

**CITY OF MERIDEN LOCAL ACTION PLAN  
FOR CONNECTICUT'S NEIGHBORHOOD STABILIZATION PROGRAM  
EXECUTIVE SUMMARY  
REVISED, March 27, 2009**

**Background**

The Housing and Economic Recovery Act of 2008 (P. L. 110-289), signed into law on July 30, 2008, provides \$3.9 billion in Community Development Block Grants to states and localities to buy foreclosed homes standing empty, rehabilitate foreclosed properties, and stabilize the housing market. The program is known as the Neighborhood Stabilization Program (NSP). Connecticut's share of the federal program \$25,043,385. The State has allocated \$1,785,000 to Meriden under this program.

**Accessing the NSP Funds**

To access the funds, City of Meriden must develop a Local Action Plan outlining its plan to utilize its allocated share of the federal funding. In the Local Action Plan, the City must outline all of the programs that it intends to implement and how it will meet all applicable regulations. Purchase, rehabilitation and resale of vacant, foreclosed homes must be the primary goal of the program. Some of the funds may also be spent on demolition and other activities. The City must establish target neighborhoods in which the funds will be spent. Efforts must focus on neighborhoods that have a chance to succeed with the use of federal funds.

On January 5, 2009, the City submitted its Local Action Plan to the State of Connecticut outlining the use of \$1,785,000 in federal Neighborhood Stabilization Funds. After receiving comments from DECD staff, the City amended the NSP Action Plan to address DECD staff concerns. The primary changes to the plan including allocating no more than 13% (\$232,050) to demolition activities, 77% (\$1,376,950) to Acquisition, Rehab and Resale of Foreclosed Properties, 5.6% (\$100,000) for Financing Mechanisms to assist resale of properties, and 4.8% (\$85,000) for Administration. On March 18, 2009 the State of Connecticut approved the City's Local Action Plan and issued contract documents to the City. The contract takes effect once executed by the City and the Attorney General. The City expects to commence the program on or around April 15, 2009. All funding must be drawn down and allocated within 18 months which is on or around October 15, 2010.

**Target Areas**

To determine the target geographic areas of greatest need, the City analyzed several data sources, including foreclosures, subprime lending statistics, demographics, recorded home sales and the current inventory of blighted properties. The City found that from July 2007 through December 2008, 167 properties were foreclosed. 28% of the foreclosed properties were resold as of December 1, 2008. (From December 2008 through February 2009, 32 additional properties were also foreclosed.) A high concentration of vacant, unsold, foreclosed properties is concentrated in three inner-City Meriden neighborhoods: South Colony Street near Factory H, downtown east and west of Colony Street near Twiss, Miller and Liberty Streets, and City Park along Bunker Avenue and the adjacent streets. The City's analysis of the available data indicates that these geographic areas of are in the greatest need of investment within Meriden using NSP funds.

### Implementation of the Local Action Plan

From about April 15, 2009 through October 15, 2010, the City intends to utilize \$1,785,000 in NSP funds to stop the accumulation of foreclosed properties and the associated neighborhood destabilization by completing targeted demolition of blighted properties in concert with the acquisition, rehabilitation and resale of foreclosed homes in the three target areas. Federal funds will be used to acquire, rehabilitate and resell an estimated 15 homes that have been foreclosed. Federal funds will also be used to demolish an estimated 5 vacant, blighted properties targeted for demolition due to its detrimental impacts on the neighborhood. The program will leverage several other awarded grants including Community Block Grants and US EPA Brownfields. The program will be implemented jointly by the City of Meriden Office of Community Development and the Housing Code Division as well as one or more several partners.

### List of Attachments

**Attachment 1**-Methodology used to determine “net realizable value”, consistent with HERA and Federal Register Notice, to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed;

**Attachment 2**-Timeline that the proposed activity will quickly and efficiently acquire, rehabilitate and make targeted properties available for re-occupancy

**Attachment 3**-Statement on administrative mechanisms in place for long-term affordability and to insure compliance

**Attachment 4**-Statement on Landbanking

**Attachment 5**-Statement on draft agreement with a HUD-approved housing counseling

**Attachment 6**-Statement on mortgage loan from a lender who agrees to comply with the bank regulators’ guidance for non-traditional mortgages.

**Attachment 7**-City of Meriden Anti-Blight Ordinance

**Attachment 8**-City of Meriden NSP Homebuyer Program Guidelines

**Attachment 9**-Public Information Documents

**Attachment 10**-Photos and Maps

**Attachment 11**-Environmental Review Record

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FOR CONNECTICUT'S  
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REVISED MARCH 27, 2009**

**Prepared by  
City of Meriden  
142 East Main Street, Meriden, CT 06426**

Subrecipient(s): City of Meriden Subrecipient Web Address: www.cityofmeriden.com <a href="http://www.cityofmeriden.org/CMS/default.asp?CMS_AreaID=76">http://www.cityofmeriden.org/CMS/default.a sp?CMS_AreaID=76</a>	NSP Contact Person: Juliet Burdelski Address: 142 East Main Street, Meriden, CT 06450 Telephone: 203 630 4105 Fax 203 630 4274 Email: <a href="mailto:jburdelski@ci.meriden.ct.us">jburdelski@ci.meriden.ct.us</a>
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**A. Identification of Area(s) of Greatest Need**

Instructions:

*Provide summary needs data identifying the geographic areas of greatest need within your community. A Local Action Plan must include the needs of the entire community. Each community is encouraged to consider amending the community's own HUD Annual Action Plans to better coordinate CDBG, ESG, HOPWA and HOME programs with this program.*

Response:

The City of Meriden intends to utilize \$1,785,000 in Neighborhood Stabilization Program (NSP) funds to improve the housing conditions and improve the living environment in geographic areas that have been identified as having the most urgent need. To determine the geographic areas of greatest need, the City analyzed several data sources, including foreclosures, lis pendens, subprime lending statistics, demographics, recorded home sales and the current inventory of blighted properties.

**Datasets**

***Foreclosures***

The City of Meriden compiled a database of all foreclosures in Meriden beginning July 1, 2007. The data represents all properties that have been foreclosed upon that have been recorded by the Meriden City Clerk. Data for this Local Action Plan analyzed foreclosures listed in the database that were recorded from July 1, 2007 through December 1, 2008. The data set contains 167 properties that have been foreclosed. (The database will be updated as new data becomes available.)

### ***Lis Pendens***

The City of Meriden has a list of all Lis Pendens filed from July 1, 2007 through December 1, 2008. The data set contains approximately 1000 properties where a notice of foreclosure has been recorded by the Meriden City Clerk.

### ***Subprime Lending Statistics***

According to federal estimates, approximately 18.3 % of all existing home loans (12,730 loans total) in the City of Meriden are subprime. Subprime loans by design were made to risky borrowers with low credit scores. Nationwide, defaults have occurred in approximately 10% of all subprime loans. Although no data could be found that locates subprime loans by property or by targeted geographic area, we can assume that a large number of subprime loans and their associated defaults are located in Meriden's low and moderate income census tracts where low income borrowers with low credit scores are likely to reside. A delinquency rate of 10% would result in approximately 1200 total foreclosures in Meriden.

### ***Demographics***

The database of foreclosed properties was mapped by census tract. (This City has a GIS specialist on staff to assist in this effort.) Demographic data linked to each foreclosure property in the City's database includes population, minority population and median income level by census tract (2000 US Census). The City of Meriden has a population of 58,244, and a non-white population of 11,510 (20%). The citywide median income level is \$78,300 (2008).

### ***Sale/Resale of Foreclosed Properties***

The City collected resale data for each foreclosed property in the database. That is, if a foreclosed property was resold anytime between July 1, 2007 and December 1, 2008, the date of the foreclosure, the date of the resale and the sale price are identified. Data was collected from records available through the Meriden Tax Assessor's office as well as real estate transactions listed in the *Hartford Courant*. Forty-six of the 167 (28%) foreclosed properties were resold as of December 1, 2008. The average sales price of those 46 properties is \$131,220. The median sales price for all homes in Meriden is approximately \$200,000<sup>1</sup>.

### ***Proximity of Blighted Properties***

The City has acquired or is in the process of acquiring several blighted and abandoned properties. Once acquired, these properties are targeted for demolition. Properties have been or can be acquired by the City of Meriden through enforcement of the Anti-Blight Ordinance<sup>2</sup>, through condemnation, or through tax foreclosure proceedings. Eminent domain is not used by the City to acquire blighted properties. Blighted and abandoned properties acquired by the City of Meriden include the Meriden HUB site and the Factory H site. The City has also targeted 200 Bunker Avenue for acquisition under the City's Anti-Blight Ordinance, 298 Hanover Street for acquisition as a tax foreclosure and 586 Broad Street for acquisition under a negotiated purchase. Foreclosed properties that are located in close proximity to one or more of these blighted sites have been identified in the database. The blighted properties are located in Census Tracts 1709

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<sup>1</sup> City of Meriden Plan of Conservation and Development, 2006.

<sup>2</sup> See City of Meriden Anti-Blight Ordinance, Attached.

(Factory H, 298 Hanover St.), 1701 (Meriden HUB), 1714 (586 Broad Street), and 1715 (200 Bunker Ave.).

### **Summary Analysis of Target Areas**

The City's analysis of the available data indicates that the following geographic areas are in the greatest need of investment within Meriden using NSP funds.

- South Colony Street area (Census Tract 1709 and adjoining areas in 1708 and 1710) particularly the neighborhoods immediately surrounding Factory H Brownfields site including South Colony Street, Cooper Street, Cherry Street and Cook Avenue.
- Downtown Area east of Colony Street (Census Tract 1701/1714) and west of Colony Street (Census Tracts 1702/1703) particularly the neighborhoods immediately surrounding City Hall and the Board of Education building including Twiss Street, Miller Street and Liberty Street.
- City Park Neighborhood (Census Tract 1715) particularly including Bunker Ave. and connecting streets.

**Table 1  
Summary of Data Sets in Target Areas**

	<b># Foreclosures</b>	<b># Foreclosure Resales</b>	<b>Resale Rate</b>	<b>Average foreclosure resale price</b>	<b>Median Income Level (2000)</b>	<b>Population</b>	<b>Minority population</b>	<b>Blighted Properties</b>
South Colony Census Tract 1709, 1708, 1710	40	6	15%	\$120,000	\$31,477	9,154	2,179 (24%)	Factory H, 298 Hanover St.
City Hall/Downtown area Census Tracts 1701, 1702, 1703, 1714	33	8	24%	\$63,595	\$33,193	8,566	3,418 (40%)	Meriden HUB, 586 Broad Street
City Park Neighborhood Census Tract 1715	17	7	41%	\$118,700	\$38,527	3,524	1,459 (41%)	200 Bunker Ave
<b>TOTAL</b>	<b>90</b>	<b>21</b>	<b>23%</b>	<b>\$100,765</b>	<b>\$34,399.00</b>	<b>21,244</b>	<b>7,056</b>	
<b>TOTAL All Areas</b>	<b>167</b>	<b>46</b>	<b>28%</b>	<b>\$131,220</b>	<b>\$78,500.00 (2008)</b>	<b>58,244</b>	<b>11,510</b>	
<b>TOTAL Non-target Areas</b>	<b>77</b>	<b>25</b>	<b>33%</b>	<b>\$164,361</b>	<b>--</b>	<b>37,000</b>	<b>4,454</b>	

## **B. Program Narrative and Use of Funds**

### Instructions:

*Provide a Program Narrative which should detail both the areas of greatest need but also the rationale for targeting neighborhoods where NSP resources are to be deployed and the percentage of funds for any or all the NSP eligible activities.*

***Note:** The narrative must address these three stipulated need categories in the NSP statute, but the community may also consider other need categories.*

*While NSP focuses both on areas of great need but also expects that a community will target these resources to stabilize neighborhoods. The local challenge of neighborhood stabilization is not to decide which neighborhoods have the greatest need, but which neighborhoods or blocks have the greatest chance for success. How best to distribute limited resources which will result in positive and sustainable impact on one or more neighborhoods is the biggest challenge. These are the neighborhoods where strategic investments can stabilize and redirect market forces, improve property values, reduce disinvestment, and stabilize the tax base. Communities are encouraged model targeting strategies to effectively utilize the NSP funds as outlined in “Stabilizing Neighborhoods by Addressing Foreclosed and Abandoned Properties” by Alan Mallach. The program narrative should include data from which choices were made and graphic and mapping with supports the program decisions.*

*The narrative should address both the Goals and Guiding Principles identified in the State’s Plan, and provide definitions and descriptions for each as provided in the State’s 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program.*

*Second tier communities must also address, to the extent practicable, in the Program Narrative:*

- *Racial Integration: How the choice of neighborhoods and specific locations address the impediments to fair housing choice (as outlined in the state or local Analysis of Impediments) and what affirmative fair housing marketing and tenant/homeowner outreach and selection processes will be put in place to promote integration; and*
- *Leveraging of NSP Funds: How the community will leverage local resources, both public and private, in order to maximize the neighborhood impact.*

*The narrative should also address the community’s capacity to administer a local program. Identify the staff and consultants to be used to administer and implement NSP-activities. Identify whether they are existing staff or new hires. Indicate how much time they will spend on NSP- related activities. If applicable, detail the experience and roles expected of consultants. Additionally, describe and identify any local partners to be used to implement NSP-activities; and their experience in administering such activities.*

*The Program Narrative should address how NSP funds will be used to further fair housing goals identified in the community’s Analysis of Impediments (AI) to Fair Housing, or the State’s AI. It should also clearly demonstrate how the community will meet the DECD set-aside requirement that at least 30% of any funds awarded must serve households with incomes at or below 50% of AMI. Additionally, communities should indicate efforts to minimize displacement and relocation and indicate if they will seek to maintain occupancy of tenants in good standing.*

*If the community does not choose the 15% aggregate discount rate, the Program Narrative should describe the methodology used to determine “net realizable value”, consistent with HERA and Federal Register Notice, to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed;*

Response:

**The City intends to utilize \$1,785,000 in Neighborhood Stabilization Program (NSP) funds to stop the accumulation of foreclosed properties and the associated neighborhood destabilization by completing targeted demolition of blighted properties in concert with the acquisition, rehabilitation and resale of foreclosed homes in specific geographic areas that have been identified as having the most urgent need.** Ultimately, the City's efforts are intended to help stabilize housing prices and promote future economic prosperity in Meriden's inner-City neighborhoods where it is least likely that owner-occupants will invest without government assistance. Further, the use of NSP funds will be directed towards neighborhoods where there are ongoing efforts to stabilize and revitalize the area through investment in infrastructure, code enforcement and other activities. The City's proposed use of funds meets the goals and guiding principles in the State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program.

Meriden's inner-City neighborhoods contain its housing stock most in need of attention, its neediest residents, its least-utilized economic development potential, and numerous institutions that provide social services. Meriden's inner-City area contains high concentrations of low and moderate income and minority households, a high percentage of renters, and much of its older multi-family housing stock. Meriden's inner-City residents frequently experience cost burden problems. Recently, as available foreclosure data indicates, many homeowners have struggled to retain ownership of their properties.

Meriden is a Community Development Block Grant (CDBG) entitlement community. It spends its allocated entitlement funds on programs aimed at providing decent housing in Meriden's low income and minority areas. In the current program year, the City has allocated 63% of its CDBG funds on Neighborhood Preservation Program (NPP) activities and on Housing Code Enforcement. These programs directly fund the improvement of Meriden's inner-City housing stock. Additional CDBG funds are allocated to administration and oversight of these programs. The City has concluded that the following inner-city neighborhoods, which are also targeted for improvement under the CDBG program, are in most need of Neighborhood Stabilization Program (NSP) funds:

- South Colony Street area (Census Tract 1709 and adjoining areas in 1708 and 1710) particularly the neighborhoods immediately surrounding Factory H Brownfields site including South Colony Street, Cooper Street, Cherry Street and Cook Avenue.
- Downtown Area east of Colony Street (Census Tract 1701/1714) and west of Colony Street (Census Tracts 1702/1703) particularly the neighborhoods immediately surrounding City Hall and the Board of Education building including Twiss Street, Miller Street and Liberty Street.
- City Park Neighborhood (Census Tract 1715) particularly including Bunker Ave. and connecting streets.

## **NSP Target Areas:**

### **Priority Area #1: South Colony Street Target Area (located in Census Tracts 1709 and adjacent areas of 1708 and 1710)**

South Colony Street target area includes the neighborhood immediately surrounding Factory H Brownfields site. It is bounded generally by South Colony Street, Cooper Street, Cherry Street and Cook Avenue. The South Colony Street target area is located just south of the Central Business District. The entire target area comprises parts of Census Tracts 1709, 1708 and 1710, which includes a resident population of 9,154 that is 23% non-white. The median income level in those three Census Tracts in 2000 was \$31,477. This area can be classified as a Low Moderate Income (LMI) area compared to the citywide average. As an LMI area, it likely has a high percentage of homeowners with subprime mortgages.

Census Tracts 1709, 1708 and 1710 include 24% of the City's inventory of foreclosed properties. Since July 2007, just six of the 40 foreclosed properties (15%) in the City's database were resold as of December, 2008. The average sale price of a foreclosed property in this area is \$120,000. A sampling of available real estate listings in December 2008 showed that five foreclosed homes were listed for sale in this area at an average price of \$106,000. Prices range from \$69,000 for a single family home to \$150,000 for a two-family home.

In the center of the target area is Factory H brownfields site. The area was once a thriving place where the local workforce could live and walk to work and shop. The abandonment of the former manufacturing site in the late 1970sm, however, contributed to decline of the surrounding neighborhood. The City acquired title to the Factory H property in 2007 through condemnation. A key goal of the City is to demolish Factory H and to complete all required environmental remediation activities so that the site and surrounding area can be redeveloped with housing, needed flood control infrastructure and neighborhood green/open space. The City is currently in process of completing a site reuse plan and flood control plan for the Factory H site and surrounding area. In addition to the Factory H site, a second property, located 298 Hanover Street, has also been targeted by the City for demolition due to its detrimental impacts on the neighborhood. This property, if acquired by the City through tax foreclosure, will be demolished.

