



CITY OF READING PUBLIC HEARING

MAY 12, 2026

5:00 P.M.

READING CITY HALL

FFY 2027 ANNUAL ACTION PLAN



PUBLIC HEARING AGENDA



- CDBG, HOME, and ESG Funding
- Past Performance
- Funding Application Process
- 2027 Annual Action Plan
- Planning Timeline
- Additional Information on the City's Website
- Community Needs
- Additional Opportunities to Participate
- Follow-Up Questions or Comments

2027 ANNUAL ACTION PLAN



- Describes actions to be undertaken to meet Consolidated Plan goals
- Details budget for use of federal funds

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



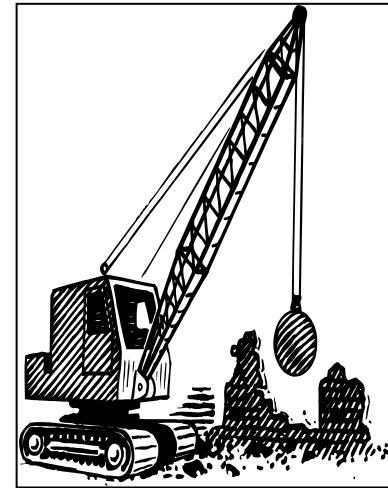
- Federal funding administered by the U.S. Department of Housing and Urban Development
- Authorized under Title I of the Housing and Community Development Act of 1974, as amended
- Cities with more than 50,000 people and counties with more than 200,000 people automatically receive this funding
- Anticipated funding: \$2,400,000 (estimated)

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING

Each activity must meet one of the three National Objectives



Benefit Low & Moderate
Income Persons

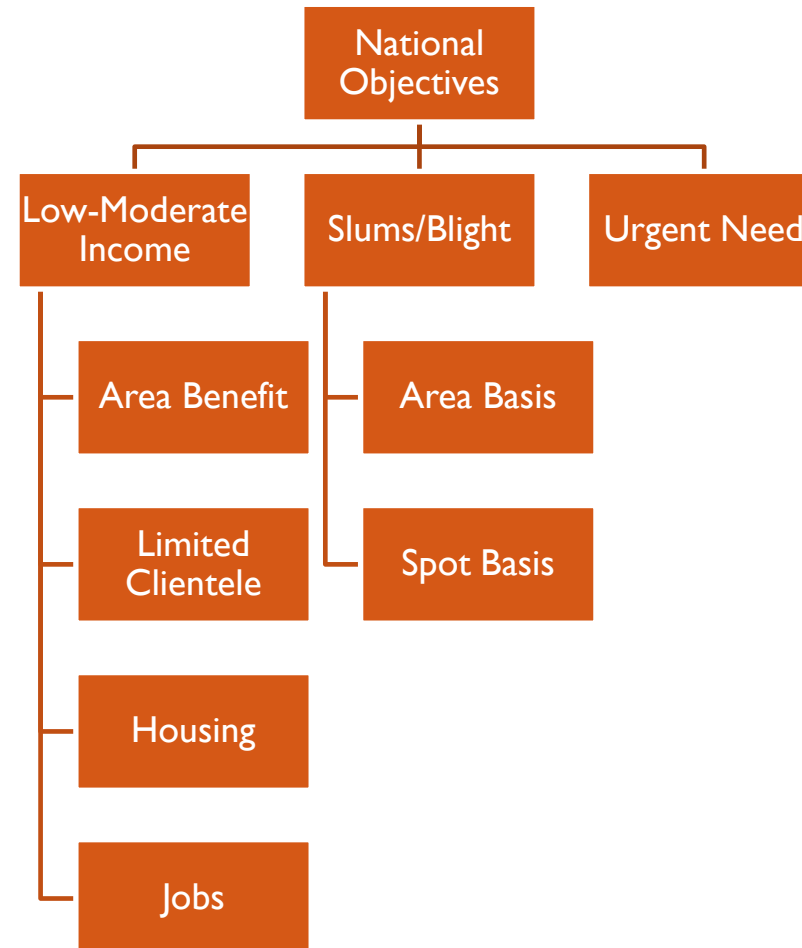


Prevent or
Eliminate Blight



Meet Urgent
Needs

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



- Up to 15% of funds can be used for public services
- Every project must meet one of three national objectives
 - Benefit low- to moderate-income persons (at least 70% of funds)*
 - Eliminate slums and blight
 - Meet urgent needs

