





Philadelphia Housing Authority Building Beyond Expectations



The Philadelphia Housing Authority has achieved what few thought possible: Affordable housing has become a positive force for change, transforming distressed communities across the city into thriving, attractive neighborhoods where people want to live. Through the vision of Executive Director Carl R. Greene, PHA has restored optimism to its residents and their neighbors, opened new avenues for private investors and created significant new wealth for the city and state.

		1	
Table of Contents	2	3	
	4	5	
Message from the Chariman of the Board	6	7	Message from the Executive Director
What?	8	9	
The Studies	10	11	
Where?	12	13	
Martin Luther King Plaza	14	15	Courtyard Apartments at Riverview
Cambridge Plaza	16	17	Richard Allen Homes
Falls Ridge	18	19	Greater Grays Ferry Estates
How?	20	21	Innovative Financing
Cutting-Edge Technology	22	23	Market-Rate Design
Property Management Excellence	24	25	Homeownership
Why?	26	27	
Resident Programs	28	29	
	30	31	
Value Recognition	32	33	
Financials	34	35	
PHA Leadership	36		

## value for our residents,

PHA is creating wealth for low and moderate-income residents through homeownership opportunities.

В

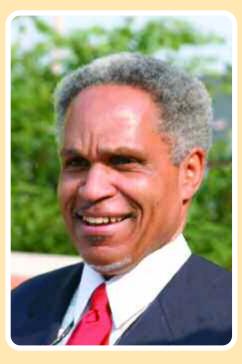
PHA is creating wealth for Philadelphians who live near redeveloped sites by raising property values in the surrounding community. value

for all

## value for the city

tnut/ at ling

**PHA** is fueling both local and regional economies at a remarkable pace through redevelopment.



### Chairman of the Board

This is such a wonderful era for Philadelphia. Center City is vibrant and bustling with activity, distressed neighborhoods have been brought back to life, property values have risen sharply in major sections of the city, and for the first time in decades people are choosing to move back to Philadelphia. The Philadelphia Housing Authority has made a major contribution toward creating that enticing environment.

Everybody focuses on the beautiful new housing PHA has been building, which is only natural, but what has enabled PHA to achieve its great success is the system that supports the product. For example, several years ago PHA invested in corporate-style technology. That has led to excellent efficiencies in the agency's financial and human resources management, as well as property management and maintenance.

PHA has also developed a staff of highly trained construction engineers, architects, finance experts, property managers and others who work together to accomplish the authority's ambitious objectives. PHA is a role model for how a government agency can apply a corporate mentality to achieve a public purpose. PHA's clients certainly notice the performance. The latest resident satisfaction survey again gives PHA very high marks for how the properties are managed and maintained. That survey reinforces what I hear in my meetings each month with residents. It's high praise for an organization that takes its mission very seriously.

Playing a role in the evolution of PHA has been one of my great pleasures. There was a time when advocates had to fight for basic, decent housing from PHA. That now seems like ancient history. PHA has built well beyond basic and decent. Even in these times of decreasing federal funding for public housing, PHA has found a formula to bring quality, value and optimism to neighborhoods.

2005 was another year of great accomplishment for PHA, the clients it serves and the neighbors who live near PHA properties. We on the PHA Board of Commissioners remain committed to building on that record.

John F. Street, Esquire Mayor



## Executive Director

Sometimes it takes an outside objective view to let you know how good a job you're doing or, in the case of PHA, how well we are serving the public. PHA received such a review in 2005 when the Philadelphia Inquirer put us under the microscope. The outcome of that examination was for us a validation of all that we have worked to produce over the past several years. The three-part front-page series was titled, "Rising From the Ruins – Why public housing, once the scourge of the city, now is a vital part of its life and its future."

We are very proud of that public acknowledgement, and we think as you read this year's annual report you will see why PHA finds itself at the forefront in the new era of affordable housing. We have managed to do what seems paradoxical, building communities that simultaneously serve the interests of the poor and the affluent.

As the studies cited in this report demonstrate, PHA has spent the past several years strategically replacing distressed housing developments with modern townhouse style communities. The primary beneficiary would appear to be the residents of the new PHA housing. But those PHA communities have also acted like magnets, attracting families who want to live near these PHA sites. In turn, the value of the homes around our sites have soared, creating wealth for the homeowners in these neighborhoods, not to mention the investors who support our work through the purchase of Low Income Housing Tax Credits.

2005 brought other successes for PHA as well. We began selling newly built homes at our sites for the first time, with the demand for our product exceeding even our expectations. We once again excelled in property management as reflected in our high customer satisfaction survey scores. And we guided many more families to economic independence through our Moving to Employment program.

Everything at PHA begins with our values; corporate and personal integrity, a committed work ethic and dedication to making life better for as many people as possible. We believe that the results show we once again lived up to those values over the past year.

