

BETHLEHEM CITY COUNCIL MEETING
10 East Church Street - Town Hall
Bethlehem, Pennsylvania
Tuesday, August 17, 2021 - 7:00 PM

INVOCATION

PLEDGE TO THE FLAG

1. ROLL CALL

President Waldron called the meeting to order. Present were Bryan G. Callahan, Michael G. Colón, Grace Crampsie Smith, Olga Negrón, J. William Reynolds, Paige Van Wirt, and Adam R. Waldron, 7.

President Waldron apologized for the late start at 7:12. We had a Public Works Committee Meeting go a little bit longer before tonight's Council meeting.

PUBLIC HEARING

Prior to the consideration of the regular Agenda items, City Council will hold a Public Hearing to accept recommendations and public comment concerning the proposed creation of an Affordable Housing LERTA (Local Economic Revitalization Tax Assistance) program on the city's south side.

Communication 6A – City Planning Commission – LERTA boundaries – Memo recommending approval of revised geographic boundaries for LERTA in south Bethlehem.

The Clerk read a memorandum dated August 11, 2021 from Darlene Heller, Director of Planning and Zoning stating that the City Planning Commission met on August 13, 2020 and approved revised geographic boundaries for the LERTA area in south Bethlehem presented in the public hearing materials.

President Waldron called the public hearing to order to accept recommendations and public comment concerning a proposed bill that would amend Article 342, along with an associated resolution that would create an Affordable Housing LERTA program in the south side of the city.

Tina Roseberry, Housing and Community Development Planner informed she will give a highlight over the Affordable Housing LERTA District. She noted that some may have heard this presentation at a Finance Committee a few weeks ago. This presentation talks about an historic overview of how long we have had LERTA in the city, the affordable housing need, what are our needs, the proposal itself, the map and exemption schedule, affordable housing fund, and the impacts of investment projects. Ms. Roseberry explained the LERTA in Pennsylvania was enacted in 1977 but here in Bethlehem we had our first LERTA in 1984 and since then we have had several iterations and amendments and expansions to districts in 1986, 1991, and 2012 for the north side, south side and central business district. The new proposal we are talking about tonight really does consider a lot of different things that went into creating the language and the different components of it. The new proposal considers the downturn in office development, that was a big thing to

consider as part of why the proposal is written the way it is. There is also the continued increase in large industrial warehousing and the substantial need for more housing let alone affordable housing. There are substantial increases in housing costs and the lack of affordable housing. Ms. Roseberry thought it important for everyone to hear about the affordable housing need in the city so they looked at a few statistics. She noted that 46% of the city's population is low to moderate income (LMI) and any time you see that LMI it means low to moderate income and 48% of the city's households make less than \$50,000. So annually from the period of 2009-2015 there is a rent increase of somewhere around 4%. Over that period of time, between 2009-2015 there was a rent increase of approximately around 18%. She did look at some statistics from last year, 15 months ago until today and supposedly that increase just in the last year and a half was 10 to 11%. If we look at rental units and owner occupied, 41% of the rental units are cost burdened so that term cost burdened really means that somebody who is spending more than 30% of their household income. So 41% of all of the rental units that are occupied in this city are considered cost burdened and are spending more than 30% of their income on rental and housing costs. It gets much lower for owner/occupied, that is 18%. She questioned what was happening on our wait list for housing in the city. She called the Housing Authority and somewhere around 2,000 people are on the wait list at the public housing authority as well. Ms. Roseberry related if we really had to break it down into what is going on exactly here in the city as far as apartment sizes, average rents for a one bedroom, average rents for a two bedroom, if we had to calculate and if we are talking about cost burdened that is 30% of the household income. We have a median income right now of \$45,850 dollars for a household. That is the median income in the city and 30% of that income is around \$1,146 dollars per month so already just looking at that there is a \$350 deficit per month. She is working with the CDBG and HOME programs and they did some figuring for family size and 30% of their income. So for one person under 80% of median income at \$45,850, 30% of their income would be \$13,755, what they should be spending in housing. Ms. Roseberry noted when this proposal was put together for the LERTA and thinking about the need for housing as well as affordable housing it became clear to focus on certain parameters and an area where we did see quite a bit of parcels that were underutilized. The boundaries are around the south side and it incorporates affordable housing, tax abatement is for 10 years and there is an establishment of an affordable housing fund. As for the details of the housing component of the LERTA, compliance occurs when a developer plans to propose 10 units or more. There is a dedication of 10% of those units as affordable. Maintaining housing costs and rent and utilities are all important as we try to reach that 30% of the gross income to help them not be cost burdened. HUD published income limits and rent limits and those limits do change. This year they came out in March and were agreed upon in July. So every year somewhere in the spring or early summer we do get rents, so anyone participating in this process, they would be updated. We also keep our website updated on what the current limits are as well. Ms. Roseberry pointed out there is an option for compliance. If a developer thinks this just does not fit with their proposal the alternative is to create this Affordable Housing Fund, sort of like a fee in-lieu of. So there would be a certain amount into the fund. She then showed a map that looked at all the parcels that have been designated as underutilized parking lots all throughout the south side and concentrated in that area. Planning wise there are a lot, it is 31.1 acres and all those parcels just sitting there as underutilized parking lots, these lots are all part of the properties involved and located within that LERTA District. When the county is doing their assessment if we had to look at what is the current assessment for those parcels with no LERTA involved, so all those parcels combined are \$36,360 that is roughly what the estimated current assessment is for all those parcels. So if a tax incentive like LERTA is applied to it the future assessment at a minimum would be \$2,097,432. Currently when we are thinking about what the city is generating, this relates to property taxes and the amount we are getting is so minimal on those properties to date if they are not developed. Ms. Roseberry

mentioned this is just something she wanted to throw out there to let everyone know the economic driver of LERTA if it was put in place and what the assessment could look like in years to come. This is a 10 year program so everyone who wants to participate in the LERTA program, it goes through the first year at 100% of their increase assessment is exempted, then the next year 90% of that is exempted, the third year 80% and so on down to our 10th year where only 10% is exempted and then the 11th year they will be paying their full amount of assessed taxes. Ms. Roseberry explained for the Affordable Housing Fund currently we have it set at \$25,000 per unit and the purpose statement is “advancing affordable housing and remediating in whole or in part deteriorated areas through a program of low interest loans or forgiveness grants, and/or rental assistance to persons of low, very low, and extremely low income as may be determined by the poverty guidelines of the United States Department of Housing and Urban.” So future spending is focused on increasing long-term affordability here in the city of these homes. As for the uses of the funds, we could use those for acquisition, housing rehabilitation, fees associated with design and acquisition as well as rental subsidies. The guidelines, although not in concrete, we believe because the market changes the guidelines should be flexible as we can for what the city needs and in cooperation with that the developer needs as well. They should be viewed as a viable source. Sometimes with HUD, HOME and CDBG programs there are a lot of parameters around those funds but if we have this Affordable Housing Fund maybe we are able to bridge the gap with some of the financing needs for affordable housing projects. Ms. Roseberry noted in conclusion she wanted to talk about the LERTA and that it is a strong incentive and continues to be that both in our city and other cities in our area. She mentioned that the City of Easton amended their LERTA in 2018 to look at and focus on underutilized properties as well. Lancaster City in 2020, although not approved yet, their LERTA proposal is also on affordable housing. State College since 2019 has had affordable housing be a part of their LERTA as well and they are focusing on the reuse of historic properties in conjunction with affordable housing. The LERTA is widely used and is a responsible tool for redevelopment, for underutilized properties and continues to be an effective economic development tool and we are hoping to wrap this around affordable housing in the future. Ms. Roseberry stated she will take any questions and added that Darlene Heller, Director of Planning and Zoning is at this meeting also to answer any questions dealing with planning.

Ms. Negrón remarked that it was mentioned that a few municipalities close to us that are using the LERTA that includes affordable housing but are they also doing the fee in-lieu for \$25,000 dollars.

Ms. Roseberry stated State College’s fees are based on a formula and their fees are not the same as ours but they do have a fee in-lieu of.

Ms. Negrón asked what that fee is.

Ms. Roseberry pointed out it depends on the formula and every development will change depending on the size of the lot, the amount of units they are building, the assessed value of it.

Ms. Negrón asked what Easton and Lancaster do, and if they have a specific number.

Ms. Roseberry stated it is not the same as we are proposing here. This is something that is unique to Bethlehem. She added that State College also has inclusionary zoning as well, which we do not here. They have several tools for affordable housing and they sit in a different spot because there is a lot of college housing there.

Mr. Reynolds asked if Allentown or Easton have their LERTA's of any economic incentive that are tied to anything with affordable housing.

Ms. Roseberry stated no, not to her knowledge.

Mr. Reynolds remarked what we were told the last time is that we were the first people in the Lehigh Valley to tie our economic development incentive LERTA to something like affordable housing.

Ms. Roseberry stated that is correct.

Ms. Crampsie Smith noted she can answer the question asked by Ms. Negrón about State College. They do have inclusionary zoning and their fee in-lieu of varies but the average is \$129,000 per unit, it is high. She asked Ms. Roseberry if she knows of any other municipality that are using or attaching a fee in-lieu of with the LERTA for affordable housing.

Ms. Roseberry noted that Lancaster is only proposing it, they are also introducing some type of formula but they have been going around and around with that, it is a piece that they cannot seem to solidify, the formula aspect of it. We looked at this and we utilized a methodology and then took into consideration some of the things that sit underneath the soil that could be tough for development to get even off the ground, things that have been stored under these parking lots for years.

Ms. Crampsie Smith asked if there are any ball park figures that Lancaster is looking at or what kind of formula.

Ms. Roseberry stated no, and since the pandemic they are short staffed so she had a hard time reaching out to them.

Ms. Crampsie Smith mentioned we had spoken about the \$25,000 dollars at the last meeting but she feels that given what some other municipalities are getting other than the inclusionary zoning ordinance, they are getting more. We need to do a formula and she likes the formula that you use under the affordability of HUD where you get up to \$42,450 dollars per unit, that is still not as much as she would like to see but it is still a lot better than \$25,000 dollars. She would like us to consider that. In addition it would be important to do a 5% increase per year to reflect the increase in rentals every year, which has gone from 4% to 18%.

