

**CITY OF NORWICH  
 COMMUNITY DEVELOPMENT BLOCK GRANT • APPLICATION FOR FUNDING  
 NON-PUBLIC SERVICE  
 PROGRAM YEAR 2023 (PY 49) • SEPTEMBER 1, 2023 – AUGUST 31, 2024**

**DUE: Friday February 10<sup>th</sup>, 2023 AT 4 PM AT 23 UNION STREET, NORWICH, 2<sup>ND</sup> FLOOR**

Office of Community Development  
 23 Union Street, 2<sup>nd</sup> floor • Tel (860) 823-3770 • Fax (860) 823-3715

E-mail addresses:

[sphelps@cityofnorwich.org](mailto:sphelps@cityofnorwich.org) (Sydney Phelps, Community Development Director)  
[tcurtis@cityofnorwich.org](mailto:tcurtis@cityofnorwich.org) (Tianne Curtis, Program Assistant)

**PART I: GENERAL INFORMATION**

**AGENCY:** Office of Community Development

**LEGAL NAME**  
 (If different from Agency) \_\_\_\_\_

**ADDRESS:** 23 Union Street  
Norwich CT 06360

**E-MAIL:** [sphelps@cityofnorwich.org](mailto:sphelps@cityofnorwich.org)

**EXECUTIVE DIRECTOR:** Sydney Phelps – Community Development Director

**CONTACT NAME & TITLE:** Wayne Sharkey- Property Rehabilitation & Lead Rehabilitation Officer

**TELEPHONE:** (860)-855-2911

**AGENCY FISCAL YEAR:** July 1<sup>st</sup> June 30th  
Begin End

**PROJECT NAME:** Property Rehabilitation Program

CDBG REQUEST & AWARD AMOUNTS:	REQUEST	AWARD
UPCOMING FISCAL YEAR (This Request) (September 1, 2023 – August 31, 2024)	\$ <u>250,000.00</u>	\$ _____
CURRENT FISCAL YEAR (Prior Year Award) (September 1, 2022 – August 31, 2023)	\$ <u>225,000</u>	\$225,000

The information contained herein and attached as exhibits hereto is, to the best of our knowledge and belief, true, correct and complete and that the City of Norwich can rely upon these statements in determining whether to fund this project. We certify that the Agency Board of Directors has approved this application.

  
 \_\_\_\_\_  
 EXECUTIVE DIRECTOR/DEPT. HEAD

Sydney Phelps, MSW  
 Printed Name

2/7/2023  
 Date

  
 \_\_\_\_\_  
 PRESIDENT, BOARD OF DIRECTORS

John Salomone, City Manager  
 Printed Name

2/7/23  
 Date

## **SPECIAL INSTRUCTIONS FOR CONSTRUCTION PROJECTS**

If you are applying for construction related funding, **only projects that can begin construction and expend appropriations within the upcoming program year (Sept 2023 thru July 2024)** should be submitted for funding consideration. Funds may be subject to recapture if timelines are not followed.

The following requirements should be taken into consideration in your selection of projects and your preparation of construction budgets for Public Facilities & Improvements and Rehabilitation activities:

- Construction projects are subject to a variety of Federal, State and Municipal laws, statutes, rules and regulations, including City Zoning Ordinances, the State Building and Fire Safety Codes, the Federal Labor Standards/Davis-Bacon Prevailing Wages and the Federal Environmental Review Process.
- Construction budgets should anticipate the following:
  - Davis-Bacon Wages may increase project costs by 30-40%
  - Bonds (Bid, Performance, Labor and Material) are required for projects exceeding \$100,000 and may also be required for smaller projects.
  - Depending upon the scope of the project, the age of the building, and the type of building materials, environmental testing fees and resulting mitigation measures may be necessary
  - Insurance is required for all construction projects
  - City permit fees will not be waived.
- Construction projects are subject to the Federal/OMB procurement requirements.
- Work on the project may not commence without explicit approval of the Office of Community Development.
- Payment is generally on a reimbursement basis provided that an executed funding agreement is in place, and the project is in compliance with all terms/conditions of that agreement. Expenditures incurred prior to the effective date of the HUD allocation will be ineligible for reimbursement.

## **PART II: PROJECT INFORMATION**

Please create a new document answering the following questions. In this new document, please utilize the section headers. For example, when addressing section A2, please write: A2: Brief History, and then provide the response. You must answer all questions. If a question does not apply to your agency, please respond with "not applicable".

### **A. INTRODUCTION/AGENCY INFORMATION:**

1. Brief history of your organization, including its mission
2. What are the hours of operation for your agency?
3. What is the total number of FTEs employed by your agency?
4. If there are 15 or more employees at your agency, please provide the name of the person responsible for compliance with Section 504 of Rehabilitation Act of 1973 - Nondiscrimination under Federal Programs.
5. Do you receive more than \$500,000 of Federal Funding through any means, including grants and loans?

### **B. STATEMENT OF NEED**

1. Define the need to be addressed through your project and how it will address that need of the community. Please comment on how your industry measures success and discuss how you will measure success for this program.

