

# PUBLIC HEARING 1 and APPLICATION WORKSHOP

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March 2026

Lehigh County

Department of Community &  
Economic Development

Samantha Pearson, Director



# Agenda

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- Introductions
- Purpose of the Public Hearings
- Anticipated Funding
  - Annual Plan Schedule
- Application & Evaluation Process
  - Consolidated Plan Goals
  - Scoring for CDBG
- Funding Overview
  - Eligible Activities for HOME
    - Detailed overview with project discussion available by request
  - CDBG Overview
    - Eligible Activities
    - National Objectives
- Grant Requirements
- Q & A and Comments on Lehigh County's CDBG Program

# INTRODUCTIONS

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# Meet the Team

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- **Department Director** – Samantha Pearson
- **Grants Management Specialist** – Laurie Moyer
- **Grants and Projects Manager** – George Samuelson
- **Executive Assistant** – Cyndi King



# PUBLIC HEARINGS - PURPOSE

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# Public Hearings

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- The purpose of the public hearings:
  - Collect comments from citizens, municipalities, and public service providers on the needs of LMI individuals and communities in Lehigh County, and how CDBG and HOME can help.
  - Discuss the application process, including eligibility and fundability.
  - Bring awareness of administration requirements to potential applicants.



# ANTICIPATED FUNDING

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# Anticipated Funding

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- The County receives “entitlement” funding from the U.S. Dept. of HUD on an annual basis.
  - Community Development Block Grant (CDBG): \$1,274,277
- As of FY 2022, Lehigh County is also a “PJ”
  - HOME Investment Partnerships (HOME): \$524.168



# Annual Plan Schedule – FY 2026

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- **Process Timeline**

- Application Deadline: April 15, 2026
- Awards to be Determined by May 30th
- 30 Day Comment Period begins July 1st
- Public Hearing July 13<sup>th</sup> at 12 pm in Room 524
- Annual Plan Submitted to HUD by August 15, 2026
- HUD Review of Action Plan: +/- 45 Days
- HUD Release of Funds

**Program Year:** October 1, 2026 thru September 30, 2027



# APPLICATION & EVALUATION PROCESS

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# Application Process

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- Application forms for grants can be found at:  
<https://www.lehighcounty.org/Departments/Community-Economic-Development/CDBG-HOME-and-CHDO-Applications>
- Lehigh County solicits proposals for federally-funded initiatives in accordance with identified priorities & needs, and are awarded on a competitive basis.



# Consolidated Plan Goals

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- **Projects must fit into a goal and a strategy**
  - <https://www.lehighcounty.org/Departments/Community-Economic-Development/CDBG-Grant-Application>
  - Find the list on the left of the page
    - “FY 2024-2028 Consolidated Plan Goals”
    - **Goals**
      - Housing – improve, preserve, and expand affordable housing supply (6 strategies)
      - Homeless – improve living conditions and services for the homeless (4 strategies)
      - Other Special Needs – improve, preserve, and expand facilities for persons with special needs and the disabled (5 strategies)
      - Community Development – improve, preserve, and create new public and community facilities, infrastructure, and public services (7 strategies)
      - Economic Development – increase and promote job creation, job retention, self-sufficiency, education, job training, technical assistance and economic empowerment of LMI residents (5 strategies)
      - Administration and Planning (3 strategies)

# Scoring Criteria - CDBG Applications

## Construction Projects

- Projects located in a low- to moderate-income (LMI) municipality will receive priority consideration for funding. Municipalities designated as LMI are Coplay, Hanover, Fountain Hill, Macungie, and Slatington. The percent of LMI individuals living within the census block groups of these municipalities averages at least 44.5%.
  - Projects must meet one of Lehigh County's Five-Year Consolidated Plan goals.
- Consideration will also be given to projects not located in an LMI community. Such projects should meet the following criteria:
  - Ability of the new project to be completed between January 1, 2027 and August 31, 2027.
  - Applicability to Lehigh County's Five-Year Consolidated Plan goals.
  - Hard cost match of 10% of request is dedicated by the applicant to completing project construction.
  - CDBG request doesn't exceed \$125,000.

