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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 

DATE: April 25, 2011

RE: **RESOLUTION – Additional Assistance for Neighborhood Stabilization Program**

Attached for your review is a resolution which will allow the City of Danbury, in conjunction with the Housing Authority of the City of Danbury, to apply for and accept federal funding for the Neighborhood Stabilization Program (NSP III).

This funding is considered Community Development Block Grant funds (CDBG) and will be disbursed by the State of Connecticut Department of Economic and Community Development. The purpose of this funding is for the redevelopment of abandoned and foreclosed upon homes and residential properties in specific census tracts. An Executive Summary is attached.

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

DST/ag



RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____ A.D. 2011

RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

WHEREAS, Title XIV, Mortgage Reform and Anti-Predatory Lending, of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 allocated federal funds to the State of Connecticut to be considered as Community Development Block Grant Funds (CDBG) for the redevelopment of abandoned and foreclosed upon homes and residential properties (the Neighborhood Stabilization Program or NSP); and

WHEREAS, pursuant to Chapter 127c, and Part VI of Chapter 130 of Connecticut General Statutes, the Commissioner of the State of Connecticut Department of Economic and Community Development is authorized to disburse such federal monies; and

WHEREAS, the State of Connecticut's 2008 Action Plan Substantial Amendment requires that each sub-recipient (as that term is defined in the Substantial Amendment) submit a Local Action Plan (as that term is defined in the Substantial Amendment) to the State of Connecticut, Department of Economic and Community Development (State or DECD) in order to receive funds allocated to said sub-recipient; and

WHEREAS, it is desirable and in the public interest that the City of Danbury submit a Local Action Plan to the State in order to make funding commitments using CDBG grant NSP funds for activities associated with the implementation of the Local Action Plan, including the disbursement of such funds.

NOW, THEREFORE, BE IT RESOLVED:

1. That the City of Danbury is cognizant of the conditions and prerequisites for the state financial assistance imposed by The Connecticut General Statutes as well as 24 CFR Part 58 and agrees that all applicable State and Federal requirements will be satisfied prior to the commitment and /or expenditure of NSP funds, as applicable.
2. That the filing of a Local Action Plan as a condition of State financial assistance by the City of Danbury is hereby approved and that Mayor Mark D. Boughton or David W. St. Hilaire, its Director of Finance, are authorized to execute and file such Local Action Plan with DECD, to provide such additional information, to execute such other documents as may be required, to execute an Assistance Agreement with the State of Connecticut for State financial assistance if such an agreement is offered, to execute any amendments, decisions, and revisions thereto and all other documents required by the State or HUD for the receipt of CDBG grant NSP funds as may be necessary to carry out the intent of this resolution and in accordance with all applicable law, to administer funds as required, and to act as the authorized representative of Danbury.

3. The term "contractor" shall refer to the resolving municipality herein. The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved.

The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

EXECUTIVE SUMMARY

This NSP III application is made in accordance with the U. S. Department of Housing and Urban Development's (HUD) guidelines for the Neighborhood Stabilization Program (NSP), as authorized under Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The State of Connecticut has identified the City Of Danbury as a Tier 2 City and eligible for an allocation of \$380,000 in NSP III funds. This amendment to the 2008-2012 Consolidated Plan describes how the City of Danbury and the Housing Authority of the City of Danbury (HACD) propose to use these funds to address the requirements of the Act for meeting identified needs within the community.

In preparing the NSP III application, the City of Danbury and HACD reviewed HUD's NSP I and NSP II and NSP III and local data regarding foreclosure and subprime loans for the City of Danbury in order to identify the areas of greatest need for NSP funding. The NSP III application took into account the required criteria stipulated by HUD for identifying areas of greatest need and identified one (1) census tract that have been or will be most severely impacted by foreclosures, subprime lending and future foreclosures. The census tract is: 2102 (hereinafter "Center City") with a needs score of 16.

It is the intent of the City of Danbury and HACD to leverage approximately seven hundred and eighty thousand (\$780,000) dollars for affordable housing in the Center City and will acquire and rehab two to three 2- bedroom units for low income families as follows:

Funding Source	Proposed Activity	Amount	Units
NSP III	Acquisition and Rehab	\$ 380,000	2
HACD	Acquisition	\$ 300,000	1
CDBG	Infrastructure	\$ 100,000	
Total		\$ 780,000	3