Carl R. Greene Executive Director

## What

PHA builds affordable housing communities that create value for residents, the city and the region. In addition to building tremendous new homes, PHA has improved entire communities through overhauls in infrastructure.



### Redesigned Neighborhoods

The past year brought some remarkable news about affordable housing in Philadelphia. Independent studies completed in 2005 show that PHA has served as a catalyst for economic growth, causing a positive ripple effect across the city through new investment. The findings paint a striking new portrait of public housing.

A big part of the picture is the scale of PHA's progress. PHA is moving into the final year of its plan to build or modernize 6,100 homes across town through a \$1.2 billion development program. From Richard Allen Homes and Cambridge Homes in North Philadelphia to Greater Grays Ferry Estates in South Philadelphia, and from Martin Luther King Homes near Center City to Falls Ridge in East Falls, PHA's initiatives continue to revive entire neighborhoods once locked in blight.



In addition to building tremendous new homes, PHA has improved entire communities through overhauls in infrastructure. Reconfigured streets, new underground utility lines and lighting systems enhance many redeveloped sites. State-of-the-art community centers support local recreational, educational and health-related needs.

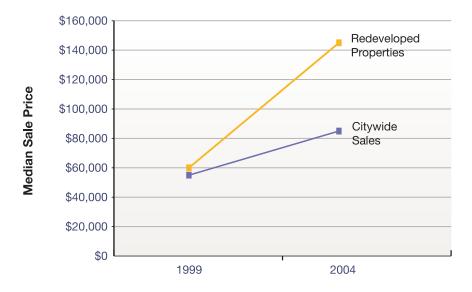
These improvements have driven up neighboring property values, fostering investor confidence in greater areas surrounding PHA's sites.

### The studies, close up

Applied Real Estate Analysis, Inc. (AREA) and Econsult Corporation studied six large-scale sites that PHA redeveloped from 1999-2004. The conclusions were resounding:

PHA has played a major role in boosting real estate values and city tax revenues, building wealth for low and moderateincome families who live near PHA's sites, spurring residential and commercial investment and adding jobs to the economy.

Applied Real Estate Analysis, Inc. (AREA) measured shifts in property values around PHA's developments. Findings concluded that PHA's redeveloped sites are growing at a much faster rate than the citywide average or at PHA sites that have not been rebuilt. Property values measured from 1999 to 2004 around the PHA sites grew by 142%, more than 2.5 times the citywide rate of 55%.



Econsult Corp. analyzed the economic impact of PHA's investments. The study estimated the same PHA sites increased residential market value in adjacent neighborhoods by \$200 million, generating over \$4 million annually in added property tax revenues to the city and school district.



## A bright future

The expertise and systems are in place to expand on PHA's performance. The agency has plans to reinvigorate nine more neighborhoods between now and 2011. A follow-up study by Econsult, based on objective measurements of PHA's past performance, shows the pattern of wealth creation will continue as PHA moves forward.

The study measured the potential economic impacts of an initial \$519.3 million in capital construction spending and increases to adjacent property values through to 2011, when all projects are expected to be completed. Findings showed marked increases in property values, construction expenditures, employment, property tax revenue increases and earnings for each site's impact area during the construction period.

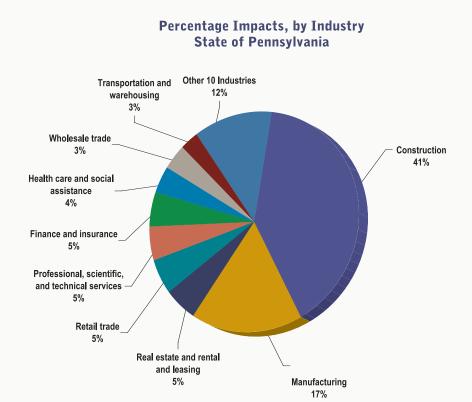
Using conservative assumptions, Econsult forecasted that PHA's planned developments will:

- generate an increase, beyond anticipated overall city growth, of:

   over \$255 million in residential market value in adjacent neighborhoods
   nearly \$4.9 million in increased annual municipal property taxes to the city, and
   \$7.3 million annually to the Philadelphia School District
- generate in excess of \$788 million in total city economic activity, including: -\$122 million in earnings, and -nearly 3,300 jobs during construction
- yield statewide impacts that include over \$1.3 billion in total economic activity, including:

-\$397.1 million in earnings, and -nearly 11,000 jobs during construction

 generate total economic activity that could give rise to over \$7.7 million in local taxes and over \$27 million in state taxes.

