OCT 28 2009

U.S. Department of Housing and Urban Development

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

OCT 23 2009

The Honorable Edwin Pawlowski
Mayor of Allentown
City Hall
435 Hamilton Street, Room 325
Allentown, PA 18101

Dear Mayor Pawlowski:

SUBJECT: Annual Community Assessment
City of Allentown
July 1, 2008 through June 30, 2009

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 at 24 CFR 91.1. This letter serves to apprise you of our assessment of the City of Allentown'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 2008. This report summarizes the accomplishments made with funds provided from the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) Programs. In addition, we took into account technical assistance; follow up conversations with City staff and the handling of citizen comments and/or complaints. This letter is a summary of our review of the City's 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 the new 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 May 2, 2009, it was calculated that the City of Allentown had a balance in its Line-of-Credit of 1.44 times its annual grant which is in compliance with the timeliness standard.

During the 2008 program year, the City expended 93.02 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 City obligated 12.49 percent on public service activities which meets the 15 percent regulatory cap and 18.83 percent of CDBG funds were obligated on planning and administration, which is within the 20 percent regulatory cap.

The HOME Program requirements have been met for expenditures 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 you that all HOME projects should be closed within 120 days of their final draw.

The City recognizes its role to affirmatively further fair housing through outreach. The City's Fair Housing Officer continues to promote fair housing and other City staff continues to work to ensure all programs affirmatively further fair housing. Residents are visited by staff, door to door, in the low to moderate income, minority neighborhoods to encourage participation in the City's housing rehabilitation loan program. Several staff members, as well as non-profit subrecipients are bi-lingual, bi-cultural (Hispanic); one is bi-lingual, bi-cultural in Vietnamese.

It is apparent that the City is committed to addressing the number one priority in the Consolidated Plan. For the fourth consecutive year, the City has exceeded the yearly targets to provide decent, safe and affordable housing.

To improve the condition of the housing stock, working in conjunction with the systematic inspection program, 32 properties were rehabilitated with funds from the CDBG and HOME programs; which well exceeds the 20 homes per year expectation. Over the four-year period, the City has assisted 158 homeowners make the necessary repairs to their properties to meet or exceed the current code standards.

Lead Hazard issues have also been addressed through the City's housing rehabilitation program. By providing Hazard Loans to 11 households with CDBG funds, the yearly goal to assist ten households was met. It is impressive that the City has assisted 56 households over the past four years.

We congratulate the City of Allentown on its accomplishments, during this past year, relative to the achievement of Departmental Objectives. Based upon our review of the available information, we have concluded that the City 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 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 do not hesitate to contact Nadab Bynum, Community Planning and Development Director, at (215) 861-7652, or Ms. Susan E. Shackelford, Senior Community Planning and Development Representative at (215) 861-7667. This Office may be reached via text telephone (TTY), by dialing (215) 656-3452.

Sincerely,

Brenda M. Laroche

Brenda M. Laroche
Deputy Regional Director

cc:
Ms. Joyce Marin
✓ Ms. Heidi Baer