

2017 ACCOMPLISHMENTS REPORT



pha.phila.gov



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OUR MISSION

The Philadelphia Housing Authority's mission is to open doors to affordable housing, economic opportunity and safe, sustainable communities to benefit Philadelphia residents with low incomes.

STRATEGIC DIRECTIONS

In December 2015, the PHA Board of Commissioners approved a 5-year Strategic Direction Plan containing 12 priorities.

- I. Preserve and expand the supply of affordable housing available to Philadelphia's residents with low-incomes
- II. Achieve excellence in the provision of management and maintenance services to PHA residents
- III. Create safe communities in collaboration with neighborhood residents and law enforcement agencies
- IV. Enhance resident well-being and independence through partnerships for employment, job training, education, health and other evidence-based supportive services
- V. Improve access to quality housing choices and opportunity neighborhoods through the Housing Choice Voucher program
- VI. Incorporate energy conservation measures and sustainable practices throughout PHA operations
- VII. Improve customer service, streamline operations and create a business model that is data-driven and high performing
- VIII. Conduct PHA business in an open and transparent manner that promotes accountability and access, ensures diversity and adheres to the highest ethical standards
- IX. Strengthen existing relationships and forge new public, private and philanthropic partnerships to support PHA's strategic goals
- X. Make PHA an employer of choice with an accountable, diverse, trained and productive workforce
- XI. Ensure that PHA is a good neighbor and reliable community partner
- XII. Encourage innovation and promote PHA's financial health through ongoing participation in the Moving To Work Program



A MESSAGE FROM THE CEO AND BOARD CHAIR

Over the past year, PHA accelerated efforts to “open doors to opportunities” for 80,000 PHA residents and for tens of thousands of veterans, seniors, people with disabilities and families with children who turn to PHA for desperately needed affordable housing. While our job is far from complete, and PHA faces daunting challenges in working to preserve and expand the supply of affordable housing, we are enormously proud of the many accomplishments made over the past year.

Working in partnership with Mayor Kenney and the City of Philadelphia, we are delivering on our commitment to the Sharswood/Blumberg community, where PHA has launched an ambitious and far-reaching neighborhood revitalization strategy. Building on the U.S. Department of Housing and Urban Development supported Choice Neighborhoods Transformation Plan developed in collaboration with over 40 partners, community organizations, residents and stakeholders, PHA celebrated the grand opening of 57 sustainable, energy efficient rental units while laying the groundwork for future phases including the rehabilitation of 94 units in the now-empty Blumberg Senior Tower. Our partnership with Habitat for Humanity is progressing quickly with repairs on an existing 11 homes already completed, and plans are underway to repair and preserve an additional 30 existing homes and build 20 new affordable homes.



PHA’s commitment to the Sharswood area extends beyond housing to include substantial economic development, education, and supportive service initiatives. This year, we achieved a major milestone with PHA’s purchase of the shuttered Vaux School Building, which will be rehabilitated and occupied by a new neighborhood High School scheduled to open in the fall of 2017. This partnership with the School District and Big Picture Schools is an example of the creativity and innovation that has emerged from the neighborhood planning process. Much more

is about to happen. In the next few months, PHA will be celebrating the groundbreaking for a new PHA Headquarters building and a neighborhood supermarket, both designed to spur private development and create neighborhood amenities needed to transform Sharswood into a “neighborhood of choice.”

Across the City, through the “transfer of assistance” provisions of the Rental Assistance Demonstration (RAD) program, PHA is transforming long-term vacant and distressed scattered sites into new affordable housing. This year, PHA closed on 323 rental units at six developments sponsored by partnering development organizations that will serve veterans, seniors, formerly homeless families and other underserved, diverse populations while also helping to catalyze additional public and private sector investments into these communities—investments that are being made possible by PHA’s partnerships.



RAD is also facilitating the preservation of existing affordable housing, such as Courtyard at Riverview, which converted 470 rental units from public housing to project-based assistance

during the year. In the process, PHA worked with the owner to secure financing for much-needed repairs to ensure the long-term viability of this critical community housing resource.

PHA's public safety initiatives, including a commitment to hiring and training resident police officers, bore fruit as we experienced a 41% decline in serious Part I crimes at PHA developments.

We have seen similar dramatic improvements related to resident health. The Smoke Free Policy -developed and implemented with the active collaboration and support of PHA resident leaders - has resulted in an approximate 50% reduction in the presence of nicotine and second hand smoke, as documented by a Drexel University study.

PHA's 2017 Accomplishments Report provides details on these and many other activities in support of the 12 organizational goals defined in PHA's Strategic Directions Plan. We thank our dedicated staff, PHA's committed resident leadership, our HUD and City of Philadelphia partners, and the many other individuals and organizations who contributed to another successful year.

As we write this message, the future of affordable housing in Philadelphia and nationwide remains clouded by potential federal budget cutbacks of historic proportions. PHA will redouble its efforts in the coming months to educate the public and our elected officials about both the overwhelming need for housing resources and the enormous positive impact and leveraging effect that result from thoughtful, targeted investments in neighborhood revitalization.

Thank you for your continued support of PHA and its mission.

Sincerely,



A handwritten signature in black ink that reads "Kelvin A. Jeremiah".

Kelvin A. Jeremiah
President and CEO



A handwritten signature in black ink that reads "Lynette M. Brown-Sow".

Lynette M. Brown-Sow
Board Chair

A MESSAGE FROM MAYOR KENNEY



Mayor Kenney speaks at Sharswood-Blumberg Ribbon Cutting

One of my more memorable moments over the past year came in November, when I joined PHA in cutting the ribbon on the first phase of new homes at the Sharswood-Blumberg development. The moment represented more than the 57 beautiful, just-completed homes; it symbolized the beginning of the rebirth of an entire community so badly damaged by riots of the 1960's. That's a long time to be down. But now, with a new high school and supermarket still to come, as well as PHA's new office building and hundreds more homes, Sharswood today stands on the verge of returning to its strength of being a community of families.

While that very large-scale project moves forward, PHA is working in many other ways to serve our city's most vulnerable population. The agency's leadership exercised sound judgment in making changes to its structure over the past year to cope with previous funding decreases and to anticipate further cuts from Washington. Fulfilling PHA's mission may now be more challenging but it has never been more important. And I'm proud to say that the agency has found a way to serve more households with fewer resources.

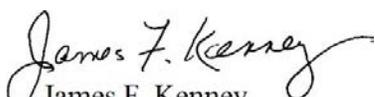
One way the housing authority is accomplishing those results is through partnerships. An enduring PHA-City partnership, the Blueprint to End Homelessness, continues to house formerly homeless individuals and families. Three hundred thirty-five previously homeless households were placed through this joint effort over the past year. The program has been so successful because the City's Office of Homeless Services and the Department of Behavioral Health and Intellectual disability Services provide services and coordination that complement PHA's housing. That combination helps these families stabilize their lives, evidenced by its remarkable success rate of 93% in preventing a return to homelessness.

