



U.S. Department of Housing and Urban Development

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

December 21, 2023

Via email: welshp@co.delaware.pa.us

Mr. Philip Welsh

Director

Delaware County Office of Housing and Community Development

2 W. Baltimore Ave, Suite 202

Media, PA 19063

Dear Mr. Welsh:

RE: Program Year Review Letter
County of Delaware
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 County of Delaware'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 Program Year 2022. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) programs. This letter is a summary of our review of the county'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 county provided performance measures as required by this guidance.

CARES Act Program Accomplishments

Delaware County received an allocation of \$4,480,998 of CDBG-CV and \$2,261,356 of ESG CARES Act funds for use preparing for, preventing, and responding to COVID-19. The county has expended \$2,670,328.07 of CDBG-CV and \$2,228,082.43 of ESG-CV CARES Act funds to-date. In Program Year 2022, the funds were spent on the following activities: pandemic-response housing services and credit counseling were provided to 503 households through CDBG-CV-funded grants administered by 3 non-profit organizations. 63 households experiencing financial hardship due to the COVID-19 pandemic received up to \$6,000 in emergency mortgage and utility assistance for a total of \$356,661. Additionally, CDBG-CV funds provided a study at the Wesley House Emergency Shelter supporting unhoused families. The work provided plans and specifications that will be used to rehabilitate the shelter with a recently acquired State grant. ESG-CV funding was utilized to provide hotel vouchers for 536 homeless persons and prevent homelessness for 33 persons, and for the shelter and services for 55 unduplicated individuals in the Temporary Emergency Shelter (TES) set up in program year 2021 to support displacement of homeless individuals impacted by the COVID-19 pandemic.

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.

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 county 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 2022 program year, the county reports that it expended 97.42 percent of its CDBG funds for activities benefiting low- and moderate-income persons during its one-year certification period, which meets the primary objective of the Housing and Community Development Act of 1974. In addition, the county spent 13.72 percent of its funds on public service activities, which is below the 15 percent regulatory cap. The county obligated 11.86 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 county's origin year expenditures, HUD has determined that the county is in compliance with the origin year expenditure test for its 2015, 2016, and 2017 grants, which are fully expended, with 18.82 percent, 17.46 percent, and 18.45 percent of the grants (respectively) expended for planning and administrative costs. Though not fully expended, the county has expended 17.80 percent of its 2018 grant, 19.36 percent of its 2019 grant, 17.91 percent of its 2020 grant, 15.94 percent of its 2021 grant, and 5.42 percent of its 2022 grant on planning and program administrative costs. The county's final compliance with the 2018, 2019, 2020, 2021, and 2022 origin year expenditure tests will be assessed once the grants are fully expended.

The county received a CDBG grant of \$3,611,559 for Program Year 2022 and expended \$1,382,075.59 of CDBG funds during this period. Resources were devoted to improving the quality of life for low- and moderate-income (L/M) residents. To help all segments of the L/M population secure safe, decent and affordable housing, six first-time homebuyers received pre-purchase counseling and down payment and/or closing cost assistance through the Homeownership First Program; 190 new units of affordable senior housing were completed and occupied at Kinder Park IV (96 units), Makemie Court (44 units), and St. Josephs Place (50 units) of which 33 units are ADA and/or can accommodate hearing/visual disability; nine homeowners received CDBG deferred loans to rehabilitate major systems in their homes, including three participants in Habitat for Humanity's Critical Repair Program and six participants in the Delaware County Program; and 39 community members affected by gun violence were provided case management services as they recovered from the trauma, resulting in 36 percent of the participants securing permanent safe housing.

The following public facility and infrastructure projects demonstrate the County's commitment to removing blight and improving communities for L/M persons. More than 43,000 L/M persons benefitted from these activities: six neighborhood parks were improved creating enhanced access to recreational facilities, safer play spaces for children and enhanced facilities; critical water/sewer improvements were completed in two neighborhoods; two neighborhoods were improved through reconstruction of deteriorated sidewalks and installation of ADA access ramps; one neighborhood was improved through the resurfacing of roadways; one community center was improved through installation of an elevator and creation of additional restroom facilities; and one historic resource was preserved with structural improvements eliminating a safety hazard to the public.

