

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Bethlehem (City) is an entitlement jurisdiction that receives federal funds from the U.S. Department of Housing and Urban Development (HUD) such as Community Development Block Grant (CDBG) Program and HOME Investment Partnerships (HOME) Program funding. The CDBG entitlement program provides formula funding to cities and counties to address community development needs. Seventy percent of gross funding must be used to serve low-to moderate-income households. Eligible activities must meet at least one of the following CDBG national objectives:

- Benefit low- and moderate-income persons;
- Prevent or eliminate slums or blight; or
- Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

The HOME entitlement program provides formula grant funding for a wide range of activities including building, purchasing, and/or rehabilitating affordable housing for rent or homeownership and providing direct rental assistance to low-income households. The program's flexibility allows states and local governments to use HOME funds for eligible uses such as for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

CDBG and HOME entitlement grantees must prepare and submit to HUD an Annual Action Plan (AAP) that describes how the Consolidated Plan (ConPlan or Consolidated Plan) will be carried out during a given program year. The AAP must provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used to address the priority needs and specific goals identified by the ConPlan. Moreover, at the close of each fiscal year, grantee jurisdictions must submit to HUD a Consolidated Annual Performance Evaluation Report (CAPER) to report on the accomplishments and progress toward the ConPlan's goals for the applicable program year (PY). The City anticipates receiving \$1,370,309 in CDBG funds and \$388,308.10 in HOME funds for PY 2026.

This annual action plan represents the City's second year plan of the City's 2025-2029 Consolidated Plan.

The City of Bethlehem agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code.

The City of Bethlehem will not operate any programs that violate any applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The City intends to make full use of the flexibility inherent in the Community Development Block Grant (CDBG) program to address the myriad of needs identified throughout our community. Additionally, CDBG efforts will be coordinated with the housing support available through the HOME Investment Partnerships (HOME) Program. The City has identified goals to be met each year and the specific activities that will be supported to achieve those goals. The overall goals identified through extensive community input and other public participation efforts in preparing the current 2025-2029 ConPlan to be addressed in this year's plan include:

- Improve the quality of existing housing
- Increase the rate of homeownership
- Provide quality infrastructure and community facilities
- Enhance public safety
- Support growth of the local economy
- Foster strong, vibrant neighborhoods
- Enhance the availability of community services
- Planning and administration of CDBG and HOME programs

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects. With the first year of the current five-year planning period completed, the City will continue to review CDBG and HOME applications, award eligible projects, monitor awardees, provide technical assistance to awardees, and solicit feedback to ensure programs' compliance

while pursuing goals and addressing needs detailed in this Plan and the current ConPlan due to the success of PY2025.

The 2025 Consolidated Annual Performance Evaluation Report (CAPER) was prepared to assist residents of the City of Bethlehem and the U.S. Department of Housing and Urban Development (HUD) in assessing the City's use of federal grant funds to meet priority housing and community needs identified in the City's 2025-2029 Consolidated Plan. The CAPER for Program Year 2025 (PY 2025) primarily provided an overview of the City's accomplishments from January 1, 2025, and ends December 31, 2025, utilizing Community Development Block Grant (CDBG) funds, and Home Investment Partnership Programs (HOME) funds.

The City of Bethlehem (City) has made significant progress in achieving its goals and priorities as listed in the FY 2025 Annual Action Plan. The City and its subrecipients have been actively implementing projects funded through CDBG and HOME funds. The City will continue to look for creative methods to provide the services needed to its residents while taking into consideration the goals outlined in the Consolidated Plan.

4. Summary of Citizen Participation Process and consultation process

The City held two public meetings in connection with the 2026 program year to gather input from community members. Public hearings were advertised through a variety of methods, including posting to the City's website, posting notices at various locations including City Hall and the Bethlehem Public Library, and sharing information with community partners. The first hearing was held on May 29, 2026, and the second public hearing is scheduled for July 21, 2026, in City Council.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

[summary, if any comments received]

6. Summary of comments or views not accepted and the reasons for not accepting them

[All comments were accepted, if any.]

7. Summary

The Consolidated Plan contains other identified goals and needs.

Through coordination of the Annual Plan process, along with other pertinent planning efforts in the City and the incorporation of City Staff's experience in operating CDBG and HOME programs, the City of Bethlehem believes it has developed a workable, effective road map for the use of HUD resources over the next year. The needs and strategic priorities identified in this Plan will maximize the impact of available resources while improving the lives of residents.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	BETHLEHEM	Department of Community and Economic Development
HOME Administrator	BETHLEHEM	Department of Community and Economic Development

Table 1 – Responsible Agencies

Narrative (optional)

The City of Bethlehem's Department of Community and Economic Development is responsible for the ConPlan and the administration of the associated CDBG and HOME grants.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

The City of Bethlehem views the Annual Action Plan as an opportunity to engage the community in the CDBG and HOME investment process. The City encourages residents to voice their needs and concerns regarding homelessness, affordable housing, and community development. All members of the public, especially those living in low- to moderate-income neighborhoods, are encouraged to participate in the planning process. The goal of the consultation process undertaken was to gather data to help determine the City's priority needs. In addition, the City also continues to coordinate and collaborate with social service providers to identify specific needs or vulnerable populations.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The City of Bethlehem collaborates with other local governments, nonprofits, advocacy groups, and citizens on its housing and community development efforts. This collaboration includes working with the Bethlehem Housing Authority (BHA), Northside Alive NRSA stakeholder committees(Northside 2027 Neighborhood Plan), and involvement with other collaboration initiatives, including the City's Opening Doors: Strategies to Build Housing Stability in Bethlehem Committee, the Pembroke Choice Neighborhood Steering Committee and Community Action Development Bethlehem's Southside Tomorrow's committees. Beyond CDBG and HOME, the City collaborates with local organizations and key health and educational institutions such as the Safe Streets and Blue Zone projects. In addition, the City works closely with various service agencies and consulted these agencies in the development of this ConPlan. These included a variety of agencies, both local and regional nonprofits, government organizations, faith-based organizations, and other organizations involved in broadband services, the development of affordable housing, creation of job opportunities for low- and moderate-income residents, and/or provision of services to youth, elderly persons, persons with disabilities, homeless persons, and victims of domestic violence. To facilitate this consultation, the City solicited feedback through the following methods:

- Stakeholder interview and roundtable discussions
- Community meeting
- Public hearing
- Receipt of written comments

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of Bethlehem participates in the Lehigh Valley Regional Homeless Advisory Board (RHAB), which is part of the Eastern Pennsylvania Continuum of Care (CoC). A staff member sits on the RHAB Governing Board and another on the CoC Funding Committee. Through collaboration with the RHAB, the City is charged with devising a community plan meant to organize and deliver housing and services to meet the specific needs of homeless persons as they move to stable housing and maximum self-sufficiency. Additional focus is placed on chronically homeless individuals and families, families with children, veterans, and unaccompanied youth.

On March 9, 2023, the CoC published Written Standards for organizations delivering housing and services to persons experiencing homelessness or persons at-risk of homelessness in the Eastern Pennsylvania CoC. The City of Bethlehem and its homeless service provider partners abide by the CoC's standards.

In addition, the Eastern Pennsylvania CoC conducts an annual Point-in-Time (PIT) Count each January, which City staff participate in. The PIT Count includes persons residing in shelters, residing in transitional housing, and those who are unsheltered. Data is available for both Lehigh and Northampton Counties. According to the PIT Count, between 2024 and 2025, Northampton County experienced a nearly 12 percent decrease in homelessness, while Lehigh County experienced an almost 28 percent decrease in homelessness. However, while homelessness decreased in both counties, unsheltered homelessness increased by nearly 6 percent in Northampton County. The 2026 PIT Count data has not yet been shared with the RHAB or released publicly.

The City's Health Bureau's Community Connections program conducts street outreach in encampments and pop-up resource navigation in sites operated by RHAB members, some of which receive CoC funding. The Health Bureau holds bi-weekly case management coordination calls with other Lehigh Valley homelessness service providers.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Bethlehem does not receive ESG funds directly from HUD. The City relies on Lehigh County, Northampton County, and nonprofit organizations and service providers to perform these social service functions.

The City does coordinate and administer the RHAB's annual ESG application to the Pennsylvania Department of Community and Economic Development. The City annually solicits applications from RHAB member organizations and works with the RHAB Governing Board to identify priorities for that year's application round. Once PA DCED makes an ESG award to the City, City staff work with PA DCED and the RHAB Governing Board to make funding allocation decisions as awards are always less than requested. This work is governed by PA DCED's ESG subgrantee requirements.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

1	Agency/Group/Organization	Astound
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers
	What section of the Plan was addressed by Consultation?	Broadband
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Astound participated in the stakeholder engagement process and provided an assessment of broadband capabilities and needs in Bethlehem.
2	Agency/Group/Organization	ARTSQUEST
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Education
	What section of the Plan was addressed by Consultation?	Economic Development Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	ArtsQuest participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider and facility operator.
3	Agency/Group/Organization	Bethlehem Area Public Library
	Agency/Group/Organization Type	Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The Bethlehem Area Public Library participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as an important public facility and service provider.
4	Agency/Group/Organization	Bethlehem Area School District
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The Bethlehem Area School District participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a public facility and service provider.
5	Agency/Group/Organization	Bethlehem Emergency Sheltering, Inc.
	Agency/Group/Organization Type	Services - Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Bethlehem Emergency Sheltering participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a public facility and service provider.
6	Agency/Group/Organization	Bradbury Sullivan Center
	Agency/Group/Organization Type	Services-Children Services-Health
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The Bradbury Sullivan Center participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider.
7	Agency/Group/Organization	Center for Humanistic Change
	Agency/Group/Organization Type	Services-Children Services-Education
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The Center for Humanistic Change participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider.
8	Agency/Group/Organization	City of Bethlehem Department of Community and Economic Development
	Agency/Group/Organization Type	Other government - Local Planning organization Grantee Department

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Lead-based Paint Strategy Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The City's Department of Community and Economic Development operates the CDBG and HOME programs and maintains an ongoing dialogue regarding community needs with other City departments, with housing and service providers, and with the community at large.
9	Agency/Group/Organization	City of Bethlehem Department of Planning and Zoning
	Agency/Group/Organization Type	Other government - Local Planning organization Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The City's Department of Planning and Zoning participated in the stakeholder engagement process and has ongoing dialogue with the Community Development Program and other City departments.
10	Agency/Group/Organization	City of Bethlehem Department of Public Works
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Other government - Local Grantee Department
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The City's Department of Public Works participated in the stakeholder engagement process and has ongoing dialogue with the Community Development Program and other City departments.
11	Agency/Group/Organization	Community Action Committee of the Lehigh Valley
	Agency/Group/Organization Type	Housing Services - Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The Community Action Development Corporation of Bethlehem participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider.
12	Agency/Group/Organization	Greater Lehigh Valley REALTORS
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Greater Lehigh Valley Realtors participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a housing provider.
13	Agency/Group/Organization	Hispanic Center of the Lehigh Valley
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Education Services-Employment Service-Fair Housing Regional organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The Hispanic Center of the Lehigh Valley participated in the stakeholder engagement process and provided an assessment of community needs from their perspective a facility operator and service provider.
14	Agency/Group/Organization	Lehigh Valley Health Network
	Agency/Group/Organization Type	Services-Health Regional organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The LVHN participated in the stakeholder engagement process as a publicly funded healthcare facility, and provided an assessment of community needs from their perspective as a medical service provider in Bethlehem.
15	Agency/Group/Organization	Lehigh Valley Planning Commission
	Agency/Group/Organization Type	Housing Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The Lehigh Valley Planning Commission participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as local planners.
16	Agency/Group/Organization	ShareCare Faith in Action
	Agency/Group/Organization Type	Services-Elderly Persons Services-Health Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	ShareCare Faith in Action participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider.

