)(3) basic mortgage limit (i.e., 100% plus 140%). A copy of the aforementioned request appears in XX of this document.

- Property Standards, § 92.251 - All assisted units (new and/or rehab) must be local or state building code, as well as Model Energy Code for new construction. The housing must meet the housing quality standards in 24 CFR 982. 401.
- Maximum Mortgage Limits, § 92.254 - DECD uses the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act, as amended from time to time.

State	County	Single Family Limit	Last Revised
CT	TOLLAND	\$ 333,735	2006
CT	WINDHAM	\$ 200,160	2006
CT	FAIRFIELD	\$ 362,790	2006
CT	NEW HAVEN	\$ 294,500	2008
CT	LITCHFIELD	\$ 285,000	2005
CT	MIDDLESEX	\$ 333,735	2006
CT	NEW LONDON	\$ 303,050	2007
CT	HARTFORD	\$ 333,735	2006

- Resale/Recapture, § 92.254 - 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.

If HOME funds are only used to assist an eligible low-income homebuyer to acquire one unit in single-family property containing more than one unit and the assisted unit will be the principal residence of the homebuyer, the affordability requirements of this section apply only to the assisted unit.

If HOME funds are also used to assist an eligible homebuyer to acquire one or more of the rental units in the single-family housing, the affordability requirements of § 92.252 apply to assisted rental units, except that DECD may impose resale or recapture restrictions on all assisted units (owner-occupied and rental units) in the single family housing. If resale restrictions are used, the affordability requirements on all assisted units continue for the period of affordability. If recapture restrictions are used, the affordability requirements on the assisted rental units may be terminated, at the discretion of DECD, upon recapture of the HOME investment.

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If HOME funds are used to assist only the rental units in such a property then the requirements of § 92.252 would apply and the owner-occupied unit would not be subject to the income targeting or affordability provisions of § 92.254.

- Relocation, Sec. 92.253 pursuant to 49 CFR 24 - Applicants considering activities that will trigger displacement or conversion must submit a completed Relocation Plan that conforms to federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) requirements at 42 USC 4201-4655 and 49 CFR Part 24. Federal law governing relocation will apply to projects utilizing HOME and CDBG funds, except where Connecticut law imposes more stringent requirements. Furthermore, Connecticut General Statutes (CGS) § 8-37z reads in part that "... the Commissioner of Economic and Community Development shall ensure that the involuntary displacement of persons and families residing in any single-family or multifamily dwelling, which displacement occurs in connection with any housing or community development project or economic development project receiving state financial assistance under any program administered by the commissioner under the general statutes, is reduced to the minimum level consistent with achieving the objectives of such program...."
- Program Income, Sec. 92.503 - All program income shall be remitted to DECD who shall be solely responsible for its reallocation in accordance with applicable program rules.
- 30% Rule - HOME rents are set assuming the target income group can pay at 30% of their income. For homeownership, a homebuyer's payment of principal, interest, taxes, insurance and association fees (if applicable) cannot exceed 30% of the household's anticipated gross annual income, unless they are receiving a mortgage from an approved government program that has a higher ratio such as VA, FHA, USDA or CHFA.

## **7. Application Process for the HOME Program:**

DECD will continue to accept applications for the HOME Program under the "open" application process. Applications may be accepted on a continuing basis year-round, for as long as funds continue to be available. DECD reserves the right to cease accepting applications at any time that all available funds have been committed. Applications will be rejected at that time, and applicants will be warned to proceed at their own risk.

- All requests for funding must be submitted directly to the DECD's Office of Housing Development and Finance;
- Prospective applicants may be invited to complete the new Consolidated Application in accordance with the DECD's administration of the HOME Program;
- Staff will review the new Consolidated 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 DECD and CHFA. Applications that do not meet basic eligibility and threshold requirements will be rejected for funding;

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- 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 review process;
  - All applications, and any attached materials throughout the application process, may be reviewed and evaluated by senior staff under the direction of the Community Development Administrator for the Office of Housing Development and Finance; and
  - Applications will be considered against financial and qualitative issues, including but not limited to:
    - Financial feasibility;
    - Reasonableness to proceed to construction;
    - Financial leveraging and firm financial commitments;
    - Social and economic impact on the neighborhood, community, region and state as defined in the strategies and priorities outlined in the ConPlan;
    - Responsible and transit-oriented development principles;
    - Fair Housing and Equal Opportunity Compliance;
    - Number of current open contracts;
    - Current projects' expenditure rates; and
    - Prior audit or monitoring performance.
  - Final recommendations to the Commissioner 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 Community Development Administrator will advise the applicant of the rejection in writing and identify the reasons for the rejection.
- 8. Program Eligibility and Threshold Requirements:**
- 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 three or more open contracts (not pending closeout within six months of application), regardless of funding source, will be rejected;

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- 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 available in extraordinary circumstances);
- Consistency with Consolidated Plan: Applicant must identify how the project is consistent with the goals and strategies of the ConPlan; and
- Fair Housing and Equal Opportunity Compliance: Applicant must provide a certification/demonstration of compliance with all fair housing and equal employment opportunities obligations/guidelines.

For information regarding evaluation criteria considered in the application approval process, please refer to C. Evaluation Criteria for HOME and Small Cities CDBG Programs: on page 18 of this document.

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

### **1. FY 2009-10 Resource Allocation Plan for Small Cities CDBG Program:**

The FY 2009-10 allocation to DECD for the Small Cities CDBG Program is anticipated to be \$13,330,342. Small Cities 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. DECD will use \$100,000 plus 2% of the award for its administration of the Small Cities CDBG Program. DECD will also use up to 1% of the award for technical assistance activities including technical assistance training sessions for grantees and handbooks for use by local governments.

FY 2009-10 Allocation	\$ 13,330,342
State Administration (2%)	\$ 266,607
Additional \$100,000 State Administration	\$ 100,000
Technical Assistance (1%)	\$ 133,303
Subtotal	\$ 499,910
Urgent Need (up to \$500,000)	\$ 500,000
Allocation available for all other eligible activities	\$ 12,330,432

### **2. Reprogramming of Funds:**

During the FY, DECD may recapture funds from previous fiscal years. Any reprogrammed funds obtained during the program year will be reallocated as noted above. Recaptured funds may come from:

- Non-performing grantees;
- Grantee's underutilized funds; and
- Program income generated by grantees.

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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.

### 3. Activities:

Communities funded under the Small Cities CDBG Program can undertake a wide range of activities in the areas of housing, economic development, community facilities, and public services; provided each activity meets one of the three national program objectives, see #4. below. This section contains a listing of the specific eligible activities as defined by HUD and also contains a review of expressly ineligible activities that Small Cities CDBG Program grantees are in no circumstances allowed to carry out.

Eligible activities include:

- Acquisition of real property;
- Clearance (including assessment and remediation of known or suspected environmentally contaminated sites), rehabilitation, reconstruction, and construction of buildings;
- Code Enforcement;
- Disposition of real property;
- Economic development assistance to for-profit business;
- Energy efficiency/conservation;
- Housing services;
- Loss of rental income;
- Micro-enterprise assistance;
- Planning and capacity building;
- Program administrative costs;
- Public facilities and improvements;
- Public services;
- Relocation assistance;
- Removal of Architectural Barriers (commonly called ADA Improvements); and
- Technical assistance.

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Any activity *not* specifically authorized in the list of eligible activities will be considered to be ineligible for assistance under the Small Cities CDBG Program.

Ineligible activities include:

- Buildings for the general conduct of government (except ADA improvements);
- Faith-based assistance used for primarily religious activities;
- Income payments;
- New construction of permanent residential structures; and
- Political activities.

#### **4. The Housing and Community Development Act of 1974 (as amended):**

The primary objective of the Act, as amended, is the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities, principally for families or persons of low and moderate income. In order to meet these objectives, the federal government has established three National Objectives for the Small Cities CDBG Program. Every activity must meet one of the three national objectives listed below:

- To benefit low and moderate-income families;
- To aid in the prevention or elimination of slums or blight; and
- To alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community (Urgent Need).

Communities can meet a national objective through one of the following:

- Low and Moderate-Income Benefit:
  - Area benefit (e.g., streets and sidewalks), where at least 51% of the population in the defined area is of low and moderate income; or
  - Limited clientele (e.g., seniors or handicapped persons); or
  - Direct benefit (e.g., housing rehabilitation and job creation).
- Slum and Blight:
  - Prevention or elimination on an area basis; or
  - Prevention or elimination on a spot slum and blight basis.
- Urgent Need:
  - Sudden and unexpected need;
  - Threat to the health and welfare of the community;

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- o Occurred within 18 months; and
- o No other funds available.

## 5. Community Revitalization Strategies (CRS):

In 1996, HUD established criteria, which allow 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 communities to undertake such revitalization, the Small Cities CDBG Program regulations provide certain benefits for the use of Small Cities CDBG funds in such an area. DECD will apply the same criteria to communities eligible for the Small Cities CDBG Program.

A community that is interested in undertaking of a Community Revitalization Strategy (CRS) must submit a request to DECD prior to applying for Small Cities CDBG funds. A community's revitalization strategy must be designed to provide for the economic empowerment of 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:** A 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% Low and Moderate-Income (LMI) 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 to be achieved, expressing them in terms that are readily measurable, in the form of benchmarks.

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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. Additional data may be required if the referenced documents do not contain sufficient data to determine that each of the criteria has been met.

A community with an approved Neighborhood Revitalization Zone (NRZ) pursuant to Connecticut General Statutes Chapter 118, Sec. 7-600 may use the strategic plan developed for the NRZ as the CRS as long as any additional information required by DECD is also provided.

Once a CRS is approved, the community is eligible for the following incentives:

- Job Creation/Retention as a Low and 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 (CBDO) will be exempt from the Public Services federal funding cap.

## **6. Section 108 Loans:**

The Section 108 Loan Guarantees are an extension of the CDBG Program and 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 HUD 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 communities in the form of loans that 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 Section 108 borrowing can be paid back. All Section 108 projects must fulfill at least one of the Small Cities CDBG Program national objectives.

Proposals for Section 108 loans may be accepted by DECD throughout the year and will be evaluated on project merits by a review team. Communities will be requested to complete a pre-application, which will enable DECD to determine that the proposal meets federal eligibility and feasibility criteria. Proposals will be accepted for large-

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scale housing rehabilitation, housing development, site preparation, 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:

- Statewide assistance is limited to \$14 million or no more than \$1,500,000 principal and interest payments annually;
- Minimum amount per project is \$500,000;
- Maximum loan guarantee per community or per project will not exceed \$4 million;
- 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 (FTE) job cannot exceed \$35,000 in Section 108 funds (all permanent jobs); a maximum of \$350 per low and moderate-income resident served; and the interest rates charged will be pegged to cost of funds, which track treasury rates; and
- For housing rehabilitation projects, maximum assistance will be capped according to HOME Program guidelines.

