

P r o g r a m Y e a r 27
S e p t e m b e r 1, 2001 - A u g u s t 31, 2002

C. a. p. e. r.

Consolidated Annual Performance Evaluation Report

City of Middletown, Connecticut

Department of Planning, Conservation, & Development
Community Development Division

COVER PAGE

Consolidated Annual Performance Evaluation Report
Community Development Block Grant Program (only)

1. Program Year End:

8.31.02

2. Grant Number:

B-02-MC-09-0027

3. Name and Address of Grantee:

City of Middletown, Connecticut
Department of Planning, Conservation, and Development (DPCD)
Community Development Division
245 deKoven Drive
Middletown, CT 06457

4. Name and Address of DPCD Director:

William Warner, Director
Department of Planning, Conservation, and Development
245 deKoven Drive
Middletown, CT 06457

5. Name and Phone of Persons with Information:

Munro W. Johnson
Department of Planning, Conservation, and Development
Community Development Division
245 deKoven Drive
Middletown, CT 06457 Phone: 860.344.3425

6. Name and Phone of Person to Contact:

Munro W. Johnson
Department of Planning, Conservation, and Development
Community Development Division
245 deKoven Drive
Middletown, CT 06457 Phone: 860.344.3425

7. Have these Community Development Block Grant Funds been used:

- a. to meet the community development program objectives in the final statement for this program year? YES
- b. exclusively to either benefit low and moderate income persons, aid in the prevention of slums and blight, or meet community development needs having particular urgency? YES
- c. such that the grantee has complied with, or will comply with, its certification to expend not less than 70% of its CDBG funds, during the specified period, on activities which benefit low and moderate income persons? YES

8. Were citizen comments about this report and/or the CDBG program received? If "yes," attach a summary. NO

9. Indicate how the CAPER was made available to the public:

- a. by printed notice: Published in the Hartford Courant and Middletown Press on 11.14.02
- b. other: Draft available 11.14.02 at DPCD office, and so advertised per printed notice.

10. CERTIFICATION

I hereby certify that: This report contains all required items identified above; Federal assistance made available under the Community Development Block Grant Program (CDBG) has not been utilized to reduce substantially the amount of local financial support prior to the start of the most recently completed CDBG program year; and the information stated herein, as well as any information provided in the companion documents submitted herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; U.S.C. 3729, 3802)

Typed name & title

Authorized Official Representative Signature Date

Domenique S. Thornton, Mayor _____ _____

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1 ASSESSMENT

1.1 Total Revenues and Expenditures

In its 2001 (PY27) Annual Action Plan, Middletown projected funds available in the amount of \$578,374.12 from its Community Development Block Grant Programs. These funds included:

\$ 528,000.00	from its Community Development Block Grant (CDBG) Programs;
\$ 47,896.50	from reprogrammed funds of previous program years; and
\$ 156,362.05	of reallocated program income for a total of

\$ 732,258.55 TOTAL

During PY27, Middletown had program income of \$112,585.89. This amount included loan repayments to the revolving fund from programs -- and in the sums -- indicated below.

\$ 45,829.36	Residential Rehabilitation Loan Program
\$ 36,793.66	JOBS Loan Program
\$ 29,962.87	Down Payment and Closing Cost Assistance Program

\$ 112,585.89 TOTAL

1.2 Assessment of Three- to Five-year Goals and Objectives

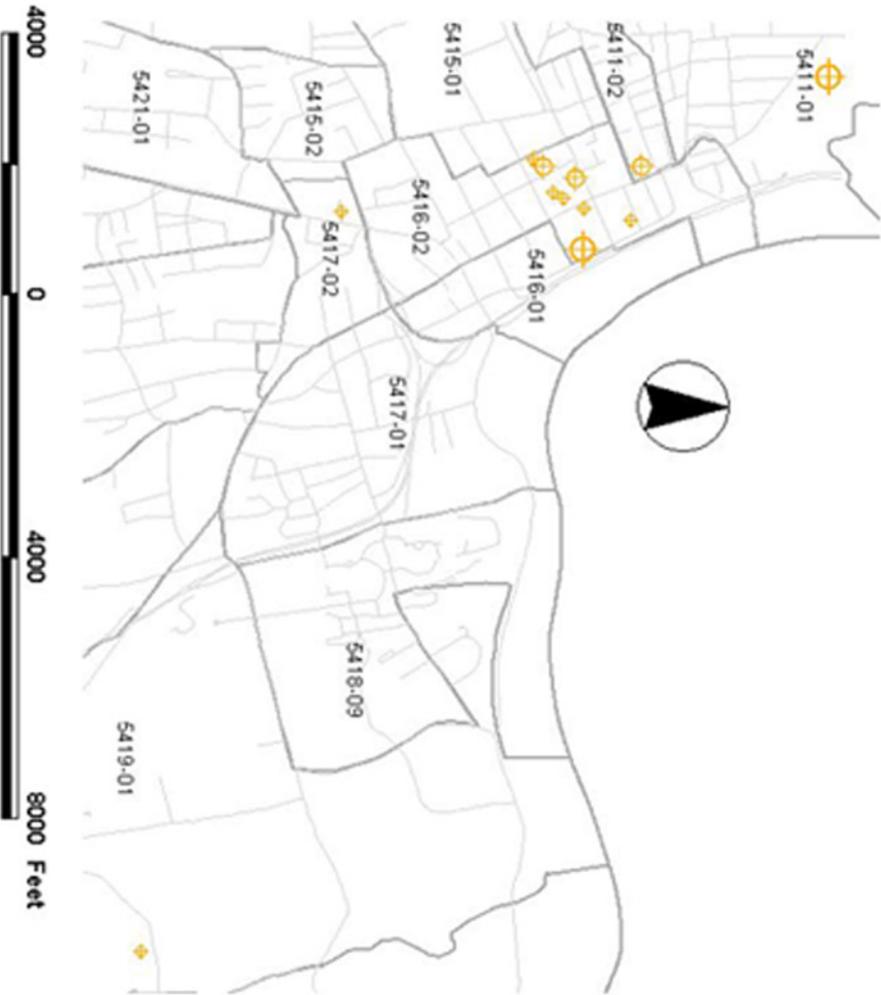
1.2.1 Geographic Distribution

Among the goals and objectives of Middletown's community development program is an equitable distribution of resources. A map showing the **geographic distribution** and locations of CDBG expenditures is provided on the following page. Shown, is a clear concentration of resources in two of the city's highly populated low and moderate income census tracts (5411 & 5416). Projects shown at the periphery are non-point source, i.e., their location on the map represents an office location, not necessarily the location of the activity or the population served, each which is often wide-reaching and disperse.

