

P r o g r a m Y e a r 28
S e p t e m b e r 1, 2002 - A u g u s t 31, 2003

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:

8.31.03

2. Grant Number:

B-03-MC-09-0022

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:

Michiel J. Th. Wackers
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:

Michiel J. Th. Wackers
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 11.11.03

b. other: Draft available 11.12.03 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 _____

table of contents

I.	Executive Summary	6
II.	Introduction to the CAPER	10
III.	Citizen Participation Plan	15
IV.	Assessment of Three to Five Year Goals and Objectives	16
V.	Affirmatively Furthering Fair Housing	17
VI.	Affordable Housing/Foster and Maintain Affordable Housing	21
VII.	Continuum of Care	23
VIII.	Other Actions	26
IX.	Leveraging Resources	27
X.	CDBG Accomplishments	29
XI.	Self Evaluation	33
XII.	Monitoring	39
XIII.	Conclusion	40
Appendix I	Maps	
	1) <i>Key</i>	
	2) <i>Middletown Map</i>	
	3) <i>Downtown Middletown Map</i>	
Appendix II	Public Notice	
Appendix III	Middletown's Monitoring Protocol	
Appendix IV	City Ordinance – Chapter 156- Fair Housing	
Appendix V	IDIS Reports	
	1) <i>Summary of Accomplishments Report (C04PR23)</i>	
	2) <i>Consolidated Annual Performance and Evaluation Report (C04PR06)</i>	
	3) <i>Financial Summary Report (C04PR26)</i>	
	4) <i>Summary of Activities (C04PR03)</i>	

Section I Executive Summary

The City of Middletown is required to report annually to the U.S. Department of Housing and Urban Development (HUD) on project accomplishments funded through the Community Development Block Grant (CDBG). The Consolidated Annual Performance Evaluation Report (CAPER) is the mechanism the City makes its annual report.

City Residents can also use the CAPER to obtain useful and timely information on the goals and progress of housing and community development project activities underway and funded annually through these grants. It provides a general assessment of activities undertaken during the year in addressing priorities and strategies identified in the Program Year 2002-2003 Consolidated Plan, and specific information on individual project activities.

The CAPER is particularly useful for decision makers such as the Mayor and City Council members in establishing funding priorities and evaluating the success or failure of project activities. The CAPER narrative looks behind the projected goals into the “whys” when projects fail to meet the goals set forth in the annual Action Plans. This is particularly important in determining the City’s progress in keeping its Line of Credit fund balance below the HUD prescribed limit of 1.5 program years, by identifying projects that are slow-moving or infeasible given their time frame, overall management, and funding.

The CAPER report plays a useful role in providing useful information on project feasibility and overall progress to guide future funding decision-making. Whenever possible, terms are defined and background is provided on topics that may be unfamiliar to residents, and in some cases, to HUD.

The Community Development Block Grant provides a large share of housing, economic development, and public services funds for the City. The total Consolidated Plan budget for Program Year 2002-2003 was \$1,119,611.00, including entitlement, revolving funds and program income. The City’s funding is determined by a national formula used by HUD that takes into account poverty, housing affordability, age of housing, overcrowding, and other factors that indicate the need for such funds.

Purpose of the Executive Summary

The CAPER Executive Summary provides a brief overview of the relationship among priorities and strategies adopted through adoption of the 2000-2005 Consolidated Plan, and how they relate to individual project goals and accomplishments. The CAPER complements and reports upon the project activities and goals identified in the previous year’s annual Action Plan.

The City received approximately \$570,000.00 in its annual entitlement funding from the U.S. Department of Housing and Urban Development, for the Year 2002-2003. The City also had \$447,350.00 in program income, \$22,000.00 in reprogrammed funds, and \$80,261.00 in the revolving fund available for allocation.

The city’s accomplishments in this period are described and organized in the CAPER according to the nine priorities and thirty-seven strategies established in the 2000-2005 Consolidated Plan. These priorities and strategies complement the HUD Primary Objective of development of viable communities, provision of decent housing and a suitable living environment, and expanding economic opportunities for persons of low- and moderate-income.

Table : Consolidated Plan Project Priorities and Strategies 2000-2005.

Consolidate Plan Priorities	Consolidated Plan Strategies
1) Priority Housing Needs	1) Support the redevelopment of downtown areas and the construction and/or conversion of alternative space into new rental housing units.
2) Neighborhood Revitalization	2) Continue to actively support the involvement of housing activities with the Human Relations staff to unilaterally and expeditiously deal with inquiries and complaints.
3) Priority Homeless Needs	3) Continue to support the Community Renewal Team’s Down Payment and Second Mortgage Assistance Loan Program to become homeowners and offer low interest loans and grants through Community Development Block Grant funds.
4) Priority Other Special Needs	4) Continue to support the newly developed Habitat for Humanity local affiliate.
5) Priority Non-Housing Community Development Needs	5) Continue to use the City’s Housing Rehabilitation Loan Program which is

Consolidated Annual Performance Evaluation Report 2002 / PY Year 28
City of Middletown, Connecticut

	targeted for owner and rental properties in order to eliminate code violations, abate the hazards of lead and increase energy conservation measures. The Program funds are generated from a revolving loan fund. The City promotes the program directly to owner occupants, investor owners and through non-profits who are providing affordable ownership opportunities.
6) Increasing Employment Opportunities through Economic Development	6) Continue to support the Christmas in April project with the objective of rehabilitating five (5) units per year with private funds, volunteers and donated materials for owner-occupied residents who are low-income, elderly or handicapped; and or needy non-profit facilities serving homeless and low income people.
7) Additional Economic Development	7) Support through the Middletown Housing Partnership owner/renter rehabilitation projects such as the currently proposed rehabilitation of properties in the Ferry/Green/Rapallo neighborhood and any resulting new acquisitions of construction by Nehemiah Housing Corporation and The Connection Fund, Inc. for the purpose of rehabilitation and limited equity opportunities such as the proposed artists' co-op in the Ferry and Green neighborhood.
8) Supportive Services	8) Support the inclusion and development of PILOTS and other scattered site supportive housing throughout Middletown as well as the existing supportive facilities run by Shepherd Home and Liberty Commons.
9) Public Facilities Improvements	9) Continue supporting case management services for the homeless at the Eddy Shelter, the Red Cross Shelter, Shepherd Home and St. Vincent dePaul soup kitchen.
	10) Following through on plans to rehabilitate historic industrial sites such as the North End Industrial Park and the Miller and Bridge Redevelopment area as well as remediate and rehabilitate the Remington Rand building as a business incubator to provide hundreds of new jobs in the North End.
	11) Create a high-tech center in the downtown area by pursuing a state IT zone designation, promoting the existing high-speed DSL Internet access and available space in upper stories of Main Street buildings and developing a loan program to modernize upper floor office space and encourage the private sector to develop a Class A "smart" office building in the Central Bus. Dist.
	12) Taking advantage of the existing cinema and many ethnic restaurants and plan for a 100 room hotel to rehabilitate the historic downtown commercial center both as an employment center and an evening entertainment district including a browser-friendly bookstore and related retail establishments.
	13) Reclaim former industrial sites on the riverfront as a mixed-use commercial/recreational area to include a marina while reinvigorating the residential neighborhoods on the 85-acre site and connecting all new development downtown.
	14) Continue efforts to attract business through the Enterprise Zone and Target Investment Community Incentives, and the local Tax and Business Incentive Ordinance.
	15) Continue to support and fund REINVEST loans program.
	16) Working with Northeast Utilities and Pratt & Whitney Aircraft, the City will address infrastructure needs including roads, combining water and sewer systems and river access for the Maromas parcel.
	17) Support job training programs such as Middlesex County Chamber of Commerce's Worker Preparation Program.
	18) Continue funding of JOBS Loan Program and marketing to industrial sectors.
	19) Continue supporting the successful Neighborhood Rebuilders Fund.
	20) Implement the Miller and Bridge Redevelopment Plan as a means of ensuring environmental justice for the existing low-income residents.
	21) Make presentations before a wide range of community organizations, clergy, childcare providers and service clubs in order to give basic training in the new connectivity potential of the library.
	22) Continue to improve the mechanism created through the last consolidated plan to assist senior, disabled adults and low income residents needing transportation and physical assistance to shopping areas, doctor appointments, educational facilities and jobs.
	23) Continue to support the extended hours Middletown Area Transit service throughout Middletown as part of the Department of Social Services Access to Jobs programs with matching funding from the Federal Transportation Authority and Department of Labor.
	24) Continue to evaluate service and ridership and make minor adjustments accordingly.
	25) Establish public transportation service between Middletown and

	neighboring Meriden.
	26) Study demographics and outline service to extend bus routes to Pratt & Whitney plant in southern Middletown as the company relocates workers and creates more jobs at this expanding site.
	27) Improve the existing infrastructure to facilitate the rail-freight access to the industrial zones, aiding recruitment of manufacturing jobs for the low income population of the area.
	28) Continue feasibility study of a light rail line between Hartford, Middletown and Old Saybrook.
	29) Provide gap financing for property owners rehabilitating their buildings to come up to ADA code.
	30) Continue to provide supervised educational programs and activities after-school.
	31) Convert caretaker's house at Higby Reservoir into a Park Ranger headquarters/Ecology Camp for youth ages 14 and 15.
	32) Continue to support anti-drug programs.
	33) Support early education programs for the youngest of the City's disadvantaged children so they can begin school on equal footing with those from better-off families.
	34) Establish specialized job development and placement program by purchasing software and equipment and training 95 existing literacy tutors and 110 students in technology based upon evaluations of training needed for the illiterate and/or displaced because of lack of technological training.
	35) Continue to support traditional adult education programs.
	36) Give priority for rehabilitation loans for lead abatement
	37) Continue testing at-risk children and provide families with educational materials on the hazards of lead-based paint.