The blight associated with Factory H has had a significant impact on Meriden's community life, has hindered the City's economic development efforts and presents potential threats to human health and the environment. Properties adjacent to the Factory H site include a vacant, 70,000 square foot office structure located at 116 Cook Ave., three elderly housing buildings and single and multi family housing units. The vacant office building is privately owned but unmarketable because it is connected to Factory H's deteriorated buildings. The owner of this property and interested developers have approached the City on numerous occasions stating that they cannot redevelop/remarket this structure until the vacant and deteriorated Factory H buildings are demolished. The removal of Factory H's structures is required not only to improve the quality of life for adjacent residents but to also make this vacant office building marketable. The

redevelopment of the Factory H site would greatly facilitate the revitalization of the surrounding neighborhood and breathe new life into adjacent, vacant commercial and residential structures.

The targeted demolition of blighted properties in concert with the acquisition, rehabilitation and resale of foreclosed homes surrounding Factory H will help stabilize the South Colony neighborhood, help stabilize housing prices and foster future economic prosperity in the area. The City is proposing to use NSP, CDBG and other City funds to demolish the targeted City-owned, blighted properties that are contributing to the deterioration of the surrounding neighborhood, to purchase and rehab homes that have been foreclosed, and to sell those homes to first time or other qualified homebuyers. The City intends to use NSP funds to demolish one or more blighted properties and to purchase, rehabilitate and resell approximately five foreclosed homes in the area. Additional properties may be acquired and/or demolished if funding allows. These efforts will leverage over \$500,000 in CDBG funds (over multiple years) for housing rehabilitation in the inner-City neighborhoods, and over \$680,000 in US Environmental Protection grants and City funds for environmental assessment, remediation and future planning of the Factory H site. The City will also contribute its expertise in managing and implementing demolition and rehabilitation programs.

In summary, the targeted demolition of blighted properties in concert with the acquisition and rehabilitation of foreclosed homes in the South Colony area will help stabilize the neighborhood, help stabilize housing prices and promote future economic prosperity in the area. The high number of foreclosures in the area, low foreclosure resale rates, and purchase costs below the city-wide average suggest that there is low private interest in the available properties and government assistance can be justified. The South Colony neighborhood, particularly South Colony Street, Cook Avenue, Cooper Street and Cherry Street will be a top priority for the use of NSP funds.

Priority Area #2: Downtown Area east and west of Colony Street (Census Tracts 1701/1714 and 1702/1703)

The second priority for the use of NSP funds will be in Meriden's downtown neighborhoods located immediately east and west of Colony Street. More specifically, the streets surrounding City Hall and the Board of Education Building, including Twiss Street, Liberty Street, and Miller Street, will be a prime target. Meriden's downtown residential neighborhoods are located in Meriden's historic downtown center and within a quarter mile of public transit, retail businesses, professional offices, entertainment venues, cultural establishments and City offices. The downtown area is primarily broken down into two residential areas: east and west of Colony Street. The neighborhood east of Colony Street includes Census Tracts 1701 and 1714 and the neighborhood west of Colony Street includes Census Tracts 1702 and 1703. For the purposes of this project, housing units located in Census Tract 1701 will be the primary target, although the entire target area comprises parts of Census Tracts 1701, 1702, 1703, and 1714 which includes a resident population of 8566 that is 40% non-white. The median income level in 2000 was \$33,193. This area can be classified as a Low Moderate Income (LMI) area compared to the citywide average. As an LMI area, it likely has a high percentage of homeowners with subprime mortgages. The target area includes 20% of the City's inventory of foreclosed properties. Since July 2007, just eight of the 33 foreclosed properties (24%) have been resold. The average sales price is \$63,595. A sampling of available real estate listings from December 2008 showed at least one foreclosed home for sale for \$48,500.

In the center of the target area and within a quarter mile of Twiss Street, Miller Street, and Liberty Street is the Meriden HUB, a City-owned brownfields site. In 2005, the City acquired title to the Meriden HUB property after determining it would be in the City's best interest to acquire the property and implement the City's flood control plan there. In 2007, the City completed demolition of the abandoned Meriden Mall building located on the HUB site. Interim environmental controls were implemented so that the site could be publicly accessible while permits are secured for the planned flood control improvements. In 2008, the City completed a HUB Site Reuse Concept Plan, which calls for the HUB site to be transformed into a City park that serves the dual purposes of providing public green space and flood storage downtown. The Site Reuse Plan also calls for the development of over 150,000 square feet of mixed use space as well as an intermodal transportation center adjacent to site. The intermodal center will serve existing CT Transit bus routes and the proposed New Haven to Springfield commuter rail service. The City is currently waiting for funding approval to permit and implement the plan. The City expects to commence permitting work in 2009 and construction in 2010. In addition to the Meriden HUB site, a second property, located at 586 Broad Street, has also been targeted by the City for acquisition due to its detrimental impacts on the neighborhood. This property, if acquired, will be demolished.

The targeted demolition of blighted properties in concert with the acquisition, rehabilitation and resale of foreclosed homes in Meriden's downtown residential neighborhoods will help stabilize housing prices and foster future economic prosperity in the area. In this target area, the City intends to use NSP and CDBG funds to purchase and rehabilitate homes that have been foreclosed. Those homes will be rehabilitated and resold to first time or other qualified homebuyers. The City may also utilize NSP funds to demolish City-owned blighted properties that contribute to the deterioration of the surrounding neighborhood. The City intends to use NSP funds to purchase, rehabilitate and resell approximately five foreclosed homes in the area. Additional properties may be acquired if funding is available. Funds may also be used to demolish one targeted, blighted property if acquired by the City. These efforts will leverage over \$2 million spent to date on activities at the Meriden HUB site and \$500,000 in CDBG funds (over multiple years) for housing rehabilitation in the inner-City neighborhoods.

### Priority Area #3: City Park Neighborhood

The City Park neighborhood is located north of Meriden's Central Business District and just north of the I-691 highway. More specifically, Bunker Avenue and connecting street, such as Warrant Street and Howe Street, will be a prime target. The area includes single family and multi family homes that house families, elderly and minority residents. The area, which includes Census Tract 1715, comprises a resident population of 1459 that is 41% non-white. The median income level in 2000 was \$38,527. This area can be classified as a Low Moderate Income (LMI) area compared to the citywide average. As an LMI area, it likely has a high percentage of homeowners with subprime mortgages.

The target area includes 10% of the City's inventory of foreclosed properties. Since July 2007, seven of the 17 foreclosed properties (41%) have been resold. The average sales price is \$118,700. A sampling of available real estate listings from December 2008 showed at least two foreclosed homes currently listed for sale at an average cost of \$104,400. While the foreclosure

resale rate in the City Park neighborhood is higher than the rate of foreclosure sales city-wide, the community has numerous properties that are in disrepair that are being monitored by the City Housing Code Division through the Code Enforcement process. One abandoned property in the area, located at 200 Bunker Ave., has been targeted for the City for acquisition through the City's Anti-Blight Ordinance. This property, if acquired, will be demolished.

The targeted demolition of blighted properties in concert with the acquisition, rehabilitation and resale of foreclosed homes in the City Park neighborhood will help stabilize housing prices and foster future economic prosperity in the area. In this target area, the City intends to use NSP and CDBG funds to purchase and rehab homes that have been foreclosed. Those homes will be rehabilitated and resold to first time or other qualified homebuyers. The City may also utilize NSP funds to demolish City-owned blighted properties that contribute to the deterioration of the surrounding neighborhood. The City intends to use NSP funds to purchase, rehabilitate and resell approximately five foreclosed homes in the area. Additional properties may be acquired if funding is available. Funds may also be used to demolish one blighted property if acquired by the City.

**In summary, the City has targeted the South Colony St./Factory H area, the Twiss St./Miller St./Liberty Street area and the City Park neighborhood along and adjacent to Bunker Ave. for action under the Neighborhood Stabilization Program. Data analysis reveals that all three areas are in urgent need of action due to the high number of foreclosures, the low percentage of foreclosed properties that have been resold, the low price of foreclosed properties that have been resold, and the potential to leverage ongoing efforts to stabilize the neighborhood.**

### **Capacity to Administer a Local Program**

Meriden's City Council has the ultimate responsibility for the allocation of NSP funds and the City's local resources associated with the implementation of projects and activities described in this plan. Overseeing the implementation of projects related to housing and community development are two committees of the Meriden City Council: 1) Economic Development, Housing and Zoning, and 2) Human Services. In addition to oversight by the City Council, the following City Departments and City staff will be responsible for implementing the NSP funded programs.

### **Office of the City Manager**

The City of Meriden employs a full-time Grants Administrator, housed within the City Manager's office, who is responsible for coordinating the City's housing and community development activities. The Grants Administrator is primarily responsible for overseeing the administration of the CDBG program and will have primary responsibility for overseeing and coordinating the NSP activities. The Grants Administrator will work with the City Manager to assign specific responsibilities to the appropriate City Departments and subcontractors. The Grants Administrator will ensure that the City's use of NSP funds is in compliance with all applicable state and federal regulations. The City Manager's Office will also be responsible for oversight of the demolition of City-owned blighted non-residential properties.

Contact: Juliet Burdelski, [jburdelski@ci.meriden.ct.us](mailto:jburdelski@ci.meriden.ct.us), phone 203 630 4105.

### **Department of Development and Enforcement**

City's Department of Development and Enforcement takes the lead in administering the City's Code Enforcement and Home Rehabilitation activities. The Department will have primary responsibility for implementing NSP-funded programs involving acquisition, rehabilitation and resale of foreclosed homes as well as demolition of blighted residential properties. The Department is responsible for all land use regulations and therefore all work will comply with local zoning laws. All activities will comply with the City's Plan of Conservation and Development.

Within the Department, the Housing Division of the City of Meriden, with four full time staff specifically assigned to the inner-City areas, will be responsible for providing house inspections within the inner-City target areas, identifying housing units suitable for acquisition and rehabilitation, and identifying improvements necessary to bring identified properties into compliance with the City's Housing Code and Zoning Ordinance. The Chief Housing Inspector will be responsible for recommending specific houses to be acquired by the City. This Chief Housing Inspector will also be responsible for developing rehabilitation specifications required to bring identified properties into compliance with the City's Housing Code and Zoning Ordinance. The Chief Housing Inspector will also be responsible for signing off on all rehabilitation work and ensuring that all rehabilitation work is completed to the City Housing Code so that each rehabilitated property can be marketed for resale. The Housing Division will be expected to assist in the completion of an estimated 15 acquisition/rehabilitation projects in 18 months. The Housing Division will also be responsible for providing oversight of the demolition of blighted, City-owned residential properties. The Housing Division is currently charged with overseeing the implementation of all Code Enforcement work funded with CDBG funds. Its efforts will be expanded to include NSP funds.

The rehabilitation of acquired properties must bring units up to minimum property standards for rental or resale to income eligible households. "Rehabilitation Standards" shall mean the more stringent of state or local codes or federal housing quality standards, as promulgated by HUD and the housing cost effective energy conservation and effectiveness standards in 24 CFR Part 248.147.

Contact:

Dominick Caruso, Director, Department of Development and Enforcement, phone 203-630-4091, [dcaruso@ci.meriden.ct.us](mailto:dcaruso@ci.meriden.ct.us)

Tom Kilroy, Chief Housing Inspector, [tkilroy@ci.meriden.ct.us](mailto:tkilroy@ci.meriden.ct.us), phone 203-630-4091

Also within the Department, the Neighborhood Preservation Specialist will be responsible for overseeing the implementation of the rehabilitation of homes acquired with NSP funds. Activities assigned to the Preservation Specialist include working with the Chief Housing Inspector to identify housing units suitable for acquisition and rehabilitation, acquiring an appraisal for each property to be acquired; completing an environmental review in accordance with the City's Environmental Review Record, and working with the NSP Partner organizations to negotiate an acquisition price for each house to be purchased (must be no more than 85% of appraised cost). Once the property is acquired, the NP Specialist will be responsible for

working with the Purchasing Office to select a contractor to perform the rehabilitation work specified by the Chief Housing Inspector. All contractors will be selected in compliance with City, state and federal procurement guidelines. The NP Specialist will be responsible for working with the NSP Partner(s) to identify potential homebuyers that meet the income guidelines and marketing and selling rehabbed properties to qualified homebuyers. The NP Specialists will ensure that the principles of Fair Housing are incorporated into all marketing activities. The NP Specialist will also implement the City's relocation plan if necessary. Following the sale of each property, the NP Specialist will be responsible for filing all required deed restrictions, restrictive covenants, or other such mechanisms running with the land that assures that all rehabilitated properties will be provided at affordable levels during the period of affordability as required by the use of NSP funds. The NP Specialist will be responsible for monitoring all NSP-funded units to insure compliance during the entire period of affordability. The NP Specialist will be responsible for working with the Grants Administrator to ensure that all activities meet HUD and DECD regulations pertaining to the use of CDBG and NSP funds for home rehabilitation, such as LMI income requirements, procurement, lead paint hazard reduction, fair housing, relocation, record keeping and other requirements. The NP Specialist will be assigned the responsibility of updating all program guidelines, plans, records, transaction detail or other written documents showing proof that all federal and state regulations were followed during the implementation of the acquisition and rehabilitation of NSP-funded projects.

Contact: Peter Miller, Neighborhood Preservation Specialist, [pmiller@ci.meriden.ct.us](mailto:pmiller@ci.meriden.ct.us), phone 203-630-4101

### **Department of Law**

The City's Legal Department will be responsible for carrying out all legal activities associated with the use of NSP funds. Activities may include completing real estate closings and other legal services as required. The Legal Department will also provide follow up on any issues related to Fair Housing Choice should they arise. The Legal Department is currently charged with overseeing the implementation of all Housing Legal activities funded with CDBG funds. Its efforts will be expanded to include NSP funds.

Contact: Debby Moore, City Attorney, [dmoore@ci.meriden.ct.us](mailto:dmoore@ci.meriden.ct.us), phone 203-630-4045

### **Purchasing Office**

The City's purchasing office will be responsible for working with the Grants Administrator to ensure that the procurement of services, properties, rehabilitation work, environmental work, appraisals and other items meet applicable federal and state procurement guidelines.

Contact: Wilma Petro, Purchasing Officer, [wpetro@ci.meriden.ct.us](mailto:wpetro@ci.meriden.ct.us) phone 203-630-4115

### **MIS Department**

The City's MIS Department will be responsible for working with City staff to produce maps and other illustrations that may be used to report on and track the use of NSP funds.

Contact: Patrick Ladd, GIS Specialist, [pladd@ci.meriden.ct.us](mailto:pladd@ci.meriden.ct.us), phone 203-630-4148

## **Project Partners**

The City will seek qualified organizations to work with the City to implement the City's NSP Program. All work will be done in accordance with the City's approved NSP Local Action Plan and with the State of Connecticut 2008 Action Plan Substantial Amendment-Neighborhood Stabilization Program (NSP). Qualified organizations will be capable of implementing one or more of the following activities associated with the NSP Program:

- Work with City staff to select homes suitable for purchase, rehabilitation, or demolition in the identified target areas.
- Assist City staff to negotiate purchases of foreclosed homes banks or other eligible entities.
- Assist City staff develop list of rehabilitation specifications on homes selected for purchase, rehabilitation and resale to qualified homebuyers.
- Ensure rehabilitation work is completed in accordance with City's rehabilitation standards.
- Identify, Pre-qualify and Select potential homebuyers that meet the income eligibility criteria.
- Work with each homebuyer to select property for purchase and rehabilitation.
- Provide or arrange for each homebuyer to complete at least eight (8) hours of and post-homeownership counseling services from a HUD-approved housing counseling agency and provide evidence that the counseling was completed before obtaining a mortgage loan.
- Ensure that the homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Sub-prime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury <http://www.fdic.aov/ueaulations/laws/~ules/50OU-516U.html>)

The City has prior experience in working with the Connection Fund Inc. to acquire (through tax foreclosure), rehabilitate, and resell residential properties to first time homebuyers under the City's *First Time Homebuyers Program*. The City and the Connection Fund completed five units from 2002-2005. The Connection Fund Inc., located at 955 South Main Street, Middletown, CT, is a Connecticut based non-profit Human Services and Community Development agency. The Connection Fund Inc. has expressed interest in working with the City to implement the NSP program. Other non-profit organization will also be invited to participate through a City-approved solicitation process. A service fee for each completed project will be established by a competitive bid process. The NSP Partner organization (s) will be required to complete all activities in compliance with all applicable state and federal regulations.

## **How NSP Funds will be used to Address Impediments to Fair Housing Choice**

The City of Meriden will use NSP funds to further fair housing goals identified in the community's Analysis of Impediments (AI) to Fair Housing Choice in several ways. First, Meriden's Analysis of Impediments to Fair Housing Choice notes that the relative percentages of

owner occupied and renter occupied housing have remained approximately the same since 1980, or 60% owner, 40% renter. Relative to comparable sized communities and its neighboring communities, Meriden continues to have a relatively larger percentage of rental units. In addition, Meriden's median cost of housing, both owner-occupant and rental, are less than State-wide, New Haven County, and neighboring communities making it relatively affordable. The most recent AI found that the household income level is the principal barrier for persons in securing housing to meet their needs and choice. Therefore, the City's use of NSP funds will be targeted to providing affordable housing to low-income households. The units that are purchased and resold will be listed as new affordable units for the required period of affordability. Rental units must be provided at Fair Market Rent Levels.