Mr. Colón asked if she could elaborate on that \$42,450 payment in-lieu of number that Ms. Crampsie Smith alluded to.

Ms. Roseberry noted it was in a memo that was sent out to Council.

Mr. Colón stated he is asking for some insight into how that \$42,450 number was calculated.

President Waldron remarked that Alicia Karner, Director of Community and Economic Development is with us as well online and is ready to jump in.

Ms. Karner apologized for not being there in person. She informed the \$42,450 that Ms. Crampsie Smith is referencing is using the affordability gap method. So you take the market rate rent that would be charged for properties, subtract the affordability dollars, if there is one person in a one bedroom what is the HUD affordability price point on that 30% for the rent and then multiplying that over the life of the LERTA is where \$42,450 is generated. It is really an affordability gap method that was discussed at a prior Finance Committee Meeting and she included that in a memo sent to Council in advance at the last meeting as a bit of a background and to offer a formula in generating an update.

Ms. Crampsie Smith noted regarding that \$1,500 as the average market rent, is that considered for a one bedroom in the affordability gap.

Ms. Karner stated yes, that is a one bedroom unit and we were looking predominately at the newer units that have come online to generate the average market rate rent. Then making the assumption there is one person living in a one bedroom looking at what the tax would be based on their income, those were the figures that were used.

Ms. Crampsie Smith wondered for the LERTA proposals do we have any idea if we are looking at one or two bedrooms at this point or will that be determined later.

Ms. Karner stated there was something that we included in the proposal that would require what that would be, whether or not we would require all one bedrooms or a percentage of one or two bedrooms units. She was trying to simplify the formula so we could use it as an example.

Dr. Van Wirt mentioned when we had previously talked about approving the building on New Street there were to be some affordable units included. She understood that unfortunately those units did not have any windows. She was wondering if we do allow the builder to incorporate 10% of these units as affordable are we going to mandate they are the same size and quality as the other units. She does not think that these affordable units should be small cramped closets without windows and wondered what kinds of standards we will have for the construction of these affordable units.

Ms. Karner stated a point of clarification; there were no units that had no windows in the South New project. It was mentioned but in the plans she has seen that was not part of the incorporated design. There was an accusation that maybe windows were in the bedroom versus being in the living room as well, and that is true for that project but every unit has windows. When talking with the development community they are not interested in reducing the quality of specific units. It is the standardization that helps them, whether that is for appliances, or fixtures or countertops. She talked to some developers whether or not it is incentive to allow them to make the quality a little lower in some of the units to bring more affordability to these new units and the response she is getting is that the standardization is important. They are not going to pick a unit and say that is reserved for a specific price point. It is easier for them to have the flexibility particularly when people sign a lease and let's say they change jobs and an increase in their income they want the flexibility of having a variety of units to requirement of affordability.

Ms. Roseberry added that if someone is moving out of an apartment that affordable unit, they could call it floating, it could be anywhere in those buildings because all of a sudden there

could be several people moving out and moving in so sometimes that unit may not be the same unit as it was in years two and three. There could be five units somewhere else in the building as people are moving in and moving out whether they are one bedroom or two bedrooms. If an affordable family needs a two bedroom and it opens up they might switch those up. She imagines they would change over a 10 year period.

Dr. Van Wirt remarked as much as she has trust and is reassured by both of your assessments she does think having language in this assures that these units are as healthy and as light filled as the other units are, that is important. Without the language we do not have the guarantee. She asked what happens to these affordable units at the end of 10 years.

Ms. Roseberry would imagine that would be a conversation with a variety of the developers utilizing and taking advantage of LERTA that when we know that date will occur, we will have conversations there for longer term affordability. This is one step and we are hoping to make affordable housing more of a multi-pronged solution to a much bigger initiative. This is one piece of the pie that could help for an increase of affordable units let alone other things that we are doing with the CDBG and HOME Funds as well.

Dr. Van Wirt noted 10 years of affordable housing is a merit in and of itself. Also, the thought of them evaporating after 10 years also gives her pause. These are the proposed LERTA boundaries and she asked what percentage of this is not residentially zoned.

Ms. Roseberry believes all of it is in the IR.

Ms. Heller stated it is all zoned CB or IR to allow commercial and mixed use and residential.

Dr. Van Wirt asked why we are limited it to an Industrial Zone. She understands that we have parcels we would like to develop but she also very much believes in infill housing and to extend the LERTA boundaries out into residential zones where we could have small mom and pop construction building a lot of little small 4 units in these infill areas. It also eliminates the risk of what we are being told of what lies beneath, all the bad industrial stuff that may lie beneath all of these industrial lots, that is one of the reasons we even have the LERTA. Dr. Van Wirt explained it would seem to her that if we were really trying to encourage a lot of infill housing to stabilize our neighborhoods we would look at pulling these boundaries out into the residential neighborhoods, particularly those that have higher rates of blight and foreclosure.

Ms. Karner commented we do have a large residential LERTA that we put forward in 2017 for the north side, there are the Northside 2027 boundaries and at the time we were not sure because it is not usual to have a LERTA program covering a residential district, at least not for the City of Bethlehem. We very much wanted to see what the response from the community would be to do exactly that, whether it was increasing square footage on their existing properties, adding units, infill development, and have tried to offer what equates to about 40% tax abatement. She noted ours is a little higher in that instance and the county and school district is at the 50%. Our abatement is at 10% as opposed to the 50% that the others have. Frankly, we are not generating the activity that we were hoping to see. We continue to market it, and continue to let people know there is an opportunity here. We do have the requirement that it includes affordable but it is a lucrative incentive in a largely residential district. When we come back to give the report to

Council at the end of that term she is not sure that we will see the results we were hoping for in those areas.

Dr. Van Wirt related the abatement on this program is more aggressive, it is 100%, then 90% and so on over 10 years, unless that is different.

Ms. Karner stated it is 50% in total that is the way we describe it. The other one is in the low 40's because it is 50% for the school district and county and our abatement is lower because we are contributing General Fund dollars to the Northside 2027 effort. Yes, it is a little more bit aggressive, but not a lot more but the comparable development based on the change.

Dr. Van Wirt would argue that the engine of development in the south side right now is much hotter and running much faster than perhaps the north side is. That consideration of including residential neighborhoods should still be done because she thinks there is value in infill and there is value in small construction and value in rehab. She does not see why we would not include that as well. She agrees with Ms. Crampsie Smith in that \$25,000 dollars feels arbitrary and is not nearly enough. While she does not feel that the \$42,450 is necessarily adequate it would be a good start especially with a 5% increase every year to offset inflation and rental increase prices that we already have seen happen.

Mr. Reynolds remarked since the closing of Bethlehem Steel one of the things that separated us from other communities is our ability to redevelop and revitalize. That has been tied to our economic incentives in many ways. Up to a few years ago we really did not have as many metrics to track how successful they were. One of the things we had done on Council after he introduced it a few years ago was the FAIR ordinance which helps to track how many jobs, and tax dollars are created by those particular economic development incentives. This is the first time we are tying anything like affordable housing to any type of economic development incentive. Mr. Reynolds noted that Easton and Allentown are not doing that. We cannot get lost here as far as how important that is. When we take a look at this we talked about this at the last meeting is what we are able to mandate and what we are not able to mandate. When we talk about the affordability gap, that is a number that seems as if it could be a good payment in-lieu of or a fee in-lieu of but we talked about how if we are going to offer somebody this incentive of LERTA that we can give them options but we cannot just say they need to do a certain thing. Mr. Reynolds noted we need to think of the 3 options that are in here, either a payment in-lieu of, you are offering 10% of the units affordable which is the federal designation of affordable, 80% of income or the third one is to build units off site. One of the things we have to do on this side of the table is think of which one of these three options we want the developers to pick. We do not have the leverage to say you are going to do this or you will not build the project. When we are talking about those three options we are thinking about which we think is the best with the issue of affordable housing and how do we make the developer pick that. This gets confusing and counter-intuitive there but one of the things that was also brought up is if you take a look at the 80% of the median income and what that means as far as the percentage, he is estimating if you are looking at \$1,500 in rent and \$1,200 is 80% of the median income in all honesty he does not believe that helping that person who probably has a decent job with that \$300 gap is the best use of affordable housing funds. For him, it is the fee and he does not think it is close as far as the issue of affordable housing. One of the things you can do with the fee is you can take that and you can direct that fee to the people who need it the most, those people who are low to moderate income truly. We talk about this last time where the biggest gap is. There are 2,000 people on the

waiting list for the Bethlehem Housing Authority, so those are the people who need that the most. If you are living at one of these places and paying \$1,200 a month in rent you probably have a job, a student maybe that mom and dad are paying for this or whatever. The question comes down to how do we incentivize people to take the fee in-lieu of and how do we get to that number by which the developer who is maybe building 40 units, he would rather pay \$100,000, which would be \$25,000 each rather than going through whatever that reduction is. Then the city would be able to take that \$100,000 dollars for the first time and send it to people who actually need the help the most and put it with our other funds that we are getting from Washington having to do with COVID recover and other things in the future. Mr. Reynolds noted the big question we have here is not just about what we think is the right number for the fee. If it was up to him and you did not have to worry about issuing a mandate, you could charge \$150,000 to \$200,000 dollars if you thought it would make sure that they are going to take the LERTA. That is not the situation we have in front of us. Mr. Reynolds related if we make that fee too high it becomes a disincentive to pay the fee and then people just basically say they will let 4 people live here and not make it super public and will find a way to make sure they are fitting into the ordinance and he does not think that is the best value as far as trying to sell affordable housing. When we talk about how we make that bet about how much to charge the fee in-lieu of, we need to rely on the professionals who have those conversations. We can absolutely raise the fee but he thinks a few years from now when we are looking at why we do not have that money that we can send to the people who need it the most, those people who are truly low income, we will look back and say it was not that we were able to mandate this but rather we have to take a look at which of these incentives we want to make the strongest because we think it fits our goal the most.

