

MINUTES . . . REGULAR MEETING . . . DECEMBER 9, 2024

The members of the Bethlehem Housing Authority met in a regular session on December 9, 2024, at 4:00 P.M. (IN PERSON MEETING). Those present and absent were as follows

PRESENT

Mrs. Lindsey A. Clifton, Chairperson
Ms. Rachel Leon
Mr. J. Marc Rittle

ABSENT

Mr. Rogelio Ortiz, Vice Chairperson
Mrs. Iris Linares

Also present were: John Ritter, Secretary-Treasurer; Diana Moreno, Assistant Secretary; Staff Members and members of the general public. William W. Matz, Jr., Esq., Solicitor; absent.

The Minutes of the Regular Meeting of November 12, 2024, were presented and approved. Mr. Rittle made a motion to accept the minutes of November 12, 2024. Ms. Leon seconded the motion.

Roll Call: Ayes – Rittle/Leon/Clifton; Nays - None

Under the check register, Chairperson Clifton inquired about the status of the Pembroke renovations, and the number of remaining payments. Mr. Kichline responded that the renovations should be completed by the end of the year, with work on the final building nearing completion. And indicated there could be one or two payments remaining, depending on how the billing is processed.

Mr. Rittle made a motion to approve the Treasurer's report for the November listing 2024. Ms. Leon seconded the motion.

Roll Call: Ayes – Rittle/Leon/Clifton; Nays - None

Under the Financial report, Mr. Snyder reported on Income and Expenses. Currently, we're in a favorable position, though many expenses, particularly utilities, typically hit this time of year. But for now, it looks good, but it's uncertain how the year will end. As of now, we're favorable by \$870,000. Regarding the shortfall, we remain in a deficit, and he provided a two-page handout, which includes HUD's two-year projection tool. Based on this tool, we're projected to be \$151,000 in deficit by the end of 2025. On the second page, it shows how HUD's tool calculates these projections using current payments and future estimations. For 2024, the data is filled in, while 2025 is estimated. It projects total expenditure of \$4,766,000, but a concern is the reduction in leased units to just 371 due to escalating costs. However, costs are expected to decline as we move from the 20% bracket to 10% and eventually 5%. In November and December, there were three vouchers issued per month. If individuals find units by mid-December, the numbers will adjust accordingly. This tool will be shared quarterly to provide updates, as monthly updates might be cumbersome. Once the deficit of \$151,000 becomes a positive figure and remains so, HUD officially will confirm that we are out of shortfall. Until then, they'll continue to monitor this closely using HUD's tool.

Mr. Rittle asked for clarification on the "Year 3" referenced in the report, and Mr. Snyder explained that it represents vouchers that have been issued but are still in search of units. Currently, 396 units are leased for December, but this number could rise to 405 if individuals from November and December successfully secure units.

When asked about the "513" in the first column, Mr. Snyder clarified that it represents the maximum number of units allowed to be leased, regardless of available funding. This cap applies even if rents were to decrease significantly. Mr. Rittle noted the dual constraints of a financial and unit cap.

Chairperson Clifton inquired about the January and February figures from the Financial Report and whether they were derived from the tool. Mr. Snyder confirmed they were based on his projections and expressed concerns about the tool's projected decreases, which he believes may not align with actual outcomes. He explained that adjustments in unit costs and leased units, such as increasing the projection to 380, could change the forecast. Chairperson Clifton acknowledged the value of both the tool's projections and Mr. Snyder's expertise in interpreting the data, emphasizing the drastic nature of a potential drop from 396 to 371 leased units by next year. Mr. Snyder highlighted how such a drop would significantly impact on administrative fees, which are tied to the number of leased units, complicating cost coverage. Ideally, Mr. Snyder noted, leasing all 513 units would be preferable, but achieving this remains a challenge.

Ms. Leon made a motion to approve the Financial Report for December 2024.
Mr. Rittle seconded the motion.

Roll Call: Ayes -Rittle/Leon/Clifton; Nays - None

Courtesy of the Floor - Nothing reported.