17	Agency/Group/Organization	Turning Point of Lehigh Valley
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Turning Point of Lehigh Valley participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider.
18	Agency/Group/Organization	VIA of the Lehigh Valley, Inc.
	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities Services-Education Services-Employment Regional organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Via of the Lehigh Valley participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider.
19	Agency/Group/Organization	Greater Valley YMCA - Bethlehem Branch
	Agency/Group/Organization Type	Housing Services-homeless Services-Health Services-Education Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The YMCA participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider and facility.

20	Agency/Group/Organization	YWCA
	Agency/Group/Organization Type	Services-Children Services-Education
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	YWCA participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider.
21	Agency/Group/Organization	Bethlehem Housing Authority
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Bethlehem Housing Authority, the local public housing authority, participated in the stakeholder engagement process and provided an assessment of community needs from their perspective as a service provider.
22	Agency/Group/Organization	Lehigh County Emergency Management Department
	Agency/Group/Organization Type	Other government - County Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Lehigh County Emergency Management Agency participated and provided their 2024 Mitigation Plan

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

No agency types were excluded from consultation.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Opening Doors	City of Bethlehem	The City's affordable housing plan Opening Doors: Strategies to Build Housing Stability in Bethlehem was completed in the fall of 2023, offering a blueprint for leveraging City, state and federal funding to help the most Bethlehem residents access safe and affordable housing. The plan informs the City's various housing-related activities in the Consolidated Plan and each Annual Action Plan.
Continuum of Care	Eastern Pennsylvania CoC	With input into CoC functions through the Lehigh Valley Regional Homeless Advisory Board, the City of Bethlehem helps to shape CoC plans and identifies opportunities for CDBG funds to complement CoC efforts.
Northside 2027 Neighborhood Plan	City of Bethlehem	Community input and needs analysis for the portion of the City covered by this Plan resulted in proposed actions that, in turn, helped shape overall goals for the City's CDBG and HOME programs for the next five years. The City received re-authorization from HUD to designate this neighborhood a Neighborhood Revitalization Strategy Area under the CDBG program to enhance that program's impact on this neighborhood and its expanded boundaries.
Bethlehem Bligh Betterment (b3) Initiative	City of Bethlehem	Community input, analysis and recommendations contained in this plan provided some direction for CDBG community development efforts citywide, particularly in the areas of neighborhood stabilization and land use and re-use possibilities.
City Bethlehem Strategic Plan to End Homelessness	City of Bethlehem	The Strategic Plan to End Homelessness highlights the causes of homelessness in the City and determined the most effective ways for the City to play an active role in addressing homelessness within the City and region, based on data-driven analysis. Conclusions drawn in this report were used to inform decisions about homeless support and services in the City.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Pembroke Choice Neighborhood Market Study and Transformation Plan	City of Bethlehem	Through the City and the Bethlehem Housing Authority (BHA), the City's Pembroke Neighborhood was awarded a HUD Choice Neighborhoods (CN) Planning Grant to support the revitalization of distressed public housing.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

Through the multi-pronged efforts described above, the City of Bethlehem believes it has collected a wide range of community perspectives and information that has provided the City with the breadth and depth of information needed to produce a comprehensive strategy, presented in this ConPlan, for applying CDBG and HOME resources in an efficient, effective and coordinated Community Development program.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Several meetings were held prior to the adoption of the PY 2026 Annual Action Plan to allow for citizens to participate in the process by providing their comments and suggestions on the community's housing, public facility, and public service needs. Nonprofit agencies played a key role in providing information and recommendations in the development of this Action Plan. The City held a public hearing on May 29, 2026, to discuss development of the Action Plan and prior service providers. A 30-day public comment period for the draft PY 2026 Annual Action Plan is planned for June 19, 2026, through July 20, 2026. A second public hearing is planned for July 21 2026, with City Council, for final public comments on the Action Plan.

On May 29, 2026, the City held a public hearing to discuss City continued revitalization efforts in the NRSA, available housing rehabilitation services, residential façade programs, and other services available to residents. City staff and stakeholders collaborated monthly during regular Northside Alive committee meetings devoted to improving public-private-non-profit partnerships and delivering needed services to the communities within the NRSA.

City staff and stakeholders continue to collaborate at regular monthly meetings designed to improve service delivery to vulnerable south side neighborhoods. Aside from the Action Plan hearings, the City held other public meetings, concerning implementation of the City's comprehensive housing strategy to address the local affordable housing crisis. As a result, the City intends to allocate substantial financial resources to affordable housing and homelessness matters, above and beyond CDBG and HOME funding, and is looking for opportunities to leverage CDBG and HOME funding to support housing and other efforts.

To ensure maximum participation, the draft Action Plan has been made available for public review online at the City's website, with hard copies available at public counters at the following locations:

- City Hall, City of Bethlehem (front desk);
- DCED Front Desk, City of Bethlehem; and
- Bethlehem Area Public Library, Bethlehem, PA

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of Response/ attendance	Summary of Comments received	Summary of comments not accepted and reasons, if applicable	URL (If applicable)
1	Website Posting	Broad Community	Notice of 30-day comment period on 2026 AAP posted on June 12, 2026, and June 19, 2026	[no comments received]	[all comments accepted, if any]	https://www.bethlehem-pa.gov/community-economic-development/community-development/cdbg-home/
2	Internet Outreach	Broad Community	The 2026 AAP became available on City's website as well as physical copies at City Hall on June 19, 2026	[no comments received]	[all comments accepted, if any]	https://www.bethlehem-pa.gov/community-economic-development/community-development/cdbg-home/
3	Public Hearing	Broad Community	On [July 21,2026, the City held a public hearing for approval of the 2026 AAP	[no comments received]	[all comments accepted, if any]	https://www.bethlehem-pa.gov/calendar/meetings/2026/city-council-meetings/437/

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

As an entitlement jurisdiction, the City of Bethlehem receives both Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds from HUD. For PY2026 allocations, the City is receiving \$1,370,309 in CDBG and \$388, 308.10 in HOME funds. Additionally, the City is including \$180,080.55 in CDBG rollover funds (reprogrammed prior-year funds) in this plan, and \$1,196,942.07 in HOME rollover funds. In addition to HUD funds, the City regularly identifies and pursues a wide variety of other funding sources to execute capital-intensive projects and address community needs including county, state, federal, private, and foundation funding opportunities. Moreover, the City routinely applies for appropriate economic development and revitalization zone designations.

The City will expend at least 70% of its CDBG funds over a three-year period on activities that benefit low-to-moderate income persons in accordance with 24 CFE 570.200 (a) (3).

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation : \$	Program Income: \$	Prior Year Resources : \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,370,309.00	50,000.00	180,080.55	[1,600,389.55]	4,254,918.00	Estimated at three times the Year 1 Allocation

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation : \$	Program Income: \$	Prior Year Resources : \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	388,308.10	0	1,196,942.07	1,585,250.17	1,251,551.88	Estimated at 3 times the Year 1 Allocation

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

In many CDBG activities, including housing, public facilities and infrastructure, and public services, the City provides only a portion of the total project cost, and uses CDBG funds to attract and leverage additional non-federal funding sources. For example, City CDBG public service funds are often combined with subrecipient contributions from state grants and local charitable donations.

With respect to affordable housing, City HOME funds require the recipient to contribute a 25 percent match from other non-federal sources. The City continues to seek out match credit opportunities from eligible projects such as low income housing tax credit housing projects and other potential match credit sources. This strategy allows City to consider eligible state, local, and private funding for matching requirements.

Where applicable, the City will report funds spent on a HOME activity, exceeding the necessary match, as a component of the City's Consolidated Annual Performance and Evaluation Report (CAPER).

If appropriate, describe publicly-owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

City parks, streets , and other real property subject to improvement projects are the only publicly owned land or property located within the jurisdiction that the City currently anticipates using to address needs identified in the current annual plan.

Discussion

While available resources are insufficient to meet all needs, careful monitoring, diligent leveraging, and ongoing coordination helps the City of Bethlehem ensure that its residents receive the most benefit from the CDBG and HOME funding received from HUD. The City continuously seeks additional funding sources as well.

The City of Bethlehem in early 2026 completed its 40 in 10 Parks Plan, which promises investments into all 40 City parks over the next decade. Bethlehem City Council has committed \$5 million to the initial effort. Located within Bethlehem's HUD-designated Neighborhood Revitalization Strategy Area (NRSA) Friendship Park marks the City's first 40 in 10 transformation. The project leveraged \$1.4 million of local, state and federal funding – including CDBG -- to overhaul a park covered in asphalt into a verdant community hub bringing a splash pad into a parks desert. Prior to the renovation, this low- to moderate-income neighborhood had no access to a city pool or splash pad.

The second project was completed as part of the City's Choice Neighborhood Implementation grant Early Action project. Residents of the Pembroke Choice Neighborhood quickly identified pedestrian safety as a pressing community concern at the start of the Choice process in 2023. Each day, more than 150 students traverse Dutko Park, tucked between Stefko Boulevard, Pembroke Road and Washington Avenue, on their way to Northeast Middle and Liberty High schools. The park also sits along a rapid bus service route, connecting Choice neighborhood residents to employment, necessities and medical care. The project upgraded three bus stops – two with new shelters – and added paths, tables and play equipment to the park. The \$237,000 investment was funded by Choice Early Action and the City's recreation fund.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information [DRAFT FIGURES, SUBJECT TO REVISION]

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Preserve Owner-Occupied Housing	2025	2029	Affordable Housing	City of Bethlehem	Improve the quality of existing housing Foster Strong, Vibrant Neighborhoods Housing (NS)	CDBG: \$366,000.00	Homeowner Housing Rehabilitated: 34 Household Housing Unit Other: 1 Other
2	Enhance Homeownership Opportunities	2025	2029	Affordable Housing	City of Bethlehem	Increase the rate of homeownership Housing (NS)	CDBG: \$25,000.00 HOME: \$58,246.22	Other: 2 Other
3	Address Impediments to Fair Housing Choice	2025	2029	Affordable Housing Public Housing Homeless	City of Bethlehem	Improve the quality of existing housing Increase the rate of homeownership Foster Strong, Vibrant Neighborhoods Housing (NS)	CDBG: \$20,000.00	Public service activities other than Low/Moderate Income Housing Benefit: 20 Persons Assisted
4	Support Homeless Housing and Services	2025	2029	Homeless	City of Bethlehem	Foster Strong, Vibrant Neighborhoods Enhance the Availability of Community Services	CDBG: \$120,546.00	Public service activities for Low/Moderate Income Housing Benefit: 70 Households Assisted Public services activities Other than Low/Moderate Income Housing Benefit: 60 persons assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Support High Quality Public Services	2025	2029	Non-Housing Community Development	City of Bethlehem	Enhance the Availability of Community Services	CDBG: \$135,000.00	Public service activities other than Low/Moderate Income Housing Benefit: 772 Persons Assisted Rental Units Rehabilitated: 1 units
6	Improve Public Facilities and Infrastructure	2025	2029	Non-Housing Community Development	City of Bethlehem	Provide quality infrastructure and community facilities Enhance public safety	CDBG: \$704,781.75	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1,523 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 82 Households Assisted Rental Units Rehabilitated: 4 units Other: 1 Other
7	Planning and Administration	2025	2029	PLANNING AND ADMIN	City of Bethlehem	Planning and Administration	CDBG: \$229,061.80 HOME: \$38,830.81	Other: 1 Other
8	Create and Preserve Affordable Rental Housing	2025	2029	Affordable Housing	City of Bethlehem	Improve the quality of existing housing	HOME: \$1,488,173.14	Rental Units constructed: 60 rental units

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Preserve Owner-Occupied Housing
	Goal Description	The City will preserve and improve the condition of homes occupied by low- and moderate-income (LMI) households through the continuation of the Housing Rehabilitation Assistance Program. The Community Development Bureau will periodically re-evaluate the City's Housing Rehabilitation Policies and Procedures, including all forms, legal documents, and marketing materials, and make changes where necessary and as appropriate to provide the best program possible. In addition, the City will continue to distribute lead-based paint (LBP) educational materials to residents, when required, and will continue to perform LBP remediation/abatement as part of the Housing Rehabilitation Program, when necessary.
2	Goal Name	Enhance Homeownership Opportunities
	Goal Description	The City will increase homeownership opportunities for low-income households through the Bethlehem Homebuyer Assistance program (BHAP) and through the continued support of HUD certified nonprofit housing counseling agencies and housing counseling-focused activities.
3	Goal Name	Address Impediments to Fair Housing Choice
	Goal Description	The City aims to increase resident/community member understanding and compliance with federal and state fair housing laws through workshops and awareness campaigns.

