

EXECUTIVE ORDER NO. 3 - 05

HOUSING TRUST FUND

WHEREAS, based on legislation proposed by the City, the Commonwealth of Pennsylvania enacted Act 49 on July 14, 2005 (effective on September 12, 2005), which authorizes the City to create a funding stream for grants and loans to increase the availability of affordable and accessible housing through fees charged for the recording of deeds and mortgages and related documents; and

WHEREAS, on July 8, 2005, Council Bill No. 050059 became law (also effective on September 12, 2005), creating such a funding system; and

WHEREAS, the City's operating budget for Fiscal Year 2006, adopted June 15, 2005, provides appropriations in excess of \$10 million to the Office of Housing and Community Development based on this new anticipated source of revenue; and

WHEREAS, Act 49 and Bill 050059 provide restrictions on how such funds may be spent and it is desirable to establish further guidelines for the manner in which such funds, once collected, will be expended; and

WHEREAS, it is desirable to establish an advisory body to provide advice with respect to additional guidelines for the expenditure of such funds;

NOW, THEREFORE, I, John F. Street, by the power vested in me as the Mayor of the City of Philadelphia, do hereby order as follows:

Section 1. Creation Of The Housing Trust Fund

The Director of Finance is hereby directed to establish, as a segregated account of the City, a Housing Trust Fund. City money shall be placed in the Fund as specifically authorized by law and as otherwise directed.

Section 2. Use of Money In The Fund

A. Purposes

1. Money in the fund shall be used by the Office of Housing and Community Development solely for the purposes permitted by law, *viz.*, programs or projects which benefit households whose annual income, adjusted for size, is less than one hundred and fifteen percent of the median income of the Metropolitan Statistical Area, as defined by The United States Department of Housing and Urban Development, that:

- a. Increase production of affordable housing for sale or rental;
- b. Increase the accessibility of new and existing affordable housing to physically disabled occupants and increase the supply of visitable housing;
- c. Preserve affordable housing, including but not limited to grants for basic systems repair or improvement of owner-occupied homes, adaptive modification or for the targeted improvement of facades; and
- d. prevent or reduce homelessness, including but not limited to emergency assistance to prevent and/or end homelessness or near homelessness by maintaining households in their own residences when eviction is imminent through rent and mortgage arrearage assistance, or for security deposits, utility assistance, and long-term hotel, motel, or boarding home rental assistance.

2. Affordable housing means housing, either sales or rental, for which the household spends no more than 30% of its gross income on housing related expenses, provided, however, that any housing program or project that receives federal or state funds and complies with regulations applicable to such funding source regarding the percentage of household income to be spent on housing shall be considered affordable for purposes of this definition.

3. The fund may also be used to pay for the City's administrative costs associated with funding and administering such programs and projects, as permitted by law.

4. On a yearly basis, 50% of such funds that are used for purposes other than to pay for administrative costs shall be used to fund programs and projects that benefit households with incomes, adjusted for size, equal to or less than 30% of the median income of the Metropolitan Statistical Area, as defined by the United States Department Of Housing And Urban Development and 50% shall be used to benefit households with incomes between 30% and 115% of the median income of the Metropolitan Statistical Area.

5. On a yearly basis, at least 50% of such funds that are used for purposes other than to pay for administrative costs shall be used to fund programs and projects that increase production of affordable housing for sale or rental.

6. In each project subsidized by such funds, a minimum of 10% of the total number of new construction units shall be accessible to individuals with mobility impairments and a minimum of 2% shall be accessible to individuals with sensory impairments. All such new construction units must be made visitable or, alternatively, an amount equal to \$3,000 multiplied by the total number of new construction units built in the project shall be required to be spent to make as many of such units as possible visitable, which amount shall be adjusted for inflation on an annual basis.

Visitability and/or accessibility requirements may be waived or reduced for a project if such requirement(s) renders such project financially infeasible, or if site conditions are unsuitable, but this provision shall not exempt any project from any other applicable requirements regarding visitability and/or accessibility.

