



14

CITY OF DANBURY
155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

DAVID W. ST. HILAIRE
DIRECTOR OF FINANCE

(203)797-4652
FAX: (203)796-1526

M E M O R A N D U M

TO: Honorable Mark D. Boughton via the City Council
FROM: David W. St.Hilaire, Director of Finance *DW*
DATE: March 30, 2010
RE: **Economic Development Initiative (EDI) Funds**

Attached is a resolution which will allow the City of Danbury to apply for and accept funding from the U.S. Department of Housing and Urban Development for the Economic Development Initiative (EDI).

Funding in the amount of \$190,000 has been earmarked for construction and renovation of special veterans housing. No local cash match is required. A copy of the project narrative is attached.

The City Council is respectfully requested to consider this resolution at its next meeting.

DST/ag



RESOLUTION

141

CITY OF DANBURY, STATE OF CONNECTICUT

_____ A.D. 2010

RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

WHEREAS, the Federal Housing and Urban Development Appropriations Act of 2009 created an Economic Development Initiative ("EDI") program for select housing projects; and

WHEREAS, The City of Danbury, in conjunction with the Non Profit Development Corporation of Danbury ("NPDCD") have sought to provide affordable rental housing for veteran families at 20 New Street, as supported within the *Danbury Ten Year Plan to End Homelessness*; and

WHEREAS, this project has already received \$100,000 in CDBG funding for costs of acquisition; and

WHEREAS, an EDI grant amount of \$190,000.00 is being proposed in order to construct and/or renovate the three unit facility; and

WHEREAS, there is no local match required; and

WHEREAS, it is in the greater interest of the City of Danbury to seek and receive these grant funds.

NOW, THEREFORE, BE IT RESOLVED THAT Mayor Mark D. Boughton be and hereby is authorized to apply for and receive EDI grant funding for the purposes of special veterans housing at 20 New Street, to execute such documents as may be required for this purpose, to ratify such actions as may be accomplished to date and to take such other actions as may be necessary in furtherance of and to accomplish the purposes hereof.

**NPDCD, Incorporated
323 Main Street
Danbury, CT 06810**

March 30, 2010

The Honorable Mark D. Boughton
Mayor of the City of Danbury
Danbury Common Council
155 Deer Hill Avenue
Danbury, CT 06810

RE: Economic Development Initiative- Special Project Grant

Dear Mayor Boughton and Council Members:

We are pleased to submit for your review and approval a resolution that would enable the City of Danbury to apply for funding for Veterans Housing under the Economic Development Initiative Special Project Grant Program. The City has worked in close cooperation with United States Congressman Chris Murphy to secure this funding to provide affordable housing for homeless veterans and their families.

The City of Danbury will partner with the Non-Profit Development Corporation of Danbury, Inc. (NPDCD) as sub-grantee to carrying out this project to provide affordable rental housing for veteran-headed families in Danbury. The project will involve the acquisition and rehabilitation of a vacant, foreclosed 3-family dwelling located at 20 New Street. The project will produce three units of permanent housing for low and moderate income veteran headed households who are homeless or in danger of becoming homeless. Supportive services for these families will be provided through other funding sources in order to ensure that any social service needs of the veterans and their families are addressed in a comprehensive manner. The City's Finance Department will be responsible for financial management and monitoring of the EDI grant. NPDCD will be a sub-grantee of the City and NPCDC will acquire, rehabilitate and manage the property.

This project has already received a commitment from the City of Danbury for Community Development Block Grant funds from Program Year 39 in the amount of \$100,000.00 to assist with acquisition costs. The project is consistent with the City's Consolidated Plan as well as the Mayor's *Housing For Heroes* initiative to address the housing needs of veterans in a comprehensive manner. The need to address the housing and supportive service needs of veterans is also documented in Danbury's *Ten-Year Plan To End Homelessness*, which is appended to the City's Consolidated Plan submitted to HUD.

The Vet House II project will complement and expand on transitional and permanent housing facilities currently operating at the neighboring property, 18 New Street. Known as Vet House, this facility contains six transitional beds for homeless veterans as well as four SRO-style permanent units. Vet House is a collaborative effort of NPDCD, the City of Danbury and the Housing Authority of the City of Danbury. Funding for the project was provided through the U.S. Department of Veterans Affairs, NPDCD, the City of Danbury and the Housing Authority of the City of Danbury. Occupancy of Vet House I began in December of 2009. While Vet House I targets individual veterans, Vet House II will enable NPDCD to expand its offerings to focus on

and address the needs of homeless veteran families. Led by President Paul J. Valeri, a Vietnam veteran, NPDCD has played a leading role in the City's efforts to address the needs of homeless veterans.

