



U.S. Department of Housing and Urban Development

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

June 3, 2022

Via email: jzaykowski@Wilkes-Barre.pa.us

Ms. Joyce Morrash Zaykowski
Director
Office of Economic and Community Development
City of Wilkes-Barre
40 East Market Street
Wilkes-Barre, PA 18711

Dear Ms. Zaykowski:

RE: Program Year Review Letter
City of Wilkes-Barre
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 City of Wilkes-Barre'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 Program Year 2021. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), CDBG CARES Act (CDBG-CV), and HOME Investment Partnerships (HOME) programs. This letter is a summary of our review of the city'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 city provided performance measures as required by this guidance.

CARES Act Program Accomplishments

The City of Wilkes-Barre received an allocation of \$1,239,087 of CDBG CARES Act funds to prepare for, prevent, and respond to COVID-19. The city has expended \$865,199.40 of CDBG-CV CARES Act funds to date. In Program Year 2021, the funds were spent on two public service activities. One of these activities is an emergency resident utility assistance program, and the other is a community policing activity. The city spent \$22,025.79 on its emergency resident utility assistance program and \$8,443.41 on community policing. The city also expended \$242,208.35 of its funds on planning and administration to date. We appreciate all that the city 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 city had an adjusted program income balance in its line of credit of 1.06 times its annual grant, which complies with the 1.5 timeliness standard.

During the 2021 program year, the city reports that it expended 100 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 city spent 14.76 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The city obligated 19.67 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 reviewing the city's origin year expenditures, HUD has determined that the city complies with the origin year expenditure test for its 2016 and 2017 grants— both grants are fully expended and 14.63 percent of the 2016 grant was expended for planning and administrative costs. Additionally, the 2017 grant is fully expended and 13.03 percent of this grant was expended for planning and administrative costs. Though not fully expended, currently, the city has expended 19.03 percent of its 2019 grant, 20 percent of its 2020 grant, and 17.15 percent of its 2021 grant on planning

and program administrative costs. The city's final compliance with 2019, 2020, and 2021 origin year expenditure tests will be assessed once the grants are fully expended.

The city received a CDBG grant of \$1,544,691.00 and receipted \$3,260.01 in program income for Program Year 2021 and expended \$1,373,510.05 of CDBG funds during this period. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the city. The activities undertaken with these funds include public services, public facilities and improvements, elimination of slums and blight, housing rehabilitation, and program and administration costs.

In Program Year 2021, most CDBG funds were expended on public facilities and improvement activities. A total of \$759,883.74 was used to provide street improvement projects, park improvements and renovations, and the purchase of fire protection equipment. The city spent \$628,193.49 to fund five street improvement projects, and the city also spent \$79,824.50 on park improvements. In addition, the city used \$51,865.75 of its CDBG funds to purchase fire protection equipment.

Additionally, the city funded public service activities with \$194,135.17 of CDBG funds. These activities involved the city providing nine client-based assistance activities to its residents. As a result, 133 residents of the city received assistance. The city also used \$304,450.99 of its CDBG funds on 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.

HOME Program

The city received a HOME grant of \$341,255 and receipted \$9,693.16 of program income in Program Year 2021. The city continued its comprehensive owner-occupied rehabilitation project for income-eligible residents. The city expended \$120,955.99 of its HOME funds on its owner-occupied rehabilitation projects during this period.

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

Affirmatively Furthering Fair Housing

The city included efforts to affirmatively further fair housing and identified impediments to fair housing in its CAPER. For instance, the city recognized that discrimination complaints involving persons with Limited English Proficiency (LEP) are often subtle. The city addressed this impediment by utilizing ProPio Language Services for all the city's interpreting needs. This

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service can provide interpreting services in over 80 different languages and dialects. Additionally, the city addressed this by having the mayor's executive assistant translate pertinent documents. We commend you for these efforts.

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 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. Our initial letter will serve as our final assessment of the city's performance for this program year, where no comments are received within the designated timeframe. To facilitate and expedite citizen access to our performance letter, we request that you inform the public and interested citizens' organizations and non-profit entities of its availability. If the city chooses not to do so for any reason. 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 working with you and your staff members 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 available to your community. If you need assistance or have any questions concerning the content of this letter, please contact Mr. Damian Doyle, Senior Community Planning and Development Representative, at (215) 861-7674, or by email, at Damian.Doyle@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