



U.S. Department of Housing and Urban Development

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

June 10, 2021

Via Email: Pbokovitz@chesco.org

Mr. Patrick Bokovitz
Director
Chester County Department of Community Development
601 Westtown Road, Suite 365
P.O. Box 2748
West Chester, PA 19380-0990

Dear Mr. Bokovitz:

RE: Annual Community Assessment
Chester County, PA
January 1, 2020 through December 31, 2020

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 this 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 Chester County's overall progress.

In making our evaluation, we relied primarily upon the county's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2020. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG) Program, the Home Investment Partnerships (HOME) Program, and the Emergency Solutions Grants (ESG) Program. In addition, we took into account technical assistance, follow up conversations with the county's staff and the handling of citizen

comments and complaints as applicable. This letter is a summary of our review of the county's overall performance.

The County of Chester Department of Community Development (DCD) has received an allocation of \$4,145,498 of CDBG and \$2,984,950 of ESG CARES Act funds for use preparing for, preventing, and responding to COVID-19. We appreciate all that the county 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. Please note that this Annual Community Assessment letter does not assess the county's performance relative to its CDBG-CV and ESG-CV funds.

Under the Part 91 Consolidated Planning regulations, all Annual Action Plans (AAP) 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 their most recent annual grant remaining in the line of credit 60-days prior to the end of their program year. When the 60-day test was conducted on November 2, 2020, it was calculated that Chester County had a balance in its line of credit of 1.24 times its annual grant, which is in compliance with the 1.5 timeliness standard. Please note that beginning in 2017, HUD began measuring grantee compliance with the CDBG timeliness standard using the adjusted for program income ratio.

During the 2020 program year, the county expended 100 percent of its CDBG funds for activities benefiting low/moderate income persons, which meets the primary objective of the Housing and Community Development Act of 1974. The county obligated 17.31 percent of its funds on public service activities. We have noted that the requirement related to the 15 percent regulatory cap, was waived for the County through the CARES Act Waiver. The county obligated 20 percent of its funds on planning and administration, which is within 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 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 county's origin year expenditures, HUD has determined that the county is in compliance with the origin year expenditure test for its 2015-2018 grants - the 2015-18 grants are fully expended, and 10.03 percent of the 2015 grant, 19.75 of the 2016 grant, 14.88 percent of the 2017 grant, and 20.00 percent of the 2018 grant were expended for planning and administrative costs. The 2019 and 2020 grants are not fully expended, and 5.11 percent of the 2019 grant, and 3.91 percent of the 2020 grant were expended for planning and administrative costs. The county's final compliance with the 2019 and 2020 origin year expenditure tests will be assessed once the grants are fully expended.

The county received a CDBG grant of \$2,585,950 for Program Year 2020 and expended \$2,928,624 of CDBG funds during the 2020 Program Year. Resources were devoted to activities in geographic areas consisting primarily of low- and moderate-income residents throughout the county. The highest priority goals of non-housing community development (specifically rehabilitation of public facilities), homeless services, and fair housing were supported by CDBG funding in 2020. These funding activities support Chester County's efforts in making progress toward achieving the Consolidated Plan's goals and objectives.

The COVID pandemic and restrictions on construction activities limited housing accomplishments in 2020. Homeowner housing rehabilitation included 4 households served through the Housing Partnership of Chester County's CDBG-funded Homeowner Rehabilitation Program. The Chester County Housing Trust Program funded the Housing Partnership of Chester County's (HPCC) Senior Citizen Home Maintenance Program that served 12 households; the Good Works Home Repair Program that served 32 households; and the Good Neighbors' Home Repair Program that served 36 households. Overall, 2020 home repair programs served a total of 96 households. Another 4 households came through HPCC's first time homebuyer program. CDBG funds were also used for the acquisition of a new primary operating location for Human Services, Inc., allowing for consolidation and expansion of administration and services.

The county received a HOME grant of \$1,135,246 for Program Year 2020 and \$291,663 was expended. The COVID-19 pandemic impacted the number of households served by the First Time Homebuyer and various housing rehabilitation programs. DCD started construction on the Melton Center Apartments in West Chester Borough (51 general occupancy affordable rental units) and prepared for a January 2021 settlement on the Red Clay Manor Apartments in Kennett Square Borough (60 senior affordable rental units). DCD also administers housing activities provided through other funding sources. Habitat for Humanity of Chester County sold two affordable homeownership units at the Cambria site in Coatesville and five units at the West Grove development, respectively. The Housing Partnership of Chester County served 12 households with accessibility modifications to allow residents to remain in their homes. DCD continues to see very high demand for affordable housing developments throughout Chester County.

The county received an ESG grant of \$221,642 for Program Year 2020 and \$162,568 was expended. ESG funds went towards Rapid Rehousing, HMIS and administrative expenses. A high level of outreach was conducted in 2020 through the Decade to Doorways (D2D) Plan to Prevent and End Homelessness Community Partnership. This initiative has generated significant public engagement and contributed to higher levels of awareness around the issues of homelessness, and thus, has given providers and others that work with homeless persons a revitalized approach to reaching out and seeking to assist the homeless population in Chester County. The D2D Partnership took on an even larger role in addressing issues related to homelessness in 2020 with the COVID-19 pandemic. In 2020, Chester County launched its redesigned Coordinated Entry system, including 2-1-1 call center services and street outreach services.

As reported by the county, HMIS data on the state of homelessness in Chester County has been increasingly more accurate, providing information that is necessary to make data-driven decisions on priorities for funding and successes of programs. DCD received a HUD HMIS grant in 2019 to further enhance its system and put into place a plan for migrating its HMIS to a new platform in 2021.

HUD acknowledges the county's CDBG, HOME, and ESG accomplishments during the program year. Based on our review of the CAPER, we have concluded that the county has the capacity to carry out its programs and has met its reporting requirements.

The county included in its CAPER its role in affirmatively furthering fair housing and identifying impediments to fair housing. The county continued tracking and reporting progress for its Assessment of Fair Housing Action Plan. In 2020, the Housing Equality Center of PA conducted education and outreach activities to housing consumers, housing providers, and social service agencies in Chester County in an effort to further its mission to ensure equal access to housing opportunities for all persons. In addition, the Housing Equality Center of PA served 39 Chester County citizens concerning fair housing questions and complaints. A fair housing workshop for municipalities was held in January 2020. The focus of this training was the relationship between fair housing and zoning. In December 2020, the Housing Equality Center of PA (HECP) presented to a virtual gathering of landlords. Events during which physical fair housing materials could be distributed were limited due to COVID-19, but links and electronic resources are provided on the DCD website and via e-newsletter throughout the year. DCD worked with HECP to provide updated content on its Fair Housing and Equal Opportunity web page. We commend the county for its efforts.

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 Melody Taylor, FHEO Regional Director, at (215) 861-7643, or by email at Melody.C.Taylor@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 county'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 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 Ms. Ileana Colón-Varona, Senior Community Planning and Development Representative, at Ileana.Colon@hud.gov . This office may be reached via text telephone (TTY), by dialing (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