

City of Reading PRO Housing Application Draft
October 12, 2023

Exhibit A Executive Summary

In the City of Reading, the greatest barriers to affordable housing are lack of housing inventory, deteriorated housing quality, lack of qualified, licensed contractors with the capacity to work with the city on publicly-funded construction projects, and lack of resources to adequately address the demand for affordable housing. In addition, about 250 properties are on the city's blight list; many of these could be transformed into housing if these barriers were addressed.

Through this project, the City of Reading will:

- Acquire and rehabilitate 38 properties on the city's blight list to create new units of affordable housing for renters and homeowners, including five that are visitable (one zero step entrance, one accessible bathroom on the first floor, and doors with 32 inches of passage space) and two that meet ADA standards for people with disabilities.
- Provide capacity building training to 15 contractors based in the City of Reading to prepare them to work with the city on publicly-funded construction projects.

The infrastructure developed through this project will be repeatedly used as new blight resources become available from state and federal sources. Without this infrastructure, particularly qualified contractors, the city will not be able to effectively address its expansive blight and affordable housing needs.

Exhibit B Threshold Requirements and Other Submission Requirements

Resolution of Civil Rights Matters

The City of Reading does not have any of the charges, cause determinations, lawsuits, or letters of findings referenced in subparagraphs 1 through 5 of section III, D, 1, a of the NOFO.

Eligible Applicant

The City of Reading is an eligible applicant under section III, A of the NOFO (02 city or township governments).

Statutory and Regulatory Requirements

The City of Reading meets all of the requirements described in section III, E of the NOFO. The city has the necessary processes and systems in place to comply with the Award Term in Appendix A of 24 CFR part 170. All activities will be in compliance with applicable fair housing, nondiscrimination, labor standards, and environmental review requirements.

Program-Specific Requirements

This project will meet the CDBG national objectives of benefitting low- and moderate-income persons and removing slums or blight. Each proposed activity is eligible pursuant to section 105(a) of the Housing and Community Development Act of 1974 and applicable program regulations at 24 CFR part 570, as applied and modified by the NOFO. Activities will remove barriers to affordable housing by facilitating affordable housing production. The project will not include any ineligible activities listed in the NOFO.

Advancing Racial Equity

The City of Reading is a richly diverse city. Less than 1% are Asian, 11.4% of residents are Black or African American, <1% are Native Hawaiian or other Pacific Islander, 1.5% are Native American, 30% are White, 37.6% are some other race, and 18.6% are two or more races. In addition, 66.5% of residents are Hispanic or Latino. The median household income in Reading is \$38,738; the median income is higher for Black or African American households (\$47,141) but lower for all other races and for people who are Hispanic or Latino. More than 80% of the city's blighted properties are in R/ECAPs. In these 13 census tracts, there is generally a higher percentage of people of color and Hispanic or Latino residents.

Based on the city's population, Hispanic or Latino residents, who may be of any race, are most likely to benefit from the project. The greatest barrier to their participation in this program is language; nearly 25% of Reading residents speak English less than very well. In addition, the city's recently completed Equity Plan shows that people who are Hispanic or Latino are more likely to experience housing discrimination than other groups in the city. These barriers will be addressed by making all promotional materials and applications available in Spanish and English, ensuring that people of multiple races are represented on promotional materials, using the fair housing logo on all program materials, conducting outreach through organizations that primarily work with Hispanic or Latino residents, such as Centro Hispano, and providing one-on-one assistance to applicants in Spanish as needed. The city will track the race and ethnicity of all applicants to ensure it reflects the city's population. In addition, the city will track the race and ethnicity of all people who directly benefit from the affordable housing opportunities created through this program to ensure that people of color and Hispanic or Latino residents are participating in rates comparable to the population. People who live in the areas surrounding the properties that are rehabilitated or demolished will also benefit from this project. The city will also track the race and ethnicity of construction workers who participate in professional development opportunities to ensure participants reflect the demographics of the local workforce.

Affirmative Marketing

Services and affordable housing opportunities will be affirmatively marketed throughout the local area and nearby areas to demographic groups that are unlikely or least likely to apply without such efforts:

- 24.9% of Reading residents speak English less than very well and 48.5% of residents speak Spanish (ACS, 2021).
- Women are underrepresented in construction and extraction occupations in Reading (1.4%) when compared to the national average (3.3%) (ACS, 2021). In addition, while Black or African American workers represent 12.6% of the workforce, they represent only 7.1% of workers in this field (BLS, 2022).
- In Reading, Black or African American and Hispanic or Latino residents are less likely to be homeowners (31.1% and 35.4% respectively) than White residents (45.6%) (ACS, 2021).

The following actions will be taken to affirmatively market the opportunities available through this project to these groups:

- All promotional materials and applications will be available in English and Spanish with comparable content.
- Promotional materials will include photographs of people in these underrepresented groups.

- Outreach will be conducted through organizations that work with these groups including Centro Hispano, Berks Latino Workforce Development Corporation, Berks Latino Chamber of Commerce, Literacy Council of Reading-Berks, Women2Women, and Reading Branch NAACP, in addition to broad outreach through Reading's many nonprofit organizations, congregations, and small businesses.
- Information will be shared and distributed through the Reading Human Relations Commission.
- The fair housing logo and slogan will be used in all promotional materials, advertisements, notices, and signage.

The city will maintain a record of all affirmative marketing activities and will document the gender, race, ethnicity, and preferred language of all program applicants and participants.

Exhibit C Need

Efforts to Identify, Mitigate, or Remove Barriers to Affordable Housing Production and Preservation

The City of Reading has taken several actions to address barriers to affordable housing production and preservation. Working with multiple private developers, more than 400 units of housing are planned in the near future. While not all of these units will be affordable, ensuring there is enough “missing middle” market rate housing improves low-income households’ access to affordable housing.

The city has strategically used its CDBG and HOME funding to address barriers to affordable housing, preserve affordable housing opportunities, and to invest in underserved areas. In the past five years, funding has been used for homebuyer assistance, the construction of new affordable rental housing, housing rehabilitation, and emergency rent and utility payments, as well as to improve neighborhood parks and streetscaping.

The city recently engaged local residents, developers, construction firms, social service agencies, congregations, public housing, and other stakeholders in the process of creating an Equity Plan to satisfy the City’s requirement to Affirmatively Further Fair Housing (AFFH) under the Housing and Community Development Act of 1974. This plan identified programmatic priorities and policy changes that the city will pursue in the next five years. These include affordable housing production, establishing a land bank, building the capacity of local developers and supporting them through incentives, training, and technical assistance, creating an inventory of vacant industrial sites that can be repurposed into affordable housing, promoting first-time homebuyer opportunities that are affirmatively marketed to people of color and Hispanic or Latino residents, expanding fair housing enforcement and education for residents, housing and service providers, and rental property owners, updating zoning to incentivize affordable housing, updating the city’s adaptive reuse policy, making source of income a protected class under the city’s Human Relations ordinance, and encouraging women and non-binary residents to participate in the zoning hearing board, planning commission, and redevelopment authority which are currently 100% men.

