



U.S. Department of Housing and Urban Development

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

MAR 13 2018

The Honorable Tim Burke
Mayor
Borough of Berwick
1800 North Market Street
Berwick, PA 18603

Dear Mayor Burke:

RE: Annual Community Assessment
Borough of Berwick, PA
Program Year 2016 (October 1, 2016 to September 30, 2017)

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 2016 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 2016. 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 Borough of Berwick became a CDBG entitlement community beginning in FY 2016. We note that no CDBG funds were expended during the borough's 2016 program year. As such, there is no information to report regarding compliance with the primary objective of the Housing and Community Development Act of 1974. There also is no information to report regarding compliance with the 20 percent limitation on planning and administration expenditures and the 15 percent limitation on public service obligations.

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. As previously noted, no CDBG funds were expended during the borough's 2016 program year. As such, when the 60-day CDBG timeliness test was conducted on August 2, 2017, the borough had 1.00 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. The next CDBG timeliness test will be conducted on August 2, 2018. The borough should take steps to ensure compliance with the timeliness requirements by this deadline. Please be advised that failure to achieve the timeliness standard by August 2, 2018 will represent a violation of §570.902 and may ultimately result in a reduction of the borough's CDBG grant.

The borough received a CDBG grant of \$297,314 for Program Year 2016. The borough has allocated these funds for activities including: acquisition, housing rehabilitation, public improvements and planning and administration. In Program Year 2016, the majority of CDBG funds were allocated for public improvement activities.

HUD's Office of Fair Housing and Equal Opportunity (FHEO) also reviewed the borough's CAPER for Program Year 2016. The borough's CAPER provided a summary of four impediments to fair housing choice that it identified during the Consolidated Planning process, including: fair housing education, advocacy, monitoring and enforcement; benefit gaps and challenges; housing affordability; and housing accessibility. Based on FHEO's analysis of the 2016 CAPER, FHEO recommends that the borough implement the following:

- The Borough of Berwick is not due to submit an Analysis of Impediments (AI) and/or Assessment of Fair Housing (AFH) until 18-months after the start of its program year or fiscal year. The AFH requirement is currently delayed, pending further HUD action. In lieu of an AFH, the borough must develop its Analysis of Impediments to Fair Housing Choice in accordance with its affirmatively furthering fair housing certification. This should be completed within the 18-month deadline. The analysis should include a review of the borough's zoning ordinance for any potential discriminatory effects.

- Until such time as the borough completes its AI, FHEO encourages the borough to tailor its efforts and activities in such a way as to maximize the benefits to low-mod income residence and address the four impediments listed above to ensure the borough is meeting its duty to affirmatively further fair housing.
- FHEO recommends that the borough develop specific milestones and timetables that will assist the borough in measuring progress and determining actual results. A sample chart is enclosed, which many HUD entitlement jurisdictions use to track and monitor progress on addressing identified impediments. Although this chart is not a HUD requirement, the chart, or a similar process, can be useful for tracking milestones and timeframes.
- Finally, FHEO reminds the borough that while the clearing of blight and removal of vacant buildings can contribute positively to the health of a neighborhood, using CDBG funds to promote the creation and/or rehabilitation of affordable and accessible housing should also be a priority, given the borough's identified impediments.

Please note that 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 Melody Taylor, FHEO Regional Director, at (215) 861-7643, or by email at Melody.C.Taylor@hud.gov.

We commend Berwick on its many 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 Berwick Borough 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 the borough'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 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 Mr. Nadab Bynum, Community Planning and Development Director, at (215) 861-7652, or Ms. Mary Anne Bellacima, Senior Community Planning and Development Representative, at (215) 861-7654. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,



Joseph J. DeFelice
Regional Administrator

Enclosure

cc:

Ms. Cassandra Mowery, Treasurer

Mr. Tyler Dombroski, SEDA Council of Governments ✓