We thank you for your consideration of this request and for your continued support of Danbury's efforts to implement the Housing For Heroes initiative.

Sincerely yours,
Non Profit Development Corporation, Inc.

Mark J. Nolan

It's Treasurer

ECONOMIC DEVELOPMENT INITIATIVE- SPECIAL PROJECT

Vet House II: Housing For Homeless Veterans

PROJECT NARRATIVE

Project Description

The City of Danbury will partner with the Non-Profit Development Corporation of Danbury, Inc. (NPDCD) as sub-grantee to carrying out this project to provide affordable rental housing for veteran-headed families in Danbury. The project will involve the acquisition and rehabilitation of a vacant, foreclosed 3-family dwelling located at 20 New Street. The project will produce three units of permanent housing for low and moderate income veteran headed households who are homeless or in danger of becoming homeless. Supportive services for these families will be provided through other funding sources in order to ensure that any social service needs of the veterans and their families are addressed in a comprehensive manner. The City's Finance Department will be responsible for financial management and monitoring of the EDI grant. NPDCD will be a sub-grantee for the City and will acquire, rehabilitate and manage the property.

This project has already received a commitment from the City of Danbury for Community Development Block Grant funds from Program Year 35 in the amount of \$100,000.00 to assist with acquisition costs. The project is consistent with the City's Consolidated Plan as well as the Mayor's *Housing For Heroes* initiative to address the housing needs of veterans in a comprehensive manner. The need to address the housing and supportive service needs of veterans is also documented in Danbury's *Ten-Year Plan To End Homelessness*, which is appended to the City's Consolidated Plan submitted to HUD.

The Vet House II project will complement and expand on transitional and permanent housing facilities currently under operation at the neighboring property, 18 New Street. Known as Vet House, this facility contains six transitional beds for homeless veterans as well as four SRO-style permanent units. Vet House is a collaborative effort of NPDCD, the City of Danbury and the Housing Authority of the City of Danbury. Funding for the project was provided through the U.S. Department of Veterans Affairs, NPDCD, the City of Danbury and the Housing Authority of the City of Danbury. Occupancy of Vet House I began in October 2009. While Vet House I targets individual veterans, Vet House II will enable NPDCD to expand its offerings to focus on and address the needs of homeless veteran families. Led by President Paul J. Valeri, a Vietnam veteran, NPDCD has played a leading role in the City's efforts to address the needs of homeless veterans.

Project Design

The rehabilitated property at 20 New Street will contain three permanent rental apartments located on the first, second and third floors. The 1st floor apartment will consist of one or two bedrooms*, living room, kitchen and bath, (*depends on space restrictions). The unit will be made fully accessible in order to allow it to be occupied by a disabled veteran and his/her family. The second floor apartment will consist of two

bedrooms, a living room, kitchen and bath. The third floor apartment will consist of one bedroom, a living room kitchen and bath. The units will serve as permanent rental housing for qualified veterans meeting low and moderate income standards. Every effort will be made to accommodate usage of Section 8 vouchers.

NPDCD or its representatives will verify the veteran status of applicants with the US Department of Veterans Affairs and will verify income at the time of application. Further, NPDCD will determine that the veteran and his/her family are moving from a condition of homelessness, from a transitional housing facility or from a living situation in which they are in danger of becoming homeless. NPDCD will also arrange with community providers to evaluate the social needs of the veterans and family members to determine what supportive services may be needed on a case-by-case basis. NPDCD will work with community providers to help provide residents with services determined to be needed to enable them to maintain themselves in permanent housing.

In the event that NPDCD is not able to complete a purchase of 20 New Street, funding will be used to acquire and rehabilitate another similar structure in central Danbury.

Scope of Work

The structure will be rehabilitated to fully comply with all applicable State and local building, fire, housing and zoning codes. The completed units will meet or exceed HUD Housing Quality Standards.

(Describe work to be done when known)

Accessibility Features

NPDCD plans to renovate the first floor unit at this address include making the unit completely accessible in order to make it suitable for occupancy by a disabled veteran and his/her family. Work will be designed to meet or exceed the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Amendments Act of 1988. NPDCD will enlist community support in identifying an eligible disabled unit to occupy this unit and arrange for any support services required to enable the veteran to reintegrate into the community and live an independent life.

Developer Experience

NPDCD is a 501(c)(3) corporation with over twenty-five years experience in the development and management of housing for low and moderate income persons, including experience involving rental properties with rental assistance and income restrictions. For this project, NPDCD will be contracting with NP Rentals and Management LLC, a woman-owned business enterprise with over thirteen years of experience in managing rental properties with rental assistance program components. NP Rentals and Management LLC will provide property management services under the

direction of the NPDCD board. NPDCD and its treasurer have extensive experience in managing rental housing for low and moderate income persons.

