



U.S. Department of Housing and Urban Development

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

Ms. Mary-Pat Ward  
Executive Director  
Office of Economic and Community  
Development  
340 N. Washington Avenue  
Scranton, PA 18503

MAY 13 2019

Dear Ms. Ward:

RE: Annual Community Assessment  
City of Scranton, PA  
January 1, 2018 through December 31, 2018

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 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 2018. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and the Emergency Solutions Grants (ESG) Programs. In addition, we took into account technical assistance, follow up conversations with Scranton's staff, and the handling of citizen's 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 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 City of Scranton provided performance measures as required by this guidance.

CITY OF SCRANTON-DECD  
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Ms. Mary-Pat Ward  
Executive Director  
Re: Annual Community Assessment  
Program Year 2018

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, 2018, it was calculated that the city had a balance in its line of credit of 1.43 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 2018 program year, based on the summary of expended funds, the city expended \$1,682,252.93, or 98.68 percent, of its CDBG funds for activities benefiting low- and moderate-income persons. This percentage exceeds the primary objective of the Housing and Community Development Act of 1974. The city expended \$298,723.49, or 10.28 percent, of funds on public service activities, which is within the 15 percent regulatory cap. It obligated approximately 12.86 percent, or \$417,386.54, of its funds for planning and administrative costs, which is within the 20 percent regulatory cap and is 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 new origin year grant expenditure test. In review of the city's origin year expenditure, HUD has determined that the city is in compliance with the origin year expenditure test for its 2015 costs with 20 percent of the grant being expended for planning and administrative costs. Though not fully expended, currently the city has expended 18.67 percent of its 2016 grant and 19.01 percent of its 2017 grant on planning and program administrative costs. The city's final compliance with the 2016 and 2017 origin year expenditure test will be assessed once the grants are fully expended.

Scranton has met the HOME requirements for expenditures by committing all funds to projects within two years and expending funds within five years as applicable. 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 completed in HUD's Integrated Disbursement and Information System within 120 days of the final draw.

The city's ESG program expended \$79,638.60 for Shelters, and \$12,706.02 for Homeless Prevention, \$13,451.43 for Rapid Rehousing and \$8,984.01 of ESG funds were expended for Administration. The ESG program serves homeless women and children, providing them with emergency shelter, food assistance, personal supplies, and intensive case management for a period of 30-45 days.

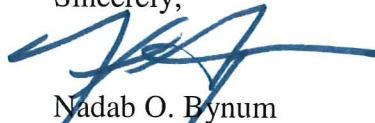
Based on this review, we have concluded that Scranton has the capacity to carry out its programs and has met its reporting requirements. We congratulate the City of Scranton on its many accomplishments during this program year.

The city is hereby reminded that the legal obligation to affirmatively further fair housing remains in effect, and the Department places a high priority upon the responsibility of program participants to ensure that their Analysis of Impediments (AI) serve as effective fair housing planning tools. The AI should continue to be updated in accordance with the HUD Fair Housing Planning Guide. Program Participants that have not updated nor completed an AI upon submission of their 2015-2019 Consolidated Plan; have not undertaken meaningful actions to address identified impediments; nor maintain adequate records, may be subject to a compliance review. Should additional technical assistance be needed in updating or completing an analysis of impediments, please contact your CPD representative and/or utilize [HUDEXchange.com](http://HUDEXchange.com) to make requests.

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 Ms. Fatina Ming, Senior Community Planning and Development Representative, at (215) 861-7662 or by email, at [fatina.ming@hud.gov](mailto:fatina.ming@hud.gov). Our telephone text (TTY) number for the hearing impaired is (800) 877-8339.

Sincerely,



Nadab O. Bynum  
Director  
Office of Community Planning  
and Development