



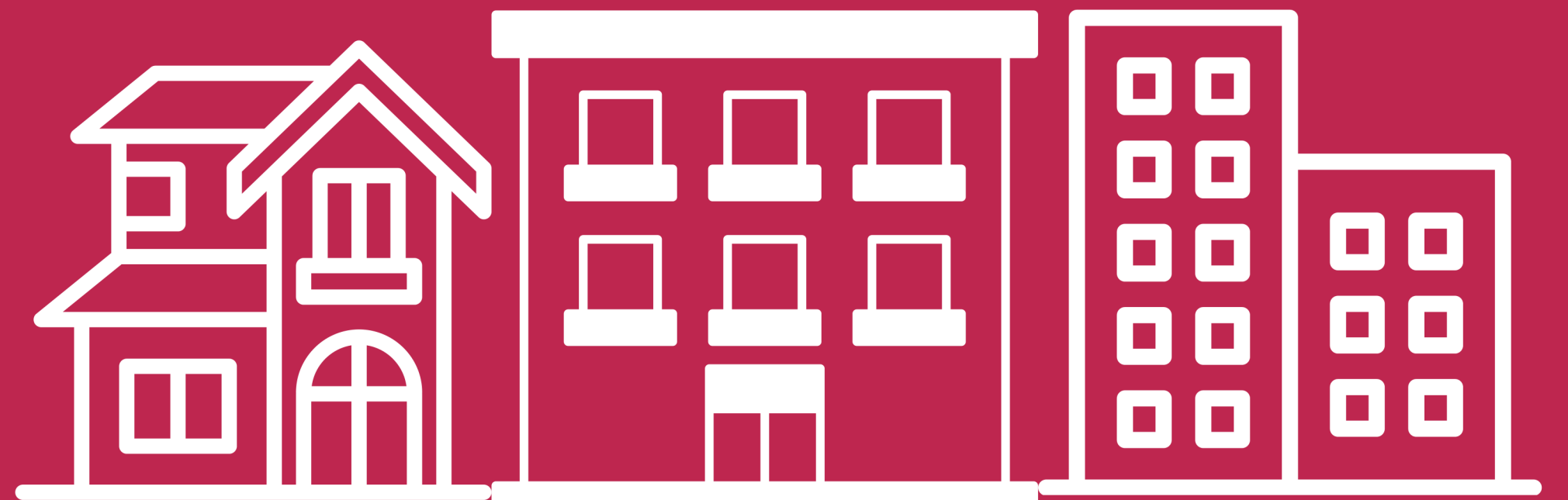
Opening



Doors

**Building Housing
Stability in Bethlehem**

Affordable housing is not only a moral imperative, but also an economic necessity for creating stable and thriving communities.



Goals of Opening Doors:

- ★ Leverage available funding to maximize impact.
- ★ Prioritize projects that target the greatest need and help the most people.
- ★ Create an environment that encourages a variety of new housing developments.
- ★ Think and plan regionally.

Opening Doors Steering Committee

- A quarterly public meeting where the City and our partners can update the public on our progress implementing Opening Doors' strategies.
- A venue for stakeholders to flag areas for collaboration and raise concerns.
- Report on how the City is spending the \$5 million of ARPA allocated to affordable housing.





"housing on which the occupant is paying no more than 30% of gross income for housing costs, including utilities."

U.S. Dept. of Housing and Urban Development



Let's get to know
each other

Do you rent or own your home?

Rent



Own



What is the best thing about living in Bethlehem?

102 responses



What can make it hard to live in Bethlehem?

98 responses



Have you or someone you know struggled to pay for housing this year?



WHAT IS COST BURDEN?

30% Paying more than
of your household
income on housing

8,300 low-income households
are cost-burdened

70% of them
are renters

1 in 5



Bethlehem renters are
extremely cost- burdened

WHAT IS EXTREME COST BURDEN?

