



LANCASTER COUNTY

HOUSING & REDEVELOPMENT

AUTHORITIES

ANNUAL REPORT

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From The *Strategic Plan for the Lancaster County Housing and Redevelopment Authorities*:

VISION STATEMENT

To be a catalyst for community revitalization and affordable housing efforts in Lancaster County.

MISSION STATEMENT

To initiate and provide opportunities through partnerships to encourage individual achievement, empower families, strengthen neighborhoods, develop and preserve affordable housing and promote community and economic growth to revitalize Lancaster County's communities.

THE LANCASTER COUNTY REDEVELOPMENT AUTHORITY

administers the following HUD-funded programs which benefit low- and moderate-income residents of Lancaster County: • **Community Development Block Grant** - provides and supports a wide range of activities: Housing Assistance for Owners and Renters, Public Infrastructure and Community Facilities Projects, Human Services Activities, Fair Housing Programs and Economic Development Programs. • **HOME Investment Partnerships Program** (including the American Dream Downpayment Initiative) - supports a range of housing activities: Construction and Rehabilitation of Rental Housing, Assistance for Homebuyers. • **Emergency Shelter Grant Program** - provides operational support for Emergency Shelters and Transitional Shelters. Essential and Supportive Services are also provided to individuals in the County who are homeless or those at risk of becoming homeless.

Members of the Redevelopment Authority Board in 2007 included: Cindy Stewart, *Chair*; Neil Kinsey, *Vice Chair*; Ralph Murray, Sr., *Treasurer*; Miriam Fletcher and James Shultz.

THE LANCASTER COUNTY HOUSING AUTHORITY administers the HUD-funded "**Section 8**" **Housing Choice Voucher Program**, which provides rental assistance to elderly and disabled individuals and to families with children. The Authority pays rent subsidies directly to participating landlords on behalf of low-income households that lease privately-owned rental units in Lancaster County, outside Lancaster City. The Authority also oversees the **Family Self-Sufficiency Program**, in which clients receive case management services and set goals to become independent of government financial assistance within five years. A homeownership component also helps qualified rental assistance tenants to become first-time home buyers and receive monthly mortgage assistance. In addition to the Housing Voucher Program, the Housing Authority subsidizes rents for tenants in County properties that were renovated through HUD's **Moderate Rehabilitation Program**.

Members of the Housing Authority Board in 2007 included: Cindy Stewart, *Chair*; Neil Kinsey, *Vice Chair*; Ralph Murray, Sr. ; Miriam Fletcher and James Shultz.

EXECUTIVE DIRECTOR'S MESSAGE

I am pleased to offer this report on the activities of the Authorities in 2007. Lancaster County continues to prosper, but that has only highlighted the ongoing need for affordable housing to support a growing population. As administrators, on behalf of the County, of the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), the American Dream Downpayment Initiative (ADDI) and Emergency Shelter Grant (ESG) programs through the Redevelopment Authority and the Housing Choice Voucher (HCV) program through the Housing Authority, we continue to seek the most effective ways to leverage the federal funds these programs make available to us.

For example, during the year we undertook an overhaul of the Home Repair Program (formerly the Home Improvement Program), which loans funds to low-income homeowners for code-related repairs and other work that ensures the safety of the home. While technically a loan, it carries no interest and must only be paid back when the house is eventually sold.

Similarly, we established methods to better track performance of the HCV program, increasing the number of clients served and making more effective use of available funds. As in years past, our program meets HUD's highest performance standards.

The fine-tuning of our programs will continue throughout 2008, with every program slated for a thorough evaluation.

Overall, HUD programs administered by the Redevelopment Authority provided \$4,734,159 in support of housing initiatives, public improvements, community services and homeownership programs. The Housing Authority managed \$4,582,005 in voucher payments and family self-sufficiency payments.

Other initiatives include work in the downtowns of our villages and boroughs. Teaming up with the Economic Development Company of Lancaster, Community First Fund and the Building Industry Association, we are helping downtown organizations identify feasible development projects and the developers and funders to get them built. No single organization can do it all, so we highly value partnerships as a way to bring the best talent to bear on the community's goals.

