



LANCASTER COUNTY

HOUSING & REDEVELOPMENT

AUTHORITIES

ANNUAL REPORT

2008

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 Projects, Fair Housing Programs and Economic Development Programs. **HOME Investment Partnerships Program** - 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 2008 included: Cindy Stewart, *Chair*; James Shultz, *Vice Chair*; Ralph Murray, Sr., *Treasurer*; Miriam Fletcher, *Assistant Treasurer*; and Edward Fisher.

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 2008 included: Cindy Stewart, *Chair*; James Shultz, *Vice Chair*; Ralph Murray, Sr.; Miriam Fletcher and Edward Fisher.

EXECUTIVE DIRECTOR'S MESSAGE

I am pleased to offer this report on the activities of the Authorities in 2008. As is the case with counties across the nation, Lancaster County faces a challenging economic climate. But while other areas have felt acute distress, we have benefited from our diverse economic base and maintained relative stability. However, the situation does serve to highlight the continued need for affordable housing. 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 available to us.

To start with the Housing Authority, one clear trend will be an increase in programs to support residents transitioning from nursing homes and other institutions into mainstream housing units. During the year I had the pleasure to sit with a group of executive directors from across the state, representatives from the Housing Finance Agency and several state agencies to explore the dynamics of the interagency collaboration necessary to make this work. It was a productive discourse that pointed up the importance of coordination between service providers and housing agencies. For us, this will mean new levels of partnership between the Housing and Redevelopment Authorities, and outreach into the broader community. Our combined agency structure should serve the County well.

Opportunities opened up for the Redevelopment Authority as well. Partnership is an important theme for us. During 2008 we were able to assist in the restructuring of the Lancaster Housing Opportunity Partnership (LHOP), an important organization affected by the housing crisis that caused their partner banks to pull back on issuing new mortgage loans. Fortunately, we were able to use HOME funds to help stabilize their finances and support their efforts to reposition their management strategy. Thanks to the work of many throughout the community, this effort succeeded and LHOP is poised to be a major partner in affordable housing programs well into the future.

Other important initiatives include our continued work with the Borough Revitalization Collaborative. In a move to establish closer ties with economic development efforts, we agreed that the Collaborative, under direction of the Redevelopment Authority, will head up the Urban Center Development committee of the Lancaster Prospers initiative sponsored by the Economic Development Company of Lancaster.

My thanks go out to our terrific staff. Their dedication to this work is humbling. Thanks also to our board of directors: Cindy Stewart, Chair, Ed Fisher, Miriam Fletcher, Ralph Murray, Sr., and Jim Schultz.

We look forward to the challenges of the coming year.

Sincerely,

Matthew T. Sternberg
Executive Director

THE BOARD CHAIR'S MESSAGE

Franklin Delano Roosevelt said, "The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith." There is no denying that these are uncertain times for any publicly-funded organization, and the Lancaster County Housing and Redevelopment Authority is no exception.

Over the time period covered by this report, 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 and Urban Development (HUD), and the Lancaster County Board of Commissioners. Our staff continued to set a standard of excellence that has come to be expected by those that we serve and will be a necessity in the days ahead.

Although the fiscal climate of our country provides a background of concern, along with this challenge comes opportunity. The Authorities are poised to assure that the most vulnerable of Lancaster County's citizens are not overlooked and that those impacted most by the economic decline are assisted through this crisis. 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 move forward with a strong and active faith in our ability 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 — 2008

The Redevelopment Authority expended \$10,510,123 in 2008. \$7,177,061 was expended for programs/projects funded with HUD dollars, and \$3,325,433 was expended for other programs/projects.

