

FOUNDATION FOR THE FUTURE:

DEVELOPING PHILADELPHIA’S HOUSING ACTION PLAN

HOUSING ACTION PLAN - APPENDICES

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APPENDIX A

HOUSING ACTION PLAN – FIGURES

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New Households

Age	Share	Headship	Own (if head of household)	Unit Type (if head of household)				Number of Households
				Single-Family	2-4 Unit Building	Multifamily	Other	
<25	31.9%	4.3%	6.6%	26.3%	31.9%	41.2%	0.6%	580,203
25-34	19.2%	40.7%	24.0%	50.4%	18.7%	30.8%	0.1%	
35-44	12.6%	53.8%	46.6%	73.0%	13.1%	13.7%	0.2%	
45-54	12.0%	58.3%	61.4%	75.5%	12.1%	11.6%	0.8%	
55-64	11.6%	60.7%	67.7%	76.1%	10.9%	12.9%	0.2%	
65+	12.7%	64.4%	69.4%	70.8%	7.3%	21.8%	0.1%	

Source: 2016 ACS PUMS

Total Population				
Age	2015	2030	2030 Alt	
0-4	110,917	122,453	119,966	
5-9	90,785	111,299	109,039	
10-14	93,582	107,899	105,708	
15-19	100,851	100,829	98,782	
20-24	130,816	106,125	103,970	
25-29	157,475	124,957	122,420	
30-34	127,680	122,543	120,054	
35-39	102,674	127,966	125,368	
40-44	88,475	133,877	131,159	
45-49	93,265	109,017	106,804	
50-54	98,054	91,903	90,037	
55-59	95,744	78,327	76,736	
60-64	81,800	81,349	79,697	
65-69	63,808	74,287	72,778	
70-74	44,163	65,079	63,757	
75-79	32,360	50,117	49,100	
80-84	25,345	35,191	34,476	
85+	29,647	34,827	34,120	
Total	1,567,442	1,678,046	1,643,971	

Source: DVRPC Population by Age Group Projections

Age	Households		2030 (excludes group quarters)	2030 Alt (excludes group quarters)
	2030	2030 Alt		
<25	548,605	537,465	526,661	515,967
25-34	247,500	242,474	237,600	232,775
35-44	261,843	256,526	251,370	246,265
45-54	200,921	196,841	192,884	188,967
55-64	159,675	156,433	153,288	150,176
65+	259,502	254,232	249,121	244,063

Source: Authors' calculation from DVRPC Population by Age Group Projections

2016 ACS PUMS

Age	Number	Headship	Own (if head of household)	Unit Type (if head of household)		
				Single-Family	2-4 Unit Building	Multifamily
<25	484,264	20,857	1,373	5,477	6,663	8,592
25-34	290,970	118,549	28,461	59,762	22,157	36,479
35-44	191,356	102,944	47,963	75,188	13,503	14,076
45-54	182,253	106,186	65,168	80,223	12,802	12,355
55-64	176,551	107,185	72,529	81,528	11,654	13,818
65+	193,388	124,482	86,375	88,134	9,111	27,097
Total Number Occupied Units		580,203	301,869	390,312	75,890	112,417

Source: 2016 ACS PUMS

Projected 2030 DVRPC Initial Survival Figures

Age	Number	Headship	Own	Unit Type (if head of household)		
				Single-Family	2-4 Unit Building	Multifamily
<25	526,661	22,682	1,494	5,956	7,246	9,344
25-34	237,600	96,806	23,241	48,801	18,093	29,788
35-44	251,370	135,232	63,016	98,771	17,738	18,491
45-54	192,884	112,381	68,959	84,903	13,549	13,076
55-64	153,288	93,064	62,968	70,787	10,119	11,998
65+	249,121	160,360	111,268	113,536	11,737	34,907
Total Number Occupied Units		620,525	330,946	422,754	78,482	117,603

Projected 2030 DVRPC Final Figures

Age	Number	Headship	Own	Unit Type (if head of household)		
				Single-Family	2-4 Unit Building	Multifamily
<25	515,967	22,221	1,464	5,835	7,099	9,154
25-34	232,775	94,840	22,769	47,810	17,726	29,184
35-44	246,265	132,486	61,736	96,765	17,378	18,115
45-54	188,967	110,099	67,559	83,179	13,274	12,810
55-64	150,176	91,174	61,689	69,350	9,913	11,754
65+	244,063	157,103	109,008	111,230	11,499	34,198
Total Number Occupied Units		607,924	324,225	414,169	76,888	115,215

Change in Occupied Housing Units

Period	Number
2016	580,203
2006	554,048
2006-2016	26,155
Annual 2006-2016	2,616

Change in Occupied Housing Units

Period	Scenario City	Scenario DVRPC Initial	Scenario City with HH Size Decline	Scenario DVRPC with HH Size Decline
2016-2030	27,721	40,322	29,662	43,144
Annual	1,980	2,880	2,119	3,082

Projected Change in Demand for Tenure/Stock

	DVRPC		Adjusted 1		Adjusted 2	
Annual Change in Tenure	2,880		2,500		2,500	
Own	2,077	72%	1,700	68%	1,300	52%
Rent	803		800		1,200	
Annual Change in Stock	2,880		2,500		2,500	
Single-Family	2,317	80%	1,900		1,900	
2-4 Unit Building	185	6%	2,000		2,000	
Multifamily	370	13%	4,000		4,000	

Recent Production

AMI Range	Units Built 2006-2016					
	Owner		Renter		Total	
	Count	Percent	Count	Percent	Count	Percent
<30	1,153	14.7%	3,110	33.0%	4,263	24.7%
30-50	469	6.0%	1,192	12.6%	1,661	9.6%
50-80	1,556	19.9%	936	9.9%	2,492	14.4%
80-120	739	9.4%	1,213	12.9%	1,952	11.3%
>120	3,918	50.0%	2,973	31.5%	6,891	39.9%
Total	7,835	100.0%	9,424	100.0%	17,259	100.0%

Source: ACS 2006 and ACS 2016

AMI Range	Share of Owners	Share of Renters	Share of Households
<30	22.1%	39.7%	30.4%
30-50	15.5%	20.6%	17.9%
50-80	21.4%	17.5%	19.6%
80-120	17.1%	12.4%	14.9%
>120	23.8%	9.8%	17.2%
Total	100.0%	100.0%	100.0%

Source: ACS 2016

Range	Rent Units Built		Value Units Built	
	2006 or After	Rent All Units	2006 or After	Value All Units
25th Percentile	800	600	190,000	90,000
Median	1,400	800	300,000	150,000
75th Percentile	2,000	1,100	450,000	230,000

Metric	Value
Number of Housing Units*	675,000
Number of Occupied Housing Units*	580,000
Vacancy Rate*	14%
Excess Vacant Units***	67,500
Annual New Households 2006-2016*	2,600
Households cost burdened (housing costs>30% income)*	39.8%
Owners cost burdened*	27.0%
Renters cost burdened*	54.9%
Households severely cost burdened (housing costs>50% income)*	21.7%
Owners severely cost burdened*	13.0%
Renters severely cost burdened*	31.9%
Households<30%AMI cost burdened	80.6%
Households 30-80% AMI cost burdened	37.1%
Households>80% AMI cost burdened	5.2%
Households<30%AMI severely cost burdened	76.1%
Households 30-80% AMI severely cost burdened	10.8%
Households>80% AMI severely cost burdened	0.7%
Annual number of building permits 2007-2017**	2,400
Annual number of alteration permits 2007-2017**	7,850

Source: *2016 ACS; **Policymap and L&I

Note: ***Based on 4% vacancy rate

Unit Type	Units Built 2006-2016	
	Count	Percent
Single-Family	1,060	44.4%
2-4 Unit Building	241	10.1%
Multifamily	1,088	45.6%
Total	2,389	100.0%

Source: ACS 2006 and ACS 2016

Unit Type	Units Built 2006-2016	
	Count	Percent
Studio Apartment	148	6.2%
1-Bedroom Apartment	523	21.9%
2-Bedroom Apartment	554	23.2%
3-Bedroom Apartment	948	39.7%
4+ Bedroom Apartment	216	9.0%
Total	2,389	100.0%

Source: ACS 2006 and ACS 2016

AMI Range	Purchase Mortgage Originated							
	2014		2015		2016		2017	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
<30	212	1.5%	228	1.4%	263	1.5%	310	1.6%
30-50	996	7.2%	1,245	7.8%	1,334	7.4%	1,473	7.4%
50-80	2,427	17.6%	2,863	18.0%	3,363	18.6%	3,525	17.6%
80-120	3,126	22.7%	3,561	22.4%	3,981	22.0%	4,223	21.1%
>120	7,017	50.9%	8,004	50.3%	9,150	50.6%	10,467	52.3%
Total	13,778	100.0%	15,901	100.0%	18,091	100.0%	19,998	100.0%

Source: HMDA

Metric	Purchase Price		
	100,000	150,000	300,000
Monthly Mortgage Payment	481	722	1,495
Mortgage Insurance	0.7%	0.7%	0.7%
Property Insurance	1.0%	1.0%	1.0%
Property tax	1.4%	1.4%	1.4%
Downpayment	5,000	7,500	15,000
Total Payment	740	1,110	2,270

Source: Zillow June Median \$148,900

Note: Purchase with 5% downpayment, 4.5% interest rate, 30FRM

Year	Permits
2006	2164
2007	1972
2008	1701
2009	947
2010	984
2011	1552
2012	2175
2013	2815
2014	3973
2015	3666
2016	3175

Source: Policy Map Residential Permit Data

Housing Condition

Category	Both Interior and Exterior Condition	Exterior Condition Only	Interior Condition Only	Total
Below Average	21,725	638	890	23,253
Vacant	3,475	76	42	3,593
Sealed	7,322	7	5	7,334

Source: Philadelphia OPA Data for Residential Properties

Category	Total	Of those already captured in OPA (below average, vacant or sealed)	Additional
Non Hazardous (structural related)	8,285	2,196	6,089
Unsafe (minus construction related descriptions)	2,527	1,062	1,465
Hazard (structural default)	320	67	253
Imminent Danger (unsafe condition, structural issue)	447	342	105

Source: Philadelphia Department of Licenses and Inspections (new in 2017)

Category	Number
No Kitchen	3,349
No Complete Bathroom	933
No kitchen no complete bathroom	1,649
Overcrowding	15,085
Cost Burden	204,231
Severely Cost Burden	130,546

Source: 1 Year 2016 ACS PUMS, Occupied Unit; NOT NECESSARILY MUTUALLY EXCLUSIVE WITH OPA/L&I FIGURES

Expiring Affordable Restrictions	Number
LITHC 2027 More than 15 years less than 30	10,460
LITHC 2027 More than 30 years	2,045
HUD Elderly and Special Need Past Expiration 2027	5,314
LITHC 2018 More than 15 years less than 30	6,554
LITHC 2018 More than 30 years	0
HUD Elderly and Special Need Past Expiration 2018	3,876
Need to preserve by 2027	17,819
Additional need to preserve by 2027	7,389

Source: City AFFH Analysis

Summary	Overall	Annual
Stock		16,888
Physical	23,253	2,325
Overcrowding	15,085	1,509
Affordability	130,546	13,055
Flux		8,912
Physical		1,000
L&I Non Hazardous		6,089
L&I Unsafe		1,465
L&I Hazard or Imminent Danger		358

Housing Cost Burden

AMI Range	Households	Rent Burdened	Rent Burdened	Severely Rent Burdened	Severely Rent Burdened
<30	98,855	87,850	88.9%	70,334	71.1%
30-50	51,456	34,461	67.0%	7,895	15.3%
50-80	43,081	11,519	26.7%	1,293	3.0%
80-120	31,301	2,463	7.9%	125	0.4%
>120	25,032	684	2.7%	0	0.0%
Total	249,725	136,977	54.9%	79,647	31.9%

Source: ACS 2016

AMI Range	Households	Owner Cost Burdened	Owner Cost Burdened	Owner Severely Cost Burdened	Owner Severely Cost Burdened
<30	64,339	43,658	67.9%	30,534	47.5%
30-50	45,174	17,064	37.8%	5,225	11.6%
50-80	62,401	11,888	19.1%	1,065	1.7%
80-120	49,956	4,192	8.4%	803	1.6%
>120	69,452	1,791	2.6%	171	0.2%
Total	291,322	78,593	27.0%	37,798	13.0%

Source: ACS 2016

AMI Range	Households	Housing Cost Burdened	Housing Cost Burdened	Housing Severely Cost Burdened	Housing Severely Cost Burdened
<30	163,194	131,508	80.6%	100,868	61.8%
30-50	96,630	51,525	53.3%	13,120	13.6%
50-80	105,482	23,407	22.2%	2,358	2.2%
80-120	81,257	6,655	8.2%	928	1.1%
>120	94,484	2,475	2.6%	171	0.2%
Total	541,047	215,570	39.8%	117,445	21.7%

Source: ACS 2016

Production and Preservation Targets

Category	Overall Target
Production	36,500
Preservation/Rehabilitation	63,500
Physical	49,000
Expiring Subsidy	14,500
Homeless	2,500
Total	100,000

Housing Type	AMI Range	Income	Owner		Renter		Total
			Preserve	New	Preserve	New	
Homeless						2,500	2,500
	<30%	\$0-25k	20,000		18,000	1,400	39,400
Affordable	30-50%	\$25-42k	2,000		6,000	4,200	12,200
	50-80%	\$42-67k	2,000	6,000	10,000	1,400	19,400
Workforce	80-120%	\$67-100k	5,500	4,000		2,000	11,500
Market	120%+	\$100k+		7,500		7,500	15,000
Total			29,500	17,500	34,000	19,000	100,000

APPENDIX B

HOUSING ACTION PLAN – PLANS AND STUDIES REVIEW

TERM	DEFINITION
Capacity	<i>Outreach, education, and technical assistance to households, landlords, service providers, and public officials to increase their understanding and awareness of housing action plan interventions and available resources; building leadership structures to implement strategies</i>
Construction Cost	<i>Reduce construction costs (e.g. via construction technology, streamlining the development process, or increasing trained labor)</i>
Data	<i>Data collection or analysis to drive decision-making through assessment, targeting, and prioritization</i>
Eviction	<i>Protect households against eviction</i>
Fair Housing	<i>Increasing access to high-opportunity neighborhoods for disabled, low-income, and minority persons; targeting place-based investment to under-served neighborhoods</i>
Financing	<i>Mechanisms to fund new programs, subsidies, and other interventions</i>
Historic Preservation	<i>Preserving historic homes</i>
Homeless	<i>Prevent homelessness; help households exit homelessness</i>
Preserve AU	<i>Preserving existing affordable units</i>
Preserve AU/H	<i>Preserving existing affordable units (homeownership)</i>
Preserve AU/R	<i>Preserving existing affordable units (rental)</i>
Produce AU	<i>Producing affordable units</i>
Produce AU/H	<i>Producing affordable units (homeownership)</i>
Produce AU/R	<i>Producing affordable units (rental)</i>
Produce MU	<i>Producing market-rate units</i>
Produce MU/H	<i>Producing market-rate units (homeownership)</i>
Produce MU/R	<i>Producing market-rate units (rental)</i>
Program	<i>Direct service provision to ensure access to affordable, stable, safe, and quality housing</i>
Regulation	<i>New or amended ordinance, code, or other rule needed to accomplish a housing goal</i>
Subsidy	<i>Subsidies and incentive programs to support activities that provide affordable, stable, safe, and quality housing</i>

Access to Homeownership

ACTION TYPE	SPECIFIC ACTION	TIMELINE	IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
GOAL: Protect existing homeowners against the loss of their home						
Subsidy	Continue to offer existing homeowner tax relief programs.	No timeline provided in plan document	Current programs include the Homestead Exemption, Longtime Owner Occupants Program (LOOP), Owner-Occupied Real Estate Tax Payment Agreement (OOPA), Low-income Senior Citizen Real Estate Tax Freeze, Real Estate Tax Deferral and Installment programs, Active Duty Tax Credit, and Catastrophic Loss-Related Property Assessment.			
Program	Provide a program modeled on the Residential Mortgage Foreclosure Diversion Program for homeowners facing tax and utility lien foreclosures.					
Program	Expand the Real Estate Tax Installment Payment Plan program to all income-eligible homeowners, regardless of age.					Currently, the program serves senior citizens age 65 or older or their spouses, allowing them to pay annual property taxes in monthly installments.
Program	Maintain current levels of funding and activity for the Basic Systems Repair Program (BSRP).					
Financing	Consider placing a lien on BSRP-assisted homes to recapture and recycle funds upon sale of homes to a third party, and to allow the City to protect homeowners subsequently targeted by predatory buyers/lenders.					
Financing	Launch and sustain the Housing Preservation Loan Program.					
Financing	Develop a deferred home repair loan program.					
Capacity	Engage in community outreach and education on how to resolve and prevent tangled title issues.		The City should make presentations at community meetings and events on a regular basis in neighborhoods with the highest incidence of residential tangled title. Clear information should be provided in City media on access to legal and financial resources to resolve tangled title and draw up estate planning documents.			
Capacity	Increase funding for legal services to address tangled title.					
Regulation	Waive the Realty Transfer Tax for tangled title clients.					The Realty Transfer Tax is the largest expense most tangled title clients face, and more than 3/4 of the tax is owed to the City. As a result, waiving most or all of the City could dramatically increase the chances of resolving title.
Regulation	Waive the Probate Filing Fee for tangled title clients.		Enable low-income residents to file an In Forma Pauperis (IFP) Petition with the Register of Wills in order to have the filing fee waived.			The Probate Filing Fee is the most common expense that tangled title clients face.
Program	Increase funding for estate planning services.		Target outreach to first-time homebuyers shortly after they purchase their home to connect them with free or low-cost estate planning services.			Proper estate planning services can alleviate complex tangled title issues and make the process of transferring title once the owner dies far less costly, potentially reducing the need to fund tangled title services.
Program	Promote coordination between home repair programs and legal service agencies.		Many residents with a tangled title issue are also in need of home repairs; however, City repair programs often require legal title. Legal services should train repair program staff how to spot tangled title issues and where to refer residents for legal assistance. Enable legal service agencies to supply an "equitable owner letter" that certifies valid legal claim to title, allowing claimants to participate in City housing programs.			
Capacity	Develop a Landlord Toolkit.		Develop a toolkit and provide technical assistance to low- and moderate-income (LMMI) homeowners on how to become a landlord by renting out a portion of their home.			Many LMMI homeowners in Philadelphia own large homes that are expensive to maintain. Boarding is a passive source of income that can help homeowners maintain their houses without subsidy.
Financing	Provide healthy home financing.		Explore partnerships with local hospitals and health insurance companies to provide funding to remediate lead and mold in aging homes.			Hospitals and health insurance companies have a financial interest in reducing emergency room visits and repeat admissions due to unhealthy homes.
Program	Increase access to homeowners' insurance.		Evaluate where lower income homeowners do not have homeowners' insurance covering the market value of their home and areas where homeowners cannot obtain insurance due to neighborhood conditions beyond their control. Explore innovative ways to help these households obtain access to adequate insurance.			The Philadelphia Energy Authority recently launched a program that provides property owners with the opportunity to voluntarily purchase insurance coverage to repair the external plumbing connecting a home to the water main and/or sewer for income-eligible homeowners.

Access to Homeownership (contd. 2)

ACTION TYPE	SPECIFIC ACTION	TIMELINE	IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
GOAL: Increase access to sustainable homeownership						
Capacity	Provide homeownership education and counseling.	No timeline provided in plan document	Support a "multi-touch" housing counseling model that includes one-on-one pre-purchase and post-purchase counseling. Increase funding to the Financial Empowerment Center Program; fund programs designed by local housing counseling organizations; and work with realtors and lenders to see counseling as a critical aspect of the purchase process. Connect energy-efficiency and utility programs to homeownership education.			
Capacity	Mandate financial institutions to verify their Community Reinvestment Act (CRA) services for future promotion by the City's housing counseling agencies.		Housing counseling agencies should know and market bank services like banking literacy, homebuyer and home-maintenance counseling, and financial planning.			
Program	Increase opportunities for prospective homebuyers to participate in Individual Development Account (IDA) programs.		Target households with incomes 120-200% of AMI.			
Capacity	Market local and state programs to assist households with downpayment and closing cost assistance.		Increase awareness of Settlement Grants, the First Front Door program, and other resources. Research the extent of unmet funding need for downpayment assistance.			
Financing	Consider a soft second mortgage program.		Evaluate existing soft second mortgage loan programs to ensure they are meeting need and explore opportunities for expanded access.			Soft second mortgages are forgiven, deferred, or subsidized in some other way. They help households meet the gap between the first mortgage they qualify for with a bank and the purchase price of a home.
Financing	Work with lending institutions to explore loans underwritten on utility payment records, renal payments, automobile insurance payments, and other alternative credit histories.					Some households are ready for homeownership but have low credit scores that cannot be repaired, or do not have sufficient credit history to access traditional mortgages.
Regulation	Structure affordability periods based on the length of occupancy.		When homeownership assistance is provided in exchange for long-term affordability, ensure that the owner-occupant household is asked to pay back a <i>share</i> of the assistance based on their length of occupancy upon resale, rather than paying back the full amount of assistance regardless of the length of tenure.			
Regulation	Waive the Realty Transfer Tax for first-time homebuyers.		Enact legislation to waive all or a portion of the transfer realty tax for first-time homeowners meeting defined income requirements.			
Financing	Maintain affordability of homes upon title transfer.		Consider mechanisms to promote the sale of affordable homeownership units to households earning 70-120% of area median income (AMI). One potential mechanism is a deed restriction or lien placed on homes when they receive City assistance that places restrictions on the terms of sale.			
Program	Develop publicly owned and/or acquired vacant land.		Expand existing programs to develop workforce housing on Land Bank property and/or provide land to local land trusts at a discount in exchange for permanently affordable homeownership units.			
Program	Transfer properties facing foreclosure to an intermediary nonprofit.		Explore models to transfer properties facing foreclosure to intermediary nonprofits or banks that can ultimately transfer them to a pipeline of income-eligible first-time homebuyers. Target properties that need few repairs before resale.			The Neighborhood Community Stabilization Trust is a proven model for this type of program and currently operates in the Philadelphia area.

Total Specific Actions: 27

Affordable Rental Housing Production

ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
		Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Prevent the loss of subsidized low-cost rental units								
Planning	The City of Philadelphia will support and adopt the implementation of the Affordable Rental Housing Preservation Strategy ("Preservation Strategy")	X			We recognize that preservation of existing subsidized affordable housing sits within a much larger housing framework of addressing the critical need to not only preserve, but to create new units of affordable housing. This is clearly articulated within the City's the Affirmatively Furthering Fair Housing (AFFH) plan. The Preservation Strategy will complement the AFFH and other affordable housing efforts currently underway to increase resources and address policy to meet Philadelphia's housing needs. To this end, the Preservation Strategy will be a fluid document and is designed to evolve over time. It is intended to complement other efforts that address affordable housing needs such as the City's Comprehensive Housing Plan.	COMPLETE		
Capacity	Designate a lead entity to drive and coordinate the implementation of the preservation strategy; form an Affordable Housing Preservation Network across private and public sectors	X	X	X	Preservation Network members will be recruited through an application process, selected based on skill, expertise, and commitment. They will enter into an MOU defining their roles and responsibilities.	A robust, collaborative, and productive network is created with a lead entity to guide implementation	Funding streams may include revenue generated through inclusionary zoning or other developer fees to a housing trust fund; a portion of TIF revenue in areas with strong markets and high affordable housing demand; existing revenue streams	Very feasible. Alternatively, San Diego is considering creating a city preservation coordinator position to maintain an affordable housing database, monitor expiration risk, and form relationships with property owners to seek solutions.
Data	Develop an open source and publicly accessible online preservation database for at-risk rental properties	X	X	X	An impartial organization will maintain this database, drawing from existing local and national databases (FixList, Policy Map, City, NHPD, Housing Insights) and gathering additional data points to target and prioritize at-risk properties (e.g. financial health, property condition, socioeconomic data, owner intent to sell)	Process to target and prioritize at-risk properties is data-driven		Data platform infrastructure exists; capacity to collect additional data may be limited
Capacity	Offer technical assistance and outreach to owners, asset managers, and public officials on the importance of affordable rental housing preservation	X	X	X	City will offer trainings, workshops, and individual coaching for property owners and others to increase knowledge about preservation strategies and available resources	Property owners make informed choices about whether to preserve or convert		HUD's Office of Multifamily Housing Programs held a series of local preservation clinics for owners in 2015; the materials are available online. The National Housing Law Project is hosting webinars to preserving HUD-assisted multifamily housing in March-May 2018
Capacity	Offer workshops to residents to learn about affordability periods, regulations, and tenant protections if their property is at risk		X		City will approach Community Legal Services, PHA, and TURN to create a resident awareness campaign about rights and projections, targeted to at-risk properties	Residents become advocates to preserve affordability		Assumes that at-risk properties have a tenant or resident association that can serve as a point of contact. Philadelphia has an extensive legal services community that provides a solid foundation to expand services/education (e.g. Community Legal Services has issued a report on Section 8 Opt-Out)

Affordable Rental Housing Production (contd.2)

ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
		Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Prevent the loss of subsidized low-cost rental units (vcontd. 2)								
Regulation	Require owners to provide a right of notice to the City, housing advocates, and residents when the property affordability periods or rent subsidy contract expires within 24 months		X		City drafts, advocates for/passes legislation at state/local level in partnership with Regional Housing Legal Services, PHFA, other state-wide groups; assists with implementing (monitoring and oversight)	More affordable units preserved	Funding streams may include revenue generated through inclusionary zoning or other developer fees to a housing trust fund; a portion of TIF revenue in areas with strong markets and high affordable housing demand; existing revenue streams	Current federal law requires a one-year Right of Notice for HUD-subsidized properties
Regulation	Give right of first refusal to qualified nonprofit developers, government agencies, and/or a tenant association to purchase the property if the private owner opts out			X	City partners with Regional Housing Legal Services, PHFA, other state-wide groups to draft regulation; City advocates for/passes legislation at state/local level	More affordable units preserved		Tenant Opportunity to Purchase has existed in Washington D.C. since the 1970s; Baltimore also provides a (more limited) right of first refusal to tenants
Regulation	Require owners who choose to opt out to assist displaced residents by paying for relocation expenses and helping to find replacement housing			X	City engages owners in developing relocation assistance regulation; calculation of assistance payment based on tenure, income, family size, age, and disability of tenants	Fewer owners opt out; tenants find comparable housing without excessive expense		Portland, OR currently requires <i>all</i> landlords to provide relocation assistance if they terminate a rental agreement; Austin, TX requires the same if a developer will demolish and/or renovate multi-family structures requiring the displacement of tenants. Seattle, WA property owners and developers must provide relocation assistance to low-income renters if affordability requirements expire
Financing	Create a preservation loan fund to support for-profit and non-profit developers in acquiring expiring at-risk units		X	X	City backs loan fund with a guarantee to incentivize investors / banks / foundations and mitigate risk; third party administers the loan fund	Loan fund is created		This fund could be modeled on Enterprise Community Partners' Washington D.C. Preservation Loan Fund, which used funding from D.C. as well as private investors
Subsidy	Provide a package of retrofit incentives to owners of publicly assisted affordable rental properties to facilitate energy savings	X	X	X	City will coordinate with PECO, PGW, ECA, PEA, and PHFA to create a comprehensive list of programs available to make energy savings improvements and conduct marketing and outreach to owners and asset managers	Retrofitted properties will save 25-30% in utility savings, on average		Current programs include PECO's Multi-Family Program and PGW's Small Multi-Family Program; the PHFA continues to explore low-cost loans to developers to make energy-saving improvements to properties
Program	Reward property owners who volunteer to renew their commitment to long-term affordability by permitting the property to be taxed as an affordable housing property	X	X	X	City will work with Regional Housing Legal Services and others to develop property tax incentives for publicly assisted rental housing after affordability requirements expire	More affordable units preserved		Regional Housing Legal Services and others recently negotiated a reasonable fixed rate valuation for publicly assisted affordable rental housing properties with the City of Philadelphia
Data	Create a set of operating efficiencies standards that can result in operating cost savings to ensure long-term preservation	X	X	X	An interagency team will review properties' physical and financial standing with asset and property managers to identify process/technology that will lead to stronger building performance	Increased building performance		Current efforts underway include State Housing Finance Agencies' review of properties to determine operating interventions for troubled properties

Total Specific Actions: 12

Naturally Occurring Affordable Housing (NOAH)

ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
		Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Preserve naturally occurring affordable rental housing								
Data	An impartial organization develops and maintains an open-source online NOAH database. Data will be used by the public to assess, target, prioritize, and develop preservation plans for at-risk properties.	X	X	X	Assemble data from existing sources, including the FRB, PolicyMap, Fix List, and Open Atlas. Gather new data, including financial health of property, owner intent to sell, housing condition indicators, and housing market indicators.	Complete data-driven process to target and prioritize NOAH properties for preservation.		
Capacity	Offer technical assistance and outreach to landlords, asset managers, and public officials on the importance of affordable rental housing preservation.	X	X	X	Use housing market data to identify neighborhoods where NOAH properties are at risk of moving to market rents. Offer trainings, workshops, and individual coaching to introduce landlords to preservation strategies and available resources. Use outreach to develop incentives based on the landlord's experience and property condition.	Property owners are aware of resources.		
Capacity	Offer workshops to residents in danger of eviction/displacement on tenant protections and available services and programs.	X	X	X	Use tenant or resident associations as a point of contact and communication. Approach CLS, HAPCO, TURN, and the PA Apartment Association to create a resident awareness campaign about rights and protections. Work with existing task forces and with public officials to align recommendations and balance landlord and tenant rights.	Residents are informed of their rights and serve as advocates to preserve affordability.		Philadelphia has an extensive legal services community that provides a solid foundation to expand services and education.
Financing	Create new and preserve existing revenue streams to preserve NOAH properties.	X	X	X	Meet with developers, housing advocates, PHFA, CDFIs, lenders, elected officials, and others to create new resources for affordable housing.	There is an increase in the number of affordable rental units preserved from year to year.		Current initiatives to generate new revenue include the Housing Action Plan, the Mixed-Income Housing Bonus, and the Construction Impact Fee.
Financing	Create a preservation loan fund to provide flexible, low-cost financing to nonprofit and for-profit developers to acquire and renovate affordable rental properties, preventing displacement.	X	X	X	Conduct further research to estimate NOAH repair costs to small property owners and medium-sized developers. Develop a menu of loan products based on different property types (based on condition, ownership structure, etc.). A third-party will administrate the fund to offer loans with below-market interest to cover a range of financing needs from acquisition to pre-development, construction, and permanent financing. Consider a City credit enhancement.	A loan fund is created.	Identify investors, banks, and foundations among others to make program- or mission-related investments.	
Subsidy	Provide shallow subsidies to support extremely low-income renters, plus low-interest rehabilitation loans and/or cost-sharing on management costs, to landlords who preserve their properties as affordable rental housing.	X	X	X	Approach CLS to work in partnership with the City's Office of Homeless Services to propose a property-based shallow rent subsidy. Fully engage tenants and owners in discussions. Align with eviction and homelessness prevention strategies.	The number of construction permits and rental licenses will increase. The risk of displacement will decrease; wellbeing and economic stability will increase for very low-income tenants.		
Subsidy	Permit a rental property to be taxed as 'affordable' if the landlord agrees to maintain affordable rents.	X	X	X	Research the rate at which rents have increased. Model an affordable rental tax exemption program on the City's Longtime Owner Occupants Program (LOOP) for homeowners. Link this incentive to other incentives, such as low-interest loans and shallow rent subsidies.	NOAH will remain affordable in neighborhoods experiencing appreciating real estate value and rent increases.		Landlords must be encouraged to provide rent and operating history to correctly gauge incentive structure.
Regulation	Allow landlords to satisfy L&I fines by making needed repairs, without risking the loss of their rental license or a delay in the license renewal process.	X	X	X	Work with L&I, HAPCO, Philadelphia Energy Authority, PEA, TURN, CLS, and others to ensure that this provision preserves NOAH without compromising tenant rights.	An increase in the number of construction permits and rental licenses.		L&I is currently seeking ways to streamline enforcement against code violations.

Total Specific Actions: 8

Construction Cost

ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
		Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Identify the main drivers of the cost of construction in Philadelphia								
Data	P&D carries out further analysis and data collection to isolate the factors affecting the cost of affordable and market-rate development				Compile a dataset of market-rate and affordable projects and hire a consultant to carry out a comprehensive statistica analysis			
GOAL: Streamline the developmet review process to reduce construction costs								
Regulation	Identify remapping or zoning code ammendments to allow affordable housing developments to be pursued by right.							
Data	Development Services and L&I coordinate on developing a mechanism to track and benchmark timelines for the entitlement process to determine where specific improvements or efficiencies should be achieved.							
Program	L&I explores the use of third party agencies to perform code review for new construction projects.							
Program	Fully fund and implement eCLIPSE and ensure that all agencies involved in the entitlement process are using the platform.	X						eCLIPSE is an electronic permit review management tool; L&I is already transitioning to the platform.
Program	Hold a development services meeting for all affordable development projects so that the developer and agencies can plan for an efficient path through the entitlement process.							Currently, these meetings are available on request; however, developers often do not know this resource is available.
GOAL: Reduce labor costs								
Regulation	Pursue a Project Labor Agreement with the building trades to allow for a lower union wage rate (one in line with the federal prevailing wage rate) for affordable housing projects.				This may require the approval of HUD and/or PHFA.			The success of this approach may rely on the strength of the construction market to attract skilled workers to a project with reduced wages.
GOAL: Increase the feasibility of using low-cost modular construction for affordable housing projects								
Financing	Explore the feasibility of providing security/collateral agreements or affordable lines of credit to mirror the terms and draw-down schedules necessary for modular construction.				Financing tools should be developed to provide more capital early on, when modular components are being produced in the factory.			Over time as investors become more comfortable, these financing arrangements may no longer be necessary.
Capacity	Provide resources and training to L&I around modular permitting under PA Act 45.							PA Act 45, adopted in 2004, regulates modular permitting, but L&I still faces uncertainty and challenges with compliance.
Regulation	Explore provisions that could be included in the zoning code to accommodate modular projects more readily.							The zoning code does not account for the fact that modular buildings are often taller than stick-built projects by approximately one foot per floor due to ceiling and floor assembly practices.
Regulation	Work with PHFA to revise its guidelines to provide more flexibility around source of funds and timing for modular depositis.							Currently, general contractors must fund the normal, upfront modular construction deposit - approximately 30% of total production cost - only to be reimbursed for the deposit from the Owner's equity at Initial Loan Closing.

Construction Cost (contd. 2)

ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
		Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Promote the efficient use of project scoring guidelines and building code provisions								
Regulation	Work with PHFA to revise its guidelines to allow for traditional fee-for-service architectural fees.							Currently, PHFA underwriting guidelines specify that architectural fees are calculated as a percentage of total construction cost. However, this can result in inflated design fees because some projects/project aspects require less architectural input and expertise.
Data	In partnership with PHFA, commission a cost-benefit analysis of the impact of various design-related elements (e.g. Passive House and HVAC system specifications) in the Qualified Allocation Plan (QAP), comparing upfront vs. operating costs.				This analysis could motivate PHFA to remove/amend scoring related to design elements that require upfront costs much highe than operating cost savings. It may als provide developers with data on operating efficiencies, which is needed to access products such as Fannie Mae Green Loans.			
Data	Work with PHFA to analyze whether the unit size ranges in the QAP are comparable to those found in market-rate development.							
Capacity	Identify strategies to reduce the costs of implementing new energy standards in the International Building Code (adopted in 2018).				Partner with the City's Regulatory Reform Commission Real Estate Subcommittee and potentially groups like Green Building United to identify strategies.			Green Building United has done significant research on how the energy stadards will impact construction in Philadelphia and is offering trainings for practitioners and government officials on applying the new code.
GOAL: Provide financing to reduce the cost and uncertainty associated with affordable housing development								
Financing	Seek sources of public, philanthropic, and private funding to provide low-cost capital to developers for brownfield assessment and remediation.				This financing program should help alleviate time swings, liability concerns, legal costs, and project uncertainty involved in affordable housing projects on brownfield sites.		The EPA's Revolving Loan Fund capitalization grant program is one potential source of funding.	New York City's Brownfield Clean-Up Program provides amodel for how a city can facilitate public-private partnerships to address brownfield remediation.
Financing	PRA uses non-federal funds at closing to bridge its permanent financing for affordable housing projects.				When DHCD/PRA provide funding to affordable housing projects, draw requests can take 9-12 weeks to process. This time swing creates financing challenges that a bridge loan during this period would alleviate.			A feasibility analysis is required.

Total Specific Actions: 17

Eviction

ACTION TYPE	SPECIFIC ACTION	TIMELINE	IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
GOAL: Increase awareness of eviction prevention rights and resources						
Program	Create a single citywide portal for access to eviction prevention services. Expand the capacity of existing housing counselors and of the Tenant Referral Help Line	No timeline provided in plan document	City should expand the existing Help Line and the housing counseling network to provide answers to commonly asked questions, information about tenant rights, financial counseling, coaching for the court process; scheduled appointments with counselors or legal aid; and information about rental assistance sources & eligibility. Include translation services and service outside of normal business hours	Greater number of calls received by tenant help line; reduced eviction execution rate; reduced number of Fair Housing complaints	No sources of funding provided in plan document	This is a manpower-intensive approach
Capacity	Conduct a public education campaign about eviction and about safe, habitable housing. Focus on increasing knowledge of rights and responsibilities of tenants and landlords, and encourage use of available resources		The campaign should reduce stigma around eviction and encourage both landlords and tenants to seek help, by promoting existing services; redeveloping the "Partners for Good Housing Handbook"; providing info in multiple media; training landlords through partner orgs; and offering a model lease	Reduced eviction rate; reduced complaints to Fair Housing Commission		
Capacity	Increase direct outreach to tenants with an eviction filing, to ensure that they are aware of the filing, court date, and available resources		City and Municipal Court should work together to connect with tenants (via telephone, additional mailing, and door knocking), first by conducting a pilot focused on tenants in areas with high rates of eviction	Reduced eviction rate		
GOAL: Increase housing stability evicted residents						
Subsidy	Provide assistance to people forced to move as a result of Sheriff's Sales	No timeline provided in plan document	City should subsidize moving costs and new security deposits. The City should also seek ways to reduce the number of Sheriff's Sales, for example by favoring the use of sequestration for tax delinquent rental properties. Under current state law, Sheriff's Sales excuse new owners from honoring existing leases on the property. The Sheriff's Office should establish which sales involve rental properties and notify non-profit partners, who will then reach out to tenants and ensure that they can exercise the right to stay in the property during the 90-day period following the sale	Decreased number of Sherriff's Sales	No sources of funding provided in plan document	In 2009, the Helping Families in Foreclosure Act included new protections for tenants of foreclosed rental properties. Their leases would now survive a foreclosure; they could stay until the end of the lease, and month-to-month tenants would be entitled to 90 days' notice before having to move out. The exception was for buyers who intend to live on the property; in this case, the buyer could terminate a lease with 90 days' notice. The federal law expired at the end of 2014, but many states and cities continue to provide the same protection.
Program	Pilot a program based on HomeBase, NYC's targeted homelessness prevention program		Pilot HomeBase in a limited geographic area: identify individuals at risk of homelessness and identify level of subsidy/other supports needed to prevent shelter entry; evaluate results			HomeBase is a homelessness prevention network in NYC with 23 locations; it serves 25,000 at-risk households per year either to resolve a housing crisis or to plan ahead to ensure stability and has been shown to reduce the length of time spent in a shelter. HomeBase connects eligible applicants to eviction prevention services, emergency funding, financial counseling, landlord mediation, employment referrals, and etc.
Regulation	Expunge eviction filings and judgments		Implementer: City in partnership with Municipal Court. Advocate for state legislation to enable expungement after a period of three years, or one year after a judgment is satisfied; or immediately and automatically, if the tenant wins the case or the case is withdrawn; also protect tenants by redacting their address in data provided to 3rd parties			Currently, tenants are afraid that any court involvement will harm their ability to secure housing, so their rights are not fully enforceable. Tenant-screening bureaus collect housing court data and sell them to landlords; the recent move by courts to put civil case records online has made the problem worse. Possible responses include: 1) shielding housing cases from public view altogether, for example by lowering the bar to seal housing cases or allowing tenants to request that the court restrict online access to court records (most success here has been in Minnesota); 2) regulating landlords' use of tenants' housing court histories to make rental decisions (in Oregon, this is the case if the eviction filing was dismissed or judgment was entered in favor of the applicant; New York City is considering a measure to protect against discrimination against those who have satisfied the terms of the eviction court order)

Eviction (contd. 2)

Action Type	Specific Action	Timeline	Implementation	Indicators	Funding	Feasibility
GOAL: Protect tenants against problematic landlord behavior; support positive landlord behavior						
Reduced eviction rate	Milwaukee has a rental rehabilitation no-interest loan program to landlords with low-income tenants. The program requires owners to match the loan, and to have completed landlord training and certification. Repairs focus on lead paint abatement, energy conservation, and exterior improvements. Many similar programs exist across the country	No timeline provided in plan document			No sources of funding provided in plan document	
Reduced eviction execution	Until January 2018, Philadelphia eviction cases often moved forward even when landlords did not provide documentation proving their compliance (a rental license, a Certificate of Rental Suitability, and--if a child under 6 is in the home--a lead safety certification). The courts have now started enforcing documentation requirements and will not enter a default judgment or judgment by agreement if the landlord is noncompliant. New rules can build on this shift.					
Data	Share data with non-profit partners, so that they can develop databases with information about landlords and rental properties		City, Municipal Courts, and the Fair Housing Commission will share public data (e.g. on code violations, eviction filings, and fair housing complaints, and eventually, on lead certification) and work with non-profit partners to develop an integrated, searchable database. The database should also create a one-step, easily printable form for tenants to get status reports on all relevant city info on the property, which can be an aid to them in Municipal Court	Reduced eviction rate		The database can use the Open Data Philly platform. The database can be attractive to housing subsidy programs interested in finding out which properties might be a good fit for their clients
Data	Use data analysis to identify properties suspected to be operating as unlicensed rentals		The City should use cross-agency data (utility data, property ownership data, code violation data, and IRS data) to identify 1) where utility payments are made in names other than the property owner; 2) when individuals own properties in multiple names and corporate entities and have past property violations	Approximately 80% of estimated rental units in the City are properly licensed as of now		These actions are subject to L&I capacity to ramp up enforcement
Regulation	Explore code changes to improve efficacy and efficiency of enforcement against problematic landlords, based on further study of best practices nationwide		Such changes could include 1) an enforceable penalty for misrepresentations on license and permit applications; 2) requiring property owners to report changes in occupancy to the City within 30 days; 3) a better fine structure for code violations, e.g. with escalating penalties			
Program	Expand pilot program to inspect and enforce regulations against problematic landlords		Licensing and Inspection and the City Law Department should expand this proactive inspection pilot program, which is planned to launch in 2018. L&I will proactively inspect all properties owned by a chronically non-compliant owner, with coordinated enforcement action for all violations at once, resulting in negative publicity and harsher penalties for that owner and deterrence for others	Initial pilot program aims to bring cases against 10 owners by 2020; if successful (obtains compliance from most problematic landlords and deters others), then the		
GOAL: Create an eviction process that protects tenants						
Program	Develop a process to hold landlord-tenant complaint resolution meetings prior to eviction proceedings	No timeline provided in plan document	The Philadelphia Commission on Human Relations (or another mediation organization) should facilitate pre-complaint resolution meetings to negotiate repayment of rent without an eviction on the record, or added legal costs. Resolution meetings should include counselors for tenants and be available via phone	Metrics should include: 1) the eviction filing rate (# eviction filings/total # renter-occupied units); 2) eviction execution rate (# requests for possession/total # renter-occupied units); 3) total # of judgments; 4) number of judgments by Agreement entered into; 5) number of Alias Writs filed, served	No sources of funding provided in plan document	This program can build from a current initiative of the Human Relations Commission to settle neighbor-to-neighbor disputes, and use the PHA's pre-trial resolution opportunities as a model
Program	Set up a mandatory, pre-hearing mediation process to give landlords and tenants time to consider options and consult housing counselors. Advertise it to individuals unfamiliar with the court process		City and Municipal Court should pilot this process, either involving mediation between parties or giving tenants more information about resources and requirements prior to their hearing date. Work with nonprofit partners to provide counseling			The Courts expressed concern that individuals would prefer not to have to attend Court twice, because of the time it takes
Subsidy	Increase legal representation for low-income tenants		City should pilot legal representation for tenants by expanding resources for legal aids organization's attorneys, as well as by working with non-profit partners to expand efforts to recruit volunteer lawyers; if effective, make permanent and expand, e.g. by making a "Lawyer of the Day" available during hearings			Since August 2017, New York City has guaranteed legal representation to tenants with incomes 200% of the federal poverty level or less. A study found that this policy will ultimately save the city millions of dollars. Other cities (SF, Washington D.C.) may follow suit
Regulation	Adopt Good Cause Eviction legislation to require landlords to provide a legitimate reason prior to evicting tenants		City Council should define "good cause" and pass this legislation. It is extremely difficult for tenants to prove discrimination and retaliation so long as landlords face no obligation to disclose a reason for lease termination. The only admissible reasons would be 1) failure to pay rent (on time) more than a certain number of times per year; 2) failure to correct a violation of the lease/nuisance laws; 3) excessive damage to the rental property; 4) landlord or member of immediate family will move into the unit; 5) tenant refuses lawful landlord access/refuses to extend lease with same terms/refuses to agree to a proposed rent increase (with conditions); 6) owner is doing substantial renovations			Good cause evictions laws may reduce owners' interest in renting their property and thereby reduce the availability of affordable housing in Philadelphia. Not all of the taskforce members supported this recommendation; however, a law is currently being considered by City Council and several states have adopted good cause provisions: Arizona, California, Delaware, Kansas, Massachusetts, Minnesota, Missouri, Nebraska, North Carolina, Virginia, and Wisconsin.

