Members Present: Les King; Mark Marcy

Members Absent: Sean Barnes; Gemma Fabris; Kevin Saythany

Others Present: Kathy Crees; Tianne Curtis

1. Call to Order
   The CDAC meeting was called to order at 3:40 PM.

2. Kathy Crees, Community Development Director, gave a Power Point presentation (Attached) on the 5-Year Planning Process and highlighted the key elements of eligible CDBG project funding.

   Terri O’ Rourke, CEO of Habitat for Humanity of Eastern Connecticut shared anticipated housing needs for the 5-yr goals for the City of Norwich; noting home ownership is a direct improvement in quality of life. Ms. O’Rourke referenced CR-35 in the 2018 CAPER (Attached) and suggested the City consider creating incentives for developers to offset the negative impact of high pre-development costs.

   Kathy Crees announced there would be a second meeting March 2, 2020 for Community Plan comments.

3. Adjournment - There were no more present wishing to speak & meeting was adjourned at 4:35.

   Respectfully submitted,

   Tianne Curtis
   CD Program Assistant
CITY OF NORWICH

COMMUNITY DEVELOPMENT – FIVE YEAR PLANNING PROCESS

CONSOLIDATED PLAN

- FIVE YEAR PLAN 2020-2024
  - Identifies local housing and community development needs
  - Identifies the strategy for addressing local needs

- ANNUAL PLAN
  - Describes actions to be undertaken to meet strategic plan goals
  - Details budget for use of federal funds
FUNDING CYCLE

• FY 2020 ALLOCATION ESTIMATES:
  • CDBG: $861,120
  • RETURN OF LOAN: $50,000

ELIGIBLE ACTIVITIES: SOME EXAMPLES INCLUDE

➢ Housing Rehabilitation
➢ Homeownership Assistance
➢ Public Facilities and Improvements
➢ Blight Removal/Site Clearance
➢ Code Enforcement
➢ Economic Development
➢ Public Services
➢ Acquisition/Disposition of Real Property
**INELIGIBLE ACTIVITIES: EXAMPLES**

- NO Political activities
- NO Construction of housing units by a unit of local government
- NO Operation and maintenance of public facilities
- NO General government expenses including construction of general government buildings
- NO Purchase of equipment (except fire)
- NO Direct Income Payments

**FUNDABLE ACTIVITIES: MEETING NATIONAL OBJECTIVE**

- Each Activity MUST meet one of the THREE NATIONAL OBJECTIVES:
  - 1. Benefit to Low & Moderate Income Persons
  - 2. Prevent or Eliminate Blights
  - 3. Meet urgent needs when health and welfare are threatened
LOW & MODERATE INCOME BENEFIT

AREA BENEFIT

Must serve 51% low/moderate income persons by Census Tract or block group:

Eligible census tracts: 6968; 6964; 6961; 6967
AREA BENEFIT

- FACTORS to determine the area served by a public facility or improvement are:
  - The nature of the activity – What are you planning on doing?
  - The location of the activity – Have you checked to make sure it is allowed (planning, zoning, state, feds)?
  - Access to the facility
  - The availability of comparable activities (does this already exist)?

LOW AND MODERATE INCOME BENEFIT – TYPES OF LOW/MOD BENEFIT

- Presumed to be low/mod: abused children, battered spouses, elderly, homeless…, or
- Client documents income, or
- Eligibility requirements limit clientele to low/mod income persons, or
- Nature and location of service predominantly used by low income persons, or
- Activity removes material or architectural barriers to accessibility of elderly persons or severely disabled adults.
LOW/MOD BENEFIT - TYPES

- HOUSING

Providing or improving permanent residential structures, which upon completion, will be occupied by low and moderate income households.

LOW & MODERATE INCOME BENEFIT - TYPES

ECONOMIC DEVELOPMENT

- The activity must involve

EMPLOYMENT of persons, a majority of whom are low and moderate income.

WE'RE HIRING!
LOW & MODERATE INCOME BENEFIT: DEFINITIONS

- INCOME - Section 8 low income limit established by HUD
  - Very Low Income – under 30% of Area Median Income
  - Low Income – 31% - 50% of AFMI
  - Moderate Income – 51% to 80% of AFMI

FAMILY - all persons living in the same household related by birth, marriage or adoption

<table>
<thead>
<tr>
<th>Explanation</th>
<th>FY 2019 Income Limit Category</th>
<th>Persons in Family</th>
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</thead>
<tbody>
<tr>
<td>9 Income Limit Area</td>
<td>Median Family Income</td>
<td>1</td>
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<tr>
<td>Norwich- New London, CT HUD Miami FMR Area</td>
<td>$34,300</td>
<td>Very Low Income Limits ($9)</td>
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<tr>
<td></td>
<td></td>
<td>Extremely Low Income Limits ($)*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low Income Limits ($)</td>
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</tbody>
</table>

*Note: Income limits are subject to annual adjustments based on changes in the Consumer Price Index.
ELIMINATION OF SLUM & BLIGHT

- Definition of slum and blight per state law or local law.