HUD Program/Project Expenditures

CDBG	(Community Development Block Grant) expenditures	\$5,218,081
HOME	(HOME Investment Partnerships Program) expenditures	\$1,785,266
ESG	(Emergency Shelter Grant) expenditures	\$148,561
HMIS	(Homeless Management Information System) expenditures	\$32,782
		<hr/> \$7,184,690

Other Program/Project Expenditures

Clipper Magazine Stadium expenditures	\$1,525,749
Affordable Housing Program expenditures	\$354,918
RACP (Redevelopment Assistant Capital Program) State expenditures	\$932,374
DCED (Housing Assistance Program)	\$500,000
Other Program Expenditures	\$12,392
	<hr/> \$3,325,433

Total Expenditures in 2008 **\$10,510,123**

HOUSING CONSTRUCTION AND REHABILITATION ACTIVITIES

Rental Housing:

In 2008, construction began on the Country Club Apartments Project in East Lampeter Township through the Rental Housing Program, using HOME and DCED funds. Upon completion this project will provide 88 units of rental housing for lower-income individuals and families. This eight-building project is scheduled to be completed in the summer of 2009.

Owner-Occupied Housing: In 2008, the homes of 140 low- and moderate-income families were rehabilitated through various programs using CDBG funds:

- The Home Repair Program provided assistance to 47 homeowners to address local housing codes, standards and ordinances and perform structural repairs to their homes.
- The Energy Conservation Center provided assistance to 91 homeowners to enable them to make their home more energy efficient.
- The Homeowner Assistance Program provided assistance to two (2) low-income homeowners enabling them to complete municipally required improvements to their homes.

Homebuyer Assistance: In 2008, HOME funds and Lancaster Housing Opportunity Partnership (LHOP) assisted two (2) low- and moderate-income 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:

- Three (3) neighborhood improvement projects were completed to help 520 people in Columbia and Lititz Boroughs and in Manheim Township sustain a suitable living environment.
- Two (2) projects enabled 156 people to access sanitary sewer services in Mount Joy Borough and Paradise Township.
- One water system improvement project was completed in Quarryville Borough to improve the water distribution and public safety for 1,994 people.

PUBLIC SERVICES ACTIVITIES

CDBG assisted 7,832 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 2008 by funding 20 human service programs at 14 non-profit agencies.

- **Homeless Prevention/Services**: 1,012 individuals or households who were homeless or at-risk of homelessness received housing assistance, shelter, homeless prevention services, counseling and/or advocacy through CDBG funds.
- **Health Services**: Last year, a total of 1,588 people of low- and moderate-income received medical and dental treatment in four (4) locations from two (2) health care providing centers/clinics.
- **Legal Services**: One hundred and thirteen (113) low-income clients were provided with free legal representation and counsel in cases of domestic violence, child custody, housing needs and obtaining public benefits.
- **Youth Services**: In 2008, 414 Lancaster County youth received crisis counseling, health services, advocacy, educational and recreational opportunities, and case management.
- **Other Public Services**: An additional 4,705 low- and moderate-income residents/households in Lancaster County (outside the City) received various human services through CDBG funding, including: case management, outreach, budget counseling, fiduciary assistance and crisis aid/advocacy.

HOMELESS ASSISTANCE ACTIVITIES

In 2008, 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) non-profit organizations, and in this way, assisted 1,006 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, CDBG funds granted 65 entrepreneurs access to technical assistance and business capital for the purpose of sustaining economic opportunities. Forty-five (45) entrepreneurs were provided business training for the purpose of creating economic opportunities. Business counseling was also made available to 52 entrepreneurs for start-up or existing micro-enterprises.

2008 ANNUAL FINANCIAL STATEMENTS

Redevelopment Authority of the County of Lancaster

STATEMENT OF NET ASSETS

As of December 31, 2008

ASSETS

Current Assets

Unrestricted Cash and Cash Equivalents	734,774
Restricted Cash and Cash Investments	69,407
Accounts Receivable	69,863
Prepaid Assets	900
Prepaid Financing Costs (Net of Accumulated Depreciation)	601,390
Total Current Assets	1,476,334
Capital Assets (Net)	23,204,845