1.2.2 Consistency with the Consolidated Plan Strategies

The allocation of these financial resources adhered to the goals and objectives stated in the *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 2001 - August 31, 2005)*.

PY27 (2001) Annual Action Plan City of Middletown, CT



PY27 Allocations

- ◆ \$3,000 - \$34,000
- ◆ \$34,000 - \$80,000.20
- ◆ \$80,000.20 - \$150,000

▭ Roads

▭ Census

Allocation symbols represent the locations of the subrecipient, and not necessarily the benefit area of the activity.

"The City of Middletown's goal is to...serve as a guide...in promoting economic development, employment opportunities, affordable housing and supportive services..."

In PY27, the City of Middletown's goals and objectives were addressed in three general categories:

- Housing Support and Development
- Workforce Development
- Youth Development

The total amount of funds expended in pursuit of these goals and objectives during the program year was: \$845,987.67. A summary of these expenditures includes:

\$ 632,783.83	expended by program year entitlement subgrantees; and
\$ 213,203.84	expended program income from CDBG revolving fund, for the sum:
\$ 845,987.67	TOTAL

1.3 Accomplishments

The following sections address in detail the various accomplishments of the City of Middletown's Community Development Division, repeating (where appropriate) those accomplishments that fall under more than one category.

1.3.1 Summary of Housing Accomplishments

During PY27, the City of Middletown continued to remain a city in which people of virtually all incomes, races, backgrounds, and situations could find safe and decent housing in which to live.

<u>Resident Category</u>	<u>Total</u>	<u>Section 8</u>	<u>Public Housing</u>	<u>DPA</u>	<u>RRL</u>	<u>Other</u>
Extremely Low-Income Renter Households (0-30% of Median Family Income, or "MFI")	1062	550	472	0	0	40 (Shelter+Care)
Extremely Low-Income Owner Households (0-30% of MFI)	0	0	0	0	0	0
Low-Income Renter Households (31-50% of MFI)	131	128	0	0	3	0
Low-Income Owner Households (31-50% of MFI)	9	0	0	0	0	9
Moderate-Income Renter Households (51-80% of MFI)	7	6	0	0	1	0
Moderate-Income Owner Households (51-80% of MFI)	10	0	0	8	2	0
Homeless Persons	746	0	0	0	0	746 Eddy, Shepherd, &
Subtotal:	684	472	8	6	795	Red Cross
Non-Homeless with Special Needs						

TOTAL 1965

Source: Staff survey of "Current System Inventory," as listed in 5 Year Consolidated Plan 2000-2005, pg. 21 ~

The local Housing Authority administers three public housing projects with a total of 236 units and a Section 8 allocation -- currently 91% filled -- of 775 units. An additional 238 units of public housing exists through the State of Connecticut. The continued success of these and the city's homeless and transitional living shelters are chief among the housing accomplishments to report for the city's poorest residents during PY27. Other housing programs funded partially or wholly by the city's entitlement which have accomplishments to report include the city's Down Payment and Closing Cost Assistance Program (DPA) and the Residential Rehabilitation Loan Program (RRL). The DPA and RRL programs serve low- and moderate-income residents and are primarily homeownership programs. The RRL program has been administered in-house for just over one year with a departmental staff member dedicated to enhancing the quality of Middletown's housing stock and preserving the character of residential neighborhoods by encouraging homeowners to rehabilitate their properties while assisting low and moderate-income residents. Funds from the city's revolving fund have been reallocated and both programs are now running more efficiently and effectively than ever. A new State of Connecticut program, the "UR-Home" program, has been offered in the city for just over a year, and has drawn public attention to homeownership and renovation opportunities for lower income residents and neighborhoods in the city at a time when national mortgage rates are at their lowest in 40 years.

1.3.2 Summary of Other Accomplishments

"**Priority Needs**" identified in the *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 2000 - August 31, 2005)* include the following:

1. Housing Needs. "...over the next five years the steps taken to expand economic opportunities must include the construction of new housing stock...The worst case need is for the extremely low- and low-income residents who are spending more than 50% of their income on housing."¹
2. Homeless Needs. "The top ranked priority for the Homeless is **permanent supportive housing**."²
3. Special Needs. "The community at large and the Citizen's Advisory Committee identified services for the elderly and disabled as their primary priority for the City."³
4. Development Needs. Blight elimination, economic development, workforce development, supportive services, transportation, public facilities improvements.

Accomplishments directly addressing **Housing and Homelessness needs** include the CDBG support for The Connection, Inc.'s PILOTS Supportive Housing initiative which creates a fund for rent, security deposits, utility payments and household needs to support Middletown's PILOTS Supportive Housing Project. The PILOTS project confronts Middletown homelessness head on, under HUD guidelines for the PILOTS program. This project specifically targets the most vulnerable populations likely to experience repeated instances of homelessness due to disabilities, mental illness, chronic substance abuse, and/or those with co-occurring disorders, and helps them to secure permanent housing supported by intensive case management services.

A limited equity artists' cooperative in the city's North End neighborhood has also opened. The CDBG-funded Alderhouse Arts Cooperative renovated a historic building, provided nine (9) homeownership units of affordable housing, and has expanded the arts in a neighborhood where they form the centerpiece of a revitalization strategy.

Accomplishments directly addressing **Special Needs** include support for and programs by Positive Solutions, and Literacy Volunteers, the former which provides support and job training and placement for persons living with AIDS, the latter which provides tutoring for adults with marginal literacy skills.