## **7. Application Process for Small Cities CDBG Program:**

Funding for the Small Cities CDBG Program will be available for all activities except "Urgent Need" through competitive application funding rounds (not less than one and not more than three) for FY 2009-10. DECD will provide adequate advance notice of fund availability and reserves the right to cease accepting applications at any time that all available funds have been committed. Based on funding availability and other considerations, DECD may limit the number of applications that can be submitted by a municipality in each funding round. Notification of such limitation will be included in DECD's notice of fund availability should DECD elect to set such a limitation. In the case of Urgent Need, DECD will accept applications on a first-come first-serve basis.

### **a. Program Eligibility and Threshold Requirements:**

DECD has established the following standards for applicant eligibility:

- Eligible applicants: As defined by HUD program regulations;
- Eligible activity: Only activities, as defined in this plan are eligible;

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- National Objective: Each proposed activity must meet at least one national objective and must be fully supported within the application;
  - Citizen Participation: Applicant must provide certification of compliance with citizen participation criteria;
  - Consistency with the Consolidated Plan: Applicant must identify how the project is consistent with the goals and strategies of the Consolidated Plan;
  - Fair Housing and Equal Opportunity Compliance: Applicant must demonstrate compliance with all fair housing and equal employment opportunities obligations/guidelines;
  - Statement of Compliance: Applicant must be in compliance with all existing department assistance agreements and cannot be in default under any CHFA or HUD administered program; and
  - Expenditure Rates: Assistance Agreements for 2007 grants will need to be 50% expended by May 31st and the 2006 and earlier grants will need to be 100% expended. Grants older than 2006 must be closed out with a certificate by the time the application is submitted. DECD has the right to waive the certificate for those grants older than 2006 should the certificate not be issued based on the DECD's own close out schedule.
- b. Application Evaluation Process:**
- DECD will conduct due diligence and evaluate all 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 review will include but not be limited to the following:
- Applicant capacity;
  - Outstanding obligations (i.e. findings & concerns);
  - Number of open contracts;
  - Expenditure rates on open contracts;
  - Other unique facts or circumstances;
  - Need and marketability;
  - Need for the activity;
  - Local financial conditions;
  - Project feasibility;
  - Readiness to proceed;

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- Site feasibility;
- Firm financial commitments, if applicable;
- Site control, etc.;
- Community impact;
- Extent to which the proposed activity supports the goals of neighborhood, local, regional, and state plans for housing and community development;
- Amount of leveraging included in the application; and
- Fair housing and equal opportunity.

For more information regarding evaluation criteria considered in the application approval process, please refer to C. Evaluation Criteria for HOME and Small Cities CDBG Programs: on page 18 of this document.

**c. Planning Only Grants:**

Requests for funding are part of the competitive application process outlined above. Federal and state policy requires that all “Planning Only” grants develop plans that, if implemented, would meet the low and moderate-income or slum and blight national objectives. To meet this requirement, Planning Only grants must be for a specific eligible activity. Communities are limited to one Planning Only grant request per program year in an amount not to exceed \$25,000. Total awards for Planning Only grants will not exceed 2% of the state’s annual allocation.

**d. Economic Development:**

Requests for funding are part of the competitive application process outlined above. Eligible communities or multi-jurisdictional applicants can assist businesses in meeting the national objective for low and moderate-income benefit through job creation or retention. In addition to the criteria stated above, economic development activities must demonstrate the appropriateness of Small Cities CDBG funding; that the type and level of Small Cities CDBG Program financial assistance is reasonable in relation to the achieved public benefit; and that the level of financial assistance would not unduly enrich the business.

**e. Public and State-Assisted Housing Modernization:**

Requests for funding are part of the competitive application process outlined above. All applications for the rehabilitation of Public and State-Assisted Housing must meet the “readiness to proceed” criteria. To meet this criterion, owners must, at a minimum, have their preliminary architectural plans and drawings completed, including all necessary approvals, prior to application submission. This process will guarantee that the application is meeting all of the criteria of architectural review and will ensure the owners readiness to move forward at the time of award.

**f. Funding Priorities:**

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- Housing and economic development projects are considered funding priorities by the “State of Connecticut”. Applications for housing and economic development activities will receive 25 additional points when rated and ranked.
- In July 2008, Congress passed Public Law 110-289, the Housing and Economic Recovery Act of 2008 (HERA), which created the Neighborhood Stabilization Program (NSP) and provided \$3.92 billion to states, counties and cities in order to acquire, rehabilitate, demolish and redevelop foreclosed and abandoned residential properties. As required by HERA, HUD devised a formula to allocate funds based on the number of foreclosures, sub-prime and delinquent loans in each jurisdiction. HUD then calculated each state’s allocation.

The State of Connecticut received \$25,043,385 in NSP funding, however, the State must complete and submit an Action Plan substantial amendment (herein after referred to as the NSP Action Plan) to HUD before December 1, 2008. The areas hardest hit by the subprime market and foreclosure crisis have been urban centers, where our top urban cities account for 25% of the state’s foreclosures. As drafted, this will leave our smaller towns and cities with no NSP funding to assist with the foreclosure crisis.

Therefore, the purchase and rehabilitation homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties is another funding priority. Those housing applications that include the purchase and rehabilitation of residential properties that have been abandoned or foreclosed upon will receive an additional 25 points when rated and ranked.

**g. Project Standards:**

A town can request to exceed the amounts noted below if they submit a letter and provide detail.

Residential Rehab	\$ 300,000
Public Housing	\$ 700,000
Public Facilities	\$ 750,000
Streets & Sidewalks	\$ 500,000
Planning Only	\$ 25,000
Economic Development	\$ 500,000
Urgent Need	\$ 500,000

**h. Final Recommendations:**

Based on the overall quality of the application and compliance with the threshold and evaluation requirements, staff will make recommendations to the Commissioner. For competitive application funding rounds, the criteria above will be used to rate and rank all applications for major activities; and recommendations to the Commissioner’s office will be based on this rating and ranking system. Applicants will receive written notification after final decisions have been made.

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## 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 the HOME or Small Cities CDBG funds are 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, 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 Strategy, 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

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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. 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. The extent to which the proposed activity addresses elements in the state's Analysis of Impediments Action Plan will be considered. In addition, the department will also take into account whether the applicant adheres to an Equal Opportunity Plan, including a Section 3 Plan. This category will also consider the extent to which a proposal promotes 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 and Monitoring for the HOME and Small Cities CDBG Programs:

DECD 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 DECD.

## E. State and Federal Resources for DECD Fiscal Year (FY) 2009-10:

This table lists the levels of state and federal funding anticipated to be available in FY 2009-10. Please note that Connecticut's 2005-09 Consolidated Plan outlines how the state plans to leverage Small Cities CDBG and HOME funds against other sources of funding. For more detail concerning how Connecticut leverages federal and state funds against each other and against non-governmental funding sources, please refer to the Connecticut 2005-09 Consolidated Plan and the Connecticut 2005-09 State Long-Range Housing Plan. Both of these documents are available on the DECD web site.

<b>TABLE 1: DECD ANTICIPATED STATE AND FEDERAL FUNDING</b>			
<b>ECONOMIC &amp; COMMUNITY DEVELOPMENT (DECD)</b>	<b>STATE FY 09-10</b>	<b>HUD FY 09-10</b>	<b>TOTAL</b>
HOME (includes ADDI \$)	\$0	\$12,045,404	\$ 12,045,404
Small Cities (CDBG)	\$0	\$13,330,342	\$ 13,330,342
Affordable Housing (Flex)	\$10,000,000	\$ 0	\$ 10,000,000
Remediation and abatement of Lead in Public Housing	\$0	\$ 0	\$ 0
Energy Conservation Loan Program	\$5,000,000	\$ 0	\$ 5,000,000
Energy Improvement Loans	\$2,000,000	\$ 0	\$ 2,000,000

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Subsidized Assist Living Demonstration	\$2,068,000	\$ 0	\$ 2,068,000
Elderly Rental Registry & Counselor	\$629,654	\$ 0	\$ 629,654
Residential Service Coordinators	\$ 1,000,000	\$ 0	\$ 1,000,000
Fair Housing	\$ 350,000	\$ 0	\$ 350,000
Housing Assistance and Counseling	\$ 588,903	\$ 0	\$ 588,903
Elderly/Congregate Rental Assistance	\$ 1,823,004	\$ 0	\$ 1,823,004
Congregate Operating Subsidy	\$ 6,884,547	\$ 0	\$ 6,884,547
Payment in Lieu of Taxes (PILOT)	\$ 0	\$ 0	\$ 0
Tax Abatement	\$ 0	\$ 0	\$ 0
Housing Trust Fund	\$ 30,000,000	\$ 0	\$ 30,000,000
Home – CT	\$ 0	\$ 0	\$ 0
Deferred Maintenance of Public Housing	\$ 0	\$ 0	\$ 0
<b>TOTAL FOR DECD:</b>	<b>\$ 60,344,108</b>	<b>\$ 25,375,746</b>	<b>\$ 85,719,854</b>

Source: DECD, OFA

<b>Table 2: CHFA Anticipated State and Federal Funding</b>			
<b>CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)</b>	<b>STATE FY 09-10</b>	<b>FEDERAL FY 09-10</b>	<b>TOTAL</b>
Low Income Housing Tax Credit	\$ 0	\$ 7,700,000*	\$ 7,700,000
Housing Tax Credit Contribution	\$ 10,000,000	\$ 0	\$ 10,000,000
<b>TOTAL FOR CHFA:</b>	<b>\$ 10,000,000</b>	<b>\$ 7,700,000</b>	<b>\$ 17,700,000</b>

Source: CHFA \* Amount is the estimated credit amount for calendar year 2009. Under Federal Statute state credit amounts are established annually by formula on a calendar year basis

## F. Priority Objectives and Performance Goals:

DECD intends to make available HOME and Small Cities CDBG funds to eligible recipients based on the priorities set forth in the state's 2005-09 Consolidated Plan and this document.

### 1. The 2005-09 Consolidated Plan, Performance Outcome Measurement System:

The Performance Outcome Measurement System associated with the 2005-09 Consolidated Plan includes objectives, outcome measures and indicators (outputs). It has three overarching program objectives under which all Small Cities CDBG, HOME, ESG and HOPWA Program activities; outcome indicators and measures will be grouped. They are as follows:

#### a. Overarching Program Objectives:

##### 1. Encouraging Homeownership:

- Improve the ability of low and moderate-income residents to access homeownership opportunities.

##### 2. Expanding the Supply of Quality Affordable Housing:

- Preserve and increase the supply of quality affordable housing available to all low and moderate-income households, and help identify and develop available resources to assist in the development of housing;

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- Improve the ability of low and moderate-income residents to access rental housing opportunities; and
- Assist in addressing the shelter, housing, and service needs of the homeless poor and others with special needs.

