

**REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
10 EAST CHURCH STREET; BETHLEHEM, PA 18018**

THURSDAY, MARCH 23, 2023 - 5:00 PM

TOWN HALL

AGENDA

- A. APPROVAL OF MINUTES – Meeting of January 26, 2023
- B. COURTESY OF THE FLOOR
- C. EXECUTIVE DIRECTOR REPORT
- D. ITEMS REQUIRING BOARD ACTION
 - 1. **RESOLUTION NUMBER 1503** – The RDA Board has been asked to review and consider for approval Resolution Number 1503, which authorizes the RDA to enter into a contract with the City of Bethlehem for 2022 Community Development Block Grant (CDBG) funds. This resolution also authorizes the RDA to enter into an Amendment No. 1 to this Contract, which extends the contract period until December 31, 2023.
- E. GENERAL DISCUSSION
- F. ADJOURNMENT

Resolution Number 1503

WHEREAS, the City of Bethlehem is undertaking and carrying out a Community Development Program utilizing funds made available by the Federal Government under the provisions of Title I of the Housing and Community Development Act of 1974, as amended;

WHEREAS, the City has designated the Department of Community and Economic Development to undertake planning, execution, and administration of eligible activities in conjunction with the Community Development Program; and

WHEREAS, the City, acting through the Director of Department of Community and Economic Development, has previously authorized the Redevelopment Authority of the City of Bethlehem to act as its agent within certain redevelopment; housing and Community Development Block Grant eligible programs as requested by the Department of Community and Economic Development; and

WHEREAS, the City will provide reimbursement to the Authority pertaining to blight remediation program delivery costs.

NOW, THEREFORE, BE IT RESOLVED, that the Redevelopment Authority of the City of Bethlehem hereby approves the attached Contract and Amendment No. 1 with the City of Bethlehem which provides funds up to \$35,000 as reimbursement for costs incurred as part of the blight remediation process and which the Chairperson or Vice-Chairperson shall be authorized to sign said Contract, same to be attested to by the Secretary.

**AGREEMENT BETWEEN THE CITY OF BETHLEHEM
AND
REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM
FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM YEAR 2022**

THIS CDBG SUBRECIPIENT AGREEMENT, entered this ____ day of _____, 2023 by and between the CITY OF BETHLEHEM, with an address of 10 East Church Street, Bethlehem, PA 18018 (hereinafter called the “Grantee”) and the **REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM** (hereinafter called the “Subrecipient”), with an address of 10 East Church Street, Bethlehem, PA 18018.

WHEREAS, the Grantee has applied for and received CDBG funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383;

WHEREAS, the Subrecipient wishes to obtain and utilize a portion of the Grantee’s funds, and the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds.

NOW, THEREFORE, it is agreed between the parties hereto, in exchange for adequate consideration, the adequacy of which is hereby agreed upon by the Parties, and for other good and valuable consideration, and intending to be legally bound, that:

SECTION 1. SCOPE OF SERVICE

A. Activities

1. General Statement

Subrecipient will be responsible for the administration of a CDBG activity entitled **Bethlehem Redevelopment Authority (“RDA”) Housing Rehabilitation Program** (the “Activity” or sometimes, “program” or “project”) and will be awarded **\$35,000** in program year (“PY”) 2022 CDBG funds (the “Grant”) to administer the Activity. The Subrecipient shall be responsible for administering the Activity in a manner satisfactory to Grantee and consistent with any standards required as a condition of providing these funds. The Activity will include the following CDBG-eligible activity or activities eligible under the CDBG program: Housing Activities - 14H Rehabilitation Administration.

2. Program

The Subrecipient is receiving funding for administering the RDA housing rehabilitation-related program including, without limitation, delivery of the program including appraisal fees, engineering / survey reports and fees, title search fees, property maintenance costs, property clean-up costs, meeting advertising costs, legal costs, and other costs as may be necessary for operations of the rehabilitation program. See Exhibit 1 for additional detail on Subrecipient’s Activity.

3. General Administration: Use of Grant Funds

The budget in Section 4 will be used for delivery support of the RDA housing rehabilitation program.

B. National Objectives

All activities funded with CDGB funds must meet one of the CDBG program’s national objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208 (“National Objectives”).

The Subrecipient certifies that the activity(ies) carried out under this Agreement will meet the benefit of low- and moderate- income persons by low- and moderate- income **housing activities (LMH)** as stated in 24 CFR

570.208(a)(3). The Subrecipient certifies that the activity(ies) carried out under this Agreement will meet the eligible activity requirements of **Housing Activities - 14H - Rehabilitation Administration** as stated in 24 CFR 570.202(a)(1). Grantee may change the matrix code, national objective, and/or accomplishment type, if necessary or advisable, to comply with applicable HUD guidance or regulation.