50% Paying more than
of your household
income on housing

**What did we learn
from Opening
Doors?**

Bethlehem's housing market changed rapidly

MEDIAN SALES PRICE

\$182K
May 2019



\$302K
May 2023

MEDIAN RENT

\$1,354
May 2019



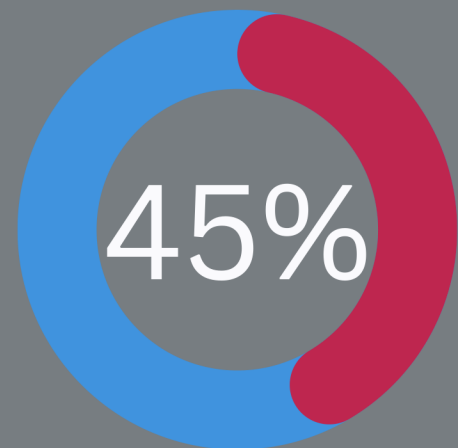
\$1,910
May 2023

**Renters make
up almost half
of Bethlehem's
households.**

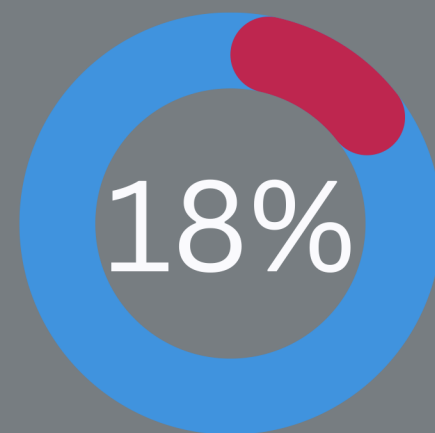
**Compared to 32% Lehigh
Valley wide**



Cost-Burdened Bethlehem Households



All Renters



All Homeowners

69%

of cost-burdened
low-income
households are
renters.

16 de los 20 empleos principales de Lehigh Valley pagan salarios medios demasiado bajos para pagar el alquiler medio de viviendas de cualquier tamaño:

Single-Income Households with the following occupations can typically afford:

Fast-food Workers / Trabajadores de comida rápida	\$484 per month
Cashiers / Cajeros	\$489 per month
Servers / Camareros	\$523 per month
Retail Sales / Vendedores de tienda	\$588 per month
Home Health and Personal Care Aides / Asistentes de atención personal y de salud	\$591 per month
Janitors and Cleaners / Personal de limpieza	\$620 per month
Stockers / Reponedores	\$633 per month
Nursing Assistants / Asistentes de enfermería	\$759 per month
Customer Service Representatives / Representantes de servicio al cliente	\$761 per month
General Laborer and Material Movers / Trabajadores generales y transportistas de materiales	\$762 per month
Office Clerks / Empleados de oficina	\$789 per month
Administrative Assistants / Asistentes administrativos	\$793 per month
Assemblers and Fabricators / Ensambladoras y fabricantes	\$795 per month
Industrial Truck and Tractor Operators / Operadores de camiones y tractores industriales	\$807 per month
Maintenance and Repair Worker / Trabajadores de mantenimiento y reparación	\$972 per month
Tractor-Trailer Truck Drivers / Conductores de camiones con remolques	\$1,024 per month
<i>Median One-Bedroom Rent / Alquiler medio de vivienda de una habitación</i>	\$1,465 per month
Secondary School Teachers / Maestros de escuelas secundarias	\$1,504 per month
Elementary School Teachers / Maestros de escuelas primarias	\$1,619 per month
Registered Nurses / Enfermeras registradas	\$1,621 per month
<i>Median Two-Bedroom Rent / Alquiler medio de vivienda de dos habitaciones</i>	\$1,750 per month
General and Operations Managers/ Gerentes generales y de operaciones	\$2,040 per month

Home health care, retail and food services workers would need to earn \$40K more per year to afford a one-bedroom apartment in Bethlehem.

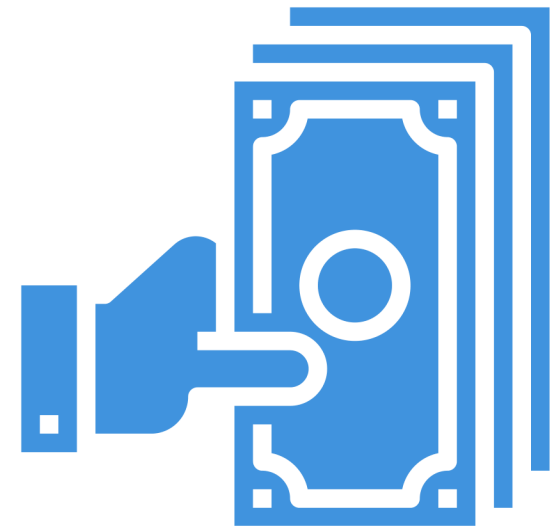
14 of the Lehigh Valley's typical dual-income households cannot afford the median rent for a two bedroom:

14 de los hogares típicos de doble ingreso de Lehigh Valley no pueden pagar el alquiler medio de una vivienda de dos habitaciones:

Dual-Income Households with the following occupations can typically afford:

Fast-food Workers / Trabajadores de comida rápida	\$968 per month
Cashiers / Cajeros	\$978 per month
Servers / Camareros	\$1,046 per month
Retail Sales / Vendedores de tienda	\$1,175 per month
Home Health and Personal Care Aides / Asistentes de atención personal y de salud	\$1,181 per month
Janitors and Cleaners / Personal de limpieza	\$1,240 per month
Stockers / Reponedores	\$1,266 per month
Nursing Assistants / Asistentes de enfermería	\$1,465 per month
Customer Service Representatives / Representantes de servicio al cliente	\$1,517 per month
General Laborer and Material Movers / Trabajadores generales y transportistas de materiales	\$1,521 per month
Office Clerks / Empleados de oficina	\$1,524 per month
Administrative Assistants / Asistentes administrativos	\$1,578 per month
Assemblers and Fabricators / Ensambladoras y fabricantes	\$1,585 per month
Industrial Truck and Tractor Operators / Operadores de camiones y tractores industriales	\$1,591 per month
Maintenance and Repair Worker / Trabajadores de mantenimiento y reparación	\$1,614 per month
Tractor-Trailer Truck Drivers / Conductores de camiones con remolques	\$1,750 per month
<i>Median One-Bedroom Rent / Alquiler medio de vivienda de una habitación</i>	\$1,943 per month
Secondary School Teachers / Maestros de escuelas secundarias	\$2,048 per month
Elementary School Teachers / Maestros de escuelas primarias	\$3,008 per month
Registered Nurses / Enfermeras registradas	\$3,238 per month
<i>Median Two-Bedroom Rent / Alquiler medio de vivienda de dos habitaciones</i>	\$3,238 per month
General and Operations Managers/ Gerentes generales y de operaciones	\$4,080 per month

