

Philadelphia, Pennsylvania Housing Trust Fund

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The Setting:

City Population: 1,547,297 in 2009.
Homeless Population: On any given day there are approximately 4,000 homeless persons.

Highlights:

From September 2005 through June 2010, the Housing Trust Fund committed more than \$45 million to expand and improve housing opportunities for more than 8,000 Philadelphians. These investments are leveraging more than \$234 million in additional funding, creating jobs and strengthening neighborhoods.

The Housing Trust Fund investment in addressing homelessness has prevented 3,828 individuals in 1,459 households from experiencing homelessness. This investment has saved the city approximately \$5 million in emergency housing costs.

Overview of the Fund:

The Philadelphia Housing Trust Fund was created in 2005 as the result of a multi-year campaign by city housing advocates. Its creation required approval by City Council as well as the passage of enabling legislation by the state.

The Housing Trust Fund provides resources for the development of new affordable homes, the preservation and repair of existing occupied homes, and the prevention of homelessness. Through these investments the Fund promotes neighborhood stabilization and revitalization.

The Trust Fund serves a range of income levels, with half of the funds targeted to very low income households and half targeted to low and moderate income households. The Trust Fund also addresses a variety of housing needs with 50% of its funds producing new or substantially rehabilitated homes and 50% supporting housing preservation, home repair and homelessness prevention.

Revenue Sources:

The Philadelphia Housing Trust Fund was created with \$1.5 million in bond proceeds as capital and the commitment of a surcharge on document recording fees that has generated as much as \$14 million a year. In 2008, housing advocates succeeded in winning another \$15 million over the next five years to supplement dedicated fees from City Council. However, the commitment was cut back to only \$1.5 million due to the City's budget crisis.

The Fund's revenues were slashed by 60% due to a reduction in home sales and refinancings in the City. City Council approved, in 2010, an increase in the Deed and Mortgage Recording Fee by \$30 which would yield an additional \$3.5-\$5.5 million a year in revenues. However, this action requires enabling legislation by the state, which is expected to move this spring.

Administration:

The Housing Trust Fund is administered by the City's Office of Housing and Community Development. The Fund allocates funding to the Office of Supportive Hous-

ing to support the five programs that address homelessness.

An eleven-member Oversight Board comprised of public officials and community representatives provides advice and guidance on the implementation of the Fund. The Board proposes funding allocations among programs areas, recommends policies, develops new programs in response to emerging needs, works to identify additional resources and monitors implementation of the Trust Fund. A separate city interagency review team recommends which proposed new housing developments or existing rental facilities seeking preservation assistance should be awarded funds.

Use of Funds:

The Trust Fund resources are used to expand housing opportunities through three core programs areas:

- **Housing Production:** provides financing to non-profit organizations (or joint ventures between non-profits and for-profits) for constructing affordable sales or rental homes.
- **Housing Preservation/Home Repair:** provides for repairs to basic systems in owner-occupied homes and for modifications to increase accessibility of homes occupied by people with disabilities. Funds are also provided to nonprofit developers for repairs that preserve existing owner-occupied and rental homes.
- **Homelessness Prevention:** provides emergency mortgage, rental, or utility assistance that enables residents to remain in their homes when facing foreclosure or eviction. Short-term rental assistance along with support services help the homeless transition to permanent housing.

The Housing Trust Fund allocates funding to the Office of Supportive Housing to support five programs that prevent homelessness by keeping families and individuals in their homes or helping them move from homelessness into a home.

1. Homelessness Prevention

This program provides emergency assistance for low-income households in danger of becoming homeless due to foreclosure, eviction or utility shut-off.

2. Rental Assistance Program

Trust Fund dollars provide three years of rental assistance to families moving out of transitional

housing who require additional time and supportive services to achieve independence. For each participant the proportion of rent they pay increases as he or she progresses through the program until, at the end of the three years, each participant is paying his or her entire rent.

3. Pathways to Housing Program

Trust Fund resources subsidize the rents of mentally ill, chronically homeless men and women in supportive housing. In this “housing first” model Pathways to Housing uses outreach teams to engage individuals living on the street, helps them to move into privately owned rental housing, and provides support services to assist them with independent living.

4. Homeless Diversion Program

Participants in the 18-month Diversion Program receive rental subsidies and have a case manager assist them in finding employment and procuring stable housing. Upon completion of the program most participants either signed a lease with the landlord to whom they had been assigned or found other private market housing.