## Public Services

- Projects not funded via FY 2025: applications will be accepted for new or existing services.
  - A 'new' service means that the services being offered to the CDBG-funded participants were made available within the previous 12 months (from time of application for 2026 CDBG), or will be newly offered in the upcoming 12 months.
  - Applications for existing services must prove a quantifiable increase in the need for the service since August 1, 2025.
    - On the CDBG application webpage, there are examples illustrating public services and quantifiable increase in need. Please reference this page, entitled "Quantifiable Increase for Public Services" for details on satisfying the documentation requirements.
- Projects funded via FY 2025 and asking for an increase in funding must provide data proving that there was a quantifiable increase in the need for services over the past 12 months.
- Projects funded via FY 2025 and not asking for an increase in funding do not need to prove an increase in need.
- All projects must fit into Lehigh County's Five-Year Consolidated Plan goals and substantiate the ability to spend down the requested amount between October 1, 2026 and September 31, 2027.

# FUNDING OVERVIEW

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# HOME Investment Partnerships

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## Eligible HOME Activities and Costs:

- **Hard Costs**
  - New construction of affordable housing
  - Rehabilitation of affordable housing
  - Reconstruction of affordable housing
  - Conversion to affordable housing
  - Site Improvements related to the development of affordable housing
- **Refinancing of existing debt secured by a housing project that is being rehabilitated w/ HOME Funds**
- **Acquisition Costs** – Improved or unimproved
  - Purchase of property by home buyers



# HOME Investment Partnerships

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## Eligible HOME Activities and Costs Continued:

- **Soft Costs necessary for the financing, development, rehabilitation or acquisition of housing using HOME Funds**
  - Architectural, engineering, and related professional services
- **Community Housing Development Organization (CHDO) Costs**
- **Relocation costs for displaced households**
- **Administrative and planning costs**

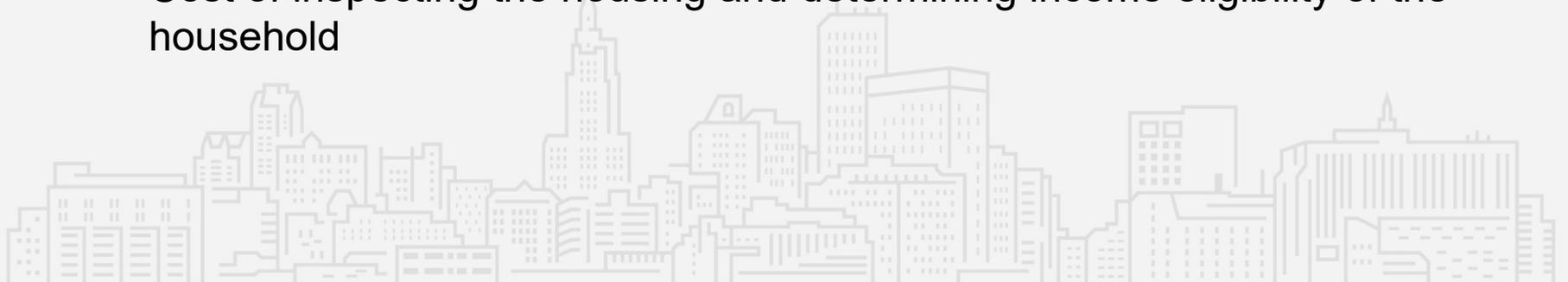


# HOME Investment Partnerships

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## Eligible HOME Activities and Costs Continued:

- **Other Costs**
  - Fair housing activities to affirmatively further fair housing
  - Downpayment and closing cost assistance
  - Indirect costs as part of a cost allocation plan
  - Preparation of the consolidated plan
  - Compliance and reporting in reference to Federal requirements
  - Tenant-based rental assistance (TBRA)
  - Rental assistance and security deposit payments
  - Utility deposit assistance only if rental or security deposit payments are made
  - Cost of inspecting the housing and determining income eligibility of the household



# HOME Investment Partnerships

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## Ineligible HOME Activities:

- Provide project reserve accounts, except for new construction or rehabilitation of an initial operating deficit reserve during the period of project read-up (not to exceed 18 months)
- Provide tenant-based rental assistance for the special purpose of the existing Section 8 Program
- Provide non-Federal matching contribution required under another Federal Programs
- Provide assistance for uses authorized by Public Housing Capital and Operating Funds
- Prepayment of Low Income Housing Mortgages
- Provide assistance to a homebuyer to acquire housing previously assisted with HOME funds during the period of affordability
- Provide funds for the acquisition of property owned by the participating jurisdiction (P.J.) except for property acquired by the P.J. with HOME funds, or property acquired in anticipation of carrying out a HOME project
- Pay for delinquent taxes, fees or charges on properties to be assisted with HOME funds