Demand for Affordable Housing and Remaining Affordable Housing Needs

The City of Reading is not a priority geography according to HUD calculations; however, there is an acute need for more affordable housing. The City of Reading Downtown Strategic Master Plan noted that there is a need for 5,000 additional units of housing. Most homes were built before 1950, with many units needing extensive repairs, and the majority of the city is at a high risk for lead exposure. The city’s poverty rate is 29.4% and the median income is \$38,738 – just

55% of the median income for all Berks County households. More than 75% of residents are low- to moderate income with household income below 80% of the area median (AMI). About 54% of households have income below 50% AMI and 32.4% have income below 30% AMI. The market rent in Reading increased 51.6% from December 2019 to July 2023. Nearly 60% of households (more than 55,000 households) are unable to afford the median market rent of \$1260. More than half (51.3%) of all renters are cost burdened and 26.9% are extremely cost burdened. The number of people experiencing homelessness has increased 69% over the past 10 years. People who are Black or African American and Hispanic or Latino are disproportionately represented among people experiencing homelessness. Landlord/tenant cases in Berks County account for 5% of all cases across the state while Berks County only accounts for 3.5% of the state's population and the majority of Berks County eviction filings are for Reading renters (61.6%). In addition, the areas with the lowest percentage of people of color and Hispanic or Latino residents also had the lowest eviction filing rates in 2019. The median sales price increased from \$70,000 in 2019 to \$120,000 in 2022. People of color, with the exception of Asian residents, and Hispanic or Latino residents are less likely to be homeowners than White, non-Hispanic or Latino residents. The mortgage denial rates for people of color, Hispanic or Latino residents, and women are all higher than the city denial rate. (U.S. Census Bureau, American Community Survey 5-year estimates 2021; U.S. Department of Housing and Urban Development; U.S. Environmental Protection Agency; Administrative Office of PA Courts; Berks Coalition to End Homelessness; Zillow; BrightMLS)

Key Barriers to be Addressed

The greatest barriers to affordable housing production and preservation in Reading are lack of resources relative to need, deteriorating housing quality, insufficient capacity among local developers and construction firms, lack of housing inventory in a built-out city, and policies and procedures that need to be updated.

The city has insufficient resources to meet its increasing need for affordable housing. Following decades of population loss beginning in the 1950s, the city's population increased 16%, or by 12,960 people, from 2000 to 2021. The city's Downtown Strategic Master Plan noted that 5,000 additional units of housing are needed. In 2011, The New York Times reported that Reading had the highest poverty rate in the United States when compared to other cities with more than 65,000 residents. The city was financially distressed in PA Act 47 status from 2009 until 2022. Nearly three-quarters of Reading residents have income below 80% of the area median which limits the local tax base. Since the pandemic, housing prices have escalated in Reading. Zillow data shows that the average market rent increased 51.6% from December 31, 2019 to July 31, 2023. The median sales price in the City of Reading increased from \$70,000 in 2019 to \$120,000 in 2022 (BrightMLS).

There are 35,607 units of housing in Reading and 1,660 of these are vacant for a reason other than being for sale or a vacation home. More than half (50.4%) of housing in Reading was built before 1940 while only 26.7% of housing throughout the county is this old. The lead exposure risk is high in most areas of the city with the exception of census tract 27 which is at moderate lead exposure risk (U.S. Census Bureau, American Community Survey 5-year estimates 2021; WDSHO, Vox Media, & PolicyMap). There are more than 250 properties on the city's blight list and another 250 could likely be certified as blighted according to state standards. More than 4,000 residential properties in Reading, more than 11% of all residential properties, have had code violations. In recent years, real estate investors gained a net of 354 properties in Reading; nearly 42% of residential real estate transactions involved investors obtaining properties and 12.2% involved divestment of properties.

The City of Reading currently does not have a Certified Housing Development Organization (CHDO). Having such an organization in place would allocate HOME funding for affordable housing development and also build the local capacity to address affordable housing needs. There is only one CHDO in Berks County –Berks Housing Opportunities which is affiliated with the Berks County Housing Authority. Identifying a partner to become a CHDO is a goal in the City's Equity Plan.

The Reading Downtown Strategic Master Plan notes the need to provide training, capacity building, and access to funding opportunities to small and emerging housing developers. A recent study from Grove Impact stated that Black and Latino developers represent just 0.4% and 0.16% of developers, respectively. They estimate the economic impact of removing constraints on Black and Latino developers in Pennsylvania, which ranks 5th in the country, to be more than \$1 billion in revenue and 14,446 jobs. A March 2023 New York Times article about the difficulty Black and Latino developers have accessing capital provided a local example. Juan Zabala, a new developer from Dominican Republic that recently purchased a mixed-use building in Reading, was able to secure informal financing from the former property owner, who took out a loan to assist Mr. Zabala with purchasing the building. The PA Department of General Services' Supplier Search portal shows that there are only six registered small diverse business enterprises in Reading.

There is a similar lack of construction firm capacity in the City of Reading. The Berks County Workforce Development Board has identified construction as a priority industry. To develop a pipeline of workers, two nonprofit organizations - Berks Connections/Pretrial Services and Berks Latino Workforce Development Corporation - are starting or expanding building trades education programs. This project will complement those initiatives to create job opportunities while also addressing the city's blight and affordable housing challenges. The systems and infrastructure developed through this project will be used repeatedly in the future as additional resources become available to address blight.

The City of Reading is dense with more than 9,400 people per square mile. Some areas of the city have even higher density, with more than 12,000 people per square mile. The city is mostly built out, with the exception of its expansive park system and riverfront areas. However, there are many vacant and underutilized residential and commercial properties that could be rehabilitated and repurposed into affordable housing. However, the cost to acquire, rehabilitate, and/or demolish/rebuild is prohibitive.

The city's Equity Plan identified the following policy and procedure changes to be completed within the next five years to improve affordable housing production and preservation while also ensuring fair and equitable access to affordable housing opportunities:

1. Create an inclusionary zoning overlay to require or incentivize a percentage of units in any new development to be affordable.
2. Create a flexible zoning overlay to create mixed-income housing opportunities on vacant upper floors.
3. Educate the community about laws that protect the rights of people with disabilities to reside in a group home in all areas of the city.
4. Update the city's adaptive reuse policy to make it easier to convert buildings into residential uses.
5. Make source of income a protected class in the City of Reading by amending the Human Relations Ordinance.
6. Review and promote the city's tax abatement program (Re-TAP) to determine if the creation of affordable housing can be incentivized and to increase utilization.
7. Encourage women and non-binary residents to participate on the zoning hearing board, planning commission, and redevelopment authority.
8. Explore opportunities for joint planning and zoning with adjacent municipalities and advocate for the county planning commission to promote the creation of affordable housing in adjacent municipalities through their comprehensive planning initiative and other activities.
9. Develop a procedure for communication between code enforcement and the Human Relations Commission when there is a code violation and an eviction has been filed.
10. Improve enforcement of the Human Relations Ordinance and ensure rental property owners maintain housing habitability.
11. Provide an annual fair housing training for city staff that are responsible for property maintenance, building and trades staff, customer service center staff, and other relevant city staff.

Exhibit D Soundness of Approach

Vision

The city's vision is to create more units of affordable housing by rehabilitating 15% of its blighted housing stock and building the capacity of local contractors to complete high-quality renovations. This project will create 38 new units of affordable housing, create new construction jobs, and reduce blight, which improves the quality of life for neighbors and will spark neighborhood-based transformation. The city will hire a blight manager to coordinate this project. The blight manager will be responsible for developing program policies and procedures, managing all aspects of the project and ensuring it is meeting scheduling and financial goals, coordinating work with partners and other city departments, preparing RFPs and RFQs and evaluating applications, ensuring compliance with all applicable federal, state, and local laws, and ensuring the city's housing quality standards are met or exceeded.

