

Section I. General Questions

A. Executive Summary

The Lancaster County Redevelopment Authority has made substantial progress in 2006 to provide decent, affordable housing; to provide suitable living environments; and to create economic opportunities for the citizens of Lancaster County. Through funding from the U. S. Department of Housing and Urban Development (HUD), the Lancaster County Redevelopment Authority expended **\$6,390,531** in Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Shelter Grant (ESG) dollars.

2006 marked the first program year of the *2006–2010 Consolidated Plan*. The *Consolidated Plan* relies heavily on the Lancaster County's *Housing Element Update* and *Growth Management Element Update* to the Comprehensive Plan. These documents were updated in 2005 with extensive citizen input and provide a basis for community planning for the next 25 years. The *2006–2010 Consolidated Plan's* strategic agenda for housing, homelessness, and community and economic development outlines the specific activities that the Lancaster County Redevelopment Authority has committed to achieve over the five-year period.

The Lancaster County Redevelopment Authority has continued to follow previously implemented performance measurements to aggregate performance data at the national level as prescribed by HUD. All activities funded address one of the three primary objectives and one of the three outcomes that benefit low- and moderate-income people. They are as follows:

Objectives	Outcomes
1. Suitable Living Environment	1. Availability/Accessibility
2. Decent Housing	2. Affordability
3. Creating Economic Opportunity	3. Sustainability/Promoting Livable or Viable Communities

This CAPER 2006 continues with the basic framework outline developed in 2004 for the Consolidated Plan Management Process (CPMP) tool.

Again in 2006, the Lancaster County Redevelopment Authority exceeded its expenditure rate to meet HUD's Timeliness Standard for the CDBG Program.

B. General Questions

Assessment of the one-year goals and outcomes

\$4,323,765 in **CDBG** funds were expended in 2006 for the following types of activities:

Activity	Expenditures	Percent
Public Infrastructure Projects	\$1,854,109	43%
Housing Activities	\$1,010,977	23%
Human Services Activities	\$668,923	15%
Program Administration	\$640,085	15%
Economic Development Activities	\$149,671	4%

\$1,916,982 in **HOME** funds was expended in 2006 for the following types of activities:

Activity	Expenditures	Percent
Rental Housing – New Construction	\$1,500,948	78%
Rental Housing – Rehabilitation	\$321,675	17%
Program Administration	\$72,950	4%
Tenant Rental Assistance	\$10,509	0.5%
Homeownership (ADDI)	\$10,900	0.5%

\$149,784 in **ESG** funds were expended in 2006 for the following types of activities:

Activity	Expenditures	Percent
Operations Support	\$105,372	70%
Essential Services	\$44,412	30%

These expenditures helped accomplish the following:

Sustainability for the Purpose of Providing Decent Affordable Housing

- 23 homeowners sustained decent, affordable housing through a housing rehabilitation program designed to maintain, upgrade, and make code-compliant the housing stock in Lancaster County.
- 65 homeowners improved their home's energy efficiency through a rehabilitation program designed to conserve energy and save on fuel costs.

Accessibility for the Purpose of Providing Decent Affordable Housing

- 87 rental units were created to provide access to decent, affordable housing.
- Three (3) low-income households in the Family Self-Sufficiency Program purchased homes to provide access to decent, affordable housing through the ADDI program.
- 13 low- and moderate-income households were assisted through Lancaster Housing Opportunity Partnership (LHOP) to purchase homes through CDBG program income to provide access to decent, affordable housing.
- 997 homeless people were sheltered and received support services.

Accessibility for the Purpose of Creating a Suitable Living Environment

- A suitable living environment was sustained through a program providing 322 people with access to public water and sanitary sewer improvements.
- 6,204 low- and moderate-income people were provided access to needed human services in 2006. These services included, but were not limited to: health care, legal services, homeless services, youth services, case management for persons with disabilities, and services for victims of domestic violence.
 - ⇒ 56% were very low-income persons;
 - ⇒ 31% were low-income persons;
 - ⇒ 13% were moderate-income persons;
 - ⇒ 27% were members of a female-headed household;
 - ⇒ 17% were persons with a disability; and
 - ⇒ Approximately 81% of the persons served were White, 12% were African-American and, in terms of ethnicity, 17% were Hispanic.

Accessibility for the Purpose of Creating Economic Opportunities

- 20 entrepreneurs were provided business training for the purpose of creating economic opportunities. Nine (9) entrepreneurs went on to start a business.
- 39 entrepreneurs were provided access to technical assistance and business capital for the purpose of sustaining economic opportunities.