# HOME Investment Partnerships

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## ‘Awarding’ HOME funding:

- Instead of an award letter, closely followed by an agreement, Lehigh County will provide a conditional commitment letter.
  - Outlines prerequisites to receiving the grant agreement.
    - Construction projects
      - Copy of tax credit application and closing documents
      - Completion of environmental review
      - 20-year proforma
      - Needs assessment
      - Marketing study
      - Development team and structure
      - Funding source commitment letters
      - Match commitment of at least 10%
      - MBE/WBE plan
      - Section 3 plan
  - Acknowledges that the award can be reduced if 100% of the award is no longer needed for an economically feasible project (due to additional resources being awarded or the need for the HOME award is less than was originally estimated).

# CDBG - Overview

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## HUD Funding – Resources

- CDBG Guide to National Objectives & Eligible Activities:
  - [https://www.hudexchange.info/resources/documents/CDBG\\_Guide\\_National\\_Objectives\\_Eligible\\_Activities.pdf](https://www.hudexchange.info/resources/documents/CDBG_Guide_National_Objectives_Eligible_Activities.pdf)
- Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems:
  - <https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/>
- Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight:
  - <https://www.hudexchange.info/resource/6577/managing-cdbg-guidebook-for-cdbg-grantees-on-subrecipient-oversight/>



# CDBG - Overview

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- **History:** CDBG funded via Title I of Housing & Community Development Act of 1974.
- **Primary Purpose:**
  - Provide Quality Affordable Housing
  - Create Suitable Living Environments
  - Expand Economic Opportunities

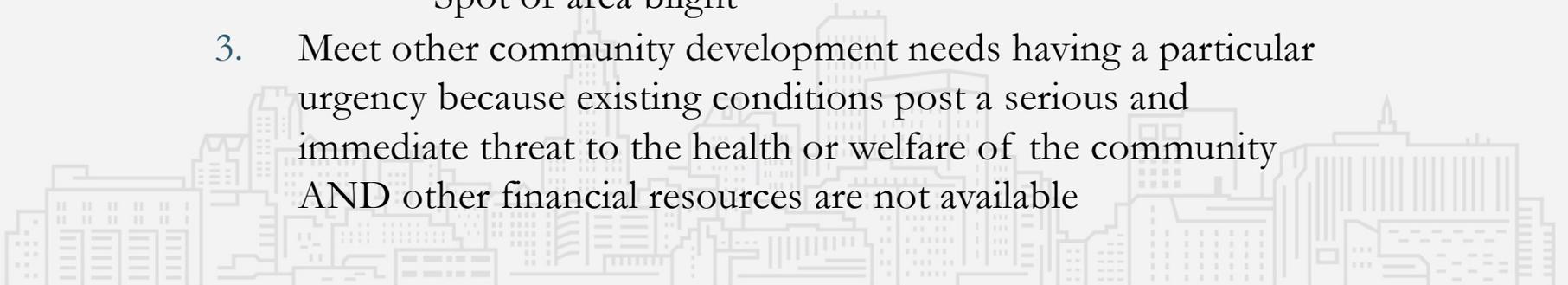


# CDBG - Overview

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## National Objectives of the CDBG Program

1. Benefit low- and moderate-income (LMI) persons
  - Minimum 70% of allocation annually
    - Determined by area (census block group or household surveys)
    - Limited Clientele – at least 51% of households served were documented as LMI
    - LMI Household – the individual household is documented as LMI
    - LMI Jobs – an LMI individual holds or will be placed in a job
2. Prevent or eliminate slums or blight
  - Spot or area blight
3. Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community AND other financial resources are not available

