



U.S. Department of Housing and Urban Development

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

March 14, 2022

Via Email: dscoblink@berwick-pa.com

Mr. Damien Scoblink
Borough of Berwick Manager
1800 N. Market St.
Berwick, PA 18603

RE: Annual Community Assessment
Berwick Borough, Pennsylvania
Program Year 2020 (October 1, 2020 to September 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 Borough of Berwick's overall progress.

In making our evaluation, we relied primarily upon the Borough'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) program. This letter is a summary of our review of the Borough'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 Borough provided performance measures as required by this guidance.

CARES Act Program Accomplishments

Berwick has received an allocation of \$255,686 CDBG-CV CARES Act funds for use preparing for, preventing, and responding to COVID-19. The Borough has expended \$91,676 of CDBG-CV CARES Act funds to-date. In Program Year 2020, the funds were spent on the following activities: business assistance and hand washing projects. It is projected the five businesses will generate 6.22 jobs, and three businesses will be assisted meeting the urgent need national objective. We appreciate all that the Borough 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 Borough had an adjusted for program income balance in its line of credit of 1.5 times its annual grant, which is in compliance with the 1.5 timeliness standard.

During the 2020 program year, the Borough reports that it expended 100 percent of its CDBG funds for activities benefiting low- and moderate-income persons, which meets the primary objective of Housing and Community Development Act of 1974 with the minimum 70 percent low to moderate income benefit. However, the Borough was advised that it is not in compliance with this requirement in 2019 Program Year, with only 32.75 percent of its CDBG funds for activities benefiting low- and moderate-income (LMI) persons. Repayment of \$76,502.54 from non-federal sources was requested from the Borough in a letter dated October 14, 2021. The Borough subsequently requested HUD to change its certification period to two years (2019-2020), instead of the one-year FY 2019, after the fact to meet this requirement on October 22, 2021. Our Office did not allow such a change as noted in our letter dated February 25, 2022. The Borough is required to repay \$76,502.54 from non-federal sources. Our Office will work with the Borough to bring this matter to closure.

In addition, the Borough spent 0 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The Borough obligated 19.88 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 Borough's origin year expenditures, HUD has determined that the Borough is in compliance

with the origin year expenditure test for its 2016 and 2017 grants - the grants are fully expended, 14.33 percent of 2016 grant, and 16 percent of 2017 grant were expended for planning and administrative costs. Though not fully expended, currently the Borough has expended 12.27 percent of its 2018 grant, 9.03 percent of its 2019 grant, and 3.22 percent of its 2020 grant on planning and program administrative costs. The Borough's final compliance with the 2018, 2019 and 2020 origin year expenditure tests will be assessed once the grants are fully expended.

The Borough received a CDBG grant of \$329,370 for Program Year 2020 and expended \$324,261.94 of the CDBG funds during this period. The types of activities undertaken with these funds included public improvements and economic development.

Grantees were required to expend all 2014 CDBG funds by September 30, 2021. The Borough became an entitlement grantee in 2016, therefore does not have any 2015 or prior year funds.

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

Affirmatively Furthering Fair Housing

The Borough also included in its CAPER its efforts to affirmatively furthering fair housing and identify impediments to fair housing. The Borough continued to fund a local Fair Housing Rights Group to provide education, outreach, and advocacy for fair housing practices. In addition, the Borough participated in training and webinars with housing providers, created a fair housing task force, and collaborated with market credit counseling education programs for local residents. 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.

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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 Borough'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 Borough 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 Xiaomin Cai, Senior Community Development Representative, by email at Xiaomin.cai@hud.gov. 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
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Nadab O. Bynum
Director
Office of Community Planning
and Development