MINUTES . . . REGULAR MEETING . . . AUGUST 10, 2026

The members of the Bethlehem Housing Authority met in a regular session on August 10, at 4:00 P.M. (IN PERSON MEETING). Those present and absent were as follows

PRESENT	**ABSENT**
Mr. John Marc Rittle, Chairperson	
Mr. Rogelio Ortiz, Vice Chairperson	
Mrs. Lindsey Clifton	
Mrs. Iris Linares	
Mrs. Rachel Leon	

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.

Chairperson Rittle presented the Minutes of the Regular Meeting of July 13, 2026, were presented and approve. Mrs. Linares made a motion to accept the minutes of July 13, 2026. Mr. Ortiz seconded the motion.

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

Chairperson Rittle presented the Treasurer's report for July 2026.

Mrs. Clifton made a motion to approve the treasurer's report for July 2026.
Mrs. Linares seconded the motion.

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

Chairperson Rittle presented the financial report and Section 8 Utilization report.

Mr. Snyder presented the Income and Expense Report for the first three months. He reported that income was approximately $104,000 over budget, primarily due to the timing of subsidy drawdowns. Under HUD regulations, rental income must be spent before subsidy funds can be drawn down. Therefore, rental income is currently being deferred. He explained that as the Authority begins to incur additional expenses later in the year, particularly in November and December when larger expenses such as fire insurance are paid, additional subsidy funds will be drawn down. He stated that this should balance the current variance. On the expense side, the budgeted loss at this point in the year was approximately $748,000, compared to an actual loss of approximately $263,000. He stated that the primary reasons for the favorable variance were lower-than-budgeted utility and maintenance expenses. He noted that maintenance expenses are expected to increase as the year progresses. Mr. Snyder reported that cash and investments decreased by approximately $267,000 from the previous month, primarily due to bills paid through the month of June.

Regarding Section 8's utilization through August, Mr. Snyder reported that the Authority had leased 390 units and was at 76.54% utilization year-to-date, with an average amount of approximately $968. He noted that 393 units had been leased the previous month, with a few participants having dropped from the program.

Mr. Clifton asked how many open vouchers were currently outstanding. Mr. Snyder stated that he believed there were approximately eleven. Mr. Rittle asked for the current number of applicants on the waiting list. Mr. Snyder stated that he did not have that information available at that time.

Mrs. Clifton made a motion to approve the financial and Section 8 report.
Mrs. Leon seconded the motion.

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

Under Courtesy of the Floor, Agenda Items Only - Nothing reported.

Under Old Business, nothing reported.

Under the Chairperson's Report, Mr. Rittle reported that he did not have a report for the month, other than to acknowledge receipt of everyone's evaluations of Mr. John Ritter and to thank the Board members for completing them.

Due primarily to vacation schedules and the time constraints during the month of August, the Chairman stated that the evaluation process would be moved forward. He will meet with Mr. Ritter within the next 30 days and report back to the Board at the next meeting.

Under the Executive Director's report, Mr. Ritter reported that a REAC inspection of the Marvine Development is scheduled for September 3. Marvine is the Authority's largest development, consisting of approximately 400 units. Staff are preparing for the inspection and will be reviewing the property for deficiencies in advance.

Mr. Ritter also reported that the Authority is currently hiring for a Superintendent and a Maintenance position for CSS.

The BHA Annual carnival is scheduled for Saturday, August 15, from 12:00 p.m. to 3:00 p.m. at the Northeast Community Center. Mr. Ritter noted that this will be Robbie's last year with BHA and encouraged Board members to attend. The Drug and Criminal (D&C) meeting is scheduled for August 12 at 9:00 a.m. The Dutko Park dedication and grand opening, in partnership with the City of Bethlehem, is scheduled for August 19.

Mr. Rittle asked whether the upcoming Marvine REAC inspection was related to the Choice Neighborhood work. Mr. Ritter clarified that it was a REAC inspection of the Marvine Development and noted that, due to the size and age of the property, the inspection would be lengthy and require significant preparation. Staff will review the property prior to the inspection and address deficiencies as needed.

