



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

**Office of Community Planning and Development  
Hartford Field Office  
One Corporate Center 19th Floor  
Hartford, Connecticut 06103-3220  
Telephone (860) 240-9770  
Fax (860) 240-4857**

**New England**

**Mr. Lawrence J. Kendzior  
Manager  
City of Meriden  
142 East Main Street  
Meriden, CT 06450-8022**

**NOV 26 2008**

**Dear Mr. Kendzior:**

The City of Meriden received \$926,981 in Community Development Block Grant (CDBG) funds in Federal Fiscal Year 2007, the year covered by this report. 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 receives 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 accomplishments during this past year regarding the achievement of Departmental Objectives.

**Noteworthy Accomplishments**

Meriden continued its efforts to provide decent affordable housing for residents through a number of programs.

- Sixteen CDBG funded housing rehabilitation loans were awarded to eligible homeowners that resulted in the renovation of 25 units occupied by 69 residents.
- Homebuyer assistance loans allowed three households with 8 residents to buy their first home.

- A total of 3777 inspections were completed in the Code Inspection Program. During these inspections, 2414 violations were noted with the correction of some violations helping to sustain decent, affordable housing in Meriden.

The City also used its CBDG allocation to improve the lives of its residents through a variety of public services programs. Funds to provide a suitable living environment were targeted to the special needs of homeless, elderly and disabled residents as well as children. Examples of services provided to these populations are:

- Counseling and case management services provided by MW Chrysalis, Shelter NOW and SAIR Corps to 4551 residents who were homeless or in danger of becoming homeless.
- Counseling services to 901 individuals by three nonprofit agencies and the City's Youth Services Department.
- Counseling services for 1262 children who were victims of domestic violence and sexual abuse. Services were provided by the Child Guidance Clinic and the City of Meriden.
- Assistance to maintain independent living was provided to 56 seniors by the New Opportunities Chore Service Program. The American Red Cross transported 84 seniors to out-of-town medical appointments.
- Literacy training for 14 adults by Literacy Volunteers.
- Day care services at reduced rates provided by WFC Day Care for 230 children allowing parents to maintain or seek employment.

### **Affirmatively Furthering Fair Housing**

#### Observations

The City of Meriden stated that its primary goal in promoting fair housing choice is to provide greater affordability to low income and special needs residents through its home rehabilitation and homebuyer assistance loan programs. Accomplishments in this area were noted previously. In addition, the City reported on the following activities:

- Expended \$45,675 in CDBG funds to support housing legal services, community outreach, and education.
- Continued referring housing matters to appropriate City Departments and local agencies.
- Carried out modifications needed in public housing based on Section 504 Needs Assessment for Public housing.
- Affirmatively marketed to local nonprofit agencies that assist families with disabilities.
- Affirmatively marketed to races/ethnicities shown to have disproportionate housing needs.

- Counseled Section 8 tenants as to location of unit outside of areas of poverty.

The City of Meriden reports that the Meriden Housing Authority continues its program of major renovations to the Chamberlain Heights public housing complex. Additionally, the Housing Authority continued its self-sufficiency program for both public housing and Section 8 households.

The City has a Human Rights Advisory Board that oversees and makes recommendations on human rights issues. The Advisory Board monitors the actions of the City as well as the community as a whole. There is a Human Rights Advocate who, as staff to the Human Rights Board, is empowered under the local ordinance to investigate, arbitrate and/or enforce when necessary any complaints or instances of housing discrimination or other types of discrimination.

Based on the information presented in the CAPER, we accept the City of Meriden's certification that it is affirmatively furthering fair housing.

### Recommendation

We commend the City for its successes in affirmatively furthering fair housing. We look forward to a report in the next CAPER on the status of the tasks planned by the Human Rights Advisory Board and the City.

We recommend that in the next CAPER, the City report with more specificity on the fair housing activities above to include the number of individuals who benefited from counseling or modification of their rental units. Also, Meriden should report on the specific efforts used to affirmatively market housing to individuals and local nonprofit agencies.

### **Financial**

Meriden met the standard HUD uses to determine if communities are delivering program activities to residents in a timely manner. The grant recipient must have no more than 1.50 years of unexpended CDBG funds in its line of credit 60 days before the end of the program year. Meriden's 60 day balance was equivalent to 1.04 years of grant funding. The City's promptness in its use of CDBG funds substantially exceeds that of many other Connecticut grantees.

### **Areas of Concern and/or Consideration**

#### Adjustments to Financial Summary

The CAPER contains a great deal of information that describes how Meriden used its CDBG allocation in Federal Fiscal Year 2007 and the extent to which the City met the goals and objectives outlined in its five year Consolidated Plan for Housing and Community Development. The Financial Summary report included with the CAPER provides detail on program income received during the year and expenditures in different categories. Using this information, the report calculates the percentage of CDBG expenditures for:

1. Programs and activities that primarily benefit low- and moderate-income persons,
2. Public services activities, and
3. Administration of the program and planning activities.

Accurate calculations in these areas are necessary because a minimum of 70% of the City's CDBG expenditures must be for the benefit of low- and moderate-income persons. Also, public services expenditures may not exceed \$220,000 and expenditures for administration and planning are capped at 20%.

The Financial Summary submitted by the City includes entries to adjust total revenues and expenditures which carry through to the calculations referenced above. This is permissible, but the adjustments must be in accordance with the instructions for completion of the Financial Summary. In order to determine if they are appropriate, we ask that the City provide an explanation of each adjustment. In that way, we will be able to discern if the calculations in the areas above are correct.

Please submit an explanation of each adjustment to revenue and expenditures in the Financial Summary no later than 30 days from the date of this letter.

#### Write-Down of Housing Rehabilitation Loan Balances

We note that the narrative on page 4 states, "During the program year, the City wrote down \$305,633 in NPP loans that were determined to be unrecoverable." A supplement to the Financial Summary received after the CAPER was submitted provides that the \$305,633 was the balance due for 29 loans and that the write-down covered delinquent loans for the past ten years.

We are concerned about the large amount of CDBG funds written off and the number of individual loans involved. Please provide detail on the amount, date of award, term and repayment requirements for each loan. Also, please provide the circumstances for each loan that prompted the City to deem the loan in default and unrecoverable, and the collection measures used by the City in an attempt to recover the balance due.

Please provide this information within 30 days of the date of this letter.

#### **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 the City of Meriden's performance to be satisfactory. We further deem that Meriden has the continuing capacity to administer its programs.

If you have questions or would like to discuss any of these issues, please do not hesitate to me at (860) 240-9770 or John Post at (860) 240-9716.

Sincerely,



Gary Reisine  
Director  
Community Planning and Development

cc: Juliet Burdelski