

The Penn Hills Consolidated Annual Performance and Evaluation Report

Executive Summary

Ninety days following the end of the program year all state and local governments that receive Community Development Block Grant (CDBG) funds directly from the Department of Housing and Urban Development (HUD) such as Penn Hills must submit a Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER is prepared by the Penn Hills Department of Planning and Economic Development annually and submitted to HUD in accordance with Federal Guidelines. The CAPER describes in detail how the funds were expended during the Program Year. The Program Year being reported on in this document is 2008, Year 34. This marks the completion of the 34th year that Penn Hills has taken part in the Federal Community Development Block Grant program. This Program Year ran from March 01, 2008, to February 28, 2009. The February to March Program Year schedule was adopted in 1997 to coincide with Allegheny County's Program Year. The Municipality of Penn Hills, the City of McKeesport, and Allegheny County are all part of a Housing Consortium for the purpose of sharing Home Funds. Although we are in a consortium for Home Funds and our program year schedule is the same, the Municipality operates its own CDBG Program independent of the County and McKeesport.

The forms included within this document are required by Federal Regulations and provide information on each project that was approved by the Penn Hills Mayor and Council and found to be eligible by HUD to be carried out utilizing CDBG funds. The End of Program Year Narratives describes the program activities in detail and illustrates how each activity furthers the objectives of the Consolidated Plan. The Financial Summary Report CO4PR26 illustrates the total expenditures for the program year as well as the total expenditures for low-mod benefit, public services, and administration. The Summary of Consolidated Plan Projects Report C04PR06 illustrates each activity outlined in the Consolidated Plans since 1994. The Summary of Accomplishments Report C04PR23 illustrates the disbursement of funds by activity group and matrix code. The CDBG Housing Activities Report C04PR10 illustrates housing activities, and the Activity Summary Report C04PR03 provides the bulk of statistical information including a brief description of the projects, the location of the activity, the demographics of the participants, the amount of funds spent within the program year, the current project status, and the program year budget amounts. Copies of the CAPER are available at the Planning Department and Penn Hills Library. Additional information on the forms, requirements, and the application is available on the U.S. Department of Housing and Urban Development's homes and communities web site at www.hud.gov.

The Planning Department utilizes HUD's Integrated Disbursement and Information System (IDIS) to create the above mentioned reports. IDIS is an online computer system designed to HUD's specifications to improve record keeping and facilitate HUD's monitoring of our program. It permits our staff to communicate directly to a main frame in Washington DC through the Internet. Each time we perform a draw down (request for payment), revise or update a project, review and monitor a project's status, or print a report, we perform these functions using IDIS. In addition, local HUD staff can utilize the same system to monitor our performance from their own desks. Perhaps there

will be a day when the public will be able to log on and review the status of a project from their own home or public library. The IDIS system is continuously being improved and updated to meet the needs of grantees like Penn Hills. We recently updated to IDIS 10.4, and the new Reengineered IDIS will be released in the near future allowing for easier use by grantees. IDIS 10.4 is the latest new and improved version of IDIS available. Besides regular updates to the software to accommodate the needs of its users, HUD recently added multiple screens to address Community Planning and Development (CPD) Outcome Performance Measures.

Outcome Performance Measurement was a new requirement for 2007 whereby entitlement communities determined which of three objectives best describes the purpose of the activity: Suitable Living Environment, Decent Housing, Creating Economic Opportunity, and which of three outcomes best reflects what the grantee is seeking to achieve: Availability/Accessibility, Affordability, and Sustainability. The three objectives and three outcomes will combine to make nine possible objective/outcome statements. Each activity is to be given one of the nine statements. In addition, there is a standardized list of output indicators that grantees report on as appropriate for their chosen objectives and outcomes. Penn Hills incorporated the Outcome Performance Measurement System into the Action Plan, Consolidated Annual Performance Evaluation Report, and the Five Year Consolidated Plan.

The System has been designed to enable grantees and HUD to inform Congress and the public of the outcomes of eligible covered activities. HUD's goal is to begin focusing on more outcome-oriented information and be able to combine results across the broad spectrum of programs funded by CDBG dollars at the city, county, and state level. To do this reporting must be uniform. As a result, all communities receiving CDBG funds will be able to report performance using the same criteria.

