

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

Joint Hearing of Committees on Appropriations and Housing

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OFFICE OF FISCAL ANALYSIS

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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. Funding of \$21.5 million represents the third allocation, or tranche for Connecticut, which consists of 1) \$11.5 million under CDBG-DR and 2) \$10 million under the Rebuild by Design process (managed by HUD) in support of the Resilient Bridgeport initiative. This funding will primarily focus on unmet owner occupied housing and infrastructure needs. First tranche funding of \$71.8 million focused on housing rehabilitation and redevelopment and economic revitalization, while second tranche funding totaled \$66.0 million and targeted specific disaster recovery related purposes and supported investments in mitigation and regional resilience.

State Allocation Process

Table 1 outlines the proposed allocation of tranche 3 funds by eligible activity category. Specific allocation requirements include:

1. Funds must be expended in Fairfield County and New Haven County (a list of eligible towns by county is seen on page 3);
2. Funds must be used for activities that either 1) benefit low-or moderate-income persons, 2) eliminate slum and blight, or 3) serve an urgent need and;
3. Funds cannot be used for private utilities or for homes other than the primary residence.

Table 1: Tranche 3 Allocation by Eligible Activity Category

Activity	Proposed Tranche 3 Allocation	% of Total	Resilient Bridgeport RBD	% of Total	Description
Owner-Occupied Housing (Unmet Rehabilitation Need and Mitigation)	6,886,050	60.1%	-	-	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. Individuals displaced from their home will be given priority, by income group.
Multi-family (Rehab & New Construction)	3,000,000	26.2%	-	-	Grant minimum/maximum = \$10,000/ \$150,000 for scattered site rehab and \$5,000/ \$75,000 for multifamily rehab, rebuilding and mitigation. Funds target low to moderate income (LMI) multifamily properties.
Infrastructure/Infrastructure-related	1,000,000	8.7%	8,000,000	80.0%	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.
Administration (5%)	572,950	5.0%	500,000	5.0%	Total administrative costs are set by HUD at 5% of the total allocation. DOH will pass on the administrative set-aside for Resilient Bridgeport to the city of Bridgeport to help offset their administrative expenses.
Planning	-	0.0%	1,500,000	15.0%	Funds will be used for data collection, analysis, design, general planning and community engagement, and engineering and environmental impact analysis.
TOTAL	11,459,000		10,000,000		

Resilient Bridgeport Rebuild by Design Funds

Rebuild by Design was a HUD competition to solicit innovative solutions for how communities rebuild and adapt to increase resilience in the Sandy-affected region, as part of the recovery process. While Bridgeport was not one of the six winning proposals, this \$10 million is being allocated to reduce flood risk for the most vulnerable public housing stock in the city (South End/Black Rock Harbor area) and to leverage other funding. DOH and Bridgeport will work together to reassess and re-scope the proposal and identify a pilot project to be implemented. A revised Allocation Plan will be available for Legislative consideration, and DOH must submit a substantial Action Plan Amendment in order for project- related funds to be obligated.

Table 2: Eligible CDBG-DR Towns by County

Fairfield County	New Haven County
Bethel	Ansonia
Bridgeport	Beacon Falls
Brookfield	Bethany
Danbury	Branford
Darien	Cheshire
Easton	Derby
Fairfield	East Haven
Greenwich	Guilford
Monroe	Hamden
New Canaan	Madison
New Fairfield	Meriden
Newtown	Middlebury
Norwalk	Milford
Shelton	Naugatuck
Sherman	New Haven
Stamford	North Branford
Stratford	North Haven
Redding	Orange
Ridgefield	Oxford
Trumbull	Prospect
Weston	Seymour
Westport	Southbury
Wilton	Wallingford
	Waterbury
	West Haven
	Wolcott
	Woodbridge