

SUBSTANTIAL CHANGE TO LANCASTER COUNTY & CITY OF LANCASTER 2021 HOME-ARP PLAN



Citizen Summary

September 2025

What is the HOME-ARP Plan?

The HOME Investment Partnerships Program-American Rescue Plan (HOME-ARP) requires funds to be used to primarily benefit individuals and families from qualifying populations. Any individual or family who meets the criteria for these populations is eligible to receive assistance or services funded through HOME-ARP without meeting additional criteria. HOME-ARP funded eligible activities include the development and support of affordable housing, tenant-based rental assistance, provision of supportive services, and acquisition and development of non-congregate shelter units.

Substantial Change

The Redevelopment Authority of the County of Lancaster and the City of Lancaster have identified unmet needs within our community that require amending the HOME-ARP Plan. In order to direct resources to these specific populations a limitation is required. The Redevelopment Authority will be submitting a substantial amendment of the HOME-ARP Plan to HUD to include the following limitations:

- ♦ Allow select activities that limit eligible qualifying populations to persons age 18-25 years old.
- ♦ Allow select activities that limit eligible qualifying populations to persons with mental illness or a physical disability.

All other HOME-ARP funded activities will be open to all qualifying populations. In addition, the Redevelopment Authority will be reallocating \$250,000 of funding for tenant-based rental assistance to HOME-ARP rental housing.

HOME-ARP Qualifying Populations

Definition of Qualifying Populations for HOME-ARP funded projects.

QP1: Homeless, as defined in 24 CFR 91.5 Homeless (1), (2) and (3)

QP2: At risk of homelessness, as defined in 24 CFR 91.5

QP3: Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD

QP4: Other populations:

- ♦ Other families requiring services or housing assistance to prevent homelessness
- ♦ At greatest risk of housing instability

View and Comment on the Proposed Substantial Changes

In accordance with the Citizen Participation Plan, we are providing public notice for citizens to comment on the proposed changes during the public comment period.

- **Visit our website:** www.lchra.com
- **Attend Public Meeting:** Public meeting will be held on September 29 at 11:00 am at the offices of the Lancaster County Redevelopment Authority, 28 Penn Square, Suite 100, Lancaster PA 17603. Attendance via Zoom is available upon request to Rachel Valmonte at rvalmonte@lchra.com.
- **Submit Written Comments to:** Rachel Valmonte at Lancaster County Housing and Redevelopment Authority at 28 Penn Square, Suite 200, Lancaster PA 17603 or rvalmonte@lchra.com.

Substantial Amendment to HOME-ARP Allocation Plan

This amendment to the Lancaster County HOME-ARP Allocation Plan proposes a substantial change to HOME-ARP Plan by limiting eligibility for certain funded activities to specific subpopulations: (1) young adults ages 18–25 or (2) persons with physical disabilities or mental illness. Under HUD Notice CPD-21-10, any modification that restricts access to program resources requires a substantial amendment and must be supported by data and rationale. The decision is guided by two considerations: (1) demonstrated local need that exceeds available resources, and (2) targeting those most vulnerable and least served.

Both young adults and persons with disabling conditions represent disproportionately at-risk populations within Lancaster’s homeless response system. Local HMIS data confirm that young adults face poorer housing outcomes compared to the general population, with the majority exiting without stable housing. Currently, Lancaster has no dedicated housing resources for youth, leaving this population underserved and at increased risk of chronic homelessness. Similarly, individuals with physical disabilities or mental illness experience greater barriers to housing stability, including lower incomes, higher unemployment, and insufficient permanent supportive housing (PSH) capacity. It is necessary to prioritize program resources for those who cannot achieve stability without targeted intervention.

These limitations will apply only to selected HOME-ARP funded activities where evidence demonstrates a critical service gap and where targeted interventions are most likely to produce effective outcomes. Other HOME-ARP funded activities will remain available to all four qualifying populations defined under CPD-21-10, ensuring that the County and City continue to provide resources for populations with the most acute unmet needs.

In addition, the proposed substantial amendment includes reallocating \$250,000 in HOME-ARP funds from Tenant-Based Rental Assistance (TBRA) to the development of HOME-ARP Rental Housing.

This change will allow us to focus resources on creating affordable housing units for people in need. While rental assistance helps households in the short term, our community faces a greater need for long-term affordable housing. By investing these funds in rental housing development, we can create stable housing that will serve qualifying populations for a minimum period of fifteen years.