There are 250 properties on the city's blight list and there are likely another 250 that could be certified as blighted. The city has a redevelopment authority that is able to acquire blighted homes through amicable means, blighted property eminent domain, sheriff's sales, judicial sales, and upset sales; however, the city lacks the funding to acquire the volume of properties needed to meet local affordable housing and community revitalization needs. Through this project, the city will acquire 38 blighted properties, representing more than 15% of all blighted homes in the city, and transform them into affordable housing opportunities.

Redevelopment of blighted properties in Reading has also been delayed due to the lack of local contractors with the knowledge, skills, and capacity to effectively work with the city on publicly-funded projects. Yet, there are more than 200 construction establishments in Berks County. The majority of these (71%) have fewer than 5 employees (Census SUSB, 2000). There are several barriers to firms such as these participating in publicly funded construction projects: knowledge of Davis Bacon, ADA, and other federal and state regulations; limited project management and business skills; lack of EPA lead certification and other specialized skills; and limited funds to get projects started while waiting for reimbursement.

The city will address this barrier by developing and delivering a capacity building training for 15 Reading- or Berks County-based contractors. The 30-hour training will include the following modules:

- City of Reading development standards
- Partnering with the City of Reading
- Overview of federal and state laws related to construction projects
- Recordkeeping for federally-funded construction projects
- Project management

- Financial planning and management
- Recruiting, hiring, and retaining employees
- EPA lead-safe certification (for those who are not certified)

A consulting firm or team of consultants will be competitively procured to develop and deliver the training. The city will select firms that have the expertise in each of the areas included in the training as well as knowledge of the specific barriers experienced by small construction firms. The training will take place in-person in the City of Reading utilizing space provided by a training partner, such as Reading Area Community College. With the exception of the EPA lead-safe certification, the curriculum will also be recorded and organized into an online class so that additional contractors can participate in the training, and those who have already participated can refresh their knowledge, after the initial 30-hour training is delivered.

The city will pay participants a modest stipend (\$25 per hour) after completion of the full training to compensate them for lost work opportunities during the time of the training. Once firms complete the full 30-hour training, they will have the opportunity to respond to an RFQ to be added to a pre-qualified contractor list. This list of contractors will be used by the city and redevelopment authority for this project as well as for other redevelopment initiatives. In addition to the training, the city will offer flexibilities with a small percentage (<20%) of advance funding for projects when firms have limited financial capacity.

While the curriculum for the capacity building training is being developed, the city will prepare a prioritized list of 50 properties to acquire for this program. The prioritization will be based on financial and structural feasibility, location in high-opportunity neighborhoods, proximity to jobs, transportation, and amenities, and ownership/feasibility of acquisition within the project timeline. With support from the city's administrative and legal team, the city, in partnership with the redevelopment authority, will begin the process of acquiring properties through amicable means, blighted property eminent domain, sheriff's sales, judicial sales, and upset sales with the goal of acquiring two to three properties per quarter. Once a property is acquired, the city and redevelopment authority will be responsible for site security and maintenance (i.e., snow removal) until the rehabilitation is complete and property ownership is transferred.

After a property is acquired, a scope of work will be prepared by the project manager. The scope of work will be included in a Request for Proposals that is issued to contractors on the city's approved list. All contractors will have completed the 30-hour capacity building training, be licensed, be registered with the state attorney general, and will not be disbarred or excluded. The lowest bid from a responsible contractor will be accepted and the city or redevelopment authority will enter into a contract with the firm to complete the scope of work. The city's building inspector will inspect each rehabilitated property to ensure the work performed conforms to Pennsylvania Uniform Construction Code (UCC) standards and Reading's amendments to the

UCC and the scope of work when one-quarter, one-half, and three-quarters of the rehabilitation work has been completed and will prepare an inspection report. When the rehabilitation is completed, the building inspector and project manager will visit the property to prepare a final inspection report and issue a certificate of occupancy.

Contractors will prepare and submit invoices when one-quarter, one-half, three-quarters, and 100% of work has been completed. The project manager will carefully review invoices and the building inspector's report before authorizing the release of funds. Up to 20% of project costs may be advanced to a contractor if they do not have the capacity to begin the work without the advanced funding.

After a certificate of occupancy has been issued, the city or redevelopment authority will sell the property to either a first-time homebuyer through a partnership with a HUD-certified housing counseling agency or a real estate investor that will rent the property to a low- to moderate-income household. The sales price will be at or below the HOME value limit and rents will be at or below fair market rent based on the number of bedrooms. The purchaser will agree via covenant filed with the county registrar that the home will remain affordable according to these guidelines for at least 10 years. These affordable housing opportunities will be affirmatively marketed using guidelines developed by the city. Partners will be required to certify household income once a year during the 10-year affordability period and to provide documentation of household income to the city.

There is also a need for affordable housing in the City of Reading that is accessible to people with disabilities. Many of the older homes in the city were not designed to support modifications to accommodate disabilities according to modern standards. Of the 38 new affordable housing units that are created, five will be visitable and two will be accessible according to ADA standards.

The program income generated from the disposal of properties will be used to continue the program after the six-year grant period ends. This resource will be leveraged to attract additional resources to address the large-scale blight and lack of affordable housing in the city.

The core curriculum of the capacity training for contractors will be delivered within the first year of implementation. One additional hour of training will be provided in subsequent years. New units of housing will be produced by June 2025. Within six years, all 38 units will be completed and inhabited by low- to moderate-income households.

This project will have several benefits to Reading residents and the entire community. Creating additional units of affordable housing will prevent residents from being cost burdened and experiencing homelessness. Removing blight creates a safer and more welcoming environment.

It also creates an incentive for neighbors to improve their properties as a blighted property is seen as a drain on values of nearby homes. Studies have shown that addressing blight not only returns a neglected property to the tax rolls, it also increases neighboring property values. This project will also build the capacity of local contractors to work with the city on redevelopment projects, creating construction jobs and preparing small local firms to be competitive bidders on city and other projects.

The city has historically used its CDBG and HOME funding to address the city's affordable housing needs. The draft FY2024 to 2028 Consolidated Plan will invest significant resources in demolition of deteriorated buildings, rehabilitation of residential properties, and new construction of affordable housing units. In FY2024, the city will work with its partners to demolish two deteriorated buildings, construct two new units of affordable housing (one owner-occupied and one renter-occupied), rehabilitate two units of affordable housing (one owner-occupied and one renter-occupied), rehabilitate two residential façades, and assist eight first-time homebuyers. While these efforts have been successful in the past, the capacity of the city to effectively address the expansive and growing need for affordable housing with the resources it has is limited. The city has successfully partnered with HUD-certified housing counseling agencies and real estate investors to address affordable housing needs, but again the need far exceeds current local capacity.

The Reading Redevelopment Authority developed a Blight Remediation Strategy in 2023. The plan goals included developing standard operating procedures for acquisition, property stabilization, maintenance, demolition, rehabilitation, and disposition; all of these have been drafted. They also created a Blight Remediation Toolkit which outlines considerations to guide decision making at every phase from property identification to disposition and includes worksheets and templates as well. These resources will improve Reading's capacity to effectively transition vacant and blighted properties back into productive residential use.

While the city has developed a comprehensive blight plan, successful implementation will not be possible due to the lack of local contractors who are able to work on these projects. There are many contractors who are highly skilled in their trade. However, they lack the knowledge, skills, and capacity to effectively partner with the city on publicly-funded construction projects. In addition to a lack of knowledge, some contractors who are members of historically excluded groups may have a distrust of the government.