### 3. Revitalizing Communities:

- Provide communities with assistance to undertake economic development initiatives; and
- Provide assistance to help communities undertake community infrastructure, facility, and service projects affecting public health, safety and welfare.

These three objectives incorporate the statutory objectives for the Small Cities CDBG, HOME, ESG and HOPWA Programs. Grouping the program activities in this way allows Connecticut to report on its progress toward meeting the overall objectives of the aforementioned programs in a simplified and comprehensive manner. In some cases, activities will fall under more than one program objective, depending upon the purpose/type of the program.

The measures, used in the Consolidated Plan's Performance Outcome Measurement System, are designed to clearly gauge whether or not the activities being funded under the four federal programs, governed by the plan, are meeting the plan's stated goals and objectives.

As stated in Section IX "Strategic Plan" of the Consolidated Plan, there are 12 goals supporting the plan's three overarching goals. Each goal is supported by specific objectives. Each objective has specific measures associated with it.

Performance measurement methodology: The ultimate purpose of the performance outcome measurement system of the consolidated plan is to clearly demonstrate whether or not Connecticut is achieving the statutory objectives of the small cities cdbg, home, esg and hopwa programs. The "strategic plan" section of the consolidated plan has been designed to link the statutory goals of these four programs to the specific activities carried out by the state. Please refer to section ix "strategic plan" of the consolidated plan for detail on the plan's overarching goals, goals and objectives.

Therefore:

- If the majority of a goal's stated objectives are achieved, then that goal will be considered accomplished;
- If the majority of the goals that support one of the plan's overarching goals are achieved, then that overarching goal will be considered accomplished; and
- As the three overarching goals of Connecticut's Consolidated Plan incorporate the statutory objectives for the Small Cities CDBG, HOME, ESG and HOPWA Programs, the statutory objectives for these programs will be

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considered accomplished if the overarching goals of this plan have been accomplished.

**b. Performance Measures:**

The metrics (outcome measures and indicators/outputs) used to gauge the success or failure of the Consolidated Plan must be tangible and obtainable. They must be clearly understandable and easily flow through a hierarchical construct, which links actions to the ultimate goals of the federal programs governed by the plan.

Each specific objective has been assigned one or more measures designed to clearly identify whether or not that objective has been met. See Section XI “Performance Measurements Goals & Objectives Matrix” of the Consolidated Plan for specific measures. As mentioned above, a goal will be considered successfully fulfilled if the majority of its associated specific objectives have been accomplished and, as such, the success or failure in meeting a goal’s specific objectives acts as the metric for measuring the state’s performance in meeting the plan’s goals.

The Consolidated Plan’s overarching goals will be considered successfully fulfilled if the majority of their associated goals have been accomplished and, as such, the success or failure in meeting the goals associated with each overarching goal acts as the metric for measuring the state’s performance in meeting the plan’s overarching goals.

The statutory goals of the four programs will be considered successfully fulfilled if the overarching goals of the Consolidated Plan have been accomplished and, as such, the success or failure in meeting the overarching goals of the plan acts as the metric for measuring the state’s performance in meeting the statutory goals of the four programs.

A graphic illustration of the objective and goal linkages, and outcome measures and indicators is located in Section XI “Performance Measurements Goals & Objectives Matrix” of the Consolidated Plan.

**c. Development of Specific Objectives and Proposed Accomplishments:**

The specific objectives and proposed accomplishments described in Section IX “Strategic Plan” of the Consolidated Plan were derived from a thorough review of the various needs within the state, a review of the resources available to address those needs, an assessment of the capacity of the state, local jurisdictions, housing authorities and private and not-for-profit organizations to meet those needs, and through a review of the state’s historic achievements in meeting those needs in the past and the costs associated with those achievements.

**d. Prioritization of Funding and Need:**

The Consolidated Plan recognizes that the housing and community development needs of the state are many while the resources to address these issues are limited. As such, this plan attempts to maximize all available state and federal resources by focusing the state’s efforts.

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Only those issues deemed to be a high priority to the state have been identified in this plan. All other issues are, by default, deemed to be a lower priority in terms of funding attention.

There are 12 goals outlined in the Consolidated Plan document. These goals, listed below, are presented in numeric order for the purpose of identification. Their position within this list does not denote a specific ranking – as all are considered of equal priority. These goals are as follows:

- Goal 1: Supportive Housing - Develop and implement strategies and solutions to address the problem of homelessness through the utilization of supportive housing;
- Goal 2: Home Ownership - Improve the ability of low and moderate-income residents to access home ownership opportunities;
- Goal 3: Rental Housing Supply - Preserve and increase the supply of quality affordable housing available to low and moderate-income households;
- Goal 4: Rental Housing Opportunities - Improve the ability of low and moderate-income residents to access rental housing opportunities;
- Goal 5: Affordable Housing Planning - Help identify and develop available resources to assist in the development of housing;
- Goal 6: Fair Housing - Empower upward mobility for low and moderate-income residents through fair housing;
- Goal 7: Homelessness - Address the shelter, housing and service needs of the homeless poor and others with special needs;
- Goal 8: Special Needs - Address the housing and service needs of those populations defined as having special needs:
  - Elderly and frail elderly;
  - Persons with disabilities;
  - Persons with HIV/AIDS and their families;
  - Persons with substance abuse issues;
  - Persons recently de-incarcerated;
- Goal 9: Lead Paint and Hazardous Materials - Support the removal of lead-based paint and other hazardous materials in existing housing;
- Goal 10: Public Housing Residents - Facilitate homeownership opportunities for public housing residents;
- Goal 11: Non-Housing: Economic Development - Provide communities with assistance to undertake economic development initiatives; and
- Goal 12: Non-Housing: Infrastructure and Public Facilities - Provide assistance to undertake improvements to the community infrastructure, and

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construct or rehabilitate public facilities projects affecting public health, safety and welfare of low and moderate-income residents.

Objectives, accomplishments and measures: each goal is followed by specific objectives (objectives are either specific actions to be taken or specific milestones to be achieved). A corresponding proposed accomplishment follows each of these objectives. The accomplishments are designed to serve as the metric that will gauge the performance of the state in meeting the objectives and ultimately the goal to which they relate.

Basis for assigning priority: each objective and accomplishment also has a proposed funding source (or sources), a population and geographic target, and a priority rating. Each objective is supported by a brief discussion of the need/basis for assigning the priority and of obstacles to meeting underserved needs summarized from the “needs assessment and housing market analysis” sections of the consolidated plan.

Priority ratings were established after a thorough examination of Connecticut’s housing and community development needs and the state’s current and historical housing market. (See the “Needs Assessment and Housing Market Analysis” Sections of the Consolidated Plan.) Based on the state’s review of all relevant and available data, specific issues were selected and run through an internal screening at the Departments of Economic and Community Development and Social Services. Issues chosen to be assigned high priority funding status within this plan were selected based on three overarching factors: (1) the issue’s relative demonstrated need (as identified in the needs assessment), (2) the availability of other funds to address the need and (3) the eligibility criteria of each of the four federal programs governed by this plan.

**e. High Priority Needs and Funding:**

As stated above, only those issues deemed to be a high priority to the state have been identified in the Consolidated Plan. All other issues are, by default, deemed to be a lower priority in terms of federal funding attention.

This does not exclude the state from funding lower priority projects. The high priority designation serves to emphasize to the public, the areas in which the state will concentrate its efforts over the next five years, in terms of housing and community development. Further, it defines where the state will focus its usage of the federal funds accessed through the four state administered federal programs governed by this plan.

A proposed project that addresses a high priority need is not guaranteed funding based solely on the fact that it will address a high priority need. All projects funded by the state must be financially and logistically feasible as well as meet all of the eligibility criteria of the proposed funding source. When two or more projects are competing for funding dollars (all things being equal), the project addressing the high priority need will be given funding preference.

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Note: for the purposes of this plan, "Other Funds" include all available state, federal or private funds other than those allocated to the state under the Small Cities CDBG, ESG, HOME and HOPWA Programs.

The 2008-09 Action Plan outlined DECD's proposed accomplishments for 2008-09. These were based on the performance measurement system presented in the 2005-09 Consolidated Plan and incorporated HUD's Outcome Performance Measurement System. The results for the 2008-09 program year accomplishments will be contained in the 2008 Performance Evaluation Report (PER).

The "Goals and Objectives Matrix" starting on page 56 of this plan outlines DECD's proposed accomplishments for 2009-10, including those actions to be taken during the program year to overcome the effects of impediments identified in the five-year Consolidated Plan. The proposed accomplishments appearing in this section are based on the performance measurement system presented in the 2005-09 Consolidated Plan as well as HUD's Outcome Performance Measurement System implemented with the 2006-07 Action Plan. Outlined below is further detail on HUD's Outcome Performance Measurement System.

## **2. HUD Outcome Performance Measurement System:**

Below is the key based on the HUD Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs as contained in Federal Register/ Vol. 71, No. 44 dated March 7, 2006.

### **a. Objectives:**

1. Identified as I - Suitable Living Environment: In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment;
2. Identified as II - Decent Housing: The activities that are typically found under this objective are designed to cover the wide range of housing possible under HOME, CDBG, HOPWA, or ESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment; and
3. Identified as III - Creating Economic Opportunities: This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

### **b. Outcomes:**

1. Identified as A - Availability/Accessibility: This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low and moderate-income people, including persons with disabilities. In this category, accessibility refers not only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate-income people where they live;

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2. Identified as B - Affordability: This outcome category applies to activities that provide affordability in a variety of ways in the lives of low and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care; and
3. Identified as C - Sustainability/Promoting Livable or Viable Communities: This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

**c. Output Indicators:**

**Common Indicators, as applicable:**

1. Amount of money leveraged (from other federal, state, local, and private sources) per activity;
2. Number of persons, households, units, or beds assisted, as appropriate;
3. Income levels of persons or households by: 30%, 50%, 60%, or 80% of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low and moderate-income persons served. Note that this requirement is not applicable for economic development activities awarding funding on a "made available basis"; and
4. Race, ethnicity, and disability (for activities in programs that currently report these data elements);

**Specific Indicators, as applicable:**

5. Public facility or infrastructure activities
  - Number of persons assisted:
    - With new access to a facility or infrastructure benefit;
    - With improved access to a facility or infrastructure benefit;
    - Where activity was used to meet a quality standard or measurably improved quality, report the number that no longer only have access to a substandard facility or infrastructure;
6. Public service activities
  - Number of persons assisted:
    - With new access to a service;
    - With improved access to a service;

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- Where activity was used to meet a quality standard or measurably improved quality, report the number that no longer only have access to substandard service;

**7. Activities are part of a geographically targeted revitalization effort (Y/N)**  
Indicate type:

- Comprehensive;
- Commercial;
- Housing;
- Other;

