



Minutes - Final

Community and Economic Development Committee

Wednesday, March 11, 2020

6:30 PM

Council Chambers

Roll Call: Chair Guridy, Gerlach, Affa

[15-3476](#)

Bill 14 CEDC, Forwarded Favorbaly

Amending the 2020 General Fund Budget to provide for a supplemental appropriation of Thirty-Nine Thousand Dollars (\$39,000) as a result of a grant from the Centers for Disease Control Foundation to create and expand efforts to combat the opioid epidemic - the grant is for 6 months and will aid in the creation of an opioid death review team to collect data and target programming.

Attachments: [Bill 14 Opioid Awareness Grant](#)

[Ordinance #15602](#)

Ms. Vicky Kistler stated that this is the funding that they discussed previously when they approved the first small grant. This is a larger grant from the CDC Foundation. The dates and timelines will be put on hold. They will review the Opioid deaths and making recommendations of gaps in service. This will connect to a larger grant that they are hoping to bring in from the Pennsylvania State Department of Health when things get back to normal.

Mr. Julio Guridy stated that the Attorney General was suing the Pharma Company and the others. He asked if she was keeping up with that.

Mr. Matt Kloiber stated that the city is part of one of those actions and has outside Counsel. It is still pending with the court. There is a process that the court has laid out in terms of how it would compensate the communities. There is a formula that they created, but he doesn't think it has been finalized. It is still in litigation, but the city is part of one of those challenges.

Ms. Vicky Kistler stated that one of the things that is included in this proposal will be the first time they will be able to analyze data down to an Allentown city level as opposed to the county level which will help them determine what a burden truly is.

Mr. Julio Guridy asked if there were any comments from the dais or the public.

A motion was made by Candida Affa, seconded by Ce-Ce Gerlach, that this Bill be forwarded to the full Council. The motion carried by the following vote:

Yes: 3 - Julio Guridy, Ce-Ce Gerlach and Candida Affa

Enactment No: 15602

[15-3483](#)

Bill 16 CEDC, Forwarded Favorably

Amending the 2020 General Fund Budget to provide for a supplemental appropriation of Three Hundred Forty-Seven Thousand Five Hundred (\$347,500.00) Dollars as a result of a state grant from the Pennsylvania Department of Health Lead Hazard Control Program to abate lead in residential properties and removing anticipated unused Federal funds from the 2019 Federal Lead Grant that were re-budgeted in 2020 minus some administrative costs – the Federal grant has terminated.

Attachments: [Bill 16 Lead Grant](#)

[Ordinance #15604](#)

Ms. Heidi Westerman stated that they received a state grant in the amount of \$347,500 to do Lead remediation in the City of Allentown. The federal grant just came to an end as of February. This is to amend the budget to remove the money that was not spent in the federal grant and will be adding the state money that they received.

Ms. Ce-Ce Gerlach asked because this is a state grant is it still the same kind of income restrictions.

Ms. Heidi Westerman stated that it is the same funding, but is coming from the state.

Mr. Julio Guridy asked if there were any matching funds required.

Ms. Heidi Westerman stated no, not with this money.

Mr. Julio Guridy asked if there were any comments from the public.

A motion was made by Ce-Ce Gerlach, seconded by Candida Affa, that this Bill be forwarded to the full Council. The motion carried by the following vote:

Yes: 3 - Julio Guridy, Ce-Ce Gerlach and Candida Affa

Enactment No: 15604

[15-3477](#)

Bill 15 CEDC, Forwarded Favorably

Amending the 2020 Capital Fund Budget to provide for a supplemental appropriation of One Million Nine Hundred Sixty-Eight Thousand Seven Hundred Seventy-Four (\$1,968,774.00) Dollars from the Allentown Neighborhood Improvement Zone District Authority (ANIZDA) Public

Improvement Fund for improvements at Center Square and on Hamilton Street between 5th Street and Church Street as well as the South side of 6th Street between Hamilton and Type Streets.

Attachments: [Bill 15 ANIZDA Project Funding](#)
[Ordinance #15603](#)

Mr. Julio Guridy pointed out that Mr. Bamford discussed this information and this Bill. He was feeling sick and was told not to come. The administration is ready to speak about it.