### **C. PROJECT DESCRIPTION:**

1. Provide a general description of the project for which you are requesting funding, including the list/description of the activities to be performed.
2. Explain any temporary or permanent relocation of persons or businesses that may result from this project.
3. Please specify the percentage of requested grant funds that will be used for salaries and the total number of employees hired and/or retained as a result.

### **D. TARGET POPULATION/AREA OF BENEFIT**

1. Identify and describe the target population *or* area of benefit (if it serves a low-income census tract.)

### **E. IMPLEMENTATION SCHEDULE**

1. Please submit the anticipated implementation schedule that includes, but is not limited to, spec completion, bidding, starting, and project completion dates.

### **F. REDUCED FUNDING QUESTIONS**

1. If the CDBG funding that you are requesting will leverage funding from another source, please note the amount and source and use of leveraged funding. Have these additional funds been secured at the time the application is made, if not, what actions are you taking to apply for them?
2. If you do not receive the amount of funds requested from CDBG, how do you propose to administer and/or complete the project in the manner presented?
3. What items would you reduce/eliminate from your budget if the City wanted to (only) partially fund your application?

### **G. PROJECT FEASIBILITY**

1. Have any of the following pre-construction issues been investigated: architectural and engineering, design, environmental assessment and lead-based paint assessment, if applicable? (Lead-based paint assessments are applicable to structures built before 1978). Please provide the investigations, if available.
2. Have you obtained a cost estimate for this project? Please include the cost estimate, with the specification to the estimating entity that the job will require the payment of prevailing (Davis Bacon) wages.
3. Can the project expend funds within 1-year and be fully completed within 1.5 years of receiving this grant?

### **H. LINKAGE TO CITY PLANS**

1. Briefly discuss how your request addresses the City's Plan of Conservation and Development, CDBG's Consolidated Plan priorities, or any other City development plan or formally stated goal.
2. If your project is linked to specific, adopted neighborhood revitalization zone plan or other organized/recognized neighborhood planning or revitalization processes, please explain thoroughly how the project is linked and how it meets or compliments the respective plan's goals.
3. Do you have a letter of support from a City agency or commission? If yes, please attach.

**I. SECTION 3 REQUIREMENTS (See Samples on pages 10-14)**

The work to be performed under any contract utilizing CDBG funding may be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assistance projects covered by Section 3, are, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very-low income persons.

**Please review page 10, "Section 3 Contractor Affidavit"** and select the appropriate response. In addition, please note that if funding is approved, your contract may be required to review, implement and report on employment activities relating to Section 3 guidelines.

**COMMUNITY DEVELOPMENT NATIONAL OBJECTIVE**

Does your project:

- Address the needs of low- and/or moderate-income residents?  
(At least 51% of your clients must not exceed the income guidelines below or if your project is not client based it must be located in a census tract that is at least 51% low to moderate income) see chart

OR

- Eliminate Slums or Blight?

OR

- Improve a Low-Income census tract?

FY 2022 Income Limits Summary									
FY 2022 Income Limit Area	FY 2022 Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
Norwich-New London, CT HUD Metro FMR Area	Very Low (50%) Income Limits (\$)	\$ 39,450	\$ 45,050	\$ 50,700	\$ 56,300	\$ 60,850	\$ 65,350	\$ 69,850	\$ 74,350
	Extremely Low Income Limits (\$)*	\$ 23,700	\$ 27,050	\$ 30,450	\$ 33,800	\$ 36,550	\$ 39,250	\$ 41,950	\$ 46,630
Median Family Income \$102,700	Low (80%) Income Limits (\$)	\$ 62,600	\$ 71,550	\$ 80,500	\$ 89,400	\$ 96,600	\$ 103,750	\$ 110,900	\$ 118,050

**PART III: BUDGET INFORMATION**

**CONSTRUCTION BUDGET**

Construction/Clean-up Costs		\$ _____
Pre-Development Soft Costs:		
Legal	\$ _____	
Architectural & Engineering	\$ _____	
Survey	\$ _____	
Environmental testing	\$ _____	
Estimated total soft costs		\$ _____
<b>Total Development Costs</b> (construction & soft costs)		\$ _____

Sources of Funds (list all sources of funding for this project including other government funds, agency cash, private funds, CDBG, etc.)

SOURCE	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

USE	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**PART IV: SUPPLEMENTAL INFORMATION:** All agencies must submit all of the following documentation with their application whether or not you have previously received CDBG funds through the City of Norwich.

**EXHIBIT 1**    Financial Statement and Audit  
 Describe the agency's fiscal management including disbursement methods, financial reporting, record keeping, accounting principles/procedures and audit requirements. Include a copy of the agency's last completed audit.

**EXHIBIT 2**    Insurance/Bond/Worker's Compensation

- State whether or not the agency has liability insurance coverage, in what amount and with what insuring agency.
- State whether or not the agency pays all payroll taxes and worker's compensation as required by Federal and State Law.
- State whether or not the agency has fidelity bond coverage for principal staff who handle the agency's accounts, in what amount and with what insuring agency.
- Provide a copy of your current insurance certificate, NOT YOUR POLICY.