- 43 entrepreneurs, or existing microenterprises, were provided business counseling for the purpose of creating economic opportunities.
- Two (2) entrepreneurs were provided loans through the County's CDBG-funded Microenterprise Loan Fund to establish or expand an existing business for the purpose of creating economic opportunities.

Sustainability for the Purpose of Creating a Suitable Living Environment

- Four (4) storm water systems were constructed to improve drainage and prevent damage to low-income communities.
- Two (2) street projects were completed in low-income communities.

Program Changes

In 2006, the Redevelopment Authority of Lancaster County began to reevaluate the programs it has to offer its clients. Beginning in August 2006, the staff looked at the Rental Housing Program. This program, traditionally underutilized, was examined for its positive and negative attributes, marketing effort, customer base, and market challenges. As a result of this review, the Redevelopment Authority will target marketing efforts to developers in our area who are not currently working to build affordable housing and help to streamline the application process. The Authority will continue in 2007 to look at each program, to ensure it is effective in its effort to impact the lives of the low- and moderate-income citizens of Lancaster County.

2006 also saw a change in leadership at the Lancaster County Housing and Redevelopment Authorities. In April 2006, Randy S. Patterson resigned as Executive Director of the Lancaster County Housing and Redevelopment Authorities. Mr. Patterson had worked for the Housing and Redevelopment Authorities for 29 years. After a thorough search, the Board offered the position to Matthew T. Sternberg. Mr. Sternberg began working at the Housing and Redevelopment Authorities in July of 2006.

Affirmatively Furthering Fair Housing

The Redevelopment Authority entered into a contract with the Lancaster Human Relations Commission for \$45,000 in Fiscal Year 2006 CDBG funds. The Lancaster Human Relations Commission's Fair Housing Program promotes the provision of fair and equal housing opportunities, regardless of a person's race, color, sex, ancestry, national origin, handicap/disability, or familial status, in accordance with State and Federal Fair Housing Laws. In 2006, the Fair Housing Program provided a multi-faceted program that included:

- preventive measures in relation to potential discrimination,
- educational services for both provider and consumer, and
- an aggressive compliance program that works to ensure equal access to housing under the law.

The Fair Housing Program received, evaluated and processed ten (10) complaints of housing discrimination under the provisions of Lancaster County Ordinance #64 of 2002. This included conciliation, settlement, public hearing, and court review. A complaint was generally investigated within 180 days or less of the date the complaint was signed. Of the ten (10) complaints, two (2) were dismissed as “No Probable Cause”, one (1) complaint was closed with settlement/mediation, and seven (7) complaints are still in the process of being investigated. Three (3) docketed complaints dealt with discrimination based on race, one (1) based on national origin, two (2) based on familial status, three (3) based on disability, and one based (1) on religion.

The Fair Housing Program continued to provide educational programs for housing consumers and providers through special events and general program information efforts. These included, but were not limited to:

- 3,000 Tenant/Landlord Rights and Responsibilities manuals were distributed throughout Lancaster County by mail and through events.
- Nine (9) Fair Housing Seminars (that included two symposiums) and 18 Landlord/Tenant Seminars were held.

The Lancaster County Redevelopment Authority completed a draft of the “Analysis of Impediments to Fair Housing Choice” in 2005. The Redevelopment Authority Board approved the document on January 24, 2006, followed by the approval of the Lancaster County Board of Commissioners on February 1, 2006. The report was then submitted to HUD on February 3, 2006.

The Redevelopment Authority, along with the Fair Housing Program, also undertook several actions to address the impediments to fair housing choice. These actions are summarized in the table on the following page.

Table 1.
Actions Taken in 2006 to Address Identified Impediments to Fair Housing Choice