Resources

ACTION TYPE	SPECIFIC ACTION	TIMELINE	IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
GOAL: Build stable local funding stream for housing						
Financing	Commit \$53 million in General Fund dollars over the next five years to develop and preserve affordable housing.	No timeline was provided.	No implementation information was provided.	N/A	N/A	
Financing	Pursue a per-night surcharge on short- and medium-term rentals.					
Data	Research impact of increased eviction filing fees as a mechanism to increase funding tenant legal assistance.					
GOAL: Provide mechanisms to further leverage and recapture funding dollars						
Financing	Establish a Housing Accelerator Fund.	No timeline was provided.	No implementation information was provided.	N/A	N/A	
Financing	Increase the use of and further capitalize a credit enhancement facility.					
Data	Further investigate the use of cash flow mortgages as a vehicle to fund affordable housing.					
Financing	Establish a mechanism to pool LIHTC preservation projects to increase viability of financing using 4% LIHTC’s.					
GOAL: Collateralize publicly held properties and tax delinquent vacant parcels to incentivize or fund a mechanism						
Financing	Provide properties at a nominal or below-market value in exchange for developer commitment to produce affordable housing.	No timeline was provided.	No implementation information was provided.	N/A	N/A	
Data	Identify tax delinquent parcels in high value neighborhoods that can be acquired to promote mixed-income housing and equitable development.					
Data	Identify publicly held parcels located adjacent to tax delinquent parcels to assemble land for affordable housing development to spur capital investment into neighborhoods.					
Data	Assess the book value of publicly held land to determine of these properties could be pledged as collateral.					
GOAL: Create mechanism to capture portion of value derived from up-zoning or increases in allowable density to offset development pressures resulting from larger development projects						
Data	Develop a tool capable of measuring the value added to a property due to up-zoning or an increase in allowable building density.	No timeline was provided.	No implementation information was provided.	N/A	N/A	
Financing	Based on the increased value, identify an economically viable proportionate share to be dedicated to the production of affordable housing.					
Financing	Explore the use of a “special assessment” on the increased value due to up-zoning or density increase. The proceeds received from this assessment would be used to supplement the Housing Trust Fund.					
GOAL: Use cost savings realized from housing interventions that decrease healthcare needs, recidivism and chronic homelessness to expand access to affordable, quality, healthy housing						
Data	Work with Health Department and health care providers to identify key health indicators, cost to the healthcare system of chronic disease and repeat admissions due to poor quality and unaffordable housing.	No timeline was provided.	No implementation information was provided.	N/A	N/A	
Data	Based on data analysis identify economic impact of chronic disease, emergency room visits and repeat admissions due to poor quality and unaffordable housing.					
Financing	Utilize portion of achievable costs savings to seed a Flexible Housing Subsidy Pool to address poor and unaffordable housing conditions and augment funding available to existing housing repair grant and loan programs.					
Financing	Explore the use of social impact bonds, which would raise capital for upfront repair, rental support and support services, and provide the prospect of returns on those investments by sharing a portion of healthcare and other costs savings achieved.					

Homelessness

ACTION TYPE	SPECIFIC ACTION	TIMELINE	IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
GOAL: Improve coordination across systems to prevent and resolve homelessness						
Capacity	Establish an Intergovernmental Council on Homelessness for leaders of City agencies	No timeline provided in plan document	Implementer: City agencies	Shorter experiences of homelessness; less time from housing assessment to referral and from referral to permanent housing admission; fewer exists from institutional settings into homelessness; fewer first-time entries into the homeless assistance system	The plan generally identifies as funding sources: \$39 million in annual Federal funding to the Philadelphia Continuum of Care; local government funding designated for addressing homelessness; philanthropic and other private-sector funding; faith-based assets; and related systems funding (behavioral and physical health, criminal justice, affordable housing, veterans, workforce development, and education).	
Capacity	Reconfigure the Philadelphia Continuum of Care governing structure to advance the strategies of this plan		Implementer: City and CoC			
Capacity	Develop a coordinated response to address youth homelessness		Implementer: City; follow the lead of Philly Homes 4 Youth Coalition			
Capacity	Assist DHS in adopting system changes to improve housing stability for youth exiting child welfare or juvenile justice systems		Implementer: City and DHS			
Capacity	Advise the School District of Philadelphia on increasing access to McKinney-Vento education resources		Implementer: City and Philadelphia School District			
Program	Implement a pilot of the Frequent Users Systems Engagement (FUSE) Model to house people with extensive histories in the criminal justice, behavioral health, and homeless assistance systems		(www.csh.org/fuse)			
Program	Pilot Rapid Re-Housing for Reunification targeting parents and children separated by difficulty in securing housing		A partnership of OHS and DHS will implement			
Data	Launch Client Snapshot to share data between City departments and contracted providers		Implementer: City			
Data	Connect street outreach data with data on the rest of the homeless-dedicated assistance system to improve referrals		Implementer: City			
GOAL: Communicate more effectively to prevent and resolve homelessness						
Capacity	Use a targeted marketing campaign to increase public understanding of homelessness and resources/strategies		City OHS; CoC			
Capacity	Institute an OHS multi-channel communication strategy targeting various stakeholder groups		OHS			
Capacity	Launch Coordinated Entry and Assessment-Based Housing Referral System (CEA-BHRS) marketing campaign		Implementer: City			
Data	Improve publication of homeless assistance system data		Work with City's Office of Open Data and Digital Transformation			
Data	Research platforms for centralized resource-sharing		Implementer: City			

Homelessness (contd.2)

ACTION TYPE	SPECIFIC ACTION	TIMELINE	IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
GOAL: Expand resources for prevention, rapid re-housing, and permanent supportive housing						
Data	Conduct and use annual analyses of gaps between population needs and the inventory of housing and services to drive future funding decisions		Implementer: City	Meet estimated need for rent/utility assistance for households at risk of homelessness (2,700 households); rapid re-housing (medium-term rental assistance and supportive services) for 5,520 households, and 2,490 units of permanent supportive housing		
Financing	Develop a public-private funding collaborative to address the expansion of housing resources		City and private partners			
Financing	Create a private investment pool to fund supportive housing units for people experiencing street homelessness		Extend support for Shared Public Spaces Chronic Homelessness Subcommittee to do this			
Data	Engage landlords to increase the database of landlords renting to those exiting homelessness		Implementer: City			
Capacity	Research and implement effective diversion strategies, including training for community members and landlords		Implementer: City			
Subsidy	Expand the OHS shallow rent pilot to serve additional households on fixed disability incomes		Implementer: City			
Financing	Cultivate relationships with major healthcare systems to leverage resources for housing		Implementer: City			
GOAL: Establish a transparent and inclusive quality improvement process						
Data	Seek provider input when establishing annual program performance targets					
Capacity	Establish CEA-BHRS Subcommittee to develop and refine an annual CEA-BHRS evaluation strategy		Subcommittee consist of community stakeholders			
Capacity	Revisit mission and goals of the CoC's Quality Improvement and Evaluation Subcommittee		Implementer: City			
Capacity	Hold regular convenings with people who've experienced homelessness for their recommendations		Implementer: City			
Capacity	Identify resources to expand trainings offered to City staff and providers, especially regarding guiding principles and prioritization, as well as cultural competency		Implementer: City			
Capacity	Implement OHS training plan to include forums for provider-level peer-to-peer learning		Implementer: City			
GOAL: Connect people to employment and workforce development services						
Program	Locate satellite CareerLink site at a CEA-BHRS Access Point		Implementer: City	Shorter experiences of homelessness; more people with increased income and fewer people falling back into homelessness		
Capacity	Create a working group to assess the workforce development needs of people experiencing homelessness		Implementer: City			
Capacity	Increase coordination between homeless assistance and workforce development systems		Implementer: City. Establish and implement a plan for increased coordination.			
Data	Seek solutions to childcare and transportation barriers to employment		Implementer: City			
Program	Work with First Step Staffing to connect people experiencing homelessness to employment		City, First Step Staffing will implement.			
Program	Consider creating a day labor program for people experiencing homelessness		Implementer: City			

Total Specific Actions: 33

Fair Housing

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility/Implementation to Date
			Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Enhance and expand mobility for voucher holders									
Fair Housing	Regulation	Implement SAFMR, including local modifications utilizing Moving to Work flexibility (COMPLETE)	X			PHA examines the impact of SAFMRs on current and future voucher holders; proposes MTW modifications to the SAFMR rule to minimize tenant displacement; incorporates SAFMR into voucher briefing materials; implements	1 year: SAFMR is implemented	HUD will offer no additional funding for SAFMR implementation, raising concerns that lease-up of HCV units in higher opportunity areas will result in fewer available vouchers	HUD issued a final rule requiring implementation of zip-code-based SAFMR systems in November 2016 for 24 metropolitan areas, including Philadelphia; then in August 2017, it suspended implementation until October 2019. In December 2017, the courts ordered HUD to implement the final rule by April 1, 2018. PHA has therefore commenced implementation using 3 FMR groups and a policy of not increasing payments to existing voucher households able to stay in higher-cost units
Fair Housing	Program	Enhance the PHA's Housing Choice Voucher Mobility program to support residents in pre- and post-move phases	X	X	X	PHA (in partnership with regional housing authorities, service providers, and funders)	In 1st year, examine current mobility program and makes recommendations designed to support where needed; in 2 years, PHA secures funding; in 3-5 years, PHA implements the enhancements	HUD funded the initial pilot of the PHA's HCV Housing Choice Mobility Program to support HCV households that wish to move to higher opportunity areas; PHA elected to use its Moving to Work program funding to continue it indefinitely	The PHA's current Housing Opportunity Program now provides mobility counseling, landlord outreach, and unit search assistance to assist voucher households in finding neighborhoods with higher quality of life, but there continues to be no monetary moving assistance
Fair Housing	Program	Enhance the PHA's Housing Choice Voucher Mobility program to promote increased landlord participation in high-opportunity areas	X	X	X	PHA (in partnership with regional housing authorities, service providers, and funders)	In 1st year, examine current policies to increase landlord participation and retention; in 2 years, PHA secures funding; in 3-5 years, PHA implements the enhancements		
GOAL: Preserve existing affordable rental housing									
Preserve AU/R	Subsidy	Support preservation of existing subsidized rental units in projects whose 15-30 year affordability periods are near expiration, plus all projects requiring capital investment to preserve affordable units	X	X	X	City, DHCD, PHA, PHFA	In less than 1 year, City/PHA issue RFPs for preservation projects; in 1 year, they analyze and compile a list of expiring and aging projects; and in 2-5 years, they issue a preservation RFP each year contingent upon funding	Promote leverage of state/local/fed resources	DHCD and the PHA are currently soliciting proposals to finance the preservation of subsidized MF affordable housing developments and are offering gap financing through the Housing Trust Fund and HOME/CDBG; a briefing session for potential applicants is scheduled for June 7, 2018. No project may apply for more than \$2 million in total subsidies from DHCD
Preserve AU/R	Data; Program	Protect long-term affordability in areas with rapidly appreciating values, a high Displacement Risk Ratio, (DRR), and gentrified areas	X	X	X	City (lead), P&D, TRF, Fair Housing stakeholders, DHCD, Housing Counseling Agencies. City will partner with entities to complete a more detailed gentrification analysis with connection to eviction rates, housing quality, increases in rent, and tax increases. The analysis will recommend target areas and anti-displacement tools. The tools should be implemented through the Consolidated and Annual Action plans	1-2 years: complete analysis; 2-5 years; implement results		Philadelphia is one of 10 cities chosen by PolicyLink for the first All-In Cities Anti-Displacement Policy Network, which will create strategies to combat displacement 2018-19 using funding from J.P. Morgan Chase and the Kresge Foundation
Preserve AU/R	Financing	Preserve existing public housing units through RAD	X			PHA ensures developer compliance with new RAD fair housing guidelines, long-term affordability, and other applicable HUD regulations	n/a		So far, subsidies from 489 units were transferred to 10 developments; subsidies from 104 units pending closing will be transferred to 3 developments; and the transfer of subsidies from up to 300 more units are in the planning stages
Preserve AU/R	Program	Promote healthy living conditions for tenants	X	X	X	City (lead), housing stakeholders, DHCD, TRF, L&I, Dept. of Health, PHA develop pilot program for landlords to make homes lead-safe and mold-free	1 year: develop pilot program; 2-5 years: expand if successful and track metrics		Under the Lead and Healthy Homes Program, families whose children have blood lead levels at or above 5 or who have asthma can contact the program and receive services and resources, including a home visit and possibly lead inspection and remediation

Fair Housing (contd. 2)

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility/Implementation to Date
			Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Develop new affordable rental housing									
Produce AU/R	Program	Acquire land in Racially or Ethnically Concentrated Areas of Poverty (R/E CAPS), high-opportunity or rapidly appreciating areas and allocate public funds for affordable housing development through site-specific RFP	X	X	X	City (lead), P&D, DHCD, Land Bank, PHA. City and Land bank streamline the public land transfer process; they work with PHA and partners to identify and assemble sites for development and coordinate with existing neighborhood plans; issue 1-3 site-specific RFPs for affordable housing developments	1-2 years: streamlined land transfers and site assembly; 2-5 years: RFPs issued		The availability of funding is extremely limited; there are no new funds nationally to support public housing development
Produce AU/R	Regulation	Expand affordable rental units transfer of assistance provisions in the RAD program to increase housing opportunities and promote tenant diversity	X	X	X	PHA (lead), DHCD, nonprofit developers, PHFA, equity investors. Transfer assistance provisions in the estimated 1,000+ new units being converted under long-term RAD project-based contracts	n/a		HUD Capital Funds are woefully inadequate to address PHA's estimated billion dollar backlog in capital needs for existing units; the RAD program can support modest rehabilitation, but it simply reallocates existing funding to project-based uses
Produce AU/R	Program	Expand the number of affordable multi-family rental housing developments	X	X	X	PHA (lead), PHADC, 3rd-party development partners. PHA provides project-based subsidies to support neighborhood revitalization efforts, including new units for underserved populations; PHA oversees waiting lists to promote fair housing compliance	n/a	This action leverages existing PHA resources. Both the City and PHA have experienced drastic reductions in federal funding over the past decade. The AFH recommends doubling funding dedicated to the Philadelphia Housing Trust Fund	Community opposition to new housing in higher opportunity areas - especially MF housing - remains a challenge
Produce AU/R	Regulation	Ensure existing City codes and practices promote the development of affordable housing throughout the City	X	X	X	City (lead), P&D complete analysis of zoning and building codes and practices to identify any barriers to affordable housing and remove them	1-2 years: analysis completed; 2-5 years: barriers removed		Very feasible
Fair Housing	Regulation	Promote new affordable rental units in high-opportunity areas through private-sector investment	X	X		City (lead), P&D, TRF, Federal Reserve review zoning code and best practices for further incentives to promote mixed-income and affordable housing (i.e., inclusionary zoning, impact fees, reverse TIFs, etc.)	1-2 years: further incentives identified		Union labor rates remain a barrier to affordable housing development in the private sector. The City could negotiate affordable housing project labor agreements.
Fair Housing	Program	Encourage mixed-income/mixed-use developments in low-opportunity and R/ECAP areas	X	X	X	City (lead), P&D, DHCD, PHA, developers, Developer Services. Award priority points for mixed-income and -use developments in RFPs for tax-credit projects; ensure necessary approvals are awarded in a timely manner	n/a		
Fair Housing	Program	Promote affordable housing development in high opportunity or rapidly appreciating market areas	X	X	X	City (lead), P&D, DHCD, PHA, TRF develop and formalize criteria for high-opportunity areas, using tools such as TRF's DRR tool to identify rapidly appreciating markets; award priority points for tax-credit projects in these areas	1st year: criteria identified; 2-5 years: high-opportunity area projects prioritized		Very feasible

Fair Housing (contd. 3)

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility/Implementation to Date
			Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Preserve existing affordable homeownership housing									
Preserve AU/H	Program	Create new funding opportunities to expand affordable homeowner preservation programs and cover improvements to make homes healthy	X	X	X	City (lead), DHCD, PHDC, fair housing stakeholders, CBOs, financial institutions, Dept. of Health identify home improvement programs to add to DHCD resource guide; analyze feasibility of home improvement loan program reaching owners up to 115% AMI; implement and track	1 year: identify programs and plan new loan program; 1-5 years: implement and track		More than 1,200 households are already served annually under the Basic Systems Repair Program (BSRP). A total of 4,364 homes have been preserved through this program FY13-16
Preserve AU/H	Capacity	Provide foreclosure prevention counseling and outreach activities	X	X	X	City (lead), DHCD, housing counseling agencies, nonprofit legal services, PCA, NACs provide foreclosure prevention counseling/outreach	1,200 homes saved annually from mortgage foreclosure, reverse mortgage, and tax foreclosure		Foreclosure filings averaged 4,200 per year FY13-16. The City's Mortgage Foreclosure Prevention Program is in its 9th year in June 2018. The program includes door-to-door outreach, counseling, hotline assistance, legal assistance, and financial literacy education. More than 30,000 homeowners received assistance as of 2016, and ~10,300 homes were saved from foreclosure. Participating homeowners are 2x as likely to save their home
GOAL: Expand affordable homeownership housing									
Produce AU/H	Subsidy;	Provide settlement assistance grants, pre-purchase counseling, and tangled-title legal services	X	X	X	City (lead), DHCD, housing counseling agencies, nonprofit legal services provide homeownership housing counseling/financial assistance programs	2,000 residents counseled annually		DHCD's settlement assistance grants provide up to \$500/household to low-income first-time homebuyers for closing costs; free homeownership counseling is included. Only single-family homes and duplexes are eligible
Produce AU/H	Program	Implement PHA Public Housing Homeownership programs	X	X	X	PHA (lead), City, housing counseling agencies, mortgage lenders	25 public housing households purchase their own units		PHA currently offers Housing Choice Homeownership for HCV recipients and Section 5(H) Homeownership for scattered site PHA residents. The first allows HCV recipients to use their vouchers to make mortgage payments for up to 15 years; the second gives residents the opportunity to purchase the PHA home they currently occupy
Fair Housing	Program	Enhance PHA's Housing Choice Voucher Homeownership program with housing search assistance, including in high-opportunity areas	X	X	X	PHA (lead), City, housing counseling agencies, mortgage lenders work to identify additional funding to support housing search assistance to HCV voucher holders, especially for homeownership units	n/a		
GOAL: Expand accessible and affordable housing for persons with disabilities									
Fair Housing	Program	Create new funding to expand Adaptive Modifications Program (AMP) for renters and homeowners	X	X	X	City (lead), PHDC provide adaptations for rental and homeowner housing units	100 housing units adapted annually		In FY 2013-16, the Philadelphia Housing Development Corporation's AMP assisted 434 households, over half of whom were very low-income and 80% of whom were Black.
Fair Housing	Regulation	Continue to require accessible and visitable units in City-supported projects	X	X	X	City (lead), DHCD, housing developers increase the number of accessible housing units created by continuing to require 10% of City-supported housing projects be accessible and visitable	More accessible housing		From FY 2013-16, DHCD-funded developments added 189 accessible units and 876 visitable units.

Fair Housing (contd. 4)

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility/Implementation to Date
			Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Expand permanent housing for homeless and special needs individuals									
Homeless	Program	Ensure Homeless Services are accessible to all persons with disabilities	X	X	X	City (lead), OHS, fair housing stakeholders improve access to Apple Tree, the intake site for families and single women, by repairing and re-paving the street to the entrance; new access points into the homeless system should by ADA-accessible and fair housing compliant	1-2 years: Apple Tree entrance improved; 1-5 years: new access points are compliant		The Apple Tree entrance has been improved.
Homeless	Program	Promote opportunities to move homeless into stable, permanent housing	X	X	X	City (lead), PHA, DHCD, housing providers, DBHIDS, Homeless Services, fair housing stakeholders, VA work together to increase the number of permanent supportive housing units through a range of programs, e.g. PHA's participation the City's Blueprint program; and the City's Rapid Re-housing program	n/a		The PHA creates 500 housing opportunities annually via the City's Blueprint program; the City's Rapid Re-Housing program makes 700 placements annually
Homeless	Program	Promote opportunities to move survivors of domestic violence/stalking/sexual assault into stable, permanent housing	X	X	X	City (lead), PHA, DHCD, housing providers, DBHIDS, Homeless Services, fair housing stakeholders, CBOs, and non-profit legal partners work together to 1) enforce compliance with the City's Domestic Violence Ordinance and make sure that PHA complies with HUD VAWA rules; 2) secure funding to develop units for individuals experiencing domestic violence; 3) partner with developers to identify low-income units designated for survivors/victims and ensure they are accessible to individuals with disabilities; and 4) partner with CBOs to provide DV-specific services for families in permanent housing	n/a		Philadelphia has only 200 beds in domestic violence emergency shelters, which are operated by Women Against Abuse (WAA). In FY 2016, WAA was forced to turn away 14,644 requests for safe shelter due to a lack of space.
Homeless	Program	Expand housing programs for families at risk of child welfare involvement due to homelessness, unaffordable, or unsafe housing, or for those ready for reunification	X	X		City (lead), DHS, Homeless Services, DBHIDS, PHA, Fair Housing Stakeholders secure funding for 1) repairs to units at risk of child removal due to unsafe conditions; 2) new rental units for families at risk of child removal due to homelessness, eviction, utility shot offs, and unsafe conditions; and 3) housing for families ready for unification	1-3 years, funding is secure (estimates of need not provided)		In Philadelphia FY16, inadequate housing was the reason for child removal in 10% of cases (317 cases); this represented a 162% increase from FY12; in 40% of DHS rapid permanency reviews, housing was a factor delaying reunification. The DHS is currently working to avoid a child's removal by providing emergency housing in cooperation with OHS; a pilot to rapidly rehouse 16-20 families waiting for reunification began January 2018
Homeless	Data; Program	Prevent homelessness for youth exiting the child welfare and juvenile justice systems	X	X	X	City (lead), PHA, DHCD, housing providers, DHBIDS, Homeless Services, Child Welfare, and juvenile justice system work to 1) strengthen transition planning; 2) identify new youth-centric housing interventions; 3) pilot a CEA-BHRS using Transition-Age Youth Vulnerability Index Service Prioritization Assistance Tool (TAY VI-SPDAT) at entry points; 4) strengthen data sharing to identify and serve at-risk youth	n/a		In Philadelphia, over 50% of youth with foster care histories named entrance into foster care as the beginning of their own homelessness (2017); nationally, 11-36% of youth aging out of foster care become homeless. In 2017, OHS selected a coalition of five youth-serving organizations (YSI, The Attic, Pathways PA, Covenant House, and Valley Youth House) to address the crisis of older youth facing unstable housing
GOAL: Ensure open access to all housing resources and programs									
Fair Housing	Program	Fully implement Language Access Plans for Limited English Proficiency (LEP) individuals and ASL users	X	X	X	City and PHA work with OIA and other partners and stakeholders to update and implement LAP to make documents/outreach accessible to LEP residents; annually train staff; PHA and City provide annual LAP performance compliance reports; increase opportunities for face-to-face engagement with LEP persons	n/a		Access plans were released 2017 through March 2018
Fair Housing	Capacity	DHCD and PHA assist their service providers to develop model LEP and ASL policy and procedures, as needed	X	X	X	City and PHA (leads) work use OIA to work with AFFH stakeholder group and housing counseling and LEP providers to create model LEP policy and procedures for partners	n/a		
Fair Housing	Program	PHA reviews and enhances admissions and wait list policies to support fair housing compliance	X	X	X	PHA reviews best practices for admissions and wait list administration to promote diversity consistent with fair housing statutes and seeks PHA Board approval for appropriate modifications	1st year: PHA reviews best practices; 2-5 years: PHA implements policy modifications		Waitlists for vouchers and public housing are currently closed; however, the PHA has recently (May 2018) required public housing applicants to update their waitlisted applications
Fair Housing	Regulation	PHA reviews and enhances admissions and waitlist policies to admit the formerly incarcerated/those with criminal records	X	X	X	PHA periodically reviews and updates policies to comply with HUD regulations on criminal records screening; continues Second Chance Pilot Initiative	n/a		

Fair Housing (contd. 5)

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility/Implementation to Date
			Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Expand fair housing outreach, education, and enforcement activities									
Eviction	Capacity	Support Tenant Rights Workshops to educate low-income renters about their fair housing rights	X	X	X	Tenant rights providers/housing counseling agencies, including LEP counselors/CBOs, conduct monthly educational workshops	Workshops will serve 1,200 tenants annually	The Philadelphia Commission on Human Relations (PCHR) , our local fair housing agency, lacks resources to handle its caseload and enforce fair housing rules, especially since it lost its contract with HUD and its status as a Fair Housing Assistance Program in 1992. Subsequent efforts to regain this contract have failed because the local Fair Housing Ordinance must be substantially equivalent to the federal Fair Housing Act, but Pennsylvania law prevents Philadelphia from assessing penalties in excess of \$2,000 per fair housing violation.	In FY13-16, TURN (Tenant Union Representative Network) provided assistance to 6,044 households to resolve tenant-landlord issues, help tenants understand their lease, and enforce code requirements through L&I
Eviction	Program	Support increased representation for low-income tenants in landlord-tenant court	X	X	X	City (lead), PCHR, FHRC TURN, CLS, LEP, CBO partners and other tenant rights/legal aid groups collaborate to identify resources/strategies to support tenant representation in tenant/landlord disputes	Current representation is <10%; more tenants should be represented in court in 2-5 years		(See Eviction Prevention)
Fair Housing	Capacity	Support outreach and housing counseling to help residents avoid predatory loans, repair their credit, and budget	X	X	X	Counseling agencies will provide anti-predatory pre-purchase and financial literacy counseling with support from the City	2,000 individuals are counseled annually		
Fair Housing	Capacity	Support a range of fair housing education and outreach activities to increase housing options and access to opportunities among protected classes	X			City and PHA will coordinate with fair housing agencies to conduct fair housing trainings to City agency and PHA staff, and trainings for PHA and City sub-recipients	n/a		The City has sued Wells Fargo for predatory lending practices targeting black and Hispanic borrowers in violation of the Fair Housing Act
Eviction	Capacity	Support a range of fair housing education and outreach activities to reduce unlawful evictions and promote open access to affordable housing	X	X	X	City and PHA will work with legal aid providers, fair housing orgs, LEP, and CBO partners to design and implement workshops for landlords to promote fair housing compliance	1 year: workshops designed and funding identified, and marketing campaign conducted; 2-5 years: 1-2 workshops per year contingent on funding	The Philadelphia Commission on Human Relations (PCHR) , our local fair housing agency, lacks resources to handle its caseload and enforce fair housing rules, especially since it lost its contract with HUD and its status as a Fair Housing Assistance Program in 1992. Subsequent efforts to regain this contract have failed because the local Fair Housing Ordinance must be substantially equivalent to the federal Fair Housing Act, but Pennsylvania law prevents Philadelphia from assessing penalties in excess of \$2,000 per fair housing violation.	There is no evidence that this recommendation has been implemented
Fair Housing	Regulation	Support increased code enforcement of violations related to housing quality and health/safety issues	X	X	X	P&D will work with L&I on coordinated/targeted code enforcement efforts and concrete policies to promote increased housing quality	1-2 years: strategies identified; 2-5 years: code enforcement process contains clear and explicit steps to achieve compliance		Most code violation fines go uncollected; from FY06-10, the city issued \$36.3M in fines and \$4.1M in fees and penalties; of that, it collected \$10.7M or 27%. It is unclear how much L&I enforcement capacity has increased since then.
Fair Housing	Capacity	Establish Fair Housing Stakeholder group in partnership with local/regional fair housing agencies, advocacy groups, housing authorities, and municipalities to ensure a coordinated approach	X	X	X	PHA and City create Fair Housing Stakeholder Group, which meets at least twice annually to assess progress towards AFH goals	1 year: stakeholder group created; 1-5 years: group meets twice per year		There is no evidence that this group has formed or is meeting
Preserve AU	Data	Explore best practices and policies to promote long-term affordability options	X	X	X	City (lead), DHCD, PHA, Fair Housing Stakeholder Group review best practices for long-term affordability options, e.g. tenant's right of first refusal and extended compliance periods; implement feasible practices	1 year: review complete; 2-3 years: implementation feasibility review; 3-5 years: implementation		Exploration continues in the ARPH taskforce
Fair Housing	Financing	Identify new funding opportunities to support fair housing education and testing to ensure compliance with federal, state, and local fair housing laws	X	X		City works with Philadelphia Commission on Human Relations to obtain HUD certification for substantially equivalent status	1-2 years: status obtained		Philadelphia requires enabling legislation for the State of Pennsylvania to allow for a Fair Housing Ordinance substantially equivalent to the national Fair Housing Act; efforts failed in 2011 for this reason
GOAL: Promote coordinated approach to leverage public/private investments in R/ECAP and other areas to reduce disparities									
Produce/ Preserve AU	Program	Continue to support existing place-based strategies (e.g. in Sharswood and Norris Choice Neighborhoods and Promise Zone)	X	X	X	City and PHA (leads) work with HUD, PHFA, 3rd-party developers, PHS, Commerce, nonprofits, banks, and foundations to complete plans in Norris and Sharswood, including PHA headquarters and supermarket development	257 new housing units and 1-2 commercial projects, plus 4-5 neighborhood improvement projects in Norris; submission of Choice Implementation grant application to HUD for Sharswood	The Philadelphia Commission on Human Relations (PCHR) , our local fair housing agency, lacks resources to handle its caseload and enforce fair housing rules, especially since it lost its contract with HUD and its status as a Fair Housing Assistance Program in 1992. Subsequent efforts to regain this contract have failed because the local Fair Housing Ordinance must be substantially equivalent to the federal Fair Housing Act, but Pennsylvania law prevents Philadelphia from assessing penalties in excess of \$2,000 per fair housing violation.	
Fair Housing	Program	Create new place-based community investment strategy to leverage a range of public/private investments to strengthen communities and increase access to opportunities	X	X	X	P&D maps and analyzes opportunities/need/fixed assets across neighborhoods; categorizes based on strength to create a spatial investment plan; implements with partners (PHA, HUD, PHFA, private-sector and nonprofit partners, MDO, Land Bank, PCPC, Mayor's Office of Education, etc.	1st year: maps completed; 2-5 years: strategy implemented		
Fair Housing	Program	Promote place-based strategy to leverage public/private investments including housing in immigrant communities to increase access to housing and other opportunities	X	X	X	City (lead) identifies immigrant communities in need of affordable housing and other amenities and works with DHCD, PHA, HUD, PHFA, OIA, Commerce, banks, and other partners to implement a coordinated investment strategy	1st year: target communities identified; 2-5 years: strategy implemented		

Fair Housing (contd. 6)

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility/Implementation to Date
			Short-term (1 year)	Mid-term (3 years)	Long-term (5 years)				
GOAL: Expand educational attainment, economic development, and self-sufficiency efforts									
Fair Housing	Capacity	Encourage comprehensive connections between programs and services to alleviate poverty among low-income households (e.g. Earned Income Tax Credit)by ensuring that a point of entry to one program/service connects a recipient to other programs/services for which he/she is eligible	X	X	X	Service providers will connect residents to benefits beyond the ones they are currently accessing	1,500 residents should receive counseling to secure the Earned Income Tax Credit within 5 years	The Philadelphia Commission on Human Relations (PCHR) , our local fair housing agency, lacks resources to handle its caseload and enforce fair housing rules, especially since it lost its contract with HUD and its status as a Fair Housing Assistance Program in 1992. Subsequent efforts to regain this contract have failed because the local Fair Housing Ordinance must be substantially equivalent to the federal Fair Housing Act, but Pennsylvania law prevents Philadelphia from assessing penalties in excess of \$2,000 per fair housing violation.	In FY 2013-16, DHCD funding to the Urban Affairs Coalition and CEIBA resulted in 5,599 households receiving the EITC. This represents a useful entry point for comprehensive poverty prevention.
Fair Housing	Capacity	Promote technical assistance and training to small businesses to create and retain jobs – coordinate and align with other investments such as housing and commercial corridor activities to promote increased access to opportunity	X	X	X	City (lead), Commerce, DHCD, PIDC, TA providers, LEP and CDBD groups, fair housing stakeholders	Technical assistance is provided to 800 small businesses and 250 jobs are created or retained annually		Since 2013, the City supported organizations that deliver technical assistance to small and micro enterprises that provide goods/services in low- and moderate-income neighborhoods, including FINANTA, Women's Business and Development Center, and The Enterprise Center. These efforts created/retained >2,000 jobs and resulted in 1,389 loans FY 2013-16.
Fair Housing	Program	Return vacant and blighted properties back into productive use	X	X	X	City, DHCD coordinate with Philadelphia LandBank to acquire and dispose of vacant land for community development projects (e.g. gardens)	n/a		In 2017, the Land Bank released a strategic plan that aims to allow residents to acquire the vacant properties they have maintained for years; the target is to acquire 1,650 privately owned tax delinquent parcels over the next five years and convey them to new owners for productive use. Over 1,200 are expected to become homes, with nearly 650 targeted to lower-income residents
Fair Housing	Program	Support coordination of services and educational supports through the City's Communities in Schools	X	X		City (working with the SDP) launches Community Schools Initiative in and around high-poverty areas in Philadelphia	9 initial sites selected and a total of 16 additional sites served over the next 3 years		The initial cohort of 9 community schools was announced on July 18, 2016; a second cohort of 3 schools was announced in 2017
Fair Housing	Program	Ensure Philadelphia youth 3-4 years old enter kindergarten ready to learn	X	X		City launches the Pre-K Initiative in partnership with service providers	2,000 new pre-K slots created in year 1 with a minimum of 1,000 additional slots over 3 years		PHLpreK has been launched an is available in the 2018-19 academic year to children 3-4 years old; there are no income or employment requirements and the program is free to all participants for 5.5 hrs./weekday
Fair Housing	Program	Ensure youth 16-24 years old graduate high school and/or are job ready	X	X	X	City (lead), YouthBuild, CEO, PowerCorpPHL offer job training programs to young adults			
Fair Housing	Program	Promote increased access public transportation access for disabled and LEP residents	X	X	X	Mayor's Commission on Persons with Disabilities (MCPWD) meets with SEPTA to assess progress toward improving access for LEP and disabled individuals; City and SEPTA explore potential for providing reduced fares for low-income residents	1-2 years: SEPTA-City conversation occurs; 3-5 years: assess progress		SEPTA offers discounted fares for seniors, riders with disabilities, and children, but not for low-income groups. It conducted a fare equity analysis that concluded in March 2017 to analyze whether its fare increases would disproportionately burden minority and low-income populations and concluded that it did, but within acceptable levels.
Fair Housing	Program	Implement economic self-sufficiency and jobs skills workshops to assist PHA residents to obtain and retain jobs	X	X	X	PHA (lead) operates jobs workshops for PHA residents and coordinates with existing non-profit, community-based programs, including LEP programs	PHA Community Partners and economic self-sufficiency programs serve 100 residents annually		PHA residents can receive training in maintenance and repairs to start a career with PHA; PHA partners with three unions to administer this program; in addition, it partners with community organizations to provide basic adult education and training programs in medical technician, secretarial, and home health aid work
Fair Housing	Program	Promote immigrant hubs to address language barriers to accessing high-opportunity areas	X	X	X	City (lead), PHA, and Fair Housing Stakeholder network work with LEP and CBO partners to break down language barriers to promote access to public programs and neighborhood amenities	n/a		Mount Airy operates a Philadelphia Immigrant Innovation Hub for entrepreneurs
Fair Housing	Capacity	Promote improved health outcomes	X	X		Fair Housing Stakeholder Group convenes a range of health organizations such as COACH to create a strategy for improved access to a range of health services, and coordinates sustainability/greening programs in areas with low air quality	n/a	The DVRPC awarded the City \$7.3M in federal funds in August 2016 to improve air quality and reduce traffic congestion	

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility
			Short-term (0-5 years)	Mid-term (6-15 years)	Long-term (16-25 years)				
GOAL: Stabilize and upgrade existing housing stock									
Preserve AU	Subsidy	Shift public investments toward housing reuse and rehabilitation	X	X	X	Implementers: OHCD, RDA, PHA, PHDC, HUD, Commerce			
Preserve AU	Subsidy	Expand housing preservation and rehabilitation incentive programs	X			OHCD, HUD			
Preserve AU	Program	Retrofit housing to improve energy efficiency	X			OHCD, HUD, RDA, PHA			
GOAL: Ensure a wide mix of housing is available to residents of all income levels									
Produce MU/AU	Regulation	Promote mixed-income housing developments and a broad range of housing choice throughout the city	X	X	X	OHCD, RDA, PHA, PHDC, HUD, Commerce, City Council			
Fair Housing	Program	Reduce concentrations of poverty by considering existing poverty levels when siting new affordable housing developments	X						
Preserve AU/H	Program	Expand existing property tax programs for low- and moderate-income property owners	X			City Council, Building Industries, L&I			
Produce MU/AU; Preserve AU	Program	Provide a wider variety of housing options for an aging population such as aging-in-place programs and accessory housing options	X			OHCD, RDA, PHA, PHDC, HUD, Commerce, PCPC, City Council, PCA			
Fair Housing	Program	Expand accessible housing choices, including "visitable" units, which allow for barrier-free access into the first floor and to a first-floor toilet room	X			City Council, Revenue			
Produce MU/AU	Program	Work with developers to create mixed-income developments at transit stations				PCPC, ZCC, Private developers			
GOAL: Promote new affordable housing developments to strengthen existing neighborhood assets									
Produce AU	Regulation	Locate new affordable housing near commercial corridors and transit stations	X						
Produce MU/AU	Regulation	Prioritize infill of gap vacancies on otherwise stable blocks over large subdivision developments	X						

District Plans

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility
			Short-term (0-5 years)	Mid-term (6-15 years)	Long-term (16-25 years)				
GOAL: Meet housing needs									
(ALL)	Data	Complete Citywide Housing Plan for Philadelphia (WST)							
GOAL: Combat displacement									
Eviction	Data	Commission a study to determine what impacts, if any, rising property values have on current renters and homeowners. The study should answer the following questions: (1) are residents being forced to leave; and (2) if so, who are they, and where do they live? (LNO)							
GOAL: Increase the supply of affordable housing									
Produce AU	Program	Redevelop obsolete institutional and industrial buildings for senior and/or affordable housing (UNO)							
Produce MU/AU	Program	Rehabilitate and redevelop PRA sites located at 62nd Street and Osage Avenue and 36th Street and Haverford Avenue (WST)							
Produce AU	Program	Using the City's land inventory, sell discounted conveyances for workforce affordable housing (UNO)							
Produce AU	Program	Use the Land Bank to acquire clusters of abandoned housing and vacant land for reuse, rehabilitation, or redevelopment to increase the supply of workforce housing (UNO)				Target renewal efforts in neighborhoods of East Germantown, Ogontz, Belfield, and Logan.			
GOAL: Increase the supply of mixed-use and live-work housing									
Produce MU	Regulation	Develop multifamily housing above stores along the Castor Ave commercial corridor (LNE)							
Produce MU	Regulation	Develop live-work housing in East Frankford and along the Frankford Creek in formerly industrial buildings, and along the Frankford Ave commercial corridor (LNE)							
GOAL: Promote Transit-Oriented Development									
Produce MU/AU	Regulation	Use zoning to incentivize the development of single-family, multi-family, mixed-income, and senior housing along commercial corridors, near public transit, in transitioning industrial areas, and on City-owned parcels (LNW)							

District Plans (contd.2)

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility
			Short-term (0-5 years)	Mid-term (6-15 years)	Long-term (16-25 years)				
GOAL: Support a wider housing mix									
Produce MU/AU	Regulation	Increase the allowable density with base zoning and a TOD overlay near the Olney Transportation Center to encourage redevelopment of prime lots (UNO)							
Produce MU; Preserve AU/H	Regulation	Identify areas for SF and MF housing and ensure they are appropriately zoned (FNE)							
GOAL: Create and preserve housing for seniors and persons with disabilities									
Produce AU	Regulation	Create zoning to allow accessory dwelling units on the lowest floors of existing buildings (UNO)							
Fair Housing	Capacity	Create adaptive modification design guidelines to illustrate for homeowners how to make visitability modifications to their homes in conjunction with Complete Streets principles (STH)							
Fair Housing	Regulation	Support new construction of independent living and supportive housing developments in senior-friendly locations							
Preserve AU/H	Capacity	Market tax reduction and improvement programs to seniors (FNE)							
Preserve AU/H	Capacity	Target the Weatherization Assistance Program and Basic Systems Repair Program to seniors (FNE)							
GOAL: Preserve affordable housing (especially single-family)									
Preserve AU/H	Regulation	Preserve single-family housing stock through zoning (CNE); rezone to RSA-5 in select areas that are currently zoned RM-1 to reduce conversions (LNE); downzone West Powelton, Saunders Park, Powelton Village, Walnut Hill, Garden Court, Cedar Park, and Spruce Hill and redirect growth to corridors and nodes (USW); likewise in WST; use a NCO "Neighborhood Conservation Overlay" in Point Breeze to preserve character (STH); Downzone blocks where homeownership is dominant from RM-1 to RSA-5 to protect from conversion to MF units (LNO)							
Preserve AU/H	Regulation	Increase enforcement of rental license regulations and illegal conversions to MF housing (LNE)							
Preserve AU/H	Program	Expand home repair loan programs (WST)							
Preserve AU/H	Program	Promote retrofits to improve energy efficiency in single-family housing stock (CNE)							
Preserve AU/H	Capacity	Market home improvement resources, including incentives for home rehabilitation, to single-family homeowners (CNE)							
Preserve AU/H	Capacity	Promote PWD customer assistance program, which includes 0% interest loans to replace sewer and water laterals (WST)						CDBG funds	
Produce AU/H	Program	Sell government-owned land for infill development on residential blocks where homeownership is dominant (LNO)							
Preserve AU/H	Program	Target resources for home improvement to property owners on blocks where homeownership is dominant (LNO)							
Preserve AU/H	Program	Install ambient street lighting, replace sidewalks, and make other public realm improvements on blocks where homeownership is dominant (LNO)							

District Plans (contd.3)

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility
			Short-term (0-5 years)	Mid-term (6-15 years)	Long-term (16-25 years)				
GOAL: Address housing-related health problems									
Preserve AU	Capacity	Help residents access city programs to abate mold, dust, pests, lead, and asbestos (NOR)							
Preserve AU	Capacity	Increase public awareness of indoor air quality and other healthy housing issues through education and promotion of available programs to assist with health-related home repairs (WST)							
GOAL: Rehabilitate and improve public housing									
Preserve AU	Program	Redesign Bartram's Village public housing complex to provide better connections to the existing street grid and proposed River Road as well as Bartram's Garden and the 58th St Greenway (UNO)				PCPC implements (in progress)			
Preserve AU	Program	Redevelop the Blumberg Apartments into lower-scale houses while reintroducing rights-of-way through the superblock. Include green spaces (LNO)							

Consolidated Plan

CATEGORY	ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
			Short-term (1 year)	Mid-term (by 2021)	Long-term (16-25 years)				
GOAL: Develop affordable rental housing									
Produce AU/R	Subsidy	Provide gap financing for affordable rental and special needs projects seeking tax credit financing; prioritize 4% and 9% mixed-use tax-credit projects and projects in rapidly appreciating markets		X			Create 2,100 affordable rental and 550 homeless/special needs rentals by 2021.	HOME: \$5,592,058; Local Funds: \$4,939,000	
Produce MU/AU	Regulation	Review zoning code and best practices for further incentives to promote mixed-income and affordable housing		X		Possible incentives: inclusionary zoning, impact fees, reverse TIFs	1 change implemented	General fund (amt not specified)	
GOAL: Preserve affordable rental units									
Preserve AU/R	Subsidy	Solicit and select preservation projects to preserve subsidized rental units on the verge of expiring, and requiring capital investment to preserve affordability		X		City and PHA will issue a preservation RFP and select projects to preserve 100 units per year	500 units by 2021	CDBG: \$1,500,000	
	Program	Develop a pilot program for landlords to make homes healthy, e.g. lead-safe and mold-free		X			1 pilot program complete	General fund (amt not specified)	
GOAL: Expand affordable homeowner housing									
Produce AU/H	Subsidy	Provide settlement grants to homeowners		X		City-supported housing counseling agencies provide up to \$500 in settlement for homebuyers <80% AMI upon successful completion of prepurchase counseling	1,000 settlement grants to homeowners by 2021	Housing Trust Fund: \$60,000; Local Funds: \$100,000	
GOAL: Preserve affordable homeowner housing									
Preserve AU/H	Subsidy	Provide funding to make system repairs for homeowner housing		X			7,950 Basic System Repair Program (BSRP) home repairs by 2021	CDBG: \$16,084,266; Local Funds: \$581,000	
	Program	Provide housing counseling to prevent foreclosures		X			56,250 households by 2021		
		Provide tangled title services		X			750 households by 2021		

Consolidated Plan (contd. 2)

CATEGORY	ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
			Short-term (1 year)	Mid-term (by 2021)	Long-term (16-25 years)				
GOAL: Expand housing for persons with disabilities									
Fair Housing	Program	Secure new funding to expand the Adaptive Modifications Program (AMP) for renters and homeowners		X			2,000 units receive AMP modifications by 2021	Local Funds: \$4,655,000	
		Increase the number of accessible housing units in City-supported housing developments		X		DHCD will continue the 10% requirement for accessible units and visitable units for City-supported projects, exceeding HUD requirements	371 accessible/visitable housing units by 2021		
GOAL: Expand fair housing outreach and enforcement									
Fair Housing	Capacity	Fund a Fair Housing staff position to promote fair housing education and outreach	X					CDBG: \$75,000	
		Establish a Fair Housing Stakeholder group to ensure coordinated outreach	X			City and PHA will lead; partners: local/regional fair housing agencies, advocacy groups, housing authorities, and municipalities	AFFH stakeholder convening: 20 sessions in 4 years		
GOAL: Expand fair housing outreach and enforcement									
Eviction	Capacity	Support a range of Fair Housing education and outreach activities for Landlords to reduce unlawful evictions and promote open access to affordable housing		X			AFFH stakeholder convening: 20 sessions in 4 years	CDBG: \$378,000	
		Support workshops led by tenant rights providers and housing counseling agencies, including LEP counselors					Serve 6,000 families/households by 2021		
	Program	Leverage resources to support tenant representation and other strategies to prevent evictions						General fund (amt not specified)	
	Data	Review best practices for and feasibility of long-term affordability options, such as tenants' right of first refusal and extended compliance periods					Implement feasible measures		

Consolidated Plan (contd. 3)