The City will adopt new priorities and strategies with the 2005-2010 Five-Year Consolidated Plan, and the 2005-2006 CAPER will reflect an evaluation of project and program performance against these new standards.

Structure of the CAPER

The report consists of the CAPER Narrative, and the Grantee Performance Report, which provides a much higher level of detail on project activities to HUD. This document is the CAPER Narratives portion. The CAPER includes several narrative sections, which provide a summary of the City's overall progress in meeting local priorities and goals, and describes the status of the annual actions taken to address specific areas under the Consolidated Plan.

Included within the City's CAPER report is an Executive Summary and Introduction to the CAPER; the following required narratives:

- Assessment of Strategic Plan Goals and Objectives
- Affirmatively Furthering Fair Housing
- Affordable Housing
- Continuum of Care
- Other Actions
- Leveraging Resources
- Citizen Comments
- Self-Evaluation

Furthermore, the CAPER also includes a program-specific narrative for the Community Development Block Grant (CDBG), a narrative on Program monitoring, and a narrative on Citizen Participation.

CDBG Financial Summary

The City had \$1,119,611.00 in Community Development Block Grant (CDBG) funds available for Program Year September 1, 2002 to August 31, 2002.

Table : CDBG Financial Summary

CDBG Resources

Reprogrammed funds	\$ 22,000.00
CDBG Entitlement	\$ 570,000.00
Program Income Received	\$ 447,000.00
Revolving Fund	\$ 80,261.00
Total Resources	\$1,119,611.00

CDBG Expenditures

Total CDBG Expenditures	\$ 731,754.48
Unexpended Balance (August 31,2003)	\$ 387,856.52

For the 2002-2003 Program Year (September 1, 2002 – August 31, 2003), the City of Middletown:

- Obligated on Public Services activities. This represents of its funding (the current year's entitlement, and program income from the preceding year).

The City also:

- Spent \$117,000.00 on Planning and Administration; this represent of its funding (the current year's entitlement and the current years program income). This is less than HUD's requirement that not more than 20% of funds be spent on Planning and Administration.
- Expended of its annual CDBG funding to benefit low and moderate-income persons. This exceeds HUD's requirement that a grantee spend at least 70% of its annual CDBG funding (excluding planning and administration expenses) to benefit low and moderate-income persons over a three-year period. The City has met and exceeded this standard for each year of the 2000-2005 Consolidate Plan.

Section II Introduction to the CAPER

The city was awarded an entitlement of \$570,000.00, and budgeted \$1,119,611.00 in federal housing and community development funds and other income during 2002-2003. The City must prepare a Consolidated Plan and an annual Action Plan, or strategy, setting forth the upcoming year's activities to receive these funds. These reports provide residents and HUD with information on what it intends to accomplish with this money (and other funds) in the next year. The City prepared a five-year Consolidated Plan for 2000-2005 period, and has submitted action plans to HUD for the first, second and third program years. All are available for review at Middletown's public library and at Middletown's Department of Planning, Conservation, and Development, and increasingly these reports are available online at www.middletownplanning.com. This CAPER provides information on project activities representing the third year of the 2000-2005 Consolidated Plan.

HUD implemented the Consolidated Annual Performance and Evaluation Report (CAPER) requirement in a field notice issued in 1997. HUD requires cities and counties receiving Consolidated Plan funds to develop priorities, strategies and performance indicators for project activities funded by HUD programs; and that the CAPER report performance against these goals. This requirement was imposed by the Government Performance and Results Act (GPRA) of 1993, which mandated that all recipients of federal financial assistance develop objective and measurable standards for measuring their performance. This allows HUD, local officials, and the public to evaluate the City's overall performance and ability to manage these funds. The CAPER also permits HUD and residents to determine whether project goals are realistic, and whether activities and strategies undertaken during the last year actually made an impact on the goals set forth in the Consolidated Plan. This is accomplished by:

- Reviewing the various funds made available and activities leveraged during the reporting period; leveraged means other money or resources used in addition to HUD funds during the year;
- Revealing how the resources were used according to the priorities and strategies established in the Consolidated Plan;
- Summarizing the number of persons or households helped with housing or supportive services during the reporting period; and
- Describing other housing and community related activities during Program Year 2002-2003.

The City is submitting its CAPER for the period of September 1, 2002 through August 31, 2003, reporting accomplishments for Action Plan project activities and programs for the past year. The CAPER also includes the status of projects that were created through reprogramming of the CDBG funds from previous years.

Section Summary

While the CAPER is a HUD reporting requirement, it is also an important tool for residents in deciding whether housing and community development programs are being carried out as intended. The CAPER permits the City to stay on track with its Consolidated Plan and Annual Action Plans, and is designed to provide maximum amount of useful information to policy makers and residents.

CAPER reports are used to:

- Provide HUD with necessary information to assess each grantee's ability to carry out its programs in compliance with applicable regulations and requirements;
- Provide information necessary for HUD to report to Congress; and
- Provide grantees with an opportunity to describe program achievements to residents.

Regulatory Requirements for Submission of the CAPER

CDBG regulations require the City to submit a CAPER to HUD with 90 days of the close of the city's program year. This is accordance with the Consolidated Plan regulations at 24 CFR (Code of Federal Regulations), Part 91. Prior to the 1996 Consolidated Plan program year, grantees submitted a Grantee Performance Report (GPR), which is now known as an Activity Summary.

The new version of the report, the CAPER is far more comprehensive in its requirements. The CAPER incorporates not only the old GPR, but also the reporting requirements for the Community Development Block Grant.

Integrated Disbursement and Information System

HUD reports to Congress and other agencies the progress that the city has made on planned activities in a data format that can be entered into computers, and that can result in generation of project reports, both in summary form and in a detailed manner. And, HUD requires accurate and timely information on grantee performance so that Congress and other stakeholders know that CDBG funds are benefiting intended recipients.

For example, the HUD Grants and Program Income report gives information for all program funds and types for each program year, including program income. This report gives information that helps fulfill Citizen Participation requirements to report on the amount of funds it has available for the program year (including program income, how much was committed, and how much was spent).

To begin annual reporting, the City updates all current activities in IDIS to include required financial and performance information. For example, the IDIS system reports on funds spent for housing activities on individual properties; the CAPER narrative does not. IDIS is also used to obtain funds from the federal government for housing and community development activities. Project data must be complete in before funds can be requested from the city's line of credit.

The IDIS-generated Activity Summary is a large, detailed document on program accomplishments since the inception of HUD reporting requirements, and is submitted simultaneously to HUD with the CAPER narrative. The Activity Summary is also available for public examination at the offices of the Community Development Department

At any time during the year, HUD may monitor grantees to determine if programs are being carried out according to the rules and regulations that apply to them. For example, it can help HUD identify issues such as CDBG spending timeliness, and projects that are getting off the ground too slowly. IDIS provides important information to help HUD determine performance levels.

CAPER Submission and Review

Prior to submitting the CAPER to HUD for review, the city must make the report available to the public for examination and comment for a period of at least 15 days. After the CAPER is sent to HUD, the City makes the report available for review by residents and organizations, both in bound versions and on the city's Department of Planning, Conservation, and Development website. The copies include a summary of comments received from residents. The city supports maximum public participation in preparation and review of the CAPER. Public comments received after the mandatory 15-day comment period will still be received, compiled and acted upon; comments will be forwarded to HUD to be included as a part of the CAPER.

Summary of Community Development Accomplishments

Several of these projects are still underway, and will be completed in 2003 or early 2004. The status of the per the IDIS program is as follows:

Table : Project Underway/Completed

Eligibility Category	Projects Underway	Projects Completed	Funded
Acquisition	0	0	\$0
Administration & Planning	2	1	\$117,000
Economic Development	1	0	\$56,152.00
Neighborhood Improv.	2	2	\$327,350.00
Housing	2	0	\$24,109.00
Public Facilities	14	1 Completed /2 Cancelled	\$473,000.00
Public Service	6	1	\$122,000.00

Department of Planning, Conservation, & Development
Community Development Division

Public Services

Public services include counseling, employment and training, recreational, education and cultural services, domestic violence programs, senior citizen programs, drug abuse treatment, health care and child care services, among many other eligible activities. The city cannot spend more than 15% of its annual Community Development Block Grant on these activities

Table : Number of Persons Receiving Public Services, Program Year 2002-2003 (Underway and Completed)

Category	Actual Number of Persons Served
Acquisition	0
Administration & Planning	2
Economic Development	5
Housing	133
Public Facilities	14,457
Public Service	253
Total	14,850

Public Facilities and Improvements

Public facilities and improvements include a wide variety of projects, including the acquisition, construction, reconstruction, rehabilitation and installation of public improvements or facilities, such as community centers, fire stations, playgrounds, street, libraries, and community centers, among many other activities.

Table : Public Facilities and Improvements, Program Year 2002-2003

Category	Actual Number of Projects Underway	Actual Number of Project Completed	Disbursed
Youth Centers	2	1	\$113,000
Senior Centers	1	1	\$20,000
Public Facilities Other	5	3	\$322,350
Total	8	5	\$455,350

Economic Development

Economic development activities are those projects that are designed to create jobs or retain existing jobs; attract or retain businesses to an area, provide help to small businesses; acquire, construct, or rehabilitate buildings for businesses; and provide job training, among many other eligible activities.

Funds can also be used to encourage the formation of very small businesses, called micro-enterprises. The purpose of this program is to provide assistance to the City's growing companies with certain target sectors. The program is designed to assist growing companies in enhancing their economic viability, increase revenues and increase operation performance.