Mr. Callahan stated he agrees with Mr. Reynolds and added it is not just about providing an incentive, it is providing an incentive that the developers will choose. They have an option of not taking the LERTA and doing what they want to do. One of the reasons why he voted for the project on New Street was because of the 6 affordable housing units that the developer committed to do. He forgot the gentleman's name a few months ago that ran the non-profit who showed up at a Council Meeting and commented that he cannot compete right now with the market rate in buying property on the south side. Mr. Callahan noted a comment was made earlier with maybe having individuals doing one house here and one house there, but that is already being done. He knows half a dozen people over there buying homes and fixing them up and they are not using those as affordable housing, they are fixing them up with wood floors and renting them out and getting top dollar. Mr. Callahan is for this LERTA but he wants to make it clear that Mr. Reynolds is 100% right that we have to make sure that the right incentive is there for the developers. He added that otherwise they do not take it and we do not have any affordable housing and we don't get the in-lieu of fee either. Mr. Callahan noted that Ms. Roseberry stated earlier that there was an 18% rental increase but what was that time period over, was it 10 years?

Ms. Roseberry stated it was 2009 to 2015.

Mr. Callahan remarked that was a 6 year period.

Ms. Roseberry explained it is about 4% a year increase.

Mr. Callahan related there was another number, over a year and a half about 10%.

Ms. Roseberry noted she was looking at this the other day and just during the pandemic period, the last year and a half with a few different sites if she did the math, it was somewhere between 10 and 11% just in the last year and a half that the rents have increased. A majority of it has increased just recently to get to the 18% increase.

Mr. Callahan remarked if you look over the last year and a half our taxes went up 5% last year and over the last 6 years if you add up all the tax increases it is probably a 10 or 11% tax increase. He said during budget season and will say it again this year, every time we raise taxes the landlords, which he is, they do not eat that cost. If their costs go up, whatever it is, they do not eat that, they bought this property for an investment property so they then pass that on to the renter. Every time we get to budget season that is a reason why he fights against raising taxes, every time we raise rents that goes to the people who can least afford it. He does not know an area in the Lehigh Valley that is more expensive to live and rent than Bethlehem. Mr. Callahan teaches at Northeast Middle School and unfortunately he knows 5 or 6 kids that moved because their parents either lost a job or other reasons and they could not afford to live in Bethlehem. He thinks the \$25,000 fee is reasonable, not too high and not too low. He agrees with Mr. Reynolds that if we do make it really high and double it, that will probably cause many of the developers not to take the LERTA incentive. If you look at the situation, the best thing for the city and for affordable housing is that we make it an attractive thing for the developers to do and participate in and we take that \$25,000 and put that in a fund for affordable housing and hopefully within 5 or 6 years we have a substantial amount of money to use for affordable housing. Mr. Callahan remarked someone made a comment about bedrooms not having windows but he believes by law you cannot have a bedroom without a window.

Ms. Karner remarked that is a code question she does not have an answer to but she knows that you have to have different means of accepting the property and whether or not it has to be for a window versus a door she is not sure of. But you absolutely do need exit and entry points.

Mr. Callahan noted he is almost 100% sure that by law you cannot have a bedroom without a window, he wanted to make sure that everyone understood that. He hopes this goes through and he wants everyone to understand that where these properties are there is a great risk to these developers to find things underground that they have no idea are there. From what he remembers on the 510 Flats property when they started doing the excavation they ran into a live gas line which no one knew was there and was not on the blueprints. He forgot how much money that remediation costs but it was somewhere between \$600,000 and \$800,000 dollars to remediate that problem and that is a substantial cost to the developer. He wants everyone to know when they start digging on these properties we have no idea what they will find. Mr. Callahan applauds the people who brought this forward, Ms. Karner and her department; this is a good thing for the city and a great thing for the people who need affordable housing and a win/win for everybody. He will be 100% in support of this.

President Waldron added that he thinks the role of government is to help as many people as possible including those that are most vulnerable and need the most support. What this legislation does is it attempts to do that. This is something that no other municipality has done before when tying LERTA to affordable housing and that is an excellent thing. This creates a precedent not only for Bethlehem but other municipalities. We do not know exactly what that magic number is, that \$25,000, we will leave that to the professionals to try to figure that out

because it is about that balancing act of trying to make sure that the developers are taking that option to have affordable housing and not paying out of it. President Waldron thinks that as former Councilwoman Karen Dolan would always say "Don't let perfect be the enemy of good." This is a positive legislation which he will support when it comes time for a vote and he would like to see this move forward in order to try to help the vulnerable population in the city and try to provide more support to those who need it the most.

Public Comment

Anna Smith, 631 Ridge Street, remarked she had the opportunity to attend the Finance Committee Meeting where this proposal was first discussed and share some thoughts and ask some questions. As she stated at that meeting she thinks that tying economic development incentives to affordable housing requirements is a great step in the right direction. She commends the members of the Administration and Council Members who advocated for this policy, which is one small component of implementing a broad range of interconnected strategies to improve housing access, quality, and affordability in our community. She would also like to thank Ms. Karner for her memo addressing many the questions that arose at the Finance Committee Meeting. Ms. Smith was surprised to see the exact same proposal move forward to Council since it seemed clear to her that a majority of the Council Members present has asked for a clear data driven formula to determine in-lieu payment for developers who chose not to include affordable units within their projects. At that time staff had indicated that the \$25,000 dollar in-lieu payment included in the proposal had not been calculated using any formula but rather a number that the developers in the community were comfortable with and the Mayor had agreed to. That may have changed since then. Like many Members of Council Ms. Smith believes that \$25,000 per unit is too low and inflexible and does not take into account the best practices which are in publication by the Urban Institute that she had the opportunity to share with several Council Members. It describes to implement a clear formula calculated on a per project basis like in many of the other communities. It would take into consideration the specific conditions of each development and the current housing market including average rental prices and unit sizes. While the Administration has provided an example of what that calculation could look like using the affordability gap method which she suggested at that meeting, they continue to recommend a static fee that is substantially lower than their own fairly conservative calculation. If this number, \$25,000 is not already irrelevant it would quickly become so given the rate at which rental prices are increasing in our community. Ms. Smith did want to address the number of \$42,000 which is based on a calculation of the market price of a one bedroom apartment, \$1,500 dollars minus what would essentially be the fair rental price of 30% of the income of a single individual living in that apartment. She hopes that Ms. Karner and Ms. Roseberry would correct her if she is wrong but her understanding was that those rents that would be charged to a single individual would be capped at fair market rent at least that was her experience having worked with affordable housing programs in the past. The fair market rent in the Lehigh Valley for a one bedroom apartment is \$891 dollars in which case if we were to calculate \$1,500 minus \$891 dollars to have a clear indication of what the difference in cost to the developer on a monthly basis of maintaining an affordable unit would be, that comes out to \$609 dollars for a one bedroom apartment which multiplied by the 10 year period comes out to \$73,000 dollars. She may be wrong but she just wanted to confirm if fair market rent is the maximum cap on what an individual who is living in an affordable unit can pay, that would be the calculation. When doing the similar calculation for a 2 bedroom apartment which is the most common thing we are seeing in most of these parcels here that would be \$1,725 dollars as the average price for a 2 bedroom apartment minus the number that Ms. Roseberry had provided which is also quite similar to fair market rent for a 2

bedroom, \$1,139 dollars and comes out to a difference of \$586 dollars a month for the developer which when multiplied by the 10 year period comes out to \$70,000 dollars. Ms. Smith pointed out it is actually a fairly consistent number. She is advocating for a formula that would be calculated differently for every project but it does seem like \$70,000 seems to be reoccurring here. She does agree with Mr. Reynolds that an in-lieu payment is a great thing and a way to transfer money to the folks who are most in need, she does think that \$25,000 dollars is just way too far away from that inflection point of where a developer is going to be making the decision whether or not to include affordable units or to pay an in-lieu fee. It is important that we get our numbers right and look at formulas and we use a data driven approach in order to maximize the impact of this proposal so we can have the greatest impact on affordable housing for our community. Thank you all for your work on this proposal. She looks forward to this advancing and being approved.

Tom Schantz, owner of the Steel Ice Center stated he is pretty much affected with this LERTA District. He has an agreement of sale here that says he had to build 250 parking spots whether it is underutilized or over-utilized as in the last two weeks. This is a great program but he does not know how he will get clarity on his parking lot for 15 years and he cannot get it from anyone. Per city code he needed 250 spots built before he could buy the land and he did and now from what he is looking at is that he could lose his parking lot. If you own a business you know there are two vital things, customers and parking. This would eliminate his parking. He does not know where they are proposing to put 250 parking spots because we are the original builders down there and his group paid for that parking and never got reimbursed. No one else on the BethWorks property paid for any parking, except us. We contributed to the TIF tax for all 18 years since we have been open and it is for reimbursements of parking lots and infrastructure, that is a parking lot. The Hoover Mason Trestle and PNC plaza all got the TIF money but he did not get reimbursed. So for him to be nervous about seeing this map show up online, you cannot understand, this would shut him down. If a developer wants to develop on that he would suggest they try to buy the Steel Ice Center at the same time so he can close and get out of town, because that is what you are doing. Underutilized lots in there, if you see those lots, many of those lots are probably coded for what ArtsQuest needs and what Casino needs are, so they are not underutilized, it is per code. Mr. Schantz explained he did not build 250 spots in 2003 because he hardly had anybody skating and now he has 23 youth teams playing out of his facility. He has a geezer league that skates Sunday night on both rinks from 3:00 to 11:00 so it is not underutilized. If he goes by a Lowe's Store at 6:00 am, guess what it is underutilized so why would you build out at the Lowe's. He believes in this project and in helping everybody but that Steel Ice Center was built with our money, not public money; we did not want to go that route. We used our funds and our funds paid for that parking lot. He can also attest to the fact that once you start building on there you do not know what you will find because it cost us another \$750,000 dollars when we put the shovels in the ground. We went down 20 feet to the front by the pro shop to get clean fill. We found barrels, and many things, you do not know what you will find, like Mr. Callahan said. Mr. Schantz does like the project and wants to help everybody. He will teach people to skate in affordable housing or unaffordable housing, we want everyone to come and enjoy the place but without that parking lot he is done.

