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Joe Courtney Congress of the United States

2nd District, Connecticut October 6, 2016

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Lyle Wray, Executive Director Capitol Region Council of Governments 241 Main St. Hartford, CT 06106

Dear Lyle,

Thank you for your invitation to meet on crumbling foundations on October 5. I appreciate CRCOG's continued focus on this issue and commend the formation of your working group on crumbling foundations, and I look forward to continuing productive discussions with you. I'm writing to follow up on my office's interaction with you and CRCOG's members regarding possible ways federal assistance can help the communities affected, as well as homeowners who are confronted with this challenging problem.

As you know, our office circulated a letter from the U.S. Department of Housing and Urban Development dated August 18, 2016, which confirmed that federal funds – through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program could be used to address the issue of crumbling foundations. Both CDBG and HOME funds are appropriated by Congress annually, and as block grants, they are largely administered by the state. The Connecticut Department of Housing and the Office of Policy and Management lead a funding allocation process each year. As you know, my office secured a detailed report, distributed at the October 5 meeting and attached, on the programs and the distribution process used in Connecticut prepared by the Congressional Research Service (CRS).

The CRS memo is helpful in describing the scope of state discretion and how these block grants can be used. In particular, the memo confirms that towns can collaborate on housing development programs, which in north central Connecticut could be particularly beneficial. The CRCOG members attending the October 5 meeting had a good discussion about what priorities are the most urgent for towns who are experiencing challenges with property tax assessments, which threaten their overall tax base. CRCOG's decision to create a working group of town CEOs to organize a proposal for the state in fiscal year 2017 is a good step forward in terms of translating the block grant opportunity to tangible help for their citizens.

In particular, an important issue which would be helpful in capitalizing on this HUD opportunity is determining the input of state legislators in the final design of Small Cities CDBG allocation. As you know, I circulated a memo from the state Office of Legislative Research (OLR) which confirms that block grant proposals from the Office of Policy and Management and the Department of Housing are subject to approval and modification by the state legislature's Joint Appropriations Committee. As was discussed, engaging state legislators in the region as participants in the possible plan design and discussion with the Malloy administration would help facilitate support for any proposal CRCOG formulates. The group also talked through the

structure of these block grants, which are recurring appropriations to the state. In addition, while these funds are not sufficient to provide a complete remedy for this issue, they will hopefully "prime the pump" for other stakeholders in both the public and private sectors to come forward and assist in a comprehensive plan.

Thank you again for the opportunity to participate in your working group meeting. I hope the CRS memo along with the OLR input is of some assistance in following up on HUD's letter of August 18. I look forward to continuing to engage with you and other stakeholders in government and the private sector to work together to find solutions to this issue.

Sincerely,

OE COURTNEY

Member of Congress