Mr. Tom Williams stated that the two projects in the Bill are funded by ANIZDA. In order for the city to manage the projects and utilize the funding, they needed to be added to the Capital Budget.

Mr. Julio Guridy asked if there were any comments from the dais.

Ms. Ce-Ce Gerlach stated that since they have not gotten their ANIZDA presentation. She was reading through the their guidelines for public improvements. They have to streetscaping or infrastructure and the arts. She stated that what she doesn't understand is since ANIZDA is paying for this, but will this total project cost \$1.9 million or will it cost more. If it costs more, where does that money come from.

Mr. Tom Williams stated that it will cost more. This is what is anticipated for the current budget year and adding it to the 2020 budget. The monies that are committed for this project were previously approved by ANIZDA. The monument square redesign was 2017 public improvement approval. The Hamilton Streetscape was approved in January 2019.

Ms. Ce-Ce Gerlach asked if the monument 2017 design is that where the put up the lights and the plaque.

Mr. Tom Williams stated no. That was a separate project that was approved through the Public Improvement Facility as well for lighting of the monument. This is different.

Ms. Ce-Ce Gerlach stated that she was walking down Hamilton Street and started paying extra attention when she got to the Liberty Bell Church and 5th Street.

Mr. Tom Williams stated that for the 5th to Church Street Streetscape Improvement, yes.

Ms. Ce-Ce Gerlach stated that the part in front of the church they have bricks that are a bit off and needs some improvements. The new

skyscrapers are premium, that's perfect. They have benches, trees and nice lamp posts. Sixth Street has the lamp post lighting other than on the eastside of Sixth Street. How much streetscaping needs to be done. She asked if the Keenan House was excluded.

Mr. Tom Williams stated that the areas that have been replaced with the new development process will not be involved in this project. The area of Sixth Street and Hamilton near the parking garage is part of the project. He stated that he has to take a look at the ANIZDA map to see if it was eligible.

Mr. Julio Guridy stated that you only can do improvement if it is NIZ funding from their line of credit in the area that is in the NIZ.

Ms. Ce-Ce Gerlach asked about the portion that is part of CDBG that are beyond the NIZ that have been committed by CDBG.

Mr. Tom Williams stated on Hamilton Street at the 5th Street intersection where the Old Courthouse and the federal Courthouse. Roughly 60 - 70 feet from that intersection of sidewalks the NIZ boundaries stopped. The city had to find another funding mechanism to make it go all the way to 5th. There was a gap in the NIZ designation.

Mr. Julio Guridy stated that part of the reason is that area was not really an area that the city needed to work on.

Mr. Tom Williams stated that those courthouses were not put in the NIZ program because they really weren't development options.

Mr. Julio Guridy asked if there were any questions from the committee or the public.

Mr. Joshua Siegel asked about the projects on Hamilton Streetscape Projects and Monument.

Mr. Tom Williams stated that the Hamilton Streetscape Project design is being done in-house. They are analyzing and preparing the design documents. They hope that construction will commence sometime this year. The Monument Square Project is also in the design phase. It is also a PennDot State road. It will be a lengthy design as part of that project.

Mr. Leonard Lightner stated another year.

Mr. James Whitney, 921 Walnut Street, stated that this project includes the roundabout at the center monument. As a property owner in City Center his

is excited to see this space making improvement in Center City. It will make Allentown a more functional and beautiful designation. He stated that he is excited to see it move forward.

Mr. Julio Guridy asked if there were any further comments.

A motion was made by Candida Affa, seconded by Ce-Ce Gerlach, that this Bill be forwarded to the full Council. The motion carried by the following vote:

Yes: 3 - Julio Guridy, Ce-Ce Gerlach and Candida Affa

Enactment No: 15603

[15-3484](#)

Bill 17 CEDC, Forwarded Favorably
Amending the 2020 General Fund budget by reorganizing the Community Housing Development Program within the Department of Community Development to better align the positions with the State grant requirements.

