



STATE OF CONNECTICUT
DEPARTMENT OF EMERGENCY SERVICES & PUBLIC PROTECTION
DIVISION OF EMERGENCY MANAGEMENT & HOMELAND SECURITY



TO: Municipal Chief Executive Officers, Service Chiefs, and Emergency Management Directors

FROM: William P. Shea, Deputy Commissioner

DATE: March 1, 2013

RE: Hurricane Sandy Disaster Relief Appropriations Act Funds - Preliminary HUD Guidance - March 22, 2013 Deadline for Potential Projects

In February, the Department of Housing and Urban Development (HUD) announced the first allocation of funds to assist specific jurisdictions impacted by Hurricane Sandy. These funds are a portion of the Community Development Block Grant (CDBG) funds appropriated by Congress under the Disaster Relief Appropriations Act of 2013. **According to HUD, only communities in Fairfield, Middlesex, New Haven, and New London counties, and the Mashantucket Pequot Indian Reservation are eligible.**

HUD has advised the State that a total of three separate allocations will be made to affected jurisdictions with the CDBG funds appropriated by Congress for disaster relief.

In this first round, HUD allocated \$71.8 million dollars to the State of Connecticut to assist the State's recovery from Hurricane Sandy, particularly in the most impacted counties. This amount may be reduced to some extent as a result of the impending sequestration.

The first step for Connecticut is to prepare an action plan describing the State's proposed use of the first allocation funds, including, for example, criteria for eligibility and how proposed expenditures will provide recovery and promote mitigation against future disasters. **Of the total first round allocation to Connecticut, at least 80% must be expended in Fairfield and New Haven Counties.**

The Division of Emergency Management and Homeland Security (DEMHS) is working with the Governor's Office, the State Department of Economic and Community Development, the Office of Policy and Management, and others to ensure that the State's plan accurately reflects the needs of the State and the individual property owners, businesses and communities impacted by Hurricane Sandy. Therefore, we are asking all of the municipalities in the region, and other local organizations and stakeholders that have information regarding the housing and economic impacts of Hurricane Sandy, to provide the following:

25 Sigourney Street, 6th floor, Hartford, CT 06106
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- Information regarding unmet housing and economic development needs resulting from Hurricane Sandy.
- Recommendations for possible expenditures to be made with the State's first round of funding.

Some examples of eligible housing and economic development expenditures include: new residential construction (single-family or multi-family); demolition; property buyouts; activities that restore and improve some aspect of the local economy, for example, by addressing disaster-related job losses or lost tax revenues; damages to commercial/retail districts; and loans and grants to businesses.

To assist us in our preliminary efforts to prepare the action plan, HUD has provided the following preliminary guidance, which may be useful to you in making your recommendations:

- All funds must address disaster relief, long-term recovery, restoration of infrastructure and housing and economic revitalization.
- At least 50% of the beneficiaries of each expenditure must be low and moderate income persons.
- All funds must be expended within two years of the execution of the HUD grant agreement.
- Economic development assistance is limited to small businesses (as defined by the Small Business Administration).
- Assistance for second homes is not allowed.

In order for the State to complete the action plan on time, all recommendations and related information must be submitted to your DEMHS Regional Coordinator and Planner by March 22, 2013. We know this is a very tight timeframe but it is essential that the State submits the action plan on time. This action plan must be submitted to HUD within 90 days following the date of the release of HUD's official notice. This timeframe will also enable us to begin deploying these funds quickly and ensure the speediest recovery possible.

We appreciate all of your help and attention to this matter. Our state government looks forward to working with all of our eligible municipalities to determine the distribution of

funding. Please do be aware that there is a limit on the funding being provided to the State of Connecticut by HUD. Therefore, in conjunction with our affected state agencies, projects will be prioritized in accordance with a determination of the resulting impact from their funding.

Although this memorandum provides you with some preliminary HUD guidance, HUD's formal notice covering all applicable rules and requirements with respect to this funding is expected shortly. HUD's Frequently Asked Questions (FAQ) regarding the administration and potential uses of the Hurricane Sandy funds is attached.

Please send your recommendations and related information to your Regional Coordinator and Regional Planner. Any questions you have on the program itself may be directed to Dorothy Malerba at Department of Economic and Community Development (DECD) at 860.270.8183 or via e-mail at dorothy.malerba@ct.gov.

Sincerely,

A handwritten signature in black ink that reads "William P. Shea". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William P. Shea
Deputy Commissioner
Division of Emergency Management and Homeland Security
Department of Emergency Services and Public Protection

Attachment