Dana Grubb, 2420 Henderson Place, mentioned the development of clean safe affordable housing is integral to the health of every community. It is nice to see some effort being made to address this crucial need in this south side LERTA area. Although, in reference to what Mr. Schantz just mentioned he would question the inclusion of not only that parcel but possible some others over there since they support much of what happens at both the Steel Ice Center and Steel Stacks. Although the initiative is welcomed he thinks it falls short. Why only 10% of the units in projects of

10 of more housing units, why not make it incremental depending on the number of housing units proposed. Why only \$25,000 dollars, that message has come through loud and clear. The payment in-lieu of should be based on statistical analysis, not a developer feeling comfortable with \$25,000. Why not require that the amount be adjusted annually to allow for market forces and inflation. Mr. Grubb stated once again in Bethlehem it seems some are more concerned with appeasing developers than the community they have been elected to serve. How comfortable housing developers feel with the payment in-lieu fee should be the farthest thing from any public officials mind. Imagine how uncomfortable it is for families looking to find a home or an apartment that they can afford in Bethlehem. Mr. Grubb noted instead of passing the responsibility off to others, it would be nice if the developers would actually incorporate affordable housing units. He heard or read a comment that was made by an elected official that the same 8 people are showing up raising this issue. At one time it was the STP term, same ten people, showing up at Council Meetings to express their concerns. First, those residents need to be thanked, not mocked and second if 8 are showing up you can bet they are representing and speaking on behalf of many more. Finally, he would remind Council that you are the same 7 people at these meetings and no one is mocking you.

Bill Scheirer, 1890 Eaton Avenue, informed he was struck by the statistic that 48% of the city fall below the median income of some roughly \$50,000 and that made him think back to the discussion on the new building on New Street and the affordable units which he understood would be \$1,300 a month. He added using the 30% rule it would translate to an income of \$50,000 a year. So what that would mean is that 48% of the city would not be able to afford to live in the affordable units on New Street. He added that if something increases 18% over a 6 year period without compounding that is 3% per year, not 4% and if it is 4% a year again without compounding for the whole period it is 24%, not 18%. He is sure it was just a typo.

President Waldron announced the proposed Bill creating the LERTA program will be on tonight's Council agenda for First Reading and the Second Reading of the Bill and passage of the Resolution is anticipated for the September 7, 2021 Council Meeting.

President Waldron adjourned the Public Hearing at 8:15 pm.

2. APPROVAL OF MINUTES

July 6, 2021 and August 3, 2021

3. PUBLIC COMMENT (on any subject not being voted on this evening – 5 Minute Time Limit)

World Peace Organization Music

Arthur Curatola, 813 Laufer Street, informed he would like to state if you know people that have music recorded that is about world peace and original please get it to him before September 10th and will be internationally shown on September 21, 2021. He is the representative in the Lehigh Valley area that will be doing the putting together the section of the Lehigh Valley, Pennsylvania, United States. This will go to Africa, Italy, all over. Even though ArtsQuest says he is not good enough to perform at Musikfest, not even for free he was accepted by the World Peace Organization, Wake Up Rise Up to have his music played and be the spokesman for the Lehigh Valley for this. He has been promoting live original acts, artists displaying and selling

their artwork in the lobbies of theatres and outside on the grounds way before ArtsQuest rolled with his idea from the night of the arts shows that he presented at Northampton Community College and the Roxy Theatre in Northampton in 1977. He never took percentage from artists selling their works in his venues, although ArtsQuest does, they are non-profit. He never discriminated upon certain talented artists selling their work or distributing promotional material or certain artists performing at his venues. Mr. Curatola added that ArtsQuest does. They get exemptions and perks from the city and the state as a non-profit organization yet they are well off with the money they get in from their supporters. He noted that ArtsQuest runs Musikfest and appears to run the City of Bethlehem. We the taxpayers gave them the key to the city and he feels that they have overstepped their bounds restricting entertainment bookers and promoters from handing out their business cards on their property because they do not want competition from others. But they are a non-profit and they want total control of the performing arts within the area of Allentown, Bethlehem, and Easton. It appears they avoided working with one of the top entertainment agencies in the Valley called Media 5 and will not work with anyone who books entertainment at all. Mr. Curatola is working with the World Peace Organization and he is also with Wake Up Rise Up Productions and that has been accepted by the United Nations.

Boxing Training

Ramon Rodriguez stated he does boxing training for kids for many years. Right now about 6 months ago he lost his place to train so he has no place now to train these kids with boxing. He is looking for help to train these kids, 60 to 70 kids. The parents are worried about this. He is asking for a place where we can continue to train these kids. He hopes he is not too late to ask for help.

Mr. Reynolds thanked Mr. Rodriguez for coming to Council today who is a respected member of our community that a lot of us know. Mr. Reynolds attended the Housing Authority meeting last week which was a Zoom Meeting with Mr. Rodriguez. He had a few people with the Housing Authority who reached out about potentially allowing Mr. Rodriguez to use a building that is currently unused that is with the Housing Authority for this, for his boxing gym. He has a history of helping people in our community and has a connection that no one else has in this room. He got to know Mr. Rodriguez at the YMCA down the street for many years and he helps people out. Mr. Reynolds said to him last week and he sees reporters here at this meeting and this is a great story, is that this guy has helped out hundreds of kids in the Lehigh Valley that no one was able to get to and through no fault of his own he had to leave his building. Now he is trying to find a building in the City of Bethlehem. He has respected attorney's that are helping him out, ones that we all know because of what Mr. Rodriguez has brought to our community. He is a humble guy. His fighters have fought on ESPN and all over the place and he is not trying to make any money from this. One of the things that he told Mr. Rodriguez is that he should tell his story. It is on all of us as a community to help out Mr. Rodriguez. If we had more time he could tell more issues that he thinks the Housing Authority could have found a way through to help Mr. Rodriguez but he is one of the most optimistic people that he knows and he appreciates him coming to this meeting. He has had a lot of different locations with no heat, and no air conditioning and limited bathrooms just because he wants a place to give these kids an opportunity to fight and learn discipline. Mr. Reynolds pointed out this is a personal priority of his and he know that the people behind this table that are sitting behind you as well are all good people that will all find a way to reach and help out as we go forward.

Edgeboro Trees

Jeff Hutwelker, 1819 Maple Street, informed he is a civil engineer registered in the State of Pennsylvania. The reason he is here is on an initiative over trees in our neighborhood. He lives in the Edgeboro neighborhood and what kicked this off was that we saw about 29 pink dots that were painted on the curbs adjacent to trees. We became concerned when one of our neighbors had 4 of their trees removed, cut down and new sidewalks put in at a considerable cost. We were concerned that work was going to proceed up Maple Street and Elm Street. His understanding from the city is that paving will happen for both Maple Street and Elm Street in the spring of 2022. We were concerned so we started making inquiries with the city and they told us those trees are being reviewed in the planning stage right now and that they may or may not be removed. He did talk to about 5 people within the city, Basel who is the Chief Engineer and David Shaffer who is the City Forester. They assured him that they re-reviewed all of the trees that had been painted on the curbs and said that there were only 2 that would have to be removed and he thinks the Public Director Michael Alkhal said that is now going down to 1 tree, which is good. Mr. Hutwelker informed the whole neighborhood was canvassed to see how they supported this initiative and have over 120 signatures right now from the people in our neighborhood supporting saving the trees. The common theme we saw as we were canvassing for the signatures was that they were more concerned about the tree safety and being left in place as opposed to optimal paving conditions when the streets are paved. People are willing to sacrifice that in the name of saving their trees. He is looking at some alternate means that could be used for addressing tree issues because quite honestly these are very mature trees and are about 100 years old and there was not enough space allowed for them when they were originally planted. That is part of the problem the city is dealing with and we are dealing with. We are looking at things like flexible pavement, curving the sidewalks around the tree roots so they can be saved and accommodate the tree growth. We are also looking at maybe doing the paving that is not detrimental to the roots, coming up to them but not having to cut them. Mr. Hutwelker added they would also like to see that the owners are consulted and we were assured by the Public Works Director that they will have the option on whether the trees are removed because the owners have to pay for that removal. So if you are going to pay for it you should be the one making the decision. The city has a climate change initiative and it has been well documented that mature trees remove a lot of carbon dioxide from the air and add oxygen which is needed and helps to keep it cooler. In order to increase better communication we wanted to propose a meeting that would occur sometime in the near future at the Edgeboro Moravian Church. We can probably set that up with the church easily and have someone from the city represented to answer questions from people in the neighborhood.

Johanna Brams-Miller 1727 Elm Street stated she wanted to address a few things and that is how these things are decided. Recently the owners of the property on the corner of Hamilton and Maple were forced to have 4 trees removed, one on Hamilton and three on Maple. The cost of this was over \$18,000 dollars. This was due to a complaint about their sidewalks from someone. One of our neighbors called the forester and was told that these owners wanted to have these trees removed, that was not quite the whole story. Her understanding is that the owners continue to be quite upset and did not want to remove the trees but did so because they were given no other option, in order to fix their sidewalks about which there was a complaint. Many of the people in our neighborhood are retired and cannot afford the cost of thousands of dollars which would be required in the case of any trees to be removed. That is probably true throughout the city. Ms. Brams-Miller pointed out the only time sidewalks are repaired in the city is if the owner

opts to do so or someone complains. This could be anyone. There is not a situation where people go out and assess the quality of the sidewalks and says this one has to be repaired and gives people time to do it that does not happen, it is only done on the basis of a complaint. Who makes these complaints? She had her sidewalk repaired because they wanted to and she heard from the contractor they hired that in some cases contractors drive around and check the conditions of sidewalks and actually file complaints themselves because they need work. She does not know if that is true but she did see a contractor drive around our neighborhood and making notes one day. Her question is are the removal of trees put out for bid, is it put out for bid among independent arborists or only designated city arborists. This whole situation is rife with loopholes and can be taken advantage of. Is there a more equitable way in deciding how sidewalks would be repaired or what trees can come down rather than this thing where someone has a grudge with someone, they can file a complaint. This sets neighbor against neighbor and she knows about this because it has happened in their neighborhood. Someone filed complaints about the number of neighbors and she knows one couple that moved out of the neighborhood because of it. This is not a good way to go. Ms. Brams-Miller explained it seems to her that when we talk about the removal of trees that a certified arborist should always be involved. We had some good conversations earlier and we have some good resolutions and she thanks Director Alkhal for being willing to consider those and she hopes we can have that meeting. She will say in the end if it is a choice between the macadam and the trees she would choose the trees and most in her neighborhood would.

