

**Analysis and Summary of
Community Development Block Grant
Disaster Recovery (CDBG-DR) Program
Allocation Plan**

Joint Hearing of Committees on Appropriations, Commerce,
Housing, and Public Health

March 18, 2014

OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

Hartford, CT 06106 • (860) 240-0200

E-Mail: ofa@cga.ct.gov

www.cga.ct.gov/ofa

Introduction

The Community Development Block Grant - Disaster Recovery Program (CDBG-DR) is administered by the United States Department of Housing and Urban Development (HUD). The primary objective of the program is to provide financial assistance to communities most impacted by Hurricane Sandy and certain other natural disasters.

At the state level, the Department of Housing (DOH) will administer the funds provided through the CDBG Disaster Recovery Program.

Federal Allocation Process

Public Law 113-2, the Disaster Relief Appropriations Act, appropriated approximately \$60 billion for recovery efforts, of which approximately \$16 billion is designated for the CDBG-DR program. This funding is being distributed in three parts (referred to as the first, second, and third tranche). First tranche funding of \$71.8 million was allocated to Connecticut and focused on housing rehabilitation and redevelopment and economic revitalization. Second tranche funds of \$66.0 million will target specific disaster recovery related purposes and support investments in mitigation and regional resilience. The third tranche funds are expected to primarily focus on unmet infrastructure, public facility and mitigation needs.

State Allocation Process

Table 1 outlines the proposed allocation of funds by eligible activity category. Specific allocation requirements include:

1. Funds must be expended in Fairfield County, New Haven County, Middlesex County, New London County, and the Mashantucket Pequot Indian Reservation (a list of eligible towns by county is seen on page 4);
2. Not less than 80% of funds must be expended in Fairfield and New Haven Counties;
3. At least 50% of funds must be used for activities that benefit low-and moderate-income persons;
4. Funds cannot be used for private utilities or for homes other than the primary residence;
5. Per HUD, the programmatic focus of this funding is infrastructure and infrastructure-related projects.

Table 1: Allocation by Eligible Activity Category

Activity	Unmet Need \$	Proposed Allocation \$	% of Total	Description
Owner-Occupied Housing (Unmet Rehab Need & Mitigation)	56,000,000	4,200,000	6.4%	Grant minimum/maximum = \$10,000/\$150,000; Funding is prioritized by income level as follows: 1) 0-80% Area Median Income (AMI), 2) 80%-120% AMI, and 3) above 120% AMI if available.
Owner-Occupied Housing (Completed Rehab & Mitigation)	33,600,000	11,200,000	17.0%	Grant minimum/maximum = \$10,000/\$150,000; Funding is prioritized by income level as follows: 1) 0-80% AMI, 2) 80%-120% AMI, 3) above 120%-150% AMI, and 4) above 150% AMI if available.
Owner-Occupied Housing (Second Homes not eligible)	21,900,000	10,000,000	15.2%	Grant minimum/maximum = \$10,000/\$150,000; Funding is prioritized by income level as follows: 1) 0-100% AMI receive 100% reimbursement, 2) 100%-120% AMI receive \$30,000 grant and referral to Shoreline Resiliency Fund, and 3) 120%-150% AMI receive \$15,000 grant and referral to Shoreline Resiliency Fund.
Infrastructure	300,000,000	30,000,000	45.5%	No grant caps; local governments must provide a 25% match on total development costs; Funding priorities include restoration/replacement of infrastructure damage as a result of Superstorm Sandy, and hardening/mitigation activities related to water, drainage, transportation, and energy systems.

Activity	Unmet Need \$	Proposed Allocation \$	% of Total	Description
Evidence-based strategies (includes Pay for Success)	-	300,000	0.5%	Funding will assist with the implementation of a demonstration project to address homeless prevention as well as aim to reduce or eliminate recidivism of chronic homelessness.
Administration	-	3,300,000	5.0%	Total administrative costs are set by HUD at 5% of the total allocation.
Planning for Mitigation/Resiliency	-	7,000,000	10.6%	Funding of \$150,000 will be used to offset the costs incurred to develop the proposed programs and activities; Based on first tranche planning activities, funding is anticipated to support a coordinated effort to promote consistency in planning across state agencies and local governments, training and capacity building initiatives to promote preparedness, hazard mitigation, and cost effective long-term resiliency and mitigation investments including "green" initiatives.
TOTAL	411,500,000	66,000,000	100.0%	

The department also proposes to reallocate \$3.0 million in first tranche funds from the Economic Revitalization category to Owner-Occupied Rehabilitation. The intent is to provide reimbursements to homeowners in the 0-80% Area Median Income (AMI) range.

Table 2: Eligible CDBG-DR Towns by County

Fairfield County	New Haven County	New London County	Middlesex County
Bethel	Ansonia	Bozrah	Chester
Bridgeport	Beacon Falls	Colchester	Clinton
Brookfield	Bethany	East Lyme	Cromwell
Danbury	Branford	Franklin	Deep River
Darien	Cheshire	Griswold	Durham
Easton	Derby	Groton	East Haddam
Fairfield	East Haven	Lebanon	East Hampton
Greenwich	Guilford	Ledyard	Essex
Monroe	Hamden	Lisbon	Haddam
New Canaan	Madison	Lyme	Killingworth
New Fairfield	Meriden	Montville	Middlefield
Newtown	Middlebury	New London	Middletown
Norwalk	Milford	North Stonington	Old Saybrook
Shelton	Naugatuck	Norwich	Portland
Sherman	New Haven	Old Lyme	Westbrook
Stamford	North Branford	Preston	
Stratford	North Haven	Salem	
Redding	Orange	Sprague	
Ridgefield	Oxford	Stonington	
Trumbull	Prospect	Voluntown	
Weston	Seymour	Waterford	
Westport	Southbury		
Wilton	Wallingford		
	Waterbury		
	West Haven		
	Wolcott		
	Woodbridge		