

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 22 - 2024

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INTRODUCED BY

MARCH 6, 2024

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AN ORDINANCE

**WHEREAS**, the City of Allentown (“City”) is a City of the third class operating under a Home Rule Charter form of governance authorized by the Home Rule and Optional Plans Law, 53 Pa.C.S.A. §2961 et.seq.; and

**WHEREAS**, the Allentown Redevelopment Authority (“RACA”) is a public body corporate and politic created and existing under and by virtue of the terms and provisions of the Pennsylvania Urban Redevelopment Law (Act of May 24, 1945, P.L. 991, as amended), and the amendments and supplements thereto, (35 P.S. §§1701 et seq.); and

**WHEREAS**, RACA exists and operates under the Urban Redevelopment Law for the public purposes of the elimination of blighted areas through economically and socially sound redevelopment of such areas, as provided by the Urban Redevelopment Law, in conformity with the comprehensive general plans of their respective municipalities for residential, recreational, commercial, industrial or other purposes, and otherwise encouraging the provision of healthful homes, a decent living environment and adequate places for employment of the people of this Commonwealth. Such purposes are declared to be public uses for which public money may be spent, and private property may be acquired by the exercise of the power of eminent domain, 35 P.S. § 1702; and

**WHEREAS**, RACA, by virtue of the Pennsylvania Urban Redevelopment Law, has the power and authority to, among other things, acquire property by gift, purchase and/or condemnation, create urban redevelopment areas, designate redevelopers in urban redevelopment areas, designate redevelopers in urban redevelopment areas, enter into redevelopment contracts for the development of parcels owned by the Authority, assist the City with its community development projects, and obtain financing and grants for use in conjunction with urban redevelopment projects, 35 P.S. §1709; and

**WHEREAS**, under the Urban Redevelopment Law, RACA has the power to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the Authority, 35 P.S. §1709(t); and

**WHEREAS**, Pursuant to the Redevelopment Cooperation Law (Act of May 24, 1945, P.L. 982, No. 383 as amended) (35 P.S. §§ 1741 et seq.): It has been found and declared in the Urban Redevelopment Law that there exist in urban communities in this Commonwealth, areas which have become blighted; that

such conditions are beyond remedy or control by regulatory processes and that the public interest requires the remedying of these conditions. It is hereby found and declared that the assistance herein provided for the remedying of the conditions set forth in the Urban Redevelopment Law constitutes a public use and purpose, and an essential governmental function for which public moneys may be spent, and that the provisions hereinafter enacted are necessary in the public interest 35 P.S. §1742; and

**WHEREAS**, For the purpose of aiding and cooperating in the operation of an authority, and in the planning, acquisition, clearance, replanning, relocation and redevelopment activities of an authority, the Commonwealth or any State public body may, upon such terms, with or without consideration as it may determine -- (e) Do any and all things necessary or convenient to aid and cooperate in the redevelopment undertaken by a redevelopment authority 35 P.S. §1744; and

**WHEREAS**, the Mayor and staff of the City's Department of Community and Economic Development (hereinafter "DCED") and the RACA Board of Directors (hereinafter "Board") recognize the potential for significant improvement in controlling blight and redeveloping Allentown neighborhoods and commercial areas by strengthening the relationship between the two parties; and

**WHEREAS**, the Board believes it can enhance the efficiency and effectiveness of RACA and the extension of its reach by engaging DCED to handle most of its administrative and operational functions, including providing support for RACA's acquisition and disposition of blighted properties and the management and maintenance of its existing portfolio; and

**WHEREAS**, DCED believes it has the expertise and capacity to assist RACA in the aforementioned functions; and

**WHEREAS**, both parties intend to enter into a mutually-beneficial intergovernmental cooperation agreement, achieve the goals and objectives of reducing blighted and underutilized properties; and

**WHEREAS**, Pursuant to 53 Pa.C.S. § 2303(a), Intergovernmental cooperation authorized, provides that two or more local governments in this Commonwealth may jointly cooperate, or any local government may jointly cooperate with any similar entities located in any other state, in the exercise or in the performance of their respective governmental functions, powers or responsibilities; and

**WHEREAS**, 53 Pa.C.S. §2307 requires that the ordinance adopted by the governing body of a local government entering into intergovernmental cooperation or delegating or transferring any functions, powers, or responsibilities to another local government or to a council of governments, consortium or any other similar entity must specify the following:

- (1) the conditions of agreement in the case of cooperation with or delegation to other local governments, the commonwealth, other states, or the federal government;
- (2) the duration of the term of the agreement;
- (3) the purpose and objectives of the agreement, including the powers and scope of authority delegated in the agreement;
- (4) the manner and extent of financing the agreement;
- (5) the organizational structure necessary to implement the agreement;

(6) the manner in which real or personal property will be acquired, managed, licensed, or disposed of; and

(7) the entity so created is empowered to enter into contracts for policies of group insurance and employee benefits, including Social Security, for its employees; and

**WHEREAS**, in the spirit of collaboration, the citizens of the City of Allentown will have an improved quality of life through the implementation of the following agreement; and

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN**

SECTION ONE: That City Council authorizes the City to enter into an Intergovernmental Cooperation Agreement with the Redevelopment Authority of Allentown.

SECTION TWO: Required by 53 Pa.C.S. §2307:

**CONDITIONS, PURPOSE AND OBJECTIVES, POWERS AND SCOPE OF AUTHORITY UNDER THE AGREEMENT (53 Pa.C.S. §2307(1),(3)):**

1. Duties And Responsibilities Of RACA

- A. Nothing in this Agreement shall serve to limit RACA's powers and responsibilities authorized by the Commonwealth pursuant to the Urban Redevelopment Law, (URL), Act of May 24, 1945, P.L. 991, and the amendments and supplements thereto, (35 P.S. §§1701 et seq.) and the Redevelopment Cooperation Law (Act of May 24, 1945, P.L. 982, No. 383 as amended) (35 P.S. §§ 1741 et seq.
- B. RACA shall retain its independence per the Urban Redevelopment Law, (URL), Act of May 24, 1945, P.L. 991, and the amendments and supplements thereto, (35 P.S. §§1701 et seq.) with members being appointed by the Mayor for 5-year terms pursuant to its By-laws;
- C. RACA's responsibility for fiduciary oversight, meeting all contractual obligations and deadlines shall remain unchanged;
- D. RACA shall retain its own solicitor;
- E. RACA shall hire an independent auditor to perform an annual audit of RACA consistent with Generally Accepted Accounting Principles;
- F. RACA shall approve policies and procedures;
- G. RACA shall adopt a strategic plan as well as annual work plans;
- H. RACA shall approve all acquisitions and disposition of RACA assets;
- I. RACA shall ensure that all properties owned by RACA, including open or vacant lots, remain clear of trash and debris and shall remove any accumulated trash or debris at its own expense.

- J. RACA shall retain a property maintenance contractor(s) to handle repairs (roofs, plumbing etc.) grass cutting, snow removal and litter, minimizing the impact RACA properties have on nearby properties;
- K. RACA shall, at its own expense, maintain all properties owned by RACA in accordance with all City Ordinances and regulations and shall ensure that all of its properties are safe and, if unoccupied, inaccessible to the public by boarding, fencing, or otherwise blocking access to such properties. Any work required to comply with this subsection shall be performed by licensed, local contractors.
- L. RACA shall retain its own Realtor to assist in real estate transactions;
- M. RACA shall obtain directors and officers insurance and appropriate levels of property and liability insurance with respect to all RACA assets and commercially reasonable risks; and
- N. RACA shall be vigilant in ensuring its actions are conducted without any conflict of interest pursuant to its existing conflict of interest policy as the same may from time to time be amended.
- O. RACA shall hold the City of Allentown harmless from and against any and all actions, suits, proceedings, complaints, claims, and judgments (collectively, "Adverse Consequences"), resulting from the performance by the City of its services under this Agreement; provided, however, that RACA shall not be liable pursuant to the foregoing indemnification in respect of any Adverse Consequences that result from any misconduct, negligence, or intentional conduct of the City of Allentown;

## 2. Duties And Responsibilities of DCED

### A. Staffing And Administrative Assistance

- a. Board Organization and Management. The City shall provide RACA with the following administrative and staffing assistance:
  - Provide necessary and appropriate administrative support staff to assist and facilitate RACA to carry out the functions of a Commonwealth of Pennsylvania redevelopment authority, including but not limited to:
    - Provide, upon request from RACA, all information in the City's possession necessary to enable RACA to fulfill its fiduciary responsibilities;
    - Prepare meeting minutes, packets, and agendas at the direction of the RACA Board President and/or their designee(s);
    - Advertise all RACA Board meetings in compliance with the relevant Commonwealth open meetings requirements;
    - Receive and direct all calls and correspondence directed to RACA. DCED will provide RACA a monthly report on correspondence exchanged on behalf of RACA.
    - DCED will work at the direction of the RACA to provide staffing assistance, as needed, for RACA's acquisition and disposition of RACA properties. Activities may include but are not necessarily limited to, publishing and distributing RACA drafted RFPs for RACA properties, and organizing RFP responses for review by RACA.

