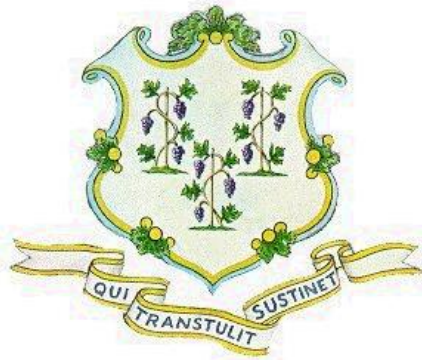




State of Connecticut

2019-2020 Action Plan
Third Amendment – CV3 Funding
CDBG-CV Allocation Plan
for
Housing and Community Development
CARES Act Funding



Submitted to the
U.S. Department of Housing and Urban Development
by the State of Connecticut

February 11, 2021

**State of Connecticut
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I. EXECUTIVE SUMMARY

A. OVERVIEW

This document is the third amendment to the fifth Annual Action Plan under the State of Connecticut's 2015-19 Consolidated Plan for Housing and Community Development (ConPlan), the five-year plan addressing Connecticut's housing and community development needs, and incorporates the CDBG-CV specific Allocation Plan for the use of those funds. The program year for the annual Action Plan is based on the state fiscal year, July 1 - June 30. This third amendment is for the 2019-2020 Annual Action Plan for the state fiscal year July 1, 2019 to June 30, 2020 and is specifically intended to address funding received as part of the third tranche of allocation due to COVID-19.

In accordance with the CARES Act, funds are being distributed under the Community Development Block Grant (CDBG) program, the Housing Opportunities for Persons with Aids (HOPWA) program, and the Emergency Solutions Grant (ESG) program to assist individuals and families in the prevention and spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by COVID-19.

Under the Cares Act, the following table details the funding allocated to the State of Connecticut under the Cares. CARES funding allocated by Congress and HUD to the State of Connecticut is \$51,154,632.

CARES Funding Allocated to the State of Connecticut			
FUNDING	SC CDBG-CV	ESG-CV	HOPWA-CV
STATE OF CT Tranche One	\$8,138,549	\$8,159,579	\$38,662
STATE OF CT Tranche Two	\$11,467,321	\$12,591,306	-
STATE OF CT Tranche Three	\$10,759,215	-	-
Total Funding	\$30,365,085	\$20,750,885	\$38,662

II. CITIZEN PARTICIPATION

In response to the COVID-19 Pandemic, the Department of Housing (“DOH”) amended its Citizen Participation Plan, to promote and support “social distancing” while continuing to offer the public an opportunity to provide valuable citizen input and insight into the policies, and procedures of the Department of Housing, particularly as it relates to the administration and implementation of its federal programs. In accordance with the State’s Amended Citizen Participation Plan, the following process was used to solicit citizen participation and input into the programmatic amendments necessary to quickly and effectively administer federal funding made available either directly or indirectly as a result of the COVID-19 Pandemic.

The Draft Annual 19-20 Action Plan Third Amendment – CV3, was posted on the Department’s website, along with a notice identifying the availability of the amendment. The Notice included the opportunity to provide electronic comment for the required period of not less than five days between February 11, 2021 – February 19, 2021 and information on participation in a “virtual public hearing” that was Thursday, February 18, 2021 at 1:00 PM. As part of the Notice, the state included information on how citizens who have special needs may obtain the Amendment in a form that is accessible to them.

The Public Notice was published in four (4) newspapers of general circulation, and included at least one (1) minority publication.

Copies of the Notice were emailed to all interested parties who had registered with the Department as part of its “Community Partners” list, as well as the governmental leaders of all 169 towns/cities in the State, and the seven (7) councils of government.

Comments received, either at the virtual public hearing or during the public comment period will be considered by the agency before the final amended action plan is submitted to HUD. All comments received will be summarized and responded to in Attachment A.

DOH provided the Draft 19-20 Annual Action Plan Third Amendment / CDBG-CV Allocation Plan and public hearing/public commentary schedule to members of the state legislature who sit on committees of cognizance over matters related to housing, and state finances.

In addition, consultation was sought from CT Balance of State (BOS) Continuum of Care (CoC) Steering Committee. Members of that Steering Committee were notified of the virtual public hearing to be held and encouraged to attend.