C. Levels of Accomplishment – Goals and Performance Measures

The performance measurement used to measure Activity success will be the number of housing units assisted with the Grant funds. **Accomplishment Type: 10 Housing Units.** Subrecipient’s goal is to assist at least one (1) housing unit.

D. Staffing

Any changes in the key personnel assigned to the Activity or their general responsibilities under this project are subject to the prior approval of the Grantee.

E. Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If commercially reasonable action to correct such substandard performance is not taken by the Subrecipient within seven (7) days after being notified by the Grantee, Agreement suspension and/or termination procedures may be initiated by Grantee, in its sole discretion.

SECTION 2. PROJECT DESCRIPTION

Type of Project: Housing

Project Location: 10 East Church Street, Bethlehem, PA 18018 (RDA office address)

Service Area: City Wide

Matrix Code: 14 H - Rehabilitation Administration

Eligibility Citation: 24 CFR 570.202(a)(1)

Amount Funded/Grant: \$35,000

SECTION 3. TIME OF PERFORMANCE (TERM)

Services of the Subrecipient shall **start on January 1, 2022 and end on December 31, 2022** (the “Term”). The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.

SECTION 4. BUDGET

| Expense | CDBG Award | Agency Match | Total |
|------------------------|------------------|--------------|-----------|
| Program Delivery Costs | \$ 35,000 | \$ 0 | \$ 35,000 |
| Project Totals | \$ 35,000 | \$ 0 | \$ 35,000 |

The Grant funds may be used to pay for program delivery for staff that administer the applicable housing rehabilitation program as well as payment for any third party contractors.

Any indirect costs charged must be consistent with the conditions of Section 8, Paragraph (C)(2) of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient.

SECTION 5. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed the Grant amount stated in Section 1. Drawdowns for the payment of eligible expenses shall be made against the line-item budgets specified in Section 4 herein and in accordance with applicable performance measures. Expenses for general administration shall also be paid against the line-item budget specified in Section 4 and in accordance with applicable performance measures.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 CFR Part 200.302.

SECTION 6. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this Agreement shall be directed to the following representatives:

City of Bethlehem

Laura Collins
City of Bethlehem
10 East Church Street
Bethlehem, PA 18018
(610) 997-7630
lcollins@bethlehem-pa.gov

w/cc to: City of Bethlehem Legal Bureau

Subrecipient

Tracy Oscavich
Redevelopment Authority of the City of Bethlehem
10 East Church Street
Bethlehem, PA 18018
(610) 865-7055
toscavich@gmail.com

w/cc to: Alicia Miller Karner, Executive Director
AKarner@bethlehem-pa.gov

SECTION 7. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the Grantee's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the Grantee's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies, including, but not limited to those governing the funds provided under this Agreement. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of any and all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that result from or in any way arise out of the Subrecipient's performance or nonperformance of the services or the subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of work and/or activities of this Agreement, and shall maintain such insurance in effect for the duration of this Agreement. Subrecipient shall submit to the Grantee a certificate of insurance evidencing the existence of an in force Workers' Compensation insurance policy as proof of compliance with this requirement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR Part 200.304, Bonds, and 2 CFR Part 200.310 Insurance Coverage, and shall supply copies of the fidelity bond and certificate(s) of insurance to the Grantee in accordance with the notice requirements herein.

F. Grantee Recognition

The Subrecipient shall insure recognition of the role of the Grantee in providing funding through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Parties may mutually amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement if such amendments are found to be void and/or voidable.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination

1. Grantee may terminate this Agreement with Subrecipient based on Subrecipient's default on any of the following grounds:
 - a. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
 - b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
 - c. Ineffective or improper use of funds provided under this Agreement; or
 - d. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.
2. In accordance with 2 CFR Part 200.338–342, this Agreement may also be terminated for convenience by either the Grantee or the Subrecipient, in whole or in part, by setting forth the reasons for such termination,

the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the Grant will not accomplish the purpose for which the Grant was made, the Grantee may terminate the Grant in its entirety. Furthermore, if Subrecipient terminates this Agreement, any and all funding received as of the date of termination shall be repaid within thirty (30) days of the date of termination, and shall thereafter be subject to interest at the maximum rate allowed by law.

SECTION 8. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 2 CFR Part 200.49–50 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with 2 CFR Part 200 Subpart E, Cost Principles. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, 2 CFR Part 200.333–337, Pennsylvania Right-to-Know Law, and the Pennsylvania Open Public Records Act, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, 2 CFR Part 200.333–337, Pennsylvania Right-to-Know Law, and the Pennsylvania Open Public Records Act; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of seven (7) years. The retention period begins on the date of the submission of the Grantee’s annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the seven-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the seven-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by state and federal law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

6. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with 2 CFR Part 200 Subpart F.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report quarterly all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the Term for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the Grantee at the end of the Term. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantee.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts.