As the city implements this project, it will simultaneously be updating several policies and procedures to facilitate the production and retention of, and equitable access to, affordable housing opportunities based on the actions identified in the FY 2024 to 2028 Equity Plan. These include:

- Create an inclusionary zoning overlay to require or incentivize a percentage of units in any new development to be affordable.
- Create a flexible zoning overlay to create mixed-income housing opportunities on vacant upper floors.
- Update the city's adaptive reuse policy to make it easier to convert buildings into residential uses if parking can be provided.
- Make source of income a protected class in the City of Reading by amending the Human Relations Ordinance.
- Review and promote the Reading Tax Abatement Program (Re-TAP) to determine if the creation of affordable housing can be incentivized and to increase utilization.
- Encourage women and non-binary residents to participate on the zoning hearing board, planning commission, and redevelopment authority.
- Improve enforcement of the Human Relations Ordinance and ensure rental property owners maintain housing habitability.
- Provide an annual fair housing training for city staff that are responsible for property maintenance, building and trades staff, customer service center staff, and other relevant city staff.

This project aligns with the following goals in the city's FY 2024 to 2028 Equity Plan:

- Goal 5: Create more units of affordable housing in the City of Reading.
- Goal 6: Create more units of accessible affordable housing in the City of Reading.
- Goal 8: Improve the quality of housing in the City of Reading.
- Goal 9: Foster first-time homebuyer opportunities, particularly for people of color and Hispanic or Latino residents.
- Goal 10: Update the city's zoning ordinance to facilitate more equitable and affordable housing opportunities.

This project also aligns with strategies in the County's strategic economic development plan, IMAGINE Berks, includes the following strategies:

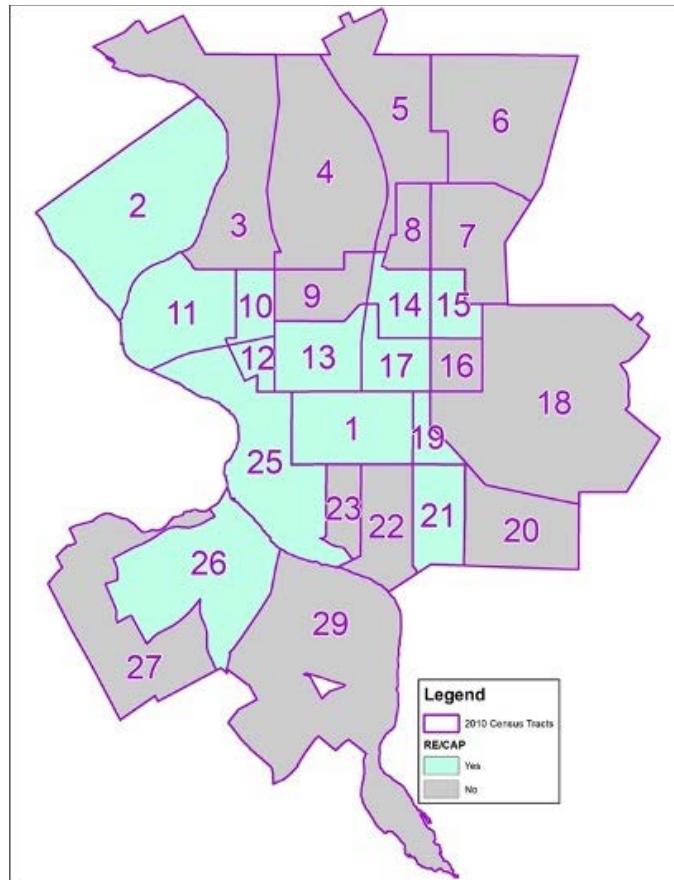
- Invest in site development where market and environmental conditions call for a public role.
- Support small businesses working to scale their operations to increase efficiency and achieve exponential growth.
- Invest in and support workforce readiness and upskilling initiatives.
- Assess and address the mismatch between housing stock and housing demand, including age, price point, type, and location.

The City of Reading administration and partners have been working very hard to revitalize the city, bring in new developers and businesses, create new housing, and adaptively reuse buildings. One recent foundational development in the core of the downtown is Alvernia University's

CollegeTowne. The University has moved a number of academic programs and other resources into a vacant building on Penn Street, which is stimulating development along this artery of the city. The City of Reading is currently participating in the Legacy Cities initiative with Lincoln Land Institute. This project focuses on the area south of Penn Street from 2nd Street to 11th Street. This neighborhood has many challenges and opportunities: it has the highest poverty rate in the city and there are 96 certified blighted properties; however, this neighborhood is in the central part of the city and is walkable to the major downtown corridor, Penn Street, the Santander Arena, and the BARTA bus station. A 2021 plan developed for the city, the Reading Downtown Strategic Plan, identified a portion of this neighborhood, referred to as Franklin Station, as a catalyst development project. Reducing poverty in this neighborhood south of Penn Street, and throughout the city, is key to revitalizing the city. The city administration believes that identifying place-based economic development solutions in this neighborhood, and then replicating the solutions throughout the city, is key to securing the economic success of its residents. Producing more units of high-quality affordable housing is key to this revitalization strategy.

Geographic Scope

This project will serve the entire City of Reading, a richly diverse community of more than 95,000 people in Berks County, Pennsylvania. Thirteen (13) of the city's 28 census tracts are considered by HUD to be Racially or Ethnically Concentrated Areas of Poverty (R/ECAP) (shown in blue in the map below). More than 80% of blighted properties in Reading are in a R/ECAP. By renovating or rebuilding on these sites, the project will create improved housing quality and additional affordable housing opportunities in these areas – expanding opportunity in underserved communities. The capacity building activities will be open to the 236 construction of buildings establishments located in Berks County and their 1,307 employees (SUSB, 2020).



Engagement of Key Stakeholders

Earlier this year, the City of Reading facilitated a comprehensive community engagement process for its FFY 2024 to 2028 Consolidated Plan and Equity Plan. This included three community meetings, two public hearings, a housing and community needs survey, five focus groups, and seven interviews. This process engaged more than 200 residents (including residents of public housing and people experiencing and at risk of homelessness) and stakeholder groups including Reading Housing Authority, Berks County Housing Authority, Berks Coalition to End Homelessness, Reading Human Relations Commission, Reading Redevelopment Authority, Berks County Redevelopment Authority, Berks Community Action Program, Berks Latino Workforce Development Corporation, Centro Hispano, Co-County Wellness Services, Family Promise of Berks County, Greater Berks Development Fund, Habitat for Humanity Berks County, Reading Branch NAACP, Self-Determination Housing of Pennsylvania, Reading Hospital, Reading Pride Celebration, Alvernia University, Goggleworks Center for the Arts, Service Access and Management, Inc., Berks Area Regional Transportation Authority, and private developers and contractors.

Several needs were identified through this community engagement process, including escalating rents and a lack of affordable housing, increased homelessness, poor housing quality, a need for

fair housing education, and limited capacity to develop more affordable housing due to developer capacity, which includes the ability to contract with the building trades to complete projects. This project aligns with the following goals that were developed through the recent Consolidated Plan and Equity Plan community engagement process: 1) create more opportunities for city residents to access living wage jobs; 2) create more units of affordable housing; 3) encourage more involvement and develop the capacity of nonprofit and for-profit developers to create more affordable housing; 4) improve the quality of housing; and 5) promote first-time homebuyer opportunities, particularly for people of color and Hispanic or Latino residents.