5. Utility Arrearage Assistance Program

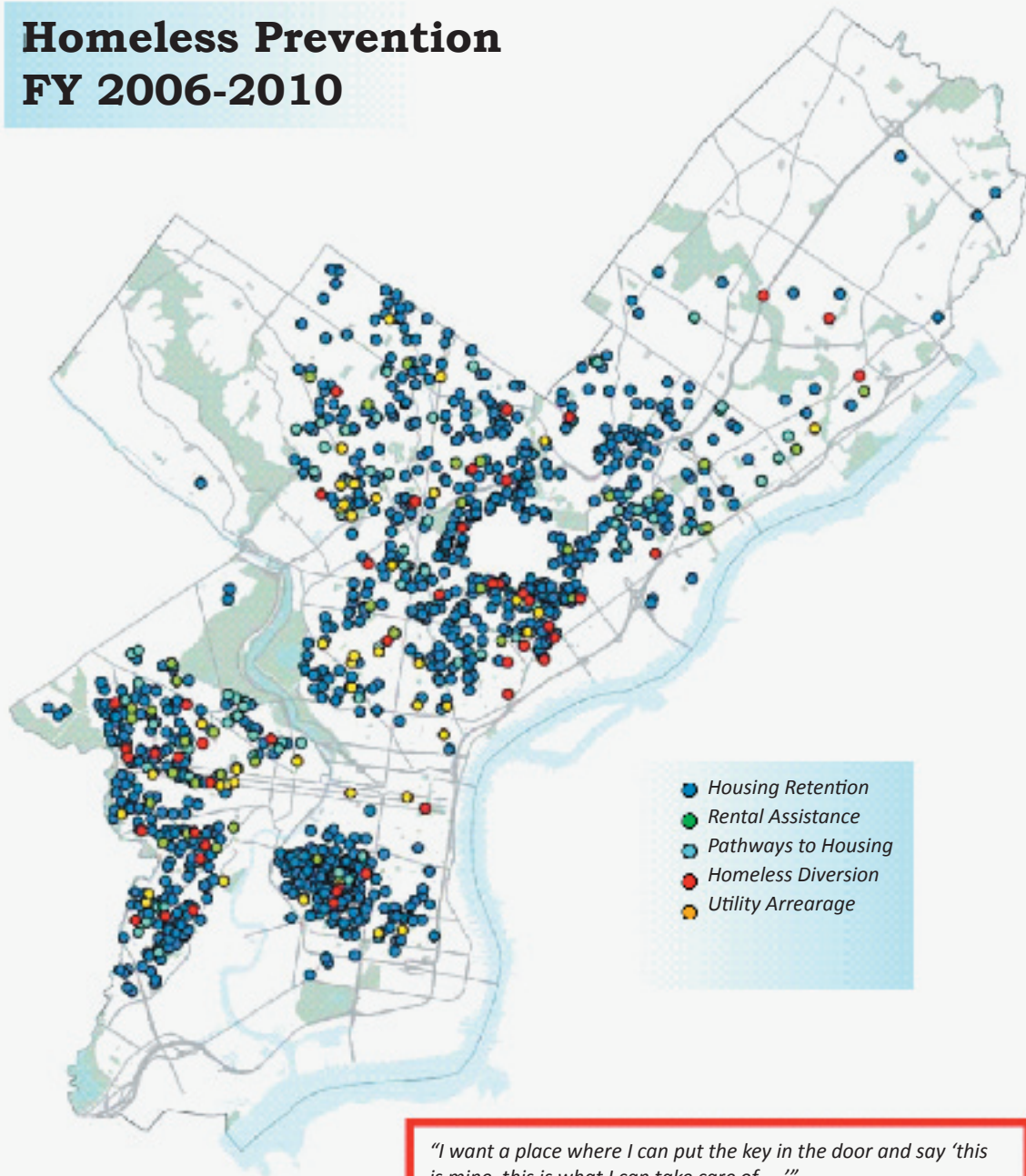
The Trust Fund provides assistance to households living in transitional housing for whom utility arrearages pose a significant obstacle to obtaining permanent housing.

Homeless Program Accomplishments:

Trust Fund resources have prevented 3,828 individuals in 1,459 households from experiencing homelessness. This investment has saved the City approximately \$5 million in emergency housing costs. Specifically:

- The Housing Retention Program has helped prevent 553 foreclosures, 437 evictions, and 134 utility shut-offs.
- The Rental Assistance Program has had 41 households join the program.
- The Pathways to Housing Program has served 66 individuals in FY2009 and 121 individuals in FY2010.
- The Homeless Diversion Program assisted 50 homeless families between October 2007 and June 30, 2009.
- The Utility Arrearage Assistance Program has provided assistance to 57 households living in transitional

Homeless Prevention FY 2006-2010



"I want a place where I can put the key in the door and say 'this is mine, this is what I can take care of ...'"
--Earl, a formerly homeless veteran now living independently.