Mr. Rittle asked whether there were any significant issues at Marvine similar to those encountered during previous inspections, such as fire alarms or the sinkhole. Mr. Ritter stated that the sinkhole situation was unique.

Ms. Linares asked whether residents were aware that the development may eventually be demolished. Mr. Ritter confirmed that residents are aware but stated that the timeline is not yet known.

Mrs. Clifton requested an update regarding the Choice Neighborhood initiative. She noted that, due to limited federal funding for Choice Neighborhood Implementation grants, the decision had been made not to apply for funding at this time. She also referenced discussions with Gorman regarding potential private financing and requested that the Board receive regular updates.

Mr. Ritter stated that the matter remains under discussion and that RAD conversion is also being considered. He indicated that additional information would be provided to the Board once there is a more definitive plan. Ms. Rivera explained that, due to funding limitations, the Authority will not be proceeding with the Choice Neighborhood grant at this time. However, BHA remains interested in working with Gorman as the developer for the redevelopment of Pembroke. The Authority is exploring alternative funding sources, including potential private financing and tax credits. A possible RAD conversion is also being considered. She stated that BHA expects to meet with Gorman again in September to discuss the next steps. She noted that the redevelopment will likely take longer than the two- to three-year timeframe originally anticipated and will depend on available funding.

Ms. Satullo provided additional information regarding the Choice Neighborhood funding opportunity. She explained that changes to federal requirements and scoring criteria affected the application process. Gorman determined that it could not certify and sign certain required documents, and without a housing partner, the application was not viable. There have been leadership changes in Gorman. She stated that Ron Cluer, who had previously been working with the group, is no longer with Gorman. However, Gorman's President and CEO, Brian Swanton, has continued discussions with the group and reaffirmed Gorman's commitment to the project. A site and project visit to the Lehigh Valley also took place in early May.

Ms. Satullo stated that Gorman was expected to develop a potential first-phase project that could move forward without Choice Neighborhood funding while the future of the Choice program and its funding is determined. The group is awaiting additional information from Gorman regarding a proposed plan.

Mr. Clifton requested that the Choice Neighborhood project remain on the Board's agenda for ongoing monthly updates. Mr. Rittle stated that the matter would be added to Old Business and remain on the agenda each month.

Mr. Rittle also asked about services related to the Choice Neighborhood plan, including the Neighborhood Partner Program (NPP), and whether services would continue for residents of the Pembroke neighborhood while redevelopment plans are being determined.

Ms. Satullo stated that the State had not yet provided a decision regarding the NPP applications. If approved, the program would include funding for a Workforce Stability Coordinator to support ongoing programming in the neighborhood. She offered to provide the Board with additional information regarding the proposed budget and program commitments.

Mr. Rittle noted the importance of the Board understanding that the project involves not only physical redevelopment but also services to support residents and that funding has been raised for the overall project.

Ms. Linares asked for an update on the First Tee project. Mr. Rittle stated that the project is currently stalled right now. Mr. Clifton noted that the project had previously been incorporated into the Choice Neighborhood plan. Mr. Ritter confirmed this and stated that Mr. Kichline and Mr. Speshok were considering several ideas, but no decisions had been made.

Ms. Linares asked whether the project would continue under the same plans. Mr. Ritter stated that it was not yet known and that the plans were still being evaluated. Mr. Rittle asked what the original plan under Choice Neighborhood had been. Mr. Ritter explained that the initial plan involved office space and later included a low-rise building. Mr. Matz noted that the project had also been reviewed with Gorman.

Under Deputy Executive Director report, nothing reported.

Under Committee Reports, Mr. Ortiz reported that they are entering into the final week of summer camp at Lynfield. He thanked Grace Church for donating 250 bags of groceries and non-perishable items to distribute to residents in our community. They also continue to receive food donations from Redner's every Thursday. The food they receive is distributed to the Boys & Girls Club and Monocacy Tower to support our seniors.