Choose all the indicators that apply, or at least three indicators if the effort is Comprehensive:

- Number of new businesses assisted;
- Number of businesses retained;
- Number of jobs created or retained in target area;
- Amount of money leveraged (from other public or private sources);
- Number of low or moderate-income (LMI) persons served;
- Slum/blight demolition;
- Number of LMI households assisted;
- Number of acres of remediated brown fields;
- Number of households with new or improved access to public facilities/services;
- Number of commercial facade treatment/business buildings rehabbed;
- Optional indicators: numbers on crime rates, property value change, housing code violations, business occupancy rates, employment rates, homeownership rates;

**8. Number of commercial facade treatment/business building rehab (site, not target area based):**

**9. Number of acres of brownfields remediated (site, not target area based):**

**10. New rental units constructed per project or activity**

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Total number of units:

Of total:

- Number affordable;
- Number section 504 accessible;
- Number qualified as Energy Star;

Of the affordable units:

- Number occupied by elderly;
- Number subsidized with project-based rental assistance (federal, state, or local program);
- Number of years of affordability;
- Number of housing units designated for persons with HIV/AIDS, including those units receiving assistance for operations;

Of those, number of units for the chronically homeless:

- Number of units of permanent housing designated for homeless persons and families, including those units receiving assistance for operations;

Of those:

- Number of units for the chronically homeless;

## 11. Rental units rehabilitated

Total number of units:

Of total:

- Number affordable;
- Number section 504 accessible;
- Number of units created through conversion of nonresidential buildings to residential buildings;
- Number brought from substandard to standard condition (HQS or local code);
- Number qualified as Energy Star;
- Number brought into compliance with lead safe housing rule (24 CFR part 35);

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## Of those affordable:

- Number occupied by elderly;
- Number subsidized with project-based rental assistance (federal, state or local program);
- Number of years of affordability;
- Number of housing units designated for persons with HIV/AIDS, including those units receiving assistance for operations;

## Of those:

- Number of units for the chronically homeless;
- Number of units of permanent housing for homeless persons and families, including those units receiving assistance for operations;

## Of those:

- Number of units for the chronically homeless;

## 12. Homeownership units constructed, acquired, and/or acquired with rehabilitation (per project or activity)

Total number of units:

## Of those:

- Number of affordable units;
- Number of years of affordability;
- Number qualified as Energy Star;
- Number section 504 accessible;
- Number of households previously living in subsidized housing;

## Of those affordable:

- Number occupied by elderly;
- Number specifically designated for persons with HIV/AIDS;

## Of those:

- Number specifically for chronically homeless;
- Number specifically designated for homeless;

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Of those:

- Number specifically for chronically homeless;

**13. Owner occupied units rehabilitated or improved**

Total number of units:

- Number occupied by elderly;
- Number of units brought from substandard to standard condition (HQS or local code);
- Number qualified as Energy Star;
- Number of units brought into compliance with lead safe housing rule (24 CFR part 35);
- Number of units made accessible for persons with disabilities;

**14. Direct financial assistance to homebuyers**

Number of first-time homebuyers:

Of those:

- Number receiving housing counseling;
- Number receiving downpayment assistance/closing costs;

**15. Tenant- based rental assistance (TBRA)**

Total number of households:

Of those:

- Number with short-term rental assistance (less than 12 months);
- Number of homeless households;

Of those:

- Number of chronically homeless households;

**16. Number of homeless persons given overnight shelter:**

**17. Number of beds created in overnight shelter or other emergency housing:**

**18. Homelessness Prevention**

- Number of households that received emergency financial assistance to prevent homelessness; and

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- Number of households that received emergency legal assistance to prevent homelessness;

## 19. Jobs created

Total number of jobs:

- Employer-sponsored health care (Y/N);
- Type of jobs created (use existing Economic Development Administration (EDA) classification);
- Employment status before taking job created:

Of those:

Number of unemployed;

## 20. Jobs retained

Total number of jobs:

- Employer-sponsored health care benefits;

## 21. Businesses assisted

- New businesses assisted;
- Existing businesses assisted;

Of those:

- Business expansions;
- Business relocations;
- DUNS number(s) of businesses assisted (HUD will use the DUNS numbers to track number of new businesses that remain operational for three years after assistance); and

## 22. Does assisted business provide a good or service to meet needs of service area/neighborhood/community (to be determined by community)?

Examples: Each outcome category can be connected to each of the overarching objectives, resulting in a total of nine groups of outcome/objective statements under which grantees would report the activity or project data to document the results of their activities or projects. They are activities or projects that provide:

- Accessibility for the purpose of creating suitable living environments;
- Accessibility for the purpose of providing decent housing;
- Accessibility for the purpose of creating economic opportunities;
- Affordability for the purpose of creating suitable living environments;

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- Affordability for the purpose of providing decent housing;
- Affordability for the purpose of creating economic opportunities;
- Sustainability for the purpose of creating suitable living environments;
- Sustainability for the purpose of providing decent housing; and
- Sustainability for the purpose of creating economic opportunity.

Each output should relate to the intended outcome/objective of the program activities and community objectives. A complete statement has these components: Output (quantified) + Outcome (from categories above) + Activity (description) + Objective. Combining these elements into a single sentence summarizes the community's activities, results, intended outcomes, and purpose in a way that can be related to resource inputs. Sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement such as:

- 2000 homeless persons have new access to a shelter for the purpose of creating decent housing;
- 7 households have new access to homeownership for the purpose of creating decent housing;
- 24 households have sustained decent housing by emergency repair for the purpose of providing decent housing;
- 52 households have new access to public sewer for the purpose of creating a suitable living environment;
- 50 persons have access to new jobs through extension of a water line to a business for the purpose of creating economic opportunity;
- 50 households have housing through a downpayment assistance program for the purpose of creating decent housing; and
- 75 very low-income persons living with HIV/AIDS were assisted with on-going (monthly) housing subsidies for the purpose of providing decent housing.

## **2009-10 Goals and Objectives Matrix:**

The "Goals and Objectives Matrix" which follows, outlines DECD's proposed accomplishments for 2009-10. The proposed accomplishments appearing in this section are based on the performance measurement system presented in the 2005-09 Consolidated Plan as well as HUD's Outcome Performance Measurement System.

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**Table 3 : 2009-10 Goals & Objectives Matrix**

Table 3 : 2009-10 Goals & Objectives Matrix										
AFFORDABLE HOUSING										
Goal 1 SUPPORTIVE HOUSING - Develop and implement strategies and solutions to address the problem of homelessness through the utilization of supportive housing.										
PRODUCTION – SUPPORTIVE HOUSING										
Proposed Funding	Objective		Output		Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs	
ESG & State \$	1	Increase the number of permanent supportive housing opportunities available to homeless households or those at risk of becoming homeless, particularly those with special needs by providing financing for renovation of existing buildings.	1	Create 350-500 new supportive housing units over the next 5 years	1	Number of supportive housing units created	70 - 100 units	I	A,B	1,2,3,4,15
					2	Was the goal of 350-500 new supportive housing units achieved - Yes or No				
SERVICE DELIVERY – SUPPORTIVE HOUSING										
Proposed Funding	Objective		Output		Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs	
HOPWA & State \$	1	Evaluate the appropriate method or vehicle to introduce supportive services into existing housing units.	1	Evaluate the appropriate method or vehicle to introduce supportive services into existing housing units over the next 5 years.	1	Evaluation completed - Yes or No.	5 <sup>th</sup> year.	I	C	N/A

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Goal 2 HOME OWNERSHIP - Improve the ability of low and moderate-income residents to access home ownership opportunities.										
PRODUCTION OF NEW UNITS - SINGLE FAMILY										
Proposed Funding	Objective		Output		Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs	
HOME/ADDI	1	Under the HOME/ADDI program, support local efforts to develop appropriate homeownership housing to make better use of limited urban land.	1	Support 25 homeownership units of housing in urban areas each year.	1	Number of homeownership units created.	25 units annually	II	A, B	1,2,3,4,12,14
HOME & Other	2	Promote and support mixed-income developments in areas that currently underserved low and moderate-income households.	1	Give preference to 1 mixed-income project creating at least 10 units of housing each year in areas that currently underserved low and moderate-income households.	1	Was preference given to at least 1 mixed-income project - Yes or No.	1 project and 10 units annually	I	B	1,2,3,4,12,14
					2	Number of mixed-income infill units created.	5 <sup>th</sup> year.			
REHABILITATION OF EXISTING UNITS - SINGLE FAMILY										
Proposed Funding	Objective		Output		Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs	
CDBG	1	Support the moderate rehabilitation of existing single-family homes (a single family home is defined as a 1 to 4 unit owner occupied residential structure).	1	Support 4 single-family moderate rehabilitation projects each year (with up to 100 units each) in CDBG eligible communities.	1	Number of single-family moderate rehabilitation projects completed each year.	4 projects annually.	II	A,B	1,2,3,4,12
					2	Number of single-family units rehabbed each year.	5 <sup>th</sup> year.			

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<b>(Continued) REHABILITATION OF EXISTING UNITS - SINGLE FAMILY</b>									
<b>Proposed Funding</b>	<b>Objective</b>		<b>Output</b>		<b>Performance Measure</b>	<b>Goal</b>	<b>HUD Objective</b>	<b>HUD Outcomes</b>	<b>HUD Outputs</b>
					<b>3</b> Was the goal of 4 single-family moderate rehabilitation projects each year achieved- Yes or No.	5 <sup>th</sup> year.			
<b>Goal 3 RENTAL HOUSING SUPPLY – Preserve and increase the supply of quality affordable housing available to low and moderate-income households.</b>									
<b>PRODUCTION OF NEW UNITS – MULTIFAMILY RENTAL</b>									
<b>Proposed Funding</b>	<b>Objective</b>		<b>Output</b>		<b>Performance Measure</b>	<b>Goal</b>	<b>HUD Objective</b>	<b>HUD Outcomes</b>	<b>HUD Outputs</b>
<b>HOME</b>	<b>1</b>	Promote and support mixed-income developments in areas that currently underserved low and moderate-income households.	<b>1</b>	Produce 30 units of new multifamily housing in suburban towns each year.	<b>1</b> Number of new multifamily housing units created in suburban towns each year.	30 units annually.	II	A,B	1,2,3,4,10
					<b>2</b> Did the number of new multifamily housing units created in suburban towns each year fall within the targeted range – Yes or No.	5 <sup>th</sup> year.			
<b>HOME, CDBG &amp; Other</b>	<b>2</b>	Support adaptive re-use of historic structures for use as residential structures.	<b>1</b>	Through the adaptive re-use of historic structures, create and or preserve up to 50 residential units over the next 5 years.	<b>1</b> Number of residential units created and/or preserved through the adaptive re-use of historic structures.	50 units by 5 <sup>th</sup> year.	II	A,B	1,2,3,4,10