What it costs to live in Bethlehem



\$62,146
median
household
income



**The income
needed to
afford a
\$300,000
average home**



**The income
needed to
affordably rent a
one-bedroom
apartment**

26.2%

**of households
earn less than
\$35,000**

**Access to affordable
rental housing is the most
acute need in Bethlehem.**

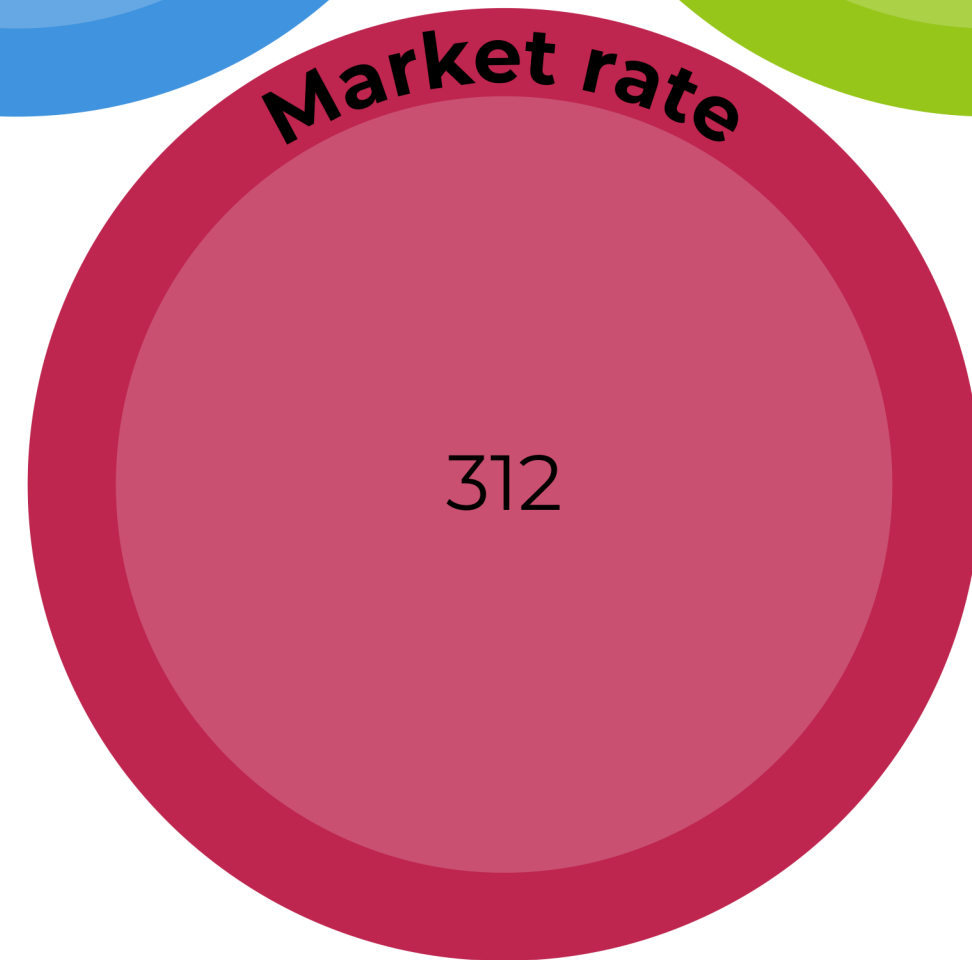
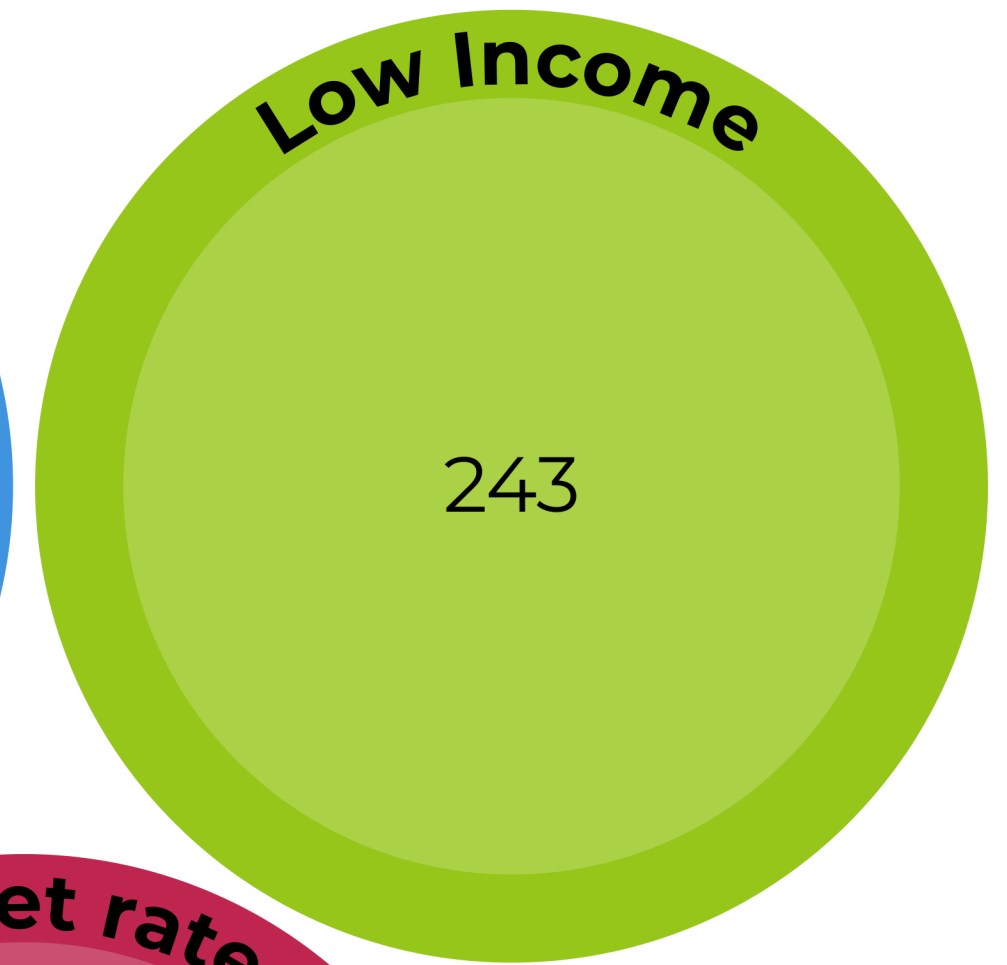


Bethlehem's 2% Rental Vacancy Rate Signals a Crisis



1,052

**New rentals
are needed
to get back
to a 7%
vacancy rate**



Update Zoning and Land Use

To encourage a variety of housing types and infill development



"Missing Middle homes fit into the fabric of all sorts of places, span a useful range of density and height, and are often both the least expensive and most versatile way to meet housing needs."