The Economic Development Specialist with the Department of Planning, Conservation and Development manages these types or projects and oversees the JOBS loans program, a loan program to available to small businesses for improvements and working capital at a ratio of \$10,000 per new full-time low to moderate-income jobs.

Table : Number of Businesses and Persons Assisted in Economic Development Activities, Program Yr. 2002-2003

Category	Number of Business Assisted/ Number of New Jobs Created	Number of Low-Moderate Income Persons
Micro-Enterprises	5	5
Direct Business Assistance	0	0
Technical Assistance	0	0
Total	5	5

Housing Rehabilitation and Public Facilities

CDBG funds are used for a wide range of housing activities under the Consolidated Plan grants. Although funds are primarily used to repair and renovation homes and apartments, the city also funds a program operated by Liberty Bank to help first-time buyers achieve ownership and provide minor home repairs.

Benefit to Low and Moderate Income Persons, Limited Clientele

This table lists all projects undertaken in the last year that meet the HUD National Objective test of what is referred to as “Low and Moderate Income Benefit, Limited Clientele”. “Limited Clientele” are those persons for whom it can be assumed are low- to moderate- income or are described in the HUD regulations as persons with special needs, such as abused spouses, the homeless, and the severely disabled. Otherwise, to meet the “limited clientele” test, in most cases, participants must submit documentation for income and family size to assure compliance with HUD regulations.

Projects may also qualify if they are of such a nature and location that it can be reasonably concluded that participants will be primarily low- and moderate-income; for example, a day care center that is designed to serve residents of a public housing complex would meet this test.

In some case HUD has determined whether a certain group can be presumed to be low and moderate-income. Such groups are identified by the parenthesis.

In PY 28, most all funded activities were wither specifically designed and screened for the benefit of low income persons or were located in low- and moderate-income census tracts. The table below shows low- and moderate-income beneficiaries of this years’ funded activities to represent over % of all funds allocated.

Department of Planning, Conservation, & Development
Community Development Division

Table : CDBG Allocation benefiting Low- and Moderate-income Residents

PY 28 Activity	CDBG Allocation	#Low/Mod	#Total	% LMA	N/A
Oddfellows	\$25,000	579	1011	57.3%	
BIF Worker Prep	\$20,000	52	52	100%	
The Connection	\$13,000	100	100	100%	
St. Lukes	\$40,000	28	28	100%	
School Readiness	\$25,000	115	144	79.9%	
Positive Solutions	\$24,000	38	38	100%	
Mercy Housing	\$10,000	86	86	100%	
Nursing Program	\$24,000	7	7	100%	
Streetscape	\$65,000	Cancelled	Cancelled	Cancelled	
Equity in Housing	\$13,000	10	10	100%	
Senior Center	\$20,000	121	121	100%	
Russell Library	\$25,000	11,550	11,550	100%	
Green Street Arts	\$100,000	937	1675	56%	
ADA Press Box	\$15,000	Cancelled	Cancelled	Cancelled	
Main Street ADA	\$10,000	Underway	Underway	Underway	
Gilead Com. Ser.	\$20,000	191	191	100%	
Kuhn Employ.	\$20,000	5	5	100%	
Kidcity	\$9,000				Census Trct 5416
Streetlights	\$216,000				Census Trct 5416
Courthouse Dem.	\$170,000				Census Trct 5416
Old Burying Grnd.	\$36,350				Census Trct 5416
Mdtn Youth Ctr	\$25,000	100	100	100%	
Residential Rehab	\$27,250	9	9	100%	
Down Pymt Assist.	\$5,565.00	7	7	100%	
JOBS	\$56,152.00	5	5	100%	
Total CDBG LM Benefit	\$798,088.80				
Total Non-Admin CDBG Allocations	\$1,097,611.00				
	72.7%	Percent Low/Mod			

Section III Citizen Participation Plan

This section of the CAPER describes the process whereby the city includes residents in the review of the completeness and adequacy of the CAPER document. HUD requires resident participation at every level of the grant process. A Citizen Participation Plan is a precondition for funding through the Consolidated Plan.

The Citizens' Advisory Committee for the City of Middletown is an advisory board that provides an important forum for review of the Consolidated Plan and the CAPER. Requirements for membership if the Citizens' Advisory Committee are designed to encourage participation by low-and moderate-income persons, particularly those living in slum and blighted areas; and in areas of Middletown where use of CDBG funds are needed. The composition of the Citizens' Advisory Committee represent the following interest groups: 2 members of the Common Council (one from each political party), Banking/Insurance, Real Estate, Social Service/Human Relations, Middletown Housing Authority, Greater Middletown Preservation Trust, Labor, Low/Moderate Income, Planning and Zoning Commission, Minority, Elderly, Handicapped, Neighborhood Targeted Area, and At-large.

One highlight of the Citizens' Advisory Committee was the creation and adoption of a Monitoring Protocol. This item will be discussed in further detail in the Monitoring section of the CAPER.

The Citizens' Advisory Committee meets monthly, on the third Wednesday of each month. The Community Development Specialist staffs this committee and provides the committee with pertinent information on a timely basis and records and carries out all Committee decisions.

The Citizens' Advisory Committee meeting agenda and minutes are publicized on Middletown's Department of Planning, Conservation, and Development website at the following address: www.middletownplanning.com/cac.html. Public notices for substantial amendments to the Consolidated Plan are published in the Middletown Press and the Hartford Courant.

The draft CAPER was presented to the Citizens' Advisory Committee at their November meeting. Each member was given a copy to review.

To encourage public comment examination copies were provided to the Middletown Public library, the Department of Planning, Conservation, and Development, and on the Department's website. A notice of availability of the CAPER for community review was published in the Middletown Press and the Hartford Courant on November 13, 2003. A copy of the proof of publication for the public notice is provided in the appendix of the CAPER.

Despite the availability of the CAPER, no public comments were received.

Questions regarding the CAPER Narrative or associated reports may be address to the following:

Michiel Wackers
Community Development Specialist
City of Middletown, PO Box 1300
245 DeKoven Drive
Middletown, CT 06457

Phone calls are welcomed at 860-344-3425.

Email may be sent to michiel.wackers@cityofmiddletown.com.

Section IV Assessment of Three to Five Year Goals and Objectives

The city is required to evaluate in the CAPER how well it succeeded in meeting the priorities and strategies included in the 2000-2005 Consolidated Plan and the previous year's Action Plan by analyzing how project activities met the goal established in these documents.

Analysis by city staff found that all project activities were consistent with the three-year goals and objectives set forth in the city's Consolidated Plan and HUD CDBG statutory and regulatory requirements and the City successfully met the HUD requirement of at least 70% of all CDBG funds spent on low- to moderate-income persons.

Geographic Distribution

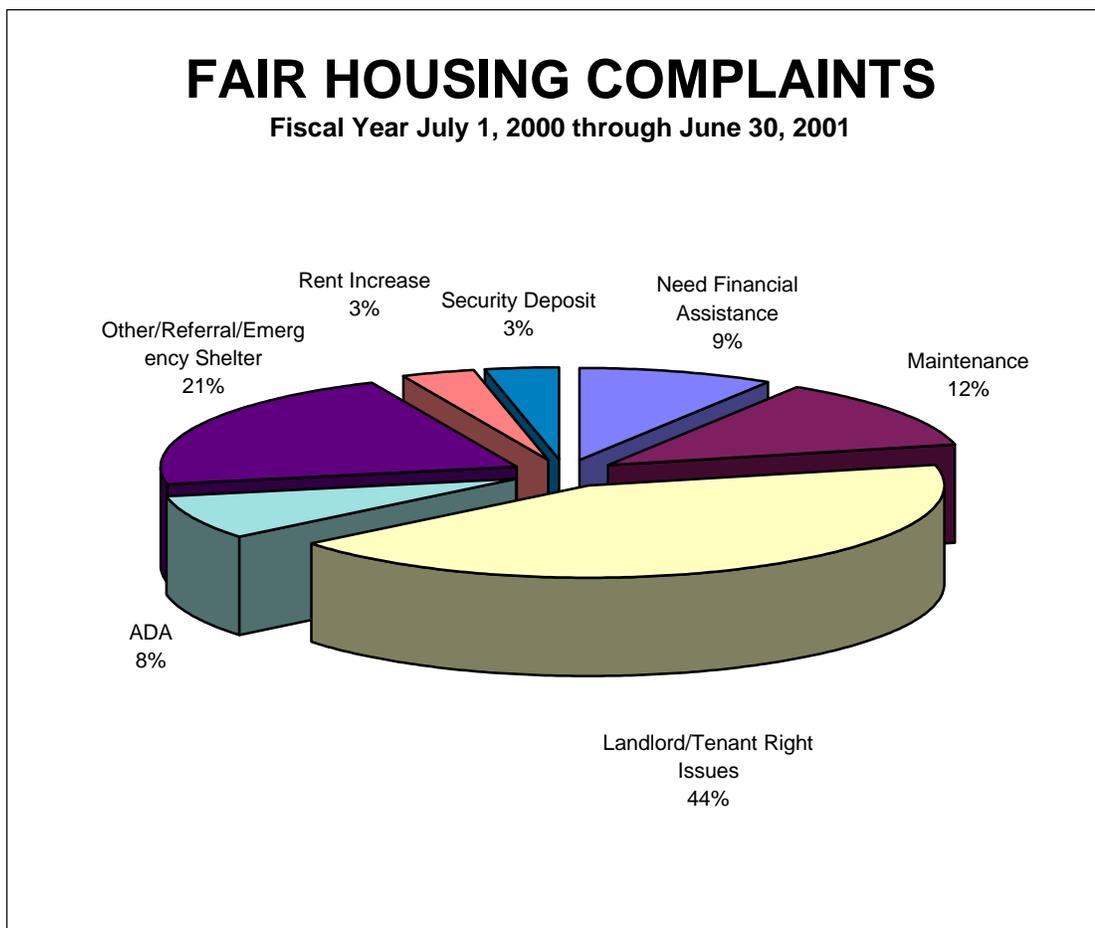
Among the goals and objectives of Middletown's community development program is an equitable distribution of resources. Two maps showing the geographic distribution and locations of CDBG expenditures is provided in the Appendix. Shown, is a clear concentration of resources in the downtown area, which is the location for 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.

