



U.S. Department of Housing and Urban Development

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

July 21, 2021

Via email: tsmith@northamptoncounty.org

Ms. Tina Smith, Director
Northampton County Department of Community
and Economic Development
2801 Emrick Blvd, 1st Floor
Bethlehem, PA 18020

Dear Ms. Smith:

RE: Annual Community Assessment
Northampton County
Program Year 2019 (October 1, 2019 through September 30, 2020)

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 Northampton County's overall progress.

In making our evaluation, we relied primarily upon the County's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Program Year 2019. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs. This letter is a summary of our review of the County's overall performance.

Northampton County has received an allocation of \$2,657,318 of CDBG-CV and \$1,347,159 of ESG-CV (CARES Act) funds for use preparing for, preventing, and responding to COVID-19. The County has expended \$761,445.36 of CDBG funds in Program Year 2019. The funds were spent on the following CDBG activities: public services (including food security and health services) and planning and administration. No ESG-CV funds were expended during Program Year 2019. We

appreciate all that the County 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.

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 County provided performance measures as required by this guidance.

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 Aug 2, 2020, it was calculated that the County had a balance in its line of credit of 1.49 times its annual grant, which is in compliance with the 1.5 timeliness standard. Please note that beginning in 2017, HUD began measuring grantee compliance with the CDBG timeliness standard using the adjusted for program income ratio.

During the 2019 program year, the County 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 County spent 11.66 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The County obligated 16.49 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 new *origin year grant expenditure* test. In review of the County's origin year expenditures, HUD has determined that the County is in compliance with the origin year expenditure test for its 2015 grant. The grant is fully expended, and 18.08 percent of the grant was expended for planning and administrative costs. The County's 2016 grant is also fully expended, with 17.92 percent expended for planning and administrative costs. Although not fully expended, 13.50 percent of its 2017 grant, 12.58 percent of its 2018, and 5.73 percent of 2019 grant have been expended for planning and program administrative costs. The County's final compliance with the 2017, 2018, and 2019 origin year expenditure tests will be assessed once the grants are fully expended.

The County received a CDBG grant of \$2,103,140 for Program Year 2019 and expended \$1,500,897.53 of CDBG funds during this period. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the County. The types of activities undertaken with these funds included infrastructure, public

facilities, public services, ADA improvements, housing rehabilitation, utility assistance, and activities that benefited homeless persons.

In Program Year 2019, the majority of CDBG funds, \$642,107.88, was spent on public facilities and improvements to benefit low- and moderate-income households.

The County used previous years' CDBG funds to address its affordable housing goals. The County started the following activities: six households received single-unit residential rehabilitation assistance and one acquisition for rehabilitation. The activities were not completed due to the COVID-19 pandemic. Additionally, the County provided 85 households with housing and utility assistance with FY 2019 CDBG funds. Additionally, the County funded public service activities with CDBG grant funds. These activities included emergency food pantries, a public health initiative, and utility assistance, among others. A total of \$ 256,130.43 was used to fund direct services to eligible beneficiaries. Also, more than 600 people benefited from services provided through County senior centers.

Program Year 2019 was the first year for Northampton County's HOME program. The program was preparing to develop activities. No funds were committed or drawn.

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

The County also included in its CAPER its efforts to affirmatively furthering fair housing and identify impediments to fair housing. Northampton County formed a fair housing consortium with local jurisdictions during the FY 2019 program year. The following impediments to fair housing choice were identified, and the following actions were taken to address those impediments in FY 2019:

- Need for Fair Housing Education and Outreach - The County provided fair housing education to 334 individuals.
- Need for Accessible Housing - The County made two (2) households accessible.
- Regional Approach to Fair Housing - There is a need for a regional collaborative approach to affirmatively further fair housing in the area - the County formed the Bethlehem, Easton, Allentown, and Northampton County (BEAN) fair housing consortium.

We commend you on these efforts.

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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 Melody Taylor, FHEO Regional Director, at (215) 861-7643, or by email at Melody.C.Taylor@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. Where no comments are received within the designated timeframe, our initial letter will serve as our final assessment of the County'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 County 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 Kathleen McCarthy, Community Development Representative, at (610) 836-2570 (cell), or by email, at kathleen.k.mccarthy@hud.gov. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

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BYNUM

Nadab O. Bynum
Director
Office of Community Planning
and Development

Digitally signed by NADAB BYNUM
DN: cn = NADAB BYNUM, c = US, o = U.S.
Government, ou = Department of Housing and
Urban Development, office of Administration
Date: 2021.07.21 16:35:14 -0400