Daniel Herriges | Strong Towns

Zoning Update



- **Identify areas, parcels and project types that warrant by-right affordable housing development.**
- **Increase development opportunities in higher-value neighborhoods.**

By-right development

Improves affordability by:

1

Lowering development costs via a faster, more predictable approval process.

2

Increasing the supply of housing by prioritizing gentle increases in density.

What do gentle increases in density look like?



Smaller multi-family buildings, duplexes, triplexes, cottage courts



Design prototype for a 4-story apartment building within 3-story single family district.

ADU Pilot Program



The City should pilot a program that allows Accessory Dwelling Units in targeted neighborhoods.

The City must designate areas, target types of units and/or affordability requirements

ADUS can gently increase neighborhood density and increase scattered-site development.

Thoughtful planning can create neighborhood environments similar to the pre-1950s when they were common.

Some will be market rate. ADUs are not naturally affordable



ADUs are not automatically affordable units

That requires subsidy and partnerships

- Hire a technical advisor to draft the program and policies.
- Create specific guidelines
- Provide ongoing technical assistance and predevelopment financing to eligible projects.

ALLEY HOUSES

Historic housing type seen all over Bethlehem. New partnership with City, Lehigh University, New Bethany and Community Action Lehigh Valley aims to usher in their revival.





Offer Incentives to Create and Preserve Affordable Housing

Can fund:

- Acquisition costs
- Predevelopment financing
- Construction financing
- Permanent debt

Revolving Loan Fund

Targets

Medium and large-scale projects of 10 units or more

Public funding can “close the gap” on desirable but otherwise infeasible projects.

Landlord Incentive Program



**Almost 1K Lehigh Valley
HCVs are not in use**

Housing Choice Vouchers (HCVs) help tenants bridge the gap between their income and market-rate rents.

But HUD's rental reimbursement of \$1,000 to \$1,500 lags behind actual rental rates, diluting the power of the voucher.

Housing Authorities can reimburse up to 110% of FMR, but this reduces the number of available vouchers.

Overcoming a tough rental market

Partner with housing authorities to cover the gap between market-rate rents and HCV values.

This stopgap measure would last roughly three years, until new project-based and Bethlehem Housing Authority-managed units come online.



Build Partnerships with Institutions

Like the Bethlehem Housing
Authority to Support New
Housing and Community
Investment



Hospital-built employee housing in Nantucket

An aerial photograph of a city street grid, likely in a suburban or urban area. The streets are labeled with names such as Easton Ave, Stefko Blvd, Washington St, Market St, and Shimersville Rd. A river flows through the lower right portion of the image. The text "Create and Implement a Choice Neighborhoods Transformation Plan" is overlaid in large, bold, white letters with a black outline, centered across the middle of the image.

