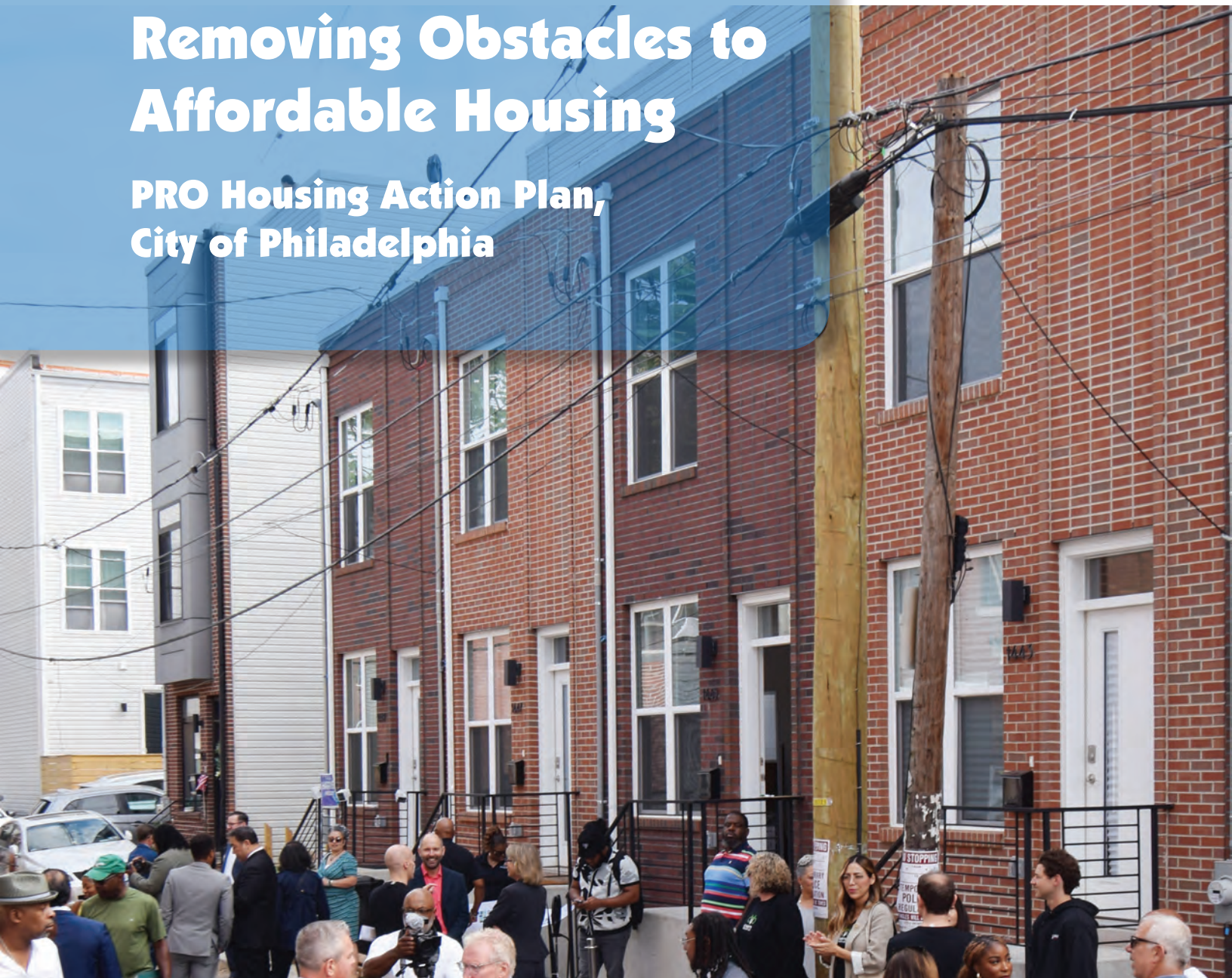


Pathways to Removing Obstacles to Affordable Housing

PRO Housing Action Plan,
City of Philadelphia



City of
Philadelphia

April 2026

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Action Plan Summary

The City of Philadelphia received a grant of over \$3 million through HUD's PRO Housing grant program to build on and expand efforts to remove barriers to affordable housing. This Action Plan outlines activities that are intended to facilitate both production and preservation of affordable housing. The proposed activities serve as a suite of planning efforts, assessments, and pilot programs that would address a range of barriers faced by renters, homeowners, landlords and developers of affordable housing. The activities fall into five Strategies:

1. Explore and Support the Preservation of Affordable Units
2. Plan for Climate Resilient Housing
3. Expand Opportunities for Creating Accessory Dwelling Units
4. Reduce Barriers to Production
5. Expand Philadelphia's Inclusionary Zoning Policies

The Action Plan has been prepared by staff in the following agencies: the Department of Planning and Development, the Office of Sustainability, the Office of Homeless Services and the Philadelphia Housing Development Corporation. The lead applicant is the Division of Housing and Community Development (DHCD).

The proposed PRO Housing activities will enhance existing programs and initiatives: DHCD and its partners are well positioned to incorporate the activities into established housing and community development strategies. This grant serves as an opportunity for the agencies to expand upon prior efforts by conducting detailed property assessments, creating feasibility studies, developing education and outreach materials, and testing recommendations through pilot programs, among other activities. If awarded, the grant will also strengthen inter-departmental communication and coordination toward common goals, such as supporting low- and moderate-income residents of Philadelphia.

The draft PRO Housing application was available for public comment between October 13th and October 29th, 2023. It was submitted to the Department of Housing and Urban Development (HUD) on November 6th, 2023. The expected activity implementation period is 1/31/2024 through 9/30/2029. During the public comment period, the City heard from almost 60 individuals and organizations; comments received, and a list of participants are included in the attachments to the original application.

The application aligns with requirements to Affirmatively Further Fair Housing and is designed to further the City's goals established through the Assessment of Fair Housing, the Consolidated Plan, and other existing plans. Community and stakeholder engagement activities are proposed within each Strategy to ensure the implementing partners take a

collaborative and grounded approach to addressing affordable housing barriers. Through this grant, the City will gain the funding and tools needed to maintain a sustained effort toward reducing barriers to affordable housing.

Resources and Budget

Activities are organized by the implementing department.

Project Name	#	Activity Name	Category	Budget - PRO
Project 1 DHCD/PHDC	101	NOAH Rental Preservation Study	PRO – Planning	\$ 150,000.00
	102	Home Repair Program Network Facilitation	PRO – Capacity Building	\$ 50,000.00
	103	Accessory Dwelling Unit and One-to-Two-Unit Conversion Pilot Program	PRO – New Housing Construction Accessory Dwelling Unit (ADU)	\$ 600,000.00
	104	Climate Resilience Initiatives in Affordable Housing Programs	PRO – Natural Hazard Mitigation	\$ 475,489.00
	105	Housing Policy and Strategic Initiatives for PHDC	PRO – Capacity Building	\$ 225,000.00
Project 2 Landlord Gateway	201	Housing and Real Estate Program Manager for the Landlord Gateway	PRO – Capacity Building	\$ 367,754.00
	202	Outreach, engagement and training materials for the Landlord Gateway	PRO – Technical Assistance	\$ 130,000.00
Project 3 Office of Sustainability	301	Residential Climate Resilience Toolkit	PRO – Planning	\$ 273,000.00
	302	Climate Resilience Specialist, Built Environment	PRO – Capacity Building	\$ 330,978.00

Project 4 Development Services	401	Mandatory Inclusionary Housing Evaluation and Feasibility Study	PRO – Planning	\$ 200,000.00
Project 5 Housing Strategy Coordinator	501	Housing Production and Preservation Coordinator	PRO – Planning	\$ 527,708.06
				\$ 3,329,929.06

Budget By Activity Type	Budget - PRO
PRO - Capacity Building	\$ 973,732.00
PRO - Natural Hazard Mitigation	\$ 475,489.00
PRO - New Housing Construction Accessory Dwelling Unit (ADU)	\$ 600,000.00
PRO - Planning	\$ 1,150,708.06
PRO - Technical Assistance	\$ 130,000.00

Target Leverage (50%): \$1,664,965

The City will leverage a total of \$1,664,965—consisting of local funding and other HUD funding. These sources will be used to fund critical costs, including personnel costs and pilot program implementation carried out by the Philadelphia Housing Development Corporation (PHDC). A portion of these leveraged funds are considered in-kind support through salaries and benefits of staff that will work on several activities. The remainder of the leveraged funds will support the Accessory Dwelling Unit and One-to-Two-Unit Conversion Pilot Program and Climate Resilience Initiatives in Affordable Housing Programs (Activities 103 and 104). Sources and dollar amounts are listed below:

Activity	Leverage Source	Amount
Staff salary and fringe supporting activities 101, 102, 103, 104, and 401	Local Share	\$334,576
Activity 103 implementation	Local Share	\$520,000
Activity 104 implementation	Other HUD Funds	\$810,389
		\$1,664,965

Since HUD awarded a lower dollar amount than that requested in this application, the City is identifying less costly ways to carry out planning activities in each of the five Strategy areas. The feasibility studies, evaluations, and assessments proposed in the application are the first step toward implementation of effective and efficient programs. Therefore, some

proposed pilot programs have been removed from the scope of the PRO Housing grant; however, these types of activities will likely only be delayed until another funding source can be identified.

Activities such as education and outreach campaigns or testing recommendations through pilot programs are essential to achieving the long-term effectiveness of the Strategies as proposed.