Our work is only possible because of the dedication of our staff. They are truly an asset to the community and great colleagues. I also want to thank our board of directors—Cindy Stewart, chairwoman, Miriam Fletcher, Neil Kinsey, Ralph Murray, Sr., and James Shultz.

We look forward to continuing our work in the coming year.

Sincerely,

Matthew T. Sternberg
Executive Director

THE BOARD CHAIR'S MESSAGE

No one can ignore the fact that these are trying times for our economy, our government leaders, our country, and our community. However, throughout 2007, the Board of Directors and staff of the Lancaster County Housing and Redevelopment Authorities remained committed to serving our boroughs, townships, and our most vulnerable citizens.

The Authorities continued their tradition of exemplary operations by administering housing and redevelopment programs that met all of the expectations of the Department of Housing & Urban Development, and the Lancaster County Commissioners. In addition, many new initiatives were begun that are outlined in this report.

Our staff set out to accomplish an aggressive program of work. Their results were impressive, even in the face of some daunting obstacles. As we continue into the coming year, I remain confident that the partnership formed between our Board of Directors, our staff, our stakeholders, and the communities we impact, will allow us to remain responsive and committed to our mission.

Sincerely,

Cindy Stewart
Board Chair of the Lancaster County
Housing and Redevelopment Authorities

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER

EXPENDITURES — 2007

The Redevelopment Authority expended \$16,303,968 in 2007. \$4,793,705 was expended for programs/projects funded with HUD dollars, and \$11,510,263 was expended for other programs/projects.

HUD Program/Project Expenditures

<i>CDBG</i>	(Community Development Block Grant) expenditures	\$3,497,216
<i>HOME</i>	(HOME Investment Partnerships Program) expenditures	\$1,136,078
<i>ESG</i>	(Emergency Shelter Grant) expenditures	\$142,153
<i>HMIS</i>	(Homeless Management Information System) expenditures	\$18,258
		\$4,793,705

Other Program/Project Expenditures

Clipper Magazine Stadium expenditures	\$1,604,945
Affordable Housing Program expenditures	\$887,485
RACP (Redevelopment Assistant Capital Program) State expenditures	\$8,864,017
Other Program Expenditures	\$153,816
	\$11,510,263

Total Expenditures in 2007 **\$16,303,968**

HOUSING CONSTRUCTION AND REHABILITATION ACTIVITIES

Rental Housing: In 2007, rental housing units were created or rehabilitated through the Rental Housing Program for 130 lower-income individuals and families using HOME and DCED funds:

- Manor Heights Apartments in Manheim Township created 70 new apartments for families.
- Village Garden Apartments in Manheim Township created 60 new apartments for seniors.

Funds were budgeted in 2007 for Country Club Apartments Project in East Lampeter Township, which upon completion of construction, will provide 95 units of rental housing for general occupancy. Loan settlement and construction of the project was scheduled to begin in the spring of 2008.

Owner-Occupied Housing: In 2007, the homes of 91 families were rehabilitated through various programs using CDBG funds:

- The Home Repair Program (formerly known as the Home Improvement Program) provided assistance to 26 homeowners to address code compliance and structural repairs to their homes.
- The Homeowner Assistance Program provided assistance to six (6) homeowners enabling them to complete municipally required improvements to their homes.
- The Energy Conservation Program provided assistance to 59 homeowners to enable them to make their home more energy efficient.

Homebuyer Assistance: In 2007, HOME and Lancaster County Affordable Housing Trust Fund (AHTF) funds assisted 42 families to purchase their first home.

PUBLIC INFRASTRUCTURE ACTIVITIES

Last year, CDBG funds were used to complete several projects that benefitted low- and moderate-income individuals and households in Lancaster County, outside the city of Lancaster:

- The extension of the sprinkler system in the YWCA of Lancaster from the basement to the attic to meet fire safety regulations. The attic is directly above the transitional housing unit.
- The installation of sewer lines and manhole covers in Paradise Township, benefiting 97 people; the installation of a new water main, valves and fire hydrants in Quarryville Borough; and the construction of a water line on East Main Street in Terre Hill Borough, benefitting 138 people.
- The reconstruction and repaving of Market Street in Mount Joy Borough; as well as the replacement of curbs and sidewalks, water mains, related valves and three fire hydrants in Manheim Borough.