Create and Implement a Choice Neighborhoods Transformation Plan

\$500,000

Two-year Choice
Neighborhoods Planning
grant awarded
September 2023



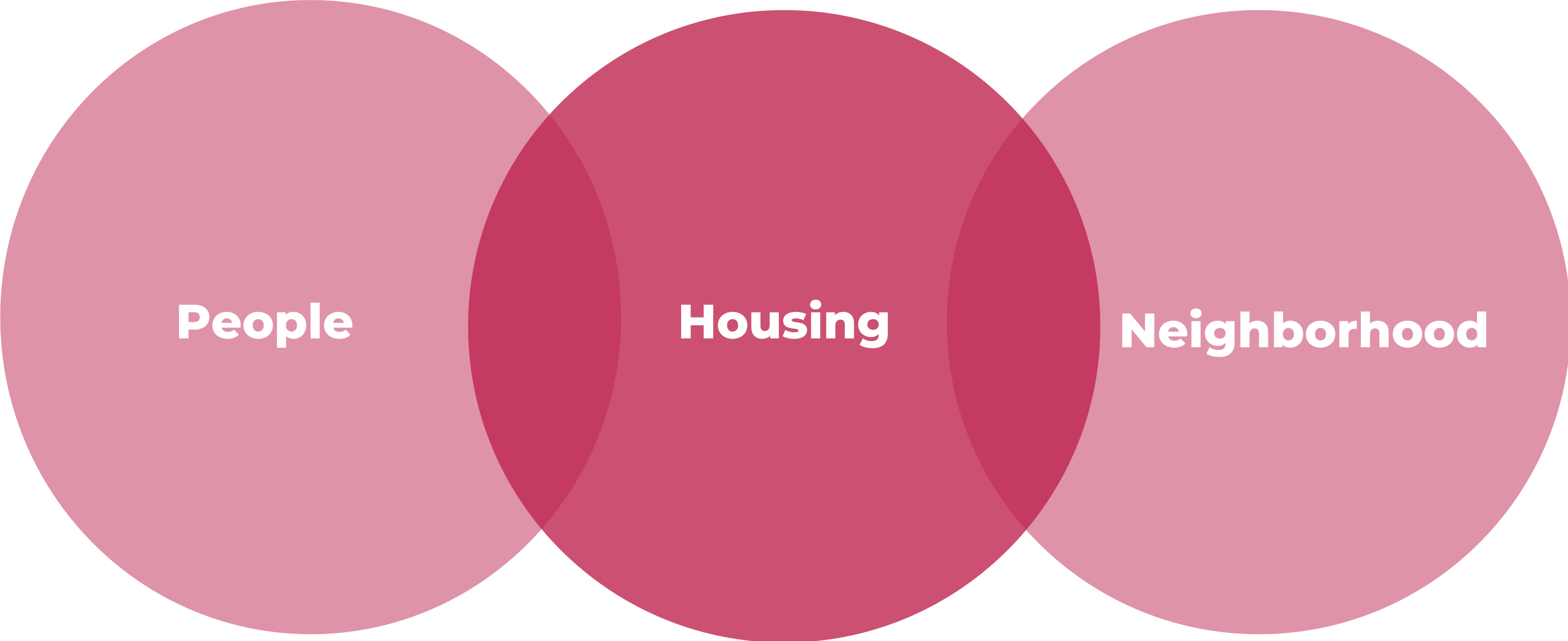
Built in 1941, Pembroke was last remodeled almost 30 years ago.

Each of the 196-units must be replaced.

Choice calls for a mixed-income new development. It is projected to include 400 to 600 total units.



Robust Community Planning



People

Housing

Neighborhood



Choice Transformation Plan

Will detail the type, number and location of new housing units.

Housing will be a mix of public and workforce housing, market-rate apartments and homes for sale to low- and moderate-income households.

Development costs should be subsidized to ensure prices are affordable to households earning less than 80% of AMI.

Can be combined with existing down payment and closing cost assistance.



