



U.S. Department of Housing and Urban Development

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

August 15, 2023

Via email: amemmi@cityofwilliamsport.org

Mr. August Memmi
Director
Department of Economic and Community Development
City of Williamsport
100 West Third Street
Williamsport, PA 17701

Dear Mr. Memmi:

RE: Program Year Review Letter
City of Williamsport
Program Year 2022 (January 1, 2022 through December 31, 2022)

We want to thank you and your staff for all you are doing to serve the CPD program needs of your community. 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 Williamsport'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 2022. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and CARES Act 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

Williamsport has received an allocation of \$837,901 of CDBG CARES Act funds for use preparing for, preventing, and responding to COVID-19. The city has expended \$124,212.96 of CDBG-CV CARES Act funds to-date. In Program Year 2022, the funds were spent on YWCA Facility Renovations and the Economic Sustainability & Recovery Project.

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, 2022, it was calculated that the city had an adjusted for program income balance in its line of credit of 0.92 times its annual grant. Although this figure is in compliance with the 1.5 timeliness standard, it should be noted that the city's adjusted draw ratio did not include the FY 2023 allocation, because it was not received until after the November 2 test date. Consequently, the city is advised to be extra diligent in its expenditure of CDBG funds prior to the next timeliness test date of November 2, 2023.

During the 2022 program year, the city reports that it expended 99.80 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 3.31 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The city obligated 14.13 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 review of the city's origin year expenditures, HUD has determined that the city is in compliance with the origin year expenditure test for its 2017 grant - the grant is fully expended and 20.00 percent of the grant was expended for planning and administrative costs. Though not fully expended, currently the city has expended 19.96 percent of its 2018 grant, 20.00 percent of its 2019 grant, 20.00 percent of its 2020 grant, 19.33 percent of its 2021 grant, and 6.32 percent of its 2022 grant on planning and program administrative costs. The city's final compliance with the 2018,

2019, 2020, 2021, and 2022 origin year expenditure tests will be assessed once the grants are fully expended.

The city received a CDBG grant of \$1,042,508 for Program Year 2022 and expended \$1,493,719.25 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. In Program Year 2022, the majority of CDBG funds were utilized for public improvements, including park improvements, street improvements, and the purchase of a fire apparatus. Two income-eligible households were assisted with Emergency Home Rehabilitation and one income-eligible household was assisted by the city's Accessibility Rehabilitation program. In addition, CDBG funding was used to assist two projects through the Code Related Blight Elimination Program and one project through the Historic District Blight Elimination Program. Public services were also provided to youth and for assistance to the SPCA.

Grantees were required to expend all 2015 CDBG funds by September 30, 2022. The city expended all its 2015 funds in compliance with this requirement. Any unexpended 2016 funds that the city may have available must be expended by September 30, 2023. The city has expended all of its 2016 funds.

HOME Program

The city received a HOME grant of \$272,211 for Program Year 2022. During the 2022 program year, four households were assisted by the city's HOME Owner-Occupied Single Family Rehabilitation program. The city continues to pursue lead hazard reduction procedures.

Performance and Capacity

HUD acknowledges the city's programmatic accomplishments during the program year. Please note that our Office has identified the following issues relative to the city's overall performance and capacity to carry out its programs in accordance with Federal regulations:

- The city's Office of Community and Economic Development experienced significant staff turnover in 2021 and 2022. Technical assistance was provided in September 2022 that highlighted CPD training and technical assistance resources in the areas of CDBG and HOME Program requirements, financial management, IDIS, consolidated planning process, and crosscutting requirements.
- Numerous discrepancies and deficiencies were identified in the city's 2021 CAPER resubmission. Technical assistance was provided in November 2022 that targeted the identification of the discrepancies and correction of deficiencies. The city has not yet completed the requested revisions to the 2021 CAPER.

- Our FY 2022 monitoring review of the city's CDBG Program resulted in the identification of eight findings. The review identified serious concerns regarding the city's capacity to administer CDBG Program resources. The city provided a written response on August 26, 2022, which partially cleared two of the findings. A written response to the eight findings was requested by January 7, 2023. No written response has been provided by the city to date.

The city is requested to immediately address the open findings from FY 2022 monitoring and take steps to increase the capacity of its current staff. Repeated deficiencies may result in the imposition of future sanctions or grant conditions, in accordance with 24 CFR 570.910 and 24 CFR 92.552. Our Office will assist by providing technical assistance and compliance support, as needed, to ensure the city's compliance with the requirements of the grants.

Affirmatively Furthering Fair Housing

The city also included in its CAPER its efforts to affirmatively further fair housing and identify impediments to fair housing. The city completed its Fair Housing Analysis of Impediments (AI) in 2020. The city provides Fair Housing Posters to Cooperative Task Force attendees, local agencies, and housing providers and monitors activities to ensure that recipients are in compliance with the requirement to affirmatively further fair housing. The city is in the process of re-evaluating its AI. We commend you for these efforts.

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 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

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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 contact Ms. Christine D. Jones, Senior Community Planning and Development Representative, at (215) 861-7668, or by email, at christine.jones@hud.gov. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

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BYNUM

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
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Nadab O. Bynum
Director
Office of Community Planning
and Development