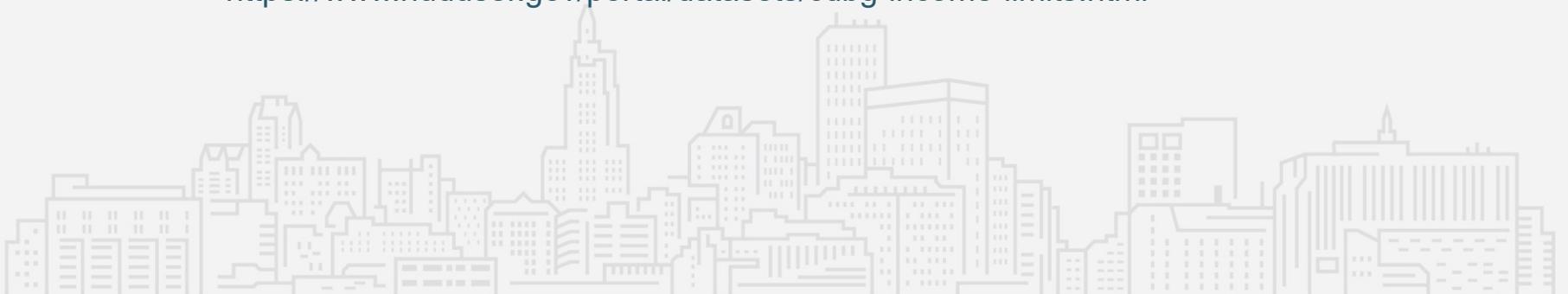


# CDBG – “Low/Mod”

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- “Low and Moderate Income” (LMI) means a family or household with an annual income less than 80 percent of the area median income.
- Income Limits for CDBG are updated annually. Subrecipients are responsible for ensuring they use the current income limit to capture beneficiary data.

–<https://www.huduser.gov/portal/datasets/cdbg-income-limits.html>





# FY 2025 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

## FY 2025 Income Limits Summary

FY 2025 Income Limit Area	Median Family Income <a href="#">Click for More Detail</a>	FY 2025 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Allentown-Bethlehem-Easton, PA HUD Metro FMR Area</b>	\$100,200	Very Low (50%) Income Limits (\$) <a href="#">Click for More Detail</a>	35,100	40,100	45,100	<b>50,100</b>	54,150	58,150	62,150	66,150
		Extremely Low Income Limits (\$) * <a href="#">Click for More Detail</a>	21,050	24,050	27,050	<b>32,150</b>	37,650	43,150	48,650	54,150
		Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	56,150	64,150	72,150	<b>80,150</b>	86,600	93,000	99,400	105,800

NOTE: **Lehigh County** is part of the **Allentown-Bethlehem-Easton, PA HUD Metro FMR Area**, so all information presented here applies to all of the Allentown-Bethlehem-Easton, PA HUD Metro FMR Area. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the Allentown-Bethlehem-Easton, PA HUD Metro FMR Area.

The **Allentown-Bethlehem-Easton, PA HUD Metro FMR Area** contains the following areas: Carbon County, PA; Lehigh County, PA; and Northampton County, PA.

\* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services \(HHS\)](#), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

For last year's Median Family Income and Income Limits, please see here:

[FY2024 Median Family Income and Income Limits for Allentown-Bethlehem-Easton, PA HUD Metro FMR Area](#)

Select a different county or county equivalent in Pennsylvania:

- Juniata County
- Lackawanna County
- Lancaster County
- Lawrence County
- Lebanon County
- Lehigh County

[Select county or county equivalent](#)

Select any FY2025 HUD Metropolitan FMR Area's Income Limits:

- 
- [Select HMFA Income Limits Area](#)

Or press below to start over and select a different state:

[Select a new state](#)

# CDBG – National Objective

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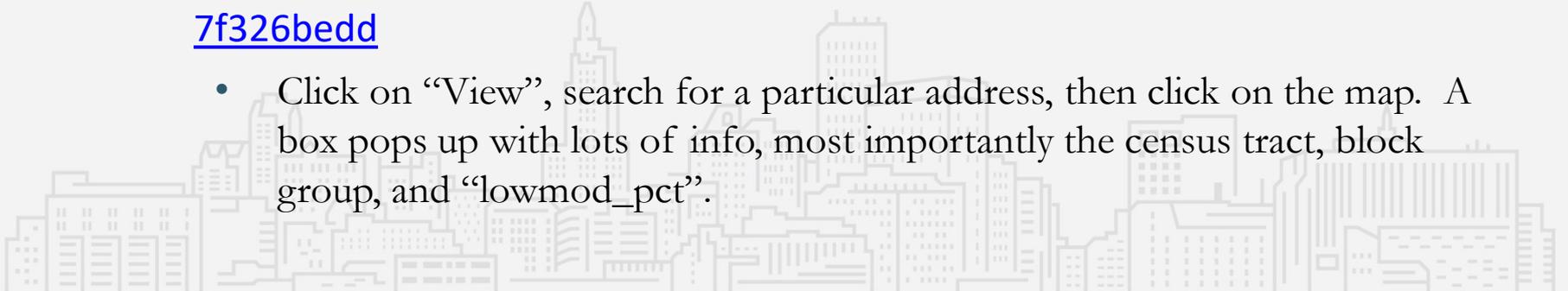
- **Low/Mod Area Benefit (LMA)**
  - Activities must be open to and benefit all residents of the area
  - Agency must determine service area of activity
  - Area must be primarily residential
  - At least 44.5% of project beneficiaries must be LMI; determined by Census block group
  - Activity Examples:
    - Street Reconstruction
    - Neighborhood cleanups
    - Water/sewer improvements
    - Creation of a neighborhood park