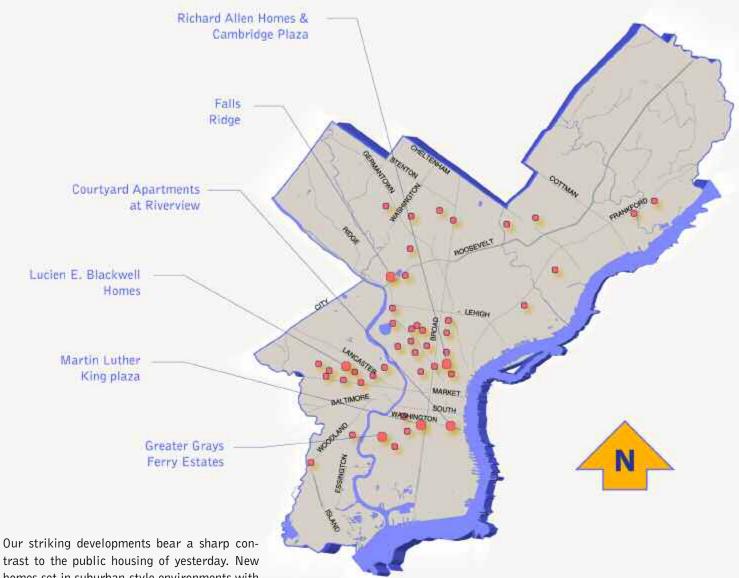


These numbers show that high quality affordable housing presents tremendous long-term value, both locally and regionally.

#### produce \$2.50 in economic activity for every \$1 invested.

The Econsult forecast study also revealed how direct expenditures related to PHA's construction would spur growth in industries that support activity at the PHA project sites. The direct construction expenditures would generate an additional \$268.9 million in indirect and induced expenditures in the region and an additional \$791.7 million in the State. The state's construction sector would reap the greatest gains with a 41 percent increase, while manufacturing would grow by around 17 percent. Whether the service of the service o

### All across Philadelphia



trast to the public housing of yesterday. New homes set in suburban-style environments with classic architecture, modern amenities, open green space and curb appeal raise the quality of life for residents and uplift surrounding communities.

These redeveloped neighborhoods, closely studied by AREA and Econsult, have changed the perception of affordable housing.



The new MLK, located at 13 and Fitzwater Streets in South Philadelphia, features 245 homes (with completion of the final two phases scheduled in 2006). The \$74 million site features two and three-story townhouses and duplexes. With units for sale and rent, MLK residents are of varying income levels, creating a diverse community.

Median residential sales price rose in the MLK impact area by 146 percent from \$99,750 in 1999 to \$260,000 in 2004.





#### Courtyard Apartments at Riverview

This \$57.3 million complex at 4<sup>th</sup> Street and Washington Avenues lies in close proximity to MLK just south of Center City. The development is privately managed and provides easy access for residents to jobs, transit and attractions. The density of units, now at 470, was reduced by one-half from the former site.

Median residential sales price rose 98.8 percent from \$119,670 in 1999 to \$255,000 in 2004. The Courtyard at Riverview and MLK combined impact area generated \$2.8 million increase in annual property tax revenues from 1999 to 2004.







Cambridge Plaza, a \$33.8 million investment, lies between 10<sup>th</sup> and 12<sup>th</sup> streets and Girard Avenue and Popular Street adjacent to Richard Allen Homes. The redeveloped site brightens the neighborhood with 124 homes, a reduction of two-thirds from the original site that was developed in 1957. The new construction has created a family-friendly atmosphere with three, four and five-bedroom homes to accommodate larger families.





#### Richard Allen Homes

Located at North 11<sup>th</sup> and Poplar Streets in North Philadelphia, Richard Allen extends the Center City Philadelphia real estate market beyond its traditional borders. The \$92 million development offers 408 rental units featuring neo-traditional architecture, off-street parking, private yards and more space. PHA replaced multi-family buildings with multi-bedroom townhouses spread over a larger area. As with other PHA developments, the home designs blend into the existing neighborhood.

The site also features a quaint town square with a new park, a senior building and a new community center for the entire community. Median residential sales price in the combined Cambridge & Richard Allen area rose nearly 60 percent from \$60,000 in 1999 to \$103,000 in 2004.

Gladys B. Jacobs Senior Building A new five-story, 80-unit complex for PHA's senior residents.

INI GLADYS B

IACORS MANOR

John F. Street Community Center A 16,000 square-foot community center named for Philadelphia Mayor John F. Street sits in the center of the town square and serves Richard Allen and Cambridge residents as well as the surrounding neighborhood.







Located in the East Falls section in Northwest Philadelphia, this dramatic, sloping site includes a picturesque hill overlooking Kelly Drive. Falls Ridge is the first of PHA developments where affordable housing residents will live side by side with market-rate homeowners in a balanced community. PHA sold a portion of the site to a private developer in 2005 to build a number of market rate homes approximately equal to the number of affordable units on the PHA side of the site.

