

OFFICE OF COMMUNITY
DEVELOPMENT
EXECUTIVE DIRECTOR
ANDREW D. REILLY



LUZERNE COUNTY
COUNTY MANAGER
C. DAVID PEDRI, ESQUIRE

COUNTY of LUZERNE
P E N N S Y L V A N I A
ESTABLISHED 1786

April 13, 2021

Mr. Nadab O. Bynum
Director
Office of Community Planning and Development
U.S. Department of Housing and Urban Development
Philadelphia Office
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-3380

**RE: Annual Community Assessment
Luzerne County, PA
January 1, 2020 to December 31, 2021**

Dear Mr. Bynum:

We are in receipt of your letter, dated June 10, 2020, with regards to the Annual Community Assessment and we appreciate the opportunity to respond to HUD's evaluation. We have reviewed the letter and would like to comment on the assessment.

This timeliness issue is due entirely to the HUD policy change regarding timely expenditures of revolving loan funds without sufficient notice. The County has always been timely with the expenditure of their entitlement funds and will continue to do so. Once the Infrastructure Program is completed, the County will not have a timeliness issue going forward. Penalizing the County by reducing future CDBG funding or eliminating it, would not only hurt the municipalities in Luzerne County, but also bring great hardship to the numerous public service agencies that rely on CDBG. Once again it must be noted that the funds in question are not from the County's yearly CDBG allocation, but are funds that have accumulated since 1982 as part of the County's very successful Business Development Revolving Loan Fund (RLF). Nearly 700 economic development loans were made from the RLF totaling over \$237,000,000. Approximately 17,000 jobs have been created with 78% of those jobs being given to low and moderate income individuals. Due to the success of the program over the last 37 years the RLF has grown exponentially. Please be assured that every effort is being made to expedite these activities so that they are completed as quickly as possible. Obviously because of the pandemic we have experienced setbacks but progress is continually being made.

Mr. Nadab O. Bynum
April 13, 2021
Page 2

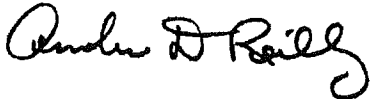
We appreciate your cooperation and guidance in this matter and look forward to you continuing to work with Luzerne County.

Status of Open Audits

The County has not wavered in its position regarding the economic development activities in question. The County maintains that there has been no violation of the National Objective requirements due to the fact that there has never been an established timeline or temporal requirement regarding the completion of these projects. As discussed previously, the County and its economic development partners continue to work on the lone outstanding project. Also, contrary to the assessment this office has provided additional information and answered questions through our HUD representative regarding the activities in question, and will continue to cooperate until the matter is resolved. Progress is being made on the site of the former Sterling Hotel and we will continue to provide progress reports.

Thank you for your continued cooperation with this office and we look forward to working with you in the future. Should you have any questions, please do not hesitate to contact us at (570) 824-7214.

Sincerely,



Andrew D. Reilly

Cc: Ms. Mary Anne Bellacima