



U.S. Department of Housing and Urban Development

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

The Honorable Christian Y. Leinbach
Chairman
Berks County Board of Commissioners
633 Court Street
Reading, PA 19601

Dear Mr. Leinbach:

SUBJECT: Annual Community Assessment
Berks County, 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 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 Berks County'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 2015. 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. In addition, we took into account technical assistance, follow up conversations with County staff and the handling of citizen comments and complaints.

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. Berks 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 November 2, 2015, it was calculated that Berks County had a balance in its line of credit of 0.40 times its annual grant and is apparently in compliance with the 1.5 timeliness standard. However, please note that this calculation does not include any program income that the County may have in its accounts. Thus, the figure may actually be higher.

During the 2015 program year, the second of the three-year 2014, 2015, 2016 certification period, Berks County expended 60.30 percent of its CDBG funds for activities benefiting low/moderate income persons, which does not meet the primary objective of the Housing and Community Development Act of 1974. However, many activities are planned for the final year in 2016 which will bring the program into compliance. In addition, the County obligated zero (0) percent of its funds for public service activities and 18.54 percent of its funds on planning and administration, less than the respective regulatory caps.

Berks County has met the HOME requirements for expenditure by committing all funds to projects within two years and expending funds within five years. The requirement to provide at least 15 percent of HOME funding to Community Housing Development Organizations has also been achieved. We also remind grantees that all HOME projects should be closed within 120 days of their final draw.

The CAPER included Berks County's Affirmative Marketing Policies and Procedures. The County will carry out this policy through affirmative marketing procedures designed for the HOME Investment Partnership Program. Through the Berks County Redevelopment Authority, the County informed the public, potential tenants, and owners about its fair housing and affirmative marketing policy in the following manner: information regarding the policy was included in all materials prepared by the County for program marketing including press releases, advertising, program brochures and application packages; the County sponsored an "Owners Workshop to discuss procedures and program requirements, including the affirmative marketing policy; and the County provides information sheets to tenants of buildings to be rehabilitated through the HOME program, including information on this policy and their rights under the fair housing laws. We commend you for these efforts.

The Office of Fair Housing and Equal Opportunity (FHEO) has reviewed the FY 2015 CAPER and has the following comments and recommendations:

- The 2014-2018 Analysis of Impediments identifies three (3) potential impediments. However, FHEO cannot determine which actions address the potential impediments identified in the Analysis of Impediments. While FHEO commends the County for implementing actions to overcome the impediments, FHEO recommends that the jurisdiction list the impediments and identify the actions specific to that impediment, and document the impact of the actions taken. A review of the 2008 and 2014-2018 Analysis indicates that patterns of racial/ethnic concentration and segregation in Berks County remain an impediment. It appears that the strategy to increase and enhance fair housing

education and outreach has not ameliorated this impediment over the past eight (8) years. FHEO recommends that the County implement a strategy that is results driven, such as creating affordable housing in the County where there are no concentrations of racial/ethnic minorities.

- 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, FHEO recommends that 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 impediment)	Benchmark (In which year of your Consolidated Plan do you plan to achieve this?)	Proposed Investment (Amount of money and funding source)	Year to be completed (Is it contained in your Consolidated Plan/Action Plan Goals?)	Date Completed

- The County states on page 17 of the 2015 CAPER that counties have no control of land use, and the power lies with the municipalities. However, the County Planning Commission is reviewing zoning and land use ordinances for possible negative effects on affordable housing. FHEO recommends that the Planning Commission review the zoning and land use ordinances to determine whether these ordinances have discriminatory language that impacts fair housing choice. For example, are there restrictions on the location of group homes in residential areas?
- A review of the 2008 and 2014-2018 Analysis of Impediments indicates that outdated municipal zoning ordinances contain violations of federal fair housing law. The County specifically states that regulations regarding group homes place an additional burden on applications for group homes that are not required for single family homes. FHEO recommends that the County work with the Planning Commission to have the municipalities revise the ordinances that violate the fair housing laws before the potential for a fair housing complaint and charge becomes an issue for the jurisdiction, particularly when they have been made aware of the violation.
- A review of the 2015 CAPER shows the County funded affordable housing, fair housing, and public infrastructure during the program year. FHEO commends the County for allocating \$60,000 to fair housing. It is recommended the County include a section in the CAPER that specifically addresses the jurisdiction's efforts to affirmatively further fair housing such as: identifying actions taken to reduce impediments to fair housing and the impact of those actions, highlighting specific fair housing and affordable housing projects including who benefited from them and where they are located, and listing public infrastructure activities that further the Americans with Disabilities Act (ADA) and are housing specific.

Should you have any questions or require technical assistance regarding fair housing, please feel free to 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.

In reference to the County's actions taken to reduce lead-based paint hazards, they continue to aggressively seek funds to address underserved needs for this category.

We congratulate Berks County on its many accomplishments during this program year. Based on our review, we have concluded that Berks County has the capacity to carry out its programs and has met its reporting requirements.

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 Berks County'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 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 Mr. Nadab O. Bynum, Community Planning and Development Director, at (215) 861-7652, or Ms. Kelsey Smolen, Community Planning and Development Representative, at (215) 861-7665. This office may be reached via text telephone (TTY), by dialing (800) 877-8339.

Sincerely,



Jane C. W. Vincent
Regional Administrator

cc:

Mr. Kenneth L. Pick ✓