

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

The 2025 Consolidated Annual Performance Evaluation Report (CAPER) has been 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 provides 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. This is the first year-end report of the 2025-2029 Consolidated Plan (Consolidated Plan).

The City of Bethlehem (City) has made significant strides 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 units of accomplishment listed below are taken from the accomplishments reported by our subrecipients and input in IDIS for each activity. 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.

This draft contains preliminary accomplishments and estimates subject to revision and update.

The Consolidated Plan established the following selected goals:

- Create and Preserve Affordable Rental Housing
- Preserve Owner-Occupied Housing
- Enhance Homeownership Opportunities
- Address Impediments to Fair Housing Choice
- Support Homeless Housing and Services
- Support High Quality Public Services
- Improve Public Facilities and Infrastructure
- Create and Preserve Local Jobs
- Planning and Administration
- Safety and Mobility for All Modes of Transportation
- Enhance and Beautify the Public Realm (NS)
- Support Existing Businesses and Attract New Ones (NS)
- Physical Improvements to Broad Street Corridor (NS)
- Physical Improvements to Linden Street Corridor (N
- Support Homeowners and Renters (NS)
- Enhance Quality of Life for All Residents (NS)
- Expand the Availability of Services (NS)
- Build Community Cohesion (NS)

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward

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meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals. [ADDITIONAL/REVISED DATA WILL POPULATE THE FINAL CAPER]

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Address Impediments to Fair Housing Choice	Affordable Housing Public Housing Homeless	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	350	0	0.00%	20	0	0.00%
Build Community Cohesion (NS)	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	19000	0	0.00%	TBD	TBD	TBD
Create and Preserve Affordable Rental Housing	Affordable Housing	HOME: \$	Rental units constructed	Household Housing Unit	200	0	0.00%	TBD	TBD	TBD
Create and Preserve Affordable Rental Housing	Affordable Housing	HOME: \$	Rental units rehabilitated	Household Housing Unit	40	0	0.00%	TBD	TBD	TBD
Create and Preserve Local Jobs	Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	15	0	0.00%	TBD	TBD	TBD
Enhance and Beautify the Public Realm (NS)	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	10000	0	0.00%	TBD	TBD	TBD
Enhance Homeownership Opportunities	Affordable Housing	CDBG: \$30641 / HOME: \$	Direct Financial Assistance to Homebuyers	Households Assisted	20	0	0.00%	4	0	0.00%
Enhance Homeownership Opportunities	Affordable Housing	CDBG: \$30641 / HOME: \$	Other	Other	0	0		7	0	0.00%
Enhance Quality of Life for All Residents (NS)	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	30000	0	0.00%	TBD	TBD	TBD
Expand the Availability of Services (NS)	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	19000	0	0.00%	TBD	TBD	TBD

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Improve Public Facilities and Infrastructure	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100000	0	0.00%	3825	0	0.00%
Improve Public Facilities and Infrastructure	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	0	0		90	90	100.0%
Physical Improvements to Broad Street Corridor (NS	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1000	0	0.00%			
Physical Improvements to Linden Street Corridor (N	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1000	0	0.00%			
Planning and Administration	PLANNING AND ADMIN	CDBG: \$ / HOME: \$	Other	Other	1	0	0.00%	1	1	100.0%
Preserve Owner-Occupied Housing	Affordable Housing	CDBG: \$ / HOME: \$	Homeowner Housing Rehabilitated	Household Housing Unit	30	0	0.00%	4	3	75.00%
Preserve Owner-Occupied Housing	Affordable Housing	CDBG: \$ / HOME: \$	Other	Other	0	0		1	1	100.0%
Safety and Mobility for All Modes of Transportation	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	10000	0	0.00%			
Support Existing Businesses and Attract New Ones (Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	15	0	0.00%			
Support High Quality Public Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0		605	535	88.43%
Support High Quality Public Services	Non-Housing Community Development	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	19000	0	0.00%			
Support Homeless Housing and Services	Homeless	CDBG: \$ / HOME: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	3000	0	0.00%	620	610	98.39%

Support Homeowners and Renters (NS)	Affordable Housing	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	100	0	0.00%			
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Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

In program year (PY) 2025, the City of Bethlehem received \$1,415,213 in CDBG funds and \$391,294.30 in HOME funds.

These federal funds were used to address the following objectives identified in the Consolidated Plan:

- Create and Preserve Owner-Occupied Housing
- Enhance Homeownership Opportunities
- Address Impediments to Fair Housing Choice
- Support Homeless Housing and Services
- Support High Quality Public Services
- Improve Public Facilities and Infrastructure
- CDBG/HOME Program Administration.

Of the CDBG funds received, \$108,922 was allocated towards public service agencies and public assistance to provide high quality service to the residents of Bethlehem. The following public service programs were funded: Substance Abuse Counseling, emergency homeless shelter running from November to April, Volunteer caregiving and other services to elderly and disabled individuals and their caregivers, Representative Payee Program, and Pantry Food Service. These programs provide food and case management services to vulnerable populations; substance abuse counseling; landlord mediation and financial fiduciary services for disabled individuals; independent living services for seniors, homeless services, and Science, Technology, Engineering, and Mathematics (STEM) enrichment to young students.

The City allocated \$283,661.00 in PY 2025 CDBG funds to Program Administration and Planning costs.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME
White	1,216	3
Black or African American	484	0
Asian	4	0
American Indian or American Native	18	0
Native Hawaiian or Other Pacific Islander	3	0
Total	1,725	3
Hispanic	1,078	3
Not Hispanic	647	0

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

Numbers for other races are not reflected in the above chart and are not auto-populating into the CAPER report.