CATEGORY	ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
			Short-term (1 year)	Mid-term (by 2021)	Long-term (16-25 years)				
GOAL: Foster open access to all housing and community resources									
Fair Housing	Capacity	Fund community planning, outreach activities, and technical assistance to connect neighborhood residents to programs and resources.		X			Serve 550,000 residents through the Neighborhood Advisory Committee program; 100 groups through the PACDC and Community Design Collaborative; and 40,000 households through Neighborhood Energy Center workshops by 2021	CDBG: \$2,047,000	
GOAL: Reduce homelessness and expand homeless and special needs housing and services									
Homeless	Program	Expand homeless/special needs housing opportunities		X			Emergency shelter: 5,500 households; transitional and rapid re-housing: 1,650 households; homeless prevention: 500 households; UESF utility payments: 10,500 households by 2021	CDBG: \$108,000; HOPWA: \$8,099,610; HOME: \$2,033,000; ESG: \$3,493,714; Local Funds: \$6,565,000	
		Prevent at-risk families from entering homelessness		X			The Continuum of Care and OHS aim ultimately to prevent 725 VLI households from experiencing homelessness		
		Expand housing services to those affected by HIV/AIDS		X			Transitional housing and other services for persons with HIV/AIDS: 3,500 households by 2021		

Annual Action Plan

Category	Action Type	Specific Action	Timeline			Implementation	Indicators	Funding	Feasibility
			Short-term (1 year)	Mid-term (by 2021)	Long-term (16-25 years)				
GOAL: Develop affordable rental housing									
Produce AU/R	Subsidy	Provide gap financing for affordable rental and special needs projects seeking tax credit financing; prioritize 4% and 9% mixed-use tax-credit projects and projects in rapidly appreciating markets	X				Provide gap financing to 450 affordable rental and 110 special-needs projects seeking tax-credit financing per year	(See consolidated plan)	
Produce MU/AU	Regulation	Review zoning code and best practices for further incentives to promote mixed-income and affordable housing	X			PCPC implements. Possible incentives: inclusionary zoning, impact fees, reverse TIFs	n/a		
GOAL: Preserve affordable rental units									
Preserve AU/R	Subsidy	Solicit and select preservation projects to preserve subsidized rental units on the verge of expiring, and requiring capital investment to preserve affordability	X			City and PHA will issue a preservation RFP and select projects to preserve 100 units per year	Benefit 100 households per year		
	Program	Develop a pilot program for landlords to make homes healthy, e.g. lead-safe and mold-free	X				n/a		
GOAL: Expand affordable homeowner housing									
Produce AU/H	Subsidy	Provide settlement grants to homeowners	X			City-supported housing counseling agencies provide up to \$500 in settlement for homebuyers <80% AMI upon successful completion of prepurchase counseling	Provide grants to 200 homeowners per year		
GOAL: Preserve affordable homeowner housing									
Preserve AU/H	Subsidy	Provide funding to make system repairs for homeowner housing	X			Eligible homeowners receive up to \$18,000 of rehabilitation assistance	1,590 households per year will receive home repairs through the Basic Systems Repair Program		
	Program	Provide housing counseling to prevent foreclosures	X				11,250 units of counseling will be provided per year		
		Provide tangled title services	X				Provide counseling to 100 low-income households to resolve title problems and prevent vacancy		

Annual Action Plan (contd.2)

CATEGORY	ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
			Short-term (1 year)	Mid-term (by 2021)	Long-term (16-25 years)				
GOAL: Expand housing for persons with disabilities									
Fair Housing	Program	Secure new funding to expand the Adaptive Modifications Program (AMP) for renters and homeowners	X			City implements. The average cost of repairs is \$14,000; approximately 470 people are on the AMP waitlist.	Modify 400 units per year		
		Increase the number of accessible housing units in City-supported housing developments	X			DHCD will continue the 10% requirement for accessible units and visitable units for City-supported projects, exceeding HUD requirements	Create 371 accessible/visitable housing units in City-supported housing developments per year		
GOAL: Expand fair housing outreach and enforcement									
Fair Housing	Capacity	Fund a Fair Housing staff position to promote fair housing education and outreach	X				n/a		
		Establish a Fair Housing Stakeholder group to ensure coordinated outreach	X			City and PHA will lead; partners: local/regional fair housing agencies, advocacy groups, housing authorities, and municipalities	n/a		
GOAL: Expand fair housing outreach and enforcement									
Eviction	Capacity	Support a range of Fair Housing education and outreach activities for Landlords to reduce unlawful evictions and promote open access to affordable housing	X				n/a		
		Support workshops led by tenant rights providers and housing counseling agencies, including LEP counselors	X				Serve 1,200 families per year		
		Leverage resources to support tenant representation and other strategies to prevent evictions	X				n/a		
	Data	Review best practices for and feasibility of long-term affordability options, such as tenants' right of first refusal and extended compliance periods	X				n/a		
GOAL: Foster open access to all housing and community resources									
Fair Housing	Capacity	Fund community planning, outreach activities, and technical assistance to connect neighborhood residents to programs and resources.	X				n/a		

Annual Action Plan (contd.3)

CATEGORY	ACTION TYPE	SPECIFIC ACTION	TIMELINE			IMPLEMENTATION	INDICATORS	FUNDING	FEASIBILITY
			Short-term (1 year)	Mid-term (by 2021)	Long-term (16-25 years)				
GOAL: Reduce homelessness and expand homeless and special needs housing and services									
Homeless	Program	Expand homeless/special needs housing opportunities	X			Provide rental assistance and security deposits to homeless households to rapidly re-house them	House 300 households per year		
		Prevent at-risk families from entering homelessness	X				Provide utility assistance to 2,100 households per year		
		Expand housing services to those affected by HIV/AIDS	X				n/a		
GOAL: Develop and preserve public housing units									
Preserve AU	Program	Convert existing public housing units through RAD program	X			PHA will convert units in the City through RAD	Convert 1,689 units in FY 2019		
Produce AU; Preserve AU		Pursue Choice Neighborhood Transformation planning and implementation	X			PHA will implement the Blumberg/Sharswood Choice Neighborhood Transformation Plan; continue work on the North Central Phila. Choice Neighborhood Transportation Plan and begin developing a plan for Bartram Village	1,200 mixed-income units in Blumberg/Sharswood; 89 units in North Central Philadelphia in FY 2019		
GOAL: Increase homeownership among public housing residents									
Produce AU/H	Program	Streamline and consolidate homeownership programs for public housing residents and expand the range of tools and resources available to participants	X			PHA will streamline and expand counseling and resources associated with vouchers, the 5(h)homeownership program for scattered site PHA residents, and accessing new construction homes	n/a		
GOAL: Increase public housing resident participation in management and planning									
Fair Housing	Capacity	Involve residents extensively in the development of the new Bartram Village/Kingsessing Choice Neighborhoods Transformation Plan	X			PHA and City will conduct interactive workshops, focus groups, etc. to identify community priorities and vision for change	n/a		

APPENDIX C

HOUSING ACTION PLAN - PRECEDENT RESEARCH MEMOS

1. Shallow Rent Subsidy

Relevant Precedents

The most relevant precedent is the Chicago Rental Subsidy Program, which dates to 1989. The subsidy is property-based; participating landlords sign an agreement with the Chicago Low-Income Housing Trust Fund to reduce rents to levels affordable to the target population (extremely low-income households) in exchange for shallow subsidies. Landlords must screen applicants for income eligibility and seek annual renewal of the subsidies. Different levels of subsidy are provided to target units to households below 15, 20, and 30% AMI. In FY17, the program served 2,687 households and cost a total of \$15.3 million (with funding divided between the Trust Fund and the Illinois Rental Housing Support Program).

Other cities have provided shallow tenant-based subsidies to specific subgroups, including victims of domestic violence, homeless households, persons living with HIV/AIDS, and families on the voucher waitlist. The Chilean National Government is experimenting with a flat subsidy to young, low-income families.

Efficacy

Shallow rent subsidies can serve more families than a deep, indefinite subsidy like the Housing Choice Voucher. They also avoid some of the earnings disincentives associated with vouchers. Shallow subsidies may be especially effective in preventing severely rent-burdened families from becoming transient or homeless. They have been shown to increase residential stability, allow beneficiaries to generate a work history, and ultimately increase earnings. Subsidies may also be used to help families currently benefitting from an expiring program.

Challenges

Subsidies that are both shallow and very limited in duration may not allow households to access stable, permanent housing and thus act as a “revolving door” to the shelter system. They have also been criticized for subsidizing units in poor condition, since housing standards are expensive and time-consuming to enforce for large groups.

Alternatives

Some policy researchers have suggested alternatives to a shallow rent subsidy, including public rental insurance and cash transfers. The former has not been tested; in theory, a government would set up a program to insure rental payments in case of financial shocks like job loss or health problems. In exchange, the tenant pays a small premium, possibly in installments. Though this concept requires expertise and large upfront investment, it can spread costs over a large group of tenants and ultimately increase renter stability with no work disincentive effect. A cash transfer allows recipients to spend their subsidy on expenses other than rent and may be calibrated to reward socially desirable behavior. Evidence shows that cash transfers may reduce some housing-related hardships.

2. Landlord Incentives

Relevant Precedents

There are many examples of programs that reward landlords who charge affordable rents, rent to hard-to-house populations (the formerly incarcerated, the homeless, housing voucher recipients, etc.), or rehabilitate their properties without increasing rents. Incentives include cash bonuses, one month's rent, reimbursement for damages, state and local income tax credits or abatements, waived permit fees and interest-free loans for repairs, and rent payment in case of arrearage.

Efficacy

Unfortunately, little is known about how landlord incentive programs affect landlord behavior. The San Diego Landlord Engagement and Assistance Program (implemented this year) aims to create permanent housing opportunities for 3,000 households experiencing homelessness over 3 years; as of April, it had already placed 855 households. San Diego has budgeted \$6.6 million for the program. New York City's J-51 Tax Incentive Program for landlords who rehabilitate without drastically raising rents is much larger (serving 709,000 apartments at a cost of \$256.6 million in FY11), but it has become less effective as rents have risen and low-cost project capital has become more available. Many landlords can now finance repairs more cheaply by raising rents than receiving tax abatements. Landlord incentive programs can have beneficial by-products, such as encouraging compliance with registration/licensing; furthering fair housing goals if landlords in high-opportunity areas participate; and promoting maintenance and rehabilitation.

Challenges

Landlord incentives must become more substantial as market rents increase. The City may need to rely on high-capacity nonprofits to conduct landlord outreach, screen tenants, and manage reimbursement for damages.

3. Housing Equity Loan Fund

Relevant Precedents

San Francisco's Housing Accelerator Fund, established in 2017, is the boldest example of a loan fund designed to promote high-quality affordable development/preservation. San Francisco partnered with Citi Community Development to create a new nonprofit entity to manage the fund, which subsequently attracted additional investment from philanthropies and other banks. The fund is meant to help affordable housing developers compete with private developers in an extremely high-cost market; therefore, it is designed to provide substantial amounts of capital quickly. SFHAF aims to preserve or develop 1,500 permanently affordable housing units by 2023 using its over \$50 million in equity.

Other cities have partnered with existing nonprofit partners to operate revolving loan funds, e.g. for affordable housing preservation and equitable transit-oriented development.

Efficacy

Most housing equity funds are quite new. Denver's eTOD fund created 1,300 affordable units over 8 years and currently has \$24 million in acquisition loan capital. Funding can be targeted to achieve certain kinds of housing in desired locations. They may effectively combine low-cost loans with technical assistance and/or the provision of public surplus land to nonprofit developers.

Challenges

The city or county has typically invested a significant portion of the fund capital (~\$10 million). The SFHAF required significant funding for staffing, legal, and accounting costs even before any loans were being made. The efficacy of this tool relies on the strength of the local affordable housing development community and its familiarity with large-scale deals. Fund management requires considerable expertise, as well.

4. Collateralizing Public Land

Relevant Precedents

There are a variety of ways in which public land can be leveraged to promote housing affordability. Cities have: 1) partnered with a community land trust to operate on city-owned property; 2) conditioned public land sales on affordable housing set-asides; 3) required surplus land to be evaluated for affordable housing uses; and 4) recycled the profits from public land sales to fund affordable housing development elsewhere. San Francisco actively issues RFPs for affordable housing/mixed-use projects on suitable sites.

Best practices include: creating an inventory of surplus or underutilized land suitable for affordable housing development; establishing a transparent process for feasibility evaluation and appraisal; and providing the opportunity to co-locate affordable housing with school and other public facilities.

Efficacy

This tool becomes more effective as land value increases, since the city can offer deeper discounts and demand greater returns. Discounts may be combined with additional public subsidy, density bonuses, and zoning code relief to promote affordable development. It is important to monitor the resultant development to ensure it meets affordability targets. Chicago requires that any residential development built on city-owned land must maintain at least 10% of units at affordable prices (<60% AMI); as of April 2018, there were 263 such developments for at least 1,900 rent-restricted units.

Challenges

Cities have found it difficult to adhere to their own affordability commitments, making exceptions for desirable projects. When there is not a shortage of private land, public land may require significant investment to make it worthwhile to developers (assembly, remediation, infrastructure enhancements, etc.). Ordinances that merely require surplus land to be evaluated for development as affordable housing have not seen much success (e.g. Austin).

Alternatives

The Amsterdam Ground Lease System, which has existed for over a century, provides an interesting precedent. The city never sells but leases municipal land for periods of 50 to 75 years. The ground rent (60 million € per year) is used to pay for various programs, including a housing fund (15 million € per year).

5. Collateralizing Development Portfolios

Relevant Precedents

The only true precedent for this practice is the Joint Ownership Entity New York City (“JOE NYC”), which was created in 2017. A group of ten CDCs pooled their affordable multifamily housing assets in a non-profit entity in order to: more efficiently manage assets, e.g. through bulk purchases; enhance participating CDCs’ ability to access low-cost financing for development and rehabilitation; and obviate the need for private-sector partners.

While JOE NYC is unique in collateralizing affordable development portfolios in a single city, the Housing Partnership Equity Trust (HPET) is also an interesting model. It allows investors to buy shares in a trust that assists nonprofit developers in preserving and developing affordable units. It was formed in 2013 by 12 community development nonprofits and has facilitated projects in Illinois, Virginia, and California.

Efficacy

JOE NYC ultimately aims to create an ownership pool of 5,000 units to allow economies of scale. The entity has already helped finance five preservation projects; some have suggested that beyond directly preserving affordability, JOE NYC may also strengthen CDCs and thus stabilize communities indirectly. HPET is a few years old; as of 2017, the trust had raised more than \$150 million and had a portfolio of 2,605 units across the nation.

Challenges

Joint ownership is effective when there is a sizable community of active CDCs. Key is balancing the interests and control of CDCs with the benefits of economies of scale. Philadelphia CDCs may find it easier to participate in an existing effort like HPET than to set up their own JOE.

6. Construction Efficiency Tools

Relevant Precedents

Fee waivers, expediting, and code relief can all decrease the cost of construction, and are usually used to enable or incentivize desirable but less profitable forms of development (green buildings, affordable or mixed-income housing, and ADA-accessible housing). One important precedent, Austin S.M.A.R.T., combines all three tools for projects certified as “Smart,” i.e. affordable, accessible, and transit-oriented. The program scales fee waivers to the percentage and type of units that are affordable. Smart projects

enter a special accelerated development review process. The program has produced an impressive number of “smart” units, but it has suffered from issues of tracking (not all departments have tracked the amount of fees waived) and persistent delays in the review process once projects pass through the initial stages.

Fee waiver programs are common throughout California, where development and impact fees are high; Montgomery County, Maryland’s Green Tape Program is a model for expedited development; and the Chicago Code Relief Program appears to be a successful effort to lower the cost of rehabilitating affordable single-family units.

Efficacy

The power of these tools to significantly lower the cost of construction increases when fees, development review processes, and parking and other requirements are onerous. The value of the waivers or expedition should be calibrated to the marginal cost of constructing socially desirable projects.

Challenges

Implementing such tools may depend on the cooperation of multiple departments, as well as on the city’s ability to make developers aware of the waiver/expedition policy.

1. Homebase: New York City's Homelessness Diversion Program

Background

- The Department of Homeless Services (DHS) started Homebase in November 2004.
- Homebase currently has 23 locations across the city; residents can call 311 or view a map to locate the nearest center.
- The program serves approximately 25,000 at-risk households/year. At-risk households may be: 1) experiencing a housing crisis such as eviction, a landlord dispute, rental arrears, loss of employment, or overcrowding; 2) exiting shelter and in need of support; or 3) looking for ways to improve their housing security over the long term.
- DHS began with a pilot in six community districts with high shelter entry rates. It then expanded the program citywide in two phases.
- During the initial phase (through June 2007), there was an emphasis on targeted outreach to generate clients. The targeting was driven by maps that showed neighborhoods with concentrations of "unstable housing." Staff offered informational presentations at community meetings in those neighborhoods. Next, Homebase stationed staff at the central shelter intake center to divert families.

Program Structure

- The City contracts 13 non-profit agencies (experienced case management and social service providers) to operate Homebase Centers.
- Families experiencing housing difficulties voluntarily apply to the Homebase Center closest to their neighborhood.
- Eligibility includes an income criterion (it was 200% of the poverty level in 2004-8). Eligibility also depends on the status of public benefits, housing instability, and access to support network/resources. Applicants are requested to bring (if possible):
 - Identification
 - Proof of income/employment for each working member of the household
 - Public assistance award letters
 - Copy of lease
 - Rental assistance referral, voucher, or award letter
 - Light, gas, telephone bill
 - Any written rent demand, landlord letter, or court documents
- Homebase case managers have wide discretion to match services with the specific problems of eligible families. They can either offer services in-house or refer families to other City programs (the latter is usually pursued when families have domestic violence, mental health, or substance abuse programs). Services include:
 - Eviction prevention
 - Landlord and family mediation
 - Assistance accessing public benefits
 - Emergency rental assistance
 - Education and job placement assistance

- Financial counseling and money management
- Help relocating
- Short-term financial assistance
- Mental health and substance abuse services
- Childcare
- About half of clients received housing assistance during the first four years, including help paying off arrears (an average of \$3-4,000 per family). Over one third of clients received job assistance; one third received legal action and entitlements advocacy; and smaller numbers received mediation and family health and childcare. Some clients received multiple services.

Results

- The typical Homebase family is a single mother of color working a low-paid job with variable income.
- Homebase decreased shelter entries in the average neighborhood in which Homebase was fully operating by 5-11% in 2004-2008. The total number of entries averted due to Homebase in 2004-2008 is estimated to be around 1,800.
- The number of families who received Homebase assistance and still entered a shelter is small (around 10%). Yet Homebase only reduces shelter entry 5-11%. This means that even when Homebase is fully operating, the majority of families who enter shelters have never visited Homebase. The reason could be a lack of information about Homebase or a housing situation that differs in some way from those of households who choose to seek Homebase assistance.
- Another evaluation compares shelter entry among families with children who received Homebase services to a control group.
 - Families in the treatment group were 6.5 percentage points less likely to enter a shelter and spent on average 22.6 fewer nights in shelter than control group families.
- The evaluation also asked whether the savings that result from Homebase reducing shelter costs offset the cost of operating the program.
 - DHS spent an average of \$105.08 per family per night of shelter FY 2011-12. If Homebase reduced shelter residence by 22.6 nights, it saved \$2,375 per treatment group family.
 - The cost of operating Homebase was \$1,896 per treatment group family in FY11; average use of financial assistance was \$339.
 - Thus, the \$2,375 savings *did* offset the costs per family by \$140.

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2. 'No Hassle' Legislation

New York City legislation makes it illegal to evict a tenant without a court order. Certain landlord behaviors are considered harassment and constitute a violation of this law. The tenant can file a criminal complaint against a landlord engaging in harassment. Alternatively, a 2008 law allows the tenant to choose to sue the landlord instead. Prohibited behaviors include:

- Using or threatening force to remove the tenant
- *Repeatedly* interfering with the “comfort, repose, peace or quiet” of the occupant, e.g. by interrupting essential services, removing the door, refusing to maintain the dwelling, or filing frivolous court actions

It is unclear whether the ‘no hassle’ legislation has been very effective. New York City provides a special legal assistance program for low-income tenants experiencing harassment in areas that have seen zoning changes. However, the tenant must prove repeated violations on the part of the landlord. In 2017, New York passed new legislation to partially shift the harassment burden of proof to landlords; expand the definition of harassment to include repeated contact at unusual hours; allow tenants to sue landlords on the basis of frivolous lawsuits against other tenants in the same building; and increase the minimum civil penalty for tenant harassment.

New York City Landlords can still evict tenants for any number of reasons, including minor violations of the lease (e.g. smoking). The grounds for eviction from a rent-controlled or stabilized apartment are more limited. A landlord must seek DHCR approval to begin eviction proceedings against a tenant in a rent-regulated apartment unless the tenant has failed to pay rent, has damaged the housing unit, refuses access to make repairs, is using the unit for an illegal purpose, or fails to cure a substantial violation of the lease. For all other reasons (demolition, condo conversion, etc.), DHCR must grant approval.

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3. Hotel and AirBnB Taxes

Key Question: *How have cities used this mechanism to fund affordable housing?*

a. PER-NIGHT SHORT-TERM RENTAL (“STR”) FEES

Seattle, Washington

Starting in January 2019, Seattle will charge a \$8-per-night fee to residents renting out a private or shared room in their home and \$14 per night to those renting out an entire house or apartment. Airbnb has said that 80% of Seattle hosts rent out their primary residences. At the same time, new laws will go into effect 1) requiring STR operators to get an annual license (\$75/unit with a \$500 penalty for failure to comply) and 2) limiting STRs to two dwelling units, one of which must be the operator’s primary residence.

The fees are expected to raise about \$7 million a year. The proceeds will cover the cost of administering the fee and fund affordable housing projects. The first \$5 million of the net proceeds (after operating costs) will go to community-initiated equitable development projects; the next \$2 million will be applied to investments in affordable housing; and the remainder may be used for either. Examples of equitable development projects include a multicultural community center in Southeast Seattle (an area of high displacement risk); an entrepreneurship hub in a predominantly African American neighborhood; and a pilot of an anti-displacement TDR program in Seattle’s Chinatown ([link](#)).

New Orleans, Louisiana

Since April 2017, New Orleans licenses STRs. The City charges a \$1-per-night STR fee to fund affordable housing efforts. Over 15 months (April 2017 through February 2018), Airbnb reported that the fee contributed only \$541,000 to the city’s Neighborhood Housing Improvement Fund. The fund is used to help low-income homebuyers and provide incentives to developers who build affordable housing. Meanwhile, the hotel tax generated \$5.5 million from Airbnb STRs; most of this revenue directly entered the general fund. The City Planning Commission is studying potential revisions to the fee in order to better offset the number of housing units being lost to STRs. In May 2018, City Council temporarily banned new whole-home STRs in residential neighborhoods until new rules can be put in place.

The fee comes on top of the hotel sales tax of 4% and a Hotel Occupancy Privilege Tax of \$0.50 per room per night. If the operator rents through Airbnb, the company will collect and remit taxes on their behalf, but otherwise, the license allows the City to make sure that operators collect and remit the taxes themselves. Most licenses are for “temporary STRs,” which cost \$150/unit for 90 days and apply to multifamily units. “Accessory STR” licenses are available for primary residences (either singles or doubles) and cost \$200 for a year. A smaller number of licenses are for Commercial STRs, which are located in areas zoned for commercial use. The fee for these is \$500/unit/year.

b. SHORT-TERM RENTAL TAX

Massachusetts

Pending legislation would make Massachusetts the first state to dedicate revenue generated from Airbnb and other STR taxes toward affordable housing. It would apply the state hotel tax (5.7%) to STRs and require any additional local impact taxes (of up to 6% on all STRs or 9% if the STR operator owns multiple units) to use 35% of revenue to affordable housing or local infrastructure investments. The state would also be the first to maintain a central registry of STRs.

The House and Senate have both passed the bill, but the governor has as introduced amendments exempting property owners who casually rent their property for two weeks or less per year. The tax is expected to generate \$25 million in annual state tax revenue, plus \$25 million in local tax revenue if cities choose to levy an impact tax on STRs.

Chicago, Illinois

Chicago City Council voted in July 2018 to increase the city's surcharge on STRs. A tax of 4% was created in 2016 to fund services for the homeless. It raised \$6.1 million during the first year, \$3 million of which will fund homeless services and the rest of which will be used to enforce the Shared Housing Ordinance. The tax will increase to 6% in order to fund new beds at domestic violence shelters. The increase is expected to generate an additional \$1.3 million and create 70 new shelter beds for domestic violence victims.

Some have argued that the city has paid more to regulate the STR industry than it has gained ("\$1.2 million to build a database; \$240,000 for administration by the Department of Business Affairs and Consumer Protection; and \$570,000 for attorney and other staffers," [link](#)). Chicago collected \$320,000 in registration fees in 2017 and \$385,000 so far in 2018. However, the City paid a \$10,000 licensing fee for Airbnb to act as an intermediary and \$60-per-unit fee on top of that.

British Columbia

The Canadian province of British Columbia and Airbnb reached an agreement in February 2018 that the company will collect and remit the 8% provincial sales tax and up to 3% municipal taxes through its platform ([link](#)). The provincial tax will be earmarked for affordable housing and is estimated to raise \$16 million annually (the equivalent of about 40-50 new units in Vancouver). The local taxes will be used to promote tourism. The province will move toward similar agreements with other platforms like VRBO. The tax does not prevent cities from regulating STRs in order to protect their affordable housing stock from conversions.

c. SHORT-TERM RENTAL VIOLATIONS

Miami, Florida

The City of Miami requires 5% of all STR-related fines (which range from \$100 to \$2,500) to enter Miami-Dade's Affordable Housing Trust.

d. PORTION OF HOTEL TAX DEDICATED TO AFFORDABLE HOUSING

City of Columbus and Franklin County, Ohio

Since 2015, Columbus has dedicated a small portion (about \$1.5 million/year out of \$40 million) of its hotel-motel excise tax to a joint Affordable Housing Trust for Columbus and Franklin County ([link](#)). The total tax rate within the city is 10% of room rental income; the tax rate designated specifically for affordable housing is 0.43%. The 1969 legislation that created the hotel tax specified that a small portion of revenues could go to affordable housing. Airbnb hosts currently do not pay the tax, which means the City forgoes about \$57,120 in annual revenues as of 2016 (not a huge number, but it is growing as Airbnb expands).

e. HOTEL LINKAGE FEE

Portland, Maine

Portland has proposed a \$5,000-per-room fee on new hotels and \$2,500-per-room on hotels under construction to generate affordable housing funds. The City adds hotel rooms at a rate well above the national average (14.6% versus 2.9% in 2013-16); it expects 400 new hotel rooms by 2020. Nightly rates and revenue per room-night have continued to increase even as hotel construction has boomed. "Officials argue that the fee is needed because hotels are very profitable, yet rely on low-wage workers, who often can't afford to live near work." The proposed fee would generate \$2 million in funds for affordable housing projects.

Linkage fees usually apply to all commercial projects, not singling out a particular industry. Opponents in the hotel industry argue that other businesses that rely on a low-wage workforce should also have to subsidize affordable housing.

f. BOND SECURED BY FUTURE HOTEL TAX REVENUE

King County, Washington

King County Executive Dow Constantine has proposed a bond against future revenue from the hotel-motel tax to put \$100 million towards affordable housing development and preservation. The proposal is feasible because of upcoming changes to the hotel-motel tax uses. The tax is traditionally used to fund sports stadiums, but will finish paying off Centurylink Field by 2020, freeing up \$36 million in that year. State law mandates that beginning in 2020, 37.5% of the tax revenue go to affordable housing, another 37.5% to arts programs, and the rest to tourism activities; thus, the bond is not creating revenue for affordable housing but simply using it sooner than later. This would be the second bond against hotel tax revenue; a 2016 bond generated \$87 million to build and preserve 1,700 affordable units in the county ([link](#)).

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4. Eviction Filing Fees

Key Questions: *will courts agree to charge an eviction filing fee that would support legal defense or a shallow rent subsidy? Will landlords pass on increased fees to tenants?*

Background

As of December 2017, Philadelphia municipal court fees are \$68 for landlord-tenant complaints requesting relief up to \$2,000; \$90 for a request between \$2,000 and \$10,000; and \$112 for a request over \$10,000.

1. Low-income tenants behind on rent in Pennsylvania have the right to "pay and stay," i.e., avoid eviction by paying rent owed plus court costs within 10 days of the judgement. If eviction fees increase, it will be more difficult for the tenants to use this right.
2. Most residential leases nationwide contain a clause providing that if a landlord brings a court case against a tenant and wins, the tenant must pay the landlord's legal fees. In New York, however, any

time a lease allows for a landlord to collect fees, the court has to award this right *bilaterally*; in other words, in the event that the residential tenant wins, it is the landlord who must pay the tenant's legal fees ([link](#)).

Maryland

Legislation to increase filing fees in Maryland by \$8 in civil cases and \$3 in eviction cases (in this case to finance a new computerized court records system) was voted down by an alliance of Republicans and Baltimore liberals because of fears that the higher fees in eviction cases would be passed onto low-income tenants.

Garfield Heights, Ohio

Since August 2016, Presiding Judge Deborah J. Nicastro of the Garfield Heights Municipal Court has used a portion of court file fees to contract with Cleveland Mediation Center to make a 90-minute landlord-tenant mediation session a first step in the housing court process. There are 30-40 eviction cases filed per week; the standard procedure was to have an eviction hearing scheduled in two weeks, followed by a second hearing in 30 days. The new pilot program schedules a mediation in the first week, with possible remedies including a renegotiated lease, reduced rent, a payment plan for back rent, or setting a move-out date. The filing fees fund 10-14 mediation sessions/week.

Toledo, Ohio

Toledo Municipal Court judges approved a \$10 civil filing fee to pay for free legal representation for low-income defendants in 2005. The fee add-on allows the courts to contract with Legal Aid of Western Ohio, which now assigns lawyers to represent clients in debt and collection cases (including eviction cases). The move was backed by the Toledo Bar Association.

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5. Sheriff Sale Fees

Key Questions: How does the sheriff sale process work in Philadelphia? Is there a way to charge an added fee to the property buyer?

Sheriff Sale Process

In FY 2017, the Sheriff's Office put 19,919 properties to Sheriff Sales; 5,935 were sold, turning over \$61,295,000 in delinquent taxes and fees. There are two types of Sheriff Sales: Judicial Mortgage Foreclosure Sales (used by mortgage companies when a homeowner defaults on his/her mortgage payments) and Tax Sales (which include Tax Lien, Tax Collection, and Tax Delinquent Sales). All the properties that are court-ordered to be sold at Sheriff Sales are advertised online. The posting includes the sale type, auction date, opening bid, a description of the property, the current owner, the assessed value, and a Google Street View image.

Judicial Foreclosure Sales are held on the first Tuesday of each month, and four different Tax Sales are conducted each month. There is also a quarterly Tax Lien Sale. A lien sale sells the City's lien on delinquent properties to a third party in exchange for payment of the delinquent taxes. The third party then has the right to collect from the property owner and foreclose if he/she does not make payment.

In a Sheriff Sale, the first bid must be at least \$600, or enough money to cover all Sheriff's costs, taxes, water rents, and municipal claims due to the City. Each successive bid, if there are any, must be made in \$100 increments. The highest bidder must make a 10% deposit and pay the balance within 30 days. If he/she fails to do so, anyone who is registered as a "second bidder" may purchase the property. The purchaser currently waits an average of 21 days to receive the deed after final payment.

The Philadelphia Department of Revenue identifies tax delinquent properties that will go to Sheriff Sale. As of 2017, \$13.3 million in tax delinquent real estate had been assigned to a Sheriff's Sale as the most efficient enforcement path. A property is considered tax delinquent 9 months after the March 31st payment deadline. Properties can be sold at auction as soon as 9 months after they become delinquent (though it rarely happens this quickly). Property owners always have the option to enter in a payment agreement to avoid sale, and most do before a sale occurs. If a tax-delinquent property is a rental property, the Department can use sequestration before pursuing foreclosure. The City began using this remedy in 2013. Sequestration means that a third party takes legal possession of the tax-delinquent rental property and collects rent to pay back expenses until the debt has been paid off.

Potential to Collect Additional Fees

The purchasers of Sheriff Sale properties (not the former owners) pay for the deed preparation, which is incorporated into the initial minimum bid. I was told that there is no standard fee. Opening bids for tax delinquent properties are typically \$1,500, but they are substantially higher for tax collection properties (anywhere from \$10,000 to \$50,000). Private Title Companies used to prepare the deeds on properties sold by the Sheriff, but in FY 2017, the Sheriff's Office hired 23 new clerks to prepare the deeds in-house. Fees for deed preparation raised \$1.2 million in the 2017 fiscal year, paying for the salaries and benefits of the new clerks.

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6. Credit Enhancement

Local governments commonly offer credit enhancement either through a loan loss reserve and/or an interest rate buy-down. The loan loss reserve means that the City will cover a certain share of losses on defaulted loans (the "first losses"), allowing the lender to accept more risk and potentially lower interest rates. Alternatively, the locality can use public funds to make an upfront payment to the lender in order to lower the interest rate that property owners have to pay.

Philadelphia

The Philadelphia Redevelopment Authority (PRA) offers a credit enhancement for Workforce Housing Construction Loans made to developers who build workforce housing on Land Bank properties. The enhancement takes the form of a first-loss fund that will cover 25% of defaulted construction loans on a per-unit basis (and up to \$250,000 per developer per RFP). In order to secure the enhancement, the lender must pay 150bps on the PRA's exposure, and additional 50 bps to have the guarantee extended 12 months beyond the initial 2 years.

In addition, the PRA will be piloting a Small Landlord Loan Program in which a partner financial institution will provide 5-10-year loans of max. \$25,000 to small landlords for health and/or safety-related repairs at 5-9% interest. A PHFA grant will allow PRA to create a loan loss reserve fund to cover 20% of defaulted loans for the lender on a portfolio basis.

PRA is also piloting a Housing Preservation Loan Program to make low-interest loans to low- and moderate-income homeowners for essential repairs. PRA will issue bonds to either: 1) create a loan loss reserve, or 2) directly invest in loans, depending on the preference of the lender selected via an RFP. If the lending partner chooses credit enhancement, the PRA will create a loan loss reserve fund that the lender can draw on for up to 50% of first losses on a portfolio basis. In addition, PRA will allow the lender to charge a market interest rate and buy down the interest rate at closing so that borrowers pay 3% interest.

New York City

The Department of Housing Preservation and Development (HPD) operates the Participation Loan Program, which provides low-interest 30-year loans to rehabilitate housing for LMI homeowners or tenants. The maximum subsidy permitted is \$40-90,000/unit, depending on the other financing used and the affordability of rents. Projects are also eligible for a full or partial property tax exemption.

The senior loans are made with HPD subsidy (City capital and/or Federal HOME funds) at 1% interest, which are then combined with bank financing from a participating private lender (e.g., LISC). The blended financing allows for loans at a below-market cost.

Marion County, Indiana

Indianapolis received a grant from the Department of Energy and used it to launch the EcoHouse Project Loan Program in 2011. The program finances energy improvements for LMI households (over half of participating households are 50-80% AMI). The City partnered with the Indianapolis Neighborhood Housing Partnership (INHP), an affordable housing CDFI, to create a \$6 million loan pool. Loans are up to \$8,000 for up to 6 years with a fixed interest rate 3% higher than the 10-year Treasury rate. INHP offers financing to households with credit scores down to 580.

The loan pool is structured such that INHP borrows money from the pool and then relends it to participating homeowners. INHP agrees to purchase all delinquent loans from the pool after 180 days of nonpayment. Once the CDFI has purchased the delinquent loans, it may draw funds from a loan loss reserve to cover 100% of each loss. The loan loss reserve is 50% of the loan capital (\$3 million). This credit enhancement allows INHP to attract private investors to a loan pool that makes relatively high-risk, unsecured, and subordinated loans.

The initial \$6 million loan pool made 138 loans 2011-2014 with an average energy savings of 30%. The program attracted sufficient private capital to perpetuate the program.

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7. Value Capture of Upzoning or Land Entitlements

Key Questions: *How can the City capture increased value due to upzoning?*

State enabling legislation determines the ways in which local governments can capture the increased value of land due to rezoning or public investment. Some common tools include:

- Special assessment districts
- Impact fees and proffers
- Tax increment financing
- Community Benefits Agreements
- Commercial linkage fees for affordable housing
- Trading density bonuses for inclusionary housing or in-lieu fees
- Charging higher rents to private lessees on City-owned land

New York City

The idea of selling additional density was invented by São Paulo, Brazil, but a similar system has been tested in New York City. The chief difference is that NYC set the price per square foot, instead of auctioning permits. In 2005, the City created two special zoning districts for the Hudson Yards (the “Special Hudson Yards District” and the “Special Garment Center District”), a large mixed-use urban redevelopment district in Manhattan. The District Improvement Bonus (DIB) program allows owners of lots that meet specific criteria within certain subareas to purchase additional permitted FAR by contributing to a district improvement fund (DIF). In some areas, a smaller contribution (~45%) must be combined with the provision of inclusionary housing. The DIF is used to repay bonds sold several years ago to finance infrastructure improvements for the area, including the extension of the No. 7 subway line (which opened in 2015).

On August 1, 2018, the contribution per square foot of bonus floor area increased from \$128.78 to \$132.51 (the price was originally \$100 and is CPI-adjusted every August). The maximum additional FAR is 8.0. The Hudson Yards Infrastructure Corporation (a local nonprofit development corporation created by the City in 2005) collected more than \$88 million in revenue from the sale of DIF bonuses through 2012, though collections dropped sharply after 2008. In 2017, the HYIC refinanced its original bond issue and will now transfer any revenue beyond what is needed for debt service back to the City.

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8. Land Collateralization

Key Question: *How can the City use the value of its land assets to leverage other financing?*

Land assets can finance government activities through:

- Direct sales, especially for uses that will generate tax revenue and/or provide a public benefit
- Leases of occupancy or development rights
- Collateralizing government borrowing (either the asset itself or expected land-value appreciation)
- Acting as an important public contribution to a public-private partnership that builds infrastructure or affordable housing

Land rights to more intensive development can also be sold by public development agencies (see above).

The (re)development of public land through public-private partnerships, professional management, and land sales/leases can generate revenue streams by:

- Expanding the tax base
- Creating new fee, rent, and utility revenue
- Stimulating collateral development elsewhere

Charlotte, North Carolina

Charlotte pledged city-owned land left over from building new interstate highway interchanges near the NASCAR hall of fame as collateral for a \$20 million construction loan for the facility. It has used proceeds of the sales of four large parcels to pay off the debt. The land is located in the South End of Charlotte, which is enjoying a hot real estate market.

New York City

NYCHA generates revenue by using sites with potentially high market value to develop mixed-use and mixed-income developments. The 99-year ground lease payments are then applied to capital improvements that preserve existing public housing units. For example, NYCHA worked with HPD to release a March 2018 RFP for the redevelopment of La Guardia Houses following resident engagement. Preference is given to NYCHA residents for 25% of the affordable apartments in the redeveloped property; NYCHA residents must also be trained and hired to work on the projects. Through this and similar projects, NYCHA hopes to raise \$300-600 million for public housing preservation by 2025 (see the [NextGeneration NYCHA](#), launched 2015).

Arlington, Virginia

Arlington issued a competitive RFP for 100% affordable housing co-located with a new community center (which would be developed separately) on public land. The Arlington Mill Residences were subsidized with a \$6 million discount on 75-year ground lease on County land, plus state bond financing and tax credits. By co-locating with the community center (and sharing underground parking and infrastructure), the Residences saved nearly \$9 million. The financing structure allowed the private partner to successfully compete for LIHTCs.

Copenhagen, Denmark

Professional, private-sector management of publicly-owned assets can significantly increase public revenue. In the late 1980s, the Copenhagen government transferred its land assets in the old industrial harbor to a publicly owned but privately-run entity, the Copenhagen City & Port Development Corporation. The corporation used smart asset management and disposition (enabled by zoning changes) to regenerate the harbor and finance a citywide transit system.

Barcelona, Spain

In 2000, Barcelona approved an ordinance to create the “22@ District” on derelict industrial land owned by the City. The ordinance introduced the potential for a planning permit, which allows a change in land use or development density, in exchange for: 1) City rights to 30% of the total land area of the proposed development or the equivalent current monetary value; and 2) a development levy of 80 euros per m² of developed land. The proceeds have funded the creation of business incubators in the district; the removal of dilapidated industrial districts; infrastructure improvements; and 4,000 affordable housing units.

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APPENDIX D

HOUSING ACTION PLAN - TASK FORCE AND WORKING COMMITTEE

MEMOS AND REPORTS

**ACCESS TO HOMEOWNERSHIP
REPORT**

Philadelphia Department of Planning and Development Housing Action Plan

Access to Homeownership Working Group – Final Recommendations

October 2, 2018

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INTRODUCTION

The City of Philadelphia Access to Homeownership Working Group explored how to overcome the chief barriers (1) existing owner-occupants face in maintaining their homes and (2) aspiring homeowners face in accessing the necessary capital to purchase a home. Our recommendations focused on non-subsidized market housing evaluating existing programs, resources, and policies as well as new programs, coordinating activities and policies that could be implemented to help existing low moderate and middle income (LMMI) homeowner households and households seeking to purchase their first home. Our recommendations are

focused on all existing homeowner households at or below 200% AMI and creating new homeownership opportunities for households with sufficient area median incomes to sustainably own and maintain a home long term.

For *Existing Homeowners*, the chief barrier in maintaining homeownership is covering on-going maintenance and repair costs, insurance and increases in property taxes. Our recommendations are affirmatively rooted in ensuring that existing homeowners remain homeowners, regardless of current income and asset situation.

For *New Homeowners*, the chief barriers for accessing homeownership opportunities among LMMI households include:

- Insufficient income and wealth accumulation to afford standard down payment and closing costs;
- Difficulty accessing financing to purchase a home due to high debt to income ratios and/or low credit scores or limited credit history;
- Lack of knowledge about the home buying process as well as access to resources available to purchase a home; and
- An insufficient supply of affordable homeownership housing and financing opportunities.

For new homeowners the recommendations aim to help LMMI households overcome these barriers while also recognizing that in order to successfully maintain and sustainably cover the ongoing costs of homeownership, the entire cost of homeownership must be understood and considered. The cost of homeownership includes not only the upfront down payment and closing costs and the on-going monthly principal, interest, taxes, and insurances (PITI) but also utilities and on-going maintenance. In order to bear these costs, households should generally have an annual household income that meets or exceeds 50 to 70% area median income (AMI).

In recognizing the particular barriers facing existing versus prospective homeowners, our recommendations differentiate between the solutions appropriate for *Preserving Existing Homeowners* that may need assistance to stay in their homes and remain homeowners and *Creating New Homeowners* that may lack access to education and/or traditional financing mechanisms to become homeowners.

In order for existing and new homeowners to successfully access these opportunities the City of Philadelphia should also consider implementing the following overarching recommendations:

- Identify ways to connect the various programs and resources available to households so that it is easier for them to access those programs and resources;
- Build more formal connections and pathways between the lending community, city agencies, legal community services and housing counseling agencies to make it easier for households to access resources while improving the effectiveness and efficiency of these stakeholders in providing services;
- Collect data on all programs and initiatives that are implemented to identify what is working, what is not and make corresponding changes; and
- Conduct a financial and data impact analysis of all policy and legislative proposals prior to implementation.

PRESERVING EXISTING HOMEOWNERS

RECOMMENDATION 1: CONTINUE TO OFFER EXISTING PHILADELPHIA PROPERTY RELIEF PROGRAMS

There are a number of programs designed to offer relief to existing and in particular long-term homeowners who may not have the resources to make on-time payments on their tax bills and cannot pay higher property taxes resulting from increases in their property values over time. These property relief programs, summarized below, are key to sustaining homeownership among LMMI households and the City should continue to authorize and actively market them to eligible homeowners.

- **Homestead Exemption:** reduces the assessed value of owner-occupants property by \$40,000 and saves homeowners an average of \$550 a year on their real estate tax bill.
- **Longtime Owner Occupants Program (LOOP):** provides tax abatement for homeowners who have had their property taxes triple (go up by 300% or more) from one year to the next, have lived in their home for 10 years or more, and meet certain income limits based on household size.
- **Owner-Occupied Real Estate Tax Payment Agreement (OOPA):** allows owner-occupants to make affordable monthly payments on property taxes that are past due.
- **Low-income Senior Citizen Real Estate Tax Freeze:** maintains the amount of property tax owed each year regardless of changes to property assessment or tax rates for owner-occupants that meet certain age and income requirements.

- **Real Estate Tax Deferral Program:** allows owner-occupants meeting certain income limits to defer payment on real estate tax increases of more than 15% from the previous year subject to a minimum annual interest rate of at least 2%.
- **Real Estate Tax Installment Program:** allows all senior citizens and low income owner-occupants pay the current year of real estate tax owed in monthly installments throughout the year.
- **Active Duty Tax Credit:** excuses reserve military service members from paying Philadelphia property taxes while they are called to active duty outside of Pennsylvania.
- **Catastrophic Loss-related Property Assessment:** reduces property assessment for property owners who have suffered damage to a structure, due to a fire or other natural disaster resulting in a decrease of 50% or more in property value, may qualify for a reduction in their property assessment.
- **Basic Systems Repair Program:** provides free repairs to correct electrical, plumbing, heating, structural and roofing emergencies in income eligible owner-occupied homes.
- **Tiered Assistance Program:** provides a consistent monthly water bill based on household income for those that cannot afford to pay total water bill each month (this program replaces the Water Revenue Assistance Program (WRAP)).

In addition to authorizing these programs, the City needs to collect data on the number and location of households that qualify for these programs versus household enrollment. Based on this data, the City needs to formulate and implement recommendations for increasing ways to advertise and educate homeowners to apply for these opportunities.

RECOMMENDATION 2: ADDRESS TAX LIEN AND UTILITY LIEN FORECLOSURE

In 2011, Philadelphia had the fifth highest property tax delinquency rate of 36 major cities. As of 2012, almost \$300 million in delinquent taxes (\$515 million when including interest and penalties) were owed on over 102,000 properties. To recover these outstanding taxes, Philadelphia increased the number of court filings it brought each month against properties throughout the City. Property owners that did not either pay taxes owed or enter into payment plans often lost their homes at sheriff sales. By the summer of 2013, the number of tax foreclosure cases filed per month exceeded the number of mortgage foreclosure cases filed in Philadelphia.