The Outcome Performance Measurement System has been incorporated into the Consolidated Plan and all existing activities currently underway. All activities completed after October 01, 2006, were required to include Outcome Performance Measurement data. Any activity reopened for revisions or corrections following the October 01 deadline also required Performance Data to be marked as completed again.

Some additional requirements requested by HUD include the Summary and End of Program Year Narratives, which compare the CAPER to the Consolidated Plan as a way of monitoring the program's performance against our goals and objectives as outlined in the Plan. The Summary of Accomplishments reflects comprehensive look at the highlights of the program year. The Summary and Narratives provide an opportunity for the grantee to elaborate on its performance. Although the comment form in IDIS was greatly expanded from the earlier versions, at this time IDIS still lacks the flexibility for the grantee to fully describe all of its achievements. The Summary and Narratives allow the grantee to elaborate on its performance, insert pictures, graphs, and maps, and improve its reporting function beyond simple data.

Summary of the 2008, Year 34, Accomplishments

The Department of Planning and Economic Development is very pleased to report on this year's performance in which \$ 989,266.82 was expended during the program year in carrying out Community Development Block Grant activities. This is over 100% of the year's available funds. As of December 31, our spending ratio was approximately 1.08. This program year's performance was better than last year, but failed to keep pace with 2005's 141% spending percentage. It is above satisfactory and represents good performance on the part of Penn Hills CDBG program considering that we did not received release of funds until late in May.

The chart below illustrates key factors associated with the Municipality's performance over the past ten years. This information comes from various monitoring reports including the previous years' CAPERs. A review of the performance figures from the past ten years, program years 25 through 34 would indicate that Penn Hills has experienced consistent performance and average expenditures of nearly of \$1,000,000 per year. The timeliness figure for this program year was well within the guidelines at 1.08. Each grantee is required to maintain a spending ratio below 1.5 times the program year's allocation within 60 days of the end of the program year and spend in excess of 100% of its yearly available funding. We are at 1.08 for the spending ratio and 127.6% of available funding for 2008. Perfect performance would be a ratio of .5 and the spending of nearly all of the available funds in one program year. This is an outstanding achievement that Penn Hills would like to obtain in future program years. We are at 1.08 and 100% in spending. We monitor our own spending progress on a monthly basis. We believe that we have increased our level of spending to a point where spending ratios and % of expenditures is not a concern. Although we are subject to an administrative cap where spending on planning and administration cannot exceed 20%, it should be noted that the high level of spending mentioned above was accomplished with the use of less than 2.1% of expenditures going to general program administration. This includes figures from the Fair Housing Partnership which spends all of its funding on administration and is therefore included in the percentage calculation.

One area of concern is the decrease in the amount of Program Income received. A review of the Program Income column reveals a steady decline in the amount collected over recent program years. Program Income comes from our Single Family Rehab Program. As loans are paid back, we put the money back into the program to assist in the funding of the CDBG budget. In recent years, as the amount of funding has been reduced the Program Income has also declined greatly reducing the overall budget. The decline in Program income is a result of a high number of delinquent loans. Currently 120 of the 132 outstanding loans are delinquent. In March of 2007, we sent a letter to all of our loan holders reminding them of their obligation to pay back the loan. This effort met with little success. The loan recipients are low/mod, low, and very low income families. These households are at risk of not being able to afford the loan payments in good times and with the steady economic decline of the country, their failure to pay back there loans is not a surprise. Efforts to keep these families in their homes overshadow the collection of delinquent loan payments. This will continue to be a problem as long as the economy continues to decline.