PHA has built 135 affordable rental homes on the lower portion of the site and will construct 28 affordable homes for sale. The development also features a 50-unit Senior Building with large retail space on the first floor. When completed, the site will offer mixed-income homes for sale and rent, including townhouses.

Annual property tax revenues increased by \$1.1 million from 1999 to 2004. In that time, the median residential sales price rose 180.4% from \$52,250 in 1999 to \$154,000 in 2004.









Located at 30<sup>th</sup> and Tasker Streets just off the Schuylkill Expressway in South Philadelphia, this 40-acre jewel of PHA stands as one of the most attractive neighborhoods in the city with a mix of 554 rental and homeownership units.

The total cost of development, estimated at \$165.3 million, includes all new streets and underground utility lines. Median residential sales prices in the surrounding community increased over 85 percent from 1999 to 2004, 30 percent higher than citywide median sales price.





#### Senior Building

►

The Conswiller B. Pratt Apartment Building sets the standard for future senior developments. The gleaming 72-unit building offers 65,000 square feet of space on three acres and boasts a stateof the-art senior care center on the first floor. At the center, St. Agnes Continuing Care Center, through an innovative partnership with PHA, offers low-income senior residents a long-term care program known as "LIFE" (Living Independently For Elders).

Workforce Development Center At this 10,000 square-foot center within the GGFE complex, PHA provides job training for careers in the building trades through its unique Pre-Apprenticeship Building Maintenance & Construction Trades Program.



## How

PHA builds beautiful communities using private sector standards in financing, architecture and management.
Although PHA is a public agency, it operates in many ways like a private company, employing best practices in the private real estate industry across all phases –
financing a development - design and construction

operations and technology = property management



### Innovative Financing

By consistently performing on or ahead of schedule, PHA protects the delivery of tax credits and gives investors the comfort level to keep buying into development. And buying in is precisely what is happening in Philadelphia. Mixed-finance deals have sparked a housing boom, encouraging private development in areas where that was not previously possible.

PHA takes an entrepreneurial approach to financing development. The results have been resounding. Today, one-fourth of PHA's initiatives are funded by private equity raised through the sale of Low Income Housing Tax Credits (LIHTCs). In the past five years alone, PHA has raised approximately \$155 million in LIHTC equity and about \$200 million more through bond allocations.

PHA has formed partnerships with private financial institutions, received Standard and Poor's top credit rating for its bonds, and earned the highest "raises" on LIHTC issues, enabling PHA to rebuild Philadelphia's neighborhoods at a rate few thought possible.

MMA Financial, which manages over 2,000 properties across the country, has



served as a syndicator of LIHTCs for five PHA sites.

We have had a consistently positive experience with PHA managing the construction process. As a developer, PHA has delivered ahead of schedule. I haven't seen that occur in many cities. That ability gives investors the confidence they need to enter into a mixed finance transaction. PHA also brings transactional expertise to a deal. That's a big advantage, since this is a complicated business involving in-depth knowledge of real estate issues and compliance with tax regulations. In addition, PHA works hard as an asset man-



Wachovia has a multi-faceted relationship with PHA that includes an innovative \$15 million Line of Credit for the construction of housing units;

service as a Bond Trustee for PHA Capital Fund Backed Bond financing; and investment in Low Income Housing Tax Credits. there are multiple factors that make PHA a good investment. The agency's track record developing affordable housing properties gives the bank the necessary comfort to issue the credit. We also like PHA's management capabilities, which, in the lending business, are important for building a successful relationship. The MTW (Moving to Work) status gives PHA flexibility and financial strength to ensure the long-term viability of a development, and increases the likelihood that capital will be ager to meet investor requirements regarding financial reporting. Housing authorities generally are not experienced with the quick turnaround expected by investors, but PHA has been very responsive. We're thoughtful about what we invest in, and we keep coming back to PHA.

Bernard P. Husser, Managing Director, Acquisitions, MMA Financial (Boston, MA)

available to fill construction gaps if necessary. Shielded market risk (i.e., great demand for public housing), well located properties and PHA's experience working through financial roadblocks are other incentives for investing.

#### Ed Covington,

Senior Vice President, Community Development Finance, Wachovia Bank (Philadelphia, PA)

## Cutting-Edge Technology



PHA's technology features Customer Relationship Management (CRM) system software. CRM is a state-of-the-art system developed by PeopleS oft that gives our customers the answers and the service they need. It puts the customer at the center of business operations, and dramatically improves customer service.

CRM provides PHA with centrally located information on customers, units and vendors. It improves service and accountability in a number of areas, including:

- Quality Control
- Case tracking
- Correspondence
- Moving to Employment
- Field Service (Repairs)

PHA is adding an Interactive Voice Response (IVR) System module to CRM that integrates customer and vendor data while tracking information on incoming calls. IVR will turn the Call Center into a "Solution Center."