Attachments: [Bill 17 Program Reorg](#)
[Community Housing Manager](#)
[Marketing Social Media Manager](#)
[Project Manager Job Description](#)
[Ordinance #15605](#)

Ms. Heidi Westerman stated that the Bill before them is to change the setup of the Community Housing Department. One of the positions requested is the Rehab Specialist position to be change to a Project Designer. Based on the level of skills that is needed for this position, they need to be a Lead Risk Assessor which is above and beyond a Rehab Specialist. They need to be already trained and ready to go. They had two positions in there for the Rehab Specialist. They only need one and they are going to change that to a Project Manager and the other position they are moving around in CED as a Social Media position.

Mr. Leonard Lightner stated that inside Council's package they should have a list of what is currently budgeted and what is proposed. Every time a grant comes in they are always changing titles and moving. The best thing to do is that this Lead Grant is going to continue and we are in the process of possibly looking at a federal grant as well. They are looking at getting that. He went over all the positions that are changing. They are trying to make these correct as they move forward.

Mr. Julio Guridy asked about the positions and the pay grade from 14M to 13N. 13N is because it is higher, but the pay grade is lower.

Mr. Leonard Lightner stated that the 14M is a bargaining. They are moving it over Manager which is a 13N.

Mr. Julio Guridy asked if Mr. Lightner has 14M to 10N.

Mr. Leonard Lightner stated moving from bargaining to non-bargaining.

Mr. Julio Guridy asked if there were any comments from the dais. He asked Mr. Lightner does he have people now or will be hiring people.

Mr. Leonard Lightner stated that he will hire the one for Marketing and Social Media. The other ones he has already.

Mr. Julio Guridy stated that he is thinking of Ms. Wright in Special Events.

Mr. Leonard Lightner stated that she is in Special Events. This one will be working in conjunction with just the Marketing and Social Media, but not in Special Events. The way Special Events was set up before, we had the one and had a part-timer. Special Events was also doing social media, and doing special events. This is a way to remove some of that work from Special events so they can focus on event planning and event implementation.

Mr. Julio Guridy stated that if we had a good marketing program on how to market our city and our downtown and other great things it will be a tremendous impact. He stated that he agrees and it is a position to take and move it forward.

Mr. Leonard Lightner stated that the plan is for the person to work with all the departments and flood the market with good things happening so they can be proactive and drown out the negative happening. He and Mr. Williams were showing a couple of investors two weeks ago around downtown and their first response was that they had no idea about Allentown. They thought that Allentown was farmland.

Mr. Julio Guridy stated that vision 2030 will certainly enhance that a lot more. He asked if there were any further comments from the dais or the public.

Mr. James Whitney stated that he thinks that it is a really exciting position. It would save the city tons of money if this person is able to create the asset to share. As a photographer, he knows that people come to him to create an asset. Creating the asset is so much more expensive than sharing it. Look for someone in photography, documentary film making that they can create valuable assets that the city of Allentown owns the copyright to for years to come so that you can get the most from this position.

Mr. Julio Guridy asked if there were any other questions from the public.

A motion was made by Ce-Ce Gerlach, seconded by Candida Affa, that this Bill be forwarded to the full Council. The motion carried by the following vote:

Yes: 3 - Julio Guridy, Ce-Ce Gerlach and Candida Affa

Enactment No: 15605

[15-3488](#)

Discussion: Land Bank

Attachments: [LB Law 2012-153](#)

[Proposed land bank ordinance - VMD rev. \(2-13-20\)](#)

Mayor Ray O'Connell stated that the Community and Economic Development Department received two state awards from the Governor's Excellence Awards: one for Vision 2030 and the Healthy Kids Initiative. There are 10 awards giving out throughout the state and Allentown won two.

Mr. Leonard Lightner stated that Kelly McElroy from the Redevelopment Authority and Charles Smith who is the Redevelopment Authority's Solicitor.