In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with the requirements of 2 CFR Part 200, 317-326 concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of 2 CFR Part 200.107.

3. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 CFR Part 200.443 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

SECTION 9. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR

570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

SECTION 10. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with all City of Bethlehem and State of Pennsylvania civil rights laws, including without limitation the LAD, and with Federal Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and

women’s business enterprise” means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, “minority group members” are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein. Subrecipient acknowledges that its documents may become subject to the Freedom of Information Act, the Common Law Right to Access, Pennsylvania Right-to-Know Law, and/or the Open Public Records Act, except to the extent legally excluded, and consents to same by acceptance of this grant.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker’s representative of the Subrecipient’s commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local

law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. “Section 3” Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee, the Subrecipient and any of the Subrecipient’s subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient’s subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:

“The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the applicable laws upon a finding that the subcontractor is in violation of regulations issued

by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with 2 CFR Part 200, 317-326. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 2 CFR Part 200.112 and 570.611, which include (but are not limited to) the following:

- a. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted

activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; and
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:
- d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

SECTION 11. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

SECTION 12. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

SECTION 13. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

SECTION 14. WAIVER

The Grantee's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

SECTION 15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Grantee and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Subrecipient with respect to this Agreement.

SECTION 16. JURISDICTION

This Agreement shall be enforced by, governed by, and interpreted under the laws of the State of Pennsylvania, and/or the District Court for the Eastern District of Pennsylvania, as applicable, without concern for the rules governing conflict of law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF BETHLEHEM

REDEVELOPMENT AUTHORITY OF
THE CITY OF BETHLEHEM

By _____
J. William Reynolds, Mayor

By _____
Tracy Oscavich, Board Chairperson

Date: _____

Date: _____

Attest:

Witness/Attest:

By _____
George Yasso, Controller

By _____
Name & Title: _____

Date: _____

Date: _____

The within Agreement is certified to be needed,
Necessary, and appropriate.

By _____
City of Bethlehem Department Head
Laura Collins, Director, DCED

(For City Use Only)

I hereby certify that the foregoing Agreement is founded on Appropriation Item # _____
amounting to \$_____, that the estimated amount of expenditures under this
Agreement are within the amount of said Appropriation and are charged against said Appropriation Item.

Eric R. Evans, Business Administrator

EXHIBIT 1

SCOPE OF ACTIVITY

SUBRECIPIENT: (15) REDEVELOPMENT AUTHORITY OF THE CITY OF BETHLEHEM

ACTIVITY: Bethlehem Redevelopment Authority (“RDA”) Housing Rehabilitation Program

FUNDING: CDBG

SUMMARY: The RDA serves a critical role in assisting the City with reducing and eliminating blight through its rehabilitation program. The need to reduce and eliminate blight is consistent with the City’s Consolidated Plan as well as in direct support of the Blight Remediation Study of 2018, to which the RDA was a partner. The Grant will provide the RDA with reimbursement to costs incurred as part of the blight remediation process, allowing for its continual operations. The population served through funds for blight remediation is the population of the City, with an emphasis on low- and moderate-income persons, as well as persons having special needs. Although blight is of concern for the entire City, the prevalence of it in the more stressed, and bordering stressed, markets of the City is apparent from the market value analysis (MVA) conducted as part of the Blight Remediation Study of 2018. Such stressed and/or border stressed areas are most often located within the identified low / moderate income census tracts of the City.

A. SCOPE OF SERVICES: In connection with the Activity, Subrecipient will perform and/or obtain services, including without limitation, the following:

- Conduct any necessary Blighted Property Review Committee (“BPRC”) legal and other advertising.
- Obtain reports and services in connection with the housing rehabilitation blight remediation program and individual properties, such as, including without limitation:
 - appraisals reports
 - engineering reports
 - survey
 - title searches
 - secure property maintenance and clean-up services
 - contract for transaction and related legal services

B. GOALS AND OBJECTIVES

The objective met with this activity is addressing vacant and blighted properties. Through a blight certification process involving both the City of Bethlehem Planning Commission and Blighted Property Review Committee (BPRC), the City of Bethlehem Redevelopment Authority (“RDA”) is continually active with addressing blight certified properties. Although initial attempts made to seek voluntary compliance, there are times when property acquisition through negotiations or eminent domain condemnation becomes necessary. The initial goal of the RDA, with support from the City, continues to be to have the property rehabilitated and returned to a code compliant property. However, some structures are technically or economically infeasible to rehabilitate, resulting in demolition being the option chosen to remediate the blight. While certification of new properties and resolution of existing certified properties is a barometer of tracking the program progress, blight remediation is a continual process with economic and other issues continually impacting our community, as evident by continuing to identify potential new blighted properties within the City.

The performance measurement used to measure Activity success will be Accomplishment Type: 10 Housing Units. Subrecipient’s goal is to assist at least one (1) housing unit.

