



**U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Hartford Field Office
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January 29, 2021

Ms. Diane Toolan, Housing and Community
Planning Program Director
City of Waterbury, Community Development Program
235 Grand Street
Waterbury, CT 06702

Dear Ms. Toolan:

The City of Waterbury received \$2,126,160 in Community Development Block Grant (CDBG) funds, \$827,794 in HOME Investment Partnerships Program (HOME) funds, and \$182,111 in Emergency Solutions Grant (ESG) funds in Program Year 2019. This is HUD's assessment on 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 of Waterbury 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. Program Year 2019 is the Waterbury's third 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 2019 Consolidated Annual Performance and Evaluation Report (CAPER) appear to be eligible and to meet national objectives.
- The City of Waterbury provided \$11,174 of CDBG funds to the Hispanic Coalition. The types of services the program recipients received were comprehensive case management which included social service referrals, language translations, document completions, child advocacy, birth certificate applications and other services. Over sixty-six hundred 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 resulting in certification completion. Thirteen extremely low- and low-income individuals benefitted from this activity.
- The Waterbury Senior Shuttle received \$74,907 of CDBG funds to be used for on demand response transportation for senior citizens. Seniors were transported to medical appointments, grocery shopping and recreation activities. Two hundred and ninety-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 \$3,404,317 of non-CDBG funds to \$318,924 of CDBG funds. The \$146,437 ESG funds leveraged \$3,197,283 of non-ESG funds; the CDBG Projects leveraged \$3,764,346 of non-CDBG funds to \$1,805,409 of CDBG funds. Finally, the HOME Program leveraged \$92,170 of non-HOME funds to the \$196,921 of HOME funds that were expended in Waterbury for housing production. Congratulations on the City's success with leveraging non-federal program funds and providing citizens of Waterbury with additional resources for eligible activities.

HOME Program

The City of Waterbury continues to provide affordable housing opportunities with its HOME Program. During Program Year 45 Waterbury's six rehabilitation projects were stalled due to the Coronavirus Pandemic; however, when the units become available four will be rented to low-income families at or below 60% median family income. As reported, the remainder two units will be rented to families who are or below 50% of median family income. Expectantly, HOME Program funds will increase the supply of affordable rental housing in Waterbury.

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 of Waterbury inspected two units of which passed inspection. HUD commends Waterbury's efforts in complying with the requirements of the HOME Program although managing operational constraints due to the Coronavirus Pandemic.

ESG Program

- The City of Waterbury expended \$170,350 of ESG funds for the Homeless Overnight Shelter, Homeless Prevention Activities, and Rapid Re-Housing Activities. These combined programs assisted 880 individuals.
- The total match amount expended in Program Year 2019 for ESG activities was \$3,343,720 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 1.45 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 14.81% and 6.16%, respectively.
- The City of Waterbury completed its Single Audit requirement for the reporting period ending June 30, 2019, with no audit findings.

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 of Waterbury. If the Department does not hear from the Waterbury, HUD will assume that Waterbury 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. Waterbury 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 Waterbury'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 of Waterbury 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 Sharon Narcisse, at (860) 240-9701.

Sincerely,

Alanna Cavanagh Kabel
Director, Community Planning and Development

cc: Honorable Neil M. O'Leary, Mayor of the City of Waterbury
Michael LeBlanc, Director of Finance

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