Tax foreclosures are predominately filed in low-income neighborhoods and neighborhoods where a large number of people of color live. In 2016, 73% of tax foreclosure filings were in census tracts where the median household income was \$35,865 or less and 84% of tax foreclosure filings were in majority-minority census tracts. These collection efforts have adversely impacted minority homeowner households and further exacerbated the widening racial wealth gap.

As noted above, Philadelphia offers a number of property relief programs that assist LMMI homeowners manage increases in property taxes over time. In addition to these programs the City operates a Residential Mortgage Foreclosure Diversion Program which pauses the foreclosure process and provides homeowners facing mortgage foreclosure the opportunity to attend a 'conciliation conference' where they can meet with a housing counselor and attorney free of charge to negotiate different loan or tax payment terms with their mortgage company or the City. The Residential Mortgage Foreclosure Diversion Program has helped 11,808 homeowners avoid foreclosure since it started in April 2008. The City should consider this type of mediation as a model for addressing tax and utility lien foreclosures for homeowners.

In addition, to address tax lien foreclosures, the City operates an Owner-Occupied Payment Agreement (OOPA) Program that allows homeowners to make affordable monthly payments on property taxes that are past due. The City should continue to operate this program and evaluate its performance every year to ensure that the conditions and requirements for setting up different types of repayment plans are serving the needed population. The City also offers Real Estate Tax Installment Payment Plans for income-eligible homeowners and senior citizens age 65 and older or their spouses to pay property taxes in monthly installments during the same tax year that the taxes are due. The City should consider expanding this program to all homeowners, regardless of age.

RECOMMENDATION 3: MAKE HOME IMPROVEMENTS

According to the American Housing Survey, more than 235,000 homes in Philadelphia have leaks, 90,000 homes have cracks in the floors or walls, 77,000 have inadequate heating, and 45,000 have broken windows. Approximately 109,000 of these homes are estimated to have repair needs that could be addressed for around \$10,000 or less.

Many homeowners are living in houses with deferred maintenance issues that impact their health, quality of life, finances, and the stability of their communities. These homes may contain pathogens that increase respiratory conditions, asthma, lead poisoning, and other health problems. In addition, these homeowners may suffer from other significant issues such as lack of accessibility for the elderly and disabled, and discomfort and high energy bills due to the need for weatherization and efficient heating systems. Neighborhoods are more stable when residents have the resources to adequately maintain their properties. Home improvements facilitate healthier, more accessible and more livable homes and help sustain the City's housing stock so that it contributes positively to the long-term growth of our communities.

The primary barriers for owners seeking to repair their homes are insufficient income and savings; low credit scores and lack of flexible loan programs; and lack of information about available resources. An additional barrier is lack of clear title, which is addressed in Recommendation 4 below. To address the need for home improvements and the barriers to obtaining them, the City should create and sustain or increase the following resources for LMMI homeowners:

- Home repair grant programs;
- Home repair loan programs;
- Deferred payment home repair loan programs; and
- Information and counseling for homeowners in need of repairs

Below are further details regarding each of these recommendations:

- **Maintain current levels of funding and activity for Basic Systems Repair Program (BSRP)**
 - Consider increased alignment between BSRP and weatherization programs
 - Consider attaching a lien on BSRP assisted homes in order to:
 - Recapture and recycle funds upon sale of homes (except for sales to family members)
 - Allow for City assistance to BSRP homeowners who are subsequently targeted by predatory buyers or lenders

- **Launch and sustain Housing Preservation Loan Program (HPLP)**

Administered by the Philadelphia Redevelopment Authority, the program will provide low-interest loans to LMMI households who own homes in need of essential repairs. The list of eligible repairs under the HPLP is intentionally designed to be broad, focused on health, energy savings, accessibility, safety, and quality-of-life improvements. The program will be funded initially through a \$40 million bond issuance and will provide loans of up to \$25,000 to households with minimum credit scores of 580 and incomes up to 120% AMI at a three percent fixed interest rate over 10 years. Loans will be issued by selected banks and CDFIs. A program intermediary will coordinate borrower support services, such as counseling and home inspections.

- **Develop a deferred home repair loan program**

Philadelphia should consider developing a deferred loan program for homeowners who need home repairs, but who cannot afford to make monthly payments through a conventional loan. This could be done within the Basic Systems Repair Program (BSRP) or a standalone program. In

this model, a lender or a City-related entity would provide homeowners with funds for home repairs; if a lender, it would then place a mortgage on the home; if a City-related entity, it would place a public lien on the home; in either case, owners would not need to make monthly payments, but repayment would become due upon sale, title transfer, refinance, or end of use as the owner's primary residence; waivers could be allowed for intra-family transfer, medical emergencies, or other designated circumstances.

A review of deferred loan programs from other jurisdictions suggest that such a program should consider containing the following key elements:

- Public funding; public or private lenders
- Mortgage loans, with no monthly payments and no amortization, but due upon sale or transfer or change from owner-occupancy;
- Clearly defined eligible repairs;
- Eligibility restrictions, such as income, age, sufficient equity in the home; and
- Right-sized loans to adequately repair home without over-paying or stripping equity

In addition, below are other considerations that the City should put in place when designing such a program:

- System and procedures in place for monitoring changes in ownership and occupancy;
- Fair and clear policies and procedures in place for enforcing or waiving loan repayments;
- Funding sources and accounting system that allow for long-term deferral of repayment
- Fair and clear rules determining title eligibility (e.g. is home eligible if other mortgage or public liens are in place? If home is tax-delinquent?);
- Policies and procedures in place for addressing potential subsequent liens from other lenders, such as home equity loans and home equity conversion mortgages, or from utilities or public entities;
- Public or private entities available to advise homeowners on legal and financial considerations of deferred loan, as well as the repair process;
- Commitment to negotiate with borrowers, heirs, prospective buyers and other lienholders, as needed; and
- Consider linking the program to other related programs offering, for example, estate planning services and homeowner education.

RECOMMENDATION 4: UNTANGLE TITLE

Tangled title is an overwhelming problem in the City of Philadelphia. Data compiled and analyzed by the Cartographic Modeling Lab (CML) at the University of Pennsylvania in 2007 indicates that there are a minimum of 14,000 properties in the City owned by deceased people

- and that statistic does not capture other title issues, such as individuals that are in rent-to-own agreements, are victims of fraudulent conveyances, or have some other claim to title. When residents are not listed as the record owner of their home on their deed, there are many benefits and services that they are unable to access - particularly home repair programs and payment plans for delinquent real estate taxes and utilities, both of which are vital to keeping homeowners in safe, stable housing.

Residents who are already in a tangled title situation need to know what resources are available to assist them. Building upon the efforts already made by the legal services community to reach out to and assist affected homeowners, the following are important components to addressing the tangled title epidemic in a meaningful way:

- **Engage in community outreach and education of community/organizational partners:**
 - Presentations at community meetings and fairs - on both how to resolve and how to prevent tangled title issues - should occur on a regular basis in the areas of the City with the highest incidence of residential tangled titles. Data should be compiled to determine those areas with the highest incidence, including cross-mapping with neighborhood; residential versus commercial; and tax and/or water delinquency.
 - Clear information should be provided, verbally, in print publications and via the City website, on how residents may access legal services to resolve tangled title issues or to draw up estate planning documents.
- **Provide additional funding for existing legal services**
 - Philadelphia VIP is the primary legal services agency in the City that provides low-income Philadelphians with free representation in tangled title issues, working with around 250 tangled title clients per year, many of whom are referred to volunteer attorneys. The SeniorLAW Center, Community Legal Services, and Philadelphia Legal Assistance also provide free representation on a limited number of tangled title issues. In all, less than 500 low-income Philadelphians receive free help on tangled title issues every year.
 - VIP and the SeniorLAW Center currently assist low-income Philadelphians with estate planning documents, in addition to a few other legal services agencies - through both paid staff and volunteer attorneys. However, most of these clients are affirmatively seeking out this type of assistance while many homeowners that may require estate planning help are not accessing these services and heirs may experience tangled title issues down the road.
 - Additional funding for these agencies would expand the number of volunteer attorneys and legal aid attorneys who can assist residents with the often long

and complicated process of untangling title as well as the far more straightforward process of estate planning. An expansion of services would include going into communities for on-site estate planning document preparation and execution.

- Data needs to be compiled to provide an accurate reflection of the number of properties with tangled titles, so that the level of additional funding needed to address tangled titles is known and commensurate with the need. The data should include cross-mapping with neighborhood; residential v. commercial; and tax and/or water delinquency, among others.

- **Control the costs of resolving tangled title issues**

- Funding of the Tangled Title Fund: The legal services agencies that provide free representation generally utilize the Tangled Title Fund (TTF) to pay for costs associated with their clients obtaining title to their homes. The TTF currently needs at least \$50,000 per year to cover the most vital costs that arise. If the capacity of the legal services agencies expands, the TTF likewise needs to expand, as clients will not otherwise have the financial means to pay case costs.
- Waiver of Philadelphia Realty Transfer Tax: Realty transfer tax is the largest expense that most tangled title clients face. With the implementation of the Actual Value Initiative (AVI) in 2014, the average TTF disbursement for transfer taxes has doubled in the last few years, to now over \$1,110 per client. More than three-quarters of the total transfer tax bill is owed to the City (3.278% of the fair market value). As a result, waiving most or all of the City transfer tax for residents who are clearing up a tangled title issue would make it dramatically more likely that a resident - whether represented by an attorney or not - could resolve their title issue.
- Waiver of the Probate Filing fee: The probate filing fee is the most common expense that tangled title clients face. With a base probate filing fee of \$370 for estates valued between \$10,000 and \$50,000, and a base fee of \$475 for estates between \$50,000 and \$200,000 (where most estates now fall, post-AVI), low-income Philadelphians who otherwise may have the capacity to resolve their estate-related tangled title issue on their own generally do not have the funds to pay this probate filing fee. If low-income residents were able to file an In Forma Pauperis (IFP) Petition with the Register of Wills - as they are able to do for court cases - they could have this probate filing fee waived. As a result, a change to the Register of Wills' practice not to accept IFP Petitions could allow many Philadelphians to resolve their title issues without needing to rely on free legal services.

- Again, more funding of estate planning services will control costs, as proper estate planning can alleviate complex tangled title issues and make the process of transferring title once the owner dies far less cumbersome and costly.
- **Increase coordination between home repair programs and legal services agencies:**
 - Many residents with a tangled title issue are also in need of repairs through the Basic Systems Repair Program (BSRP) and other City-related repair programs. However, repair programs often require that applicants have legal title to their homes before they either qualify for repairs or before the repairs are actually made/funded.
 - Legal services agencies should train the staff running BSRP and other repair programs on how to spot a tangled title issue and where to refer residents for legal assistance.
 - Legal services agencies should also train the BSRP and other repair program staff on screening homeowners for estate planning documents and referring homeowners who lack them to a legal services agency.
 - Legal services agencies should be able to provide BSRP and other repair programs with an “equitable owner” letter, similar to what is provided to qualify for OOPA (real estate tax payment plan) or TAP (water payment plan). This letter would state that the applicant has a valid legal claim to title and, if applicable, that the legal services agency is assisting the applicant with obtaining title. In response, the repair programs could allow such “equitable owners” onto the waiting list and/or still approve them for repairs, even before the title issue is resolved.
- **Connect first-time homebuyers with estate planning services.**
 - Proper estate planning mitigates tangled title issues down the road, making the process of probating a homeowner’s estate and transferring title to the heirs relatively quick and smoothly.
 - Outreach should be targeted to first-time homebuyers shortly after they become homeowners, to educate them on the importance of estate planning and to connect them with free or low-cost legal services.

RECOMMENDATION 5: DEVELOP A LANDLORD TOOLKIT

Many LMMI homeowners in Philadelphia own large homes that are expensive to maintain. For homeowners that own houses with accessory dwelling units (ADUS) or areas that could be turned into ADUs, the City should consider developing a toolkit and providing technical assistance to help homeowners learn how to become a landlord by renting out a portion of their home. This passive source of income can help homeowners maintain their homes long

term without outside subsidy. The zoning code should also be updated to explicitly state which zoning areas can have ADUs.

RECOMMENDATION 6: PROVIDE HEALTHY HOME FINANCING

Many older homes in Philadelphia have lead, ventilation and mold issues that can lead to significant health issues including lead poisoning and asthma. Increasingly, medical institutions and health insurance companies are making financial investments in healthy homes as they recognize the positive correlation between healthy homes and health outcomes for their patients and insurees. The City of Philadelphia should explore partnerships with local hospitals and health insurance companies to provide financing to create healthy homes.

RECOMMENDATION 7: INCREASE ACCESS TO HOMEOWNERS INSURANCE

Many LMMI households in Philadelphia only obtain homeowners insurance valued up to their outstanding loans on the property rather than the market value of the home. Others have difficulty obtaining homeowners insurance altogether due to discriminatory redlining practices in neighborhoods where there is blight and vacancy. Similarly, many homeowners in Philadelphia are not aware that they are responsible for maintaining and repairing all components of the water supply and sewer drainage systems connecting the house to the main or are not able to afford to repair leaking or broken pipes.

The City of Philadelphia needs to evaluate where lower income homeowners do not have homeowners insurance covering the market value of their home, areas where homeowners cannot obtain insurance due to neighborhood conditions outside their control and explore innovative ways to help these owner-occupant households obtain access to homeownership insurance. The Philadelphia Energy Authority recently launched a program that provides property owners with the opportunity to voluntarily purchase insurance coverage to repair the external plumbing connecting a home to the water main and/or sewer for homeowners that may not otherwise be able to cover the costs of repairing leaking or broken pipes. As the City researches and identifies ways to expand access to homeowners insurance, this could serve as a potential model for expanding homeowners insurance opportunities to owner-occupant households.

CREATING NEW HOMEOWNERS

RECOMMENDATION 1: PROVIDE HOMEOWNERSHIP EDUCATION AND COUNSELING

In the second quarter of 2016, the national homeownership rate fell to 62.9%, which is the lowest level since the U.S. Census Bureau began tracking the homeownership rate in 1965. Philadelphia has been similarly affected. The City's homeownership rate is at its lowest level in over a decade at 52%. HUD's Office of Policy Development and Research noted that though housing prices and

interest rates have declined, homeownership is out of reach for many families with low incomes because they have insufficient cash for a down payment and closing costs, cannot pay down debts and have low credit scores which subject them to higher borrowing costs.

Moreover, homeownership for many is central to realizing the American dream but the realization of that dream by communities of color has been shaped and limited historically by exclusionary public policies. Despite almost five decades of fair housing laws, the Community Reinvestment Act, and the successes of the anti-redlining and anti-predatory lending movements, there exists a significant gap in the rates of homeownership between whites, Latinos and African-Americans (73% of whites as compared to 47% of Latinos and 45% of African-Americans). This homeownership gap serves and perpetuates a larger wealth gap resulting in white households having 16 times the wealth of an African-American household and 14 times the wealth of a Latino household. According to the non-profit research group Demos, if African-Americans and Latinos were as likely as white households to be homeowners, the wealth gap between African-American and white households would shrink 31% and the gap between Latino and white households would shrink 28%. These trends present opportunities that the City is uniquely positioned to address.

Traditionally what funders have supported as “pre-purchase counseling” is a single counseling session immediately preceding closing on a new home purchase. Some of these clients are in closing shape and are seeking nothing more than a certificate from a housing counselor that allows them access to escrow and closing costs assistance programs. Other clients discover in that session that they are teetering on the edge of affordability and are one moderate car repair away from postponing or failing to complete settlement altogether. Meaningful pre-purchase counseling does not occur a week or so before closing and after a critical and irreversible step in the process.

A robust, client-centered and practitioner-lead housing counseling process can meaningfully change the dynamic of a purchase transaction when a prospective buyer is armed with knowledge, has the best underwriting profile possible and is confident in their readiness to proceed. Philadelphia has over 30 housing counseling agencies serving local residents. However, to have the greatest possible impact on prospective buyers and borrowers requires multiple touchpoints and counseling focused on helping clients achieve financial stability, goal setting and goal attainment. The City should support a multi-touch model to homeownership that would make pre-purchase counseling less transactional and more holistic. The Federal Reserve Bank of Philadelphia conducted a 5-year, longitudinal study to evaluate the impact of pre-purchase counseling on successful homeownership and mortgage stability. This groundbreaking study involving 1,000 participants employed an experimental design in which participants were

randomly assigned to either a treatment or control group and followed for several years after receipt of assistance. A key finding of the study released in 2014 reported that participants who received one-on-one pre-purchase and money management counseling resulted in greater outcomes including increased credit scores, reduced total debt, and lower payment delinquency relative to participants who did not receive services.

The City already has the infrastructure to position more residents to take advantage of homeownership through the network of housing counseling agencies and the existence of the Financial Empowerment Center Program lead by the Mayor's Office of Community Empowerment and Opportunity (CEO). What's needed is greater and more comprehensive investment in these programs over sustained periods of time that allows service providers to work with residents to become mortgage ready. We offer the following recommendations:

- Fully-fund the Financial Empowerment Center program at the level funded by the Bloomberg Foundation to provide financial stability services to all City residents, particularly those interested in homeownership.
- Allow the existing housing counseling network to design programs that meet the needs of their particular communities and fully-fund their work based on actual cost rather than fixed rates.
- Work with realtors and lenders to see pre-purchase counseling and education as a critical aspect of the purchase process rather than a rubber-stamp prior to closing.
- Educate prospective homeowners about the benefits of pre-purchase counseling and education through outreach events and partnerships with realtors and lenders. Work with the private sector to provide incentives including closing costs reductions or special gifts
- Work with local financial institutions to promote and make more widely available their Community Reinvestment Act (CRA) products and services including FHA-competitive mortgages with low down payment and credit score minimum requirements
- Increase opportunities for prospective homebuyers to participate in Individual Development Account (IDA) programs, particularly those with incomes between 120% and 200% of Area Median Income. Residents with these incomes are usually locked out of purchase assistance opportunities but are the most likely to have sufficient financial wherewithal to maintain this asset.
- Provide opportunities for post-purchase education and counseling to ensure that homeowner households understand how to maintain their new properties long term thereby reducing delinquency and foreclosure rates. To incentivize participation of

homeowners after purchase, the City can explore incentives that can be offered to homeowners after the sale.

- Connect energy-efficiency and utility programs to homeownership education and counseling so prospective homeowners realize the “true cost” of maintaining a home beyond taxes and insurance.
- Explore the possibility of policy changes that would allow housing counseling agencies to administer financial literacy to middle school children to prepare the importance of money management.
- Mandate financial institutions to verify their Community Reinvestment Act (CRA) services such as banking literacy, homebuyer and home-maintenance counseling, or financial planning or other financial services education for future promotion by the City’s housing counseling agencies
- Develop asset building pathways like college education, job placement opportunities and other economic development opportunities with the use of categories from pre-purchase counseling such as credit importance, money management, financial literacy

RECOMMENDATION 2: PROVIDE ACCESS TO HOMEOWNERSHIP FINANCING

A critical component of helping LMMI households become homeowners is providing access to the appropriate financing, particularly financing to cover the upfront down payment that is most often the chief barrier to becoming a homeowner. These set of recommendations focus on the different financing mechanisms the City should explore either funding or better coordinating access to in order to help LMMI households access the financial resources necessary to become a homeowner.

- *Down Payment and Closing Cost Assistance:* Down payment assistance and closing cost assistance programs offered by state HFAs and other state and local government entities and nonprofits are critical for home ownership opportunities for LMMI buyers. LMMI buyers often liquidate assets to come up with the down payment necessary for purchase and then do not have sufficient reserves to meet general maintenance costs or make improvements necessary to move into the property. There are many programs available for households to obtain down payment and closing cost assistance (e.g. Settlement Grants for closing cost assistance and First Front Door for both) and the City should work to increase awareness of these programs as well as consider research to explore the extent of unmet funding need for down payment assistance programs.
- *Soft Second Mortgages:* a soft second mortgage can help with the long term cost of purchasing a home by offering a second mortgage that is forgiven, deferred or otherwise subsidized in some way, typically for as long as the owner remains an occupant in the home for a set period of time after purchase. This is an important vehicle for helping households meet the gap between what they can qualify for from a

bank as a first mortgage and the purchase price of the home. The City should evaluate existing soft second mortgage loan programs to ensure they are meeting need, explore opportunities for additional soft second mortgage financing opportunities and help increase access to these programs for eligible households.

- *Explore Innovative financial products.* The City should work in coordination with lending institutions to develop innovative financial products that will serve hard to reach households that are ready for homeownership but do not meet minimum credit score thresholds (and are not able to feasibly repair credit scores) or do not have sufficient credit history necessary to access traditional financing products. For example, the City could work with lending institutions to explore alternative credit histories such as utility payment records, rental payments, and automobile insurance payments. The City should also explore how lending institutions can introduce some underwriting flexibility to acknowledge the growing number of Philadelphians that live with extended families, have multiple streams of income or are in otherwise non-traditional situations that require special consideration when it comes to home purchasing financing mechanisms.
- *Develop a Sharia-compliant Financing Product:* Limited options for financing a home purchase are available for Muslim households who abide by Sharia law, which prohibits the payment of interest or fees for loans of money. The City can help fill this gap by convening lenders, housing nonprofits, and community leaders to explore what pre-existing Sharia compliant loan products are already offered, find ways to promote them and consider how the market might develop further Sharia-compliant loan products. In addition, the City should evaluate currently available loan products to determine barriers to their use due to religious or other restrictions.
- *Structuring affordability periods based on length of occupancy:* When homeownership assistance is provided by government or other lending institutions in exchange for ensuring long term affordability, it is important that the City ensure that the owner-occupant household is only paying back a pro rata share of the assistance based on their length of time as owner-occupant (as opposed to having to repay the entirety of the assistance upon resale). This is important to incentivize upward mobility and to avoid unnecessarily penalizing households that have made investments of time and money in these homes.

RECOMMENDATION 3: WAIVE FIRST TIME HOMEBUYER TRANSFER REALTY TAX

The transfer realty tax can be a significant barrier to homebuyers purchasing their first home. To incentivize homeownership among LMHI households, the City should consider legislation that would waive a portion or all of the transfer realty tax for first time homebuyers meeting defined income requirements.

RECOMMENDATION 4: MAINTAIN AFFORDABILITY OF HOMES UPON TITLE TRANSFER

As Philadelphia's home values continue to increase and the city as a whole continues to revitalize and become increasingly attractive to outside investors, existing owner-occupied units that transfer to an investor reduce the number of units available to LMHI buyers. The City should consider mechanisms for ensuring that when owner-occupied units are put up for sale, there are market incentives placed on the property so that households earning between 70% and 120% AMI have an opportunity to purchase the property first.

One potential mechanism for maintaining the affordability of homes upon title transfer is to place covenant running with the land on homes that have received City assistance (e.g. down payment assistance, tax assistance, home repair funds, etc.) to ensure that when assisted owners choose to sell their homes, they market them to owner-occupant households before considering offers from investors.

RECOMMENDATION 5: DEVELOP PUBLICLY OWNED AND/OR ACQUIRED VACANT LAND

The City of Philadelphia owns approximately 43,000 vacant lots while the demand for high quality affordable and workforce housing far outstrips supply. The City should explore ways to make the land disposition process easier and provide incentives to developers interested in acquiring publicly owned land for development of affordable and workforce homeownership units.

Models for this kind of development are already offered by the City. The Philadelphia Redevelopment Authority disposes of land for a nominal amount (typically \$1) to create affordable rental housing for those at or below 80% AMI, typically as part of a Low Income Housing Tax Credit (LIHTC) project. For development of homeownership units, PRA has also conveyed property to developers at a discount based on case-by-case underwriting of the surrounding market adjusted for the required maximum sale price that PRA sets in its restrictive covenant. Currently it requires the sales price not to exceed \$229,000 and the covenant is lifted after 10 years if it is owned and occupied by the original homeowner or after 30 years if it is sold before the end of the 10 year period. PRA and the Land Bank also recently introduced a credit enhancement for the development of workforce housing where, in exchange for favorable lending terms, 25 percent of the construction loan is guaranteed directly to the lending institution. These small scale programs can be expanded to meet the increasing demand for affordable and workforce housing. The City could also consider models that serve households up to 200% AMI as well as providing land to developers at a discount in return for the development of a mix of market and affordable and workforce housing units on the property.

RECOMMENDATION 6: TRANSFER PROPERTIES FACING FORECLOSURE TO INTERMEDIARY NONPROFIT

While the goal is to prevent foreclosure whenever possible and keep existing homeowners in their homes, foreclosures do happen. The City of Philadelphia should explore models and find ways for properties facing foreclosure to be transferred to intermediary nonprofits or banks that can hold the properties and ultimately transfer them to a ready pipeline of interested first time homebuyers. The City can work in partnership with banks that are foreclosing on properties as well as the Philadelphia Redevelopment Authority to negotiate right of first refusal to acquire properties facing foreclosure. In order to ensure minimal need for additional investment on the part of the City or the intermediary holding entity, the City can focus on acquiring only properties needing little to no repairs before resale. The Neighborhood Community Stabilization Trust (NCST) is a proven model for this type of program and currently operates in the Philadelphia area. NCST allows buyers to review and purchase foreclosed properties prior to the properties being marketed to investors or other buyers. Then those buyers convey the properties to local housing providers who rehabilitate the homes and sell them to income eligible homebuyers.

AFFORDABLE RENTAL HOUSING PRESERVATION RECOMMENDATIONS

The Affordable Rental Housing Preservation Committee (ARHP) consisted of two sub-committees: (1) Publicly Assisted Affordable Rental Housing; and (2) Non-Subsidized or Naturally Occurring Affordable Housing (NOAH).

- (1) The Publicly Assisted Affordable Rental Preservation Sub-Committee, led by LISC, produced its report in 2017. The recommendations from the report are attached.

The complete report detailing the engagement process, best practice research, and summary of preservation strategies is available by request from the Philadelphia Local Initiatives Support Corporation (LISC) office: <http://www.lisc.org/philly/>

- (2) LISC/Urban Land Institute (ULI) co-convened the NOAH Sub-Committee between June-August 2018. There were three meetings, which focused on the following:

- Meeting #1: Developing a Framework for understanding NOAH in Philadelphia – *Breakout groups focused on developing questions and recommendations for best practice research in each of the following areas: Data, Technical Assistance/Incentives, Regulations, Finance.*
- Meeting #2: Precedent Research for NOAH – *The consulting team presented precedent research based on questions and recommendations from the first meeting. A copy of the presentation is included.*
- Meeting #3: Affirming Top Priorities and Recommendations – *The sub-committee selected and affirmed top recommendations.*

PUBLICALLY ASSISTED AFFORDABLE RENTAL HOUSING PRESERVATION
SUB-COMMITTEE RECOMMENDATIONS

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
1	Capacity Building	Planning	✓			The City of Philadelphia will support and adopt the implementation of the Affordable Rental Housing Preservation Strategy ("Preservation Strategy").	We recognize that preservation of existing subsidized affordable housing sits within a much larger housing framework of addressing the critical need to not only preserve, but to create new units of affordable housing. This is clearly articulated within the City's the Affirmatively Furthering Fair Housing (AFFH) plan. The Preservation Strategy will complement the AFFH and other affordable housing efforts currently underway to increase resources and address policy to meet Philadelphia's housing needs. To this end, the Preservation Strategy will be a fluid document and is designed to evolve over time. It is intended to complement other efforts that address affordable housing needs such as the City's Comprehensive Housing Plan.	Meet with elected officials, non-profit, public and private stakeholders to share the Preservation Strategy and its goals. Work with stakeholders who are championing and advocating for various policies and initiatives to discuss how to coordinate efforts as part of the larger need for affordable housing in the City.	The Preservation Strategy will become part of the comprehensive housing plan for the City of Philadelphia.
2	Convener	Convener	✓	✓	✓	A lead entity will be designated to drive and coordinate the implementation the Preservation Strategy's core strategies. These core strategies are: Data, Capacity Building, Regulations, and Financing. The convener will lead implementation through forming an Affordable Housing Preservation Network, an informal, cross-sector body made up of for-profit, non-profit, and public agencies with expertise in the core strategy areas.	The convener will take a collaborative and consensus driven approach to decision-making and direction, and coordinate closely with the City of Philadelphia. Preservation Network members will be recruited through an application process, selected based on skill, expertise and commitment. Network members will enter into an MOU, which will define expectations for participation, roles and responsibilities.	Determine a set of operating values and principles that will guide the Preservation Network. Determine and procure resources needed to support the lead convener role and manage the Preservation Network. Identify expertise needed and recruit membership. Seek out individuals or entities willing to champion and lead working committees around each core strategy.	A robust, collaborative, and productive network will be created with a lead entity to guide and facilitate implementation. Each core strategy area will have a designated leader/champion to carry out its work.

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
3	Data	Data	✓	✓	✓	An open source online preservation database will be developed and maintained by an impartial organization, and will be available for use by the public. Data will be used by the public to assess, target, prioritize, and develop preservation plans for at risk properties.	There are several platforms locally where data can be found in various forms, i.e., Policy Map, Fix List, and city databases. Nationally, there are also several open source databases available to the public, like National Housing Preservation Database (NHPD) or Housing Insights in Washington, D.C. that provide property-level information. However, additional data points are needed to target and prioritize at risk properties, such as owner intent to sell; financial health of property, property condition along with housing market and socio-economic data.	Develop a list of data needed to inform decision-making and preservation interventions. Assess current online database platforms, including data collected and how data is presented. Determine gaps in information, challenges in design, access and ease of use. Engage expert(s) to assist with the assessment process and make recommendations on how best to proceed, i.e., build off and work from current online platform or create new database; and who will manage and administer. Determine cost and potential funding for database project. Raise resources for database project.	The process to target and prioritize at-risk properties and create preservation plans will be data-driven. Users will have access online to up-to-date, accurate information on all federal, local and state subsidized properties and neighborhood level socioeconomic data.
4	Capacity Building	Technical Assistance: Public Officials & Property Owners	✓	✓	✓	Technical Assistance and Outreach will be offered to Owners, Asset Managers, and Public Officials on the importance of affordable rental housing preservation. Trainings, workshops and individual coaching will be offered to increase knowledge on preservation strategies and resources available.	Capacity Building strategies are closely linked to successes in providing new or improved tools, policies and resources for preservation (see proposed interventions: First Right of Notice, Refusal, Expiring Use Legislation, Preservation Loan Fund, etc.).	Develop information sessions, trainings, and individual coaching around resources and tools available to help preserve publicly assisted affordable rental housing. Create a preservation awareness campaign for Property Owners, Asset Managers, and Public Officials.	Property Owners will be informed about resources available and help to make informed decisions to preserve affordability of their properties. Public officials will lend their expertise and voice to champion policies and seek resources to preserving publicly assisted affordable rental housing in the City of Philadelphia.
5	Capacity Building	Technical Assistance: Residents & Public Officials		✓		Workshops will be offered to residents to learn about affordability periods, regulations, and tenant protections if their property is at-risk. Residents will be connected to services and programs, if they are in danger of being displacement.	This assumes that at-risk properties have a tenant or resident association that can serve as point of contact and communication. Philadelphia has an extensive legal services community that provides a great foundation to expand services and further education. For example, Community Legal Services has issued a report on Section 8 Opt-Out, which focuses on the dangers of opting out of the Project Based Section 8 program.	Approach CLS, PHA, and TURN to work in partnership to create a resident awareness campaign about their rights and protections. Identify at risk properties based on Project Based expiration dates and LIHTC affordability periods. Develop resident outreach strategies for information sharing, workshops, and referrals for services/programs for at-risk properties.	Residents will become informed about their rights and serve as advocates to preserve affordability.

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
6	Regulations	Building Focused: Right of Notice, Right of First Refusal, Expiring Use Legislation		✓		Philadelphia will require owners to provide notice to the City, housing advocates, and residents when property affordability periods or rent subsidy contracts (Project Based Section 8) are within 24 months. Philadelphia will also require a right of first refusal in which a qualified nonprofit developer, a government agency, and/or tenant association has the ability to purchase property if the owner decides to opt-out.	For HUD-subsidized properties, current federal law only requires a one year Right of Notice. Community Legal Services have also made similar recommendations in its <i>"Dangers of the Opt-Out"</i> report. These regulations can be implemented at the local and/or state level. The City would need to assist with implementing these regulations, providing monitoring and oversight. Proposed regulations may have an impact on financing strategies and further evaluation may be needed. Regional Housing Legal Services (RHLS), PA Housing Finance Agency (PHFA), and other State-wide groups will need to be engaged to determine the full impact of Right of Notice and Right of First Refusal regulations.	Convene local and state legal service organizations, such as CLS and Regional Housing Legal Services, to assist with drafting regulations for the City of Philadelphia. Meet with City officials to discuss proposals and map out strategy to get adopted at the local level. Evaluate feasibility to pursue statewide adoption of policies.	A standardized system of notification and option to purchase will be institutionalized in the City of Philadelphia. The City will be proactive and address at-risk properties in a more timely fashion, resulting in stemming the loss of affordable housing units and lessening costs for capital improvements.
7	Regulations	Tenant Focused: Tenant Relocation Assistance Laws			✓	If owners intend to opt-out of preserving their properties as affordable housing, Philadelphia will require owners to assist displaced residents by paying for relocation expenses based on tenure, income, family size, age, and disability. Owners will also be required to help residents find other housing.	Owners should be fully engaged in developing relocation assistance regulations/laws discussions. These discussions may uncover barriers and/or areas of common ground that will be essential to enacting and getting support for legislation.	Approach CLS to work in partnership to propose tenant-focused relocation assistance laws. Engage with TURN and HAPCO among others to get feedback on proposals. Meet with City officials to discuss proposals and map out strategy for adoption.	Tenants will have increased protections and support if they need to find replacement housing.

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
8	Financing	New & Existing Revenue		✓	✓	New and existing revenue streams are needed to preserve and develop affordable housing. Revenue should include new forms of financing as well as grants that can be used as gap subsidy for new affordable housing and to make publicly assisted affordable rental housing projects feasible.	Current initiatives are underway for possible new revenue generation include Inclusionary Zoning, Density Bonus, and Mixed Income Housing Program Ordinance. If implemented, developers may make payments in-lieu of participating in these programs. Also to be considered for a possible new source of revenue is Tax Increment Financing (TIF). If new revenue is generated through TIF districts, a portion of TIF revenue can be designated for affordable housing preservation, especially in areas where the market is particularly strong and the demand for affordable housing is high.	Meet and work with housing advocates and elected officials who are advancing efforts to create new resources for affordable housing.	City of Philadelphia will make financing the preservation of publicly assisted affordable rental housing a priority for new and existing revenue streams. An increase in the number of affordable rental units preserved will result.
9	Financing	Debt & Equity Financing: Preservation Loan Fund		✓	✓	A preservation loan fund will be created so that for-profit and non-profit developers will be able to acquire expiring at-risk properties, preserving affordable units and protecting residents from displacement. The fund will offer below-market loans to cover a range of financing needs, from acquisition, pre-development, construction and permanent financing. The loan fund would be administrated by a third party entity.	Preservation loan fund may need to be backed by a guarantee to incentivize investors and help mitigate risk. If successful, this loan fund could also support financing new construction affordable housing.	Determine and raise the capital needed to address current financing needs. Identify investors, banks, foundations among others to make program- or mission-related investments to enable the fund to offer low-cost, below-market loans, and gap subsidy. A third party administrator will be needed to manage a preservation fund.	An initial loan fund will be created to provide flexible, low-cost financing for developers to acquire and renovate publicly assisted affordable rental properties.

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
10	Financing: Incentives	Reducing Costs: Reducing Property Taxes	✓	✓	✓	When a property owner volunteers to continue their commitment to maintain long-term affordability a long-term use restriction will be tied to the property. As a result the City of Philadelphia will permit the property to be taxed as an affordable property.	Regional Housing Legal Services and others recently negotiated a reasonable fixed rate valuation for publicly assisted affordable rental housing properties with the City of Philadelphia	Work with Regional Housing Legal Services and others to develop property tax incentives for publicly assisted rental housing properties after the affordability period is lifted.	After the affordability period is lifted, affordable housing rental property taxes will be assessed based on the long-term use restriction.
11	Financing: Incentives	Reducing Costs: Energy Savers Program	✓	✓	✓	A package of retrofit incentives will be made available to owners of publicly assisted affordable rental properties undergoing renovation or planning to undergo renovation. Improvements will include, but not limited to doors, windows, HVAC systems, water heaters, etc.	Current programs include PECO's Multi-Family Program and PGW's Small Multi-Family Programs. The PA Housing Financing Agency (PHFA) continues to explore programs to provide low-cost loans to developers to make energy-saving improvements to properties.	Create comprehensive lists of programs available to owners to make energy savings improvements. Conduct marketing and outreach to owners and asset managers to encourage participation. Coordinate with PECO, PGW, and Energy Coordinating Agency, Philadelphia Energy Authority and PHFA.	When retrofitted for energy-savings, properties will demonstrate an average utility savings of 25-30%.
12	Financing Incentives	Reducing Costs: Asset Management & Operating/Property Management Efficiencies	✓	✓	✓	Property Owners, Asset Managers, State Housing Finance and Legal Agencies will identify operating efficiencies that will ensure long-term preservation.	Current efforts underway include State Housing Finance Agency review of properties in order to identify specific operating intervention(s) for troubled properties.	An interagency team will review properties physical and financial standing with Asset Managers/Property Managers to identify processes or technology that will lead to strengthening building performance.	Under performing properties will have an operating efficiency strategy that will increase overall building performance.

NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH)

SUB-COMMITTEE RECOMMENDATIONS

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
1	Data	Data	✓	✓	✓	<p>An open source online NOAH database will be developed and maintained by an impartial organization, and will be available for use by the public. Data will be used by the public to assess, target, prioritize, and develop preservation plans for at risk properties.</p>	<p>There are several platforms locally where data can be found in various forms, i.e., Federal Reserve, Policy Map, Fix List, and the City's database, Atlas. Nationally, CoStar, a leading data analytics firm for the commercial real estate industry, identified 5.5 million units of naturally occurring affordable housing across the United States. However, Philadelphia is unique in that the majority of its NOAH stock falls outside of CoStar's building classification rating criteria, which presents unique challenges and opportunities for defining the universe of NOAH properties in Philadelphia. Additional data points are needed to target and prioritize NOAH properties, such as owner needs/intent to sell; financial health of property, property condition (e.g. could use OPA data as well as history of L&I code violations), along with housing market and socio-economic data.</p>	<p>Work with the Federal Reserve Bank of Philadelphia, HAPCO, PolicySolutions, community based partners, and others to develop a list of data needed to inform decision-making and preservation interventions. Assess current online database platforms, including data collected and how data is presented. Determine gaps in information, challenges in design, access and ease of use. Engage expert(s) to assist with the assessment process and make recommendations on how best to proceed, i.e., build off and work from current online platform or create a new database; and who will manage and administer. Determine cost and potential funding for database project. Raise resources for database project.</p>	<p>The process to target and prioritize NOAH properties and create preservation plans will be data-driven. Users will have online access to up-to-date, accurate information on non-subsidized properties and neighborhood level socioeconomic data.</p>

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
2	Capacity Building	Technical Assistance: Landlords & Public Officials	✓	✓	✓	Technical Assistance and Outreach will be offered to Landlords, Asset Managers, and Public Officials on the importance of affordable rental housing preservation. Trainings, workshops and individual coaching will be offered to increase knowledge on preservation strategies and resources available.	Capacity Building strategies are closely linked to successes in providing new or improved tools, policies and resources for preservation (see proposed interventions: Data, NOAH Preservation Loan Fund, Reducing Real Estate Taxes, etc.). Housing market data should be used to identify neighborhoods where NOAH properties at risk of moving to market rents. Outreach and Technical assistance should be used to develop incentives based on landlord tenure (e.g. new or existing/longer-term landlords) and property classification (e.g. property condition). This model can be used as a starting point for developing a tiered strategy for NOAH interventions.	Work with HAPCO, CLS, Tenant Union Representatives Network (TURN), and City's Development Services Department to understand incentives and technical assistance needs of owners. Cultivate these partnerships to develop information sessions, trainings, and individual coaching around resources and tools available to help preserve affordable rental housing. Create a preservation awareness campaign for Property Owners, Asset Managers, and Public Officials that will market the benefits of NOAH ownership, and could focus on subjects like screening tenants, preventive and emergency maintenance, fair housing and eviction laws, and affordability programs.	Property Owners will be informed about resources available and help to make informed decisions to preserve affordability of their properties. Public officials will lend their expertise and voice to champion policies and seek resources to preserving affordable rental housing in the City of Philadelphia.
3	For Consideration Capacity Building:	Technical Assistance: Tenants and Public Officials	✓	✓	✓	Workshops will be offered to residents to learn about tenant protections. Residents will be connected to services and programs, if they are in danger of being displaced.	This assumes that properties have a tenant or resident association that can serve as point of contact and communication. Philadelphia has an extensive legal services community that provides a great foundation to expand services and further education. Work with existing Task forces and Public Officials to align recommendations, and ensure balance between tenant and landlord rights. For example, in June 2018, the Mayor's Task Force on Eviction Prevention & Response completed a report with recommendations. Additionally, Councilmember Jones has convened a just cause eviction working group with landlords and tenants.	Approach CLS, HAPCO, PA Apartment Association (PAA) and TURN to work in partnership to create a resident awareness campaign about their rights and protections. Identify NOAH properties based on owner needs, and neighborhood level socioeconomic data. Develop resident outreach strategies for information sharing, workshops, and referrals for services/programs for at-risk properties.	Residents will become informed about their rights and serve as advocates to preserve affordability.

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
4	Financing	New & Existing Revenue	✓	✓	✓	New and existing revenue streams are needed to preserve NOAH properties. The City has issued an RFP to lenders for its small landlord loan pilot. Results of the pilot will be helpful in refining and bringing NOAH loan products to scale.	Current initiatives are underway for possible new revenue generation, include the City's Housing Action Plan, Mixed-Income Housing Bonus, and Construction Impact Fee. Under the Mixed-Income Housing Bonus, developers may make payments in-lieu of participating in these programs. The Access to Homeownership Working Committee for the HAP is developing recommendations for producing units - where possible consider aligning recommendations. For example, look at NY State's Neighbors for Neighbors Fund (\$4MM fund to support renovation of 1-4 unit affordable rental properties).	Meet and work with developers, housing advocates, PHFA, CDFI's, Lenders, elected officials, and others from the financial sector who are advancing efforts to create new resources for affordable housing.	City of Philadelphia will make financing the preservation of NOAH housing a priority for new and existing revenue streams. An increase in the number of affordable rental units preserved will result.
5	Financing	Debt & Equity Financing: NOAH Preservation Loan Fund	✓	✓	✓	A preservation loan fund will be created so that for-profit and non-profit developers will be able to acquire NOAH properties, preserve affordable units and protect residents from displacement. The fund will offer below-market loans to cover a range of financing needs, from acquisition, pre-development, construction and permanent financing. The loan fund would be administrated by a third party entity.	Preservation loan fund may need to be backed by a guarantee to incentivize investors and help mitigate risk. Also consider the range of financing needs - loan products should be competitive with commercial lenders and designed to meet the needs of small property owners to medium-size developers. While further research is needed, estimated repair costs range from \$6K to \$150K. Many repair costs are to address long-term deferred maintenance/code issues.	1.) Build on the results of the Small Landlord Loan Program Pilot, and ensure technical assistance is built into any loan product; 2.) Using information from data and capacity building needs, develop a system for classifying properties and develop a menu of loan products based on classification, which could include property condition, ownership structure 3.) Determine and raise the capital needed to address current financing needs. Identify investors, banks, foundations among others to make program- or mission-related investments to enable the fund to offer low-cost, below-market loans, and gap subsidy. A third party administrator will be needed to manage a preservation fund.	An initial loan fund will be created to provide flexible, low-cost financing for developers to acquire and renovate affordable rental properties.

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
6	Financing Incentives: New and Existing Landlords	Landlord/Tenant Focused: Shallow Rent Subsidy	✓	✓	✓	Owners will preserve their properties as affordable housing for renters in exchange for subsidies to support extremely low-income renters. Incentives could include: 1.) cost sharing on management/operating costs; 2.) 0% Loan.	Tenants and Owners should be fully engaged in in developing shallow-rent subsidy discussions. These discussions may uncover barriers and/or areas of common ground that will be essential to enacting and getting support for subsidies. Eviction Task Force and Homeless Strategic Plan are areas where recommendations and priorities could align.	Approach CLS to work in partnership with City's Office of Homeless Services to propose property based shallow-rent structure. Engage with TURN, HAPCO, PAAA, among others to get feedback on proposals. Meet with City officials to discuss proposals and map out strategy for implementation.	Landlords will be incentivized to acquire or maintain properties as affordable while still receiving a return on investment. The number of construction permits and rental licenses will increase, which will result more safe/quality affordable rental units. The risk of displacement will be reduced and residents will have a greater likelihood of achieving overall well-being and economic stability in housing, employment, education and health.
7	Financing: Incentives: Existing Landlords	Reducing Costs: Reducing Property Taxes	✓	✓	✓	When a property owner volunteers to maintain affordable rents, the City of Philadelphia will permit the property to be taxed as an affordable property.	The City's Longtime Owner Occupants Program (LOOP) could serve as a model and link it to other incentives (e.g. low-interest loans and shallow rent subsidies). LOOP: provides a tax abatement for homeowners who have had their property taxes triple (go up by 300% or more) from one year to the next, have lived in the home form 10 yrs. or more, and meets certain income limits based on household size. Consideration for NOAH would include looking at the rate rents have increased to understand valuation. This assumes the landlord will provide operating/rent history - and so incentives will need to be developed.	Work with HAPCO, CLS, Regional Housing Legal Services and others to develop property tax incentives for NOAH properties to ensure affordability. In addition to LOOP, determine if any of the following would apply to NOAH: equal taxation law, tax rebate.	Naturally Occurring Affordable Housing rental properties will remain affordable in neighborhoods experiencing real estate/rent increases.