As noted in the *Consolidated Plan*, however, "The only long-term solution to homelessness is permanent affordable housing, job training, supportive services, substance abuse treatment facilities, and meaningful employment." In that light, the City of Middletown also views the ongoing activities of its workforce development and job training activities as accomplishments

¹ *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 2000 - August 31, 2005)*, page 42.

² *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 2000 - August 31, 2005)*, page 48.

³ *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 2000 - August 31, 2005)*, page 49.

directly addressing priority needs. These activities are discussed further below in the context of economic development.

During PY27, the City of Middletown served numerous persons through the provision of **public services**. Some of these services have already been alluded to above, including Positive Solutions and Literacy Volunteers. Additional public service activities were: the Chamber of Commerce's Worker Preparation Program; Middlesex Community College's Licensed Practical Nurse Program; the PILOTs Supportive Housing program; the Parent Leadership Training Institute; and Kuhn Employment's Mobile Work Crew. Numbers of persons served through these public service programs are listed below.

<u>Public Service Program</u>	<u>Persons Assisted</u>
LPN Program	27
PLTI Program	10
Literacy Volunteers	100
Positive Solutions	64
Middlesex PILOTs	24
Worker Preparation Program	75
Mobile Work Crew	5
TOTAL	305

Source: 2001 Subgrantee Accomplishments Reports

The City of Middletown also assisted or directly implemented projects that enhanced its **public facilities**. These projects included acquisition funds for the Kidcity Children's Museum expansion, as well as for a new Women's Shelter. Russell Library's renovations continued with additional CDBG assistance last year for an ADA-compliant 2nd Floor restroom and 1st Floor Circulation office and Story Room space. Numbers estimating persons served through these public facilities improvements are noted below.

<u>Public Facility Improvement</u>	<u>Assisted</u>
Kidcity Museum	underway
New Horizons	underway
Russell Library	10,140
TOTAL	10140

Source: 2001 Subgrantee Accomplishments Reports

The City of Middletown also pursued community development objectives through **economic development** activities. Workforce development was the main economic development activity undertaken with CDBG funds. Jobs were made available to low to moderate income persons with the opening of Stage Left Dance and Fitness Center in Census Tract 5416 and with the relocation of Pegasus & Triumph Manufacturing and Data-Mail in Census Tract 5414. Related JOBS loans accounted for the provision of two (2) jobs to low- and moderate-income persons.

During PY 27 it is anticipated that the North End Industrial Area Project and the Former Remington Rand project in Census Tract 5411 will be nearing completion. The City is renovating and remediating the city-owned Remington Rand property in the North End

Industrial Area, which will continue to provide industrial space to attract and **assist businesses and create jobs**. The City is actively recruiting businesses to increase job opportunities for low to moderate income persons.

A summary of all JOBS Loans is given in the ATTACHMENTS portion of this CAPER. They are condensed into a line item and summarized here along with this year's workforce development activities.

<u>Economic Development Activity</u>	<u>Persons Assisted</u>	<u>Low/Mod</u>	<u>Low</u>	<u>Very Low</u>
Worker Prep Program	75		75	
Positive Solutions	64	13	38	13
LPN Training Program		1	7	19
Mobile Work Crew	5			5
JOBS Loans	2	2		
TOTAL	146	16	120	37

Source: 2001 Subgrantee Accomplishments Reports

Consolidated Annual Performance Evaluation Report 2001 / PY Year 27
City of Middletown, Connecticut

Based on reports from all subgrantees from PY27, the City of Middletown estimates the following distribution of assistance, by race/ethnicity.

Project	White (not hispanic origin)	Black (not Hispanic origin)	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native	Female Head of Household	TOTAL
TOTAL:	18214	2717	1325	674	647	87	23577
Worker Prep	30	37	8	0	0	25	75
MxCC	3	23	1			25	27
Literacy Volunteers	41	14	14	28		-	97
Rebuilders		Unreported (Slum & Blight Objective)					
PILOTs Housing	12	11	1	0	0	14	24
Kid City		Unreported (Slum & Blight Objective)					
Work Crew	5	0	0	0	0	0	5
PLTI	4	5	1			3	10
New Horizons		Unreported (Low-Mod Census Tract 5416)					
NEAT		Unreported (Low-Mod Census Tract 5416)					
Positive Solutions	18	37	8	0	1	15	64
Russell Library	18092	2585	1292	646	646	0	23261
Remington Rand		Underway					
DPA	6	2	0	0	0	5	8
RRL	3	3	0	0	0	0	6

Source:

2001 Subgrantee Accomplishments Reports

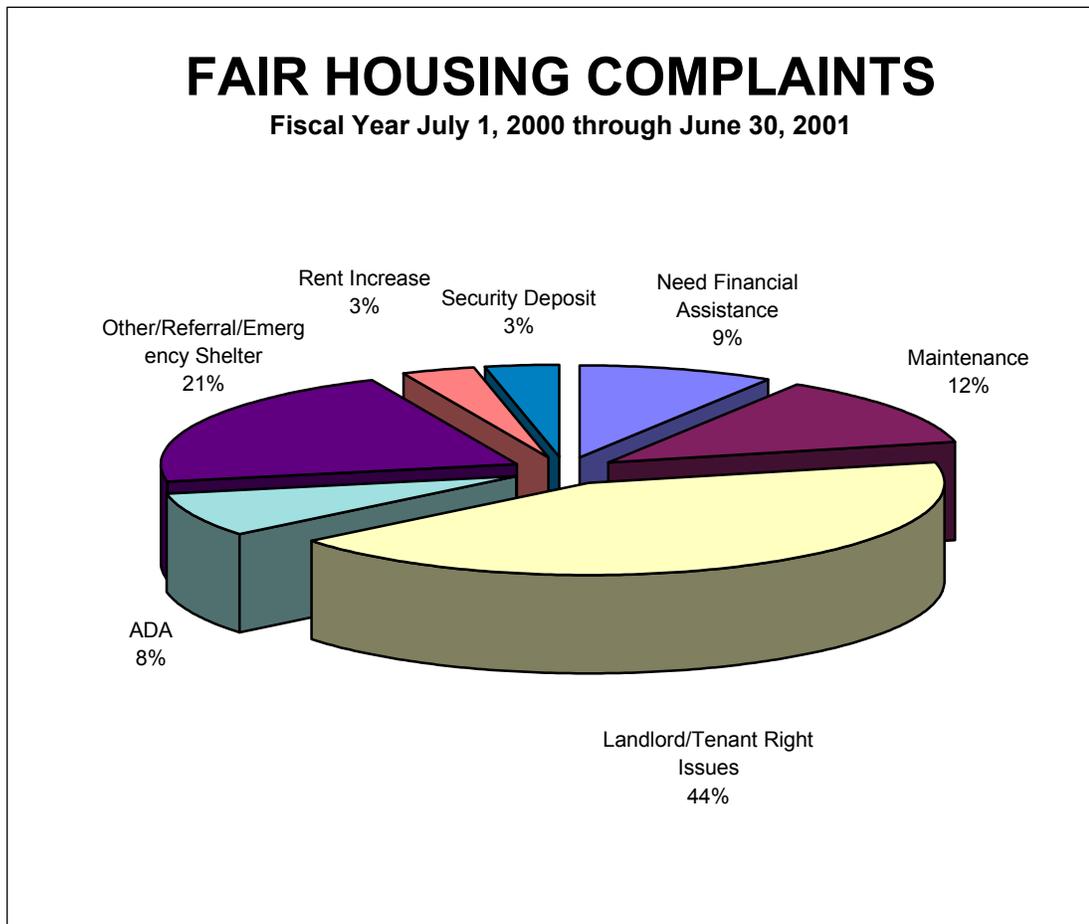
2 NARRATIVE

2.1 Fair Housing

The City of Middletown, as a recipient of federal and state monies, is bound by law to **affirmatively further** both **fair housing** and employment opportunities for low and moderate income residents and minorities, and the citizenry at large (see City Ordinance, provided in the Attachments Section). As a foundation for assessing the needs of the City and as a means for implementing effective fair housing activities, policies, procedures and changes, the Human Relations Department tracks all complaints and works with others agencies for their effective resolution.

2.1.1 Summary of Impediments

Impediments to housing and their relative seriousness are reflected in complaints received by the city's Fair Housing Office summarized in the chart below.



Source: City of Middletown Human Relations Office

Complaints from renters included allusions to the following problems:

- Notice to Quit and Eviction Process. Individual rights and overview of process,
- Rent increases and fixed income issues,
- Security Deposit issues related to return of funds and interest,
- Transitional living to affordable housing in a decent area,
- Available funds for Security Deposit and Fuel Assistance,
- Complaints regarding maintenance; leaking ceilings, non-functional appliances, etc.,
- No Lease Agreement living arrangement issues

As for the homeownership market, a perceived impediment often voiced is that minorities are only shown housing in certain parts of the community. Also, there are those locational limitations which are a matter of affordability and socioeconomic exclusion in some portions of the City. Others from within the minority community claim that parts of Middletown have a “bad reputation.” Minorities who can afford housing or rental opportunities don’t choose to live in those sections. Some of the problems associated with first time homeowners being denied opportunities include the following:

- Source of income discrimination
- Lack of housing subsidies precluding movement into nicer neighborhoods
- Past credit problems which may have nothing to do with current ability to pay
- The cost of new housing which is unfair to the “masses” and, concurrently, the obsolescence of the old “25% rule” which now necessitates 50 - 60% of gross income being put to housing costs
- A new generation of home buyers with no sweat equity skills who have grown up in apartments
- Economic downturn and the loss of income through downsizing and the elimination of overtime checks which were relied upon for living expenses
- The inability of first time buyers to save for down payment and closing costs
- The banking community’s response in the late 1980’s to scrutinizing buyers’ credit histories.

2.1.2 Analysis of Impediments

A majority of all calls received relate to Landlord and Tenant Rights. Callers receive consultation on their rights and/or are referred to the appropriate agency (e.g., the Red Cross

or other social services agencies) for assistance. Alternatively, they may be referred to the Statewide Legal Services of Connecticut, if legal aid is required. Local complaints are generally resolved by directly contacting the landlord or other agencies.

During PY27, as mortgage rates fell, market rents and housing prices for the City of Middletown continued to increase significantly. According to the Middlesex County Sales Review in *The Commercial Record* (Volume 118 Number 99, November 23, 2001, page 22), median prices over the last year increased by 11% for 1-4 family homes, by 12% for condos, and by 19% for "all sales." Increases in housing prices acts as an economic impediment to fair housing for the poor, this issue is covered in the narrative on affordable housing in "3.1 Affordable Housing Goals..."

While no written evidence exists of discriminatory practices, complaints have been registered with housing activists where landlords attempt to evict, lock out, harass for rent or not properly repair rental units. Housing activists report that the Connecticut Legal Services might have taken on some of these cases if there were extenuating circumstances. However, landlords typically "back off" when confronted by the law or by the representatives of the effected tenant. The city's fair housing officer has filed the information comprising the rest of this section...

Finding affordable housing in decent areas of the City continues to be an issue for individuals going through transitional living programs. Many of these clients are galvanized or directed to areas that continue to impede instead of enhance their quality of life. Having sufficient funds for moving and security deposits are also an impediment to finding and security affordable housing. Some of the previous services available within the City are no longer in place, for example programs with Community Action for Greater Middlesex County (C.A.G.M.C.). This further compounds housing issues for individuals in transition and/or without adequate financial savings.