Note: Actual Total persons assisted for CDBG: 2,127, Total Hispanic: 1,388.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	1,746,010	1,429,327.81
HOME	public - federal	417,184	85,838.38

Table 3 - Resources Made Available

Narrative

The City of Bethlehem is an entitlement jurisdiction and is a recipient of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds. In FY 2025, the City received \$1,418,306 in CDBG funds and \$417,184 in HOME funds. Due to timing of the City’s program year, the federal budget schedule, and other factors, the City was unable to expend all funds during the 2025 Program Year. The City is working diligently with our partners to expend these funds in an expeditious manner. The City does not directly receive Emergency Solutions Grants (ESG) funds from HUD and does not report on ESG monies. The City provided high quality services while preserving the health of its residents. The City will continue to look for collaborative and creative methods of providing services.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
City of Bethlehem	83	100	Funded City-wide projects
Northside 2027	17	0	No projects funded in PY2025

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City’s Northside 2027 Neighborhood area (branded as “Northside Alive”) received HUD’s NRSA designation in 2021 which allowed the full range of HUD funded benefits to be focused in this area. The City requested re-designation for the Northside NRSA with HUD and continues to work on producing a revitalization strategy that is reflective of community need. The Demographic Criteria required the NRSA’s designated area be documented as primarily residential and contain a percentage of low- and moderate-income residents that is equal to the upper quartile percentage of the jurisdiction or 70%, whichever is less (but may not be less than 51%).

The Northside NRSA was developed in response to the 2011-2015 ACS data and includes nine block groups that range from 39.86% to 67.88% low-and moderate-income, with an average of 54.83%. The Northside Alive neighborhood was identified in 2017-18 as a potential Neighborhood Revitalization Strategy Area via an extensive community planning process. As the City of Bethlehem continues working on the 2025-2029 Northside NRSA plan, the 2024 ACS data for this area that includes nine block groups

that range from 43% to 63.4% low- and moderate-income, with an average of 53.46%.

In 2022, the City hired and directed a Northside Alive Neighborhood Coordinator to oversee the successful completion of the Northside Neighborhood 2027 plan (covering the NRSA area). Northside Alive is a City-sponsored organization of NRSA stakeholders that meets monthly to discuss potential projects and coordinate activities with the coordinator, who works with other City staff, local businesses, residents, and community stakeholders to implement the revitalization strategies identified in the Northside 2027 plan, which serves as a blueprint for neighborhood investment. Throughout the previous plan cycle (2021 – 2025) the NRSA has seen tremendous success in its revitalization.

The City and Northside Alive continue to make physical investments in the NRSA and encourage neighborhood gathering and supportive programs and services. The City formed a Northside Neighborhood Steering Committee (also sometimes referred to as Northside Alive) and holds monthly committee meetings. Investments in the NRSA are driven by four volunteer committees. These committees support the target areas identified in the final Northside 2027 Plan: housing, economic vitality, community development and neighborhood branding and safe and vibrant public realm. They work to develop neighborhood programs/events, share community and social services information, and provide community insight on neighborhood projects the City is developing such as the Linden Street Two-Way Conversion Project, a city-wide Complete Streets plan, and the 40-in:10: Parks Master Plan.

The City maintains an annual NRSA stakeholder list consisting of business owners, neighborhood school representatives, residents and Northside committee volunteer chairs. The Northside Alive program centralizes community engagement in all of its prioritization of projects and spending.

Northside Alive has participated in and organized over 50 events with over 1,000 attendees altogether. These events give NRSA neighborhood residents opportunities to connect with neighbors, support local businesses, and learn about community resources. Events such as community yoga, block parties, and the holiday decorating contest have become popular community events. **The Northside Alive brand was inspired by the community itself and helps give this neighborhood a identity. The Northside Alive logo was developed in collaboration with Community Action Lehigh Valley, Community Action Development Corporation Bethlehem, the City of Bethlehem and many neighbors, business owners, parents, children, volunteers and supporters.**

The City and Northside Alive continue to work together with partners and leverage funds that make physical investments possible in the NRSA neighborhood such as, park improvements, traffic-calming measures, improved walkability/bankability features, and façade improvements.

Our Northside Alive Annual Meeting, which served as a public hearing on the City's Northside 2027 Neighborhood Revitalization Strategy Area (NRSA), offers the community a chance to celebrate our accomplishments, share feedback and create a vision for the future together. At our 2025 Annual meeting we announced to the community that we would be embarking on a neighborhood planning process to create an updated neighborhood plan. The Northside NRSA has demonstrated continuous

engagement with the community throughout the planning process and the request for reauthorization coincides with Bethlehem's Five-Year Consolidated Plan 2025 – 2029. Throughout the process we hosted community meetings and collected feedback via a community perception survey shared with the community. This updated plan will help shape the NRSA reauthorization strategy.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City not only utilized federal funds, such as CDBG and HOME grants, but also worked to leverage CDBG and HOME funds by encouraging subrecipients and City agencies, where applicable, to leverage CDBG and/or HOME funds with state and local funding. In addition, the City provided a 25% match as required by HUD regulations for HOME funds. The Match Requirement will interact with the City’s Excess Match that has been carried forward. We will continue to use this excess match, and newly reported match, for any HOME Match Liability the City of Bethlehem is required to fund.

