



U.S. Department of Housing and Urban Development

Philadelphia Office
The Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107-3380

FEB 28 2020

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

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EXECUTIVE OFFICE
LEHIGH COUNTY

Dear Mr. Kane:

RE: Annual Community Assessment
County of Lehigh
October 1, 2018 through September 30, 2019

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 regulation at 24 CFR 91.525 requires 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 the County of Lehigh'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 Fiscal Year 2018. 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 their 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.

The HUD timeliness requirement is that a community may have no more than 1.5 times their most recent annual grant remaining in the line of credit 60 days prior to the end of their program year. When the 60-day timeliness test was conducted on August 2, 2019, it was calculated that the county had a balance in its line of credit of 1.09 times its annual grant, which is in compliance with the 1.5 timeliness standard. Please note that beginning in 2017, HUD began measuring compliance with the CDBG timeliness standard using the adjusted for program income ratio.

During the 2018 program year, the county expended 100 percent of its CDBG funds for activities benefiting low/moderate income persons, which meets the primary objective of the Housing and Community Development Act of 1974. The county obligated 11.35 percent of its funds on public service activities, which meets the 15 percent regulatory cap. The county obligated 19.66 percent of its funds on planning and administration, which is within 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 and 20 percent of its 2018 grant on planning and program administrative costs. The county's final compliance with the 2017 and 2018 origin year expenditure tests will be assessed once the grants are fully expended.

The county received a CDBG grant of \$1,227,196 for Program Year 2018 and expended \$1,053,054 of CDBG funds during the 2018 Program Year. Resources are 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, homeless prevention and owner-occupied housing rehabilitation.

In Program Year 2018, the CDBG funds assisted eight owner occupied housing units through the County-wide Rehabilitation Program and 35 households through rental assistance. The county assisted 35 persons from becoming homeless, through the Catholic Charities-Self Sufficiency Program Rental Assistance Program along with supporting the Eastern Pennsylvania Continuum of Care (COC) Network FY 2018 COC Application. The county assisted with administering Commonwealth ESG funds. Through its public service activities, the county assisted 305 persons through funding to human service organizations, for services that included: homelessness prevention, housing referral and counseling, adult literacy education, job training, subsistence services, fair housing outreach, and education and advocacy. In addition through its

public infrastructure improvements, the county funded activities that included curb cuts, sanitary and sewer rehabilitation, and street reconstruction, assisting a total of 1,710 persons.

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.

The county also included in its CAPER its efforts to affirmatively furthering fair housing and identify impediments to fair housing. Lehigh County completed and submitted the 2018-2022 Analysis of Impediments (AI) Report to FHEO on February 28, 2019. In August 2019, the county prepared and submitted to HUD an Analysis of Impediments to Fair Housing Choice. The Analysis of Impediments identified the following impediments and strategies:

- Impediment #1: Increase and Enhance Fair Housing Education and Outreach
- Impediment #2: Continue Support of Affordable Housing Programs

The county has identified actions carried out to facilitate fair housing training for real estate sales persons, municipal officials and planners, landlords, low-income housing developers, Housing Authority staff, and local mortgage lenders. In addition, the county has identified actions taken to provide fair housing outreach and education to local churches, soup kitchens, high school seniors, housing authority residents, and non-profit organizations. Among other efforts, the county continues to participate in the region's Fair Housing Consortium "Lehigh Valley Fair Housing Project" and continues to fund North Penn Legal Services to provide education, outreach, and advocacy for fair housing practices. Additionally, the county's fair housing officer continues to manage fair housing complaint calls and emails and provide referrals to the North Penn Legal Services Fair Housing Hotline. We commend you for these efforts.

As a reminder, program participants that have not updated or completed an Analysis of Impediments upon the submission of their new Consolidated Plan, have not identified meaningful actions taken to address identified impediments in their CAPERs, or maintained adequate records of actions to overcome the effects of the impediments, may be subject to a compliance review. Please note that the Office of Fair Housing and Equal Opportunity 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 Melody Taylor, FHEO Regional Director, at (215) 861-7643, or by email at Melody.C.Taylor@hud.gov.

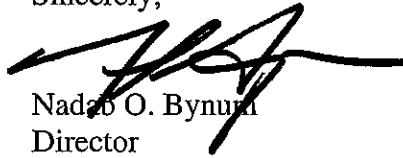
We ask that you review our assessment of your performance and provide any comments that you may have within 35 days of the date of this letter. Upon receipt, we will evaluate your comments and make any revisions that are deemed appropriate. If you do not have any comments, we request that you formally 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

Mr. Frank Kane
Director of Community & Economic Development
Re: Annual Community Assessment
Program Year 2018
Page 4

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 Ms. Ileana Colón-Varona, Senior Community Planning and Development Representative, at (215) 861-7656. This office may be reached via text telephone (TTY), by dialing (800) 877-8339.

Sincerely,



Nadab O. Bynum
Director
Office of Community Planning
and Development