TOTAL ASSETS	24,681,179
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LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts Payable	
US Treasury	9,451
Other	4,464
Deferred Revenue	22,896
Accrued Liabilities	80,056
Current Portion of Bonds & Notes Payable	455,000
Advances Payable	20,743
Accrued Interest Payable	94,657
Accrued Compensated Absenses	113,462
Total Current Liabilities	800,729
Long Term Portion of Bonds and Notes Payable	12,785,000
TOTAL LIABILITIES	13,585,729

NET ASSETS

Invested in Capital Assets Net of Related Debt	9,964,845
Restricted Net Assets	69,407
Unrestricted Net Assets	1,061,198
TOTAL NET ASSETS	11,095,450

TOTAL LIABILITIES AND NET ASSETS	24,681,179
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2008 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, 2008

REVENUES

HUD Grants	6,811,755
Program Income	2,121,186
DCED Grant	1,432,374
Other	7,222
Interest	11,823
Total Revenues	<u>10,384,360</u>

EXPENSES

2006 CDBG	331,516
2007 CDBG	556,977
2008 CDBG	4,329,588
2007 ESG	83,354
2008 ESG	57,578
2002 HOME	44,548
2003 HOME	96,057
2005 HOME	497,986
2006 HOME	1,061,029
2007 HOME	76,959
2008 HOME	8,687
21-170-0075 DCED	1,432,374
Amortization Expense	38,703
Interest Expense	661,846
PILOT Expense	30,000
Insurance Expense	50,831
Depreciation	730,188
Other Administrative Expenses	56,913
Other Program Expenses	357,360
Total Expenses	<u>10,502,494</u>

Excess/(Deficiency) of Revenue over Expenses (118,134)

Net Assets - Beginning of Period 11,213,584

Net Assets - End of Period 11,095,450

2008 ANNUAL FINANCIAL STATEMENTS

Redevelopment Authority of the County of Lancaster

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Income	(118,134)
Adjustment to Reconcile Operating Income to Net Assets Provided (Used) by Operating Activities	
Amortization of Prepaid Financing Costs	38,703
Depreciation Expense	730,188
Decrease (Increase) in Assets:	
Accounts Receivable - Other	251,505
Prepaid Assets	600
Increase (Decrease) in Liabilities	
Accounts Payable	(22,164)
Accrued Liabilities	(204)
Advances Payable to Housing Authority	1,384
Accrued Interest Payable	601
Deferred Revenues	9,372
Accrued Compensated Absences	13,879
Cash Provided by Operating Activities	<u>905,730</u>

CASH FLOWS PROVIDED BY FINANCING ACTIVITIES

Cash Paid for Repayment of Short Term Debt	
Repayment on Bonds	<u>(435,000)</u>
Cash Provided by Financing Activities	<u>(435,000)</u>

CASH FLOWS USED IN INVESTING ACTIVITIES

(Purchase)/Sale of Investments	(21,379)
Acquisition of Property and Equipment	<u>(201,235)</u>
	<u>(222,614)</u>

Increase in Cash and Cash Equivalents	248,116
Cash and Cash Equivalents - Beginning of Year	<u>486,658</u>
Cash and Cash Equivalents - End of Year	<u>734,774</u>

LANCASTER COUNTY HOUSING AUTHORITY

EXPENDITURES — 2008

In 2008, the Housing Authority expended \$5,878,166 to provide rental assistance to 966 households through the Section 8 Housing Choice Voucher Program and to 128 households through the Section 8 Moderate Rehabilitation Program. Also, eight (8) households were assisted in 2008 through the Shelter + Care Program.