The City will follow the requirements of the City's Equal Opportunity Ordinance and the City's Fair Housing Ordinance when marketing to, identifying, or pre-qualifying potential homeowners to purchase foreclosed homes that were acquired and rehabilitated using NSP funds. It will require all project partners involved in the selection of potential homebuyers to do the same. (Specific activities related to compliance with Fair Housing Marketing activities will be further outlined in the City of Meriden NSP Homebuyer Program Guidelines, see Attachment 8.) The City has a Human Rights Advocate who is empowered under the local ordinance to investigate, arbitrate and/or enforce when necessary any complaints or instance of housing discrimination or other types of discrimination. The Human Rights Advocate position is staffed by the City Department of Law. The City will pursue any complaints received regarding its use of NSP funds as it pertains to Fair Housing Choice.

#### **How the City will meet the DECD Set-Aside Requirements and "net realizable value"**

The City of Meriden will allocate at least 30% of its NSP allocation, totaling \$535,500, to be used for housing individuals or families whose incomes do not exceed 50% of area median income (AMI). The City intends to identify potential homebuyers that meet the income level requirements. If homebuyers can not be identified that meet this income level, the City will require rental units in multi family buildings to meet this income level requirement until the minimum allocation is met. Income levels for first time homebuyers and renters in multi-family homes will be verified through the homebuyer application process. Rental units must be provided at Fair Market Rent Levels.

The City of Meriden plans to fulfill the State of Connecticut requirements that all acquisitions meet the aggregate discount rate of 15% of appraised value or "net realizable value" to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed. "Net realizable value" is the appraised value, less the cost of security, maintenance, capital costs, tax costs, and insurance for the anticipated time the property would be in the portfolio if it were not for purchase by the recipient (grantee, subrecipient, non-profit organization, individual homebuyer, etc.) of NSP funds.

#### **Instructions:**

*Provide a breakdown of the use and distribution of NSP funds within the community.*

Response:

- Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second and shared-equity loans for low-, moderate- and middle-income (LMMI) homebuyers – 5.6% or \$100,000 of Round 1 NSP Funds
- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties – 76.6% of \$1,367,950 of Round 1 NSP Funds
- Establish land banks for homes that have been foreclosed upon – 0%
- Demolish blighted structures – 13% or \$232,050 of Round 1 NSP funds
- Redevelop demolished or vacant properties – 0%
- Administration—4.8% or \$85,000 of Round 1 NSP funds

**C. Definitions and Descriptions**

Instructions:

*Provide definitions and descriptions for each as provided in the State’s 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program. Each community may incorporate, by reference, the definitions and descriptions from the State’s 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program by reference.*

***Note:** Each community may adopt more stringent definitions and descriptions than provided in the State’s 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program; however, less stringent requirements will be rejected by DECD.*

(1) Definition of “blighted structure”, if more stringent than in State’s plan.

Response:

The State’s definition of blight is consistent with the City’s definition. However, the City’s blight definition expands on the State definition by listing specific blighted conditions, ie: overgrown landscaping, abandoned vehicles etc. The City of Meriden will use the City’s Anti-Blight Ordinance (attached) when determining if a structure is blighted.

(2) Definition of “affordable rents” , if more stringent than in State’s plan.

Response:

The City of Meriden will use the following definition, which is included in the State’s 2008 Action Plan Substantial Amendment:

**“Affordable Rents”** means rents that are at or below the Fair Market Rent Levels as defined in Appendix B of the State’s NSP Plan; or rents that do not exceed 30% of the adjusted income of a family whose annual income equals 80% of AMI, as determined by HUD, with adjustments for number of bedrooms in the unit; or rents that do not exceed 30% of the family’s adjusted income,

if the unit receives Federal project-based rental subsidy or 40% of the family's adjusted income if the unit receives State project-based rental subsidy (i.e., tenant contribution plus project-based rental subsidy) and the rent allowable under the Federal or State project-based rental subsidy program. Affordable rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes.

(3) Definition of "abandoned structure", if more stringent than in State's plan.

Response:

The City of Meriden will use the following definition, which is included in the State's 2008 Action Plan Substantial Amendment:

**Abandoned:** A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

(4) Definition of "foreclosed property", if more stringent than in State's plan.

Response:

The City of Meriden will use the following definition, which is included in the State's 2008 Action Plan Substantial Amendment:

**Foreclosed:** A property "has been foreclosed upon" at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

(5) Definition of "current market appraised value", if more stringent than in State's plan.

Response:

The City of Meriden will use the following definition, which is included in the State's 2008 Action Plan Substantial Amendment:

**Current Market Appraised Value:** The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, subrecipient, developer, or individual homebuyer.

(7) Describe housing rehabilitation standards that will apply to NSP assisted activities.

*Note: A community may attach a copy of its existing CDBG rehabilitation standards, if applicable.*

Response:

All housing units receiving NSP rehabilitation assistance will conform to the guidelines outlined in the States' NSP plan as well as the City's housing rehabilitation specification as determined by the City of Meriden NSP Homebuyer Program Guidelines. The City's specification includes, at minimum, correction of all housing code violations as and Building code requirements as applicable as determined by the Department of Development and Enforcement.

(8) Describe how the community will ensure continued affordability for NSP-assisted housing.

Response:

An owner occupant with a multiple family unit dwelling structure who receives assistance will agree not to increase the rent, as stated at the time of application on any rental unit contained in the structure for a period of time that meets the NSP guidelines from the date of occupancy. Upon sale of the property, the requirement that the unit(s) be provided at affordable limits will be included in the property records for the minimum period of affordability required by the amount of the NSP assistance.

(9) Minimum period of affordability in years, if greater than in State's plan:

Response:

The City of Meriden will use the following, which is included in the State's 2008 Action Plan Substantial Amendment:

<b>Rental Housing Activity</b>	<b>Minimum Period of Affordability in Years</b>
Rehabilitation or acquisition of existing housing per unit amount of NSP funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New Construction or acquisition of newly constructed <u>rental</u> housing (24 CFR 92.252.e)	20
The refinancing of existing debt secured by housing that is being rehabilitated with NSP funds (24 CFR 92.206.b)	15

<b>Homeownership NSP Assistance Amount Per Unit</b>	<b>Minimum Period of Affordability in Years</b>
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

(10) Income Certification of NSP-Assisted Rental Units, if greater than in State’s plan:

Response:

The City of Meriden will use the following, which is included in the State’s 2008 Action Plan Substantial Amendment:

The income of each tenant must be determined initially in accordance with 24 CFR 92.203(a)(1)(i). In addition, each year during the period of affordability the project owner must re-examine each tenant’s annual income in accordance with one of the options in 24 CFR 92.203 selected by the participating jurisdiction. An owner of a multifamily project with an affordability period of 10 years or more who re-examines tenant’s annual income through a statement and certification in accordance with 24 CFR 92.203(a)(1)(ii), must examine the income of each tenant, in accordance with 24 CFR 92.203(a)(1)(i), every sixth year of the affordability period. Otherwise, an owner who accepts the tenant’s statement and certification in accordance with 24 CFR 92.203(a)(1)(ii) is not required to examine the income of tenants in multifamily or single-family projects unless there is evidence that the tenant’s written statement failed to completely and accurately state information about the family’s size or income.

**D. Low Income Targeting**

Instructions:

*Identify the amount of NSP funds made available by DECD under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income (AMI): \$\_\_\_\_\_.*

***Note:** At least 30% of funds must be used for housing individuals and families whose incomes do not exceed 50% of AMI. None of the community’s administrative expenses can count against the minimum obligation, i.e. 30%.*

Response:

The City of Meriden will allocate at least 30% of its NSP allocation, totaling \$535,500, to be used for housing individuals or families whose incomes do not exceed 50% of area median income (AMI). The City intends to identify potential homebuyers that meet the income level requirements. If homebuyers can not be identified that meet this income level, the City will require rental units in multi family buildings to meet this income level requirement until the minimum allocation is met. Income levels for first time homebuyers and renters in multi-family

homes will be verified through the homebuyer application process. Rental units must be provided at Fair Market Rent Levels.

## **E. Acquisitions and Relocation**

### Instructions:

*Indicate whether community intends to demolish or convert any low- and moderate-income dwelling units (i.e.,  $\leq 80\%$  of area median income). If so, include:*

- *The number of low- and moderate-income dwelling units (i.e.,  $\leq 80\%$  of AMI) reasonably expected to be demolished or converted as a direct result of NSP-assisted activities;*
- *The number of NSP affordable housing units made available to low-, moderate-, and middle-income households (i.e.,  $\leq 120\%$  of AMI) reasonably expected to be produced by activity and income level, by each NSP-assisted activity providing such housing; and*
- *The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50% of AMI.*

**Note:** *CGS § 8-37z reads in part that “.... the Commissioner of Economic and Community Development shall ensure that the involuntary displacement of persons and families residing in any single-family or multifamily dwelling, which displacement occurs in connection with any housing or community development project or economic development project receiving state financial assistance under any program administered by the commissioner under the general statutes, is reduced to the minimum level consistent with achieving the objectives of such program....”*

*Communities contemplating activities that will trigger displacement, relocation or conversion must submit as part of their Local Action Plan a complete Relocation Plan that conforms to federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) requirements at 42 USC 4201-4655 and 49 CFR Part 24. Federal law governing relocation will apply to projects utilizing NSP funds, except where Connecticut law imposes more stringent requirements.*

**Note:** *Acquisition activities trigger URA seller notification and appraisal requirements. If applicable attach copy of Relocation Plan.*

### Response:

The City intends to demolish only vacant and abandoned properties using NSP funds. Therefore the City intends to demolish or convert no low- and moderate-income dwelling units (i.e.,  $\leq 80\%$  of area median income) using NSP funds.

If during the course of property acquisition, the City identifies tenants in properties to be acquired using state and federal funds, the City will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD. The City's relocation plan will be included in City of Meriden NSP Homebuyer Program Guidelines.

## **F. Public Consultation and Partnership Process**

### Instructions:

*Provide a narrative describing any consultation undertaken by the community in developing the Local Action Plan, as well as, describing partnerships, if any, anticipated to implement an award within the timeframes detailed in the State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program.*

**Note:** *Each community's Local Action Plan must be published and posted on the jurisdiction's website by February 2, 2009.*

### Response:

The City of Meriden completed the following activities related to development of the Local Action Plan.

During the months of July-December 2008, City staff gathered relevant data used to identify the NSP target areas for inclusion in the NSP Local Action Plan. Data sets that were gathered and previously described in detail include the following: Foreclosures July 2007 through December 2008, Lis Pendens July 2007 through December 2008, US Census tract and demographic data, sales of foreclosed properties, and proximity of blighted properties. Departments participating in the collection and analysis of all relevant data sets included the City Manager-Offices of Community Development and Economic Development, Meriden City Clerk, Tax Assessor, Department of Development and Enforcement, and the MIS/GIS staff. Also participating in the data analysis was staff of the Connection Fund Inc., a non-profit organization that has partnered with the City to purchase and rehabilitate homes acquired through tax foreclosure. The City working with the Connecticut Fund Inc. completed the acquisition, rehabilitation and resale of five tax foreclosure properties to Low/Moderate Income First Time Homebuyers. Staff concluded that the most expeditious use of any NSP funds would be to use the *City's First Time Homebuyers Program* as a framework for the implementation of the NSP Program.

On September 5, 2008, City Staff and a representative of the Connection Fund Inc. attended a roundtable discussion hosted by US Congressman Christopher Murphy and the Meriden Chamber of Commerce to discuss the 2008 Federal Housing Act that created the NSP plan.

On October 21, Mayor Michael Rhode along with Community Development staff attended a session hosted by DECD to discuss the framework of the NSP program.

In November, 2008, DECD published their draft NSP Plan. A public comment period was open until November 21, 2008. During this time, the public was invited to submit written comments on the proposed allocation of NSP funds, including a proposed allocation of \$1.85 million to the City of Meriden. The City submitted its formal comments on the State's NSP Plan on November 18, 2008. At least two Meriden residents provided comments on the State's NSP Plan.

On December 15, 2008, City staff and a representative of the Connection Fund Inc. attended a seminar to discuss the framework of local NSP plans. The session was hosted by the Connecticut Housing Coalition.

On December 18, 2008, City staff attended a training session to review the required NSP planning elements. The session was organized by CT DECD and by HUD.

On January 5, 2009, the NSP Local Action Plan was presented to the Meriden City Council and posted on City website ([www.cityofmeriden.org](http://www.cityofmeriden.org)). Interested parties were invited to submit written comments on the Local Action Plan from January 5 through January 15, 2009. The Local Action Plan was submitted to DECD on January 20, 2009.

During January and February 2009, DECD provided comments on the proposed Local Action Plan. In March, 2009, staff amended the NSP Local Action Plan to address DECD staff comments. The primary changes to the plan include allocating no more than 13% of the total to demolition activities, 77% to acquisition and rehabilitation of foreclosed properties, 5% for related financing mechanisms and 5% for administration.

In February 2009, the Purchasing Office issued an RFQ for entities interested in working with the City to perform home improvement services under the NSP Program. Interviews with prospective contractors will be held in April.

On March 20, 2009, the Purchasing Office issued an RFQ for entities interested in working with the City to implement the NSP Local Action Plan. Interviews with prospective NSP partners will be held in April.

On March 12, 2009, the City has issued a public notice stating its intent to request the release of NSP funds (RROF) on or about March 27, 2009. The public notice also states that the use of NSP funds is expected to have no significant impact on the environment. This public notice and a 15 day public comment period are required by HUD regulations. Following the public comment period, the City submitted the Environmental Review Record and RROF to DECD along with the executed grant agreement.

On March 28, 2009, contact agreement provided to DECD along with amended NSP Local Action Plan.

## **G. NSP Information by Activity**

### *Instructions:*

*Each community must complete the information required in Section G for each activity the community plans to undertake. A separate Section G must be completed for each activity.*

***Note:** A community will not be able to undertake an activity in the future, if it is not included in their original submission to DECD. A community may adopt narratives provided in the State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program for subsections (1), (2), (3), (4) and (6).*

*Note: Subsections (9) and (10) are set by DECD and cannot be changed.*

Response:

Instructions:

*For acquisition activities, indicate methodology for discount rate.*

*For financing activities, indicate range of interest rates.*

*For housing related activities, include:*

- *Identify duration or term of assistance;*
- *Identify tenure of beneficiaries--rental or homeownership; and*
- *Provide a description of how the design of the activity will ensure continued affordability, if different from that specified by the State.*

**1) Activity Name: Acquisition, Rehabilitation of Foreclosed Homes**

**(2) Activity Type:** All acquisition and rehabilitation activities will be managed by the City of Meriden in accordance with the following guidelines and regulations:

- NSP reference: NSP Federal Register Notice dated Monday October 6, 2008 Section II Part H 3(a)(B) and HERA Section 2301(c)(3)(B)
- CDBG reference: 24 CFR Part 570.201 (Acquisition) and 24 CFR Part 570.202 (Rehabilitation)

**(3) National Objective:** The City of Meriden will target at least 30% of its NSP allocation towards Acquisition and Rehabilitation activities serving the 50% of median income population. All properties will be occupied by households meeting the LMMI standard.

**(4) Activity Description:** To acquire foreclosed homes for rehabilitation and re-sale to eligible low- and moderate-income families or other activities meeting LMMI benefit. Any rehabilitation of foreclosed upon homes and residential properties will be carried out to bring such properties up to minimum housing standards in order to sell, rent, or redevelop said properties.

**(5) Location Description:** The areas targeted for the use of NSP Acquisition and Rehabilitation funds area as follows:

- South Colony Street area (Census Tract 1709 and adjoining areas in 1708 and 1710) particularly the neighborhoods immediately surrounding Factory H Brownfields site including South Colony Street, Cooper Street, Cherry Street and Cook Avenue.
- Downtown Area east of Colony Street (Census Tract 1701/1714) and west of Colony Street (Census Tracts 1702/1703) particularly the neighborhoods immediately

surrounding City Hall and the Board of Education building including Twiss Street, Miller Street and Liberty Street.

- City Park Neighborhood (Census Tract 1715) particularly including Bunker Avenue and connecting streets.

**(6) Performance Measures:**

The City will prepare quarterly reports that detail activities completed, activities to be undertaken, including the following information by numbers, costs, and racial ethnic data:

- # of properties acquired
- # of units rehabilitated
- # of households displaced
- # of units meeting energy star standards
- # of units meeting Section 504 standards
- # of units meeting lead safe standards
- # of rental and homeowner units occupied
- Household Characteristics of displaced households
- Household Characteristics by unit of new occupants
- Income levels of households that are 50% of AMI and below, 51-80% and 81-120%

**(7) Total Budget:** The City of Meriden will use \$1,367,950 of its first allocation of NSP funds for Acquisition and Rehabilitation activities. The City will also access up to \$500,000 in CDBG funds (over multiple years) that is available for home rehabilitation loans or other activities.

**(8) Responsible Organization:** City of Meriden, 142 East Main Street, Meriden CT 06450  
Acquisition. Program Contact: Juliet Burdelski, CDBG/Grants Administrator,  
[jburdelski@ci.meriden.ct.us](mailto:jburdelski@ci.meriden.ct.us), phone 203 630 4105.

The City will also seek project partners to work with the City to identify, select and counsel potential homebuyers.

**(9) Projected Start Date: February 13, 2009**

**(10) Projected End Date: February 13, 2013**

**(11) Specific Activity Requirements:**

The City of Meriden plans to fulfill the State of Connecticut requirements that all acquisitions meet the aggregate discount rate of 15% of appraised value or “net realizable value” to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed. “Net realizable value” is the appraised value, less the cost of security, maintenance, capital costs, tax costs, and insurance for the anticipated time the property would be in the portfolio if it were not for purchase by the recipient (grantee, subrecipient, non-profit organization, individual homebuyer, etc.) of NSP funds.

All rehabilitated properties will assure affordability consistent with the HOME Investment Partnerships Program by requiring the use of deed restrictions, restrictive covenants, or other such mechanism running with the land. Affordability periods will be consistent with the HOME Program Standards at 24 CFR 92.252(a), (c), (e) and (f) and 24 CFR 92.254. The duration of any affordability will meet the requirements of Section C. Definitions and Descriptions and will range from 5 to 15 years dependent on the amount of funds invested per unit.