#### With IVR:

- Residents and the public receive quicker resolution of questions and problems.
- Vendors receive prompt and accurate responses to account information.
- PHA managers receive improved information on management and productivity issues.

Yet another improvement to the CRM system is the Field Service Application. This work order upgrade improves PHA's management of time, personnel and management in numerous ways.

- It tracks work order time and the materials utilized.
- It enables true project costing—i.e. the cost to run each site from manpower to materials.
- Labor costs are recorded in Field Service and pushed to Human Resources payroll.
- Tenant charges are recorded on the service order and sent to Accounts Receivable for billing.
- There is a real time connection to PHA's inventory warehouses that will manage material orders, material use, and materials returned.

PHA's addition of the Field Service Application has dramatically changed the way maintenance services are delivered. Residents are receiving better service, while PHA gains more control over its costs, budget and manpower.

### Market-Rate Design



From 1995 to 2002, PHA demolished more than 8,000 units in public housing projects and redeveloped the sites with market rate elements. Attractive housing stock built with neotraditional architecture, coupled with the thoughtful planning of roadways, curb appeal and unit density, have transformed the urban landscape and spurred an affordable housing renaissance in Philadelphia.

The results of the AREA and Econsult studies underscored the very real and very positive ripple effect that PHA's attention to detail has had on neighboring property values.



### Property Management Excellence

#### In 2005, PHA:

- Achieved 95.66% rent collection rate.
- Completed 100% of emergency work orders within a 24-hour time period.
- Conducted HQS/UPCS inspections on 100% of housing units.
- Completed rehabilitation of 760 conventional housing units.
- Completed lease-up of 100% of new units at Mt. Olivet.
- Completed leasing of first 245 new units at Greater Grays Ferry (formerly Tasker Homes).
- Leased 100% of rental units at Lucien E. Blackwell Homes.
- PHA's Legal Department enjoyed 100% success in landlordtenant matters – over 600 cases –in the final five months of the fiscal year.

Our investors and customers depend on us to deliver top-notch property management. We serve almost 31,000 people with management and maintenance services geared to private sector standards with constant improvement as our goal. Customer surveys done by an independent company show that we're making the grade.

Eighty-five percent say they're satisfied or very satisfied with their home or apartment. We receive even higher ratings from people living at our senior sites and Limited Partnership Developments. Ninety-three percent of seniors responding say they're satisfied with their unit, while 98 percent of residents at LP sites say the same.

When we asked residents at all of our sites how they felt, 85 percent said they were satisfied with their home or apartment. Residents also gave us high marks for the way we handle maintenance and repairs.



The past year showed extraordinary property management skills in action at PHA. Hurricane Katrina brought dozens of evacuee families from the Gulf Region to Philadelphia in search of affordable housing, and PHA met the challenge.

Less than a week after the catastrophic storm hit, PHA crews joined with workers from the School District of Philadelphia on Labor Day weekend to convert the closed Wanamaker Middle School into an intake center and shelter. There, PHA set up a mini-admissions office and processed the evacuees requesting permanent housing, matching their needs to affordable homes across the city. Over a period of several weeks, PHA housed 50 families with little or no interruption to normal operations.

#### Katrina

### Homeownership

- We will sell another 77 homes at Greater Grays Ferry Estates.
- PHA will sell 90 homes just south of Center City in the MLK development.
- PHA will sell 28 homes in East Falls at the Falls Ridge development.

And this is just the beginning. PHA has plans in place to build and sell several hundred more homes in the years to come as we revitalize neighborhoods across Philadelphia.

Affordable homeownership is part of PHA's goal of creating well-balanced neighborhoods. By bringing together households of diverse incomes, the agency fosters a sense of community for all affordable housing residents. Being part of a viable environment fosters pride, participation and a spirit of optimism that is important to the future of every site.

For the first time in its history, PHA began selling newly built PHA homes to residents in 2005. Home sales are now part of our core business, just as rentals are.

We believe that revitalizing and stabilizing neighborhoods requires a homeownership component. People who become homeowners pay more attention to the care and improvement of property. The result is improved property values that encourage private developers to come into the neighborhood. Everybody wins as values increase for public and private developments.

In 2005, PHA sold 88 homes to families earning less than 80% of Area median Income.

- 40 homes were sold in West Philadelphia at PHA's Lucien E. Blackwell Homes development.
- 48 homes were sold in South Philadelphia at Greater Grays Ferry Estates.

We plan to sell more homes to qualified buyers in the next two years.