Another partnership of great importance for PHA is HUD's Veterans Affairs Supportive Housing program. PHA found permanent homes for 80 more vets over the past year. Those vets also receive case management and clinical services provided by the Department of Veterans Affairs. And then there are partnerships with a long list of affordable housing nonprofits, with whom PHA works closely to produce more apartments.

As our city attracts more residents - and property values and rents rise - prices are moving out of reach for more and more families. While we are extremely gratified that so many younger people are choosing to live and work here, what makes Philadelphia truly great is the way we take care of the less fortunate among us. People coming off addiction or reentering society need a hand-up as well. The City's Office of Reintegration Services is working to make Philadelphia an example of how reentry should work. As part of that, PHA has a program that specifically helps returning citizens with a place to live and with job training. It's heartening to hear stories of re-entered citizens taking advantage of the program to join the workforce and move out of PHA housing.

So in short, PHA plays an enormous role in our city's efforts to stabilize lives and communities. I look forward to many more days like the one last November in Sharswood, and I congratulate Kelvin Jeremiah, the PHA Board and everyone at the agency on their outstanding accomplishments over the past year.

Sincerely,


James F. Kenney
Mayor



**STRENGTHENING
COMMUNITIES**

Blumberg Phase I – The Transformation Begins



In mid-November 2016, Mayor Kenney and other dignitaries joined PHA to celebrate the completion of the first phase of the Sharswood/Blumberg Transformation.

Fifty-seven affordable rental homes were built on three parcels of vacant land at North 24th and Oxford Streets, across the street from the site of the old complex.

This development represents PHA's first use of the Rental Assistance Demonstration (RAD) program. RAD is HUD's rental housing preservation strategy, allowing public housing authorities to leverage public and private financing to maintain affordable housing sites.

The Blumberg Apartments Phase One delivers on the first part of PHA's promise to the community to create sustainable, energy efficient, affordable housing, while increasing critical amenities to make Sharswood a neighborhood of choice.

It will take several more years for PHA to complete the transformation of the community with a total investment estimated at slightly more than \$500 million. The plan includes an array of resources and partners across all levels of government.

HUD awarded a Choice Neighborhoods Initiative Planning Grant to PHA in December 2013. More than 40 planning meetings with residents and stakeholders took place to create a blueprint for a thriving, prosperous, self-reliant neighborhood. The community-based approach to planning this development has led to strong support within the neighborhood that the plan will succeed.

Fulfilling the Promise to Blumberg Residents

Residents of the former Blumberg high-rise complex began moving in to **57 new homes at Blumberg Phase One** in mid-February. When PHA began making plans to revitalize the neighborhood, all residents of the now-demolished old site were given the right to return.

PHA staff members formally met with the new residents in early March to go over the rules that govern the new development. They were happy and grateful to have spacious, modern, affordable low-rise housing. It was apparent to them that the Sharswood neighborhood was changing for the better.



Anchoring the Sharswood Neighborhood



One of the keys to the renewal of the Sharswood neighborhood is **PHA's new headquarters** building on the Ridge Avenue commercial corridor. It will give the corridor a corporate presence with a new, modern face. Construction of PHA's new consolidated headquarters is expected to begin mid-Spring of 2017.

The PHA board approved a \$45 million contract with the joint venture of Shoemaker Construction Co. and Synterra, Ltd., for the construction of the building. The new location will allow for the consolidation of several housing authority offices at one location.

The Philadelphia City Planning Commission gave its approval of zoning changes to support the development of the new headquarters and an adjacent supermarket. The change in zoning to a singular focus designation will allow for mixed used development. PHA hopes to spur other businesses to join the agency along the corridor to bring amenities that will make the community that much more appealing.

Renewing the Ridge Avenue Corridor

The revitalization of the commercial corridor in Sharswood received a boost when PHA and Save-A-Lot reached a tentative agreement in August 2016 to build a **new grocery store on Ridge Avenue**. A grocery store in what is now a food desert represents a major part of the Sharswood/Blumberg Transformation Plan. The new store will cover 18,500 square feet and be located next to the new headquarters building for PHA.



Save-A-Lot will operate a modern store with products that include fresh produce, poultry and seafood, and other items that have not been available in the neighborhood. Construction is scheduled to begin in 2017 with the opening set for summer of 2018.

Under the terms of a 10-year agreement, PHA will develop the building using non-federal funds at a cost of approximately \$4.5 million. Once the structure is in place, Save-A-Lot will cover the cost of all fixtures and installation. The grocer will make lease payments to the housing authority or its affiliate.

During the development of the plan to transform the Sharswood/Blumberg community, residents told PHA a grocery store was a feature the neighborhood badly needed. This agreement will bring in a high quality grocer and employment.

A High Quality School: Central to a Strong Community

The Sharswood/Blumberg community will have a neighborhood based high school as of September 2017. The School District of Philadelphia in partnership with PHA and Big Picture Schools will reopen the Vaux High School building as a college preparatory high school that will serve 504 students.

The Vaux location was identified for a new high school because of an expected increase in the number of high school students in the neighborhood under the Sharswood/Blumberg Transformation Plan.

The district is contracting with nationally acclaimed education innovator Big Picture Learning to implement an innovative educational design. The new four-year high school will serve students who have graduated 8th grade on time, and are looking for a proven, internship-based, college prep experience.

Big Picture operates under the philosophy of smaller classes and close relationships between students and teachers. Learning focuses around a student's interests and passions. Internships that connect students to the world of work outside of school guide the structure of the school experience.

PHA purchased the Vaux building from the School District for \$2 million and is investing \$10 to \$15 million for renovations. In addition to its investment in the building, PHA will provide an annual subsidy of up to \$500 per student. The Philadelphia Federation of Teachers has agreed to a contract for this site and will represent the teachers at Vaux.



PHA Fulfills a Promise at Queen Lane



The redevelopment of the Queen Lane site was completed in early February 2017 when PHA unveiled a historical marker there, fulfilling a promise made several years earlier.

The marker recalls a time when part of the site was used as a Potter's Field. It notes that a historic burial ground was established on July 23, 1755 by deed to serve as the resting place for all strangers, Negroes, and Mulattoes who died in any part of Germantown forever.

In January 2014, PHA signed a "Programmatic Agreement" with HUD, the State Historic Preservation Office, and the Advisory Council on Historic Preservation. The agreement governed the way the site

was redeveloped, including the posting of the marker. During the redevelopment of the former high-rise site, an archaeologist was on hand or readily available during the entire process.

Redeveloping a Historic Neighborhood

On the very last day of FY '17, March 31, 2017, PHA joined with community leaders to break ground on the long awaited Strawberry Mansion Apartments. This historic neighborhood within walking distance of Fairmount Park has suffered from decades of neglect, but PHA intends to be one of the catalysts for change. The site, which once contained a mix of empty lots and blighted or broken down homes, qualifies as a "Smart Site Selection Site" for residential infill.



55 new apartments consisting of one, two, three and four-bedroom homes will be completed by February 2018.