- DCED shall only provide staffing support as directed by RACA, and no assistance provided by DCED shall serve to change the exclusive powers of RACA to acquire and dispose of property as defined pursuant to the Urban Redevelopment Law, (URL), Act of May 24, 1945, P.L. 991, and the amendments and supplements thereto, (35 P.S. §§1701 et seq.

B. Financial Management and Accounting

- a. DCED will provide financial management and accounting services. At a minimum, DCED will provide a monthly profit-and-loss report for RACA and a quarterly balance sheet.
- b. DCED will process RACA-approved payments and expenditures. RACA shall establish internal controls to ensure proper RACA approval for all expenditures.
- c. DCED will report on grants and funds as needed by RACA, DCED and any others with which both parties agree.

C. Property Maintenance

- a. DCED will monitor RACA properties to protect the safety of the public. At a minimum, DCED will visit all RACA-controlled properties on a weekly basis to ensure properties are secure. In the event a property requires securing, DCED will secure the property through existing DCED boarding contracts and bill all costs to RACA.
- b. DCED shall direct all requests or complaints from DCED or the public, regarding property maintenance of RACA-owned property, to RACA's contractor for immediate abatement, as required by RACA pursuant to section 2.J of this Agreement. Requests and complaints shall include, but not be limited to, property repairs, grass cutting, snow removal and litter removal.

D. Office Services

- a. The City will host RACA's electronic files on its server and provide RACA access;
- b. The City will provide phone services to RACA;
- c. The City will provide physical storage space to RACA;
- d. The City will provide physical meeting space to RACA;
- e. The City will host and maintain RACA's webpage and social media with input from RACA; and
- f. In the event that this Agreement shall be terminated as set forth below, the City shall continue to provide Office Services Infrastructure as set forth in this Section 5 for at least ninety (90) days during such separation and transition.

DURATION OF THE TERM OF THE AGREEMENT (53 Pa.C.S. §2307(2)):

- A. The City will provide staffing and administrative assistance and services, for a period of one (1) year from the date of execution of an Agreement. The Agreement shall automatically renew annually for successive one (1) year terms.

- B. The City and/or RACA may decline the annual renewal by providing the other party with sixty (60) days written notice of its intent to decline the renewal.

MANNER AND EXTENT OF FINANCING THE AGREEMENT (53 Pa.C.S. §2307(4)):

RACA shall reimburse the City for the administrative assistance and services provided under this Agreement in a total annual amount not to exceed \$100,000 per calendar year. The City shall invoice RACA based on hourly rates that will include salary, benefits and indirect costs for the following employees:

Staffing and Administrative Assistance

- a. DCED Director
- b. DCED Deputy Director:
- c. DCED Enforcement and Compliance Manager:
- d. DCED Clerk 3
- e. DCED Nuisance Property Manager
- f. Assistance provided by DCED Staff:

The parties intend and expect RACA to compensate the City as called for by this Paragraph using funds which originate from Community Development Block Grants as managed by the City. To the extent that Community Development Block Grant funds are not available to cover such expenses, the parties shall revisit this section and, if necessary, have recourse to the termination provision without expense to RACA.

ORGANIZATIONAL STRUCTURE NECESSARY TO IMPLEMENT THE AGREEMENT (53 Pa.C.S. §2307(5)):

Staffing shall be provided by existing DCED Staff:

- g. DCED Director
- h. DCED Deputy Director:
- i. DCED Enforcement and Compliance Manager:
- j. DCED Clerk 3
- k. DCED Nuisance Property Manager
- l. Assistance provided by DCED Staff:

MANNER IN WHICH REAL OR PERSONAL PROPERTY WILL BE ACQUIRED, MANAGED, LICENSED, OR DISPOSED OF (53 Pa.C.S. §2307(6)):

DCED shall provide RACA staffing assistance for RACA's acquisition of property as follows:

- A. DCED will work at the direction of RACA to provide staffing assistance, as needed, for RACA's acquisition and disposition of RACA properties. Activities may include but are not necessarily limited to, publishing and distributing RACA drafted RFPs for RACA properties, and organizing RFP responses for review by RACA.
- B. DCED shall only provide staffing support as directed by RACA, and no assistance provided by DCED shall serve to change the exclusive powers of RACA to acquire and dispose of property as defined pursuant to the Urban Redevelopment Law, (URL), Act of May 24, 1945, P.L. 991, and the amendments and supplements thereto, (35 P.S. §§1701 et seq.