Outline of Activity for Public Hearings/Public Comment:

Please see Attachment A-3 Summary of Public Comments Received and DOH Responses.

III. FEDERAL REQUIREMENTS

A. Resources

In accordance with the CARES Act, Federal resources are being distributed to address some of the needs being created by COVID-19. This 2019-2020 Annual Action Plan Amendment outlines the additional COVID-19 funding the State of Connecticut will receive for the following grant programs: Community Development Block Grant (CDBG) program, the Emergency Solutions Grant (ESG) program and the Housing Opportunities for People with AIDS (HOPWA) program. Details on how the state will address the prevention, preparation, and response to the Coronavirus are found in the program-specific sections of this report.

This 2019-2020 Annual Action Plan Third Amendment – CV3 / CDBG-CV Allocation Plan provides a detailed plan for expending the COVID-19 funds for the following federal programs:

- Small Cities Community Development Block Grant (SC CDBG-CV3) \$ 10,759,215

While the state cannot anticipate what other public or private funds may become available to support the crisis, the state will endeavor to maximize and leverage the use of any such resources as they become available.

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. SC CDBG-CV3 funds, along with all of the previous SC CDBG-CV funding, will be administered through a modified electronic application process to expedite funding and delivery of targeted services as well as through the Cold Weather Protocol Program to respond to the housing issues associated with the advent of COVID-19.

The State intends to undertake certain activities directly, in accordance with paragraph III.B.6.(b)(i) of the [Docket No. FR-6218-N-01] Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant

*2019-20 Action Plan Third Amendment – CV3 Funding
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Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs.

In accordance with the enactment of the CARES Act, the 15% public services cap has no effect on SC CDBG-CV grants and no effect on FY 2019 and 2020 CDBG grant funds used for coronavirus efforts. It is strongly recommended that applicants work with local social service organizations, Continuum of Care (“CoC”)/Coordinated Access Networks homeless providers, health departments, and other providers to identify specific local needs. Specifically for the CDBG-CV3 funding, DOH will be offering the opportunity to apply to both entitlement and non-entitlement communities to respond to the various housing and other issues associated with the advent of COVID-19.

In addition, the Governor's office, in consultation with state emergency management officials, will activate Connecticut's Severe Cold Weather Protocol. The Severe Cold Weather Protocol directs staff from the state's Department of Emergency Services and Public Protection (DESPP), the Department of Social Services (DSS), the Department of Mental Health and Addiction Services (DMHAS), and the Department of Housing (DOH) to coordinate with 2-1-1 and Connecticut's network of shelters to ensure that the state's most vulnerable populations are protected from the severe cold weather. This protocol enables anyone in need to receive protection from extreme cold weather by initiating a series of procedures to ensure that shelters are available and transportation is provided to help bring people indoors.

C. Geographic Distribution

Funding under SC CDBG-CV3, along with all prior SC CDBG-CV funding allocations, will be available to all eligible entitlement and non-entitlement communities in accordance with program requirements. Communities that have demonstrated greater need with the prevention, preparation for, and response to the COVID-19 pandemic will be given higher priority. In addition, the State intends to exercise its right to administer activities directly, and will to the greatest extent possible make eligible activities available on a statewide basis.

D. Homelessness and Other Special Needs Populations

The additional SC CDBG-CV3 funding addressed in this plan will be utilized for the prevention, preparation for and response to the COVID-19 pandemic, with a priority to assist individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homeless prevention activities to mitigate the impacts of COVID-19.

Funding utilizing the SC CDBG-CV will be utilized for additional hotel rooms throughout the winter (regardless of temperatures) to support warmings sites that are unable to open due to COVID-19. Severe Cold Weather Protocol will be available when DESPP's Division of Emergency Management and Homeland Security activates its WebEOC communications network, an internet-based system that enables local, regional and state emergency management officials and first responders to share up-to-date information about a variety of situations and conditions. The system is used to monitor capacity at shelters across the state, enabling 2-1-1 to act as a clearinghouse to assist in finding shelter space for those who need it. Local officials, working through WebEOC, can alert 2-1-1 and the state when they open temporary shelters or warming centers. Additionally, DSS, DOH, and DMHAS coordinate with 2-1-1 and the Connecticut Coalition to End Homelessness, along with community-based providers, to provide transportation for people seeking shelter.