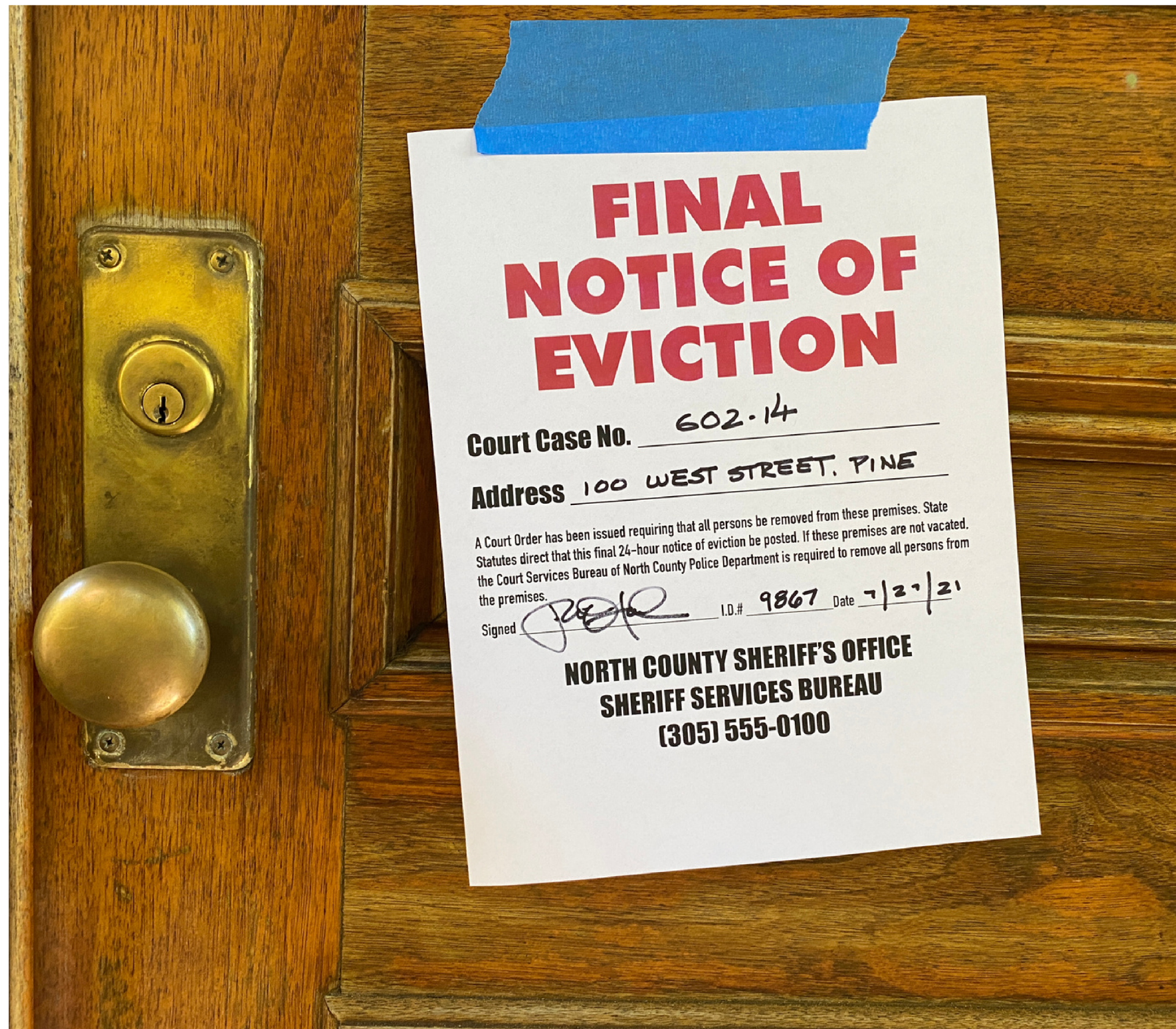
Protect tenants at-risk of displacement and increase the supply of deeply affordable units

“

**The most affordable
house is the one someone
is living in right now**

Karen Black

”



Implement Eviction Prevention and Rental Assistance

Partner with New Bethany,
Community Action
Development Bethlehem
and North Penn Legal
Services