- EXHIBIT 3 Non-profit Determination  
 Non-profit organizations must submit tax-exemption determination letters from the Federal Internal Revenue Service.
- EXHIBIT 4 List of Board of Directors  
 A list of the current board of directors or other governing body of the agency must be submitted. The list must include the name, telephone number, address, occupation or affiliation of each member; and must identify the principal officers of the governing body.
- EXHIBIT 5 Organizational Chart  
 An organizational chart must be provided which describes the agency's administrative framework and staff positions, which indicates where the proposed project will fit into the organizational structure and which identifies any staff positions of shared responsibility.
- EXHIBIT 6 Resumes of Chief Program Administrator and Chief Fiscal Officer
- EXHIBIT 7 Conflict of Interest Disclosure  
 Form attached

**COMMUNITY DEVELOPMENT BLOCK GRANT CITY  
 OF NORWICH, CONNECTICUT**

**APPLICANT CONFLICT OF INTEREST QUESTIONNAIRE  
 2023-2024 PROGRAM YEAR**

Federal, State, and City law prohibits employees and public officials of the City of Norwich from participating on behalf of the City in any transaction in which they have a financial interest. This questionnaire must be completed and submitted by each applicant for Community Development Block Grant (CDBG) funding. The purpose of this questionnaire is to determine if the applicant, or any of the applicant's staff, or any of the applicant's Board of Directors would be in conflict of interest.

1. Is there any member(s) of the applicant's staff or any member(s) of the applicant's Board of Directors or governing body who is or has/have been within one year of the date of this questionnaire (a) a City employee or consultant, or (b) a City Council member, or (c) a member of the Community Development Advisory Committee (CDAC) member?       Yes     No

If yes, please list the name(s) and information requested below:

Name of person	Job Title of person	Indicate City employee, consultant, City Council person, or CDAC member
Sydney Phelps		

**NORWICH COMMUNITY DEVELOPMENT BLOCK GRANT  
 APPLICANT CONFLICT OF INTEREST QUESTIONNAIRE  
 2023-2024 PROGRAM YEAR**

2. Will the CDBG funds requested by the applicant be used to award a subcontract to any individual(s) or business affiliate(s) who is/are currently or has/have been within one year of the date of this questionnaire a City employee, consultant, City Council person or Community Development Advisory Committee member?

Yes                       No

If yes, please list the name(s) and information requested below:

Name of person	Job Title of person	Indicate City employee, consultant, City Council person, or CDAC member

3. Is there any member(s) of the applicant's staff or member(s) of the applicant's Board of Directors or other governing body who are business partners or family members of a City employee, consultant, City Council person, Community Development Advisory Committee member?

Yes                       No

If yes, please identify below the City employee, consultant, or Council member with whom each individual has family or business ties.

Name of member	Name of City employee, Consultant, City Council member, CDAC member	Indicate type of tie (Family or Business)	If family, indicate relationship

**APPLICANT CONFLICT OF INTEREST QUESTIONNAIRE**

**2023-2024 PROGRAM YEAR**

4. Have you read and understood the HUD regulation regarding conflict of interest, 24 CFR 570.611 (attached)?

Name of Applicant: \_\_\_\_\_

Signature of Applicant's Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

**HUD REGULATION REGARDING CONFLICT OF INTEREST  
(NOT REQUIRED TO BE SUBMITTED WITH APPLICATION)**

§570.611 Conflict of interest.

(a) Applicability

(1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR 200.317 and 200.318 shall apply.

(2) In all cases not governed by 2 CFR 200.317 and 200.318, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to §570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §570.203, 570.204, 570.455, or 570.703(i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) Threshold requirements. HUD will consider an exception only after the recipient has provided the

following documentation:

- (i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
  - (ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.
- (2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) (1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:
- (i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
  - (ii) Whether an opportunity was provided for open competitive bidding or negotiation;
  - (iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
  - (iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
  - (v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;
  - (vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
  - (vii) Any other relevant considerations.

[60 FR 56916, Nov. 9, 1995, as amended at 80 FR 75938, Dec. 7, 2015]

**Section 3 Contractor Affidavit (2021 Final Rule)**

**Section 3 Business Concerns are:**

- At least 51 percent of the business is owned and controlled by low or very low-income persons; or
- At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing; or
- Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers

This is to certify that \_\_\_\_\_ (*print Business name*)

\_\_\_\_\_ Is a Section 3 Business Concern (Please read, review and implement necessary items in document entitled "Section 3 Requirements")

\_\_\_\_\_ Is **NOT** a Section 3 Business Concern but the contract for work will require my business or sub-contractor to hire, train, or educate a new employee. (Please read, review and implement necessary items in document entitled "Section 3 Requirements")

\_\_\_\_\_ Is **NOT** a Section 3 Business Concern and the contract for work will **NOT** require my business or sub-contractor to hire, train or educate a new employee. (No further action is necessary unless an employee is hired during the contract period)

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

**Section 3 Requirements (SAMPLE)**  
**CONTRACTOR'S SECTION 3 PLAN CERTIFICATION**

Project \_\_\_\_\_

Contractor's Name \_\_\_\_\_

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assistance projects covered by Section 3, are, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very-low income persons.

