

## **City of Allentown Recompete Plan, Phase 1 – Project Narrative**

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The City of Allentown seeks Recompete Plan Approval through Phase 1 of the 2023 EDA Distressed Area Recompete Pilot Program.

This submission is supplemented by our request for Strategy Development Grant funding to support coordination planning of our Recompete Plan. The City is confident that we and our committed partners understand how to address low labor force participation, but additional resources are needed to strengthen coordination, planning, and further strategy development.

The City and its partners are deeply aware that barriers exist to participating in this growing economy. Prospective workers are unable to obtain transportation to employment centers, access childcare that is affordable and nearby, and in certain cases, meet the minimum educational and skills requirements for employment. These factors intersect and compound upon each other, raising the barrier to entry into the workforce and keeping the City's prime age employment gap (PAEG) high.

Yet, amidst an economic resurgence, Allentown is uniquely positioned to channel regional growth directly into the city by leveraging EDA Recompete program objectives to develop an expanded, trained, and diverse workforce. Moreover, this plan strives toward equity and economic justice by facilitating connections between Allentown residents and high opportunity industries, ensuring greater, more equitable participation in citywide and regional economic growth.

The City of Allentown's Recompete Plan proposes a multifaceted approach that addresses critical needs in enabling infrastructure, training and skills development, and wraparound supportive services. We have built a portfolio of strategic interventions to comprehensively address persistent economic distress within the City's historically underserved communities. Targeted interventions to close skills gaps, invest in micro-transit, expand access to childcare, and support small manufacturing address fundamental, yet Allentown-specific, conditions to persistent unemployment. Having approached the PAEG through a design thinking lens, the interventions included in this Plan are long term oriented, as they are well positioned to correct the fundamental barriers that will unlock new opportunities to seek and maintain employment among the target area residents.

A Recompete Plan Approval designation to the City of Allentown is one that will validate our strategic interventions to reduce the PAEG, and position the City and its partners closer to executing our multipronged, high-impact plan. The Strategy Development Grant funding to supplement this Plan will unlock the City's ability to convene our diverse and active partners to deliver a powerful, integrated PAEG reduction strategy.

Ultimately, this is a plan to connect Allentown workers to high opportunity industries, ensuring more equitable participation in citywide and regional economic growth. This goal aligns with the EDA Recompete program's promise to invest in distressed communities to create, and connect workers to, good jobs in places that need them most. What the City requires is support from the EDA to prepare a coordinated implementation plan to actualize this promise for the people of Allentown.

We are confident that a Plan Approval designation coupled with coordination funding is the missing piece to a developed Recompete Plan that will put Allentown workers in a stronger position to earn higher wages, travel shorter distances to work, and create new chapters of opportunity for their communities.

## **1. Understanding Regional Conditions**

The City of Allentown, located in eastern Pennsylvania, is the third largest City in the State with a population of 125,250. Allentown is the largest municipality part of what is known as the Lehigh Valley. The Lehigh Valley, the pair of Lehigh and Northampton Counties, is one of the fastest-growing regions in Pennsylvania.

More than growing its population, this region is growing its economy, quickly repositioning itself to claim a spot as a national and statewide competitor. The Lehigh Valley Economic Development Corporation (LVEDC) reports that with a GDP of \$47 billion, the Lehigh Valley ranks as the nation's 65th largest economy. Health care and manufacturing are primary catalysts of this reenergized economy, producing the largest GDP outputs and employing 1 in every 3 Lehigh Valley workers.

Manufacturing is on the rise in the Lehigh Valley. LVEDC identifies eight priority stable and growing manufacturing occupations in their annual talent study report (2022). They project employing nearly 35,500 workers in these occupations by 2026 and anticipate the weighted annual mean wage equaling \$47,800. This would be an average increase of 20% to those in our target area (see pg. 7). Industry trends show that since 2010, 40% of all Pennsylvania manufacturing jobs have been sourced in the Allentown-Bethlehem-Easton (ABE) metropolitan area. Last year, GDP output in this sector reached \$8.4 billion, accounting for 20% of the overall regional output and earning the top spot as a regional economic contributor for the first time since 2007. Considering how manufacturing accounts for 12% of the national GDP, the performance of this industry within our region is essentially twice as significant.

Yet, amidst this economic resurgence, many communities within the City of Allentown are burdened by persistent economic distress. Across the City, the poverty rate is 23.3%, and the median household income is \$47,700. Compared to the Allentown-Bethlehem-Easton metropolitan area, Allentown has a poverty rate twice as high, and a median household income that is lower by one-third. Economic disparity illustrates the reality, and the persistence of, a citywide PAEG of 6.1%. The gains of a growing, prosperous regional economy are not being shared by all, especially here in the City of Allentown.