SCHEDULE

- 5 YEAR CONPLAN Public Meetings/Request for Information from groups: February/March 2020
- Applications for funding due – March 11
- CDAC/CD staff review for eligibility and recommend funding – March/April
- Public comment period April/May
- City Council vote on the Action Plan June/July
- Annual Action Plan submitted to HUD by August 15th
February 24, 2020

My name is Terri O’Rourke, I am the CEO of Habitat for Humanity of Eastern Connecticut, Inc., a nonprofit ownership housing provider for very low income households. Currently we are working on the development of 14 new units of ownership housing in the Greenville neighborhood. The project represents our largest investment in a neighborhood in our 30+ year history. When it is complete, we will have invested approximately $3.8 million in Norwich and developed 24 units of housing, most of these in the last 10 years. These homes over a 30 year period are expected to generate an estimated $2.8 million in property tax revenue for the municipality. Additionally, incremental benefit to the local economy occurs as we purchase building supplies and employ subcontractors from local providers, and thousands of volunteers stop for gas, coffee, lunch etc... on their way to and from our job sites.

To date, we have been awarded $55,000 in CDBG funds, the last of which was June 2014. We no longer invest time applying for funds based on the city’s priorities for use of their allocation.

Thank you for the opportunity to provide input to the development of an updated community plan. My remarks today are in reference to your notes in the FY 2018 Consolidated Annual Performance Evaluation Report page 17, which reads:

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

First, let me focus on significant kudo’s to the City for its efforts to improve the zoning and permitting process. We are extremely appreciative of the staff in zoning and building enforcement for their willingness to educate us on what is permissible, what is safe and for their expeditious treatment of all applications and permitting requests. Even though we have been building homes for a long time, we still come across situations that are firsts for us, and appreciate the intervention of your staff to help us understand how to deal with some of the physical challenges on our sites. They do a great job.

Second, we would like to share some thoughts on tax policies affecting land, and fees and charges. For the 19 most recent homes we have and are investing in, we have already paid $92,549 in pre-development property taxes. For those same homes, we have paid $45,030 in permits and bond fees; together these two line items could have built another home, instead they act as a deterrent for further development. Today I turned down the donation of a blighted home in Norwich because of the carrying
costs associated with pre-development property tax. I urge the committee to consider creating an incentive for developers by limiting the amount of pre-development taxation. While we appreciate the economic challenges every town and city in the state is facing, trading off short term solutions for long term benefit should be carefully weighed. One new house or like new renovation has the potential to generate an estimated $115,000 over 30 years. One house we develop pays for the pre-development taxation on the 19 projects. If the objective is to encourage development please carefully consider this request for pre-development relief, especially in light of the prioritized and limited use of CDBG funds.

Finally, we would like to advocate for the opportunity for renters to file complaints regarding the living conditions of a rental unit as they vacate it. For every full application we receive for homeownership, we conduct a home visit to assess the current living conditions. Pictures are taken to document mechanical and environmental issues. While an accepted applicant escapes from a dwelling that is substandard, it is the next renter that inhabits the unit we are concerned about. We know anecdotally that renters may not trust their landlord not to seek to evict them if they complain about problems in their unit, and a bad place to live is better than no place to live. When we have tried to intervene post removal, especially properties we know are subsidized with federal funds, landlords have been unresponsive to us.

In closing I would like to suggest why a provider like Habitat is important for Greenville and for Norwich. The area median income for Norwich Metropolitan Statistical Area is $82,100 for a household of 4. The area median income for Greenville is $39,597. The median income for owner occupied housing is $75,000. The median income for renters is $35,000.

Habitat is the only provider creating homeownership opportunities for very low income families. Homeownership is a crucial foundation for helping low-income families find a path out of poverty. When they move out of substandard housing and into decent affordable homes, homeowners and their families frequently improve their health, educational attainment, safety and personal wealth. Academic research and surveys point to one inescapable conclusion: that owning one’s home enhances quality of life in a variety of specific, verifiable ways.

Homeownership leads to better health.
- A national survey of Habitat homeowners found that 74% said their families overall health had improved since moving into their home.

Homeownership provides better security and safety.
- A 2011 national survey of Habitat homeowners by the University of Southern Indiana found that 84% felt safe in their neighborhoods.
Homeownership helps generate wealth building and a pathway out of poverty.
• "The median net wealth of low-income homeowners is dramatically higher than the median net wealth of low-income renters," according to a 2005 report by the Joint Center for Housing Studies.

Homeownership leads to greater educational achievements.
• Children in home owning families outperform children in renting families in both math and reading. These children will have fewer behavioral problems, higher educational attainment and greater future earnings, according to a study by an Ohio State University economist.

Thank you for your efforts and for allowing us the opportunity to speak with you today,

Sincerely,
Terri O'Rourke
CEO/Executive Director