** Family income less than 80% of the area median based on Section 8 income limits (family includes all people living in the same household related by birth, marriage, or adoption)*

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



Family Size	Extremely Low Income (<30%)	Very Low Income (<50%)	Low Income (<80%)
1 Person	\$21,000	\$34,950	\$55,900
2 People	\$24,000	\$39,950	\$63,900
3 People	\$27,000	\$44,950	\$71,900
4 People	\$32,150	\$49,900	\$79,850
5 People	\$37,650	\$53,900	\$86,250
6 People	\$43,150	\$57,900	\$92,650
7 People	\$48,650	\$61,900	\$99,050
8 People	\$54,150	\$65,900	\$105,450

FY 2025 Income Limits Summary

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



- **Low-Moderate Income (LMI):Area Benefit**
 - At least 51% of people in service area are LMI
 - Factors to determine the service area:
 - The nature of the activity
 - The location of the activity
 - Access to the facility
 - The availability of comparable activities



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



Clientele presumed to be low/mod:

- ✓ *Abused children*
- ✓ *Battered spouses*
- ✓ *Elderly persons*
- ✓ *Homeless persons*
- ✓ *Illiterate adults*
- ✓ *Migrant farm workers*
- ✓ *Adults meeting definition of "severely disabled"*
- ✓ *Persons living with AIDS*

OR

Clientele document family income $\leq$ 80% of AMI

OR

Nature and location of the service predominantly used by low/mod income persons

OR

Eligibility requirements limit clientele to low/mod income persons

OR

Activity removes material or architectural barriers to accessibility of elderly persons or "severely disabled" adults

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



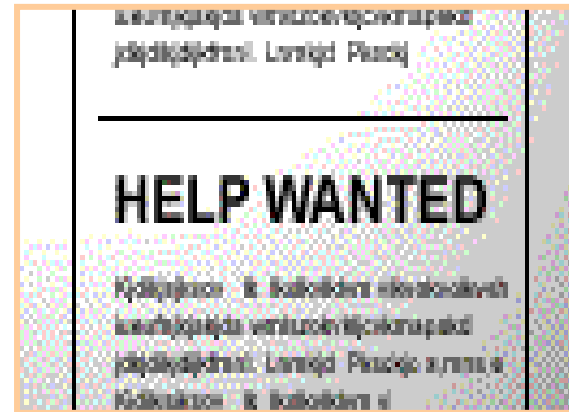
- **Low-Moderate Income (LMI): Housing**
 - Providing or improving permanent residential structures, which upon completion, will be occupied by LMI households



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



- **Low-Moderate Income (LMI): Job Creation or Retention**
 - The activity must create or retain a job for mostly LMI people



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



- **Removal of Slums or Blight**
 - Change in physical environment
 - Area basis or spot basis
 - Definition of slum and blight per state law (PL 991) or local law



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



- **Urgent Need**
 - Rarely used
 - Activities that alleviate emergency conditions

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



- Examples of Eligible Projects
 - Housing rehabilitation
 - Code enforcement
 - Acquisition or disposal of real property
 - Demolition
 - Blight removal/site clearance
 - Infrastructure and public facility improvements
 - Economic development
 - Social services

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



Reading Iron Playground



ADA Curb Ramps Kenhorst Blvd.