• PHA will sell another 60 homes in West Philadelphia at the Blackwell development. PHA is Building on Momentum that is Transforming Philadelphia. PHA's real estate development program continues to uplift large sections of the city that were forgotten for decades. Maintaining the pace is important to spreading value into the future.

Why



### Reinvigorating Philadelphia



Independent studies have documented the positive impacts of PHA's initiatives, and investors echo those sentiments.

- » For PHA: It's delivering quality affordable housing for public housing residents.
- » For the City: It's turning around communities and generating business investment.
- For Investors: It's getting a well-structured transaction with benefits delivered on time.
- -Bernard P. Husser, MMA Financial

Lucien E. Blackwell Homes Phases 2, 3 and 4 Units planned: 110 Homeownership, 130 Rental Construction period: 2004-2006

PHA's next round of redevelopment holds major potential for the economy, private investors, future PHA residents and their neighbors.



Liddonfield Homes (Construction: 2007-2011) 100 Homeownership, 321 Rental Units



Ludlow (Construction: 2007-2008) 50 Homeownership, 75 Rental Units



Croyden Phases I & II (Construction: 2008-2010) 50 Homeownership, 174 Rental Units

Developments are also planned at Abbottsford, Warnock Street, Mantua, Brewerytown and Marshall Sheppard Village between now and 2011.

## Resident Programs

PHA improves the Quality of Life for residents through a range of services. The Housing Choice Voucher Program (HCV), one of PHA's most important offerings to low-income Philadelphians, now serves nearly 49,000 clients across the city. More than half – about 26,000 – are children. PHA is committed to raising HCV program standards on a continual basis.

PHA's developments, known as conventional sites, aren't the only success story in affordable housing. HCV continues to meet critical housing and support needs of PHA's clients across the city.

PHA knows that the HCV program's continued success lies in the stability of the neighborhoods where voucher families live. That's why we have designed our program to move clients to work.

The agency's Moving to Work (MTW) status gives PHA flexibility in offering an array of services to HCV clients so they can become economically self-sufficient within the program's seven year limit (except for the elderly and disabled, generally).

In 2005, the number of clients reporting no income dropped more than 50 percent from the year before. This indicates PHA's programs are effective in getting people employed.

Overall, the past year has seen significant improvements in program administration, as well as remarkable results with resident services and community partnerships that support HCV.

#### Through Administrative Excellence

Through the HCV Quality Initiative, PHA has advanced program compliance to new levels. The tools are in place that let us do our jobs right the first time. The HCV Department has made improvements across the board in business transactions, teamwork, management skills and customer service.

- A key achievement was streamlining procedures that determine whether a family is eligible for the assistance. PHA knows the program works best when people who qualify for vouchers end up with quality homes. Screening happens faster and with more precision.
- PHA implemented a new Rent Assessment System to determine appropriate rental values for units being added to the HCV program.
- PHA launched an automated quality control monitoring program that helps PHA staff follow all HCV administration points through the use of one database.



- PHA rolled out an automated rent simplification process that helps PHA calculate admissions and resident recertifications for income and rent. Residents benefit too. They can check what they've paid to PHA and reduce calculation errors, earn more income without penalties, and receive incentives to save on payments.
- PHA enhanced operations by decentralizing HCV management into five Community-Based Management Offices (CBMOs). The CBMO program places managers in site-based offices so they can carry out customized work plans for their communities, improve client service, and troubleshoot locally.

#### **Through Landlord Relations**

PHA is committed to working with communities where voucher residents live. PHA's community liaisons serve on the Tenant/Landlord Advisory Board, which provides input to PHA on HCV policies and procedures. In the past year, PHA agents responded to more than 2,000 community inquiries and addressed landlord needs. PHA also improved the scheduling of Housing Quality Standards (HQS) inspections; provided additional training for HCV Inspectors; and reduced the lease-up turnaround time.

To ensure the quality management of each property that receives an HCV subsidy, PHA initiated a training session for HCV landlords in partnership with the Institute of Real Estate Management (IREM). In 2005, 768 landlords participated in this full-day training. This is in addition to the 1,554 landlords that attended landlord briefings to learn how the program operates.



With support from the Blueprint project, Robin Perkins moved from an emergency shelter and received support at the People's Emergency Center (PEC), where she earned her day-care training teaching certificate and landed a job as an assistance teacher. She now lives in a three-bedroom home in Overbrook. Her four children are all honor students.

#### Through Partnerships that Help Residents

The Local Unit Based Program has been a catalyst for neighborhood revitalization efforts, providing rehabilitation and new construction in support of the Neighborhood Transformation Initiative (NTI) in Philadelphia. Through this program, PHA has revitalized 16 sites in diverse areas of the city, supplying housing to 412 individuals or families, many of whom might otherwise be homeless. And, with help from our partner, the Inglis Housing Corporation, PHA provides supportive services to around 40 families with disabled members through this program.