Delaware County continued its support of its Continuum of Care (CoC) system to address the needs of homeless persons and those at risk of homelessness: shelter and services were provided to 313 unduplicated individuals; local funding was provided for operation of ten programs, critical to the delivery of services to the most vulnerable residents; and Federal funds

were utilized to prevent homelessness for 77 persons and to rapidly rehouse 18 homeless persons.

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

HOME Program

Delaware County was awarded \$1,165,152 in HOME funds for program year 2022. Through the use of HOME funds, the Homeownership First Program assisted a total of six households at or below 80 percent MFI. The county experienced reduced participation in the Homeownership First program due to the competitive housing market over the past year. Of the participating households, all six were Black/African American and non-Hispanic.

HOME funds were also used for the completion of 42 units of affordable senior housing at Makemie Court and Kinder Park IV. More than half (24) of the households were Black/African American and almost all (39) identified as non-Hispanic. 13 households were White, 1 Asian, 1 Native-American, and 1 mixed-race. All households were very-low income with the majority (78 percent) below 30 percent AMI.

ESG Program

In program year 2022, the county received an ESG allocation of \$316,705. \$283,175 of ESG funds were expended for the operation and provision of services at three emergency shelter programs in the county. 109 homeless individuals were served at the Life Center shelter; 52 homeless households comprised of 160 persons were served at the Wesley House shelter, and 49 households comprised of 107 homeless women and children, who were victims of domestic violence, were served at the Domestic Abuse Project shelter. \$20,034 of Federal ESG funds were expended in support of rapid rehousing for 16 persons, and \$79,530 was expended for homeless prevention activities including, financial assistance for rental arrears, case management, and referrals to mainstream benefits for 77 persons at risk of becoming homeless.

We also note that the program year 2021 ESG grant was expended in compliance with the requirement to expend the funds within 24-months of the grant agreement date.

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

Affirmatively Furthering Fair Housing

The county also included in its CAPER its efforts to affirmatively further fair housing and identify impediments to fair housing: the county reviews all ordinances for compliance with the Fair Housing Act of 1968, and encourages municipalities to provide for all housing types, as required by the PA Municipalities Planning Code and the Fair Housing Act of 1968, when it reviews and suggests amendments to the municipality's comprehensive plan. The county requires all CDBG applicants to identify any fair housing complaint allegations in the past 12 months. Allegations and municipal responses are considered when applications are reviewed for funding. Along with the Housing Equality Center of Pennsylvania (HECP), Delaware County provides fair housing compliance training for local officials, municipal staff and public service employees. Attendance of CDBG recipients will be considered when applications for CDBG funding are reviewed. The county and HECP will host a mandatory Fair Housing Municipal Compliance Training for all CDBG subrecipients in Fall 2023. Delaware County contracts HECP to address identified impediments to fair housing. During program year 2022, HECP accomplished the following:

- Hosted four meetings of the Delaware County Fair Housing Task Force on the topics of fair housing resources for landlords, disparate impact under the Fair Housing Act, policy solutions for tenants with eviction records and services for transgender individuals.
- Counseled 33 consumers who had fair housing complaints regarding race, ability, national origin, familial status, and reasonable accommodation.
- Attended 16 events providing training and outreach to 391 attendees.
- Attended two seminars for participants of the Homeownership First Program providing training to eight participants.
- Provided counseling for 33 consumers and informational referrals to 36 consumers regarding landlord / tenant issues and other housing issues.
- Distributed 4,207 printed materials to organizations or individuals.
- Produced five issues of its e-newsletter, 'Fair Housing News'.

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

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encourage you to reach out to Carolyn Punter, FHEO Program Center Director, at 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 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 Arlene Daily, Community Planning & Development Representative at (215) 861-7656, or by email, at Arlene.E.Daily@HUD.gov. Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,

Mandy Wampler
Acting Director
Office of Community Planning
and Development