



U.S. Department of Housing and Urban Development

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

December 16, 2021

Via email: lrg@ceda.cc

Mrs. Lisa R. Gaffney
Executive Director
1 Fourth Street, City Hall
P.O. Box 407
Chester, PA 19016-0407

Dear Mrs. Gaffney:

RE: Program Year Review Letter
City of Chester
Program Year 2020 (July 1, 2020 through June 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 City of Chester'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 2020. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG) program and HOME Investment Partnership Program (HOME). 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 Chester received an allocation of \$1,037,132 of CDBG CARES Act funds for use preparing for, preventing, and responding to COVID-19. The city expended \$453,737.14 of CDBG-CV CARES Act funds as of June 30, 2021. In Program Year 2020, the funds were spent on the following activities: Utility and Rental Assistance, Personal Protective Equipment, Micro Business Grant Assistance, and Mortgage and Utility Assistance. One hundred and sixty-six (166) individuals received substance payments and twenty-two (22) businesses received direct financial assistance from CARES Act funding in order to prevent the spread of COVID-19. 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 May 2, 2021, it was calculated that the city had an adjusted for program income balance in its line of credit of 1.18 times its annual grant, which is in compliance with the 1.5 timeliness standard.

During the 2020 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 11.53 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The city obligated 10.72 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 city's origin year expenditures, HUD has determined that the city is in compliance with the origin year expenditure test. The city obligated 20.00 percent of its 2018 grant, 5.11 percent of its 2019 grant, and 14.62 percent of its 2020 grant on planning and program administrative costs. The city's final compliance with the 2018, 2019 and 2020 origin year expenditure tests will be assessed once the grants are fully expended.

The city received a CDBG grant of \$1,277,592 for Program Year 2020 and expended \$1,363,500.62 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 types of activities undertaken with these funds include Parks and Recreational Facilities, Street Improvement, Fire Equipment, Clearance and Demolition, Senior Services, Youth Services, Domestic Violence services, and activities that benefited homeless persons.

In Program Year 2020, the majority of CDBG funds were spent on Street Improvements such as repair of streets, street drains, storm drains, curbs, bridges, and traffic lights/signs to benefit low- and moderate-income households. A total of \$282,005.07 was spent to purchase a fire truck and emergency rescue equipment. Additionally, the Chester Community Improvement Project's Pre-Purchase Mortgage Counseling Program enrolled eight (8) new households and seven (7) non-Chester households interested in purchasing homes in Chester and provided eight (8) existing households with on-going housing services. A total of \$19,232.38 was spent on operating costs. The city also funded homeless activities with CDBG grant funds. These activities included providing operating support to a homeless shelter, for which a total of \$60,000 was spent on operating costs. As a result, one hundred fifty-seven (157) individuals were provided emergency housing, case management, and other supportive services in Program Year 2020.

Additionally, the city supported special needs populations, including the elderly and victims of domestic violence, with CDBG grant funds. These activities included providing congregate and home-delivered meals, health screenings and promotion programs, recreational, social, and educational activities, transportation, counseling and legal assistance, and counseling, legal advocacy, protection order assistance, court accompaniment, and other services related to victims of domestic violence. A total of \$44,392.72 was spent on operating costs. As a result, four hundred six (406) individuals were provided services in Program Year 2020. Additionally, the city provided assistance to Entrepreneur Works to provide technical assistance to microenterprises. Entrepreneur Works served twenty-eight (28) businesses. A total of \$10,000 was spent on operating costs.

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. We also note that the city made its 14th of 17 principal and interest payments in connection with a Section 108 loan made for the expansion of Barry Bridge Park.

HOME Program

The city received a HOME grant of \$344,565.00 for Program Year 2020 and expended \$73,430 of HOME funds. The city received \$40,116 in program income. A total of \$18,649.50 was used to assist two (2) low-income first-time homebuyers with purchasing decent housing in the city. \$20,525.00 was expended in CHDO operating expense to assist eight (8) new city residents and seven (7) new non-city residents looking to purchase homes in the City of Chester. The CHDO continues to work with eight (8) households with Pre-Purchase Mortgage Counseling.

Additionally, the city did not complete any on-site inspections of affordable rental housing due to COVID-19.

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

Affirmatively Furthering Fair Housing

The city also included in its CAPER its efforts to affirmatively furthering fair housing and identify impediments to fair housing. The city continued to fund a local Fair Housing Rights Group to provide education, outreach, and advocacy for fair housing practices. In addition, the city 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 Patricia McGarvey Knebels, Acting FHEO Regional Director, at (215) 430-6664, or by email at PatriciaMcGarvey.Knebels@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 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

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Executive Director
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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 Vaughn A. Watson Jr., Community Development Representative at (215) 861-7650, or by email, at vaughn.a.watson@hud.gov. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

**NADAB
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
Date: 2021.12.16 10:28:25 -0500

Nadab O. Bynum
Director
Office of Community Planning
and Development