Section V Affirmatively Furthering 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- Chapter 156- Fair Housing provided in appendix III). 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.

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.

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 PY28, as mortgage rates fell, market rents and housing prices for the City of Middletown continued to increase significantly. According to *The Commercial Record* (Volume 121 Number 45, November 7, 2003, page 27), median prices over the last year in Middletown increased by 16% for 1-4 family homes. 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.

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.

Department of Planning, Conservation, & Development
Community Development Division

- 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.

Section VI Affordable Housing/Foster and Maintain Affordable Housing

HUD requires that the city provide an update on its efforts to provide new affordable housing, and maintain the city's existing affordable housing inventory. These two themes are combined in this section of the CAPER report, and both topics will be discussed to provide residents and HUD with an understanding of the types of programs funded through the four Consolidated Plan grants in meeting this critically important need.

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). 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 that 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 PY28 followed much the same pattern as they did PY27. 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

Department of Planning, Conservation, & Development
Community Development Division

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.

Section VII Continuum of Care Narrative

Annually, the city is required to report on progress of the Continuum of Care, a comprehensive approach to identifying and solving the problems of homelessness.

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.

Department of Planning, Conservation, & Development
Community Development Division

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

Section VIII Other Actions

The City is active in making gains in the Consolidated Plan without just using Community Development Block Grant Funds. The City has applied for a \$300,000 Section 108 loan to help acquire and demolish homes in the Miller Bridge Street area. Also the City is actively pursuing the initiatives on revitalizing the Main Street, Downtown, and the Riverfront. More information concerning other actions the City is pursuing can generally be found at www.middletonplanning.com.

Section IX Leveraging Resources

This section provides an overview of leveraging of Consolidated Plan funds from project activities. Leveraging of resources means that the city, whenever possible, identifies and uses other public and private funds, which, together with federal housing and community development funds better increases the amount of money that the city can commit to complete a project.

The Consolidated Plan regulations specify that, wherever possible, grantees shall attempt to obtain other public and private funds to pay for projects identified in the Consolidated Plan. And the CAPER must include an explanation of how HUD resources leveraged public and private funds. This section will set forth how city departments and subrecipients identified and used other funds to leverage funding through the CDBG program.

Background

The City uses a variety of public and private resources to fulfill HUD's National Objectives; that is, to provide decent housing, a suitable living environment, and expanded job opportunities for residents. Community Development Block Grant resources provide most of the funds for housing, community development, and economic revitalization activities. However, no one source can meet all of the needs within the city, and federal money often cannot cover the cost of projects alone. Funds appropriated by Congress for cities and counties continue to shrink, due to a greater number of governments participating in federal grant programs.

Advantage of Leveraging

A broad-based pool of money allows flexibility, and permits the city to leverage Consolidated Plan funds with other dollars. The table below summarizes the sources and amounts of leveraged funds for Program Year 2002-2003 activities.

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, PY28's \$1,119,611.00 was pooled with an additional \$1 million to fund 28 activities, or almost two times the CDBG portion. On average, activities' budgets were 2 times the amount of their CDBG grant.

Department of Planning, Conservation, & Development
Community Development Division

Table : Leveraging of CDBG Funds by Other Sources

PY28 Activity	CDBG Allocation	Total Budget	Other Funds	Ratio
Oddfellows	\$25,000.00	\$30,700.00	\$5,700.00	0.23
BIF Worker Prep	\$20,000.00	\$20,000.00	\$0.00	0
The Connection	\$13,000.00	\$13,000.00	\$0.00	0
St. Lukes	\$40,000.00	\$45,000.00	\$5,000.00	0.13
School Readiness	\$25,000.00	\$100,000.00	\$75,000.00	3
Positive Solutions	\$24,000.00	\$64,908.54	\$56,908.54	2.37
Mercy Housing	\$10,000.00	\$15,500.00	\$5,500.00	0.55
Nursing Program	\$24,000.00	\$36,812.00	\$12,812.00	0.53
Streetscapes	\$65,000.00	Cancelled		
ADA Press Box	\$15,000.00	Cancelled		
Main St ADA Parking	\$10,000.00	\$10,000.00		0
NEAT	\$5,000.00	\$23,500.00	\$18,500	3.7
Equity in Housing	\$13,000.00	\$13,000.00	\$0.00	0
Senior Center	\$20,000.00	\$20,000.00	\$0.00	0
Russell Library	\$25,000.00	\$25,000.00	\$0.00	0
Green Street Arts	\$100,000.00	\$881,500.00	\$781,500.00	7.82
Gilead Com. Ser.	\$20,000.00	\$153,392.00	\$133,392.00	6.7
Kuhn Employ.	\$20,000.00	\$34,988.00	\$14,988.00	0.75
Kidcity	\$22,000.00	\$22,000.00	\$0.00	0
Streetlights	\$216,000.00	\$216,000.00	\$0.00	0
Courthouse Dem.	\$170,000.00	\$170,000.00	\$0.00	0
Old Burying Grnd.	\$36,350.00	\$36,350.00	\$0.00	0
Mdtwn Youth Ctr	\$25,000	\$25,000.00	\$0.00	0
Residential Rehab	\$27,250	\$27,250.00	\$0.00	0
Down Pymt Assist.	\$5,565.00	\$5,565.00	\$0.00	0
PCD Nghbrhd Rbldrs	\$18,544.00	\$27,000.00	\$8456.00	.45
PCD/ JOBS	\$48,000.00	\$48,000.00	\$0.00	0
Administration	\$112,000.00	\$112,000.00	\$0.00	0
Total	\$1,074,709.00	\$2,176,465.54	\$1,117,756.54	2.02

Source: 2002 Subgrantee Accomplishments Reports

Section X CDBG Accomplishments

Assess the relationship of the use of CDBG funds to the priorities, need, goals, and specific objectives identified in the Consolidated Plan, including an analysis of the extent to which CDBG funds were distributed among different categories of housing needs identified in the consolidated plan.

The city of Middletown has identified nine priorities and thirty-seven strategies that are directly related to approved CDBG project activities. These priorities and strategies are described in the introductory section of the CAPER. All proposed projects reviewed for potential inclusion in the list of recommendations to the mayor and common council must meet one or more of the priorities and strategies, and must address one or more needs or objectives.

CDBG funds for Program Year 2002-2003 amounted to \$1,119,611.00.

The bulk of CDBG funds have been allocated to Public Facilities and Neighborhood Improvements. This is a high priority for the city in order to insure that low- and moderate-income residents receive a high level of care and attention from the services that these facilities or neighborhood improvements provide. These spending initiatives demonstrate a commitment to increasing the quality of life for Middletown's residents.

Table Allocation of Consolidated Plan Funds by Activity Category

Category	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Administration & Planning	\$102,000.00	\$118,773.60	\$117,000.00	\$137,000.00	\$
Economic Development	\$0.00	\$32,063.79	\$56,152.00	\$50,000.00	\$
Homeless	\$5,000.00	\$0.00	\$0.00	\$0.00	\$
Housing	\$144,000.00	\$124,298.26	\$24,109.00	\$191,750.00	\$
Neighborhood Improvements	\$98,324.12	\$0.00	\$327,350.00	\$0.00	\$
Public Facilities	\$117,550.00	\$362,792.50	\$473,000.00	\$346,834.54	\$
Public Services	\$111,500.00	\$94,330.20	\$122,000.00	\$107,500.00	\$
Total	\$578,374.12	\$732,258.55	\$1,119,611.00	\$833,084.54	\$

Describe the nature of and reasons for any changes in program objectives and indications as to how the city would change its programs as a result of its experiences.

The city has adhered closely to implementation of both HUD Primary Objective and the priorities and strategies set forth in the Consolidated Plan. There have been no major changes in program objectives. However, during the Program Year 2002-2003 period a new staff person has taken over the responsibility of handling the day-to-day activities for the City's CDBG funds, a new staff person in the city's financial department has been assigned to manage financial activities, and a new HUD representative has been assigned to the City to oversee and advise on the City's CBDG activities. This transition has afforded Middletown the opportunity to overhaul and streamline it procedures in carrying out the CDBG program. Greater awareness and emphasis on monitoring, reporting, spending down CDBG funds previously allocated to slow-moving projects, and complying fully with CDBG regulations. It is expected that the new system will be up and running smoothly for the 2004 year.

Assess City efforts in carrying out the planned actions described in its Action Plan, as part of the city's certifications that it is following a current HUD-approved Consolidated Plan.

Analysis by staff and the resulting project assessments contained within the CAPER report reveal that the City closely adhered to planned actions and project activities described in the Annual Action Plan, and that it is following the current HUD-approved Consolidated Plan.

