Expanding Housing Opportunities & Revitalizing Neighborhoods

Philadelphia Housing Trust Fund
Executive Summary

In a time when resources grow leaner but needs remain high, the Philadelphia Housing Trust Fund (HTF) is a critical element in strengthening our neighborhoods.

The Housing Trust Fund is a vital financial resource for the development of much-needed affordable rental and homeownership opportunities, for preservation of existing housing and for preventing homelessness. The Housing Trust Fund helps strengthen local housing markets, eliminate blight, and serve vulnerable populations, including seniors, the homeless, veterans, and those with special needs. HTF investments also support green developments, which not only promote neighborhood sustainability, but offer cost savings for residents.

In the City’s Fiscal Year 2012, HTF investments led to improved living conditions for 3,814 low- and moderate-income households. HTF-funded developments completed in FY 12 leveraged $53 million in non-city resources and employed more than 1,500 workers, expanding the city’s tax base.

Since its creation in 2005, the Housing Trust Fund has supported the development of 1,362 new homes, with another 159 under construction, made major repairs in nearly 1,450 homes, made housing more accessible for 1,031 people with disabilities, repaired 3,024 heaters, helped prevent 2,177 households from becoming homeless, and leveraged $277 million.

Whether it is providing new housing, enabling people with disabilities to live more independently, or preventing homelessness, the Housing Trust Fund is a critical funding source for Philadelphia’s housing programs.

Deborah McColloch, Director
Office of Housing and Community Development
Chair, Philadelphia Housing Trust Fund
Oversight Board

Fiscal Year 2012
Housing Trust Fund Impact
At a Glance

- 228 new homes
  - 38 new homes for sale
  - 190 new rental apartments
  - 29 new accessible homes
  - 216 new visitable homes
- 16 existing homes preserved and rehabilitated
- 2 vacant properties rehabilitated for homeownership
- 44 home repairs
- 169 home adaptations
- 3,024 emergency heater repairs
- 573 people prevented from becoming homeless
  - 111 foreclosures prevented
  - 16 utility arrearages cleared
  - 204 individuals in “housing first” program

Cover Photos
Top: Groundbreaking, completed units & ribbon-cutting for Sheridan Street Homeownership
Middle: Completed units & ribbon-cutting for Apartments at Cliveden
Bottom: Groundbreaking, completed units & ribbon-cutting for Nicetown Court I
Low- and moderate-income residents in Philadelphia face challenges in trying to find quality affordable housing. In 2010, one-third of homeowners and more than half of renters were cost-burdened, spending more than 30 percent of their incomes on housing.

The Housing Trust Fund provides funding to nonprofit developers, including joint ventures with for-profit developers, for the production of new affordable rental and homeownership opportunities. HTF development eliminates blight and vacancy, increases the affordable housing stock for difficult-to-serve populations, and strengthens neighborhoods. Most new developments support the City’s Greenworks goals with sustainable features and design.

• In FY 12, the Housing Trust Fund supported the completion of 228 new homes, including 38 new homes for sale and 190 rental apartments. Of these, 29 are accessible to people with physical disabilities, 216 are visitable, and 29 were developed for residents with special needs such as the formerly homeless.

• As of June 30, 2012, 159 additional HTF units were under construction.

• More than 1,500 people worked to build the HTF developments completed in FY 12.

• Since its creation in 2005, the Housing Trust Fund has supported the creation of 1,362 new affordable homes.
Philadelphia’s housing stock is aging. The median date of construction of Philadelphia’s homes is 1946, meaning that more than half of the homes in Philadelphia are more than 65 years old. Indeed, 85 percent of Philadelphia’s housing stock is more than 40 years old. Preserving existing affordable homes is essential to preventing homelessness by keeping residents in their homes, strengthening the housing stock, and stabilizing neighborhoods.

The Housing Trust Fund supports housing preservation by funding the rehabilitation of existing homes falling into disrepair; the acquisition and rehabilitation of vacant properties; basic home repairs such as plumbing, electrical, and heating systems; free home adaptations to a house or apartment for individuals with physical disabilities; and emergency repairs to heating systems.

In FY 12 the Housing Trust Fund:

- Rehabilitated 16 occupied units through the Targeted Housing Preservation Program and funded the acquisition and rehabilitation of two vacant properties by local CDCs for sale to low- and moderate-income households through the Homeownership Rehabilitation Program.

- Supported 44 free repairs to electrical, plumbing, and heating systems of owner-occupied homes through the Basic Systems Repair Program.

- Supported 169 free adaptations to a house or an apartment for individuals with permanent physical disabilities through the Adaptive Modifications Program.

- Made 3,024 emergency heating repairs through the Heater Hotline program.

In total, the Housing Trust Fund has preserved or modified 5,477 homes since the HTF began in 2005.
Financial challenges facing Philadelphians have been exacerbated by the economic crisis that began in 2008. As a result, many Philadelphia homeowners lack the resources to provide both for their homes and their families and are threatened with foreclosure. Other Philadelphians struggle with homelessness due to an inability to pay utility arrearages or a need for both housing and social services.

The Housing Trust Fund helps combat these challenges in several ways. The Housing Retention Program provides mortgage arrearage assistance to homeowners and utility arrearage assistance to households for whom utility issues are obstacles to permanent housing. Following a “housing first” model, Pathways to Housing PA engages chronically homeless individuals and, through housing and supportive services, assists them with a transition toward independent living.

In FY 12, the Housing Trust Fund prevented 111 foreclosures, enabled 16 households to resolve utility issues and return to a home, and housed 204 chronically homeless individuals. In all, 573 people are not homeless due to HTF expenditures. The FY 12 expenditure of approximately $850,000 is in contrast to the nearly $2.5 million that placing these people into emergency shelter would have cost.