Kim Plyler, 1812 Sycamore Street, noted originally they spoke at the Public Works Committee meeting earlier tonight. She thanked all of you and the Director for clearly explaining just because there were pink dots on the sides by the trees that did not mean execution of the trees. We are now aware that of the 29 trees only 1 maybe even considered to be cut down if needed. To her what was brought forth was more than just learning about what the trees are, it is learning about how we communicate as a city. Moving forward to help with all tree communities that City Council and the Mayor should consider having a commission for trees and if there is one please let her know. We should have some type of commission that communicates with these communities and opens it up so that members of the community can come to the commission and get clear concise communication. That is what prevents problems from rising to the level that we experienced this week in our neighborhood. Ms. Plyler congratulated Mr. Rodriguez for all the great work he has done and ask for the support from the city, her job is a communicator and a public relations person and we have an opportunity to nominate hero's to CNN's hero's programs and she does think that Mr. Rodriguez qualifies with that. She would like your help, at no cost, to get a story together video wise to send to CNN's hero's program and get him nominated.

American Rescue Plan Funds

Erin Connelly, 729 Dellwood Street, informed she is at this meeting as a resident of Bethlehem and as an employee of United Way and as a member of a community organization that has come together called the Strategic Response Team to ask counties and cities to consider when using American Rescue Plan Funds. She added to really consider centering racial equity in the decision making and distribution of those funds. Some are calling this a once in a lifetime opportunity where the resources are really significant and relatively flexible and so each individual city and county can make the decision to direct the funding where it is most needed. If there is not a race conscious equity centered approach we run the risk of perpetuating the same

inequalities that we saw come up over and over again during this past year and a half during COVID.

Guillermo Lopez, 1404 Budd Avenue, stated he does appreciate all the work and time that you put in, he does not think the public recognize how much you put into this. He is not trying to blame or shame but about 16 months ago the world changed and there was this group of well-meaning people and they were called the Covid Strategic Response Team and it was made up of some very influential well-meaning caring non-profits that were trying to make a difference. They included the Red Cross, the United Way, and the Community Foundation, there is a list. They were trying to figure out how to get help to these people that Covid really raised the bar around the challenges that we faced around equity and inclusion. About three months later he was invited to them and his first question was why do you call this the Covid Strategic Response Team, this has been going on before Covid, this should just be called a Strategic Response Team and that is what happened. It is amazing the dialogue we have and how we take on the challenges and the people that are involved and how we move things forward. The last thing he wants to say is that we had a blip around the swim pool passes recently and that is not about blaming or shaming but to him that is a perfect example that we missed the mark around diversity, equity, and inclusion there. It happened like it was not caught had it not been for some people who had their eye in this special place. It told him that there is a need in our community for that and it is needed at every level, every profession, every place we breathe air.

Ms. Connelly is encouraging Council to consider three things in particular, one to specifically call out and center racial equity as a goal of American Rescue Plan Funds, and that you set measurable goals and track projects towards the goals in a transparent way. We have really been impressed with the Bethlehem Area School District's work in the areas where data is disaggregated and equity plans have specific and measurable goals. Finally, one of the most important is really engaging historically marginalized communities in the decision making process for these funds. This is an opportunity for leaders to reimagine and reframe. She thanked Council for considering this and hopes these funds can be used to make a strong commitment to racial equity in Bethlehem.

Mr. Reynolds thanked Ms. Connelly and Mr. Lopez for coming to this meeting. Last week or the week before we had the opportunity to meet with Councilwoman Negrón to talk about these issues and in the coming months as we talk about what we are going to do with these dollars we need to have the focus on the lens of racial equity. He added that means including people also in those conversations thinking about what has not been done in the past and systemically what have we not been able to do. It is no surprise when you turn on the television and look around there are a lot of people trying to fight that being used in the allocation of resources, whether at the school district level or the municipal level. Some of the other earlier programs that we have talked about benefitted those people who had grant writers and were able to meet the deadlines and understand where those programs were. The intent of those was to get money out to help people as soon as possible. We had very wealthy people that got millions of dollars in support which they may or may not have deserved and that lens of equity was not used as much. We will be dealing with \$34 million dollars over the next 28 months and some of that money will have to be focused towards long term financial stability for the city but also what can we do in the short term to help people out. Also, more importantly how do we bring those people to the conversation? Mr. Reynolds does thank Ms. Connelly and Mr. Lopez for coming and he encourages everyone as we start to have those conversations publicly about what we will

do with those dollars in the budget for next year, he would appreciate if they continue to be involved in these conversations.

American Rescue Plan Funds

Bruce Haines, 63 W. Church Street, asked if Council could identify if there will be a process for people to apply for the \$34 million dollar funding and when that might start and what the process might be.

President Waldron informed that is something the Administration is working on and they will present a budget in a way to Council and then we will have a conversation. We are in the process right now of scheduling a Committee of the Whole Meeting to start having a public conversation of how we are going to allocate those funds.

Mr. Haines asked if the Administration is going to put together a proposal on how to use those funds without any input from the community. He is trying to understand if there is a process. For example, we are looking for potentially a World Heritage Designation for Bethlehem and the significance of that with Bethlehem being on the world stage and he thinks there is significant help that is needed in our World Heritage class buildings in terms of retrofitting and infrastructure dollars to restore those buildings to place us in a candidate position. How does one get that on the plate as a potential and other things that we may have as we as a citizens see that put Bethlehem in an infrastructure deficiency mode, for example.

Mr. Evans remarked this plan is a roll out to begin the discussion. This is something that will take time to roll out and allocate the highest and best use across the city with a whole lot of interested parties. This is a complicated scenario to understand of eligible uses and restrictions. The Restaurant Revitalization Fund is different than the Paycheck Protection Program, so when we get a date set to talk about the Rescue Plan with regard to the money that is sent to the cities we will step back and talk about the eligible uses. We are trying also to make sure that we can broadly adapt it to as many groups as possible so the same groups are not being duplicated and we can reach as many possible within the city. Mr. Evans stressed this will be a discussion and the first time we talk will not be as much of a proposal but a layout of the uses and restrictions and guidelines that we do not have yet from the Treasury Department for the city's uses. Some things as we know with the Rescue Plan were put out last January and the money was out on the street and was helpful right away. The money that came to the cities they sent to use in term guidelines to look at but not final guidance. When we looked at it we thought it would be confusing if we rolled something out right away and a few weeks from now said the guidance had changed based on feedback from the interim period and having to pull back because it causes confusion. We have been anxious to present but at the same time patient to get a firm understanding of what we are able to do and then present in this format in a public hearing or a Committee of the Whole format what the initial concept is. That is something we will roll out shortly thereafter. Right now we will be able to use the first half of the funds, the \$34 million to the city any time in the next 3 years but we do not even have the other part until next year. So we are getting this in waves of funding as well. Mr. Evans pointed out it is a little bit to unwrap and unravel and the presentation is not a proposal that will be voted on that night, it is more of these are our ideas and the concepts and why and what we think will be best fitted and that just opens the dialogue, in an open public forum. We talked about even depending on how this night goes, it is the first for all of us to have this kind of money and once we think we have identified some

ideas does it go outside of this room here and does it go to Council and liaisons or just Members of the Administration. Time is of the essence but if you get it to other parts of the community outside of this room itself, this is a central location but our city is diversified and we will be happy to talk about this as much as we need to once the time comes.

Mr. Haines noted translating will we have an opportunity and should we be presenting to you our request for needs in that regard.

Mr. Evans will say that part of our thoughts in moving this forward is to create funding buckets much like the federal government has. This is for education, a bucket for that, the transportation agencies, we are looking to do the same thing and because of the restrictions that are entailed, Mr. Haines asked about an application and we do believe that will be part of it. They believe part of the bucket that will be available to non-profits or businesses and once that number is allocated that there will be an application we will then go through that. We do not know the maximum amount that is part of the conversation we want to have once we have the guidance. Mr. Evans added what if some groups have already received two and three different assessments, are they made whole, it is very difficult for us to understand if someone is already been made whole. There is a lot of money flying around and it is a good thing but we also do want to make sure it is distributed to the best needs. Where someone might have the opportunity to receive funding two and three and four different ways based on those buckets coming from the federal government. We are also trying to gain an understanding the best we can from that perspective.

Mr. Haines thinks that Mr. Alkhal has talked about the need to bury the electric overhead wires in our most historic area here from Heckwelder to Center Street. Instead we are working in other areas of the city and we face this great opportunity and do not seem to be putting any priority on that. We have a chunk of funds here coming that could really help Bethlehem. He is not talking about private money for business; he is talking about ideas for where we think the city can spend some of the money. He does not know if we need to have a one on one meeting with the Mayor and Mr. Evans. How do we get a request to you, do we just send an email or is there a process to occur for input.

President Waldron remarked that public comment is intended for the public to make comments to Council and direct those comments to the Chair and not have a dialogue back and forth because he does not want to go down that road. He pointed out at this time we are looking at a date in late September to have a Committee of the Whole Meeting in order to start the first part of the conversation that will be an ongoing series of conversations throughout the rest of the year. At that point Council would accept public comment or a petition for whatever cause that might be. If there is something more specific that you would like to talk about you could reach out to Members of Council individually or the Mayor or the Administration, that would be a good idea.

4. PUBLIC COMMENT (on ordinances and resolutions to be voted on by Council this evening – 5 Minute Time Limit)

None.

