



U.S. Department of Housing and Urban Development

**Philadelphia Office
The Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107-3380**

The Honorable Mario Civera
Chairman, Delaware County Council
Government Center Building
201 West Front Street
Media, PA 19063

Dear Mr. Civera:

RE: Annual Community Assessment
Delaware County, PA
Program Year 2016 (July 1, 2016 to June 30, 2017)

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 Delaware County's overall progress during its 2016 Program Year.

In making our evaluation, we relied primarily upon the county's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2016. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), Home Investment Partnerships (HOME), and Continuum of Care (COC) Programs. As part of our evaluation of the county's performance, we also took into account technical assistance and follow up conversations with county staff. This letter is a summary of our review of Delaware County's overall performance.

Under the update to the Part 91 Consolidated Planning regulations that came into effect March 13, 2006, all Annual Action Plans and CAPERs are required to include performance measures as part of their 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.

The HUD 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 CDBG timeliness test was conducted on May 2, 2017, the county had 1.62 years of CDBG funds remaining in its accounts (this number is adjusted to account for program income), which is in violation of the 1.5 timeliness standard. The county subsequently submitted a workout plan for achieving compliance with the CDBG 1.5 timeliness standard when the next test is performed on May 2, 2018. Our office will be following Delaware County's progress in this regard via the Integrated Disbursement Information System (IDIS) PR56 report. Please be advised that failure to achieve the timeliness standard by May 2, 2018 will represent a violation of §570.902 and may ultimately result in a reduction of the county's CDBG grant.

Based on the information in the county's CAPER submission, during the 2016 Program Year, the county expended 93.26 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 county expended 17.22 percent of its 2016 CDBG funds on planning and administration, less than the 20 percent regulatory cap. Regarding compliance with the 15 percent cap on public service activities, the 2016 CAPER indicates that the county obligated 14.16 percent of its CDBG funds for public service activities.

The county received a CDBG grant of \$3,305,491 for Program Year 2016. The county expended \$3,599,697.15 of CDBG funds during the 2016 Program Year. 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 include public facilities and improvements, public services, housing rehabilitation, economic development and planning and administration. In Program Year 2016, the majority of CDBG funds were spent on public facility and improvement activities.

The county has met the HOME requirements for expenditure by committing all funds to projects within two years and expending funds within five years. The requirement to provide at least 15 percent of HOME funding to Community Housing Development Organizations has also been achieved. We also remind grantees that all HOME projects should be closed in the Integrated Disbursement Information System (IDIS) within 120 days of their final draw. In Program Year 2016, the county used its HOME funds for rental housing and homebuyer assistance. The majority of the county's HOME funds were used in connection with rental housing. The county has procedures in place for addressing housing that has been found to contain lead-based paint.

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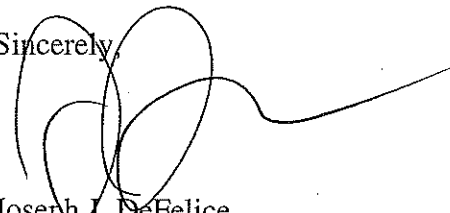
The county included in its CAPER, its role in affirmatively furthering Fair Housing and identifying impediments to Fair Housing. Any comments that our Office of Fair Housing and Equal Opportunity (FHEO) may have regarding the county's 2016 CAPER submission will be provided under separate cover. Please note that 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 Melody Taylor, FHEO Regional Director, at (215) 861-7643, or by email at Melody.C.Taylor@hud.gov.

We commend Delaware County on its many accomplishments during this program year and in your timely responses for all requests for information. Based on the review performed by the Office of Community Planning and Development, we have concluded that Delaware County has the capacity to carry out its programs and has met its reporting requirements.

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 these program years. 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 Mr. Nadab Bynum, Community Planning and Development Director, at (215) 861-7652, or Ms. Mary Anne Bellacima, Senior Community Planning and Development Representative, at (215) 861-7654. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,



Joseph J. DeFelice
Regional Administrator

cc:
Ms. Linda F. Hill, Director, Delaware County Planning ✓

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