Impediment to Fair Housing Choice	Plan or Method Proposed to Overcome Impediment	Actions Taken in 2006 to Address Impediment
Discrimination is a barrier to furthering fair housing.	Funding of the Fair Housing Program to reduce discrimination.	The Lancaster Human Relations Commission was allocated \$45,000 in CDBG funds to conduct a Fair Housing Program that will address the issue of fair housing.
Management practices in rental housing are often barriers to fair housing choice.	The Fair Housing Program will educate the management of apartment complexes in Lancaster County to ensure that all management practices are legal and encourage fair housing choice.	The Fair Housing Program held seminars with the management and staff of apartment complexes in Lancaster County to ensure their compliance with the Fair Housing Law.
Land use regulations and controls can drive up the cost of housing, preventing fair housing choice for persons with low and moderate incomes.	<p>Updating the Housing Element of the Lancaster County Comprehensive Plan to address land use controls and regulations.</p> <p>Address action items identified in the Comprehensive Plan.</p>	<p>The Fair Housing Program Specialist was an active member of the Housing Steering Committee of the Lancaster County Planning Commission.</p> <p>Sponsor with \$5,000 the October 2006 Affordable Housing Summit with the Executive Director participating on the steering committee of the new Lancaster Housing Coalition that was developed following the Summit.</p>

Impediment to Fair Housing Choice	Plan or Method Proposed to Overcome Impediment	Actions Taken in 2006 to Address Impediment
Discrimination in home buying and home financing reduces fair housing choice.	Participation in the South Central Assembly for Effective Governance Predatory Lending Task Force and the Lancaster County Housing Task Force.	The Fair Housing Program offered education that prevented current and future homeowners from becoming victims of predatory lending.
The lack of affordable housing in the County outside the City hampers fair housing choice for persons with low and moderate incomes.	Creating additional safe, decent, affordable housing in Lancaster County, outside the City of Lancaster.	93 owner-occupied housing units were rehabilitated to sustain decent, affordable housing. 87 rental housing units were created to provide access to decent, affordable housing.
The lack of affordable, accessible housing prevents fair housing choice for persons with disabilities.	Working with organizations that represent persons with disabilities to encourage landlords and homeowners to make their properties more accessible.	During 2006, the Redevelopment Authority continued to administer the "Access" grant from DCED, implemented by United Disabilities Services, which assists homeowners and landlords to make their properties accessible to persons with disabilities. 17 households received modifications to make their homes more accessible to persons with disabilities.
Insufficient income is an impediment to fair housing choice.	See Anti-Poverty, Section IV.	See Anti-Poverty, Section IV.

Americans with Disabilities Act (ADA) Accessibility Improvement

In 2006, improvements were made to address the accessibility issues in housing stock. The projects included:

- 23 accessible ramps were installed as part of a street improvement project.
- Six (6) rental units at Golden Triangle Apartments were made ADA accessible and 16 units are handicap adaptable.
- Two (2) rental units at Larkspur were made ADA accessible.
- Three (3) rental units at Market View (East King Street) were made ADA accessible.
- Seven (7) rental units at Fordney House were made ADA accessible.

Leveraging Resources

Each \$1 of CDBG, HOME and ESG funds leveraged approximately \$4.15 in funds from other sources in 2006. Information on leveraging is obtained from the applications for funding and from the signed contracts. Sources of leveraged funds include state, federal, local and private funds.

Accessibility for the Purpose of Creating a Suitable Living Environment

Amount Spent:	\$1,349,656
Amount Leveraged:	\$13,195,138

Accessibility for the Purpose of Providing Decent Affordable Housing

Amount Spent:	\$2,136,249
Amount Leveraged:	\$6,916,682

Accessibility for the Purpose of Creating Economic Opportunities

Amount Spent:	\$149,671
Amount Leveraged:	\$707,820

Sustainability for the Purpose of Creating a Suitable Living Environment

Amount Spent:	\$1,045,935
Amount Leveraged:	\$627,880

Sustainability for the Purpose of Providing Decent Affordable Housing

Amount Spent:	\$ 769,627
Amount Leveraged:	\$ 1,161,250

Please see the table in the Appendix entitled “Expenditures by Objectives” for information on resources leveraged through the individual project expenditure of CDBG, HOME, ADDI and ESG funds.

The following chart shows the amount of grant funds anticipated, the amount actually received in 2006, and the amount committed to date. While the amount of new CDBG funds received was less than anticipated, the Redevelopment Authority received more program income and prior years funds than anticipated. Conversely, the Redevelopment Authority received slightly more HOME funds than expected, as well as unanticipated HOME program income. The ESG allocation was also slightly higher than expected.