The City determined that the projects will be cost-effective, in line with industry standards, and appropriate for the scope of the project in the following ways:

- Activities in the Planning category were modeled on the cost of other planning studies conducted by the City of Philadelphia as well as staff positions conducting planning activities. The City of Philadelphia has an established procurement process, and all consultants will be procured through a competitive Request for Proposal process. The PRO Housing budgeted amount for each study represents the maximum estimated budget; while procuring consultants, the City will conduct independent cost estimates and review proposals received to ensure selected contracts are cost-effective and in line with industry standards.
- Activities in the Capacity Building category are staff positions modeled on existing City of Philadelphia staff position salaries and fringe benefit calculations. The budgets take into account cost-of-living increases throughout the grant period. Staff positions are a cost effective way of carrying out PRO Housing strategies, and are key to building internal capacity for the City in larger efforts to remove barriers to housing.
- Pilot programs in the Hazard Mitigation and New Housing Construction Accessory Dwelling Unit (ADU) categories have been determined by the availability of remaining funds after the scale-down exercise. These budgets represent the minimum amount of funding that will be needed to make each pilot program viable, and will be supplemented by leveraged funds.
- Activities in the Technical Assistance category are estimated based on current costs for outreach and engagement materials. The City of Philadelphia has an established procurement process, and all vendors are be procured through competitive processes.

The City of Philadelphia will expend PRO Housing funds within the grant period. Projects will begin after approval of the PRO Housing Action Plan, and the projected end date is 9/30/2029.

Need

Philadelphia's City Council and administration are committed to identifying and addressing affordable housing challenges. Local policies such as tax policy affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges are consistently assessed for their impact on affordable housing. The following actions have been taken to identify barriers to affordable housing:

- The *2022-2026 Consolidated Plan* (sections MA-40 and SP-55) and yearly submissions of the *Annual Action Plan* (section AP-75) identify barriers to affordable housing as required through 24 CFR part 91. The Plan utilizes publicly-available data such as American Community Survey (ACS) and Comprehensive Housing Affordability Strategy (CHAS) data to conduct a needs assessment, which is supplemented with secondary research and the collection of community input.
- The *Assessment of Fair Housing (AFH)*, developed jointly by the City and the Philadelphia Housing Authority in 2016, was the result of an effort to combine significant research and data analysis with robust community engagement to examine fair housing issues which may serve as barriers to affordable housing. Another round of analysis and community engagement was conducted in 2022 to assess the City and PHA's progress toward meeting the AFH goals and to identify new fair housing issues.
- The Housing Action Plan (HAP) was published in 2018. This process brought together several plans that had been developed in the City such as the Assessment of Fair Housing; the Philadelphia 2035 Comprehensive Plan and the District Plans created by the City Planning Commission; and the Homelessness Housing Plan. Integrating these plans into one living, actionable, and accountable strategy enabled the City to better prioritize activities, allocate resources, and deliver and facilitate equitable production and preservation.
- *Preserving Philadelphia's Naturally Occurring Affordable Housing*, a report developed in partnership with ULI Philadelphia, offers a set of recommendations for preserving the affordability of naturally occurring affordable housing (NOAH) stock in Philadelphia.
- The *Community Development Block Grant – Disaster Recovery Action Plan* includes an unmet needs assessment which identifies community recovery needs, including those of renters and homeowners, due to damage from Hurricane Ida in 2021.
- The *2022 All-Hazard Mitigation Plan* assess the vulnerability of Philadelphia's housing stock to a range of hazards. Documenting the risks and planning for shocks and stresses can help guide decision-making about production and preservation efforts.
- The *2021 Climate Action Playbook* documents the ways that climate change may serve as a barrier to affordable housing.
- The annual *Mixed Income Housing Report* includes a breakdown of all projects going through either of the city's inclusionary zoning programs, the voluntary Mixed Income Housing Bonus and mandatory Mixed Income Neighborhoods Overlay, and identifies challenges and trends.

Actions Taken to Address, Mitigate, or Remove Barriers

To address the identified barriers to affordable housing, the City pursues new policies and programs that will increase the availability, accessibility, and stability of affordable housing. Fair housing principles are at the core of these efforts. Recent actions are described below:

Pursuing and Sustaining Sources of Funding

- In fiscal year 2021, City Council approved the creation of The Neighborhood Preservation Initiative (NPI), a \$400 million bond program. The goal of NPI is to promote the health, welfare, and safety of residents of Philadelphia through the creation, expansion, implementation, and funding of housing programs to produce, maintain, and stabilize the City's housing inventory for the benefit of the residents of Philadelphia. Additionally, NPI supports the creation and expansion of programs for commercial corridors and addresses infrastructure needs of neighborhoods.
- In order to provide more resources for affordable housing programs, in 2005 the City established the Philadelphia Housing Trust Fund (HTF). There are two ways in which HTF funding is categorized: HTF-RF (Recording Fee), and HTF-GF (General Fund). HTF-RF provides a sustainable funding stream by dedicating a portion of document recording fees for affordable housing. HTF-GF includes a portion of the City's General Fund – 0.5% – which is dedicated to Housing Trust Fund activities. The creation of the HTF required state enabling legislation, City Council ordinances, and Mayor's Executive Orders. The ordinance that created the HTF included specific requirements for the expenditure of funds. Half of the funds are directed to very low-income families and individuals earning at or below 30% of Area Median Income (AMI) and half are directed to low- and moderate-income households earning between 30% and 115% of AMI. The HTF also addresses a variety of housing needs with at least half of its funds producing new or substantially rehabilitated homes and the rest supporting housing preservation, home repair and homelessness prevention.
- PHA and the City have pursued Choice Neighborhoods Implementation grants to promote investment in areas of high need while avoiding displacement of public housing residents. The grant has been completed in the North Central neighborhood, and is ongoing in Sharswood and Bartram Village. These neighborhoods are anchored by public housing sites where public and private dollars are leveraged to support locally-driven strategies in a comprehensive approach to neighborhood transformation, including the production and preservation of affordable housing units.
- DHCD financing for rental projects has generated equity investment through the utilization of the Low-Income Housing Tax Credits (LIHTC) by corporations and equity funds such as the National Equity Fund (NEF). In fiscal year 2023, a total of 7 city-supported affordable rental housing developments received a LIHTC, leveraging the City's support of \$20 million with over \$131 million of additional investment from private sources.

Legislative and Policy Initiatives

- The Mixed Income Housing Bonus (MIHB) program was created in 2012 and expanded in 2018 in Section § 14-702 (7) of the Philadelphia Code. Developers who opt into MIHB are eligible for a zoning height or density bonus in exchange for a 10% affordable housing set aside or a set monetary contribution to the city's Housing Trust Fund. Noticing that more developers were choosing the payment-in-lieu option, city council recently increased the cost of the payment option, driving a higher proportion of developers utilizing the bonus to choose the affordable housing set-aside option in 2022.
- The Mixed Income Neighborhoods Overlay program requires developers in certain areas of the city to sell or rent 20% of newly constructed housing units at affordable rates. The requirement applies to developments with 10 or more total residential units. The MIN became effective through Section § 14-533 of the Philadelphia Code for projects that filed for a Zoning Permit after July 18, 2022.
- In 2022, Mayor Jim Kenney signed into law bills that provide significant relief for homeowners affected by tax assessment increases that went into effect for Tax Year 2023. Two programs were expanded: the City's Senior Citizen Tax Freeze Program (Bill No. 220499) and Longtime Owner-Occupants Program (Bill No. 220497). These changes dramatically increased access and eligibility for thousands of Philadelphia's vulnerable homeowners and increased the value of the benefit for many households. In addition, Bill No. 200012, increased the City's Homestead Exemption from \$45,000 up to \$80,000.
- In fiscal year 2023, City Council passed an ordinance (Bill No. 221018) requiring DHCD to establish a public directory of privately owned, City-, state-, and federally- assisted affordable rental housing for low-and moderate- income households. This directory may be used for analysis, including estimates of which Affordable Housing Properties are at greatest risk of expiration or nonrenewal based on various factors.
- In fiscal year 2023, City Council passed an ordinance (Bill No. 220655) authorizing DHCD to continue the Eviction Diversion Program and requiring landlords to participate in the program before filing for eviction in court. This requirement, along with tools such as housing counseling, mediation, and financial assistance offered through the program help to ameliorate some barriers to affordable housing that tenants face.
- The City is exploring ways to use proxies for income verification. Currently, households eligible for multiple services delivered by different publicly funded organizations are required to complete income certification for each program. This is a time-consuming process for the household as well as the program administrators. Using one source record for certifying income to establish eligibility across multiple programs should reduce the number of households denied and reduce the time from application to service delivery. Further, this will allow the City to allocate more funding to programs rather than to the administration of those programs.

Establishing and Continuing Programs

- Local and federal funding sources are utilized to fund the production and preservation of affordable housing, including housing for special needs and homeless populations. The City typically supports approximately 300 production units and 200 preserved units every year. Although the COVID-19 pandemic caused project delays, construction has resumed to normal levels. At the end of City Fiscal Year 2023, 17 projects were under construction or near completion, including 14 new construction or rehabilitation projects, and 3 preservation projects. Once complete, these projects will add 591 units to affordable housing supply and preserve 249 existing units currently occupied by low-/mod-income households.
- The City implements a series of programs and strategies to foster and maintain affordable housing. To maintain the existing stock of housing that is affordable to low-income Philadelphians, the City continues to fund a series of home improvement programs, including the Basic Systems Repair Program; Heater Hotline; the Adaptive Modification Program; Restore, Repair Renew; and the Rental Improvement Fund. Launched in FY 23, the Rental Improvement Fund offers a suite of loan products to small landlords to repair their rental properties. Loans are eligible for full forgiveness or a preferable 0% interest rate if landlords meet program affordability requirements during the loan term. These programs have leveraged both CDBG funding and local funding sources like the Housing Trust Fund and Neighborhood Preservation Initiative.
- Launched in FY 23, PHLHousing+ is the City of Philadelphia and PHDC's guaranteed income pilot program. Three hundred renter households were selected from Philadelphia Housing Authority's Housing Choice Voucher and public housing waitlist to receive a direct cash payment on a prepaid debit card every month for 2.5 years to cover a portion of the household's housing costs. The monthly payment amount is calculated to close the gap between the housing costs they can afford – generally 30% of the household's income – and their actual housing costs. This means monthly payment amounts will differ across households. The funds are unconditional and unrestricted. This provides a more flexible resource for participants to make their own decisions to meet their family's needs.
- In 2019 PHDC launched the Shallow Rent program to provide rent assistance for tenants living in affordable housing projects who are rent burdened (i.e., spending more than 30% of their income on rent). Owners and/or property managers of affordable housing properties with income-restricted rental units that were built or substantially renovated with federal, state, or local subsidies are eligible for this program. The program is designed to provide monthly rent vouchers not to exceed \$500 a month (Shallow Rent Vouchers) to tenants who are leasing units in the City of Philadelphia at rent levels that exceed 30% of their gross income.
- Philly First Home and Turn the Key are ongoing programs that expand affordable homeownership opportunities. In City Fiscal Year 2023, Philly First Home made 1,131 grants to first time low-to-moderate income homebuyers for assistance with down payments and closing costs. The Turn the Key program offers newly-built homes on

publicly-owned parcels to low-and-moderate income first-time homebuyers, with preference given to City employees. Buyers are also eligible for the Mortgage Affordability Program through Turn the Key.

