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HEALTH, EMPLOYMENT, LABOR, AND PENSIONS



Joe Courtney

Congress of the United States

2nd District, Connecticut

October 6, 2016

WASHINGTON OFFICE:

2348 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
P (202) 225-2076  
F (202) 225-4977

DISTRICT OFFICES:

55 MAIN STREET, SUITE 250  
NORWICH, CT 06360  
P (860) 886-0139  
F (860) 886-2974

77 HAZARD AVENUE, UNIT J  
ENFIELD, CT 06082  
P (860) 741-6011  
F (860) 741-6036

Lyle Wray, Executive Director  
Capitol Region Council of Governments  
241 Main St.  
Hartford, CT 06106

OCT 13 2016

Dear Lyle,

Thank you for your invitation to meet on crumbling foundations on October 5. I appreciate CRCOG's continued focus on this issue and commend the formation of your working group on crumbling foundations, and I look forward to continuing productive discussions with you. I'm writing to follow up on my office's interaction with you and CRCOG's members regarding possible ways federal assistance can help the communities affected, as well as homeowners who are confronted with this challenging problem.

As you know, our office circulated a letter from the U.S. Department of Housing and Urban Development dated August 18, 2016, which confirmed that federal funds – through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program – could be used to address the issue of crumbling foundations. Both CDBG and HOME funds are appropriated by Congress annually, and as block grants, they are largely administered by the state. The Connecticut Department of Housing and the Office of Policy and Management lead a funding allocation process each year. As you know, my office secured a detailed report, distributed at the October 5 meeting and attached, on the programs and the distribution process used in Connecticut prepared by the Congressional Research Service (CRS).

The CRS memo is helpful in describing the scope of state discretion and how these block grants can be used. In particular, the memo confirms that towns can collaborate on housing development programs, which in north central Connecticut could be particularly beneficial. The CRCOG members attending the October 5 meeting had a good discussion about what priorities are the most urgent for towns who are experiencing challenges with property tax assessments, which threaten their overall tax base. CRCOG's decision to create a working group of town CEOs to organize a proposal for the state in fiscal year 2017 is a good step forward in terms of translating the block grant opportunity to tangible help for their citizens.

In particular, an important issue which would be helpful in capitalizing on this HUD opportunity is determining the input of state legislators in the final design of Small Cities CDBG allocation. As you know, I circulated a memo from the state Office of Legislative Research (OLR) which confirms that block grant proposals from the Office of Policy and Management and the Department of Housing are subject to approval and modification by the state legislature's Joint Appropriations Committee. As was discussed, engaging state legislators in the region as participants in the possible plan design and discussion with the Malloy administration would help facilitate support for any proposal CRCOG formulates. The group also talked through the

structure of these block grants, which are recurring appropriations to the state. In addition, while these funds are not sufficient to provide a complete remedy for this issue, they will hopefully “prime the pump” for other stakeholders in both the public and private sectors to come forward and assist in a comprehensive plan.

Thank you again for the opportunity to participate in your working group meeting. I hope the CRS memo along with the OLR input is of some assistance in following up on HUD’s letter of August 18. I look forward to continuing to engage with you and other stakeholders in government and the private sector to work together to find solutions to this issue.

Sincerely,

A handwritten signature in blue ink that reads "Joe Courtney". The signature is fluid and cursive, with the first name "Joe" and last name "Courtney" clearly distinguishable.

JOE COURTNEY  
Member of Congress





**U.S. Department of Housing and Urban Development**  
**Office of the Regional Administrator**  
Thomas P. O'Neil Jr. Federal Building  
10 Causeway Street – Room 301  
Boston, MA 02222-1092  
(617) 994-8223

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August 18, 2016

Mr. Matthew Reutter  
Grants Coordinator  
Office of Congressman Joe Courtney (CT-02)  
77 Hazard Avenue, Unit J  
Enfield, CT 06082

Dear Mr. Reutter:

HUD is responding to the August 17, 2016 inquiry regarding the availability of HUD resources to assist a great number of homeowners affected by crumbling foundations in North East Connecticut. The HUD funded Small Cities CDBG Program may be used to repair an individual resident's foundation; however, there are several limitations and requirements on these funds. The HOME program may also be used to repair an individual's foundation; but, this program has even more stringent terms.

HUD grant funds are awarded to the State of Connecticut and administered by the Department of Housing (DOH), generally, for the benefit of smaller communities throughout the state. The State of Connecticut, through a consolidated planning process, determines the priorities and criteria for the use of these HUD funds. In order to use CDBG or HOME funds to address this foundation issue, a local Municipality would need to operate a housing rehabilitation program. Currently, DOH does not make HOME funds available for housing rehabilitation programs, in its consolidated plan. Also, HOME funds can only assist low- and moderate-income households, and HOME funded rehabilitation cannot only address specific building systems.

The DOH administered Small Cities program does make awards to local Municipalities for housing rehabilitation programs. Municipalities apply for these funds through an annual competition. DOH typically receives applications each Spring. In order for individual residents to receive CDBG Small Cities funding, the appropriate Municipalities would have to apply to DOH for funds to operate a housing rehabilitation program, targeted at repairing these deficient foundations. Small Cities housing rehabilitation funds may only assist low- and moderate-income households, address an Urgent Need, or address conditions of Slum and Blight. HUD funded housing rehabilitation programs almost always assist low- and moderate-income households. The "Urgent Need" qualifying path, might be used to assist higher income households. The Urgent Need requirements are detailed at 24 CFR 570.483(d).

If you have any questions, please contact Alanna C. Kabel at (860)240-9770, or by email at [Alanna.C.Kabel@hud.gov](mailto:Alanna.C.Kabel@hud.gov).

Sincerely,

  
Kristine Foye

Deputy Regional Administrator