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<b>Goal 3 RENTAL HOUSING SUPPLY – Preserve and increase the supply of quality affordable housing available to low and moderate-income households.</b>										
<b>(Continued) PRODUCTION OF NEW UNITS – MULTIFAMILY RENTAL</b>										
					<b>2</b>	Were 50 residential units created and/or preserved over the 5-year period, through the adaptive re-use of historic structures.	Yes or No.			
<b>REHABILITATION OF EXISTING UNITS – MULTIFAMILY RENTAL</b>										
<b>Proposed Funding</b>	<b>Objective</b>		<b>Output</b>		<b>Performance Measure</b>		<b>Goal</b>	<b>HUD Objective</b>	<b>HUD Outcomes</b>	<b>HUD Outputs</b>
<b>CDBG</b>	<b>1</b>	Invest in the maintenance and preservation of existing publicly assisted rental-housing stock to preserve it as a long-term resource.	<b>1</b>	Preserve 100 rental units statewide each year.	<b>1</b>	Number of existing publicly assisted rental units preserved.	100 units annually.	II	A, B	1,2,3,4,11
					<b>2</b>	Was the target of 100 units per year achieved - Yes or No.	5 <sup>th</sup> year.			
<b>HOME &amp; Other</b>	<b>2</b>	Provide favorable loan terms for multifamily housing and mixed-use properties.	<b>1</b>	Fund up to 5 projects to create 20 units each year.	<b>1</b>	Average term and interest rate for loans for multifamily housing and mixed-use properties projects.	Up to 5 projects and 20 units annually.	I, II	A, B	1,2,3,4,11

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(Continued) REHABILITATION OF EXISTING UNITS – MULTIFAMILY RENTAL										
					2	Was the average term and interest rate for loans for multifamily housing and mixed-use properties projects below market – Yes or No.	5 <sup>th</sup> year.			
					3	Number of multifamily housing and mixed-use properties projects funded.	5 <sup>th</sup> year.			
					4	Number of multifamily housing and mixed-use properties units created each year.	5 <sup>th</sup> year.			
					5	Were five or more multifamily housing and mixed-use properties projects funded annually and was the goal of 100 units per year achieved – Yes or No.	5 <sup>th</sup> year.			

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Goal 5 AFFORDABLE HOUSING PLANNING- Help identify and develop available resources to assist in the development of housing.										
Proposed Funding	Objective		Output		Performance Measure		Goal	HUD Objective	HUD Outcomes	HUD Outputs
CDBG & Other	1	Encourage Regional Planning Organizations and municipalities to: 1) study regional housing cost patterns and zoning practices; 2) establish regional plans to address and promote affordable fair-share housing and inclusionary housing policies that provide choice across income levels, proximity to employment and 3) promote greater opportunity to develop income diverse neighborhoods in urban and suburban areas.	1	Complete 5 regional studies over the next 5 years.	1	Number of regional studies completed.	1 Study annually.	I	C	N/A
					2	Were 5 regional studies completed - Yes or No.	5 <sup>th</sup> year.			
Goal 6 FAIR HOUSING - Empower upward mobility for low and moderate-income residents through fair housing.										
Proposed Funding	Objective		Output		Performance Measure		Goal	HUD Objective	HUD Outcomes	HUD Outputs
HOME & Other	1	Support fair housing education and outreach activities and actions to address illegal discrimination.	1	Increase the collaboration on fair housing issues between the state, housing providers and fair housing advocacy groups.	1	Number of fair housing collaborations between the state, housing providers and fair housing advocacy groups	5 <sup>th</sup> year.	I	C	N/A

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Goal 7 HOMELESSNESS – Address the shelter, housing and service needs of the homeless poor and others with special needs.										
COORDINATION AND PLANNING										
Proposed Funding	Objective		Output		Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs	
ESG & Other	1	Expand homeless prevention services, follow-up services and increase transitional services throughout the system.	1	Utilize the Beyond Shelter program, administered by the DSS, to reduce the reoccurrence of homelessness by assisting families who are leaving homeless shelters and transitional living programs to achieve housing stability by providing support services.	1	Number of homelessness reoccurrences among DSS assisted families leaving shelters and transitional living programs.	5 <sup>th</sup> year.	I	A	1,2,3,4,16,17, 18
					2	Was the number of reoccurrences reduced – Yes or No.	5 <sup>th</sup> year.			
Goal 8 SPECIAL NEEDS – Address the housing and service needs of those populations defined as having special needs.										
PERSONS WITH HIV/AIDS AND THEIR FAMILIES										
Proposed Funding	Objective		Output		Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs	
HOPWA & Other	1	Continue to fund existing HIV/AIDS programs.	1	Seek additional federal funding for existing HIV/AIDS programs.	1	Was additional funding sought - Yes or No.	5 <sup>th</sup> year.	I	C	1,2,3,4
					2	What additional federal funding was sought.	5 <sup>th</sup> year.			

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Goal 8 SPECIAL NEEDS – Address the housing and service needs of those populations defined as having special needs.										
(Continued) PERSONS WITH HIV/AIDS AND THEIR FAMILIES										
			2	Increase access to supportive housing services for people living with HIV/AIDS and increase number of clients from 170 to 255 over five years.	1	Number of people accessing supportive housing services.	17 people annually.	I	C	1,2,3,4, 6
					2	Year over year change in number of people accessing supportive housing services.	5 <sup>th</sup> year.			
					3	Did the number of people accessing supportive housing services increase - Yes or No.	5 <sup>th</sup> year.			
HOPWA & Other	2	Assess the effectiveness of supportive housing programs for people living with HIV/AIDS periodically through the use of performance measures and on-going mechanisms to track consumer preferences and needs.	1	Continue to evaluate AIDS/HIV supportive housing programs at least once a year.	1	Was the program annually evaluated - Yes or No.	5 <sup>th</sup> year.	I	C	N/A
HOPWA & Other	3	Develop new mental health and addiction service programs to meet the specific needs of persons with HIV/AIDS.	1	Review availability of new federal and state funding to meet specific needs of client population with a goal of increasing the number of clients provided appropriate services from 170 to 255 over five years.	1	Was the availability of funding reviewed annually - Yes or No.	17 people annually.	I	C	1,2,3,4, 6

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Goal 8 SPECIAL NEEDS – Address the housing and service needs of those populations defined as having special needs.										
(Continued) PERSONS WITH HIV/AIDS AND THEIR FAMILIES										
					2	Was additional funding secured - Yes or No.	5 <sup>th</sup> year.			
Goal 9 LEAD PAINT AND HAZARDOUS MATERIALS - Support the removal of lead-based paint and other hazardous materials in existing housing.										
Proposed Funding	Objective		Output		Performance Measure		Goal	HUD Objective	HUD Outcomes	HUD Outputs
CDBG, HOME & Other	1	Support the removal of lead-based paint and other hazardous materials in existing housing through paint testing and risk assessments in accordance with the final lead safe housing rule - Title X of the Lead-based Paint Hazard Reduction Act of 1992 (24 CFR pt 35).	1	Support up to 3 housing rehabilitation projects per year with the goal of making 20 units per year lead safe.	1	Number of housing lead-safe rehab projects per year.	3 projects and 20 units annually.	II	C	1,2,3,4,11,13
					2	Number of housing units made lead-safe per year.	5 <sup>th</sup> year.			
					3	Was the goal of up to 3 housing rehab projects per year and 20 units per year achieved - Yes or No.	5 <sup>th</sup> year.			
CDBG & Other	2	Support the implementation of the Lead Action for Medicaid Primary Prevention (LAMPP) program.	1	Utilize the LAMPP program to eliminate lead-based paint hazards in priority housing. LAMPP will eliminate lead-based paint hazards in 155 units per year and conduct paint inspections/risk assessments in 160 units per year.	1	Number of units made lead-safe under the LAMPP program.	115 units annually.	II	C	1,2,3,4,11,13

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Goal 9 LEAD PAINT AND HAZARDOUS MATERIALS - Support the removal of lead-based paint and other hazardous materials in existing housing.								
Proposed Funding	Objective		Output	Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs
				2	Number of paint inspections/risk assessments conducted per year.	160 units annually.		
Non-Housing								
Goal 11 ECONOMIC DEVELOPMENT - Provide communities with assistance to undertake economic development initiatives.								
Proposed Funding	Objective		Output	Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs
CDBG & Other	1	Offer expanded economic opportunities including job creation and retention through the establishment, stabilization and expansion of small businesses (including Micro-enterprises) and the provision of public services concerned with employment.	1	Support at least one Economic Development Project with the creation of up to 15 jobs per year (8 of which will be for low and moderate income persons).	1	Number of economic development projects funded under the CDBG program annually.	1 project annually.	III C 1,2,3,4,19,21
				2	Number of jobs created by economic development projects funded under the CDBG program annually.	Annually.		
				3	Percent of jobs created by economic development projects funded under the CDBG program annually benefiting low and moderate-income persons.	Annually.		

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<b>Goal 12 INFRASTRUCTURE &amp; PUBLIC FACILITIES</b> - Provide assistance to undertake improvements to the community infrastructure, and construct or rehabilitate public facilities projects affecting public health, safety and welfare of low- and moderate-income residents.								
Proposed Funding	Objective		Output	Performance Measure	Goal	HUD Objective	HUD Outcomes	HUD Outputs
CDBG & Other	1	Support the upgrading of existing infrastructure within areas where the majority of residents are of low- and moderate-income.	1 Support up to 3 infrastructure projects per year to include reconstruction of streets, sidewalks, water lines, and drainage problems in predominately low and moderate-income areas.	1 Number of infrastructure conducted projects per year.	15 projects annually.	I	C	1,3,5
				2 Was the goal of 3 infrastructure projects per year achieved - Yes or No.	5 <sup>th</sup> year.			
CDBG & Other	2	Support the construction and/or rehabilitation and/or expansion of existing public facilities that primarily serve low and moderate-income persons, including but not limited to: senior centers, homeless shelters, battered women shelters, daycare centers, and efforts to meet the needs of the physically handicapped population by supporting projects designed to make current facilities accessible or to provide new-handicapped accessible facilities.	1 Support up to 10 public facilities projects per year.	1 Number of public facilities projects conducted per year.	10 projects annually.	I	A	1,3,5
				2 Was the goal of 10 public facilities projects per year achieved - Yes or No.	5 <sup>th</sup> year.			