# CDBG – National Objective

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- **Where are the LMI Areas?**
  - Go to <https://www.lehighcounty.org/Departments/Community-Economic-Development/CDBG-HOME-and-CHDO-Applications>
    - “Low Mod Income Data”
      - Lists all Lehigh County block groups’ LMI percentage
    - Block Group Maps
      - Map of each municipality illustrating block group boundaries
- To determine information on specific addresses:
  - <https://hud.maps.arcgis.com/home/item.html?id=ffd0597e8af24f88b501b7e7f326bedd>
    - Click on “View”, search for a particular address, then click on the map. A box pops up with lots of info, most importantly the census tract, block group, and “lowmod\_pct”.



# CDBG – National Objective

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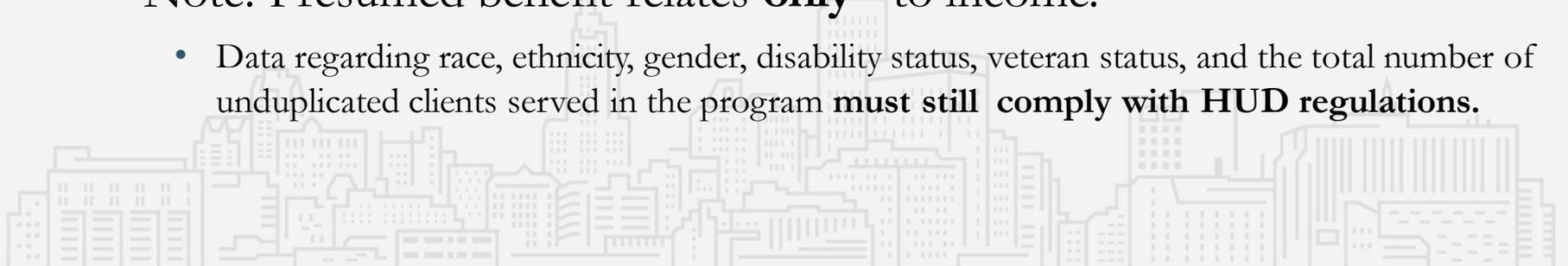
- **Low/Mod Limited Clientele (LMC):**
  - Activities benefit specific populations of clients
  - Agencies must document that at least 51% of participants are Low/Mod individuals
    - Income Certification/Intake Form
  - Activity Examples:
    - Subsistence Services – max 3 months of rent/utilities
    - Legal services
    - Workforce training for the formerly incarcerated
    - Food pantry



# CDBG – National Objective

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- **Limited Clientele Presumed Benefit (LMPB):**
  - Activities benefit specific population groups that are presumed to be LMI:
    - Senior Citizens (62+)
    - Homeless Individuals/Families
    - Severely Disabled Adults
    - Person with HIV/AIDS
    - Victims of Domestic Violence
    - Migrant Farm Workers
  - Note: Presumed benefit relates **only** to income.
    - Data regarding race, ethnicity, gender, disability status, veteran status, and the total number of unduplicated clients served in the program **must still comply with HUD regulations.**



# CDBG – National Objective

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- **Low/Mod Job Creation (LMJ):**
  - Activities to generate economic opportunities
    - Job Creation: Documentation must indicate that at least 51% of the jobs will be held by, or made available to, LMI persons
    - Job Retention: Documentation must indicate that the jobs would have been lost without the CDBG assistance and that at least 51% of the jobs are held by LMI persons and/or the job can “reasonably be expected” to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a LMI person
    - Public Benefit Standard: Create or retain at least one full-time, permanent job per \$35,000 of CDBG funds used
  - Typical activities:
    - Business loans, commercial rehabilitation, business technical assistance

# CDBG – National Objective

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- **Low/Mod Housing (LMH):**
  - Activities to acquire, construct, or improve permanent, residential structures which are/will be occupied by LMI persons.
  - Typical activities:
    - Acquisition of property to be used for permanent housing
    - Rehabilitation of permanent housing, rental or owner-occupied
    - Conversion of nonresidential structures into permanent housing
    - Assistance to a household to enable it to acquire ownership of a home (homeownership assistance).