The City of Reading will continue to engage these and other key stakeholders throughout the grant implementation process in several ways. We will work with partners to promote opportunities to benefit from this project and to identify candidates for affordable housing and construction industry capacity building activities. For example, Berks Connections/Pretrial Services and Berks Latino Workforce Development Corporation are working to expand their building trades training. These organizations have strong relationships with local employers and understand their needs and the barriers they experience. They will be key partners when engaging local contractors and creating new training programs. Local homeless service and housing providers and the Reading Human Relations Commission are often contacted by people who are in need of safe, stable housing. These agencies will have information about the housing opportunities made available through this project so that they can refer households in need of housing to the program. Engagement will be facilitated through regular, proactive communication about the project to stakeholders and the general public in both English and Spanish, asking stakeholders about emerging community needs and trends, and responding to those needs with creative solutions within the project parameters. For example, when designing capacity building activities for the construction industry, the city will ask these employers about their specific needs, questions, and concerns related to each topic and build the curriculum in response to what is learned.

Alignment with Affirmatively Furthering Fair Housing Requirements

Removing Barriers to Development of Affordable Housing in Well-Resourced Areas of Opportunity

When compared to surrounding municipalities in Berks County, several analyses (i.e., Theil Index, Washington Post) show that the City of Reading is less segregated than other areas of the county. The majority of residents of the city are people of color and are Hispanic or Latino and 10% have an ambulatory disability. About a third of households are single parents with children. The city anticipates that those who benefit from this project will reflect the demographics of the city population and affirmative marketing will be used to encourage applications for housing opportunities from those who are least likely to participate.

The majority of blighted properties in the city are in R/ECAPs; however, there are 47 blighted properties located in other areas of the city. When identifying and prioritizing the properties that will be acquired for this project, the city will evaluate the property's location in terms of access to jobs, transportation, and amenities. The city's poverty rate is 29.4% and the median income is \$38,738 – just 55% of the median income for all Berks County households. When comparing census tracts, Reading does not have the severe discrepancies found in larger cities or in suburban areas. However, the FY2024 to 2028 Equity Plan identified the following zoning changes to be made that will facilitate more affordable housing development in all areas of the city:

- Create an inclusionary zoning overlay to require or incentivize a percentage of units in any new development to be affordable.
- Create a flexible zoning overlay to create mixed-income housing opportunities on vacant upper floors.
- Educate the community about laws that protect the rights of people with disabilities to reside in a group home in all areas of the city.

Removing Barriers Impeding the Development of Affordable Housing that would Promote Desegregation

As previously mentioned, the City of Reading does not have segregated neighborhoods that are typically found in larger cities and suburban areas. The entire city is diverse and each census tract has at least 32% people of color and 20% Hispanic or Latino residents. The census tract with the least diversity (27) is an anomaly in the city and is located in the far southwest corner of the city, far from the amenities, jobs, and transportation opportunities in the core of the city. The residential areas of this census tract are zoned R-1, R-2, and R-3 which permit a variety of housing styles. However, the city's FY2024 to 2028 Equity Plan found that the city's zoning ordinance permits group homes by conditional use only. The ordinance will be updated so that group homes are permitted by right in all areas of the city.

Ensuring the Project will Not Cause Further Concentration of Affordable Housing in Low-Opportunity Areas and Increasing Housing Choice

Additional units of affordable housing are needed in every area of the city. In every census tract, a minimum of 9% of homeowners and 22% of renters are cost burdened.

Many residents' housing choices are currently limited to doubling up with friends and family or living in substandard housing. This project will provide Reading residents with more viable choice that includes safe, newly rehabilitated housing which is at a premium throughout the city. The city's approach to affordable housing development is complemented by neighborhood

revitalization so that all residents of the city have more choices and access to high-opportunity neighborhoods.

Unique Housing Needs of Protected Class Groups

This project will create two new fully accessible units of affordable housing according to ADA standards and an additional five visitable units. While this is slightly less proportionate to the population of people with ambulatory disabilities in the city, this project will be targeting blighted and aged properties where it is not likely to be financially and/or structurally feasible to make the buildings accessible for people with disabilities. More than 70% of Reading households have one to three people; however, there are some larger families that may need more bedrooms and living space (More than 6% of households have 6 or more people). Based on the inventory that is available, the city will attempt to select a variety of housing sizes and styles to meet the diverse needs of multiple family sizes and compositions.

Issues Identified in the Most Recent Fair Housing Plan

This project directly addresses issues identified in the city's FY2024 to 2028 Equity Plan. Through analysis of data, a housing and community needs survey, public hearing, community meetings, focus groups, and interviews, it was determined that the largest equity issue facing the City of Reading is the lack of affordable housing. Goals in the plan include creating more units of affordable housing and creating more units of accessible affordable housing.

Risk of Displacement

Because this project will rehabilitate vacant, blighted buildings, there is not a risk of displacing residents.

Addressing the Needs of People with Disabilities

This project will create five units of visitable affordable housing and two units of accessible housing according to ADA standards. These opportunities will be affirmatively marketed to people with disabilities, particularly those who also have limited English proficiency, by partnering with local organizations such as Centro Hispano and Abilities in Motion.

Implementation, Enforcement, and Approaching Resistance to Elimination of Barriers

While the city anticipates broad support for additional units of affordable housing and accessible affordable housing based on extensive community participation in the recent Equity Plan development process, there may be groups or individuals that express resistance to this project.

The city will overcome such resistance by continuing to educate the community about the need for, and importance of, affordable housing and, when needed, meeting with stakeholder groups to listen to and address their specific concerns. The greatest resistance may be related to amicably acquiring properties identified as blighted. The city will overcome this by identifying 50 properties so that if one cannot be successfully acquired there are others to pursue. In addition, this list will be prioritized so that those that are most likely to be acquired within the project timeframe will be approached first.

Equity-Related Educational Resources, Tools, or Public Input that have Informed this Proposal

This proposal has been heavily influenced by the community engagement process through which more than 200 residents and stakeholder groups share their concerns and ideas, resulting in the FY 2024 to 2028 Consolidated Plan and Equity Plan as well as the FY2024 Annual Action Plan. The need for affordable housing was further supported by analysis of secondary data which showed the escalation of market rents and sales prices, the increase in homelessness, and the percentage of renters and homeowners who are cost burdened.

Between January 2006 and June 2020, there were 278 federal fair housing cases under Title VIII in Berks County. Of these, 77 were on the basis of race (57 of these were filed by Black or African American people), 115 were on the basis of National Origin (107 of these were filed by Hispanic or Latino people), 54 were on the basis of disability, 71 were on the basis of sex, 4 were on the basis of religion, 23 were on the basis of familial status, and 21 were on the basis of retaliation.

In the city's housing and community needs survey, Reading residents reported 113 instances of housing discrimination; only 3 such occurrences were reported by people who live outside of the city. A total of 53 (26.6%) respondents indicated that they have experienced housing discrimination; thus, it is likely that respondents had multiple experiences of housing discrimination. Respondents indicated that the basis of the housing discrimination they experienced was most often Hispanic or Latino (75% of people who experienced discrimination) followed by race (26.9%) and having children (23.1%). Excluding areas with low survey participation, incidents of housing discrimination were most frequently reported in zip code 19604 (0.79 incidents per respondent). Most survey respondents believe that they can live anywhere they can afford; however, nearly 24% of all survey respondents believe that housing discrimination happens in their neighborhood.