PHA has worked closely with community leaders on this development and is investing \$23 million in the neighborhood, of which \$11.66 million will come from private investors via the sale of Low Income Housing Tax Credits. The balance will come from public housing funds and private financing through the Rental Assistance Demonstration Program.

Developing More Homes Via Partnerships

PHA is accelerating the pace of developing and preserving homes for low-income families, seniors, and disabled citizens – working with partner organizations across the city. The agency is in the midst of a multi-year plan in which it is working with over 25 organizations to create and support over 2,300 affordable housing units.

Partner organizations include the Archdiocese of Philadelphia, CATCH, Inc., Community Ventures, Gaudenzia Foundation, HELP USA, Hispanic Association of Contractors and Enterprises (HACE), Impact Veterans Services, Inglis, Intercommunity Action, Liberty Housing, Methodist Family Services, Mission First Housing Group, Mt. Vernon Manor, NewCourtland, Nueva Esperanza, People’s Emergency Center (PEC), Presby’s Inspired Life, Project HOME, Women’s Community Revitalization Project (WCRP) and 1260 Housing Corporation.

The majority of PHA funding for these developments comes from the Housing Choice Voucher program. The homes being built, preserved and supported under these PHA partnerships are in addition to PHA’s own development work.

The Housing Choice Voucher program also executed Rental Assistance Demonstration (RAD) deals with various housing partners creating an additional 1,127 affordable housing units. The deals include rental subsidies for 5 senior developments, 2 developments for homeless veterans, and a development for youth aging out of foster care.

Our Partners:



6 in 5 Initiative

PHA is on a path to create 6,000 units of affordable housing in five years. These homes comprise new construction and public housing units being preserved through new investments. In FY 2017, the agency added 1,162 units, bringing the program total since inception to 2,300.

Site	Sponsor	Awarded under:	Type	Description of Project	Status	Vouchers Awarded	Ann. Budget Authority
Anna's House	CATCH	RFP 004003	PBV	Existing; homeless/mental health individuals; South Phila.	HAP Contract signed 9/1/16	12	\$88,560
Pennrose	CATCH	RFP 004003	PBV	Existing site; homeless/mental health individuals; South Phila.	HAP Contract signed 9/1/16	10	\$73,800
Sandy's/Catherine House	CATCH	RFP 004003	PBV	Existing; homeless/mental health individuals; South Phila.	HAP Contract signed 9/1/16	3	\$22,140
Belmont Spec. Housing I	Inglis House	RFP 004003	PBV	New Construction; disabled; West Phila.	HAP Contract signed 9/23/16	25	\$338,784
Belmont Spec. Housing II	Inglis House	RFP 004003	PBV	New Construction; disabled; West Phila.	HAP Contract signed 12/1/16	15	\$191,568
Grace Townhomes	WCRP	RFP 004003	PBV	New Construction; low-income families; North Phila.	HAP Contract signed 10/1/16	36	\$436,884
Hope Bridge (Vine St)	Methodist Services	RFP 004003	PBV	Existing; homeless single women; West Phila.	HAP Contract signed 10/1/16	19	\$147,600
Hope Bridge (Ogden)	Methodist Services	RFP 004003	PBV	Existing; homeless single women; West Phila.	HAP Contract signed 10/14/16	4	\$29,520
Mt Vernon II	Mt Vernon LP	RFP 004003	PBV	New Construction; low income families; West Phila.	HAP Contract signed 1/11/17	15	\$235,956
Lehigh Park Apartments	HACE	RFP 004003	PBV	Rehabilitation; low income families; North Phila.	HAP Contract signed 1/1/17	25	\$425,700
Blumberg Phase I	PHA	PHA Owned	PBV	New Construction; low income families; Blumberg/Sharswood	HAP Contract signed 12/1/15, exp. occupancy 02/17	6	\$71,496
4050 Apts	PEC	RFP 004003	PBV	New Construction; homeless individuals, Artists; West Phila.	HAP Contract signed 03/10/2017	20	\$285,432
Hancock Manor	Impact Services	RFP 004490	PBV-HUD VASH	HUD-VASH; Homeless Veterans	HAP Contract signed 2/27/17	14	\$14,520
Project Based Total						204	\$2,361,960
Blumberg Phase I	PHA	PHA Owned	RAD	New Construction; low-income families; Blumberg/Sharswood	HAP Contract signed 12/1/15, exp. occupancy 02/17	51	\$817,560
2415 N Broad St	Project Home	RAD Transfer	RAD	New Construction; homeless; North Phila.	HAP Contract signed 4/1/16, exp. occupancy 07/17	88	\$820,512
HELP V	HELP USA	RAD Transfer	RAD	New Construction; Veterans; Northern Liberties	HAP Contract signed 9/1/16, exp. occupancy 11/17	37	\$511,712
St John Nuemann	Archdiocese of Philadelphia	RAD Transfer	RAD	New Construction; Seniors; South Phila.	HAP Contract signed 9/1/16 with exp. occupancy 05/17	52	\$590,760
St Barts	New Courtland	RAD Transfer	RAD	New Construction; Seniors; Northeast Phila.	HAP Contract signed 10/1/16, exp. occupancy 02/18	42	\$507,618
Lehigh Park Apartments	HACE	RAD Transfer	RAD	Rehabilitation; low-income families	HAP Contract signed 1/1/17, exp. occupancy 2017	49	\$695,772
Courtyard at Riverview	Micheals Org.	RAD Conversion	RAD	Rehabilitation; low-income families, seniors	HAP Contract signed 1/1/17, rehab. in progress	470	\$6,103,524
Strawberry Mansion	PHA	RAD Transfer	RAD	New Construction; low income families; North Phila.	HAP Contract signed 3/1/17, exp. occupancy 2018	55	\$875,832
RAD Total						844	\$10,923,290
St. Francis Villa	Archdiocese	Commitment	ACC	New Construction; Seniors; Kensington	exp. occupancy 2018	40	\$240,000
New Courtland Allegheny Phase I	New Courtland	ACC	ACC	New Construction; Seniors; North Phila.	Leased	56	\$369,600
Impact Veteran Family Center	Impact Services	ACC	ACC	New Construction; Veterans; North Phila.	Leased	18	\$108,000
ACC Total						114	\$717,600
Total						1162	\$14,002,850

A circular photograph showing a woman with dark hair, wearing a grey zip-up hoodie, smiling and holding a young child. The child is wearing a blue shirt and holding a small object. They are standing in a hallway with a wooden staircase in the background. A colorful blanket is visible on the floor to the left. The text "EXPANDING HOUSING OPPORTUNITIES" is overlaid in white on a green rectangular background.