**Table 2.
Resources Anticipated and Made Available in 2006**

<u>Funding Source</u>	<u>Amount Anticipated</u>	<u>Amount Received</u>	<u>Amount Committed</u>
Community Development Block Grant (CDBG)			
New Funds	\$3,600,000	\$3,455,156	\$2,285,615
Program Income	\$300,000	\$341,565	\$341,565
Prior Year’s Funds	\$1,735,000	\$3,099,737	\$3,099,737
HOME Investment Partnerships Program (HOME)			
New Funds	\$1,175,000	*\$1,238,003	\$722,869
Program Income	\$0	\$18,199	\$18,199
Emergency Shelter Grant (ESG)			
New Funds	\$135,000	\$147,760	\$147,760
Totals	\$6,945,000	\$8,300,420	\$6,615,745

* Includes ADDI funds in the amount of \$24,053

In terms of other funding received by non-profits and other entities for housing-related activities, the Redevelopment Authority received the same amount of funds as anticipated, with the exception of the Optional County Affordable Housing Funds Act, PA Act 137, which provided \$176,885 more than expected. Lancaster County continues to receive revenue through the Housing Trust Fund,

which was initiated in 1994. The Lancaster County Commissioners approved an ordinance to tax mortgage recording fees in the County to generate the revenue for the fund. The County estimated that recording fees would generate approximately \$35,000 per month. In 2006, the actual amount raised was \$596,885 (approximately \$49,740 per month). The Affordable Housing Fee Fund revenues are used to cover the required 25% match for the County's HOME Program, if needed, and to provide financial resources to the Lancaster Housing Opportunity Partnership (LHOP). None of these funds were used as the HOME match in 2006. All funds were made available to LHOP.

**Table 3.
Other Funding Received by Non-Profits and Other Entities
For Investment in Housing Development Activities**

Funding Source	Amount Anticipated	Amount Received	Beneficiary
Penn Homes PA Act 137/LHOP	\$870,000 \$85,000	\$870,000 \$85,000	Larkspur
HUD Continuum of Care PA Act 137/LHOP Lancaster City HOME Lancaster City RAMP Funds DCED Federal Home Loan Bank of Pittsburgh AHP	\$447,500 \$140,000 \$194,146 \$20,000 \$125,000 \$35,000	\$447,500 \$140,000 \$194,146 \$20,000 \$125,000 \$35,000	East King Street
PA Act 137	\$420,000	\$596,885	LHOP
Totals	\$2,336,646	\$2,513,531	

PennHOMES Pennsylvania Housing Finance Agency
Act 137 Optional County Affordable Housing Funds
LHOP Lancaster Housing Opportunity Partnerships
DCED Department of Community and Economic Development
AHP Affordable Housing Program

C. Managing the Process

The Lancaster County Redevelopment Authority has a “Citizen Participation Plan” that relies on citizen-based review panels to make funding recommendations to the Lancaster County Board of Commissioners. For physical improvement projects, the citizen-based process may use three (3) regional committees and an overarching steering committee to make funding recommendations or, the committees may merge if there are a small number of applications in a given year. In 2006, one (1) committee was formed to review seven (7) projects. For the ESG and public service dollars of the CDBG program, committees of citizens, most with backgrounds in human services, were used to provide funding recommendations. Economic Development applications were also reviewed separately by a committee composed of a representative from the economic development department of the Lancaster County Planning Commission, Economic Development Company, Chamber of Commerce and bankers. The use of citizen panels is described at length in the County’s “Citizen Participation Plan” referenced above.

For the twenty-third year in a row, there have been no “Findings” or “Concerns” expressed in the independent financial audits completed for the Lancaster County Housing and Redevelopment Authorities.

The Lancaster County Redevelopment Authority continues to meet HUD’s timeliness guidelines for the expenditure of CDBG funds. In 2006, the expenditure rate exceeded the requirement.

D. Citizen Participation

The Authority published a notice on March 8, 2007, announcing the availability of the Consolidated Annual Performance Evaluation Report (CAPER); which covered the County’s Community Development Block Grant Program, HOME Investment Partnerships Program, American Dream Downpayment Initiative and Emergency Shelter Grant Program activity for the year ending December 31, 2006. The 2006 CAPER was also posted on the Redevelopment Authority’s website at www.lchra.com. The public comment period for the 2006 CAPER was March 8, 2007 to March 23, 2007.

Section VII contains three maps that show the geographic distribution of activities funded with CDBG funds and HOME funds. The Home Improvement Program (HIP) projects were similarly evenly distributed among small boroughs, rural townships and suburban townships.