to provide mediation, court
representation and rental
funding

1955 = median age housing stock in Bethlehem

1964 = median age housing stock in all of Pennsylvania

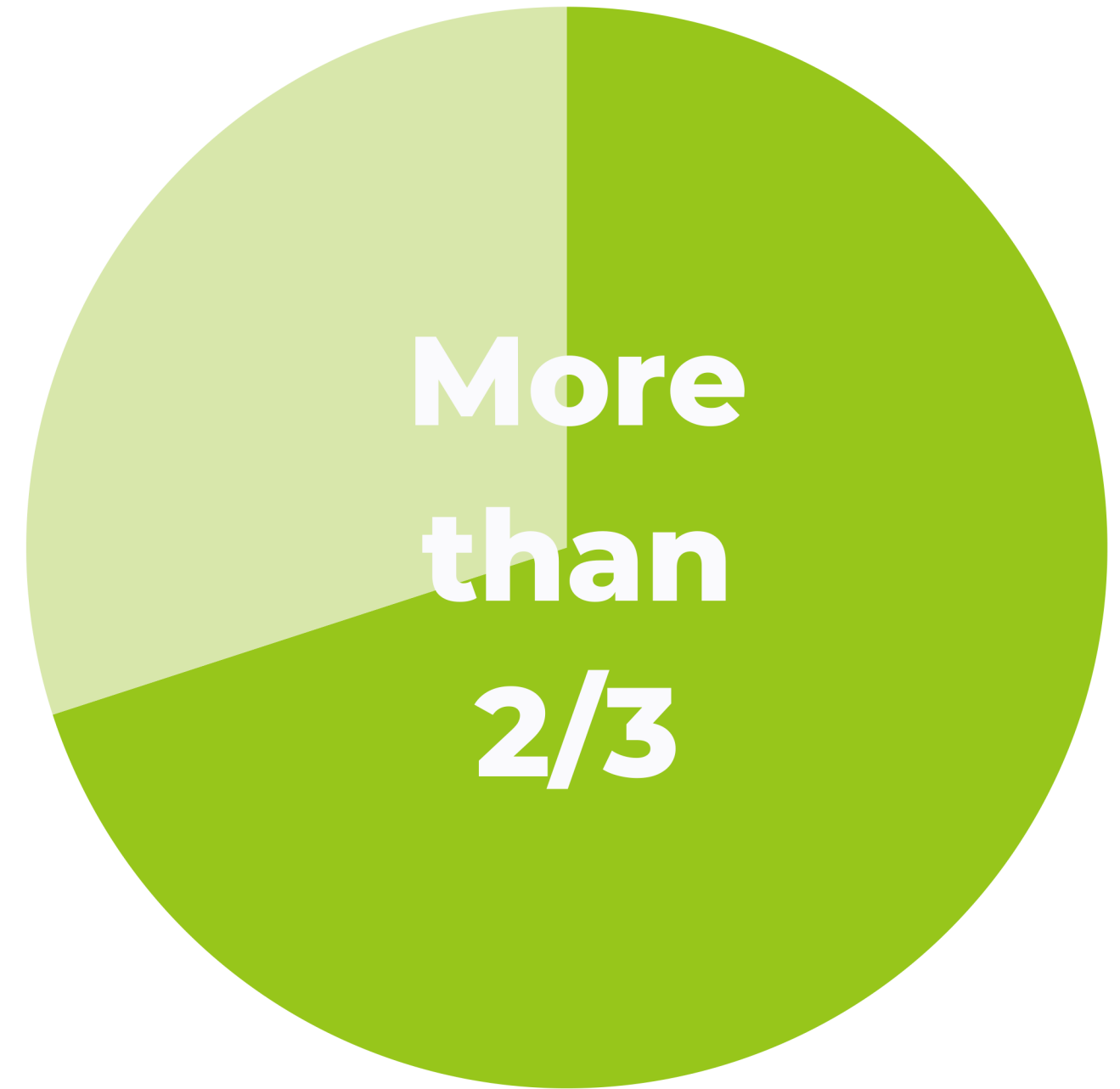
**70% of our 1,374
low-income
homeowners
households are
cost burdened.**

To meet this need



**We will continue to
invest in
our housing rehab
program
First-time
homebuyer's program**

**Prioritize
Deeply
Affordable
Units
Within All
Programs**



**Of renters earning
less than 50% of AMI
Experience Housing Challenges**

Bethlehem has a limited ability to:

- **Mandate affordable housing development**
- **Stop landlords from raising rents**
- **Require landlords to participate in mediation proceedings before eviction**
- **Demand that townships and suburbs permit multi-family housing development**

Approach

- **State-level advocacy and lobbying**
- **Regional housing planning**

Implementation Timeline

The strategies and key activities described in the previous section will follow the following implementation timeline:

Strategies & Projects	Year 1	Year 2	Year 3	Year 4	Year 5
Strategy 1. Update Zoning and Land Use to Encourage a Variety of Housing Types and Infill Development					
Project 1. Update City Zoning to Encourage Neighborhood-Compatible Infill Affordable Housing Development.	X	X			
Project 2. Accessory Dwelling Unit (ADU) Pilot Program	X	X	X	X	X
Strategy 2. Offer Incentives to Create and Preserve Affordable Housing					
Project 3. Affordable Rental Housing Construction Program	X	X	X	X	X
Project 4. Landlord Incentive Program	X	X	X		
Strategy 3. Foster Partnerships with the Bethlehem Housing Authority and Local Institutions to Support New Housing and Community Investment					
Project 5. Create and Implement a Choice Neighborhoods Transformation Plan	X	X	X	X	X
Project 6. Gain Site Control of Vacant Land and Buildings to Develop Affordable Housing	X	X	X	X	X
Strategy 4. Protect Tenants at Risk of Displacement and Increase the Supply of Deeply Affordable Rental Units					
Project 7. Implement Eviction Prevention and Rental Assistance Program	X	X	X	X	X
Project 8. Establish Priority for Developing Deeply Affordable Units Within Existing Funding Programs	X	X	X	X	X
Strategy 5. Advocate For State-Enabling Affordable Housing Policies, Programs & Regional Housing Planning					
Project 9. Engage in State-Level Advocacy and Lobbying to Enhance Resources for Affordable Housing Development	X	X	X	X	X
Project 10. Support and Promote Regional Housing Planning	X	X	X	X	X
Planning Years					
Implementation Years					