4	Goal Name	Support Homeless Housing and Services
	Goal Description	The City will provide support to homeless service providers and homeless housing providers in coordination with the Lehigh Valley Regional Homeless Advisory Board (LV RHAB) and the Eastern Pennsylvania Continuum of Care (CoC).
5	Goal Name	Support High-Quality Public Services
	Goal Description	The City will support public and social services that affect LMI residents of Bethlehem, as well as those with special needs. The City will continue to provide assistance to nonprofit and quasi-public facilities that provide services to LMI populations. Additionally, the City will continue to support public safety services and services to seniors, youth, and persons with disabilities.
6	Goal Name	Improve Public Facilities and Infrastructure
	Goal Description	The City will continue to fund improvements to public facilities and infrastructure in LMI neighborhoods or that serve income-qualified clientele. Improvements may include projects such as sewer, water, and right-of-way reconstruction, activities that bring public facilities into compliance with ADA standards, acquisition of firefighting equipment and vehicles for fire stations with low-income service areas, and improvement of parks and playgrounds serving low-income neighborhoods.
7	Goal Name	Planning and Administration
	Goal Description	General planning and administration of CDBG and HOME programs per HUD regulations. This includes planning, record-keeping, reporting, and overall grant management.

8	Goal Name	Create and Preserve Affordable Rental Housing
	Goal Description	The City will increase the supply of affordable rental housing for low-income households, especially extremely low- and very low-income households. This will be done by working with developers to create new construction assisted rental housing for qualified households, pursuing additional resources for affordable housing, and working with the Bethlehem Housing Authority (BHA) to increase the number of Housing Choice Vouchers (HCVs) available to residents. Further, the City proposes to preserve the existing supply of affordable rental units for seniors and other low-income households through a variety of efforts. These include evaluating units and, if necessary, strengthening the City's rental registration and inspection program to guarantee that all rental units are up-to-code. In addition, allocating CDBG, HOME, or other financial assistance to eligible owners of affordable housing can help preserve the currently affordable housing stock. The City will continue the registration and inspection program of all rental units for Code compliance.

Projects

AP-35 Projects – 91.220(d)

Introduction

The City uses HUD resources for local projects that mainly benefit income-eligible residents, targeting low- and moderate-income individuals and neighborhoods. By focusing on affordable housing and related public services, Bethlehem helps vulnerable families access and maintain safe and stable homes. By prioritizing affordable housing initiatives and homelessness prevention, Bethlehem works to support vulnerable individuals and families obtain and maintain access to safe, decent, and affordable housing options, both single-family and rental. Many of the projects in the current plan directly help to prevent homelessness and housing instability, but they also contribute indirectly to the overall economic health of the wider community. Additionally, investing in the housing needs of low- and moderate-income residents fosters economic mobility, promotes economic growth, and strengthens the residential fabric of the community. Through HUD-funded projects, Bethlehem works to fulfill its commitment to serving those most in need while creating a more resilient city for all residents through expanded economic and housing opportunities. With high-quality data and input from key stakeholders and frontline service providers working directly with vulnerable populations, the City plans a diverse mix of activities in the current program year to address priority needs. Select activities include, for example, housing rehabilitation, rental and owner-occupied housing projects, support for public services such as food access and homeless services, and facilities improvements. The projects are designed to work together to improve neighborhoods, support vital services, enhance housing quality and access, and most importantly, to assist vulnerable individuals and families in Bethlehem. In all our CDBG and HOME activities, City staff work to design and deliver high-quality projects that benefit the community while also working to protect taxpayer resources through management of complex compliance and regulatory risks.

Applications for CDBG funding are generally opened in the fall or winter each program year through the online Neighborly portal. Applications for HOME funds are accepted on an ongoing basis throughout the year. Application information was made available on the City's website and directly emailed to public service organizations that have either requested funding during the previous program year and or remain interested in future funding. The City maintains a list of active subrecipients and interested organizations during each program year. Applications were reviewed and evaluated by an internal committee based on the quality of the project, the need(s) addressed, duplication considerations, recipient performance history, value of the resources versus the number of residents served, alignment with the City's goals and needs, and other factors. Funding is awarded based on receipt of the City's annual allocation from HUD and the factors described above. DCED allocation recommendations are

reviewed by both the Mayor and City Council for final approval.

Projects

#	Project Name
1	Bethlehem Emergency Sheltering, Inc. – Emergency Shelter Operations
2	Community Action Development Bethlehem (CADB) – Tenant Advocacy Project
3	Food Pantry (Hispanic Center Lehigh Valley)
4	Hogar CREA – Women’s Center
5	LVCIL – PLACE Program
6	New Bethany – Representative Payee
7	ShareCare – Faith in Action (Volunteer Caregiving)
8	CALV – Housing Counseling BHAP (Bethlehem Housing Assistance Program)
9	CADB – Residential Façade Exterior Rehabilitation and Weatherization Program
10	Wyandotte Apartment Rehabilitation (New Bethany)
11	CDBG Housing Rehabilitation (City of Bethlehem)
12	CDBG Housing Rehabilitation Program Delivery (City of Bethlehem)
13	Bloom for Women – Heather House Improvements
14	Via of the Lehigh Valley, Inc. - Vocational Training Workshop Improvements
15	[City] BES – Shelter Design and Engineering
16	Interim Assistance –Cleaning and Safety Improvements (Encampment)
17	CDBG and HOME Program Admin
18	Bethlehem Redevelopment Authority (RDA) Blight Elimination Program
19	CDBG Future Projects TBD
20	North Penn Legal Services – Housing Stability Project
21	Community Housing Development Organization (CHDO) - Community Action
22	Gateway on 4 th Multifamily Rental (new construction)

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

CDBG and HOME deliberations are based on funding activities that have the greatest benefit to City residents while showing a reasonable likelihood of timely spending without redundancy. The system for establishing the priority for selection of these projects is predicated upon the following general criteria:

- Meeting the statutory and regulatory requirements of the CDBG and HOME Programs
- Meeting the needs of low- and moderate-income residents
- Focusing on low- and moderate-income areas or neighborhoods
- Coordination and leveraging of resources
- Response to expressed needs
- Sustainability and/or long-term impact
- Has the ability to demonstrate measurable progress and success, and
- Addresses identified in-need populations.

AP-38 Project Summary

Project Summary Information

1	Project Name	Bethlehem Emergency Sheltering, Inc. – Emergency Shelter Operations
	Target Area	City of Bethlehem
	Goals Supported	Support Homeless Housing and Services
	Needs Addressed	Enhance the Availability of Community Services
	Funding	CDBG: \$50,546.35
	Description	Bethlehem Emergency Sheltering, Inc. (BES) provides food and shelter to homeless men and women not served by other sheltering organizations during the colder months of the year. From November through April each year, BES provides emergency shelter, a hot dinner, and access to support services and shower facilities. Support services made available to guests include physical health check-ups, physical therapy assistance, vaccines, and testing; mental health assessments and referral for services; connection to permanent and transitional housing; drug and alcohol support; and assistance with PA COMPASS and other essential services.
	Target Date	12/31/2026
	Estimate the number and type of families that will benefit from the proposed activities	70 persons assisted
	Location Description	75 E. Market Street, Bethlehem, PA 18018
	Planned Activities	BES provides food and shelter to homeless men and women not served by other sheltering organizations during the colder months of the year. From November through April each year, BES provides emergency shelter, a hot dinner, and access to support services and shower facilities. Support services made available to guests include physical health check-ups, physical therapy assistance, vaccines, and testing; mental health assessments and referral for services; connection to permanent and transitional housing; drug and alcohol support; and assistance with PA COMPASS and other services.

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Project Name	Community Action Development Bethlehem (CADB) Tenant Advocacy Project
Target Area	City of Bethlehem
Goals Supported	Support High Quality Public Services
Needs Addressed	Enhance the Availability of Community Services
Funding	CDBG: \$15,000.00
Description	The Tenant Advocacy program's main purpose is to address housing issues, coordinate landlord-tenant mediation services, and empower residents to navigate the complexities of the housing system. CDBG funds from the City of Bethlehem will be put toward salary and benefits costs of the Tenant Advocate and Organizer position. Roles and responsibilities of the Tenant Advocate and Organizer include: facilitate community engagement; offer tenant advocacy; mediate tenant-landlord disputes; provide resources and education on tenant rights; and support with rental property issues. This work benefits low- to moderate-income residents throughout the City of Bethlehem.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	100 persons assisted
Location Description	409 E 4th St., Bethlehem, PA 18015
Planned Activities	CDBG funds from the City of Bethlehem will be used toward Community Organizer and Tenant Advocate position to address the pressing housing issues in the City of Bethlehem. The Tenant Advocate and Organizer will facilitate community engagement, offer tenant advocacy, and mediate landlord/tenant disputes. They will also provide resources and education on tenant rights, support for navigating issues with rental properties, and other housing-related activities and services. CADB is currently in year three of the Southside Tomorrow Neighborhood Partnership Program (NPP) in partnership with the City of Bethlehem and the Pennsylvania Department of Community and Economic Development. The Southside Tomorrow plan was created through a comprehensive public input process and identified three areas in which to focus: public and green spaces, communication and connectivity, and housing.
Project Name	Food Pantry (Hispanic Center Lehigh Valley)
Target Area	City of Bethlehem

