



U.S. Department of Housing and Urban Development

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

The Honorable Perry Heath
President of Council
Borough of Carlisle
Municipal Building
53 West South Street
Carlisle, PA 17013

Dear Mr. Heath:

RE: Annual Community Assessment
Borough of Carlisle
July 1, 2015 to June 30, 2016

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 (HUD) 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 Borough of Carlisle'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 2015. This report summarized accomplishments made with funds provided from the Community Development Block Grant (CDBG) Program. In addition, we took into account technical assistance, follow up conversations with the Borough's staff, and the handling of citizen comments and complaints. This letter is a summary of our review of Carlisle'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 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 their most recent annual 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 May 2, 2016, it was calculated that the Borough of Carlisle had a balance in its line of credit equal to 1.44 times its annual grant. Please note that this did not include any program income that the Borough may have in its accounts. The Borough, therefore, appears to be in compliance with Section 570.902 of the CDBG regulations.

During the 2015 Program Year, the Borough has expended 92.1 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 Borough obligated 8.67 percent of funds on public service activities, which is within the 15 percent regulatory cap. The Borough obligated 13.92 percent of its funds on planning and administration, less than the 20 percent regulatory cap.

The Borough included in its CAPER their role in affirmatively furthering fair housing and identified its impediments to fair housing. The Borough's agent, the Cumberland County Redevelopment Authority, participates in the local Fair Housing Council. A fair housing Analysis of Impediments covering all of Cumberland County (including Carlisle) was prepared and published in July 2015. The full report is on file at the offices of Cumberland County Redevelopment Authority, 114 North Hanover Street, Carlisle, PA. The 2015 AI Plan and the 2015 CAPER are still currently identifying eight chief impediments:

1. Housing affordability continues to be a problem and members of the protected classes are disproportionately affected.
2. Subsidized housing and affordable market rentals are geographically concentrated in particular areas of the County.
3. Local units of government that participate in the Urban County's entitlement grant programs may not unequivocally understand their responsibility to affirmatively further fair housing choice.
4. Some of the policy documents used by CCHRA in the administration of housing programs could be improved from a fair housing perspective.
5. The relatively sparsely developed townships in the eastern portion of the County are isolated from transit service due to the financial infeasibility of extending routes to such areas.
6. Carlisle's comprehensive plan requires an update to achieve consistency with fair housing standards.
7. Evidence demonstrates that some discrimination is present in the sale and rental of housing across Cumberland County, especially on the basis of disability.

8. Mortgage lending data suggests that racial minorities are more likely to experience mortgage application denial or high-cost lending than white applicants.

The Authority published a notice in the local newspaper to inform county residents of fair housing requirements and to provide contact information for those who feel they have been denied housing unfairly. The Authority continues to fund the Local Housing Options Team coordinator with CDBG funds. The Authority also runs a housing counseling workshop (and works with local banks) to assist protected classes with securing loans. The Redevelopment Authority and the Cumberland County Planning Department have agreed to a partnership to develop an Assessment of Fair Housing and update the housing element of the County's comprehensive plan simultaneously. This approach provides both organizations and opportunity to discuss housing choice and encourage local municipal land use regulations that are inclusionary in nature. By using the new census data and data provided by HUD for forecasting, this project should identify municipalities lacking a diversity of housing options and provide direction for the Authority for using CDBG and HOME resources – in coordination with private development capital – to provide more inclusionary housing products within those municipalities.

We commend you on these efforts. In addition to CPD reviewing Carlisle's 2015 Consolidated Annual Performance and Evaluation Report (CAPER), the Office of Fair Housing and Equal Opportunity (FHEO) also completed its review of the 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. FHEO has the following comments and recommendations:

- A review of the Borough of Carlisle 2015 CAPER indicates the jurisdiction utilized its CDBG funds for a number of important projects to assist low- to-medium income individuals and minorities. However, the Borough did not explain how they (or Cumberland County) have attempted to remove or ameliorate any of the eight (8) impediments to fair housing choice identified in their 2015 Analysis of Impediments. It is noted that on page 18 of the 2015 CAPER that the Borough implemented some fair housing activities. However, none of those activities were specific to the identified impediments. For example, impediment number 7 states, "Evidence demonstrates that some discrimination is present in the sale and rental of housing across Cumberland County, especially on the basis of disability". It would be helpful if the CAPER included information that addressed this impediment.
- The Fair Housing Act requires the Secretary of HUD to assure that federal funds are used in such a way as to affirmatively further fair housing. Accordingly, each jurisdiction is required by 24 CFR §91.225 to submit a certification that it will affirmatively further fair housing. Additionally, 24 CFR §91.520 requires jurisdictions receiving CPD funding to include a summary of actions taken to affirmatively further fair housing, and other actions indicated in the strategic plan and the action plan. FHEO is required to review CAPERs and other planning documents to determine the validity of

each jurisdiction's certification that it has acted and will act to affirmatively further fair housing. When a jurisdiction does not provide any substantive discussion of actions taken to address the identified impediments in its CAPER, FHEO is prevented from making this determination.