As representative of the Contractor, I hereby agree:

- To list on Table A all projected workforce needs for all phases of this project by occupation, trade, skill level and number of positions.
- To comply to the greatest extent feasible with the objectives and percentage goals established in the Section 3 Plan for Housing and Community Development Assistance of the City of Norwich.
- That to the greatest extent feasible vacant positions in relation to this project will be filled with Section 3 residents.
- To conduct recruitment activities in a manner consistent with the Section 3 requirements as shown on Table B.
- To include in all contracts with subcontractors in excess of \$100,000 the Section 3 Clause and to require the subcontractor to comply with similar certification requirements.
- To maintain proper records to demonstrate compliance with the Section 3 plan.
- To award to the greatest extent possible, all subcontracts in excess of \$100,000 to eligible Section 3 firms.

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

# TABLE A

Contractor/Subcontractor: \_\_\_\_\_

Project Name: \_\_\_\_\_

(a) The number of persons currently employed by contractor that will be performing work under this contract:

<u>Job Title</u>	<u>Total Employees</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) The number of employees you intend to hire for contract:

<u>Job Title</u>	<u># Needed</u>
_____	_____
_____	_____

<u>Job Title</u>	<u># Needed</u>
_____	_____
_____	_____
_____	_____
_____	_____

**TOTAL:** \_\_\_\_\_

If additional employees are needed, the Contractor will be required to report: his efforts to hire Section 3 Residents, the actual number of residents hired' and the hours the residents worked (see HUD Form No. Hud-60002).

(c) Which of the above positions will be a training position:

<u>Job Title</u>	<u>Estimated Length of Training</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(d) List type and amount of work to be subcontracted out. (If subcontract equals or exceeds \$ 100,000.00, the subcontractor will be required to fill out this TABLE A.)

<u>Subcontractor</u>	<u>Amount of Subcontract</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

## TABLE B

### Recruitment Efforts

At a minimum the following tasks must be completed to demonstrate a good faith effort with the requirements of Section 3. The contracting party and each contractor or subcontractor seeking to establish a good faith effort as required should be filling au training positions with persons residing in the target area.

1. Send notices of job availability subcontracting opportunities subject to these requirements to recruitment sources, trade organizations and other community Groups capable of referring eligible Section 3 applicants, including the Department of Labor.
2. Include in all solicitations and advertisements a statement to encourage eligible Section 3 residents to apply.
3. When using a newspaper of major circulation to request bids, quotes or to advertise employment opportunities to also advertise in minority owned newspapers.
4. Maintain a list of all residents from the target area(s) who have applied either on their own or by referral from any service, and employ such persons, if otherwise eligible and if a trainee exists. (If the contractor has no vacancies, the applicant, if otherwise eligible, shall be listed for the first available vacancy). A list of eligible applicants will be maintained for future vacancies.
5. The contractor must certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed were not filled to circumvent the contractor's obligation under 24 CFR Part 75.

**Part II: PROJECT INFORMATION: Property Rehabilitation Program Response Sheet**

**A. INTRODUCTION/AGENCY INFORMATION**

**1. Brief history of your organization, including its mission.**

The Office of Community Development is a pre-existing department within the City of Norwich that has had both an administration and monitoring role with CDBG entitlement funding since its inception. The mission is to revitalize the city's economic base and older deteriorating neighborhoods through the administering of the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program, as well as other federally funded community improvement programs. This office complies with all applicable laws in conjunction with attaining the goals of meeting the needs of low- and moderate-income individuals (LMI), as charged by the Community Development Act of 1974 and furthering the goals set out in the City's *Five-Year Strategic Plan (Consolidated Plan)*.

**2. What are the hours of operation for your agency?**

Monday-Friday 8:30am to 4:30pm

**3. What are the number of FTEs employed by your agency?**

The Office of Community Development houses a total of 4 full time employees.

**4. If there are 15 or more employees at your agency, please provide the name of the person responsible for compliance with Section 504 of Rehabilitation Act of 1973 - Nondiscrimination under Federal Programs.**

N/A

**5. Do you receive more than \$500,000 of Federal Funding through any means, including grants and loans?**

Yes. The Office receives funding from HUD's Office of Lead Hazard Control and Healthy Homes (OLHCHH) for the Lead-Based Paint Hazard Control Program. This funding is administered out to property owners and owner-investors in Norwich to remediate residential lead-based paint hazards. This funding helps supplement the Property Rehabilitation Program for residential properties that present lead hazards within the community.

As the administrators of the City of Norwich's CDBG Program, the Office of Community Development does receive over \$500,000 annually in entitlement funding from HUD. However, this funding is administered out to community agencies through the formal CDBG application

process each year. Specifically, the Property Rehabilitation Program does not receive more than \$500,000 in Federal funding each year.

## **B. STATEMENT OF NEED**

### **1. Define the need to be addressed through your project and how it will address the need of the community.**

The fabric of any community is found within its neighborhoods. Neighborhoods remain an integral part of ensuring long-term sustainable growth within a municipality. Every neighborhood offers its unique blend of housing, workforce, culture and style. Businesses that are meshed within neighborhoods encourage residents to invest in their local economy by supporting businesses within their communities. Therefore, the preservation of neighborhoods remains integral to the strength of local commerce and the community's economy.