# CDBG - Overview

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- **Eligible Activities:**

- Projects must benefit those living in Lehigh County but outside the cities of Allentown and Bethlehem, as well as Lower Milford Township.
- CDBG can support a variety of project types
- Most activities that benefit low- and moderate-income individuals and meet the needs of the community are eligible; **however, the regulations make funding complicated to use.**



# CDBG - Overview

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- **Primary Eligibility Categories**
  - Public Service – maximum of 15% of net allocation
  - Public Facility or Infrastructure Improvements
  - Affordable Housing



# CDBG – Eligible Activities

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**Public Services:** Direct, quantifiable social service delivery to eligible clients.

Activities eligible under this category include (but are not limited to):

- Job Training
- Child Care
- Health Services
- Senior Services
- Afterschool Programs
- Homeless Services
- Domestic Violence Prevention
- Legal Services
- Housing Counseling
- Food Banks



# CDBG – Eligible Activities

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**Public Facility Improvements** - improvements to publicly-owned facilities and infrastructure such as streets, playgrounds, and underground utilities, and buildings owned by non-profits that are open to the general public.

Activities eligible under this category include (but are not limited to):

- Rehabilitation or construction of a neighborhood community center
- Rehabilitation or construction of a homeless shelter
- Rehabilitation or construction of facilities serving persons with disabilities
- Improvements to public libraries
- ADA modifications
- Installation of broadband infrastructure
- Housing Authority improvements



# CDBG – Eligible Activities

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**Housing:** activities to foster safe, affordable housing opportunities for low/moderate income households.

Activities eligible include:

- Housing rehabilitation programs
- Energy efficiency & weatherization programs
- Conversion of closed buildings to residential use
- Rehabilitation of housing for rent or sale
- Acquisition & site improvements for housing



# CDBG – Eligible Activities

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## Other Eligible Activities

- **Economic Development:** activities to foster economic opportunity, including microenterprise and small business development, commercial and industrial development, and job creation, job retention, and job training activities.
  - Technical assistance and workshops for small businesses
  - Grant programs for small businesses
  - Façade improvement programs
  - Lending programs to for-profits
- **Real Property**
  - Acquisition – fundability based on reuse of property
  - Relocation – expenses to relocate residents during a project
  - Demolition
- **Administration & Planning**



# GRANT REQUIREMENTS

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# Grant Requirements

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- Receiving a federal grant through Lehigh County means:
  - Complying with all applicable federal and local requirements
  - Keeping records for at least 5 years after program/project completion
  - Maintaining a strong fiscal management system
  - Agreeing to be monitored by HUD & Lehigh County at any time
  - Submitting timely quarterly and annual reports
  - Complying with contract terms;
- Commitments can be canceled or contracts terminated due to non-compliance.



# Grant Requirements

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- NEPA Environmental Review:
  - Lehigh County will conduct an Environmental Review and Historic Review of all projects for Subrecipients.
  - Choice limiting actions can not occur until you have been notified in writing that the Environmental Review is complete
  - After your application has been submitted, DO NOT:
    - Acquire, rehabilitate, convert, repair, begin or continue any construction
    - Solicit bids for the project (but you can get estimates)
    - Enter into a purchase and sale agreement
    - Finalize a closing of sale



# Grant Requirements

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- Davis Bacon Act:
  - Construction projects >\$2,000 funded in whole or in part with federal funds
  - All laborers and mechanics employed by contractors or subcontractors are to be paid federal prevailing wages
  - May increase cost of project
  - Requires weekly payment of wages
  - Each contractor must:
    - Submit weekly certified payrolls reflecting all hours worked



# Grant Requirements

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- Lehigh County Grant Ordinance

- Financial documentation must be submitted at the time of application.
- Documentation will be placed on Lehigh County's website and removed after processing of the CDBG award ordinance.