ID.	Strategy	Intervention Type	Short-term (1 Year)	Mid-term (3 Years)	Long-term (5 Years)	How this Would Work in Philadelphia	Other Considerations	Recommended Next Steps	Evidence of Success
8	Regulations:	Landlord/Tenant: Building Code Enforcement	✓	✓	✓	L&I fines will be used to allow landlords to fix needed repairs without risk of losing rental license or delaying license renewal process.	L&I is currently seeking ways to streamline enforcement so that violation fees can be used toward necessary repairs without risk of losing/interrupting rental license.	Work with L&I, HAPCO, Philadelphia Energy Authority (PEA), TURN, CLS, and others to ensure equity between tenant and landlord rights.	The number of construction permits and rental licenses will increase, which will increase the number of safe/quality affordable rental units.

CONSTRUCTION COST AND NEW TECHNOLOGY
MEMO



Date: August 17, 2018
To: Carolyn Placke, Philadelphia, LISC
From: Greg Heller
RE: Construction Cost Working Group Findings

As part of the efforts of developing the Housing Action Plan (HAP), the Philadelphia Redevelopment Authority (PRA) convened a working group to explore the factors that impact residential construction and development costs in Philadelphia. The findings of this group included, but were not limited to, factors that impact construction of affordable housing projects.

Primary PRA staff involved were:

- Gregory Heller, Executive Director
- Larry Padilla, Senior Director for Real Estate & Development Finance
- Karanja Slaughter, Special Projects Coordinator
- Jane Allen, Special Projects Analyst
- Michael Closeme, Assistant Director of Housing Construction

This group met three times: January 31, 2018, June 25, 2018, and July 24, 2018. In addition PRA carried out 15 interviews lasting from 45 to 90 minutes with real-estate, development, architecture, engineering, sustainability, design, and policy professionals. All participants were assured that the interviews were anonymous. This memo presents findings and recommendations based on the committee meetings, interviews, and additional research carried out by PRA staff. The following are the major findings and recommendations:

- **There is a lack of trusted data and research available to isolate the main drivers of cost in affordable and market rate construction and development.**

PRA hoped to utilize data on affordable and market-rate projects in order to compare project types and isolate the main drivers of construction and development cost. Unfortunately, the level of data necessary to carry out this analysis was not available. PRA carried out some very limited analysis on a sample of 36 low-income housing tax credit (LIHTC) projects that PRA supported with financing between 2009 and 2018. The average construction costs from this data set ranged from about \$160/sf in 2009 to about \$230 in 2018, with 2018 costs ranging between \$180/sf and \$240/sf. PRA also sought to understand whether these costs differed among non-profit and for-profit developers in the sample.

Based on data available, it turned out there was not a significant difference between the two groups (less than \$15/sf).¹ This was about as far as we could go with available data.

Recommendation: PRA recommends that Department of Planning & Development (P&D) carry out further analysis and data collection in order to isolate development cost factors, and compare affordable and market-rate development. This analysis would entail compiling a dataset large enough to discern the main drivers of cost in market-rate residential construction and development, and then engaging a consultant with the technical expertise and software necessary to carry out a comprehensive statistical analysis. It may be desirable to isolate costs of vertical construction in order to control for project specific expenses (environmental remediation, parking excavation, etc.).

➤ **The high price of labor increases project costs and limits size of LIHTC projects.**

It is well documented that Philadelphia has a higher labor cost than its surrounding suburbs and peer markets. Higher labor costs impact construction budgets of both market-rate and affordable projects. However, affordable projects are additionally constrained by limits on tax credits and gap financing. Based on the maximum tax credit award and maximum gap subsidy typically available, projects often do not work financially if they exceed 3-4 stories with more than 40-60 units. At this size and scale, however, projects are generally under the threshold where developers attain the cost benefits of economies of scale. In other words, if construction costs were lower, affordable projects would likely be able to be larger and more efficient. When PRA requires Prevailing Wage on a LIHTC project the federal Residential rate is used, this rate is on average (across major trades) 8% lower than the negotiated union wage rates.

Recommendation: The City could explore with the building trades the possibility of a Project Labor Agreement (PLA) that would permit a lower union wage rate for affordable housing projects that is in line with the federal prevailing-wage rate. This recommendation necessarily requires the buy-in of the building trades and may require approval by HUD and/or PHFA. The success of this approach may also rely on the strength of the construction market to attract skilled workforce to a project with reduced union wage rates.

➤ **Public entitlement processes add time and cost.**

The City's permitting and entitlements may create delays and costs for projects. Based on analysis of a sample budget of entitlement costs over a nine-month predevelopment period, cutting the time by

¹ Due to the size of the sample, we included error bars in Figure 1 that reflect the standard deviation from the mean for both groups. The mean per square foot hard cost of projects carried out by for-profit developers in the sample was \$188 with a standard deviation of +/- \$50, while the mean for nonprofits was \$202 with a standard deviation of \$30. The data collected from for-profit developers had a range of \$124 (from \$112 to \$236), while range of non-profit PSF hard costs was slightly narrower at \$115 (from \$142 to \$257). Because the nonprofit sample had more data points and a narrower range, the standard deviation is lower. The error bars, however, overlap suggesting that difference in PSF hard costs between the two sectors may be negligible in prevailing wage projects.

50% with a 10% discount rate would yield approximately a 20% cost savings. On affordable projects with timelines that follow PHFA credit award cycles, Federal Home Loan Bank (FHLB) award cycles, and City funding cycles, project timelines must be carefully planned to avoid unforeseen holding costs. It should be noted that L&I is moving towards the utilization of the Electronic Commercial Licensing, Inspection and Permitting Services Enterprise (eCLIPSE) for managing the permitting process, which should greatly improve communication, standardization, and coordination within L&I and across departments. Still, there are measures that City could take to ease the cost and time stress of projects—especially affordable housing.

Recommendation: Identify remapping or zoning code amendments to allow affordable housing developments to be pursued “by-right.”

Recommendation: Development Services and L&I should coordinate on developing a mechanism track and benchmark timelines for the entitlement process to determine where specific improvements or efficiencies could be achieved.

Recommendation: L&I should explore the use of third party agencies to perform code review for new construction projects.

Recommendation: Resources should be dedicated to get the eCclipse system fully operational within the next 12 months and all agencies involved in the entitlement processes should strive to tie their reviews into this platform.

Recommendation: A development services meeting should be held for all affordable development projects so developer and agencies can best determine the most efficient plan through the entitlement process.

➤ **DHCD/PRA draw process can create delays in funding to the project.**

When DHCD/PRA provide funding to affordable housing projects, draw requests can take 9-12 weeks to process. Especially for nonprofit affordable developers this time swing may create challenges in paying contractors. PRA’s funding is generally a small piece of the capital stack; however, as this challenge was cited by developers in the group it may be worth exploring further.

Recommendation: PRA could potentially use non-federal funds at closing to bridge its permanent financing. Such a financing analysis would require additional feasibility analysis.

➤ **Modular construction can be challenging for affordable development due to high upfront cost.**

Modular construction, though increasingly prevalent in market-rate projects, is still rare in affordable development. Modular construction seems to have overcome many of the challenges that prevented

its widespread use in the past. Because a larger proportion of the project cost (typically around 30%) is tied up in modular components by the factory early on, lenders have had to adjust to funding a sizable upfront deposit. Based on feedback from developers/contractors who participated in the working group, modular seems to generally reduce construction timelines by up to 30% and cost of construction by about 5-8%. Prevailing wage regulations seem to only apply to work performed on the job site, and not to the construction of the modular boxes in the factory. The challenge voiced by affordable developers had to do with the comfort level of their tax credit investor in flowing funds for the upfront deposit, rather than as conventional progress payments.

Recommendation: Explore the feasibility of providing security/collateral agreements or affordable lines of credit to mirror the terms and draw-down schedules necessary for modular construction. Over time as investors become more comfortable these financing arrangements may no longer be necessary.

➤ **Challenges exist between state and local permitting regulations for modular construction.**

According to PA's Industrialized Housing Act, third-party agencies, appointed by DCED, are responsible for ensuring modular materials are compliant with Federal and/or State construction and safety standards. In 2004, Philadelphia adopted the PA Act 45 (PA's Uniform Construction Code Statute); however, according to working group participants there is still uncertainty and challenges with L&I understanding and/or complying with state regulations for modular permitting. The zoning code also does not account for the fact that modular buildings are frequently taller than stick-built projects by approximately one foot per floor due to the ceiling and floor assembly that is standard in modular product.

Recommendation: Provide resources and training to L&I around modular permitting under PA Act 45, and explore provisions that could be included in the zoning code to accommodate modular product more readily.

➤ **PHFA's guidelines can create time and cost issues that are not experienced in market-rate development.**

Several issues arose in the working group relating to requirements, guidelines, and scoring factors from Pennsylvania Housing Finance Agency (PHFA) that make affordable projects more challenging than market-rate development.

- a. PHFA's [underwriting guidelines](#) specify that architectural fees for both design and construction are computed as a percentage of total construction. Developers reported that this can result in higher design fees because work scopes do not always necessitate a commensurate investment of architectural expense—especially in design build/integrated building solutions.

Recommendation: PHFA may consider revising its guidelines to allow for traditional fee-for-service architectural fees.

- b. The guidelines also state that general contractors must fund the normal, upfront modular construction deposit, approximately 30% of total production cost per one developer, only to be “reimbursed for the deposit from the Owner’s equity at Initial Loan Closing.”

Recommendation: PHFA may consider revising its guidelines to provide more flexibility around source of funds and timing for modular deposits.

- c. PHFA offers points for achieving Passive House standards. While these factors are not mandatory, developers feel pressure to check as many boxes as possible due to the competitiveness of 9% tax credits. Passive House is well above code (even under IECC 2015), and typically has a construction cost premium of about 6-10%. In conversations with PHFA it appeared that significant research has not been carried out to-date in assessing the upfront capital cost of Passive House versus the actual operating cost savings that it achieves. PHFA is currently collecting data on operating costs from Passive House versus conventional projects.

Additionally, PHFA requires that all heating and cooling systems under 60,000 BTUH are Energy Star rated and limits the use of PTAC/PTHP systems unless they meet the Energy Star 3.0 requirements for air source equipment. HVAC systems that are commonly used in market-rate projects are often noncompliant by PHFA’s standards and specifications. Based on conversations with members of the working group and MEP consultants, the least expensive PHFA preferred HVAC system is between \$3,000 and \$8,000 more expensive than commonly used heating and cooling systems in market-rate projects. It is important to note that the private market has more stringent energy requirements by code now under IECC 2015.

PHFA requires kitchen cooking hoods to vent to the exterior—an amenity that is often not even found in luxury, market-rate construction (where ductless recirculating hoods are common), and that can add significant cost per unit.

Recommendation: In partnership with PHFA the City could commission a cost-benefit analysis on the impact of various design-related elements in the QAP comparing upfront capital cost and operating costs. PHFA may consider removing the Passive House scoring factor from the QAP until it has sufficient data to demonstrate that there is actual operating cost savings that substantiates the much higher upfront construction cost. This information may have a secondary benefit of providing developers with data on operating efficiencies needed to access products such as [Fannie Mae](#) Green Loans.²

² Fannie Mae Green Loan’s require that “Property owner must commit to property improvements that are projected to reduce the whole property’s annual energy or water use by at least 25%.”

- d. The QAP specifies size limits for the net area of all dwelling units (with exceptions for preservation projects and accessible units). The working group felt that the QAP size limits are larger than typical unit sizes found in market-rate projects. These limits therefore may drive up the per unit cost of affordable projects.

Recommendation: PHFA may consider analyzing market-rate projects and assessing whether the unit size ranges in the QAP are comparable to those found in non-affordable development.

➤ **Energy efficiency requirements can boost project costs**

In May 2018 Philadelphia adopted International Building Code 2018 which includes the 2015 International Energy Conservation Code (IECC). These new code and energy standards will be implemented by L&I in the Fall of 2018 and will be required for all projects in April 2019. Practitioners across the development industry are working to determine all areas where these new standards will affect project cost and delivery. Most obvious areas that impact cost are in building envelope standards and mechanical standards. Green Building United has done significant research on how the new energy standards will impact construction in Philadelphia and is offering trainings for practitioners and government officials on applying the new code.

Recommendation: Partner with the City's Regulatory Reform Commission Real Estate Subcommittee, and potentially groups like Green Building United to identify strategies for reducing the costs of implementing these new energy standards and to seek flexibility within the code.

➤ **Development on brownfields increases the timeline and cost of projects**

Philadelphia has many brownfield sites and remediation is a standard part of many project budgets. On the affordable side, PHFA's scoring criteria includes five points for development on a brownfield. Development on these sites necessitates an additional financial investment to carry out environmental remediation and frequently includes significant time swings, liability concerns, legal costs, and project uncertainty.

Recommendation: The City could seek sources of public, philanthropic, CDFI, and/or private funding (including EPA's Revolving Loan Fund capitalization grant program) to provide low-cost capital to developers for brownfield assessment and remediation. New York City's NYC Brownfield Cleanup Program provides a model for how a City can facilitate public-private partnerships to provide guidance, service programs, and funding to address brownfield remediation.

EVICTIION PREVENTION TASK FORCE

REPORT

A copy of this report is available at the following link:

[Mayor's Taskforce on Eviction Prevention and Response](#)

HOMELESS PREVENTION TASK FORCE

DRAFT REPORT

A copy of this report is available at the following link:

[Transforming Philadelphia's Homeless System: Our City's Strategic Plan](#)

RESOURCES AND FINANCING
MEMO

Resources & Financing Stakeholder Group Recommendations

This group met four times from June- August 2018. In addition, there was substantial best practice research and conversations amongst members of the working group. The table below represents the strategies and actions identified through this collective work.

STRATEGY	ACTION	ACTION	ACTION	ACTION
Increase Existing Local Housing Resources	Commit \$53 million in General Fund dollars over the next five years to develop and preserve affordable housing.	Pursue a per night surcharge on short- and medium-term rentals	Research impact of increased eviction filing fees as a mechanism to increase funding tenant legal assistance.	
Provide mechanisms to further leverage and recapture funding dollars	Establish an Housing Accelerator Fund	Increase the use of and further capitalize a credit enhancement facility	Further investigate the use of cash flow mortgages as a vehicle to fund affordable housing	Establish a mechanism to pool LIHTC preservation projects to increase viability of financing using 4% LIHTC's
Collateralize publicly held properties and tax delinquent vacant parcels to incentivize or fund a mechanism to finance affordable housing development	Provide properties at a nominal or below market value in exchange for developer commitment to produce affordable housing.	Identify tax delinquent parcels in high value neighborhoods that may be acquired to promote mixed-income housing and equitable development.	Identify publicly held parcels located adjacent to tax delinquent parcels to assemble land for affordable housing development to spur capital investment into neighborhoods.	Determine the book value of publicly held land to determine if these properties could be pledged as collateral to further finance affordable housing.

STRATEGY	ACTION	ACTION	ACTION	ACTION
Create a mechanism to capture a portion of the value derived from up-zoning or increase allowable built density as a mechanism to offset development pressures resulting from larger-scale development projects.	Develop a tool capable of measuring the value added to a property due to up-zoning or an increase in allowable building density.	Based on increased value, identify an economically viable proportionate share to be dedicated to the production of affordable housing.	Based on increased value, identify an economically viable proportionate share of the units, which must be developed as affordable housing.	Explore the use of a “special assessment” on the increased value due to up-zoning or density increase. The proceeds received from this assessment would be used to supplement the Housing Trust Fund.
Acknowledge the nexus between health and housing by analyzing appropriate data, identifying specific interventions needed to improve the social determinants of health, and utilizing cost savings realized due to decreased healthcare, recidivism and chronic homelessness to expand access to affordable, quality, healthy housing.	Work with Health Department and health care providers to identify key health indicators, cost to the healthcare system of chronic disease and repeat admissions due to poor quality and unaffordable housing.	Based on data analysis identify economic impact of chronic disease, emergency room visits and repeat admissions due to poor quality and unaffordable housing.	Utilize portion of achievable costs savings to seed a Flexible Housing Subsidy Pool to address poor and unaffordable housing conditions and augment funding available to existing housing repair grant and loan programs.	Explore the use of social impact bonds, which would raise capital for upfront repair, rental support and support services, and provide the prospect of returns on those investments by sharing a portion of healthcare and other costs savings achieved.

Strategy 1: Increase Existing Local Housing Resources - Due to the significant reduction of federal housing dollars and the consistent threat of zeroing out federal housing program budgets, the city will be required to identify additional local mechanisms to fund affordable housing production and preservation. Although this may be stressful on the General Fund, if the City is ever to reduce its stubbornly high poverty rate, there must be a focus on provide stable, quality affordable housing for all. No matter how significant the contribution of local funds may be, it will not be enough to stem the tide

of loss of affordable units and to meet the demand for additional units on its own. The City must identify new and creative mechanisms to further leverage scarce housing dollars.

Strategy 2: Provide mechanisms to further leverage and recapture funding dollars – The City has had a history of investing housing dollars as grant funds and not expecting any type of repayment. Although this has often been necessary due to the disparity in our market between cost on revenue, significant loss of resources means the City must respond with innovative funding solutions that go beyond our current 4:1 leveraging average. Therefore, the City should develop and expand on mechanisms such as credit enhancement, whereby the City provides a loss reserve to support private capital investment, and cash flow mortgages in which the City would be repaid invested dollars through cash flow returns should a project experience positive cash flow. By utilizing these mechanisms the City can further leverage and extend its resources because either actual capital invested will be minimal or the City will expect a return on and of its funds.

In an effort to increase leveraging, the City should establish a Housing Accelerator Fund. Seeded with public dollars that would be provided in the form of a zero-interest long-term loan, the Fund would use this public investment to attract private social impact capital and Program-Related Investment from philanthropic foundation. The goal should be to leverage the public investment by a factor of 10 and use the funds as patient 3-5 year money to finance working capital for Low-Income Housing Tax Credit projects, acquire existing affordable housing or site acquisition to produce affordable housing, rehabilitation loans for small landlords, and other financial products as may be determined to facilitate the preservation and production of affordable housing.

The City has struggled to fully utilize funding available for affordable housing through the 4% Low Income Housing Tax Credit. The subsidy available through the use of these credits is often not sufficient to fill the funding gap on these projects. It is believed that by pooling projects either aging out of their compliance period or in need of capital investment, the financial viability of these types of projects may be increased. Therefore, the City should explore and develop a mechanism to allow for the pooling of these projects to create a critical mass of units which could be viably financed using 4% LIHTCs.

Strategy 3: Collateralize publicly held properties and tax delinquent vacant parcels to incentivize or fund a mechanism to finance affordable housing development – The City is the steward of several thousand parcels of vacant land and structures. Historically, these properties have been seen as having little value and minimal reuse potential. However, now that Philadelphia is experiencing a period of sustained growth this narrative is no longer valid. The City should take steps to maximize surplus and underutilized publicly-owned property for affordable housing. These properties are now assets in our communities and efforts must be made, particularly in areas near transit and employment centers, to redevelop them into affordable housing. Locating housing near transit, employment and high performing schools, will provide low-income families and workers with access to quality jobs and education, as well as minimize traffic congestion and pollution. Further, using the proceeds from public property sales to build affordable housing is a meaningful way to use our City property resources to advance the City's commitment to growing in an equitable way. In addition to the sale of public land, the City should continue to dispose of properties at nominal or below-market value as a mechanism to incentivize the development of affordable housing.

In addition to the direct use of public property or the sale thereof to finance affordable housing, the City should also strategically identify tax delinquent vacant land to acquire to facilitate the development of

affordable housing. Priority should again be given to land in proximity to public transit, educational facilities and employment centers. The City should also investigate the ability to collateralize its public property holdings to leverage financing to develop or preserve affordable housing.

Strategy 4: Create a mechanism to capture a portion of the value derived from up-zoning or increase allowable built density as a mechanism to offset development pressures resulting from larger-scale development projects – Developers in Philadelphia often request either an “up-zoning” (increasing the types of uses or the allowable building square footage) or an increase in density when seeking entitlements for development. These up-zonings or increase in density often result in a higher value for the developable property. The City should undertake an economic analysis to identify a mechanism to determine this value increase. Once the value increase can be verifiably identified, the City should enact a provision that allocates a viable proportion of the increase in value to the preservation and production of affordable housing. Alternatively, the City could also identify how much affordable housing a project could viably produce on-site due to this value increase.

Strategy 5: Acknowledge the nexus between health and housing by analyzing appropriate data, identifying specific interventions needed to improve the social determinants of health, and utilizing cost savings realized due to decreased healthcare, recidivism and chronic homelessness to expand access to affordable, quality, healthy housing – Extensive research identifies the nexus between poor quality housing conditions and negative health outcomes such as infections and chronic diseases (asthma, COPD), injuries (falls due to unsafe stairs, lack of safety devices such as smoke and carbon monoxide detectors) and disruption to brain development (lead-based paint). Access to safe, quality, affordable housing provides one of the most basic and powerful social determinants of health. Lack of affordable housing limits a household’s ability to have income available to buy nutritious food or access routine health care, resulting in increased incidence of emergency room visits, overnight hospital stays, and repeat admissions. All of these factors increase the cost to deliver healthcare. By fostering stronger partnerships between health and housing sectors, these entities can work together to develop innovative financing approaches to healthy housing interventions such as supplementing current home repair programs by identifying and repairing health triggers (mold, pest infestation, moisture), providing for shallow rent subsidies in combination with supportive services, and facilitating the development of transitional housing to support patients who are well enough to be discharged from the hospital but not well enough to live independently. Further, the City should work with major area hospitals and insurers to explore the ability to float social impact bonds by pledging a portion of the proceeds from cost savings due to healthcare savings achieved due to reduced emergency room visits, hospital stays and repeat admissions. These bonds could then be used to finance the activities mentioned above.

APPENDIX E

HOUSING ACTION PLAN - THE PLAN

Budget Detail for Resourcing the Housing Action Plan

CURRENT RESOURCES			
FEDERAL			
<i>PHA</i>			
Public Housing Operating	144,000,000	Annual	
HCV Program (tenant and pbv):	196,000,000	Annual	
<i>DHCD</i>			
HOME	11,300,000	Annual	
CDBG- HIP, Prod/Pres, Counseling	24,000,000	Annual	
HOPWA	7,400,000	Annual	
<i>OSH</i>			
CoC and ESG	36,750,000	Annual	
Subtotal	419,450,000		
LOCAL			
HTF	12,000,000	Annual*	
General Fund - OSH support	53,000,000	Annual*	
PHDC/BSRP - 2 year remaining bond	40,000,000	One-time**	
PRA loan program - bond funds	40,000,000	Revolving**	
PRA small landlord loan fund	1,000,000	Revolving**	
PRA Credit Enhancement	1,000,000	Revolving*	
Value Land for Workforce Housing	1,700,000	Annual*	
Subtotal	66,700,000*		82,000,000**
STATE			
2018 PHARE	6,000,000	Annual	
Weatherization	3,200,000	Annual	
Subtotal	9,200,000		
PRIVATE/LEVERAGE			
LIHTC	50,000,000	Annual	
FHLB	1,000,000	Annual	
Philanthropy	5,000,000	Annual	
Subtotal	56,000,000		
Grand Total	551,350,000		82,000,000

NEW RESOURCES					
FEDERAL					
Subtotal 0					
LOCAL					
General Fund - HTF subfund		150,000,000	10-yr est		
Mixed-Use \$ - HTF subfund		36,000,000	10-yr est		
Subtotal		186,000,000			
STATE					
0					
PRIVATE/LEVERAGE					
LIHTC		250,000,000	10-yr est		
FHLB		10,000,000	10-yr est		
Accelerator Fund		90,000,000	10-yr est		
Healthcare Fund		45,000,000	10-yr est		
Subtotal		395,000,000			
Grand Total		581,000,000			

10-YEAR TOTAL	
FEDERAL	
1,440,000,000	
1,960,000,000	
113,000,000	
240,000,000	
74,000,000	
367,500,000	
4,194,500,000	Subtotal
LOCAL	
270,000,000	
36,000,000	
530,000,000	
40,000,000	
40,000,000	
1,000,000	
1,000,000	
17,000,000	
935,000,000	Subtotal
STATE	
60,000,000	
32,000,000	
92,000,000	Subtotal
PRIVATE/LEVERAGE	
750,000,000	
20,000,000	
50,000,000	
90,000,000	
45,000,000	
955,000,000	Subtotal
Grand Total	6,176,500,000

CURRENT RESOURCES		10
FEDERAL	\$ 419,450,000	\$ 4,194,500,000
LOCAL	\$ 66,700,000	749,000,000
STATE	\$ 9,200,000	\$ 92,000,000
PRIVATE/LEVERAGE	\$ 56,000,000	\$ 560,000,000
GRAND TOTAL	\$ 551,350,000	\$ 5,595,500,000
	551,350,000	
check	0	

*annual - multiplied by 10

** one time

NEW RESOURCES	
FEDERAL	0
LOCAL	186,000,000
STATE	0
PRIVATE/LEVERAGE	395,000,000
GRAND TOTAL	581,000,000
	581,000,000
check	0

10-YEAR TOTAL	
FEDERAL	4,194,500,000
LOCAL	935,000,000
STATE	92,000,000
PRIVATE/LEVERAGE	955,000,000
GRAND TOTAL	6,176,500,000
	6,176,500,000
check	0

New Resources
10-Year Total: \$581,000,000

Current Resources
10-Year Total: \$5,595,500,000

Federal:	\$ 0.00
Local:	\$ 186,000,000
State:	\$ 0.00
Private/Leverage:	\$ 395,000,000

Total \$ 581,000,000

Federal:	\$ 4,194,500,000
Local:	\$ 749,000,000
State:	\$ 92,000,000
Private/Leverage:	\$ 560,000,000

10-Year Total
\$ 6,176,500,000

Federal:	\$ 4,194,500,000
Local:	\$ 935,000,000
State:	\$ 92,000,000
Private/Leverage:	\$ 955,000,000

Total \$ 6,176,500,000

\$3,500,000,000 in anticipated private sector resources used to develop 15,000 market-rate units is in addition to the resources outlined above.

APPENDIX F

HOUSING ACTION PLAN - STAKEHOLDER ENGAGEMENT PRESENTATIONS



Philadelphia Housing Action Plan Overview

Philadelphia LISC

Presentation To:

Philadelphia Housing Advisory Board
June 13, 2018

LISC

Presentation Overview

This presentation will cover the following plan elements:

- Housing Action Plan background
- Process
- Engagement
- Plan Content
- Research & Review
- Schedule



Project Core Team



Housing Action Plan Core Value:

A commitment to develop policies and programs to foster economic growth, ensure sustainable neighborhoods, and provide safe, affordable housing options for all.

Project Objectives

The City Charter change that created the Housing Advisory Board (HAB) also mandated the production of a multi-year strategic Housing Plan to provide recommendations for maintaining and increasing affordable housing, workforce housing, and market-rate housing.

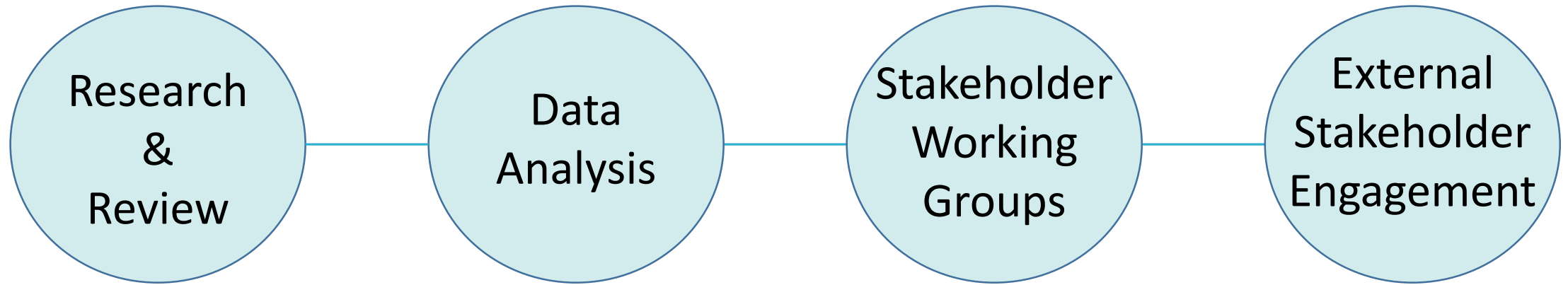
Build a broad and deep constituency to help inform public policies, drive programs and generate capital to act on the project core value commitment

Use relevant data, best practices in the industry, and examples of success here and in other places to inform recommendations and priorities

Engage public, private and nonprofit stakeholders to work individually and collectively to help define and achieve actions called for in the housing plan

Project Process

The Housing Action Plan process consists of the following phases of work:



Research & Review:

Consultant team will review existing plan, studies, and task Force/Stakeholder Working Group reports and recommendations. Consultants will also conduct best practice research informed by stakeholder group input

Data Analysis:

Consultant team will meet with Data Committee to review and refine 10-year unit goals based on data analysis and input from stakeholder groups

Task Force/Stakeholder Working Group

Engagement: Each stakeholder group will provide top priority recommendations to the consultant team and P&D coordinating staff for refinement and inclusion in the Plan

Broader External Stakeholder Engagement:

Consultant team will provide periodic presentations to City Council and the Housing Advisory Board (HAB). The team will also present the draft plan to City Council and HAB for review and comment. In addition, the consultant will invite representatives from non-profit, for-profit, and fair Housing/Anti-Displacement sectors to attend HAB meetings

Engagement

The City has completed several comprehensive plans including the Assessment of Fair Housing; the 5-year Consolidated Plan, the 2035 Plan, and 17 District Plans.

Each of these plans involved extensive data analysis and robust public engagement

Assessment of Fair Housing Plan Process

Over 5,000 neighborhood and public housing residents completed surveys

District Plans

nearly 5,000 residents attended community meetings associated with the development of these plans

Engagement

Further, the Housing Action Plan is tapping into the work of several existing and newly created task force/stakeholder groups:

Participants in these groups include a broad range of non-profit, for-profit, institutional, governmental, and philanthropic stakeholders. Best practices and regulatory/legislative strategies will be considered across all groups.

Stakeholder Groups

- **Eviction prevention**
- **Homeless Strategic Plan**
- **Historic Preservation**
- **Affirmatively Furthering Fair Housing Stakeholders**
- **Affordable Rental Housing Preservation**
- **Construction Cost & Technology**
- **Access to Homeownership**
- **Resources & Financing**

Plan Content

The Plan is designed to be a concise and prescriptive road map (approximately 20 pages) to achieve the finalized 10-year production and preservation goals. The outline of the document is as follows:

- Executive Summary
- Identification of 10-year goals with graphics identifying how they were derived
- Key Policy and Program Initiatives either in place or needed to achieve identified goals
- Implementation of the Plan, which will include assessing the resources needed and how to secure those resources
- Monitoring/Evaluation to ensure goals are on track to be achieved
- Timeline for full implementation of the plan

HOUSING ACTION PLAN RESEARCH UPDATE

Research Team for Housing Advisory Board, 6/13/2018

Vincent Reina, Arthur Acolin, & Claudia Elzey



AGENDA

1. PROJECTION: 10-Year Production & Preservation Targets
2. PLAN REVIEW: Reviewing Existing Plans + Gap Analysis
3. RESEARCH: Best Practices
4. NEXT STEPS

1. PROJECTION

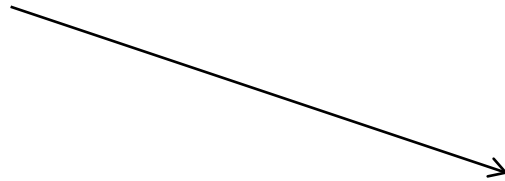
Task: establish the City's housing needs for the next 10 years for the following:

- Homeless
- Affordable
- Work-force
- Non-income restricted

1. PROJECTION

Task: establish the City's housing needs for the next 10 years for the following:

- Homeless
- Affordable
- Work-force
- Non-income restricted

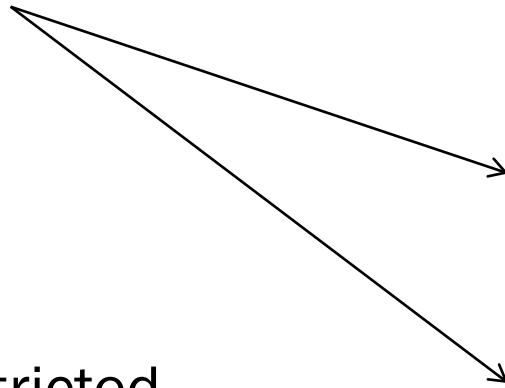


1. How many units are needed to accommodate expected household growth?

1. PROJECTION

Task: establish the City's housing needs for the next 10 years for the following:

- Homeless
- Affordable
- Work-force
- Non-income restricted



1. How many units are needed to accommodate expected household growth?

2. How many units need substantial rehabilitation/reinvestment?

1. PROJECTION

Step 1: Projecting household growth

1,980 units/year

27,721 units

Unit need based on
2030 population
projection

1. PROJECTION

Step 1: Projecting household growth

1,980 units/year
27,721 units

Unit need based on
2030 population
projection

2,119 units/year
29,662 units

Unit need based on
population projection
plus declining household
size

1. PROJECTION

Step 1: Projecting household growth

1,980 units/year
27,721 units

Unit need based on
2030 population
projection

2,119 units/year
29,662 units

Unit need based on
population projection
plus declining household
size

2,880 units/year
40,322 units

Unit need based on
cohort-survival
projection

1. PROJECTION

Step 1: Projecting household growth

1,980 units/year
27,721 units

Unit need based on
2030 population
projection

2,119 units/year
29,662 units

Unit need based on
population projection
plus declining household
size

2,880 units/year
40,322 units

Unit need based on
cohort-survival
projection

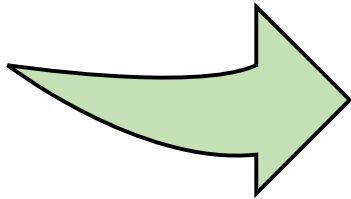
3,082 units/year
43,144 units

Unit need based on
cohort-survival
projection **plus** declining
household size

1. PROJECTION

Step 1: Projecting household growth

Projections range from ~2,000 to ~3,000 units per year



We recommend **2,500** units per year as a reasonable growth estimate that matches historical trends

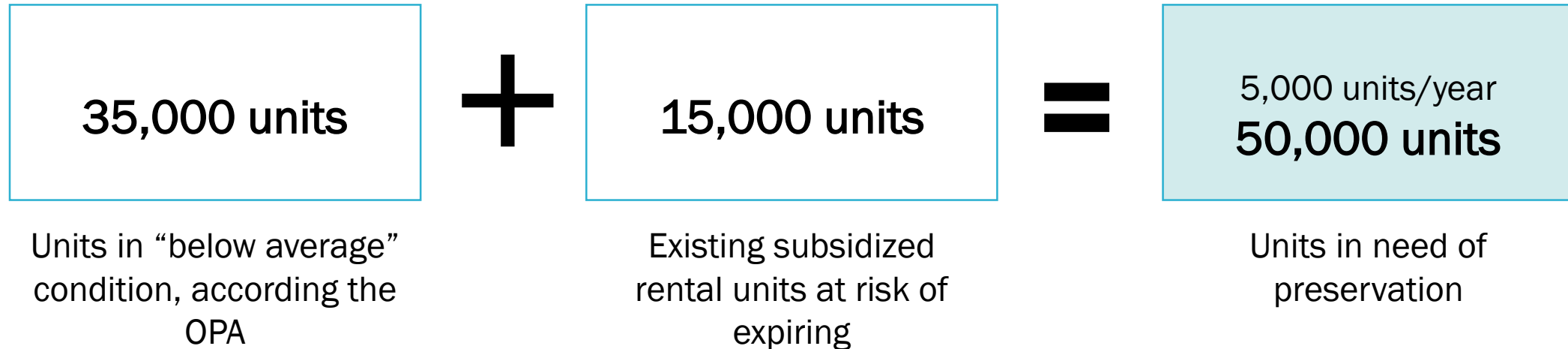
1. PROJECTION

Step 2: Estimating preservation needs

- Philadelphia has an abundance of aging, underutilized, and vacant housing
- Estimating preservation needs is an important part of meeting housing needs that stem from substandard conditions, overcrowding, and housing cost burden

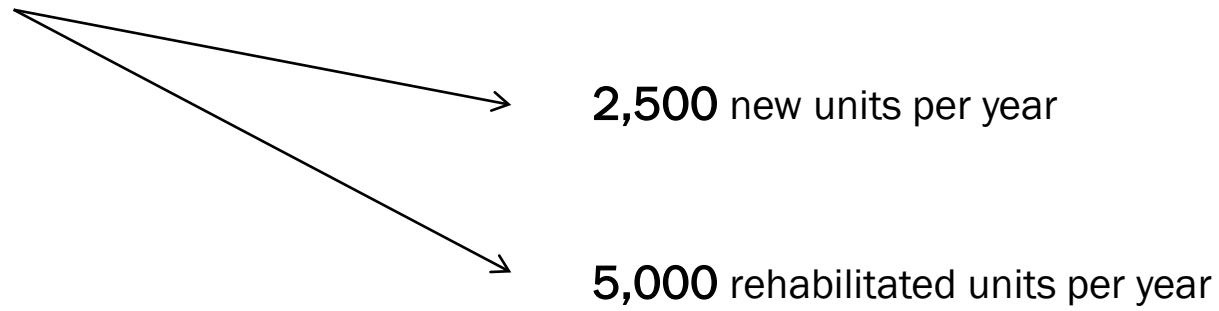
1. PROJECTION

Step 2: Estimating preservation needs



1. PROJECTION

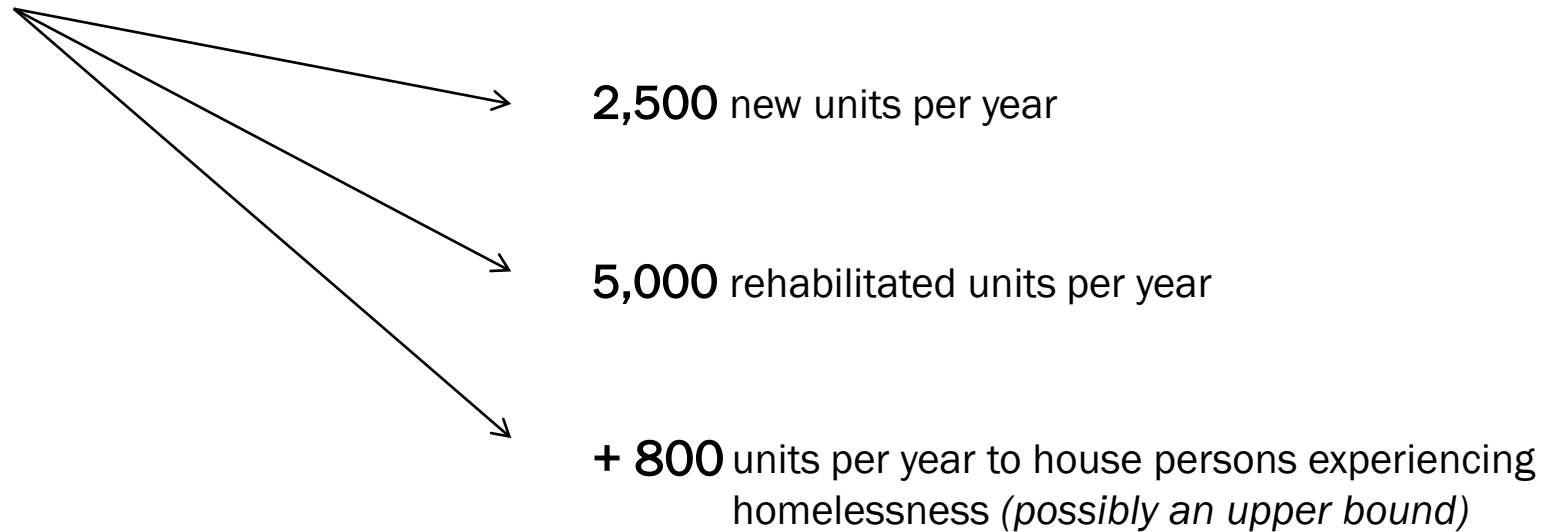
Task: establish the City's housing needs for the next 10 years



7,500 units per year, or **75,000 units** in 10 years

1. PROJECTION

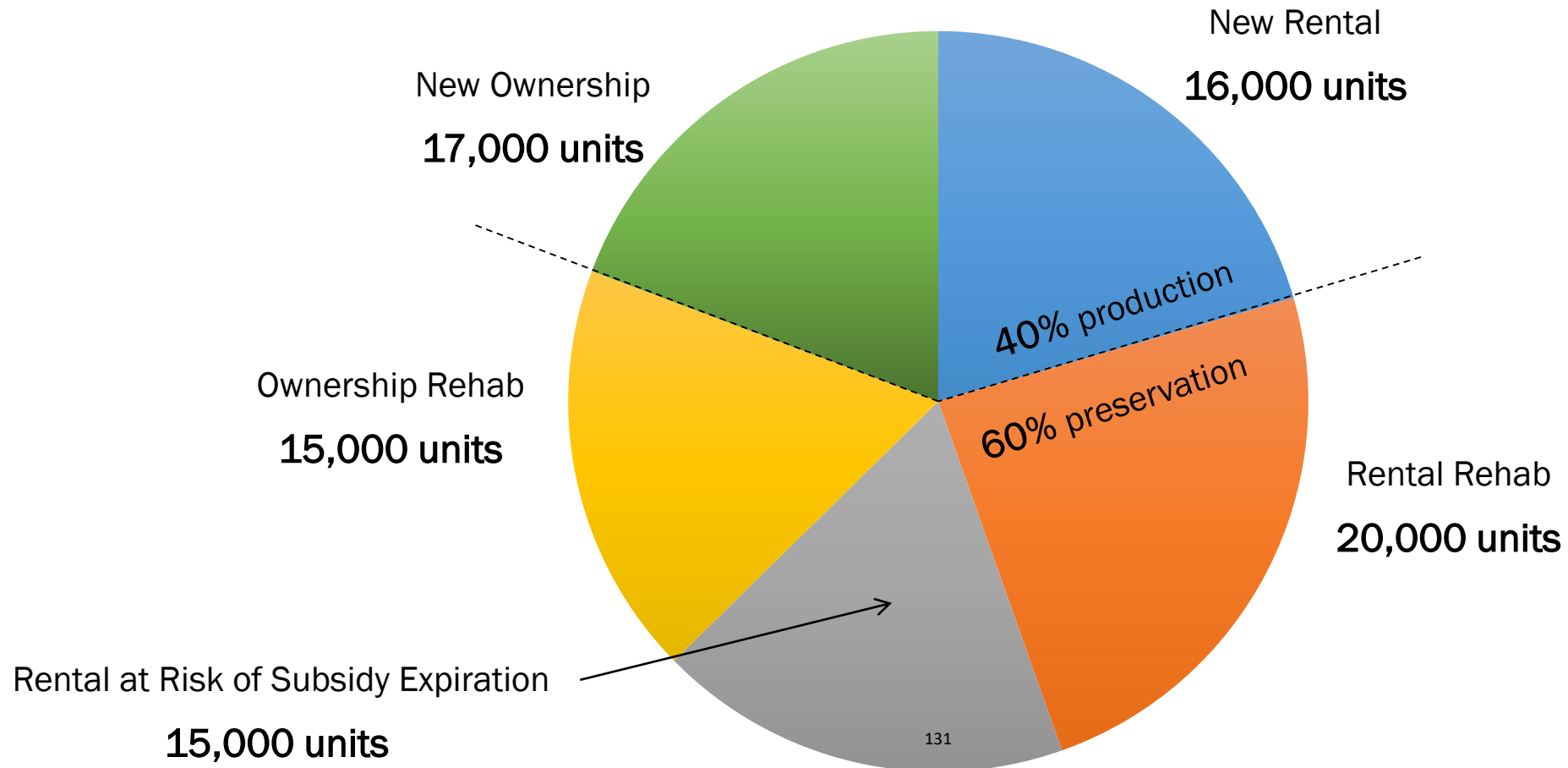
Task: establish the City's housing needs for the next 10 years



8,300 units per year, or **83,000 units** in 10 years

1. PROJECTION

Step 3: Break down targets by tenure



2. PLAN REVIEW

Task: Review Existing Plans and Identify Any Gaps

2. PLAN REVIEW

Step 1: Review Existing Plans

COMPLETE PLANS

- Philadelphia 2035
- District Plans
- Consolidated Plan
- Annual Action Plan
- Assessment of Fair Housing
- Affordable Rental Housing Preservation

2. PLAN REVIEW

Step 1: Review Existing Plans

COMPLETE PLANS

- Philadelphia 2035
- District Plans
- Consolidated Plan
- Annual Action Plan
- Assessment of Fair Housing
- Affordable Rental Housing Preservation

DRAFT PLANS

- Eviction Prevention and Response
- Transforming Philadelphia's Homeless System

2. PLAN REVIEW

Step 1: Review Existing Plans

COMPLETE PLANS

- Philadelphia 2035
- District Plans
- Consolidated Plan
- Annual Action Plan
- Assessment of Fair Housing
- Affordable Rental Housing Preservation

DRAFT PLANS

- Eviction Prevention and Response
- Transforming Philadelphia's Homeless System

ANTICIPATED PLANS

- Resources and Financing
- Access to Homeownership
- Construction Cost & Technology
- Naturally Occurring Affordable Housing
- Historic Preservation

2. PLAN REVIEW

Step 2: Identify Gaps



3. RESEARCH

Task: Research best practices to meet targets

We are evaluating relevant precedents for each best practice based on:

1. Efficacy in achieving housing goal

2. Financial feasibility

3. Who implements & how

4. Impact on other goals, both negative or positive

4. NEXT STEPS

Continue plan review & gap analysis

Complete early start best practice research and pursue additional research based on stakeholder group output

Convene peer review team to vet best practices

Schedule

May 2018 – August 2018

- Initial Goals Established
- Best Practice Review and Research
- Task Force/Stakeholder Groups Develop Priority Recommendations
- Housing Plan Team Meetings with Task Force/Stakeholder Chairs
- Housing Advisory Board Review (June & August)
- City Council briefing

September 2018

- Draft Plan Complete
- Stakeholder and City Council Briefings
- Goals Finalized

October 2018

- Housing Advisory Board Review
- Final Plan Complete
- Implementation

Q&A

Contact:

Carolyn Placke

Program Officer | Housing

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Philadelphia Housing Action Plan Overview

Philadelphia LISC
Briefing For:
Housing Advisory Board
August 1, 2018

LISC

Presentation Overview

This presentation will cover the following plan elements:

- Core Value & Plan Outline
- Overall Progress To Date
- 10-year Target Review
- Task Force/Working Committee
- Recommendation Review
- Early Best Practice Review
- Schedule
- Q&A



Housing Action Plan Core Value:

A commitment to develop policies and programs to foster economic growth, ensure sustainable neighborhoods, and provide safe, affordable housing options for all.