EXPANDING HOUSING OPPORTUNITIES

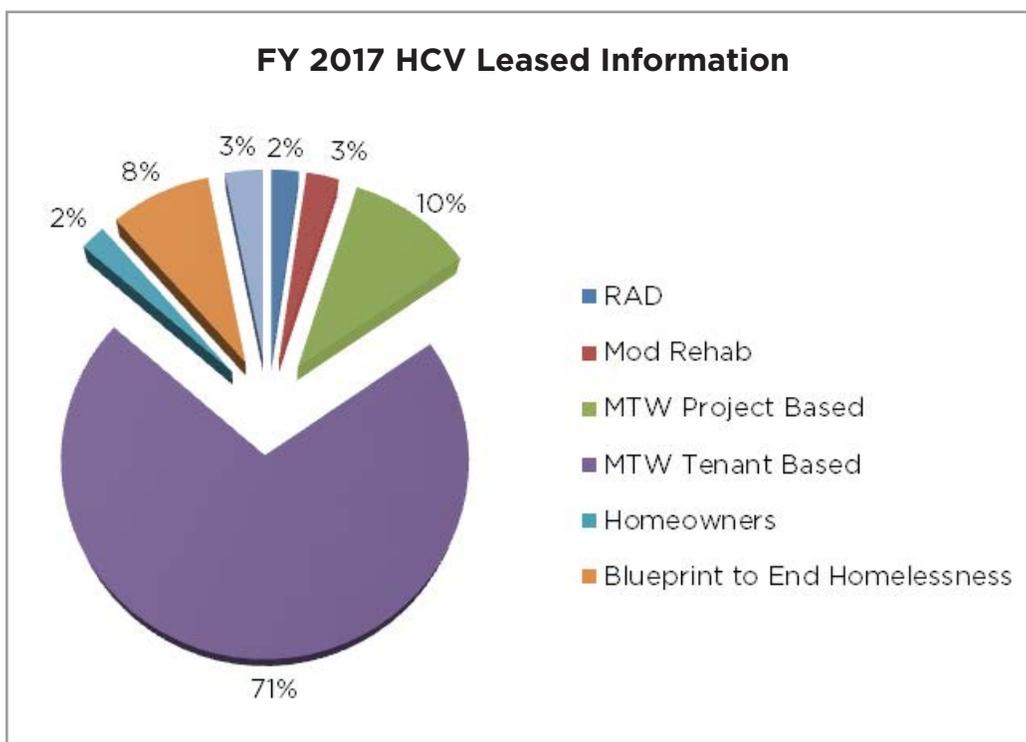
Housing Choice - A Wide Range of Service

The Philadelphia Housing Authority serves special groups of people in the city through the Housing Choice Voucher (HCV) program.

In the past fiscal year, PHA in partnership with the City of Philadelphia housed a total of 105 individuals and families through the Blueprint to End Homelessness program. The agency has an overall commitment of 500 housing opportunities toward the reduction of homelessness.

Also in the past year, the agency housed 10 voucher participants through its partnership with the United States Probation office and the Mayor's Office of Reintegration services to aid the reentry of ex-offenders into society through the Second Chance Program. Participants are selected carefully, with comprehensive and collaborative oversight by judges, prosecutors, and defense attorneys, and a variety of social services.

Beginning this past Fiscal Year, PHA implemented the Section 811 voucher program, a supportive housing program for persons with disabilities. In FY 2017 PHA issued 32 vouchers and housed a total of 17 disabled persons through this new initiative.



Second Chances Make a Difference



Knowing that one of the barriers to successful re-entry has been access to housing, **PHA proudly supports the Second Chance Housing Choice Voucher Pilot Program** in partnership with the Eastern District Federal Court Supervision to Aid Reentry (STAR) Program and the Mayor's Office of Reintegration Services (RISE) program.

The STAR Program works in conjunction with Federal Probation and Parole to offer returning citizens an opportunity to reduce their parole period by one year through participation in the Re-Entry Program. Each participant signs a contract to transition the oversight of their parole to the two federal Judges that administer the STAR program. The STAR program collaborates with the local RISE program to provide counseling, education, job training and job placement services.

PHA started the pilot program for an initial two-year period in the fall of 2014 and it has now been continued. Ten returning citizens can be on the program at any one time.



One of many Second Chance Success Stories – Luis Cordero

PHA's first Second Chance applicant, Luis Cordero, was determined to become a productive and upstanding member of his community. Through PHA's Second Chance Programs, he received a Housing Choice Voucher in October 2014. He was able to relocate to a new neighborhood near where he worked in May of 2015.

Since his release, Cordero has worked in landscaping, construction, maintenance and is now a licensed plumber apprentice. His goal is to eventually become a master plumber.

Cordero is also now self-sufficient and no longer requires housing assistance from PHA. His story is not unique. Beyond the Second Chance Program, many PHA households include men and women who have re-entered society, looking for a hand up.

Serving Those Who Served Their Country

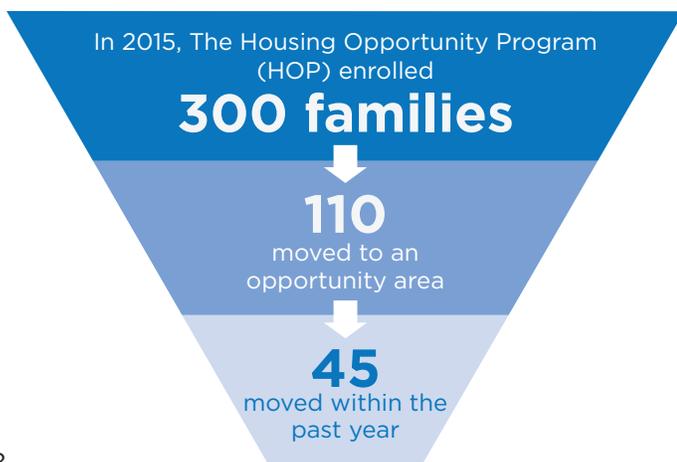
659 Veterans were housed by PHA in the Veterans Affairs Supportive Housing Voucher (VASH) program in FY 2017. That figure includes 95 new homeless Vets who obtained permanent housing in the past year.

PHA was the only housing authority in Pennsylvania to receive HUD-VASH Project Based awards. One went toward creating the Veteran's Multi Service Center-Edison 64. The other will help maintain Hancock Manor.

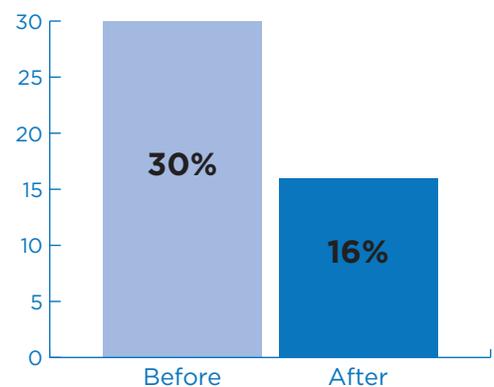


Overcoming Poverty

Since its inception in FY 2015, the Housing Opportunity Program (HOP) has enrolled over 300 families, 110 of whom have moved to an opportunity area. Participants receive counseling services and other training before, during, and after their move, to help them succeed and thrive in their new communities. Forty-five of these families moved over the past year, opening opportunities to greater economic, educational and social mobility.