1. The current and previous fiscal year's budget, including the actual revenues and expenditures for the previous year

2. Audited financial statements for the two (2) previous fiscal years

3. The positions of all employees, officers and board members who receive \$50,000.00 or more in annual compensation, including bonuses, from the requesting organization

4. The total compensation of the organization's five (5) highest compensated individuals

5. A list of all funding sources and the total amount received from each funding source for the previous Year

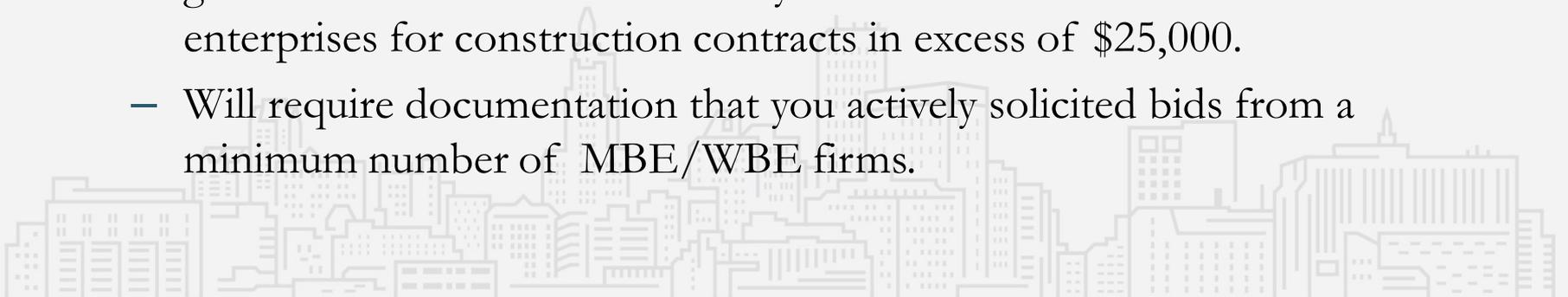
6. A list of all funding sources for the current year, and a list of all pending applications for funding, including the amount requested



# Grant Requirements

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- Procurement:
  - Procurement must comply with local, state, & federal requirements.
  - Non-profits shall follow their agency's formal procurement guidelines. Lehigh County Administrative Code shall be adhered to if an agency doesn't have formal procurement guidelines.
    - Typically a minimum of three written quotes or estimates is required. Sealed bids required on larger projects.
- MBE/WBE:
  - Requires reasonable efforts to be made to solicit bids from and procure goods and services from minority and woman-owned business enterprises for construction contracts in excess of \$25,000.
  - Will require documentation that you actively solicited bids from a minimum number of MBE/WBE firms.



# Grant Requirements

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- Section 3 of the HUD Act of 1968 – A requirement to ensure that economic opportunities generated by certain HUD assistance is directed to low- and very-low income persons.
  - Applicable to housing rehabilitation, housing construction, and other public construction or demolition projects that are funded with \$200,000 or more of CDBG and/or HOME funding.
  - Requirements apply to the entire project regardless of whether the project is fully or partially funded with HUD funding.
  - Subrecipients must include the [Section 3 clause](#) in their contracts, ensure that the lowest bidder authorizes the affirmative action plan, and also ensure that the contractor meets labor hour benchmarks or demonstrates qualitative efforts attempting to meet the benchmarks.



# Grant Requirements

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**Build America, Buy America Act (BABA)** – A requirement to ensure that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States.

- Covered infrastructure
  - Buildings and real property (includes housing)
  - Utilities
  - Drinking and wastewater systems
  - Electrical transmission facilities and systems
  - Broadband infrastructure
  - Transportation infrastructure
- Construction materials
  - All raw materials used in construction (metals, plastic materials, glass, lumber and drywall)
    - Does NOT include cement and aggregates
- De minimis waiver
  - Waiver for projects where total federal financial assistance is below \$250,000.