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<b>Goal 12 INFRASTRUCTURE &amp; PUBLIC FACILITIES</b> - Provide assistance to undertake improvements to the community infrastructure, and construct or (Continued) rehabilitate public facilities projects affecting public health, safety and welfare of low- and moderate-income residents.										
<b>CDBG &amp; Other</b>	<b>4</b>	Continue to support neighborhood and community-based programs and the establishment of Community Revitalization Strategies and Neighborhood Revitalization Zones.	<b>1</b>	Coordinate state agency activities to encourage and promote support of Community Revitalization Strategies and Neighborhood Revitalization Zones.	<b>1</b>	Number of Community Revitalization Strategies and Neighborhood Revitalization Zones promotion and support efforts involving two or more state agencies.	5 <sup>th</sup> year.	I	C	N/A
			<b>4</b>	Analyze census data to determine which towns are eligible to use Community Revitalization Strategies and encourage those eligible towns to pursue this designation.	<b>1</b>	Was census data analyzed to determine which towns are eligible to use Community Revitalization Strategies?	5 <sup>th</sup> year.	I	C	N/A
					<b>2</b>	Towns eligible to use Community Revitalization Strategies.	5 <sup>th</sup> year.			
					<b>3</b>	Number of eligible towns that pursued the designation	5 <sup>th</sup> year.			
					<b>4</b>	Number of towns that received the designation	5 <sup>th</sup> year.			

Source: State of Connecticut 2005-09 Consolidated Plan for Housing and Community Development

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## **G. Emergency Shelter Grants (ESG) Program:**

Although DECD is the lead agency for the ConPlan and related Action Plans, the Department of Social Services (DSS) is the state recipient for ESG funds because it is the lead state agency for emergency homeless shelters and a variety of programs that serve the state's low-income population. DSS is also the lead agency for Section 8 vouchers and the state-funded Rental Assistance Program. The DSS budget also includes other sources of funding for the homeless.

Connecticut anticipates \$1,155,155 in federal Emergency Shelter Grants funds for the Action Plan program year beginning July 1, 2009. Federal ESG funds will be pooled with \$4,215,698 in annual funding from Connecticut's general operating budget and \$6,926,490 from the U.S. Department of Health and Human Services TANF and Social Services Block Grants.

The Connecticut Department of Social Services administers this money by funding 24 organizations that include faith-based organizations and a variety of non-profit agencies. In addition, DSS provides state and other funding to these providers who are experienced, well established in their communities and provide quality services. The funding received from ESG enables the organizations to provide additional beds and case management services. DSS will be working on developing a more formal process for the allocation of all sources of funds to homeless shelters in the future.

The pool of federal and state dollars, allocated to local community and faith-based organizations and municipalities, is for the provision of temporary shelter for homeless individuals and families. The funds provide operational costs, 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 (61% of available funds) followed by essential services (28%), homeless prevention (10.5%) and administrative services (.5%).

Connecticut currently has 24 shelters: 9 shelters for single individuals, 10 shelters that support families and 5 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. More than 14,000 individuals, including families with children, will receive emergency shelter services during the program year that began July 1, 2008.

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 Shelter:**

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

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and will submit a monthly statistical and quarterly demographics report, and also annual performance report. The projected numerical goals represent statewide outcomes that will be evaluated throughout the program year.

## 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 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.

- 2. Homeless and other Special Needs:** DSS provides funding for transitional living program to 29 contractors throughout the state for the provision of multi-family or single room residency living arrangements. Transitional living programs serve as a bridge for individuals and/or families after a period of homelessness. A variety of support services are provided to these individuals during their stay in the program. Stays can range from a period of six months to two years. The goal is to have these individuals and/or families gain self-sufficiency and permanent housing.

The state legislature included an additional \$300,000 in the DSS 2008-09 budget for the provision of case management services for women. These funds will be provided to the homeless shelters in the City of New Haven where there has been an increase in the number of single homeless women. The shelters will hire staff to provide intensive case management and links to supportive services, particularly mental health and substance abuse treatment.

DSS also provides funding for a program known as "Beyond Shelter". This prevention program provides coordinated services to newly housed families and their

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landlords in order to prevent another cycle of homelessness. Families eligible for services are those leaving shelters and transitional living facilities to move into their own housing. Homeless families work with a housing coordinator to identify and resolve problems that could result in the re-occurrence of homelessness. Services provided may include education on landlord/tenant rights and responsibilities, assistance with food, transportation and parenting as well as support in securing mental health and substance abuse treatment services.

Beyond Shelter Programs assist the landlord in matching renters to units and provide tenants with education on landlord/tenant rights and responsibilities including timely payment of rent. Landlords can request other assistance as needed from housing coordinators to resolve problems that threaten housing stability. There are currently twelve (12) Beyond Shelter Programs operating in Connecticut. The state legislature included an extra \$200,000 in the DSS 2008-09 budget to fund additional programs.

Additionally, \$900,000 was included in the DSS 2008-09 budget to provide counselors in shelters and to enhance counseling services in shelters through best practices or collaborative applications. The implementation of best practices and the collaboration of shelters emphasize coordination among and between a region's shelter along with mainstream services and employment providers.

Supportive Housing is strongly supported in Connecticut. In January 2002, a Memorandum of Understanding (MOU) was entered into by several state agencies including the Office of Policy AND Management (OPM), the Department of Economic and Community Development (DECD), the Department of Mental Health and Addiction Services (DMHAS), the Department of Social Services (DSS), the Connecticut Housing Finance Authority (CHFA) and the Corporation for Supportive Housing (CSH). This MOU is in support of the statewide payments in lieu of taxes (PILOTS) Supportive Housing Initiative and the purpose is to increase service-supported, affordable housing for people with mental illness or substance abuse problems who face homelessness. DSS has devoted 200 of its 5,400 Section 8 vouchers to project-based programs developed as part of this initiative. Sixteen (16) projects are currently in development throughout the state.

In April 2006, this initiative moved into its next planning phase. The "Next Steps Supportive Housing" MOU includes: OPM, DECD, DMHAS, DSS and CHFA. Through this agreement, DSS will provide up to 250 Rental Assistance Program (RAP) subsidies for individuals and families who are homeless or at risk of becoming homeless, particularly people experiencing repeated or persistent homelessness. The purpose of the initiative is to enable homeless families and individuals to stabilize their lives and to regain a stake in the community.

- 3. Certification on Coordinated State Policy Regarding Discharge:** The State of Connecticut has been aware of issues related to the lack of coordination around discharge of persons from state institutions and facilities and problems related to resulting homelessness due to the lack of such coordination. State agency staff and community service providers identified this issue through the Consolidated Planning process for 2005-09. As a result, coordination on discharge has been a topic of discussion in the Governor's Working Group on Affordable Housing and through a variety of commissions on which either the Commissioner or DECD staff sit, as well

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as through other state agency groups that include both public and private service providers, advocates, etc.

Although Connecticut does not yet have a coordinated policy for the discharge of persons from publicly funded institutions in order to prevent discharge resulting in homelessness, the following are examples of current efforts to address this issue:

- DSS and the Department of Corrections (DOC) have entered into a Memorandum of Understanding in which DOC provides funding for two DSS eligibility workers to determine the eligibility of persons being released from Corrections for DSS programs. The DSS programs include Medicaid, Food Stamps, State Administered General Assistance (SAGA), Temporary Family Assistance (TFA) and the State Supplement Program. The theory is if the services are in place before the person is released, it will lessen the likelihood of homelessness.
- DOC also has both formal and informal agreements with some of the emergency homeless shelters. The shelters agree to provide beds for persons being released from prisons as well as for the provision of case management services. The case managers work with the clients to help them find employment, permanent housing and any other services they may need in order to become self-sufficient.

## **H. Housing Opportunities for Persons with AIDS (HOPWA) Program:**

Connecticut anticipates \$263,000 in Federal Housing Opportunities for Persons With AIDS (HOPWA) funds for the Action Plan program year beginning July 1, 2009. HOPWA funds will be pooled with \$4,187,130 in annual funding from Connecticut's general operating budget and \$861,554 from the US Department of Health and Human Services (HHS).

Additionally, \$750,000 was included in the DSS 2008-09 budget and was secured in the new state funding for each year of the two year state budget which allowed for 54 new units of scattered site housing to be created.

The majority of HOPWA dollars allocated to Connecticut are funneled through the Eligible Metropolitan Statistical Area (EMSA) of Bridgeport, Hartford, New Haven and their surrounding areas. DSS receives a small amount of "Balance of State Dollars" and uses a request for qualifications process to fund two potential HOPWA providers in the eastern portion of our state. Since the EMSA dollars do not cover Eastern Connecticut, DSS currently funds two providers in that area. These providers were selected based on their qualifications, the results of "Standards of Care" monitoring by Connecticut AIDS Resource Coalition (CARC) and their experienced-providing services.

The goal for the two non-profit organizations is to assist between 30-40 households with funds for tenant-based rental assistance and permanent supportive housing facilities. In addition, these funds, in conjunction with state appropriations will be used for community residence operational costs, supportive and case management services, housing assistance. The two organizations will comply with HOPWA requirements including a breakdown of funding and a separate line item for HOPWA funds.

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The types of housing to be funded include scattered site apartments, community residences with and without 24-hour staffing and respite/hospice care. The housing programs are located in two different Connecticut communities and provide housing with supportive services to approximately 50 individuals at any one time. The supportive services include case management, cooking and cleaning assistance, transportation, education and volunteer opportunities.

Each housing program serves an eligible person based on a verification of HIV/AIDS diagnosis that is a client with a positive diagnosis; income verification for a person who is a low-income individual and person's family and/or eligible to receive housing information services regardless of income. It is also based on a review of living situation that is related to those who are homeless and near homeless individuals.

The non-profit 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. As mentioned previously, Connecticut AIDS Resource Coalition (CARC) and its members, through its quality assurance program, continue to work closely with DSS to establish appropriate and measurable performance measures for the Coalition's activities. In addition, 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.

**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 goal for all individual AIDS residence programs.

Outcome:

Program will strive to maintain maximum capacity and 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.

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- 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.

## I. State and Federal Resources for DSS Fiscal Year (FY) 2009-10:

This table lists the anticipated/estimated level of state and federal funding available in FY 2009-10. Please note that Connecticut's 2005-09 Consolidated Plan outlines how the state plans to leverage ESG and HOPWA funds against other sources of funding. For more detail concerning how Connecticut leverages federal and state funds against each other and against non-government funding sources, please refer to the Connecticut 2005-09 Consolidated Plan and the Connecticut 2005-09 State Long-Range Housing Plan. Both of these documents are available on the DECD website.

