



**U.S. Department of Housing and Urban Development**

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

**MAR 14 2019**

Ms. Cassandra Mowery  
Treasurer  
Borough of Berwick  
1800 N. Market St.  
Berwick, PA 18603

Dear Ms. Mowery:

RE: Annual Community Assessment  
Borough of Berwick, PA  
Program Year 2017 (October 1, 2017 to September 30, 2018)

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 Borough of Berwick's overall progress during its 2017 Program Year.

In making our evaluation, we relied primarily upon the borough's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2017. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG) Program. As part of our evaluation of the borough's performance, we also took into account technical assistance and follow up conversations with borough staff. This letter is a summary of our review of the Borough of Berwick's overall performance.

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 borough provided performance measures as required by this guidance.

The HUD 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 CDBG timeliness test was conducted on August 2, 2018, the borough had 1.26 years of CDBG funds remaining in its accounts (this number is adjusted to account for program income), which is in compliance with the 1.5 timeliness standard.

Based on the information in the borough's CAPER submission, during the 2017 Program Year, the borough expended 84.07 percent of its 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 borough expended 10.22 percent of its 2017 CDBG funds on planning and administration, less than the 20 percent regulatory cap. Regarding compliance with the 15 percent cap on public service activities, the 2017 CAPER indicates that the borough obligated 0 percent of its CDBG funds for public service activities.

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 new *origin year grant expenditure test*. The Borough of Berwick became a CDBG entitlement community beginning with FY 2016. For the 2016 and 2017 grants, although not fully expended, the IDIS PR26 report shows that the borough expended 12.74 percent of its 2016 grant and 8.09 percent of its 2017 grant on planning and program administrative costs. The borough's final compliance with the 2016 and 2017 origin year expenditure tests will be assessed once the grants are fully expended.

The borough received a CDBG grant of \$290,010 for Program Year 2017. According to the CDBG financial summary, the borough expended \$283,026.21 of CDBG funds during the 2017 Program Year. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the borough. The types of activities undertaken with these funds include public facilities and improvements, acquisition, housing rehabilitation, and planning and administration. In Program Year 2017, the majority of CDBG funds were spent on public facility and improvement activities.

We commend the Borough of Berwick on its many programmatic accomplishments during this program year and in your timely responses to all requests for information. Based on the review performed by the Office of Community Planning and Development, we have concluded that the Borough of Berwick has the capacity to carry out its programs and has met its reporting requirements.


Ms. Cassandra Mowery  
Treasurer  
Re: Annual Community Assessment  
Program Year 2017

Program participants are hereby reminded that the legal obligation to affirmatively further fair housing remains in effect, and the Department places a high priority upon the responsibility of program participants to ensure that their Analysis of Impediments (AI) serve as effective fair housing planning tools. The AI should continue to be updated in accordance with the HUD Fair Housing Planning Guide. Program Participants that have not updated nor completed an AI upon submission of their 2015-2019 Consolidated Plan; have not undertaken meaningful actions to address identified impediments; nor maintain adequate records, may be subject to a compliance review. Should additional technical assistance be needed in updating or completing an analysis of impediments, Program Participants should work in tandem with their CPD representative and utilize HUDEXchange.com to make requests.

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 borough's performance for these program years. 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 borough 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 Ms. Mary Anne Bellacima, Senior Community Planning and Development Representative, at (215) 861-7654, or via email at [MaryAnne.Bellacima@hud.gov](mailto:MaryAnne.Bellacima@hud.gov). Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,



Nadab Bynum  
Director, Office of Community  
Planning and Development

cc:

Mr. Tyler Dombroski, SEDA Council of Governments ✓