Families Living Below the Poverty Line



As a result of participating in HOP, the number of these families living below the poverty rate decreased from nearly 30% to 16%.

FY 2017 Public Housing Statistics

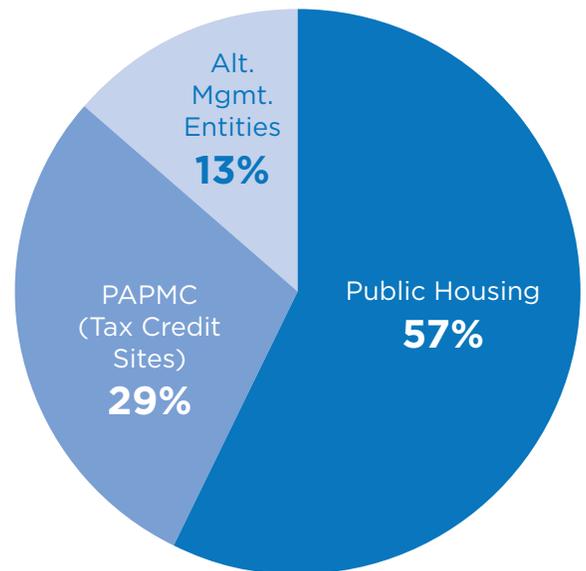
786 Public Housing applicants placed:

- Public Housing: 451
- PAPMC (Tax Credit Sites): 230
- Alternative Management Entities: 105

Applicants Placed Requiring Wheelchair Accessible Units:

- Alternative Management Entities: 22
- Public Housing: 104
- PAPMC: 38

***The accessible unit numbers are part of the 451 Public Housing placements.*



Maintenance Statistics

PHA's housing portfolio requires regular maintenance so that residents have safe, quality, affordable housing.

The agency's Maintenance Department expanded its efforts in making vacant units ready for new residents, turning over more than 800 vacant units in Fiscal Year 17.

PHA completed **110,000+** service orders - repairs and enhancements required to repair, upgrade or maintain properties and the grounds around them.

PHA completed **7,800+** emergency service orders. These are urgent situations that require immediate repair or mitigation.

Because PHA properties scored so highly on federally required safety inspections the previous year, **63%** of the agency's sites (47 out of 75) were exempt from Real Estate Assessment Center (REAC) inspection in FY17.



A Big Deal

PHA, HUD and The Michaels Organization completed a record setting agreement under the RAD program. It means that the Courtyard Apartments at Riverview, a 470-unit development located in South Philadelphia, will be upgraded and remain affordable to low-income households.

The RAD transaction changed the funding from traditional public housing to Project Based Housing Choice Voucher assistance. By switching the type of subsidy, the owners of public housing developments are able to leverage debt in order to generate capital for reinvestment in the development, including a set-aside for reserves. The deal allows the owner to generate private capital for the much needed repairs and upgrades.

Under RAD, the project is subject to a RAD Use Agreement that automatically renews every 20 years. This transaction represents one of the largest RAD agreements in Pennsylvania and significant among RAD transactions across the country.



Volunteers from The Michaels Organization helped PHA paint at the Courtyard Apartments Revitalization Kickoff.

A circular photograph showing two young girls standing in a room. The girl on the left is wearing a white shirt and dark pants, carrying a light blue backpack. The girl on the right is wearing a pink shirt and light blue jeans, carrying a bright pink backpack. In the background, there are other people and a green 'EXIT' sign on the wall. The photo is framed by a dark blue border.

**PROMOTING FAMILIES,
COMMUNITIES, OPPORTUNITIES**

Community Operations and Resident Development (CORD)

PHA's Community Operations and Resident Development Department (CORD) programs allow PHA residents the opportunity to achieve self-sufficiency at their fullest level.

Highlighting this year's achievements include:

Jobs Plus Pilot Program

In July 2016, PHA began implementation of the Jobs Plus Pilot Program, an intensive program of employment-readiness, job training, job placement, and support services for the residents of PHA's Raymond Rosen development. At the end of FY 17, the Jobs Plus staff had met with and conducted individualized assessments on 215 residents – more than 68% to the goal of 315, after only nine months. The goal is to assist residents with activities such as finding new employment, improving financial literacy, and improving educational outcomes.

Senior Adult Day Center Program

PHA provides housing to over 7,000 seniors, which creates a need for adult day and other programs offering assistance with activities of daily living. During FY 17, PHA successfully transitioned operation of its Ridge Avenue Eldercare Services Center to HomeLink, which continues to fulfill that need in the PHA community.

After School Program

PHA offers after school programming to students ages 5-18 residing at 12 sites. Programs including homework assistance, recreation, services learning and community service, run three hours a day, five days per week. To date, the programs serve 260 PHA youth.

Summer Camps

Those enrolled in the after school program are automatically enrolled in our summer camp, running through July and August. In collaboration with the summer food program, youth enrolled in summer camps receive breakfast and lunch, along with recreational and educational instruction. Fifteen minutes of reading per day is a requirement of our summer camps, in order to keep youth on or above their reading level.

CORD Youth Explosion

On May 21, 2016 at the John F Street CORD hosted our 2nd Annual Youth Explosion. Over 300 people were in attendance at this event, receiving information about our after school programs and summer camps. Unity in the Community was the guest speaker for this event, talking to youth about the importance of education, community service and following their dreams.

Back to School/Book Bag Giveaway

August 11, 2016 CORD hosted a Back to School Jam for PHA residents, and non-residents, and gave out over 1,300 book bags. August 15-26th CORD staff went site to site distributing book bags to youth, gearing students up for the 2016-2017 school year.

PHA Agency Wide Spelling Bee

August 17, 2016 CORD hosted an agency wide spelling bee for youth enrolled in our after-school programs. Over 100 youth participated from our Boys and Girls club sites.

Feed the Community Event

December 18, 2016, in collaboration with the Foundation for the Betterment of Humanity, CORD hosted its 3rd annual Feed the Community Event. Guests received a warm meal, and youth attending our after-school programs, as well as community youth, received toys to take home for Christmas. We hosted over 350 participants at this event.

Summer Youth Employment

Through a partnership with the Philadelphia Youth Network and Communities in School, PHA was able to provide summer employment to 10 youth ages 14-18. These youth were trained by the Free Library of Philadelphia on how to conduct reading circles to PHA campers, as well as keep them on grade level for reading during the "summer melt."

Community Operations and Resident Development (CORD)

PHA's Community Operations and Resident Development Department (CORD) promotes, creates, and provides realistic opportunities of self-reliance and self-sufficiency to all PHA residents.

The department achieves this end through new innovation and technology, community partnerships, resident programming, and educational resources.

The objective: to allow PHA residents the opportunity to achieve self-sufficiency at their fullest level, with CORD facilitating, encouraging, and monitoring the resident's success.

