



U.S. Department of Housing and Urban Development

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

JUN 18 2018

The Honorable Donald M. Hahn
Mayor of State College
243 South Allen Street
State College, PA 16801-4864

Dear Mayor Hahn:

RE: Annual Community Assessment
State College
January 1, 2017 through December 31, 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 State College's overall progress.

In making our evaluation, we relied primarily upon the borough's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2017. 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 State College's overall performance.

Under the update to the Part 91 Consolidated Planning regulations, effective 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 borough 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 CDBG 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 November 2, 2017, it was calculated that State College had a balance in its line of credit of 1.2 times its annual grant, which is in compliance with the 1.5 timeliness standard. Please note that this did include program income that the borough had in its accounts and reported in HUD's Integrated Disbursement and Information System (IDIS).

During the 2017 program year, the borough 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 borough obligated 14.4 percent of funds to public service activities, which is below the 15 percent regulatory cap. State College also obligated 20 percent of its funds to planning and administration, which is in compliance with the 20 percent regulatory cap.

State College received \$487,421.00 of CDBG funds for program year 2017, and the borough expended \$501,737.88 of CDBG funds during the program year. State College was also awarded \$320,531.00 of HOME funds for program year 2017. A total of \$573,621.00 was spent on HOME activities during the year.

High priority needs identified in the borough's Consolidated Plan for the 2015-2019 period include addressing non-homeless special needs, public improvements and infrastructure and public facilities, affordable housing, and homeless needs. During 2017, the borough used CDBG and HOME funds exclusively to address high priority needs.

The largest amount of CDBG funding was expended on infrastructure improvements. Housing, including rental housing rehabilitation, acquisition and rehabilitation of single-family housing units, and first-time homebuyer activities were funded with both CDBG and HOME funds. Additionally, CDBG program funds were used for emergency shelter activities.

A total of \$227,316.88 was spent in 2017 on public facilities and infrastructure improvements. The purpose of these activities was to improve availability/accessibility and create suitable living environments. Nearly 30,000 people within the borough benefitted from these activities. Activities included infrastructure improvements on College Avenue, from Garner Street to High Street, using \$193,035.88 of CDBG funding. Work completed as part of this project included the replacement of 19 streetlights, installation of three ADA curb ramps, the removal and replacement of foundations including rebar welded cages and anchor bolts, sidewalk replacement, and the replacement of 19 electrical junction boxes. The borough also completed ADA improvements to its Municipal Building using \$34,281 of CDBG funds. The ADA improvements involved installing power door operators and key fob access for the main doors, the elevators and four interior public access doors.

In addition to public facilities and infrastructure improvements, affordable housing activities were also identified as a priority in the borough's Consolidated Plan, and a large portion of funding was also dedicated to these activities in program year 2017. Among the affordable housing activities that were completed in 2017 were HOME and CDBG-funded homebuyer and rental activities. A total of \$227,677.50 of HOME funding was expended for the acquisition and rehabilitation of single-family housing units and resale to income eligible households to increase the affordability of decent housing for low- and moderate-income households. The purpose of these activities was to provide decent, affordable housing. In program year 2017, \$42,545.15 of CDBG funding was also expended for the rehabilitation of Bellaire Court Apartments, an 18-unit rental property, to improve the sustainability of decent rental units available to elderly renter households with incomes less than 60 percent of area median income.

Public service activities were also funded in program year 2017. A total of \$73,113 was spent on these activities. Funding was expended to cover staffing costs for emergency shelter and homeless service providers, including the Centre County Women's Resource Center, Housing transitions, Inc., the Burrowes Street Youth Haven, and the Centre County Youth Service Bureau Independent Living Program. These activities provided assistance to 230 individuals.

HUD acknowledges State College's many accomplishments under the CDBG and HOME programs during the year. The programs that were carried out address the highest priorities established in the strategic plan section of the borough's Consolidated Plan. In accordance with 24 CFR 91.525, the Department has concluded that State College has the capacity to carry out its programs and has met its reporting requirements.

In addition to providing information on the types of activities funded, the borough included in its CAPER its role in affirmatively furthering fair housing and identifying impediments to fair housing. HUD's Office of Community Planning and Development and Office of Fair Housing and Equal Opportunity (FHEO) jointly reviewed State College's 2017 CAPER in accordance with the affirmatively furthering fair housing requirements found at 24 CFR 91.520 and the civil rights related requirements found at 24 CFR 570.601 and 570.904.

The borough identified several impediments to fair housing. The impediments to fair housing choice identified in the borough's 2015 Analysis of Impediments to Fair Housing (AI) include: a lack of affordable housing; inadequate supply of family size units; lack of local fair housing enforcement, focus, and support; zoning barriers to affordable housing; non-specific acts of housing discrimination; need for fair housing education; and a need to incorporate Limited English Proficiency (LEP) data into the CAPER.

The borough included in its CAPER, and through additional clarifying information that it provided to HUD, information on activities undertaken during the program year to address most of the impediments to fair housing choice identified in the AI. Activities included the provision of affordable housing through the borough's acquisition/rehabilitation program and rental unit rehab; partnering with the Pennsylvania Human Relations Commission (PHRC) on education programs

and assisting the Commonwealth of Pennsylvania with hosting a presentation on the pardons process; reviewing zoning ordinances to address potential barriers to fair housing choice; and coordinating with Penn State's Office of Student Affairs' Legal Services to address fair housing complaints of students living in the borough. We commend the borough for the activities and services carried out to address the identified impediments and for the good faith efforts to affirmatively further fair housing.

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 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 borough'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 borough 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 O. Bynum, Community Planning and Development Director, at (215) 861-7652, or Crystal Edwards, Senior Community Planning and Development Representative, at (215) 861-7657, or by email at crystal.i.edwards@hud.gov. This office may be reached via text telephone (TTY), by dialing (800) 877-8339.

Sincerely,



Joseph J. DeFelice
Regional Administrator

cc:

Mr. Ed LeClear, Director, Community Housing and Development
Ms. Maureen Safko, Senior Planner, Community Housing and Development ✓