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Goals Supported	Support High Quality Public Services
Needs Addressed	Enhance the Availability of Community Services
Funding	CDBG: \$20,000.00
Description	The HCLV Food Pantry works to decrease food insecurity by providing emergency food services to low- to moderate-income individuals residing in the City, with a focus on the HCLV target area of Southside Bethlehem and the Marvine/Pembroke areas. The Food Pantry is available five days a week for appointments. Utilizing a client choice model, clients shop for a three-day supply of food, choosing from fresh fruits, vegetables, meat, and culturally appropriate dry and canned goods, with assistance from staff. The Food Pantry program also provides case management services and referrals to HCLV programs and community partners. Clients that visit the pantry more than three times during the year are referred to HCLV's Social Service Program for comprehensive case management which can help clients obtain employment, stable housing, education or training, and other resources.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	500 unduplicated households assisted
Location Description	520 E. 4th Street, Bethlehem, PA
Planned Activities	The HCLV Food Pantry expects to serve 500 unduplicated households with emergency food through appointments at the Food Pantry, and successfully refer 15 households who receive emergency food on 3 or more occasions to the HCLV Social Service Program for assistance in establishing self-sufficiency through individualized case management.
Project Name	Hogar CREA Women's Center
Target Area	City of Bethlehem
Goals Supported	Support Homeless Housing and Services
Needs Addressed	Enhance the Availability of Community Services
Funding	CDBG: \$20,000.00
Description	Hogar CREAs inpatient women's treatment facility helps women in need of drug and alcohol recovery services, whether English or Spanish speaking. This is the first bilingual inpatient recovery

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	facility in the area and caters to the needs of this community. Latinos make up 55% of the Lehigh Valley population according to 2020 US census figures.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	25 female individuals assisted
Location Description	1409 Pembroke Rd., Bethlehem, PA 18017
Planned Activities	Staffing expenses related to running an inpatient treatment facility for women.
Project Name	LVCIL PLACE Program
Target Area	City of Bethlehem
Goals Supported	Support High Quality Public Services
Needs Addressed	Enhance the Availability of Community Services
Funding	CDBG: \$15,000.00
Description	This program serves low-income residents with disabilities and provide housing counseling services, including supports coordination, intake, and follow along services. Consumers work with Community Support Coordinators to find accessible, affordable housing options. Supports coordination helps consumers access needed services to achieve or maintain their independence and housing stability. Follow along services allow LVCIL to track a consumer's progress and determine whether housing stability has been achieved. Nearly 10% of Bethlehem residents have a disability and on average, are more likely to live in poverty, receive government assistance, work in low-paying jobs, and experience chronic homelessness.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	25 disabled households

6	Location Description	713 North 13th Street, Allentown, PA 18102
	Planned Activities	This program serves low-income residents with disabilities and provide housing counseling services, including supports coordination, intake, and follow along services. Consumers work with Community Support Coordinators to find accessible, affordable housing options. Supports coordination helps consumers access needed services to achieve or maintain their independence and housing stability. Follow along services allow LVCIL to track a consumer's progress and determine whether housing stability has been achieved. Nearly 10% of Bethlehem residents have a disability and on average, are more likely to live in poverty, receive government assistance, work in low-paying jobs, and experience chronic homelessness.
	Project Name	New Bethany Representative Payee
	Target Area	City of Bethlehem
	Goals Supported	Support Homeless Housing and Services
	Needs Addressed	Enhance the Availability of Community Services
	Funding	CDBG: \$50,000.00
	Description	New Bethanys Bethlehem Representative Payee Program prevents the trauma of homelessness and sustains self-sufficiency for low-income residents of the City of Bethlehem who lack the cognitive and other resources (whether temporarily or permanently) necessary to successfully manage their finances on their own. The program currently serves over 30 low-income Bethlehem residents who would otherwise almost certainly be homeless and keeps people safe and stably housed while providing case management to help them reach their highest level of self-sufficiency. They utilize the clients Social Security funds to pay essential bills on their behalf to ensure they remain stably housed. To participate in the program the client must agree to receive appropriate services, including budget development, savings plan, landlord mediation, and social service referrals to our community partners.
	Target Date	12/31/2026
	Estimate the number and type of families that will benefit from the proposed activities	35 persons assisted
	Location Description	333 Wyandotte Street, Bethlehem, PA 18015
	Planned Activities	Staffing and administration costs for the Representative Payee Program.

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Project Name	ShareCare – Faith in Action (Volunteer Caregiving)
Target Area	City of Bethlehem
Goals Supported	Support High Quality Public Services
Needs Addressed	Enhance the Availability of Community Services
Funding	CDBG: \$10,000.00
Description	ShareCare has approximately 120 volunteers who provide free caregiving to elderly or disabled people. The program currently serves 60-80 residents living in Bethlehem City limits. Most people served are 60 years of age and older, disabled, or low income. ShareCare strives to help older adults and those with disabilities to enjoy a quality of life and remain independent as long as possible by providing caregiving assistance such as transportation to and from appointments, visitation, telephone visitation (Senior Chat) to prevent isolation, Caregiver Canines program, and respite care. Sharecare's unique attribute is older adult volunteers are helping older adults. ShareCare seeks funds to support personnel including program coordinators and the executive director.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	65 persons assisted
Location Description	321 Wyandotte Street, Bethlehem, PA
Planned Activities	ShareCare strives to help older adults and those with disabilities to enjoy a quality of life and remain independent as long as possible by providing caregiving assistance such as transportation to and from appointments, light household and yard chores, visitation to prevent isolation, Caregiver Canines program, and respite care.
Project Name	CALV Housing Counseling BHAP (Bethlehem Housing Assistance Program)
Target Area	City of Bethlehem
Goals Supported	Support High Quality Public Services

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Needs Addressed	Enhance the Availability of Community Services
Funding	CDBG: \$25,000.00
Description	The Bethlehem Homebuyer Assistance Program (BHAP) will assist low- to moderate-income households throughout the City of Bethlehem that are seeking assistance for down payment and closing costs. CDBG funds will be utilized for activity delivery only and HOME funds will be the assistance provided.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	85 persons assisted
Location Description	1337 E. 5th Street, Bethlehem, PA
Planned Activities	The Housing Counseling Program (HCP) is a HUD-approved housing counseling program which helps families achieve homeownership and avoid foreclosure. HCP's mission is to provide low- to moderate-income clients with a continuum of coordinated financial counseling services to encourage and assist them to build personal assets, obtain and preserve homeownership, and to develop neighborhood wealth for the benefit of the whole community. Applicant seeks funding to assist the City administer its Bethlehem Homebuyer Assistance Program (BHAP). BHAP participants must participate in HCP's Home Ownership Counseling Program seminar and/or pre-settlement counseling and one-on-one pre-purchase counseling.
9 Project Name	CADB Residential Façade Exterior Rehabilitation and Weatherization Program
Target Area	City of Bethlehem
Goals Supported	Preserve Owner-Occupied Housing
Needs Addressed	Improve the quality of existing housing
Funding	CDBG: \$66,000.00
Description	CDBG funds from the City of Bethlehem will be used to implement a targeted residential facade improvement program to improve the appearance of Southsides Tomorrow neighborhoods, and the Northside Alive NRSA and make crucial repairs to homes inhabited by low- to moderate-income residents. Specifically, four (4) residential facades will be funded by the City. Funds will be given directly to the contractor performing the repairs, with no funds directed to the homeowner. Recipients will be low- to moderate-income homeowners, NRSA residents or otherwise eligible homeowners, or local landlords who have a property in the target neighborhoods. An effort will

	be made to coordinate with Community Action Homes to concentrate the work to increase the impact. CADB will also attempt to coordinate these efforts with the City of Bethlehem emergency housing repair program and Healthy Homes program as well as CALVs Weatherization program so that homeowners can improve both the exterior and interior of their homes.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	4 homes
Location Description	Bethlehem, PA NRSA; Southside Vision Area
Planned Activities	CDBG funds from the City of Bethlehem will be used to implement a targeted residential façade improvement program to improve the appearance of Southside’s Tomorrow neighborhoods, and the Northside Alive NRSA and make crucial repairs to homes inhabited by low- to moderate-income residents. Specifically, at least four (4) residential façades will be funded by the City. Funds will be given directly to the contractor performing the repairs, with no funds directed to the homeowner. Recipients will be low- to moderate-income homeowners, NRSA residents or otherwise eligible homeowners, or local landlords who have a property in the target neighborhoods. An effort will be made to coordinate with Community Action Homes to concentrate the work to increase the impact. CADB will also attempt to coordinate these efforts with the City of Bethlehem’s emergency housing repair program and Healthy Homes program as well as CALV’s Weatherization program so that homeowners can improve both the exterior and interior of their homes.
10 Project Name	Wyandotte Apartment Rehabilitation (New Bethany)
Target Area	City of Bethlehem
Goals Supported	Create and Preserve Rental Housing
Needs Addressed	Improve the quality of existing housing
Funding	CDBG: \$50,000.00
Description	Wyandotte Apartments is a permanent, affordable housing program with seven apartments for families and individuals who were previously experiencing housing insecurity and/or homelessness. The facility is in dire need of updating and repair. New Bethany has embarked on a renovation project that will create a place that feels like a home for our households who are exiting the crisis of homelessness. This phase of the project will improve safety at the facility and retain and improve a rental unit by installing a safety fence along the perimeter of

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	the property and renovating Apartment G (including revamping kitchen, bathroom, bedrooms, and common areas).
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	1 apartments within facility will be updated and/or or repaired; funds will go toward 1 rental unit rehabilitation.
Location Description	333 W. 4th Street, Bethlehem, PA
Planned Activities	New Bethany has embarked on a renovation project that will create a place that feels like a home for our households who are exiting the crisis of homelessness. This phase of the project will install a safety fence on the perimeter of the property and renovate Apartment G. This project will create a safe and stable physical environment for housing insecure and/or homeless households living at Wyandotte Apartments.
Project Name	CDBG Housing Rehabilitation (City of Bethlehem)
Target Area	Northside 2027
Goals Supported	Preserve Owner-Occupied Housing
Needs Addressed	Improve the quality of existing housing
Funding	CDBG: \$100,000.00
Description	Includes \$50,000 in reallocated funds. Rehabilitation and emergency repairs to owner-occupied homes of low- to moderate-income residents. Funds will be used to rehabilitate homes throughout the City
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	30 households assisted