In connection with the CDBG-funded Friendship Park improvement project, the City worked with an engineering and design firm to design plans for the site and secured the funding needed to bring this project to life. In addition to federal funding, the City secured \$260,000 in state and private funding. Renovations to the park included: a central public lawn, a new main entrance, a pathway system, a new separated electrical bureau entrance, a shade structure and picnic area, a new basketball court, upgrades to existing play structures, a splash pad, which would be the only public water feature within two miles of the neighborhood. This project construction occurred throughout 2025 and is set to have a grand opening in Spring of 2026 to create a vibrant space for our community, fostering connection and enjoyment. The finished park will be a community hub and has the potential boost to the neighboring business district. We continue to utilize and improve other green spaces in the community. In 2023, the Northside Alive committees agreed to purchase two free little libraries to enhance neighborhood parks. In spring 2024, the libraries were installed and quickly filled with donated books. Elmwood Park and Johnston Park, situated along the Monocacy Creek, now have free little libraries where residents can take or leave books. Our committees also agreed to purchase and maintain pet waste stations outside of Friendship & Elmwood Park to help reduce the number of unwanted droppings in areas where children are playing. Legal agreements are also in the works to secure a space to develop a small Community Garden in the back lot of a local business, which would be the first community garden available within the NRSA. Due to the fact that many of the strategies identified in the Northside 2027 plan (NRSA strategy) have been completed or are in the process of being completed the city applied for PA DCED’s Keystone Elm Street Designation to support the development of a new 5-year neighborhood plan to continued work of Northside Alive. Looking ahead to 2026, we are eager to see the community impact as a result of the Friendship Park project, look forward to walkability/bike ability and pedestrian safety improvements to along our business corridor and the opening of the Bethlehem Co-Op Market.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	2,051,036
2. Match contributed during current Federal fiscal year	0
3 .Total match available for current Federal fiscal year (Line 1 plus Line 2)	2,051,036
4. Match liability for current Federal fiscal year	5,062.50
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	2,045,973.50

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Number						
Dollar Amount						
Sub-Contracts						
Number						
Dollar Amount						
	Total	Women Business Enterprises	Male			
Contracts						
Number						
Dollar Amount						
Sub-Contracts						
Number						
Dollar Amount						

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number						
Dollar Amount						

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired						
Businesses Displaced						
Nonprofit Organizations Displaced						
Households Temporarily Relocated, not Displaced						
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number						
Cost						

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	5	0
Number of Special-Needs households to be provided affordable housing units	0	0
Total	5	0

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	0	0
Number of households supported through Acquisition of Existing Units	5	0
Total	5	0

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City prioritized improving the existing housing stock throughout the City and the Northside 2027 Neighborhood (also known as the “NRSA” or “Northside Alive” area) by providing housing rehabilitation, the production of new units, and non-CDBG/HOME rental assistance. In 2024, housing market conditions, including significant price appreciation through mortgage rate and rent increases, impacted City housing-related programs, including programs for providing downpayment and closing cost assistance. In 2024, the City recognized the struggle of providing quality affordable housing to many City

residents and finalized a comprehensive housing strategy referred to as “Opening Doors: Strategies to Build Housing Stability in Bethlehem” (the “Housing Study”).

The Housing Study identifies key strategies for increasing the local supply of affordable owner-occupied and rental housing. Two of the strategic recommendations and proposed projects from the Housing Study are: (1) Update City Zoning to Encourage Neighborhood-Compatible Infill Affordable Housing Development. Projects within this strategy that are currently underway include:

- Review the current zoning ordinance and identify areas, parcel types, and project types that warrant by-right affordable housing development without requiring a special exception or variance. Increase development opportunities in higher value neighborhoods; and
- Pilot an Accessory Dwelling Unit (ADU) Program. Create the necessary zoning regulations and policies that will allow homeowners to add apartments to their property. Provide technical assistance to homeowners and support nonprofit builders to ensure new units are affordable to low-and moderate-income households.

In 2024, the City took additional actions to advance housing initiatives. For example, the City was awarded a HUD \$500,000 Choice Neighborhoods Neighborhood Planning Grant to plan the transformation for the Pembroke Village target housing site and the surrounding Stefko / Pembroke Neighborhood into a more desirable community of choice. The City is currently advancing the Choice Planning process public housing development in coordination with the Bethlehem Housing Authority. The City is also partnering with Community Action Development Bethlehem via Choice to provide community leadership training and support to its community ambassadors. The Choice planning process is also guided via input of a Choice Steering Committee comprised of more than 20 community partners, like the Bethlehem Area School District, Northeast Community Center, and Bethlehem Boys & Girls Club.

Additionally, City created the Affordable Housing Task Force in 2020 to evaluate the state of development and land use regulations related to affordable housing. The task force included elected officials, City staff, and nonprofit, banking, and real estate development stakeholders. The Affordable Housing Task Force met to prepare task force recommendations to be presented to City Council. Major themes that became known as a result of the final Affordable Housing Task Force meeting were: Collect Data at the Neighborhood Level; New Development; Refrain from Creating Concentrated Poverty; Creating the Right Incentives; Identify Targets Areas; Create partnerships; Comprehensive Solutions for Affordable Housing; and Track Successes. As a follow-up, the City initiated preparation of a comprehensive housing strategy in conjunction with community stakeholders examining options for addressing the affordable housing shortage in the City. That effort resulted in the new Housing Study referred to above.

Discuss how these outcomes will impact future annual action plans.

From 2019 to 2023, median home sale prices in Bethlehem increased 66 percent, from \$182,000 to \$302,000, and median rents rose 41 percent, from \$1,354 per month to \$1,910, according to the Housing Study. The City is aware of rising housing costs in the community. The City continues to lead various initiatives designed to assist the community achieve sustainable access to high-quality affordable housing. In 2024, the City also continues to fund its housing and economic development programs, which help low- and moderate-income households cope with rising housing costs. The City of Bethlehem will continue to ensure its public policies are not discriminatory and consider policies in light of their impacts on housing affordability. The City identified the importance of affordable housing through the Consolidated Plan where stakeholder and community feedback stated that the supply of affordable housing is not currently meeting the demand. The City will continue to prioritize the needs of its community to maintain affordable housing stock as identified in the 2020-2024 Consolidated Plan. The groundwork the city is laying, in way of developing new projects and programs to bring new affordable housing projects online and preserve existing affordable housing, will lead to increased numbers of new affordable housing to report on in further annual action plans. As described above, in 2024, the City continues to utilize comprehensive housing study, in conjunction with community stakeholders, to produce strategic options for addressing the local affordable housing crisis. The Housing Study serves as a tool to increase access to affordable housing throughout the City and will continue to inform the allocation of CDBG and HOME funding to specific activities.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	0	0
Low-income	0	0
Moderate-income	0	0
Total	0	0

