



U.S. Department of Housing and Urban Development

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

December 14, 2023

*Via email: lrg@ceda.cc*

Ms. Lisa R. Gaffney  
Executive Director  
Chester Economic Development Authority  
1 Fourth Street, City Hall  
Chester, PA 19013

Dear Ms. Gaffney:

RE: Program Year Review Letter  
City of Chester  
Program Year 2022 (July 1, 2022, through June 30, 2023)

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 2022. 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 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**

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 has expended \$700,663.03 of CDBG-CV CARES Act funds to-date. In Program Year 2022, \$488 was spent on administrative expenses. No accomplishments were reported in the 2022 CAPER. 100% of CDBG-CV expenditures have provided a Low/Mod benefit. 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, 2023, it was calculated that the city had an adjusted for program income balance in its line of credit of 1.3 times its annual grant, which is in compliance with the 1.5 timeliness standard.

During the 2022 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 10.37 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The city obligated 10.5 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 2015 through 2019 grants, which are fully expended with 10.03 percent, 19.75 percent, 14.88 percent, 20 percent and 20 percent (respectively) of the grants expended for planning and administrative costs. Though not fully expended, the city has expended 15.4 percent of its 2020 grant, and 0 percent of its 2021 and 2022 grants on planning and program administrative costs. The city's final compliance with the 2020, 2021, and 2022 origin year expenditure tests will be assessed once the grants are fully expended.

The city received a CDBG grant of \$1,265,097 for Program Year 2022 and expended \$312,566 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 included homebuyer assistance, housing rehabilitation,

emergency home repair projects, and activities that benefited homeless persons through partners Wesley House and Salvation Army Chester Corps. The city also provided assistance to Senior Community Services for services to elderly residents of Chester through congregate and home-delivered meals, health screenings, legal assistance, and other activities. Additionally, the city provided assistance to Domestic Abuse Project of Delaware County for counseling, legal advocacy, protection order assistance, court accompaniment, and other related services to victims of domestic violence in Chester. The city supported the Boys and Girls Club of Chester for afterschool programs for youth. The city made infrastructure improvements to deteriorated streets, storm sewers and storm sewer inlets, tree wells, sidewalks, lighting, and signs in low- and moderate-income primarily residential areas. The city made improvements to city-owned parks, playgrounds, recreation areas, and fields of play. The city also funded the purchase of turnout gear, suppression equipment, truck tools, apparatus, and station equipment washers/dryers, rescue rope, hose, and other fire-fighting equipment for the Chester Fire Department. The city supported Entrepreneur Works in providing technical assistance to microenterprises. And the city made its sixteenth (of 17) principal and interest payments in connection with a Section 108 loan.

Grantees were required to expend all 2016 CDBG funds by September 30, 2023. The city expended all its 2016 funds in compliance with this requirement. Any unexpended 2017 funds that the city may have available must be expended by September 30, 2024.

#### HOME Program

Chester received a HOME grant of \$371,939 for Program Year 2022. During the 2022 program year, the city expended \$55,790.85 of HOME CHDO set-aside funds for the continuation of Chester Community Improvement Project's Affordable Housing Initiatives including acquisition, new construction, or rehabilitation of properties for affordable single-family homeownership; and \$260,357.30 of HOME funds for acquisition, construction or rehabilitation of properties for affordable single-family homeownership or rental housing.

HUD acknowledges the city's programmatic accomplishments during the program year. Based on our review we have concluded that the city has 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 further fair housing and identify impediments to fair housing. In program year 2022, Chester participated in the following public policy planning sessions and fair housing outreach events: Quarterly Delaware County Fair Housing Task Force Meetings; participation as Board member of the Housing Equality Center, which partners with the City to help provide fair housing education, outreach and technical assistance; and staff disseminated Fair Housing information, along with information on Homebuyer Assistance and Pre-Purchase Counseling, in numerous events and locations around the city (Journey To Wellness Event at STEM Academy in April; Chester Apartments [Section 8], and Making A Change Group [support for low-income individuals and

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households] in May; Homebuyer Fair in June; Back to School Event in August; River Festival, and Crozer Library Open House in October.)

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](mailto: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 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 Arlene Daily, Community Planning & Development Representative at (215) 861-7656, or by email, at [Arlene.E.Daily@HUD.gov](mailto:Arlene.E.Daily@HUD.gov). Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,  
AMANDA  
WAMPLER  
Mandy Wampler  
Acting Director  
Office of Community Planning  
and Development

Digitally signed by AMANDA  
WAMPLER  
DN: cn = AMANDA WAMPLER C = US  
o = U.S. Government OU = Department  
of Housing and Urban Development  
Date: 2023.12.14 07:28:51 -0500