Mr. Ritter provided an update on the second interview with Laurie Rivera, the prospective candidate for the Deputy Executive Director position. Mrs. Linares was unable to attend due to a family emergency. Ms. Rivera, who currently works for a Community Management company, is highly experienced, bringing 25 years of expertise in Affordable Housing, including federal programs, low-income tax credits, mixed-income housing, Section 8, Housing Choice Vouchers (HCV), and Project-Based Vouchers. She also has knowledge of HOTMA changes, ACOP, HUD recertifications, and RAD experience from her work in Philadelphia. Although she does not have Choice Neighborhood experience, she has handled grievances and managed teams in major cities like New York and Philadelphia. She received excellent reviews and is set to begin on January 13th.

Chairperson Clifton confirmed that Ms. Rivera is local to the valley. Ms. Leon asked how her skills might fill gaps and help the authority progress. Mr. Ritter emphasized Ms. Rivera's intelligence, creativity, and problem-solving abilities, noting her strong performance in situational questions and confidence in her ability to build team cohesion. Ms. Leon appreciated the focus on her creativity as the authority seeks innovative solutions moving forward.

Chairperson Clifton inquired further about her direct housing authority experience. Mr. Ritter clarified that while Ms. Rivera's roles have been primarily with property management and HUD-related projects for developers, she has significant experience managing properties and projects aligned with Affordable Housing requirements. Chairperson Clifton acknowledged this and emphasized her substantial background in HUD-related work.

The second item under Old Business was the Lynfield Community Center lease, for which all members had received a copy. The lease had been reviewed and signed off by Mr. Ortiz and his community support team. While Mr. Ritter has already signed the lease, Chairperson Clifton noted that board approval is required as a procedural step, similar to the NECC lease. She explained that Mr. Ortiz and his team had reviewed the draft, addressed concerns, and incorporated revisions before finalizing the document.

Mr. Rittle expressed support for the lease, highlighting that Mr. Ortiz's concerns about access to the front office were resolved. The lease allows staging for Second Harvest in the front office when not in use by BHA staff. Chairperson Clifton added that shared use of the space and logistical challenges were addressed with improved communication and calendar management to ensure smooth operations. Mr. Rittle asked about the lease's financial terms, Mr. Ritter and Chairperson Clifton confirmed there are no monetary terms involved. Regarding funding for summer program staff, Chairperson Clifton clarified that such requests would continue to be handled annually, as in previous years, rather than being included in the lease.

Ms. Leon made a motion to approve the Lynfield Community Lease.
Mr. Rittle seconded the motion.

Roll Call: Ayes -Rittle/Leon/Clifton; Nays - None

Under the Chairperson's report, comments were focused entirely on the five-year plan, which was addressed under resolutions.

Under the Executive Director's, Mr. Ritter shared several updates during the meeting. He highlighted upcoming events, including the Drug and Criminal meeting on December 11th, the BHA Holiday Luncheon on December 13th at 12:30 PM at the Steel Club in Hellertown, and his attendance at the PHADA Executive Directors' Training in Miami on January 3rd and 4th, where topics such as PHAS, SEMAP, and Financial Management will be covered.

He also provided an update on the Choice Neighborhood initiative. Multiple working groups are concentrating on themes of Connection, Belonging, and Opportunity, and Ambassadors are hosting a tenant meeting tonight at the Boys and Girls Club. A planned Choice Neighborhood field trip is currently on hold and is likely to take place in the spring. Furthermore, BHA is working with the City of Bethlehem to prepare a Request for Qualifications (RFQ) to identify a developer for the initiative.

Chairperson Clifton asked for clarification on the RFQ process. Mr. Kichline explained that the two-year planning phase for the Choice Neighborhood project will conclude in September 2025, with the upcoming phase requiring the establishment of a developer partnership to be included in the HUD submission for the implementation phase. There will be two RFPs: one to hire a consultant and another to choose the developer. Mr. Ritter noted that BHA will take the lead in the RFQ process, with the City of Bethlehem joining efforts to ensure alignment. Chairperson Clifton observed that while COLLABO, involved in earlier planning phases, will provide input, it will not play a significant role in selecting the developer.

Mr. Kichline stated that BHA and the City will review the RFQ draft prepared by COLLABO, addressing any concerns before proceeding. Following the planning phase, BHA and the City will issue an RFP to hire a consultant to assist in the development process, similar to a previous project involving an energy performance contract. A second RFP will then be issued to select the developer.

Chairperson Clifton and Mr. Rittle requested to participate in initial meetings regarding the RFQ. Mr. Kichline confirmed that these meetings will occur during the week of December 16th, and their involvement will be ensured.

