

## 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 2006, Year 32. This marks the completion of the 32nd year that Penn Hills has taken part in the Federal Community Development Block Grant program. This Program Year ran from March 01, 2006, to February 28, 2007. 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. It replaces Federal Form 4949.3. 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](http://www.hud.gov).

Beginning in September of 1998 the Municipality went on line with HUD's Integrated Disbursement and Information System (IDIS). The 2006 reporting period, Year 32, was our ninth full year utilizing this reporting system. 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 10.2. This is the latest new and improved version of IDIS. 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 is a new requirement for 2007 whereby entitlement communities will determine 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 will 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 will be incorporating the Outcome Performance Measurement System into the Action Plan, Consolidated Annual Performance Evaluation Report, and the next 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, are required to include Outcome Performance Measurement data. Any activity reopened for revisions or corrections following the October 01 deadline will also require Performance Data to be marked as completed again.

Some additional requirements requested by HUD include the 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 Narratives also 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 narratives allow the grantee to elaborate on its performance, insert pictures, graphs, and maps, and improve its reporting function beyond simple data. In addition, I have expanded the summary of accomplishments to reflect a more comprehensive look at the highlights of the year.

## **Summary of the 2006, Year 32, Accomplishments and Performance**

The Department of Planning and Economic Development is very pleased to report on this year's performance in which \$716,128.36 was spent during the program year in carrying out Community Development Block Grant activities. This is only 89% of this year's available funds. As of December 31, our spending ratio was approximately 1.08. This program year's performance was below expectations and failed to keep pace with last year's 142% spending, however, when combined the two years represent expenditures of over 116% of the available funds keeping us on track for continued above satisfactory performance. The previous program year got off to a slow start and several activities failed to get underway before winter. As a result, they were carried out over the winter and completed in early spring giving our numbers a big push. As this year came to a close, work began at the Lincoln Park Community Center to replace many of the interior doors at the Center, and specifications were written to replace the roofs at the William McKinley and Senior Service Center. These projects will give us a boost at the end of this year. As of May, we have not received release of funds. Once it arrives and these new projects get underway, spending should be way up for 2008 CAPER.

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 26 through 31 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 89% of available funding for 2006. 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 1.2 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 no longer a yearly issue. 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% 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 the 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. In March of 2007, we sent a letter to all of our loan holders reminding them of their obligation to pay back the loan. As of May, there was no measurable increase in the amount of funds collected. This is an issue that must be resolved.

<b>Year</b>	<b>Program Year</b>	<b>Grant</b>	<b>Program Income</b>	<b>Funds Available</b>	<b>Expenditures</b>	<b>Timeliness</b>	<b>% of Funds Expended</b>
<b>1997</b>	Year 23	\$754,000	\$228,918	\$982,918	\$ 650,666	1.57	66.1
<b>1998</b>	Year 24	\$732,000	\$199,903	\$931,903	\$ 702,158	1.99	75.3
<b>1999</b>	Year 25	\$736,000	\$201,959	\$937,959	\$1,199,777	1.57	127.9
<b>2000</b>	Year 26	\$755,000	\$173,446	\$928,446	\$1,151,379	1.39	124.0
<b>2001</b>	Year 27	\$798,000	\$155,341	\$953,341	\$ 912,964	1.17	95.7
<b>2002</b>	Year 28	\$849,000	\$146,930	\$995,930	\$1,096,382	1.04	110.1
<b>2003</b>	Year 29	\$866,000	\$159,169	\$1,025,169	\$1,041,368	1.08	101.6
<b>2004</b>	Year 30	\$861,000	\$98,873	\$959,873	\$775,536	1.43	80.7
<b>2005</b>	Year 31	\$823,026	\$95,443	\$918,469	\$1,296,951	1.03	141.0
<b>2006</b>	Year 32	\$751,343	\$49,677	\$801,020	\$716,128	1.08	89.0
<b>Total</b>		<b>\$7,925,369</b>	<b>\$1,509,659</b>	<b>\$9,435,028</b>	<b>\$9,543,309</b>	<b>1.20</b>	<b>101</b>

The following activities represent the highlights of the year with respect to spending and include approximately \$92,934.82 for the installation of an addition to the James Fedele Shining Arrow Building; \$118,118.90 for continued improvements to the Lincoln Park Community Center; \$154,924.80 for the resurfacing of 4,400 feet of public streets repaved from curb to curb; \$51,848.98 in expenditures for residential rehab for the rehab of 4 single family homes; \$49,558.03 for the demolition of 11 unsafe structures; and approximately \$113,344.59 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 xx of this document along with all other activities funded during the program year.

