



U.S. Department of Housing and Urban Development

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

May 23, 2022

Via email: kpick@berksredevelop.org

Kenneth L. Pick
Executive Director
Redevelopment Authority of the County of Berks
606 Court Street, 3rd Floor
Reading, PA 19601

Dear Mr. Pick:

RE: Program Year Review Letter
County of Berks
Program Year 2021 (January 1, 2021 through December 31, 2021)

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 County of Berks overall progress.

In making our evaluation, we relied primarily upon the county's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Program Year 2021. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG) program, Home Investment Partnerships (HOME), and Emergency Solutions Grants (ESG) Programs. This letter is a summary of our review of the county'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 county provided performance measures as required by this guidance.

CARES Act Program Accomplishments

Berks County received an allocation of \$3,067,156 of CDBG and \$1,759,882 of ESG CARES Act funds for use preparing for, preventing, and responding to COVID-19. The county has expended \$2,271,664.52 of CDBG-CV and \$1,378,534.26 of ESG-CV CARES Act funds to date. In Program Year 2021, the funds were spent on the following ESG activities: street outreach, emergency shelter, homeless prevention, Rapid Re-Housing, and administration; and the following CDBG activities: section 108 repayments, low/mod multi-unit housing, public services, and planning and administration. We appreciate all that the county has done to serve the needs of its community during these difficult times and to adapt to the many operational challenges that COVID-19 has presented.

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, 2021, it was calculated that the county had an adjusted for program income balance in its line of credit of 1.48 times its annual grant, which is in compliance with the 1.5 timeliness standard.

During the 2021 program year, the county reports that it expended 99.92 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 county spent 14.71 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The county obligated 15.71 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 county origin year expenditures, HUD has determined that, though not fully expended, currently the county has expended 12.45 percent of its 2017 grant, 18.14 percent of its 2018 grant, 17.86 percent of its 2019 grant, 10.81 percent of its 2020 grant, and 15.71 percent of its 2021 grant on planning and program administrative costs. The county's final compliance with the 2017, 2018, 2019, 2020, and 2021 origin year expenditure tests will be assessed once the grants are fully expended.

The county received a CDBG grant of \$2,379,314 for Program Year 2021 and expended \$564,493.12 of CDBG funds during this period. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the county. The types of activities undertaken with these funds included public facilities and improvements, housing rehabilitation, economic development activities, and planning and administration.

Grantees were required to expend all 2014 CDBG funds by September 30, 2021. The city expended all its 2014 funds in compliance with this requirement. Any unexpended 2015 funds that the city may have available must be expended by September 30, 2022.

The county received a HOME grant of \$ 633,708 for Program Year 2021 and expended \$299,703.67 of HOME funds during this period. The types of activities undertaken with these funds included homebuyer assistance and housing rehabilitation. During program year 2021 the county added 5 units of homeowner housing with these funds.

The county received an ESG grant of \$204,151 for Program Year 2021 and expended \$65,391.27 of ESG funds during this period. The types of activities undertaken with these funds included emergency shelter, homeless prevention, rapid rehousing, and planning and administration. During Program Year 2021, the county assisted 443 people through homelessness prevention and 1,751 people through emergency shelter.

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

Affirmatively Furthering Fair Housing

The county also included in its CAPER its efforts to affirmatively furthering fair housing and identify impediments to fair housing. The county has funded programs that affirmatively further fair housing, as well as reviewing zoning ordinance revisions and amendments for potential conflicts with the Fair Housing Act. We commend you for these efforts.

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

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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 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 Aretha Pereira, Community Development Representative at (215) 861-7228, or by email, at aretha.pereira@hud.gov. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

Nadab O. Bynum
Director
Office of Community Planning
and Development