<b>TABLE 4: DSS ANTICIPATED STATE AND FEDERAL FUNDING</b>				
<b>SOCIAL SERVICES (DSS)</b>	<b>STATE FY 09-10</b>	<b>HUD FY 09-10</b>	<b>HHS</b>	<b>TOTAL</b>
Emergency Shelters	\$ 4,215,698	\$ 1,155,155	\$ 6,926,490	\$ 12,297,343
Domestic Violence Programs	\$ 2,421,422		\$ 1,235,016	\$ 3,656,438
Housing Opportunities for Persons With AIDS	\$ 4,187,130	\$ 263,000	\$ 861,554	\$ 5,311,684
Section 8 Rental Assistance	\$ 0	\$ 66,569,573		\$ 66,569,573
Special Needs Housing benefits (incl. in TFA, AABD expenses)	\$ 600,000	\$ 0	\$ 100,000	\$ 700,000
Transitional Rental Assistance	\$ 1,246,014	\$ 0	\$ 0	\$ 1,246,014
Rental Assistance Program/Supportive Housing	\$ 24,651,446	\$ 0	\$ 0	\$ 24,651,446
Family Home Share Program	\$ 58,247	\$ 0	\$ 0	\$ 58,247
Elderly Home Share Program	\$ 101,619	\$ 0	\$ 0	\$ 101,619
Security Deposit Program	\$ 1,440,067	\$ 0	\$ 0	\$ 1,440,067
Eviction Prevention Program	\$ 282,666	\$ 0	\$ 1,049,882	\$ 1,332,548
Transitional Living Program	\$ 3,724,139	\$ 0	\$ 972,004	\$ 4,696,143
<b>TOTAL FOR DSS</b>	<b>\$ 42,928,448</b>	<b>\$67,987,728</b>	<b>\$ 11,144,946</b>	<b>\$ 122,061,122</b>

Source: DSS

## J. Monitoring for ESG and HOPWA Programs:

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 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

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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; and

- 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 Resource 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 addresses 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 of Care review assures the quality of programs by setting down guidelines for services, health and safety, and general management. A dual-committee of DSS 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.

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## VI. ATTACHMENTS TO THE 2009-10 ACTION PLAN

### Attachment A - Citizen Participation Process:

#### A. 1. Process for Public Hearings and Public Commentary Period:

DECD held two public hearings on September 5, 2008 in Rocky Hill and September 8, 2008 in Hamden to elicit input into the development of the state's 2009-10 Action Plan for Housing and Community Development. Notification for these hearings appeared in seven newspapers around the state. See Attachment B for a copy of the notification and public hearing transcripts.

On November 21, 2008, DECD initiated a 30-day public commentary on the draft Action Plan. The public commentary period will conclude on December 22, 2008. DECD will hold three additional public hearings; December 8, 2008 in Hamden, December 10, 2008 in Coventry, and December 11, 2008 in Rocky Hill. Notification for the public commentary period as well as the three aforementioned public hearings appeared in seven newspapers around the state. See Attachment B for a copy of the notification.

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

The municipal 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 Attachment B for a copy of the notice. The draft Action Plan was also made available at the Regional Planning Organizations during the 30-day Commentary period.

#### A. 2. Outline of Public Hearings/Public Comment Period:

September 5, 2008, Public Hearing: No one attended this hearing. A copy of the transcript is included in Attachment B.

September 8, 2008, Public Hearing: No one attended this hearing. A copy of the transcript is included in Attachment B.

December 8, 2008 Public Hearing: Pending.

December 10, 2008 Public Hearing: Pending.

December 11, 2008 Public Hearing: Pending.

November 21, 2008 through December 22, 2008 Public Comment Period:

Pending.

#### A. 3. Summary of Public Hearings/Public Comment Period:

##### Town of Windham comment WHAT WAS CHANGED IN AP

Windham did not want the same threshold formulas that were applied in the 2007 funding year to apply in 2009. The town's expenditure rate on previous grants would

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not put them in a position to be able to apply for new funding. Windham felt they have a lot of need in the town and is one of the poorer communities and wanted the threshold waived to allow the town to submit an application.

## Connecticut Housing Finance Authority (CHFA) comment

CHFA was requesting that DECD modify the architectural/engineering requirements and signoff that is required with the application. CHFA was concerned that the housing authorities could spend limited resources on completing plans and specifications on a project that may not rate and rank high enough to be funded. They requested two different methods to have the authorities be in compliance and considered for grant funding

## DECD response to Town of Windham comment

DECD responded to Windham's waiver request by explaining why the state has thresholds and the importance of having projects that are ready to proceed. As a point of clarification the formula used in 2007 was unique as two funding cycles occurred within six months of each other. Therefore, the same timeframes would not be applied to the 2009 funding cycle. DECD also pointed out that Windham has made very little progress on its 2006 grant, and that the town required budget extensions of between six months to eighteen months on past grants in order to complete them. In addition to needing more time to finish the projects, the town was also required to de-obligate funds as the town was unable to expend them even after extending the grant an additional eighteen months. DECD acknowledges that Windham has a great need for the CDBG funds but the town must be able to demonstrate the capacity to carry out their projects in a timely manner, which means they are ready to go when submitted.

## DECD response to CHFA comment

CHFA wanted architectural/engineering drawings done on all of their housing authority projects. DECD did not have this same requirement, so in an effort to ensure that CHFA got the A/E info they needed, DECD made it mandatory that the drawings be submitted up front along with their application. Having the information upfront also meant that the awarded projects were ready to proceed and should then meet the DECD timeframe of two years to completion. DECD has made housing projects a priority but as stewards of the CDBG program we must also spend the funds timely. Therefore, CHFA was asked to modify their A/E requirements for all projects funded by CDBG. Since the original correspondence CHFA has now decided to no longer require the additional A/E oversight on projects that do not have any funding from their agency. DECD will therefore, accept preliminary drawings (when required) with applications, but the housing authorities must come up with the final drawings within 60 days of the award date.

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## Attachment B - Citizen Participation Documents:

### B. 1. Legal Notices for Public Hearing and Public Comment Period:

#### NOTICE OF PUBLIC HEARINGS

**THE STATE OF CONNECTICUT  
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT  
IS SEEKING PUBLIC COMMENT ON THE DRAFT  
2009-2010 ACTION PLAN FOR HOUSING AND  
COMMUNITY DEVELOPMENT**

Public Hearings on housing and community development needs in Connecticut's communities will be held to solicit input into the development of the state's 2009-2010 annual Action Plan for Housing and Community Development. The hearings will be held at the following times and locations:

**Rocky Hill**

2:00 p.m.  
September 5, 2008  
CERC  
Meeting Room  
805 Brook Street, Bldg. 4  
Rocky Hill, Connecticut

**Hamden**

2:00 p.m.  
September 8, 2008  
Hamden Gov. Center  
3<sup>rd</sup> Floor Conference Room  
2750 Dixwell Avenue  
Hamden, Connecticut

All state residents are urged to attend and provide oral or written comments on housing and community development needs in Connecticut's communities. This information will be used in the development of the state's 2009-2010 Action Plan. Copies of last year's Action Plan and the state's 5 year Consolidated Plan are available at the Department of Economic & Community Development's web site, [www.DECD.org](http://www.DECD.org) and at the State Library.

Written comments may be sent to W. Michael Regan, Community Development Assistant Administrator, Office of Strategy and Policy, Department of Economic & Community Development, 505 Hudson Street, Hartford, CT 06106-7106 or [Michael.Regan@ct.gov](mailto:Michael.Regan@ct.gov). All comments received will be addressed in the Public Commentary Section of the 2009-10 Action Plan.

Department of Economic & Community Development programs are administered in a nondiscriminatory manner, consistent with equal employment opportunities, affirmative action, and fair housing requirements. Questions, concerns, complaints or requests for information in alternative formats must be directed to the ADA (504) Coordinator at 860-566-1755.

Distribution Date: August 20, 2008

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## NOTICE OF PUBLIC COMMENT PERIOD

### THE STATE OF CONNECTICUT DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT IS SEEKING PUBLIC COMMENT ON THE DRAFT 2009-2010 ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT

A thirty-day public examination and comment period will begin November 21, 2008 and end December 22, 2008. Public Hearings on the draft 2009-2010 annual Action Plan for Housing and Community Development will be held as listed below. The four programs included in the Action Plan are Small Cities Community Development Block Grant (SC/CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA).

#### **Hamden**

10:00 a.m.  
Dec. 8, 2008  
Hamden Gov. Center  
3<sup>rd</sup> Floor Conference Room  
2750 Dixwell Avenue  
Hamden, Connecticut

#### **Coventry**

10:00 a.m.  
Dec. 10, 2008  
Coventry Town Hall Annex  
1712 Main Street (Route 31)  
Coventry, Connecticut

#### **Rocky Hill**

2:00 p.m.  
Dec. 11, 2008  
CERC  
Meeting Room  
805 Brook Street, Bldg. 4  
Rocky Hill, Connecticut

All state residents are urged to attend and provide oral or written comments on housing and community development needs in Connecticut's communities. This information will be used in the development of the state's 2009-2010 Action Plan. Copies of the draft 2009-10 Action Plan and the state's five-year Consolidated Plan are available at the Department of Economic & Community Development's web site, [www.DECD.org](http://www.DECD.org)

Written comments may be sent to W. Michael Regan, Community Development Assistant Administrator, Office of Strategy and Policy, Department of Economic & Community Development, 505 Hudson Street, Hartford, CT 06106-7106 or [Michael.Regan@ct.gov](mailto:Michael.Regan@ct.gov). All comments received will be addressed in the Public Commentary Section of the 2009-10 Action Plan.

Department of Economic & Community Development programs are administered in a nondiscriminatory manner, consistent with equal employment opportunities, affirmative action, and fair housing requirements. Questions, concerns, complaints or requests for information in alternative formats must be directed to the ADA (504) Coordinator at 860-566-1755. Locations for Public Hearings are accessible to people with disabilities.

# DRAFT

Publication Date: November 20, 2008

# DRAFT

- B. 2. Notice to municipal CEO's of Public Comment Period and Public Hearings:**  
[Insert notice here]

**B. 3. Public Hearing Transcripts:**

STATE OF CONNECTICUT  
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

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IN RE: SEPTEMBER 5, 2008

ACTION PLAN FOR 2009 - 2010  
2:00 P.M.  
FOR HOUSING AND COMMUNITY DEVELOPMENT

\*\*\*\*\*

BEFORE: MICHELLE MAYS, FACILITATOR

. . .Verbatim proceedings of a hearing before the Department of Economic and Community Development in the matter of State of Connecticut's Action Plan for 2009 - 2010 for Housing and Community Development, held on September 5, 2008 at 2:00 p.m. at the CERC Meeting Room, 805 Brook Street, Bldg. 4, Rocky Hill, Connecticut, at which time the parties were represented as hereinbefore set forth. . . .

FACILITATOR MICHELLE MAYS: Today is Friday, September 5, 2008, and it is 2:00 p.m. I'm Michelle Mays of the Department of Economic and Community Development, and I'm here to solicit input for the development of the State of Connecticut's 2009-2010 Action Plan for Housing and Community Development.

As no member of the public is currently present to provide input, we will recess until such time as someone appears to provide testimony on the plan.

(OFF THE RECORD)

FACILITATOR MAYS: Since no member of the public has appeared to provide input on the development of Connecticut's 2009-2010 Action Plan, we will close this hearing at 2:35 p.m. Thank you.

