



U.S. Department of Housing and Urban Development

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

MAY 28 2010

The Honorable Salvatore J. Panto, Jr.  
Mayor of Easton  
Easton Government Center  
One South Third Street, 6<sup>th</sup> Floor  
Easton, PA 18042

Dear Mayor Panto:

SUBJECT: Annual Community Assessment  
City of Easton, PA  
January 1, 2009 to December 31, 2009

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.

Section 91.525 of the Consolidated Plan regulations requires 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 Easton's overall progress.

In making our evaluation, we relied primarily on the Fiscal Year 2009 Consolidated Annual Performance and Evaluation Report (CAPER). The Report summarized the City's accomplishments with respect to the Community Development Block Grant (CDBG) Program. In addition, we took into account technical assistance; follow up conversations with the City staff and the City's handling of citizen complaints and/or comments. This letter is a summary of our review of the City'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 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 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 November 2, 2009, it was calculated that the City had a balance in its Line of Credit of 1.33 times its annual grant and is apparently in compliance with the 1.5 timeliness standards. Please note, however, that this calculation does not include any program income that the City may have in its accounts; thus, the figure may actually be higher.

During Fiscal Year 2008, 92 percent of CDBG expenditures were for activities benefiting low/moderate income persons, which exceeds the Primary Objective of the Housing and Community Development Act of 1974. In addition, the City obligated 13.88 percent of funds on public service activities which meets the 15 percent regulatory cap. The City also obligated 19.65 percent of its funds on planning and administration, less than the 20 percent regulatory cap.

The CAPER included the City's efforts in affirmatively furthering Fair Housing and identifying impediments to Fair Housing. The City provides funding to the Lehigh Valley Center for Independent Living to fund a program that provides housing services for the disabled.

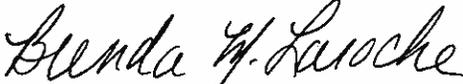
The City was awarded Recovery Act funding through CDBG-R in the amount of \$257,151. To date 100% of the funds have been committed; however, only 22% or \$56,764 have been expended. Funds were allocated for intersection improvements and the project is scheduled to begin in July.

We congratulate the City on its accomplishments, this past year. The programs that were carried out address the highest priorities established in the Strategic Plan section of the Consolidated Plan. This has resulted in progress being made toward achieving the goals of providing decent housing, creating jobs and enhancing the living environment.

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 have no comments relative to the analysis contained in this letter, 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 City's performance for the past program year. To facilitate and expedite citizen access to our performance review, we request that you apprise the general public, interested citizens' organizations and non-profit entities, of its availability. If for any reason, Easton chooses not to do so, please be advised that our Office is obligated to make the letter available to the public. Your cooperation in this matter would be appreciated.

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 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. Mary Lou De Nardo, Senior Community Planning and Development Representative, at (215) 861-7657. This Office may also be reached via text telephone (TTY), at (215) 656-3452.

Sincerely,

  
Brenda M. Laroche  
Deputy Regional Director

cc:

✓ Ms. Gretchen Lippincott