NPDCD has been involved in a dozen projects resulting in the development of 124 affordable rental and homeownership units in Danbury since 1983. Projects have included new construction of dwellings as well as the acquisition and rehabilitation of existing dwellings. The corporation has been fully responsible for construction design, contracting, oversight and management of all projects it has undertaken as the sole developer. This has included design and oversight of the rehabilitation of substandard rental housing units located in central Danbury. In connection with such projects, the corporation has evaluated the structure, prepared specifications whether directly or in concert with an architect engaged by the board, prepared cost estimates/budgets, handled the permit application process, procured contractors, coordinated the work of contractors and overseen the construction phase. The corporation was also responsible for managing the sale or rental of the finished units to low or moderate income persons meeting the eligibility criteria.

In addition to the experience gained as part of NPDCD, three board members (including President Valeri, Treasurer Nolan and Director David Hawley) have extensive experience in the private sector involving commercial and residential development and property management. The three board members combined have over eighty years experience in contracting, construction, development and management in the greater Danbury area. Their experiences have included developments ranging from small rehabilitation projects to large scale residential and commercial developments. Mr. Valeri has been the developer of over 600 condominium units as well as a partner in Falciglia & Valeri Construction, which has been involved as the general contractor for numerous residential and commercial developments since 1995. Mr. Nolan is general managing partner of Nolan Enterprises, a long-established Danbury firm that has developed and managed a large inventory of residential and commercial properties. Mr. Nolan has National Center of Housing Management Certifications as Certified Manager of Housing, Maintenance and Senior Housing Specialist. He has extensive experience in the development, management and maintenance of affordable rental housing units financed under a variety of State and Federal programs. Mr. Hawley is president of Hawley Management Company, Inc., a division of The Hawley Companies in Danbury. The Hawley Companies have been leading residential and commercial developers and contractors in the Danbury area for decades.

City Grant Management Experience

The Finance Department of the City of Danbury will be the lead agency in grant administration, financial oversight and program oversight. The department has many years of experience in administering a variety of State and Federal grants on behalf of the City of Danbury. The department is also responsible for oversight of the City's Community Development Block Grant Program as an entitlement community receiving a direct allocation from HUD. Staff members have experience with CDBG regulations and working in concert with a series of sub-recipients of CDBG to carry out a variety of social service, housing and community development projects meeting CDBG program

goals and requirements. The department has available to it the services of L. Wagner Associates, a private consulting firm with over twenty years experience in helping communities in Connecticut implement CDBG and housing programs. The firm's principal, Lawrence Wagner has extensive experience administering a wide variety of HUD programs and is familiar with EDI-Special Project requirements. It is anticipated that Mr. Wagner will provide technical assistance with respect to complying with program requirements, including environmental reviews, acquisition and procurement procedures.

Finance Department Personnel who will perform functions in connection with the EDI-Special Project grant in Danbury include:

David St. Hilaire, Director of Finance: The City's Director of Finance is responsible for managing the financial affairs of the City, including the preparation of the City budget in conjunction with the mayor, management of all City procurement, bonding, disbursements and administration of all State and Federal grants received by the City. Mr. St. Hilaire will be responsible for review and administrative oversight of all EDI-Special Project activities.

Andrea Gray, Accountant/Payroll Supervisor: serves as the department's liaison for CDBG projects and contact with the City's CDBG consultant, L. Wagner & Associates. Ms. Gray will be involved in EDI-Special Project grant administration and liaison with the City's consultant. Ms. Gray has considerable experience in grant administration and knowledge of CDBG Program requirements and regulations.

Susan Kaminski, Accountant: will be involved in EDI-Special Project grant administration and be the primary liaison with HUD regarding the grant. Ms. Kaminski has varied and extensive experience in administering and overseeing a variety of State and Federal grants in cooperation with various City departments.

All staff members proposed to work on this project are current employees. No new staff will be hired to administer the grant.

Fair Housing Officer Susan Zaborowski of the Health, Housing & Welfare Department will assist the Finance Department and NPDCD as needed and serve as liaison with the Veterans Housing Workgroup and the Danbury Housing Partnership. The Veterans Housing Workgroup was responsible for development of the City's *Housing For Heroes* initiative and serves as a steering committee to oversee implementation of the plan.

Associate Corporation Counsel Lazlo Pinter and Executive Secretary Robin Shepard will provide legal support and counsel to the Finance Department in connection with administration of the EDI-Special Project grant.