Engaging and Supporting Minority-, Women-, and Veteran-Owned Businesses

The capacity building opportunity for contractors will be affirmatively marketed to women and Black or African American firm owners who are underrepresented in this profession. The

Pennsylvania Diverse Supplier database will be used to identify minority-, woman-, and veteran-owned firms and the city will directly reach out to them to encourage their participation in this opportunity. The businesses that complete the capacity building activities will be invited to submit proposals for the affordable housing rehabilitation projects. These RFPs will also be sent to all firms found through the Diverse Supplier Search, if they have not completed the training. The city will also engage partners such as the Reading Area NAACP, local churches, Berks Connections/Pretrial Services, and Berks Latino Workforce Development Corporation to affirmatively market this opportunity.

Evaluating the Effect of Project on Promoting Desegregation, Expanding Equitable Access to Well-Resourced Areas of Opportunity, and Furthering the De-Concentration of Affordable Housing

When the prioritized list of blighted properties is developed, all blighted properties will be mapped along with the city's census tracts to ensure that the selected properties are well distributed throughout the city to promote resident choice and access to various neighborhoods throughout the city. The location of properties will be evaluated in connection with median household income, race, and ethnicity to ensure the affordable housing opportunities created are not concentrated in particular areas. However, the selection of blighted properties for this project will also be informed by the feasibility of acquisition and being able to make the units safe and habitable through rehabilitation.

Tracking Progress and Evaluating the Effectiveness of Efforts to Advance Racial Equity

The city will document the gender, race, ethnicity, and preferred language of all program applicants and participants to ensure that applicants equitably represent the demographics of the city and that all participants have equitable opportunity to participate regardless of race, ethnicity, national origin, and English proficiency. All disposition partners will be required to comply with all state and federal fair housing laws and the affirmative marketing outreach strategies, which will be incorporated into memoranda of understanding.

Affirmative Marketing of Affordable Housing Units

The demographic groups that are unlikely or least likely to apply without affirmative marketing are residents who speak English less than very well (24.9% of city residents) and, for homeownership opportunities, Black or African American and Hispanic or Latino residents. The following actions will be taken to affirmatively market the opportunities available through this project to these groups:

- All promotional materials and applications will be available in English and Spanish with comparable content.

- Promotional materials will include photographs of people in these underrepresented groups.
- Outreach will be conducted through organizations that work with these groups including Centro Hispano, Berks Latino Workforce Development Corporation, Berks Latino Chamber of Commerce, Literacy Council of Reading-Berks, Women2Women, and Reading Branch NAACP, in addition to broad outreach through Reading's many nonprofit organizations, congregations, and small businesses.
- Information will be shared and distributed through the Reading Human Relations Commission.
- The fair housing logo and slogan will be used in all promotional materials, advertisements, notices, and signage.

The city will maintain a record of all affirmative marketing activities and will document the gender, race, ethnicity, and preferred language of all program applicants and participants.

Budget and Timeline Proposals

Budget Proposal

The city is requesting \$3,832,638 of PRO Housing funding for this project. The city has an additional \$1,150,618 committed to this project for a total project cost of \$4,983,256. This funding will result in comprehensive capacity building activities that prepare 15 local contractors to compete in publicly-funded rehabilitation projects and the transformation of 38 blighted properties into affordable homeownership and rental opportunities for households with income below 80% of the area median.

The budget includes:

- \$533,393 for personnel including administrative staff, the blight coordinator/project director, a residential building inspector, and a client intake specialist.
- \$4,913 for local travel to building sites.
- \$8,500 for office supplies and equipment.
- \$135,000 to design and deliver 35 hours of capacity building training, including an online class that can be utilized for additional contractors in the future.
- \$11,250 for stipends to contractors who participate in the training to compensate them for lost work during this time.
- \$4,290,200 for construction costs including legal, acquisition, permitting fees, site work, rehabilitation, security, maintenance, and insurance for an average total cost of \$112,900 per unit.

If HUD awards a different dollar amount, the city would reduce the number of units to be rehabilitated. The city could also reduce the number of hours included in the capacity building activities; however, it would be less effective. If the city were to receive 50% of the funding requested, the city would complete the capacity building activities as described in this proposal and reduce the number of units to be rehabilitated to 16. All other expenses are necessary to the operation of the program.

After the 6-year grant period ends, the program will be self-sustaining through program income derived from the disposition of properties. The city does not intend to retain ownership of the properties, but will work with developers (including small firms) and HUD-certified housing counseling agencies to ensure that more low-income renters and homeowners have access to affordable housing.

Timeline Proposal

January 1, 2024 to June 30, 2024

- Develop an outreach and affirmative marketing plan and notify the following partners about the project and opportunities to get involved.
- Develop and issue an RFQ to hire a consultant firm or team to design and deliver the capacity building training for contractors.
- Develop the capacity building training curriculum.
- Develop marketing materials for the contractor training.
- Identify properties for acquisition.

July 1, 2024 to December 31, 2024

- Affirmatively market the capacity building training program.
- Deliver 30 hours of capacity building training to 15 contractors.
- Develop an online training including 22 hours of capacity building training (excluding EPA lead-safe certification).
- Develop and issue RFQ to pre-qualify contractors that participated in the training.
- Acquire 5 properties.
- Prepare and issue RFP for rehabilitation of 5 properties; evaluate responses and select contractor(s).
- Develop a system for disposition of properties with partners including entering into memoranda of understanding and developing the household application and monitoring process.

January 1, 2025 to June 30, 2025

- Acquire 5 properties.
- Rehabilitate 5 properties.

- Dispose of 5 properties.
- Prepare and issue RFP for rehabilitation of 5 properties; evaluate responses and select contractor(s).

July 1, 2025 to December 31, 2025

- Acquire 5 properties.
- Rehabilitate 5 properties.
- Dispose of 5 properties.
- Prepare and issue RFP for rehabilitation of 5 properties; evaluate responses and select contractor(s).
- One hour refresher training for contractors.

January 1, 2026 to June 30, 2026

- Acquire 5 properties.
- Rehabilitate 5 properties.
- Dispose of 5 properties
- Prepare and issue RFP for rehabilitation of 5 properties; evaluate responses and select contractor(s).

July 1, 2026 to December 31, 2026

- Acquire 5 properties.
- Rehabilitate 5 properties.
- Dispose of 5 properties.
- Prepare and issue RFP for rehabilitation of 5 properties; evaluate responses and select contractor(s).
- One hour refresher training for contractors.

January 1, 2027 to June 30, 2027

- Acquire 5 properties.
- Rehabilitate 5 properties.
- Dispose of 5 properties.
- Prepare and issue RFP for rehabilitation of 5 properties; evaluate responses and select contractor(s).

July 1, 2027 to December 31, 2027

- Acquire 5 properties.
- Rehabilitate 5 properties.
- Dispose of 5 properties.
- Prepare and issue RFP for rehabilitation of 5 properties; evaluate responses and select contractor(s).

- One hour refresher training for contractors.

January 1, 2028 to June 30, 2028

- Acquire 3 properties.
- Rehabilitate 5 properties.
- Dispose of 5 properties.
- Prepare and issue RFP for rehabilitation of 3 properties; evaluate responses and select contractor(s).

July 1, 2028 to December 31, 2028

- Rehabilitate 3 properties.
- Dispose of 5 properties.
- One hour refresher training for contractors.