They recently had an individual doing community service hours at their community center. He has a company called International Driving School and he offered to provide free driving lessons to high school students in the community who are working toward obtaining their driver's licenses before completing high school.

They are also preparing for their Fall Baseball. Following next weekend, there will be a three-week break, with activities resuming the first weekend of November. On Saturday, August 8, they distributed more than 100 backpacks filled with school supplies. Despite the rain, the event was very successful. Lastly, the Food Bank continues to grow each week. They have a lot of resources available, and their staff remain very busy and active in providing services and support to the community.

Mr. Ritter recognized Ms. Flores for coordinating a donation drive following the sinkhole incident at Pembroke. He thanked the Resident Services staff and Bethlehem Housing Authority employees for their generous donations of clothing, furniture, and household items to assist displaced residents who were unable to retrieve their belongings from their homes. The Board expressed its appreciation for the collaborative effort to support the affected families.

<u>UNDER RESOLUTIONS</u> - <u>APPROVING OF THE EMPLOYEE HEALTH INSURANCE RENEWAL FOR THE PERIOD OF OCTOBER 1, 2026 THRU SEPTEMBER 30, 2027.</u>

Mrs. Clifton made a motion to approve the Employee Health Insurance Renewal for the period of October 1, 2026 - September 30, 2027. Mr. Ortiz seconded the motion.

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

<u>APPROVING OF THE CONDITIONAL AWARD OF 25 PROJECT- BASED VOUCHERS, GATEWAY 4TH PROJECT AT 1400 AND 1414 E. 4TH STREET, BETHLEHEM, PA.</u>

The Board discussed the conditional award of 25 Project-Based Vouchers to Gateway 4th Project, located at 1400 and 1414 E. 4th Street, Bethlehem, Pennsylvania, also known as the Eastern Gateway Project. The project is expected to provide new mixed-income housing and is considered a significant development for the City of Bethlehem. It was noted that this is the first Project-Based Voucher application received by the Bethlehem Housing Authority in a considerable period. Mr. Rittle asked whether there were any other applicants. Mr. Snyder stated that Gateway was the only applicant. Mr. Snyder explained that the application was reviewed by the Housing Authority in consultation with Mr. Ritter and Anne from Urban Ventures, who was retained to assist with the review process. He stated that the application was extensive and well prepared, but that several areas required clarification or negotiation.

One concern involved the proposed Project-Based Voucher payment standard of 110 percent of Fair Market Rent. Mr. Snyder explained that the Housing Authority is currently operating at 100 percent of Fair Market Rent and, therefore, could not commit to a 110 percent payment standard without further negotiation. Parking was also identified as a concern. The first phase of the project is expected to include approximately 60 tenant parking spaces, while also providing an on-site clinic. Mr. Snyder noted that additional consideration may be necessary to address parking requirements and that coordination with the City may help resolve the issue.

Mr. Snyder further discussed the project's financial projections. Based on his review, the project appeared capable of operating at 100 percent of Fair Market Rent and maintaining a profit for at least the first 20 years. The financial projections showed a smaller profit in the later years of the 40-year plan. The Board discussed the potential impact of future Fair Market Rent increases and HUD funding availability. He explained that the Housing Authority would need to consider the successful layering of project financing. HUD and/or the Commonwealth would review the project's funding sources to determine whether other loans or federal funds could affect the amount of subsidy provided through the Project-Based Vouchers. The goal would be to minimize the Housing Authority's subsidy obligation while preserving sufficient funding to continue leasing its regular units.

The Board also discussed the availability of HUD funding. Mr. Snyder explained that the Housing Authority had moved to 100 percent of Fair Market Rent because HUD had indicated that funding for shortfalls was not available. Although funding is currently available, there is a possibility that HUD funding could be reduced in the future. In that event, another housing authority may potentially be asked to assume the obligation if it has sufficient funding available. Mr. Snyder noted that HUD does not provide the funding in advance and that the Housing Authority would initially be required to make the payments from available funds.