12	Location Description	City of Bethlehem
	Planned Activities	Northside 2027
	Project Name	CDBG Housing Rehab Program Delivery (City of Bethlehem)
	Target Area	Northside 2027
	Goals Supported	Preserve Owner-Occupied Housing
	Needs Addressed	Improve the quality of existing housing
	Funding	CDBG: \$200,000.00
	Description	CDBG Housing Rehab Program Delivery (City of Bethlehem)
	Target Date	12/31/2026
	Estimate the number and type of families that will benefit from the proposed activities	Activity delivery costs of rehabilitation program (#11)
13	Location Description	City of Bethlehem
	Planned Activities	Northside 2027 (NRSA) aka Northside Alive Area
	Project Name	Bloom for Women – Heather House Improvements
	Target Area	City of Bethlehem
	Goals Supported	Improve Public Facilities and Infrastructure
	Needs Addressed	Provide quality infrastructure and community facilities Foster Strong, Vibrant Neighborhoods
	Funding	CDBG: \$80,000.00
	Description	Bloom for Women (Bloom) is a nonprofit with a mission of providing sanctuary and a continuum of care to heal, empower, and employ survivors of sex trafficking and sexual exploitation. CDBG funds from the City of Bethlehem will be used to replace the aging roof and

	add a three-quarter bathroom to its West Bethlehem transitional group home and additional work elements. These improvements will enhance the safety, functionality, and capacity of the home, allowing Bloom to serve more survivors of sex trafficking and exploitation. By expanding access to safe, supportive housing, the project will help address the shortage of survivor centered housing in the community. Ultimately, this investment will reduce the risk of homelessness and exploitation while supporting long term stability and independence for the women served.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	4 persons assisted
Location Description	621 7th Ave., Bethlehem, PA 18018
Planned Activities	Bloom for Women is requesting CDBG funding to support the Heather House Renovation Project, which will replace the aging roof and add a three-quarter bathroom to its West Bethlehem transitional group home. These improvements will enhance the safety, functionality, and capacity of the home, allowing Bloom to serve more survivors of sex trafficking and exploitation. By expanding access to safe, supportive housing, the project will help address the shortage of survivor centered housing in the community. Ultimately, this investment will reduce the risk of homelessness and exploitation while supporting long term stability and independence for the women served.
14 Project Name	Via of the Lehigh Valley, Inc. – Facility Improvements
Target Area	City of Bethlehem
Goals Supported	Improve Public Facilities and Infrastructure
Needs Addressed	Provide quality infrastructure and community facilities Foster Strong, Vibrant Neighborhoods
Funding	CDBG: \$299,000.00 (with \$130,081 in prior funds and \$168,919 in 26 funds)
Description	Via's Vocational Training Workshop is a critical community workforce facility located in the City of Bethlehem, preparing individuals with disabilities for employment while supporting local business partners through contract work. Via of the Lehigh Valley, Inc. requests funds to address the structural, mechanical, and infrastructure vulnerabilities of Via's 115-year-old Vocational Training Workshop, vulnerabilities identified during planning and systems assessments. Improvements and costs would include installation of a generator (power vulnerability) and sump pump replacement (water management), and related work and soft costs. These upgrades are essential to ensuring

	the long-term safety, resilience, and operational continuity of a facility that supports 1,000 individuals and their families, alongside 180 employees across the region.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	523 persons assisted
Location Description	336 W. Spruce Street, Bethlehem, PA 18020
Planned Activities	Via of the Lehigh Valley, Inc. requests funds to address the structural, mechanical, and infrastructure vulnerabilities of Via's 115-year-old Vocational Training Workshop, vulnerabilities including power and water/sewer management. Improvements would include installation of a generator (power vulnerability) and sump pump replacement (water management). These upgrades are essential to ensuring the long-term safety, resilience, and operational continuity of a facility that supports 1,000 individuals and their families, alongside 180 employees across the region.
15	Project Name City – BES, Christ Church UCC – Homeless Shelter Design and Engineering
	Target Area City of Bethlehem
	Goals Supported Improve Public Facilities and Infrastructure
	Needs Addressed Provide quality infrastructure and community facilities
	Funding CDBG: \$215,781.85
	Description The City of Bethlehem is partnering with BES to renovate the existing shelter into a year-round facility with 70 congregate beds, 12 non-congregate rooms, shared bathrooms, laundry and storage facilities. This activity would fund the final design and engineering for 75 E. Market St., resulting in biddable construction documents. The selected firm would assist in the bidding process and assist in managing project construction. The City will manage the design team, handle all project bidding and awards and be the lead construction project manager. The City will enter into a long-term lease with the owner (Christ Church United Church of Christ) of 75 E. Market Street and then sublease the property to Bethlehem Emergency Sheltering, Inc.
	Target Date 12/31/2026
	Estimate the number and type of 82 persons assisted.

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families that will benefit from the proposed activities	
Location Description	City of Bethlehem
Planned Activities	Costs associated with predevelopment and soft costs as well as the final design and engineering of an 82-bed year-round emergency shelter. BES provides food and shelter to homeless men and women not served by other sheltering organizations during the colder months of the year.
Project Name	City Interim Assistance – (Encampment) Cleaning and Safety Improvements
Target Area	City of Bethlehem
Goals Supported	Improve Public Facilities and Infrastructure
Needs Addressed	Provide quality infrastructure and community facilities
Funding	CDBG: \$50,000.00
Description	Includes \$50,000 in CDBG program income funds. The City of Bethlehem's Department of Public Works requests CDBG funds to reimburse costs incurred as part of the project for homeless camp site clean-up in the City of Bethlehem. These costs include the work to remove a homeless encampment and repair the fence. In addition, the work will also include removing a section of the material railing and taking a mini excavator and skid steer down the slope to gather materials. A triaxle dump truck will then transport the materials to a landfill. The project will aid in the physical and permanent improvement to a park owned by the City of Bethlehem that contained garbage, trash, and debris as the space was occupied by a homeless encampment. The trash and debris are creating health issues and require clean-up and removal.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	Anticipated that at least 1,000 City of Bethlehem residents and/or [unhoused beneficiaries] will benefit from the improvements.
Location Description	City of Bethlehem

17	Planned Activities	Costs associated [with fence safety improvements and site cleanup].
	Project Name	CDBG and HOME Program Administration
	Target Area	City of Bethlehem
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	CDBG: \$229,061.80 HOME: \$38,830.81
	Description	Salary and wages of local staff as well as professional fees for consultants and any other eligible activities to assist with the administration of the HOME and CDBG programs.
	Target Date	12/31/2026
	Estimate the number and type of families that will benefit from the proposed activities	This administrative activity will not have direct beneficiaries.
	Location Description	10 E Church St Bethlehem, PA 18018
18	Planned Activities	This activity will reimburse the City for salary and wages of employees administering the CDBG and HOME programs. Funds may also be used to pay for professional services, salary and wages of local staff, as well as professional fees for consultants to assist with the administration of the HOME and CDBG programs, and any other eligible activities.
	Project Name	Bethlehem Redevelopment Authority (RDA) Blight Elimination Program
	Target Area	City of Bethlehem
	Goals Supported	Enhance Homeownership Opportunities
	Needs Addressed	Increase the rate of homeownership
	Funding	CDBG: \$25,000.00
	Description	City's blight elimination program.

19	Target Date	12/31/2026
	Estimate the number and type of families that will benefit from the proposed activities	TBD
	Location Description	10 East Church Street, Bethlehem, PA 18018
	Planned Activities	Activity delivery costs, acquisition, and rehabilitation costs of City's blight elimination program.
	Project Name	CDBG Future Projects TBD
	Target Area	City of Bethlehem
	Goals Supported	Improve Public Facilities and Infrastructure [; public services]
	Needs Addressed	Provide quality infrastructure and community facilities Foster Strong, Vibrant Neighborhoods
	Funding	CDBG: \$10,000.00
	Description	Funding for direction to existing or new projects
20	Target Date	12/31/2026
	Estimate the number and type of families that will benefit from the proposed activities	TBD
	Location Description	
	Planned Activities	Funding for direction to existing or new projects
	Project Name	North Penn Legal Services – Housing Stability Project
	Target Area	City of Bethlehem

Goals Supported	Address Impediments to Fair Housing Choice
Needs Addressed	Enhance the Availability to Community Services
Funding	CDBG: \$20,000.00
Description	The City of Bethlehem is required to provide or fund fair housing services such as this program. NPLS provides high quality legal services to low-income residents of 20 counties in Northeast Pennsylvania in a wide range of civil legal matters. This activity will fund a portion of the Fair Housing staff for the Lehigh Valley Housing Stability Project, services provided under this program include work on housing-related legal cases as well as training and outreach events covering housing-related legal issues. NPLS staff work out of NPLSs Bethlehem office and serve income-qualified clients from the Lehigh Valley including Bethlehem City residents.
Target Date	12/31/2026
Estimate the number and type of families that will benefit from the proposed activities	20 families assisted.
Location Description	559 Main Street, Suite 200, Bethlehem, PA 18018
Planned Activities	The City of Bethlehem is required to provide or fund fair housing services such as this program. NPLS provides high quality legal services to low-income residents of 20 counties in Northeast Pennsylvania in a wide range of civil legal matters. This activity will fund a portion of the Fair Housing staff for the Lehigh Valley Housing Stability Project, services provided under this program include work on housing-related legal cases as well as training and outreach events covering housing-related legal issues. NPLS staff work out of NPLS's Bethlehem office and serve low-income people from the Lehigh Valley including City or Bethlehem residents.
21 Project Name	Community Housing Development Organization (CHDO) - Community Action
Target Area	City of Bethlehem
Goals Supported	Enhance Homeownership Opportunities
Needs Addressed	Improve the quality of existing housing
Funding	HOME: \$58,246.22

22	Description	Provide funds to produce affordable housing opportunities, and any other HOME CHDO-eligible activity, using the 15% CHDO set-aside funding as required under the HOME Investment Partnerships (HOME) entitlement grant.
	Target Date	12/31/2026
	Estimate the number and type of families that will benefit from the proposed activities	This is an administrative activity and will not have direct beneficiaries
	Location Description	City of Bethlehem
	Planned Activities	This program will provide funds to produce affordable housing opportunities using the 15% CHDO set-aside funding as required under the HOME Investment Partnerships (HOME) entitlement grant. These eligible set-aside activities include: the acquisition and/or rehabilitation of rental housing; new construction of rental housing; acquisition and/or rehabilitation of homebuyer properties; new construction of homebuyer properties; and direct financial assistance to purchasers of HOME-assisted housing that has been developed with HOME funds by the CHDO, and any other CHDO-eligible activity.
	Project Name	Gateway on 4 th 60 unit multifamily
	Target Area	City of Bethlehem Northside 2027
	Goals Supported	Create and Preserve Affordable Rental Housing
	Needs Addressed	Improve the quality of existing housing
	Funding	HOME: \$1,488,173.14 [with \$1,196,942.07 Fund \$291,231.07 in 26 funds] [Additional funding to be determined]
	Description	New construction of mixed-income 60 unit multifamily project in south Bethlehem.
	Target Date	12/31/2026
	Estimate the number and type of families that will benefit from the	5 to 10 families in HOME-assisted units

proposed activities	
Location Description	City of Bethlehem Northside 2027 Area (NRSA) aka Northside Alive
Planned Activities	Development of a 60-unit multifamily apartment complex located at 1400 & 1414 E. 4th Street, Bethlehem, PA 18015. The development will include mixed-income residents and will include HOME-assisted units and other affordable units and is anticipated to include at least 2/3rd affordable rental units.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

In 2026, the City is targeting approximately 77.5% of CDBG funds, specifically to the neighborhoods of the City of Bethlehem and/or residents of the City of Bethlehem. The remaining 22.5% will be allocated to the Northside 2027. Southside projects will receive approximately \$33,000 in CDBG funds for facade improvements.

Geographic Distribution

Target Area	Percentage of Funds
City of Bethlehem	78
Northside 2027	22

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The Consolidated Plan seeks to address priority needs both citywide as well as in the designated targeted area. Housing rehab, assistance to seniors and at-risk youth services, homeless services, neighborhood improvements, and special needs populations are not limited by geographic boundaries. CDBG and HOME resources will be allocated geographically as:

- Citywide
- Northside NRSA - The NRSA designation allows the full range of HUD-funded benefits to be targeted. The NRSA is sometimes referred to as “Northside Alive” or the “Northside 2027” area.

While focusing on the Northside, the City will remain cognizant of the fact that important and needed work remains on the Southside. 2026 applications for projects and activities leverage CDBG and HOME resources with other federal, state, and local support.

For PY2026, City anticipates providing 22.5% of CDBG funds available to Northside activities and 2.4% of available CDBG funds to Southside activities.

Discussion

The Northside Alive neighborhood was identified in 2017-18 as a potential Neighborhood Revitalization Strategy Area (NRSA) via an extensive community planning process. The program saw great progress in 2023 as the City hired a Northside neighborhood coordinator tasked with working with residents and local stakeholders to implement revitalization programs. The City completed the Friendship Park redesign planning study, a community-driven reimagining of a park at the center of the neighborhood, which cost \$30,000. Friendship Park is a community gathering place steps from the Linden Street business corridor, but its current lack of shade and expansive asphalt mean it is often underutilized.