The rehabilitation of acquired properties must bring units up to minimum property standards for rental or resale to income eligible households. “Rehabilitation Standards” shall mean the more stringent of state or local codes or federal housing quality standards, as promulgated by HUD and the housing cost effective energy conservation and effectiveness standards in 24 CFR Part 248.147. The City will be responsible for ensuring that all rehabilitation work is completed to the City Housing Code, which by the City’s review meets or exceeds Section 8 Housing Quality standards.

**1) Activity Name:** *Demolition of Blighted Structures*

**(2) Activity Type:** All demolition activities will be managed by the City of Meriden in accordance with the following guidelines and regulations:

- NSP reference: NSP Federal Register Notice dated Monday October 6, 2008 Section II Part H 3(a) (D) and HERA Section 2301(c)(3)(D)
- CDBG reference: 24 CFR 570.201(d)

**(3) National Objective:** Demolition of blighted structures to be replaced by housing units for LMMI households through either immediate redevelopment or land banking. If demolished properties are not used for redevelopment as housing, then the activity must meet the LMMI area benefit or limited clientele test.

**(4) Activity Description:** To acquire blighted buildings and demolish same for either land bank activities or to provide sites for home ownership, rental housing development, or other CDBG eligible activity benefiting LMMI persons. The subrecipient communities have been designated as having the greatest need within the state based on available federal and state data. Each subrecipient will be required to target 25% of their award under the NSP program for activities serving the 50% of median income population.

**(5) Location Description:** The sites targeted for the use of NSP Acquisition and Rehabilitation funds area as follows:

- Factory H “Sawtooth” Building, 104 Butler Street (Blighted. City-owned. Census Tract 1709)
- Factory H “Building A”, 104 Butler Street (Blighted. City-owned. Census Tract 1709)
- 298 Hanover Street (To be acquired through tax foreclosure. Census Tract 1709)
- 586 Broad Street (Potential for acquisition to be determined. Census Tract 1714)
- 200 Bunker Ave (Blighted. To be acquired through Anti-Blight Ordinance. Census Tract 1715.)

**(6) Performance Measures:**

The City of Meriden will prepare quarterly reports that detail activities completed, activities to be undertaken, including the following information by numbers, costs, and racial ethnic data:

- # of properties demolished
- # of units demolished
- # of households displaced
- Household Characteristics of displaced households

**(7) Total Budget:** The City of Meriden is proposing to use no more than \$232,050 of its first allocation of NSP funds to demolish one or more blighted properties in the target areas. The City may also leverage approximately \$170,000 in CDBG funds for demolition activities and other funds if they become available.

**(8) Responsible Organization:** City of Meriden, 142 East Main Street, Meriden CT 06450 Acquisition. Program Contact: Juliet Burdelski, CDBG/Grants Administrator, [jburdelski@ci.meriden.ct.us](mailto:jburdelski@ci.meriden.ct.us), phone 203 630 4105.

**(9) Projected Start Date: February 13, 2009**

**(10) Projected End Date: February 13, 2013**

**(11) Specific Activity Requirements:**

All of the target areas comprise Low/Mod areas according to the US Census. The City will only complete demolition activities where the end use of the demolition activity has a direct benefit to the surrounding residents, who are by definition low moderate residents. For each demolition activity undertaken, the City will develop a five-year site reuse plan for the property that was acquired using federal funds outlining how it will be a benefit to LMI residents. The City will work with HUD staff to ensure that its documentation of the proposed site reuse is consistent with the CDBG regulations for approved demolition activities.

**(1) Activity Name: Financing Mechanisms**

**(2) Activity Type:** Financing Mechanisms will be established by the City of Meriden in accordance with the following guidelines and regulations:

- NSP reference: NSP Federal Register Notice dated Monday October 6, 2008 Section II Part H 3(a)(A) and HERA Section 2301(c)(3)(A)
- CDBG reference: 24 CFR Part 570.201(n) Homeownership Assistance.

**(3) National Objective:** Direct benefit to LMMI households.

**(4) Activity Description:** Funds will be made available for eligible activities to include acquisition, rehab and the redevelopment of demolished housing. Activities may be in the form

of loans, grants or other mechanisms to foster homeownership and rental housing opportunities for LMMI households. Interest rates may range from 0% to 5% and will be determined based on standard underwriting practices. It is anticipated that most loans will be at 0% per annum. However, interest rates may not exceed 5% and it is anticipated that rates above 0% will only be used to projects with rental properties where the operating proforma indicates that the project operating budget can support the proposed debt coverage ratios are from 1.15 to 1.25.

**(5) Location Description:** The areas targeted for the use of NSP Financing Mechanism funds area as follows:

- South Colony area (Foreclosed homes located in Census Tract 1709 and adjoining areas in 1708 and 1710)
- Downtown Areas east and west of Colony Street (Foreclosed homes located in Census Tract 1701/1714 and 1702/1703)
- City Park Neighborhood (Foreclosed homes located in Census Tract 1715)

**(6) Performance Measures:**

The City of Meriden will prepare quarterly reports that detail activities completed, activities to be undertaken, including the following information by numbers, costs, and racial ethnic data:

- # of properties assisted
- # of units rehabilitated
- # of units meeting energy star standards
- # of units meeting Section 504 standards
- # of units meeting lead safe standards
- # of rental and homeowner units occupied
- Household Characteristics by unit

**(7) Total Budget:** The City of Meriden is proposing to use no more than \$100,000 of its first allocation of NSP funds for financing mechanisms.

**(8) Responsible Organization:** City of Meriden, 142 East Main Street, Meriden CT 06450  
Acquisition. Program Contact: Juliet Burdelski, CDBG/Grants Administrator,  
[jburdelski@ci.meriden.ct.us](mailto:jburdelski@ci.meriden.ct.us), phone 203 630 4105.

**(9) Projected Start Date: February 13, 2009**

**(10) Projected End Date: February 13, 2013**

**(11) Specific Activity Requirements:**

The City agrees to conform to the requirements associated with the use of NSP funds for Financing Mechanisms. Any first time homebuyer activity will include a copy of a written agreement with a HUD-approved housing counseling agency to provide pre- and post-housing counseling services and a copy of the proposed curriculum. Any homebuyer activities will ensure that a buyer's payment of principal, interest, taxes, insurance (PITI) and association fees (if

applicable) cannot exceed 30% of the household's anticipated gross annual income for eligible persons or families. However, if the purchase is part of an approved governmental first mortgage program, DECD may accept that governmental agency's higher ratios upon a written request of the subrecipient. Approved governmental programs include, but are not limited to CHFA, USDA, Federal Home Loan Bank, Fannie Mae, Connecticut CDFI Alliance or FHA. All properties assisted through these mechanisms will be occupied by households meeting the LMMI standard. All assisted properties will assure affordability consistent with the HOME Investment Partnerships Program by requiring the use of deed restrictions, restrictive covenants, or other such mechanisms running with the land. Affordability periods will be consistent with the HOME Program Standards at 24 CFR 92.252(a), (c), (e) and (f) and 24 CFR 92.254. Interest rates may range from 0% to 5% and will be determined based on standard underwriting practices. It is anticipated that most loans will be at 0% per annum. However, interest rates may not exceed 5% and it is anticipated that rates above 0% will only be used for projects with rental properties where the operating proforma indicates that the project operating budget can support the proposed debt coverage ratios are from 1.15 to 1.25.

It is the City's position that any homebuyer participating in the NSP or CDBG homebuyer programs must obtain a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages. The City will require lenders agree to adhere to the following business practices when originating purchase mortgages:

- Prohibit predatory lending practices and abusive sub-prime mortgage lending.
- Make best efforts to place borrowers in the least risky, most sustainable and most affordable loan product that is appropriate for the customer's financial situation.
- Originate mortgages that are conventional (fixed rate) or responsible sub-prime loans.
- Originate mortgages that are eligible for purchase by Connecticut Housing Finance Authority, Federal Housing Administration, Fannie Mae or Freddie Mac.
- Prohibit mortgages with balloon payments, interest only or interest first provisions, and those that allow for no income-no asset, or stated income-stated asset features (financial information provided by mortgage applicants that is not verified by lenders).
- Utilize prepayment penalties for a maximum term of three years, and only when there is a specific benefit to the borrower (e.g., rate or fee reduction for accepting the prepayment penalty terms, etc.).
- Prohibit adjustable rate mortgages (ARMs) – unless borrowers are qualified at the fully-indexed and fully amortizing rate.
- Maintain foreclosure prevention practices that meet or exceed Fannie Mae or Freddie Mac standards.
- Ensure that homebuyers complete an 8-Hour Homebuyer Education class, by an approved city provider.
- Further, lender agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>)

**(1) Activity Name:** *Administration*

**(2) Activity Type:** All Administration activities will be managed by the City of Meriden in accordance with the following guidelines and regulations:

- NSP reference: NSP Federal Register Notice dated Monday October 6, 2008 Section II Part H 4
- CDBG reference: 24 CFR Part 570.206

**(3) National Objective:** Not Applicable

**(4) Activity Description:** General administrative and technical assistance costs related to the use of NSP funds.

**(5) Location Description:** Meriden, CT

(6) Performance Measures: Not Applicable

**(7) Budget:** The City of Meriden is proposing to use \$85,000 of its first allocation of NSP funds for Administration activities.

**(8) Responsible Organization:** City of Meriden, 142 East Main Street, Meriden CT 06450 Acquisition. Program Contact: Juliet Burdelski, CDBG/Grants Administrator, [jburdelski@ci.meriden.ct.us](mailto:jburdelski@ci.meriden.ct.us), phone 203 630 4105.

**(9) Projected Start Date:** February 13, 2009

**(10) Projected End Date:** February 13, 2013

**(11) Specific Activity Requirements:**

The City of Meriden will use Administrative funds to complete the following Performance Measurements associated with the implementation of each NSP program area described above:

**H. TOTAL BUDGET:** *(Include public and private components)*

Instructions:

*Each community shall establish a program budget, identifying all sources and eligible uses.*

**Note:** *NSP funds must be consistent with Sections B, G. and H.*

## BUDGET

APPROVED BUDGET	NSP	LOCAL	TOTAL	% of total	% of NSP funds only
Demo	\$ 232,050.00	\$170,000	\$ 402,050.00	16.38%	13.0%
Acquisition, Rehab	\$ 1,367,950.00	\$500,000	\$1,867,950.00	76.09%	76.6%
Financing Mechanisms	\$ 100,000.00		\$ 100,000.00	4.07%	5.6%
Admin	\$ 85,000.00		\$ 85,000.00	3.46%	4.8%
Land Bank/Assemblage					
Redevelopment - Vacant or Demo					
	\$ 1,785,000.00	\$ 670,000.00	\$2,455,000.00	100.00%	

### I. Performance Measures

*The State reserves the right to de-obligate funds from a subrecipient based on failure to carry out their contract activities in a timely manner. DECD and each subrecipient will be required to establish specific achievement goals related to the purchase and resale of foreclosed properties.*

#### Instructions:

*Communities will be required to establish goals and timeframes for each activity, consistent with the performance indicators in the State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program, as part of their Local Action Plan. The State has established the following timeframes regarding the commitment of funds, expenditure of funds, and occupancy of units:*

#### *Obligation of Funds:*

*90 days 25% of local allocation under contract for eligible activities  
 180 days 50% of local allocation under contract for eligible activities  
 360 days 90% of local allocation under contract for eligible activities  
 540 days 100% of local allocation under contract for eligible activities*

#### *Expenditure of Funds:*

*90 days 10% of funds expended  
 180 days 25% of funds expended  
 360 days 50% of funds expended  
 540 days 90% of funds expended  
 720 days 100% of funds expended*

#### *Occupancy of Units:*

*90 days --  
 180 days 10% of units occupied/sold  
 360 days 25% of units occupied/sold  
 540 days 50% of units occupied/sold  
 720 days 90% of units occupied/sold  
 900 days 100% of units occupied/sold*

*Note: Failure to meet these minimum thresholds may result in the recapture of any unobligated funds. In addition, obligated funds that are not expended in a timely manner as identified above are also subject to de-obligation. Sub-awards to third party administrators are not considered an obligation of funds. Funds are only considered obligated when they are committed to a specific property. Any funds de-obligated by the State will be subject to the distribution of funds as stipulated in Section B –Distribution of Funds.*

*Note: All local NSP administrative funds will be drawn down on a pro-rata basis equal to the percentage of funds obligated. Any property specific activity obligation for which administrative funds have been drawn must be completed within timeframes noted above or the administrative funds may be subject to recapture.*

## **J. Attachments**

### Instructions:

*In addition to the Relocation plan, if any, each community shall include the following attachments as part of a Local Action Plan.*

- (1) Methodology used to determine “net realizable value”, consistent with HERA and Federal Register Notice, to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed;*
- (2) Timeline that the proposed activity will quickly and efficiently acquire, rehabilitate and make targeted properties available for re-occupancy;*
- (3) Administrative mechanism in place for long-term affordability and to insure compliance;*
- (4) If land banking is planned, include draft agreements with a non-profit housing development organization, that demonstrates prior land bank experience of at least 2 successfully completed housing developments; and provide description of the organization’s asset management plan prior to redevelopment.*
- (5) Include a copy of a draft agreement with a HUD-approved housing counseling agency to provide pre- and post-homeownership counseling services and a copy of the proposed curriculum which must show that each NSP-assisted homebuyer will receive and complete at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan;*
- (6) Administrative mechanisms in place to ensure that the homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank regulators’ guidance for non-traditional mortgages*

## **K. Certifications**

*Note: See attached Certifications. Sign, date and submit separate Certification sheet*

## **L. Authorizing Resolution**

*Note: See attached Resolution. Sign, date and submit authorizing resolution.*

## **M. Checklist**

### Instructions:

*Complete attached Checklist and submit with Local Action Plan. The checklist will expedite DECD's review of Local Action Plans.*

## CERTIFICATIONS

1. **Affirmatively Furthering Fair Housing:** The subrecipient will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the subrecipient, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
2. **Anti-Lobbying:** The subrecipient will comply with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that part.
3. **Authority of Subrecipient:** The subrecipient possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
4. **Consistency with Plan:** The housing activities to be undertaken with NSP funds are consistent with the State of Connecticut Consolidated Plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the State's substantial amendment.
5. **Acquisition and Relocation:** The subrecipient will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
6. **Section 3:** The subrecipient will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
7. **Following Plan:** The subrecipient is following the current State Consolidated Plan that has been approved by HUD.
8. **Use of Funds in 18 Months:** The subrecipient will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the Federal Register Notice of October 6, 2008, all of its NSP funds within 18 months from the date HUD signs contract with the State of Connecticut.
9. **Use NSP Funds  $\leq$  120% of AMI:** The subrecipient will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120% of AMI.
10. **Assessments:** The subrecipient will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining

access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the subrecipient certifies that it lacks NSP or CDBG funds to cover the assessment.

11. **Excessive Force:** The subrecipient certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its subrecipient against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its subrecipient.
12. **Compliance with Anti-Discrimination Laws:** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
13. **Compliance with Lead-based Paint Procedures:** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.
14. **Compliance with Laws:** The subrecipient will comply with applicable laws.

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Signature/Authorized Official

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Date

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Title

**LOCAL ACTION PLANS**

**SUBMISSION CHECKLIST**

*For the purposes of expediting review, DECD requires that each community submit the following checklist along with its Local Action Plan.*

Subrecipient(s): City of Meriden Subrecipient Web Address: www.cityofmeriden.com http://www.cityofmeriden.org/CMS/default.asp?CMS_AreaID=76	NSP Contact Person: Juliet Burdelski Address: 142 East Main Street, Meriden, CT 06450 Telephone: 203 630 4105 Fax 203 630 4274 Email: jburdelski@ci.meriden.ct.us
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

**A. IDENTIFICATION OF AREAS OF GREATEST NEED**

Does the submission include summary needs data identifying the geographic areas of greatest need within the community?

Yes x No . Verification found on pages 6-10.

**B. PROGRAM NARRATIVE AND USES OF FUNDS**

Does the Program Narrative include:

- How local program will meet or exceed the goals and guiding principles in the State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program?  
Yes x No . Verification found on page 6
- Describe community needs and provide a rationale for neighborhood selection?  
Yes x No . Verification found on page 6-10
- Identify proposed distribution of NSP funds by eligible activity?  
Yes x No . Verification found on page 15
- Establish goals and timeframes for each activity, consistent with the performance indicators in the State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program?  
Yes x No . Attachment 2

- Demonstrate how the community will meet the DECD set-aside requirement that at least 30% of any funds awarded must serve households with incomes at or below 50% of AMI?  
Yes x No . Verification found on page 14
- Describe the methodology used to determine “net realizable value”, consistent with HERA and Federal Register Notice, if the community does not choose the 15% aggregate discount rate, to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed?  
Yes x No . Verification found on page 14
- Describe the efforts to minimize displacement and relocation; and seek to maintain occupancy of tenants in good standing?  
Yes x No . Verification found on page 19
- Demonstrate mechanisms to insure long-term affordability and monitoring to insure compliance?  
Yes x No . Verification found on page 12, 17-18
- Demonstrate administrative mechanisms to ensure that the homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank regulators’ guidance for non-traditional mortgages?  
Yes x No . Verification found on page 3, Attachment 8
- Identify the staff and consultants to be used to administer and implement NSP-activities  
Yes x No . Verification found on page 10-14
- Identify the staff and consultants to be used to administer and implement NSP-activities and whether they are using existing or new hires?  
Yes x No . Verification found on page 10-14
- Identify any local partners to be used to implement NSP-activities; and their experience in administering such activities?  
Yes x No . Verification found on page 14
- How NSP funds will be used to further fair housing goals identified in the community’s Analysis of Impediments (AI) to Fair Housing, or the State’s AI?  
Yes x No . Verification found on page 13-14

For second tier communities does the Program Narrative address, to the extent practicable:

- Racial Integration: How the choice of neighborhoods and specific locations address the impediments to fair housing choice (as outlined in the state or local Analysis of Impediments) and what affirmative fair housing marketing and tenant/homeowner outreach and selection processes will be put in place to promote integration?  
 Yes  No . Verification found on page NA

- Leveraging of NSP Funds: How the community will leverage local resources, both public and private, in order to maximize the neighborhood impact?  
Yes  No . Verification found on page NA

### ***C. DEFINITIONS AND DESCRIPTIONS***

For the purposes of the NSP, does the narrative include:

- A definition of “blighted structure” in the context of state or local law,  
Yes x No . Verification found on 15
- A definition of “affordable rents,”  
Yes x No . Verification found on page 15-16
- A definition of “abandoned structure,”  
Yes x No . Verification found on page 16
- A definition of “foreclosed property,”  
Yes x No . Verification found on page 16
- A definition of “current market appraised value,”  
Yes x No . Verification found on page 16
- A description of housing rehabilitation standards that will apply to NSP-assisted activities?  
Yes x No . Verification found on page 16-17
- A description of how the community will ensure continued affordability for NSP-assisted housing,  
Yes x No . Verification found on page 10-14, 17-18
- A description of the community’s minimum period of affordability in years that will apply to NSP-assisted activities?  
Yes x No . Verification found on page 17-18

### ***D. LOW INCOME TARGETING***

- Has the community described how it will meet the DECD’s requirement that at least 30% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of AMI?  
Yes x No . Verification found on page 18

- Has the community identified how the estimated amount of NSP funds made available by DECD will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of AMI?