E. Institutional Structure

During 2006, the Redevelopment Authority assisted with many efforts to overcome gaps in the institutional structure of the service delivery system in Lancaster County. These efforts included, but were not limited to:

- A representative of the Redevelopment Authority served on the Continuum of Care subcommittee of the Interagency Council for the Homeless.
- A representative of the Redevelopment Authority served on the Lancaster County Community Foundation's distribution committee and the County's Urban Enhancement Fund distribution committee.
- A representative of the Redevelopment Authority served as a member of the Federal Emergency Management Agency (FEMA) fund distribution committee for homeless agencies administered by the United Way.
- A representative of the Redevelopment Authority served on the County's Mental Health/Mental Retardation Advisory Board.

Redevelopment Authority staff has also been involved in interagency efforts to strengthen institutional structure for housing and economic development. A representative of the Redevelopment Authority served on the advisory committee of the Lancaster County Planning Commission's Smart Growth Awards Committee.

Other interagency activities that serve to strengthen the institutional structure and in which the Redevelopment Authority participates in varying capacities are:

- Sovereign Bank's CRA Advisory Board;
- Lancaster County Planning Commission Brownfield Steering Committee;
- Steering committee for the 2006 Housing Summit, which segued into the steering committee to form the Lancaster County Housing Coalition;
- The Churchtowne Advisory Committee and chairing the Housing Acquisition Subcommittee; and
- The Sunnyside Team.

F. Monitoring

The Lancaster County Redevelopment Authority has a Monitoring Plan for all activities funded through the CDBG, HOME and ESG programs. The purpose of the Monitoring Plan is to outline procedures the Redevelopment Authority will take to ensure that subrecipients are able to attain program objectives within established time periods. A copy of the Monitoring Plan is available at www.lchra.com under the “reports and documents” menu item.

In 2006, all public service activities were individually monitored and monitoring reports were issued. The Redevelopment Authority is also contracted by the Lancaster County Controller’s Office to conduct monitoring for programs funded through State Human Service Development Funds (HSDF).

Also, all physical improvement projects and CDBG and HOME housing projects are monitored regularly during and after construction. Each activity file contains a copy of their respective monitoring reports.

**Table 4.
Human Services Activities Monitored In 2006
That Had Findings**

Program	Funding Sources	Issues	Status
SouthEast Lancaster Health Services Medical & Dental Care Program	CDBG	Finding — Data Collection in Client Files	Resolved
Crispus Attucks Center Emergency Shelter	CDBG & ESG	Concern — Data Collection in Client Files	Resolved
		Finding — Use of CDBG Funds Different than in Revised Contract Budget	Resolved

Self-Evaluation

Listed in the beginning of this section is a description of the expenditures and resulting outcomes from 2006. This shows how the Redevelopment Authority provided decent housing, a suitable living environment and expanded economic opportunity for low- and moderate-income persons.

The Redevelopment Authority has made significant progress in creating suitable living environments and expanding economic opportunities in 2006 and looks

forward to increasing the impact of the federal funds planned for use in 2007. Similarly, the Redevelopment Authority has made good progress in sustaining decent housing for low- and moderate-income County residents, and similarly looks forward to increasing production of rental housing units in the future.

There were two (2) non-housing physical improvement projects that fell significantly behind schedule, neither of which had contracts signed in 2006. The YWCA Facilities Renovations, Phase V Project is late getting construction documents completed. Construction documents and bidding are planned for early spring 2007, with construction of the attic sprinkler system to be completed by July 2007. The Welsh Mountain Home Waste Water Project has been hampered by state approvals and added state testing submissions. The revised schedule calls for this project to be bid in July 2007 with a construction start in August 2007.

G. Lead-Based Paint

The Lancaster County Redevelopment Authority complies with the Lead-Based Paint Regulations, which went into effect September 2000. The Authority has a policy related to lead-based paint for each housing program funded with CDBG, HOME or ESG dollars, as well as, the Lancaster County Housing Authority's Section 8 Housing Choice Voucher Program, to ensure compliance with the regulations.

The staff members of the Redevelopment Authority's Housing Services Department conduct risk assessments and clearance inspections. Certified contractors conduct the lead hazard reduction work. There are two contractors certified to complete lead-based paint hazard reduction/abatement in Lancaster County (The Energy Conservation Center and Pro-Coat Painting).

All rental units rehabilitated under the Rental Housing Program must be lead-safe.

During 2006, 16 low- and moderate-income owner-occupied homes using the Home Improvement Program were made lead-safe as a result of CDBG-funded activities.