January 1, 2029 to June 30, 2029

- Dispose of 3 properties.

July 1, 2029 to December 31, 2029

- One hour refresher training for contractors.
- All funding expended.
- Evaluation of the project.

Exhibit E Capacity

The Community Development Department of the City of Reading will be responsible for administering and implementing this program. This department administers the city's CDBG, HOME, and ESG funding and also includes the Building and Trades, Planning and Zoning, and Property Maintenance Divisions. The department is directed by Jamal Abodalo. Mr. Abodalo, has many years of experience in municipal management, including project management and program oversight. He will ensure compliance with all applicable municipal and federal regulations. The department has policies and procedures in place related to management of federal funds, project management, quality insurance, internal controls, and procurement.

The city has the legal authority to effectively implement this project. The Property Maintenance Division of Community development issues code violations and refers non-compliant properties to the blighted property review committee for two public meetings. Once a property is certified as blighted, the city's redevelopment authority can acquire the prior via blighted property eminent domain under Pennsylvania law. The city works with the redevelopment authority to acquire blighted properties when the owner has walked away because the cost to rehabilitate the property exceeds its value. The redevelopment authority has acquired properties in partnership with the Community Development department and these were then sold to new owners who were given 12 months to complete the rehabilitation according to the city's standards. Currently, the city and redevelopment authority have the capacity to acquire properties; however, the process is stalled because there is insufficient capacity among local contractors to complete the rehabilitation work. This project will resolve this barrier.

The department also has established working relationships with many partners throughout the city including housing providers, social service agencies, and workforce development agencies. While partners will not be required to implement this project, they will be valuable for outreach and affirmative marketing activities. The following partners will be engaged in this process:

- Centro Hispano - Affirmative marketing to Hispanic or Latino residents
- Berks Connections/Pretrial Services - Affirmative marketing to women contractors
- Berks Latino Workforce Development Board - Affirmative marketing to women contractors and Hispanic or Latino residents
- Berks County Workforce Development Board - Affirmative marketing to women contractors
- Reading Human Relations Commission - Outreach to people in need of affordable housing
- Berks County Habitat for Humanity - Outreach to people in need of affordable housing
- Berks Coalition to End Homelessness - Outreach to people in need of affordable housing
- Neighborhood Housing Services of Greater Berks - HUD-certified first-time homebuyer counseling and outreach to people in need of affordable housing

- Berks Community Action Program - HUD-certified first-time homebuyer counseling and outreach to people in need of affordable housing
- Abilities in Motion - Affirmative marketing to people with disabilities
- Reading Area NAACP - Affirmative marketing to Black or African American contractors
- Local congregations - Affirmative marketing to all groups and outreach to people in need of affordable housing

The City of Reading has strong working relationships with many partners. Three projects illustrate the city's experience working with partners on major projects. The City is currently participating in the Legacy Cities initiative with Lincoln Land Institute - a national network of community and government leaders working to revive older industrial centers equitably and sustainably, with a particular emphasis on smaller and mid-sized cities. The initiative convenes leaders, stakeholders, and scholars; facilitates the exchange of ideas and good practices; and researches and advances new policy approaches. The steering committee has engaged several residents as well as representatives from the following organizations:

- Reading Public Library
- Barrio Alegria
- Alvernia University/O'Pake Institute
- Centro Hispano
- Neighborhood Housing Services of Greater Berks
- Tec Centro/Berks Latino Workforce Development Corporation
- Wyomissing Foundation
- United Way/Harwood Initiative
- Reading Recreation Commission
- Berks Alliance
- St. Peter's Roman Catholic Church
- Berks Community Foundation

The city is a key partner in the Schuylkill River Passenger Rail Authority and is proactively preparing for the return of regional rail to the city by establishing a Transit Oriented Development (TOD) district. The city is also developing an Active Transportation Plan to coordinate pathways to the TOD including walking, biking, public transportation, and driving. The city is preparing a TOD ordinance, evaluating zoning changes that need to be made, and developing tools to attract investors to support business development and building improvements as part of this project.

The city recently drafted its FY2024 to 2028 Consolidated Plan and Equity Plan as well as the FY2024 Annual Action Plan. This process engaged more than 200 residents and stakeholders through a housing and community needs survey, three community meetings, two public hearings, five focus groups, and several interviews. Engaged organizations included:

- Reading City Council
- Reading Redevelopment Authority
- Reading Human Relations Commission
- Reading Public Works Department
- Reading Police Department
- Reading Housing Authority
- Berks County Housing Authority
- 18th Wonder Improvement Association
- Alvernia University
- AmeriHealth Caritas PA
- Berks Coalition to End Homelessness
- Berks Community Action Program
- Berks County Community Foundation
- Berks County Intermediate Unit
- Berks County Redevelopment Authority
- Berks Latino Workforce Development Corporation
- Berks Stands Up
- Big Brothers Big Sisters of Berks County
- Centro Hispano
- Co-County Wellness Services
- Communities in Schools of Eastern Pennsylvania
- Family Promise of Berks County
- Goggleworks Center for the Arts
- Greater Berks Development Fund
- Habitat for Humanity Berks County
- Helping Harvest
- Literacy Council of Reading-Berks
- Members First Federal Credit Union
- Penn Strategies
- Reading Area Fire Museum
- Reading Branch NAACP
- Reading Hospital
- Reading Hospital Foundation
- Reading Pride Celebration
- Reading Public Library
- Renewal Spirit Church
- Self-Determination Housing of Pennsylvania
- Service Access & Management (SAM), Inc.
- South Central Transit Authority
- Spak Group

- The Forge
- United Community Services
- United Way of Berks County
- Vision Resource Center of Berks County

This application was prepared by staff from a small, woman owned business - Hailstone Economic - with significant input from Community Development Department leadership. Hailstone Economic assists the department and the city with grant applications but is also deeply engaged in working with the Community Development Department on planning, project implementation, zoning, and code enforcement initiatives. Thus, they have significant intimate knowledge of the city's needs and capacity.

The city has a Human Relations Ordinance and a Human Relations Commission. The Human Relations Commission conducts fair housing education and outreach, processes and investigates fair housing and employment discrimination claims, and coordinates a court-based eviction prevention program in addition to administering rental assistance and homelessness prevention programs. The city recently analyzed a significant amount of primary and secondary data in the development of its Equity Plan. The Human Relations Commission staff was deeply involved in this process and provided guidance for many of the issues identified and goals and actions to address fair housing issues. While the Human Relations Commission is independent of the Community Development office, the two entities work closely together to address housing needs and promote equity.

The current staff from the Community Development Department who will participate in this project are:

- Jamal Abodalo, Project Director (5% FTE)
- Christopher Geltz, Assistant Project Director (5% FTE)
- Juan Ruiz, Financial Manager (5% FTE)
- Patricia Vasquez, Grant Manager (5% FTE)
- Residential Building Inspector (10% FTE)
- Client Intake Specialist (10% FTE)

A Blight Project Coordinator (50% FTE) will be hired to administer and implement the day-to-day operations of the program. The Coordinator will have expertise in blight, construction, project management, and community relations. Their responsibilities will include developing project policies and procedures, coordinating outreach, affirmative marketing, and strategic partnerships, preparing MOUs and educating partners about the program, developing RFPs and RFQs and evaluating applications, preparing work orders, conducting the final inspection, reviewing and approving invoices, and preparing project reports.

