

CITY OF BETHLEHEM

Department of Community and Economic Development Interoffice Memorandum

Date: September 28, 2023
To: Michael G. Colón, President of City Council
From: Laura Collins, Esq., Director, Department of Community and Economic Development
Re: CDBG/HOME Annual Action Plan - Substantial Amendment Approval Resolution

The Department of Community and Economic Development (DCED) wishes to amend the City's program year ("PY") 2019 Community Development Block Grant (CDBG) and HOME Investment Partnerships Program Annual Action Plan ("Action Plan"). The amendment is described below and we respectfully request Council's approval to submit it to the U.S. Department of Housing and Urban Development.

DCED proposes to amend the City's PY 2019 Action Plan to grant Habitat for Humanity ("Habitat") an additional \$304,593 in HOME funds for construction of two (2) attached single family homes on the south side of Bethlehem, each approximately 1,360 square feet. Ownership of the homes will be restricted to low-income owner-occupants for at least twenty (20) years. The additional grant would be funded with underutilized and reallocated HOME funds and would not negatively affect other projects or programs.

In 2019, the City granted Habitat \$120,000 for this project. However, due to the pandemic, difficult site conditions, and other factors, substantial construction did not start until 2023. During the period between project budgeting and construction, the cost of building increased substantially, necessitating additional funding to complete the homes. Please note, the Finance Committee discussed this grant at their September 19, 2023 meeting and forwarded the enabling budget transfer resolution to Council, where it was adopted.

We believe this is a valuable project with durable community benefits. Due to the affordability period and owner-occupancy restriction, the grant aligns with the City's goals of creating more affordable housing, strengthening neighborhoods, and assisting marginalized and economically disadvantaged members of our community. We respectfully request placement of the attached resolution on the October 3, 2023 City Council agenda for consideration and a vote.

Thank you and please let me know if you have any questions or would like additional information.



Laura Collins
Director of the Department of Community and
Economic Development

Cc: Sara Satullo
Robert G. Vidoni

RESOLUTION NO. 2023-_____

WHEREAS, Federal regulations allow the City of Bethlehem, Pennsylvania, as a U.S. Department of Housing and Urban Development (“HUD”) entitlement community, to prepare substantial amendments to its Community Development Block Grant (“CDBG”) and HOME Investment Partnerships Program Annual Action Plans;

WHEREAS, the City prepared a substantial amendment (“Amendment”) to its PY 2019 Annual Action Plan (“Action Plan”) and/or other applicable program year, to add \$304,593 (three hundred and four thousand, five hundred ninety-three dollars) of additional HOME funding to a PY 2019 Habitat for Humanity HOME activity for the construction of two (2) attached single family homes restricted for transfer to low-income buyers during the applicable affordability periods; and

WHEREAS, the City made the Amendment available for public display and comment for a comment period commencing on August 19, 2023, and running through September 22, 2023, held a public hearing on the Amendment on August 23, 2023, and made it available on the City's website.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BETHLEHEM:

1. That the Amendment, effective for the period from January 1, 2019 to December 31, 2019, and/or other period, as applicable, is hereby approved for submission to HUD.
2. That the Mayor is hereby authorized to execute any necessary agreements to effectuate the actions in the Amendment and to submit the Amendment to HUD with any necessary assurances and certifications.

Sponsored by: /s/ _____

/s/ _____

ADOPTED by Council this ____ day of October, 2023

/s/ _____

President of Council

ATTEST:

/s/ _____

City Clerk