- FHEO requests that the Borough respond by providing FHEO with the additional information and clarifications requested below, in order that FHEO may confidently uphold the validity of the Borough's certification that it has acted and will act to affirmatively further fair housing.
- The Borough's 2015 CAPER includes non-CDBG projects that are of interest to FHEO those particular projects assist the homeless and people living in public housing. The CAPER describes how it utilizes Pennsylvania HOME grants to support the Borough's Homeownership Program. Similarly, the CAPER includes a small section explaining how the Borough relies on Cumberland County to run the emergency shelter that is located in the Borough. The Borough also explained how they rely on the Cumberland County Housing Authority for all the public housing needs of the Borough's residents, and how the Housing Authority works in tandem with the Borough. The first identified impediment for the Borough is a lack of affordable housing, particularly impacting members of the protected classes. Programs to assist first time homebuyers, to provide subsidized housing and to provide shelter to persons rendered homeless are part of a continuum addressing the shortage of affordable housing.
- The Borough reported that they assisted 567 families using CDBG funds. Almost 27% of the families that were helped were minority-households. Since less than 16% of the Borough's residents are identified as minorities, the report appears to support that minority residents are able to access the benefits that accrue from CDBG funding. However, the table the Borough provides on CR-10 of the CAPER, which is where they identify the race and ethnicity of the families they assisted in 2015, does not adequately explain how these 567 families were assisted, or how much of the expended CDBG funds were used to help the families that were assisted. FHEO requests that more information be provided on the type of assistance, and the amount of assistance, that is being provided to minorities and others in the 2016 CAPER.
- There are sections of the CAPER that need further clarification. For instance, on page 7 of the CAPER, the Borough lists the breakdown of its CDBG funds. There is no mention of the code enforcement program. Yet on page 15 of the CAPER, the Borough's code enforcement program for LMI residents is discussed. On page 41, there are three items that are listed in 2015 and titled "Code Enforcement." Page 53 of the Annual Action Plan proposes that \$70,000 of CDBG funds be expended on code enforcement. It is not clear whether the code enforcement costs in 2015 were paid for using CDBG funds or not. Additionally, when code enforcement violations are documented does this cause low income tenants to be displaced? What happens to the tenants, when the landlord chooses not to invest in the property? Does the Borough or the County provide assistance to tenants that potentially become homeless due to the violations? While it is noted, the

Borough is utilizing CDBG funds to ensure that rental housing is safe, decent and sanitary, a portion of those funds should be available to assist tenants who may become homeless.

- The Borough also reports on page 19 of its CAPER that they have given part of their CDBG funding to the Cumberland County Redevelopment Authority (CCRA). The Borough did not list the amount of funds they have given to CCRA, or exactly how CCRA has used those funds. FHEO requests the Borough clarify which programs are being funded from CDBG grants, and exactly how much is being paid to each grant recipient.
- FHEO understands the eight (8) identified impediments are for both the County and the Borough. However, the Borough in its CAPER is still obligated to describe the impediments, and list the actions the Borough and/or County are taking, or will take, to either remove or ameliorate the impediments. FHEO requests that the 2016 CAPER include a section on the identified impediments, and actions the Borough is implementing to address those impediments.

We congratulate the Borough on its many accomplishments during this program year. Based on our review we have concluded that the Borough of Carlisle 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 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 Ms. Michelle Patterson, Senior Community Planning Development Representative, at (215) 861-7665. Should you have any questions regarding the FHEO's review of the 2015 CAPER, please feel free to contact Tom C. Marvit, Equal Opportunity Specialist, of the FHEO staff on (215) 861-7645 or tom.c.marvit@hud.gov. This office may be reached via text telephone (TTY), by dialing (800) 877-8339.

Sincerely,



Jane C. W. Vincent
Regional Administrator

cc:

Mr. Tim Whelan ✓