C. TIMELINE

The certification of new properties as vacant and blighted while resolving existing certified properties is a continual process. Some properties are able to be addressed and require little time resulting in relatively quick completion. However, other blight remediation projects can be quite time-consuming and challenging, resulting in extended periods of time for resolution. A program such as blight remediation is a continual process which cannot have a definitive start or end date, but rather has timelines driven by the individual properties and the challenges associated with each project.

ATTACHMENT A

**REQUEST FOR PAYMENTS
REQUIRED SUPPORTING DOCUMENTATION**
(revised 2022)

1. Requests for reimbursement of CDBG eligible costs incurred may be submitted to the City on a monthly basis following the full execution of your organization’s CDBG subrecipient agreement with the City (referred to as the “Agreement”). Only listed items on the approved budget in the executed Subrecipient Agreement will be considered for reimbursement. If a change in original line items in the budget, a budget modification request must be sent to the City of Bethlehem Department of Community and Economic Development (“DCED”). The Subrecipient must complete an invoice detailing payment requests, and an official City of Bethlehem voucher and submit these documents with appropriate back-up documentation to prevent payment delays.
2. Requests for payment of personnel expenses if eligible under the Agreement, must include at least one (1) of the following as back-up documentation for all employees or other staff for which the Subrecipient is requesting reimbursement:
 - a. Copy of payroll register
 - b. Copies of pay checks

NOTES:

- a. Personnel Expenses. For any Subrecipient personnel expenses eligible to be reimbursed with City CDBG funding under the Agreement, a job description with corresponding staff member name should have been submitted within Subrecipient’s original CDBG funding application and should be on file with DCED. A revised job description must be submitted to DCED if the job description for the applicable position changed following the submission date of the application or if the original staff member identified in the application no longer occupies the position at the time the draw request is submitted. **If personnel expenses are not 100% paid for by CDBG funds under this Agreement, copies of allocations showing a split of funding between CDBG and other funding sources must be submitted with the draw request.**
 - b. If the CDBG Agreement permits City CDBG funding to be used for the payment of Subrecipient consultant expenses, the Subrecipient must submit an executed contract between the Subrecipient and the consultant prior to the first payment request. Copies of an allocation breakdown showing allocation of consultant work paid by CDBG funds and other funding must also be submitted as back-up documentation for reimbursement of any consultant expenses.
3. Requests for reimbursement for Subrecipient’s previously-paid invoices must include a copy of the invoice AND a copy of the check showing the invoice has been paid by the Subrecipient. If Subrecipient paid an invoice electronically, the Subrecipient may submit a copy of a bank statement reflecting the electronic payment, clearly indicating the amount of CDBG funds applied to that expense on the invoice.
 4. The first payment request will be processed only after a subrecipient agreement between the City of Bethlehem and the Subrecipient is in place.
 5. Subrecipient Quarterly Reports must be current and on file with DCED in order to receive reimbursement payments. Such reports must be submitted by the Subrecipient through the Neighborly portal.
 6. All Subrecipient reimbursement requests will be reviewed by City staff for accuracy, completeness, and compliance with CDBG and other applicable guidelines. The City may request additional documents and/or information as a condition for payment of any draw request. The attached Agreement contains additional payment provisions. The City may enact additional payment policies from time-to-time.

ATTACHMENT B
RECORDS TO BE MAINTAINED – CERTIFICATION FORM

Each Subrecipient shall establish and maintain sufficient records to enable the City to determine whether the Subrecipient has met all requirements of the U.S. Department of Housing and Urban Development. The City retains the right to specify the form or format in which records shall be maintained. At a minimum, the following documentation is needed:

1. Records providing a full description of each activity assisted with CDBG funds;
2. Records establishing the location of the activity with CDBG funds, if applicable;
3. Records providing the amount of CDBG funds, budgeted, obligated and expended for the activity and;
4. Records required to determine eligibility of the approved activity pursuant to 24 CFR 570.201, Pennsylvania Right-to-Know Law, and Pennsylvania Open Public Records Act.
5. For each activity determined to benefit low- and moderate- income persons, the income limits applied and the point in time when the benefit was determined.
6. For an activity determined to benefit low- and moderate- income persons because the activity involves a facility or service designed for use by a clientele consisting exclusively or predominantly of low- and moderate- income persons, the following:
 - Documentation establishing that the facility or service is designed for and used by senior citizens, handicapped persons, battered spouses, abused children, the homeless or illiterate persons, for which the regulations provided presumptive benefit to low- and moderate- income persons; or
 - Documentation describing how the nature and, if applicable, the location of the facility or service establishes that is used predominantly by low- and moderate- income persons; or
 - Data showing the size and the annual income of the family of each person receiving the benefit.
 - Other records requested by the City to document compliance with new or modified requirements set forth in applicable laws and regulations.