Reading Public Library Northwest Branch



Schlegel Park Swimming Pool



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING



- Examples of Projects that are **NOT** Eligible
 - Political activities
 - Construction of housing by a unit of local government
 - Operation and maintenance of public facilities
 - General government expenses including construction of general government buildings
 - Purchase of equipment
 - Direct income payments

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDING



- Federal funding administered by the U.S. Department of Housing and Urban Development
- Anticipated funding: \$900,000 (estimated)
- Must benefit households with income below 80% of the area median
- 15% set-aside for Community Housing Development Organizations (CHDOs)
- Eligible projects include:
 - New affordable housing development
 - Rehabilitation of affordable housing
 - Housing counseling
 - Tenant-based rental assistance
 - First-time homebuyer assistance

LOW AND MODERATE INCOME LEVEL HOUSEHOLD HOME INCOME LIMITS - 2025



Size	Low Income Level
1 Person	\$55,900
2 People	\$63,900
3 People	\$71,900
4 People	\$79,850
5 People	\$86,250
6 People	\$92,650
7 People	\$99,050
8 People	\$105,450

NEIGHBORHOOD HOUSING SERVICES HOME OWNERSHIP PROGRAM



	City Loans	Under 80% Income Limit		
2023	69	58	\$ 547,265.00	84%
2024	64	47	\$ 645,550.00	73%
2025	66	66	\$ 1,060,363.00	100%
2026*	27	25	\$ 479,426.00	93%
Totals	168	136	\$ 2,487,329.00	88% Average

EMERGENCY SOLUTIONS GRANT (ESG) FUNDING



- Federal funding administered by the U.S. Department of Housing and Urban Development
- Assists people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness
- Anticipated funding: \$215,000(estimated)
- Eligible projects include:
 - Street outreach
 - Emergency shelter
 - Rapid re-housing (Rental Assistance)
 - Homelessness prevention (Eviction Prevention)
 - HMIS (Homeless Management Information System)

PAST PERFORMANCE



- Information about the city's past performance is available at <https://www.readingpa.gov/housing-and-community-development>
 - Annual Action Plans
 - CAPERs (annual reports)
 - Annual Community Assessments
- Copies can also be obtained by contacting the Community Development office

PROGRAM YEAR REVIEW



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT
The Strawbridge's Building
801 Market Street
Philadelphia, PA 19107-3380

Via email: David.Barr@readingpa.gov

Mr. David Barr
Director, Community Planning
and Development Division
815 Washington Street, Room 312
Reading, PA 19601-3690

Subject: Program Year Review Letter
City of Reading, PA
Program Year 2025 (January 1, 2025, through December 31, 2025)

Dear Mr. Barr:

As a recipient of grant funds provided by the U.S. Department of Housing and Urban Development (HUD), each jurisdiction that has an approved Consolidated Plan shall annually review and report to HUD on the progress it has made in carrying out its Consolidated Plan and Annual Action Plan. The performance report is submitted to HUD's Office of Community Planning and Development (CPD) in the form of the Consolidated Annual Performance and Evaluation Report (CAPER). Furthermore, 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 acknowledge your Program Year 2025 CAPER submission and to apprise you of our assessment of City of Reading's overall progress. HUD acknowledges the City of Reading's programmatic accomplishments during the program year. Based on our Office's review of your Program Year 2025 CAPER, we have concluded that the City of Reading has the capacity to carry out its CPD programs and has met its reporting requirements.

Thank you for your continued commitment to strengthening your community through CPD programs. Please submit any comments regarding the contents of this letter to this Office within 30 days of the date of this letter. If you have any questions concerning the progress summary, please Fatina Ming, Senior Community Planning and Development Representative, at email fatina.ming@hud.gov.

Sincerely,

David
Noguera

David Noguera
Director
Office of Community Planning
and Development

Digitally signed by David Noguera
DN: cn = David Noguera email =
david.noguera@hud.gov, c = US
Date: 2025.04.30 11:51:29 -0400

cc: Crystal I. Edwards, CPD Program Manager



PROGRAM YEAR REVIEW



CPD Program Progress Summary

This section summarizes City of Reading's program progress during the assessment period January 1, 2025, through December 31, 2025, with special focus on compliance with and progress towards expenditure requirements for CPD programs.

Summary of Programs Administered and 2025 Funding Amounts:

Allocations	2024 Funding Amounts	Total Available 2024 Balance	Total Available Balance – All Years
CDBG	\$2,462,848	\$2,636,811.42	\$7,023,042.38
HOME	\$890,063.45	\$745,221.34	\$4,311,341.08
ESG	\$212,691	\$187,524.00	\$203,772.56

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 test was conducted on October 2, 2025, it was calculated that your community had an adjusted for program income balance in its line of credit of 1.13 times its annual grant, which is in compliance with the 1.5 timeliness standard.

