



U.S. Department of Housing and Urban Development

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

June 6, 2024

Via email: Jamal.Abodalo@readingpa.gov

Mr. Jamal Abodalo, Director
Community Planning and Development Division
815 Washington Street, City Hall
Reading, PA 19601-3690

Dear Mr. Abodalo:

RE: Program Year Review Letter
City of Reading
January 1, 2023, through December 31, 2023

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 the City of Reading's overall progress.

In making our evaluation, we relied primarily upon the City's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Program Year 2023. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Emergency Solutions Grants (ESG) Programs. This letter is a summary of our review of the City'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 city provided performance measures as required by this guidance.

CARES Act Program Accomplishments

The City of Reading has received an allocation of \$2,082,307 of CDBG and \$2,200,060 of ESG CARES Act funds for use preparing for, preventing, and responding to COVID-19. The City has expended \$940,343.25 of CDBG and \$2,143,155.64 of ESG CARES Act funds as of the end of FY 2023. During the program year 2023, CDBG-CV funds were spent on the following activities: 133 families have been provided homeless prevention assistance; a total of \$310,097 was drawn for McKnight and Spring Fire Station HVAC Project, providing assistance to more than 20,000 persons residing in the service area. A total of \$606,885.63 of ESG-CV funds were utilized for administration expenses, homeless prevention assistance, rapid re-housing and shelter expenses.

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 November 2, 2023, it was calculated that the City had a balance in its line of credit of 1.04 times its annual grant, which is in compliance with the 1.5 timeliness standard. Please note that beginning in 2017, HUD began measuring grantee compliance with the CDBG timeliness standard using the adjusted for program income ratio.

During the 2023 program year, the City reports that it expended 99.47 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 11.94 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The City obligated 17.75 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. In review of the city's origin year expenditures, HUD has determined that the city is in compliance with the origin year expenditure test for its 2015, 2016 and 2017 fully expended as of Program Year 2022. For Program Year 2023, the City fully expended its 2018 and 2019 funds where 5.36 percent of its 2018 grant 16.92 percent of its 2019 were expended on planning and program administrative costs. As a result, the city is now in compliance for the 2018 and 2019 grants. Though not fully expended, currently the city has expended, 13.56 percent of its 2020 grant, 9.82 percent of its 2021, 15.91 percent of its 2022 and 19.60 percent of its 2023 grant on planning and program administrative costs. The City's final compliance with the 2020, 2021, 2022 and 2023 origin year expenditure tests will be assessed once the grants are fully expended.

The City received a CDBG grant of \$ 2,361,194 for Program Year 2023 and expended

\$2,959,181.10 of CDBG funds during this period. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the city. The types of activities undertaken with these funds included code enforcement, demolition, homeless prevention, housing rehabilitation, micro-enterprise technical assistance, public facilities and improvements, public services, and planning and administration.

The city expended \$309,060.34 of CDBG funds on the City Park Improvements project. This project consists of the installation of ADA accessible apparatus and a water feature. Additionally, \$1,013,500.00 of CDBG funds were used for the Oakbrook Community Center, where the Reading Housing Authority created a community center for the benefit of the residents of Oakbrook Housing Complex. The city's building and trade officials completed 1,615 code inspections, and 3,425 code enforcement inspections were conducted. One building was partially demolished in 2023 and the demolition will be completed in 2024. Also, 1,296 people were assisted to prevent homelessness. The following public facility and improvements were completed: 2 park/playground improvements project was completed, 2 park/playground projects are underway. Additionally, 10 paving projects ramps were installed, and 1 branch library improvements project was completed. Berks Coalition to End Homelessness provided services to 45 people who were homeless or at risk of homelessness. Claire of Assisi a post-incarceration essential services provider provided services to 19 people. Family Promise provided services to 318 people who were homeless or at risk of homelessness.

Grantees were required to expend all 2016 CDBG funds by September 20, 2023. The city expended all its 2016 funds in compliance with this requirement. Any unexpended 2017 funds that the city may have available must be expended by September 30, 2024.

HOME Program

The city received a HOME grant of \$988,462.00 for Program Year 2023 and expended \$250,628 of HOME funds during this period to provide 9 households with homebuyer assistance. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the city. The types of activities undertaken with these funds included homebuyer assistance, and new housing construction. The city constructed one new homeowner housing unit, and 4 new rental housing units in 2023. All units are occupied by HOME eligible households.

Please note that grantees are required to expend all 2016 HOME funds by September 30, 2024. To date, the city has expended all of its 2016 HOME funds in compliance with this requirement.

ESG Program

The City received an ESG grant of \$ 210,805.00 Program Year 2023 and expended \$33,116.00 of ESG funds during this period. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the city. The types of activities undertaken with these funds included homeless prevention and homeless shelter services. The city assisted 100 people with Emergency Rental and Utility Assistance. We applaud the City's efforts in complying with the ESG 24-month expenditure requirements, FY 2021 ESG funds are fully expended.

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.

Affirmatively Furthering Fair Housing

The city also included in its CAPER its efforts to affirmatively further fair housing and identify impediments to fair housing. The city reported the following to affirmatively further fair housing:

- Fair Housing -The Human Relations Commission responded to 164 Walk-ins, 517 Telephone calls, 151 Cases required action, 3 Federal Fair Housing cases were filed.
- Homeless Prevention - The Human Relations Commission responded to 458 Walk-ins, 703 Telephone calls, 929 Cases required action.
- Landlord/Tenant Mediation - The Human Relations Commission responded to 45 Walk-ins, 89 Telephone calls, 134 Cases required action.
- Outreach & Education - The Human Relations Commission participated in the following outreach events: 1 BCTV, 3 Landlord/Tenant 101 & Landlord/Tenant 102, 7 Peer mediation trainings, 58 Weekly court appearances to assist the mediation.

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 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 City'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 city 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 have any questions, please call me at (804) 822-4831. For technical assistance please contact Fatina Ming, Senior Community Development Representative at fatina.ming@hud.gov . Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

A handwritten signature in black ink that reads "Ronnie J. Legette SR". The signature is written in a cursive style with a large, stylized "R" at the beginning.

Ronnie J. Legette, Sr.
Acting Director
Office of Community Planning
and Development