We can preserve neighborhoods by preventing their de-stabilization through addressing three major initiatives:

- Reduce dilapidated housing stock while increasing housing values through quality of life and energy-efficient improvements.
- Reduce the amount of vacant homes stemming from foreclosure and financial bankruptcy by providing deferred loans for expensive housing issues to elderly residents.
- Provide financial incentives for LMI owner-investors to maintain the safety of their residential properties thereby reducing the risk of tenant homelessness and displacement due to preventable property condemnation.

The Property Rehabilitation Program consistently provides a keystone function for the CDBG entitlement community of Norwich. HUD's overall goal in supporting Housing Rehabilitation activities is to encourage their entitlement communities to maintain safe, affordable housing within the existing residential housing stock. Through the Property Rehabilitation Program, the Office of Community Development aims to provide comprehensive stabilization of residential housing most at risk for becoming blighted throughout the City. With more than 76% of Norwich's housing stock built before 1978, and approximately 45% built prior to 1940, there is a unique need for wide-spread housing rehabilitation within the residential housing stock. As buildings age, repairs become more costly and outdated structures often create costly utility bills, creating a financial burden for LMI residents. Our department receives over 50 requests annually inquiring about the program and available rehabilitation funding. Due to availability of contractors and funding, along with halts to construction during the winter season, we are unfortunately only able to provide assistance to 15-25 properties each program year.

The City of Norwich's *Consolidated Plan*, details the community's elevated levels of housing cost burden, or the proportion of a household's income that is spent on housing-related costs, experienced by residents. A family is considered "cost-burdened" if a household spends more than 30% of their collective gross income on rent and utility expenses each month. As outlined in the *2021 Consolidated Annual Performance Report (CAPER)*, over 51% of renters in

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Norwich are considered cost-burdened based on statistics from the *2019 American Community Survey (ACS)* census data. Well maintained, energy-efficient housing helps to reduce housing cost burden, increase available income to be circulated within the local economy, and stabilize the value and overall condition of neighborhoods. The Property Rehabilitation Program meets the goals set out in the *Consolidated Plan* by directly addressing key factors that impact safe, affordable housing within the community. This Program directly impacts the need to correct substandard and dangerous living conditions within its residential housing base.

## C. PROJECT DESCRIPTION

### 1. Provide a general description of the project for which you are requesting funding, including the list/description of activities to be performed

#### Activity 1 (\$250,000.00):

The Office of Community Development has historically applied for and been awarded lead abatement grants from the OLHCHH. In March of 2020, the Office was awarded a 42 month grant from OLHCHH for the Lead-Based Paint Hazard Control program. This funding is used in conjunction with Property Rehabilitation funding to address and abate lead-based paint hazards in qualified housing units. Matching funding from OLHCHH with CDBG funding demonstrates the City's investment in abating local lead hazards to HUD, reduces the direct rehabilitation costs for homeowners, and positions the program to make larger housing impacts throughout Norwich. The funding request of **\$250,000.00** for the Property Rehabilitation Program will allow us to fulfill our commitment to OLHCHH to match existing lead-based paint funding. The combined financial support and investment of both programs will allow the Office to maintain the high-level of housing interventions that the CDBG Property Rehabilitation program has provided to Norwich homeowners for over 20 years.

The Property Rehabilitation Program is designed to address HUD's National Objectives, particularly preventing residential blight through revitalization initiatives that target older housing in deteriorating neighborhoods. The City of Norwich's Property Rehabilitation Program provides zero-percent interest loans for HUD defined income eligible property owners. These funds are used to remediate unsafe housing conditions, expand energy-efficiency in older homes, and to correct residential deficiencies identified by local Building and/or Fire Marshal officials. Program staff also work in conjunction with the UNCAS Health Department when lead-based paint or environmental hazards are identified within housing structures.

The financial benefits of the loan provide LMI residents the means to address housing deficiencies and works to stabilize their ability to maintain homeownership by reducing the risk of financial hardship due to debt accumulation. Often, traditional loan programs are not practical options for LMI applicants as they involve barriers to approval, such as credit checks, and come with financial constraints in the form of unaffordable interest rates. Inadvertently, this program works to prevent foreclosures, and ultimately homelessness, as it removes the risk of financial burden due to debt accumulation and provides payment flexibility not always allowed by mortgage lenders. In agreement with the *Consolidated Plan's* benchmarks for *Decent, Affordable*

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*and Safe Housing*, the Property Rehabilitation Program aims to remediate approximately 15-25 housing structures each program year.

**Primary Activities and Goals are as follows:**

**Building Code Compliance-** Building code compliance is pursued through construction activities targeted toward specific code issues within each unit. The programs ultimate goal is to correct all substandard and unsafe housing conditions by bringing them up to both local and State standards of code compliance. The program functions to correct as many code issues as possible within each unit, however the feasibility to completely eradicate all code issues within all units sometimes surpasses the financial reach of the program or the applicant. Construction priorities within the implementation of the Property Rehabilitation Program will be determined by three factors:

1. Need—measured by the immediate requirement for correction(s) based on the City Building Department’s requirements for maintaining a certification of occupancy.
2. Financial Feasibility—measured by the reasonable expectation of being able to meet the minimum financial requirements for achieving “Need.”
3. Property Benefit—measured by the greatest level of housing improvement that can be achieved within the context of both “Need” & “Financial Feasibility”.