The DOH will provide assistance directly to area and/or statewide nonprofit corporations for the acquisition and/or rehabilitation of hotels and/or other facilities to support the decompression of our homeless shelters in support of preventing the spread of COVID-19.

IV. PROGRAM ACTIVITIES

A. Small Cities Community Block Grant - CARES (SC CDBG-CV) Program

The objective of the Community Development Block Grant – CV Program is to prepare for, prevent and respond to the COVID-19 Pandemic. To achieve these goals, the CARE Act outlines eligible activities and national objectives that each activity must meet.

The CDBG – CV Program is administered by the United States Department of Housing and Urban Development (“**HUD**”). Within the State of Connecticut, the Department of Housing (“**DOH**”) is designated as the principal state agency for the allocation and administration of CDBG – CARES funding (“**SC CDBG-CV**”).

FY 2019-20 Resource Allocation Plan for SMALL CITIES CDBG-CV3 Program

HUD funding for Connecticut’s SC CDBG-CV3 program is \$10,759,215. Any future changes in Connecticut’s SC CDBG-CV funding allocations will be a direct result of funding modifications to the CDBG program nationally.

All eligible activities that serve to prepare for, prevent or respond to the COVID-19 Pandemic, as determined by HUD, and in accordance with the most recent federal guidance, are available for funding.

In addition, in accordance with paragraph III.B.6.(b)(vi) of the [Docket No. FR-6218-N-01] Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs, the state intends to use up to 7 percent of its CDBG-CV grant combined for general administration and technical assistance costs; of that 7 percent, up to 5 percent of CDBG-CV funds will be used for general administration costs and up to 2 percent of the grant for technical assistance activities. The remainder of the amount may be used by units of general local government for administrative and technical assistance costs, provided that the state and its funded units of general local government and subrecipients expend no more than 20 percent of the CDBG-CV grant for planning, management, and administrative costs.

Summary of Appropriations and Proposed Allocations – CV3	
Small Cities CDBG-CV3	FFY 19 (SFY 20)
Small Cities CDBG-CV Award	\$10,759,215
PLUS	
Reprogrammed Funds/Program Income	\$0
Reprogrammed 1% TA Funds	\$0
EQUALS	
Total Funding Available	\$10,759,215
MINUS	
Administrative Authorization (5% of Award)	\$537,960
Technical Assistance (2% of Award)	\$215,184
EQUALS	
Total CDBG funding available	\$10,006,071

Summary of Appropriations and Proposed Allocations – CV2	
Small Cities CDBG-CV2	FFY 19 (SFY 20)
Small Cities CDBG-CV Award	\$11,467,321
PLUS	
Reprogrammed Funds/Program Income	\$0
Reprogrammed 1% TA Funds	\$0
EQUALS	
Total Funding Available	\$11,467,321
MINUS	
Administrative Authorization (5% of Award)	\$573,366
Technical Assistance (2% of Award)	\$286,683
EQUALS	
Total CDBG funding available for awards to Grantees	\$10,607,272

Summary of Appropriations and Proposed Allocations – CV1	
Small Cities CDBG-CV1	FFY 19 (SFY 20)
Small Cities CDBG-CV Award	\$8,138,549
PLUS	
Reprogrammed Funds/Program Income	\$0
Reprogrammed 1% TA Funds	\$0
EQUALS	
Total Funding Available	\$8,138,549
MINUS	
Administrative Authorization (5% of Award)	\$406,927
Technical Assistance (2% of Award)	\$203,463
EQUALS	
Total CDBG funding available for awards to Grantees	\$7,528,159

1. Reprogramming of Funds

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

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

Funds may be reallocated during the FY 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 FY, these funds will be distributed in accordance with the Action Plan guidelines in effect as of the date of reallocation.

2. Eligible Use of Funds

Except for a limited amount of funds for its own CDBG-related administrative expenses, each state must distribute the Small Cities CDBG to units of general local governments in entitlement and non-entitlement areas. In addition, under CDBG-CV, states may also carry out activities directly, as previously noted. Each state must also ensure that at least 70% of its Small Cities CDBG funds are used for activities that benefit low- and moderate-income persons over a one, two, or three-year time period selected by the state. The 70% requirement applies to each state's Small Cities CDBG Program as a whole and does not apply to each individual grant Small Cities CDBG to a unit of general local government.