In addition to City of Reading staff, the city will competitively procure a consultant or team of consultants to design and deliver the capacity building training as well as contractors to complete construction work.

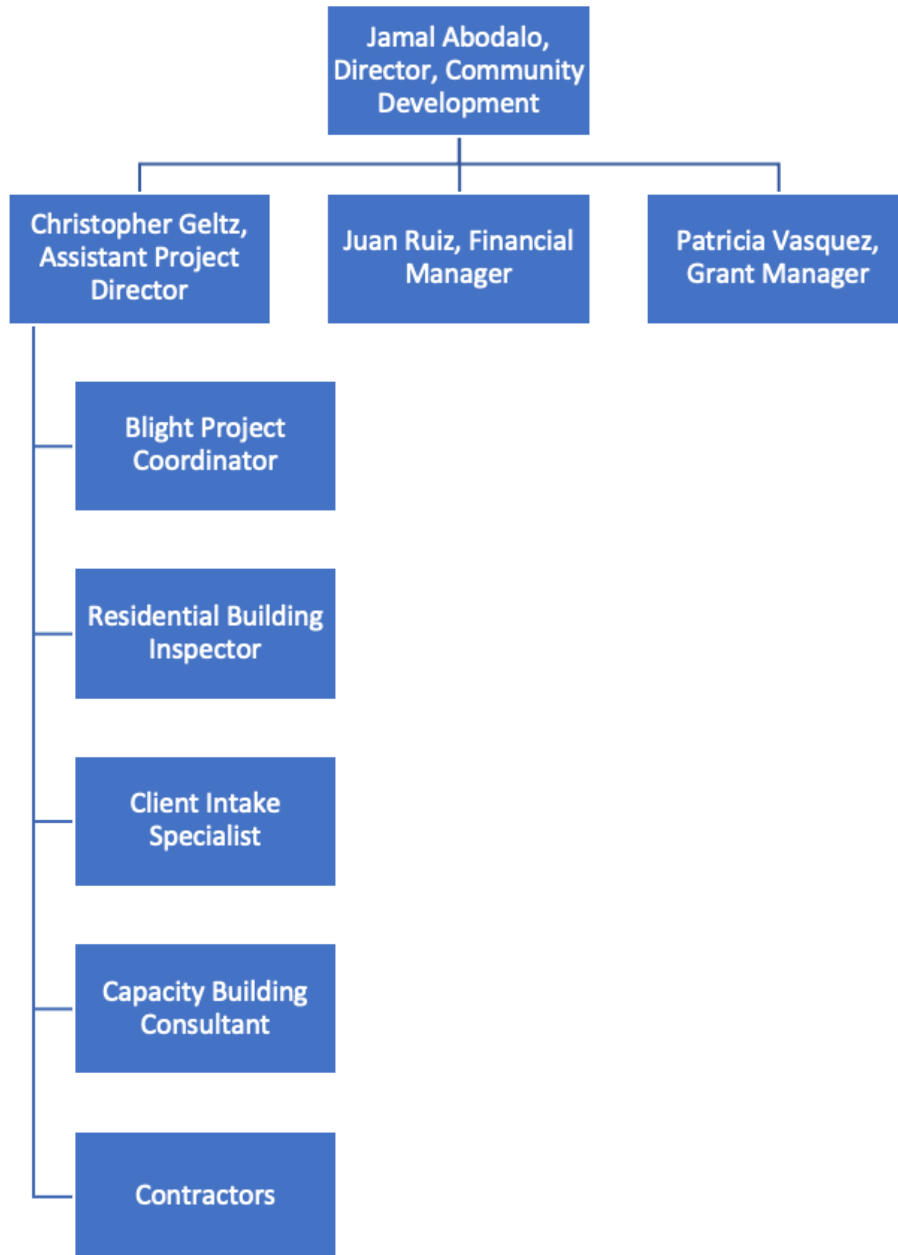


Exhibit F Leverage

This project will leverage \$1,150,618 in additional funding, representing more than 30% of the requested grant through this program.

Exhibit G Long-term Effect

Permanent, Long-Term Effects of the Project and Expected Outcomes

This project will create 38 units of affordable housing. Each unit of housing will be affordable for a period of 10 years. To create these units, the city will remove 38 vacant, deteriorated buildings from the certified blight list, improve neighborhood appearance and spark additional investment, and return properties to the tax rolls. The funds received through this grant will be leveraged to attract additional investment in blight removal, creating new units of affordable housing, and improving the appearance of neighboring properties.

This project will also develop the capacity of 15 local contractors so that they are able to effectively compete and participate in publicly-funded construction projects. A curriculum will be developed and training videos developed to prepare additional contractors for these opportunities in the future. The infrastructure that will be developed, including trained contractors and policies and procedures to address blight, can be used repeatedly as additional federal and state funding for blight becomes available. Without this infrastructure, particularly qualified contractors, the city will not be able to take advantage of these opportunities to address its blight and affordable housing needs.

There are a few roadblocks that may impede success. It may be difficult to acquire all of the properties that are prioritized by the city. Because there are more than 250 properties on the city's blight list, it will not be difficult to acquire the total of 38 properties needed to meet the deliverables for this project. Another possible barrier might be resistance to participating in the contractor capacity building activities. This will be overcome by partnering with agencies that have established relationships with contractors, such as Berks Connections/Pretrial Services and Berks Latino Workforce Development Corporation, and by offering contractors a modest stipend to compensate them for work lost during the training time. Some of the smaller contractors may not have the resources to procure the materials needed to get significant construction projects started. The city will advance up to 20% of the rehabilitation cost to contractors; however, the final payment will not be released until the final inspection is completed.

This project will reduce residents' housing cost burden by creating more units of affordable housing in the city of Reading. The blighted properties will be prioritized according to several factors, including proximity to jobs, transportation, schools and other amenities, while also offering choice to residents by locating homes in different neighborhoods throughout the city.

This project offers a model that can be replicated in other communities. The blight remediation toolkit created by the city is one resource that can be easily replicated. The system we are putting in place to acquire blighted properties, transform them into affordable housing, and build the

capacity of local contractors are also replicable models; these are challenges in Reading but also in other communities across the Commonwealth and the country. City staff is eager to share what it learns through this process so that other communities may benefit.

A portion of the city is located along the Schuylkill River and is in the flood zone. Stormwater management is exceptionally important for the City of Reading due to the risk of flooding. By building on sites where there are currently buildings, the city will not add to the paved surfaces in the city. In addition, grass, trees, and other vegetation will be replaced at each property to offer both aesthetic and environmental benefits.

At the end of the performance period, 38 properties will be removed from the certified blight list. Thirty-eight (38) new units of affordable housing will be created. Thirty-eight (38) low- to moderate-income households will no longer be cost burdened and will have a safe, stable place to live. Fifteen (15) local contractors will have the capacity to complete federally-funded construction projects. New construction jobs will be created. All of these outcomes will have ripple effects. Homeowners and rental property owners will invest more in their properties. Neighborhoods will be beautified. Home values will rise. Tax revenue will increase. Housing stability will support the employment and education of city residents. Local contractors will strengthen their businesses and have the capacity to compete on projects in the city and beyond. Additional contractors will participate in the recorded training and develop the knowledge and skills to complete federally-funded projects.

This project will create opportunities for members of historically excluded groups to access affordable housing opportunities throughout the city. In addition, women and people of color who are currently underrepresented in the construction field will have the opportunity to grow their businesses.