Project Objectives

The City Charter change that created the Housing Advisory Board (HAB) also mandated the production of a multi-year strategic Housing Plan to provide recommendations for maintaining and increasing affordable housing, workforce housing, and market-rate housing.

Build a broad and deep constituency to help inform public policies, drive programs and generate capital to act on the project core value commitment

Use relevant data, best practices in the industry, and examples of success here and in other places to inform recommendations and priorities

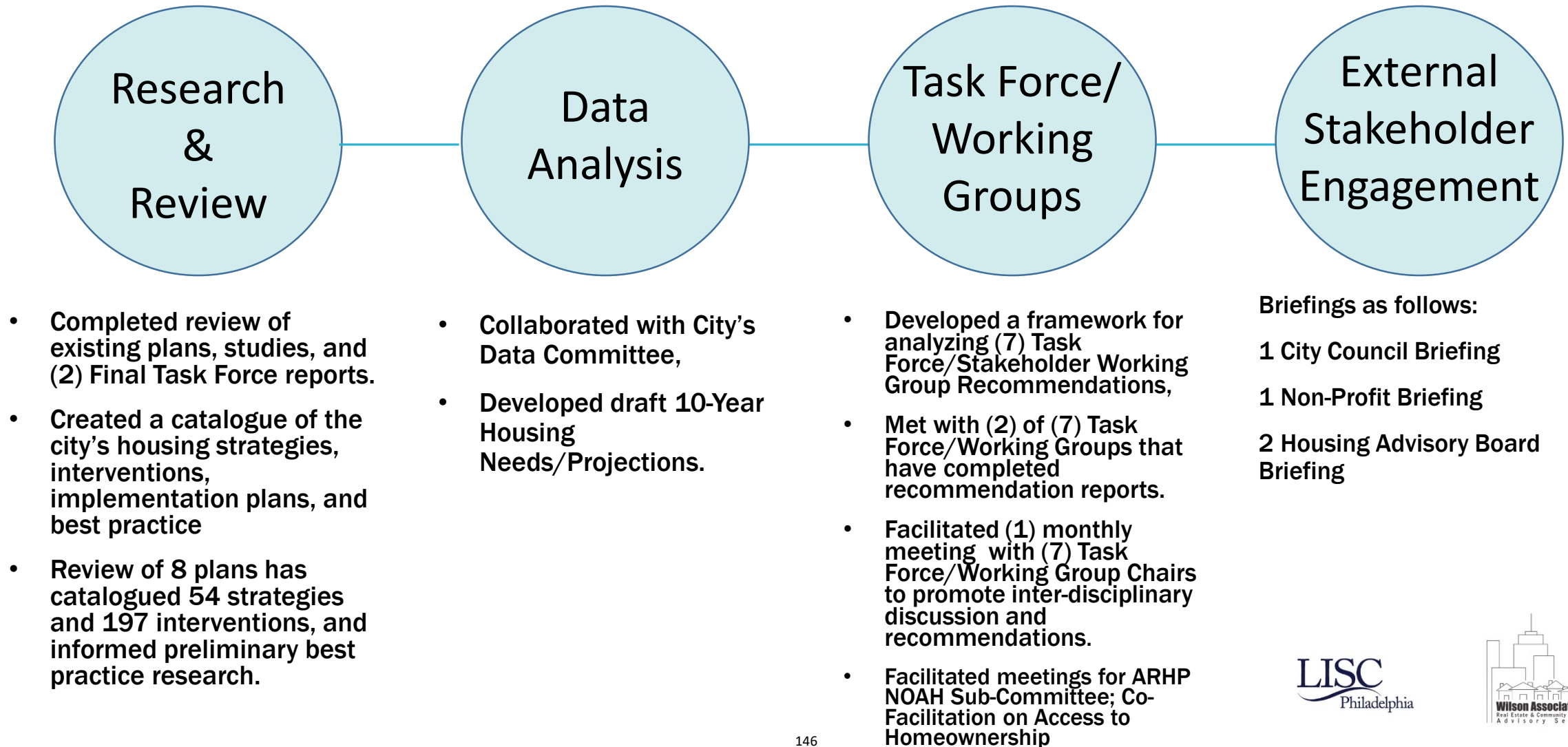
Engage public, private and nonprofit stakeholders to work individually and collectively to help define and achieve actions called for in the housing plan

Plan Content

The Plan is designed to be a concise and prescriptive road map (approximately 20 pages) to achieve the finalized 10-year production and preservation goals. The outline of the document is as follows:

- Executive Summary
- Identification of 10-year targets with graphics identifying how they were derived
- Key Policy and Program Initiatives either in place or needed to achieve identified goals
- Implementation of the Plan, which will include assessing the resources needed and how to secure those resources
- Monitoring/Evaluation to ensure goals are on track to be achieved
- Timeline for full implementation of the plan

Consultant Team Progress Last 30 Days



10-Year Targets Recommendation Review Best Practice Research

Housing Advisory Board, 8/1/2018

Vincent Reina, Arthur Acolin, & Claudia Elzey



AGENDA

1. Projections

- a. Discuss method for establishing City's 10-Year Housing Projections
- b. Present 10-Year Housing Projections by need for additional units vs preserving current stock, and by tenure

2. Targets

- a. How projected needs might break down by income and tenure

3. Recommendations and Strategies

- a. Methodology for assessing task force/working group priority recommendations and strategies

4. Best Practice Research

- a. Early examples

1. PROJECTIONS

Task: establish the City's housing needs for the next 10 years

Additional occupied housing units per year

based on expected household growth (new construction
OR full rehab of vacant property)

1. PROJECTIONS

Task: establish the City's housing needs for the next 10 years

2,500 Additional occupied housing units per year
based on expected household growth (new construction
OR full rehab of vacant property)

+

Occupied units preserved per year
based on addressing housing conditions (OPA
“below average”) and units with expiring subsidy

1. PROJECTIONS

Task: establish the City's housing needs for the next 10 years

2,500 Additional occupied housing units per year
based on expected household growth (new construction
OR full rehab of vacant property)

+

Occupied units preserved per year
based on addressing housing conditions (OPA
“below average”) and units with expiring subsidy

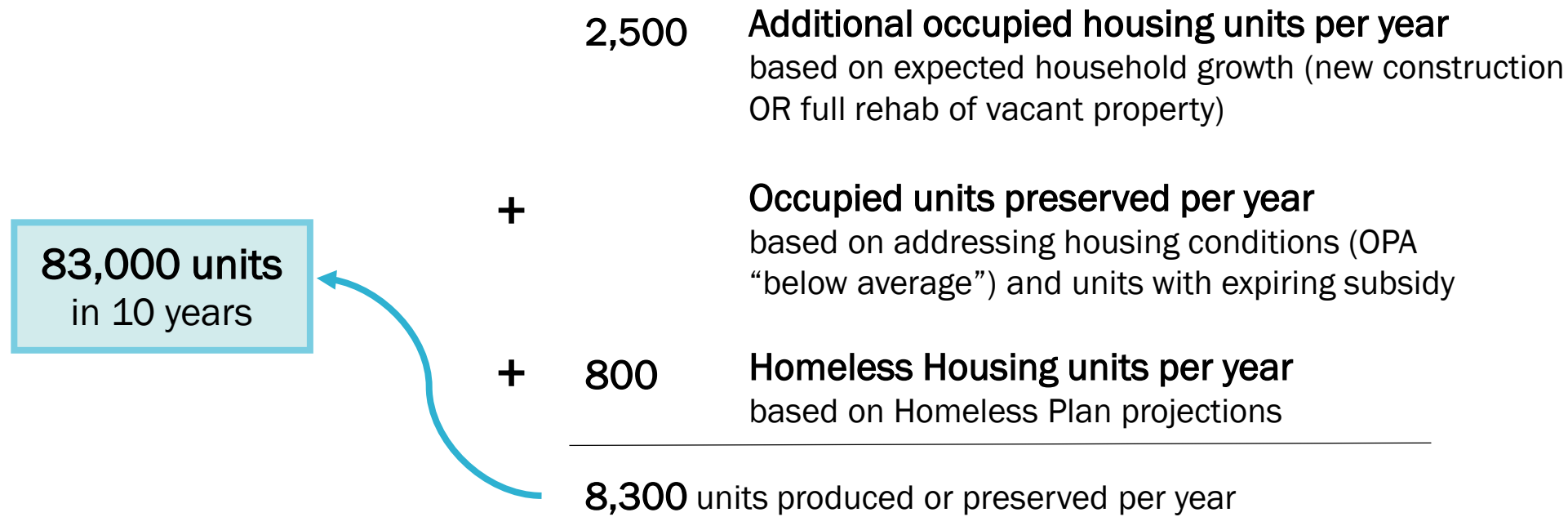
+

800

Homeless Housing units per year
Based on homeless plan projections

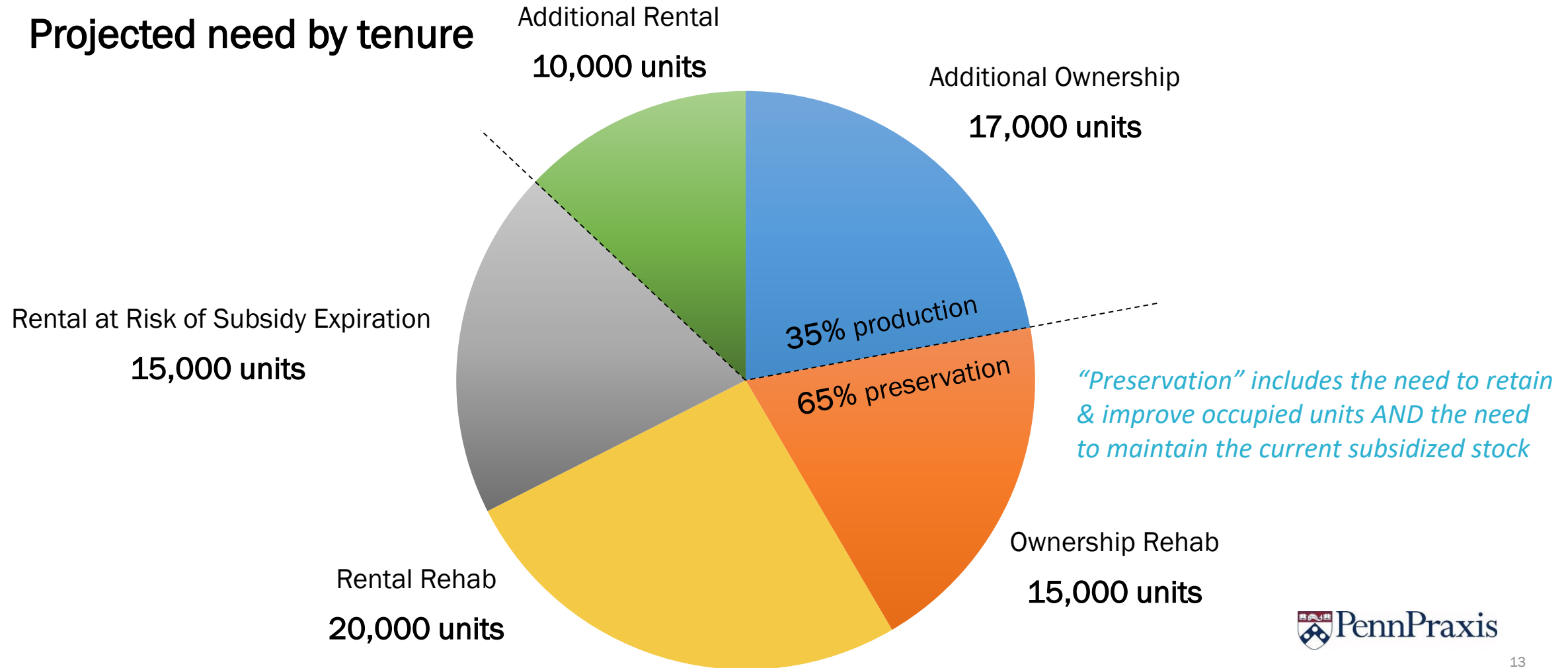
1. PROJECTIONS

Task: establish the City's housing needs for the next 10 years



1. PROJECTIONS

Projected need by tenure



2. TARGETS

Task: Establish Preliminary 10-Year Housing Targets by Income & Tenure

Step 2: Number of past & current units preserved/produced

Step 3: Feasible targets

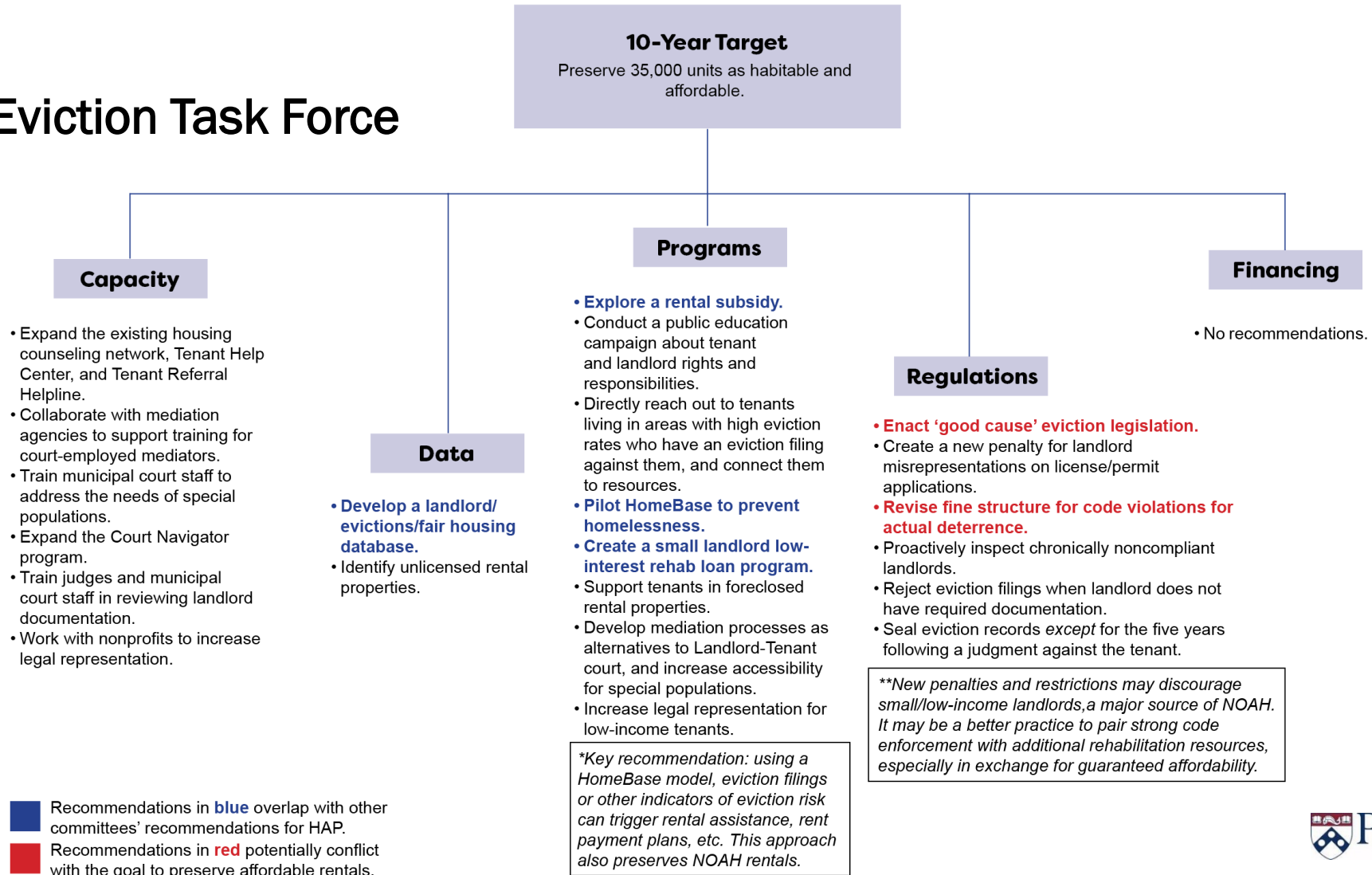
3. RECOMMENDATIONS AND STRATEGIES

Task: Review Each Group's Recommendations

Step 2: Meet with group chair to identify priorities

3. RECOMMENDATIONS AND STRATEGIES

Example: Eviction Task Force



4. RESEARCH

Task: Research best practices to meet targets

We are evaluating relevant precedents for each best practice based on:

1. Efficacy in achieving housing goal

2. Financial feasibility

3. Who implements & how

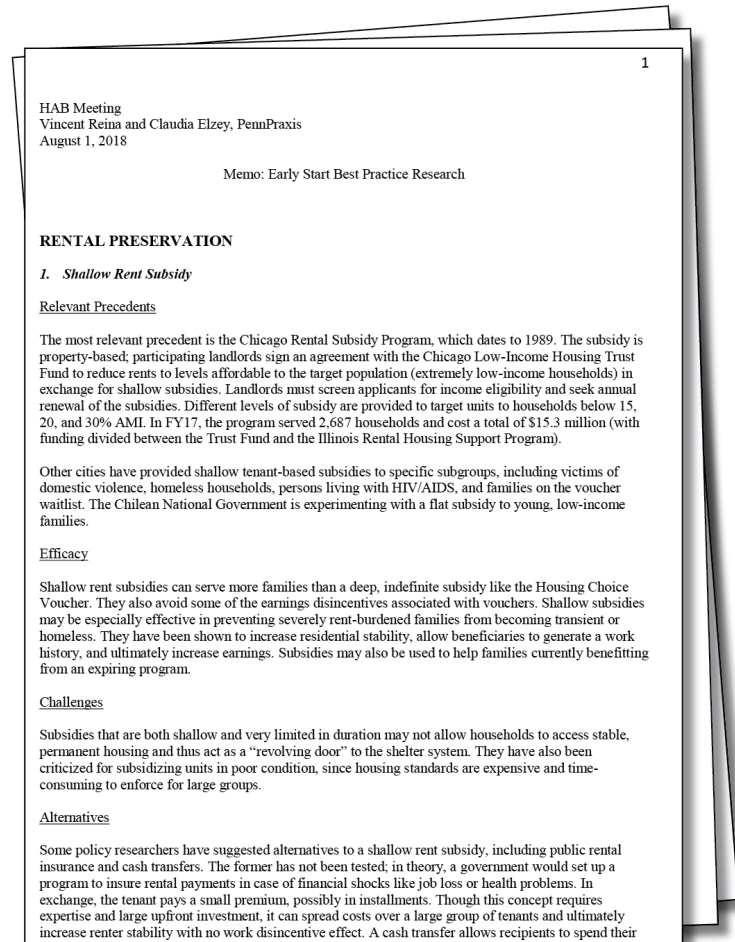
4. Impact on other goals, both negative and positive

4. RESEARCH

Task: Research best practices to meet targets

Early examples of best practice research include:

1. Shallow rent subsidy
2. Landlord incentive programs
3. Housing equity funds
4. Collateralizing public land
5. Collateralizing development portfolios
6. Construction efficiency tools



5. NEXT STEPS

- Review and assess remaining (5) working group priority recommendations
- Finalize 10-Year Housing Targets

Schedule

May 2018 – August 2018

- Initial Goals Established
- Best Practice Review and Research
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September 2018

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Q&A

Contact:

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Philadelphia Housing Action Plan Overview

Philadelphia LISC
Briefing For:
Housing Advisory Board
September 5, 2018

LISC

Presentation Overview

This presentation will cover the following plan elements:

- Core Value & Plan Outline
- Overall Progress To Date
- 10-year Target Review
- Drafting the Housing Action Plan
- Schedule
- Q&A



Housing Action Plan Core Value:

A commitment to develop policies and programs to foster economic growth, ensure sustainable neighborhoods, and provide safe, affordable housing options for all.



Project Objectives

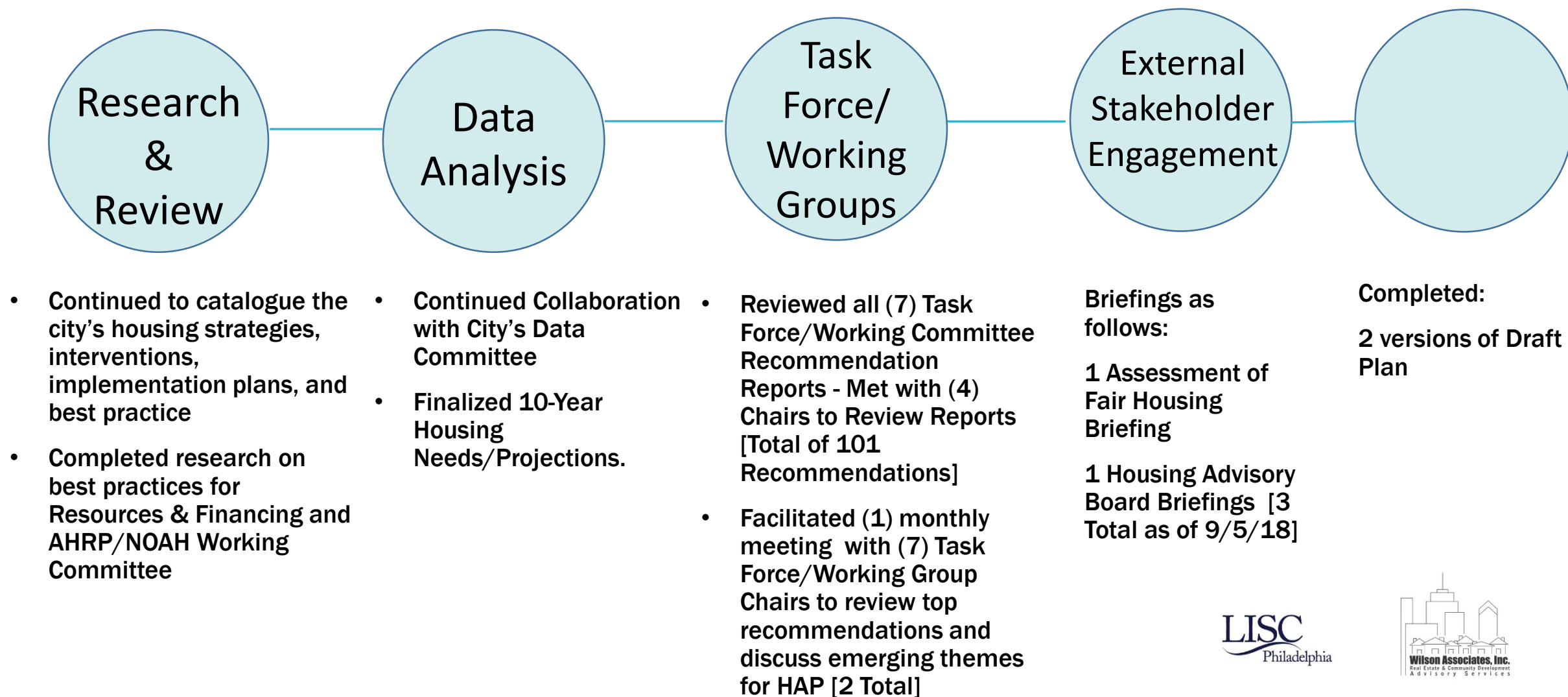
The City Charter change that created the Housing Advisory Board (HAB) also mandated the production of a multi-year strategic Housing Plan to provide recommendations for maintaining and increasing affordable housing, workforce housing, and market-rate housing.

Build a broad and deep constituency to help inform public policies, drive programs and generate capital to act on the project core value commitment

Use relevant data, best practices in the industry, and examples of success here and in other places to inform recommendations and priorities

Engage public, private and nonprofit stakeholders to work individually and collectively to help define and achieve actions called for in the housing plan

Consultant Team Progress Last 30 Days



10-Year Targets

Housing Advisory Board, 9/5/2018

Vincent Reina, Arthur Acolin & Claudia Elzey



AGENDA

1. Method

Review method for establishing City's 10-Year Housing Targets

2. Targets

Present 10-Year Housing Targets

1. METHOD

Task: set housing goals for the HAP

Population and
household projections
+ trends in household
size



25,000 newly
occupied units over
next 10 years

Transforming
Philadelphia's
Homelessness System
Plan



2,500 new permanently
supportive units needed

1. METHOD

Task: set housing goals for the HAP

Severely cost
burdened, Census
Bureau



83,000 renters and
42,000 owners

Office of Property
Assessment



25,000 units below average
condition, plus **1,000** additional
units/year

Affordable Rental
Housing
Preservation
Committee



14,500 units at risk of
subsidy expiration

1. METHOD

Task: set housing goals for the HAP

BSRP and AMP
programs



24,000 affordable units would receive
basic system repairs or adaptive
modifications at current service rates

Homestead, LOOP,
and HPLP programs



5,500 workforce units would receive
repairs or tax relief at current service
rates

1. METHOD

Task: set housing goals for the HAP

Based on...

- Tenure preferences by age cohort and income bracket
- Federal subsidies targeted to certain income groups

2. TARGETS

Task: Establish 10-Year Housing Targets

2. TARGETS

Ownership Units

GROUP	AMI	INCOME	PRESERVED UNITS	'NEW' UNITS
Homeless				
Affordable	<30%	\$0-25k	20,000	
	30-50%	\$25-42k	2,000	
	50-80%	\$42-67k	2,000	6,000
Workforce	80-120%	\$67-100k	5,500	4,000
Market-Rate	>120%	\$100k+		7,500
TOTAL			29,500	17,500

2. TARGETS

Rental Units

GROUP	AMI	INCOME	PRESERVED UNITS	'NEW' UNITS
Homeless				2,500
Affordable	<30%	\$0-25k	18,000	1,400
	30-50%	\$25-42k	6,000	4,200
	50-80%	\$42-67k	10,000	1,400
Workforce	80-120%	\$67-100k		2,000
Market-Rate	>120%	\$100k+		7,500
TOTAL			34,000	19,000

2. TARGETS

Summary

GROUP	AMI	OWNERSHIP		RENTAL		TOTAL
		PRESERVED	NEW	PRESERVED	NEW	
Homeless					2,500	2,500
Affordable	<30%	20,000		18,000	1,400	39,400
	30-50%	2,000		6,000	4,200	12,200
	50-80%	2,000	6,000	10,000	1,400	19,400
Workforce	80-120%	5,500	4,000		2,000	11,500
Market-Rate	>120%		7,500		7,500	15,000
TOTAL		29,500	17,500	34,000	19,000	100,000

Drafting the Housing Action Plan:

Preliminary Recommendations & Plan Outline

Housing Advisory Board, 9/5/2018

Carolyn Placke, Vincent Reina, Claudia Elzey, Lamar Wilson



Task Force/Working Committee Engagement Process

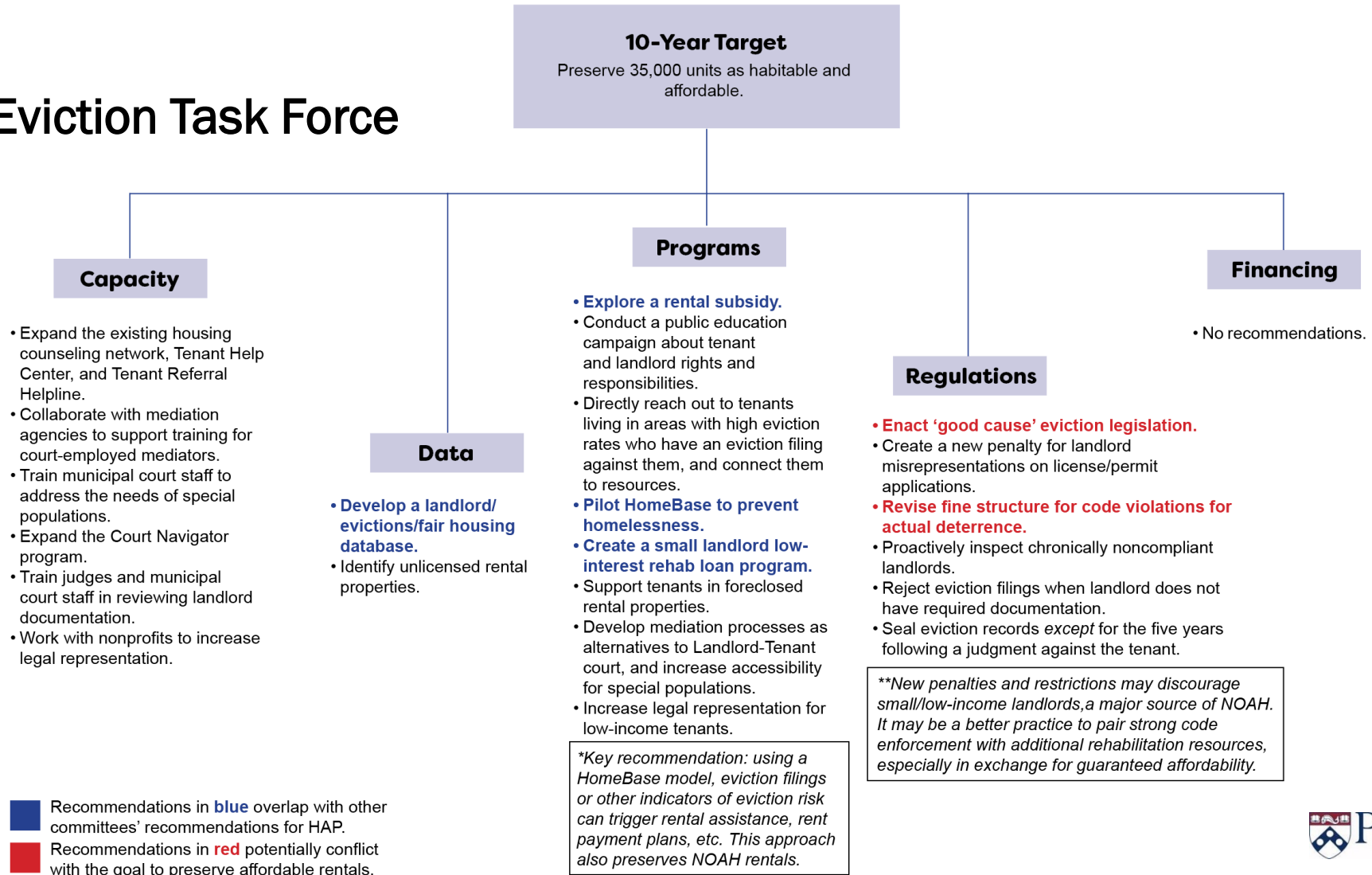
Task: Monthly Meetings with Task Force/Working Committee Chairs

2: Identify & Address Any Overlaps Between Recommendations

3: Ensure Strategies and Recommendations are Aligned To Meet City's 10 Year Housing Targets

Task Force/Working Committee Engagement Process

Example: Eviction Task Force



EMERGING THEMES & PRELIMINARY RECOMMENDATIONS

**Preserving,
Protecting, and
Securing Long-Term
Affordability**

**Providing Pathways
to Homeownership,
Wealth Building &
Strong Diverse
Communities**

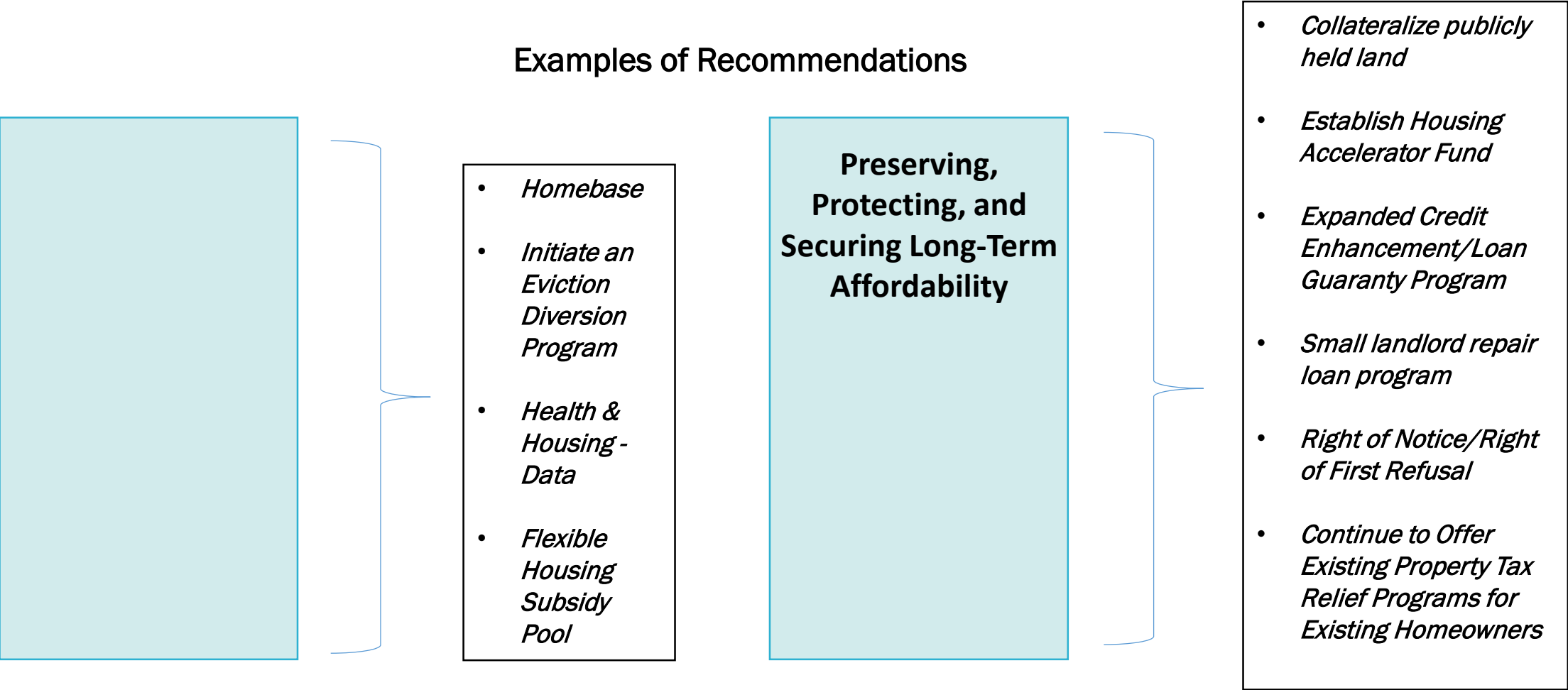
**Enabling
Efficient, Cost
Effective &
Innovative
Development**

**Encouraging
Equitable Economic
Growth without
Displacement**

EMERGING THEMES & PRELIMINARY RECOMMENDATIONS:

Chairs Reviewed 101 Recommendations

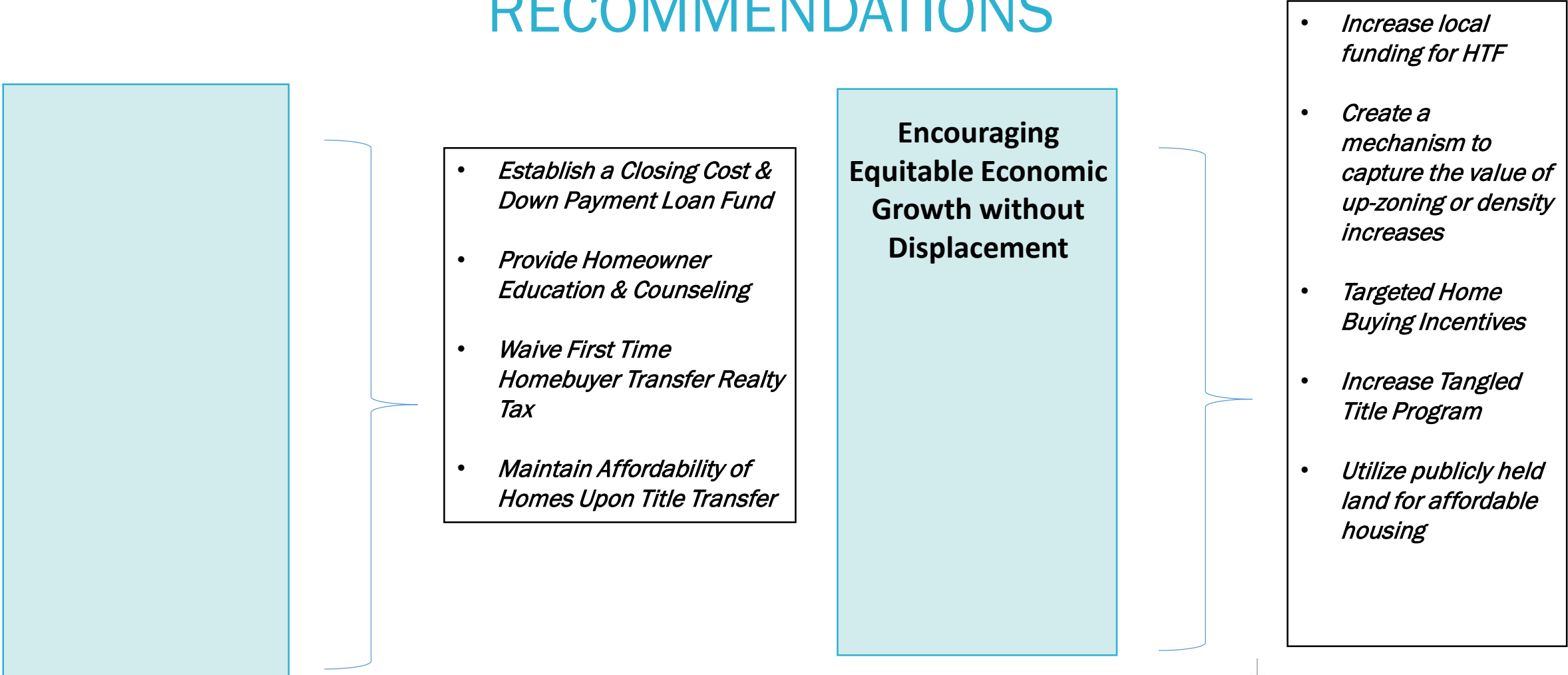
Examples of Recommendations

- 
- *Homebase*
 - *Initiate an Eviction Diversion Program*
 - *Health & Housing - Data*
 - *Flexible Housing Subsidy Pool*

Preserving, Protecting, and Securing Long-Term Affordability

- *Collateralize publicly held land*
- *Establish Housing Accelerator Fund*
- *Expanded Credit Enhancement/Loan Guaranty Program*
- *Small landlord repair loan program*
- *Right of Notice/Right of First Refusal*
- *Continue to Offer Existing Property Tax Relief Programs for Existing Homeowners*

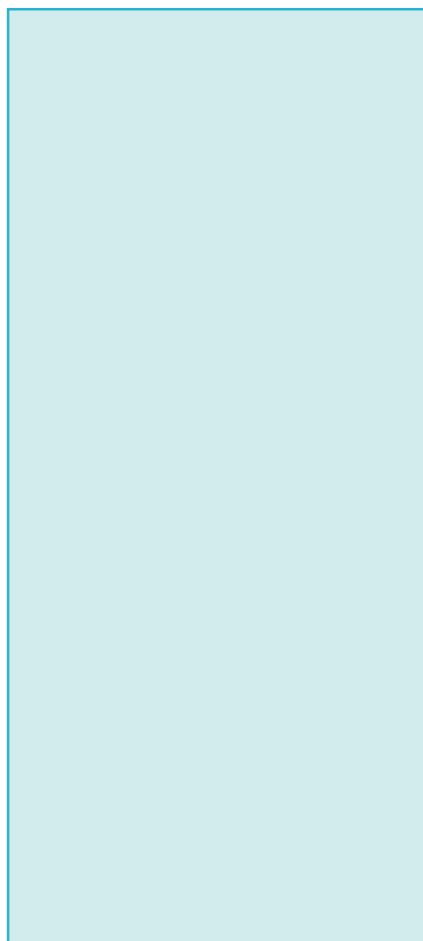
EMERGING THEMES & PRELIMINARY RECOMMENDATIONS

- 
- *Establish a Closing Cost & Down Payment Loan Fund*
 - *Provide Homeowner Education & Counseling*
 - *Waive First Time Homebuyer Transfer Realty Tax*
 - *Maintain Affordability of Homes Upon Title Transfer*

Encouraging Equitable Economic Growth without Displacement

- *Increase local funding for HTF*
- *Create a mechanism to capture the value of up-zoning or density increases*
- *Targeted Home Buying Incentives*
- *Increase Tangled Title Program*
- *Utilize publicly held land for affordable housing*

EMERGING THEMES & PRELIMINARY RECOMMENDATIONS



- *Fully fund & implement eCclipse within 12 months*
- *Negotiate a PLA with an affordable housing rate*
- *Further investigate the use of modular and other cost saving technologies*
- *Institute mechanism to track entitlement process in real-time*
- *Explore use of third-party code review*
- *Increase access to programs through efficient transparent systems*

Housing Action Plan Content

The Plan is designed to be a concise and prescriptive road map (approximately 20 pages) to achieve the finalized 10-year production and preservation goals. The outline of the document is as follows:

- Executive Summary
- Identification of 10-year targets with graphics identifying how they were derived
- Key Policy and Program Initiatives either in place or needed to achieve identified goals
- Implementation of the Plan, which will include assessing the resources needed and how to secure those resources
- Monitoring/Evaluation to ensure goals are on track to be achieved
- Timeline for full implementation of the plan

5. NEXT STEPS

- Complete Cataloging Task Force/Working Committee Recommendations
- Prioritize Key Policies and Recommendations
- Finalize Plan

Schedule

May 2018 – August 2018

- Initial Goals Established
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Q&A

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Philadelphia Housing Action Plan Overview

Philadelphia LISC

Briefing For:

Philadelphia Assoc. Of CDCs &
Affirmatively Furthering Fair Housing
Stakeholders

July 18, 2018

LISC

Project Core Team



Presentation Overview

This presentation will cover the following plan elements:

- Housing Action Plan background
- Process
- Engagement
- Plan Content
- Research & Review
- Schedule



Housing Action Plan Core Value:

A commitment to develop policies and programs to foster economic growth, ensure sustainable neighborhoods, and provide safe, affordable housing options for all.



Project Objectives

The City Charter change that created the Housing Advisory Board (HAB) also mandated the production of a multi-year strategic Housing Plan to provide recommendations for maintaining and increasing affordable housing, workforce housing, and market-rate housing.

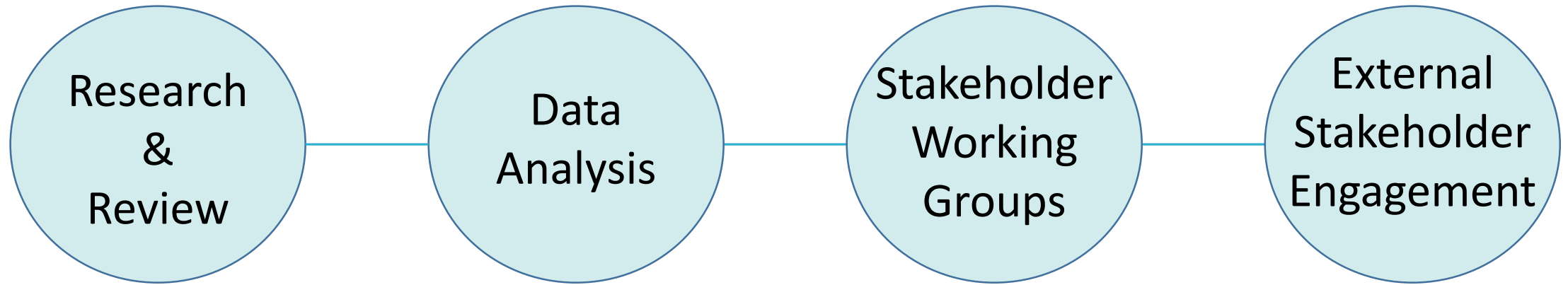
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Use relevant data, best practices in the industry, and examples of success here and in other places to inform recommendations and priorities

Engage public, private and nonprofit stakeholders to work individually and collectively to help define and achieve actions called for in the housing plan

Project Process

The Housing Action Plan process consists of the following phases of work:



Research & Review:

Consultant team will review existing plan, studies, and task Force/Stakeholder Working Group reports and recommendations. Consultants will also conduct best practice research informed by stakeholder group input

Data Analysis:

Consultant team will meet with Data Committee to review and refine 10-year unit goals based on data analysis and input from stakeholder groups

Task Force/Stakeholder Working Group

Engagement: Each stakeholder group will provide top priority recommendations to the consultant team and P&D coordinating staff for refinement and inclusion in the Plan

Broader External Stakeholder Engagement:

Consultant team will provide periodic presentations to City Council and the Housing Advisory Board (HAB). The team will also present the draft plan to City Council and HAB for review and comment. In addition, the consultant will invite representatives from non-profit, for-profit, and fair Housing/Anti-Displacement sectors to attend HAB meetings

Engagement

The City has completed several comprehensive plans including the Assessment of Fair Housing; the 5-year Consolidated Plan, the 2035 Plan, and 17 District Plans.

Each of these plans involved extensive data analysis and robust public engagement

Assessment of Fair Housing Plan Process

Over 5,000 neighborhood and public housing residents completed surveys

District Plans

nearly 5,000 residents attended community meetings associated with the development of these plans

Engagement

Further, the Housing Action Plan is tapping into the work of several existing and newly created task force/stakeholder groups:

Participants in these groups include a broad range of non-profit, for-profit, institutional, governmental, and philanthropic stakeholders. Best practices and regulatory/legislative strategies will be considered across all groups.