Table 13 – Number of Households Served

Narrative Information

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

The City is actively involved in multiple activities to address the needs of homeless persons, which include coordination with the Continuum of Care (CoC). In 2025, the City continued to participate in and support regional efforts to contact and serve the homeless and at-risk populations. The City Community Connections program interacts with the homeless population regularly. Community Connections receives referrals from the City Police Department for all types of social service needs, including housing and homelessness. City Health Bureau staff meet with individuals referred to the program and connect them to resources and services in the City and at other levels of government. The Community Connections staff also conduct outreach in City homeless encampments along with other partners. Additionally, the Health Bureau sees homeless individuals in some of our clinics. Moreover, the City Health Bureau provides clinical services at the overnight Bethlehem Emergency Shelter during the shelter season (November through April). Furthermore, the City collaborated with public service providers, such as the Bethlehem Emergency Shelter, Northampton County, Lehigh County Homeless Assistance Programs (HAP), and New Bethany to assess housing needs for individuals experiencing homelessness or the threat of homelessness.

Addressing the emergency shelter and transitional housing needs of homeless persons

In 2025, the City continued to utilize its Strategic Plan to Address Homelessness ("Homelessness Strategy") and a separate non-congregate shelter HOME-ARP allocation plan. The City and local service providers, including Bethlehem Emergency Sheltering (BES) and New Bethany Ministries, began developing the Homelessness Strategy in 2022. The strategic recommendations the City is working to deliver:

1. Provide year-round, low-barrier emergency sheltering as part of a comprehensive housing services approach.
2. Support the development of a regional systems-oriented approach to address homelessness.
3. Develop permanent supportive and affordable housing solutions.
4. Develop public/private partnerships to support regional initiatives on homelessness.
5. Strengthen partnerships with the counties to support a regional approach to addressing homelessness.

The City continues to collaborate with and participate in the County Homeless Assistance Program to assess the needs of individuals experiencing homelessness and strategize opportunities for permanent housing solutions. Moreover, the Deputy Director of the Department of Community and Economic

Development served on the CoC governing board during 2024, further enhancing collaboration between the City and nonprofit and government stakeholders.

In 2024, the City awarded New Bethany a five-year grant in the amount of \$390,000 (non-CDBG/non-HOME funded) to administer and carry out rental assistance and case management as part of the Opening Doors Housing Stability Collaborative. The Tenant Based Rental Assistance Program (TBRA) will act as a homeless prevention initiative by providing up to \$4,500 per case to low- to moderate-income renters within City of Bethlehem municipal boundaries. Tenants must be at risk of losing their unit caused by an acceptable hardship and eligible to participate in the TBRA program under the program guidelines. Funds will be used for the following eligible expenses: housing costs and staff costs. Housing costs consist of any rental costs or utility costs incurred by a tenant having been specified under a fully executed written lease agreement. This may include, but is not limited to, late fees or administrative fees. Staff costs must be directly related to carrying out the project activities.

The City has partnered with the Lehigh Conference of Churches to open a non-congregate family emergency shelter in a conference-owned building in the city. This would be the first of its kind in the region. The City intends to invest its \$1.4 million HOME-ARP NCS allocation into the project and has applied to the Pennsylvania Department of Community and Economic Development for supplemental funding to complete the project. Plans call for renovating the building into 11 family emergency sheltering units. The City intends to fund the renovation, and the Conference will operate the shelter.

The City is collaborating with Bethlehem Emergency Sheltering to take its cold weather 70 bed emergency shelter year round. This process both includes supporting BES as it ramps up its volunteer led efforts as well as committing \$2 million of city funding to help renovate the shelter. The current plan calls for converting the facility into 70 congregate beds and 12 non-congregate beds. This project is subject to modification as planning progresses.

The above projects are in various stages of the City's planning, zoning, and development process. The projects and project details are subject to future modification and may be subject to future approvals and contingencies, including without limitation, planning, zoning, historic, and legislative approvals, where applicable. Moreover, inclusion of a project in the above list does not necessarily indicate that the City has an ownership interest or formal role in a project or associated entities.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City partnered with the following public service agencies to serve the vulnerable population:

- Representative Payee Program – New Bethany administers this program. The program aims to combat homelessness by providing financial management services to individuals experiencing homelessness or formerly experiencing homelessness.
- Community Action Development Bethlehem (CADB) to hire a tenant advocate to offer tenants mediation services and assistance navigating complex landlord-tenant issues. This role is a key component of the Housing Stability Collaborative, a partnership between CADB, New Bethany Inc. and North Penn Legal Services to keep vulnerable renters stably housed. The tenant advocate works to keep landlord-tenant disputes out of the court system and refers clients to New Bethany Inc., which administers the city's TBRA program. When tenants are facing eviction, North Penn provides access to counsel in a city district court and negotiates pay to stay agreements, funded by the New Bethany-administered TBRA program.
- Bethlehem Emergency Sheltering, Inc. (BES). From November 15 to April 15, BES provides shelter, a hot dinner in the evening and a bagged breakfast every morning at the Bethlehem Emergency Shelter. BES serves adult men and women in the Bethlehem area who are currently unsheltered or homeless. BES partners with other agencies to provide access to a variety of health and social services.
- Hogar CREA International of Pennsylvania, Inc. Substance abuse counseling, treatment services, and an inpatient treatment for women. Hogar CREA provides prevention and recovery services of alcohol and substance abuse. Also, this provider serves low income and the homeless population in Bethlehem area.
- Hispanic Center of the Lehigh Valley (HCLV) Food Pantry. The Food Pantry at the Hispanic Center of the Lehigh Valley (HCLV) addresses food insecurity among low- to moderate- income residents of Northampton County, with a primary focus on residents of the City of Bethlehem by providing culturally appropriate emergency food and social service referral services with Spanish-speaking staff members.
- Lehigh Valley Center for Independent Living (LVCIL) provides housing counseling services through the PLACE (People Living in Accessible Community Environments) program to help City residents understand their housing options and receive the services they need to achieve or maintain housing stability.
- Sharecare helps 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.