Since 2005, the Housing Trust Fund has prevented 5,097 persons in 2,177 households from experiencing homelessness. The cost to have placed these persons in emergency shelter would have been nearly $24.3 million, compared to the HTF program cost of $5.4 million.
In FY 12, the Housing Trust Fund provided the City’s housing programs with more than $8.8 million. From the Fund’s inception in 2005 through June 2012, more than $73.3 million in revenue has supported initiatives and developments to strengthen Philadelphia’s neighborhoods and families. Funds are primarily raised through deed and mortgage recording fees. An increase in the fees that fund the Housing Trust Fund went into effect in February 2012.

For projects completed in FY 12, the Housing Trust Fund helped leverage more than $53 million in non-city resources. This brings the total non-city funds leveraged by HTF developments to $277 million.

### Projects Completed FY ending June 30, 2012

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Developer</th>
<th>Type</th>
<th>Number of Units</th>
<th>Development Cost</th>
<th>HTF Award</th>
<th>Additional City Subsidy</th>
<th>Leveraged City Subsidy</th>
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<tbody>
<tr>
<td>Burholme Senior Residences</td>
<td>Pilgrim Gardens</td>
<td>R</td>
<td>62</td>
<td>$14,245,396</td>
<td>$300,000</td>
<td>$2,300,000</td>
<td>$11,645,396</td>
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<td>Nicetown Court I</td>
<td>Nicetown Comm. Dev. Corp.</td>
<td>R</td>
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<td>$14,937,118</td>
<td>$2,000,000</td>
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<td>$12,137,118</td>
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<tr>
<td>Apartments at Cliveden</td>
<td>NewCourtland</td>
<td>R</td>
<td>62</td>
<td>$15,016,246</td>
<td>$884,300</td>
<td>$1,135,700</td>
<td>$13,016,246</td>
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<td>Jannie’s Place</td>
<td>People’s Emergency Center</td>
<td>R-SN</td>
<td>29</td>
<td>$9,594,981</td>
<td>$575,000</td>
<td>$575,000</td>
<td>$8,444,981</td>
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<tr>
<td>Sheridan Street</td>
<td>Pradera Corporation/APM</td>
<td>H</td>
<td>13</td>
<td>$4,571,200</td>
<td>$1,000,000</td>
<td>$843,200</td>
<td>$2,728,000</td>
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<td>Strawberry Mansion I</td>
<td>Friends Rehabilitation Program</td>
<td>H</td>
<td>25</td>
<td>$8,788,514</td>
<td>$1,500,000</td>
<td>$1,980,000</td>
<td>$5,308,514</td>
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<td>FY 12 Total</td>
<td></td>
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<td>228</td>
<td>$67,153,455</td>
<td>$6,239,300</td>
<td>$7,633,900</td>
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<td>FY 06-11 Total</td>
<td></td>
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<td>1134</td>
<td>$282,376,669</td>
<td>$19,110,468</td>
<td>$39,099,253</td>
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<td>FY 06-12 Total</td>
<td></td>
<td></td>
<td>1362</td>
<td>$349,530,124</td>
<td>$25,349,768</td>
<td>$46,733,153</td>
<td>$277,447,203</td>
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</tbody>
</table>

**Leveraging**

**FY 2006 - 2012**

- **277,447,203**
- **25,349,768**
- **46,733,153**

**HTF Revenue from Deed and Mortgage Recording Fees**

**FY 2006 - 2012**

- **$10,854,386**
- **$13,802,915**
- **$11,246,687**
- **$8,361,712**
- **$7,922,870**
- **$7,208,741**
- **$8,885,560**

- HTF Award
- Additional City Subsidy
- Leveraged Funds

R - Rental   SN - Special Needs   H - Homeownership
Diverse residents throughout the City benefit each year from HTF investments. The Housing Trust Fund supports developments and programs that assist first-time homebuyers, families threatened with homelessness, veterans, neighbors with disabilities, formerly homeless youths, and low-income households whose homes need repair.

In FY 12, HTF-supported initiatives benefited 3,776 households. Twenty-three new units were occupied by a household that includes a person with a disability. Of the households for whom demographic data are available, 2,893 earned less than 30 percent of Area Median Income (AMI) and 883 earned more than 30 percent of AMI. Since 2005, 6,246 households with incomes less than 30 percent of AMI have benefited from HTF projects, as have 2,240 households with incomes above 30 percent of AMI.

The sales prices and rents in HTF-supported developments also meet the housing needs of a diverse population. Rents are linked to the income of the renter, and in some cases units also come with a rent subsidy. As a result, the rent paid by tenants in developments completed in FY 12 range from $0 to $1,057. The sales prices for homeownership units completed and sold in FY 12 range from $70,000 to $160,000.

Number of Households Assisted (by AMI) FY 2006-2012

- < 30% AMI: 6,246
- > 30% AMI: 2,240

Number of Households Assisted (by Household Size) FY 2006-2012

- 1: 711
- 2: 338
- 3: 221
- 4: 1,121
- 5: 1,804
- 6: 4,291

*Because of timing differences in the reporting of units and beneficiaries, the number of units produced does not equal the number of households assisted.*
Acknowledgments

The successful implementation of the Philadelphia Housing Trust Fund is the result of the dedication of advocates, public officials, contractors and construction workers to quality, safe affordable housing.

This report is a product of the Communications Department of the City of Philadelphia's Office of Housing and Community Development (OHCD). Paul Chrystie, Mirta Reyes, Michelle Sonsino-Lewis and Lourdes Torres of OHCD and Rick Sauer and Garrett O'Dwyer of the Philadelphia Association of Community Development Corporations researched, wrote and edited the report.

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