

NOV 28 2011



U.S. Department of Housing and Urban Development

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

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

NOV 22 2011

Dear Mayor Pawlowski:

SUBJECT: Annual Community Assessment
City of Allentown
July 1, 2010 through June 30, 2011

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 2010. 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 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 May 2, 2010, it was calculated that the City of Allentown had a balance in its Line-of-Credit of 1.00 times its annual grant, which is in compliance with the timeliness standard. Please note that this does not include any program income that the City may have in its accounts. Thus, this figure may actually be higher.

During the 2010 program year, the City expended 90 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 expended 9.38 percent on public service activities, which meets the 15 percent regulatory cap and 15.3 percent of CDBG funds were expended 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 has a definite, distinct, and enforceable City Human Relations Ordinance, as well as an Active Human Relations Commission and internal monitoring, that continues to ensure the City's compliance with fair housing laws and contributes to a decrease in discriminatory practices. Several staff members are bi-lingual, bi-cultural (Hispanic) and one is bi-lingual, bi-cultural in Vietnamese. We commend you for these efforts. Our Office is in receipt of the October 27, 2011 comments from the Office of Fair Housing and Equal Opportunity. We encourage you to review the information provided and as applicable, take the appropriate steps to enhance your fair housing efforts.

Due to the age of housing stock, particularly the stock available to low and moderate income households, Allentown's Bureau of Health has been active in preventing lead poisoning for children for over 25 years. The Bureau seeks to identify children at risk of lead poisoning, assures medical treatment and case management for the children and their families, and assures that lead hazard reduction activities are conducted in premises where environmental investigations reveal excessive lead levels. The Health Bureau actively screens children for lead poisoning and provides outreach and presentations at family centers, safety carnivals, health fairs, and child care centers. The Bureau collaborates with area hospitals and family health centers to provide and promote lead screenings.

During 2009, the City of Allentown received American Recovery and Reinvestment Act (ARRA) funding. As of June 30, 2011, out of the allocation of \$737,917 of CDBG-R (Community Development Block Grant Recovery) funds, 56.7 percent of the funds were spent on curb cuts, public improvements, job training and placement. The allocation of \$1,129,049 of HPRP (Homeless Prevention and Rapid Re-housing Program) funding was allocated to sub-

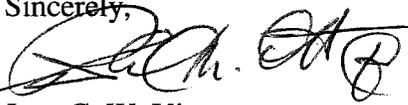
recipients who provide homeless prevention and rapid re-housing services – 56.3 percent of the funds were expended as of June 30, 2011. In addition, the City also received NSP (Neighborhood Stabilization Program) funds in the amount of \$2,113,456 of which 86.9 percent of funds were spent on the acquisition and rehabilitation of foreclosed properties.

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 the City's 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 Mr. Nadab Bynum, Community Planning and Development Director, at (215) 861-7652, or Ms. Michelle Patterson, Community Planning and Development Representative, at (215) 861-7665. This Office may be reached via text telephone (TTY), by dialing (215) 656-3452.

Sincerely,


FOR
Jane C. W. Vincent
Regional Administrator

cc:

Ms. Sara Hailstone

Ms. Heidi Baer