Year	Program Year	Grant	Program Income	Funds Available	Expenditures	Timeliness	% of Funds Expended
1999	Year 25	\$736,000	\$201,959	\$937,959	\$1,199,777	1.57	127.9
2000	Year 26	\$755,000	\$173,446	\$928,446	\$1,151,379	1.39	124.0
2001	Year 27	\$798,000	\$155,341	\$953,341	\$ 912,964	1.17	95.7
2002	Year 28	\$849,000	\$146,930	\$995,930	\$1,096,382	1.04	110.1
2003	Year 29	\$866,000	\$159,169	\$1,025,169	\$1,041,368	1.08	101.6
2004	Year 30	\$861,000	\$98,873	\$959,873	\$ 775,536	1.43	80.7
2005	Year 31	\$823,026	\$95,443	\$918,469	\$1,296,951	1.03	141.0
2006	Year 32	\$751,343	\$49,677	\$801,020	\$ 716,128	1.08	89.0
2007	Year 33	\$760,302	\$55,139	\$815,621	\$ 829,722	1.08	101.7
2008	Year 34	\$737,540	\$37,995	\$775,535	\$ 989,267	1.08	127.56
Total		\$7,937,211	\$1,173,972	\$9,111,363	\$10,009,474	1.2	109.9

A considerable amount of money was expended on public facility improvements at our local community and senior centers. The following activities represent the highlights of the year with respect to spending and include approximately \$ 128,298.70 at the Senior Service Center for the renovation of the office and improvements to the multi-purpose room; \$ 53,309.64 at the Lincoln Park Community Center for the installation of new interior doors to bring them into compliance with current building codes and the renovation of the food pantry and computer lab; \$86,419.06 at the William McKinley Community Center for the installation of new interior doors to bring them into compliance with current building codes; \$108,815.79 for improvements to the Penn Hills Multi-Purpose Center for the installation of new paint, carpet, outdoor lighting, fencing, air conditioner improvements, and emergency lighting; \$194,314.42 for the resurfacing of 2,300 feet of public streets repaved from curb to curb; \$89,148.80 in expenditures for residential rehab for the rehab of 6 single family homes; \$15,618.25 for the demolition of 2 unsafe structures; and \$123,827.87 for public services. A complete description of each of these activities can be found in the Accomplishment Narrative section of the CDBG Activity Summary Report located on page 53 of this document along with all other activities funded during the program year.

Senior Service Center Improvements

\$ 128,298.70

The Senior Service center (SSC) is located at 147 Jefferson Road. During the program year we provided renovation improvements to the staff offices, hallways, reception area, and multi-purpose room. The offices and reception area were located in the original part of the building. \$128,298.70 was expended during the program year to replace the ceiling, carpet, wall finishes, and furniture in the offices, reception area, and hallway and the installation of new floor tile and cove base in the multi-purpose room. The Senior Service Center is eligible for CDBG funds as a Low/Mod limited clientele benefit (LMC). It provides a benefit to low



and moderate income clientele. Improvements to the SSC offices will assist in improving the delivery of services to the seniors of Penn Hills. The objective is the creation of a suitable living environment and the outcome is availability and accessibility. Outcome performance will be measured by the number of people that no longer have access to a substandard facility as a result of the improvements. The addition was built with CDBG funds in the early 90's and an additional \$673,668.31 has been expended since 1997 for various improvements to the building.

LPCC Improvements

\$53,309.64



\$ 53,309.64 was expended during the program year for improvements to the Lincoln Park Community Center located at 7300 Ridgeview Avenue for the completion of the installation of new interior doors to bring them into compliance with current building codes and the preparation of a report on the building. During the program year funds were allocated for engineering expenses relating to the preparation of a Report on the Code Inspection and Evaluation of the Penn Hills Lincoln Park Community. A considerable amount of work has occurred in the building

over the years and there is more to come. In an effort to organize, prioritize, and budget for the future, I asked the Municipal Engineer to prepare a report for each our community center buildings including the Lincoln Park Community Center. The report is a comprehensive analysis of the condition and accessibility of the Center. The structures were assessed from the views of structural integrity, accessibility, and general concerns including the buildings surroundings. The report includes an overview, executive summary, visual inspection, center uses and classifications, structural inspection, accessibility inspection, and a safety and general code compliance section. The MEP (Mechanical, Electrical, and Plumbing) section provides an analysis of each building system. Each report includes as built drawings with dimensions and proposed use classifications. In addition, each report includes a budget to project proposed projects and the year of construction based on importance for the next five years to assist in the development of future CDBG budgets. Future improvements at this building could include the installation of computer a room, food pantry distribution room, accessible improvements to the restrooms, fire and safety improvements, electrical upgrades, ventilation improvements, improvements to the playground and basketball court, façade improvements, an elevator, and other projects as outlined in the report. Since 1993, \$1,063,547.55 has been expended at the Lincoln Park Community Center for various improvements to the building.