- The City funds housing counseling and legal services agencies that carry out tenant counseling, pre-purchase counseling for homebuyers, mortgage default and delinquency counseling, foreclosure prevention counseling, vacancy prevention, and other specialized housing counseling and services. For example, in City Fiscal Year 2023, housing and mortgage foreclosure prevention counseling services were provided to 8,417 households, and 606 homes were saved from foreclosure.
- In fiscal year 2023, the Eviction Diversion Program launched a new tool to help stop an eviction filing. Targeted Financial Assistance is a one-time payment from the City to a landlord to cover a tenant's rent arrears up to \$3,500. The award is equal to the total amount of arrears plus two months' rent, and parties must reach an agreement to resolve other issues before the payment is made. The program helps to keep tenants in their homes and landlords, many of whom can be considered small business owners, whole.

Acute Demand and Remaining Needs

This grant will serve Philadelphia County, which is considered a priority geography according to the materials provided in connection with the PRO Housing Notice of Funding Opportunity. The qualification was determined based on the Housing Problems Factor, defined as:

"Widespread housing cost burden or substandard housing, measured as number of households with housing problems at 100% HAMFI divided by number of households at 100% HAMFI. Housing problems is defined as: cost burden of at least 50%, overcrowding, or substandard housing."

Local analyses confirm that these housing problems are prevalent and have contributed to an acute need for affordable housing in Philadelphia. The 2021 American Community Survey 5-Year Estimates indicate that of Philadelphia households, 39% are cost burdened, with renters accounting for 52% of all cost burdened households. Among households reporting one or more housing problems – lack of complete plumbing or kitchen facilities, overcrowding, housing cost burden, and zero/negative income – housing cost burden is far and away the most common issue households face.

The lowest-income Philadelphians are more acutely affected by cost burden. Fifty-seven percent of Philadelphia renters who are very low income, earning less than 50% AMI, are spending more than half of their income on rent. Seventy percent of extremely low-income renters who earn 30% AMI or below spent half of their incomes on rent—a severe cost burden for households that likely struggle to afford other necessities including food,

clothing and transportation (2016-2020 ACS). With a poverty rate of 23.1% – the highest among the nation’s ten largest cities – it is clear that low incomes contribute to the cost burden problem and that rising housing costs mean that more households will be left behind. At the same time, rents are increasing rapidly: during 2021, the average apartment rent rose at the fastest pace in more than 15 years, increasing by 10% compared to an average annual 3% rise from 2010 through 2020.

Housing instability remains high in Philadelphia. The City Office of Homeless Services reported that from July 1, 2021 to June 30, 2022, the homeless service system reported nearly 17,700 individuals (13,500 households) in all project types (transitional housing, safe haven, rapid re-housing, emergency shelter, permanent supportive housing and other permanent housing project types). This number reflects pre-pandemic levels; many of the pandemic-era supports (such as rental assistance, eviction moratorium, COVID economic impact payments, and Advanced Child Tax Credits) expired or were phased out, resulting in more people experiencing housing insecurity. In February 2022, the Point-in-Time count, an annual count of sheltered and unsheltered persons on a single night, enumerated a total of nearly 4,500 people experiencing homelessness; 82% were sheltered and 18% were unsheltered. From 2021 to 2022, chronically homeless individuals increased by 14%. Persons experiencing homelessness are of the most vulnerable populations when it comes to housing insecurity and the need for affordable housing. Furthermore, unsheltered persons are extremely vulnerable to climate-related natural hazards, such as extreme temperature, precipitation, and flooding.

The supply of publicly-supported housing in Philadelphia does not meet the need of residents: only about a fifth of the demand is met for low-income households citywide. Exacerbating the affordable housing supply issue is the number of affordable rental developments that may either see affordability controls expire or require an infusion of capital for rehabilitation in the future. Analyses of the National Housing Preservation Database show that there are over 34,000 housing units receiving federal assistance in Philadelphia. One third of those units may be at risk of expiring contracts within the next ten years. The potential transition of almost 12,000 units to market rate housing will not only cause housing instability for residents, but will also further increase the demand for affordable housing citywide.

Although there is a shortage of subsidized affordable housing, Philadelphia is home to an estimated 76,000 properties that are considered naturally affordable. However, of all naturally occurring affordable housing (NOAH) properties, prior analysis has indicated that half are vulnerable due to poor condition or market pressures like displacement risk (*Preserving Philadelphia’s Naturally Occurring Affordable Housing* report). According to The Reinvestment Fund’s Displacement Risk Ratio (a measure of residential displacement pressure using the ratio between median sales prices over time and median household

incomes), there are over 228,000 Philadelphia residents living in block groups that are experiencing displacement pressure; nearly 60% of these block groups are populated by at least 51% low- and moderate-income people. Meanwhile, housing costs continue to increase: between 2014 and 2019 (ACS), we see median rent increase by 14%, the number of units renting for under \$1,000/month fall by 19%, and homes sold for under \$200,000 decrease by 6%. The 2022 Draft Assessment of Fair Housing reported that cost has become the most pressing housing issue for renters, and that rates of cost burden were nearly twice as high in predominantly Black and predominantly Hispanic communities than in predominantly White communities according to ACS data.

As housing becomes more expensive in Philadelphia, property owners struggle to maintain the quality of housing. Eighty-eight percent of Philadelphia homes were built before 1980 and more than half are more than 65 years old. 92% of owner-occupied units were built before 1980, while 83% of renter-occupied units were built before 1980. Overall, the Census Bureau's 2022 1-year ACS estimates that nearly 40% of Philadelphia's housing stock was built 1939 or earlier. Maintaining and improving older properties can prove challenging and costly for owners. Of the Office of Property Assessment's housing stock (over 463,000), nearly 13,500 residential properties have below average interior and/or exterior conditions; 89% of these properties with below average conditions are located in low to moderate income block groups (HUD's FY 2023 ACS 5-Year 2011-2015 Low and Moderate Income data). Deferred maintenance can have significant effects on occupants, including the increased likelihood of high energy costs as well as potentially severe health problems.

Substandard conditions related to the age of housing stock and deferred maintenance can be compounded by two key climate-related natural hazards – extreme heat and inland flooding. As reported in *Growing Stronger: Toward a Climate-Ready Philadelphia*, by 2100, we could face as many as 52 days over 95°F and as many as 16 days a year above 100°F. Heatwaves have exposed Philadelphians to such extreme temperatures that there have been more deaths from heat than from all other natural disasters combined. Census data shows that low-income residents and residents of color are more likely to live in hotter neighborhoods and are more vulnerable to extreme heat. These residents are unable to stay cool in their homes due to a combination of lack of access to air-conditioning, poor housing conditions and lack of ability to pay energy bills. Philadelphia is one of the most energy burdened cities in the U.S., ranking 86% higher than the national average.

Meanwhile, the city is expected to experience heavier precipitation events because of climate change, leading to increased flooding. The city's tidal rivers also make Philadelphia vulnerable to rising sea level, which has gone up about one foot over the past 100 years as a result of climate change and is projected to rise four feet by 2100 under a scenario of moderate greenhouse gas emissions. In its CDBG-DR Action Plan for recovery from Hurricane Ida, the City estimated that, two years later, there was still over \$810 million of

unmet needs in residential property recovery. With increased frequency of flooding events, recovery needs will become compounded over time.

The complex set of housing problems described in this section indicate that current and future affordable housing needs will revolve around multiple factors: low supply that does not meet demand, deteriorating quality that undermines affordability, and high exposure to risks that threaten long-term affordability for the most vulnerable residents.

Key Barriers

The major barriers to affordable housing identified through the Consolidated Planning process are described below.

Displacement of residents due to economic pressures.

Housing market changes and economic pressures such as increasing rents and property taxes in appreciating neighborhoods may pose a threat to long-term affordability and to current residents. Displacement disproportionately impacts people of color and populations with limited English proficiency.

Lack of public investment in specific neighborhoods, including services of amenities.

A range of public amenities and services – parks, high-performing schools, libraries, recreation centers, lighting, sidewalks and trash collection – are important factors in stabilizing neighborhoods and ensuring equitable access. Many of Philadelphia’s public facilities need repairs, and many communities, particularly low-income communities, lack this range of public amenities. Lack of high-quality public amenities may impact segregation patterns.

Deteriorated vacant structures and land.

Decades of urban disinvestment and population loss to the suburbs have left Philadelphia with approximately 42,000 vacant properties, about 8,500 of which are publicly owned. Blighted conditions further exacerbate neighborhood instability and present a challenge for turning racially and concentrated areas of poverty (R/ECAP) into communities of opportunity. The Philadelphia Land Bank will be a strategic tool in addressing vacancy issues.

Location and type of affordable housing.