2.1.3 Steps to Overcome Impediments

The City of Middletown Human Relations Department, Director and Commission have acted in the following capacity to promote and address Fair Housing issues:

The City of Middletown Human Relations Department, Director and Commission have acted in the following capacity to promote and address Fair Housing issues:

- Continue to utilize other agencies to assist individuals with securing financial assistance for security deposit, fuel and utility assistance through such sources as the Red Cross, the Jones Fund and CRT for affordable housing.
- Provide one-on-one counseling on Tenant and/or Landlord Rights.
- Appointed someone from the Real Estate area to be on the Human Relations Commission to assist with addressing affordable housing and sponsoring workshops on housing in the community.

- The Human Relations Department assists Tenants and/or Landlords with effective resolutions to issues and problems as they arise.
- Attend regular meetings, seminars and conferences on Fair Housing to keep abreast of changes in Fair Housing laws and new Bills that are passed to effectively implement new initiatives, wherever possible, for local and ADA citizens.
- The Human Relations Director/Fair Housing Officer is a member of the Board of Directors for the Fair Housing Association of Connecticut (FHACTION) where community housing and tenant and landlord issues are reviewed and discussed. This information is disseminated to the appropriate contacts, people and agencies for effective resolution of citizen issues with affordable housing.
- The Human Relations Director/Fair Housing Officer and the Director of Consumer Protection and ADA Coordinator work collaboratively with Connecticut Fair Housing Association Chairperson, where applicable, to address Fair Housing issues, problems and complaints as they are presented. To date there have been no complaints of discrimination in Fair Housing.
- The Human Relations Department has established an ACCESS database complaint intake system for the collection, tracking and reporting of Fair Housing and other complaints data. This information is updated annually.
- Annually, the Fair Housing Officer attends the Annual Fair Housing conference, workshops and meetings for the collection and dissemination of Fair Housing data to the appropriate agencies, clients and sources, where applicable.
- Continue to promote availability of programs and workshops that are designed to create awareness and assist either in the purchase of homes for first time home buyers through various agencies and others or in the rehabilitation of residential structures owned or occupied primarily by low and moderate income families.
- The Connecticut Supreme Court ruling in October 1999, ruled that Landlords might not refuse to rent to tenants because they receive government subsidies to help with the rent. The new court ruling helps protect against discrimination of residents despite their income. The ruling will lead to better housing for low-income people since finding decent affordable housing is generally difficult.
- The Fair Housing Officer continues to assist City residents in the effective resolution of housing issues and complaints through collaborative efforts with other agencies and resources. Further, the City continues to maintain outreach efforts to available resources such as First Time Home Buyer Down Payment Assistance Programs through collaborative initiatives with local banks, Community Renewal Team (CRT), Supportive Housing Coalition which focuses on local entities like the Red Cross, Shepherd Home, St. Vincent DePaul's, Rushford Center and the Connecticut Fair Housing Center.

- The Human Relations Department continues to reproduce Fair Housing and Landlord and Tenant Rights information for distribution to the general public.
- The Human Relations Department continues to counsel new Landlords and Property Managers with regards to their responsibilities under the various federal, state and local housing laws.
- The Human Relations Department works in a collaborative partnership with the Community Renewal Team (CRT) Eviction Prevention Program and the Middletown Housing Authority ~ Public Housing Division and Section 8 in assisting tenants through the Walter C. Jones Fund from being evicted from their place of residency.

The Human Relations Department and the Commission will continue to provide educational materials, counseling, work with identified agencies and act as a clearinghouse for the public at large in addressing Fair Housing issues, concerns and complaints as they are presented.

2.2 Continuum of Care

The City of Middletown, CT, the only city in Middlesex County, is the geographic area for the system of services for homeless persons involved in this Continuum of Care. The 42 square miles of Middletown include rural, suburban and urban areas (11% of Middlesex County) with a number of parks and open spaces. According to the most recent (and corrected) census data, the 2000 count, the population of Middletown is 45,563. The population of Middletown is 28% of the population of Middlesex County with a density of 1,027 per square mile compared to 392 for the county. For income, Median Household Income for Middletown at the time of the 2000 Census, was \$47,162; Median Family Income was \$60,845, and Per capita income was \$25,720. These numbers reflect a significant influx of a middle-income residents since 1990 when the Census reported Median Household Income at \$37,644. However, less visible in city-wide average and median data (tract-level income data is not expected for at least another year), is that socioeconomic condition endemic to many Connecticut municipalities, i.e., pockets of extreme poverty which are demographically masked when averaged out by the extreme wealth of a few Connecticut residents at the other end of the spectrum.

The following Gaps Analysis table summarizes Middletown's continuum of care for area homeless, and other special needs persons. The Supportive Housing Coalition, a local coalition of social service providers and advocates for the homeless, is analyzing the data of a homeless count last winter, the results of which will be used to update this three-year old table. Obstacles to serving many of the needs in the table are listed below.

Continuum of Care: Gaps Analysis					
		Estimated Need	Current Inventory	Unmet Need/ Gap	Relative Priority
Individuals					
Beds/Units	Emergency Shelter	58	30	28	L
	Transitional Housing	87	70	17	M
	Permanent Supportive Housing	87	50	37	H
	Total	232	150	82	
Supportive Services Slots	Job Training	179	25	154	H
	Case Management	153	25	128	H
	Substance Abuse Treatment	153	101	52	M
	Mental Health Care	63	63	0	L
	Housing Placement	232	45	187	M
	Life Skills Training	116	25	91	M
	Other			0	
	Other			0	
Sub-Populations	Chronic Substance Abusers	153	100	53	H
	Seriously Mentally Ill	63	50	13	M
	Dually Diagnosed	56	25	31	M
	Veterans	30	5	25	M
	Persons with HIV/AIDS	3	3	0	M
	Victims of Domestic Violence			0	
	Youth			0	
	Other			0	
Persons in Families with Children					
Beds/Units	Emergency Shelter	60	48	12	L
	Transitional Housing	55	40	15	M
	Permanent Supportive Housing	54	10	44	H
	Total	169	98	71	
Supportive Services Slots	Job Training	53	15	38	H
	Case Management	42	10	32	H
	Substance Abuse Treatment	42	15	27	M
	Mental Health Care	17	17	0	L
	Housing Placement	169	50	119	M
	Life Skills Training	169	50	119	L
	Childcare	107	15	92	H
	Other			0	
Sub-Populations	Chronic Substance Abusers	42	25	17	H
	Seriously Mentally Ill	17	15	2	M
	Dually Diagnosed	15	10	5	M
	Veterans			0	
	Persons with HIV/AIDS	2	2	0	M
	Victims of Domestic Violence	41	15	26	H
	Youth	107	25	82	H
	Other			0	

