



**U.S. Department of Housing and Urban Development**

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**FEB 19 2010**



The Honorable Michael J. Jarjura  
Mayor of Waterbury  
236 Grand Street  
Waterbury, CT 06702

Dear Mayor Jarjura:

The City of Waterbury received \$2,241,978 in Community Development Block Grant (CDBG), \$938,351 in HOME funds, and \$99,746 in Emergency Shelter Grant (ESG) funds in Federal Fiscal Year 2008. This is HUD's report on our assessment of the use of those funds.

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require that grant recipients submit annual performance reports for the programs covered under these Acts. The Acts also require the Secretary of HUD to determine annually that the grant recipient is in compliance with these statutes and has the continuing capacity to carry out the programs for which it received funds.

Our review includes an analysis of each grantee's planning process; its management of funds; progress in carrying out the strategies and goals expressed in the Consolidated Plan; compliance with statutory and regulatory requirements; accuracy of required performance reports; and evaluation of its accomplishments in meeting key departmental objectives.

Our Annual Assessment is directed not only toward meeting the mandates of the statutes, but to provide the basis for working together collaboratively to achieve the revitalization goals of your community. We congratulate you on your community's many accomplishments during this past year regarding the achievement of Departmental Objectives.

**Noteworthy Accomplishments**

- Since Program Year 2004, the Waterbury Development Corporation (WDC) has principal responsibility for the administration of Waterbury's three Community Planning and Development formula grant programs. WDC operates under a written subrecipient agreement with the City of Waterbury, as required by the CDBG and HOME regulations, and as HUD recommends for the ESG program. We have examined that agreement and found it to be fully compliant with program rules. We also agree that the City, through the Office of the Mayor and the Finance Department, has continued its essential

responsibilities to oversee and monitor WDC activities, and to assure that WDC is in compliance with the subrecipient agreement.

- Waterbury's Citizen Advisory Committee (CAC) oversees the use of its Entitlement funds. The Committee meets monthly and conducts the public hearings for the Consolidated and Annual Plans. The Committee is comprised of members appointed by the Mayor from the Board of Aldermen (3), the Waterbury Housing Authority (1), the City's Planning Commission (1), the Continuum of Care (1), a non-profit housing services organization (1), social service agencies (2), and seven residents of low- and moderate-income neighborhoods to serve on the Committee. The Committee also reviews applications and makes recommendations for funding under the City's Entitlement Programs.
- The City funded a range of public service programming for its low- and moderate-income residents. The needs of Waterbury's youth were met through a \$15,000 grant to the WOW-NRZ Association's Community Learning Center. The Program assisted 167 of the City's residents with after-school and senior programs. The needs of Waterbury's seniors were also met with a \$15,000 grant to the Mount Olive Senior Center to provide nutrition, education, and entertainment services at the center. The Center served 250 seniors in Program Year 2008. The Police Activity League (PAL) of Waterbury received a \$25,000 grant for after-school education, athletic, and recreational programming which served 1,950 of the City's youths. We congratulate Waterbury on its ability to provide a variety of public services that are responsive to the needs of the City's low- and moderate-income residents and also leverage other funding sources.
- Public facility improvements funded in Program Year 34 included City street improvements over a multi-year period for a total project cost of \$3,291,925 which includes \$2,291,925 in City bond funds, \$500,000 in State funding, and \$500,000 in CDBG funding. The City also funded \$394,000 for sidewalk improvements in the Brooklyn neighborhood. The Baldwin Street Fire Station received an additional award of \$175,000 from Program Year 34 to fund \$1,015,000 in renovations to its facility. City funds in the amount of \$270,000 will leverage the total CDBG funding of \$745,801. CDBG funds in the amount of \$422,761 were allocated to neighborhood park improvements for renovations to Washington Park, Fulton Park, and the North End Recreation Center.
- We commend the City for meeting HUD's timeliness standards at 24 CFR 570.902 for Program Year 2008 by delivering grant-supported activities in a timely manner. The balance-of-funds test for timeliness is that not more than the equivalent of 1.5 years of program funds be on its Line of Credit, sixty days before the end of its program year. When the 60-day test was conducted on July 1, 2009, it was calculated that your community had a balance on its Line of Credit of 1.33 times its annual grant.
- Waterbury was also efficient in the administration of its CDBG and HOME programs. The City's administrative expenditures for the CDBG Program were 18.7% of its 2008 formula grant plus current year's Program Income, which is below the 20% limitation.

The administration of the HOME Program also remained below the administrative limit of 10% of the Entitlement Grant plus current year Program Income. Public service activities funded represented 14.1% of the City's Entitlement Grant and met the CDBG program limitation of 15%. We commend the City for administering the program within the parameters of the program.

## **HOME Program**

We reviewed the City's reporting of activities assisted with HOME funds in its Consolidated Annual Performance Evaluation Report (CAPER). We note that during the current year the City met its commitment and expenditure requirements for the use of HOME funds. Program income in the amount of \$19,933.86 was also received and expended during the Program Year.

The City's HOME Program completed 26 units of new rental housing, rehabilitated 10 units of existing rental housing, and rehabilitated 10 units of owner-occupied housing. The 46 units assisted by the HOME Program funding provided decent, safe, and affordable rental housing opportunities to 35 extremely low-income households. Owner-occupied units rehabilitation with the HOME Program funding assisted four extremely low-income, one very low-income, and 6 low-income households. We congratulate the City of Waterbury on its recent efforts in providing affordable housing opportunities with its HOME Program funding.

The Match Requirement for expenditures made in Program Year 2008 was \$144,523.05. The City did not provide a matching contribution and used prior program years' excess match to meet it Program Year 2008 match liability. The results of on-site inspections conducted of affordable rental housing units during Program Year 2008 were included in the CAPER report.