The Lincoln Park Community Center is located at 7300 Ridgeview Avenue in Census Tract 5231 Block Group 4. It is 58% low/mod and qualifies for assistance as an area benefit utilizing the HUD's quartile calculation for eligibility. The projects at the Lincoln Park Community Center are a Low/Mod Area Benefit under Public Facilities and Improvements matrix code 03. Improvements to the LPCC provide additional service to the residents of Lincoln Park and the surrounding communities including Penn Hills, Wilksburg, and the City



of Pittsburgh. The objective is the creation of a suitable living environment and the outcome is availability and accessibility. Outcome performance will be measured by the number of people that no longer have access to a substandard facility as a result of the improvements.

William McKinley Center Improvements

\$86,419.06

\$ 86,419.06 was expended on the installation of new doors, jambs, and locks for the interior of the building. The William McKinley Center is located at Seventh Street and Center Avenue in the Penn Hills neighborhood of Point Breeze. The building was built in 1931 and functioned as an elementary school until it closed in the 70's. It was converted to a community center in the early 80's and continues to support the surrounding community with a variety of activities until this day. The Point Breeze neighborhood of Penn Hills borders the Borough of Verona in Census Tract 5237.01, Block Group 4. It is 44% low/mod and qualifies for assistance as an area benefit utilizing the HUD's quartile calculation for eligibility.



The area has gone in and out of eligibility as an area benefit. In the 80's it qualified as an area benefit based on population and income and a considerable amount of work was completed under Public Facilities and Improvements matrix code 03. During the 90's it was no longer eligible as an area benefit, but due to the location of Senior Citizen programs and activities, improvements were made under limited clientele to the Senior Service Center wing of the building which encompasses approximately 2,400sqft of the 21,000sqft building, matrix code 03A. Following the 2000 Census figures, we were pleased to discover that this neighborhood and the William McKinley Center had become eligible for CDBG funds as an area benefit once again. As a result, work to the building and its grounds have continued as a Public Facility Improvement, matrix code 03 once again. Under this eligibility and matrix code, we plan to make a considerable amount of improvements during the coming years. During the program year funds were allocated for engineering expenses relating to the preparation of a Report on the Code Inspection and Evaluation of the William McKinley Community Center. This report will assist us in the development of a comprehensive plan for future improvements to the building to address a variety of projects through 2016.

Since the building became eligible we have replaced the roof, replaced the stormwater system, repaired outdoor steps and handrails, brought the fire suppression system in the kitchen up to current code requirements, replaced the playground equipment and safety surface, and installed new interior doors to meet current fire safety and building codes at a total cost of \$460,247.69. Future improvements include upgrades to the electrical service to support present and future electrical needs, heating system, air ventilation system, restroom and kitchen ventilation, restroom improvements, and an elevator to meet accessibility codes. The projects at the William McKinley Community Center



are a Low/Mod Area Benefit. Improvements to the Center allow for improved services to the residents and members of the surrounding neighborhoods including Penn Hills, Verona, and Oakmont. The objective is the creation of a suitable living environment and the outcome is availability and accessibility. Outcome performance will be measured by the number of people that no longer have access to a substandard facility as a result of the improvements.

Penn Hills Multi-Purpose Center Improvements **\$108,815.79**

Under new direction the Family Services Group continues to lease the building from the Municipality providing services to the community. We have taken this opportunity to renovate the building inside and out. A Report on the Code Inspection and Evaluation of the Penn Hills Multi-Purpose Center was prepared by our Municipal Engineer like the other Penn Hills community centers to provide a comprehensive plan for the building outlining any deficiencies and providing a budget and timeline for the proposed improvements. The Multi-Purpose Center is located at 2025 Lincoln Road in Census Tract 5231, Block Group 1. This area is 52% low/mod and qualifies for assistance as an area benefit utilizing the HUD’s quartile calculation for eligibility.