# Grant Requirements

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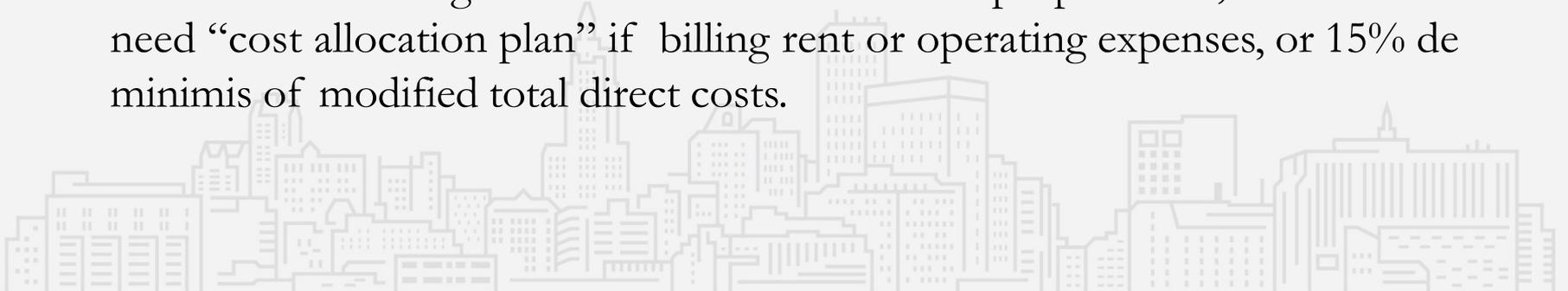
- Public Service Projects:
  - Failure to submit quarterly or annual reports on a timely basis may result in forfeiture of CDBG award or agency ineligibility for future CDBG funding.
  - Failure to complete the project within 60 days past the close of the program year will result in relinquishment of unused funding.



# Grant Requirements

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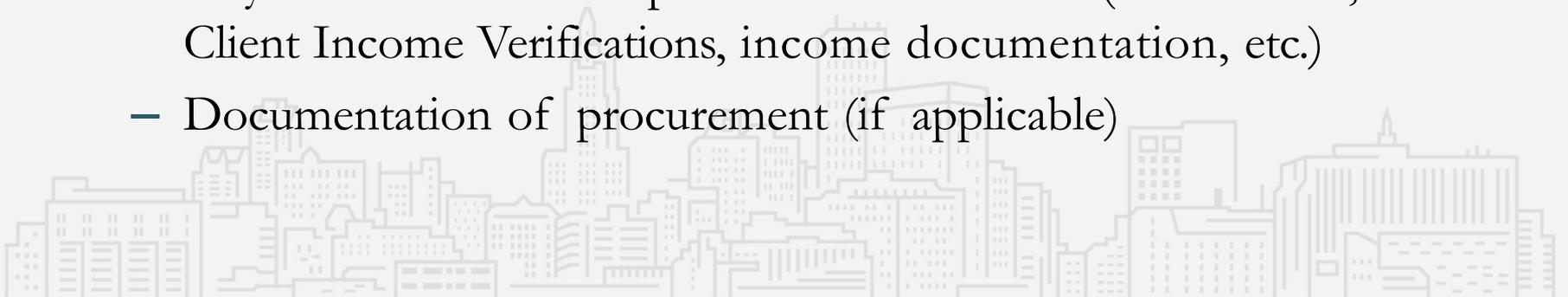
- Payments are made on a reimbursement basis
- Request for Payment requires:
  - Letter Requesting Funds on Signed Letterhead or signed Agency Invoice
  - Based on expenditures outlined in budget; budget is memorialized by contract
  - For salaries – employee timesheets reflecting actual time worked on CDBG-funded project
  - For supplies, equipment, construction services – receipts / copies of invoices and canceled checks to prove payment of those invoices.
- Costs billed to the grant must be reasonable and proportional; need “cost allocation plan” if billing rent or operating expenses, or 15% de minimis of modified total direct costs.



# Grant Requirements

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- Expect to retain files for 5+ years after grant close-out.
- Program files should contain:
  - Original executed copy of the agreement with Lehigh County
  - Any amendments to the application and agreement
  - Correspondence relating to the grant award
  - Copies of requests for reimbursement and all supporting documentation
  - Any other information pertinent to the Grant (Intake Forms, Client Income Verifications, income documentation, etc.)
  - Documentation of procurement (if applicable)



# Grant Requirements

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- Monitoring is not a “one-time” event, it’s ongoing throughout the entire lifespan of the funds
- Review occurs onsite and remotely
- Risk-based approach may be utilized when needed to determine which agencies should be prioritized for monitoring
- Technical assistance may be requested prior to or in conjunction with monitoring effort
- Monitoring reports reviewed by HUD
- Goal is to ensure your success



**THANK YOU!**

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# Q & A and Comments

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# CONTACT US

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