(Whereupon, the hearing adjourned at 2:35 p.m.)

STATE OF CONNECTICUT  
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

\*\*\*\*\*

IN RE: SEPTEMBER 8, 2008

ACTION PLAN FOR 2009 - 2010  
2:00 P.M.  
FOR HOUSING AND COMMUNITY DEVELOPMENT

\*\*\*\*\*

BEFORE: MICHELLE MAYS, FACILITATOR

. . . Verbatim proceedings of a hearing before the Department of Economic and Community Development in the matter of State of Connecticut's Action Plan for 2009 - 2010 for Housing and Community Development, held on September 8, 2008 at 2:00 p.m. at the Hamden Gov. Center, 3rd Floor Conference Room, 2750 Dixwell Avenue, Hamden, Connecticut, at which time the parties were represented as hereinbefore set forth. . . .

FACILITATOR MICHELLE MAYS: Today is Monday, September 8, 2008, and it is 2:00 p.m. I'm Michelle Mays of the Department of Economic and Community Development, and I'm here to solicit input for the development of the State of Connecticut's 2009-2010 Annual Action Plan for Community and Housing Development.

As no member of the public is currently present to provide input, we will recess until such time as someone appears to provide testimony on the plan.

(OFF THE RECORD)

FACILITATOR MAYS: Since no member of the public has appeared to provide input on the development of Connecticut's 2009-2010 Action Plan for Housing and Community Development, we will close this hearing at 2:35 p.m. Thank you.

(Whereupon, the hearing adjourned at 2:35 p.m.)

**B. 4. Written Comments Received during the Citizen Participation process and DECD's written response**

Town of Windham:

| x x x x |

100% expended and/or closed out with a Certificate of Completion on the date the SC/CDBG application is submitted."

While the Town did not apply for 2008 funding, we are concerned that if DECD adopts this same formula for its 2009 funding allocations the Town of Windham will be excluded from competition even though our current project is progressing satisfactorily and within our DECD approved budget period.

At the time of the application for our current grant, the Town's understanding was that once 50% of the Grant had been spent the Town would then be able to begin the process of another application. One of the projects in this application, for example, was the funding of a position managing the Town's very successful Weed and Seed Program. This program has already demonstrated a dramatic improvement in the neighborhoods and the community's youth. The funding is for two years of salary for the program's director at \$100,000.

Based on DECD's current (2008) criteria, Windham would not be able to apply for additional funding in 2009 even though we would be in full compliance with our existing funding Agreement with DECD.

As you are aware, the Town of Windham is one of the poorest communities in the State and we depend a great deal on improving the quality of life in our town by taking advantage of various grant programs like Small Cities. Had we been aware of this possible change in your requirement 15 months ago, then we may not have been able to include this very worthwhile project in our application. We request that you waive the possible requirement of an 100% expenditure for the 2009 application because of the very high need in this distressed community and include our response as part of public comment in the 2009 Action Plan Process.

If you have any questions, please contact our office.

Sincerely,



Theodore S. Montgomery  
Director of Economic Development  
Town of Windham

- "Expenditure Rates: Assistance Agreements for the 2007 program year must be Town executed by April 30, 2008. Assistance Agreements for the 2006 program year must be 50% expended on the date the SC/CDBG application is submitted. Assistance Agreements older than 2006 program year must be

DECD response:

September 5, 2008

from this grant because the Town was unable to spend it within the eighteen (18) month extension.

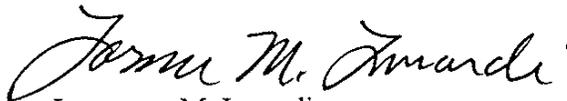
DECD's inability to ensure that its CDBG funds are spent on a timely basis could result in a reduction of the Department's future CDBG allocations from HUD. HUD's inability to ensure that its CDBG funds are spent on a timely basis could result in a reduction of its future funding for the CDBG Program from Congress. Given these possible reductions in funding, we must take action to ensure that our CDBG funds are spent on a timely basis (i.e., within each grant's two (2) year budget period). A 100% spending threshold for all pre-2007 grants in our proposed 2009-2010 Action Plan is one (1) possible action.

While we understand that the Town of Windham has a great need for additional CDBG funds, we cannot commit the funds that are needed to meet that need until the Town demonstrates that it has the capacity to spend them on a timely basis.

Again, the Town may submit a request for a waiver of a 100% spending threshold for pre-2007 grants if that threshold is contained in the 2009-2010 Action Plan after that Plan has been developed and approved in accordance with the requirements of 24 CFR Part 91, but it is extremely unlikely that we will approve the waiver for all of the above reasons.

Please feel free to contact John Fauxbel at (860) 270-8031 if you have any questions about this matter.

Sincerely,



Lawrence M. Lusardi  
Executive Director  
Office of Community Development

Larry Wagner, L. Wagner & Associates

- 3) The Town needed a twelve (12) month extension to complete its 2002 grant for two (2) blight elimination activities in its Neighborhood Revitalization Zone (NRZ).
- 4) The Town needed an eighteen (18) month extension to complete its 2001 grant for housing rehabilitation. Further, DECD de-obligated \$22,296.77 of the \$300,000

Connecticut Housing Finance Association:

September 8, 2008

W. Michael Regan, Community Development Assistant Administrator  
Office of Strategy and Policy  
Department of Economic and Community Development  
505 Hudson Street  
Hartford, CT 06107-7106

RE: Public Comment 2009-2010 Annual Action Plan

Dear Mr. Regan,

On behalf of the owners of the State Assisted Housing Portfolio transferred to the Connecticut Housing Finance Authority, we would like the Department of Economic and Community Development to consider a modification to its Small Cities CDBG Program requirements in the 2009-2010 Action Plan for Community and Housing Development.

The 2007-2008 Action Plan was modified to require all housing authority projects to have the CHFA architectural requirements and sign-offs completed up front. The CHFA would like the DECD to consider the following modification to that requirement;

1. Where RM&R reserves are below the CHFA required minimum (\$1,000/\$1,500 p/u elderly/family), allow a waiver of application drawings and specifications and permit architectural / engineering costs, where necessary, to be included as an approved line item in the grant budget
2. Where RM&R reserves are sufficient to cover the cost of architectural fees but insufficient to cover rehabilitation costs, require only preliminary plans and specifications with application. If grant is awarded, full plans and specifications would be expected to be paid through RM&R.

The state housing properties and owners are unique in their needs and their manner of operating. Where some owners can be ready to proceed upon application, others may have technical and financial restrictions which would be detrimental to that process. We feel that it may be fiduciarily irresponsible for owners of properties with limited resources to spend reserves for full plans and specifications on a project that may not proceed due to other more qualified applications.

Thank you for your consideration to our request.

Sincerely,



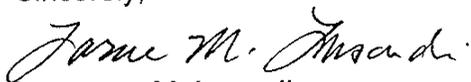
Lynn Koroser-Crane  
Administrator

DECD response:

DECD is aware of the needs of the housing authorities and points out that housing is a priority in the state CDBG program. But as program stewards we are in the position of making sure that funds are spent in a timely manner. Therefore, if CHFA would like to modify their architectural/engineering requirements as they relate to the CDBG program, DECD would be happy to work with you to finalize the new standards. Having said that, if these changes were not to occur until next year the current standards would continue to apply because the next Action Plan would not be changed until the fall of 2009.

Again, thank you for your comments and if there is anything else we can do to assist you please contact me at 860-270-8037 or Veronica Hunter at 860-270-8236.

Sincerely,



Lawrence M. Lusardi  
Executive Director  
Office of Community Development

Community Development Block Grant (CDBG) Action Plan. Connecticut Housing Finance Authority (CHFA) had 2 comments which centered around whether DECD should modify its architectural/engineering requirements to allow:

- 1) a waiver of drawings and specifications with the application to permit the architectural/engineering costs to be an approved line item included in the grant budget when the RM&R reserves are inadequate; and
- 2) when housing authority reserves are sufficient to cover the architectural fees that only preliminary plans and specifications be part of the application. If awarded the full plans/specifications would be paid thru the RM&R reserves.

The Department of Economic & Community Development (DECD) modified the 2007/2008 action plan to accommodate the Connecticut Housing Finance Authority's architectural/engineering requirements and to ensure that projects were ready to proceed. CHFA expects the housing authorities to have architectural drawings and specifications for all projects they engage in, which differs somewhat from the DECD architectural requirements. Therefore, this change was a way to ensure that both the CHFA and DECD requirements were met. As you know projects only have a 2 year budget period to have all the work completed, which is the reason projects must be ready to proceed when they are funded and not just beginning the architectural process after projects have been awarded.

**Attachment C.**  
**C. 1. Governor's Letter:**



**M. Jodi Rell**  
GOVERNOR  
STATE OF CONNECTICUT

November 6, 2008

Honorable Steve Preston, Secretary  
U.S. Dept. of Housing and Urban Development  
451 7th Street S.W.,  
Washington, DC 20410

Re: Neighborhood Stabilization Program

Dear Secretary Preston:

I wanted to take a moment and thank you for the recent award of \$25,043,385 to the State of Connecticut under the Neighborhood Stabilization Program (NSP). This money will be invaluable in restoring and revitalizing neighborhoods hardest hit by the foreclosure crisis in our State.

As you know, across the country, the urban centers have been most severely impacted by the subprime market and foreclosure crisis. Connecticut is no different. Our 7 largest urban cities account for more than 25% of the state's foreclosures and pre-foreclosures. Because of this, we will use the full amount of our grant to assist these cities. Unfortunately, this will leave 162 smaller towns and cities with no funding to assist with the foreclosure crisis.

I would respectfully request, therefore, that you allow the NSP's rules and guidelines to be extended to the normal CDBG (Small Cities) block-grant annual funding round for the next two federal fiscal years. This will allow states to spend money in entitlement and non-entitlement areas that have been affected by this mortgage crisis.

In closing, thank you again for the NSP allocation and we look forward to a continued partnership that will not only expand affordable housing opportunities, but will also build a strong tax base, encourage safe streets, and empower neighborhoods and communities to flourish.

Sincerely,

A handwritten signature in black ink that reads "M. Jodi Rell".

M. Jodi Rell  
Governor  
State of Connecticut

CC: Connecticut Congressional Delegation  
Julie Fagan, HUD, Field Office Director  
Gary Reisine, HUD, CPD Director  
Joan McDonald, DECD Commissioner

EXECUTIVE CHAMBERS • STATE CAPITOL  
210 CAPITOL AVENUE, HARTFORD, CONNECTICUT 06106  
TEL (860) 566-4840 • FAX (860) 524-7396 • WWW.CT.GOV  
GOVERNOR.RELL@CT.GOV

**Attachment D - Application Documents:**

**D. 1. Applications for Assistance (HUD form SF-424)**

[insert here]

**D. 2. Program Certifications**

[insert here]