CORD offers a wide range of services to help residents:

- Homeownership Section 5(h) program
- Housing Choice Voucher (HCV) Homeownership program
- Job Training programs
- GED, Refresher Course and ABE classes
- Section 3 and job bank
- Summer Camp and After School programs
- Family Self Sufficiency program
- Community Outreach
- Senior Programs
- Youth Programs

Bridging the Digital Divide

In FY 17, PHA began a partnership with T-Mobile to provide up to 4,500 public housing families with a free tablet and access to T-Mobile's high-speed 4G LTE network. The first 300 devices were handed out to all families of the West Park Apartments in mid-March.

As part of this program to ensure that more public housing families have internet access, another 333 residents enrolled in PHA's Family Self Sufficiency (FSS) program at other locations received tablets and internet service. PHA plans to expand this resource to more families from across the agency's housing portfolio in FY 18.



A PHA resident receives her free tablet.

PHA and T-Mobile are participating in HUD's ConnectHome initiative to close the digital divide in America and to extend affordable broadband access to families living in HUD-assisted housing.



Through ConnectHome, internet service providers, non-profits and the private sector are offering broadband access, technical training, digital literacy programs, and devices for residents in assisted housing units.

Smoking Ban Quickly Shows Results



A scientific study published in early 2017 found that PHA's smoke-free policy improves air quality at public housing developments. The housing authority's Board of Commissioners adopted the policy in July 2015 for new and existing units, becoming the largest public housing agency in the country to ban smoking in its complexes.

A team from Drexel University's Dornsife School of Public Health conducted three waves of data collection: summer/fall 2013, late spring 2014, and early spring 2016. Scientists at Johns Hopkins University in Baltimore analyzed the samples collected by the Drexel team.

The study showed that the average amount of detectable levels of nicotine in the air at four test sites was reduced almost in half. Inside non-smoking residents' homes, trends toward reduced nicotine exposures were also seen.

The results generated by the study makes PHA the only housing authority in the nation with objective evidence showing the effectiveness of a smoke-free policy.

The full study, "SHS Exposure and Smoke-Free Policy in Philadelphia Public Housing," was published in Tobacco Regulatory Science's April issue.

An Upgrade for Wilson Park Senior Community Center

Pennsylvania Governor Tom Wolf visited Wilson Park in late February to tell residents that the Senior Community Center there received a grant of just over \$22,000 from the state.

The grant covers the cost of two touchscreen computer systems, five laptops, and an ADA compliant laptop cart so disabled seniors can use the computers. Physical upgrades to the kitchen at the center will also take place.

Money for the grant came from the Pennsylvania Lottery.



Governor Wolf visited the Wilson Park Senior Community Center in February 2017.

PhillySEEDs Helps Deserving Residents

Scholarships

In July 2016, PhillySEEDS, Inc., a PHA subsidiary, honored 62 PHA residents seeking higher education with \$256,000 in scholarships.

Through the scholarship program, PHA empowers residents and helps families reach self-sufficiency by allowing them to access education and training resources necessary for them to succeed in a competitive economy and in life.



PHA Scholars Program

A total of \$835,000 in scholarships has now been awarded to 206 residents since the award-winning program began in 2013. Money for the scholarships comes from PHA's operating budget and funds donated by program supporters and vendors as part of their Section 3 commitments.

Homeownership

PhillySEEDS also assisted 19 resident homebuyers with over \$27,000 in down payment and closing costs while helping eight residents with over \$8,400 in security deposit assistance.

Making Safety a Priority



Officer Rokeisha Gallashaw grew up in the Norris Apartment in North Philly and was recruited by PHA for its police department.

PHA, working closely with residents, achieved a stunning decrease in crime at its developments.

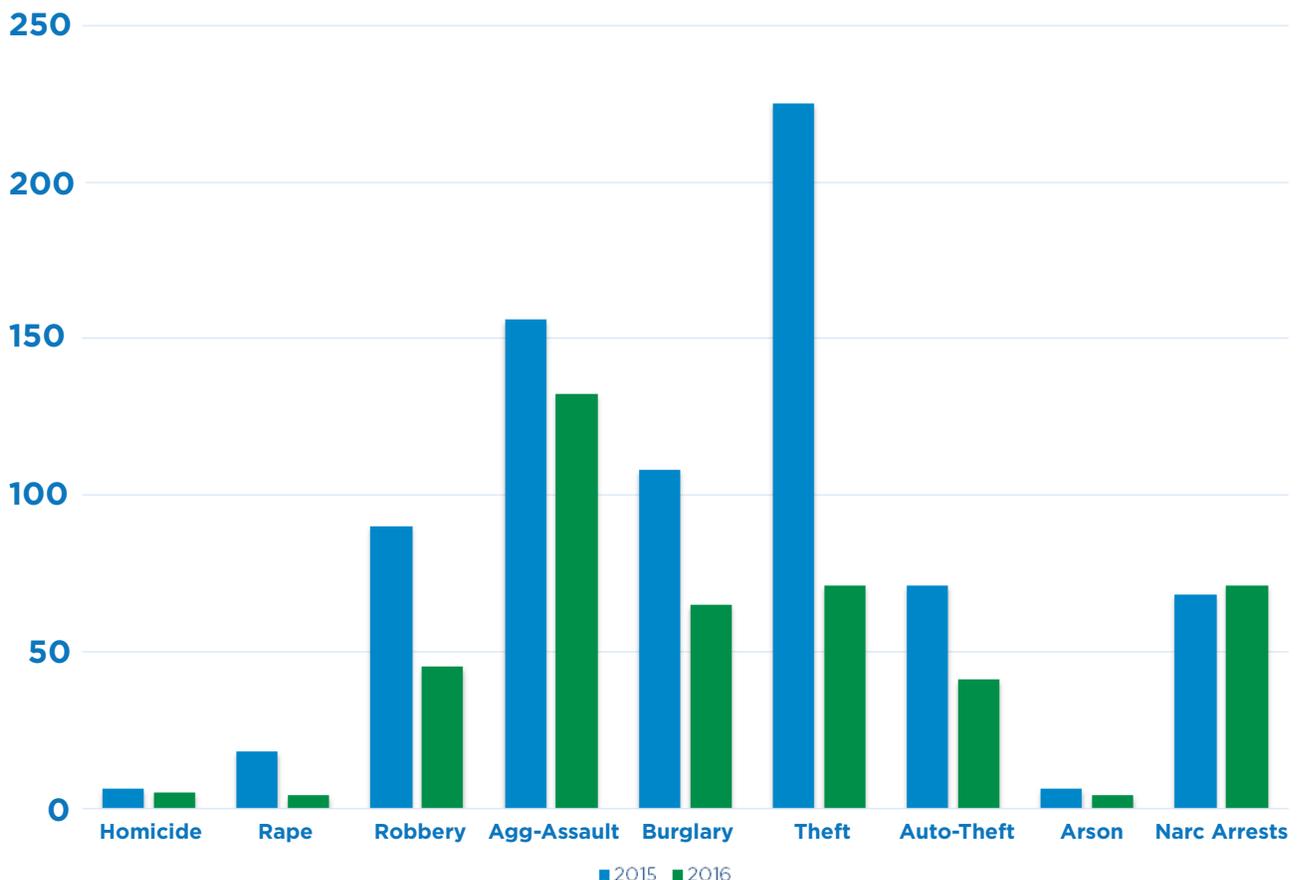
Statistics for calendar year 2016 show crime fell in virtually all categories, with thefts decreasing by 68%, robberies cut in half, and sexual assaults down by 78%. Overall, crime decreased by over 41%.