Department of Planning, Conservation, & Development

Community Development Division

Financial Summary PY28

Part I.				
1	Unexpended CDBG funds at end of reporting period		\$ 22,000	
2	PY28 Entitlement Grant		\$ 570,000	
3	Urban Renewal		\$ -	
4	Sec 108 Loans		\$ -	
5	Program Income	Grantee	Subrecipient	
	a	Revolving Fund	\$ 112,586 \$ -	
		Other	\$ -	
	c	TOTAL:	\$ 447,350	
6	Adjustments		\$ 80,261	
7	TOTAL AVAILABLE FUNDS:		\$ 1,119,611	
Part II.				
8	Total PY28 Expenditures		\$ 1,119,611	
9	Total Expended for Planning/Admin Activities		\$ 117,000	
10	Amount subject to Low/Mod Calc.		\$ 1,002,611	
11	CDBG used for Sec 108 Loans		\$ -	
12	Total expenditures		\$ 1,119,611	
13	Unexpended balance		\$ -	
Part III.				
14	Total Low/Mod credit for Multi-unit Housing		\$ -	
15	Total all other Low/Mod expenditures		\$ 798,009	
16	Total Low/Mod		\$ 798,009	
17	Percent Benefit	(allocated)	73%	
Part IV.				
	Program Years Certified	PY26	PY27	PY28
18	Expenditures subject to calculation	\$ 396,000	\$ 461,671	\$ 1,097,611 \$ 1,955,282
19	Expenditures benefitting LM	\$ 379,158	\$ 458,541	\$ 798,089 \$ 1,635,788
20	Percent Benefit			84%
Part V.				
21	Total PS expenditures		\$ 120,000	
22	Total PS unliquidated		\$ -	
23	Sum		\$ 120,000	
24	Total PS unliquidated previously		\$ -	
25	Net obligations for PS		\$ 120,000	
26	Program Income		\$ 447,350	
27	Entitlement Grant		\$ 570,000	
28	SUM		\$ 1,017,350	
29	Percent Obligated for PS		11.8%	
Part VI.				
30	Amount subject to Planning/Admin cap		\$ 1,017,350	
31	Amount expended on Planning/ Admin		\$ 117,000	
32	Percent		12%	

If grantee funds are not used exclusively for the three National Objectives, or if the city did not comply with the overall benefit certifications, a narrative explanation must be included to address these issues.

Consolidated Plan funds were used only in connection with the three National Objectives set forth in the regulations governing the CDBG grant, and the city fully complied with the requirement to expend at least 70% of federal funds received to benefit low- to moderate-income persons over a three-year period. Approximately 73% of CDBG funds received by the City were used to benefit low and moderate-income persons during the 2002-2003 program year.

If any activities specified for the program year involve acquisition, rehabilitation, or demolition of occupied real property, a narrative must be submitted that identifies the activities and disposition.

- Oddfellows window replacement- In 1992-1994, Oddfellows Playhouse, with the aid of two CDBG grants, purchased and renovated the historic building in downtown Middletown that is now its home. With limited funds, Oddfellows could not replace the building's large, drafty, heavy and unsafe windows and install energy-efficient blinds and fireproof draperies in the theater. This project accomplishes those goals, resulting in a more energy efficient building that will save us money that can then be spent on programs. It will also provide a safer, more comfortable environment in which to learn for thousands of Middletown youth.
- St. Lukes Improvements- The requested funds will be used to address major maintenance items and handicapped access upgrades that are beyond the funding capacity of our replacement reserve account.
- Mercy Housing Shepard Homes Future- The project will correct urgent, serious health code violations which endanger the viability of the City's Shepard Home by purchasing the materials necessary to totally rehabilitate two bathrooms of critical use to the 70 guests and 14 staff of the Transitional Living Program for homeless adults operated there by Mercy Housing and Shelter Corporation. The State of Connecticut through the auspices of the Connecticut Valley Hospital, will donate the necessary labor. The project will enable the City to assure that essential services currently in place remain viable by enhancing the health code compliance of Shepard Home's Transitional Living Program for homeless adults of very low, low and no income.
- Equity in Housing Rehabilitation- Equity in Housing of Middletown, Inc., ("Equity" is a 23-year old affordable housing cooperative development consisting of 37 apartments in 14 buildings; the average income of Equity's residents was approximately 32% of area median income as of the dates of their respective move-ins. The City of Middletown has generously supported (to a total of \$400,000) acquisition and renovation of Equity's buildings over a 23-year period. Equity has embarked on a two-year, \$161,000 renovation program to improve and modernize its 80-year old buildings. This request would help Equity defray unforeseen and unplanned-for rehabilitation costs required by the City's Fire Department; this request would pay for work in six of Equity's buildings.
- Courthouse demolition- As a result of a HUD decision stemming from a 2001 monitoring review the City funded the abandoned County Courthouse adjacent to City Hall to eliminate a developing blight.
- Middletown Housing Authority Senior Center- To assist the City's Senior Center to continue to serve growing numbers of older Middletown residents, the Housing Authority proposes to use CDBG funds to make priority renovation for safety and accessibility. These involve constructing a roof over part of the patio to prevent further water leakage indoors during rain; repairing the patio to obtain a smooth, safe surface, remodeling the front office for accessibility and more efficient work areas, and replace three second floor windows that are clouded up.
- Russell Library Renovations- Project renovated sections of the library for handicapped accessibility and expand/improve space for early literacy programs with children for low-moderate income families.
- Gilead Community Services Expansion Project- Gilead Community Services has served Middlesex County for over 33 years. We provide housing, case management, rehabilitation, and psychiatric care to adults with severe and persistent mental illness who live in the Greater Middletown area. Gilead Community Services has grown

dramatically over the past few years, and we urgently need to find additional property, it makes sense for us to expand and renovate our existing facility at 31 DeJohn Drive in Middletown. The building is currently used to provide direct services as the Gilead Social/Vocational Center. The existing facility will be upgraded and minor renovations will enhance the area used for programs. The addition will house the administrative offices, allowing the current administrative offices at 681 Saybrook Road to be used for the ACT program and psychiatric clinic, which are now cramped for space. CDBG funds will be used specifically to renovate the existing air conditioning system in the older part of the building and complete the paving and landscaping at the facility once the renovations and new construction are completed.

- **Residential Rehabilitation Loan Program-** The Residential Rehabilitation Loan Program is being offered to homeowners in the City of Middletown in order to preserve the quality of Middletown's housing stock. This program is designed to enhance the character of its residential neighborhoods by encouraging homeowners to rehabilitate their residential properties while assisting low and moderate-income residents. Low interest loans are available to Middletown homeowners for up to 100% of the cost for owner occupied structures and 50% of the cost for investment properties to benefit low and moderate-income residential and mixed-use households.

Assurance has been and shall continue to be given to all residents, that they may not be evicted for relocation purposes and that they shall not be required to move prior to receiving reasonable opportunity to relocate. All residents shall also be informed of their rights regarding Fair Housing.

There were no relocation actions during Program Year 2002-2003 that involved acquisition, rehabilitation, or demolition of occupied real property. City staff is aware that such actions could trigger the requirements of the Uniform Relocation and Acquisition Act, and removal of housing units may require replacement of lost units by the city.

Provide additional narrative analysis to show that the city:

- **Pursued all resources that indicated it would pursue:**

The city pursued all available resources available to it during the course of the 2002-2003 program year. The CAPER section on leveraging provides a fuller picture of the additional funds and in-kind contributions received by the City during the 2002-2003 program Year. Funds received from a variety of federal, state, and local sources significantly leverage Consolidated Plan grants by almost a dollar for dollar ratio.

- **Provided requested certifications of consistency for HUD programs in a fair and impartial manner, for which the city indicated that it would support application by other entities:**

The city of Middletown was not required to provide any certifications of consistency for any organization within the City Middletown, since there were no programs being undertaken requiring such certification.

- **Did not hinder consolidated plan implementation by action or willful inaction:**

The City of Middletown did not knowingly hinder Consolidated Plan implementation by action or willful inaction, and affirmatively pursued the goals, priorities, and strategies outlined in the Consolidated Plan. The City adhered to all requirements and certifications contained within the grant agreement executed with HUD for the four grants comprising the Consolidated Plan.

Section XI Self Evaluation

Evaluation of three-year Consolidated Plan goal accomplishment

The City is required by HUD and the Government Performance Results Act of 1993 to formulate quantifiable outcomes, goals, and objectives for the four programs that constitute the Consolidated Plan. The Consolidated Plan also requires that the results of planned program accomplishments be evaluated annually through preparation and submission of the CAPER (Consolidated Annual Performance Evaluation Report) to residents and HUD.

This Section is an overall evaluation of the City's efforts in formulating reasonable and achievable goals and objectives over the three years of the Consolidated Plan (Program Years 2000-2003).

The City of Middletown continues to be faced with difficult market forces, such as increases in rent and sale prices for single family housing, community opposition to affordable housing, and the growing affordability gap between household incomes and home prices, among many other factors. In order to react effectively or act preventively, the City of Middletown examines a wealth of internal and external data in order to make intelligent decision in forecasting goals for housing and public services activities.

A number of studies and initiatives will help Middletown in predicting its needs better in the future. With the development of the Homeless Management Information System (HMIS) and the an anticipated recount of the homeless to be planned in the next year or two, Middletown will be better able to plan homelessness prevent strategies. With the recent completion of an affordable housing survey by Wesleyan University, the City has a clear understanding of the nature and availability of affordable housing in Middletown. Employment data and the close connection that the Middletown Department of Planning, Conservation, and Development has with the area's business community, help tremendously in predicting the City's needs for jobs and how to support new job creation.

The biggest challenge has been in goal and accomplishment consistency from year to year. It is hoped that HUD's effort in developing easily measurable and replicable indicators of program achievement will only increase the positive impact that HUD funds have in Middletown. But as Consolidated Plan funds are projected to shrink, not grow, particularly in the face of funding challenges imposed by a large federal deficit, the possibility that HUD priorities may change, the need for accurate goal forecasting and reporting of accomplishment data will be greater than ever.