Yes  No . Verification found on page 18

Amount budgeted = \$535,500.

### ***E. ACQUISITIONS & RELOCATION***

Does community plan to demolish or convert any low- and moderate-income dwelling units?

Yes No . (If No, continue to next heading)

Verification found on page 19

If Yes, does the Local Action Plan include:

- The number of low- and moderate-income dwelling units, i.e.,  $\leq 80\%$  of AMI, reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?

Yes No . Verification found on page \_\_\_\_\_.

- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households, i.e.,  $\leq 120\%$  of AMI, reasonably expected to be produced by activity and income level, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?

Yes No . Verification found on page \_\_\_\_\_.

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50% of AMI?

Yes No . Verification found on page \_\_\_\_\_.

- If applicable, is a copy of Relocation Plan is attached?

Yes No . Verification found on page \_\_\_\_\_.

### ***F. PUBLIC CONSULTATION & PARTNERSHIP PROCESS***

Does the Local Action Plan describe public consultation and partnership process undertaken in the development of the plan; and partnerships anticipated to implement the local plan?

Yes  No . Verification found on page 20-21

### ***G. INFORMATION BY ACTIVITY***

Does the submission contain information by activity describing how the community will use the funds, identifying:

- Eligible use of funds under NSP,  
Yes  No . Verification found on page 21-28

- Correlated eligible activity under CDBG,  
Yes x No . Verification found on page 21-28
- Areas of greatest need addressed by the activity or activities,  
Yes x No . Verification found on page 21-28
- Expected benefit to income-qualified persons or households or areas,  
Yes x No . Verification found on page 21-28
- Does the applicant indicate which activities will count toward the DECD's requirement that at least 30% of NSP funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of AMI?  
Yes x No . Verification found on page 21-28
- Appropriate performance measures for the activity,  
Yes x No . Verification found on page 21-28
- Amount of funds budgeted for the activity,  
Yes x No . Verification found on page 21-28
- Name, location and contact information for the entity that will carry out the activity,  
Yes x No . Verification found on page 21-28
- Expected start and end dates of the activity?  
Yes x No . Verification found on page 21-28
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,  
Yes x No . Verification found on page 21-28
- If the activity provides financing, the range of interest rates (if any),  
Yes x No . Verification found on page 21-28
- If the activity provides housing, duration or term of assistance,  
Yes x No . Verification found on page 21-28
- Tenure of beneficiaries (e.g., rental or homeownership),  
Yes x No . Verification found on page 21-28
- Does it ensure continued affordability?  
Yes x No . Verification found on page 21-28

**H. TOTAL BUDGET**

Does the Local Action Plan include all sources and uses?

Yes x No . Verification found on page 29

**I. PERFORMANCE MEASURES**

If different than the State’s plan, does the Local Action Plan include timelines and performance measures?

Yes x No  Attachment 2.

**J. ATTACHMENTS**

If applicable, does the Local Action Plan include all necessary attachments?

Yes x No . Verification found beginning on page 43

**K. CERTIFICATIONS**

The following certifications are complete and accurate:

- |  |              |                             |
|--|--------------|-----------------------------|
| 1. Affirmatively furthering fair housing                     | <u>Yes x</u> | No <input type="checkbox"/> |
| 2. Anti-lobbying   | <u>Yes x</u> | No <input type="checkbox"/> |
| 3. Authority of Subrecipient                                 | <u>Yes x</u> | No <input type="checkbox"/> |
| 4. Consistency with Plan                                     | <u>Yes x</u> | No <input type="checkbox"/> |
| 5. Acquisition and relocation                                | <u>Yes x</u> | No <input type="checkbox"/> |
| 6. Section 3   | <u>Yes x</u> | No <input type="checkbox"/> |
| 7. Following Plan  | <u>Yes x</u> | No <input type="checkbox"/> |
| 8. Use of funds in 18 months                                 | <u>Yes x</u> | No <input type="checkbox"/> |
| 9. Use NSP funds ≤ 120% of AMI                               | <u>Yes x</u> | No <input type="checkbox"/> |
| 10. No recovery of capital costs through special assessments | <u>Yes x</u> | No <input type="checkbox"/> |
| 11. Excessive Force  | <u>Yes x</u> | No <input type="checkbox"/> |
| 12. Compliance with anti-discrimination laws                 | <u>Yes x</u> | No <input type="checkbox"/> |
| 13. Compliance with lead-based paint procedures              | <u>Yes x</u> | No <input type="checkbox"/> |
| 14. Compliance with applicable laws                          | <u>Yes x</u> | No <input type="checkbox"/> |

**L. AUTHORIZING RESOLUTION**

Does the Local Action Plan include an authorizing resolution?

Yes x No . Verification found on cover page. (NOTE: Updated Resolution will be available after April 6, 2009.)

**M. CHECKLIST**

Does the submission include a completed Checklist?

Yes x No . Verification found beginning on page 34

Original Instructions-NSP Template  
**SUBMISSION TEMPLATE AND CHECKLIST**

A complete submission contains the following information:

1. Local Action Plan in the form and manner provided in the instructions and template below;
2. Local Action Plan must be consistent with State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program;
3. Signed and dated Certifications;
4. Authorizing Resolution; and
5. Submission Checklist

**Deadlines for Submission and Evaluation of Local Action Plans**

**Top Tier Communities** - Bridgeport, Hartford, Meriden, New Britain, New Haven, Stamford and Waterbury submit Local Action Plans by January 20, 2009.

**Second Tier Communities** - Bristol, Danbury, East Hartford, Hamden, New London, Norwalk, Norwich, Stratford and West Haven must submit Local Action Plan no later than 4:00 PM on February 2, 2009. Second Tier Communities are competing for \$2.6M. Maximum awards are up to \$867,850 (including 5% for administration).

DECD will review and evaluate Local Action Plans for inclusion of and compliance with the following criteria:

- Completeness: Local Action Plan addresses all component parts;
- Community Need: Choice of targeted neighborhoods and strategic allocation of resources to neighborhoods most affected by foreclosure and sub-prime lending;
- Capacity and Readiness to Execute: Ability of subrecipient and partners to implement proposed strategies within a limited timeframe, i.e. obligate all funds within 18 months and expend initial allocation within 24 months from award;
- Affirmative Fair Housing and Marketing Efforts: Narrative statement on how NSP funds will be used to further fair housing goals identified in the community's Analysis of Impediments (AI) to Fair Housing, or the State's AI;
- Impact of Proposed Local Action Plan: Strength and feasibility of proposed investment strategies for increasing affordable housing and neighborhood stabilization;
- Partnerships, Leveraging and Coordination: Strength of partnerships and committed matching support to implement strategies; and
- Compliance with all state and federal rules, including but not limited to acquisition, relocation, environmental reviews, fair housing, etc.

Additionally, for second tier communities, Local Action Plans will also be evaluated for:

- Geographical Distribution: Emphasis on geographical areas of the state not served by the top tier communities;
- Racial Integration: How the choice of neighborhoods and specific locations address the impediments to fair housing choice (as outlined in the state or local Analysis of

Impediments) and what affirmative fair housing marketing and tenant/homeowner outreach and selection processes will be put in place to promote integration; and

- Leveraging of NSP Funds: How the community will leverage local resources, both public and private, in order to maximize the neighborhood impact.

### **Content of Local Action Plans**

Communities should follow the attached template. Additionally, Local Action Plans should be consistent with the requirements of the Action Plan Substantial Amendment to HUD noticed in the Federal Register on October 6, 2008. Local Action Plans must contain/satisfy all of the following:

- Program Narrative which describe how local program will meet or exceed the goals and guiding principles in the State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program;
- Describe community needs and provide a rationale for neighborhood selection;
- Identify proposed distribution of NSP funds by eligible activity;
- Establish goals and timeframes for each activity, consistent with the performance indicators in the state's NSP Action Plan;
- Be consistent with the State's NSP Action Plan;
- Clearly demonstrate how the subrecipient will meet the DECD set-aside requirement that at least 30% of any funds awarded must serve households with incomes at or below 50% of AMI;
- If the community does not choose the 15% aggregate discount rate, describe the methodology used to determine "net realizable value", consistent with HERA and Federal Register Notice, to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed;
- Demonstrate by timeline that the proposed activity will quickly and efficiently acquire, rehabilitate and make targeted properties available for re-occupancy;
- Minimize displacement and relocation;
- Demonstrate long-term affordability and specify mechanisms to insure compliance;
- To the greatest extent possible, undertake activities that directly benefit (meet the CDBG National Objective of) Low/Moderate/Middle Income households. DECD may, however, accept a limited number of requests for the Limited Clientele or Area Benefit activities when shown to be a part of an overall strategy to stabilize and sustain neighborhoods;
- If land banking is planned, include draft agreements with a non-profit housing development organization, that can demonstrate prior land bank experience of at least 2 successfully completed housing developments; and provide description of the organization's asset management plan prior to redevelopment. It is DECD's policy that properties may be "banked" for a period not to exceed two (2) years from the date of acquisition, at which time development must occur or title to the property will automatically revert to the municipality. Note: Acquired property operating costs are not NSP eligible program activity costs. Subrecipients considering this approach must provide a commitment for property operating costs from other sources;
- Include a copy of a draft agreement with a HUD-approved housing counseling agency to provide pre- and post-homeownership counseling services and a copy of the proposed curriculum which must show that each NSP-assisted homebuyer will receive and

complete at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan;

- Administrative mechanisms in place to ensure that the homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Sub-prime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>);
- Must design NSP programs to comply with this requirement and must document compliance in the records, for each homebuyer;
- Provide NSP Definitions and Descriptions proposed if different from State's plan;
- Provide description of public consultation and partnership process;
- Provide Separate Section G. for each individual activity;
- Provide Budget for all activities;
- Provide performance measures, if different from State's plan;
- Provide Authorizing Resolution; and
- Sign Certification.

Local Action Plans will not be accepted if plan includes:

- Loan loss reserve or Individual Development Account activities; or
- Activities under National Objectives of either "urgent need" or "elimination of slum and blight"; or
- Activities which are ineligible for NSP funding.

#### **Source or Reference Materials for Local Action Plans**

Communities are strongly encouraged to review the following in addition to the State's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program:

- (1) Link to DECD's 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program  
[http://www.ct.gov/eecd/lib/eecd/2008\\_action\\_plan\\_substantial\\_amendment\\_-\\_neighborhood\\_stabilization\\_program.pdf](http://www.ct.gov/eecd/lib/eecd/2008_action_plan_substantial_amendment_-_neighborhood_stabilization_program.pdf)
- (2) Link to HUD's NSP web page <http://www.hud.gov/nsp>
- (3) Link to Federal Register Notice 73 FR 58330 dated October 6, 2008  
[http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nsp\\_notice.pdf](http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nsp_notice.pdf)
- (4) Link to HUD's FAQ on NSP  
[http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/docs/nspfaq\\_all.doc](http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/docs/nspfaq_all.doc)

## Attachment 1

*Methodology used to determine “net realizable value”, consistent with HERA and Federal Register Notice, to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed;*

The City of Meriden plans to fulfill the State of Connecticut requirements that all acquisitions meet the aggregate discount rate of 15% of appraised value or “net realizable value” to determine an appropriate purchase price for homes and residential properties that have been abandoned or foreclosed. “Net realizable value” is the appraised value, less the cost of security, maintenance, capital costs, tax costs, and insurance for the anticipated time the property would be in the portfolio if it were not for purchase by the recipient (grantee, subrecipient, non-profit organization, individual homebuyer, etc.) of NSP funds.

Appraisals will be completed in accordance with HUD Guidance, as follows:

### **Guidance on NSP Appraisals – Voluntary Acquisitions**

Acquisitions financed with NSP grant funds are subject to the URA, and its implementing regulations at 49 CFR Part 24, and the requirements set forth in the NSP Notice that was published in the Federal Register on October 6, 2008. HUD anticipates that most of these transactions will qualify as voluntary acquisitions under the applicable regulations of 49 CFR 24.101(b). The URA regulations do not specifically require appraisals in connection with voluntary acquisitions under 49 CFR 24.101(b). However, the NSP Notice requires appraisals to be performed with respect to the NSP funded acquisition of foreclosed upon homes and residential properties, even though they may be considered voluntary under the URA. In those cases, the URA appraisal requirements of 49 CFR 24.103 must be met. The following guidance on appraisals pertains to acquisitions of foreclosed upon homes and residential properties which meet the applicable voluntary acquisition requirements of 49 CFR 24.101(b) and reflects applicable URA requirements and the NSP requirements, including the URA appraisal requirements of 49 CFR 24.103.

1. The NSP grantee must ensure that the owner is informed in writing of what the grantee believes to be the market value of the property; and that the NSP grantee will not acquire the property if negotiations fail to result in a an amicable agreement (see 49 CFR 24.101(b)(1) & (b)(2)).
2. If NSP funds are to be used to acquire a foreclosed upon home or residential property (other than through donation), the grantee must ensure that the purchase price includes a discount from the value established by an appraisal that meets the following requirements:
  - a. The appraisal must have been completed within 60 days of the offer made for the property (we have advised that an initial offer can be made, subject to the completion of the appraisal within 60 days of a final offer).

- b. The appraisal must meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):
    - i. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
    - ii. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.
    - iii. A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
    - iv. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.
    - v. The effective date of valuation, date of appraisal, signature, and certification of the appraiser.
  - c. The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.
  - d. If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at §24.2(a)(24)) of the retained improvement.
3. The NSP grantee has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem. HUD's guide to preparing an appraisal scope of work under the URA is available in HUD Handbook 1378- Appendix 19 or through the following link:

<http://www.hud.gov/offices/adm/hudclips/handbooks/cpdh/1378.0/1378x19CPDH.pdf>

4. The NSP grantee shall establish criteria for determining the minimum qualifications and competency of appraisers. Qualifications shall be consistent with the scope of work for the assignment. The NSP grantee shall review the experience, education, training, certification/licensing, designation(s) and other qualifications of appraisers, and use only those determined by the NSP grantee to be qualified.
5. If the NSP grantee uses a contract (fee) appraiser to perform the appraisal, such appraiser shall be State licensed or certified in accordance with title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 *et seq.* ).

**Attachment 2**

*Timeline that the proposed activity will quickly and efficiently acquire, rehabilitate and make targeted properties available for re-occupancy*

*Expenditure Timeline:*

Description	July 15 2009	October 15 2009	April 15 2010	October 15 2010	April 15 2011	October 15 2011
Total Funds Obligated	\$ 446,250.00	\$ 892,500.00	\$1,606,500.00	\$ 1,785,000.00		
Total Funds Expended	\$ 178,500.00	\$ 446,250.00	\$ 892,500.00	\$ 1,606,500.00	\$ 1,785,000.00	
Units Occupied/Sold		2	4	8	14	15

*Task Timeline:*

Project Description	Cost/Funding source	Objectives/Deliverables	Jan-Jun 2009	July-Dec 2009	Jan-Jun 2010	July-Dec 2010	Jan-Jun 2011	July-Dec 2011	Jan-Jun 2012
Acquisition and Rehabilitation	\$1367950 NSP \$500,000 CDBG funds (multi-year)	Identify homes for acquisition	15						
		Purchase Homes for Rehab	2	2	4	6	1		
		Rehab Homes	2	2	4	6	1		
		Identify and Pre-qualify First Time Homebuyers							
Financing Mechanisms to Facilitate Resale of Property Resale	\$100,000 NSP funds	Finalize Financing Assistance Required to Sell to First Time Homebuyer							
		Complete mandatory homeownership education program							
		Complete Closings		2	2	4	6	1	
Demolition of Blighted Structures	\$850,000 NSP funds \$170,000 CDBG funds	Finalize demolition sites	5						
		Complete bid specification for demolition projects	5						
		Complete demolition							
Project Administration	\$85,000	Administer use of Round One NSP funds							
NOTE: Administration of will continue through period of affordability for all homes sold to First Time Homebuyers	TBD	Administer use of Round Two NSP funds							

All funds will be drawn down in accordance with the timelines identified in the State's NSP plan.

