



U.S. Department of Housing and Urban Development

Philadelphia Regional Office
The Strawbridge's Building
801 Market Street
Philadelphia, Pennsylvania 19107-3380

March 7, 2024

via email frankkane@lehighcounty.org

Mr. Frank Kane
Director of Community & Economic Dev.
Lehigh County Government Center
Community Development Office
17 South 7th Street
Allentown, PA 18101

RE: Program Year Review Letter
Lehigh County
Program Year 2022 (October 1, 2022 through September 30, 2023)

Dear Mr. Kane:

We want to thank you and your staff for all you are doing to serve your community's CPD program needs during these unprecedented times. The provisions of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require the annual submission of performance reports by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that the Secretary decide of the U.S. Department of Housing and Urban Development that the grant recipient follows the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

The Consolidated Plan regulations at 24 CFR 91.525 require the Department to evaluate and report to the public on a community's overall progress in the management of its program funds, compliance with the Consolidated Plan, the accuracy of performance reports, and the extent to which progress has been achieved toward the statutory goals identified in Section 91.1. This letter serves to apprise you of our assessment of Lehigh County's overall progress.

In making our evaluation, we relied primarily upon the county's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Program Year 2022. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships (HOME) program. This letter is a summary of our review of the county's overall performance.

Under the Part 91 Consolidated Planning regulations, all Annual Action Plans and CAPERs are required to include performance measures as part of annual reporting. The Office

of Management and Budget has deemed this information necessary to validate the continued funding of HUD programs. The county provided performance measures as required by this guidance.

CARES Act Program Accomplishments

Lehigh County received an allocation of \$2,025,770.00 of CDBG CARES Act funds for use preparing for, preventing, and responding to COVID-19. The county has expended \$622,240 of CDBG-CV CARES Act funds in Program Year 2022 according to the PR26 report found in the Integrated Disbursement and Information System (IDIS). Additionally, the county has expended \$1,126,286 of CDBG-CV CARES Act funds to date.

The PR26 report shows that the county spent 52.43 percent of its CDBG CARES Act funds on Public Services and 3.17 percent on administrative costs. Thus far, the county has funded activities including legal aide, food security programs, housing stabilization, rent conciliation program, and a rental assistance program. We appreciate all that the county has done to serve the needs of its community during these difficult times and to adapt to the many operational challenges that COVID-19 has presented.

Annual Program Accomplishments

CDBG Program:

The CDBG timeliness requirement is that a community may have no more than 1.5 times its most recent annual grant remaining in the line of credit 60 days prior to the end of its program year. When the 60-day timeliness test was conducted on August 2, 2023, it was calculated that the county had an adjusted for program income balance in its line of credit of 1.46 times its annual grant, which follows the 1.5 timeliness standard.

During the 2022 program year, the county reports that it expended 90.02 percent of its CDBG funds for activities benefiting low- and moderate-income persons, which meets the primary objective of the Housing and Community Development Act of 1974. This is the county's first year of a multi-year certification (2022, 2023, and 2024). In addition, the county spent 9.55 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The county obligated 18.49 percent of its CDBG funds to planning and administration, which is below the 20 percent regulatory cap and in compliance with the *program year obligation* test at 24 CFR 570.200(g)(2).

The grant-based accounting interim rule at 24 CFR 570.200(g)(1) requires that, for 2015 and subsequent CDBG grants, a grantee may not expend more than 20 percent of any year grant for planning and program administrative costs. As a result, beginning with 2015 CDBG grants, grantees must ensure compliance with this *origin year grant expenditure* test. Though not fully expended, currently the county has expended 20 percent of its 2018 grant, 17.99 percent of its 2019 grant, 19.99 percent of its 2020 grant, 14.16 percent of its 2021 grant, and 19.06 percent of its 2022 grant on planning and program administrative costs. The county's final compliance with the 2018, 2019, 2020, 2021, and 2022 origin year expenditure tests will be assessed once the grants are fully expended.

The county received a CDBG grant of \$1,229,243 for Program Year 2022 and expended \$1,558,127.42 of CDBG funds during this period. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the county. The types of activities undertaken with these funds included public services, public facilities and improvements, and housing.

In Program Year 2022, the majority of CDBG funds were spent on public facilities and improvement projects per the PR26 report in IDIS. The county expended \$220,458 of CDBG funds on street reconstruction and projects that would accommodate individuals who are disabled under the Americans with Disabilities Act of 1990. Additionally, the county spent \$455,420 on housing rehabilitation, \$129,094 on public service activities, and \$234,279 on administrative costs.

Grantees were required to expend all 2016 CDBG funds by September 30, 2023. The county expended all its 2016 funds in compliance with this requirement. Any unexpended 2017 funds that the county may have available must be expended by September 30, 2024.

HOME Program

The county is a new recipient of the HOME grant. As of to date, the county has not spent any of its HOME funds. Please contact our Office if the county has any concerns before initiating this process.

Affirmatively Furthering Fair Housing

The county also included in its CAPER its efforts to affirmatively further fair housing and identify impediments to fair housing. In program year 2022, Lehigh County's Community and Economic Development staff participated in the region's Fair Housing Consortium and the Lehigh Valley Fair Housing Project. This project included representatives from North Penn Legal Services, Allentown, Northampton County, Easton, and Bethlehem. These Meetings were held on a quarterly basis. County staff also participated in the Right to Counsel in Eviction Cases: Tipping the Scales Toward Justice. The event was held on April 14, 2023. We commend you for these efforts.

U.S. Department of Housing and Urban Development program participants are reminded that the legal obligation to affirmatively further fair housing remains in effect under the Fair Housing Act; Title VI of the Civil Rights Act; Section 109 of the Housing and Community Development Act; and other civil rights related authorities. Please be aware that a jurisdiction could be subject to a compliance review to determine whether, as a recipient of HUD funds, it is in compliance with applicable civil rights laws and their implementing regulations if its certification to affirmatively further fair housing is in question. The Office of Fair Housing and Equal Opportunity (FHEO) initiates most compliance reviews based on risk analyses, issues raised during a limited monitoring review, or when a civil rights problem is detected through HUD program monitoring. FHEO is available to provide technical assistance regarding affirmatively furthering fair housing upon your request. Should you have any questions, we

Mr. Frank Kane
Director
Re: Program Year Review Letter
Program Year 2022
Page 4

encourage you to reach out to Carolyn Punter, FHEO Program Center Director, at Carolyn.K.Punter1@hud.gov.

We ask that you review our assessment of your performance and provide any comments that you may have within 35 days of the date of this letter. Upon receipt, we will evaluate your comments and make any revisions that are deemed appropriate. If you do not have any comments, we request that you formally notify us of that fact within the 35-day timeframe. Where no comments are received within the designated timeframe, our initial letter will serve as our final assessment of the county's performance for this program year. To facilitate and expedite citizen access to our performance letter, we request that you inform the public and interested citizens' organizations and non-profit entities of its availability. If, for any reason, the county chooses not to do so, please be advised that our Office is obligated to make the letter available to the public. We appreciate your cooperation in this matter.

We look forward to continuing to work with you and members of your staff to accomplish Departmental goals and mutual objectives to develop viable urban communities. We would also be pleased to provide you with any information on resources that may be available to your community. If you need assistance, or if you have any questions concerning the content of this letter please contact Mr. Damian Doyle, Senior Community Development Representative at (215) 861-7674, or by email, at damian.doyle@hud.gov. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

Mandy Wampler
Acting Director
Office of Community Planning
and Development