Site Location and Neighborhood Amenities

The proposed site is located in a mixed residential area in downtown Danbury that permits easy access to services, stores, recreation, education and employment. The site is

within easy walking distance of the downtown area which is home to most of the major community service providers. The site is also within 0.1 miles of the primary downtown bus station and connection hub providing convenient public transportation within Danbury or to other towns in the Housatonic Valley region. Bus transportation is also available to the VA Outpatient Clinic on Germantown Road as well as to other service programs such as substance abuse treatment, mental health counseling, job training, Western Connecticut State University, Naugatuck Valley Community College, City parks and a host of other community resources.

While most services and amenities are located within walking distance or on the bus routes, the City of Danbury’s Department of Veterans Affairs has committed to assist our veterans with transportation in coordination with the regional Veterans Council. This will ensure that residents can travel to more distant events when needed, such as to visit the VA West Haven Medical Center, to attend the Connecticut Stand-Down event in Berlin or just to take advantage of recreational opportunities in the region and the state.

The site is also close to City facilities and administrative offices, including City Hall, the New Street Fire Station and the New Street City Shelter where many services to assist veterans will be available in connection with the Housing For Heroes plan. The location is ideal in terms of access to community based supports and self-help programs; access to job training and educational opportunities; access to employment; access to retail stores, markets and restaurants; and access to recreational activities such as concerts, movies, fairs and sports events that will help residents re-integrate fully into the community.

Residents will be encouraged to be active in Vet House programs and social events so as to enhance the sense of community fostered there. We hope that some residents will agree to become informal peer counselors to help other veterans as part of our “Vet To Vet” initiative. Fundraising efforts through the Housing For Heroes Fund to be administered by NPDCD Inc. will also be initiated to assist residents in obtaining furniture, household items and personal items they may need to get started. One of the major benefits of these units to residents will be the chance to have their own permanent housing unit and to begin to build a sense of independence while still having the opportunity to be connected to whatever degree they wish to help and support from Vet House staff, VA staff and other trusted providers.

Rent and Occupancy Status

All units at 20 New Street are currently vacant. No relocation of existing tenants will be required. This will allow NPDCD to implement requirements regarding income restrictions, rental charges, and veteran status at the time of initial occupancy following renovation of the structure.

Affordability Restrictions

In accordance with the terms of approval of the CDBG funding for this project by the City of Danbury, deed restrictions will be imposed for a period of five years following completion requiring that the units meet affordability and eligibility requirements. NPDCD will document that residents have household incomes of no more than 80% of

the median family income as established by HUD. Rental charges for the units shall not exceed Fair Market Rentals for Danbury as established by HUD. NPDCD shall own and manage the property throughout the minimum five-year period covered by the deed restrictions and will ensure that all HUD eligibility and affordability restrictions are enforced. NPDCD will also be responsible for ensuring that the veteran status of residents is verified.

Public Purpose and Community Benefit

This proposal is part of the City's *Housing For Heroes* initiative designed to address the housing needs of veterans in our community in a comprehensive manner (copy attached). The plan is the result of a vibrant and on-going collaborative effort on the part of the Mayor's Office of the City of Danbury; NPDCD Inc; the Housing Authority of the City of Danbury; the Danbury Housing Partnership; the City Health and Human Services Department; the City Department of Veterans Affairs; Midwestern Connecticut Council on Alcoholism; the Dream Homes Community Center and other community partners. Although not involved in the preparation of the Vet House grant application, the assistance and collaboration of the VA CT Healthcare System has been instrumental in the development of the ground-breaking *Housing For Heroes* initiative of which the Vet House and Vet House II projects are important components. The long-term commitment of the City-lead collaborative means that NPDCD will have the full support of the community in pursuing this project and that the community will fulfill its commitment to welcome our veterans back home to their community through the provision of appropriate affordable permanent housing opportunities such as this.

The establishment of Vet House II will also help fulfill goals to address the housing needs of veterans set forth in Danbury's Ten-Year Plan To End Homelessness. The Ten-Year Plan was prepared by a diverse group of community representatives and adopted by the Danbury Common Council in March of 2006. Implementation of the Ten-Year Plan is an undertaking overseen by the Danbury Housing Partnership composed of representatives from government, the private sector and the non-profit sector of the community. The fact that this proposal is part of a collaborative community effort promises that NPDCD will have no shortage of community support and no shortage of opportunities to partner with key service providers to ensure the success of this effort. This project is also consistent with the City's Consolidated Plan approved by HUD as evidenced by the financial commitment of Community Development Block Grant Funds towards the acquisition of the property.

Projected Project Timeline

The City and NPDCD plan to complete the required Environmental Reviews and acquire 20 New Street (or, if necessary, another suitable property) by April 30, 2010. Rehabilitation of the property will be completed on or before July 1, 2011 with full occupancy expected by or before August 1, 2011.