



U.S. Department of Housing and Urban Development

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

March 15, 2022

Via email: frankkane@lehighcounty.org

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

Dear Mr. Kane:

RE: Program Year Review Letter
Lehigh County
Program Year 2020 (October 1, 2020 - September 30, 2021)

We want to thank you and your staff for all you are doing to serve the CPD program needs of your community 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 a determination be made by the Secretary of the U.S. Department of Housing and Urban Development that the grant recipient is in compliance with 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 2020. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG) 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 of CDBG CARES Act funds for use preparing for, preventing, and responding to COVID-19. The county has expended \$262,061.24 of CDBG-CV CARES Act funds to-date. In Program Year 2020, the funds were spent on the following activities: rent conciliation program, food pantries, meals programs, and a housing stabilization 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, 2021, it was calculated that the county had an adjusted program income balance in its line of credit of 1.22 times its annual grant, which is in compliance with the 1.5 timeliness standard.

During the 2020 program year, the county reports that it expended 96.94 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. In addition, the county spent 10.88 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The county obligated 19.99 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 new *origin year grant expenditure* test. In review of the county's origin year expenditures, HUD has determined that the county is in compliance with the origin year expenditure test for its 2016 grant—the grant is fully expended and 20 percent of the grant was expended for planning and administrative costs. Though not fully expended, currently the county has expended 20 percent of its 2017 grant, 20 percent of its 2018 grant, 17.99 percent of its 2019 grant, and 19.99 percent of its 2020 grant on planning and program administrative costs. The county's final compliance with the 2017, 2018, 2019 and 2020 origin year expenditure tests will be assessed once the grants are fully expended.

The county received a CDBG grant of \$1,288,096 for Program Year 2020 and expended \$930,215.36 of 2020 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 facilities and infrastructure improvements, public service activities, and owner-occupied housing rehabilitation.

In Program Year 2020, the majority of CDBG funds were spent on public facilities and improvement projects in the amount of \$1,311,422.67. Several of the infrastructure projects funded include \$91,895 for Slatington Borough Street Reconstruction and \$45,522 for the Salisbury Township Sewer Rehabilitation. Also, two accessibility projects in the amount of \$170,600 added 40 handicap curb ramps in Emmaus and Whitehall Townships.

The county also funded eight public services projects some of which include: Catholic Charities eviction prevention program, which assisted 65 persons with 3 months of rent assistance; Lehigh Valley Center for Independent Living's People Living in Accessible Community Environments (PLACE) Program served 81 people with housing search assistance, supports coordination and case management; and Meals on Wheels of Lehigh County was funded \$20,000 for meal preparation and delivery, assisting 102 LMI households who were homebound seniors and adults with disabilities. Finally, North Penn Legal Services, the LMI Legal Aid program provided 46 persons with free legal aide and the Fair Housing Legal Aide program assisted 155 people with advice, referrals, and other Fair Housing outreach to community service professionals.

Grantees were required to expend all 2014 CDBG funds by September 30, 2021. The county expended all its 2014 funds in compliance with this requirement. Any unexpended 2015 funds that the county may have available must be expended by September 30, 2022.

HUD acknowledges the county's programmatic accomplishments during the program year. Based on our review we have concluded that the county has the capacity to carry out its CPD programs and has met its reporting requirements.

Affirmatively Furthering Fair Housing

The county also included in its CAPER its efforts to affirmatively furthering fair housing and identify impediments to fair housing. The county continued its Fair Housing efforts and held its annual fair housing summit virtually. The county continued to participate in the region's Fair Housing Consortium and continued its work on identifying impediments to fair housing. The county's Analysis of Impediments identified two impediments: # 1 Increase and Enhance Fair Housing Education and Outreach; and #2 Continue Support of Affordable Housing Programs. We commend you for these efforts.

U.S. Department of Housing and Urban Development program participant's are reminded

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Director
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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 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 general 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 Chris Seibert, Community Development Representative at (215) 861-7635 or by email, at christine.m.seibert@hud.gov. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

Nadab O. Bynum
Director, Office of Community Planning
and Development