### **Attachment 3**

#### *Administrative mechanism in place for long-term affordability and to insure compliance*

The City of Meriden will be responsible for ensuring that all properties acquired with NSP funds that are sold to qualifying homebuyers meet the period of affordability requirements. To ensure compliance, each property will have a deed restriction outlining the affordability requirements associated with the property. The deed restriction document shall be recorded in the land records at the time of loan closing and will continue to remain in effect throughout the period of affordability. The City will use the State's "DECLARATION OF LAND USE RESTRICTIVE COVENANTS" for Housing units with and without rental housing units.

**Attachment 4**

*If land banking is planned, include draft agreements with a non-profit housing development organization, that demonstrates prior land bank experience of at least 2 successfully completed housing developments; and provide description of the organization's asset management plan prior to redevelopment.*

Not applicable. No land banking is planned.

## Attachment 5

*Include a copy of a draft agreement with a HUD-approved housing counseling agency to provide pre- and post-homeownership counseling services and a copy of the proposed curriculum which must show that each NSP-assisted homebuyer will receive and complete at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.*

It is the City's position that any homebuyer participating in the City's NSP or CDBG Homebuyer programs should participate in and will benefit from completing at least eight hours of homebuyer counseling from a HUD approved counseling agency. For that reason, the City will require that each approved homebuyer applicant must complete at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. The Homebuyer will be required to work with their lender to choose an education resource that best meets their needs. The counseling services must, at minimum be administered by a HUD-approved counseling agency as listed on <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>. A copy of the curriculum and a certification of course completion must be included in the file prior to closing. The counseling should follow the National Industry Standards for Homeownership Education and Counseling available at [www.homeownershipstandards.com](http://www.homeownershipstandards.com).

## Attachment 6

It is the City's position that any homebuyer participating in the NSP or CDBG homebuyer programs must obtain a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages. The City will require lenders agree to adhere to the following business practices when originating purchase mortgages:

- Prohibit predatory lending practices and abusive sub-prime mortgage lending.
- Make best efforts to place borrowers in the least risky, most sustainable and most affordable loan product that is
- appropriate for the customer's financial situation.
- Originate mortgages that are conventional (fixed rate) or responsible sub-prime loans.
- Originate mortgages that are eligible for purchase by Connecticut Housing Finance Authority, Federal Housing
- Administration, Fannie Mae or Freddie Mac.
- Prohibit mortgages with balloon payments, interest only or interest first provisions, and those that allow for no income-no asset, or stated income-stated asset features (financial information provided by mortgage applicants that is not verified by lenders).
- Utilize prepayment penalties for a maximum term of three years, and only when there is a specific benefit to the borrower (e.g., rate or fee reduction for accepting the prepayment penalty terms, etc.).
- Prohibit adjustable rate mortgages (ARMs) – unless borrowers are qualified at the fully-indexed and fully amortizing rate.
- Maintain foreclosure prevention practices that meet or exceed Fannie Mae or Freddie Mac standards.
- Ensure that homebuyers complete an 8-Hour Homebuyer Education class, by an approved city provider.
- Further, lender agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve
- System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>)

As outlined in the State's NSP Plan, any homebuyer activities will ensure that a buyer's payment of principal, interest, taxes, insurance (PITI) and association fees (if applicable) cannot exceed 30% of the household's anticipated gross annual income for eligible persons or families. However, if the purchase is part of an approved governmental first mortgage program, DECD may accept that governmental agency's higher ratios upon a written request of the subrecipient. Approved governmental programs include, but are not limited to CHFA, USDA, Federal Home Loan Bank, Fannie Mae, Connecticut CDFI Alliance or FHA. All properties assisted through these mechanisms will be occupied by households meeting the LMMI standard. All assisted properties will assure affordability consistent with the HOME Investment Partnerships Program by requiring the use of deed restrictions, restrictive covenants, or other such mechanisms running with the land. Affordability periods will be consistent with the HOME Program Standards at 24 CFR 92.252(a), (c), (e) and (f) and 24 CFR 92.254. Interest rates may range from 0% to 5% and

will be determined based on standard underwriting practices. It is anticipated that most loans will be at 0% per annum. However, interest rates may not exceed 5% and it is anticipated that rates above 0% will only be used for projects with rental properties where the operating proforma indicates that the project operating budget can support the proposed debt coverage ratios are from 1.15 to 1.25.

The City will include these requirements in its City of Meriden NSP Homebuyer Program Guideline.

## Attachment 7

### City of Meriden Anti-Blight Ordinance

Approved by City Council 10/20/03

Chapter 17, Article 1, Anti-blight Ordinance

Revised 10/21/03

#### §17.1. Declaration of Policy.

A. This ordinance is to be known as the Anti-Blight Ordinance and is enacted pursuant to the authority granted to the City of Meriden under Connecticut General Statutes §7-148(c)(7)(H)(xv)

B. It is found that there exists within the City of Meriden a number of real properties that are in blighted condition, and the continued existence of these properties contributes to the decline of neighborhoods. It is further found that the existence of such properties adversely affects the economic well being of the City and is adverse to the health, safety and welfare of its residents. It is further found that many of the properties can be rehabilitated, reconstructed, demolished and/or re-used so as to provide decent, safe and sanitary housing and commercial facilities, and that such rehabilitation, reconstruction, demolition and/or re-use would eliminate, remedy and prevent the adverse conditions described above.

C. This code is intended to enhance the minimum standards governing the condition and maintenance of occupied and unoccupied premises, and to establish reasonable safeguards for the health, safety and welfare of the occupants and users of said premises, the community, and the general public. Further, this code is intended to maintain and preserve the integrity of City neighborhoods, to preserve and protect property values, and to control visual blight.

D. To encourage voluntary compliance with the objective of this ordinance, no citations will be issued for anti-blight violations for a period of six months after adoption of this ordinance.

E. The intent of this ordinance is to provide additional leverage to Code Enforcement personnel in an effort to bring properties into compliance. Especially those properties where violations are repeatedly found and compliance could not be obtained through other code enforcement efforts. Those who are responsible for the blighted conditions of properties and who have failed to comply with other codes or orders will be subject to the strict enforcement of this ordinance.

#### §17.2. Creation or maintenance of blighted premises prohibited.

No owner, agent, tenant, firm, corporation, or person in control of real property, taxable or tax exempt, located in the City of Meriden shall create, allow, maintain, or cause to be maintained, continued, or suffer to exist a blighted premise.

#### §17.3. Definitions

For the purposes of this ordinance, the following words, terms and phrases shall have the following meanings, unless the context clearly indicates otherwise.

A. Blight – Any building or structure or any parcel of land in which at least one [1] of the following conditions exist shall be considered blighted.

1. It is becoming dilapidated as defined herein.
2. It is not being maintained as defined herein.
3. It is a fire hazard as determined by the Fire Marshall or documented by the Fire Department or the Building Department.
4. It is unsanitary as determined by report of the Department of Health that existing conditions constitute a life threatening hazard or a hazard that puts at risk the health or safety of the citizens of the city.

5. It is a factor creating a substantial and unreasonable interference with the reasonable and lawful use and enjoyment of other space within the neighborhood.
6. It is a substantial factor causing serious depreciation of the property values in the neighborhood.
7. There exists at the property conditions promoting rodent harborage and/or infestation.
8. There exists at the property overgrown shrubs, brush or weeds.
9. Parking lots/areas are left in a state of disrepair or abandonment and/or are used to store abandoned or unregistered vehicles.
10. Chimneys and similar appurtenances are in a state of disrepair.
11. Overhanging extensions, including but not limited to: canopies, marquees, signs, awnings, stairways, fire escapes, standpipes, and exhaust ducts contain rust or other decay.
12. It is a factor creating the cancellation of insurance on proximate properties.
13. Graffiti exists at the premises.
14. Garbage on the property is not stored in standard containers and/or is scattered throughout the yard.
15. The property contains dead, decayed, diseased or damaged trees that constitute a hazard, danger, or are objectionable to adjacent premises or the occupants thereof or to public property or persons lawfully therein.
16. Noxious plants such as poison ivy, poison sumac, poison oak, or ragweed are allowed to grow unchecked on the property.
17. There exists on the property: stagnant or unsanitary water in which mosquitoes may breed; garbage, sewage, excrement, manure or other foul, decayed, putrid, unwholesome, deleterious or offensive thing or substance; animal carcasses or parts thereof; or, trash, rubbish, rubble, tires, brush, used materials or discarded items of little or no value.
18. Refuse or filth is discharged from the property into a stream, well, spring, brook, ditch, pond, river, or other inland waters within the City, or such substances are placed on the property in such position that high water or natural seepage will carry the same into such waters.

**B. Dilapidated – A building is considered dilapidated if any of the following conditions exist.**

1. **The structure is unable to provide shelter or to serve the purpose for which it was constructed due to poor conditions.**
2. Any walls, supports, floors or foundations appear to be poorly maintained or in disrepair to the extent that presents a safety concern.
3. Damage exists from fire, wind, or other causes so that the building is unsightly and no longer provides shelter from the elements and has become dangerous to the life, safety, or general health and welfare of the occupants or the residents of the City.
4. There are missing, broken, or improperly boarded windows or doors.
5. Stairs, porches, railings, handrails, and/or basement hatchways are unsafe or unsightly.
6. Conditions exist that are likely to cause sickness or disease or injury to the health, safety or general welfare of the persons living therein or of the people at large.

**C. Not being maintained – A structure is not being maintained if any of the following conditions apply.**

1. Siding, roofing, or gutters are damaged, missing, or show signs of disrepair.
2. Windows or doors are missing or improperly boarded over.
3. Garbage, trash, litter, rubbish, or debris are situated on the premises.
4. Abandoned, wrecked, or junked motor vehicles are stored on the premises.
5. Lawns, landscaping, or driveways are deteriorating or unkempt.
6. Trees, shrubs, hedges, grass or plants block or interfere with any road sign, or obstruct any walkway, driveway, or street.

**D. Building Official – Shall mean the building official as defined in Connecticut General Statutes §29-260.**

**E. Citation – A written statement of the relevant conditions and facts giving rise to the specified violation, including a reference to the specific section of the ordinance which has been violated and the amount prescribed as a fine for the violation(s).**

- F. Vacant parcel – Shall mean a parcel of land with no structure(s) thereon.
- G. Neighborhood – Shall mean an area of the City comprising of premises or parcels of land any part of which is within a contiguous radius of one thousand (1000) feet of any other parcel within the City of Meriden.
- H. Parcel – A unit of land.
- I. Unit – Shall mean any space within a building that is or can be rented by or to a single person or entity for his or its sole use, and is intended to be a single and distinct space.
- J. Exempt property – Land dedicated as public or semi-public open space, land preserved in its natural state through conservation easements, or areas designated as inland wetlands and watercourses shall be exempted from this ordinance. Properties acquired by the City of Meriden through foreclosure, etc. shall be exempted from this ordinance for a period of nine [9] months post acquisition. ***Also, all City owned properties that are scheduled for demolition shall be exempt. (10/20/03)***
- K. Structure – Any building, dwelling, fence, swimming pool, or similarly constructed object.
- L. Premises – Any parcel of land or plot of land, either occupied or unoccupied by any dwelling or non-dwelling structure and includes any such building, accessory structure or other structure thereon, or any part thereof. The term “premises”, where the context required, shall be deemed to include any buildings, dwellings, parcels of land or structures contained within the scope of this article.
- M. Debris – Material which is incapable of immediately performing the function for which it was designed including, but not limited to: abandoned, discarded, or unused objects; junk or collections of equipment such as automobiles, boats and recreation vehicles which are missing parts, not complete in appearance and in an obvious state of disrepair; parts of automobiles, furniture, appliances, cans, boxes, scrap metal, tires, batteries, containers, and garbage.
- N. Decay – A wasting or wearing away; a gradual decline in strength, soundness or quality; to become decomposed or rotten
- O. Rubbish – Any nonputrescible waste materials, except ashes, including, but not limited to, paper, cardboard, tin cans, wood, glass, bedding, furniture, crockery, appliances, junk automobiles, demolition material, tree limbs, and industrial wastes.
- P. Litter – Any discarded, used, or unconsumed substance or waste material, whether made of aluminum, glass, plastic, rubber, paper, or other natural or synthetic material, or any combination thereof, including, but not limited to, any bottle, jar, or can; or any top, cap or detachable tab of any bottle, jar, or can; any unlighted cigarette, cigar, match or any flaming or glowing material; or any garbage, trash, refuse, debris, rubbish, grass clippings, or other lawn or garden waste, newspaper, magazine, glass, metal, plastic, or paper containers or other packaging or construction material, which has not been deposited in a receptacle.
- Q. Public view – Visible from any public right-of-way or neighboring property.

#### §17.4. Responsibility for enforcement

The Director of Development and Enforcement and his/her designee shall be responsible for enforcement of this code. The Director of Health and the City Manager or his designee shall assist, in an advisory capacity, with the administration of this ordinance.

§17.5. Complaints.

Any individual, civic organization, or appropriate municipal agency affected by the action or inaction of anyone responsible for the maintenance of property under this ordinance may file, in writing, a complaint of violation of any section of this article with the Department of Development and Enforcement.

Violations observed during inspections by City employees, Housing Inspectors, Health Inspectors, Police Officers, Firefighters, Welfare Workers, or Building Inspectors shall be reported to the Department of Development and Enforcement.

All properties/premises that have active Blight Citations per this ordinance shall be noted on a “Blight List”. Said list shall include the property address, the violation, and the name of the person responsible for the property. This list is to be considered public information and may be viewed by any citizen, copied, or published. Upon correction of the violation, the property shall be removed from the list.

§17.6. Penalties.

Violations of the provisions of this Ordinance shall be punishable by a fine of one hundred dollars (\$100.00) for each day a violation exists and continues.

§17.7. Enforcement.

A. The provisions of this article may be enforced by citation, in addition to other remedies, in accordance with Section 7-152c of the Connecticut General Statutes. City of Meriden Code Enforcement Officials shall have authority to issue citations.

B. Unpaid fine to constitute lien.

Any unpaid fine imposed pursuant to the foregoing anti-blight citation hearing procedure shall constitute a lien upon the real property against which the fine was imposed from the date of such fine in accordance with §7-148aa of the Connecticut General Statutes. Said lien shall be continued, recorded, released and enforced as provided for in §7-148aa of said statutes.

## Attachment 8

### City of Meriden NSP Homebuyer Program Guidelines

**NOTE: The City is in the process of updating the City of Meriden NSP Homebuyer Program Guidelines to ensure that it is consistent with the NSP rules. The updated Guidelines will be completed and provided to DECD prior to commencing implementing of the NSP Program. Under the revised program, First Time Homebuyers will be a priority, although non First Time Homebuyers that meet the income qualifications will not be excluded from the program. The City of Meriden NSP Homebuyer Guidelines will also include a Relocation Plan that addresses the status of legal tenants residing in foreclosed properties, a Fair Housing Marketing Plan as applicable to the NSP program, Lender Requirements, Period of Affordability Requirements, and other Requirements listed in the Local Action Plan or required by the Department of Economic and Community**

#### Overview of the NSP Homebuyer Program

The City of Meriden NSP Homebuyer Program (“Program”) is a cooperative/joint effort between the City of Meriden and partnering organizations. The purpose of the program is to target vacant, foreclosed, residential properties for acquisition, rehabilitation and resale. The rehabilitation and occupancy of these vacant structures in City neighborhoods will provide low/moderate income households with affordable homeownership opportunities, thereby improving neighborhood image and viability and preventing property value decline or further abandonment. The introduction of owner-occupant property owners to the neighborhoods will enhance neighborhood stability and the maintenance and/or improvement of the tax base.

The City, in cooperation with partnering organizations, will identify potential foreclosed upon properties. Based upon joint City and the partner organization analysis of the subject property, the City and/or the partner organization may acquire a property that has been foreclosed upon for the purposes of rehabilitation and resale to low moderate income homebuyers. Low income homebuyers for the purpose of the program will be considered to be at or below 80% of the median income guidelines as established by HUD (most recent year available). At least 30% of funds must serve households with incomes at or below 50% of AMI. Those households may include renters residing in housing units purchased by low income homebuyers.

All participants agree to conform to the requirements associated with the use of NSP funds for the Acquisition and Rehabilitation of Foreclosed Homes and Financing Mechanisms as outlined in the State’s NSP Plan. The City of Meriden NSP Homebuyer Program Guidelines will be updated and available for public review via the [www.cityofmeriden.org](http://www.cityofmeriden.org) prior to the use of NSP funds.