Mrs. Clifton raised a question concerning the ownership and operation of Gateway Phase 1, LLC. She explained that Pennrose is developing the project and disclosed that the church she serves has a separate letter of intent with Pennrose for ongoing planning work unrelated to the project under consideration. Mrs. Clifton questioned whether this relationship could create an appearance of a conflict of interest and whether She should abstain from voting.

Mr. Matz advised that the commissioners should make the appropriate disclosure if they believe there may be a conflict or appearance of a conflict and suggested that the matter be considered carefully.

Mrs. Satullo explained that the property would be owned by a subsidiary established specifically for the transaction and that Pennrose Management would manage the property. Mr. Rittle noted that he had previously abstained from a portion of a budgetary vote involving Project-Based Vouchers because his organization might have applied. He clarified that New Bethany did not apply for this project and is not competing for the vouchers.

The Board continued its discussion regarding the parking requirements and the conditions included in the proposed award. Mr. Snyder stated that the Housing Authority had not yet received a response from the developer regarding the proposed conditions and anticipated that further negotiations would occur with Pennrose and the City.

Mrs. Satullo noted that, from the City's land development perspective, the project had received approval and that street parking would be available for the clinic in addition to the parking spaces located on the property.

Mrs. Clifton asked whether the proposed action constituted preliminary approval to develop a full agreement or whether it represented the final award. Mr. Matz explained that the resolution was intended to serve as a letter of intent based on the stated conditions. If the conditions are satisfied during the Housing Authority's review process, the matter could be returned to the Board for further review, if necessary.

The Board discussed whether the parking requirements were imposed by HUD or the Housing Authority. Mr. Snyder stated that he was not aware of any specific HUD or Housing Authority requirement and explained that parking concerns were raised during the Housing Authority's review. Mr. Matz stated that parking requirements are typically determined by the municipality.

Mr. Rittle stated that documentation supporting the City's determination regarding parking should satisfy the Housing Authority's concern. Mr. Snyder agreed.

Mrs. Clifton noted that the first phase of the development would not consist exclusively of Project-Based Voucher units. Mr. Snyder confirmed that the proposed conditions had been communicated to Pennrose. He stated that an email was sent to the City and Pennrose on July 31, and that the Housing Authority was awaiting a response.

Ms. Kelly, representing Pennrose on the developer's side, confirmed receipt of the Housing Authority's letter and stated that a follow-up communication had been sent regarding the payment standard of 100 percent and the parking conditions. She indicated that further discussion would take place and that the issues could likely be resolved promptly.

Mr. Rittle asked whether the resolution should include additional language regarding the 100 percent versus 110 percent payment standard. Mr. Matz explained that the proposed resolution would authorize the Housing Authority to proceed based on the stated conditions, while negotiations regarding the payment standard continued. He further explained that the Board could determine the extent to which final decision-making authority would return to the Board.

Mr. Rittle stated that the Housing Authority was authorized to negotiate the outstanding issues and requested that the matter be brought back to the Board before the project was denied or negotiations became unsuccessful.

Mrs. Leon made a motion to approve the conditional award of 25 Project-Based Vouchers - Gateway 4th Project. Mr. Ortiz seconded the motion.

Roll Call: Ayes – Rittle/Ortiz/Leon/Linares; Nays - Clifton

Under New Business, Nothing reported.

Under Miscellaneous Reports and Other Reports from Board Members, Solicitor and Staff, and Public Comments, Mrs. Leon discussed the process used by City Council regarding potential conflicts of interest and recusals. She noted that when a matter may present a potential conflict, a member may complete a disclosure form explaining the reason for the refusal or recusal. Mrs. Leon stated that, although recusal is generally associated with a personal or financial interest, having a similar process in place could be beneficial for the Authority in future situations.

Mrs. Leon suggested that the Authority consider establishing a form or procedure that would allow a Board member to document the reason for declining to participate in a matter and, when appropriate, consult with the Solicitor regarding whether recusal is necessary. She stated that such documentation would provide clarity and create a record of the members' decision.