Committee Reports, Scholarship Committee – Nothing reported.

Under Resolutions, Mr. Ritter presented the new Five-Year Plan, which is divided into two sections. The first section, spanning seven pages, outlines the organization's previous and current goals, aligned with the mission and vision established in June 2023. The second section, the Capital Fund Program, details construction projects and job plans for the next one to five years, requiring board approval. Chairperson Clifton emphasized the plan's flexibility, allowing adjustments to project order and funding allocation. Mr. Ritter provided an example with the Pembroke project, which had to adapt priorities due to its inclusion in the Choice Neighborhoods initiative.

Chairperson Clifton commended the updated plan as significantly stronger than the previous one but expressed the lack of board involvement during its development. She recalled that at the June 2023 retreat, the board established shared mission, vision, and goals, which were approved in July, and reiterated the board's integral role in developing both Annual and Five-Year Plans, as outlined in the handbook. And despite efforts to highlight this responsibility, the board was presented with a finalized plan without opportunities for meaningful input. She emphasized the importance of collaboration, noting that the board's perspectives, community connections, and critical insights could have further enhanced the plan.

Ms. Leon inquired about the role of residents, local organizations, and the city in shaping the plan. She appreciated the direction of the plan but wanted clarity on the local organizations and partners consulted. Additionally, she asked about the city's engagement in the process, given the authority's independence from the council. Mr. Ritter responded that while a copy of the plan had been sent to the city for review, the Five-Year Plan has historically been an in-house effort. He acknowledged this was his first significant involvement in the process and apologized for the lack of communication about the planning stages. He confirmed that the draft had been reviewed during the November Resident Advisory Board (RAB) meeting, which was publicly advertised.

Mr. Rittle raised concerns about the strategic goals lacking actionable steps, suggesting detailed action plans, such as assigning points and breaking down larger objectives. He highlighted the Choice Neighborhoods initiative and proposed making it a distinct goal. Additionally, he emphasized the importance of the housing authority's role in addressing homelessness and questioned why it wasn't more prominently addressed. In addition, he reiterated his offer to assist in creating a comprehensive plan and suggested convening a meeting to revise the draft before approval.

The board of commissioners supported tabling the discussion to allow for revisions and collaboration with the city and board members, ensuring alignment with HUD requirements. Ms. Leon referred to the HUD handbook for best practices and commended Mr. Ritter for providing it. She acknowledged the director's relatively recent appointment, as well as the board's relative newness. She emphasized the importance of aligning with procedural and strategic expectations while working efficiently as a board.

Chairperson Clifton highlighted the need to finalize the plan by the January 15 submission deadline and called for a working group to address deficiencies. Mr. Kichline clarified the procedural steps required for submission, including signatures from the board, mayor, and executive director. He noted a potential procedural shift, as in previous years the city signed off before the board vote. Chairperson Clifton recounted a prior experience requiring resubmission to the mayor after amendments were made. She suggested forming a working group to address the missing input from the mayor's office and commissioners, improve specificity, and ensure compliance with the 30-day public notice requirement. Mr. Ritter committed to coordinating with relevant participants and exploring alternatives, including legal counsel, to meet deadlines and maintain transparency in the process.

RESOLUTION NO. 2604 – THE RESOLUTION TO APPROVE THE FIVE-YEAR PLAN WAS TABLED.

Ms. Leon made a motion to table the discussion until a session is scheduled to finalize revisions before January 15, 2025, HUD submission deadline.

Mr. Rittle seconded the motion.

Roll Call: Ayes – Rittle/Leon/Clifton; Nays - None

Mr. Ritter explained that the previously incorporated HOTMA changes need to be removed until officially implemented, and revisions have been made accordingly by HUD. The revisions are presented in blue text, while red text indicates additions to the lease. Ms. Rodriguez noted that the blue text addresses HOTMA-related changes and issues such as hoarding and clutter, which were relevant in situations like the Litzenberger inspection failure. Chairperson Clifton summarized that updates in blue provide clarity, while red highlights additional revisions to strengthen lease terms. She noted that HOTMA changes approved in July were removed, which Ms. Rodriguez confirmed, explaining that rent calculations reverted to previous language due to HUD's delayed system update, though the Yardi system is ready. The revisions return the lease to a prior version with minor modifications.