The Annual Performance Report, HUD form 40107 provided an assessment of the City's HOME Program activities with minority- and women-owned businesses. The City's HOME Program completed contracts with 18 Minority Business Enterprises in the amount of \$1,434,333.95 with three contracts totaling \$87,662 executed with Women-Owned Businesses. The City's HOME Program staff also conducted outreach to minority- and women-owned businesses through forums with the Business Growth Group of WDC; Greater Waterbury Black Business Association; Waterbury Opportunities Industrialization, Inc. (WOIC); and Chamber of Commerce's Women's Business Development Center.

The HOME Participating Jurisdictions Vacant Units Report dated December 31, 2009, indicated that 30 of the City's HOME-assisted activities completed in the Integrated Information and Distribution System (IDIS) do not contain occupancy and beneficiary data. If occupancy and beneficiary data from the time of the activity completion are no longer obtainable, data on the current occupant can be used in its place. The HOME Open Activities report dated December 31, 2009, has six activities with funds completely drawn for more than 120 days without complete project completion information. If the activity has not been completed, you may increase the funding to the activity in IDIS by up to one percent of the total award to prevent the activity from being labeled as completed. Please complete or correct the occupancy and beneficiary information for the activities on these two reports in IDIS, as required by 24 CFR 92.502(d), *Project Completion*.

## **Financial**

Waterbury completed its Single Audit requirement for the reporting period ending June 30, 2008, with no audit findings reported. Expenditures reported in the CAPER are consistent with data available from LOCCS.

## **Faith-Based Initiatives**

The City of Waterbury successfully engaged faith-based nonprofit organizations to deliver services supported by the CDBG and ESG programs. These services included a \$25,000 CDBG grant to the Greater Waterbury Interfaith Ministries, Inc. to support a food pantry, a soup kitchen, and a resource center that served 1,755 of Waterbury's homeless and low- and moderate-income persons. St. Vincent DePaul Society of Waterbury received an ESG grant in the amount of \$64,987 to operate an emergency shelter that assisted 111 homeless individuals daily. We commend the City for its support of services delivered by faith-based organizations.

## **Analysis of Impediments to Fair Housing**

The City has taken significant steps to alleviate impediments identified in its Analysis of Impediments (AI). Waterbury's Consolidated Annual Performance and Evaluation Report (CAPER) included a report on Fair Housing actions in Fiscal Year 2008 including the designation of a Fair Housing Officer, the creation of an Affirmative Fair Housing Marketing Plan, monitoring local newspapers for non-compliant advertisements, and partnering with Connecticut Legal Services to help individuals renting apartments in buildings being foreclosed upon avoid homelessness. The Office of Fair Housing and Equal Opportunity (FHEO) suggests that the City consider other impediments to Fair Housing choice, when possible:

- Lending and mortgage availability issues which affect minority homebuyers,
- The willingness of landlords to rent to families with children, and
- Issues affecting populations with Limited English Proficiency (LEP).

Based on the CAPER report submitted by the City, we conclude that Waterbury is meeting its certification requirement of Affirmatively Furthering Fair Housing. The Department is recommending that Waterbury update its Analysis to Impediments (AI) to Fair Housing during the development of its Consolidated Plan and consider the above impediments and strategies to overcome them. If you have any questions or would like to request technical assistance, please call Fair Housing and Equal Opportunity at (860) 240-9737.

## **Areas of Concern or Consideration**

The City continues to direct a substantial amount of its CDBG Entitlement funding to improve City-owned public facilities including its parks, streets, fire stations, and sidewalks. The 2008-2013 Consolidated Plan identified a significant need for decent, safe, and sanitary affordable housing in its Housing Needs Assessment. The Plan stated that 13,952 housing units

were built prior to 1939. These older units that house low- and moderate-income households require assistance to maintain decent, safe, and sanitary conditions. Currently, the only funding being made available from the City's Entitlement Programs to assist these low- and moderate-income households is from the City's HOME Investment Partnership Program (HOME). WDC's HOME Manager confirmed with this Office that the City's HOME Program homeowner and rental rehabilitation program has a current wait list of 207 applicants. This number of applicants indicates a significant need for housing rehabilitation assistance that may exceed the limited annual funding available from the City's HOME Program. The limited funding for housing rehabilitation assistance may also prevent addressing the 207 applicants' housing needs in a timely manner. We suggest that the City consider allocating some of its CDBG Entitlement funding to assist with the preservation of the City's older housing stock.

### **Public Access**

If the City wishes to submit comments on this letter to us, please do so within thirty days of the date of this letter. We will consider any comments submitted, and may revise the content of our letter or attach comments received from you. If we do not hear from you, we will assume that the City concurs and has no objections to our letter. After the thirty days have expired, this letter must be readily available to the public. There are several ways to make it available to the public. You can assist us in this regard by sharing HUD's letter with the media; with a mailing list of interested persons; with members of your advisory committee; or with those who attended hearings or meetings. HUD will make this information available to the public upon request.

### **Conclusion**

We are rating our Connecticut grantees' overall performance in carrying out their programs as either satisfactory or unsatisfactory. This determination is based upon information available to this office, and does not reflect a comprehensive evaluation of specific activities. We have determined Waterbury's performance is satisfactory. We further deem that WDC and the City of Waterbury have the continuing capacity to administer its programs.

If you have any questions or would like to discuss any of these issues further, please do not hesitate to contact me, or Gary Reisine, Community Planning and Development Director, at (860) 240-9770.

Sincerely,

  
Julie B. Fagan  
Field Office Director

cc: L. Frank  
D. LoRusso