Meeting City Priorities

The City focuses its HUD funding towards fulfillment of nine priorities. All projects funded through the Consolidated Plan must meet one or more of these priorities. The following is an analysis of the project accomplishments, and how well the associated Plan priority was fulfilled through the 2000-2003 Consolidated Plan.

- **Priority Housing Needs**

An adequate supply of available affordable housing is essential to achieving balanced growth and economic development in Middletown. In Program Year 29, Middletown the Equity in housing project funded facility upgrades at three multi-family affordable housing structures owned and operated by Equity in Housing.

In future program years, affordable housing will be in greater need with the economic revitalization of the downtown. It is very important that the City continue to address the need for affordable housing, so that the City's low- and moderate-income residents can continue to live in Middletown.

- **Neighborhood Revitalization**

Neighborhood revitalization efforts are focused on the City's North End, which has been identified as a historically economically distressed district, which has fallen into disrepair. Recent efforts by an independent community group, the North End Action Team (NEAT) has been the key to a number of successful initiatives over the past year.

In evaluating all efforts in the area, it has become clear that in order for the North End to make the next step in securing previous successes, greater risks need to be taken by the City, private developers, and private businesses. The emphasis should not be on pumping more CDBG dollars into the area, but to market its successes and create interest among those who can build new safe and affordable housing and employment opportunities.

The Miller and Bridge Street redevelopment plan, is another initiative being pursued by the City to create better living conditions for the residents of the area. In this case the City has deemed Miller and Bridge Streets unsuitable for residential use due to its location in the flood plain, pre-existing and continuing pollution and its dangerous accesses from the rest of the city, including active rail lines and a highway. The plan is to relocate residents, purchase and demolish the buildings using a portion for rail dependent economic development and the remainder, for which new construction is prohibited due to its flood plain status, as open space.

Over the past year the City has been successful in secure a \$300,000.00 Section 108 loan, which will be repaid through future Community Development Block Grant entitlement funds. Unfortunately, the cost of acquiring and relocating the residents of Miller and Bridge Streets is far greater than the \$300,000.00, other sources of funding will need to be found in order to complete the project. It is hoped that the City will be able to acquire and move the residents of three buildings.

In the future, the City is actively investigating other options in relocating the residents of this neighborhood, which include the possibility of the creation of a community garden in the area, which might free up the use of Community Development Block Grant funding, if the City could receive permission for such a project. Another option is pushing the State to speed up its plans for the use of the area for a new on-and-off ramp for Route 9. However, even if the State expedited the process, the earliest they would begin purchasing properties would be in five-years.

- **Priority Homeless Needs**

Homeless persons in the City of Middletown need permanent supportive housing, employment training, job identification, and services to address substance abuse and mental illness. Middletown over the past year only one program directly benefited the homeless. This program was the Mercy Housing Shepard Home Project. This project upgrades restroom facilities by replacing inoperative fixtures, and fixing leaky floors and ceiling. Indirectly a number of programs funded through 2002 Entitlement addressed the needs noted above. Positive Solutions employment training and development, Gilead Community Services expansion project, North End Action Team community organizer, and the Business and Industry Foundation of Middlesex County's Worker preparation and enhancement program, are all projects that indirectly benefited the homeless of Middletown.

In the future, there is a greater need to conduct regular surveys of Middletown's homeless, and to initiate the creation or continuation of programs to address their continuing or changing needs.

- **Priority Other Special Needs**

The greatest need that the City will be that of a growing frail elderly population. Specialized services will be required such as public transport that can handle those with disabilities, ADA compliance of commercial buildings, and a larger senior center.

Over the past funding year the City has been able to address this need in a number of ways. The Middletown Senior Center received funding to address damage sustained from water damage. St. Lukes Home for the Elderly successfully installed an ADA access ramp and automatic door openers at the front and rear of the facility. The Russell Library renovated its public restroom for handicapped accessibility. One program still underway is a \$10,000 project to correct Main Street's ADA Parking areas and signage, which will aid the Senior of Middletown in visiting downtown.

In the future, the need for these types of projects will only increase. The Citizens' Advisory Committee will continue to fund any such proposed project.

- **Priority Non-Housing Community Development Needs**

There are two needs that are addressed under this heading and they are elimination of Blight and training the unskilled and increasing employment opportunities.

Elimination of blight in Middletown remains an issue of high priority to many residents as indicated by the household survey as well as public meetings, since if blight is not eliminated early, it spreads and degrades whole neighborhoods. In Program Year 29, the City has continued to fund its Residential Rehabilitation Loan Program to assist homeowners in loaning funds to help in the cost of repairs to their property in Middletown. In the future the City will continue to fund this program since it has been very successful at assisting those homeowners in repairing their homes, where they could not afford to do so otherwise.

Training the unskilled and increasing employment opportunities has been a major initiative of the City of Middletown, since providing employment and training opportunities is the best way to prevent homelessness and stabilize "at-risk" households. Moreover a highly trained resident labor force can be used to attract emerging industries to the area, thus creating more employment.

In Program Year 29, the City has funded five successful programs to address this need. The first is the Business and Industry Foundation of Middlesex County's Worker Preparation and Enhancement Program, designed to work with participants in assisting them in attaining full time employment as well as enhancing the employment of current and/or former AFDC, welfare recipients and long term unemployed individuals. The second is Middlesex Community College Licensed Practical Nurse training program offered to low- and moderate-income Middletown residents. This was the second year of the program, where seven trainees will be licensed by spring of 2004. The third program is Kuhn Employment's mobile work crew, which provided the opportunity for five disabled individuals to become gainfully employed by providing the City of Middletown with litter clean up and beautification services. The fourth is Positive Solutions' Employment Training and Development program, which provides employment training, experience, and employment itself for residents of Middletown who are recovering from the combined effects of HIV/AIDS and chronic economic disadvantage. The fifth program is the Jobs Loan Program, which provides businesses working capital at a ratio of \$10,000 per new full-time low to moderate-income jobs.

The City will continue it committing its resources to encouraging job creation for the residents of Middletown.

- **Increasing Employment Opportunities through Economic Development**

The Consolidated Plan also calls for the City to focus on three primary areas of opportunity: light industry, office activities and Downtown development. While no Community Development Block Grant funds were allocated to any of these initiatives, the City has proceeded in all these areas with success in the past year. Remington Rand, a 184,000 square foot city-owned industrial space in the North End, has had a successful year including generating a profit. The City is planning to expand the useable space within the facility to attract more businesses.

The Miller Bridge Redevelopment Plan is making progress, with the City receiving a \$300,000 Section 108 loan, it will be used for acquisition, demolition of homes and the relocation of its residents.

The City will continue to work activity on these projects with or without Community Development Block Grant funding.

- **Additional Economic Development**

The major focus of Middletown's additional economic development is in the revitalization of Main Street, the Downtown area, and the Riverfront properties. Just as above no Community Development Block Grant funds were allocated directly for the purpose of support these areas, but the City has been very active in addressing all of these issues. The Main Street and the Downtown has seen a remarkable amount of activity that has been very positive. The biggest event this year has been the opening of a new Hotel on Main Street. This 100-room hotel will help Downtown Middletown in creating jobs and new business opportunities. Furthermore, the City has issued an RFP to redevelop 85-acres of riverfront property and received a successful response. The City is currently working on selecting a developer, and hopes to have one designated in 2004.

- **Supportive Services**

The City funded a number of supportive services that have been successful in providing needed benefits and relief to the low- and moderate-income residents of Middletown. The Middletown Youth Center's Job Center and the Board of Education's School Readiness program are two such programs.

While the need is greater than the amount allowed by the City's spending cap on public services, the City will continue to see that public services funded can remain viable after CDBG funding as been exhausted and that other resources are maximized.

- **Public Facilities Improvements**

Year after year a great number of applications are for improving public facilities. The need to upgrade and maintain the City's public facilities will continue to be a needed priority for sometime to come. The City will continue to see that public facilities are

Are the activities and strategies making an impact on identified needs?

In general, Consolidated Plan program activities are meeting identified needs, and completed activities match the city's housing and community development priorities and strategies. However, the complexity of need and the difficulty in establishing techniques to qualitatively evaluate the impact of project activities remain significant hurdles in determining the impact of services on Middletown residents.

What indicators would best describe the results?

The City of Middletown uses a variety of indicator to determine whether approved project activities are successful, including project monitoring, fulfillment of performance indicators, more sophisticated approaches such as outcomes analysis, and other approaches. A major obstacle is the need to devise a comprehensive system for evaluating program outcomes from both a benefit/cost standpoint, and develop benchmarks that measure the quality and extent of services.

In response to the indicators presented in HUD Notice CPD-03-09, the following are considered to be the best in measuring successful outcomes in Middletown.

Suitable Living Environment/ Neighborhood Revitalization

- Reduction in derelict properties and blight influences as a result of code enforcement, acquisition, demolition or rehabilitation.
- Number and/or percent of housing units assisted that have eliminated at least one significant health and safety deficiency as a result of housing rehabilitation, defined by local codes.

Affordable Housing

- Percent increase in the homeownership rate in targeted neighborhoods.
- Percent of reduction of energy use or energy costs as a result of housing rehabilitation using Energy Star building standards.

Economic Revitalization/Economic Opportunities

- Increased business sales volume in revitalized neighborhoods.
- Increase in number of jobs and/or the number of "living age" jobs.

End Chronic Homelessness

- Decrease in the number of chronically homeless individuals in the community, by not less than 25%, by FY 2010.

What barriers may have a negative impact on fulfilling the strategies and the overall vision?