PHA made the decision to increase the size of its police department three years ago after Kelvin Jeremiah assumed the role of President and CEO. Jeremiah not only committed to increasing the number of sworn police officers, but also ensuring that at least 10 PHA residents would be recruited to join the force.

PHA Police Chief Branville Bard says the resident officers, who undergo the same training as all PHAPD recruits, have had an immediate positive impact. “They have roots already established in the community, so that allows them to hit the ground running. They know these areas very well. And individual residents feel more comfortable going to them because they know them.”

In addition to the PHAPD expansion, PHA invested heavily in a closed circuit television security system and multilayered door entry access controls.

PHAPD Part-I Crime & Narcotics 2015 vs. 2016



Assets for Independence Grants

Four Assets for Independence (AFI) grant candidates became homeowners in FY 17, for a total of seven new homeowners under the AFI Grant to date. The overall grant is for 20 homeownership spots to be filled.

In Education, 12 out of 15 AFI Education applicants received their AFI grant funds during FY 2017. That brings the total filled under this grant to 22.

The last AFI asset, Entrepreneurship, has two slots that have also been filled. The AFI team will conduct a business plan review for the applicants. If scored and approved, these residents will receive the 8:1 match from their current Individual Development Savings Accounts.

All AFI eligible candidates must save towards their goal with a minimum of six months through a bank account from either the Philadelphia Federal Credit Union or PNC Bank.



**OPERATING
EFFICIENTLY**

We Employ the Best People

Running the nation's fourth largest housing authority during a time of shrinking resources takes lots of skill, entrepreneurship, and plain old hard work. It also takes a number of departments and employees collaborating to do great work. PHA strives to be an employer of choice and, because of that, it has a highly skilled work force that serves over 80,000 people with housing and supportive services that make a big difference in their lives.



Our Employees are Making a Difference

PHA's Human Resources Department (HR) remains firmly committed to finding, developing, and keeping the high performing employees while holding down costs.

The department oversaw an early retirement incentive program of which more than 40 employees took advantage. That was part of the process of rightsizing the organization to position PHA for a secure future.

During FY 2017, the department demonstrated that commitment in several ways:



- **Employees were recognized throughout the year for exemplary performance** - Employee of the Month- and service-Excellence in Customer Service and over 90 employees were recognized in various categories, including Milestone Years of Service, at the Annual Employee Recognition Event.
- **HR facilitated training courses throughout the year** including: Enterprise Income Verification; Low Income Housing Tax Credit; Fleet Policy; Admissions and Continued Occupancy Policy; and Uniformed Physical Conditions Standards.
- The department **revised the Employee Handbook** and provided training to employees across the organization.
- **The Summer "Intern" Program employed 23 student-employees**, including 11 PHA residents, across PHA operations from June through August of 2016.
- HR coordinated the delivery of **12 Active Shooter Training sessions** to over 700 employees.
- In a money saving move, HR and Risk Management worked collectively to obtain a **premium refund of over \$190,000** from our Workers' Compensation carrier.

Supplier Diversity

In FY 2016, Philadelphia businesses received \$34.1 million of the total PHA contracted procurement spend of \$104 million. In other words, 32.8% of the agency's spending went to city businesses.

PHA also posted a Minority Business Enterprise/Women Business Enterprise (MBE/WBE) participation rate of 37 percent MBE and 25 percent WBE.

Philadelphia based businesses or organizations received \$170.2 million out of total disbursements of \$284.6 million in FY 2016. That's 60% of all disbursements.

PHA continues to work closely with all Chambers of Commerce, the City's Procurement Department, the City's Department of Sustainability, and the School District's Procurement Department to share MBE/WBE lists, contracts for piggybacking, and energy procurement knowledge.



\$34.1 million

from PHA contracts
were spent with
Philadelphia businesses.

37% MBE

25% WBE



Getting Goods at the Right Price

The Supply Chain Management Sourcing & Contracts Department successfully solicited and executed 11 different contracts/task orders, purchase orders and pre-development agreements in support of the Sharswood/Blumberg Transformation Plan.

The department was also instrumental in awarding contracts for the development and planned construction of PHA's new headquarters and neighboring supermarket in the Sharswood/Blumberg neighborhood. The authority has also established partnerships with Habitat for Humanity to build and/or renovate 20 homes and Big Picture Schools to reopen Vaux High School for the neighborhood.

The Supply Chain Management Procurement Department completed a project that resulted in the standardization of many materials and appliances used throughout PHA's residences. This will result in improved availability and lower costs.

After a year-long negotiation and competitive selection process, PHA is entering into its first fleet leasing agreement with Enterprise Government Fleet Leasing. This will enable PHA to modernize its fleet over a five-year period and achieve a sustainable, modern fleet that is rotated every five years at costs that will be far lower than costs-of-ownership.

In FY17, the Supply Chain Management Analytics Department realized the benefits of Natural Gas and Electricity Futures purchases made in prior years via contracted vendors. The agency was able to shave more than 8% off of its budgeted amount of \$6,905,763, reducing the amount spent to \$6,315,671.

Doing Business with PHA

Twice a year, PHA hosts a business networking event to provide suppliers with the opportunity to learn how to become a vendor for the agency.

Prospective vendors learn about upcoming contract opportunities, prequalification, submitting proposals, bidding procedures, Section 3 compliance, minority and women-owned business participation, and bonding and insurance requirements.

A total of **95 vendors** took part in these events in FY 2017.



Insuring Integrity and Efficiency

In FY 2017, the Office of Audit and Compliance (OAC) successfully performed investigative, audit and compliance-related activities relating to PHA's operations, programs, and services.

Other highlights for FY 2017 include:

- Thirteen fraud cases were forwarded to the District Attorney's office for egregious amounts owed to PHA, totaling \$230,569 – 10 arrests from these cases were completed during the fiscal year and 3 are pending
- OAC collected \$270,030 from court-ordered repayment agreements arising from investigations into tenant misconduct
- OAC developed and/or updated Standard Operating Procedures for several PHA departments
- OAC issued citations and/or back wage payments totaling \$31,821

OAC by the Numbers	
596	Complaints Received
206	Investigations Opened
168	Open Investigations Substantiated
\$424,848	In Ordered Restitution to PHA

In this time of shrinking federal dollars, OAC's efforts include not only recovering monies owed, but also implementing proactive efficiencies in how PHA performs its operations.