PUBLIC SERVICES ACTIVITIES

CDBG assisted 7,934 low- and moderate-income youth, adults, and seniors; persons with disabilities; people who are homeless; and other individuals and families in crisis throughout Lancaster County in 2007 by funding 22 human service programs at 15 agencies.

- **Homeless Prevention/Services:** 1,279 individuals or households who were homeless or at risk of homelessness received housing assistance, shelter, homeless prevention services, counseling and/or advocacy through CDBG and ESG funds.
- **Health Services:** Last year, a total of 1,548 people of low- and moderate-income received medical and dental treatment. Five (5) people were provided professional mental health care.
- **Legal Services:** Ninety-six (96) low-income clients were provided with free legal representation and counsel in cases of domestic violence, child custody, housing needs and public benefits.
- **Youth Services:** 2,162 Lancaster County youth received counseling, advocacy, health services, educational and recreational opportunities, and case management.
- **Other Public Services:** An additional 2,844 low- and moderate-income residents in Lancaster County (outside the City) received various human services through CDBG funding, including: case management, outreach, budget counseling, fiduciary assistance and aid/advocacy for individuals with disabilities.

HOMELESS ASSISTANCE ACTIVITIES

In 2007, ESG funds were used to provide shelter, transitional housing and essential/supportive services to the homeless and those at risk of becoming homeless in Lancaster County. Funds covered operation and maintenance costs of various shelters and/or case management services for six (6) programs at five (5) organizations, and in this way, assisted 589 individuals who were homeless or at risk of becoming homeless.

The Authority also continued to administer the Homeless Management Information System (HMIS) called ServicePoint to coordinate and improve the accuracy of data entry and statistics by shelters and homelessness prevention/supportive services agencies in the County.

ECONOMIC DEVELOPMENT ACTIVITIES

Last year, 17 entrepreneurs were provided business training for the purpose of creating economic opportunities. CDBG funds also provided 30 entrepreneurs with access to technical assistance and business capital for the purpose of sustaining economic opportunities. Business counseling was also provided for start-up or existing micro-enterprises to 39 entrepreneurs.

2007 ANNUAL FINANCIAL STATEMENTS

Redevelopment Authority of the County of Lancaster

STATEMENT OF NET ASSETS

As of December 31, 2007

ASSETS

Current Assets

Unrestricted Cash and Cash Equivalents	486,658
Restricted Cash and Cash Investments	48,028
Accounts Receivable	321,368
Prepaid Assets	1,500
Prepaid Financing Costs (Net of Accumulated Depreciation)	640,093
Total Current Assets	1,497,647
Capital Assets (Net)	23,733,798
TOTAL ASSETS	25,231,445

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts Payable	
US Treasury	4,557
Other	31,522
Deferred Revenue	13,524
Accrued Liabilities	80,260
Current Portion of Bonds & Notes Payable	935,000
Advances Payable	19,359
Accrued Interest Payable	94,056
Accrued Compensated Absences	99,583
Total Current Liabilities	1,277,861
Long Term Portion of Bonds and Notes Payable	12,740,000
TOTAL LIABILITIES	14,017,861

NET ASSETS

Invested in Capital Assets Net of Related Debt	8,541,174
Restricted Net Assets	48,028
Unrestricted Net Assets	2,624,382
TOTAL NET ASSETS	11,213,584
TOTAL LIABILITIES AND NET ASSETS	25,231,445

2007 ANNUAL FINANCIAL STATEMENTS

Redevelopment Authority of the County of Lancaster

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2007

REVENUES

HUD Grants	4,363,923
Program Income	2,268,400
DCED Grant	8,864,017
Other	75,022
Interest	23,140
Total Revenues	<u>15,594,502</u>

EXPENSES

2005 CDBG	87,667
2006 CDBG	373,370
2007 CDBG	3,036,179
2006 ESG	76,494
2007 ESG	65,659
2001 HOME	20,146
2002 HOME	71,333
2003 HOME	165,108
2004 HOME	305,049
2005 HOME	477,660
2006 HOME	54,978
2007 HOME	41,804
Supportive Housing Program (HMIS) 2005	18,258
21-170-0075 DCED	8,861,392
Amortization Expense	38,703
Interest Expense	672,543
PILOT Expense	33,845
Insurance Expense	52,482
Depreciation	798,411
Other Administrative Expenses	245,684
Other Program Expenses	807,203
Total Expenses	<u>16,303,968</u>

