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November 6, 2019

The Honorable Pat Wilson Pheanious
Co-Chair, Crumbling Foundations Caucus
Connecticut General Assembly
Legislative Office Building, Room 4000
300 Capitol Avenue
Hartford, Connecticut 06106-1591

The Honorable Tim Ackert
Co-Chair, Crumbling Foundations Caucus
Connecticut General Assembly
Legislative Office Building, Room 4200
300 Capitol Avenue
Hartford, CT 06106-1591

Dear Representative Wilson Pheanious and Representative Ackert:

As co-chairs of the bipartisan crumbling foundations caucus, I wanted to provide you with information about the federal Community Development Block Grant (CDBG) program and the 2019 fiscal year allocations.

As you are aware, my staff and I have worked for several years to secure federal assistance for victims of the crumbling foundations crisis in Connecticut, and in August of 2016, I received written confirmation from the federal Department of Housing and Urban Development (HUD) that CDBG funds and HOME program funds could be used to provide direct assistance to homeowners. After receiving this letter, HUD staff then provided in-depth guidance to the Connecticut Department of Housing and the Connecticut legislature to ensure that funds are used for this purpose. I am attaching to this correspondence the 2016 letter from HUD, as well as information provided to my staff from the Congressional Research Service which outlines possible assistance through HUD to homeowners with crumbling foundations.

In January of 2017, former Governor Malloy verbally committed $1 million of the State of Connecticut's fiscal year 2017 CDBG allocation to crumbling foundations for the purpose of a crumbling foundations testing reimbursement program. Please note that since 2016, the State of Connecticut has received $50,895,902 in non-entitlement CDBG funds. Yet, since 2016, only $730,000 of that CDBG funding has been allocated by the State Department of Housing to crumbling foundations. This $730,000 has only been allocated towards testing assistance, even though HUD has never restricted the use of CDBG funds for crumbling foundations solely to testing.

For the 2019 fiscal year, Connecticut's non-entitlement CDBG allocation is $13,380,326. The State of Connecticut may also take advantage of the Section 108 loan guarantee component of the CDBG program, which provides communities with financing for a variety of projects, including housing rehabilitation. Lastly, I wanted you to be aware that the State of Connecticut's HOME Grant allocation for the 2019 fiscal year is $9,039,736. Rehabilitation of housing is an eligible use of HOME funds, assuming other requirements are also met.

Given the pressing needs facing homeowners and condominium owners with crumbling foundations – as well as the effects of pyrrhotite on municipal structures and private buildings – it is essential that we continue to work creatively to take advantage of any possible federal assistance through HUD that is already available to the State of Connecticut. I have fought to ensure that the federal budget maintains or increases CDBG funding each year, and am working to publicize the CDBG testing program through correspondence from my office, my website (Courtney.house.gov), and events throughout eastern Connecticut. In order for the State of Connecticut to take advantage of these funding opportunities, the legislature, Governor, and Department of Housing will need to work together to identify any opportunities for CDBG, HOME, or other HUD programs to be utilized for crumbling foundations remediation.

My staff and I are ready to discuss these ideas with you at your convenience. Should you need assistance, please do not hesitate to reach out to my District Director, Ayanti Grant (860-886-0139) or my Legislative Assistant, Meghan O'Sullivan (202-225-2076).

Sincerely,

Joe Courtney

JOE COURTNEY
Member of Congress

Enclosure: 2016 HUD Letter & CRS Report Crumbling Foundations

CC: Connecticut General Assembly Crumbling Concrete Caucus Members

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Representative Vincent Candelora
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Representative Jeff Currey
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