

CITY OF BETHLEHEM

Department of Community and Economic Development Interoffice Memorandum

Date: June 30, 2026
To: Rachel Leon, President of City Council
From: Laura Collins, Director of Community and Economic Development
Re: Public Hearing Request - Proposed CDBG/HOME Allocations

The United States Department of Housing and Urban Development (HUD) announced the City of Bethlehem's program year 2026 Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) federal formula grant allocations. For the 2026 program year, the City's formula grant allocations from HUD are \$1,370,309.00 in CDBG funds (3.4% reduction from prior year) and \$388,308.10 in HOME funds (7% reduction from prior year).

The City's CDBG and HOME formula allocations are determined based on application of a variety of weighted community indicators such as population, people in poverty, overcrowded housing units, population growth lag since 1960, and pre-1940 housing units. The congressional appropriation for HUD community development programs also impacts the size of our annual allocations.

The Department of Community and Economic Development (DCED) convened an evaluation committee to review funding applications. The committee prepared CDBG and HOME funding recommendations after evaluating and scoring applications and discussing them in context with considerations related to capital project planning, procurement requirements and timelines, compliance risk, financial risk, and other factors. The funding recommendations were subsequently reviewed by the Mayor. DCED staff are currently preparing materials for Council consideration in connection with the City's proposed program year 2026 CDBG and HOME annual action plan and proposed projects.

We respectfully request that City Council schedule a public hearing at the July 21, 2026, Council meeting to allow DCED staff to present the program year 2026 CDBG and HOME funding recommendations for Council consideration. DCED will also submit for Council consideration a proposed resolution related to the referenced annual action plan and proposed projects and allocations. The resolution would be submitted for consideration on the same Council meeting agenda.

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



Laura Collins, Esq.
Director of the Department of Community and
Economic Development

Cc: Sara Satullo, Deputy Director, DCED
Robert G. Vidoni, Housing and Community Development Administrator, DCED