ISM - The Nerve Center of PHA's Operations



PHA's Information Systems Management (ISM) department makes sure that the agency's business functions run smoothly and efficiently. Software applications that ISM installs, develops, delivers, and manages help PHA deliver a high quality of customer service.

A newly installed Public Housing Client self-service application allows our residents to view family demographic details, schedule inspections and recertification, pay monthly rent and view billing information. Residents can also create an order for maintenance, send a question, and request or schedule a meeting with the property manager directly.



ISM implemented and fully trained all PHA Police officers on the ARMS Record Management System. This law enforcement records management software allows officers to make quick and efficient records entry on people, property, vehicles, and criminal activity.

The department created and implemented a Case Management System to assist in mobility counseling and prepare Housing Choice Voucher (HCV)

participants to rent a home in an "opportunity" area while helping them adjust to life in their new neighborhood.

ISM put into use the ReliaCard for issuance of utility payments for Housing Choice Voucher residents utilizing bank debit cards. ReliaCard is a cost saving approach that eliminates the use of utility checks.

Overall, ISM delivered on 21 major projects over the past year.

PHA's In-House Legal Team

The expertise of PHA's Office of the General Counsel (OGC) supports all the activities of PHA.

Furthering Construction

- OGC played an integral role in completing the financing of the first Rental Assistance Demonstration (RAD) program transaction to close in Pennsylvania. In all, OGC worked on initiating or closing 17 such developments.
- OGC was instrumental in finalizing the bond issuance that underlies planned construction of PHA's new headquarters on Ridge Avenue.
- Groundbreaking on PHA's long-awaited development at Strawberry Mansion was finally accomplished, due to the success of OGC in addressing multiple legal obstacles, with similar success regarding the Queen Lane Development.



Assisting Residents, Staff and Operations

- OGC initiated the successful revision of the public housing lease, ACOP and Administrative Plan and provided guidance for compliance with policies, procedures, laws and regulations, procurement, PHA's utility allowance program, admissions and wait lists, and reasonable accommodations.
- OGC's Risk Management loss control initiatives saved money and enhanced the safety of PHA's employees and residents, by providing training in defensive driving, ladder safety, lifting, slips and falls, and fire safety.
- OGC expanded its grievance and informal hearing programs to formalize admissions hearings processes and improve alternative dispute resolution processes.



**FINANCIAL
STABILITY**

Statement of Net Position - March 31, 2016

	Primary Government	Component Units
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$104,140,743	\$5,661,369
Restricted cash (Note 3)	8,831,489	32,385,421
Investments (Note 3)	21,978,849	----
Receivables (Note 4)	56,113,442	2,711,930
Other current assets (Note 5)	2,382,323	551,619
TOTAL CURRENT ASSETS	\$193,446,846	\$41,310,339
NONCURRENT ASSETS		
Mortgages receivable (Note 7)	\$382,425,013	----
Restricted investments (Note 3)	2,732,598	----
Capital assets, net (Note 6)	560,022,085	455,274,228
Equity interest in component units (Note 17)	5,076,612	----
Other assets (Note 5)	5,859,563	2,146,716
TOTAL NONCURRENT ASSETS	\$956,115,871	\$457,420,944
TOTAL ASSETS	\$1,149,562,717	\$498,731,283
Deferred outflows of resources (Note 12)	24,527,371	----
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,174,090,088	\$498,731,283
CURRENT LIABILITIES		
Accounts payable	\$10,599,861	\$1,756,664
Accrued liabilities	17,526,200	1,347,720
Current portion of long-term debt (Note 9)	5,070,000	307,151
Due to other government agencies	354,658	----
Compensated absences (Note 14)	4,953,243	----
Resident security deposits (Note 3)	787,599	531,991
Unearned revenue and other current liabilities (Note 8)	8,770,879	19,570,804
TOTAL CURRENT LIABILITIES	\$48,062,440	\$23,514,330
NONCURRENT LIABILITIES		
Compensated absences (Note 14)	\$3,302,150	----
Long-term debt (Note 9)	40,986,800	358,621,445
Net pension liability (Note 12)	83,816,842	----
Other long-term liabilities (Note 10)	5,321,249	66,136,258
TOTAL NONCURRENT LIABILITIES	\$133,427,041	\$424,757,703
TOTAL LIABILITIES	\$181,489,481	\$448,272,033
NET POSITION		
Net investment in capital assets	\$517,287,419	\$86,102,987
Restricted for development	3,035,237	----
Unrestricted (deficit)	472,277,951	-35,643,737
TOTAL NET POSITION	\$992,600,607	\$50,459,250
TOTAL LIABILITIES AND NET POSITION	\$1,174,090,088	\$498,731,283

Statement of Revenues, Expenses and Change in Position - March 31, 2016

	Primary Government	Component Units
OPERATING REVENUE		
Tenant revenue	\$26,089,704	\$24,870,330
Operating subsidies	365,450,191	----
Other income	4,111,928	3,392,008
TOTAL OPERATING REVENUE	\$395,651,823	\$28,262,338
OPERATING EXPENSES		
Administrative	\$78,514,832	\$8,137,759
Tenant services	4,550,351	276,881
Utilities	21,080,217	4,441,109
Maintenance	73,228,847	11,245,235
Protective services	12,365,596	----
General	30,454,340	3,013,991
Housing assistance payments	156,339,314	----
Depreciation and amortization	48,847,725	17,049,423
TOTAL OPERATING EXPENSES	\$425,381,222	\$44,164,398
OPERATING LOSS	(\$29,729,399)	(\$15,902,060)
NONOPERATING REVENUE (EXPENSES)		
Interest and investment earnings	\$6,104,852	\$20,431
Interest expense	-2,632,277	-6,080,215
Other revenues (charges)	-17,697,575	57,899
NET NONOPERATING REVENUE (EXPENSE)	(\$14,225,000)	(\$6,001,885)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(\$43,954,399)	(\$21,903,945)
CAPITAL CONTRIBUTIONS		
HUD capital subsidies	\$19,222,882	574,793
Partner distributions	----	-452,060
Partner contributions	----	20,793,860
	\$19,222,882	\$20,916,593
CHANGE IN NET POSITION	(\$24,731,517)	(\$987,352)
NET POSITION, BEGINNING		
As previously reported	\$1,075,462,923	\$51,446,602
Prior period adjustments (Notes 12 and 18)	(\$58,130,799)	----
AS RESTATED	\$1,017,332,124	\$51,446,602
NET POSITION, ENDING	\$992,600,607	\$50,459,250

Fitch Ratings

Fitch Ratings, one of the Big Three credit rating agencies, gave high ratings for two of PHA's outstanding bond issues that funded the development of Greater Grays Ferry Estates, formerly known as Tasker Homes.

The bond issues date back to 2002 and 2003. Fitch gave the bonds totaling \$45.8 million a AA-rating.

This rating allows PHA to investigate lowering the interest rate, saving the housing authority as much as \$1 million a year.

Fitch also said the overall rating outlook for PHA is stable.





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