During the program year \$108,815.79 was expended in this effort on painting the ceiling, walls, and trim; installing new carpeting; replacing or repairing the HVAC system, installing new exterior lighting; installing new air conditioning pads and enclosures; installing a new dumpster pad and enclosure; replacing the roof on the pavilion; and preparing a Report on the Code Inspection and Evaluation of the Penn Hills Multi-Purpose Center. As with the other buildings this report provides comprehensive plans for the building and guidance for future projects through 2015. These projects could include electrical upgrades, restroom and kitchen ventilation, new doors and frames, restroom accessibility improvements, interior lighting upgrades, exterior upgrades to the basketball court and a walkway from the upper floor to the lower level, regarding and paving of the lower lot, and the installation of an elevator.



Street Improvements **\$194,314.42**



\$194,314.42 was expended during the program year for the resurfacing of 2,300 feet of public streets repaved from curb to curb in low income areas. The location of these streets is mapped on page xx of this document. This program is designed to provide street improvements in low-income neighborhoods throughout the municipality. Many of the paving activities follow storm sewer improvements from the previous year. We have essentially caught up with deteriorated streets in eligible neighborhoods and can now pave on a standard cycle.

Street improvements are intended to benefit the quality of life in these neighborhoods by improving the physical environment. These improvements add value to the homes in the area and hopefully encourage home ownership, rehabilitation activity, and new construction. Storm sewer improvements assist in the safety and maintenance of the streets. During the 2007 program year, we expended a significant amount of funding on storm sewer repair in the Point Breeze area of Penn Hills. This was followed by significant street paving in 2008. Penn Hills spends \$150,000.00 to \$350,000.00 per year on street paving from the CDBG program. This is to supplement the additional \$600,000.00 plus Penn Hills spends on street paving utilizing other sources of funding including Liquid Fuels money. This activity serves low-income areas town-wide and qualifies as a Low/Mod Area Benefit. This year's program included 2,300ft of streets in Census Tracts 5231 block Group 4, 5237.01 Block Group 4, and 5238 Block Group 3. They are 44%, 45%, and 58% low/mod and qualify for assistance as an area benefit utilizing the HUD's quartile calculation for eligibility. The objective is to provide a suitable living environment and the outcome is sustainability. A solid street paving program is key to providing a sustainable community. Outcome performance will be measured by the number of people that no longer have access to substandard streets as a result of the improvements.

Single Family Residential Rehab

\$ 89,148.80

\$89,148.80 was expended during the program year for the rehab of 6 single-family homes located throughout Penn Hills. Funds from this program provided 0% and 6% loans of up to \$15,000.00 to qualifying low-income homeowners for improvements to their homes. Repayment of loans provides an estimated \$40,000.00 in program income each year.



Although the amount of program income has diminished in recent years, this program is essentially self-sufficient. Funding is below the level obtained in earlier program years due to significant changes in federal guidelines, which require the applicant to perform lead based paint abatement as a part of the loan. In addition the Nation's economy has prevented residents from taking on extra debt in the form of a rehab loan. Although



the program remains a significant part of the Penn Hills CDBG program, the number of loans and the amount funds expended is significantly reduced. As a result of the low participation in 2007, \$66,611.34 remained from previous program years. In 2008 the Year 34 rehab program budget was reduced to zero. We were pleased to receive more requests than we had funding for requiring us to transfer additional funds into this activity. We have revived the level of funding for Year 35 bringing it back up to \$100,000.00. A matching grant of up to \$2,500.00 is also available for accessible improvements to qualifying homeowners. We offer this rehab program to low and moderate-income homeowners and encourage them to make necessary improvements to their homes. We assist homeowners in the application and bidding process. We prepare bid specifications and monitor construction through the Municipality's Housing Coordinator. The loans are used to repair or replace roofs, install replacement windows, install new furnaces, install new doors, rehab

bathrooms and kitchens, and upgrade the electrical services among other things. This activity serves low-income homeowners town-wide. This is a Low/Mod Housing Benefit. The object is to provide decent housing and the objective is affordability. The outcome performance is measured by the number of households that now have access to housing that is no longer substandard as a result of providing an affordable loan.