Ms. Kelly McElroy stated that Council should have received Act 68 which allows the Redevelopment Authority to act as a Land Bank. The Redevelopment Authority only has the power to take properties through Eminent Domain. With the land Bank the we acquire that are not blighted. They could be vacant or occupied. They can also go to Sheriff's Sales and acquire properties without public bidding. If they wanted a property that was a problem property that was on the Sheriff's list or on a Tax Sale, they would have to compete with the public to get that property. With the Land Bank in place they do not need to do that. They would be able to supersede that if they have a problem property that they want, they can work with the taxing authority to acquire the property without the public. They have the ability to discharge liens, hold the property tax-free, and quiet title on the property with a single complaint. Each quiet title on the property with a single complaint. Normally, if they take a property through eminent domain each quiet title action has to be specified and the Land Bank can quiet title action with multiple properties.

Mr. Julio Guridy asked if Ms. McElroy had any idea how many properties they have.

Ms. Kelly McElroy stated that they don't know. One thing that they allow the Redevelopment Authority to start as the Land Bank, they can use the same board and they don't have to acquire a new board and appoint people to be on the board. The Redevelopment has some achievements under their

belt, so they can work together and don't have to start the business documents that you normally have to start with another Authority. It will be a learning curve. They are not going to look at taking 100 properties at one time. There can be a couple properties that they can put in the Land Bank. One of the nice things with the Land Bank, with the Redevelopment Authority they have to use a procurement policy to RFP the properties out with the Land Bank as long as everything is stated on how we are going to dispose of a property which it will be publicly known. They can dispose of it that way. It doesn't have to go through a procurement process.

Mr. Leonard Lightner stated that it helps them expedite blight and get different properties back on the tax rolls faster without going through an entire year or year and a half process.

Mr. Charles Smith stated that one of the advantages of this is maintaining an inventory which will be accessible to the public and get them interested and re-purpose these buildings in a more efficient way. The purpose of this statute is to create a more efficient way. The whole purpose behind this statute is to create a more efficient way to get blighted and under-served properties back on the tax rolls. That statute was established in 2012. There are municipalities that have gone the route of Land Banks. The statutes specifics provides that Redevelopment Authority board conserves as the Land Bank board in terms of forming the Authority they would need to file with the Department of State the Ordinance that was passed.

Mr. Julio Guridy asked where is the Redevelopment Authority at now.

Mr. Leonard Lightner stated that the Redevelopment Authority is staff of one and a half, maybe two. They have a full board. They have a Solicitor on board as well. Financially, they are in a much better place. there were 12 properties when Kelly McElroy came on board that were sitting for 12 - 15 years.

Ms. Kelly McElroy stated that they have four complete rehabs, three they have settled, one will be transferred soon. They did get two properties back to inventory that was conveyed to a developer that decided not to rehab anymore. They are down to 15 properties in their inventory.

Mr. Leonard Lightner stated that financially they are in a better position as well. For two years the board has been meeting actively. There is an assistant director.

Ms. Ce-Ce Gerlach asked about the rehabbing of the properties and HADC is all we got.

Mr. Leonard Lightner stated that HADC is the only CHODO (Community Housing Development Organization) per se in Allentown. CACLV is listed as a CHODO, but not actively doing rehabs. The Alliance of Building Communities is also a CHODO. They are working with another nonprofits to help with CHODO as well.

Ms. Ce-Ce Gerlach stated that she supports Land Banks, but after they are required who fixes them up.

Ms. Kelly McElroy stated that the Land Bank will turn the property over to a nonprofit or a community based entity. They wouldn't be doing the rehab. The will be the pass-through to keep the properties moving.

Mr. Charles Smith stated that one of the unique qualities of a Land Bank is that they can acquire properties that are owner-occupied and there is a stated preference in the Ordinance that we maintain that ownership for the person.

Ms. Ce-Ce Gerlach asked if there were any provisions to maintain some sort of affordability.

Mr. Charles Smith stated that there are fair market provisions in there.

Ms. Kelly McElroy stated that the Land Bank can receive grants as well as the Redevelopment Authority and the funds have to be separate. If they use government funding, they would have to maintain the low to moderate income levels. It would be market rate.

Mr. Julio Guridy asked about homeowner occupies properties. He asked if it was any lending mechanisms that they can provide to the homeowner.