Ms. Leon inquired about the restriction on tenants installing wallpaper, contact paper, or painting walls in any color other than BHA Linen, specifically asking if tenants could use alternatives that do not damage the property. Ms. Rodriguez clarified that while wallpaper and contact paper are prohibited due to their tendency to attract roaches, tenants are allowed to use removable products that do not damage drywall. She emphasized that such options, like removable sticky decor, are acceptable if they leave the walls undamaged.

Mr. Rittle asked if other housing authorities had been consulted regarding the lease changes and if these practices were standard. Ms. Rodriguez explained that each housing authority has different leases, and some are behind in their policies. She shared that the BHA incorporated language on hoarding and clutter from North Penn, which proved useful in addressing current issues with residents struggling with clutter. She emphasized that they don't rush to eviction, and North Penn's guidance provided helpful information, including resources for agencies to support residents. She also noted that after consulting with Mr. Ritter and Mrs. Maldonado, Family Development Office manager, they formed a committee to review and refine the approach. Mr. Rittle expressed appreciation for the collaborative effort, saying, "That's wonderful," and thanked Ms. Rodriguez for the information, highlighting the importance of research-based decisions.

Mr. Rittle questioned the proposed requirement that overnight guests in public housing must have a permanent address and provide proof. Ms. Rodriguez explained this addition aims to address issues like tenants allowing unauthorized individuals to stay, leading to complaints and security concerns. Mr. Ritter explained that in one of their buildings, particularly on the ground floor, some tenants have been allowing people to enter in the middle of the night by climbing through the windows, which is a security concern. Mr. Rittle expressed concerns and does not agree with the justification and suggested that compliance with the guest policy should suffice regardless of the guest's permanent address status. He also raised concerns about the lease's language regarding criminal activity, particularly sections 16 and 17, and how they might overlap with section 15. He didn't see an apparent reason for the additional specificity in these clauses, especially since section 15 already addresses criminal activity threatening the safety and peaceful enjoyment of the premises.

Mrs. Maldonado clarified that the inclusion of contractors, subcontractors, and employees was to protect workers from potential threats, citing past personal experience where a resident had made a threat against them. Mr. Rittle acknowledged this but continued to question the need for additional clauses related to violent and drug-related criminal activity and alcohol abuse. Mrs. Maldonado explained that these additions were based on new HUD regulations (Code of Federal Regulations, or CFR), which required landlords to take action in cases where alcohol abuse patterns were evident, even if they had made efforts to assist the resident.

Regarding criminal and drug-related activities, Mr. Rittle questioned the need for section 16, which specifies violent and drug-related criminal activity on or off the premises, and argued that section 15, covering any criminal activity threatening health, safety, or peaceful enjoyment, already encompasses these cases. Mrs. Maldonado and Ms. Rodriguez explained the specificity helps in court cases where judges require explicit language in the lease to uphold eviction decisions. Mr. Rittle acknowledged the legal reasoning but maintained that section 16 might be unnecessary if section 15 is comprehensive. The team noted that some language originates from HUD guidelines and agreed to review and confirm its necessity.

Ms. Rodriguez explained that the current issues stem from tenants abusing the guest policy, allowing the same individuals to stay repeatedly by circumventing the rules. Mr. Rittle suggests alternatives, like limiting guests to 3 days a month instead of 3 days a week, to address this problem without being overly specific in the lease. They agreed to bring back a revised lease with the guest stay changes and a focus on resolving the issues with clear and balanced language.

Chairperson Clifton suggests tabling the discussion for further review, with a revised version of the lease, especially addressing the guest stay changes. This would allow more time to review and potentially gain more board members' input. Mr. Rittle, while acknowledging the need for clarity in the lease, emphasizes that his concerns are primarily about avoiding exclusions of certain groups, such as homeless individuals, and the unintended consequences of overly specific language in the lease.

RESOLUTION NO. 2605 - THE RESOLUTION TO APPROVE THE PROPOSED BHA LEASE MODIFICATION WAS TABLED.

Ms. Leon made a motion to table the resolution for.
Mr. Rittle seconded.