Regionwide, there is a noticeable disparity in access to opportunity between different racial and ethnic groups. White individuals are twice as likely to live in an area with very high opportunity compared to Non-Whites. Just 38% of the Hispanic/Latino community in our region have high access to opportunity, 40-points less than white individuals. This disparity is especially pronounced within the City of Allentown, a now majority-minority city following the 2020 Census. Our City is quite diverse with 54.5% identifying as Hispanic/Latino and 47.5% identifying as non-native English speaking.

Understanding the impact of low opportunity, the City and its partners will channel our Recompete efforts into the neighborhoods where economic distress is at its highest. This plan intentionally selects the most diverse and disadvantaged Census tracts as our service area (see pg. 7), centering Allentown’s most vulnerable in our capacity-building interventions.

In our target area, systematic barriers such as skills and education gaps, transportation access, and costs and availability of childcare are largely responsible for its alarmingly high PAEG. These conditions sustain a localized PAEG of 12.3%, virtually two-times the citywide rate.

Skills and education gaps are the fundamental barrier to employment for targeted Allentown residents. Among this subset of the City, 25% of prime age residents are not high school graduates. Language barriers accentuate this gap, noting how individuals who do not speak English at home are over three times more likely not to graduate from high school compared to those that do. Low educational attainment and proficient skills renders many of the higher-paying, local jobs inaccessible to many within this area. A consequence of this incompatibility is residents arranging transportation plans to obtain work.

Despite 90% of residents traveling to work outside of their neighborhood, 1 in every 3 households in this area are without a personal vehicle. Many jobs in the area require transportation as a condition of employment. With much of the attainable employment centers located within the City’s suburban and rural periphery, these places of work are not adequately served by Lehigh and Northampton Transportation Authority (LANTA), the regional public transportation provider. Often, not only do LANTA routes lack direct service to these places of employment, coordinating a route between one’s place of residence, place of employment, and an affordable childcare provider is burdensome.

The City understands that to truly, sustainably reduce the PAEG requires a multifaceted approach that recognizes employment barriers as the systematic problem that it is. Working with our partners, we have prepared an integrated strategy that is responsive to the identified conditions.

## **2. Strength of Strategy and Quality of Potential Investments**

The overall goal of the City of Allentown’s Recompete Plan is to ensure greater, more equitable participation in city and regional economic growth. The guiding objective to achieve this goal is to develop an expanded, trained, and diverse workforce by facilitating connections between historically underserved communities and high opportunity industries in the area (e.g., manufacturing, health care).

City and community leaders have identified eight strategic interventions which would eliminate barriers to employment, meet employer demands, and assist prospective workers through mentoring and support networks. Our portfolio of projects is organized around four primary strategies: facilitate local employment, invest in micro-transit options, expand access to childcare, and identify sites suitable for small manufacturing and flex industrial use.

### **Strategy I: Facilitate Local Employment**

Partners include IBEW 375, Carpenters Union (EASCTC), Lehigh Carbon Community College, Lehigh Career and Technical Institute, Adult Literacy Center, Promise Neighborhood, the Century Promise, St. Lukes University Health Network, Lehigh Valley Health Network, Good Shepherd Rehabilitation.

Activity 1: Support IBEW 375 (and other org. labor groups, e.g., EASCTC) build capacity of its apprenticeship program(s) and the potential to implement pre-apprenticeship programming. This will include development of integrated education and training where students may learn math, reading or spoken English along with specific skill training addressing foundational and technical skills simultaneously. This project will involve frequent coordination with local manufacturers to understand their hiring needs and develop short-term programs to grow the skills necessary for residents.

Activity 2: Support local health network training and career pathway programs through partnerships with three local hospitals. Two major hospital systems and one rehabilitation center all have specific trained employees, but prospective employees may need skill training from local community college or vocational training school, short term certificates and counseling for students to understand career pathways.

Activity 3: Develop and provide support programming that provides services and mentoring to individuals and groups where prospective workers can come together, learn financial skills such as budgeting and credit, stress management, meal planning, resume writing, interviewing, etc. One way this will be provided is through job coaching available in both day and evening options.

Activity 4: Develop and implement a manufacturing skills/credential-based re-entry program. This activity builds on Allentown's historical commitment to supporting our formerly incarcerated community, from "banning the box" on city employment applications in 2015, to now advancing a goal of the City's 2030 Comprehensive Plan to foster inclusive and welcoming communities.

### **Strategy II: Expand Access to Childcare**

Partners include Resurrected Community Development Corporation, Lehigh Valley Child Care, Community Services for Children.

Activity 5: Support expanded service hours, working with local childcare partners determining needs for middle and third shift options.

Activity 6: Offer financial assistance (e.g., scholarships) to cover childcare costs. Subsidized costs may be short-term strategy depending on the residents' needs, and the success of expanded service hours and staffing.

