

H·A·N·D·S

Housing and Neighborhood Development Service

Annual Report 2009



A message from the President and CEO, Charles G. Scalise

Each year when organizations look back and evaluate where they have been and what they have accomplished, a certain degree of satisfaction is realized and the organizational leaders tend to congratulate themselves and go about their business.

As I reflect on what **HANDS** has accomplished in our 2008-2009 operating year, those accomplishments don't provide me with a passive sense of a job well done but, rather, a stronger sense of purpose and relevancy in this ever changing world.

As we approach 45 years of service, our mission remains as strong now as it was at our founding. Namely, doing what is truly right to meet the current housing and neighborhood development needs in our communities. While the mission remains the same, we adapt to meet the ever changing economic and present day realities. This year, we launched three initiatives which signifies **HANDS'** commitment to meeting today's housing needs:

- 1 Embracing "green" building values in our new construction and rehabilitation.
- 2 Launching a 3-year lease-to-purchase program with four new homes built in the Little Italy section of Erie.
- 3 Renewing our commitment to social service programming for our residents.

In addition, HANDS opened two housing communities for persons with disabilities to further meet the growing demand for special needs housing.

**"We can be PROUD
of what we have
accomplished in
partnership together."**

Looking ahead, we are investing in our internal infrastructure to assure that HANDS fulfills our mission of creating affordable housing opportunities while positively impacting the neighborhoods and communities which we serve. OUR recently completed strategic plan, engages us in an organization development process to further advance staff and Board development, technology needs and program development – focus on the growth and advancement of HANDS as a community resource. HANDS has a total of 786 apartment homes under management; 87 more are under construction and more than 140 in development.

As I look forward to another significant year, I would like to recognize the talent and commitment of the HANDS Staff and the insights and inspiration of the HANDS Board of Directors. Together we make a difference.



About HANDS

More than 40 years ago, Housing and Neighborhood Development Service (**HANDS**) was a volunteer organization whose focus was to help neighbors with housing needs. Today, **HANDS** is a private not-for-profit organization which prides itself on “making stronger, more vibrant neighborhoods.” **HANDS** believes in a holistic approach for all residents by coordinating educational and supportive service opportunities to improve the quality of life for families, and by providing seniors the comfort and support of a community they can feel safe in. **HANDS** prides itself on the creation of four dozen housing developments resulting in the production of more than 1,000 units of affordable housing in nine counties across Northwestern Pennsylvania.

Our Commitment

HANDS is committed to making stronger and more vibrant neighborhoods in partnership with the communities it serves through the development and management of quality affordable housing. In addition to the new construction of affordable housing, **HANDS** has a tradition of selecting the ideal buildings to rehabilitate, creating unique living environments while keeping monthly costs affordable for all residents.

HANDS is Northwestern Pennsylvania’s leader in the development and management of multi-family apartment homes for low income families, senior residents and adults living with disabilities.

Our Services include

- Planning and Development of Affordable Housing Communities
- Property Management
- Coordination of Support Services



**Life can be complicated ...
finding a home shouldn't be.**

2009 Highlights

- **HANDS** opened two new properties; both under the 811 program. Liberty Place at 313 Wallace St. which has 8 units(two for the physically impaired). The other property is at 1002 East Lake Road which has 6 units (one for the physically impaired).
- **HANDS** began construction on St. Francis Xavier Apartments in McKean which will be ready for occupancy on April 1, 2010. This is a 22 unit senior apartment building under the 202 program.
- Construction has begun on a townhome community in Chambersburg and a 25 unit single family community in Fairview utilizing ARRA (American Recovery and Reinvestment Act) funds. Both communities are under a 15 year lease option program.
- **HANDS** was approved for Ridgbury Apartments; a 45 unit senior building in Millcreek under the 202 program. Additionally, we were approved by HUD for a 10 unit apartment building in Little Italy under the 811 program. Both communities will begin construction in spring, 2010.
- **HANDS** completed construction on 4 single family homes in Little Italy under a 3 year lease to purchase program in conjunction with the City of Erie utilizing HOME funds.

Financial Report

The combined revenues for HANDS and its affiliates for 2009 is \$6,769,914. Breaking down revenues and expenses into categories results in the following:

Revenues

Rent from tenants	\$ 2,853,674
Section 8	\$ 1,708,130
USDA subsidies	\$ 255,026
Management fees	\$ 461,492
Development fees	\$ 384,733
Interest	\$ 24,799
Grants/other/contributions	\$ 1,082,060
Total Revenues	\$ 6,769,914

Expenses

Maintenance	\$ 1,162,292
Utilities	\$ 776,576
Administration	\$ 1,103,206
Real Estate Taxes & Insurance	\$ 702,575
Payroll	\$ 1,068,547
Debt service	\$ 927,740
Reserve for the future	\$ 1,028,978
Total Expenses	\$ 6,769,914

Fiscal Year Accomplishments

July 2008

- Construction commenced on Liberty Place Apartments - 8 apartment homes for persons with chronic mental illness. Project involves the renovation of the former St. Hedwig Apartments and grade school.
- Application for Firm Commitment of funds submitted to US Department of Housing and Urban Development for St. Francis Xavier Apartments.
- FHLB funds secured for Fairview Family Homes Development.

August 2008

- Fairview Family Homes awarded funds from the Federal Home Loan Bank – Pittsburgh; Congressman Phil English holds press conference and presents funding award to **HANDS**.
- Planning commences for Little Italy – Phase II that involves the construction of 4 single family homes that will be offered for homeownership.