**James Fedele Shining Arrow Building Improvements**

**\$ 92,934.82**

Following the initial \$110,000.00 rehab of the existing structure in 1994 to serve the needs of Shining Arrow and its programs, the Municipality has been committed to continued support of Shining Arrow and its mission. Since 1994 we have expended \$225,810.36 for a total of \$335,810.36 in CDBG funds in support of Shining Arrow. Shining Arrow provides services to mentally and physically handicapped children and adults. We renovated the Shining Arrow buildings to include an accessible kitchen, social area, outdoor recreation, and classrooms. The kitchen is instrumental in training participants in life skill so that they can obtain jobs and eventually live on their own. Shinning arrow provides training in life skills, education, and other services directly related to the mentally and physically handicapped. In 1998 we built a storage building to house aluminum can crushing machines and store cans prior to pick up. Shining Arrow uses the cans as a fundraiser. In 2002, we paved the parking lot and in 2005 we completed an outdoor recreation area to provide passive outdoor recreational opportunities. During the 2006 program year, we expended \$92,934.82 for the construction of an addition. The addition added a badly needed additional restroom, kitchenette for staff, and additional program space. While not directly providing housing, the funds spent in the support of Shining Arrow facilitate the moving of handicapped individuals into their own homes. Shining Arrow has programs for approximately 150 handicapped children and adults. Allegheny East Mental Health and Mental Retardation operates many programs for the handicapped in the building. The James Fedele Shining Arrow Building is located at 10147 Frankstown Road. This activity benefits Low/Mod Limited Clientele. The object of this activity is the creation of a suitable living environment and the outcome is availability and accessibility. Outcome performance is measured by the number of people that now have improved access to Shining Arrow Programs.

**LPCC Improvements****\$118,118.90**

\$118,118.90 was expended during the program year for improvements to the Lincoln Park Community Center for the completion of the installation of a new domestic water system, heating system, boilers, electrical controls, and asbestos abatement. In 2004, funds were allocated for engineering expenses relating to the preparation of an MEP (Mechanical, Electrical, and Plumbing) report for the building. The report outlined the expenses relating to converting the steam heat to water, replacing the gym furnace, updating the fire alarm system, emergency lighting, and other public health safety priorities at the Center. Ironically the Center experienced a fire in June of 2004 that caused severe smoke and water damage to a large portion of the building. The restoration following the fire was complete early in the program year. During the restoration process, we continued with our work schedule in 2004 and installed a furnace in the gym. The Center's insurance covered a number of the proposed life safety issues mentioned in the MEP report that needed to be replaced following the fire including the fire alarm system, exit lighting, emergency lighting, and pull stations. Unfortunately, during the winter while the building was closed for renovations following the fire the water was shut off which caused the boilers to shut down, without heat a majority of the water and heating pipes froze. As a result, we replaced all of the domestic water lines and the entire heating system throughout the building with the exception of the gym which is heated with the new gas furnace. Asbestos was removed from the boiler room and other key areas. The project was completed in June of 2006. Tenants were anxious to return including the Penn Hills Satellite Library and Allegheny Intermediate Unit. As of this date, the building is full and programs are well underway. Prior to the issuance of a temporary occupancy permit, the Department of Code Enforcement completed an inspection of each of the rooms taking note of the intended uses. As a result of the inspection, it was revealed that many of the doors needed to be replaced to meet current fire codes. Following the release of funds for 2007, we are prepared to award a contract for the replacement of all of the substandard doors and the replacement of four windows. Future improvements could include accessible improvements to the restrooms, fire and safety improvements, removal of vegetation behind the center to provide better access to the rear ball field, improvements to the playground and basketball court, and other projects outlined in the MEP report. Since 1993, \$937,153.59 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. The projects at the Lincoln Park Community Center are a Low/Mod Area Benefit. 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.

**Street Improvements****\$154,924.80**

\$154,924.80 was expended during the program year for the resurfacing of 4,400 feet of public streets repaved from curb to curb. 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 intend to spend a significant amount of funding on storm sewer repair. This will be 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. 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**

**\$ 51,848.98**

\$51848.98 was expended during the program year for the rehab of 4 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 \$50,000.00 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. 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, the 2007, Year 33 program will be reduced to \$50,000. 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.

**Townwide Demolition**

**\$ 49,558.03**

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 11 structures in during the 2006 program year. Following an aggressive program in year 30, there were no homes ready for removal in year 31. Another aggressive round of demolitions took place in Year 32. If the bids can be received another round will take place in Year 33. 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 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**

**\$113,344.59**

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 2006 program year we expended \$113,344.59 or 13.39% of the overall funds available on Public Services. 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 2007 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 interior door replacement, Senior Service Center roof replacement, William McKinley roof replacement, street paving, and storm sewer replacement. We are looking forward to the fifth 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 seven 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.