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 City identified that Bethlehem individuals and families who cannot find affordable housing or are facing eviction are at risk of becoming chronically homeless. Thus, the City continued its partnership with the Pennsylvania Coalition Against Domestic Violence (PCADV), the National Alliance to End Homelessness, and the National Coalition for the Homeless to provide the necessary resources to this population. In 2025, the City consulted with a variety of service providers and stakeholders in this space in connection with preparation of its Analysis of Impediments and 2025-2029 Consolidated Plan. Some of the consulted organizations include the following:

- New Bethany Ministries
- Bethlehem Emergency Sheltering
- Lehigh Conference of Churches
- Lehigh Valley Center for Independent Living
- Valley Youth House
- Turning Point – Lehigh Valley
- Valley Health Partners Street Medicine Bethlehem
- City Councilperson Rachel Leon
- Lehigh Valley Regional Homeless Advisory Board (LVRHAB)
- Third Street Alliance
- St. Luke’s University Health Network
- Bethlehem Area School District
- Eastern PA Continuum of Care
- Battle Borne
- Bethlehem Housing Authority (BHA)
- North Penn Legal Services
- Northampton County Human Services
- Northampton County Housing Authority
- Lehigh County Housing Authority
- Lehigh County Department of Human Services
- Pennsylvania Housing Finance Agency
- Victory House

In 2024, the City became the designated municipality to administer ESG funds on behalf of the region’s homeless service providers. 2025 was the first year the City submitted a collaborative ESG application to PA DCED on behalf of Regional Homeless Advisory Board (RHAB) member agencies in a coordinated effort to address homelessness and housing insecurity in the community. PA DCED awarded the City \$400,000 and selected for funding seven RHAB member agencies to deliver rapid rehousing, street outreach, homeless prevention, and emergency sheltering, which will help homeless and at-risk households obtain and/or maintain permanent housing. RHAB member agencies receiving funding as a result of this collaborative application include: Vetbeds, Valley Youth House, Lehigh Conference of Churches, Unidos, Third Street Alliance, New Bethany, and Salvation Army.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Bethlehem does not own, manage, or fund public housing, but does have a strong and working relationship with the Bethlehem Housing Authority (BHA). The City and the BHA jointly applied for a Choice Planning Grant in 2023-2024 and continued working closely on implementation during 2024 and 2025.

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

The Bethlehem Housing Authority (BHA)'s Resident Advisory Board consists of representatives from each development and building. The Board meets at least three times a year to assist the BHA to prepare and update the Annual Plans. Resident Councils members, in all of BHA's buildings, are elected by the residents in a process overseen by BHA staff. However, most properties do not have active resident councils. Lastly, the City partners with various public service agencies, such as the Lehigh Valley Center for Independent living, to provide information and opportunity for homeownership throughout Bethlehem.

The City has also partnered with BHA on a federal Choice Neighborhoods (CN) Planning Grant 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. This initiative will encourage public housing residents to become more involved in management and participation in homeownership by affording them more opportunities.

Through the CN grant the partners employ community ambassadors who have spent the last 18 months in training to build civic capacity in the public housing communities. Two ambassadors are BHA residents, one is a homeowner and the other is a BASD employee in the neighborhood. They organize community events, participate in planning meetings, and are part of the team throughout the CN process.

In 2025, the City continued to utilize the Opening Doors housing strategy, as discussed, to present options and strategies for addressing the affordable housing shortage in Bethlehem. Such strategies include fostering partnerships with the Bethlehem Housing Authority and local institutions to support new housing and community investment. In 2025, the City in partnership with BHA began the process for developing a Neighborhood Partnership Program in the Pembroke Village, a BHA housing property,

to compliment housing redevelopment efforts and bring social service and economic mobilities to BHA residents and other low-and moderate-income families in the City of Bethlehem.

Actions taken to provide assistance to troubled PHAs

The Bethlehem Housing Authority (BHA) is not a troubled PHA. BHA received a score of 94 for Fiscal Year 2024 and is deemed a High Performing authority.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

The City has continued to assess the need to remove negative effects of the above-referenced public policies. Through the Analysis of Impediments to Fair Housing Choice, the City identified barriers to housing choice and developed strategies to provide fair housing opportunities. Additionally, City staff are active on a housing steering committee to address demographic shifts in housing costs, affordable housing, and location barriers to affordable housing for Bethlehem residents.

In 2025, the City continued the Opening Doors housing strategy, presenting options and strategies for addressing the affordable housing shortage in Bethlehem.

Such strategies include:

- Engage in State-Level Advocacy and Lobbying to Enhance Resources for Affordable Housing Development;
- Changes to the Municipalities Planning Code to allow third-class cities the ability to enact housing tools currently unavailable like inclusionary zoning and rent stabilization measures; and
- Prioritization of future affordable rental housing projects in the Lehigh Valley through the bonus points or a set-aside in the state's QAP and access to other available funds (e.g., Housing Options Grant Program, PHARE funds, unused CDBG-DR funding).
- Participates in the LVPC Housing Attainability Strategy.
- Participates in the Governor's Housing Strategy planning process that advocates for policy changes and funding support.
- Participates in Community Action Lehigh Valley's Housing Summit.
- Update Zoning and Land Use to Encourage a Variety of Housing Types and Infill Development, activities include:
 - The City hired a housing policy leader/senior planner.
 - The City also hired Woodsong Consulting to develop the Accessory Dwelling Unit (ADU) zoning update. The program would also require staffing resources, a new hire, to provide streamlined assistance, review, and approval of affordable housing development projects.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City recognized that underserved individuals face challenges due to their low income and special conditions they face. These special needs populations more likely to face homelessness the City provided a variety of services to serve the population as detailed below.