Roll Call: Ayes - Rittle/Leon/Clifton; Nays - None

The last item under resolutions was asked to review the proposed hiring of two positions for the Planning and Construction (P&C) Department in anticipation of Mr. Kichline's retirement. Mr. Ritter explained that Mr. Kichline's current role involves a variety of responsibilities, and with his retirement, the department plans to replace his single position with two, an inspector and a building and construction supervisor. The goal is to have an internal inspector to manage Capital Fund, Section 8, and Public Housing inspections instead of outsourcing them.

Chairperson Clifton asks for clarification about the board's role in approving these positions. Mr. Ritter stated that they are only seeking approval to move forward with the hiring process and that the board will have access to job descriptions later. Chairperson Clifton said this is more of an informational item rather than an action item requiring formal approval. There's no formal vote necessary and confirms that the purpose of bringing it up is to ensure transparency and notify the board.

Under Miscellaneous Reports and other business, Ms. Snow provided an update on the Fair Market Rent and Section 8 program. She explained that while a rent increase may fall within the Fair Market Rent limits, it can still be denied if deemed unreasonable or not comparable to similar units in the area. In such cases, the BHA may approve only part of the requested increase. Ms. Snow also discussed BHA's collaboration with Market Vision Partners, who conduct Rent Reasonableness tests using the RENTELLECT software program. Additionally, BHA works with Northwestern Utility Consultants to update the utility allowance chart for 2025, which is then sent to RENTELLECT for system updates. BHA staff enters the updated data, including rent increase information and details from unit inspections, into the system, ensuring that RENTELLECT considers which utilities are paid by the landlord versus the tenant.

The system also tracks assisted units within a five-mile radius of the subject unit, and checks whether the participant's income exceeds 40% of the adjusted income for newly assisted units (this does not apply to renewal units). Once the Rent Reasonableness process is complete, RENTELLECT provides instant results on whether the rent increase is approved. If not, BHA staff negotiates with the landlord to adjust the rent to maintain housing for participants. Ms. Snow provided a small packet of information to Lindsey and offered to send additional copies to Ms. Moreno for distribution to board members. The packet includes details on Rent Reasonableness, the RENTELLECT system, the updated utility chart for 2025, and the average rent figures for 2024. Mr. Rittle inquired if this applies to anyone using a voucher, and Ms. Snow confirmed it does. He thanked her for the follow-up.

Second, under Miscellaneous Reports and other business, Mr. Rittle shared his experience attending the "Homes Within Reach" conference in Hershey, Pennsylvania, which marked its 40th year. He noted that many housing authorities were present, which had not been the case in previous years. He highlighted a joint session between Continuums of Care (homeless services systems) and local housing authorities, which explored how these two systems could collaborate more effectively. He expressed enthusiasm about the ideas presented at the conference and suggested that these insights be incorporated into the Bethlehem Housing Authority's (BHA) Five-Year Plan, particularly concerning the interaction between the Continuum of Care and the Public Housing Authority (PHA).

He proposed forming an ad hoc committee, including at least two board members from the board and Mr. Ritter, to further explore these opportunities and develop strategies for collaboration. Emphasizing the importance of turning conference insights into actionable items, he requested that this topic be added as Old Business to the meeting agenda to ensure ongoing discussion and follow-up.

Chairperson Clifton asked whether this should be added to Old Business for regular review or if it would be more appropriate to wait for the Five-Year Plan to be finalized. She also suggested including Mrs. Flores and Northampton Housing Authorities, as they have units in Bethlehem as potential partners in the discussion. Mr. Rittle clarified that the Lehigh Valley Continuum of Care has invited all housing authorities to participate, though not all have engaged, and emphasized his focus on initiating collaboration within the Bethlehem Housing Authority.

Chairperson Clifton sought clarification on the specific request, and Mr. Rittle confirmed his proposal to form an ad hoc committee. He suggested waiting until the Five-Year Plan is finalized before formalizing the committee but expressed eagerness about the collaboration possibilities. He committed to mentioning this initiative at future meetings until progress is made. Chairperson Clifton agreed.

Public Comments – Nothing reported.

Chairperson Clifton noted that the next regular board meeting, which will also serve as the Reorganizational Board Meeting, will be held on Monday, January 13, 2025, at 4:00 P.M., in the community room at Monocacy Tower. There being no further business to transact, Chairperson Clifton declared the meeting adjourned.

John Ritter

Executive Director