Each unit is evaluated before work is put to bid, to ensure that project specifications are feasible financially for each homeowner. In terms of program outputs, each unit that successfully undergoes a code correction is counted towards *Decent, Affordable, and Safe Housing* benchmarks.

**Lead-Based Paint Hazard Control-** Lead Paint Hazards are in and of themselves housing rehabilitation deficiencies, and therefore a priority of any Property Rehabilitation Program, regardless of the funding source. As the majority of Norwich’s housing stock was built before 1978 (76%), the resulting number of housing units with the potential for lead-based paint hazards is numerous. As housing units are identified for general rehabilitation, they are also screened and assessed lead-based paint issues. All rehabilitation properties will require a risk assessment to determine the condition and likelihood of the presence of lead-based paint hazards. As lead hazards are identified within qualified rehabilitation properties, they are abated or contained. Risks assessments and occupancy data, determine the level and scope of the lead paint hazard corrective actions required by state and federal law. In situations where lead paint hazards are discovered where a child under the age of 6 resides full lead-based paint hazard control work will be required. In other situations, lead paint issues will be dealt with on the basis of the specific rehabilitation work item or items, in accordance with the Environmental Protection Agency’s Renovation, Repair and Painting (RRP) Rule of 2008. When lead-based paint exists within a qualifies rehabilitation property, the Office of Community Development pulls funding to complete lead remediation out of OLHCHH before matching with CDBG funding.

**Energy-Efficiency & Weatherization-** Renters and homeowners that are considered cost-burdened remains the primary housing concern throughout the City. In alignment with the CDBG's initiative to increase the quality of life for LMI residents within communities, the Property Rehabilitation Program looks to reduce cost-burden on residents and tenants by replacing aging and inefficient residential components with cost-effective energy-efficient units. Weatherization is the process of reducing a home's energy consumption by installing components that minimize the impact of external weather conditions. This initiative can be achieved through a multiplicity of home improvements such as installing energy-efficient heating units, replacing outdated windows and roofs, or insulating identified areas of heat transfer. While improvements that address code violations and safety hazards take precedence when formulating project specifications, the Lead Rehabilitation Officer informs program participants of potential improvements to energy-efficiency available within the project's funding limits. The program includes an initial walk through to identify areas where energy-efficient replacements would reduce utility usage and expenses as a long-term solution.

**2. Explain any temporary or permanent relocation of persons or business that may result from this project.**

The need for temporary occupant relocation is determined based upon the specific scope of work required for each individual housing structure. When relocation of occupants is required for a specific project, it is provided through the use of the City owned Lead Safe Apartments located at 29 Union Street, Norwich, CT 06360. Additional relocation can be obtained through available matching funds received through the City's Lead-Based Paint Hazard Control Grant.

**3. Please specify the percentage of requested grant funds that will be used for salaries and the total number of employees hired or retained as a result.**

With the OHLHHC grant in place, the Property Rehabilitation Program has only had to use about 22.5% of allotted funds towards administrative costs. Based on past years, about 93% of total administrative costs have been used towards the continued staffing of two employees pivotal to the success of the program, or about 20.8% of CDBG funds dedicated to this program.

**D. TARGET POPULATION**

**1. Identify and describe the target population *or* area benefit (if it serves a low income census tract).**

In alignment with the CDBG National Objective to *benefit low- and moderate-income persons*, the Property Rehabilitation Program's target population is LMI homeowners in Norwich. The program meets established subcriteria in terms of *limited clientele* as income is verified for each applicant and is screened against HUD's CDBG income guidelines to insure that the program is exclusively serving its target population. The program does not pursue

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qualification by *area benefit* subcriteria. As the program is intended to function city-wide, qualifying units based on census tract would restrict the reach of the program.

## **E. IMPLEMENTATION SCHEDULE**

### **1. Please submit the anticipated implementation schedule that includes, but is not limited to, spec completion, bidding, starting, and project completion dates.**

This is an ongoing program designed to meet the annual housing rehabilitation goals set out in the *Consolidated Plan*. If funding continues we anticipate unit applications, bidding, and renovations to continue without pause or delay to ongoing rehabilitation projects. Work specifications, bidding, and project timelines are unique to each individually qualified activity and occur year-round. Most projects are completed within 30-60 days depending on the winter season, scope of the project, and the number of codes to be addressed within each unit.