- **Lack of Affordable Housing**

There are four primary barriers to affordable housing: lack of supply, excess demand for units, and a large number of low-income renters. The City has little control over the private sector in directing construction of more affordable housing.

However, a great variety of tax credits, loans and other incentives offered by the federal and state government are under by the private sector, as most of these programs do have public benefit requires. The City should be active in fostering relationships with private developers and the use of such opportunities at the federal and state level to construct affordable housing.

- **Housing Discrimination**

As Middletown's downtown and low-income census tracts in and adjacent to the down see economic revitalization, the City will also need to remain vigilant to insure that those seeking affordable housing and apartments are not discriminated against based on economic or racial biases. To overcome this institutional and perceptual barrier requires effective education and enforcement of fair housing laws.

- **Jobs and Income**

Significant barriers to full participation in the local economy by residents include the needs to generate jobs that pay a living wage, and diversification of the local economy. The 2001 unemployment statistic is 3.2%, slightly lower than the state average, but as the economy picks up, the numbers of jobs generated locally are primarily low-paid service employment.

Small business retention and expansion needs to be fostered in order for economic opportunities are available for low- and moderate-income residents of Middletown.

What is the status of grant programs?

See Appendix IV for the IDIS sheets to see that exact status of individual projects. Do to staff changes this program year, there are probably more project still underway than in previous years.

Are any activities or types of activities falling behind schedule?

Programs that require a high degree of coordination or lack-dedicated personnel from the beginning have been likeliest in falling behind. The Citizen's Advisory Committee has remained vigilant regarding these projects. The Citizen Advisory Committee rarely grants a second extension, which has been enough leverage to get projects moving.

Are grant disbursements timely?

The City shares HUD's desire to achieve timely expenditure of grant funds, and over the City has begun to implement policies and procedures that will ensure that the City remains timely in expending its entitlement. However, over the past year due to change in staff and a prolonged IDIS User-id problem with was only resolved after involvement by Federal representatives, CDBG disbursements were not as timely as the City has hoped. Once the problems were resolved the City quickly processed the backlog of funding requests.

Do actual expenditures differ substantially from line of credit Disbursements?

There is a great deal of emphasis on departmental responsibility for insuring that the reimbursement of project costs are accurate insomuch as drawdowns from the HUD line of credit are reimbursement for the City's actual line-item expenditures.

Are major goals on target?

Major goals are for the most part on target. With the implementation of numerous changes, Consolidated Plan funds will be used in a more timely fashion, and funds will be allocated to a specific project in a more effective and efficient manner.

What adjustments or improvements to strategies and activities might meet needs more effectively?

It is believed that the select the best projects will help meet needs better. Therefore the initial application process has been strengthened to select projects with history for success or have already obtained a high degree of organizational momentum in address the needs a project is targeting. The application has been both simplified to make finding important information easier, and at the same time the budgeting portion of the application now requires greater detail, so the Citizen's Advisory Committee can easily see what funds will be spent where.

Furthermore, the City of Middletown has revamp its Monitoring Protocol (a copy can be view in Appendix II) to ensure that Middletown can remain vigilant in overseeing projects underway.

Section XII Monitoring

It is important that city residents, as well as HUD be assured that federal housing and community development funds are safeguarded through procedures that regulate how funds are spent. Federal requirements prohibit expenditures for certain things, such as political activities. Accounting and budget systems must be in place to account for federal funds, and assure that they are being spent only on eligible project activities.

To meet this objective, the City has revised its monitoring protocol, which among other things formalizes "triggering events" that require Middletown staff to conduct thorough financial and programmatic monitoring annually. A copy of this Monitoring protocol can be found in the Appendix. The monitoring process utilized is based on in-house assessment of all materials that the City has related to the specific project being investigated, followed by an on-site inspection. This system is designed to incorporate a variety of monitoring techniques and approaches to ensure that all funded activities receive an appropriate level of review.

When problems arise, corrective action plans are initiated, and the Citizens' Advisory Committee is notified of the situation. Should improvements not materialize, the City exercises its contractual options, through the Citizens' Advisory Committee, to safeguard the expenditure of funds.

The Community Development Specialist is responsible for monitoring the Community Development Block Grant programs, with the Finance Department acting as a second tier for detecting problems concerning use and expenditure of CDBG funds.

Section XIII Conclusion

The City of Middletown has had a relatively successful year in meeting program goals and focusing on its priorities and strategies. Project activity accomplishments generally met or exceeded 2002-2003 goals, and projects were consistent with HUD's National Objective.

It is hoped that this year's CAPER provides a useful and informational overview of Consolidated Plan project performance over the last year. One of the primary goals of the CAPER is to provide useful information to residents and HUD for reflection and intelligent decision-making. Residents are encouraged to learn more about the programs offered by the city by contacting the Community Development Specialist in the City of Middletown's Department of Planning, Conservation, and Development.

The Community Development Block Grant may seem bewildering to most, since the funds can only be spent on certain activities, but it is a flexible resource of funds to benefit the low- and moderate-income residents of Middletown.

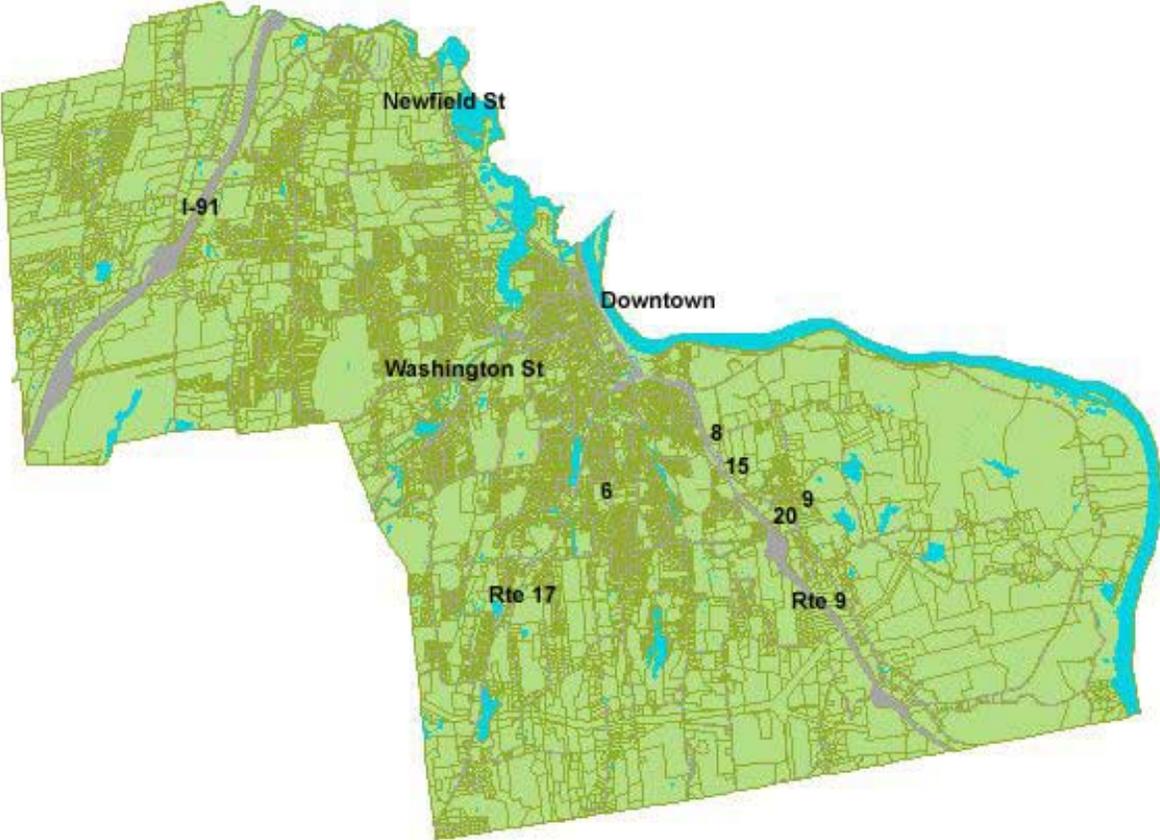
As the city gains more experience in consolidated planning, and refining its strategies and priorities, there will undoubtedly be a far greater degree of cooperation among the city departments, local nonprofits, and community residents in developing joint approaches to solving the city's problems. The Consolidated Plan and CAPER will hopefully promote community-wide planning in recognizing community needs and community solutions. The greater citizen involvement in developing strategies and priorities for these valuable funds is critical.