The City provided funding for the following projects to assist Underserved Needs:

- Lehigh Valley Fair Housing Project. Administered by North Penn Legal Services. This program coordinated fair housing training and outreach events, distributed fair housing materials, and worked on fair housing cases.
-
- PLACE. Administered by the Lehigh Valley Center for Independent Living. This program assisted residents with disabilities who may be at risk of homelessness to connect with housing options and services to achieve independence. The program was available citywide and in the Northside 2027 Neighborhood Plan (NRSA).
- Hogar CREA International of Pennsylvania, Inc. This program provides housing and counseling services to people suffering with addiction within the Bethlehem community.
- Sharecare Faith in Action. This program offers caregiving transportation, and visitation to prevent isolation. For elderly and disabled individuals.
- Bethlehem Emergency Sheltering, Inc. – This program offers an emergency homeless shelter and services running from November to April at the Bethlehem Emergency Shelter.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The City partners with Northampton County and City of Easton to target and assess lead risks for low- and moderate-income households. The City 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. Through the Residential Rehabilitation Program, the City provides housing repairs as well as lead-based paint abatements. The DCED Housing Rehabilitation unit completed 10 lead health and rehabilitation projects in 2025. Other City units may have completed additional non-CDBG lead projects not reported here.

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 Health Bureau and the Housing and Community Development Bureau work together to conduct lead abatement construction activities for income-eligible homeowners.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City of Bethlehem implements various activities and strategies, acting directly through the municipality, and indirectly through funding subrecipients, to reduce the number of poverty level families within the community.

Selected activities include:

- **Affordable Housing Initiatives:** Building or subsidizing affordable housing options for low- and moderate-income families.
- **Social Services Support:** Providing access to social services such as food assistance, healthcare, childcare, transportation, and other services.
- **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- and moderate-income families.
- **Section 3.** The City promotes the utilization of Section 3 workers and section 3 businesses.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

Developing an institutional structure for HUD funding in Bethlehem involves several key steps. The Department of Community and Economic Development (DCED) administers various funding sources, ensuring all resources are highly integrated and administered efficiently. The DCED is responsible for the following functions:

- Program management and oversight
- Inter Department/Agency Coordination
- Subrecipient contract administration and monitoring
- Program evaluation
- Report preparation and submission
- Public education and participation
- Special project development
- Consolidated Plan and Annual Action Plan preparation, monitoring, and evaluation
- Housing programs
- Economic development programs and initiatives

City housing staff specifically focus on housing and urban development, overseeing the administration of HUD funding. The staff is responsible for the following:

- Seeking several ways to gather input and guidance from community stakeholders, housing advocates, residents, and experts on housing priorities, strategies, and allocation of HUD funds.
- A robust compliance and reporting system are in place to ensure that HUD funding is used appropriately and in accordance with federal regulations.
- Partnerships with nonprofit organizations to leverage resources and expertise in implementing HUD-funded programs.
- Community Engagement with residents and communities to solicit input, gather feedback, and ensure that HUD-funded programs are responsive to local needs and priorities.

- Strategic Planning for housing and urban development outlining goals, objectives, and strategies for utilizing HUD funding to address housing affordability, homelessness, neighborhood revitalization, and other priority areas.
- Transparency and Accountability in the administration of HUD funding, including public reporting of expenditures, outcomes, and performance metrics.
- Continuous Improvement, evaluating and refining the institutional structure and processes for administering HUD funding to ensure effectiveness, efficiency, and responsiveness to changing needs and priorities.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

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:

- 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 2025, the City continues to utilize the Opening Doors housing strategy to address housing needs in Bethlehem, and 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.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

For Program Year 2025, the City took the following actions to ensure goals addressed in the Analysis of Impediments of Fair Housing Choice were met: Actions to be taken re: Disparities in Mortgage Lending: Bethlehem joined other Lehigh Valley grantees in support of North Penn Legal Services, an organization that provides Fair Housing information and advocacy in the region. This activity specifically strengthens enforcement of fair housing laws and regulations to hold lenders accountable for discriminatory practices and ensure equitable access to mortgage lending. The activity also focuses on community outreach and education, informing residents about their rights and options in mortgage lending, including fair lending laws and resources for assistance. North Penn Legal Services periodically runs bus advertising campaigns to raise awareness of available Fair Housing services. A Fair Housing Forum provided information about filing complaints on housing issues, including lending discrimination. The City actively supported these efforts with CDBG funds and created a link from the City website to the

North Penn Legal Services website for Fair Housing information. The City also funds the Community Action Lehigh Valley Bethlehem Housing Assistance Program (BHAP), an activity that concentrates on Financial counseling for future homeowners in Bethlehem and provides downpayment and closing cost assistance. This activity helps low and moderate income households overcome barriers to homeownership. The City is also investing in various affordable housing activities, increasing investment in affordable housing development to expand homeownership opportunities for underserved populations. Below are selected housing development projects, including affordable units, in the planning stages of development, subject to potential modification:

- Alley House project (1) West Bethlehem affordable accessory dwelling unit (ADU) in planning stage. With another one possible dependent on funding.
- At least two other churches planning small to large scale affordable projects. (Second Baptist and Cathedral Church of the Nativity).
- Gateway on 4th – 120 affordable housing units with a mix of LIHTC and project based voucher units.
- Paul B. Wood redevelopment 65 units 10% affordable to take advantage of the LERTA.
- Choice Neighborhood planning grant for 1:1 replacement of 196 public housing units plus another 200 to 400 units of mixed income units, including workforce, market-rate, and low- and moderate-income home ownership opportunities.
- Shields Street a multi-unit blighted property rehab with a 20-year affordability guarantee

The above projects are in various stages of the City's planning, zoning, and development process. The projects and project details are subject to future modification and may be subject to future approvals and contingencies, including without limitation, planning, zoning, historic, and legislative approvals, where applicable. Moreover, inclusion of a project in the above list does not necessarily indicate that the City has an ownership interest or formal role in a project or associated entities.