The City shall provide maintenance to RACA owned properties as follows:

- A. DCED will monitor RACA properties to protect the safety of the public. At a minimum, DCED will visit all RACA-controlled properties on a weekly basis to ensure properties are secure. In the event a property requires securing, DCED will secure the property through existing DCED boarding contracts and bill all costs to RACA.
- B. DCED shall direct all requests or complaints from DCED or the public, regarding property maintenance of RACA-owned property, to RACA's contractor for immediate abatement. Requests and complaints shall include, but not be limited to, property repairs, grass cutting, snow removal and litter removal.

THAT THE ENTITY CREATED UNDER THIS SECTION SHALL BE EMPOWERED TO ENTER INTO CONTRACTS FOR POLICIES OF GROUP INSURANCE AND EMPLOYEE BENEFITS, INCLUDING SOCIAL SECURITY, FOR ITS EMPLOYEES (53 Pa.C.S. §2307(7)):

This agreement shall not create a new entity.

SECTION THREE: That this Ordinance will take effect ten (10) days after final passage.

## Legislative Template

- What department or bureau is this bill originating from? Where did the initiative for the bill originate?

Community and Economic Development

- Summary and facts of the bill.

The bill is an intergovernmental cooperation agreement between the City and the Redevelopment Authority of the City of Allentown (RACA) that will strengthen the relationship between the two entities for the significant improvement in controlling blight and redeveloping Allentown neighborhoods and commercial areas.

- Purpose – Please include the following in your explanation:

- a. What does the bill do? What are the specific goals or tasks the bill seeks to accomplish?

The agreement outlines the duties and responsibilities of RACA and the City for the City to provide staffing and administrative assistance and services to RACA. The mutually beneficial arrangement is expected to achieve the goals and objectives of reducing blighted and underutilized properties. Through the intended spirit of collaboration, the citizens of the City of Allentown will have an improved quality of life with the implementation of the agreement.

- b. What are the benefits of doing this? What are the drawbacks?

The agreement will enhance the efficiency and effectiveness of RACA and the extension of its reach by engaging DCED to handle most of its administrative and operational functions, including the acquisition and disposition of blighted properties and the management and maintenance of its existing portfolio.

- c. How does this bill relate to the City's vision/mission/priorities?

Reducing blight and underutilized properties is related to a number of principles and goals identified in Allentown Vision 2030 particularly in Economic Development Principle #4: Enhance Land Value and Housing Principle #1: Improve the Quality of Allentown Housing, #2 Increase the Quantity of Healthy, Safe and Affordable Housing, and #3 Enhance Pathways to Homeownership. Improving the functionality and efficiency of RACA is a top priority for the City.

- Financial Impact – Please include the following in your explanation:

- a. Cost (initial and ongoing)



The financial impact will be limited to the allocation of staffing resources. No new positions are being requested at this time and it is expected that existing staff will be able to incorporate RACA operational and administrative duties into their existing job duties. The City may be reimbursed for CDBG eligible activities by RACA depending on the availability of funds.

b. Benefits (initial and ongoing)

It is anticipated that the City will streamline the process to get properties back on the tax rolls. It is also anticipated that the City's administration of RACA's fiscal matters will help streamline the City's audit process. The collaboration should also allow the City to more efficiently use limited resources available for these activities.

- Funding Sources – Please include the following in your explanation:
  - a. If transferring funds, please make sure to give specific account names and numbers. If appropriating funds from a grant, please list the agency awarding the grant.

It is anticipated that CDBG funding may be used to reimburse the City for eligible expenses such as staff time.

- Priority status – Are there any deadlines to be aware of?

RACA's executive director has resigned to take another position. The sooner the City can start performing these operational and administrative functions for RACA the better.

- Why should Council unanimously support this bill?

The intergovernmental agreement enhances the efficiency and effectiveness of the City and RACA in addressing blighted and underutilized properties with minimal cost to the City.