Appendix I Maps

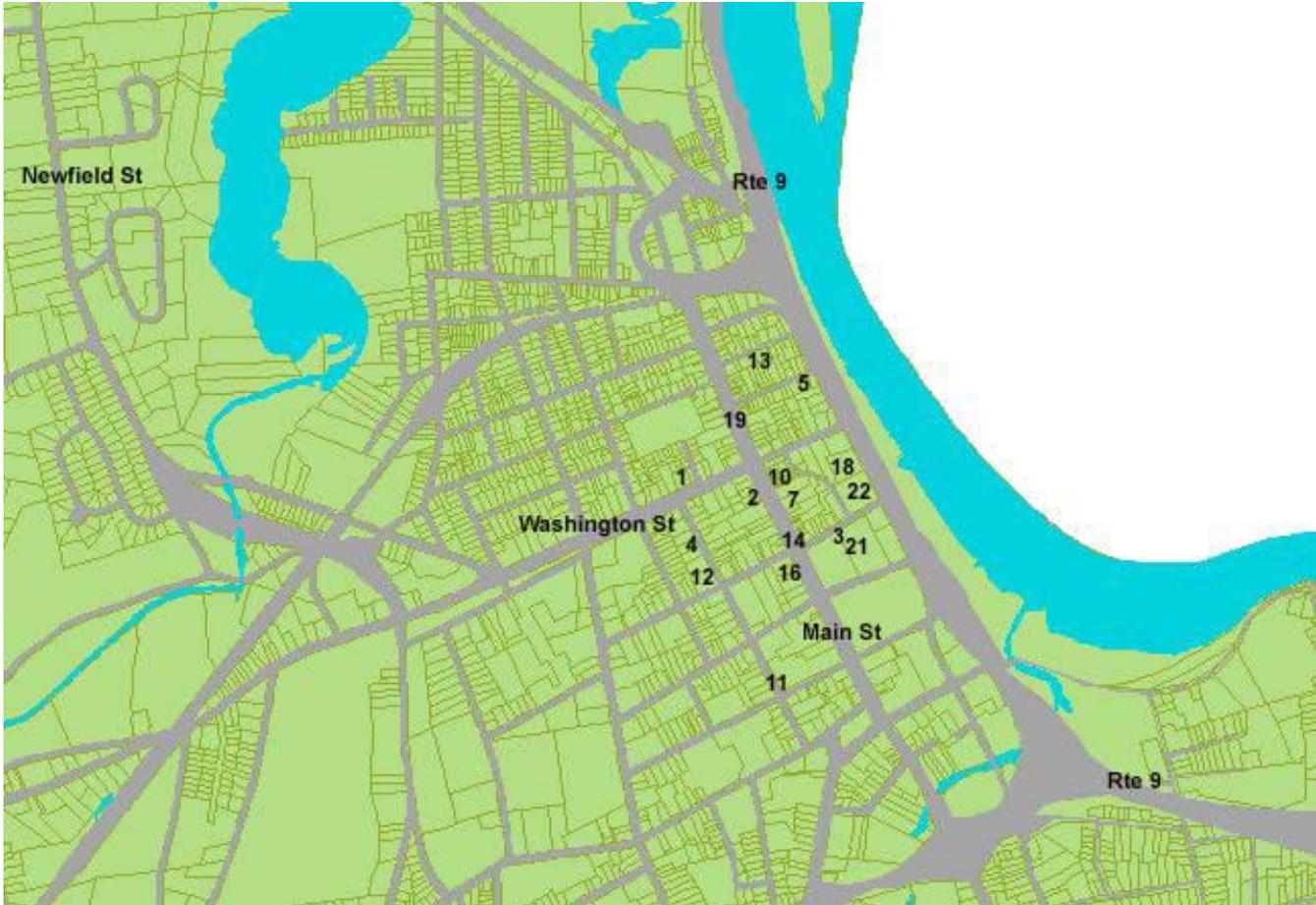
Map Key

Project	Amount	Number
Oddfellows	\$25,000	1
BIF Worker Prep Program	\$20,000	2
The Connection Inc.	\$13,000	3
St. Lukes	\$40,000	4
NEAT	\$5,000	5
Board of Education	\$25,000	6
Positive Solutions	\$8,000	7
Mercy Housing	\$10,000	8
MxCC Nursing Program	\$24,000	9
Equity in Housing	\$13,000	10
Middletown Housing Authority	\$20,000	11
Russell Library	\$25,000	12
Green Street Arts Center	\$100,000	13
Main Street ADA Parking	\$10,000	14
Gilead Community Services	\$20,000	15
Kuhn Employment	\$20,000	16
Kidcity Children's Museum	\$22,000	17
Court House Demolition	\$170,000	18
Main Street Streetlight	\$216,000	19
Middletown Burial Ground	\$36,350	20
Middletown Youth Center	\$25,000	21
Administration	\$112,000	22

Middletown Map



Downtown Middletown Map



Appendix II Public Notices

September 2003

CDBG Monitoring Protocol

1. Monitoring Triggers

- a. 75% or more of the grant has been dispersed on a reimbursement basis
- b. All work is nearing completion if money was provide in advance
- c. If any problems or concerns become apparent

2. Monitoring Process

- a. Notification Letter will be sent a week prior to visit. Will contain the following:
 - i. Confirm the dates and scope of monitoring visit
 - ii. Provide a description of the information that will be reviewed.
 - iii. Provide a list people that will be interviewed
 - iv. Specify the expected duration of the monitoring visit.
- b. Entrance Conference. This will provide an opportunity to provide a clear understanding of the purpose, scope and schedule of monitoring from the beginning.
- c. Documentation and Data Acquisition. Will keep a clear record of the steps that were followed and the information reviewed. Following the Onsite Monitoring Visit Checklist (see attachment)
- d. Exit Conference. Meet with the subrecipient and present tentative conclusions, request information to clarify any concerns, and suggest improvements. Inform them that a formal letter with final conclusion will be sent with 30 days.
- e. Monitoring Letter. A formal letter either commending the subrecipient on a good job or detailing deficiencies along with regulation citations. Recommendations or requirements for improvements will be listed, and specifying possible consequences for failure to comply within a reasonable timeframe.

3. Report monitoring findings to the Citizens Advisory Committee.

Appendix IV City Ordinance- Chapter 156- Fair Housing

§ 156-1. Policy.

It is the policy of the City of Middletown that no person shall discriminate with respect to housing in the City of Middletown in violation of any federal, state or local law.

§ 156-2. Discrimination in the rental, sale or financing of housing prohibited. [Amended 2-3-2003]

- A. It shall be unlawful to refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, or to discriminate or permit discrimination against any person or group of persons in the terms, conditions or privileges of sale or rental of housing accommodations or in the provision of services or facilities in connection therewith, because of race, color, religious creed, age, marital status, national origin, sex, mental retardation or physical disability, Vietnam Era Veteran Status, present or past history of mental or physical disability, union membership, genetic history, criminal record except to the degree required by state and federal law, sexual orientation, ancestry, political belief, familial status, or source of income, including participation in Section 8 or a rental assistance program.
- B. It shall be unlawful for any person, bank, building and loan association, insurance company or other corporation, association, firm or enterprise whose business consists in whole or in part in the making of real estate loans, to deny a loan to a person applying therefor for the purpose of purchasing, constructing, improving or repairing housing, or to discriminate against such person in the fixing of the amount, interest rate, duration or other terms or conditions of such loan because of race, color, religious creed, age, marital status, national origin, sex, mental retardation or physical disability, Vietnam Era Veteran status, present or past history of mental or physical disability, union membership, genetic history, criminal record except to the degree required by state and federal law, sexual orientation, ancestry, political belief, familial status, or source of income, including participation in Section 8 or a rental assistance program.
- C. Applicability.
 - (1) The provisions of this section shall not apply to:
 - (a) The rental of housing in a building which contains housing accommodations for not more than two families living independently of each other, if the owner or members of his family reside in one of such housing accommodations; or
 - (b) The rental of a room or rooms for housing accommodations, if such rental is by the occupant of the housing accommodation, or by the owner of the housing accommodation and he or members of his family reside in such housing accommodation.
 - (2) The provisions of this section with respect to the prohibition of sex discrimination shall not apply to the rental of sleeping accommodations provided by associations and organizations which rent all such sleeping accommodations on a temporary or permanent basis for the exclusive use of persons of the same sex.
 - (3) The provisions of this section with respect to the prohibition of discrimination on the basis of marital status shall not be construed to prohibit the denial of housing accommodation to a man and a woman who are both unrelated by blood and not married to each other.
 - (4) The provisions of this section with respect to the prohibition of discrimination on the basis of age shall not apply to minors, to federal or state-aided or municipal housing for elderly persons, to special discount or other public or private programs to assist persons 60 years of age and

older or to privately owned housing developed and maintained exclusively for persons within specified age groups.

(5) The provisions of this section with respect to the prohibition of discrimination on the basis of physical disability shall not require any person to modify his property in any way or provide a higher degree of care for a physically disabled person than for a person not physically disabled.

(6) Nothing in this section shall prohibit a religious organization, association or society, or any nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental or occupancy of dwellings which it owns or operates for other than a commercial purpose to persons of the same religion or to members of the association or society, or prohibit a private club not in fact open to the public, which as an incident to its primary purpose or purposes provides lodgings which it owns or operates for other than a commercial purpose, from limiting the rental or occupancy of such lodgings to its members or from giving preference to its members.

§ 156-3. Complaint procedure.

- A. Any person who claims to have been injured by a violation of § 156-2 may file a complaint with the Human Relations Director. Such a complaint shall be filed within 90 days after the alleged violation occurred. Complaints shall be in writing, shall state the facts upon which the violation is based and shall be verified. Upon receipt of a complaint, the Human Relations Office shall furnish a copy of the same to the person or persons allegedly committing the violation with the request that a verified answer be filed with the Human Relations Office within 20 days of receipt of the copy of the complaint.
- B. After receipt of the answer or upon the expiration of the 20 days without receipt of an answer, the Human Relations Director shall proceed to try to mediate the dispute and eliminate or correct the alleged violation by informal methods of conference, conciliation and persuasion. Nothing said or done in the course of such proceedings may be made public or used as evidence in a subsequent proceeding under this chapter without the written consent of the person concerned.
- C. If the Human Relations Director is unsuccessful in resolving the complaint, then the matter shall be referred to the State Commission on Human Rights and Opportunities or, if the violation of this chapter also constitutes a violation of a state or federal statute, to other appropriate state or federal authorities.

Appendix V IDIS Reports

Summary of Accomplishments Report (C04PR23)

Consolidated Annual Performance and Evaluation Report (C04PR06)

Financial Summary Report (C04PR26)

Summary of Activities (C04PR03)

Summary of Accomplishments Report (C04PR23)

Consolidated Annual Performance and Evaluation Report (C04PR06)

Financial Summary Report (C04PR26)

Summary of Activities (C04PR03)