In 2025, the City partnered with Lehigh University through a HUD research grant focused on best accessory dwelling unit (ADU) practices for small to mid-sized cities, the most comprehensive body of research to date. This research is informing the work of a zoning consultant hired by the City to draft an ordinance allowing for accessory dwelling units by right. This work is being guided via input of an Alley House Steering Committee comprised of local residents and other stakeholders. The City, Lehigh University, Community Action Lehigh Valley (CALV), and New Bethany Inc. are partnering on an innovative pilot alley house project.

The alley house pilot program model is being extended to the renovation of a church- owned blighted property in South Bethlehem. The City is providing technical support, applying for grant funding for the housing rehabilitation and may invest CDBG into the facade of one of the properties. CALV will provide construction management for the project, Lehigh is providing in-kind architectural services and New Bethany will eventually place income-qualified tenants and provide property management. The property owner Cathedral Church of the Nativity has agreed to a 15-year affordability period. As the properties sit at the city's Western Gateway, the City is working with CADB and CALV to solicit state tax credit contributors for a neighborhood revitalization plan for the blocks surrounding the home, including targeted facade improvements, rehabilitation of blighted commercial spaces, plantings, and public art. The Western Gateway total investment is estimated at over \$600,000 via state and federal sources. An

Innovative public-private partnership is behind Bethlehem's first Low-Income Housing Tax Credit project in the last 10 years. Recognizing the growing housing affordability crisis, the nonprofit economic development company Lehigh Valley Industrial Park has spent more than \$4 million acquiring land that it is donating to the affordable housing developer Pennrose. The City worked with LVIP to identify the target site, acquire it, and select a developer. The City and Pennrose have worked collaboratively to raise funding for the project and submit a LIHTC application. The federally qualified health center Neighborhood Health Centers of the Lehigh Valley has committed \$400,000 to the first phase of the Gateway on 4th, a 60 unit mixed-income development, and plans to occupy the first floor commercial space. The above projects are in various stages of the City's planning, zoning, and development process. The projects and project details are subject to future modification and may be subject to future approvals and contingencies, including without limitation, planning, zoning, historic, and legislative approvals, where applicable. Moreover, inclusion of a project in the above list does not necessarily indicate that the City has an ownership interest or formal role in a project or associated entities. Actions taken re: Need for Increased Fair Housing Education: The City has continued distributing Fair Housing pamphlets in the Department of Community and Economic Development Lobby and offers pamphlets in both English and Spanish, to ensure accessibility for diverse populations. The City posts online resources on fair housing on the City's webpage. City staff attend four quarterly Fair Housing Funders meetings held by North Penn Legal. Actions taken re: Need for Increased Coordination Among Fair Housing Providers: Lehigh Valley Fair Housing Advisory Committee with other entitlement communities and fair housing organizations in the region to plan Fair Housing Awareness Day and other campaigns. City staff also participate in the North Penn Legal Services fair housing quarterly funders meetings to discuss relevant developments and collaborate on related programs.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Monitoring of subrecipients/HOME developers occurred through telephone and email contact, educational workshops, technical assistance, and virtual monitoring visits.

The Housing and Community Development staff will contact CDBG/HOME recipients to arrange for monitoring visits and desk monitoring. The status of all activities is monitored throughout the year to collect data, ensure funds are spent in a timely manner, and for quality assurance purposes. The program year is divided into the following four quarters:

- Quarter 1 covers the period between January 1 – March 31. Monitoring reports are generally due from subrecipients by April 30, subject to contract execution timing and other factors.
- Quarter 2 covers the period between April 1 – June 30. Monitoring reports are due from subrecipients by July 31, subject to contract execution timing and other factors.
- Quarter 3 covers the period between July 1 – September 30. Monitoring reports are due from subrecipients by October 31, subject to contract execution timing and other factors.
- Quarter 4 covers the period between October - December 31. Monitoring reports are due from subrecipients by January 31, subject to contract execution timing and other factors.

A cumulative annual report is generally due from subrecipients by January 31 of each year. Copies of audits are due to the Department of Community & Economic Development each year, where required.

The major components of the quarterly monitoring are Data Collection, Schedule, and Quality Assurance.

MBE/WBE Business Outreach. The City encourages participation by minority-owned businesses in CDBG-assisted activities. The City maintains records concerning the participation of MBE/WBE firms to assess the results of their efforts and to complete the semiannual "Minority Business Enterprise Report" for HUD. Qualified minority contractors are to bid on properties participating in the Housing Rehabilitation Program.

Comprehensive Planning Requirements. To ensure compliance with the comprehensive planning requirements of the Consolidated Plan process, DCED reviews the process on an ongoing basis. The review ensures compliance with federal requirements concerning citizen participation and consistency of actions taken with those specified in the "Citizen Participation Plan." Records documenting actions taken are maintained for each program year.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

This Consolidated Annual Performance Evaluation Report was on public display to provide citizens with the opportunity to comment for at least 15 days, which began on [March 11, 2026, and ended on March 27, 2026.] A public notice was published on March 11, 2026, to notify citizens of the opportunity to review and comment on the CAPER. Interested individuals were able to review the report online at the City's website at: <https://www.bethlehem-pa.gov/Community-Economic-Development/Community-Development/CDBG-Home>

All citizens were provided with reasonable notice and an opportunity to comment on the accomplishment report. Any comments received during the Public Review Period will be responded to and incorporated into the final CAPER.