During the year 2025 program, the city reports that it expended 98.48 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 city spent 14.02 percent of its funds on public service activities, which met the 15 percent regulatory cap. The city obligated 18.65 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 city received a CDBG grant of 2,462,848. for Program Year 2025 and expended \$2,278,888.89 of CDBG funds during this period. Resources were devoted to public facilities and improvement, public services, demolition, homeowner housing rehabilitation and lead abatement activities and the lead abatement and the Section 108 loan repayment.

HOME Program

The city received HOME funds in the amount of \$890,063.45 for Program Year 2025. The city spent \$144,842.11 of HOME funds on homebuyers' assistance activities, the construction of 8 new housing units and administration costs for the HOME program.

The city is also reminded to begin the closeout process for its 2018 HOME Program by completing all 2018 open activities and entering all applicable information in IDIS on all vacant units.

ESG Program

The city received an ESG grant of \$212,691 for Program Year 2025. ESG funds were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the city. The types of activities undertaken in previous years were homeless prevention and homeless shelter, rapid rehousing and administration.

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

Summary of Program Deadlines and Baseline Requirements:

Program	Requirement	Progress
CDBG	Compliance with <i>last</i> September 30 th Treasury cancelling funds deadline	Last Deadline: 9/30/2026 Balance of undisbursed funds: \$0
	Progress towards <i>next</i> September 30 th Treasury cancelling funds deadline	Next Deadline: 9/30/2026 Balance of undisbursed funds: \$0
	70% Low/Mod Overall Benefit requirement for CDBG	Program Year(s) 2024 Low/Mod Benefit percentage: 98.48
HOME	Compliance with <i>last</i> September 30 th Treasury cancelling funds deadline	Last Deadline: 9/30/2025 Balance of undisbursed funds: \$0
	Progress towards <i>next</i> September 30 th Treasury cancelling funds deadline	Next Deadline: 9/30/2026 Balance of undisbursed funds: \$0
ESG	Compliance with 24-month expenditure deadline for annual ESG funds	Last 24-month Deadline: 9/13/2026 Grant Balance: \$103,406.32
	7.5% administrative cap for <i>annual</i> ESG funds	Next 24-month Deadline: 9/17/2027 Grant Balance: \$212,691. Percent of 2024 Allocation used for Administrative Activities: 7.48

FUNDING APPLICATION PROCESS



- Applications available on City website
- Open date May 1, 2026 -- Due date: June 30, 2026
- CDBG assistance/questions:
 - Neil Nemeth
 - (610) 655-6423
- HOME or ESG assistance/questions:
 - Patricia Vasquez Damian Carabello
 - (610) 655-6509 610-655-6211

FUNDING APPLICATION PROCESS



PY2027 CDBG ESG and HOME Applications are located on the

City of Reading Community Development Website

<https://www.readingpa.gov/housing-and-community-development>



PLANNING TIMELINE



- **June 30, 2026:** Applications for funding due
- **July-Aug. 2026:** Applications reviewed for eligibility and fundability
- **September 2026:** Mayor sends the Action Plan to City Council
- **October 2026:** Public comment period; second public hearing
- **November 9, 2026:** City council's vote on the Action Plan
- **November 16, 2026:** Action Plan submitted to HUD
- **January 1, 2027:** New program year begins; CDBG and HOME activities commence
- **May 2027:** City receives HUD contract (estimated)
- **July 1, 2027:** ESG activities commence

ADDITIONAL INFORMATION ON THE CITY'S WEBSITE



- <https://www.readingpa.gov/housing-and-community-development>
- Consolidated Plan
- Annual Action Plans
- CAPERs (annual reports)
- Annual Community Assessments
- Citizen Participation Plan

COMMUNITY NEEDS



- What are the community development needs of the City of Reading?
 - Up to 10 minutes per person
 - Additional comments may be sent to: City of Reading, Community Development Department, City Hall, 815 Washington St, Rm 3-12, Reading PA 19601