Justification for Limiting Eligibility to Young Adults (18–25):

Limiting eligibility to young adults ages 18 to 25 is necessary because this age group experiences significantly higher risks of homelessness, faces unique barriers to stability, and currently lacks dedicated resources within Lancaster County’s homeless response system. HMIS data from the past three fiscal years (2022–2025) show that 1,012 individuals between the ages of 18 and 25 were served by local homeless projects, with 880 of them identified as their own head of household. Despite their presence in the system, youth outcomes are consistently worse than those of the overall population. In 2023, only 6% of this population exited to permanent housing, compared to 23% of all clients. Additionally, 76% of youth had an “unknown” exit destination, indicating disengagement from services, compared to 59% of clients overall. These figures highlight that young adults are both less likely to achieve housing stability and more likely to disconnect from the system entirely if their needs are not directly addressed.

Compounding these service challenges, Lancaster County currently has no shelter or housing beds dedicated specifically to youth. As a result, young people seeking help are often placed into adult-focused programs that are not designed to meet their developmental, educational, or employment needs. This lack of tailored services creates gaps in engagement and increases the likelihood that young people will “drop out” of the system without resolution.

The economic vulnerability of this population further reinforces the need for an age-specific focus. According to the 2025 ALICE (Asset Limited, Income Constrained, Employed) report for Pennsylvania, households led by someone under 25 have the highest poverty rate of any age group at 35%—nearly three times the rate of the next highest bracket. When factoring in the ALICE threshold, which identifies households earning above the poverty line but below the cost of living, two-thirds of young adult households do not make enough to survive. This proportion is even higher than among households led by seniors age 65 and older, underscoring the acute financial instability faced by young adults.

Youth aging out of the foster care system represent an especially vulnerable subgroup within this population. The National Foster Youth Institute estimates that 20% of young adults become homeless immediately upon emancipation, while one in four experience homelessness within four years. National data also suggest that up to half of the homeless population spent time in foster care, demonstrating the strong correlation between child welfare involvement and later housing instability.

Taken together, these data clearly establish that young adults ages 18–25 face disproportionate risk factors, poorer outcomes, and a severe lack of age-appropriate resources compared to other groups experiencing homelessness. Limiting eligibility to this age range ensures that scarce resources are strategically targeted to close a critical service gap, directly addressing the needs of those most vulnerable and least served. Moreover, early intervention during this transitional life stage has been shown to reduce the likelihood of long-term and chronic homelessness, making this a highly impactful and evidence-driven focus for program resources.

Justification for Limiting Eligibility to Persons with Physical Disabilities or Mental Illness

Limiting program eligibility to persons with a physical disability or mental illness is justified on the basis of both demonstrated need and the effective use of scarce housing resources.

First, the prevalence of disabling conditions among individuals experiencing homelessness in Lancaster County is substantial. Over the past three fiscal years, 38% of all clients enrolled in homeless service projects reported a disabling condition, and the majority of these individuals (88 %) were heads of household. Among this group, 45% reported mental illness, and many reported multiple disabling conditions, including physical disabilities, chronic health conditions, and substance use disorders.

Second, individuals with disabling conditions face significantly greater barriers to housing stability than other populations. Adults who reported a disability had average monthly incomes 21 % lower than those without a disability. This economic disparity reduces their capacity to secure housing in a competitive rental market, making targeted assistance essential.

Third, the demand for permanent supportive housing (PSH), the evidence-based intervention for persons experiencing homelessness with disabling conditions, far exceeds available supply. In program year 2024–2025, there were 28 eligible individuals for every one PSH bed available. This imbalance is expected to worsen with the loss of nearly 30 PSH beds due to federal defunding. Given the very low turnover rate in PSH, prioritizing access to housing resources for persons with disabilities ensures that limited capacity is directed to those with the highest level of need.

Finally, investment in housing solutions for persons with disabilities and/or mental illness has a proven track record of success. Since 2014, 96% of individuals enrolled in Lancaster County PSH programs have either retained permanent housing or exited to other permanent housing. Restricting eligibility to this population ensures resources are applied where they are most likely to yield long-term, cost-effective outcomes.

For these reasons, limiting eligibility to persons with physical disabilities or mental illness is a necessary policy choice. It aligns program resources with demonstrated local needs, maximizes the impact of limited funding, and supports equitable access to stable housing for individuals who cannot otherwise achieve it without targeted intervention.