### **Strategy III: Invest in Micro-Transit options**

Partners include Lehigh and Northampton Transit Authority, Coalition for Appropriate Transportation Lehigh Valley.

Activity 6: Supplement LANTA service with vanpool or shuttle service from target areas to employment centers not served by existing LANTA routes, and by investing in micro-mobility options within the City.

#### **Strategy IV: Identify Sites Suitable for Small Manufacturing and Flex Industrial Use**

Partners include Allentown Economic Development Corporation, Lehigh Valley Economic Development Corporation.

Activity 8: Support site selection and construction costs of critical enabling infrastructure. Work with the Allentown Economic Development Corporation (AEDC) to accelerate their Urban Sites program to actively remediate or redevelop vacant and underutilized sites to support manufacturing.

### **3. Equity, Inclusivity, Accessibility, and Diversity**

An important component to the success of this plan is to engage the targeted communities in the planning and implementation of proposed initiatives and interventions. Centering access and equity in the vision of this plan requires the support from organizations whose roots are in our target area. Moreover, it is equally important that these partners have leadership and staff who are reflective, faithful representatives of the residents in the target areas as well.

The City of Allentown has engaged two such organizations who are eagerly committed to the success of this plan: Promise Neighborhood of the Lehigh Valley (PNLV) and Resurrected Community Development Corporation (RCDC). The Promise Neighborhood of the Lehigh Valley and Resurrected Community Development Corporation are two significant organizations to the Lehigh Valley and are based within the City of Allentown. Not only are these groups advocates for their community, they are active within their community. PNLV and RCDC are key partners to the City in our effort toward fostering authentic relationships within the target area.

Beyond relationship building and engaging underserved communities in planning efforts, the City recognizes the organizational power and capacity demonstrated by these two community development groups. PNLV and RCDC are two regional assets in their own right, and they will serve as a tremendous and relevant resource to the City's Recomplete Plan.

For example, The Promise Neighborhoods of the Lehigh Valley (PNLV) asks the Lehigh Valley to reimagine leadership by empowering and supporting the leadership of individuals within their own communities. PNLV supports developing a cadre of neighborhood leaders to tap into their inherent leadership ability and provide the resources and training required for residents to actualize their intrinsic ability and emerge as leaders.

Resurrected Community Development Corporation also is committed to empowering residents and building neighborhood capacity. The vision of RCDC is to create communities of excellence, equity, and empowered residents within the City of Allentown and beyond. As the only Community Development Corporation in Allentown that is Black-founded, led, and managed,

RCDC unequivocally believes and understands that racially diverse and economically challenged neighborhoods thrive when those residing in them have equal access of opportunity to educational excellence, economic self-sufficiency, civic engagement, and the essentials of safe affordable housing, food, and healthcare.

The work of PNLV and RCDC is rooted in capacity building. This principle aligns squarely with the City's Recompete Plan and our shared vision for the people of Allentown; our strategy is one of capacity building interventions.

#### **4. Regional Assets**

The Lehigh Valley is fortunate to have a variety of good paying employment opportunities, particularly in health care and manufacturing. As our growing economy is largely attributed to these established and reactivated industries, we believe these are the regional assets which will be leveraged to lower the PAEG within the City of Allentown, specifically within the target area.

Within and close to the neighborhoods are facilities associated with worldclass health networks, such as Good Shepherd Rehabilitation, Lehigh Valley Health Network, and St. Lukes University Health Network. These anchor institutions have career pathway programs that exist, and they can be elevated to new heights through coordinated planning, recruitment, and capacity-building support. Local and regional conditions are suitable to unleash the potential of these pathway programs. Lehigh Carbon Community College reports a 60% growth in nursing and health science program enrollment over the last 3 years. Convening local partners with anchor institutions will unlock new points of access to target area residents to receive career training and skills development in a good-paying, local, and high-opportunity industry.

On the manufacturing front, the Allentown Economic Development Corporation (AEDC) is a premier leader in the field of revitalizing urban manufacturing. AEDC owns, operates, or manages more than 400,000 sq. ft. of fully occupied manufacturing space with an additional 160,000 sq. ft. presently under development. AEDC exists as a powerful regional asset, and a ready partner who is prepared to strategically meet the demand for small manufacturing space. Local and regional planning efforts have documented a demand for small manufacturing and flex industrial space (sites with footprints of 30,000-80,000 sq. ft.) in the Lehigh Valley. There is presently 900,000 sq. ft. of flex industrial space available for use in the Lehigh Valley, but more than 75% of this space is beyond Allentown city limits. Manufacturing has been reengaged throughout the region, but much of these gains are not being captured by Allentown. EDA Recompete funding will support the City's partnership with AEDC to activate their 2023-2028 Urban Sites program and thereby enable strategic site selection and preliminary capital costs.