Design plans call for the installation of a splash pad, which would be the only public water feature within two miles of the neighborhood. The City is moving forward with final design and engineering for the redesign with the goal of starting construction in 2024. The finished park will be a community hub and a potential boost to the neighboring business district.

The City conducted a neighborhood housing survey in the fall of 2023 to identify properties for a CDBG-funded façade program surrounding the Friendship Park area. The City is working with applicants for the façade program currently to qualify them for the program. In 2024, the City continues to host and participate in regularly scheduled housing committee meetings with community members and stakeholders, to identify housing and public service needs in the NRSA and potentially fund projects. These meetings include City staff, local residents, representatives from the development community, and local school officials.

Businesses and residents have identified the walkability and bikeability of the Northside Alive neighborhood as a major concern. Through collaboration with the Northside Alive Safe and Vibrant Public Realm Committee and the Coalition for Appropriate Transportation, the City invested in bike racks and crosswalk improvements throughout the neighborhood. The bike racks were installed in front of local businesses throughout the neighborhood at no cost to the businesses. The City also invested \$20,000 to hire a design firm to create a neighborhood brand for Northside Alive to foster an identity for residents and businesses within the zone. The City then provided local businesses with branding materials, like posters and window clings, at no cost and invested in Northside Alive banners to cohesively link the two main business districts within the neighborhood. Beyond branding, the City organized a business mixer and other in-person events to build cohesion among the local business community and the neighborhoods in the NRSA.

The City pays the salary of the Northside Alive neighborhood coordinator, who works with local businesses, residents, and community stakeholders to implement the revitalization strategies identified within the Northside 2027 plan (plan which supported the City NRSA application), which serves as a blueprint for neighborhood investment. The City created this position in 2022 to centralize coordination of community organizing and other efforts in the NRSA. The City is funding this position from non-CDBG sources evidencing its commitment to funding investment in the people, facilities, and housing in the NRSA and leveraging CDBG resources devoted to other NRSA projects.

In 2022 the City began planning with the community for the revitalization of Friendship park. In 2023 and 2024, design and permitting work continued. As of posting of this plan, the construction has been completed and the park is open to the public and fully-operational.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The preservation and expansion of affordable housing opportunities are stated goals from the City's 2020-24 Five-Year Consolidated Plan. In addition, the City intends to improve the housing stock in the Northside NRSA and a designated area on the south side. As such, affordable housing activities for this program year 2026 include, without limitation:

- Rehabilitation of homes owned and occupied by LMI residents.
- First time homebuyers' program (BHAP) providing subsidies for up to 10 percent of downpayment and closing costs.
- Facade improvements to homes
- The acquisition, rehabilitation, and resale of homes for low-income buyers
- Construction of new single-family housing
- Construction of new multifamily developments, please see project #22, Gateway, for details on development of rental units

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	94
Special-Needs	5
Total	99

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	60
Rehab of Existing Units	39
Acquisition of Existing Units	0
Total	99

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

Bethlehem is located in Pennsylvania's Lehigh Valley region, which in 2019 began experiencing a sharp escalation in housing costs that the pandemic further accelerated. Today, the Lehigh Valley is estimated to be short about 9,100 housing units, a gap projected to eclipse 54,000 by 2050. An influx of new, higher income residents combined with limited new housing construction is driving a severe housing

shortage across the region.

The City's affordable housing plan Opening Doors: Strategies to Build Housing Stability in Bethlehem was completed in the fall of 2023, offering a blueprint for leveraging City, state and federal funding to help the most Bethlehem residents access safe and affordable housing.

The City's housing work is guided by the ConPlan and the strategies outlined in Opening Doors, which work in concert to leverage available resources to assist the most households possible. The City utilizes its CDBG and HOME dollars to increase the supply of deeply affordable housing units in Bethlehem.

Opening Doors aims to implement short-term solutions to help individuals remain housed and long-term solutions to develop more housing units – both market-rate and affordable – as well as year-round emergency sheltering beds.

In recognition that housing cost burden is born more by renters than homeowners – 53% of Bethlehem renters are compared to 20% of homeowners – the City has developed two crucial programs to keep renters stably housed. The City worked with Community Action Development Bethlehem (CADB) to develop a tenant advocacy program to help renters learn their rights, get connected to renter resources and mediate conflicts with landlords.

To improve the quality of rental housing stock, the City seeks to establish a rental rehabilitation program for landlords who are renting to income-qualified tenants in exchange for affordability guarantees over the life of the forgivable loan. The City in June of 2026 was awarded state grant funding to support the staffing of the expansion of its existing housing rehab program and plans to invest CDBG dollars into these properties. In exchange for loans to make code repairs identified in City rental inspections, landlords must agree to caps on annual rent increases over the life of the loan.

The City is developing a Citywide affordable housing preservation strategy for properties with expiring periods of affordability, naturally-occurring affordable housing as well as a student housing deconversion program. Starting in August 2026, a Harvard Bloomberg fellow on a two-year assignment to the City will begin developing the preservation program, target properties and financial vehicles to do so. The program may utilize eligible community development funds to seed the preservation fund. The program will include a focus in this NRSA neighborhood.

The City offers technical assistance to developers who are working on multifamily housing developments seeking to include affordable units. The City is in the process of developing a housing production revolving loan fund, modeled on the Montgomery County, Md., model, that may help these projects bridge the financing gap and come to fruition.

The City is in the midst of an accessory dwelling unit (ADU) zoning update with the hopes of legalizing

ADUs across Bethlehem. As part of this work, the City is partnering with Lehigh University, CALV/CADB and New Bethany, on the alley house pilot project to construct demo ADUs on homeowners' properties in exchange for them being rented affordably for a minimum of 20 years.

AP-60 Public Housing – 91.220(h)

Introduction

The Bethlehem Housing Authority (BHA) partnered with the City and was awarded a Choice Neighborhoods grant in September 2023 to transform the Pembroke Village target housing site and the surrounding Stefko / Pembroke Neighborhood into a more desirable community of choice. This collaboration ensures a joint focus on all three core goals of the CN: Housing – through the replacement of obsolete public housing with financially viable, energy efficient, mixed-income housing within a larger program of neighborhood reinvestment; People – creating and enhancing opportunities for BHA residents and other low- and moderate income families to improve their quality of life; and Neighborhood – transforming a distressed, high-poverty area to well-functioning mixed-use and mixed-income neighborhood.

Moreover, BHA owns and operates more than 1,400 affordable housing units across 11 properties in the City of Bethlehem. BHA identified several populations in greater need including elderly and handicap households and single-mother households. BHA feels the biggest challenge will be to provide enough affordable housing to meet the needs of the community. The current demand has severely outpaced the supply, caused by regulation, cost, lack of affordable homes for sale, and suitable land for development.

Actions planned during the next year to address the needs to public housing

The BHA and City submitted its Choice Transformation Plan to HUD in September 2025 and it was accepted. The partners received a grant extension to complete the HUD Early Action project by June 30, 2026.

To support Choice Implementation, the City, BHA and its People Lead the United Way of the Greater Leigh Valley (UWGLV) secured \$150,000 in annual tax credit contributors for the next six years. This state Neighborhood Partnership Program application was submitted in May 2026 to PA DECD for approval. If approved, it will allow the partners to begin carrying out the People and Neighborhood Strategies of hiring a Choice neighborhood coordinator and rolling out workforce development initiatives. It will also support the ongoing work of the Choice Community Ambassadors and expand their ranks via training, mentorship and stipends.

BHA and the City will work with UWGLV and its housing development partner Gorman Associates to move forward the first phase of its Choice Housing Plan. The partners plan to apply for a Choice Implementation grant in the next NOFO round.

BHA reports that almost all complexes are in good condition, with a few considered fair. The BHA will continue annually to make improvements to complexes in general and housing units where needed to

guarantee a safe, decent home for each resident. BHA strives to decrease families on its wait list.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Since the passing of "The Quality Housing and Work Responsibility Act of 1998", the BHA has had a Resident Advisory Board, comprised of a representative from each development/building. The Board members meet monthly to assist the Authority in preparation and updating of the Five Year and Annual Plans. BHA encourages and funds Resident Councils in all their developments/buildings. The resident Council members are voted by the residents in an election process which is overseen by BHA staff. Councils are required to hold meetings and set up information sessions that are of interest and importance to the residents. The Board meets at least three times a year to assist the BHA to prepare and update the Annual Plans.

As part of the Choice process, four neighborhood Community Ambassadors were identified, two whom are BHA residents. All Ambassadors went through a two-year leadership training that included mentorship supports and a monthly stipend for their work. The Ambassadors have continued their Choice work since the expiration of the grant and in 2026 already have planned a neighborhood meeting focused on traffic concerns, a movie night, a clean-up and a Party in the Park to celebrate the Early Action project completion. Choice plan may be found here: <https://www.bethlehemchoice.com/> There is a greater need for rental assistance, more affordable housing, homelessness prevention and eviction prevention programs and services, childcare services, and mental health and substance abuse services. BHA acknowledges that residents' biggest challenge is reaching housing independence, and keeping up with the changing technology needed to make employment advancement and increased family wealth.

Representatives from the City receive all BHA meeting agendas and minutes and review all to become familiar with concerns of the board and, more importantly, the resident advisory board. Moreover, City Council maintains an appointed liaison to the BHA who attends meetings. A representative of the Community and Economic Development Department also attends BHA meetings to coordinate activities. The City supplies information regarding HOME funded units to the BHA Director and has requested our HOME funded organizations directly solicit residents of the BHA when marketing their apartment units or income qualified homes.

Information on the City's Bethlehem Housing Assistance Program will be provided to Housing Authority residents.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The Bethlehem Housing Authority is not a troubled PHA. BHA received a score of 100 for Fiscal Year

2025 and is deemed a High Performing authority.

Discussion

BHA is integral to the City of Bethlehem as it serves as a primary vehicle for addressing the pressing housing needs of low-income residents within the community. By providing affordable housing options, rental assistance programs, and supportive services, the BHA plays a vital role in ensuring that City residents have access to safe and decent housing. Additionally, the authority's efforts contribute to community development and revitalization and fostering economic growth and social mobility. Through its various initiatives and partnerships, the BHA helps strengthen the fabric of the City, promoting stability, opportunity, and a better quality of life for all residents.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City of Bethlehem is actively addressing homelessness through Community Development Block Grant (CDBG) funding by implementing a range of targeted initiatives and support services. With CDBG funding, Bethlehem has established comprehensive programs aimed at preventing homelessness, providing funding to emergency shelters, and aiding individuals and families experiencing housing instability. These initiatives include rental assistance programs, supportive services, and outreach efforts to connect homeless individuals with housing and employment resources. Additionally, Bethlehem allocates CDBG funds to support homeless shelters, transitional housing facilities, and supportive housing developments, creating a continuum of care to address the diverse needs of the homeless population. Through strategic investments and partnerships with local organizations and service providers, the City of Bethlehem is making significant strides in combating homelessness and promoting housing stability for its residents.

The City continues to address the underserved needs of area residents through participation in regional housing forums, fair housing activities and events, and most notably the Lehigh Valley Regional Homeless Advisory Board (LVRHAB). The City works with public service providers, including the Bethlehem Emergency Shelter, New Bethany, Northampton County and Lehigh County Homeless Assistance Programs (HAP) to address emergency shelter and transitional housing needs. The City participates in RHAB and is represented by its Deputy Director of the Department of Community and Economic Development.

