



U.S. Department of Housing and Urban Development

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

March 23, 2022

Via email: TSmith@northamptonCounty.org
Tina Smith, Director
Department of Community and Economic Development
2801 Emrick Blvd.
1st Floor
Bethlehem, PA 18020

Dear Ms. Smith:

RE: Annual Community Assessment
County of Northampton
Program Year 2020 (October 1, 2020 through Sept 30, 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 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 2020. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Solutions Grants (ESG) programs. This letter is a summary of our review of the County'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 County provided performance measures as required by this guidance.

CARES Act Program Accomplishments

Northampton County has received an allocation of \$2,657,318.00 of CDBG and \$1,383,836.32 of ESG CARES Act funds for use preparing for, preventing, and responding to COVID-19. The County has expended \$1,351,828.67 of CDBG-CV and \$497,661.86 of ESG-CV CARES Act funds to-date. In Program Year 2020, the funds were spent on the following activities: a Countywide network of food banks, health and human services activities, homeless prevention, and rapid rehousing. 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.

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 August 2, 2021, it was calculated that the County had an adjusted for program income balance in its line of credit of 0.89 times its annual grant, which is in compliance with the 1.5 timeliness standard. However, on September 30, 2021, the ratio had risen to 1.80 times the current CDBG grant. Please be aware that the corrective actions suspension ended September 30, 2021. It is important to monitor your CDBG grant spending by running the IDIS PR-56 report on a regular basis. Please work towards coming into compliance with the 1.5 timeliness standard by August 2, 2022.

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, though not fully expended, currently the County has expended 17.92 percent of its 2016 grant, 13.5 percent of its 2017 grant, 17.93 percent of its 2018 grant, 11.91 percent of its 2019 grant, and 1.36 percent of its 2020 grant on planning and program administrative costs. The County's final compliance with the 2016, 2017, 2018, 2019 and 2020 origin year expenditure tests will be assessed once the grants are fully expended.

The County received a CDBG grant of \$2,212,043.00 for Program Year 2020 and expended \$1,072,009.34 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 and public facility improvements, housing acquisition and rehabilitation, and public services.

In Program Year 2020, the majority of CDBG funds were spent on housing acquisition and rehabilitation activities designed to provide decent affordable housing to low- and moderate-income households. A total of \$325,897.33 was used to acquire one unit, rehabilitate two units, and complete lead hazard mitigation on one unit of single family housing.

Additionally, the County used \$371,376.10 for public facility improvements (senior centers, homeless facilities, and street improvements). Another \$20,645.73 was expended to assist programs that benefit the homeless, and \$12,177.10 on Section 108 loan repayment costs.

Grantees were required to expend all 2014 CDBG funds by September 30, 2021. The County expended all its 2014 funds in compliance with this requirement. Any unexpended 2015 funds that the County may have available must be expended by September 30, 2022.

HOME Program

The FY 2020 HOME allocation of \$647,111.00 was the County's second year of receiving a HOME allocation as an entitlement community. The County committed \$0.00 of FY 2020 HOME funds and expended \$0.00 of the FY 2020 HOME funds. During the program year the County continued working on its policy and procedures, worked with stakeholders to create eligible housing activities, and trained staff to administer the program.

ESG Program

The FY 2020 ESG allocation of \$184,798 was the County's first year of receiving an ESG allocation as an entitlement community. The County had neither expended nor committed ESG funds in 2020.

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.

Affirmatively Furthering Fair Housing

The County also included in its CAPER its efforts to affirmatively further fair housing and identify impediments to fair housing. Northampton County formed a fair housing consortium with local jurisdictions during the FY 2019 program year. All the jurisdictions completed their citizen participation requirements and adopted the Analysis of Impediments during FY 2020. The fair housing consortium began collaborating on plans for addressing impediments during the CAPER period.

In addition, the County continued its partnership with North Penn Legal Services to provide Fair Housing education and outreach. Fair Housing activities interacted with a number of different stakeholders from local realtors to municipalities to service providers. The focus was on education and awareness of affirmatively furthering fair housing.

U.S. Department of Housing and Urban Development 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. 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 Planning and Development Representative, at (610) 836-2570 (cell), or by email, at kathleen.k.mccarthy@gmail.com. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

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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: 2022.03.23 09:06:56 -0400

Nadab O. Bynum
Director
Office of Community Planning
and Development