An additional 100 housing opportunities were made available in 2005 for the formerly homeless or those in transitional housing through the **Supportive Housing Program**, also known as the "Blueprint to End Homelessness." Since 2004, this partnership with the Greater Philadelphia Urban Affairs Council has moved 252 families out of temporary housing and into permanent homes.

PHA knows that good neighborhoods have as their foundation residents with marketable job skills and services for those who have ended their working careers. We help our residents through a variety of partnerships with public and private agencies.

One of our most successful ventures is the **Community Partners Program (CPP).** PHA contracts with nine professional agencies to

provide GED preparation, job training and job placement assistance. The median salary for residents who graduate from the job training programs is now over \$13 an hour.

In 2005, more than 900 residents participated in the program.

CPP trains in the fields of health (including certified nursing assistant, pharmacy technician, and medical billing), day-care, certified food handler, home maintenance and repair, youth development, and hospitality industry training. The program tracks graduation and employment rates for each of the programs.

PHA plans on expanding CCP offerings according to findings of a job market study recently conducted by the U.S. Department of Labor that predicts the future demand for various fields of work.

A huge community partner success is CORA/Neumann, a private, not for profit human service corporation that serves people between ages 16 and 21 who lack a high school education and who want to become employable. The program helps students attain part time jobs, GEDs and computer training, as well as Homeownership Counseling and Housing Search Assistance through one-onone counseling and small classes.

In addition, CORA Services Beacon Center serves people 21 and older with evening programs to help students obtain their GED, learn to speak English and gain U.S. citizenship. The Center helps residents to customize a plan that meets their individual goals.



From the first time Viniesha Robinson attended classes at CORA, she knew she had found a great place. "I've learned that I can do anything. I learned how to ask for help and not be afraid of the answer. I came out unafraid of a challenge."



Our **Pre-Apprenticeship Program** prepares residents for jobs in the building trades and is one of PHA's most prestigious training programs. In 2005, 50 residents graduated from the program. Two graduates became the first from PHA to enter the Operating Engineer's union, while five others entered the Electrician's union. The program has been recognized with a Best Practices Award from the Pennsylvania Association of Housing and Redevelopment Authorities (PAHRA).

Since its inception, over half of the program's graduates have found jobs in the building trades, while another 30 percent have secured jobs in other fields. Some graduates of the program have used their training to start their own businesses in painting, carpentry and other fields. The school now has an alumni association that helps graduates with entrepreneurial workshops and networking to attract customers.

The Pre-Apprenticeship Program will expand in the coming year with several new offerings. Our aim is to encourage PHA residents to choose interesting and rewarding careers that will propel them into a better life.

Skills For Life, another beneficial PHA program, serves at-risk teenage students who live in subsidized housing. The program provides computer training, academic tutoring, career

Skills For Life director Patrick Ameen Akbar with students

exploration and assistance finding summer employment. The U.S. Department of Housing and Urban Development and the U.S. Department of Labor have given Skills For Life their "Best Practices" awards.

PHA also dedicates considerable resources to the needs and interests of its senior residents. In 2005, PHA added to its array of services with the establishment of the LIFE (Living Independently For Elders) Program in partnership with The St. Agnes Continuing Care Center and the Secretary of the Pennsylvania Department of Public Welfare.

The LIFE program offers community-based senior assisted living services to qualified PHA residents. It gets seniors out of their homes and offers them physical activity and a place to socialize, while also addressing serious medical concerns, emergencies and hospitalization. The program is located on the first floor of PHA's new Conswiller B. Pratt senior building at Greater Grays Ferry Estates and serves eligible seniors in ten surrounding zip codes.

## Value Recognition

Recognition of the way PHA has reshaped Philadelphia's neighborhoods accelerated in 2005, both locally and nationwide.





PHA exhibit sponsored by the University of Pennsylvania's Fels School of Government Near the end of the year, following a three-part front-page examination of the agency by **The Philadelphia Inquirer**, the newspaper's editorial board declared PHA's operation a "Blueprint for success." The editorial went on to say that "PHA is transforming urban landscapes and is fast becoming a model of a federal program that works."

The Inquirer's high praise followed similar assessments by the Philadelphia Daily News and the Philadelphia Business Journal, Units (published by the National Apartment Association), Multifamily Executive, Affordable Housing Finance, and many more.

An article touting PHA's new housing architecture appeared in the Inquirer as well as the **Chicago Tribune** and the **Miami Herald**. And **The Washington Post** reported on PHA's successful efforts to rebuild neighborhoods at a time of decreasing federal budgets.

PHA's business practices and successes also led to a number of awards for the agency.

The Institute of Real Estate Management presented Executive Director Carl Greene with its J. Wallace Paletou award for significant contributions to the real estate management industry.