Excess/(Deficiency) of Revenue over Expenses (709,466)

Net Assets - Beginning of Period 11,923,050

Net Assets - End of Period 11,213,584

2007 ANNUAL FINANCIAL STATEMENTS

Redevelopment Authority of the County of Lancaster

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Income	(709,466)
Adjustment to Reconcile Operating Income to Net Assets Provided (Used) by Operating Activities	
Amortization of Prepaid Financing Costs	38,703
Depreciation Expense	798,411
Decrease (Increase) in Assets:	
Accounts Receivable - Other	1,728,902
Prepaid Assets	(1,500)
Increase (Decrease) in Liabilities	
Accounts Payable	(33,282)
Accrued Liabilities	(63,113)
Advances Payable to Housing Authority	(14,460)
Accrued Interest Payable	(673)
Deferred Revenues	(124,014)
Accrued Compensated Absences	31,774
Cash Provided by Operating Activities	<u>1,651,282</u>

CASH FLOWS PROVIDED BY FINANCING ACTIVITIES

Cash Paid for Repayment of Short Term Debt	(1,517,624)
Repayment on Bonds	(420,000)
Cash Provided by Financing Activities	<u>(1,937,624)</u>

CASH FLOWS USED IN INVESTING ACTIVITIES

(Purchase)/Sale of Investments	(14,411)
Acquisition of Property and Equipment	(14,039)
	<u>(28,450)</u>

Increase in Cash and Cash Equivalents (314,792)

Cash and Cash Equivalents - Beginning of Year 801,450

Cash and Cash Equivalents - End of Year 486,658

LANCASTER COUNTY HOUSING AUTHORITY

EXPENDITURES — 2007

In 2007, the Housing Authority expended \$5,344,815 to provide rental assistance to 980 households through the Section 8 Housing Choice Voucher Program and to 126 households through the Section 8 Moderate Rehabilitation Program.

<i>HCV</i>	(Housing Choice Voucher Program) expenditures	\$4,740,837
<i>MR</i>	(Moderate Rehabilitation Program) expenditures	\$603,978
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		\$5,344,815
Total Expenditures in 2007		\$5,344,815

2007 ANNUAL FINANCIAL STATEMENTS

Lancaster County Housing Authority

STATEMENT OF NET ASSETS

At December 31, 2007

ASSETS

	<u>For the Year Ended</u>	
	<u>12/31/2007</u>	<u>12/31/2006</u>
CURRENT ASSETS		
Cash and Cash Equivalents - Restricted	1,107,236	1,697,154
Cash and Cash Equivalents - Unrestricted	844,511	
Cash - FSS Escrow	53,842	48,667
Accounts Receivable - HUD	4,504	12,486
Accounts Receivable - Other Government	14,982	10,029
Accounts Receivable - Other	13,500	13,500
Accrued Interest Receivable	7,038	5,370
Total Assets	<u>2,045,613</u>	<u>1,787,206</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable:		
Vendors and Contractors	7,965	11,703
Accrued Wages/Payroll Taxes	8,024	6,222
Due to Tenants:		
Security Deposits & Escrow Deposits	53,842	48,667
Due to HUD	14,876	3,239
Accrued Liabilities	12,875	5,491
Compensated Absences	6,313	8,417
Total Current Liabilities	<u>103,895</u>	<u>83,739</u>

NON CURRENT LIABILITIES

Accrued Compensated Absences	<u>56,822</u>	<u>104,751</u>
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NET ASSETS

Restricted Net Assets	844,511	
Unrestricted Net Assets	<u>1,040,385</u>	<u>1,598,716</u>
Total Net Assets	<u>1,884,896</u>	<u>1,598,716</u>
Total Liabilities and Net Assets	<u>2,045,613</u>	<u>1,787,206</u>