<i>HCV</i>	(Housing Choice Voucher Program) expenditures	\$5,254,283
<i>MR</i>	(Moderate Rehabilitation Program) expenditures	\$618,868
<i>S + C</i>	(Shelter Plus Care Program) expenditures	\$5,015
		<hr/> <hr/>
		\$5,878,186
Total Expenditures in 2008		\$5,878,186

2008 ANNUAL FINANCIAL STATEMENTS

Lancaster County Housing Authority

STATEMENT OF NET ASSETS

At December 31, 2008

ASSETS

	<u>For the Year Ended</u>	
	<u>12/31/2008</u>	<u>12/31/2007</u>
CURRENT ASSETS		
Cash and Cash Equivalents - Restricted	1,293,347	1,107,236
Cash and Cash Equivalents - Unrestricted	590,789	844,511
Cash - FSS Escrow	50,976	53,842
Accounts Receivable - HUD	15,409	4,504
Accounts Receivable - Other Government	19,677	14,982
Accounts Receivable - Other	3,904	13,500
Accrued Interest Receivable	1,269	7,038
Total Assets	<u>1,975,371</u>	<u>2,045,613</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable:

Vendors and Contractors	19,603	7,965
Accrued Wages/Payroll Taxes	12,157	8,024
Due to HUD	129,461	14,876
Accrued Liabilities	9,280	12,875
Compensated Absences	7,254	6,313
Total Current Liabilities	<u>177,755</u>	<u>50,053</u>

NON CURRENT LIABILITIES

FSS Escrows	50,866	53,842
Accrued Compensated Absences	65,287	56,822
Total Liabilities	<u>293,908</u>	<u>160,717</u>

NET ASSETS

Restricted Net Assets	590,789	844,511
Unrestricted Net Assets	1,090,674	1,040,385
Total Net Assets	<u>1,681,463</u>	<u>1,884,896</u>
Total Liabilities and Net Assets	<u>1,975,371</u>	<u>2,045,613</u>

2008 ANNUAL FINANCIAL STATEMENTS

Lancaster County Housing Authority

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

At December 31, 2008

	<u>For the Year Ended</u>	
	<u>12/31/2008</u>	<u>12/31/2007</u>
REVENUES		
HUD Grants	5,614,539	5,487,582
Other Income	<u>15,302</u>	<u>45,108</u>
Total Revenues	<u>5,629,841</u>	<u>5,532,690</u>
EXPENSES		
Administration	700,097	685,213
Housing Assistance Payments	5,147,380	4,642,929
General Expenses	<u>30,689</u>	<u>16,673</u>
Total Operating Expenses	<u>5,878,166</u>	<u>5,344,815</u>
EXCESS OF OPERATING REVENUE OVER EXPENSES	<u>(248,325)</u>	<u>187,875</u>
Interest Income - Unrestricted	24,474	56,162
Interest Income - Restricted	15,828	36,026
INCREASE IN NET ASSETS	(208,023)	280,063
Beginning Net Assets	1,884,896	1,598,716
Prior Period Adjustments	<u>4,590</u>	<u>6,117</u>
Ending Net Assets	<u>1,681,463</u>	<u>1,884,896</u>

2008 ANNUAL FINANCIAL STATEMENTS

Lancaster County Housing Authority

STATEMENT OF CASH FLOWS

At December 31, 2008

	<u>For the Year Ended</u>	
	<u>12/31/2008</u>	<u>12/31/2007</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	<u>7,384</u>	<u>54,158</u>
Net Cash Provided by Operating Activities	<u>164,073</u>	<u>622,860</u>

THE STAFF IN 2008

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>Technical Services Manager</i>
Karen Bousquet	<i>Community Development Assistant</i>
Michael Urenovitch	<i>Community Development Program Manager</i>
Rhonda M. Lapp	<i>Loan Administrator</i>
Holly Martin	<i>Accounting Assistant</i>
Steve Glatfelter	<i>Community Development Assistant</i>
Teresa W. Danforth	<i>Tenant Services Director</i>
Loida R. Rodriguez	<i>Tenant Management Assistant</i>
Audrey L. Steinmetz	<i>Tenant 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 Spongale	<i>Housing Inspector</i>
Bryce Feeser	<i>Document Scanner</i>

LANCASTER COUNTY COMMISSIONERS

Dennis P. Stuckey, *Chairman* Scott Martin, *Vice-Chairman* Craig Lehman

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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LANCASTER COUNTY
HOUSING & REDEVELOPMENT
AUTHORITIES

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