All activities must meet one of the following national objectives for Small Cities CDBG: benefit low-and moderate-income persons; prevention or elimination of slums or blight; and community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community. A need is considered urgent if it is sudden and unexpected, has arisen in the past 18 months and no other funding is available to address it.

In accordance with the enactment of the CARES Act, the 15% public services cap has no effect on CDBG-CV grants and no effect on FY 2019 and 2020 CDBG grant funds used for coronavirus efforts.

Activities that can be funded with CDBG – CARES allocation are detailed in the CDBG Quick Guide, which can be viewed at the HUD Exchange website. (<https://files.hudexchange.info/resources/documents/Quick-Guide-CDBG-Infectious-Disease-Response.pdf>)

As previously noted, funding under SC CDBG-CV will be available to all eligible entitlement and non-entitlement communities in accordance with program requirements. In addition, the State intends to carry out CDBG-CV eligible activities directly and will participate in the Cold Weather Protocol Program. Communities that have a demonstrated greater need with the prevention, preparation for, and response to the COVID-19 pandemic will be given higher priority for funding.

3. 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 and persons of low- and moderate-income. In order to meet these objectives, the federal government has established three National Objectives for the CDBG-SC 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 poses 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 sidewalks¹), where at least 51% of the population in the defined area is of low- and moderate-income; or

¹ The items mentioned represent a limited set of examples of activities that qualify under eligible area benefit activities. This limited set has been provided for illustrative purposes only and does not indicate or imply any imposed limitations. For a complete definition of eligible area benefit activities please refer to Title 24, Part 570, Sub-Part C, Section 570.208 of the Code of Federal Regulations.

- Limited clientele (e.g., seniors or persons with disabilities²); or
- Direct benefit (e.g., housing rehabilitation and job creation³).
- 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;
 - Occurred within 18 months; and
 - No other funds available.

4. Waivers

On March 31, 2020, HUD issued a Memorandum identifying the availability of certain waivers of Community Planning and Development Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19.

Subsequently, HUD issued [Docket No. FR-6218-N-01] Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs, published on August 20, 2020.

These memos explain the availability of waivers of certain regulatory requirements associated with several Community Planning and Development (CPD) grant programs to prevent the spread of COVID-19 and to facilitate assistance to eligible communities and households economically impacted by COVID-19.

² The items mentioned represent a limited set of examples of activities that qualify under eligible limited clientele activities. This limited set has been provided for illustrative purposes only and does not indicate or imply any imposed limitations. For a complete definition of eligible limited clientele activities please refer to Title 24, Part 570, Sub-Part C, Section 570.208 of the Code of Federal Regulations.

³ The items mentioned represent a limited set of examples of activities that qualify under eligible area benefit activities. This limited set has been provided for illustrative purposes only and does not indicate or imply any imposed limitations. For a complete definition of eligible area benefit activities please refer to Title 24, Part 570, Sub-Part C, Section 570.208 of the Code of Federal Regulations.

It is the intention of the Department to take advantage of any/all waivers that apply to the administration of its program, and will follow the guidance provided by HUD relative to their notification of such intent.

5. Matching Requirement

In accordance with the waiver noted above, with respect to any COVID funds allocated to the Department, the state is not required to pay from its own resources all administrative costs incurred by the state in carrying out its responsibilities under subpart 24 CFR 570.489(a)(1). The state intends to use up to 7 percent of its SC CDBG-CV grant combined for general administration and technical assistance costs; of that 7 percent, up to 5 percent of SC CDBG-CV funds will be used for general administration costs and up to 2 percent of the grant will be used for technical assistance activities.

6. Federal Requirements

The following federal legal requirements also apply to the Small Cities CDBG - CARES program: Davis Bacon, National Environmental Policies Act (including 24 CFR Part 58 Environmental Review Procedures), Relocation Act, and Fair Housing Act.

7. Administration of These Funds

Adequate advance notice of fund availability has been provided and DOH reserves the right to cease accepting applications at any time that all available funds have been committed. Based on funding availability and other considerations, DOH may limit the number of applications that can be submitted by a municipality. In addition, as previously noted, the State intends to carry out eligible activities directly, as detailed below.