Town Wide Demolition

\$ 15,618.25

In combination with rehabilitation, when owners of deteriorated structures cannot be located and successfully prosecuted, or when owners are low-income individuals, the municipality will demolish these unsafe and deteriorated structures. A lien is placed on the property so future recovery of costs is possible. This program operates on a town wide basis. These funds can also be used to remove retaining walls, debris, and accessory structures as well as for the reestablishment of appropriate lawns or vegetation. Penn Hills demolished 18 structures in during the 2007 program year. Following an aggressive program in 2004, there were no homes ready for removal in year 2005. Another aggressive round of demolitions took place in 2006 and 2007. Although the structures are removed, Penn Hills does not own the land. We are removing a code violation and unsafe condition. Maintenance of the vacant lot is still the responsibility of the landowner. Many residents in the vicinity of these lots would like to see these vacant lots maintained as lawn. Although our specifications require that the contractor fine grade the property and rake to establish a surface suitable for mowing, Penn Hills does not have the resources to mow these lots and



there is no ordinance that requires owners of vacant property to maintain it as lawn. In fact, the opposite is true. Land is to remain wooded until a development proposal is approved. As long as no development proposal or building permit is obtained, these sites may return to woodland. This is activity qualifies under Removal of Slum and Blight. The objective is to provide a suitable living environment and the outcome is sustainability. Outcome performance will be measured by the number of unsafe structures removed through this activity.

Public Services

\$123,827.87

Penn Hills funds six Public Services with CDBG funds; including the Western Penn Hills Community Action Neighborhood Beautification Program, The Penn Hills Service Association, the Penn Hills Branch of the Greater Pittsburgh YMCA, Lincoln Park Community Center Food Pantry, Townwide Blight Removal, and the Jefferson Manor Food Pantry. Although the budget for each activity is relatively low compared with other activities, when combined the Public Service Activities they make up a significant part of the overall expenditures. Federal regulations prohibit spending in excess of 15% of the overall funds available during the program year on Public Services. HUD would prefer “Brick and Mortar” activities that result in the construction of buildings or the purchase

of equipment. During the 2008 program year we expended \$123,827.87 or 15.62% of the overall funds available on Public Services. This is in violation of HUD regulations in that it exceeds the 15% maximum permitted. As budgets are reduced the competition for Public Service funds becomes fierce and it becomes exceedingly difficult for local governments to reduce the allocation given to local organizations. This is especially true as the economy falters and the participation at food pantries and other public service providers increase. We hope to resolve this violation during the next program year by reducing the amount of funding to our Public Service activities. The objective of public service is to provide a suitable living environment and the outcome is availability and accessibility. Outcome performance will be measured by the number of people that now have access to food, clothing, and services that they couldn't otherwise afford.

Besides the projects completed during this reporting period there are a number of projects underway that will be completed during the 2009 program year that are ready to begin as soon as funds become available. Considerable funds were expended for engineering services for projects that will be completed or underway in the coming year including: Lincoln Park Community Center computer room and food pantry renovations, Lincoln Park Community Center restroom renovations, Shining Arrow Recreation Improvements, street paving, rehab, and demolition. We are looking forward a better year for the Senior Aide Rehab Program. This activity includes the installation of railings; grab bars, smoke detectors, and other safety items in the homes of Penn Hills Senior Citizens. It is combined with the Senior Service Center's Outreach Program which provides seniors with information on available services and programs that might be of interest to them. In addition, we will be performing street paving, the demolition of unsafe structures, single family rehab, the funding of six subrecipients, and many other projects.

The basic format of this document was developed by HUD and meets HUD requirements for reporting. The Penn Hills Action Plan and CAPER have been described as well prepared in recent monitoring reports from HUD. This office has made several attempts to be more thorough in explaining the CDBG program than is required. We have attempted to make it more user friendly to the public by adding pictures, graphics, and maps along with our narratives. This goes beyond basic requirements, but allows for a better understanding of our programs, projects, and expenditures by the public.

We hope that readers find the information that they desire with respect to the program's performance during the Program Year. Once again I believe you will find that Penn Hills has addressed all of the community needs established in the Consolidated Plan. If you have any questions please contact the Penn Hills Department of Planning and Economic Development at 412-798-2126 or www.pennhills.org.