Mrs. Clifton asked whether Mrs. Leon was referring to a form that would be completed by the Board members. Mrs. Leon confirmed that it was a form used to document the reason for the refusal or recusal and stated that having the matter documented is helpful for the record. Mr. Rittle stated that he was not recommending recusal in the current matter because it did not involve financial interest. He thanked Mrs. Leon for the suggestion and indicated that the process could be considered for similar situations in the future.

Mrs. Clifton advised the Board that she would be out of the country during the September Board meeting. She recommended that the Board be mindful of the number of members in attendance and monitor quorum requirements for the meeting.

Under Public Comments, Ms. Krisann L. Durst-Lustig, a resident of Litzenberger House on 4th Street, addressed the Board regarding concerns raised by residents of the building. She clarified that she was not speaking as an official resident council representative, but as a spokesperson for the residents. She stated that Litzenberger House has 101 apartments and that 85 residents signed a petition expressing their concerns. Ms. Durst-Lustig stated that the residents submitted the petition to the City of Bethlehem through City Council and requested that the Bethlehem Housing Authority support the residents and serve as a voice in addressing their concerns. She noted that the Resident Council President was present in support of the residents. The residents received a positive response following the presentation of the petition to City Council. And that members of the **City Council, Public Safety Committee, Bethlehem Police Department, and Bethlehem Fire Department were present at the meeting. She noted that the Deputy Police Chief and Fire Chief were also present and that the Fire Chief reviewed the residents' concerns.**

Ms. Durst-Lustig stated that the City Council referred the matter to Mr. Ritter for further attention by the Bethlehem Housing Authority. She also acknowledged the increased presence of the Bethlehem Police Department in the area. She stated that residents have experienced concerns regarding public safety and that the increased visibility of police officers has helped provide residents with a greater sense of safety. She noted that the Police Department has experienced staffing challenges, including recent retirements, but expressed appreciation for the officers who have increased their presence in the area and monitored activity around the Greenway. Additionally, the residents appreciate the efforts of the Bethlehem Police and Fire Departments and reiterated that the petition, which received 85 signatures, reflects the residents' desire for continued attention to public safety in and around Litzenberger House.

Mrs. Leon offered to assist the residents in her official capacity, subject to the approval of the Board and Executive Director. She stated that she would be willing to arrange a meeting with the residents at Litzenberger House and invite a Bethlehem Police Department Community Resource Officer to attend. The purpose of the meeting would be to discuss the history of public safety concerns and incidents involving the Greenway, provide information regarding police patrols. She also stated that having discussions with the community following public safety incidents can help maintain and strengthen communication and trust between residents and law enforcement. Mrs. Leon stated that she would discuss the matter with the residents following the Board meeting.

Mr. Rittle thanked Ms. Krisann Drust-Lustig for her advocacy on behalf of the residents and stated that he was very impressed with the effort she described. He noted that this was the first time he had heard about the residents' petition, as he does not attend every City Council meeting. He expressed his appreciation to Ms. Drust-Lustig and asked she extend his appreciation to all the residents who participated, noting that the effort represented the broader resident community and not only the 85 residents who signed the petition. He commended her efforts on behalf of the residents. Additionally, from his perspective as a representative of New Bethany, he would discuss the residents' concerns with his team. He noted that New Bethany currently monitors activity in the Greenway area He stated that he would make his team aware of the concerns raised by the residents.

Mrs. Linares asked whether the proposed Gateway project could help address some of the concerns in the area. Mr. Rittle agreed that the project could have an impact, noting that the new development is planned in the same general area. He stated that the project will include a new resource office as well as additional housing.

Chairperson Rittle noted that the next regular board meeting will be held on Monday, September 14, 2026 at 4:00 P.M., in the community room at Monocacy Tower. There being no further business to transact, Chairperson Rittle declared the meeting adjourned.

John Ritter
Executive Director