## **F. REDUCED FUNDING QUESTIONS**

### **1. If the CDBG funding you are requesting will leverage funding from another source, please note the amount and source of leveraged funding. Have these additional funds been secured at the time the application is made, if not, what actions are you taking to apply for them?**

The Property Rehabilitation Program is designed to work in conjunction with ancillary funding sources for the completion of housing rehabilitation activities set forth in the *Consolidated Plan*. The Office of Community Development has proved successful in securing funding from HUD's OLHCHH. In past years, the Office has been awarded \$2.9 million for a 42 month grant cycle (2020-2023) and \$2.8 million (2016-2019) previous to that. This funding is leveraged with matching CDBG funding for prospective rehabilitation activities in properties requiring lead-based paint hazard remediation and abatement. The continual support from CDBG funding for the Property Rehabilitation Program is highlighted in grant applications to OLHCHH and conveys the City's commitment to invest in its neighborhoods, strengthening our ask for competitive multi-million dollar grants. A reduction in CDBG funding to the Property Rehabilitation Program could be perceived unfavorably by OLHCHH grantors as such divestment could convey a lack of investment from the City in maintaining the quality and safety of its residential properties. Additionally, it could affect our current OLHCHH award in terms of our ability to achieve proposed lead-abatement benchmarks as well as the program's ability to uphold its commitment to match Lead-Based Paint Hazard Control Funds. Most importantly, a reduction in funding could affect the overall Entitlement's ability to reach proposed CDBG goals outlined in the *Consolidated Plan* in terms of producing *Decent, Affordable and Safe Housing* through rental and homeowner rehabilitation activities. On a community level, a reduction in funds could decrease the number of units the Office will be able to assist or reduce the amount of financial capital provided to each applicant. The full \$250,000.00 request will allow us to meet our benchmarks and fulfill our leverage commitment for the estimated \$2.9 million federal OLHCHH award.

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**2. If you do not receive the amount of funds requested from CDBG, how do you propose to administer and/or complete the project in the manner presented?**

For over two decades the City of Norwich's Property Rehabilitation Program has served both the City's and HUD's long term goals for creating and maintaining safe, affordable residential housing within the community. Typical requests have averaged between \$200,000 and \$300,000, and vary due to economic climate and availability of secondary sources of funding, such as Return of Loan (ROL) from past program recipients. The Property Rehabilitation Program requires an influx of funding in order to continue with production and to sustain the employees who manage the program's requirements. Not only does this program positively impact housing values, tax revenue, cost burden, and quality of life, but it also works as an economic engine for the area. More than 75% of requested funds go directly to local contractors, employees, and businesses. This program is a job creator and sustainer. During the previous lead grant cycle (2016-2019) more than \$2.0 million, or 92% of the total grant, went to local vendors, contractors, and their employees. Without the Lead-Based Paint Hazard Control and the Property Rehabilitation programs, the strength of the local economy and its employment sectors would be negatively affected.

Simply put, without CDBG or OLHCHH funds this successful program would likely be discontinued. Any funding provided will be used to complete as many units as possible until salaries have been exhausted. If the program were to be completely defunded, the quality of housing and resulting quality of life of LMI residents would deteriorate. The City could expect to see an increase in blight as well as residents experiencing homelessness due to condemnation, and would be left without viable units to re-house families. Without any funding, the Office would have to pursue foreclosure for past LMI recipients responsible for outstanding loans. This will work to increase the prevalence of resident's experiencing housing insecurity and will work against community strides toward economic prosperity. The loss of this program will impact the community, reduce the City's overall ability to achieve the goals set forth in the *Consolidated Plan* and jeopardize the city's competitiveness in receiving HUD funding in the future.

**3. What items would you reduce/eliminate from your budget if the City wanted to only partially fund your application?**

Based on the performance goals, all budgeted items are necessary to the programs efforts to create *Decent, Safe, and Affordable Housing* as established in the *Consolidated Plan*. As this is a continuing program any further reductions to funding would result in a drastic minimization of the program's effectiveness to achieve proposed CDBG goals. On a community-level, reductions in funding at the programmatic level would result in a decrease of the number of units the Office is able to assist or a reduction to the amount of financial capital the office is able to provide to each applicant. A drastic cut would make it unlikely that the City would achieve its goals and benchmarks set forth in the *Consolidated plan*.

The committee may also make a request to the department for adjustments prior to Council authorization.

## **G. PROJECT FEASIBILITY**

### **1. Have any of the following pre-construction issues been investigated: architectural and engineering, design, environmental assessment and lead paint assessment, if applicable?**

While each individual property carries with it unique code compliance and lead-based paint hazard issues, eligible units often exhibit similar housing deficiencies or code issues. As 76% of residential properties in Norwich were built prior to 1978, homes are more likely to contain lead-based paint components, along with roofing, heating, electrical, and general structural issues inherent to an older housing stock. Each eligible property undergoes a comprehensive building code and lead hazard inspection; the results of these inspections become the basis on which corrective actions are developed for each unit. A final scope of work is then developed to correct the housing deficiencies. Based on previous program year, an average of 32.4 lead paint, and building code inspections have been conducted on program eligible properties.

### **2. Have you obtained a cost estimate for this project?**

Specific cost estimates are done on an individual property basis. The estimated average cost estimate per project is \$14,000-\$18,000 in Property Rehabilitation dollars and an average of \$9,000- \$12,000 in Lead-Based Paint Hazard Control funding. While average program costs remains stable annually, individual project costs can range from a few thousand dollars to the maximum allowable funding level depending on the scope of work for each unit. In cases in which cost estimates exceed eligible funding caps, property owners that wish to continue with the program are required to provide owner share funding for any uncovered or ineligible expenses. Owners may also make an appeal to the Rehabilitation Review Committee for consideration of additional funding in circumstances where unforeseen work threatens code compliance or presents a serious health hazard to the occupant.