B. Restrictions

1. Proposed yearly expenditures from the Fund shall be incorporated into the City's annual Consolidated Plan submitted to Council for approval.

2. Trust Fund assets will be spent through grants or loans to non-profit organizations, or joint ventures in which a non-profit organization is a partner, that have the capacity to handle the activities contemplated by the grant. No funding will be provided for a program or project to increase production of affordable housing to a non-profit entity that is controlled by a for-profit or public entity.

3. All Housing Trust Fund grants and loans shall be awarded pursuant to an open, competitive process.

4. All programs and projects funded by the Trust Fund shall adhere to the "Equal Opportunity/Affirmative Action Requirements and OHCD Policies" set forth in the City's annual Consolidated Plan.

Section 3. Housing Trust Fund Oversight Board

A. Creation

The Housing Trust Fund Oversight Board is hereby created as an advisory body in the Office of Housing Community Development. The Oversight Board shall consist of eight members appointed by the Mayor:

1. Four representatives of community development organizations and housing advocates chosen from a list of qualified candidates submitted by the Philadelphia Association of Community Development Corporations and the Philadelphia Affordable Housing Coalition; and

2. the following four officials or their designated representatives: The Secretary of Housing and Neighborhood Preservation; the Executive Director of the Philadelphia Redevelopment Authority; the Director of the Office of Housing and Community Development; and the Chair of City Council's Committee on Housing, Neighborhood Development and the Homeless.

3. The Board shall select a Chair by majority vote of its members.

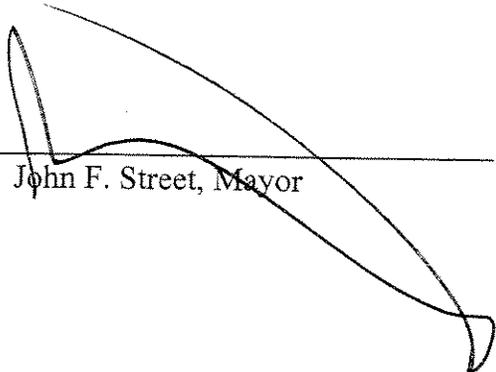
B. Duties of the Oversight Board

1. The Oversight Board shall make recommendations to the Office of Housing and Community Development regarding: the types of projects and programs to be funded with Trust Fund monies; income levels of the targeted beneficiaries of such projects and programs; and the proportionate share of funds allocated for the various purposes for which Trust Fund money may be used. The Oversight Board shall further recommend additional criteria for eligible projects and the evaluation of project proposals as it sees fit.
2. The Oversight Board will have the duty to annually review Trust Fund grant awards to see whether Trust Fund moneys are expended in a manner that conforms with this Executive Order.
3. By December 31 of each year, the Oversight Board shall issue an Annual Report on use of the Trust Fund in the previous fiscal year. This report shall:
 - (a) Provide total numbers of housing units produced, homes preserved, and households prevented from becoming homeless with Trust Fund support.
 - (b) List projects funded through the Trust Fund.
 - (c) Report on funds expended and dollars leveraged by Trust Fund funds.
 - (d) Report in aggregate form the number of households benefiting from the Trust Fund by income level, geographic distribution, family size, and other criteria as selected by the Oversight Board.
 - (e) Report in aggregate form rents and sale prices of units produced, the number of accessible units built, the number of such units occupied by disabled individuals, and other criteria as selected by the Oversight Board.
4. The Oversight Board shall seek out contributions from non-City sources to supplement existing funding of the Trust Fund.
5. The Oversight Board shall study and make recommendations regarding funding levels for the Philadelphia Housing Trust Fund and the existence and potential utilization of additional funding sources. No later than December 31, 2005, the Oversight Board shall submit to the Mayor and to the President of City Council a final report of its findings and recommendations in these areas.

Section 4. Effective Date.

This Order shall take effect immediately.

Date: August 3, 2005

By: 
John F. Street, Mayor