[No comments were received for the PY 2025 CAPER.]

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

No

CR-50 - HOME 24 CFR 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The City continued its efforts to follow HUD regulations in connection with monitoring HOME rental projects. Such projects are required to submit their annual reports which include unit occupancy information, tenant income, and rents during the year. The City also works to collect tenant participation plans, tenant selection procedures, marketing, affirmative action plans, audits, financial procedures, and tenant income calculations, as applicable. In 2025, the City scheduled or conducted property inspections of HOME rental project units, under a period of affordability, and located at: 314 Fillmore Street, Bethlehem, PA 18015; 429 Hayes Street, Bethlehem, PA 18015; 432 Atlantic Street, Bethlehem, PA 18015; 825 Atlantic Street, Bethlehem, PA 18015; 70 W. North Street, Bethlehem, PA 18018; 701 Main Street, Bethlehem, PA 18015; 338 Wyandotte Street, Bethlehem, PA 18015; and 430 East Broad Street, Bethlehem, PA 18015. No significant issues were discovered during these rounds of inspections. City staff continue operations related to onsite and remote monitoring during HOME rental project and homebuyer project periods of affordability (POA) to assure compliance with the program rules.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

The city of Bethlehem continues to implement the regulations set forth by 24 CFR 92.351 by referencing the affirmative marketing provisions in applications and written agreements. All applicable recipients and subrecipients of HOME funded projects must comply with the affirmative marketing requirements to receive assistance. Affirmative marketing procedures must continue throughout the period of affordability, if applicable. The City's annual monitoring program procedures includes, where applicable, potential examination of the property Affirmative Marketing Plan and Procedures, HUD Fair Housing Poster, advertising materials with an affixed Equal Housing Opportunity logo, and waiting list. If applicable, the City's staff reviews the properties' affirmative marketing plan and fair housing measures to ensure that applicants have equal housing opportunities regardless of race, color, religion, national origin, sex, disability, familial status.

The evaluation of the Affirmative Marketing Plan is to determine the following:

- List of methods to inform the public, owners and potential tenants about fair housing laws and the City's marketing policy.

- Description of efforts that will be made to conduct affirmative market for HOME assisted units.
- Owners and leasing agents will place advertisements to market HOME-assisted units through local sources, public agencies, and social service organizations.
- Languages other than English should be used in the advertising where it is necessary to attract target groups, e.g., Native Americans, Pacific Islanders, and Hispanics.
- Description of outreach efforts to people who are not likely to apply for housing without special outreach. These efforts will include the distribution of marketing materials to organizations that have contact with these populations.
- Maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness.
- Fair Housing literature and training are provided for all management staff; and
- Description of actions taken if requirements are not met.

HOME monitoring procedures include steps to ensure each property targets demographic groups least likely to apply for housing by running a US Census Bureau report on the City. These demographic groups are reached through outreach attempts, advertisements and reaching out to local community organizations such as nonprofit agencies, and BHAP. Marketing materials are provided in multiple languages. Property management staff is to be provided with on-site training programs including marketing, outreach, data collection, reporting, record keeping and fair housing laws and regulations. During on-site inspections, the city inspector is to verify the property code compliance. The City continues to implement affirmative marketing steps in compliance with applicable rules and regulation. According to the Bethlehem Housing Plan Report, excessive demand in Bethlehem's housing market is driving prices higher. Not enough existing homeowners are selling their homes, and there is little new home construction within the City. The higher costs of home ownership are driving more potential homeowners to seek rental housing, putting greater pressure on the rental market.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

\$0.00 HOME program income reported.

Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)

N/A

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	[2]0	0	0	0	0
Total Labor Hours	[TBD]				
Total Section 3 Worker Hours	[TBD]				
Total Targeted Section 3 Worker Hours	[TBD]				

Table 14 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					
Other.					

Table 15 – Qualitative Efforts - Number of Activities by Program

Narrative

The Section 3 program requires recipients of HUD funding to direct employment, training, and contracting opportunities to low-income individuals and the businesses that employ these persons within their community. Section 3 is a provision of the HUD Act of 1968 and is found at 12 U.S.C. 1701u. The regulations are found at 24 CFR Part 75.

Per this statutory language, recipients of HUD funds (i.e. grantees and contractors) ensure that “to the greatest extent feasible,” when certain HUD funds are used to assist housing and community development projects, preference for construction-related training, jobs, and contracting opportunities go to low- and very-low income people and to businesses that are owned by low- and very-low income persons or businesses that hire them. These opportunities are both sex and race neutral.

Bethlehem, like many other municipalities, has implemented various initiatives to comply with Section 3 requirements.

Some initiatives Bethlehem have taken include:

- **Employment Opportunities:** The City is partnering with the Bethlehem Housing Authority to connect with their residents for employment opportunities. It is also partnering with local businesses and contractors to encourage that a percentage of jobs created by HUD-funded projects are filled by Section 3-eligible residents and employ applicable section 3 businesses. This could involve outreach efforts to inform residents of available job opportunities, as well as providing support services to help them navigate the application and hiring process.
- **Outreach and Education:** The City is collaborating with the Bethlehem Housing Authority to provide opportunities to their residents through the outreach conduct on every qualified project. Conducting outreach and educational campaigns to raise awareness about Section 3 requirements among both residents and potential contractors. This could involve hosting workshops, distributing informational materials, or utilizing online platforms to disseminate information about Section 3 and how individuals and businesses can participate.
- **Monitoring and Compliance:** Implementing systems for monitoring and enforcing compliance with Section 3 requirements. Bethlehem has established and continues to develop reporting mechanisms for recipients of HUD funding to track their Section 3 efforts to ensure that they are meeting their obligations under the law.

These initiatives are aimed at promoting economic empowerment and self-sufficiency among low-income residents while also ensuring that HUD-funded projects contribute to the economic development of their communities.