Stakeholder Groups

- **Eviction prevention**
- **Homeless Strategic Plan**
- **Historic Preservation**
- **Affirmatively Furthering Fair Housing Stakeholders**
- **Affordable Rental Housing Preservation**
- **Construction Cost & Technology**
- **Access to Homeownership**
- **Resources & Financing**

Plan Content

The Plan is designed to be a concise and prescriptive road map (approximately 20 pages) to achieve the finalized 10-year production and preservation goals. The outline of the document is as follows:

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- Timeline for full implementation of the plan

HOUSING ACTION PLAN RESEARCH UPDATE

PACDC and AFH Stakeholders, 7/18/2018

Vincent Reina, Arthur Acolin, & Claudia Elzey

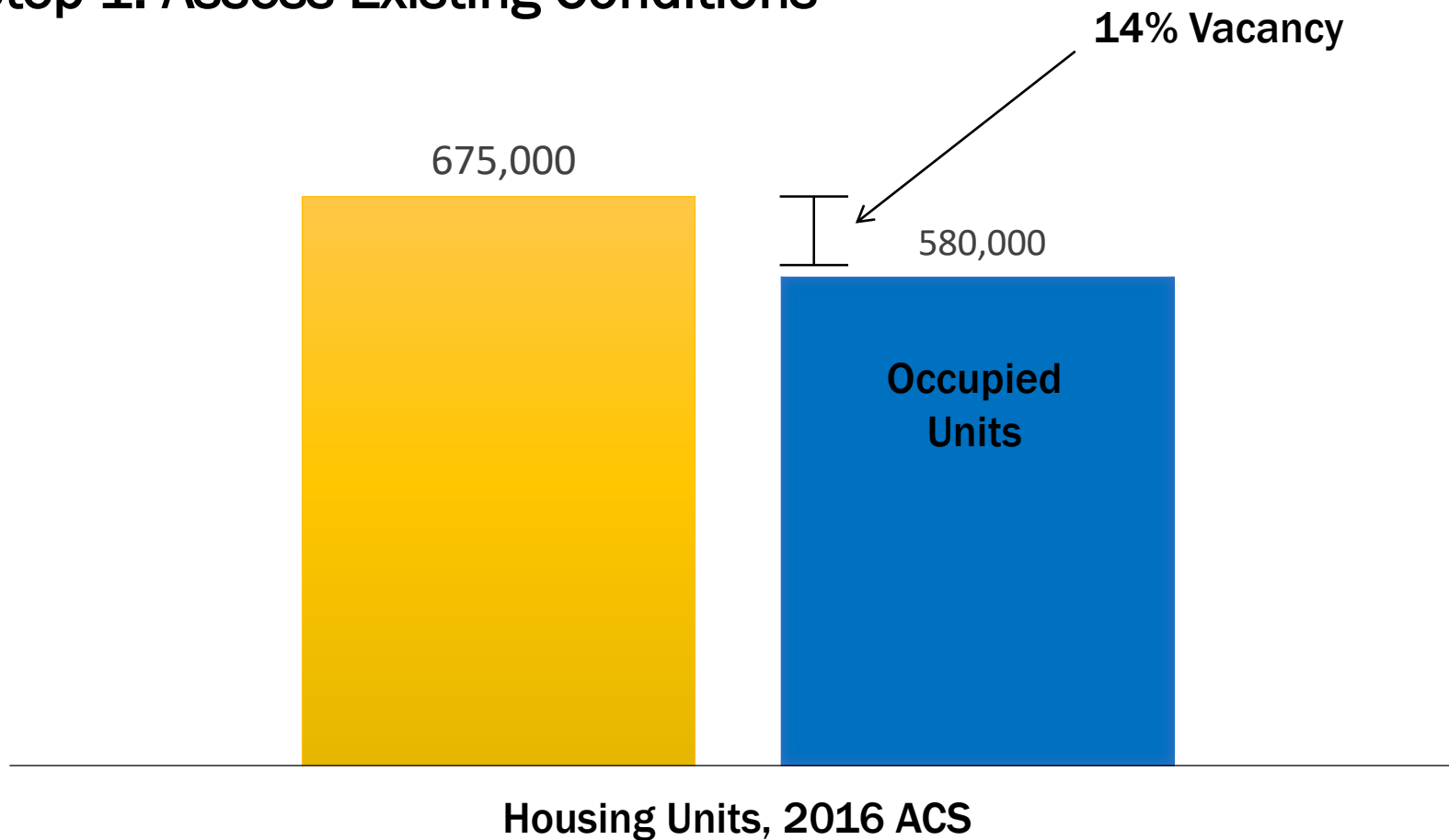


AGENDA

1. TARGETS: 10-Year Production & Preservation Needs
2. PLAN REVIEW: Reviewing Existing Plans + Gap Analysis
3. RESEARCH: Best Practices
4. NEXT STEPS

1. TARGETS

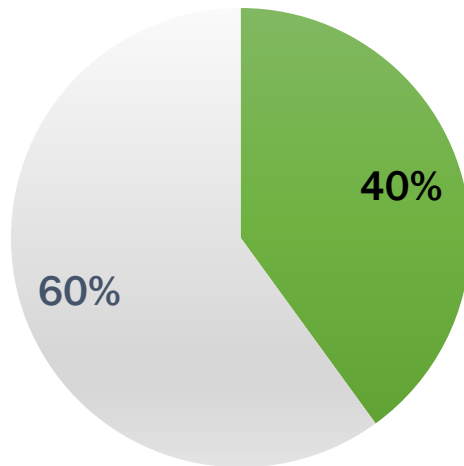
Step 1: Assess Existing Conditions



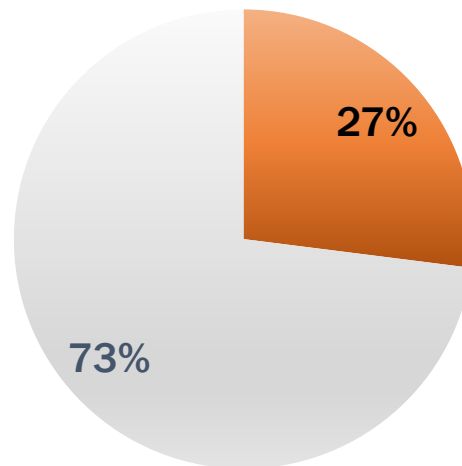
1. TARGETS

Step 1: Assess Existing Conditions

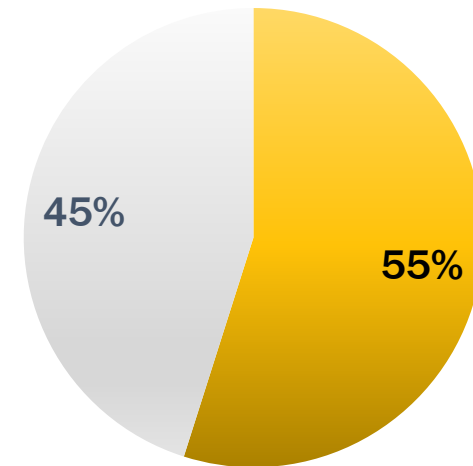
All Households



Owners



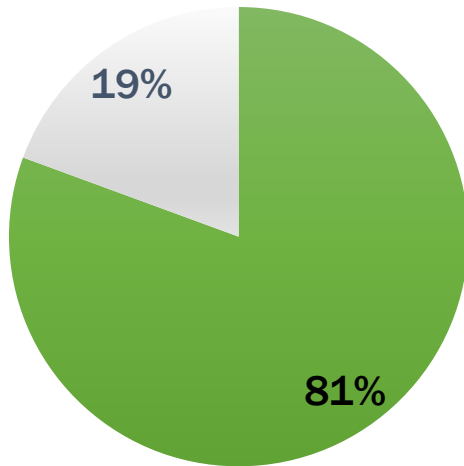
Renters



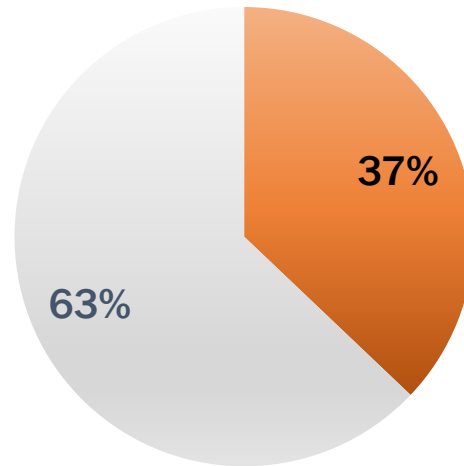
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Step 1: Assessing Existing Conditions

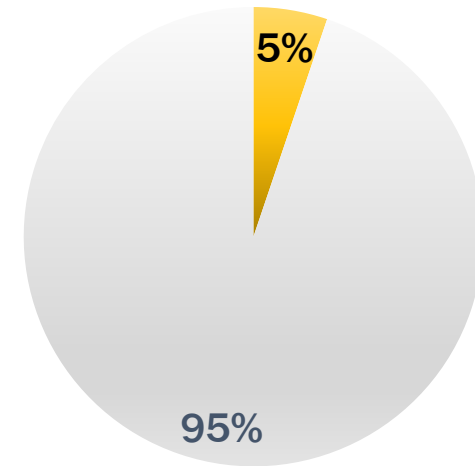
Households <30% AMI



Households 30-80% AMI

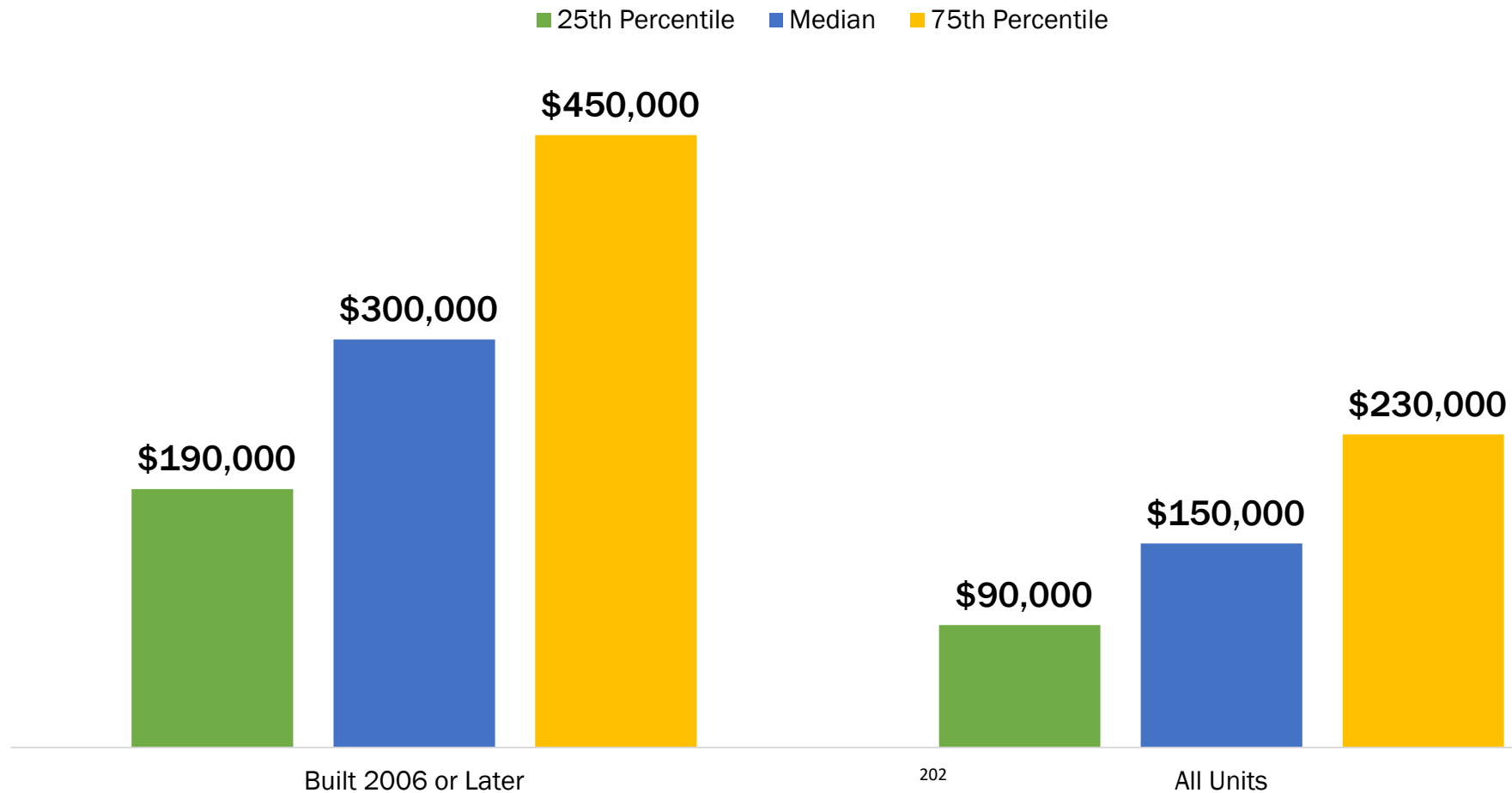


Households >80% AMI



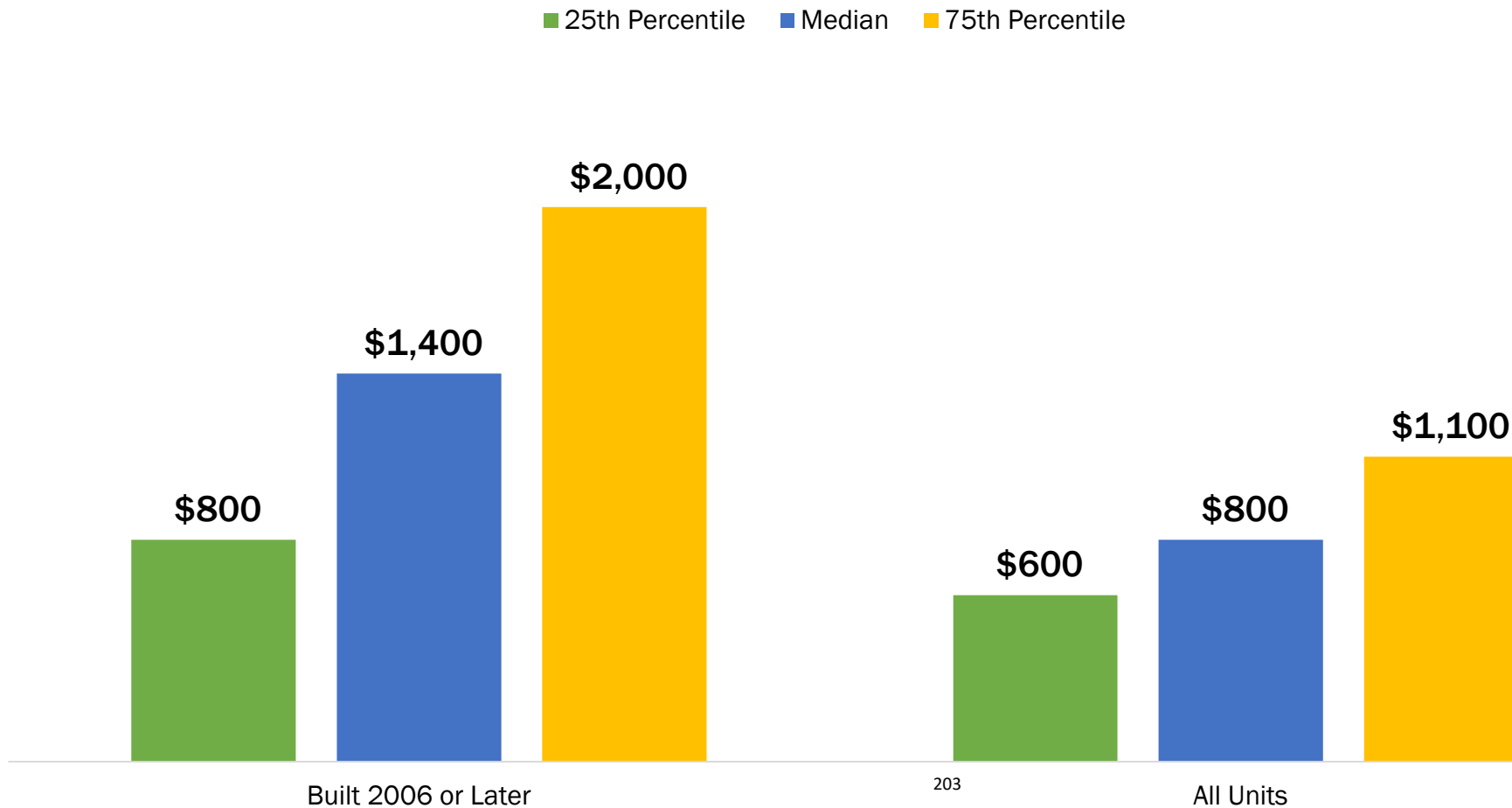
1. TARGETS

Step 1: Assess Existing Conditions



1. TARGETS

Step 1: Assess Existing Conditions



1. TARGETS

Step 1: Assess Existing Conditions

2,600
households/year

2,400
permits/year

Average annual building
permits, 2007-2017

7,850
permits/year

Average annual
alteration permits,
2007-2017

1. TARGETS

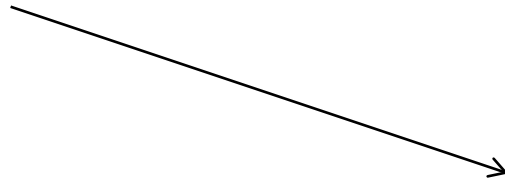
Task: establish the City's housing needs for the next 10 years for the following:

- Homeless
- Affordable
- Work-force
- Non-income restricted

1. TARGETS

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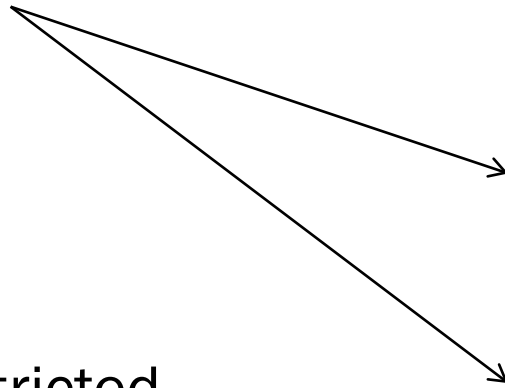


1. How many units are needed to accommodate expected household growth?

1. TARGETS

Task: establish the City's housing needs for the next 10 years for the following:

- Homeless
- Affordable
- Work-force
- Non-income restricted



1. How many units are needed to accommodate expected household growth?

2. How many units need substantial rehabilitation/reinvestment?

1. TARGETS

Step 2: Projecting household growth

1,980 units/year

27,721 units

Unit need based on
2030 population
projection

1. TARGETS

Step 2: Projecting household growth

1,980 units/year
27,721 units

Unit need based on
2030 population
projection

2,119 units/year
29,662 units

Unit need based on
population projection
plus declining household
size

1. TARGETS

Step 2: Projecting household growth

1,980 units/year
27,721 units

Unit need based on
2030 population
projection

2,119 units/year
29,662 units

Unit need based on
population projection
plus declining household
size

2,880 units/year
40,322 units

Unit need based on
cohort-survival
projection

1. TARGETS

Step 2: Projecting household growth

1,980 units/year
27,721 units

Unit need based on
2030 population
projection

2,119 units/year
29,662 units

Unit need based on
population projection
plus declining household
size

2,880 units/year
40,322 units

Unit need based on
cohort-survival
projection

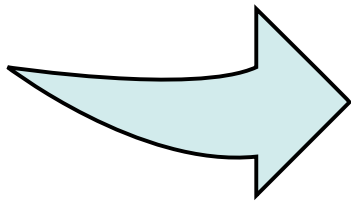
3,082 units/year
43,144 units

Unit need based on
cohort-survival
projection **plus** declining
household size

1. TARGETS

Step 2: Projecting household growth

Projections range from ~2,000 to ~3,000 units per year



We recommend **2,500** units per year as a reasonable growth estimate that matches historical trends

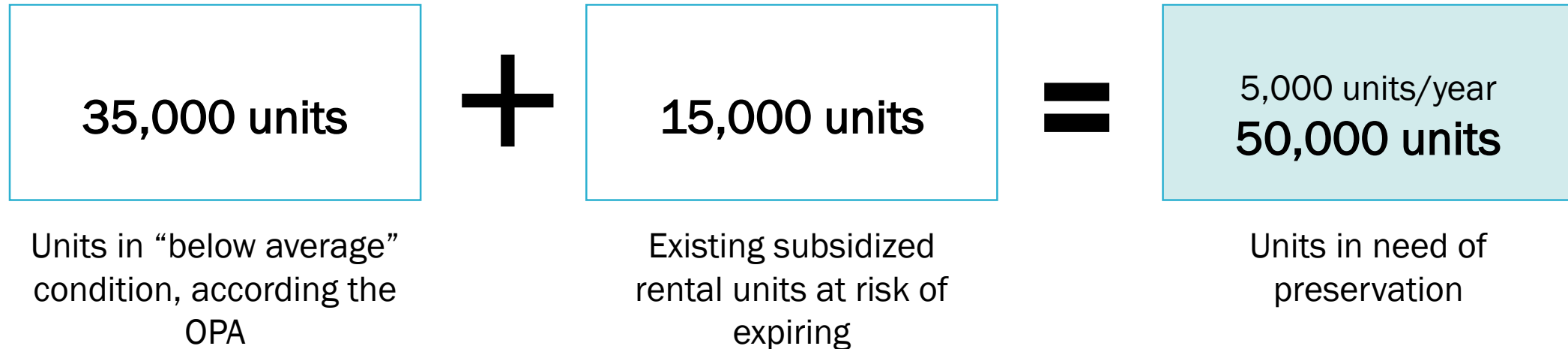
1. TARGETS

Step 3: Estimating preservation needs

- Philadelphia has an abundance of aging, underutilized, and vacant housing
- Estimating preservation needs is an important part of meeting housing needs that stem from substandard conditions, overcrowding, and housing cost burden

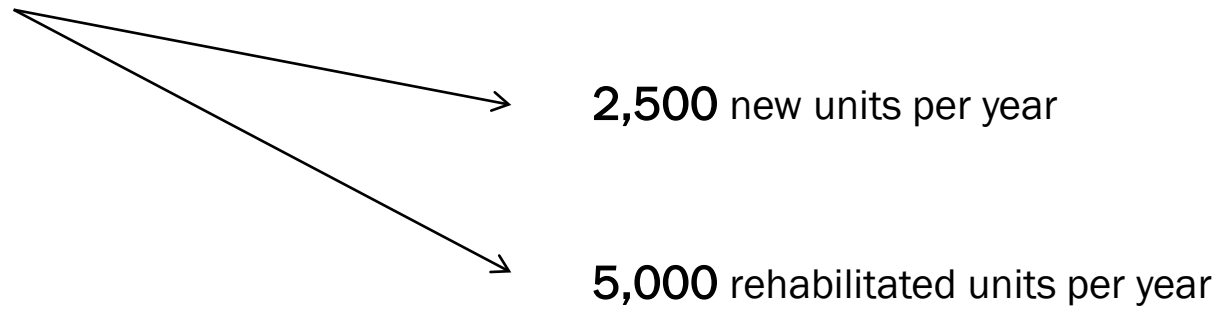
1. TARGETS

Step 3: Estimating preservation needs



1. TARGETS

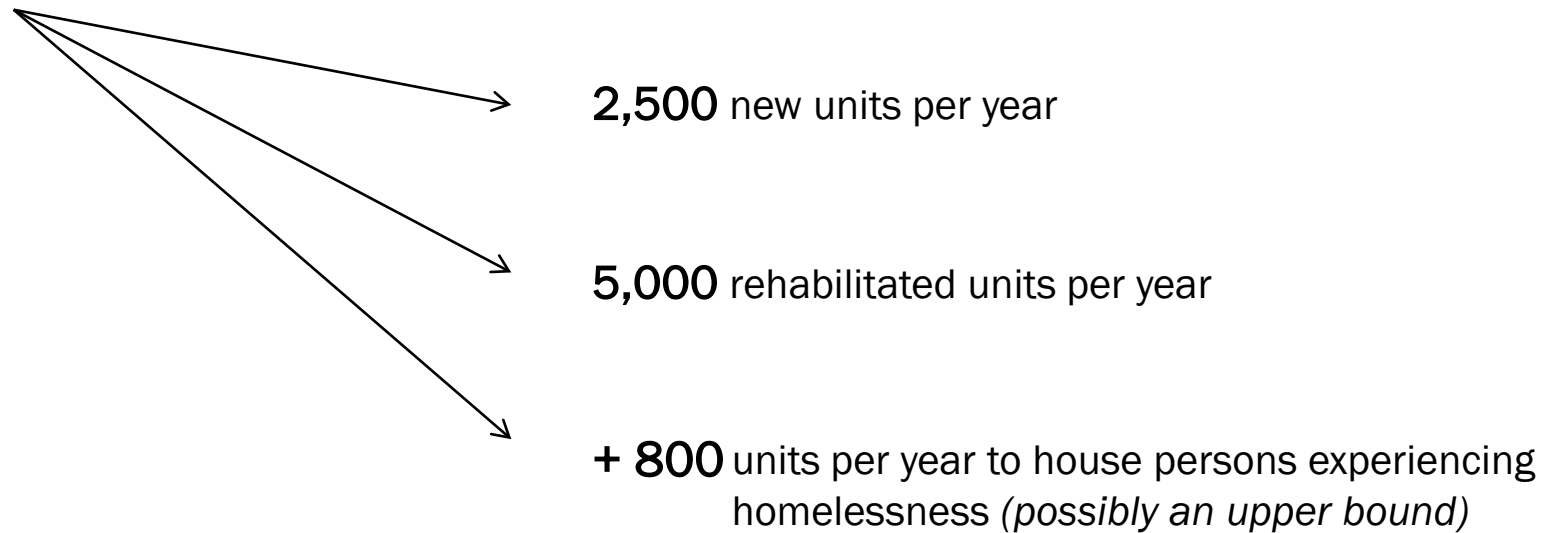
Task: establish the City's housing needs for the next 10 years



7,500 units per year, or **75,000 units** in 10 years

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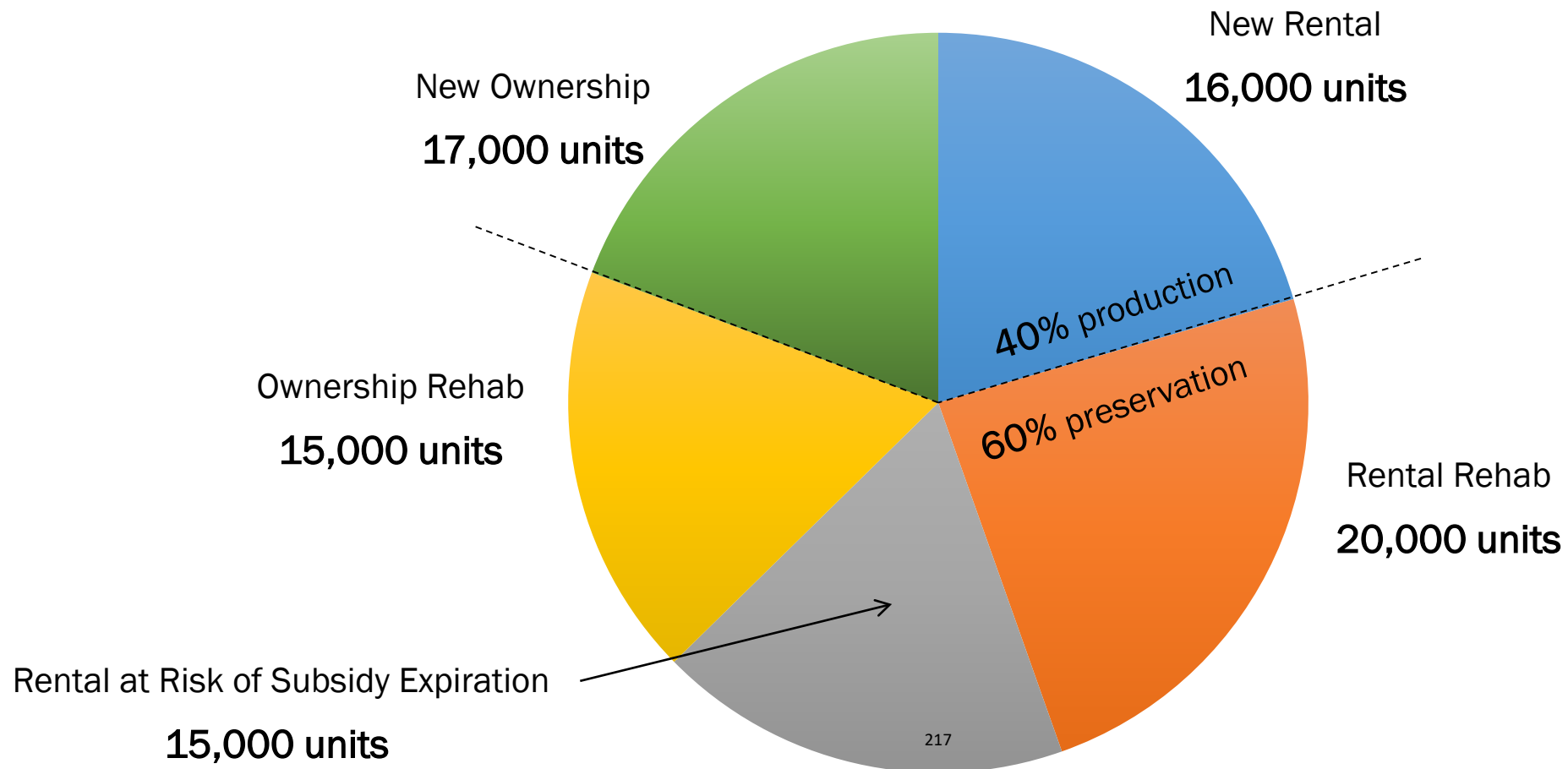
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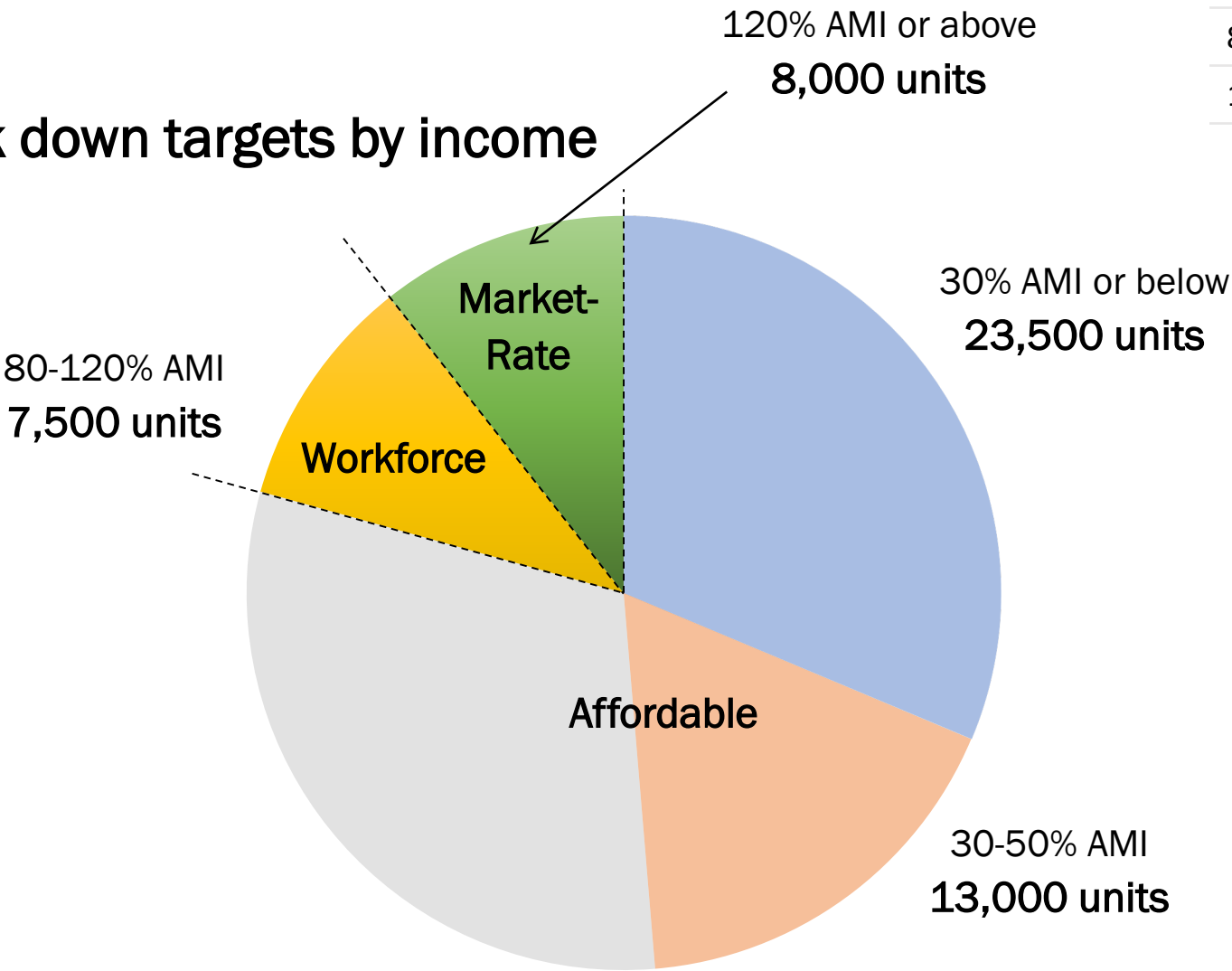
Step 4: Break down targets by tenure



1. TARGETS

Step 5: Break down targets by income

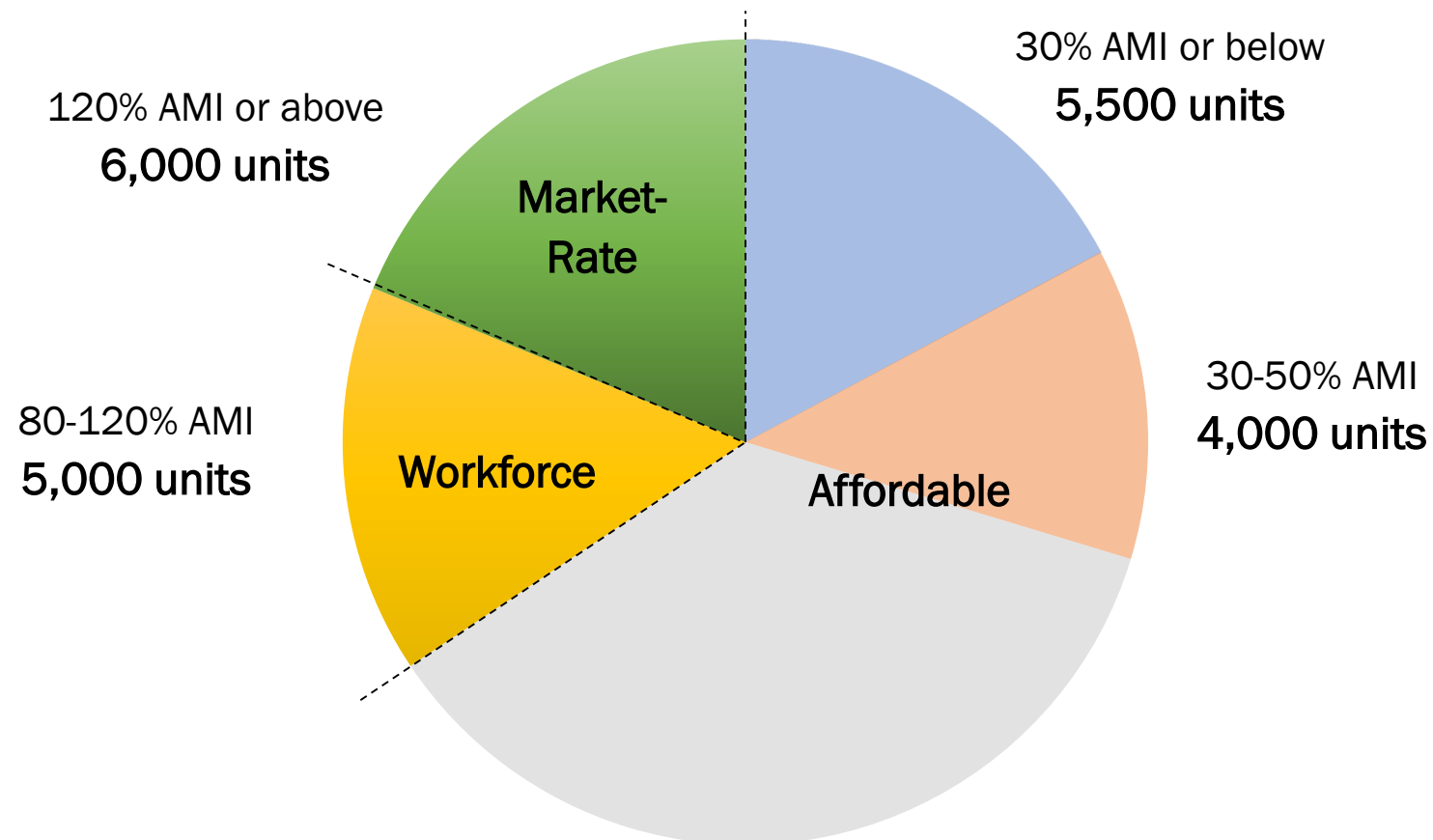
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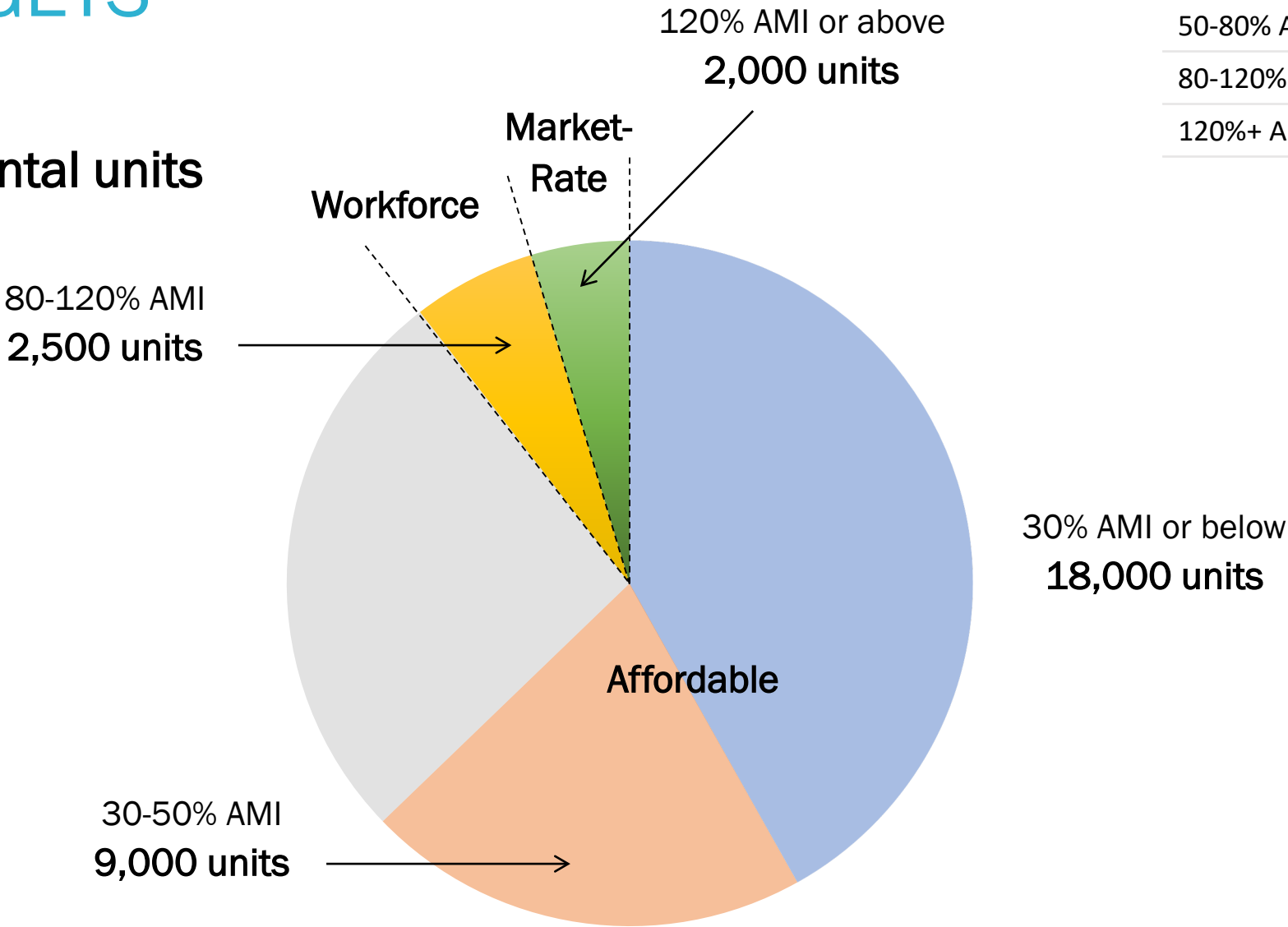
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Task: Review Existing Plans and Identify Any Gaps

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Step 1: Review Existing Plans

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Schedule

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Q&A

Contact:

Carolyn Placke

Program Officer | Housing

Local Initiatives Support Corporation

718 Arch Street, Suite 500 South

Philadelphia, PA 19106

215.923.1743

CPlacke@lisc.org





Philadelphia Housing Action Plan Overview

Philadelphia LISC

Briefing For:

Philadelphia City Council

June 18, 2018

LISC

Presentation Overview

This presentation will cover the following plan elements:

- Housing Action Plan background
- Process
- Engagement
- Plan Content
- Research & Review
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Project Core Team



Housing Action Plan Core Value:

A commitment to develop policies and programs to foster economic growth, ensure sustainable neighborhoods, and provide safe, affordable housing options for all.



Project Objectives

The City Charter change that created the Housing Advisory Board (HAB) also mandated the production of a multi-year strategic Housing Plan to provide recommendations for maintaining and increasing affordable housing, workforce housing, and market-rate housing.

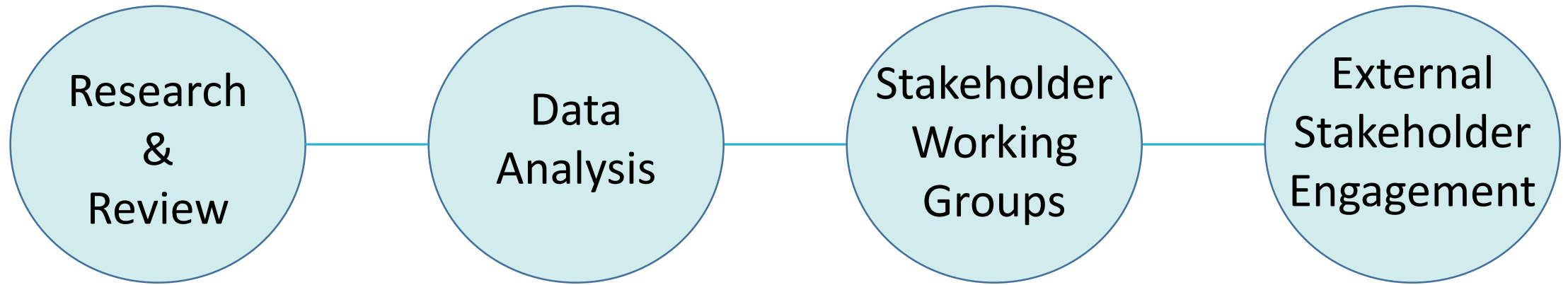
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Each of these plans involved extensive data analysis and robust public engagement

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Over 5,000 neighborhood and public housing residents completed surveys

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Further, the Housing Action Plan is tapping into the work of several existing and newly created task force/stakeholder groups:

Participants in these groups include a broad range of non-profit, for-profit, institutional, governmental, and philanthropic stakeholders. Best practices and regulatory/legislative strategies will be considered across all groups.