### **3. Can the project be completed within two years of receiving this grant?**

Yes, while the program is cyclical, program funding can be expended in 2 years. Individual projects within the program have an average construction time of approximately 30-60 days.

## **H. LINKAGE TO CITY PLANS**

### **1. Briefly discuss how your request addresses the City's plan of Conservation and Development, Consolidated Plan priorities, or any other City development plan of formally stated goal.**

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As set forth in the *Consolidated Plan*, the Property Rehabilitation Program primarily serves the City's goal to produce *Decent, Affordable and Safe Housing* throughout Norwich. The Property Rehabilitation Program functions as a direct response to the City of Norwich's *Housing Needs* discussed within the *Consolidated Plan*, which recommends that funding be targeted towards, "increasing the quality of the existing housing stock and decreasing cost-burden for residents". Based on the *Housing Market Analysis*, 30% of owner-occupied homes and 50% of renter-occupied units in Norwich have at least one "selected" housing condition, meaning that a unit (1) lacks complete plumbing facilities, (2) lacks complete kitchen facilities, (3) experiences overcrowding, and/or (4) is cost-burdened. The Program simultaneously achieves key components of the *2013 Plan of Conservation and Development (POCD)* in terms of maintaining and improving the existing housing stock as well as increasing homeownership and property values.

In alignment with the *Consolidated Plan* and the *POCD*, this supplemental program maintains homeownership by preventing neighborhood de-stabilization due to vacant or blighted homes while promoting financial security for participating homeowners. The Program offers financial incentives for homeowners looking to raise the value of their aging properties and increase the occupants' quality of life by removing safety hazards, remediating code violations, and installing energy-efficient alternatives. In terms of reducing homelessness, the program's benefits even expand to LMI renters when owner-investors opt for improvements to their properties. By remediating code and safety violations for rental units, the program inadvertently works to prevent homelessness and displacement that would result from preventable condemnations. Weatherizing homes reduces expenditures on utility bills and is a long-term solution to reduce cost-burden on residents while improving the overall value of the home and residing neighborhood. Within the context of both building code related activities and lead-based paint hazard control work, it is the programs goal to implement corrective measures that will remediate residential hazards and increase energy-efficiency of qualifying housing units.

Based on the goals outlined in the *Consolidated Plan*, the Property Rehabilitation Program has set the following outcome goals:

1. Conduct rehabilitation activities on 20-25 housing units each program year.
2. Achieve minimum Building Code compliance on 100% of units served each program year.
3. Encourage weatherization in all units approved for construction by installing Energy Star rated products, such as doors and windows or high efficiency heating systems, to correct inefficient sources of heat transfer. Based on accomplishments from the 2022 Program Year, we aim to install new high efficiency heating systems in 50% of units approved for construction.
4. Conduct lead-based paint hazard control work and abatement in 15-20 individual housing units and employ lead safe practices in units not requiring abatement in alignment with federal Lead Safe Housing requirements. **Note:** Lead safe housing goals are only applicable in years where the City has an active lead paint hazard control grant. In the event that separate lead paint hazard control funds are not available, the Property

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Rehabilitation Program will address specific lead paint hazards within housing structures according to the minimum requirements by State and Federal law.

**2. If your project is linked to specific adopted neighborhood revitalization zone plan or other organized/recognized neighborhood planning or revitalization process, please explain thoroughly how the project is linked and how it meets or compliments the respective plan's goals**

Historically, Norwich has had two Neighborhood Revitalization Zones, Greenville and Broadway. Currently, Greenville is the only active neighborhood committee. While the Property Rehabilitation Program is not exclusively tied to a neighborhood revitalization zone, it often approves work on residences within these two predominantly LMI census tracts. In 2021, 43% of units assisted by the Property Rehabilitation Program were located in Greenville.

**3. Do you have a letter of support from a city agency or commission?**

Please see attached.



ESTABLISHED 1659

CITY OF NORWICH  
CONNECTICUT

JOHN SALOMONE  
CITY MANAGER  
(860) 823-3750

100 Broadway  
Norwich, CT 06360  
Fax (860) 885-2131

February 1, 2023

Office of Community Development  
23 Union Street  
Norwich, CT 06360

RE: Property Rehabilitation

Dear Ms. Phelps:

The City of Norwich has successfully administered a property rehabilitation program for numerous years with Community Development Block Grant funds. It provides property owners an opportunity to address code violations, health and safety concerns as well as energy efficiency with 0% interest loans.

We have been able to leverage CDBG funds by using them as a match towards a Lead Hazard Control Program. Without these funds the City would not be able to provide the necessary match to apply for this grant.

This program is essential to neighborhood revitalization and stabilization.

Please consider funding the Property Rehabilitation Program as it is necessary in preventing the deterioration of housing units in our City.

Sincerely,

A handwritten signature in black ink, appearing to read "John Salomone".

John Salomone  
City Manager