



U.S. Department of Housing and Urban Development

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

MAY 27 2011

The Honorable Christopher A. Doherty
Mayor of Scranton
340 North Washington Avenue
Scranton, PA 18503-1523

Dear Mayor Doherty:

SUBJECT: Annual Community Assessment
City of Scranton
January 1, 2010 through December 31, 2010

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 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 the City of Scranton's overall progress.

In making our evaluation, we relied primarily on the City's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2010. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) Programs. In addition, we took into account technical assistance; follow up conversations with Scranton's staff, and the handling of citizen comments and complaints. This letter is a summary of our review of Scranton's overall performance.

As you know, under the update to the Part 91 Consolidated Planning regulations that came into effect March 13, 2006, all Annual Action Plans and Consolidated Annual Performance and Evaluation Reports (CAPER) are required to include Performance Measures as part of their annual reporting. The Office of Management and Budget (OMB) has deemed this information necessary to validate the continued funding of HUD programs. The City of Scranton provided Performance Measures as required by the new 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 timeliness test was conducted on November 2, 2010, it was calculated that the City had a balance in its Line of Credit of 0.90 times its annual grant and is easily in compliance with the 1.5 timeliness standard.

During the 2010 program year, Scranton has expended 86 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. In addition, the City obligated 8 percent of funds on public service activities which is within the 15 percent regulatory cap.

During the 2010 program year, Scranton obligated 21.24 percent of its funds for planning and administrative costs. This exceeds the 20 percent regulatory cap. This result is based on the IDIS PR 28 report and does not necessarily indicate a violation of the requirement. The CAPER included information that \$410,850 in program income had been received in 2010 but not entered into IDIS. If the program income had been recognized, the planning/admin percentage would have been 19.1%.

Scranton has met the HOME requirements for expenditures 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 remind grantees that all HOME projects should be closed within 120 days of the final draw.

The City of Scranton included in its CAPER its role in affirmatively furthering Fair Housing and identifying impediments to Fair Housing. During 2010, Scranton prepared an updated Analysis of Impediments to Fair Housing Choice and Housing Needs Assessment. This was completed in January 2011. The CAPER includes an extensive summary of the report's findings. According to the HUD Office of Fair Housing and Equal Opportunity, Scranton does not have any outstanding civil rights findings or concerns.

During 2010, the HUD Office of Inspector General audited Scranton's Community Development Block Grant program. A report was issued in November. The findings from that report are under review by Community Planning and Development. We will continue to work with the City to address the deficiencies identified in the audit.

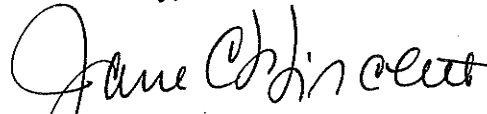
Scranton has made progress toward implementing its CDBG-R and HPRP programs. As of May 6, 2011 it had expended 77% and 53%, respectively, of its allocations from these programs.

We congratulate the City of Scranton on its many accomplishments during this program year. Based on this review we have concluded that Scranton 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 Scranton's performance for this program year. To facilitate and expedite citizen access to our performance letter, we request that you inform the general public, interested citizens' organizations, and non-profit entities of its availability. If, for any reason, Scranton chooses not to do so, please be advised that our Office is obligated to make this 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, Director, Office of Community Planning and Development, at (215) 861-7652, or Mr. Steven Stein, Community Planning and Development Representative, at (215) 861-7668. This Office may be reached by text telephone (TTY), at (215) 656-3452.

Sincerely,



Jane C. W. Vincent
Regional Administrator

cc:

/Ms. Linda Aebli