

Offroad File



U.S. Department of Housing and Urban Development

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

MAY 20 2016

The Honorable Wally Scott
Mayor of Reading
City Hall
815 Washington Street
Reading, PA 19601-3690

Dear Mayor Scott:

SUBJECT: Annual Community Assessment
City of Reading, Pennsylvania
January 1, 2015 through December 31, 2015

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 (HUD) 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 Fiscal Year 2015. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) Programs, as well as the Recovery Act programs. In addition, we took into account technical assistance, follow up conversations and electronic mails with the City's staff and the handling of citizen comments and complaints. This letter is a summary of our review of the City of Reading's overall performance.

As you know, under the update to the Part 91 Consolidated Planning regulations that came into effect March 13, 2006, 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 City 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 November 2, 2015, it was calculated that the City of Reading had a balance in its line of credit of 0.87 times its annual grant, which is in compliance with the timeliness standard.

The City expended 94.75 percent of its CDBG funds during FY 2015, the second of the three-year certification period (Fiscal Years 2014, 2015, 2016), and cumulatively 89.93 percent of its FY 2014 and 2015 CDBG funds cumulatively for activities benefiting low or moderate income persons, which meets the primary objective of the Housing and Community Development Act of 1974. In addition, the City obligated 14.5 percent on public service activities, which meets the 15 percent regulatory cap. Also, 17.96 percent of CDBG funds were obligated on planning and administration, which is within the 20 percent regulatory cap.

The City met the HOME requirements for expenditure by committing all funds to projects within two years and expending funds within five years, as well as providing at least 15 percent of HOME funding to Community Housing Development Organizations (CHDO). We also remind the City that all HOME projects should be closed within 120 days of their final draw, and that it must continue to ensure meeting all HOME deadline requirements by reviewing the compliance reports on line.

The City included in its CAPER their role in affirmatively furthering fair housing and identifying impediments to fair housing. We commend you on these efforts. Our Office of Fair Housing and Equal Opportunity (FHEO) has reviewed the CAPER and offered the following comments and recommendations:

- A review of the 2015 CAPER indicates the City included the race and ethnicity of the beneficiaries for its CDBG, HOME and ESG funded programs and services beginning January 1, 2015 through December 31, 2015. A review of the minority population, which is 58% of the total population of the City of Reading, and the number of beneficiaries assisted with CDBG, HOME and ESG funds suggest minorities are adequately being served by the funded programs.
- A review of pages 20-21 of the 2015 CAPER indicates the City is aware of its impediments to fair housing choice. However, the CAPER does not clearly identify the impediments outlined in the 2014-2018 updated Analysis of Impediments. The 2014-2018 AI identified three main impediments and potential impediments, as well as the actions planned to implement and address them. The CAPER should highlight the identified impediments and list the actions implemented to ameliorate the impediments. While FHEO commends the City for being cognizant of the types of discriminatory actions and behaviors that are happening in the jurisdiction, FHEO recommends that the City report on its efforts in the CAPER.
- The City allocated \$20,673 in CDBG funds to the Reading Human Relations Commission to address complaints regarding unlawful and discriminatory practice through education and outreach, initiating and investigating complaints and providing opportunities for remedy and recourse. FHEO commends the City for supporting and partnering with the Commission in addressing acts of discrimination in the City.

- The City is required to implement actions and determine the outcome of those actions. The sample chart below is used by several HUD entitlement jurisdictions to track and monitor their progress on addressing identified impediments to fair housing choice, including fair housing activities. Although this chart is not a HUD requirement, this chart or a similar chart can be useful for tracking milestones and timeframes.

Impediment(s) to be addressed (List by degree of importance)	Goals (What do you hope to achieve")	Responsible entities assigned to meet goals (Identify the who will be undertaking the impediment)	Benchmark (In which year of your Consolidated Plan do you plan to achieve this?)	Proposed Amount of (Funding Source)	Year to be completed (Is it contained in your Consolidated Plan/Action Plan Goals?)	Date

FHEO recommends the City utilize the above chart to report on its efforts to affirmatively fair housing in its future CAPER submissions, as well as providing an update on the status of the webpage designed exclusively for fair housing, and overly restrictive zoning ordinances that limit the use of mobile homes and the creation of group homes.

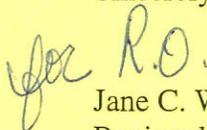
- Further review of the 2015 CAPER indicates the City has set goals to create affordable housing, both through homeownership and new construction of rental units. FHEO commends the City for partnering with non-profit agencies to administer a variety of assistance programs, and for seeking ways to attract middle-income residents to mixed income neighborhoods and attractive housing opportunities.

Should you have any questions or require technical assistance, please contact Laura McAllister, Equal Opportunity Specialist, at 215-861-7631 or laura.mcallister@hud.gov. Please note that FHEO is available to provide technical assistance regarding affirmatively furthering fair housing upon your request.

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 need assistance, or if you have any questions concerning the content of this letter, please contact Mr. Nadab O. Bynum, Community Planning and Development Director, at (215) 861-7652 or Ms. Xiaomin Cai, Senior Community Planning and Development Representative, at (215) 861-7655. This office may be reached via text telephone (TTY), by dialing (800) 877-8339.

Sincerely,

A handwritten signature in blue ink, appearing to read "JCV R.O.", is written over the typed name.

Jane C. W. Vincent
Regional Administrator

cc:

Mr. Alejandro Palacios