An estimated 53% of occupied publicly supported housing units are located in distressed markets. Rising rents —across the city but particularly in appreciating markets—are making it more difficult for residents to find quality affordable housing. To help combat these issues, PHA’s adoption of payment standards based on Small Area Fair Market Rents (SAFMRs) will expand the range of housing choices available to voucher holders. PHA also sponsors a voluntary Housing Opportunity Program that provides housing search,

counseling and other support services to voucher holders who wish to move to areas of higher opportunity. Additionally, private developers are encouraged to take advantage of the city's inclusionary zoning mixed-income housing bonus to provide affordable housing in areas of opportunity.

There are over 10,000 subsidized affordable units at risk of losing their subsidies in the next decade or so. Without a comprehensive strategy to keep these units permanently affordable, many properties will be sold and the units converted to market rate. On the private market, rent increases can be substantial and unpredictable for tenants. As housing markets heat up, owners raise rents in excess of what tenants can pay. The majority of Philadelphia renters already pay more than 30% of their income towards housing costs, and the trend is getting worse as rising rents aren't matched by local wage growth.

Inability to access existing housing and other city resources.

While the City, PHA and other partners offer a wide range of services, community residents – especially LEP populations and residents with disabilities—may not be aware of these opportunities. Broader outreach efforts will help connect community residents to services and programs.

Location and access to proficient schools

Very few Philadelphians have access to good schools. Access to quality education starts with high quality childcare options. Work completed by the Reinvestment Fund reveals that there are many R/ECAP areas in need of high-quality Pre-K options.

Lack of income.

There is an urgent need to connect residents to available benefits and provide job skills development and training projects and programs. Programs and assistance such as Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), the Earned Income Tax Credit (EITC) and the Child Tax Credit are substantially under-subscribed by city residents. The Office of Community Empowerment and Opportunity (CEO) and the Mayor's Policy Office are working with partners such as Philly Counts, Campaign for Working Families and Ceiba to help more eligible Philadelphians claim these benefits.

The availability of affordable units in a range of sizes.

Given the large number of families in the city, the lack of affordable rentals with larger bedroom counts is a contributing factor to family households with children facing disproportionate housing needs. Additionally, the rise in Philadelphia housing prices, coupled with low available inventory, pose issues for first-time homebuyers.

Lack of communication between government and residents.

The City, PHA and partners have a wide range of housing services such as home repair, housing counseling, tangled title, and tax relief programs. There is a need to work with the network of partners – Neighborhood Advisory Committees, Community Development Corporations, Universities and other City agencies such as the Office of Community Empowerment and Opportunity – to conduct outreach and trainings and to help connect low-income residents to programs that promote access to housing and opportunity.

Age and condition of housing.

Approximately 88% of Philadelphia's housing stock was built before 1980 and in R/ECAP areas where a large portion of homes were built before 1939. Many of the households in these homes pay up to 50% of their annual income on housing and do not have available resources to make necessary repairs.

Both subsidized and unsubsidized rental housing properties in Philadelphia have significant deferred maintenance costs and need large capital improvements. According to an analysis by the Federal Reserve Bank of Philadelphia, over 40% of rental units need repairs, which is unsurprising given the age of Philadelphia's buildings and the higher occurrence of deferred maintenance during the pandemic.

In addition, many rental units are energy inefficient, and the majority of Philadelphia renters experience a high to severe energy cost burden (spending above 6% of their income on energy bills).

Lack of local private fair housing outreach and enforcement.

Federal and local cuts have had an impact on fair housing and outreach efforts in Philadelphia. Both the Philadelphia Commission on Human Relations (PCHR) and the Fair Housing Commission (FHC) are poised to explore new challenges to end the disparities in Philadelphia's neighborhoods, focusing on rental housing as a priority. Specifically, under the Fair Housing Ordinance, the FHC can initiate its own complaints against serial slumlords and get multiple housing units repaired and back to code at one time. Studies have shown that the LGBTQ community disproportionately experiences homelessness. It is important to ensure that these residents have equal access to housing choice. Additional funding is needed to conduct robust outreach to all communities and to take on a wide range of large-scale projects.

In addition to the barriers listed in the Consolidated Plan, the City has also identified the following barriers to affordable housing:

The effectiveness of the Mixed Income Neighborhoods Overlay is limited by its small geography and lack of understanding about its market feasibility.

Since its effective date in July 2022, developers have repeatedly told us that Philadelphia's mandatory inclusionary zoning policy – called the Mixed Income Neighborhoods Overlay (MIN) – is not feasible given current market conditions. In simple terms, the MIN requires projects with 10 or more residential units to set aside 20% of those units for households earning 40% AMI or less. This requirement is steeper than in many other U.S. cities with inclusionary zoning policies. According to a 2021 study that examined over 1,000 inclusionary zoning policies across the US, the average unit set aside is 16% at 50% to 80% AMI.

As demonstrated in studies on the impact of inclusionary zoning, poor policy design has the potential to stifle market rate housing development and increase rents. Given that the policy is relatively new and geographically limited to two council districts, it is difficult to draw any conclusions about the impact of the MIN thus far.

Long permitting processes and exclusionary zoning can impact development timelines.

The Philadelphia Zoning Code presents numerous barriers to housing development, including recently adopted exclusionary zoning legislation such as a blanket elimination of CMX-2 zoning in the Northeast and overlays that explicitly prevent implementation of the mixed-income housing bonus. On top of this, affordable housing developers specifically face unique challenges during the entitlement process, often creating delays and uncertainties they can ill afford. Due to the specific needs of the populations they serve and requirements imposed by specific funding sources, many affordable housing developments require a variance, which tacks an additional 6-9 months to the permitting process. Even after overcoming this hurdle, it is not uncommon for zoning permits to expire as developers wade through multiple funding cycles before receiving an award and being able to begin construction. This means that developers must sometimes re-apply for their zoning permit and variance, further delaying the project and jeopardizing the project's funding.

One way that we address this problem now is by accelerating affordable housing projects through the Department of Licenses and Inspections, which handles the bulk of the permitting process. However, many affordable housing developments must also be reviewed by the Department of Streets and the Water Department, which do not have a process for expediting these projects. Anecdotally, we have heard from affordable housing developers that this can cause costly delays at multiple points of the development process, from applying for a zoning permit to receiving a certificate of occupancy.

Housing stock is vulnerable to the effects of climate change.

To preserve affordable housing, it must also be climate resilient. That means that it must be protected from Philadelphia's two key climate stressors – flooding and heat. Ensuring that this housing is resilient to flooding means understanding its location in the floodplain or in high flood-risk areas and what would be needed to protect it from flooding. Ensuring that housing is resilient to heat means that it must be equipped to use energy as efficiently as possible, as the need for increased cooling and hence energy use is likely to rise. This is a special concern for Philadelphia, as the city's median energy burden is 86% higher than the national average. These burdens disproportionately impact the city's historically marginalized and vulnerable communities. These burdens impact both homeowners and tenants, but tenants are especially vulnerable as they have limited agency to make the improvements needed to reduce their energy burdens. This funding program is a unique opportunity to ensure that affordable housing is protected and preserved for Philadelphians in an inevitably hotter, wetter future. Access to safe, quality housing is fundamental to quality of life, and increasing resilience by reducing energy burden, creating energy security, and mitigating flood risk is key to protecting housing security, reducing poverty, and promoting better public health.

Use of Funds – Soundness of Approach

PRO Housing activities are intended to streamline processes across departments and partner agencies, and to explore new ways to produce and preserve affordable housing in Philadelphia. These activities will help the City work toward the five PRO Housing strategy areas for reducing barriers to affordable housing:

1. Explore and Support the Preservation of Affordable Units
2. Plan for Climate Resilient Housing
3. Expand Opportunities for Creating Accessory Dwelling Units
4. Reduce Barriers to Production
5. Expand Philadelphia’s Inclusionary Zoning Policies

Vision

Project 1: DHCD/PHDC Activities

Project 1 consists of activities carried out by DHCD and PHDC in advancement of PRO Housing strategy areas one, two and three. Housing barriers addressed include:

- Age and condition of housing.
- Displacement of residents due to economic pressures.
- Location and type of affordable housing.
- Housing stock is vulnerable to the effects of climate change.

Activities in this project are described below:

NOAH Rental Preservation Study -

In 2021, DHCD, in partnership with the Urban Land Institute, published a study on Naturally Occurring Affordable Housing (NOAH) in Philadelphia. In the wake of the pandemic, the housing market has changed quickly, and the data compiled in that original report is in need of an update. Using the original study as a baseline to evaluate changes in the NOAH landscape post-pandemic, DHCD will conduct a comprehensive analysis of NOAH properties citywide, incorporating new data sources and trends. DHCD will convene internal stakeholders to inform the study’s framework and ensure that findings and recommendations are placed within the broader context of the city’s housing policies. NOAH encompasses all building typologies, provides affordable housing that is not administratively burdensome on the landlord and tenant, and provides affordable housing to larger segments of the population than would be able to be served under traditional affordable housing programs. Identifying NOAH properties and spatially analyzing them will allow DHCD to consider which housing interventions, regulatory action, enforcement

mechanisms, and program frameworks will most effectively preserve these units and their affordability. DHCD will analyze and map NOAH concentrations across neighborhoods and building typologies in order to pinpoint areas where NOAH properties are most vulnerable to market pressures or falling into disrepair. The outcome of this study will be to develop recommendations for housing interventions and program frameworks to maintain NOAH affordability. The study will allow for the evaluation of potential preservation tools including: rent registries, proactive rental inspections, tax freeze/discount for rent restricted properties, code enforcement for unlicensed rentals, building performance standards. Ultimately, the outcome of this activity will be one complete Housing Study Plan with a set of recommendations for preserving Naturally Occurring Affordable Housing.

Home Repair Program Network Facilitation -

DHCD will fund an external organization to convene home repair program providers working in Philadelphia. The goal of the group will be to conduct shared strategic planning to create a larger, more comprehensive, and streamlined home repair ecosystem. There are a multitude of organizations in Philadelphia that run and are otherwise involved in home repair programs, and developing a better communication network between the organizations will help the city come together around a cohesive strategy for home repairs. The group should include, at a minimum, PHDC, ECA, PEA, Habitat for Humanity, Rebuilding Together Philadelphia, PECO, Philadelphia Gas Works, Philadelphia Water Department, and the Department of Licenses and Inspections.

