



U.S. Department of Housing and Urban Development

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

**MAY 30 2013**

The Honorable Vaughn Spencer  
Mayor of Reading  
City Hall  
815 Washington Street  
Reading, PA 19601-3690

**MAY 04 2013**

Dear Mayor Spencer:

SUBJECT: Annual Community Assessment  
City of Reading, Pennsylvania  
January 1, 2012 through December 31, 2012

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 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 this 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 2012. 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 Consolidated Annual Performance and Evaluation Reports (CAPER) are required to include Performance Measures as part of their annual reporting. The Office of Management and Budget (OMB) 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, 2012, it was calculated that the City of Reading had a balance in its Line-of-Credit of 1.21 times its annual grant, which is in compliance with the timeliness standard.

During the 2012 program year, the second of the three-year 2011, 2012, 2013 certification period, the City expended 84.48 percent of its CDBG funds and cumulatively 84.70 percent of its FY 2011 and 2012 CDBG funds for activities benefiting low/moderate income persons, which meets the Primary Objective of the Housing and Community Development Act of 1974. In addition, the City obligated 11.33 percent on public service activities, which meets the 15 percent regulatory cap. Also, 19.33 percent of CDBG funds were obligated on planning and administration, which is within the 20 percent regulatory cap. According to the IDIS Report PR26, the City has an unexpended CDBG balance of negative \$627,750.91, which is incorrect. The City is working on reconciling the unexpended balance with its local CDBG fund balance reported by the PR 26. We request that the City submit corrected PR 26 CDBG Financial Summary Reports for the affected years to this Office by June 7, 2013.

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. The City's Office of Fair Housing addresses all complaints regarding any unlawful impediments through outreach and education, initiating and investigating complaints and providing the opportunity for remedy or recourse. In addition, during Program Year 2012, the following was accomplished:

- Responded to 476 housing discrimination walk-in complaints;
- Responded to 296 housing related telephone calls;
- Processed and resolved 14 housing discrimination cases;
- Participated in or presented at 17 fair housing outreach and educational activities (English and Spanish);
- Distributed 300 fair housing books; and
- Developed and distributed 210 booklets entitled, "What Every Tenant Should Know."

We commend you for these efforts. Please note that the Office of Fair Housing and Equal Opportunity (FHEO) is available to provide technical assistance regarding affirmatively furthering fair housing upon your request.

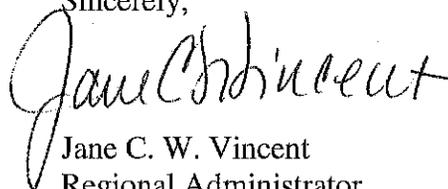
The City was awarded CDBG-R and the Homeless Prevention and Rapid Re-housing Program (HPRP) through the American Recovery and Reinvestment Act, and NSP-2 funding. As of this date, with technical assistance provided by the Community Planning and Development (CPD) Division, the City expended all of the \$828,217 in CDBG-R funds, \$1,267,021 in HPRP funds, and \$5,000,000 in NSP-2 funds.

Although the City has met the program requirements during the 2012 program year, we continue to encourage the City to take full advantage of training and technical assistance offered by CPD in developing and implementing procedures to ensure the timely commitment and expenditure of funds.

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, Community Planning and Development Representative, at (215) 861-7655. This Office may be reached via text telephone (TTY), by dialing (215) 656-3452.

Sincerely,



Jane C. W. Vincent  
Regional Administrator

cc:

✓ Mr. Lenin Agudo