8. SC CDBG-CV Severe Cold Weather Protocol Program

The Severe Cold Weather Protocol directs staff from the state's Department of Emergency Services and Public Protection (DESPP), the Department of Social Services (DSS), the Department of Mental Health and Addiction Services (DMHAS), and the Department of Housing (DOH) to coordinate with 2-1-1 and Connecticut's network of shelters to ensure that the state's most vulnerable populations are protected from the cold weather. This protocol enables anyone in need to receive protection from cold weather by initiating a

series of procedures to ensure that shelters and/or hotels are available and transportation is provided to help bring people indoors.

The Department of Housing may utilize CDBG-CV funds as 25% match for FEMA funding utilized in the Cold Weather Protocol Program, as necessary. Funding is planned through the winter months but may change if more hoteling capacity is needed or if other issues and/or funding becomes available.

Cold weather staffing: 25% match totaling \$576,129. These funds will go to three non-profit agencies to spread throughout their CAN. The agencies are Journey Home, Supportive Housing Works, and United Way of Greater New Haven

Additionally, CDBG funds will be utilized as match for the hotels totaling \$1,388,439.

Town	Time Frame	total Cost	FEMA Cost	CDBG Cost
Enfield	12/1/20-3/31/21	\$74,250	\$55,687	\$18,563
Meriden	12/1/20-3/31/21	\$46,464	\$34,848	\$11,616
Middletown	12/1/20-3/31/21	\$181,500	\$136,125	\$45,375
Milford	12/1/20-3/31/21	\$201,344	\$151,008	\$50,336
New Britain	12/1/20-3/31/21	\$170,368	\$127,776	\$42,592
Norwalk	12/1/20-3/31/21	\$229,900	\$172,425	\$57,475
Shelton	12/1/20-3/31/21	\$344,850	\$258,637	\$86,213
Vernon	12/1/20-3/31/21	\$93,170	\$69,878	\$23,292
Waterbury	12/1/20-3/31/21	\$117,975	\$88,481	\$29,494
Danbury	10/1/20-3/31/21	\$576,120	\$432,090	\$144,030
Hartford	10/1/20-3/31/21	\$742,320	\$556,740	\$185,580
New Haven Village	10/1/20-3/31/21	\$1,529,550	\$1,147,162	\$382,388
New Haven La Quinta	12/1/20-3/31/21	\$544,500	\$408,375	\$136,125
United Way	10/1/20-3/31/21	\$491,400	\$368,550	\$122,850
Norwich-DMHAS	1/4/21-3/31/21	\$210,040	\$157,530	\$52,510
	total	\$5,553,751	\$4,165,312	\$1,388,439

Hotel costs will be paid directly to the hotel, while for the services, DOH will directly pay the CAN backbone who will in turn distribute to CAN providers.

9. Other Direct State Activity

The DOH will work directly with area and/or statewide nonprofit corporations for the acquisition of hotels and/or other facilities to support the decompression of our homeless

shelters in order to mitigate the spread of COVID -19. The DOH intends to allocate up to \$13,500,000 for this activity.

10. SC CDBG-CV Funding Activities

Summary of Funding Activities for CV1, CV2 and CV#	
Small Cities CDBG-CV1, CV2 and CV3	FFY 19 (SFY 20)
Small Cities CDBG-CV1, CV2 and CV3 Award	\$30,365,085
PLUS	
Reprogrammed Funds/Program Income	\$0
Reprogrammed 1% TA Funds	\$0
EQUALS	
Total Funding Available	\$30,365,085
MINUS	
Administrative Authorization (5% of Award)	\$1,518,253
Technical Assistance (2% of Award)	\$705,330
EQUALS	\$28,141,502
CDBG – CV Non-Entitlement	\$7,528,159
CDBG – CV Entitlement/Non-Entitlement	\$7,113,343
CDBG – CV State Direct Activities	\$13,500,000
TOTAL FUNDING AVAILABLE FOR ACTIVITIES UNDER SC CDBG-CV	\$28,141,502

VI. ATTACHMENTS TO THE 2019-20 ACTION PLAN

Attachment A – Citizen Participation

- Attachment A-1 Amended Citizen Participation Process
- Attachment A-2 Outline of Activity for Virtual Public Hearing/Public Comment
- Attachment A-3 Summary of Public Comments Received and DOH Responses

Attachment B – Citizen Participation Documents

- Attachment B-1 Legal Notice for Virtual Public Hearing and Public Comment Period for the development of 2019-2020 Annual Action Plan Amendment
- Attachment B-2 Virtual Public Hearing Recording
- Attachment B-3 Written Comments