5. OLD BUSINESS

- A. Members of Council
- B. Tabled Items
- C. Unfinished Business

6. COMMUNICATIONS

B. *Chief of Police – Firearm Purchase - Toronzi*

The Clerk read a memorandum dated July 22, 2021 from Michelle Kott, Chief of Police with an attached resolution and agreement for the purchase of a duty weapon by a retired officer of the Bethlehem Police Department. Pursuant to the Third Class City Code, retired officers may purchase their duty firearms at fair market value.

President Waldron stated resolution 10 B is on the agenda.

C. *Executive Director – Bethlehem Area Public Library – Keystone Grant*

The Clerk read a memorandum dated August 10, 2021 from Josh Berk, Executive Director of the Bethlehem Area Public Library to which is attached a proposed Resolution regarding the Bethlehem Area Public Library's Keystone Grant request to the Pennsylvania Department of Education. The Library seeks \$500,000 in grant funds from this state grant for public library facilities in order to renovate the first floor of the Main Library at 11 W. Church Street.

President Waldron stated Resolution 10 C is on the agenda.

D. *Director of Public Works – Monocacy Way Trail – Amend 2021 Capital Budget for Non-Utilities – Budget Adjustment*

The Clerk read a memorandum dated August 10, 2021 from Michael Alkhal, Director of Public Works with a request to transfer \$337,000 from Recreation Fees to the Monocacy Way Trail Improvement project.

President Waldron stated Bill No. 26-2021 as Ordinance 9 B is on the agenda.

E. *City Solicitor – Use Permit Agreement – McCarthy's Irish Pub, Inc. – Celtic Celebration*

The Clerk read a memorandum dated August 9, 2021 from City Solicitor William P. Leeson, Esq. with an attached resolution and associated Use Permit Agreement. The Permittee is McCarthy's Irish Pub, Inc. for the Celtic Celebration event on Walnut Street between Main Street and Guetter Street on September 25, and September 26, 2021.

President Waldron stated resolution 10 D is on the agenda.

F. *City Solicitor – Use Permit Agreement – Celtic Fest, Inc. d/b/a Celtic Cultural Alliance – 2021, 2022, and 2023 Celtic Classic Highland Games and Festival*

The Clerk read a memorandum dated August 9, 2021 from City Solicitor William P. Leeson, Esq. with an attached resolution and associated Use Permit Agreement with Celtic Fest, Inc. d/b/a Celtic Cultural Alliance for the 2021, 2022, and 2023 Celtic Classic Highland Games

and Festival events. The dates and locations of the events are specified in the agreement attached to the resolution.

President Waldron stated resolution 10 E is on the agenda.

G. *Director of Public Works – Recommendation of Award – Construction Masters Services, LLC – Monocacy Way Trail Improvements*

The Clerk read a memorandum dated August 12, 2021 from Michael Alkhal, Director of Public Works recommending a contract with Construction Masters Services, LLC for the Monocacy Way Trail Improvements. The term of the contract is 90 days. The cost is \$808,975.10 and there are no renewals.

President Waldron stated resolution 10 F is on the agenda.

7. REPORTS

A. *President of Council*

B. *Mayor*

1. *Administrative Order – Rogelio Ortiz – Bethlehem Housing Authority*

Mayor Donchez reappointed Rogelio Ortiz to membership on the Bethlehem Housing Authority effective through May, 2026. Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2021-138 to confirm the reappointment.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The Resolution passed.

2. *Administrative Order – Graig Schultz – Bethlehem Human Relations Commission*

Mayor Donchez reappointed Graig Schultz to membership on the Bethlehem Human Relations Commission effective through March, 2024. Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2021-239 to confirm the reappointment.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The Resolution passed.

C. *Public Works Committee Meeting*

Chairwoman Crampsie Smith announced the Public Works Committee met tonight on August 17, 2021 at 5:30 pm. There were two agenda items discussed at the meeting. The first item was discussion of a Council-proposed Responsible Contractor ordinance that she brought forward. The second agenda item was discussion of a bid preference bill brought forward by Councilman Callahan. Due to time constraints those two agenda items were postponed to be discussed at a future Public Works Committee Meeting.

8. ORDINANCES FOR FINAL PASSAGE

A. *Bill No. 23 – 2021 – Amend Article 913 – Water Rates and Charges*

The Clerk read Bill No. 23-2021 –Water Rates and Charges sponsored by Mr. Colón and Ms. Crampsie Smith and titled:

AN ORDINANCE OF THE CITY OF BETHLEHEM,
COUNTIES OF LEHIGH AND NORTHAMPTON,
COMMONWEALTH OF PENNSYLVANIA, AMENDING
ARTICLE 913 OF THE CITY OF BETHLEHEM CODIFIED
ORDINANCES TITLED “WATER RATES AND CHARGES”

Dr. Van Wirt mentioned she was not at the last meeting. We had talked a little bit about the differences in water costs, not just deliver rates but costs to people who live in Bethlehem versus people who live in other places outside of Bethlehem that the Bethlehem Water Authority services. She had brought up the idea that perhaps the more expensive water deliveries to the outer townships that depend on our water that they should pay a higher rate rather than our own citizens have higher rates. She noted that Mr. Boscola taught her a lot that basically it costs less for them because the authority and water is up in the mountains it costs less to bring the water to the townships than it does to the people in south Bethlehem. The only reason she is bringing this up is to put this idea that the construction and capital costs that it takes for us to maintain those lines and construct new lines is not something that should be borne by the taxpayers of Bethlehem so when we come to our capital budgets we can look at those costs and perhaps see if there is a differential and what it costs per capital to deliver water on a capital needs basis to our townships versus our own citizens. Dr. Van Wirt does not think our citizens should be forced to pay for the increase; there is less density out there so the costs will be increased for capital construction and she wanted to put that into our brains when we start thinking about our capital budget in the fall.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. Bill No. 23-2021 now known as Ordinance No. 2021-21 was passed on Final Reading.

B. *Bill No. 24 – 2021 – Street Vacation Ordinance – Portion of Luna Street and Portion of Bushkill Street*

The Clerk read Bill No. 24-2021 – Street Vacation Ordinance –Portion of Luna Street and Portion of Bushkill Street sponsored by Mr. Colón and Ms. Crampsie Smith and titled:

AN ORDINANCE AUTHORIZING THE VACATION,
DISCONTINUANCE AND STRIKING FROM THE CITY’S
GENERAL PLAN OF STREETS OF A PORTION OF
LUNA STREET (UNOPENED) AND A PORTION OF
BUSHKILL STREET (UNOPENED) IN THE 14TH WARD
OF THE CITY OF BETHLEHEM, COUNTY
OF NORTHAMPTON, PENNSYLVANIA

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. Bill No. 24-2021 now known as Ordinance No. 2021-22 was passed on Final Reading.

C. *Bill No. 16 – 2021 – Zoning Text Amendment proposed by the property owner related to the Office Mixed Use (OMU) Zoning District at the former Martin Tower site at 1170 8th Avenue, as amended by a City Council-initiated amendment (Colón) passed in Council on June 15, 2021*

The Clerk read Bill No. 16 – 2021 – Zoning Text Amendment proposed by the property owner related to the Office Mixed Use (OMU) Zoning District at the former Martin Tower site at 1170 8th Avenue, as amended by a City Council-initiated amendment (Colón) passed in Council on June 15, 2021 sponsored by Mr. Colón and Mr. Waldron and titled:

AN ORDINANCE OF THE CITY OF BETHLEHEM, COUNTIES OF LEHIGH AND NORTHAMPTON, COMMONWEALTH OF PENNSYLVANIA, AMENDING PART 13 OF THE CODIFIED ORDINANCES RELATING TO ZONING WITH RESPECT TO PROPERTIES IN THE OMU DISTRICT BY AMENDING SECTION 1311(a)-(b) PERTAINING TO THE CONFIGURATION OF OFF-STREET PARKING AND DRIVEWAY ACCESS ONTO ARTERIAL STREETS AND SECTION 1314.02 (b) (5) TO LESSEN THE MINIMUM REAR YARD SETBACK

Mr. Colón remarked he appreciates those that have given this consideration and those who have not, he does understand their point and now we will see things go as this project moves forward for the years to come.

Dr. Van Wirt very much wanted to echo what Becky Bradley had comments on from two meetings ago about the problems with this proposal. Dr. Van Wirt agrees with Ms. Bradley and cannot be supporting this tonight.

Ms. Negrón stated she echoes what Dr. Van Wirt has just said. We have talked about his for a long time and she believes there is a venue in which the owner could go in front of the Zoning Hearing Board and request a change instead of changing the law. This is a very important site and she will not be supporting this tonight.

Mr. Reynolds does think this process has played out in front of City Council and has allowed us to have a lot of conversation. If that had just gone to the Zoning Hearing Board we would not have been able to have those conversations. We probably would not have seen the presentation from Alloy 5 which was brought in at the request of the Mayor. That had substantially improved some of the master concepts we saw before that only played out this way because we were able to have this public conversation. There is a lot of work to do here with how we make sure that some of the progress and improvements that have been discussed become part of the overall project. As he said at the last meeting a lot of this will come down the planning process. With this 53 acres, 25% of that is not getting developed at all but the rest of it is going to be developed through the process going through our Planning Department, they will really have an opportunity to weigh in with the buildings and the sustainable development that is mentioned in the Climate Action Plan. That is really where the hard work of maximizing the ability of this

project to be what it can be at this point. We have had this conversation many times. There was traditional neighborhood development planned over there or proposed over there in 2015 and that scared a lot of people and then when we changed the zoning at that point to take away the fears of a lot of people we ended up with the mixed use that is in front of us at the time. Mr. Reynolds remarked this is not the ideal situation which we mentioned many times but our job at this point is to make sure that we get the highest, best, most sustainable use of that development over there. Mr. Reynolds remarked that will be done through our planning process and through our Planning Commission and the ability of our planning department, City Administration, and Council to take a lot of those concepts discussed in our Climate Action Plan and ask are these buildings meeting what is recommended. He added, are we able to mandate some of these things, and how are we able to encourage walkability, how are we able to encourage a project that we can be proud of at the end of the day. With that being said, none of that has to do with what we are voting on today, it is moving parking and not creating new parking, it is moving some rows or parking to be able to allow for this development and he will be supporting this.

