



Montgomery County
Housing & Community Development

U.S. Department of Housing and Urban Development

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

FEB 23 2018

The Honorable Dr. Valerie A. Arkoosh
Chairman, Montgomery County Board of Commissioners
Court House
P.O. Box 311
Norristown, PA 19404-0311

Dear Dr. Arkoosh:

RE: Annual Community Assessment
Montgomery County
October 1, 2016 through September 30, 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 Montgomery 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 2016. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs. This letter is a summary of our review of Montgomery County'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 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 CDBG grant remaining in the line of credit 60-days prior to the end of their program year. When the 60-day timeliness test was conducted on August 2, 2017, it was calculated that Montgomery County had a balance in its line of credit of 1.44 times its annual grant, which is in compliance with the 1.5 timeliness standard. Please note that this did include program income that the county had in its accounts and reported in HUD's Integrated Disbursement and Information System (IDIS).

During the 2016 program year, the county 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 county obligated 15 percent of funds to public service activities, which is within the 15 percent regulatory cap. Montgomery County also obligated 13.84 percent of its funds to planning and administration, which is below the 20 percent regulatory cap.

Montgomery County received \$ 2,939,635.00 of CDBG funds for program year 2016, and the county expended \$ 2,819,459.07 of CDBG funds during the program year. Montgomery County was also awarded \$929,959.00 of HOME funds and \$264,965.00 of ESG funds for program year 2016. A total of \$1,469,491 was spent on HOME activities during the program year, and \$267,286 was spent on ESG activities.

High priority needs identified in the county's Consolidated Plan for the 2015-2019 period include preserving the existing housing stock, adding affordable rental housing, expanding homeownership, using tenant-based rental vouchers more strategically, preventing homelessness, making improvements to infrastructure and public facilities, assisting special needs populations and providing support for public services. During 2016, the county used CDBG, HOME and ESG funds exclusively to address high priority needs.

The largest amount of CDBG funding was allocated toward public facility and infrastructure improvements. Housing, including single-unit residential rehab and creation of new affordable homeownership opportunities and rental housing was funded with both CDBG and HOME funds. Additionally, both CDBG and ESG program funds were used for homelessness prevention and emergency shelter activities.

A total of \$1,581,336.06 was spent in 2016 on public facilities and infrastructure improvements county-wide. The purpose of these activities was to create suitable living environments. Thousands of people throughout Montgomery County benefitted from these

activities. Activities included street improvements along Cedar Lane in Cheltenham Township using \$151,010.10 of CDBG funding, along Oak Street and 6th Avenue in Royersford using \$216,481.80 of CDBG funding, along Walnut Street in Schwenksville using \$76,384.00, and throughout the Borough of Bridgeport using \$211,921.72 of CDBG funding. Street, sidewalk, and/or storm sewer improvements were also made in several other Montgomery County townships and boroughs. They include Springfield Township, Pottstown Borough, and Ambler Borough, among others.

In addition to street, sidewalk, and storm sewer improvements, other improvements were made to parks, playgrounds, and facilities throughout the county. CDBG funds in the amount of \$208,285.00 were used for the installation of an elevator and to remove other architectural barriers in the Borough of Narberth-owned building at 201 Sabine Avenue as part of the borough's Emergency Management Plan. Improvements were also made to Sanatoga Park in Lower Pottsgrove Township and St. Gertrude Park in West Conshohocken Borough using \$35,486.00 of CDBG funds.

Affordable housing activities were also identified as a priority in the county's Consolidated Plan, and a large portion of funding was also dedicated to these activities in PY 2016. Among the affordable housing activities that were completed in PY 2016 were HOME and CDBG-funded homebuyer and rental activities. A total of \$108,733.23 of CDBG funds and a total of \$1,469,491.00 of HOME funds were spent on these activities. The purpose of these activities was to provide decent, affordable housing. Over 40 households benefitted from these housing activities in PY 2016. Of those, Tenant-Based Rental Assistance (TBRA) was provided for 15 households using \$121,329.13 of HOME funds.