The group will have the following goals:

- 1) Increase the amount of funding allocated to home repair to serve more residents
- 2) Build the public sector infrastructure for residential decarbonization along with health and safety interventions
- 3) Ensure clear roles and effective collaboration among home repair entities

The home repair network will need to conduct an assessment of existing programs, funding mechanisms, and need, identify gaps in service or potential overlaps in current programs, facilitate workshops and meetings to align on shared priorities, and ultimately create a strategic plan. The outcome of this activity will be the provision of services to five non-profit organizations to build capacity for coordination and collaboration in home repair programs.

ADU and One-to-Two-Unit Conversion Pilot Program -

DHCD and PHDC will design and implement a pilot program to support conversion of single-family properties to increase the number of units via the addition of Accessory Dwelling Units (ADUs) or interior modifications that split one unit into two. ADU or one-to-two unit conversions could be a good fit for participants of other DHCD-funded programs,

including home repair programs (such as Restore, Repair, Renew or the Rental Improvement Fund) and legal/counseling programs (mortgage foreclosure diversion, Tangled Title, Housing Counseling). ADUs or conversions can help maintain affordability for both homeowners and renters. This program would work to tackle two barriers to affordable housing. First, it will increase the supply of housing, opening up new high-quality units for residents to inhabit. Second, it will let homeowners who want to downsize, or may not be able to fully keep up with housing payments as-is to avoid displacement and open up a stream of revenue that can alleviate cost pressures that could lead to displacement and gentrification. For example, an older homeowner who wants to age in place, is able to downsize, but doesn't have the funds to move or maintain their current house could participate in the program, downsize their living quarters, and open up a new stream of income that provides affordable housing and allows them to stay in their neighborhood.

The performance measure of the pilot program is to work to add ADUs to three separate properties. At the close of the pilot program, DHCD will work with partners in the Planning Commission and City Council to evaluate the successes and further needs to continue to expand ADU policies and programs.

Climate Resilience Initiatives in Affordable Housing Programs

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PHDC and the Office of Sustainability (OOS) will work together to bolster the climate resilience of PHDC's affordable housing programs. PHDC will work in collaboration with OOS and a consultant to develop a checklist, integrate that checklist into inspections as a part of existing programs, and select one existing program to pilot implementation of climate resilience improvements. This activity will enhance the climate resilience of the city's affordable housing programs by integrating climate mitigation and adaptation measures into home repair programs and supporting citywide efforts to address flood mitigation, energy poverty, and other climate-related housing challenges. The inspection checklist will address key factors such as flood risk, energy efficiency, and ventilation, among other things. PHDC will implement this checklist into its existing inspection processes, and train inspectors and relevant program staff to implement the checklist consistently and effectively. Then, in collaboration with OOS, PHDC will evaluate the checklist results and identify a set of climate resilience retrofits that can be piloted in an existing home repair program. PRO Housing funding will be utilized to expand the scope of work for a subset of properties in the selected home repair program, incorporating climate resilience retrofits into already-planned repair work. The pilot program will be evaluated to better understand the costs of improvements, successes and challenges, and recommendations for scaling up climate resilience improvements throughout home repair programs. These efforts will be targeted at all units affected by PHDC's affordable housing programs and will be particularly important for those units in areas vulnerable to climate risks such as flooding and extreme heat. This initiative will also be aligned with other

ongoing climate-related housing programs and practices in the city, namely property-level flood mitigation and energy poverty reduction efforts. The outcome and performance measure of this program will be to incorporate the climate resilience checklist and climate retrofits into at least 10 homes.

Housing Policy and Strategic Initiatives for PHDC -

PHDC will retain one staff position to enhance the capacity of the organization to implement key housing initiatives including coordinating and overseeing activities related to home repairs, accessory dwelling unit (ADU) and other housing conversions, and preservation of naturally occurring affordable housing (NOAH). The responsibilities of the staff position will be focused on housing issues citywide, with a particular focus on areas of the city identified as experiencing high demand for affordable housing preservation and rehabilitation. The programs and studies that the staff member will oversee will be targeted at landlords and developers engaged in preserving naturally occurring affordable housing, as well as low-income homeowners in need of repairs to preserve their home. The outcome of this activity will be to hire or retain one staff position at PHDC to build organizational capacity to advance PRO Housing projects.

The Housing Policy and Strategic Initiatives Coordinator will:

- Design and oversee the ADU & Conversion Pilot Program:
 - Work with DHCD and the Planning Commission to develop policies and procedures for implementing the ADU & Conversion Pilot Program.
 - Conduct Research on best practices from peer cities to inform program design and implementation.
- Design and oversee the pilot for Climate Resilience in Home Repair Programs
 - Work with OOS to develop a climate resilience inspection checklist to be incorporated into home repair program processes.
 - Identify climate resilience retrofits to pilot in one existing PHDC program, and develop property eligibility and retrofit scope of work to implement.
 - Carry out the pilot program and participate in evaluation.
- Support the NOAH Rental Preservation Study:
 - Assist with data collection, research, and coordination to support the study's objective of finding ways to best preserve NOAH in the city.
 - Provide insights and recommendations based on findings from research and stakeholder engagement.
- Support the Home Repair Program Network:
 - Work with DHCD to create the network and select a facilitator.
 - Work with DHCD to ensure that program goals are met and processes are streamlined for efficient service delivery.

- Policy-planning-management-capacity building activities that will enable the City of Philadelphia to:
 - Create strategies and action programs to implement plans
 - Set long-term goals and short-term objectives
 - Devise programs and activities to meet these goals and objectives
 - Evaluate the progress of such programs and activities in accomplishing these goals and objectives
 - Carry out management, coordination and monitoring of activities necessary for effective planning implementation

In its original PRO Housing application, the City proposed two pilot programs related to NOAH within Strategy 1. With limited funding for a full pilot program, we have converted this activity to a staff position that will be key to expanding the capacity of PHDC to introduce and test new initiatives. The position will support activities 101-104. The main capacity building responsibilities include stakeholder engagement and convening, and program design.

Project 2: Landlord Gateway Activities

Project 2 consists of activities carried out by the Landlord Gateway, an inter-departmental group responsible for engaging with landlords across the city. Landlord participation will be key in advancing PRO Housing strategy area one. Housing barriers addressed include:

- Age and condition of housing.
- Displacement of residents due to economic pressures.
- Location and type of affordable housing.
- Housing stock is vulnerable to the effects of climate change.

Housing and Real Estate Program Manager for the Landlord Gateway -

The Landlord Gateway is a cross-departmental program that coordinates resources and services for the city’s landlords and developers from all areas of the city. It will hire a program manager to oversee landlord navigators, promote programs and services, and coordinate with all participating agencies to make sure that landlords and developers are able to stay up to date with the latest programs, policies, and procedures that may affect them. The Gateway also encourages landlords to find out if participating in the city’s affordable housing programs is feasible for them. The performance measure for this activity is to hire one program manager for the Landlord Gateway.

The Program Manager will:

- Supervise landlord navigators responsible for direct engagement with landlords and developers.

- Promote city programs, resources, and services to landlords and developers through targeted outreach, workshops, and communication campaigns.
- Promote landlord participation in PRO Housing pilot programs, including ADU and climate resilience programs.
- Coordinate with relevant city departments and agencies to align efforts and ensure that landlords and developers receive timely updates on policies, procedures, and opportunities.
- Monitor and evaluate the effectiveness of the Landlord Gateway, including landlord satisfaction, increased compliance with city regulations, and increased participation in city initiatives and programs.
- Serve as a point of contact for landlords and developers seeking assistance through the Landlord Gateway.

Outreach, engagement, and training materials for the Landlord Gateway -

The city will invest in enhancing landlord engagement and education by updating resources, training materials, and events that support the Landlord Gateway's mission of providing clear and accessible information landlords and developers. The updates to the website will include streamlined access to resources, tools and relevant city policies for landlords and developers. The city will identify additional opportunities to add resources such as FAQs, step-by-step guides, and interactive tools for landlords navigating city programs and procedures. In addition to website upgrades, the city will invest in educational materials including, brochures, flyers, and toolkits to distribute during events and outreach campaigns.

- Establish a physical space to host landlord 101 workshops and training sessions on critical topics such as rental regulations, property maintenance, and accessing financial incentives for property upgrades.
- Develop targeted campaigns to raise awareness of the Landlord Gateway among landlords, particularly small-scale landlords who may not already be engaged with city resources.
- Leverage social media, email newsletters, and community partnerships to amplify outreach efforts.

The goal of this activity will be to hold 36 in-person engagements and trainings for the Landlord Gateway.

Project 3: Office of Sustainability Activities

Project 3 consists of activities carried out by the Office of Sustainability, whose role as a planning and convening agency will be key to advancing PRO Housing strategy area two. Housing barriers addressed include:

- Age and condition of housing.
- Displacement of residents due to economic pressures.
- Location and type of affordable housing.
- Housing stock is vulnerable to the effects of climate change.

Residential Climate Resilience Toolkit -

To empower Philadelphia residents with knowledge, tools, and actionable guidance to make their homes more climate resilient, the Office of Sustainability will create a residential climate resilience toolkit. The Climate Resilience Strategist will work with a consultant to conduct a capacity assessment and develop technical specifications for resilience measures specifically tailored to Philadelphia's housing stock. This technical information will support development of the toolkit for residential properties, which will include a resilient housing manual outreach materials and tools, and an education campaign. The capacity assessment and report will identify opportunities for bolstering climate resilient practices in our current housing programs based on an inventory of existing programs' climate policies and procedures as well as review of how peer cities are tackling these challenging problems. The resilient rowhomes manual will be produced in partnership with the Historic Preservation Alliance, the Urban Land Institute (ULI), and Green Building United (GBU), to ensure a comprehensive and practical approach. The manual will include design guidance and actions for residents to take to make their homes more resilient that are specifically tailored to Philadelphia's unique housing stock. OOS staff will develop outreach and educational materials for engagement with various stakeholders. These materials will cover topics such as flood mitigation, energy efficiency, heat resilience measures and other climate resilience practices. These materials will be available both online and in print in multiple languages. The performance measure for this activity is successfully creating one housing study plan, or climate resilience toolkit.