September 2008

- Enhanced technology to improve management tools
- Energy efficiency upgrades completed at several **HANDS** properties

October 2008

- Mary Sorge joins **HANDS** as the Director of Property Management

November 2008

- Matthew Good joins **HANDS** as the Grants Manager

January 2009

- **HANDS** receives Capital Advance Reservation from the US Department of Housing and Urban Development for \$5.4 million to construct 45 apartment homes for seniors and also received \$1.1 million for 10 apartment homes for persons with chronic mental illness.
- Board of Directors adopts concept of Lease to Purchase program to prepare potential first time homebuyers.



February 2009

- Staff develops Lease to Purchase program to prepare potential first time homebuyers.
- Analysis initiated on **HANDS** properties to increase fire detection safety and security.

March 2009

- Construction begins on four new single family homes in the Little Italy neighborhood of the City of Erie. Project is termed Little Italy II and signifies the second phase of new construction for single families offering homeownership opportunities.
- Architects selected for the Ridgebury Apartments and North Coast Place Apartments developments.
- **HANDS'** staff completes training in LEED design, green building features, and efficiency standards.

April 2009

- Initial closing on financing from the US Department of Housing and Urban Development for St. Francis Apartments in McKean Borough, Erie County. St. Francis Apartments will contain 22 apartment homes for seniors citizens, along with a community room and outdoor patio area.
- **HANDS'** Board of Directors adopts new strategic plan to guide organization through 2011.
- Liberty Place Apartments opens at the site of the former St. Hedwig Apartments and grade school, offering 8 apartment homes for persons with chronic mental illness.
- The final single family home of the Little Italy Phase 1 development sells to a qualified home buyer.
- Upgrades to fire security systems completed to ensure increased safety and security at HANDS properties

May 2009

- Rosewood Apartments completed at the corner of East Lake Road and East Avenue; offers 6 apartment homes for persons with chronic mental illness.

June 2009

- Land development and planning continue for Ridgebury and North Coast Place Apartments.
- PHFA grants approval under the Preservation Through Smart Rehab Program to conduct an energy audit at Villa Maria Apartments – Elderly to determine capital needs and energy efficiency upgrades that are needed.
- Awarded funds along with the City of Erie under the Neighborhood Stabilization Program to complete the renovation of 251 E. 12th Street and to construct 2 single family homes in Little Italy.

HANDS Moving Forward

Currently, HANDS has 3 housing communities (87 units) that are actually under construction. We expect all of them to open in 2010.

These communities are:

Single Family	Pine Grove	New construction of 25-unit single-family homes for lease-to-purchase	25	West Ridge Road, Fairview Township, Erie County	June 2010
Town Homes	Redwood Park Town Homes	New construction of 40-unit single-family town homes for lease-to-purchase	40	Borough of Chambersburg, Franklinton, PA	April 2010
Multi-Family	St. Francis Xavier Apartments	Housing for the Elderly; 22-unit new construction	22	8918 Main Street, McKean Borough, Erie County	April 2010

HANDS also has 144 – 149 units “on the drawing board. These communities include:

Pre-Development	Ridgebury Apartments	Housing for the Elderly; 45-unit new construction	45	5125 West Ridge Rd, Millcreek Township, Erie County	April 2011
	North Coast Place Apartments	Section 811 – Supportive Housing for Persons with Disabilities; 10-unit new construction	10	West 18th and Hickory St., City of Erie, Erie County	January 2011
	NSP - Little Italy New Home Construction	Acquire foreclosed properties and construct 2 single family homes and offer as lease to purchase or homeownership in conjunction with the City of Erie’s efforts to return foreclosed properties to active use	2	420 West 17th St. and 413 West 16th Street	August 2010
	East 12th Street Rehabilitation	Acquire foreclosed property at 251 East 12th Street and rehabilitate in conjunction with the City of Erie’s efforts to return foreclosed properties to active use	6	251 East 12th Street	October 2010
	Flagship City Apartments	10 Units for persons with disabilities	10	502 E. 12th Street	Winter 2011
	City of Erie – Single Family Home Construction	New construction of 4 single family homes in the City of Erie to be offered for sale to first time homebuyers or lease to purchase	4	Little Italy and Mid-Town neighborhoods	2011
	Erie County Senior Housing	32 units of housing for seniors in Erie County	32	TBD	2012
	Erie County Family Housing	35-40 units of housing for general occupancy in Erie County	35-40	TBD	2012

2009 Key Personnel and Board of Directors

Key Personnel

Charles G. Scalise, President and CEO
Susan Strange, Vice President and CFO
Matthew Good, Grants Manager
Mary Sorge, Director of Property Management
Mark Stutzman, Director of Facilities Management

Board of Directors

Officers:

Candace Battles, LSW, Chair
Cindy Stone, Vice Chair
John Schulze, Treasurer
Paul Gambill, Secretary

Directors

Sr. Mary Fromknecht, SSJ
Sr. Michele Healy, SSJ
Edward Dawson
Matthew Lechner
Thomas Keegan
John Heugel

Legal Counsel

Edward Goebel, Esq.

Employees

29 Full Time, 1 Part Time

Customers

786 families and individuals

Locations

Erie, Crawford, Warren, McKean, and Franklin Counties

Internet address

www.hands-erie.org

Headquarters

502 E. 12th Street, Erie, PA 16503

Main Telephone

814-459-1047

Property Management

Mary Sorge, Director – Phone 814-459-1047 x 26
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Development

Matthew Good, Grants Manager –
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