Source: Five Year Consolidated Plan 2000-2005 City of Middletown

Housing Obstacles

- Meeting mortgage qualification standards
- Political Opposition to increasing affordable rental stock
- Lack of willing developers for increasing affordable rental stock
- Lack of available staff time for improving upon Fair Housing Plan
- Difficulty in locating and acquiring sites for Habitat-style development

- Lack of owner matching funds for Housing rehab loan program
- Lead-based paint contamination and regulation for rehab loan program

Other **Community Development Obstacles**

- Brownfields issues at old industrial sites when attempting reuse
- Structural deterioration when attempting modernization
- DSL cable installation when attempting high-tech downtown development
- Changing census data in Enterprise Zone (EZ) when attempting EZ business location
- Displacement regulations when attempting redevelopment

In **fostering and maintaining affordable housing**, Middletown must provide the majority of affordable housing and human services for the entire region's poor and less fortunate. Settled in 1651, the City, once a major port and later, a manufacturing center, no longer has a significant role as a hub or distribution center. Now, the City's major employers are Wesleyan University, two insurance companies [Aetna/Healthcare and Middlesex Mutual], a defense industry company [United Technologies: Pratt and Whitney], and two hospitals [CT Valley Hospital, CT's primary long term mental health facility and Middlesex Hospital, the county's general hospital]. The insurance companies and the defense industry employer have downsized dramatically in the past few years. Middletown's downtown commercial area which encompasses the greatest concentration of low/moderate housing, while improving, remains economically distressed. Outside of downtown, statistical concentrations of poverty are skewed by the existence of such institutions as Wesleyan University, Connecticut Valley Hospital and Long Lane School (the sole juvenile offender institution under the auspices of the CT Department of Children and Family Services) where residents have virtually no incomes.

Middletown's affordable housing stock is located in two areas: either in aging or deteriorating housing stock near the central city, or in over-built condominiums at the periphery, separated from many of the services and amenities located downtown. Last year, construction was completed on two new Middletown Housing Authority (MHA) homes for low income households. With those exceptions, no new housing has been developed for low income residents in the past twenty years and the local Housing Authority recently demolished its largest housing development of 170 apartments. These families were allocated Section 8 certificates and entered the community housing stock, exacerbating the lack of affordable permanent housing. One concentration of low income housing is in the city's North End, and is being studied by private developers for substantial redevelopment and replacement with improved, but affordable housing. But this may further put a strain on the supply of affordable rents for low and extremely low income residents.

To **eliminate barriers to affordable housing**, Middletown has recently revamped its Down Payment and Closing Cost Assistance Program (DPA) and its Residential Rehabilitation Loan

Program (RRL). It was also first in line to take advantage of the State of Connecticut's "UR-Home" program. Each of these programs removes significant hurdles toward buying and/or improving affordable homes for low- and moderate-income residents in the City of Middletown. Also, as noted in the *Middletown Consolidated Plan for Housing and Community Development*, the City of Middletown has a goal to provide "supportive housing as a link in the continuum of care for people with special service needs, some of whom have previously been homeless and to continue the present level of service for homeless." The related objective is to increase the number to fifty (50) units over five (5) years, of supportive housing units which provide permanent housing with supportive services for low income residents of Middletown. Progress is underway in a PILOTS supportive housing endeavor led by the Supportive Housing Coalition which received CDBG funding in PY27.

To **overcome gaps in institutional structures**, the Middletown, Connecticut area has been involved in a coordinated effort to address homelessness and housing needs since late 1992. Through a Supportive Housing Coalition, over fifteen different service or municipal agencies have marshaled forces to expand the resources available to the area's homeless population. Through both public and private support, the community service agencies, public officials and business representatives have developed an array of housing and support services for the homeless. The Supportive Housing Coalition, with federal, state, local and private dollars has expanded the availability of permanent housing with support services for the area's homeless. Current needs assessments indicate that homelessness is still a significant problem in the Middletown area. There remain gaps in the continuum of care that require attention. The Supportive Housing Coalition also has targeted its support to maintaining critical components of services within this community for renewal funding.

Public housing and resident initiatives during PY27 followed much the same pattern as they did PY26. No new public housing has been built, nor demolished during the program year, although they have taken steps to comply with the new **lead-based paint hazard reduction regulation** (24 CFR 35) which went into effect at the start of PY26. Of resident initiatives in the city, certainly the North End Action Team (NEAT) continues to occupy a prominent place in Middletown's community development picture and has successfully gained approval for a revision of the city's North End Redevelopment Plan at the request of the city's Redevelopment Agency.

Compliance with and monitoring of the Consolidated Plan is becoming easier as the department streamlines the application process and proactively seeks requests for subgrant proposals consistent with the Consolidated Plan. Discussions within the Citizens' Advisory Committee, committee members' exposure to other entitlement communities CDBG practices, and the new **lead-based paint hazard reduction regulation** have all precipitated these changes during PY27 to make compliance to the new Consolidated Plan integral to the application for and allocation of CDBG funds.

The new **lead-based paint hazard reduction regulation** (24CFR35) prompted steps in the department, including early reprogramming of funds initially earmarked for Christmas in April, a volunteer house-fixing program that was ill-suited for compliance with the new regulation. Staff attendance at HUD-sponsored training seminars and a revised intake form for Residential

Rehabilitation Loan Program applicants as well as for those of the Down Payment and Closing Cost Assistance Program ensure that those 24CFR35-affected will be administered in compliance with the new regulation.