Climate Resilience Specialist, Built Environment -

The Office of Sustainability will hire a Climate Resilience Specialist, Built Environment to strengthen Philadelphia's residential housing resilience. This position will oversee consultant and external partner work on a capacity assessment, development of technical specifications, creation of a resilient housing manual and other educational resources and materials. They will coordinate and ensure alignment across housing programs and policies in Philadelphia and alignment with other sustainability and climate goals. The efforts of the Climate Resilience Specialist, Built Environment will focus particularly on populations most at risk from the impacts of climate change including extreme weather events, rising temperatures, and flooding. The goal of this activity is to support at least two non-profit organizations.

The Climate Resilience Specialist, Built Environment will:

- Work with consultants and external partners to develop climate resilience strategies, ensuring that deliverables meet city objectives and timelines.
- Facilitate coordination and input across city departments, ensuring alignment with local, state, and federal sustainability initiatives and climate goals.
- Identify and integrate best practices for climate adaptation and mitigation into the city's housing operations, policies, and planning processes.
- Provide technical guidance to city departments on climate resilience including risk assessments, infrastructure planning, and community engagement.
- Monitor and evaluate the effectiveness of climate resilience initiatives, producing regular reports for internal stakeholders.
- Develop educational materials and tools for residents and connect them to city, state, and federal resources that empower them to take actions that increase their resilience to climate impacts.

Project 4: Development Services

Project 4 will be carried out by the Division of Development Services within the Department of Planning and Development. This project will be key to advancing PRO Housing strategy area five. Housing barriers addressed include:

- The effectiveness of the Mixed Income Neighborhoods Overlay is limited by its small geography and a general lack of understanding about its market feasibility.
- Displacement of residents due to economic pressures.
- Location and access to proficient schools.
- Location and type of affordable housing.

Mandatory Inclusionary Housing Evaluation and Feasibility Study-

DPD will procure a consultant to complete a market feasibility study and to develop a proposal for an inclusionary zoning policy that maximizes the amount of affordable housing that can be created by the private market without posing a detriment to market-rate housing. The consultant will work in partnership with DPD to perform analyses and identify recommendations to make Philadelphia's existing inclusionary housing policy more expansive in its reach, easy to understand, and effective at achieving its policy goals. The consultant will evaluate the economic viability of existing and proposed policies, research and present best practices from other cities, develop fact sheets and presentation materials for stakeholders, and recommend changes to the Philadelphia code that may include amendments to the existing Mixed Income Housing Bonus and Mixed Income Neighborhoods Overlay, dimensional standards, and/or incentive structures. The project will include engagement with stakeholders such as the Planning Commission, City Council, the Building Industry Association (BIA), and others. The performance measure for this

activity will be the completion of one study of inclusionary zoning that includes policy recommendations that can be implemented by the City.

DPD will work with City Council and other agencies to promote and pass any necessary legislative amendments based on the recommendations of the study.

Project 5: Housing Strategy Coordinator

Project 5 will be carried out by a department to be determined within the City of Philadelphia. This project will be key to advancing PRO Housing strategy area four and will be focused on convening agencies to streamline development processes. Housing barriers addressed include:

- Long permitting processes and exclusionary zoning can impact development timelines.
- Displacement of residents due to economic pressures.
- Location and access to proficient schools.
- Location and type of affordable housing.

Housing Production and Preservation Coordinator -

The Mayor's Office or designated City department will hire a staff member to coordinate implementing agencies, and a consultant hired to develop a comprehensive strategy for increasing housing production and preservation through streamlined development permitting processes, legislative proposals, and funding allocation for affordable housing programs. The primary target of these efforts will be low- and moderate-income renter and homeowner households in all areas of the city, but particularly in those areas with a high demand for more affordable housing. Key agency partners will be DPD Development Services, DPD Legislative Affairs, DHCD, PHDC, and L&I. The funding calculated for \$90k salary, 40% fringe. The performance measure for this activity will be to complete one affordable housing development plan.

The Housing Production and Preservation Coordinator will:

- Coordinate efforts across key implementing agencies including DPD, PHDC, and L&I, to ensure seamless communication and collaboration around an effective comprehensive housing production and preservation strategy.
- Manage and work with a consultant hired to help develop a citywide strategy for increasing housing production and preservation.
- Lead efforts to streamline development permitting processes to reduce delays and increase efficiency.

- Work with DHCD and PHDC to identify and allocate funding for affordable housing programs and projects.
- Monitor Progress and provide regular updates to the Mayor's Office and stakeholders on the implementation of the comprehensive housing strategy.

Geographic Scope

The geographic scope of this plan is the entire city of Philadelphia. Generally, Philadelphia takes a balanced approach to the implementation of its housing and community development activities. It invests in struggling communities, provides support to middle neighborhoods, seeks to preserve affordability in appreciating neighborhoods and looks to leverage the assets in high-opportunity areas to benefit low- and moderate-income households.

To facilitate a balanced approach, the City will utilize tools available that help to identify areas of the city that are most impacted by barriers to affordable housing. In addition to CDBG-eligible census tracts and Racially/Ethnically Concentrated Areas of Poverty (R/ECAPS), the 2023 Market Value Analysis can help to inform and focus the proposed activities throughout implementation.

The Market Value Analysis is a tool created by The Reinvestment Fund (TRF) which identifies different types of residential markets as well as trends over time. The MVA provides insights into displacement risk and racial, ethnic, and economic segregation throughout the city, and will support the assessments, evaluations, and recommendations that are part of this plan.

Fair Housing

In 2016, the City and PHA created an Assessment of Fair Housing (AFH) which was the first step toward meeting HUD requirements for fair housing planning under the Affirmatively Furthering Fair Housing rule. The AFH was the result of significant research and data analysis, as well as a robust community engagement process. In 2022, the City and PHA underwent another round of public engagement and data analysis to assess overall progress toward fair housing goals in the five years since the first assessment was released. Each of the strategies proposed in this application align with one of the eight preliminary goals of the 2022 update to the AFH.

The 2022 AFH found that rates of cost burden are nearly twice as high in predominantly Black and predominantly Hispanic communities than in predominantly White communities. Seniors, low-income families, persons with disabilities and households with young children experiencing cost burden are also particularly vulnerable. Housing segregation is also a

persistent issue in Philadelphia: while the growth of Asian and Hispanic resident populations has helped Philadelphia become less racially and ethnically segregated over time, residential segregation between White and Black residents remains high.

In addition to the AFH, the Market Value Analysis (MVA) has informed this plan. The Reinvestment Fund has completed seven MVAs in Philadelphia, the most recent of which was shared with the City in 2023. The 2023 MVA indicates that Black and Hispanic residents are more likely than White residents to live in “transitional” or “lagging” markets. “Transitional” markets are characterized by high homeownership rates and signs of stress like high rates of vacancy, foreclosure and code violations. “Lagging” markets are characterized by a high percentage of renters using housing subsidy, as well as the highest rates of vacancy and foreclosure and a high level of residential permitting activity. 62% of Philadelphia’s Non-Hispanic Black residents, and 64% of Hispanic residents live in these market types, whereas only 13% of the city’s White residents reside in “lagging” or “transitional” market types. In addition, homeownership is likely only feasible for Black and Hispanic households in “lagging” markets: with median household incomes almost \$30,000 less per year than the median income of White households, the city’s high-opportunity neighborhoods are out of reach for homeownership among these demographic groups.

The analysis also shows that one segment of the “strong middle” market type is a promising model for addressing economic and racial or ethnic segregation. This segment has high median home sales prices close to the citywide average, average code violations, and lower than average foreclosure rates. The segment also has the highest share of renters using housing subsidies across all market types, and is more racially and ethnically diverse than other segments of the “strong middle” or “regional choice” market types. This indicates that producing or preserving subsidized rental housing could be an effective tool to inhibit segregation and increase access for underserved groups in areas of opportunity in Philadelphia.

Strategies 3, 4 and 5 seek to remove barriers to the production of affordable housing with an inherent goal of expanding affordable housing choice across the city, including in well-resourced areas of opportunity. Research and planning for improvements to the Mixed Income Neighborhood Overlay as well as streamlined permitting and development services for affordable housing developers will facilitate development while avoiding the concentration of affordable housing in low-opportunity areas. Facilitating the creation Accessory Dwelling Units is intended to increase housing choice in areas with high homeownership rates by creating affordable rental options. These options are expected to particularly affect populations with special needs, such as seniors and people living with disabilities. This strategy also promotes anti-displacement measures in that it aims to increase the overall supply of affordable housing while increasing the financial stability of the existing homeowners. These benefits directly combat gentrification, which is a frequent

driver of community displacement. These strategies align with goal five of the 2022 AFH (Develop affordable rental housing with focus on high opportunity and high displacement risk areas).

Strategies 1, 2 and 3 seek to remove barriers to the preservation of affordable housing by exploring ways to keep units affordable while increasing their quality. Preservation can be achieved by creating enforceable regulations or incentives to maintain long-term affordability of subsidized or un-subsidized units, or making improvements to units that decrease other costs, such as energy costs, future repair costs exacerbated by deferred maintenance, or disaster recovery costs. The proposal seeks to research and pilot programs that will achieve preservation in an equitable way that avoids displacement. For example, a program to help landlords make energy efficiency upgrades may have the unintended consequence of incentivizing the landlord to increase rent, putting the tenant at risk of displacement. Instead, the City will pursue mechanisms to maintain long-term affordability while increasing the quality of the unit and decreasing energy costs for the tenant. These strategies align with goal three of the 2022 AFH (Preserve affordable rental housing).