We know that urban manufacturing space is a prime regional asset that is ready to be activated to its full potential. The City and AEDC have historically leveraged State and Federal funding to facilitate site preparation and reduce risk of these sites. Now it is time to deliver on activating small manufacturers within the City, taking one of several steps toward channeling the economic weight of this industry into our urban communities. Developing urban manufacturing sites that

are proximate and accessible to the local workforce is one piece of Allentown’s unique, integrated approach to facilitating employment connections. Concurrent investment and coordination of micro-transit and accessible childcare will sustain these connections to meaningful employment.

## **5. Targeted Geographic Approach**

This Recompete Plan directs our interventions to the poorest and most diverse neighborhoods in Allentown. The City of Allentown has identified Census tracts 4, 5, 9, 10, 18, and 20 as a targeted, contiguous geographic area for the purposes of this project. This target area is a truly reflective combination of Allentown’s most persistently distressed and historically underserved communities. The City is prepared to engage a service area representing 23,152 residents where 65.4% of whom identify as Hispanic/Latino, 55.9% are non-native English speakers, and the median household earns an income of \$39,600. Furthermore, several opportunity indicators are low in these neighborhoods as well. The graduation rate within the target area is 10% lower than the citywide rate, with 1 in every 4 prime age residents having not completed high school. In terms of ownership, just 27% of target area residents own their home, compared to 41% citywide.

As previously established, the City of Allentown has a poverty rate twice as high of the Lehigh Valley. Still, the poverty rate is alarmingly higher within the target area. The weighted poverty rate within the selected Census tracts is nearly 30%. Census tract 10, located in Center City Allentown, is one of the most disadvantaged in the area. Within these city blocks, the poverty rate reaches a burdensome 43% and the localized PAEG spikes to 21.2%.

These socioeconomic burdens and their associated opportunity gaps have clearly signaled that the need to implement PAEG reduction strategies is best defined here. Notably, the target area PAEG is 12.3%, virtually double the citywide rate.

Following this signal, the City of Allentown has crafted our Recompete Plan interventions and engaged the most effective partners in response to the demographics of the target area and the barriers to employment faced specifically here. Accordingly, the capacity-building nature of this strategy will correct systematic barriers, unlock new opportunities to seek and maintain employment, and yield long-term prosperity for target area residents.

## **6. Partnerships and Potential Commitments**

We are prepared to coordinate our partners in a way that has not been yet attempted at such a scale. The City of Allentown is at an inflection point amidst its economic resurgence: the window of opportunity to expand participation in citywide economic growth is now.

The City understands that a high-impact, resident-centered PAEG reduction Plan requires convening the best team to facilitate those community connections and partner in an effective strategy implementation. Accordingly, we have secured a strong list of confirmed partners for further strategy development, and eventual implementation. Our partners serve and represent diverse constituencies within our city and region, and we expect them to be strong assets to our Plan moving forward. Representing community development organizations, childcare centers,

health care centers, organized labor, public transportation, and workforce boards, this coalition is well prepared to target the barriers to employment which we have collectively identified. They are listed below:

Resurrected Community Development Corporation (RCDC); Promise Neighborhoods of the Lehigh Valley (PNLV); Lehigh Carbon Community College; Workforce Board Lehigh Valley; Century Promise; IBEW 375; LANTA; Community Services for Children; St. Luke's University Health Network; Downtown Allentown Community Development Association; Allentown Economic Development Corporation (AEDC); Lehigh Valley Planning Commission; The Literacy Center; Community Action Lehigh Valley.

The partners named above all represent organizations who are committed to Allentown's Recompete Plan and have communicated their readiness to join the City in directly addressing systematic barriers to employment. Coordinating commitments among partners will continue with plan development, but in the opening phase of this funding opportunity, we have demonstrated a strong capacity to convene a diverse array of experienced and active partners. Explicit extensions of programmatic support made thus far to the Recompete Plan are attached in the letters of support to this application. These include organized labor structuring targeted apprenticeship programs; educational institutions developing various skill integrated skill and foundation trainings; and community agencies providing top-tier GED/English as a Second Language programming and other remedial/skill training to match both the needs of the residents as well as the needs of the employers. Coordinating these commitments and identifying additional opportunities for partnership will continue as this Plan further progresses.

Working with our committed partners, many of whom have a mission to work in the target areas, is required to meet our shared goal of reducing barriers and connecting the residents to good paying jobs. Having collaboratively identified and validated Allentown-specific conditions of economic distress with partners throughout the region, the City is well-positioned to reduce the PAEG and raise per-capita wages.



# Attachment 1:

## Relevant eligible geographic area (screenshot from the Mapping Tool)