Public service activities were also funded in PY 2016. Funding was allocated to the Upper Dublin Education Foundation for an after-school education and recreation program. With \$30,000 of CDBG funding, the program provided support to 87 students between the ages of six and 12 years old who come from low- and moderate-income families. The Salvation Army of Norristown and the Salvation Army of Pottstown also received a total of \$434,512.60 of CDBG public services funding to support operations of their homeless shelters, which provided assistance to 152 individuals.

Along with the homeless services delivered through CDBG funding, rapid re-housing and administration activities were implemented using ESG funding in PY 2016. A total of \$267,286.00 of ESG funding was spent on these activities. The majority of ESG funding, \$234,572.45, was spent on rapid re-housing activities. The goal of these activities was to increase the availability/accessibility of services and shelter with the intent of creating a suitable living environment for low- and moderate-income persons.

In addition to providing information on the types of activities funded, the county 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 Montgomery County's 2016 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 county identified several impediments to fair housing including market, regulatory, financial, and social obstacles. The impediments to fair housing choice identified in the county's most recently-submitted Analysis of Impediments to Fair Housing (AI) include: a need for greater cooperation among HUD entitlement communities within Montgomery County to identify and address impediments to fair housing choice; a need for continued county oversight of local policies and programs (including zoning ordinances) as they relate to fair housing choice; a need for improvement of policy documents used by the county and the Housing Authority in the administration of housing programs; public transportation that is limited to the county's most densely developed areas, isolating residents of rural areas; some discrimination in the sale and rental of housing, especially on the basis of race, disability, and familial status; Housing Choice Voucher holders being located primarily in older, less expensive communities that are more likely to be areas of limited opportunity; and mortgage lending practices in the counting resulting in racial minorities being more likely to experience mortgage application denial or high-cost lending than White applicants.

Based on the narrative provided by the county, as well as a review of reports from HUD's IDIS, FHEO has found that the county implemented FHEO's recommendations into their activities during the program year to address all seven of the impediments to fair housing choice identified in the AI. Activities included collaboration meetings conducted with Montgomery County Housing Authority, Lower Merion Township, Bucks County Housing Authority, and Bucks County Department of Housing and Community Development to conduct a Regional Assessment of Fair Housing. Other activities included: updating the county's Language Access Plan in compliance with its Voluntary Compliance Agreement; meetings with SEPTA on the rail extension project that will connect the Norristown High Speed Line to King of Prussia by way of the subway terminal at 69th and Market Streets in Upper Darby into Center City Philadelphia; and working with Montgomery County Housing Authority to encourage private sector landlords to accept vouchers in areas of opportunity through fair housing education and outreach. The Housing Equality Center of Pennsylvania (HECP) has also initiated a mortgage lending project in conjunction with the Reinvestment Fund, which will be completed in the summer of 2018.

Additionally, through the HECP, the county implemented several outreach and education activities. In the period between 10/1/15 to 9/30/16, HECP provided 18 training workshops, during which 238 individuals were trained. They distributed 3,126 fair housing guides and fact sheets, 61 posters, and eight e-newsletters. They also provided fair housing information, advice, counseling, and/or technical assistance to 29 individuals.

FHEO requested additional information regarding the geographic location or census tracts where affordable housing units have been created and information on efforts to provide opportunities to minority and women business enterprises (MBE/WBE) to equally compete for contracts funded with CDBG and HOME funds offered by the county. Montgomery County provided the census tract and block group locations of the 116 units of affordable housing created during program year 2016 through its North Penn Commons and Reliance Crossing projects. Additionally, the county provided its 2016 MBE/WBE report and information on its outreach efforts to ensure MBE's and WBE's are able to equally compete for contracts.

We commend the county 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 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.


HUD congratulates Montgomery County on its accomplishments during the program year. The programs that were carried out address the highest priorities established in the strategic plan section of the county's Consolidated Plan. In accordance with 24 CFR 91.525, the Department has concluded that Montgomery County 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 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.

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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 Miss 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:
Ms. Emma Hertz ✓