Mr. Callahan agrees with Mr. Reynolds, this is all about parking. We are not creating more parking we are just moving from parking from the back of the building to the front and allowing the setback that many of the other surrounding buildings next to these buildings already have. As far as Ms. Bradley's comments a few weeks ago, she was against the project because she thought there should be more parking for electric vehicles but whether it is gas or electric or some new technology, they still need parking. The bottom line is the parking and he thinks that Mr. Colón's amendment helps out this problem and gets this project moving forward.

Ms. Crampsie Smith stated she is going to vote no because she concurs with what Mrs. Bradley said at the meeting. There are other buildings in that area and many other medical buildings she has been to where they did not need this amendment and their parking was fine with the parking in the back. She does not feel we need to change the law but she does appreciate Councilman Colón's efforts to try to come up with a resolve to this issue but she is going to vote no.

Voting AYE: Mr. Reynolds, Mr. Callahan, Mr. Colón, and Mr. Waldron, 4. Voting NAY: Ms. Negrón, Ms. Crampsie Smith, and Dr. Van Wirt, 3. Bill No. 16-2021 now known as Ordinance No. 2021-23 was passed on Final Reading.

9. NEW ORDINANCES

A. *Bill No. 25 – 2021 – Amend Article 342 – Affordable Housing Local Economic Revitalization Tax Assistance – LERTA Ordinance*

The Clerk read Bill No. 25-2021 – Amend Article 342 – Affordable Housing Local Economic Revitalization Tax Assistance – LERTA Ordinance sponsored by Ms. Negrón and Mr. Reynolds and titled:

AN ORDINANCE OF THE CITY OF BETHLEHEM, COUNTIES OF
LEHIGH AND NORTHAMPTON, COMMONWEALTH OF
PENNSYLVANIA, AMENDING ARTICLE 342 OF THE CODIFIED
ORDINANCES ENTITLED LOCAL ECONOMIC REVITALIZATION
TAX ASSISTANCE – ENTERPRISE DEVELOPMENT AREA

Ms. Crampsie Smith noted as she said previously she thinks this is great and she applauds the Administration for all their work especially Ms. Karner's office to finally bring the issue of affordable housing to the forefront and we are finally doing something here. It is vital that we have some kind of formula and standard that we can say we are using that we can apply to every unit within the LERTA districts. That is why she feels the \$25,000 in-lieu of dollars just is not a standardized amount and she would like to make a motion to amend this and that we use the HUD Affordability Gap Method that Ms. Karner had alluded to and increase the amount of the payment in-lieu fee to \$42,450 per unit with a 5% increase per year based on the increase and the cost of rentals.

Dr. Van Wirt seconded the motion.

President Waldron stated we have a motion and a second and now we will have discussion on the motion.

Mr. Reynolds stated he will not be supporting this motion for the reasons he explained earlier. It is not about an affordability gap or what we feel someone should be paying. He understands the idea of a formula but we are trying to get people to pick this option and he does not believe that raising that based on our conversations with our Community and Economic Development Department and Ms. Karner about what she feels is the number that we are going to get the money and direct that towards the people that are actually low income. He will not be supporting this motion.

Mr. Callahan agrees with Mr. Reynolds. He thinks it is important that we do not make this payment in-lieu fee too high of a bar that the choice is not to go with the incentive program. If the developers decide to not go with the incentive program and decide to do it on their own they can build all high end luxury housing and in the end we will get nothing. He will not be supporting this motion for this amendment to increase the payment in-lieu fee.

Ms. Crampsie Smith added that other entities, municipalities, within the state including State College get \$129,000 per unit, Pittsburgh gets \$180,000 dollars and the average state formula is \$108,000 dollars for a payment in-lieu fee. It is pitiful that we are going to ask Bethlehem to give tax abatement money which is money coming from the hard working taxpayers who have lost a lot in the last 16 months who are struggling and we are going to say okay to a developer to just give us \$25,000 per unit when other entities are getting so much more. The other important factor we need to consider is the fact that over the 10 years of the LERTA the average savings to the developer in taxes is \$1 million to \$2.5 million dollars and that is a lot. To say \$25,000, she thinks that is sinful.

Ms. Negrón noted that Councilwoman Crampsie Smith beat her to the line she said. After listening to Ms. Smith today she was actually going to suggest changing the payment in lieu-fee to \$75,000 dollars because according to the numbers that is actually what it should be the number that we will be saving. She hopes they choose to do affordable housing. If we want to compromise between the conversations we have been having, we do not want to make it too high so the developers do not take it but she thinks it should be \$75,000 but she will compromise and support this motion for this amendment.

President Waldron asked Ms. Karner to hear her perspective or anyone in her department on what they would think that change would be from \$25,000 to the \$42,450 and what the impact might be like.

Ms. Karner stated there have been a lot of good points made this evening. When it comes to increasing the fee the worst case scenario that we could possibly have is if we have no development, no tax ratable, no affordable units, and no investment in the funds. The second worst thing is to have the development without having the inclusion of affordable housing units or the offset fees associated with the alternative in the ordinance. She does not want to see us go to a point where we are too high, she would believe that if you looked at some of the newer projects in the city that include residential on the south side that we have folks living in those buildings that meet the requirements of the ordinance. She suspects that is already been achieved to some degree but maybe not to the degree that we would like. The difficulty she has is balancing the need for the LERTA to begin with which she tried to articulate in the memo provided to Council previously. Ms. Karner stressed these are not projects that are easy to develop and trying to balance the opportunity for investment in the affordable housing fund at a point in which it allows us to do more. It is difficult for her to suggest that there is one position better than the other. Ms. Karner would say they support a proposal that they thought was fair initially and maybe to address the comments from other speakers. She noted maybe they did not articulate well where we came up with the payment in-lieu of fee but ultimately when looking at those costs of development, and Mr. Callahan mentioned a project he thought was maybe \$800,000, she had seen the documentation associated with the remediation and it was over \$1 million dollars in unexpected costs to the developer to develop a south side parcel. So when looking at those challenges, there are significant challenges on these projects. Ultimately she is confident the proposal they put forward is attainable and will get us further. When she was in front of the school district she suggested our goal is not to hit a grand slam as much as she would like to there is no magic bullet in solving this issue but it is the singles and doubles that are going to get us down the road of addressing our affordable housing crisis in the city. Ms. Karner stated the Administration put forward a proposal and we are comfortable with that proposal and she leaves it to Council to decide whether or not there is room to increase those payment in-lieu of fees.

Mr. Callahan added it is important to understand what Ms. Karner said. This property or most of these properties, they have no idea what is underneath them. There has been 120 years in steel making down there with industrial use and the owner of the Steel Ice Rink said he had to spend \$800,000 dollars once they started digging because they found a bunch of barrels. Before the Sands Casino came in his brother John was the Mayor and he knows from talking to him and some of the other developers there were two or three commercial developers that did soil samples and then walked away. There were two residential developers that walked in there and did soil samples and walked away. Mr. Callahan noted there is contaminated soil down there, much is capped right now but once you break that ground open they have no idea. The 510 Flats property that Ms. Karner said was over \$1 million dollars that was a live gas line, it was not on the city's blueprints, and no one knew it was there. Mr. Callahan thinks the \$25,000 dollars is fair and will help us with the affordable housing problem. It is not so high that the housing developers will shy away and not participate, that would be the worst solution. He will not support the amendment to increase the payment in-lieu of fee but will support the overall project to enact the LERTA program.

Mr. Colón mentioned we spoke earlier at the Public Hearing about historically other LERTA's. We referenced 1986, 1991, and 2012, for LERTA expansions, north side, south side, and the central business district and this is more the jumping off point, not the landing point when we talk about affordable housing. When talking about this \$25,000 dollar number, he mentioned that LERTA's like the TIF have an expiration.

Ms. Karner stated yes they do.

Mr. Colón asked what would be our next opportunity, we are talking about parcels on the south side tonight with what is in front of us but that is not to say that at some future date we could look at implementing something similar in parts of the north side or west side or other parts of Bethlehem. What would be the next recertification or when would we be voting again to renew a LERTA where we would have an opportunity to use this as our pilot and see how it is shaped out with the buy in with the fee in-lieu of the \$25,000 and revisit how it has been performing and see if we want to apply that model or tweak it and apply something similar to a different part of the city.

Ms. Karner stated the larger LERTA on the south side which has 6 or 7 parts to it goes all the way down to the Lower Saucon border and then runs up through the central business district excluding the TIF (Tax Increment Financing) district that expired last year and that expires in 2022 on December 31st. She would expect that Council would receive a proposal or at least the required reporting and analysis of the performance of that, what is left to be included and any modifications or changes to the LERTA around affordable housing. The Northside 2027 LERTA expires in 2023 and so that year and in anticipation whether that Administration would renew the LERTA would come before Council as well. Ms. Karner pointed out that LERTA is not the only tool and as we had talked about at a recent Community Development Committee Meeting this is an issue that we as the city she thought we would be dealing with whenever the opportunity arises, in policy whether it is around incentives or zoning we think it needs to be addressed through a change in policy around housing.

Mr. Colón mentioned given that information while he does think there is merit in the discussion or raising the floor of the \$25,000 payment in-lieu fee because we do not have any comps here in the Lehigh Valley, we talked about State College and others which are unique in and of themselves. Given that we are looking at in the near future voting again, future Council's on other LERTA Districts and revisiting what we are doing tonight he is more in favor of scaling up as we look to the future proposals as opposed to scaling down if we are unhappy with the results of what we are doing. That is especially given the challenges that we have discussed and have long been known when developing south side parcels because of the old brownfield. He will not be supporting the motion we are voting on to increase the payment in-lieu fee and will be supporting leaving it as proposed by the Administration.