To effectively meet the demand for homeless services, Homeless Assistance Program (HAP) funds are block granted to all 67 Pennsylvania counties. HAP funds help assure:

1. homelessness can be avoided through a variety of prevention services assisting clients to maintain affordable housing;
2. people who are homeless can find refuge and care; and
3. homeless and near homeless clients are assisted in moving toward self-sufficiency. City residents in Northampton County can access services through the Northampton County Department of Human Services in Easton, while the residents within Lehigh County receive services through the Lehigh County Department of Aging and Adult Services in Allentown. In general, the City refers all applications for assistance, relative to homelessness, to the Eastern PA Continuum of Care/RHAB.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In the City of Bethlehem, reducing homelessness is a top priority, and the City has outlined several ambitious goals and actions to achieve significant progress within the next year. One key goal is to decrease the number of individuals experiencing homelessness through a combination of prevention,

intervention, and housing stabilization efforts and programs. To achieve this goal, Bethlehem will focus on expanding access to affordable housing options, implementing rapid rehousing programs, and enhancing coordination with local service providers to streamline access to supportive services. In the next year, Bethlehem aims to increase the availability of affordable housing units. By increasing the supply of affordable housing, Bethlehem seeks to provide stable and permanent housing solutions for individuals and families experiencing homelessness, thus reducing reliance on emergency shelters and transitional housing facilities. Additionally, Bethlehem will prioritize the implementation of homelessness prevention programs aimed at addressing the root causes of homelessness and housing instability. These programs may include rental assistance, eviction prevention services, and financial counseling to help individuals and families maintain stable housing, achieve homeownership, and avoid homelessness. By investing in prevention efforts, Bethlehem aims to proactively address housing crises before they escalate, ultimately reducing the overall incidence of homelessness in the community.

In 2023, the City submitted a HOME-ARP allocation plan to HUD allocating funds to the acquisition/rehabilitation/development of a non-congregate emergency shelter that will serve qualifying populations.

Furthermore, Bethlehem will strengthen its partnerships with local homeless service providers, faith-based organizations, and community stakeholders to ensure a coordinated and comprehensive response to homelessness. Through enhanced collaboration and information sharing, Bethlehem will improve the effectiveness of its homelessness response system, increase access to supportive services, and better meet the diverse needs of individuals experiencing homelessness. Bethlehem is committed to making measurable progress in reducing homelessness and creating a more cohesive and resilient community for all residents.

Addressing the emergency shelter and transitional housing needs of homeless persons

While the city does not receive ESG funding directly from HUD, the city is dedicated to addressing the emergency shelter and transitional needs of homeless persons by implementing a comprehensive approach that prioritizes both immediate assistance and long-term solutions. Bethlehem collaborates closely with local homeless service providers, shelters, and transitional housing facilities to ensure that individuals and families experiencing homelessness have access to safe and supportive environments where they can receive temporary shelter, necessities, and wraparound services. Additionally, Bethlehem allocates resources to enhance the capacity and quality of emergency shelters and transitional housing programs, ensuring that they are equipped to meet the diverse needs of homeless individuals while also providing pathways to permanent housing through rapid rehousing initiatives, case management, and supportive services. By prioritizing emergency shelter and transitional housing as integral components of its homelessness response system, Bethlehem strives to provide compassionate and effective support to those in need while working towards the goal of ending homelessness in the community. City administration annually works closely with the Bethlehem Emergency Shelter to organize its winter shelter. In 2023, the City submitted a HOME-ARP allocation plan to HUD allocating funds to acquisition/rehabilitation/development of a non-congregate emergency shelter that will serve

qualifying populations. Additionally, through the CoC and County Homeless Assistance Programs, comprehensive and varied programs are available to Bethlehem residents and the region to assist the homeless in making the transition to permanent housing including addressing special needs of persons who are not homeless.

The City in September 2023 released Opening Doors: A Strategic Plan to Address Homelessness, which guides the City's work to reduce homelessness. Opening Doors established that as a local government the City is uniquely positioned to bolster both ends of the housing continuum preventing homelessness before it occurs, providing capital to create emergency shelter and boosting affordable housing production.

The City is also working with Christ Church UCC and Bethlehem Emergency Sheltering, 75 E. Market St. in the city, to turn its cold weather 70-bed emergency shelter into an 82-bed year-round emergency shelter. The City has committed \$2 million in general fund dollar to support this \$6 million project. The City has used its CDBG public service funding to support shelter operations.

In South Bethlehem, the City just awarded a contract to begin final design and engineering work for an 11-unit non-congregate emergency family shelter, funded by the City's HOME-ARP NCS grant as well as a state HOME-ARP NCS award passed through PA DCED. The project will renovate a former 10-unit apartment building, needing more than \$400,000 in code repairs, into a trauma-informed shelter space to transition HOME-ARP populations out of homelessness.

The City's Community Connections program provides street outreach, housing navigation and social services coordination across City encampments. The Health Bureau's Community Connections team conducts quarterly population censuses and tracks all program participants in HMIS.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The larger population of homeless in the City of Bethlehem does not meet HUD's definition of chronically homeless. They are individuals or families who increasingly cannot find affordable housing, family members who are couch surfing, experiencing barriers to finding or obtaining affordable units, or are individuals facing eviction due to rising rents or crowded conditions.

Some forms of assistance relate to the individual or family's housing situation and referrals can be made locally to New Bethany and or regionally to the Pennsylvania Coalition Against Domestic Violence (PCADV), the National Alliance to End Homelessness, the National Coalition for the Homeless or specific programs of the US Department of Housing and Urban Development (HUD). Turning Point of the Lehigh Valley aids in finding permanent, safe housing for victims of domestic violence and Valley Youth House

assists with permanent housing solutions for homeless children.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.- add depending on subrecipients chosen by city.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Several 2026 activities are aimed at preventing homelessness:

- City Owner-occupied Housing Rehab Program reduces the impacts of a deteriorating home and thus helps keep homeowners in their homes.
- New Bethany's Representative Payee Program combats homelessness by providing fiduciary, financial management, and family budgeting services - including paying rent and utility bills on time. This assistance is especially helpful to individuals with mental health and other physical challenges and prevents homelessness.
- The ShareCare volunteer service program helps keep the elderly and disabled in their homes with a variety of home and respite care services.
- Bethlehem Emergency Sheltering, Inc. (BES) provides food and shelter to homeless men and women not served by other sheltering organizations during the colder months of the year. From November through April each year, BES provides emergency shelter, a hot dinner, and access to support services and shower facilities. Support services made available to guests include physical health check-ups, physical therapy assistance, vaccines, and testing; mental health assessments and referral for services; connection to permanent and transitional housing; drug and alcohol support; and assistance with PA COMPASS and other services.
- Additionally, other CDBG-funded programs provide food assistance and other services to individuals that indirectly help prevent homelessness by providing support that helps families to allocate scarce

financial resources to housing needs.

Discussion

The City of Bethlehem is steadfast in its commitment to addressing homelessness with compassion and effective solutions. Through collaborative efforts between local government, community organizations, and residents, Bethlehem aims to provide comprehensive support to individuals experiencing homelessness. Initiatives include the expansion of affordable housing options, access to mental health and substance abuse services, job training programs, and outreach efforts to connect individuals with necessary resources. Bethlehem recognizes the dignity of every person and strives to create a supportive environment where all residents can thrive.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The 2025-2029 Analysis of Impediments (AI) to Fair Housing Choice for the City of Bethlehem is a thorough examination of housing practices in the community, aimed at addressing fair housing barriers that hinder equal housing opportunities for residents. This report is part of the City's commitment to fostering a resilient community through housing access and is rooted in federal and state fair housing laws.

This AI sets out to accomplish several objectives, beginning with an overview of federal and state fair housing laws which outline protected characteristics. Next, community engagement results are reflected upon followed by an analysis of socio-demographic, economic, and housing market and availability factors that may impact fair housing choice. The AI then reviews local lending practices, local public policies, and the local housing market to identify any potential barriers to fair housing choice. Finally, the AI identifies potential impediments to fair housing choice and recommends actions the City can take to mitigate or eliminate these barriers.

Data for this AI was gathered through surveys, community forums, stakeholder engagement, and comprehensive data analysis from various sources to ensure a thorough understanding of the issues at hand. Major barriers identified include housing discrimination; lending practices; the age, size, quality, and availability of the City's housing stock; accessibility of housing; increasing number of unsheltered homeless persons; increasing cost of housing; restrictive zoning; as well as a significant population of City residents having the limited English proficiency or being a racial/ethnic minority.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

To effectively address these barriers, the AI recommends five (5) goals and related actions aimed at enhancing the overall accessibility and affordability of housing in the community: support critical public services, provide support to homeless residents, advance fair housing best practices, increase housing supply/improve housing stock, and coordinate and implement effective housing strategies.

Discussion

Bethlehem holds the removal of barriers to affordable housing as a key priority due to several compelling reasons deeply intertwined with the city's social, economic, and moral fabric. Firstly, increasing access to affordable housing is fundamental to reducing barriers to housing, economic opportunity, and education within the community. By addressing barriers to affordable housing, Bethlehem aims to reduce disparities and create a more mobile society where individuals of all income levels can live and thrive. Secondly, affordable housing is crucial for fostering economic stability and

growth and supporting individual and community health.

The City of Bethlehem on an ongoing basis examines the City's public policies with regard to the costs of housing to the incentives to develop, maintain or improve affordable housing in the City. The City's Zoning Ordinance provides for a variety of housing types and various densities and varying lot sizes. This variety reduces the potential for barriers to affordable housing as a result of regulatory policies. In addition, the City's Zoning Ordinance allows for emergency shelters, transitional housing, permanent supportive housing, and group homes for people with disabilities. Bethlehem does not impose impact fees for development and permit fees are reasonable. Additionally, the City's Zoning Ordinance has a chapter on Workforce Housing Incentives to allow greater density when incorporating affordable housing units.

The City has historically allocated CDBG and HOME resources for direct housing assistance, including its Housing Rehabilitation Assistance Program for lower income homeowners, the Down payment, and Closing Cost Assistance Program to assist first time buyers, rehabilitation assistance to non-profit organizations for creation of transitional housing and affordable rental and for sale housing.

In November 2023, the City released Opening Doors: Strategies to Building Housing Stability in Bethlehem, a comprehensive housing strategy. The document was updated in June 2024. The document includes a thorough examination of the housing needs in Bethlehem, existing housing conditions, housing challenges, and feedback from community engagement. Using this information, a housing plan is presented with five strategies and ten projects. Two of these projects were to update City zoning to encourage neighborhood compatible infill affordable housing development and pilot an accessory dwelling unit program.

The accessory dwelling unit project is underway. Bethlehem has launched a pilot project to build alley houses, which are compact, self-contained secondary housing units on the same lot as an existing home. This initiative is a collaboration between the City, local nonprofits, and Lehigh University.

Additionally, the City will incorporate affordable housing requirements into development incentives, such as Local Economic Revitalization Tax Assistance and Tax Increment Financing, when appropriate. The City will continue programs to improve the housing stock occupied by low-to-moderate income households and to assist lower income persons to become homeowners. Assistance to developers of affordable housing, for both owners and renters will be ongoing. Assistance to low-to-moderate income homeowners for housing rehabilitation, assistance to low-to-moderate income households to become homeowners, assistance to for-profit and non-profit developers to create affordable for sale housing and rental housing and to rehabilitate existing affordable rental developments for their continued

viability as affordable units.