Ordinances creating and funding the Philadelphia Housing Trust Fund include: Housing Trust Fund Executive Order as amended 6/8/06; City of Philadelphia Ordinance Bill No. 050059 adding Chapter 21-1600 of the Philadelphia Code and amending Section 10-1001; and Pennsylvania Session 2005 HB139 amending Title 53 of the Pennsylvania Consolidated Statutes.

**Philadelphia Housing Trust Fund Revenues
FY 2006 – 2010**

Revenue Sources	FY 2006	FY 2007	FY 2008	FY 2009	FY2010
Mortgage & Deed Recording Fees	\$10,854,386	\$13,802,515	\$11,246,667	\$8,361,712	\$7,922,670
NTI Bond Funds	\$1,500,000	\$0	\$0	\$0	\$0
General Fund	\$0	\$0	\$0	\$1,500,000	\$0
Interest	\$215,336	\$667,453	\$925,633	\$303,623	\$11,243
Total Revenues	\$12,569,722	\$14,469,968	\$12,172,300	\$10,107,468	\$7,933,913

housing. Working with utility companies, the Program helped 26 households move into permanent supportive housing and 20 move into private housing.

Partnering with Pathways to Housing:

In the summer of 2008, with a special allocation of \$450,000 in Housing Trust Fund dollars, the City of Philadelphia invited Pathways to Housing to bring its Housing First model to the “City that Loves You Back.” Pathways to Housing, Inc., is a New York-based organization whose leader, Sam Tsemberis, developed the Housing First model.

By the end of that summer, Pathways had a program and staff in place and began serving chronically homeless Philadelphians with severe and persistent mental illness and co-occurring disorders. Within the first month of operation, Pathways was housing its first tenants and has since created 125 new housing opportunities.

In Philadelphia, the program operates with a housing department and two targeted case management teams that practice assertive community treatment services. Like all of Pathways programs, the teams consist of staff from many different disciplines, thereby bringing a wealth of knowledge and best practices to the homeless.

The Philadelphia program prides itself on being a “green” organization. Pathways Philadelphia practices a philosophy of “doing more with less” by conserving power, reusing and recycling materials, sharing, borrowing and bartering rather than purchasing.



Pathways helped Dalberta live in the exact neighborhood he wanted.

The Pathways team helps Dalberta get the basics for his new apartment and his new life.



Named after long-time resident, community activist and neighborhood champion Evelyn Sanders Downey, Phase I of the Women's Community Revitalization Project's (WCRP) Evelyn Sanders development brings new vitality to blighted land in the Fairhill neighborhood that had been vacant for decades.

Evelyn Sanders provides homes for families who make less than \$20,000 a year and/or have experienced homelessness. The 40 newly built rental homes meet LEED silver standards to help reduce tenant utility costs.

In 2010, WCRP began construction on Phase II, an additional 31 rental homes for families earning at or below 30 percent of the area median income. The Trust Fund committed \$575,000 for Phase I and \$307,600 for Phase II to advance this \$24.9 million investment in the community.



Groundbreaking ceremony for Connelly House

Project H.O.M.E. and Bethesda Project received Housing Trust Fund support for the development of the Connelly House, which provides 79 units of permanent affordable housing for formerly homeless men and women in Center City Philadelphia. Connelly House replaces an under-utilized building and provides office space for Bethesda Project.

In order to maximize energy and resource conservation, Project H.O.M.E. embedded green design features wherever possible into the structure to make this a LEED-certified building. An amazing donor generously provided a \$200,000 matching grant to cover the cost of these green design features.

The Trust Fund provided \$1 million in gap financing needed to advance the \$25.8 million development, which is located only two blocks from City Hall and is adjacent to a major transit stop.

"Home for the holidays" was a phrase with special meaning for the first fifteen Bethesda Project residents to move into Connelly House three days before Christmas. Program Coordinator Andrea Brooks and Case Manager Maria Palermo welcomed men from Bethesda Project residences and five other local agencies to the new building at 1212 Ludlow Street. By February, all 24 residents will be settled in their new rooms. Residents of the new building have easy walking access to public transportation, shopping, cultural activities, and other services.

This report was prepared by Matthew Leber, consultant, and Mary Brooks of the Housing Trust Fund Project/Center for Community Change. The report is made possible by funding from the Oak Foundation and the Butler Family Fund.



Rendering of Connelly House