Mr. Leonard Lightner stated that they are establishing relationships with QNB, and ESSA. QNB are currently reviewing three applicants and maintain their own mortgages. They have a loan program. The credit scores can be 620 and below. He stated that Community and Economic Development department met with them a couple times to see if they are interested. He stated that Tom talked about about Bank On Initiatives. The banks and Credit Unions coalition is strictly for the un-banked and under-banked community. They are partnering with United Way.

Mr. Julio Guridy asked if they had some kind of financial education program. He asked about other organizations. He stated that ABC was very prosperous in the community. It would transfer to them and they would get some of the city's CDBG funds.

Mr. Leonard Lightner stated that they still have to go through that if they are going to purchase a home. They have to go through the First Time Home buyer. With the Bank On Initiative, they are working with the community for financial literacy. They are going to educate as well as CACLV. It is another tool in the tool box. He stated that the department went with them a few times with Brad Fratzinger is the Executive Director and Heidi Westerman is on their board. Alliance for Building Communities is looking at the capacity of what they are doing. He stated that as they all know a lot of nonprofits are having a hard time. They can't stay afloat. They are working with the Lehigh Valley Community Foundation. They are providing grants and United Way to have nonprofits come together and merge to build their capacity to do things. The city is working with a lot of these organizations to find ways to build their capacity.

Mr. Julio Guridy asked if there were any further comments.

Mr. Daryl Hendricks asked if it would be a safe assessment or accurate assessment to say what this is doing is taking these properties that would end up in investors and now we are using it for the good of the community.

Ms. Kelly McElroy stated with the tax sale or Sheriff Sale, anybody can go and purchase a property. This is another way for the Redevelopment Authority to Land Bank to vet the purchaser of the property and monitor the development and what they are doing. It is another avenue to monitor and make sure that it's done correctly.

Mr. Daryl Hendricks stated that it is a win-win for the community.

Mr. Charles Smith stated that he conducts the Sheriff Sales and see the same groups and folks. This statute provides this Land Bank with nimbleness with broad powers. The Land Bank does not have the power of Eminent Domain, but hopefully it doesn't get to that.

Mr. Daryl Hendricks stated that there are specific reasons for eminent domain. He asked if Habitat for Humanity is one of the recipients of these properties.

Mr. Leonard Lightner stated that they are in constant contact with them and as they look at properties, they are part of our strategic planning so they know when we are in the neighborhood. If there is a property that CEDC can put in their possession or if they are in an area he sees if they can work in the same area with them. They are also going to be a part of this as well.

Mr. James Whitney stated that this is awesome. He stated that he gotten to know Leonard and he has a heart in bringing in new blood for Allentown who has visions for these properties. These properties should not go to the same old investors who are causing more problems as slumlords. There are tons a people in the region who save up for a nest egg or a down payment for a house. Instead of using that money for a down payment on a house who instead of using that money for a down payment for a house and getting themselves in a huge mortgage can use that to rehab a property. He stated that this is a good point to provide some reassurances and rules about members of city staff who are involved in the procurement for property for RACA are not then sold from RACA.

Mr. Charles Smith stated that is statutorily prohibited.

Mr. Julio Guridy stated that it is a conflict of interest.

Mr. James Whitney stated that there were two houses that were part of a program called the Old Allentown Project Phase II. Those houses were part of a group of homes that were all sold to Habitat for Humanity except two of those homes that were separated from that group and then sold to a member of the Planning Commission.

Mr. Leonard Lightner stated that he knows exactly what he is talking about. When it comes to RACA, RACA itself properties can be RFP'd or sold out, but not any employee of the Redevelopment Authority or even this Land Bank can take the properties or purchase those properties.

Mr. James Whitney stated that the head of the Planning Commission was part of the process of procuring those properties. Those properties were earmarked for Habitat for Humanity and things were operating differently. Back then, what was able to happen was that two properties that were in RACA's possession were sold to a member of the Planning Commission for \$250.00. Two properties that were directly adjacent to his home.

Mr. Julio Guridy asked how did that take place.

Mr. Leonard Lightner stated that he cannot comment on that. It was before his time.

Mr. Julio Guridy stated that it is a conflict of interest.