**Attachment 9**  
**Public Information Documents Including**  
**Public Information Notices and Public Comments Received**

Display Ad: For Publication Monday, January 5, 2009  
Bill to: Community Development Office, Room 218

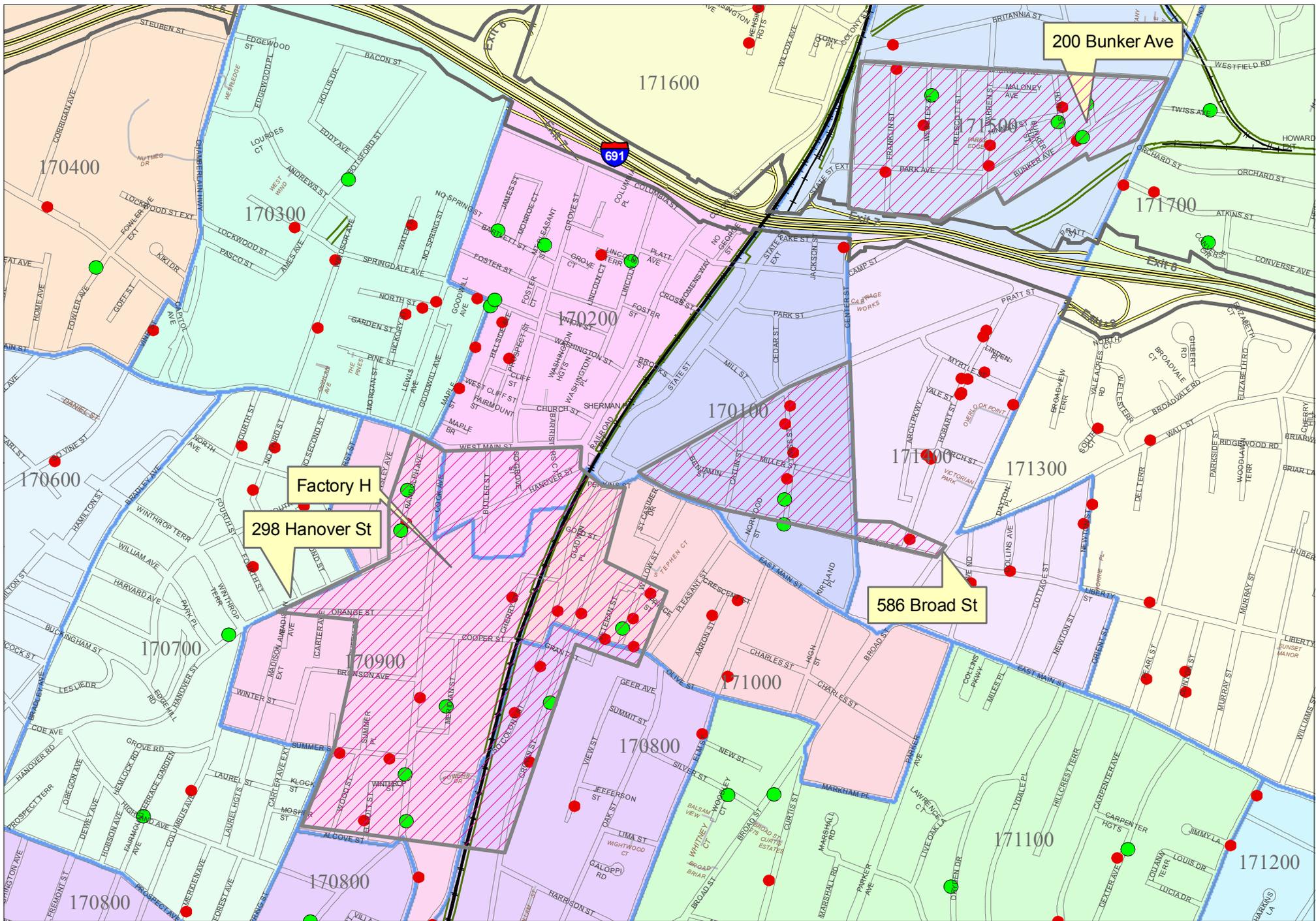
**CITY OF MERIDEN LOCAL ACTION PLAN**  
**FOR THE PROPOSED USE OF COMMUNITY DEVELOPMENT BLOCK GRANT**  
**NEIGHBORHOOD STABILIZATION PROGRAM FUNDS**

The State of Connecticut's 2008 Action Plan Substantial Amendment requires the City of Meriden to submit a Local Action Plan to the State of Connecticut, Department of Economic and Community Development (DECD) in order to receive \$1,785,000 in Neighborhood Stabilization Program (NSP) funds allocated to the City of Meriden.

The period from January 5 through January 15, 2009 will be reserved as a public comment period in which citizens may forward written comments, suggestions or evaluations on the City's Proposed NSP Local Action Plan to the Office of Community Development, Room 218, City Hall, Meriden, CT 06450. All comments received will be forwarded along with the proposed Local Action Plan, which will be submitted to DECD by January 20, 2009. Anyone desiring to examine copies of the proposed NSP Local Action Plan may do so during normal working hours at Room 218 in Meriden City Hall. The NSP Local Action Plan may also be downloaded from [www.cityofmeriden.org](http://www.cityofmeriden.org).

**Attachment 10**

**Photos and Maps**



# City of Meriden Foreclosures February 2009

Legend	
<span style="color: green;">●</span>	Forecloses Feb 2009 Sold
<span style="color: red;">●</span>	Forecloses Feb 2009

**Attachment 11**

Environmental Review Record

# Request for Release of Funds

U.S. Department of Housing OMB No. 2506-0087  
and Urban Development Office of Community Planning and Development

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

## Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s): Neighborhood Stabilization Program
2. HUD/State Identification Number: NA
3. Recipient Identification Number (optional): NA
4. OMB Catalog Number(s): 14.218
5. Name and address of responsible entity: City of Meriden, City Hall, 142 East Main Street, Meriden, CT 06450
6. For information about this request, contact (name & phone number): Juliet Burdelski, Grants Administrator (203) 630-4105
7. Name and address of recipient (if different than responsible entity): City of Meriden, 142 East Main Street, Meriden, CT 06450
8. HUD or State Agency and office unit to receive request: CT Department of Economic and Community Development, 505 Hudson Street, Hartford, CT 06106

**The recipient(s) of assistance under the program(s) listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following;**

9. Program Activity(ies)/Project Name(s)  
Neighborhood Stabilization Program (Community Development Block Grant Funds)
10. Location:  
City of Meriden, 142 East Main Street, Meriden, CT 06450
11. Program Activity/Project Description:  
Neighborhood Stabilization Program---\$1,785,000 in Neighborhood Stabilization Program funds. The City intends to utilize \$1,785,000 in NSP funds to acquire, rehabilitate and resell homes that have been foreclosed. Federal funds will also be used to demolish vacant, blighted properties, for financing mechanisms, and for administration. The program will be implemented by the City of Meriden.

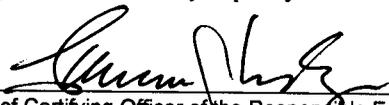
**Part 2. Environmental Certification (to be completed by responsible entity)**

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

- 1 The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
- 2 The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
- 3 After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal DID NOT require the preparation and dissemination of an environmental impact statement.
4. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
5. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
6. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

7. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
8. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

	City Manager	3.11.09
Signature of Certifying Officer of the Responsible Entity	Title of Certifying Officer	Date
Address of Certifying Officer: 142 East Main Street, Meriden, CT 06450		

**Part 3. To be completed when the Recipient is not the Responsible Entity**

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient	Title of Authorized Officer
NA	Date signed

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

# ENVIRONMENTAL REVIEW RECORD (ERR)

City of Meriden  
Neighborhood Stabilization Program

Project will Implement Neighborhood Stabilization Program (NS) Activities in Meriden, CT.

Prepared by:  
Juliet Burdelski, Grants Administrator  
City of Meriden  
142 East Main Street  
Meriden, CT 06450  
jburdelski@ci.meriden.ct.us  
(203) 630 4105

**Environmental Review Statement**  
 City of Meriden, Neighborhood Stabilization Program  
 58.34 Exempt Activities

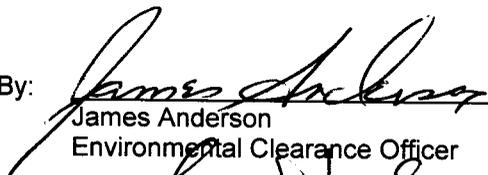
TO: Environmental Review Record (ERR)

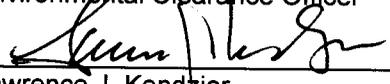
Projects: Environmental Review, Information and financial services, Administration, Legal, Code Enforcement, Engineering or design costs, Technical assistance and training

SUBJECT: Exempt Status Determination-NSP Program

The following activities have been reviewed under Section 58.34(a)(1)-(11) and have been found to be exempt from the provision of the National Environmental Policy Act and other laws and authorities cited in Section 58.5. No Request for Release of Funds or Further Environmental Review is required. Compliance with any applicable requirements of 58.6 is required. Documentation of compliance with 58.6 is attached.

Project	58.34 Compliance Documentation	58.6 Compliance Documentation
Environmental Review	58.34 (a) 1 Environmental and other studies, resource identification and the development of plans and strategies	Not applicable to the project.
Information and financial services	58.34 (a) 2 Information and financial services are exempt	Not applicable to the project.
Administration	58.34 (a) 3 Administration and Management Activities are exempt	Not applicable to the project.
Legal	58.34 (a) 4 Public Services that have no physical impact or result in physical change are exempt	Not applicable to the project.
Code Enforcement	58.34 (a) 5 Inspection and Testing are exempt	Not applicable to the project.
Engineering or design costs	58.34 (a) (8) Engineering or design costs are exempt	Not applicable to the project.
Technical assistance and training	58.34 (a) (9) Technical assistance and training	Not applicable to the project.

Prepared By:  Date: 3/10/09  
 James Anderson  
 Environmental Clearance Officer

 Date: 3.10.09  
 Lawrence J. Kendzior  
 City Manager

**STATUTORY CHECKLIST (Other Requirements)  
Compliance with 24 CFR Part 58.6**

Projects: Environmental Review, Information and financial services, Administration, Legal, Code Enforcement, Engineering or design costs, Technical assistance and training

Project Description: Projects will provide administrative services necessary to implement the City's Neighborhood Stabilization Program that will have no physical impact or result in physical change, and inspection services.

AREA OF STATUTORY OR REGULATORY COMPLIANCE	Not Applicable to Project	Consultation Required	Review Required	Determination of consistency obtained	Mitigation Required	Compliance Documentation
Flood Insurance 58.6(a)	X					
Coastal Barriers 58.6 (b)	X					
Airport Clear Zone Notification 58.6 (b)	X					
Water Quality	X					
Solid Waste Disposal	X					
Fish and Wildlife	X					
State or Local Statutes	X					

The activities listed above have been reviewed under Section 58.6 and have been found to be not applicable.

Prepared By:  Date: 3/10/09  
 James Anderson, Environmental Clearance Officer  
 Date: 3.10.09  
 Lawrence J. Kendzior, City Manager

Environmental Review Statement  
City of Meriden, Neighborhood Stabilization Program  
Categorically Excluded Activities Subject to Section 58.5

To: Environmental Review Record (ERR)

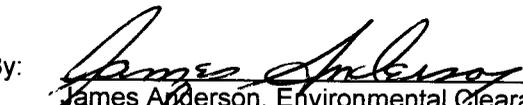
Project Number: Neighborhood Stabilization Program

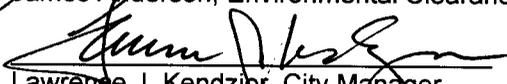
SUBJECT: Categorically Excluded Activities-NSP

The following activities have been reviewed under Section 58.35 (a) and has been found to be categorically excluded from the provisions of NEPA. Under a review of 58.35 (a) it is determined that further environmental review is required. As site specific activities are reviewed in accordance with Section 58.5 and environmentally cleared, appropriate documents will be attached to this statement. Site specific activities will be converted to exempt activities as applicable. Compliance with any applicable requirements of Section 58.6 is required. Documentation of the review supporting this determination is attached.

Project	58.35 Compliance Documentation	58.6 Compliance Documentation
Neighborhood Stabilization Program-Rehabilitation	58.35 (a) (3) (i) & (ii)-- Rehabilitation of buildings not expected to exceed thresholds. Environmental review will be completed for specific projects or projects will be converted to "exempt" as applicable.	58.6, Rehabilitation projects may be located in 100-year flood plain. Projects in the floodplain must demonstrate required level of flood insurance on the property (requirements contained in "Attachment 2"). Consultation will be required for compliance with state, federal and local laws regarding historic properties, wetlands protection, floodplain management and environmental justice.
Neighborhood Stabilization Program-Acquisition and Sale	58.35 (a) (5)— Properties to be acquired, financed or disposed of will be retained for the same use. Environmental review will be completed for specific projects or projects will be converted to "exempt" as applicable.	58.6, Rehabilitation projects may be located in 100-year flood plain. Projects in the floodplain must demonstrate required level of flood insurance on the property (requirements contained in "Attachment 2"). Consultation will be required for compliance with state, federal and local laws regarding historic properties, wetlands protection, floodplain management and environmental justice.
Neighborhood Stabilization Program-Demolition	58.35 (a) (4) (i) & (ii)--Individual actions not expected to exceed thresholds. Environmental review will be completed for specific projects or projects will be converted to "exempt" as applicable.	58.6, Rehabilitation projects may be located in 100-year flood plain. Projects in the floodplain must demonstrate required level of flood insurance on the property (requirements contained in "Attachment 2"). Consultation will be required for compliance with

		state, federal and local laws regarding historic properties, wetlands protection, floodplain management and environmental justice.
Neighborhood Stabilization Program-Financing Mechanisms	58.35 (b) (5) Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buydowns, and similar activities that result in the transfer of title which do not have a physical impact.	58.6, Rehabilitation projects may be located in 100-year flood plain. Projects in the floodplain must demonstrate required level of flood insurance on the property (requirements contained in "Attachment 2"). Consultation will be required for compliance with state, federal and local laws regarding historic properties, wetlands protection, floodplain management and environmental justice.
Neighborhood Stabilization Program-Pre Development Costs	58.35 (b) (6) Affordable housing pre-development costs including legal, consulting, developer and other costs related to obtaining, site options, project financing,, administrative costs and fees for loan, commitments, zoning approvals, and, other related activities which do not have a physical impact.	58.6, Rehabilitation projects may be located in 100-year flood plain. Projects in the floodplain must demonstrate required level of flood insurance on the property (requirements contained in "Attachment 2"). Consultation will be required for compliance with state, federal and local laws regarding historic properties, wetlands protection, floodplain management and environmental justice.

Prepared By:   
James Anderson, Environmental Clearance Officer

  
Lawrence J. Kendzior, City Manager

Date: 3/10/09

Date: 3.10.09

**STATUTORY CHECKLIST**  
**Compliance with 24 CFR Parts 58.5 & 58.6**

Projects: Program-Acquisition, Rehabilitation, Demolition for the Purposes of Reconstruction, Financing Mechanisms and Pre-Development Costs.

Project Description: Projects will provide activities necessary to implement the City's Neighborhood Stabilization Program that will have no physical impact or result in physical change, and inspection services.

AREA OF STATUTORY OR REGULATORY COMPLIANCE	Not Applicable to Project	Consultation Required	Review Required	Determination of consistency obtained	Mitigation Required	Compliance Documentation
Historic Properties		X				Rehabilitation and home acquisition projects will be reviewed for compliance with the State Historic Preservation Office.
Floodplain Management		X				Rehabilitation and home acquisition projects will be reviewed for impacts to 100-year floodplain.
Wetlands Protection		X				Rehabilitation and home acquisition projects will be reviewed for compliance with the State and Local Wetlands Protection regulations.
Coastal Zone/	X					
Water Quality/Sole Source Aquifers	X					
Endangered Species	X					
Wild & Scenic Rivers	X					
Air Quality	X					
Farmland Protection	X					
Thermal/Explosive Hazards	X					
Noise (24 CFR Part 51B),	X					
Airport Clear Zones [except for Clear Zone Notification of [24 CFR Part 51D 303 (a)(3)].	X					
Toxic Sites	X					
Environmental Justice (Executive Order 12898)		X				Residents located in low-income census tracts will

Flood Insurance 58.6(a)										be recorded in the loan documents and in the year end report.
										Rehabilitation and home acquisition projects located within the 100-year flood zone will be required to show required level of flood insurance on the property (requirements contained in "Attachment 2").
Coastal Barriers 58.6 (b)	X									
Airport Clear Zone 58.6 (b)	X									
Water Quality	X									
Solid Waste Disposal	X									
Fish and Wildlife	X									
State or Local Statutes:			X							

The Neighborhood Stabilization Program has been reviewed under Section 58.35 (a) and has been found to be categorically excluded from the provisions of NEPA. However, under a review of 58.35 (a) it is determined that further environmental review is required. As site specific activities are reviewed in accordance with Section 58.5 and environmentally cleared, appropriate documents will be attached to this statement. Site specific activities will be converted to exempt activities as applicable. Compliance with any applicable requirements of Section 58.6 is required. Documentation of the review supporting this determination is attached.

Summary of Environmental Conditions:

Environmental Conditions that may affect rehabilitation projects include:

- 100-year flood plain (Attachment 3)
- Environmental justice areas
- Historic property
- Wetlands

Summary of Findings and Conclusions:

All Neighborhood Stabilization projects should be reviewed for the impacts to the aforementioned environmental conditions. Projects located in the floodplain must comply with federal regulation CFR 24 Part 58.6. Site specific activities will be converted to exempt activities as applicable.

Project Modifications and Alternatives Considered

Rehabilitation, home acquisition and demolition projects will be reviewed for impacts to 100-year floodplain. Projects located within the 100-year flood zone must show required level of flood insurance on the property. Projects without adequate flood insurance will be denied NSP funding. (Flood insurance is recommended but not required for routine maintenance activities. Major building repairs are subject to the flood insurance requirement. See Attachment 2 for more detail.)

Additional Studies Performed:

Any hazardous materials, such as lead based paint, will be conducted on each property to be determined.

Mitigation Measures Needed:

To be determined on the basis of the studies performed.



Conclusions:

1. Is project in compliance with applicable laws and regulations?  
 Yes  No

2. Is an Environmental Impact Statement Required?  
 Yes  No

3. Can a Finding of No Significant Impact (FONSI) be made?  
 Yes  No

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
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Based on categories and anticipated activities, and categorical exclusions, we expect to have FONSI for the project. Proposed projects will not significantly affect the quality of the human environment.

This Environmental Review was prepared by:

  
James Anderson  
Environmental Clearance Officer  
Date 3/10/09

## ATTACHMENT 1

### APPLICABLE COMPLIANCE THRESHOLDS

Historic Properties (includes archeology): The project involves a National Register (NR) or eligible (for the NR) property and/or there are NR properties or eligible properties in the Area of Potential Effect. This determination is based on a review of the NR, field observation, information check with the SHPO, and check with other individuals or groups having the requisite expertise. Initiate and complete procedures and 36 CFR 800 et. seq.

Floodplain Management: The project is within or will impact on the 100-year floodplain identified on a FEMA Flood Hazard Boundary or Flood Insurance Rate Map. If no such maps have been published, the same finding is necessary by the grantee's Engineer or local Flood Control Agency. If the Project involves a critical action (e.g. a fire station, a hospital, etc), the 500-year flood plain applies. Initiate and complete reviews required by the "HUD Procedures for the Implementation of Executive Order 11988", as set forth in 24 CFR Part 55. Project may be approved if there is no practicable alternative outside the flood.