In the city's ongoing effort to **reduce the number of families in poverty**, it continues to implement its ongoing integrated approach aimed at leaving no one behind: providing a safety net of housing, transitional housing, treatment centers, and shelters; providing youth development programs to ensure that upcoming generations are well prepared to succeed in school and the workplace; and providing job training and job placement programs to develop a capable and competitive workforce.

3 SELF EVALUATION

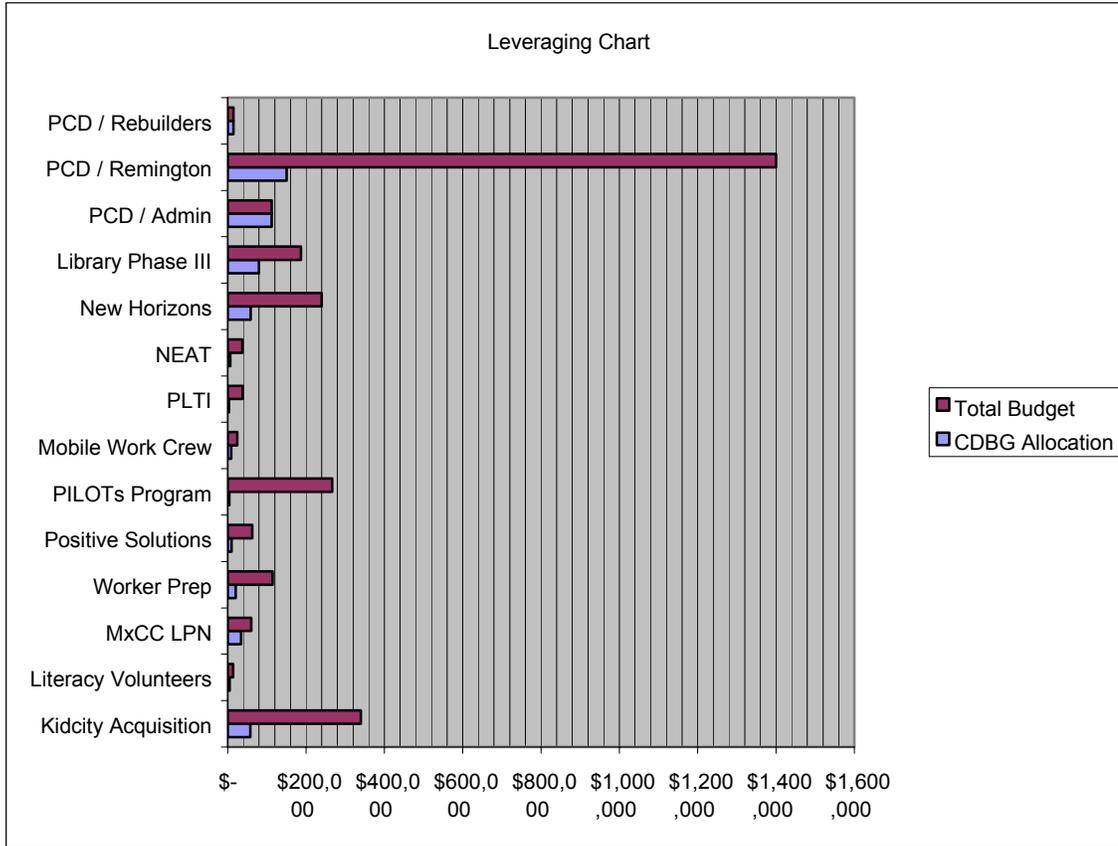
3.1 Leveraging

The table and graph below show CDBG funds as a portion of total budget for each subgrantee's CDBG-funded activity. While the task of determining the exact leveraging role of the CDBG funds for each activity is a subtle one, it is plain to see a wide range with respect to the portion of their total budget comprised by the CDBG funds. In total, PY27's \$578,374.12 was pooled with an additional \$1.6 million to fund 21 activities with \$2.2 million, or almost four times the CDBG portion. On average, activities' budgets were 4.5 times the amount of their CDBG grant.

Leveraging Table

PY27 Activity	CDBG Allocation	Total Budget	Other Funds	Ratio
Kidcity Acquisition	\$ 57,910.50	\$ 340,000.00	\$ 281,089.50	5.9
Literacy Volunteers	\$ 5,000.00	\$ 13,728.00	\$ 8,728.00	2.7
MxCC LPN	\$ 34,000.00	\$ 59,820.00	\$ 25,820.00	1.8
Worker Prep	\$ 20,000.00	\$ 114,900.00	\$ 94,900.00	5.7
Positive Solutions	\$ 10,000.00	\$ 62,354.00	\$ 52,354.00	6.2
PILOTs Program	\$ 4,000.00	\$ 266,350.00	\$ 262,350.00	66.6
Mobile Work Crew	\$ 9,000.00	\$ 23,988.00	\$ 14,988.00	2.7
PLTI	\$ 3,000.00	\$ 38,000.00	\$ 35,000.00	12.7
NEAT	\$ 6,573.00	\$ 37,073.00	\$ 30,500.00	5.6
New Horizons	\$ 58,882.00	\$ 239,900.00	\$ 181,018.00	4.1
Library Phase III	\$ 80,000.00	\$ 187,136.00	\$ 107,136.00	2.3
PCD / Admin	\$ 112,000.00	\$ 112,000.00	\$ -	1.0
PCD / Remington	\$ 150,000.00	\$1,400,000.00	\$1,250,000.00	9.3
PCD / Rebuilders	\$ 15,000.00	\$ 15,000.00	\$ -	1.0

Source: 2001 Subgrantee Accomplishments Reports



Source: 2001 Subgrantee Accomplishments Reports

3.2 Affordable Housing Goals; Affordable Housing Accomplishments

The Consolidated Plan sets numerical targets for pursuing affordable housing goals. They are: 15 units of new affordable rentals per year, and 10 units of new affordable homebuyer opportunities per year. Currently, there are no CDBG programs developing rental housing in the city since most rentals in the city already fall within affordable ranges. Therefore, affordable housing accomplishments directly attributed to the CDBG program during PY27 include eight (8) new DPA program clients.