For more details on barriers, please see City's 25-29 Consolidated Plan available on the City's website

AP-85 Other Actions – 91.220(k)

Introduction

Bethlehem places a high priority on caring for its underserved communities. Recognizing that underserved communities often face systemic barriers to opportunities and resources, Bethlehem is dedicated to addressing these disparities through targeted initiatives and support programs. This commitment stems from the belief that every individual deserves access to essential services, opportunities for advancement, and a dignified quality of life, regardless of their background or circumstances. This year, Bethlehem plans to further its efforts in supporting underserved communities through a multifaceted approach. This includes partnering with local organizations and service providers to deliver targeted assistance and support programs tailored to the specific needs of underserved populations.

Bethlehem prioritizes community engagement and empowerment by amplifying the voices of underserved communities in decision-making processes and policy development. By fostering dialogue and collaboration, the City aims to ensure that the concerns and priorities of underserved communities are effectively addressed and integrated into municipal initiatives and planning efforts. Additionally, Bethlehem will work to strengthen social safety nets and support networks for underserved populations, including initiatives to combat homelessness, food insecurity, and access to mental health services. Through proactive outreach, advocacy, and partnership-building, the City seeks to create a more resilient and supportive environment where all residents can thrive. In conclusion, Bethlehem's commitment to caring for underserved communities reflects its core values of community empowerment, compassion, and solidarity. By prioritizing the needs of underserved populations and implementing targeted strategies for support and empowerment, Bethlehem aims to foster a more compassionate and thriving community for all residents.

Actions planned to address obstacles to meeting underserved needs

Identified obstacles to meeting underserved populations include reducing barriers to rental and owner housing, e.g., rental deposits, down payments, homeless family services, and meeting needs of single female families. Bethlehem plans to continue addressing these obstacles by continuing to pursue all appropriate funding opportunities for housing development, preservation, and family assistance. BHA has determined that the allocation of federal funds should be more flexible. Funding should go where it's needed most. Currently, HUD payment standards do not reflect market rents and needs of the marketplace. One solution is to leverage those federal funds lying in reserve to pay landlords to set aside more of their units to those in a desperate need without claiming statutory limitations to spending such idle funds.

Actions planned to foster and maintain affordable housing

As detailed in AP-38 - Projects - and AP-55 - Affordable Housing, the City is taking several steps to foster

and maintain affordable housing, including subsidizing the creation of new affordable units, the purchase and rehab of units, and the rehabilitation and preservation of existing units.

Actions planned to reduce lead-based paint hazards

The City successfully obtained Lead-Healthy-Homes funding to target, assess and remediate lead risks for low-moderate income households. The City partners with Northampton County and City of Easton to target and assess lead risks for low- and moderate-income households. The Healthy Homes Program provides the opportunity to identify lead-based paint hazards, provide education, and provide materials to help residents create and maintain a safe environment. The City also partnered with the Lead Hazard Control Program to provide abatement from such hazards.

The City's Healthy Homes Program provides a thorough, customized home visiting program. The process includes: a walk-through of the home, assessment documentation, education, and leave-behind materials to help residents create and maintain a healthy and safe environment. This program, teamed with the Lead Hazard Control Program, provides needed lead assessment and abatement from the hazards that are central to lead poisoning. The City's Healthy Homes Program together with the Lead Hazard Control Program completed 32 projects in 2024. The Health Bureau and the Housing and Community Development Bureau work together to conduct lead abatement construction activities for income-eligible homeowners.

Additionally, any property owner in the City can request a lead inspection of their property. The City assesses a fee for this service to cover the cost of the inspectors' time. The Health Bureau and the Housing Rehabilitation staff coordinate on issues where elevated blood lead levels are identified.

Through the Residential Rehabilitation Program, the City provides housing repairs as well as lead-based paint abatements. For the year 2025, below are highlights from the City's Housing Rehabilitation Program operated in conjunction with the City's Lead and Healthy Homes programs:

- 45 Total Units Improved;
- 42 Emergency Home Repairs;
- 3 Homes fully rehabilitated;
- 3 units requiring lead remediation;
- 8 homes remediated with the Health Departments; and
- 25 cases referred to the Health Department and other agencies

Actions planned to reduce the number of poverty-level families

The City implements various activities and strategies to reduce the number of poverty-level families in the community. The activities include:

- Job Creation Initiatives: Encouraging economic development and attracting businesses to create job opportunities for residents.
- Affordable Housing Initiatives: Building or subsidizing affordable housing options for low-income families.

- **Social Services Support:** Providing access to social services such as food assistance, healthcare, childcare, and transportation.
- **Community Partnerships:** Collaborating with local organizations and nonprofits to provide additional support and resources to families in need.
- **Education and Youth Programs:** Investing in quality education and after-school programs to support children and youth from low-income families.
- **Section 3:** The City works to comply with HUD guidance on utilization of firms owned by or employing low-income persons.

In 2021 the City adopted an Affordable Housing LERTA District. Two active LERTA districts currently exist as authorized in respective City ordinances: Article 342 ("Affordable Housing LERTA" effective 9/7/2021 - 12/31/2026) and Article 343 ("Southside LERTA II" effective 1/1/2023 - 12/31/2027). Both contain affordability requirements for residential developments of 10 or more dwelling units. A developer seeking LERTA abatement for improvements (including new construction) that include 10 or more units must either set aside 10% of those dwelling units for low, very low, or extremely low income per HUD guidelines; or pay an in-lieu fee, based on dwelling unit quantity, into the City's Affordable Housing Fund. City Council established the fund in Article 342 for the purpose of support major affordable housing development, capitalizing low-interest grant or loan programs aimed at affordable housing, and funding rental assistance initiatives.

The City's Community and Economic Development Department uses a variety of funding sources to aid local businesses in an effort to expand the supply of quality jobs for LMI workers. The City brings together key partners and stakeholders to identify potential partnerships, grants, and other funding opportunities and aggressively pursues appropriate opportunities and incentive zone applications that respond to the needs of residents, local business owners, and developers. By uniting supply-side housing and redevelopment interventions with an expanded push for secure, high-quality jobs, the City hopes to develop an economy that affords all residents the opportunity to work where they live while contributing to a flourishing local business community.

Actions planned to develop institutional structure

Ongoing staff development, consultant input and community dialogue will continue to strengthen the Housing and Community Development Bureau performance in upcoming years.

DCED conducts periodic training sessions with subrecipients to help with grant administration, monitoring and compliance, application development, and construction labor standards-Davis Bacon Wage requirements. These efforts will help staff and subrecipients apply for and administer CDBG and HOME funding sources, ensuring all resources are highly integrated and administered efficiently. The Community Development Bureau is responsible for the following:

- Program management and oversight
- Inter-department/agency coordination
- Subrecipient contract administration and monitoring
- Program evaluation and risk assessment
- Report preparation and submission

- Technical assistance
- Special project development
- Consolidated Plan and Annual Action Plan preparation, monitoring, and evaluation
- Select housing programs

In 2026 and going forward, City staff will continue to hold training sessions with subrecipients. Beyond City staff, the Community Development Bureau will maintain strong relationships with public agencies including the governments of Lehigh and Northampton counties, the Bethlehem Housing Authority, and a network of non-profit and public service organizations.

Actions planned to enhance coordination between public and private housing and social service agencies

The City recognizes the importance of partnership between the public, private, and social service agencies. The City does the following to enhance coordination between public and private housing and social service agencies:

- The City collaborates on the development of strategic plans, needs assessments, and resource allocation strategies to ensure alignment and maximize impact across public and private sectors. Specifically, in 2023 the City put together a 5-year action plan to address housing needs in Bethlehem. The community, as well as City staff, were heavily involved.
- Establish partnership agreements and Memoranda of Understanding (MOUs), formalizing partnerships and collaborations through written agreements, outlining roles, responsibilities, and commitments of each party.
- Community engagement and Input from residents, community organizations, and other stakeholders, to gather feedback, ensuring coordinated efforts reflect the needs and priorities of the community.

Discussion

See prior discussion in section(s) of City actions related to enhancing coordination between public and private housing and social service agencies. For example, related to the Bethlehem Housing Authority and CHOICE.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
Total Program Income	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City will not provide forms of assistance that are inconsistent with 24 CFR 92.205 as detailed in 92.205(b) Forms of assistance (1) and (2). All assistance provided by the City under its Owner-Occupied Housing Rehabilitation Program, Bethlehem Housing Assistance Program; and/or construction, acquisition, rehab and resale activities conducted by other non-profit entities; and any new construction of rental or other housing development activities must meet these requirements.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City of Bethlehem operates two HOME-funded homebuyer programs, the Bethlehem Homebuyer Assistance Program (BHAP), which provides down payment and closing cost assistance for the purchase of existing units by eligible homebuyers, and a Homebuyer Program which provides funding for the acquisition, construction, rehab, and resale (ARR) of HOME funded units to income-qualified homebuyers.

For the BHAP program and Homebuyer projects that result in direct subsidy, Bethlehem has selected the RECAPTURE option for enforcing the HOME-required period of affordability. For ARR projects that exclusively provide development subsidy, the City will implement the required RESALE provisions.

The City of Bethlehem requires that the HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified by the HOME program requirements, beginning after project completion.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The following describes the City's subrecipients resale and recapture provisions.

When the RECAPTURE option is enforced, subsequent homebuyers will not be limited to income-eligible households.

Resale Requirements: When HOME funds are provided to a CHDO/Developer/Owner to develop homebuyer unit(s) with no additional assistance paid to the homebuyer, the City elects to

implement resale provisions to meet the affordability requirements applicable to the project.

Resale Terms and Conditions (Summary)-

1. Homebuyer Household Income must be less than 80% AMI adjusted for family size.
2. Period of Affordability (POA) – a low-to-moderate household must occupy the residence during the entire affordability period.
3. The homebuyer must occupy the property as their principal residence for the entire HOME POA.
4. Upon sale of the property the initial homeowner must receive a “fair return” – homeowner’s return on original investment including down payment and any capital improvements, less the amount of deferred maintenance that does not meet local code requirements and remediation of all deficiencies identified during inspection.
5. Capital Improvements– Homebuyer would obtain approval from City prior to work being completed - Energy upgrades – HVAC, Water Heater, Insulation and Home modernization.
6. Consumer Price Index – used to calculate the percent gain which applies to sales within the affordability period.
7. Resale Process – When a Resale is triggered during the Period of Affordability, the homeowner and developer shall immediately notify the City and HOME Program staff. The City shall: agree to the new sale price with professional consultation and appraisal; Confirm the fair return calculation; Verify income eligibility of the subsequent homebuyer; Confirm principal residency requirement; and Ensure property is affordable to a reasonable range of low-income home buyers. New HOME funds invested for the subsequent low-income homebuyer will extend the period of affordability according to HOME regulations.
8. Default – failure to comply with the period of affordability requirements may result in demanding repayment of the development subsidy provided to the homebuyers.

The above terms are only a summary. The City’s resale policies and procedures are detailed in separate HOME Resale and recapture guidelines.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

City’s HOME Program does not have such requirements.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii))

City's HOME Program does not have such requirements.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

City's HOME Program does not have such requirements.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

City's HOME Program does not have such requirements.

Discussion

Please see previous section for program requirements.