2007 ANNUAL FINANCIAL STATEMENTS

Lancaster County Housing Authority

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

At December 31, 2007

	For the Year Ended	
	<u>12/31/2007</u>	<u>12/31/2006</u>
REVENUES		
HUD Grants	5,487,582	5,502,177
Other Income	<u>45,108</u>	<u>21,386</u>
Total Revenues	<u>5,532,690</u>	<u>5,523,563</u>
EXPENSES		
Administration	685,213	623,952
Housing Assistance Payments	4,642,929	4,399,317
General Expenses	<u>16,673</u>	<u>23,029</u>
Total Operating Expenses	<u>5,344,815</u>	<u>5,046,298</u>
EXCESS OF OPERATING REVENUE OVER EXPENSES	<u>187,875</u>	<u>477,265</u>
Interest Income - Unrestricted	56,162	58,092
Interest Income - Restricted	36,026	
INCREASE IN NET ASSETS	280,063	535,357
Beginning Net Assets	1,598,716	1,009,928
Prior Period Adjustments	<u>6,117</u>	<u>53,431</u>
Ending Net Assets	<u>1,884,896</u>	<u>1,598,716</u>

2007 ANNUAL FINANCIAL STATEMENTS

Lancaster County Housing Authority

STATEMENT OF CASH FLOWS

At December 31, 2007

	<u>For the Year Ended</u>	
	<u>12/31/2007</u>	<u>12/31/2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received		
From Government Agencies for Operating Grants	5,507,201	5,485,739
For Other Operating Revenues	45,108	21,386
Cash Paid:		
To Employees for Operations	(350,233)	(316,708)
To Suppliers for Operations	(395,074)	(168,240)
For Housing Assistance Payments	<u>(4,642,929)</u>	<u>(4,399,317)</u>
Net Cash Provided by Operating Activities	<u>164,073</u>	<u>622,860</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Security Deposits	<u>5,175</u>	<u>(31,960)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>5,175</u>	<u>(31,960)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Investments		505,478
Investment Income	<u>90,520</u>	<u>63,063</u>
Net Cash Provided by Investing Activities	<u>90,520</u>	<u>568,541</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	259,768	1,159,441
Cash and Equivalents at Beginning of Period	<u>1,745,821</u>	<u>586,380</u>
Cash and Equivalents at End of Period	<u>2,005,589</u>	<u>1,745,821</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations		
Operating Income/(Loss)	187,875	477,265
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities		
Prior Period Adjustments	6,117	53,431
Decrease/(Increase) in Assets		
Accounts Receivable	(4,953)	(16,706)
Increase/(Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	(1,936)	17,925
Due to HUD	19,619	268
Accrued Compensated Absences	(50,033)	36,519
Other Liabilities	7,384	54,158
Net Cash Provided by Operating Activities	<u>164,073</u>	<u>622,860</u>

THE STAFF IN 2007

Matthew T. Sternberg	<i>Executive Director</i>
David M. Brazina	<i>Deputy Executive Director</i>
Marian Joyce	<i>Administrative Assistant</i>
Michael Brightbill	<i>Controller</i>
Aimee L. Tyson	<i>Director of Community Development</i>
Dale Kaufman	<i>Manager of Technical Services</i>
Karen Bousquet	<i>Community Development Assistant</i>
Michael Urenovitch	<i>Community Development Finance Specialist</i>
Rhonda M. Lapp	<i>Finance Clerk</i>
Steve Glatfelter	<i>Community Development Assistant</i>
Teresa W. Danforth	<i>Director of Housing Services</i>
Loida R. Rodriguez	<i>Housing Management Assistant</i>
Audrey L. Steinmetz	<i>Housing Management Assistant</i>
Rosa M. Matias	<i>Tenant Case Manager</i>
Nellie Cruz	<i>Tenant Case Manager</i>
David Winnerling	<i>Technical Services Representative</i>
Scott E. Herr	<i>Technical Services Representative</i>
Shaun Sponagle	<i>Housing Inspector</i>

LANCASTER COUNTY COMMISSIONERS

Dick Schellenberger, *Chairman* Sharron V. Nelson Molly S. Henderson

This annual report was funded through a Community Development Block Grant from the U. S. Department of Housing and Urban Development. (HUD).

Any questions or comments concerning information printed in this document should be addressed to:

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equal housing opportunity



LANCASTER COUNTY
HOUSING & REDEVELOPMENT
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