The City of Middletown continues to not only meet, but well exceed its statutory requirements for affordable housing. The State of Connecticut requires that 10% of the housing stock be affordable; 18.7% of Middletown's housing stock is affordable. On the other hand, prices for housing have been steadily increasing. According to the Middlesex County Sales Review in *The Commercial Record* (Volume 118 Number 99, November 23, 2001, page 22), median prices over the last year increased by 11% for 1-4 family homes, by 12% for condos, and by 19% for all sales.

On one hand, these increases seem consistent with the increases in average and median income for the City of Middletown. On the other hand, the increases nevertheless beg the question: "is sufficient housing both affordable and available to those whose income is not

increasing?" Maintaining an acceptable portion of housing in Middletown for those residents at or below 80% of median family income (MFI) who can spend 30% of their income on housing, has been relatively easy in a city where, according to the 1996 Fair Housing Plan, 18% of the city's housing is officially affordable, or 8% above the State of Connecticut's 10% minimum threshold. Whether it be cause or effect, the city's ample supply of affordable housing has come with a regional function in the provision of affordable housing to surrounding communities in addition to its own. For example, the neighboring town of Portland's Housing Authority has issued approximately sixty (60) Section 8 housing certificates which are currently claimed in Middletown's housing market. A debate surrounding the implications of Middletown's ongoing disproportionate contribution to the region's affordable housing stock has precluded the arrival at any clear policy statement with regard to affordable housing goals, and so it is perhaps fortunate that, in the meantime, it has -- relative to its neighbors -- a legal excess supply. By carefully adhering to the Barney Frank Amendment and assiduously protecting, replacing, or expanding this existing affordable housing stock, the City of Middletown will continue to meet its affordable housing obligation and remain a place where virtually anyone can afford to live. This seems to be a practical way for the city to set and accomplish affordable housing goals for the time being as it considers the implications of its role as a provider of affordable housing on a regional level.

In partnership with Wesleyan University, the City is undertaking an affordable housing census this spring. A comprehensive assessment of the supply, locations and nature of existing affordable housing in Middletown will be completed.

3.3 Consolidated Plan Changes: Past and Potential

3.3.1 CDBG and Middletown's High Priority Needs

As Middletown's CDBG funds, for all practical purposes, represent the city's sole municipal funding source for directly addressing the community development priorities of the city, it is all the more important that they be successfully be utilized.

"Priority Needs" are identified in the *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 2000 - August 31, 2005)* and include the following:

1. Housing Needs, especially for persons with extremely low income (0-30% of MFI) who spend more than 50% of their income on housing.⁴
2. Homeless Needs, especially for those persons whose homelessness either stems from or further complicates substance abuse and/or mental illness.⁵
3. Special Needs, i.e., frail elderly, persons with severe mental illness, physically disabled persons, persons with alcohol and other drug addictions, and persons with AIDS and related illnesses.⁶

⁴ *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 1995 - August 31, 2000)*, page 7.

⁵ *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 1995 - August 31, 2000)*, page 10.

Further discussion on Middletown's CDBG utilization for purposes of meeting these priority needs has been discussed under "Accomplishments," 1.3.2.

3.3.2 Consolidated Plan's Changing Strategic Objectives

As stated in the new *City of Middletown Consolidated Plan for Housing and Community Development September 1, 2000 - August 31, 2005* and cited in the 2000 (PY25) Annual Action Plan, while many of the community development challenges facing Middletown remain the same, there is a new and urgent sense that, more than ever before, the challenges are interlinked.

"In contrast to the comparatively discrete, individual problems characteristic of previous periods, residents today are beset with webs of interconnected problems. No longer can the City practically engage youth development without simultaneously confronting the challenge of neighborhood revitalization. However, no longer can it deal with neighborhood revitalization without encountering the crucial need for affordable housing. And, no sooner does one begin the work of providing affordable housing than he or she is confronted by how the future success of that housing will likely depend upon whether its occupants can find and maintain gainful employment. And, what should job training agencies encounter as they implement their programs, but a profound lack of job and interpersonal skills that should have more fully developed during their clients' youth."

3.3.3 Report on the Middletown CDBG's LMI Benefits

In PY27, most all funded activities were either specifically designed and screened for the benefit of low income persons or were located in low- moderate-income census tracts. The table below shows low- and moderate-income beneficiaries of this years' funded activities to represent over 79% of all funds allocated.

⁶ *City of Middletown Consolidated Plan for Housing and Community Development (September 1, 1995 - August 31, 2000)*, page 15.

PY27 Activity	CDBG Allocation	Low Mod Benefit		
		LC Portion	LMA	N/A
		# Low/Mod	# total	
Kidcity Acquisition	\$ 57,910.50			Slum/Blight
Literacy Volunteers	\$ 5,000.00	25	25	
MxCC LPN	\$ 34,000.00	27	27	
Worker Prep	\$ 20,000.00	75	75	
Positive Solutions	\$ 10,000.00	64	64	
PILOTs Program	\$ 4,000.00	24	24	
Mobile Work Crew	\$ 9,000.00	5	5	
PLTI	\$ 3,000.00	10	10	
NEAT	\$ 6,573.00			Admin
New Horizons	\$ 58,882.00		Underway	
Library Phase III	\$ 80,000.00	23261	23261	
PCD / Admin	\$ 112,000.00			Admin
PCD / Remington	\$ 150,000.00		Underway	
PCD / Rebuilders	\$ 15,000.00		Underway	
Total CDBG LM Benefit	\$ 565,365.50			
Total Non-Admin CDBG Allocations	\$ 446,792.50			
				79.03%

Source: 2001 Subgrantee Accomplishments Reports

3.3.4 Lessons Learned for the Future

Middletown has adopted an application review system similar to the City of Norwalk's where, rather than having open applications, that city issued RFP's for community development projects consistent with the city's Consolidated Plan, and then scored those applications according to an objective set of criteria. This way of doing things has been formally adopted by the Citizens' Advisory Committee of the City of Middletown, piloted last year, and, with some tweaks and adaptations, is moving into its second year.