Multifamily Executive magazine gave PHA its award for best technology for operations.

The **Inglis Foundation of Philadelphia** honored Mr. Greene for his and PHA's efforts to provide well beyond the federally mandated level of housing for the low-income disabled community.

The Pennsylvania Association of Housing and Redevelopment Agencies gave PHA three Certificates of Achievement, one for the Community Partners Program, another for the design of the new senior building at Greater Grays Ferry Estates and one for the way the agency markets itself.

A final endorsement came from the University of Pennsylvania's Fels School of Government, which invited PHA to stage an exhibit showing how the agency has breathed new life into neighborhoods throughout the city. We proudly accepted and the display was shown in October.





## **Financials**

#### ASSETS

Current assets:		* (
	Cash	\$ 64,294,959
	Investments	16,181,139
	Restricted cash and investments	74,203,674
	Receivables, net:	
	Tenants	1,706,495
	Due from governments	32,939,114
	Due from other funds	2,398,506
	Current portion of long-term mortgages receivable	2,281,235
	Other current assets	5,291,145
	Total current assets	199,296,267
Noncurrent assets:		
	Mortgages receivable	\$ 144,788,324
	Capital assets, net of depreciation	942,104,005
	Other assets	13,768,109
		1 100 / / 0 / 00
	Total noncurrent assets	1,100,660,438
TOTAL ASSETS		\$ 1,299,956,705
		\$ 1,277,700,700
LIABILITIES AND NET	ASSETS	
Current liabilities:		<i><b>(</b>)</i> <b>- - - - - - - - - -</b>
	Accounts payable	\$ 61,744,807
	Due to HUD	441,197
	Due to other funds	070.000
	Due to other governments	278,909
	Compensated absences	5,502,777
	Trust and deposits	1,002,422
	Deferred credits and other liabilities	8,901,359
	Current portion of long-term debt	9,784,528
	Trial summer Debildes	07 ( 55 000
	Total current liabilities	87,655,999
Nonourront lichilition		
Noncurrent liabilities:	Componented absorbes	¢ 2 ( / 0 / F 0
	Compensated absences	\$ 3,668,652
	Long-term debt	295,107,381
	Other long-term liabilities	28,877,262
	Total noncurrent liabilities	277 652 205
	Iotal noncurrent naphilies	327,653,295
TOTAL LIABILITIES		\$ 415,309,294
IVIAL LIADILITIES		Ψ ΤΙΟ,ΟΟ7,Ζ74
Net assets:		
	Invested in capital assets	\$ 637,270,999
	Restricted	3,365,733
	Unrestricted	244,010,679
		, ,
	Total net assets	884,647,411
TOTAL LIABILITIES AND NE	ET ASSETS	\$ 1,299,956,705

#### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2005

Operating revenue:			
	Tenant revenue	\$ 22,789,077	
	Operating subsidies	275,314845	
	Other income	3,397,663	
		, ,	
	Total operating revenue	301,501,585	
Operating expenses:			
	Administrative	113,571,574	
	Tenant services	6,176,621	
	Utilities	27,519,924	
	Maintenance	60,641,267	
	Protective services	7,725,463	
	General	16,696,535	
	Housing assistance payments	115,298,125	
	Depreciation and amortization	54,118,975	
		, ,	
	Total operating expenses	401,748,484	
	Operating loss	(100,246,899)	
		, ,	
Nonoperating revenue (expenses	;):		
	Interest and investment earnings	4,377,708	
	Interest expense	(4,374,916)	
	Net nonoperating revenue	2,792	
	Loss before capital subsidies	(100,244,107)	
		, ,	
Capital grants:		92,508,887	
	Change in net assets	(7,735,220)	
	-		
Net assets at beginning of year:			
	As previously reportes	1,1081930,772	
	Cumulative effect of change in accounting principle	(262,722,387)	
	Prior period adjustments	2,390,229	
		, ,	
	As restated	848,598,614	
Equity transfers of component units:		43,784,017	
NET ASSETS AT END OF YEA	NET ASSETS AT END OF YEAR \$884,647,41		

# PHA Leadership

Pictured from left to right: PHA Board of Commissioners Patrick J. Eiding, Debra L. Brady, Councilwoman Jannie L. Blackwell, Nellie W. Reynolds, Mayor John F. Street, Chair, Executive Director Carl R. Greene, Senior Deputy Executive Director Michael Leithead

Philadelphia Housing Authority 12 South 23rd Street Philadelphia, PA 19103

p: 215.684.4000

www.pha.phila.gov

© 2006 The Philadelphia Housing Authority. All Rights Reserved. The Philadelphia Housing Authority logo and Building Beyond Expectations are servicemarks of the Philadelphia Housing Authority. AR 02.06

www.pha.phila.gov