Ms. Negrón mentioned she was thinking back to the owner of the Steel Ice Rink and she is also thinking about the worries of what they could find in there when the dig and also thinking about what Dr. Van Wirt suggested, why do we not include the residential areas that are abandoned buildings and homes. Every time she drives by these buildings she wants to cry knowing that there are so many people in need of affordable housing and there are empty houses within the neighborhoods of the south side. Considering we do not know what they will find in those parking lots when they dig, how much it would cost to develop and the parking of the

investment that the Steel Ice Rink had made and they could go out of business if they lose their parking lot. She thinks the Administration should think about that, maybe we should move some of these LERTA squares we have in here from the possible things they could find in that land and move them to the residential areas of the south side, especially where we have blighted properties that could be put into the LERTA instead of keeping those dangerous parking lots in there. Then the developers would not have to worry about that, this is a thought for the Administration to consider, maybe we could make some changes for the next meeting.

Ms. Crampsie Smith commented while she also feels that \$42,450 proposed increased payment in-lieu fees is not enough, she considered in those areas they can be met with a lot of challenges. She has to say that she also has some personal insight, because her brother was a developer for many years so she knows on a personal level the challenges financially. She also knows that eventually the return on investment on their properties and projects, what that can be. Given those she can look at it from both ways and she still feel strongly that the \$42,450 is where it should be and the \$25,000 is way too low.

President Waldron remarked that Mr. Colón surmised it well, that we really do not have comps. We are looking at other municipalities who have this who have much higher numbers, payment in-lieu fees, but it is comparing apples and oranges with a small municipality like us compared to Pittsburgh or State College with a huge number of student housing comparatively. The markets are different so we cannot pick at those numbers. He does think there might be an argument for a higher number but we just do not know, we do not have enough information. He would not want to scare away a developer from taking this incentive and developing just market rate housing and by being in a sense too greedy to try to take a slice of that pie for a positive thing. The perfection is the enemy of good, that keeps popping up and he agrees with the Administration and the professionals in that department and the thought they put into this. Most of the times these things come to us, and he is not an expert on this so he trusts the professionals in that department and tends to agree with the thoughts they bring forward. President Waldron is in agreement that he will not support the amendment but would support the LERTA ordinance this evening.

Voting AYE on the amendment: Ms. Negrón, Dr. Van Wirt, Ms. Crampsie Smith, 3. Voting NAY: Mr. Reynolds, Mr. Callahan, Mr. Colón, and Mr. Waldron, 4. The amendment failed 4-3.

President Waldron noted the Administration has submitted an amendment to the proposed Bill; he will call on a representative of the Administration to discuss that proposed amendment.

Ms. Karner informed we had heard at the last Council Meeting where this was discussed some ideas around insuring the flexibility of the use of funds to include rental assistance. We went to the school district finance meeting last Monday evening and heard that same desire including language allowing for rental assistance. This is a short amendment they are requesting. It will give us the flexibility to use those funds in that way.

Amendment to Bill No. 25-2021

The Clerk read the Amendment that states this would amend Bill 25-2021 Section 342.02 (d) (2) and the amendment would allow the city to use money in the affordable housing and

remediation fund, funded by developer payments in-lieu of constructing affordable units for rental assistance in addition to other permitted uses. This is included in the Public Hearing packet.

Amendment to Bill No. 25-2021-Section 342.02 (d) (2)

Section 342.02 (d) (2)-The contribution authorized by Article 342.02(d)(1) shall be held by the City Business Administrator in a segregated interest-bearing fund account designated solely for the purposes of advancing affordable housing and remediating in whole or in part deteriorated areas through a program of low interest loans, ~~or~~ forgiveness grants, and/or rental assistance to persons of low, very low, and extremely low income as may be determined by the poverty guidelines of the United States Department of Housing and Urban Development then-prevailing at the time of disbursement. Money so-collected must be accounted for and expended solely for such purposes within territorial boundaries of the City of Bethlehem. Such fund shall also be subject to an annual administrative charge of the City associated with the management of the Affordable Housing LERTA District and distributions from the fund, but such annual administrative charges shall not exceed 1% of the contribution made under Article 342.02(d)(1).

President Waldron stated they would need a motion and a second to consider the amendment proposed by the Administration.

Mr. Reynolds and Mr. Callahan made the motion.

President Waldron stated they will have discussion on the amendment.

Mr. Reynolds thanked Ms. Karner and the Administration for bring this forward. He appreciates the response to the comments from people on City Council as well as the school district. He believes this is the best end result for these affordable housing dollars, assisting people through rental assistance. We can talk about different things as far as what we can do with affordable housing trust fund dollars but the cost of creating units, the cost of subsidizing units and direct rental assistance has to be part of the puzzle at the end of the day.

Mr. Callahan stated he is 100% in favor but he asked who will determine who gets it, what are the limits, and is it based on free and reduced lunches and is it just for Bethlehem Area School District kids or anyone in the City of Bethlehem.

Ms. Karner noted they do not have a lot of the details; we have not developed the program whether or not there is a contribution to the affordable housing fund. We want to remain flexible and we did communicate with the school district if they want to be a partner with City Council and Northampton County and we can put together a task force. We do have a model to emulate using Bethany Now through the county funds and our CDBG funds. The ordinance would restrict us to only City of Bethlehem families, not anyone in the Bethlehem Area School District. She would expect from the staff perspective we would make the recommendation that we model off of the program for families that are in need of the dollars.

Ms. Negrón stated she is very familiar to the program and the process in which the city has allocated money for rent assistance in the past. She recommends not to provide that funding to only one organization especially when there are a lot of members of the community that are

not connected or familiar with the process. They might be going out to other entities like the Salvation Army or maybe the school district would be another venue. She would like you to reconsider that the money that is allocated for rental assistance that is not given to only one organization. Another issue is that the number of organizations we have in the Lehigh Valley that provide that kind of social service whenever they have it, they are very small and do not have a big staff. Within the last year all the money that was put together for help it was a struggle. She still has individuals that she gave them the number and the emails and no one is getting back to them. She understands some organizations are too small to handle so many calls and applications. This money should be equally spread to all the non-profit organizations for rent assistance so members of the community from all areas of the city can reach out and get the funding they need for rent assistance.

Voting AYE on the amendment from the Administration: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The amendment passed.

Voting AYE on the Bill as amended: Ms. Negrón, Mr. Reynolds, Mr. Callahan, Mr. Colón, and Mr. Waldron, 5. Voting NAY: Dr. Van Wirt and Ms. Crampsie Smith, 2. Bill No. 25-2021 was passed on First Reading.

B. Bill No. 26 – 2021 – Amend 2021 Capital Budget for Non-Utilities – Budget Adjustment

The Clerk read Bill No. 26-2021 – Amend 2021 Capital Budget for Non-Utilities – Budget Adjustment sponsored by Ms. Negrón and Mr. Reynolds and titled:

AN ORDINANCE OF THE CITY OF BETHLEHEM,
COUNTIES OF LEHIGH AND NORTHAMPTON,
COMMONWEALTH OF PENNSYLVANIA, AMENDING
THE 2021 CAPITAL BUDGET FOR NON-UTILITIES

Ms. Crampsie Smith wondered how much money is coming from the DCNR and Northampton County Open Space for this.

Mr. Alkhal stated roughly \$250,000 to \$300,000 each.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. Bill No. 26-2021 was passed on First Reading.

10. RESOLUTIONS

A. Approve Records Destruction – Financial Services

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2021-140 that authorized the disposition of the Financial Services records, as stated in Exhibit A.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The Resolution passed.

B. Approve Firearm Purchase – Toronzi

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2021-141 that authorized an agreement to effectuate the transfer of the City issued handgun assigned to Robert Toronzi a Retired City Police Officer.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The Resolution passed.

C. *Approve Keystone Grant Resolution*

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2021-142 that authorized to execute all application forms necessary to apply for the Keystone Grant that will be passed through the City of Bethlehem to the Bethlehem Area Public Library.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The Resolution passed.

D. *Approve Use Permit Agreement – McCarthy’s Irish Pub – Celtic Celebration*

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2021-143 that authorized to execute a Use Permit Agreement with McCarthy’s Irish Pub Inc. for the Celtic Celebration on September 25, and September 26, 2021.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The Resolution passed.

E. *Approve Use Permit Agreement – Celtic Fest Inc. d/b/a Celtic Cultural Alliance – Celtic Fest*

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2021-144 that authorized to execute a Use Permit Agreement with Celtic Fest, Inc. d/b/a Celtic Cultural Alliance for the 2021, 2022, and 2023 Celtic Classic Highland Games and Festival.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The Resolution passed.

F. *Approve Contract – Construction Masters Services, LLC – Monocacy Way Trail Improvements*

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2021-145 that authorized to execute and agreement with Construction Masters Services, LLC for the Monocacy Way Trail Improvements.

President Waldron asked Mr. Alkhal for some information on this contract.

Mr. Alkhal explained this money will be used for improving a new trail between Schoenersville Road and Illick’s Mill Road, the Monocacy Trail. They will be widening the trail itself to 8 feet with bituminous pavement that is what the trail will consist of. It includes some minor grading to accomplish that work. There will be some benches along the trail and citing and placement of garbage and recycling receptacles along this trail. That is the bulk of work that is being proposed.

President Waldron wondered if there would be any work done to the crossing on Schoenersville Road.

Mr. Alkhal noted that is not part of this, it stops at that location.

President Waldron remarked that it is at Monocacy Way entering into Burnside essentially.

Mr. Alkhal stated actually it splits between the pool and the railroad tracks.

President Waldron noted he was referring to the railroad tracks right outside Burnside. He asked if there is any thought to continuing that work through Burnside onto Monocacy Way to Union Boulevard.

Mr. Alkhal suspects at some point, he is sure but he does not know if anything is in the works with our Five Year Capital Plan.

Ms. Heller pointed out that we applied for grant funding for that connection all the way down to Sand Island and the D & L Trail. We applied for a few different grants and so far we have been unsuccessful. That would connect that trail and make it more of a network that would be ideal.

President Waldron asked where these dollars are coming from.

Mr. Alkhal explained two grants, DCNR and Northampton County.

Voting AYE: Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, Mr. Callahan, Mr. Colón, Ms. Crampsie Smith, and Mr. Waldron, 7. The Resolution passed.

11. NEW BUSINESS

None.

12. ADJOURNMENT

The meeting was adjourned at 9:45 pm.

ATTEST:

Robert G. Vidoni, Esq.
City Clerk