Mr. Daryl Hendricks stated that needless to say that would not be possible through what we are looking at.

Mr. James Whitney stated that those properties were sold when Ed

Pawlowski took more control over RACA and coincidental that those properties were peeled off and sold to a Allentown Commission member while all the development of downtown was happening.

Ms. Candida Affa asked if he rehabbed the properties.

Mr. James Whitney stated that he rehabbed these properties partially with funds from a nonprofit that he was also on board. The properties also had brand new windows installed on them by CACLV which he was also on the board of. He stated that he is sure that he used his own funds as well, but they don't know because they have not been inside.

Mr. Daryl Hendricks asked at the time it was happening, did you know about it.

Mr. James Whitney stated that it was much later that he found out about it. He looked for articles in The Morning Call that spoke about it and he couldn't find anything. As part of his research is when he found the paper trail.

Mr. Julio Guridy stated that he hopes that what they are doing is nothing like this. He is more of an advocate of homeownership.

Mr. James Whitney stated with Leonard Lightner's leadership, he has shown himself with high moral standing and has strong convictions. If we codify this and make it a law, whoever is next can't use these properties as a bargaining chip.

Mr. Charles Smith stated that there are statutory provisions that are binding the members of the board to the state Adverse Interest Act and the board may enact supplemental rules addressing potential conflicts of interest. He stated that he doesn't the Urban Redevelopment Authority law in front of him, but is confident the Urban Redevelopment Authority Law says that board members of RACA cannot benefit from any RACA transactions.

Mr. James Whitney stated that he would love to see that extended to all members of city staff involved in any process of RACA receiving those rights. He guessed that those properties actually came before the Planning Commission to determine whether or not they met the standards of blight. To have properties sold to a member of the Planning Commission that really came to the process in a big way.

Mr. Charles Smith stated that Mr. Whitney raised a lot of important points, but it is a new day.

Mr. Julio Guridy stated that he has a lot of faith in Mr. Smith to keep it straight for the future. He stated that should be an issue for the Ethics Commission as well.

Mr. James Whitney stated and the City Solicitor.

Mr. Matt Kloiber stated that he is taking lots of notes.

Ms. Candida Affa echoed Mr. Guridy that the projects should be for homeownership. This is a great way and things move a lot faster. This is how neighborhoods are built.

Mr. Joshua Siegel asked if there were will be an effort or plan to develop a strategic inventory on what is on the horizon or the most presses.

Mr. Leonard Lightner said that everything they are doing they want to make sure that it is tied into an ultimate plan. The days of them just taking properties sparingly here and there. They can't do that anymore because that's how we have properties sitting for 15 years because there is no disposition plan. Anytime they are looking at this, there has to be a disposition plan for it or part of a larger plan or development. They are open to hear concepts or ideas to improve this as well.

Mr. Joshua Siegel stated that heard that a lot of Land Banks reached out to lenders like Fannie Mae and Freddie Mac to formulate some relationships. A lot of those properties are even in foreclosure, but they were the primary lender when the houses were brought, but they were any to turn the properties over to the Land Bank, but also provide supplemental funding. He stated that he is sure that there will be an effort to replicate that strategy. He asked any conceptual ways to find sums of reoccurring revenue.

Mr. Leonard Lightner stated all of the above. He stated that a couple of real estate investors that he talk to. Part of thee concept is to see if they are willing to invest. When you are talking about Opportunity Zones, these are Opportunity Zones. They are looking at ways to get some seed money to get this started. Maintaining that revenue is a tough nut to crack. They are looking at strategies right now. Wells Fargo was one of the local banks that they actually took a property, they gave them a property and gave them money to rehab the property. Not enough, but they gave seed money to start.

Mr. Joshua Siegel asked about Community Bank Investment Act. Wells Fargo is huge and has considerable amount of funds nationally for affordable housing.

Mr. Leonard Lightner stated that they had conversation with TD Bank and QNB and ESSA. The Bank On Initiative is part of that as well.

Mr. Julio Guridy stated that they discussed it at length and asked if there were any other comments. They look forward to seeing results.

Adjourned: 7:25 PM