Stakeholder Groups

- **Eviction prevention**
- **Homeless Strategic Plan**
- **Historic Preservation**
- **Affirmatively Furthering Fair Housing Stakeholders**
- **Affordable Rental Housing Preservation**
- **Construction Cost & Technology**
- **Access to Homeownership**
- **Resources & Financing**

Plan Content

The Plan is designed to be a concise and prescriptive road map (approximately 20 pages) to achieve the finalized 10-year production and preservation goals. The outline of the document is as follows:

- Executive Summary
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- Timeline for full implementation of the plan

HOUSING ACTION PLAN RESEARCH UPDATE

City Council Staff Briefing, 6/18/2018

Vincent Reina, Arthur Acolin, & Claudia Elzey

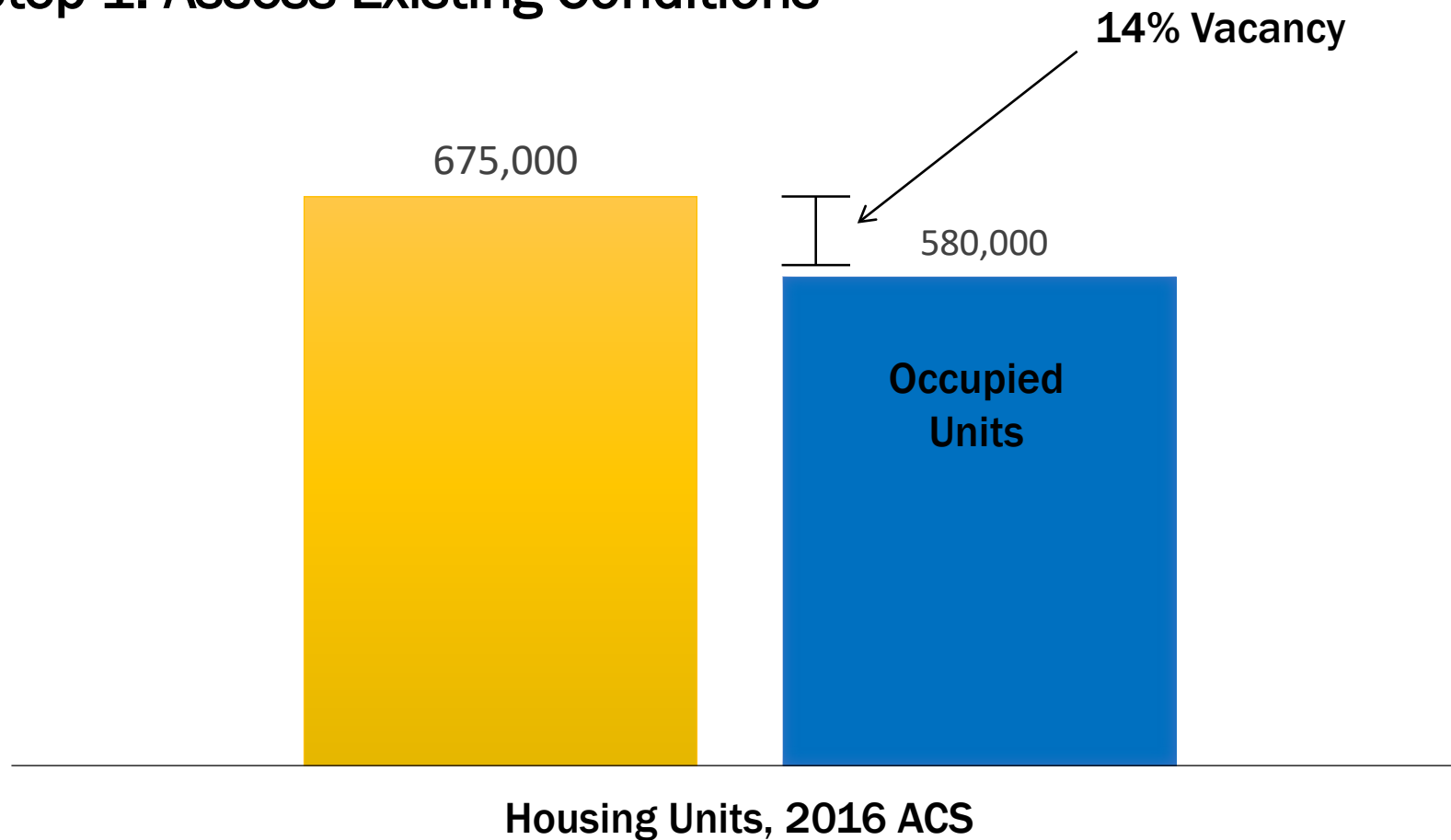


AGENDA

1. TARGETS: 10-Year Production & Preservation Needs
2. PLAN REVIEW: Reviewing Existing Plans + Gap Analysis
3. RESEARCH: Best Practices
4. NEXT STEPS

1. TARGETS

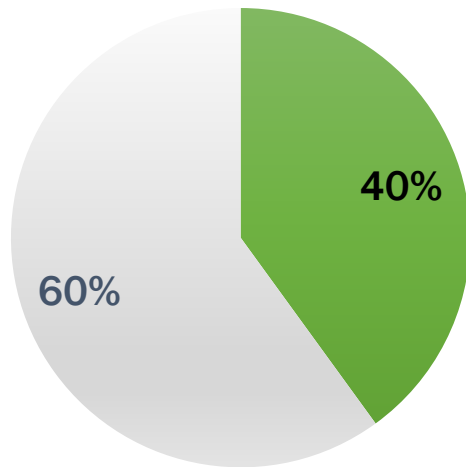
Step 1: Assess Existing Conditions



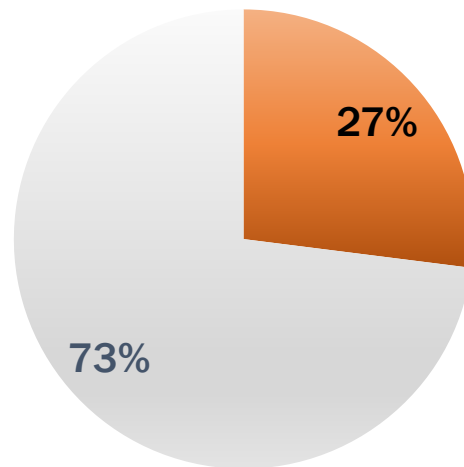
1. TARGETS

Step 1: Assess Existing Conditions

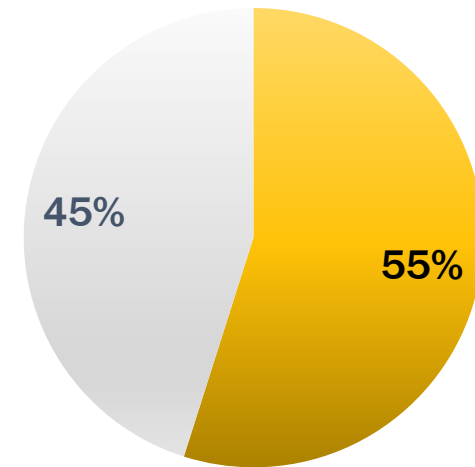
All Households



Owners



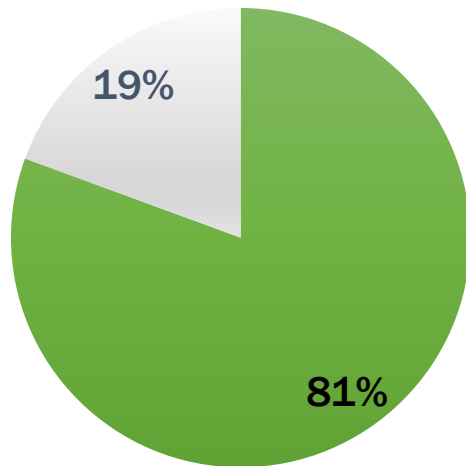
Renters



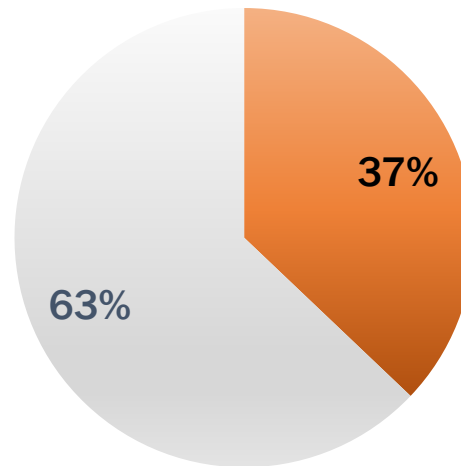
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Step 1: Assessing Existing Conditions

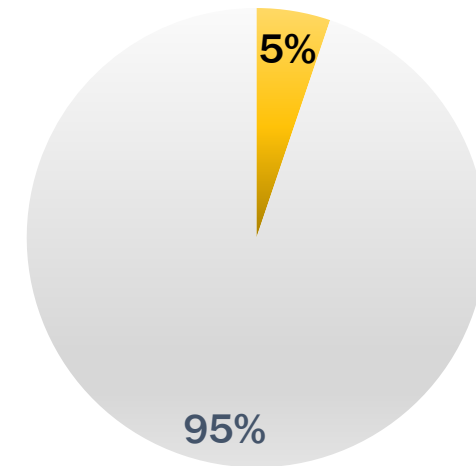
Households <30% AMI



Households 30-80% AMI

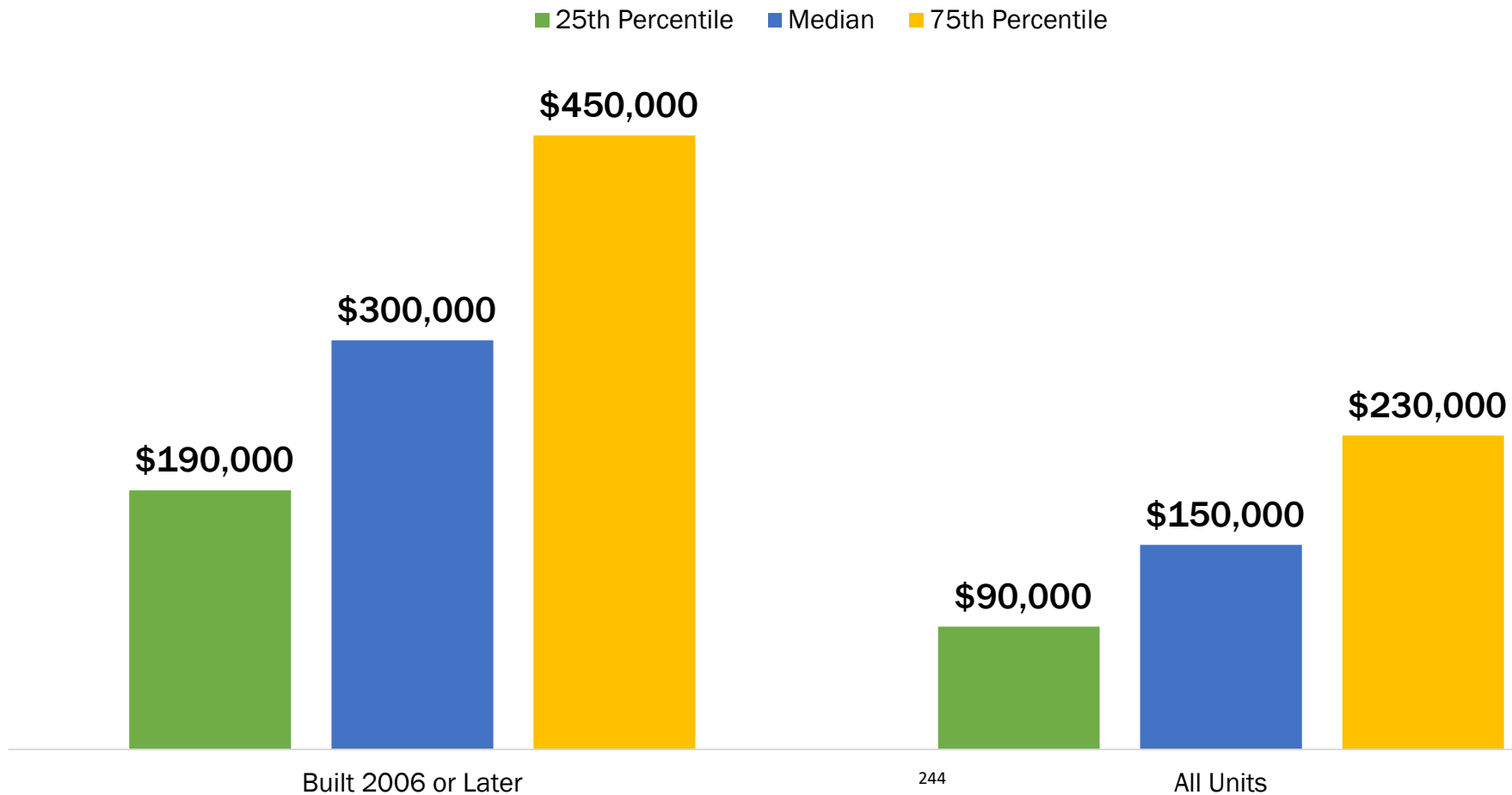


Households >80% AMI



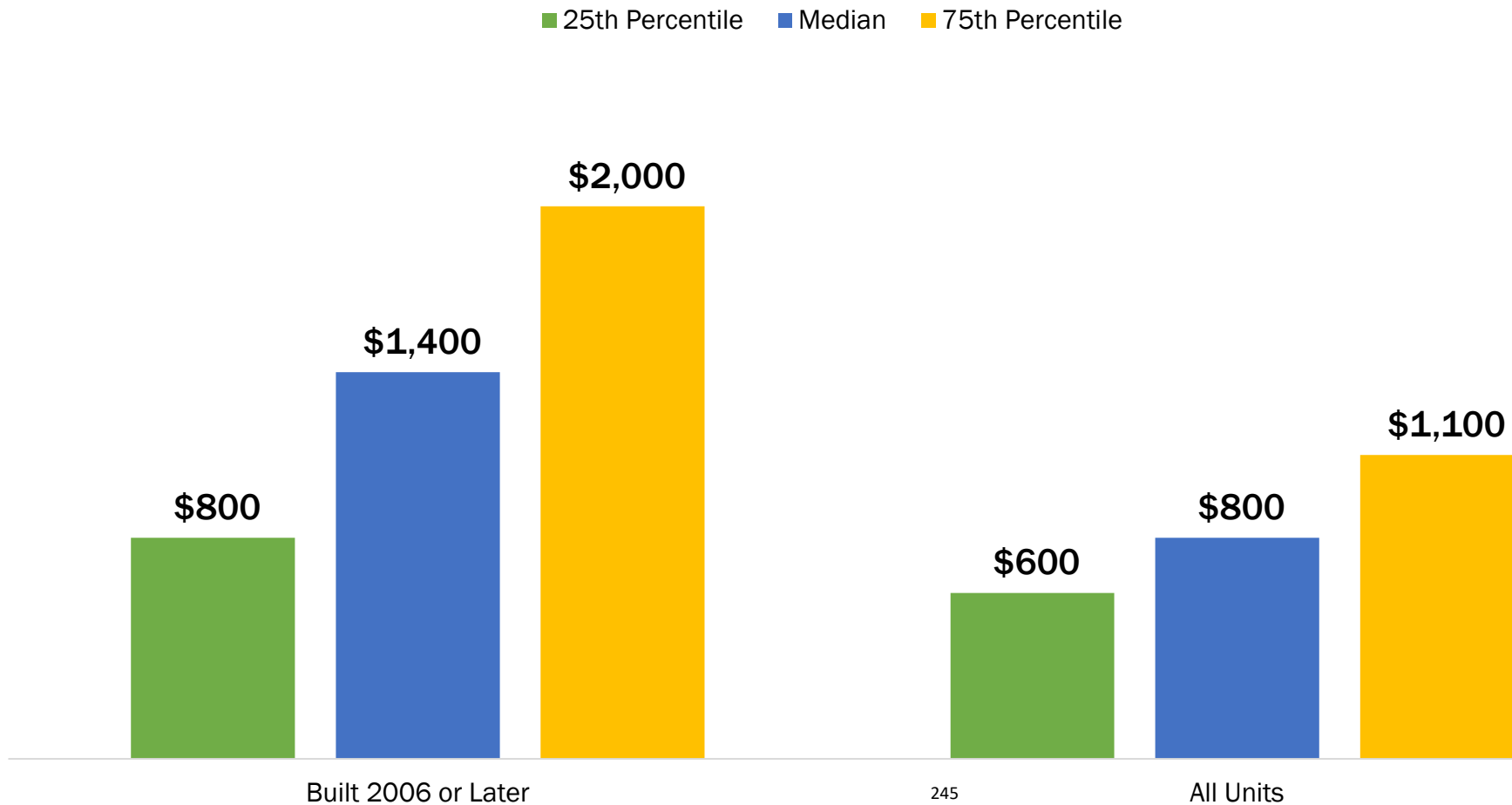
1. TARGETS

Step 1: Assess Existing Conditions



1. TARGETS

Step 1: Assess Existing Conditions



1. TARGETS

Step 1: Assess Existing Conditions

2,600
households/year

2,400
permits/year

Average annual building
permits, 2007-2017

7,850
permits/year

Average annual
alteration permits,
2007-2017

1. TARGETS

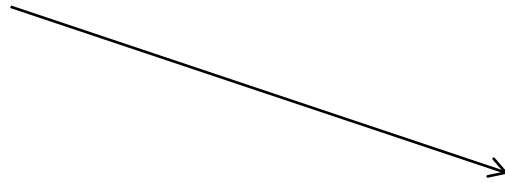
Task: establish the City's housing needs for the next 10 years for the following:

- Homeless
- Affordable
- Work-force
- Non-income restricted

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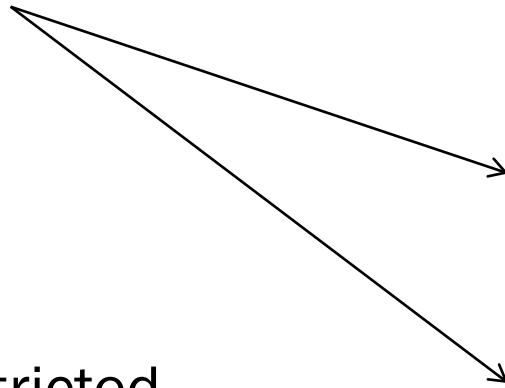


1. How many units are needed to accommodate expected household growth?

1. TARGETS

Task: establish the City's housing needs for the next 10 years for the following:

- Homeless
- Affordable
- Work-force
- Non-income restricted



1. How many units are needed to accommodate expected household growth?

2. How many units need substantial rehabilitation/reinvestment?

1. TARGETS

Step 2: Projecting household growth

1,980 units/year

27,721 units

Unit need based on
2030 population
projection

1. TARGETS

Step 2: Projecting household growth

1,980 units/year
27,721 units

Unit need based on
2030 population
projection

2,119 units/year
29,662 units

Unit need based on
population projection
plus declining household
size

1. TARGETS

Step 2: Projecting household growth

1,980 units/year
27,721 units

Unit need based on
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2,119 units/year
29,662 units

Unit need based on
population projection
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size

2,880 units/year
40,322 units

Unit need based on
cohort-survival
projection

1. TARGETS

Step 2: Projecting household growth

1,980 units/year
27,721 units

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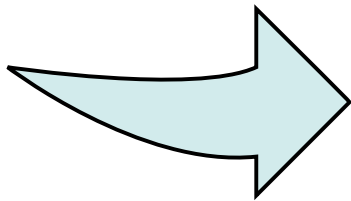
3,082 units/year
43,144 units

Unit need based on
cohort-survival
projection **plus** declining
household size

1. TARGETS

Step 2: Projecting household growth

Projections range from ~2,000 to ~3,000 units per year



We recommend **2,500** units per year as a reasonable growth estimate that matches historical trends

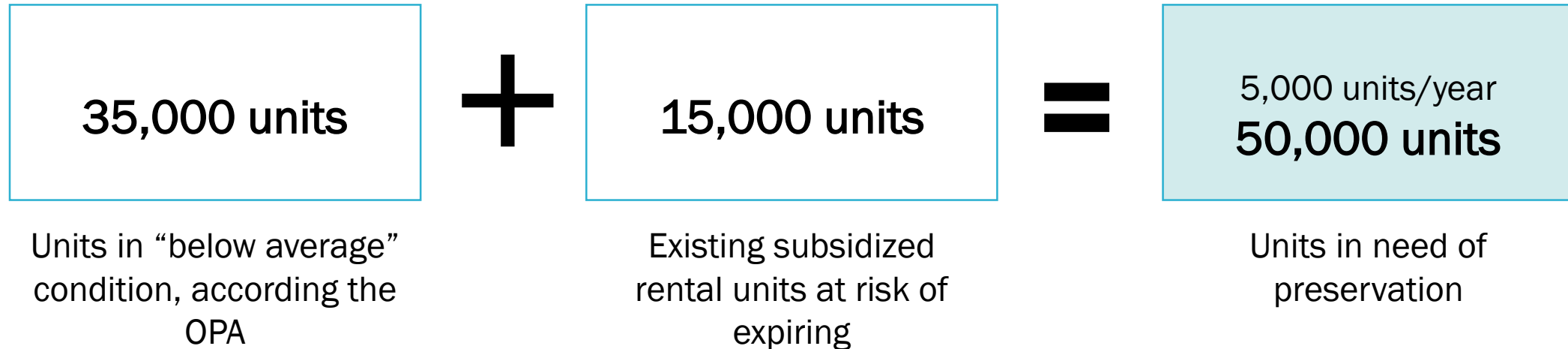
1. TARGETS

Step 3: Estimating preservation needs

- Philadelphia has an abundance of aging, underutilized, and vacant housing
- Estimating preservation needs is an important part of meeting housing needs that stem from substandard conditions, overcrowding, and housing cost burden

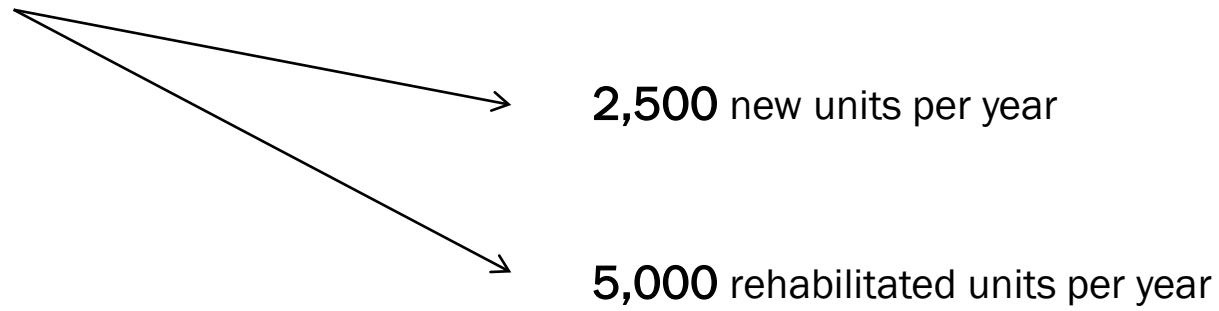
1. TARGETS

Step 3: Estimating preservation needs



1. TARGETS

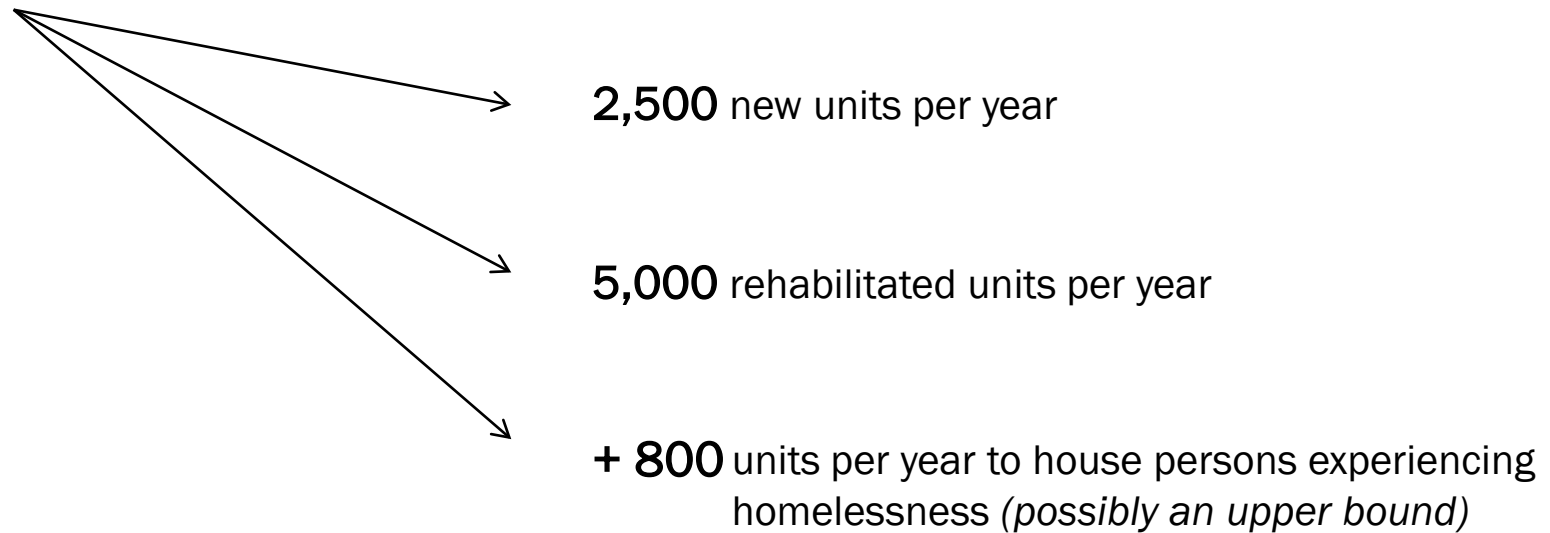
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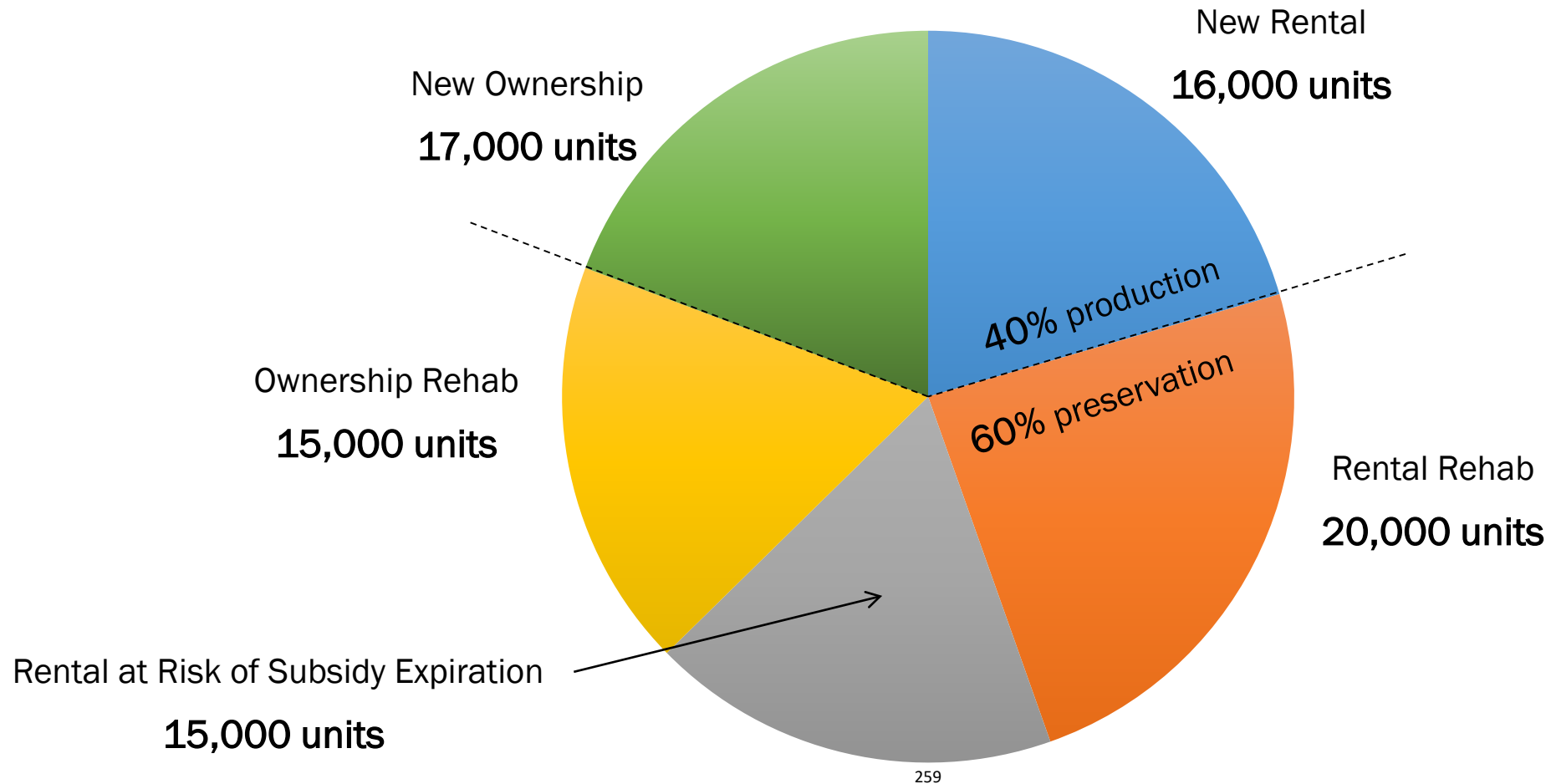
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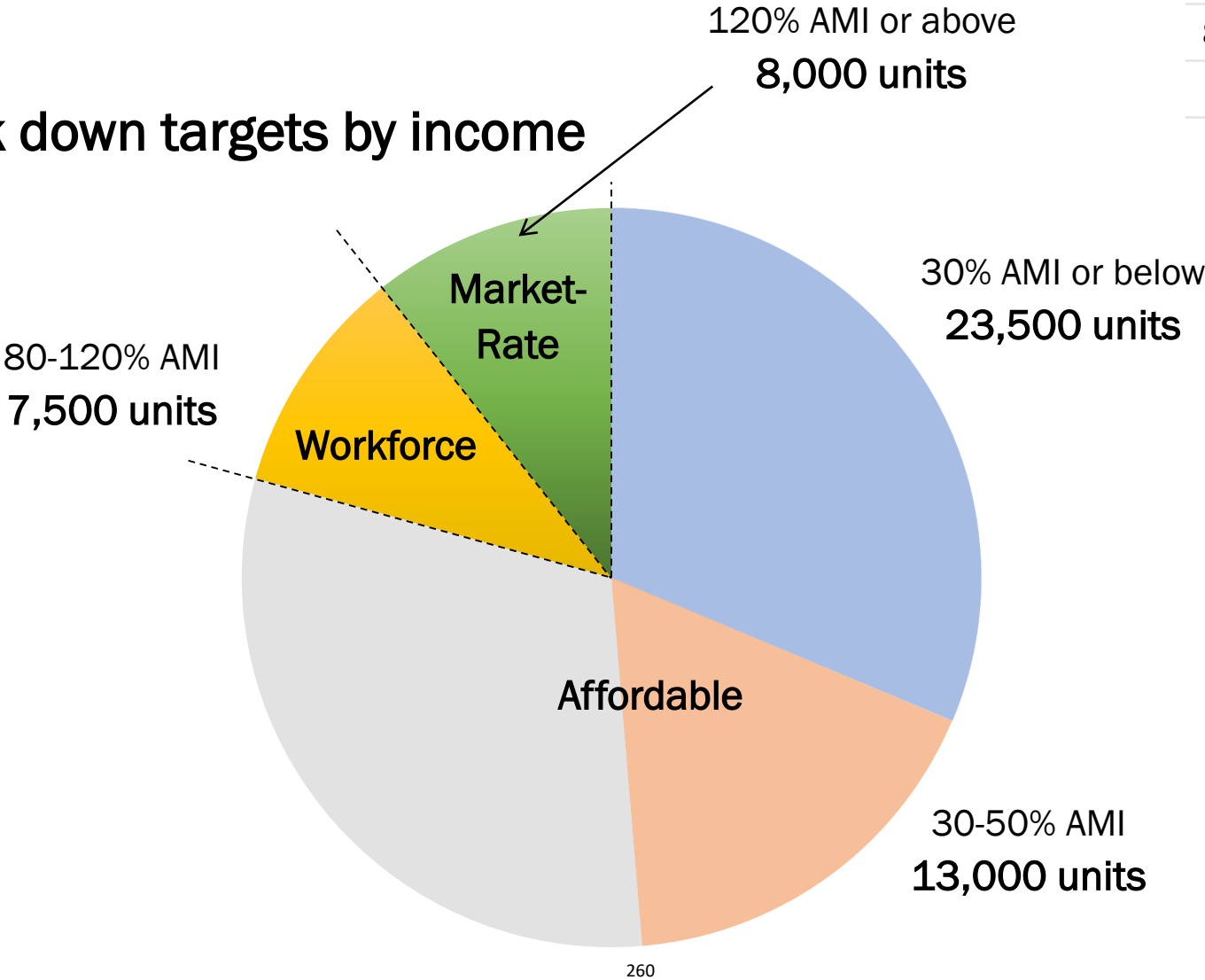
Step 4: Break down targets by tenure



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Step 5: Break down targets by income

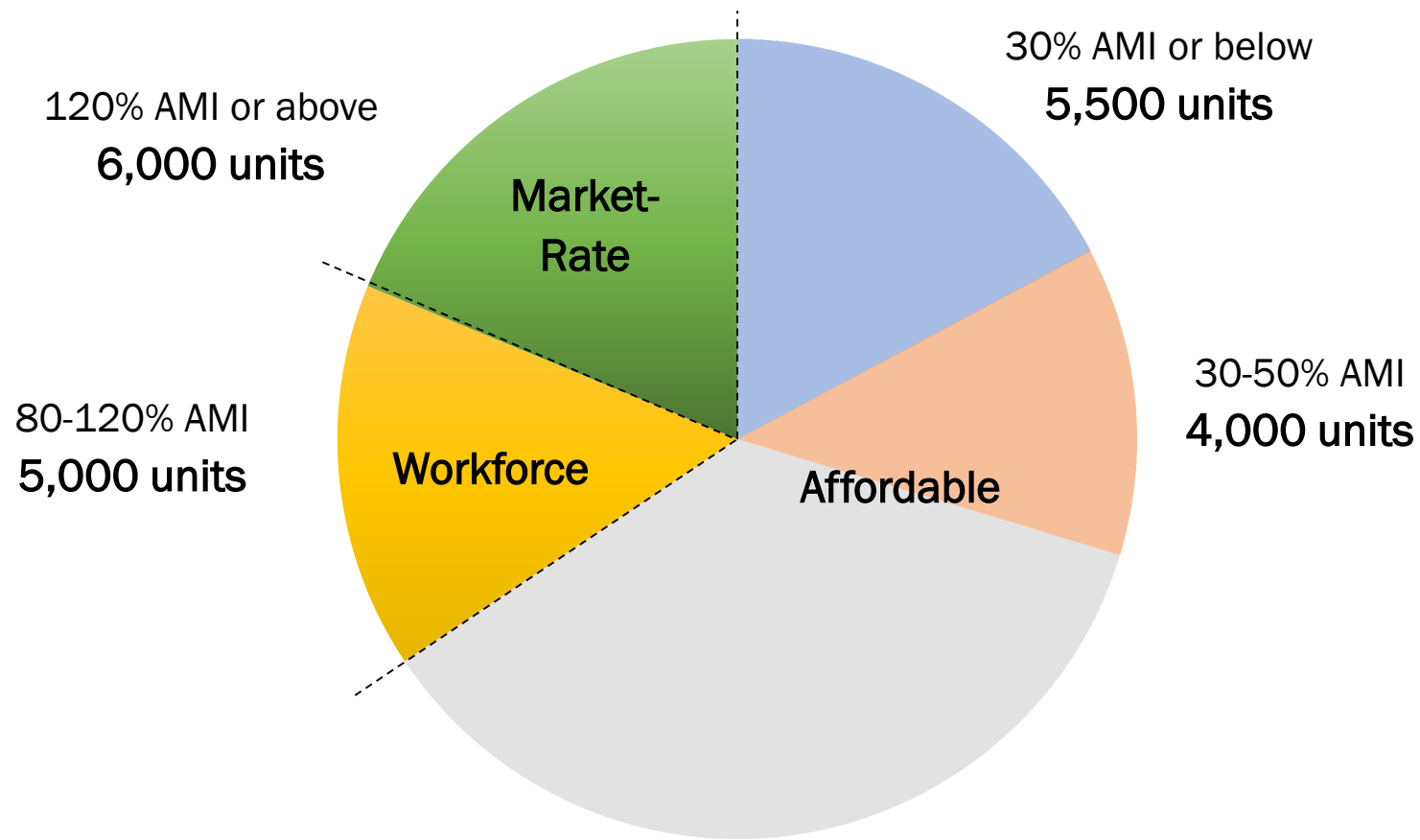
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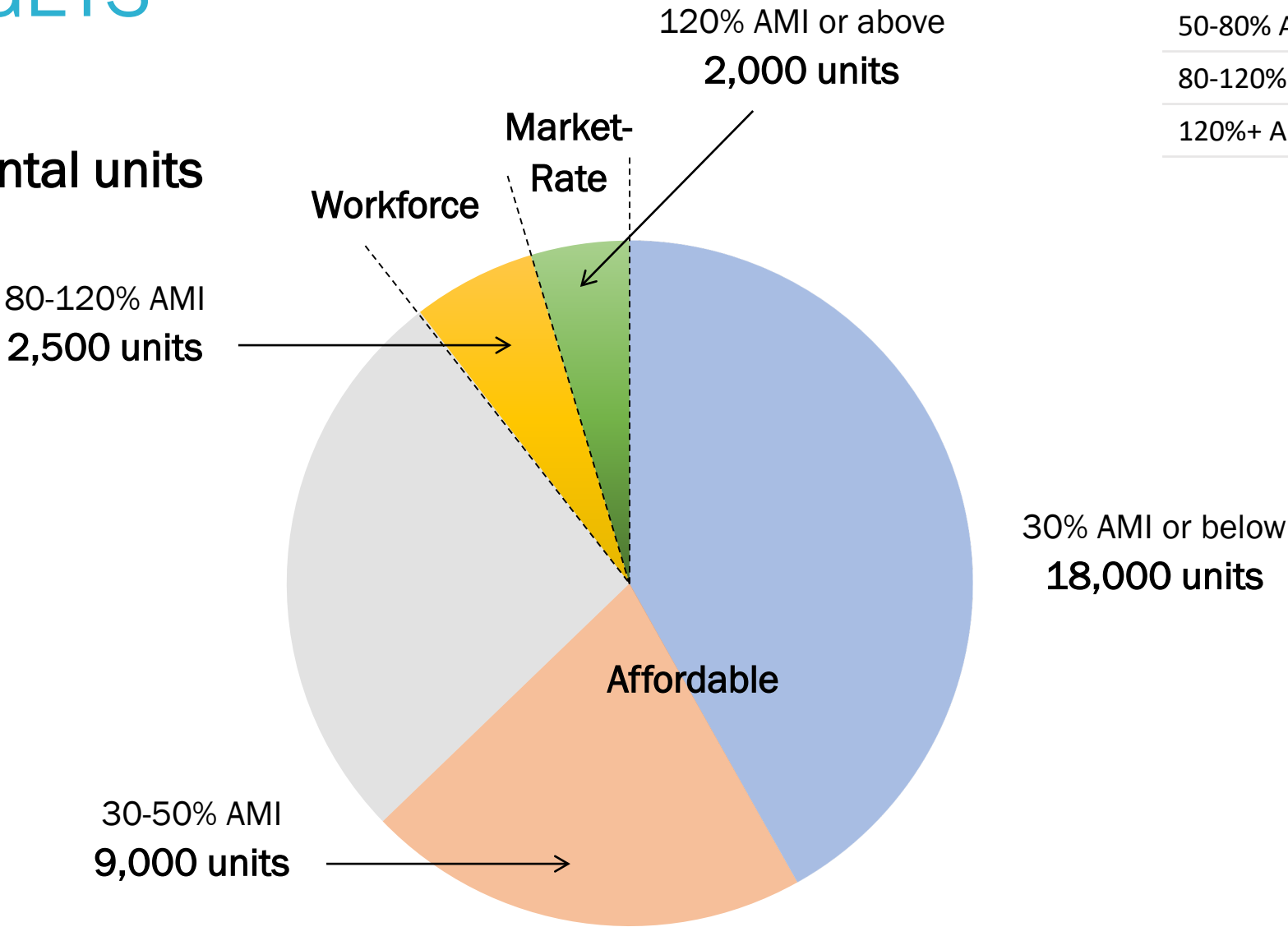
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Step 6: Rental units



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Philadelphia Housing Action Plan Overview

Philadelphia LISC
Briefing For:
City Agencies
July 20, 2018

LISC

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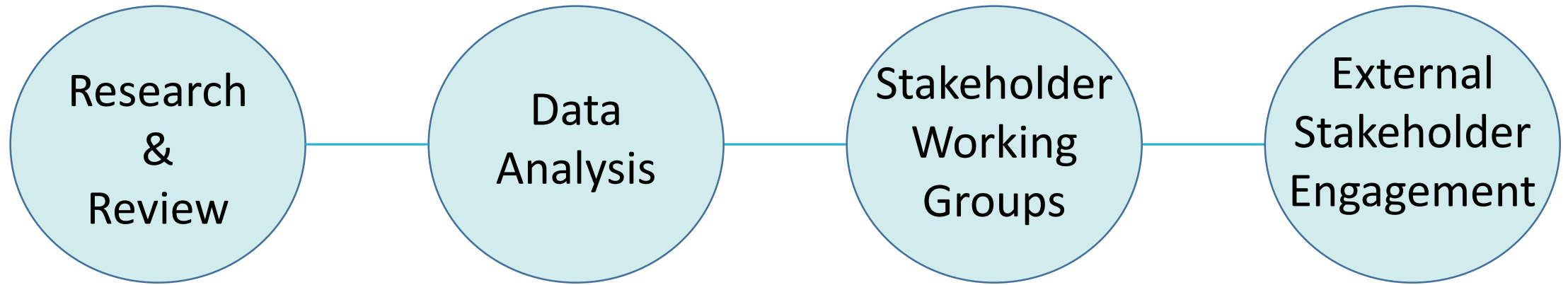
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Contact:

Carolyn Placke

Program Officer | Housing

Local Initiatives Support Corporation

718 Arch Street, Suite 500 South

Philadelphia, PA 19106

215.923.1743

CPlacke@lisc.org



APPENDIX G

HOUSING ACTION PLAN - TASK FORCE AND WORKING COMMITTEE MEMBERS

(Task Force Members can be found in the Eviction and Homeless Task Force Reports)

Access to Homeownership Group

Name	Organization or Affiliation
Brandy Bones (Chair)	Private
Andrew Frishkoff (Co-Chair)	Local Initiatives Support Corporation (LISC)
Bernardino (Bud) Allegretti	Innova
Carolyn Placke	Local Initiatives Support Corporation (LISC)
Dave Thomas	Philadelphia Housing Development Corporation
Eric Bodzin	Office of Councilwoman Quinones-Sanchez's Office
Herb Wetzel	Office of Council President Darrell L. Clarke
Joshua Harris	Office of Councilman Kenyatta Johnson
Julian Thompson	Office of Councilwoman Reynold Brown's Office
Julie Vetack	Santander
Kelly Gastley	Philly VIP
Marco Ferreira	Philadelphia Housing Authority
Maria Sourbeer	Shift Capital
Mark Dodds	City of Philadelphia – Division of Housing & Community Development
Markita Morris-Louis, Esq.	Clarifi
Melissa Long	City of Philadelphia – Division of Housing & Community Development
Monica Burch	Citizens Bank
Rachel Meadows	Office of Councilman Cherelle L. Parker
Rob Call	Office of Council President Darrell L. Clarke
Sara Autori	Office of Councilman Kenyatta Johnson
Tom Holroyd	Office of Councilman Henon's Office

Affordable Rental Housing Preservation

Name	Organization or Affiliation
Carolyn Placke (Chair)***	Local Initiatives Support Corporation (LISC)
Abby Rambo (Co-Chair)*	ULI Philadelphia
Dana Hanchin** (Co-Chair)**	Local Initiatives Support Corporation (LISC)
Alan Razak*	Athenian Razak
Alex Balloon*	Tacony CDC
Andrew Anania*	Riverside Capital, LLC
Andrew Frishkoff***	Local Initiatives Support Corporation (LISC)
Barbara Capozzi**	Capozzi Real Estate
Brian Rajan Nagendra*	Living Cities, Inc.
Carlos Masip***	Homeowner's Association of Philadelphia (HAPCO)
Catherine Califano***	City of Philadelphia - Department of Planning and Development
Dina Schlossberg**	Regional Housing Legal Services
Eric Bodzin*	City Council Member Quinones-Sanchez
Francis Vargas**	Elon Development

Affordable Rental Housing Preservation (cont'd)	
Name	Organization or Affiliation
Gabe Canuso*	BIA
Gregory Heller***	Philadelphia Redevelopment Authority
Herbert Wetzel**	Office of Council President Darrell L. Clarke
Holly Glauser**	PA Housing Finance Agency
Jane Allen*	Philadelphia Redevelopment Authority
Jeff Pastva*	Bright Common
Jennifer Kates*	City Council Member Gym
Jerry Roller*	JKRP Architects
Jim Sims***	Homeowner's Association of Philadelphia (HAPCO)
Karyntha Cadogan*	Diamond and Associates
Kelly DeJoy*	The Michael's Organization
Kyle Flood*	Philadelphia Housing Authority
Kyle Speece*	Conifer Realty
Laura Slutzky**	ULI Philadelphia
Leo Addimando**	Alterra Property Group
Maria Gonzales**	Hispanic Association of Contractors and Enterprises (HACE)
Mark Dodds***	City of Philadelphia - Division of Housing and Community Development
Mason Austin***	City of Philadelphia - Department of Planning and Development
Melissa Long***	City of Philadelphia - Division of Housing and Community Development
Michael Johns***	Mdesigns + MWJ Consulting, LLC
Michael Koonce**	Office of Council President Darrell L. Clarke
Monica Burch**	Citizens Bank
Nancy Gephart*	Shift Capital
Nancy Salandra**	Liberty Resources
Paul Jay Cohen, Esq.***	Cohen, Willwerth & Marraccini, LLC
Rachel Garland, Esq.**	Community Legal Services
Rasheedah Phillips, Esq.**	Community Legal Services
Rick Sauer**	Philadelphia Association of CDCs
Rob Call*	Philadelphia City Council
Rob Cox***	Reinvestment Fund
Rose Gray**	Asociación Puertorriqueños en Marcha (APM)
Ryan Sell*	AMC Delancey
Sue McPhedran**	Mission First Housing Group
Tom Earle**	Liberty Resources
Tracey Nugyen*	Baker Tilly Virchow Krause
Veronica Ayala-Flores**	Local Initiatives Support Corporation (LISC)
Victor Pinckney*	Homeowner's Association of Philadelphia (HAPCO)

*Naturally Occurring Affordable Housing Sub-Committee (NOAH)

**Publicly Assisted Affordable Rental Housing Sub-Committee

***Publicly Assisted Affordable Rental Housing & NOAH Sub-Committees

Construction Cost Work Group

Name	Organization or Affiliation
Gregory Heller (Chair)	Philadelphia Redevelopment Authority
Anne Fadullon	City of Philadelphia - Department of Planning and Development
Cathy Califano	City of Philadelphia - Department of Planning and Development
Darci Bauer	Philadelphia Redevelopment Authority
Jacob Fisher	Pennrose
Jane Allen	Philadelphia Redevelopment Authority
John Mondlak	PCPC
Joseph Healy	WRT Design
Kyle Flood	Philadelphia Housing Authority
Matthew McCarter	Project HOME
Melissa Long	City of Philadelphia - Division of Housing & Community Development
Mike Closeme	Philadelphia Redevelopment Authority
Mike Sexton	T.N. Ward
Nancy Bastian	Cecil Baker Partners
Phil McDonald	McDonald Building Co.
R. Max Kent	NewCourtland
Robert Cox	Reinvestment Fund
Rose Gray	Asociación Puertorriqueños en Marcha (APM)
Sue McPhedran	Mission First
Troy Hannigan	Community Ventures

Resources & Financing Stakeholder Group

Name	Organization or Affiliation
Anne Fadullon (Chair)	City of Philadelphia - Department of Planning and Development
Andy Frishkoff	Local Initiatives Support Corporation (LISC)
Carolyn Placke	Local Initiatives Support Corporation (LISC)
Jeff Brown	Jeffrey M. Brown Associates, LLC
Kim Frank	Brown Hill Real Estate Development
Leo Addimondo	Alterra Property Group
Maria Gonzalez	Hispanic Association of Contractors and Enterprises (HACE)
Maria Soubeer	Shift Capital
Melissa Long	City of Philadelphia - Division of Housing & Community Development
Susanne Stone	Stone Sherick Consulting Group
Vidhi Anderson	Presby's Inspired Life