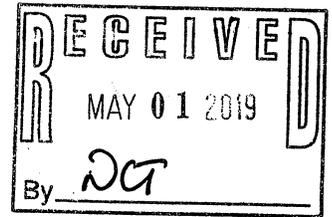




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APR 25 2019



Mr. Michael LeBlanc
Director of Finance
City of Waterbury
235 Grand Street
Waterbury, CT 06702

Dear Mr. LeBlanc:

The City of Waterbury received \$1,953,407 in Community Development Block Grant (CDBG) funds, \$617,835 in HOME Investment Partnerships Program (HOME) funds, and \$172,597 in Emergency Solutions Grant (ESG) funds in Federal Fiscal Year 2018 (Grant Year 2017). This is HUD's 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 compliant with these statutes and has the continuing capacity to carry out the programs for which it received funds.

HUD's 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. HUD's 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 Waterbury. HUD congratulates the City on its community's accomplishments during the past year regarding the achievement of Departmental objectives.

Noteworthy Accomplishments

CDBG Program

- One hundred percent of CDBG funds were expended on activities benefiting low- and moderate-income persons during the reporting year. Grant Year 2017 is the City's second year of its three-year certification period. Cumulatively, Waterbury expended 100% on activities benefiting lower income persons, exceeding the statutory 70% benefit within the chosen certification period.
- Selected activities presented in the 2017 Consolidated Annual Performance and Evaluation Report (CAPER) appear to be eligible and to meet national objectives.
- The City of Waterbury provided \$11,388 of CDBG funds to the Hispanic Coalition. Due to an influx of families from Puerto Rico following the devastation of the storms, the Coalition assisted the families in getting new apartments and to obtain furniture, appliances and other household items. The types of services that the recipients received were comprehensive case management which include referrals, translations, document completion, appeals, child advocacy, birth certificate applications and other services. One thousand and two hundred and forty low- and moderate-income individuals benefitted from this activity.
- The Manufacturing Alliance Service Corp. (MASC) received \$51,350 of CDBG funds to provide tuition for students to attend MASC's CNC Entry Level program and receive a certificate upon completion. Fourteen extremely low- income, low-mod and moderate individuals benefitted from this activity.
- The Waterbury Senior Shuttle received \$68,043 of CDBG funds to be used for on demand response transportation for senior citizens. Trips are for medical appointments, grocery shopping and recreation activities. Four hundred and thirty-six extremely low and low- to moderate-income individuals benefitted from this activity.

The City of Waterbury leveraged non-CDBG, ESG, and HOME funds to the benefactors of these programs. The public service activities leveraged \$4,078,727 of non-CDBG funds to \$279,472 of CDBG funds. The \$172,538 ESG funds leveraged \$3,118,926 of non-ESG funds; the CDBG Projects leveraged \$236,000 of non-CDBG funds to \$1,088,963 of CDBG funds. Finally, the HOME Program leveraged zero dollars of non-HOME funds to the \$37,306 of HOME funds that were expended in Waterbury due to the lack of housing production. Congratulations on the City's success with leveraging non-federal program funds and providing the citizens of Waterbury with additional resources for eligible activities.

HOME Program

The City continues to provide affordable housing opportunities with its HOME Program. However, due to delays in project starts, the City was unable to complete the HOME projects included in its Annual Plan. The three delayed projects are expected to be completed before the end of current fiscal year, and the HOME funds used will increase the supply of new affordable rental housing with their completion.

Per the revised HOME regulation, HUD is requiring on-site inspections of affordable rental housing assisted under the HOME program to determine compliance with housing codes and other regulations. The City has inspected 19 units of which all passed inspection. HUD commends the City for its efforts in complying with the new requirements of the HOME Program.

ESG Program

- The City expended \$172,538 of ESG funds for the Homeless Overnight Shelter, Homeless Prevention Activities, and Rapid Re-Housing Activities. These combined programs assisted 1,179 individuals.
- The total match amount expended in grant year 2017 for ESG activities was \$3,118,926 of federal and non-federal sources.

HUD has noted that each subrecipient of ESG funds adopted the Continuum of Care's Housing First Policy. This has resulted in success with families and homeless individuals who have not had long periods of homelessness. HUD commends the City of Waterbury in continuing to fund the Center of Human Development's Hospitality Center, which provides services to chronically homeless individuals.

Financial

- In the CDBG program, the grant recipient must have no more than 1.50 years of unexpended grant funds in its line of credit 60 days before the end of the program year. The City of Waterbury's 60-day balance was equivalent to 1.49 years of grant funds.
- The City of Waterbury stayed within the CDBG Program's statutory caps for public service obligations and the planning and administration expenditures at 13.83% and 17.67%, respectively.
- The City of Waterbury completed its Single Audit requirement for the reporting period ending June 30, 2017, with no audit findings.
- The Federal Financial Report (SF-425) was submitted on April 5, 2019, for the 1st quarter of 2019.

Public Access

If the City of Waterbury wishes to submit comments on this letter, please do so within 30 days of the date of this letter. HUD will consider any comments submitted, and may revise the content of HUD's letter or attach comments received from the City. If the Department does not hear from the City, HUD will assume that the City concurs and has no objections to this letter. After the 30 days have expired, this letter must be readily available to the public. There are several ways to make it available to the public. The City can assist HUD in this regard by sharing the Department's letter with the media; with a mailing list of interested persons; with members of the City's advisory committee; or with those who attended hearings or meetings. The Department will make this information available to the public upon request.

Conclusion

HUD is rating 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. HUD has determined Waterbury's performance to be satisfactory. HUD further deems that the City of Waterbury has the continuing capacity to administer its programs.

If the City has questions or would like to discuss any of the issues reviewed in this letter, please do not hesitate to contact me or Community Planning and Development Representative Craig Kleman, at (860) 240-4803.

Sincerely,



Alanna Cavanagh Kabel
Director

Community Planning and Development

cc: Honorable Neil M. O'Leary, Mayor of the City of Waterbury
Diane Toolan, Housing & Community Planning Program Director,
City of Waterbury