Grantee and Partner Capacity

As lead grantee, the Division of Housing and Community Development (DHCD) is prepared to manage a grant of this size and scope. DHCD is a division within the Department of Planning and Development (DPD). The Director of the Department of Planning and Development is authorized through local ordinance to file applications with HUD on behalf of the City of Philadelphia. Currently, DHCD manages the application and reporting processes for yearly CDBG, HOME, HOPWA, and ESG allocations from HUD.

DHCD will work with partner agencies to manage the implementation of the activities in this Action Plan. Those partner agencies, their role, and their qualifying experience are described below. Each of the partners listed has experience in project management and procurement procedures and has the capacity to quickly launch and implement the activities described. In addition, each has the leadership capacity and authority to effectively implement the activities described. The proposed activities fall within the current scope of interagency partnerships.

This Action Plan was prepared by staff in the departments listed in this section.

Division of Housing and Community Development, DPD

Implementation of Project 1

The Division of Housing and Community Development (DHCD) has previous experience managing projects similar in scope to the activities in Project 1. DHCD's Policy and Programs unit includes program management and data analyst staff who will contribute to inhouse portions of feasibility studies and evaluations in the activities listed. Staff conducts the data analysis and qualitative and quantitative research necessary to publish the yearly Annual Action Plan and Consolidated Annual Performance and Evaluation Report for entitlement programs. The unit also has experience managing projects with consultants or planning firms, recently including the Upward Mobility Action Plan grant with the Urban Institute and an evaluation of the Eviction Diversion Program with The Reinvestment Fund. DHCD also has experience in designing and implementing programs: policies and procedures for the Eviction Diversion Program were developed in-house, and staff continue to coordinate with program partners and internal IT staff to manage day-to-day operations of the program. DHCD staff time will be leveraged in carrying out PRO Housing activities, and consultants will be contracted to complete some key milestones.

The Philadelphia Housing Development Corporation (PHDC)

Implementation of Project 1

PHDC is the non-profit partner of the City's Department of Planning and Development (DPD). PHDC runs a suite of large-scale housing programs, including preservation and construction finance products for affordable housing, residential repair programs for both homeowners and landlords, and various forms of rental assistance for tenants. PHDC also co-led the process to produce the 2021 report on Philadelphia's Naturally Occurring Affordable Housing. This history and breadth of current programs makes PHDC well positioned to lead on preservation efforts for subsidized and unsubsidized rental housing in Philadelphia. All activities will be carried out in collaboration with staff with DPD's Division of Housing and Community Development.

Office of Homeless Services

Implementation of Project 2

The Office of Homeless Services (OHS) coordinates among 16 partners to implement the Landlord Gateway program, launched in May of 2023. Landlord Gateway is designed to provide current and prospective landlords with centralized information and resources to help them more easily participate in affordable housing programs, navigate the City's processes and regulations, understand how to become a landlord, maintain a rental license, and stay compliant. Two Landlord Navigators are currently employed by OHS to work with landlords one-on-one, host education sessions, and manage an online rental unit listing for homeless housing. As part of the PRO Housing proposal, the Landlord

Gateway program is proposing to hire staff that will allow the program to focus geographically and work with community organizations and other stakeholders.

Office of Sustainability

Implementation of Project 3

The Office of Sustainability (OOS) manages contracts that have completed citywide building stock, energy burden, and implementation capacity assessments, and manages contracts that are currently conducting climate vulnerability assessments for citywide critical assets. Previous work also includes a Flood Ready Homes guide that recommends specific flood resilience strategies for various housing typologies in the Eastwick neighborhood. Two staff members from OOS will manage contracts for professional services that will support this scope of work – the Program Manager of Energy Solutions and the Program Manager of Infrastructure and Floodplain Resilience. Activities outlined in Project 3 fall under current scope and capabilities of the office.

Division of Development Services, DPD

Implementation of Project 4

The Division of Development Services currently consists of a Deputy Director and four support staff, all of whom work one-on-one with developers to find solutions to complex problems, listening to developer questions and concerns, coordinating between different departments, and troubleshooting new policies and legislation. As part of this work, the Division hosts regular Development Services Meetings, which convenes staff from up to 20 different agencies to provide feedback on complex development projects and establish a prioritization schedule for approvals, utility service, and public actions. The Division is prepared to procure and manage a consultant to conduct an evaluation and feasibility study.

To be Determined

Implementation of Project 5

DHCD and the Division of Development Services will continue working with the Mayor's office to identify the appropriate placement of the Housing Production and Preservation Coordinator.

Grant Administration

DHCD will coordinate among the implementing partners, take part in quality assurance, and manage grant administration, including grant management and reporting through the Disaster Recovery Grant Reporting System (DRGR). In addition, DHCD has experience working in civil rights and fair housing issues including, for example, working with data to analyze racial or economic disparities. For example, in 2018, DHCD published a Housing Action Plan and has recently participated in the creation of the Housing Opportunities

Made Easy, or H.O.M.E. Plan. These processes brought together several plans that had been developed in the City such as the Assessment of Fair Housing; the Philadelphia 2035 Comprehensive Plan and the District Plans created by the City Planning Commission; and the Homelessness Housing Plan. Integrating these plans into living, actionable, and accountable strategies enabled the City to better prioritize activities, allocate resources, and deliver and facilitate equitable production and preservation. The City implements over 20 programs and initiatives to address the goals laid out in the Housing Action Plan (HAP) and will document progress on the H.O.M.E. Initiative on a public dashboard. Progress is documented not only through a count of the number of housing units produced or preserved, but also by measuring the racial and socio-economic makeup of households served and the distribution of resources across the city.

The proposed PRO Housing activities will enhance existing H.O.M.E. Plan programs and goals, so DHCD and its partners are well positioned to incorporate the activities into an established, coordinated housing and community development strategy.

Stakeholder Engagement and Public Participation Summary

The City's stakeholder engagement related to the PRO Housing grant aligns with DHCD's Citizen Participation Plan as part of its *Consolidated Plan*, which sets forth policies and procedures for citizen participation in planning for the use of CDBG and other funding for housing and community development activities. The Citizen Participation Plan has guided outreach during the development of this proposal and will shape the City's strategy for continued outreach during the grant's period of performance. Continued outreach will be conducted in the event of a substantial amendment to the PRO Housing Action Plan in accordance with the Citizen Participation Plan; outside of that process, various PRO Housing activities will include resident stakeholder outreach as described in the activity descriptions in the Use of Funds – Soundness of Approach section.

In developing this Action plan, we have considered stakeholder input from previous planning processes, including the Consolidated Plan, the Housing Action Plan, the Assessment of Fair Housing, the Community Development Block Grant – Disaster Recovery Action Plan for Hurricane Ida, the Hazard Mitigation Plan, the Climate Resilience Plan, and other plans. Key stakeholders in all housing and community development activities include renters and homeowners, landlords and landlord associations, non-profit and for-profit developers, climate resilience advocates, service providers, community-based organizations, and elected officials and policymakers. The City maintains a dialogue with

these groups by regularly soliciting feedback about needs, policies, and programs, as well as sharing information about program outcomes. The City will continue to maintain a dialogue with these groups throughout the period of grant performance, and incorporate feedback on the implementation of PRO housing projects into this existing outreach strategy.

The City collected extensive input from residents, service providers, and community-based organizations about fair housing needs and barriers to affordable housing during the 2022 Assessment of Fair Housing (AFH) engagement process. Although the AFH is still in draft form at the time of this application, an extensive analysis has been done to summarize the results of the engagement process. The analysis has been incorporated into the sections of this proposal describing key barriers to affordable housing, activity selection and alignment with requirements to affirmatively further fair housing.

To better understand naturally occurring affordable housing, PHDC and DHCD engaged over 25 different non-profit, private, and public sector entities in the creation of the 2021 report on NOAH in Philadelphia. In addition, the City has been an active partner in LISC's Preservation Network, which seeks to protect publicly assisted affordable rental properties in Philadelphia through cross-sector collaboration. These ongoing relationships with housing providers, lenders, tenant advocates and others informed this proposal and will continue to play a central role in planning and implementation during the grant's period of performance. The City continues to attend meetings and engage in dialogue with many local stakeholders that are partners in LISC's Preservation Network.

Input from landlords and landlord associations is critical to activities seeking to preserve affordable housing. In 2023, the City launched the Landlord Gateway which centralizes resources to help both current and prospective landlords navigate the City's processes, requirements, and guidance through a single location. The Gateway includes housing-related services and resources from 16 City departments and agencies to help landlords manage rental properties and tenants to stay current with rent. This initiative has helped strengthen communication between the City and landlords, including small landlords and those offering affordable units, which in turn has helped the City understand barriers to preservation and develop the activities included in this proposal. Throughout the performance period of the grant, this stakeholder group will be key in carrying out and providing input on Strategies 1, 2 and 3.

For activities related to climate resilience, the City draws from several working groups that collaborate on climate resilience initiatives including the Environmental Justice and Climate Resilience Working Group, the Flood Risk Management Task Force, and the Hazard Mitigation Plan Steering Committee. Several community groups have been, will continue to be, or will soon be engaged in flood resilience planning and preparedness initiatives

(Eastwick: From Recovery to Resilience), energy burden and energy poverty alleviation strategic planning, and Climate Adaptation Needs and Values assessments.

Non-profit and for-profit developers are also an important stakeholder in all housing activities. The Division of Development Services works one-on-one with developers to find solutions to complex problems, listening to developer questions and concerns, coordinating between different departments, and troubleshooting new policies and legislation. The Division participates in bi-monthly meetings with the Building Industry Association (BIA) and occasionally meets with BIA's affordable housing developer sub-group. Finally, the Division periodically convenes an ad hoc group with representatives from multiple departments to address specific challenges as they arise related to affordable housing development. This stakeholder group will be key in carrying out Strategies 4 and 5.