Wetlands Protection: The project is within, or will affect a wetland. This finding is based on review of Federal National Wetlands Inventory Maps ONLY. Initiate and complete the Water Resources Council 8-step procedure. (Project may be approved if there is no practicable alternative outside the wetland area).

Environmental Justice (Executive Order 12898): At minimum, a circumstance requiring compliance with the Executive Order should be considered to exist if: the project or activities are located in a predominantly minority or low income neighborhood; or if the project site or neighborhood suffers disproportionately from high adverse environmental impacts on low income and/or minority populations relative to the community at large. Furthermore a circumstance requiring compliance with the Executive Order may exist, and documented determinations should be made, if a proposal: includes new housing construction, or acquisition of housing for low income or minority residents; and is proposed in a neighborhood that is currently (or planned to be) primarily non-residential. In addition, projects/activities that are close enough to predominantly low income or minority neighborhoods to have a potentially adverse environmental effect on those groups, or that will employ or serve a clientele of predominantly low income or minority persons on the project site, should be evaluated on a case-by-case basis. Disproportionate adverse environmental impacts should be avoided or mitigated to the extent practicable. Consideration of steps taken to identify, and as appropriate, to avoid or mitigate such impacts should be documented in the ERR.\*

\* The Executive Order calls on Federal agencies, and in the case of HUD, units of general purpose government acting under an assumption of HUD's environmental review responsibility, to identify and address, to the extent practicable, disproportionately high adverse human health or environmental effects of their programs, policies and activities on minority and low income populations.

## ATTACHMENT 2

In addition to the duties under the laws and authorities specified in 58.5 for assumption by Responsible Entities (RE's) under the laws cited in 58.1(b), RE's must comply with the following requirements. Applicability of the following requirements does not trigger the certification and release of funds procedure under this Part or preclude exemption of an activity under 58.34 (a) (12) and/or the applicability of 58.35(b). However, the RE remains responsible for addressing the following requirements in its ERR and meeting these requirements, where applicable, regardless of whether the activity is exempt under 58.34 or Categorically Excluded under 58.35 (a) or (b).

(a) Federal Flood Insurance Purchase Requirements (do not apply to funds from Federal formula grants made to a State).

(1) Does the project involve acquisition or construction (including rehabilitation) in a community identified by the Federal Emergency Management Agency (FEMA) as having special flood hazard areas (100 year and 500 year floodplains)? Yes \_\_\_ No \_\_\_ If "Yes," go to (a)(2).

(2) Is the project located in 100 year flood plain (500 year floodplain for "critical" actions\*)? Yes \_\_\_ No \_\_\_ If "Yes," go to (a) (3).

(3) Is the community in which the project is located ( ) participating in the National Flood Insurance Program or, ( ) has less than a year passed since FEMA notified the community concerning such hazards. (Please check one of the above depending on the situation) Yes \_\_\_ No \_\_\_. If "Yes," attach a statement concerning how you will assure that flood insurance will be maintained in accordance with the "Flood Insurance Protection" guidance sheet attached to this Checklist. The implementation of this project consistent with your statement must be made a condition on the environmental findings and recommendations for the project. If "No," project cannot be funded.

\*As defined in the U.S. Water Resources Council's Floodplain Management Guidelines for Implementing Executive Order 11988.

## Flood Insurance Protection Guidance

**Duration of Flood Insurance Coverage.** The statutory period for flood insurance coverage may extend beyond project completion. For loans, loan insurance or guaranty, flood insurance coverage must be continued for the term of the loan. For grants and other non-loan forms of assistance, coverage must be continued for the life of the property, regardless of transfer of ownership of such property. Section 582(c) of the Community Development and Regulatory Improvement Act of 1994 mandates that "...The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property." (42 U.S.C. 5154a)

**Dollar Amount of Flood Insurance Coverage.** For loans, loan insurance or guaranty, the amount of flood insurance coverage need not exceed the outstanding principal balance of the loan. For grants and other forms of financial assistance, the amount of flood insurance coverage must be at least equal to the development or project cost (less estimated land cost) or to the maximum limit of coverage made available by the Act with respect to the particular type of building involved (SF-Single Family, OR-Other Residential, NR-Non Residential, or SB-Small Business), whichever is less. The development or project cost is the total cost for acquiring, constructing, reconstructing, repairing or improving the building. This cost covers both the Federally assisted and the non-Federally assisted portion of the cost, including any machinery, equipment, fixtures, and furnishings. If the Federal assistance includes any portion of the cost of any machinery, equipment, fixtures or furnishings, the total cost of such items must also be covered by flood insurance.

**Proof of Purchase.** The standard documentation for compliance with Section 102 (a) is the Policy Declarations form issued by the National Flood Insurance Program or issued by any property insurance company offering coverage under the National Flood Insurance Program. The insured has its insurer automatically forward to the grantee in the same manner as to the insured, information copies of the Policy Declarations form for verification of compliance with the Act. Any financially assisted SFHA building lacking a current Policy Declarations form is in Noncompliance.

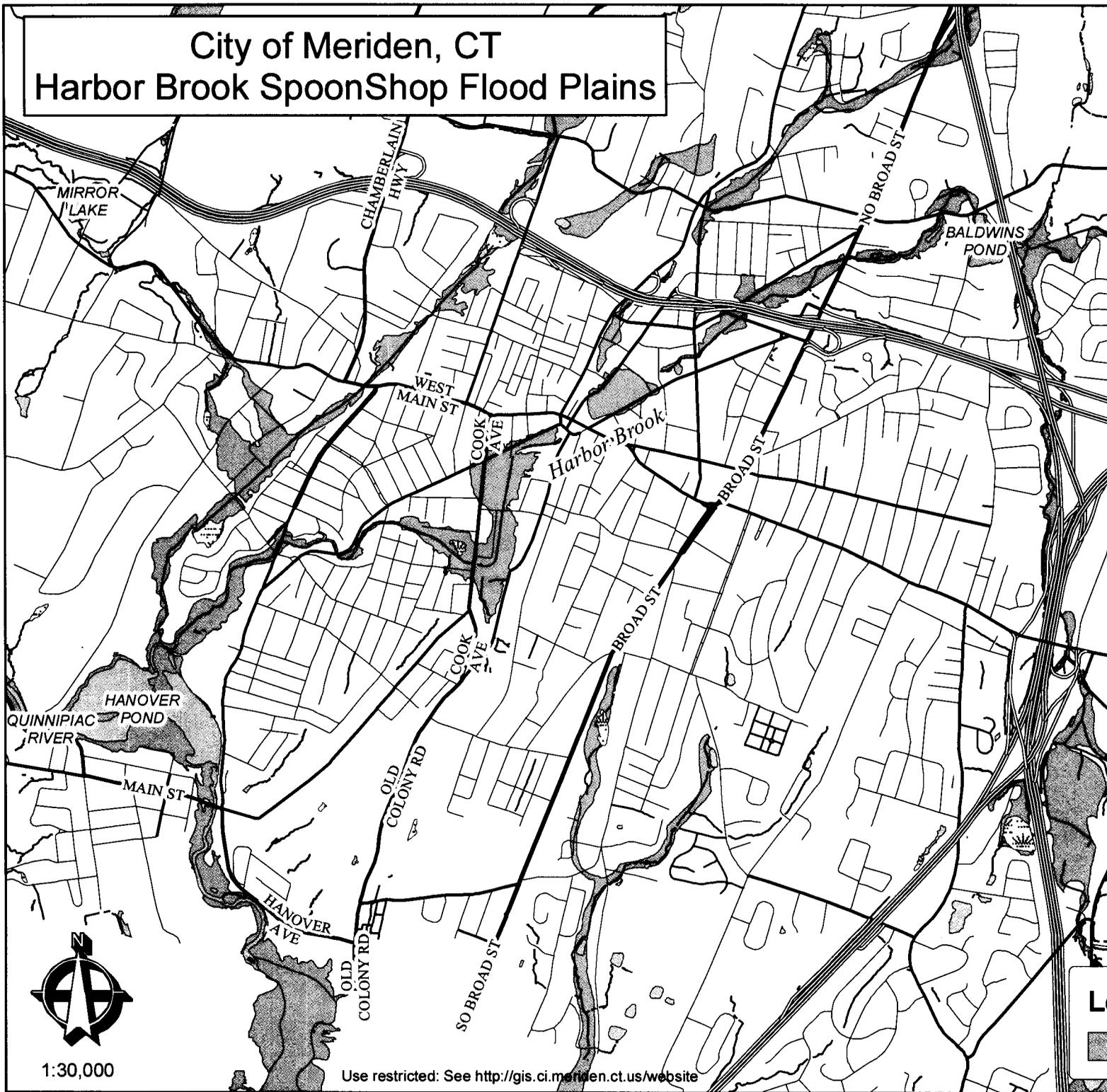
**Grantee's Evidence of Compliance under the Certification.** The grantee must maintain a complete and up-to-date listing of its on-file and current Policy Declarations for all financially assisted SFHA buildings. As a part of the listing, the grantee should identify any such assisted building for which a current Policy Declarations form is lacking and attach a copy of the written request made by the grantee to the owner to obtain a current Policy Declarations form.

**Other.** Under CFR 55.2, Flood insurance is recommended but not required for routine maintenance activities. "Routine maintenance" activities merely keeps a building in good operating condition, it does not add to the value of the building, appreciably prolong its useful life, or adapt it to new uses. Examples include: painting exterior or interior, fixing gutters or floors, mending leaks or plastering, replacing thermostats, broken window panes or door locks. In contrast, major building repairs are subject to the flood insurance requirement. These activities are considered repairs: adding a room, putting in new plumbing, electrical wiring or air conditioning system, installing a new roof, replacing a boiler or other major equipment and any comprehensive remodeling or fix-up project.

Attachment 3

100-Year Flood Plain Map,  
Meriden, CT

# City of Meriden, CT Harbor Brook SpoonShop Flood Plains



1:30,000

Use restricted: See <http://gis.ci.meriden.ct.us/website>

Attachment 4  
Public Notices/Public Comments



# CITY OF MERIDEN

[Home](#) | [About Meriden](#) | [Site Map](#) | [Contact](#)

[Government](#)

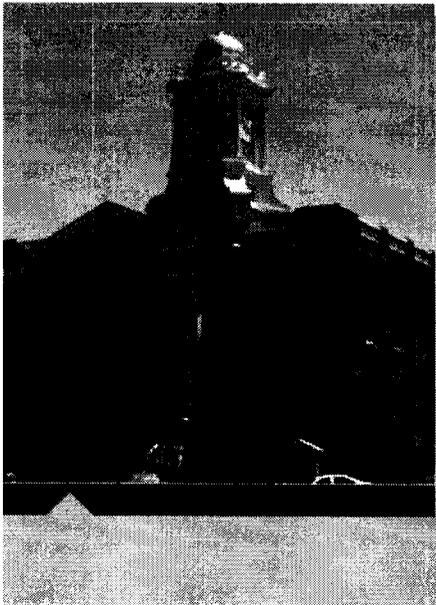
[Municipal Services](#)

[Economic Development](#)

[Resources](#)

SEARCH:

GO



## Welcome to Meriden, Connecticut

Connecticut's silver city, Meriden is a city rich with heritage and pride. Once a community dominated by manufacturing, Meriden is now thriving with a new era of business and industry. Residents, business leaders and tourists alike benefit from Meriden's ideal location. Situated midway between Hartford and New Haven, Meriden boasts convenient access to major interstates and travel routes throughout New England.

### ► At A Glance

| [City Codes](#) | [Employment](#) | [Meriden Property Searches](#)  
| [City Directory](#) | [Annual Report](#) | [City Council](#) | [Seniors](#) | [Library Catalog](#) | [Brownfields Redevelopment](#) | [City Hall Hours](#)

### ► Announcements

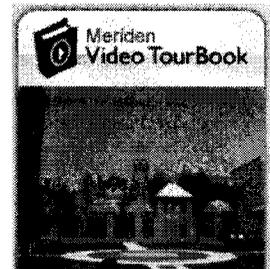
- [RFP Legal Notices](#)
- [Submit Your Volunteer Opportunities Here](#)
- [Pay Your Tax, Water & Sewer Payments Online](#)
- [Plan of Conservation and Development](#)
- [Notice of Fire Hydrant Flushing](#)
- [Bd. of Assessment Appeals Form- Side 1, Side 2](#)
- [Minutes & Agenda's](#)
- [Neighborhood Stabilization Program Public Notice](#)
- [Winter Information Guide](#)
- [Spirit of Meriden Award - Nomination Form](#)

### Upcoming Events

- [Public Library Calendar](#)
- [Public Meeting Calendar](#)
- [Recreation News & Announcements](#)
- [Library Children's Program](#)

### Interactive Resources

- [Minutes & Agendas](#)
- [Bulletin Board](#)
- [Email Subscription Service](#)
- [FAQs](#)



[Welcome](#)

[Education](#)

[Quality of Life](#)

[Real Estate and Relocation](#)

[Economic Development](#)

[Parks and Recreation](#)

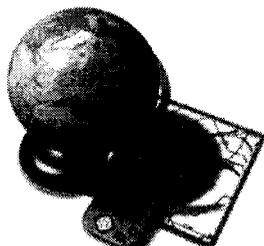


► [Meriden Public Schools](#)

► [Meriden High School Feasibility Study](#)



Meriden Connecticut



[GIS Services](#)

For more information about Economic Development visit:  
► [MeridenBiz.com](#)

DISPLAY AD FOR PUBLICATION Wednesday, March 11, 2009

Bill to Community Development Office  
City Hall, 142 East Main Street Meriden, CT 06450

COMBINED NOTICE  
NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND  
NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS  
CITY OF MERIDEN NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

REQUEST FOR RELEASE OF FUNDS (RROF)

On or about March 27, 2009 the City of Meriden will submit a request to the Connecticut Department of Economic and Community Development (DECD) for the release of Community Development Block Grant funds under Title 1 of the Housing and Community Development Act of 1987, as amended, to undertake a project known as Neighborhood Stabilization Program. \$1,785,000 in federal CDBG funds will be used to implement the following activities:

\$1,785,000-Neighborhood Stabilization Program---Implement activities outlined in the City of Meriden Local Action Plan for the use of NSP funds, including the purchase, acquisition and rehabilitation of foreclosed homes, and associated demolition, financing and administration activities. The activities proposed are categorically excluded under HUD regulations at 24 CFR Part 58 from National Environmental Policy Act (NEPA) requirements.

FINDING OF NO SIGNIFICANT IMPACT (FONSI)

The City of Meriden has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at City Manager's Office, City Hall and may be examined or copied weekdays 9 A.M. to 5 P.M.

PUBLIC COMMENTS

Any individual, group, or agency disagreeing with this determination or wishing to comment on the project may submit written comments to the City of Meriden, 142 East Main Street, Meriden, CT 06450. All comments received by March 26, 2009 will be considered by the City of Meriden prior to authorizing submission of an RROF.

RELEASE OF FUNDS

The City of Meriden certifies to DECD that Lawrence J. Kendzior in his capacity as City Manager consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. DECD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities, and allows the City of Meriden to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

DECD will consider objections to its release of funds and the City of Meriden certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the

Certifying Officer or other officer of the City of Meriden approved by DECD; (b) the City of Meriden has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR Part 58; (c) the grant recipient or other participants in the project have committed funds or incurred costs not authorized by 24 CFR Part 58 before approval of a release of funds by DECD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58) and shall be addressed to the Connecticut DECD, 505 Hudson Street, Hartford, CT 06106. Potential objectors should contact DECD to verify the actual last day of the objection period.

Lawrence J. Kendzior

**COMBINED NOTICE  
NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND  
NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS  
CITY OF MERIDEN NEIGHBORHOOD STABILIZATION PROGRAM (NSP)  
REQUEST FOR RELEASE OF FUNDS (RROF)**

On or about March 27, 2009 the City of Meriden will submit a request to the Connecticut Department of Economic and Community Development (DECD) for the release of Community Development Block Grant funds under Title 1 of the Housing and Community Development Act of 1987, as amended, to undertake a project known as Neighborhood Stabilization Program. \$1,785,000 in federal CDBG funds will be used to implement the following activities:

\$1,785,000-Neighborhood Stabilization Program---Implement activities outlined in the City of Meriden Local Action Plan for the use of NSP funds, including the purchase, acquisition and rehabilitation of foreclosed homes, and associated demolition, financing and administration activities. The activities proposed are categorically excluded under HUD regulations at 24 CFR Part 58 from National Environmental Policy Act (NEPA) requirements.

**FINDING OF NO SIGNIFICANT IMPACT (FONSI)**

The City of Meriden has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at City Manager's Office, City Hall and may be examined or copied weekdays 9 A.M. to 5 P.M.

**PUBLIC COMMENTS**

Any individual, group, or agency disagreeing with this determination or wishing to comment on the project may submit written comments to the City of Meriden, 142 East Main Street, Meriden, CT 06450. All comments received by March 26, 2009 will be considered by the City of Meriden prior to authorizing submission of an RROF.

**RELEASE OF FUNDS**

The City of Meriden certifies to DECD that Lawrence J. Kendzior in his capacity as City Manager consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. DECD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities, and allows the City of Meriden to use Program funds.

**OBJECTIONS TO RELEASE OF FUNDS**

DECD will consider objections to its release of funds and the City of Meriden certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer or other officer of the City of Meriden approved by DECD; (b) the City of Meriden has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR Part 58; (c) the grant recipient or other participants in the project have committed funds or incurred costs not authorized by 24 CFR Part 58 before approval of a release of funds by DECD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58) and shall be addressed to the Connecticut DECD, 505 Hudson Street, Hartford, CT 06106. Potential objectors should contact DECD to verify the actual last day of the objection period.

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