In addition to ongoing stakeholder engagement, the City sought public participation in the development of the Action Plan in the following ways:

- A draft of the application was available for public review beginning on October 13th and individuals or organizations were invited to provide public comment on the draft application between October 13th and October 29th.
- Individuals or organizations were invited to attend an in-person public hearing to provide their comments on the draft application on October 19th, 2:30pm-4:30pm, in DHCD's office.
- Notice of the availability of the draft application, the public comment period, and the public hearing were advertised through:
 - Publication in the Philadelphia Daily News (a newspaper of general circulation);
 - An email to DHCD's mailing lists which includes thousands of subscribers, including the Preservation Network, the Housing Security Working Group, and Assessment of Fair Housing stakeholders; and
 - A post on DHCD's legal notices page, which is navigable from the City's main website.

The PRO Housing public hearing took place on October 19th at 2:30pm-4:30pm in DHCD's office. 21 people attended the public hearing, and 14 people offered verbal testimony. In addition, the City received eight pieces of written testimony during the public comment period representing the views of 46 individuals or organizations. A summary of comments received, a detailed list of comments, and a list of individuals and organizations who commented are included in the attachments to the original application.

In response to the comments received during the public comment period, the applicant team revised the application prior to final submission. The proposed strategies were re-

numbered in order of budgeted amount, and community engagement activities were expanded throughout the application. Some activities or descriptions were revised for clarity. Anti-displacement remains a strong theme throughout the Plan and a fundamental goal of each activity. The City is committed to continuing community engagement throughout the PRO Housing grant implementation period and any comments on how the City should carry out proposed activities will be retained and considered while conducting studies, assessments, and pilot programs.

For any substantial amendments the City will follow public participation requirements by first publishing the proposed amendment to its website. After posting the amendment, the City will notify the public and stakeholders of both the proposed amendment and a meeting for public comment. The public will be notified via email, a press release, and social media at least 15 days before the scheduled meeting date. The notification will also include information about when and where the City will hold the public hearing to solicit feedback on the proposed amendment, ensuring that the meeting location will be physically accessible to those with disabilities. The public will be able to submit feedback in person verbally and/or in writing. Information about the amendment communicated to the public will be in multiple languages and accessible formats in order to ensure people with limited English proficiency and disabilities have equal ability to provide feedback.

Long-Term Effect

Collectively, the activities in this action plan work towards the primary goal of increasing the supply, stability and quality of affordable housing to meet the needs of low- and moderate-income households in Philadelphia. Throughout the program period, the City will continue to assess the barriers identified as well as the changing needs of priority populations. Since each Strategy involves in-depth feasibility studies and assessments prior to implementation, the City will be able to identify roadblocks early and adjust activities as necessary. The team may face challenges related to changing market conditions or the reluctance of some stakeholders to participate, or “buy in,” to the proposed activities. By laying the groundwork early to engage residents and other stakeholders from the start, the City will be prepared to maintain participation throughout the program period.

Measurable outcomes are listed in the chart below:

Project Name	#	Activity Name	Performance Measure	Strategies Supported
Project 1 DHCD/PHDC	101	NOAH Rental Preservation Study	1 Housing Study Plan Completed	Strategy 1

	102	Home Repair Program Network Facilitation	5 Non-profits served	Strategy 1
	103	Accessory Dwelling Unit and One-to-Two-Unit Conversion Pilot Program	3 Properties (ADU new housing construction) 6 Households	Strategies 1 and 3
	104	Climate Resilience Initiatives in Affordable Housing Programs	10 Properties (natural hazard mitigation)	Strategies 1 and 2
	105	Housing Policy and Strategic Initiatives for PHDC	1 Staff Hired	Strategies 1 and 2
Project 2 Landlord Gateway	201	Housing and Real Estate Program Manager for the Landlord Gateway	1 Staff Hired	Strategy 1
	202	Outreach, engagement and training materials for the Landlord Gateway	36 In-Person Engagements/Trainings	Strategy 1
Project 3 Office of Sustainability	301	Residential Climate Resilience Toolkit	1 Housing Study Plan Completed	Strategy 2
	302	Climate Resilience Specialist, Built Environment	2 non-profits served	Strategy 2
Project 4 Development Services	401	Mandatory Inclusionary Housing Evaluation and Feasibility Study	1 Housing Study Plan Completed	Strategy 5
Project 5 Housing Strategy Coordinator	501	Housing Production and Preservation Coordinator	1 affordable housing development plan completed	Strategy 4

The lessons learned through the PRO Housing grant program will not only inform the direction of the proposed activities, but will also be incorporated into broader efforts to meet affordable housing needs in Philadelphia. By creating new staff positions in three of the proposed strategies, PRO Housing goals and activities will become embedded into regular agency operations. The collaborative nature of the proposal means that the

activities won't be carried out in siloes: the implementing agencies can work together to create efficient outreach and engagement strategies, or propose policies, tools and products as part of a "PRO Housing" package. Pilot programs will demonstrate the effectiveness of discrete activities so that successful strategies can be scaled and replicated in permanent programs. The expected outcomes of each Strategy are described below.

Strategy 1: Explore and Support the Preservation of Affordable Units

Strategy 1 is an important step toward maintaining housing affordability into the future. At the end of the funding period, the City of Philadelphia will have implemented a set of interconnected housing affordability preservation projects. Working collaboratively, PHDC and the City will have completed a housing study with actionable recommendations, convened and collaborated with home repair program providers, engaged landlords to ensure units are affordable and decent quality, and piloted at least two new tools for preserving affordability. Preserving the affordability of existing rental housing – for both subsidized and unsubsidized units – is one of the most effective anti-displacement measures. A comprehensive approach to affordability preservation in Philadelphia will maintain rental options in high-opportunity areas and allow residents the choice to stay in neighborhoods where they have strong social networks. The City will evaluate the number of units preserved at different AMI levels and distribution across the city, including in areas of opportunity or high risk of displacement. Strategy 1 will permanently remove key barriers to affordable housing by producing studies and pilot programs that will be used to rehabilitate aging housing, stop displacement due to economic pressures, expand the distribution and typology of affordable housing, and mitigate the effects of climate change on affordable housing. The plans that will result from this strategy will give the City tools and information to address these barriers, and the pilot programs will give the City a foundation on which to build permanent programs that will expand affordable housing.

Strategy 2: Plan for Climate Resilient Housing

Strategy 2 will seek to fill gaps in producing and preserving affordable housing in the face of increasing natural hazards. Completed products will help empower Philadelphia residents with knowledge, tools and actionable guidance to make their homes more climate resilient and create pathways for climate resilience to be incorporated into existing City housing programs. Deliverables include various media products for education and outreach for incorporating climate resilience at the household level, as well as a series of workshops with relevant partners and stakeholders. The vulnerability report, paired with the capacity report, will highlight gaps, next steps, and critical actions for all partners involved in Philadelphia's housing programs. Moreover, reports will identify what resilience strategies are most needed and at what scale, and the pathways and expertise needed to implement them. This strategy will permanently remove key barriers to affordable housing by addressing the age and condition of housing, the displacement of residents due to

economic pressures, the location and type of affordable housing, and the vulnerability of housing stock to climate change. The products that will result from this strategy will provide the City with tools that can be permanently used to address these barriers.

Strategy 3: Expand Opportunities for Creating Accessory Dwelling Units

Strategy 3 will produce extensive information on how to best proceed with a potential update to how the City of Philadelphia approaches and promotes ADUs. A key component that will be focused on is how feasible it will be to adopt a robust ADU system within Philadelphia, and how to proceed should the pilot program show results other than expected. With the information gleaned from existing research, future legislation and development decisions can be made through an informed and inclusive lens to maximize the benefits of future housing projects in communities throughout the city while fostering sustainable growth and prosperity. This Strategy includes the implementation of one pilot program to test recommendations. The result will be reduced rates of cost-burden among participating homeowners as well as the production of affordable rental units. This strategy will permanently remove key barriers to affordable housing by addressing the displacement of residents due to economic pressures and the location and type of affordable housing. The ADU pilot program will enable the City to diversify the type and location of affordable housing, and create more affordable units in neighborhoods that lack them.

Strategy 4: Reduce Barriers to Production

Strategy 4 will streamline the permitting process for affordable housing developments by increasing the number of by-right permits, reducing the number of zoning permit expirations, and reducing the time it takes for permit approvals and issuance of certificate of occupancy. It will also make affordable housing permitting more accessible and easier to navigate by providing website resources and other educational resources, as well as ensuring that developers have a point of contact within the City to guide them through the process and assist with any potential questions. Finally, it will increase the production of housing by tackling the low-hanging fruit of exclusionary zoning ahead of Philadelphia's Comprehensive Plan Update. By continuing to convene the internal working group and meeting regularly with affordable housing developers, the dedicated Housing Program Manager can also remain nimble and address new challenges as they arise with changes in development practices (e.g. increasing use of modular and manufactured construction), funding requirements, and zoning rules. This strategy will permanently remove key barriers to affordable housing by addressing the age and condition of housing, displacement of residents due to economic pressures, location and access to proficient schools, and location and type of affordable housing. This strategy will provide resources and hire a Housing Program Manager that will permanently make it more accessible and streamlined to build and repair affordable housing.

Strategy 5: Expand Philadelphia's Inclusionary Zoning Policies

Finally, the long-term impacts of Strategy 5 will be a more informed and data driven approach to inclusionary zoning in the City of Philadelphia. The main deliverable will be a market feasibility study and resulting proposal to improve the efficacy and expand the geography of the Mixed Income Neighborhoods Overlay. The largest potential roadblock will be political will and councilmanic prerogative, which we will counteract by 1) getting council buy-in early in the process and 2) using council district as a geography of study for council district-specific recommendations. The main metric for success will be what changes council ultimately implements and, as a result, the number and geographic distribution of inclusionary housing units produced. This strategy will permanently remove key barriers to affordable housing by addressing displacement of residents due to economic pressures, location and access to proficient schools, and location and type of affordable housing. The activities carried out in strategy 5 will make it easier to build more affordable housing in more areas of the city.