

PHILADELPHIA HOUSING AUTHORITY
ACCOMPLISHMENTS
REPORT

April 1, 2018 -
March 31, 2019



PHIA

PHILADELPHIA HOUSING AUTHORITY

OPENING DOORS TO OPPORTUNITIES

TABLE OF CONTENTS

| | | | |
|---|-----------|--|-----------|
| Mission | 1 | Getting a Piece of the Rock | 20 |
| Strategic Directions Plan | 2 | They're Now Homeowners..... | 21 |
| Letter from the PHA CEO | 3 | Section 3 Job Opportunities Created..... | 21 |
| Letter from the Mayor | 4 | A Banner Year for PhillySEEDS | 22 |
| Building Momentum | 5 | In the Spirit of MLK | 23 |
| Promises Made, Promises Kept..... | 6 | Looking for the Right Opportunity..... | 23 |
| Headquarters Gets National Attention | 7 | Fostering Grass Roots Leadership..... | 24 |
| Transforming a Superblock into a Choice Neighborhood | 7 | Protecting Our Children | 24 |
| A Towering Achievement..... | 8 | Parents Are a Child's First Teacher..... | 25 |
| Open to Serve..... | 9 | Developing Our Youth | 25 |
| Restoring the North Central Neighborhood..... | 10 | Ensuring Safety and Security..... | 26 |
| Mission Accomplished..... | 11 | A Top Flight Operation..... | 27 |
| No Place Sweeter than Home..... | 12 | Doing Business with PHA | 28 |
| Expanding Affordable Housing | 13 | An Economic Engine in the City..... | 29 |
| Better Opportunities | 14 | Modern Fleet = Lowered Costs | 29 |
| HOP Changes Lives | 14 | Lower Costs, Higher Employment..... | 30 |
| Speeding Up the Leasing Process | 15 | Keeping Everyone Honest | 30 |
| Protecting Those Who Protected Us..... | 15 | Human Capital | 31 |
| Sheltering Those at Risk..... | 16 | ISM – The Heart of PHA's Operations..... | 31 |
| Making Sure Housing Stays Affordable..... | 16 | A Keen Legal Team | 32 |
| Second Chances Make a Difference..... | 17 | The Bottom Line | 33 |
| Strengthening Families & Communities | 18 | Statement of Net Position | 34 |
| Jobs Plus Creates Results..... | 19 | Statement of Revenues, Expenses, and Change in Position | 35 |
| Transforming Resident Services | 19 | S & P Global Ratings..... | 35 |
| Strong Partners for Strong Resident Programs..... | 20 | PHA Board of Commissioners..... | 36 |

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 PLAN

IN DECEMBER 2014, THE PHA BOARD OF COMMISSIONERS APPROVED A 5-YEAR STRATEGIC DIRECTIONS PLAN CONTAINING 12 STRATEGIC PRIORITIES.



1

Preserve and expand the supply of affordable housing available to Philadelphia's residents with low-incomes;



2

Achieve excellence in the provision of management and maintenance services to PHA residents;



3

Create safe communities in collaboration with neighborhood residents and law enforcement agencies;



4

Enhance resident well-being and independence through partnerships for employment, job training, education, health, and other evidence-based supportive services;



5

Improve access to quality housing choices and opportunity neighborhoods through the Housing Choice Voucher Program;



6

Incorporate energy conservation measures and sustainable practices throughout PHA operations;



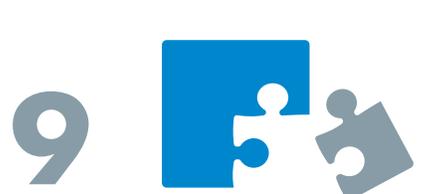
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Improve customer service, streamline operations, and create a business model that is data-driven and high-performing;



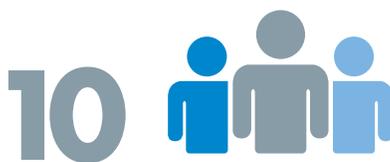
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Conduct PHA business in an open and transparent manner that promotes accountability and access, ensures diversity, and adheres to the highest ethical standards;



9

Strengthen existing relationships and forge new public, private, and philanthropic partnerships to support PHA's strategic goals;



10

Make PHA an employer of choice with an accountable, diverse, trained, and productive workforce;



11

Ensure that PHA is a good neighbor and reliable community partner; and



12

Encourage innovation and promote PHA's financial health through ongoing participation in the Moving to Work Program.

INTRODUCTORY REMARKS



Fiscal Year 2019 was tremendously exciting for the Philadelphia Housing Authority (PHA). We lived up to our promises as we completed or started developments in the Sharswood and North Central neighborhoods of the city.

Against a backdrop of a possible government shutdown, we maintained a vigorous effort to preserve and expand the supply of affordable housing in the City of Philadelphia. Throughout the year, PHA staff worked diligently and tirelessly to provide quality housing and services to the 80,000 veterans, seniors, people with disabilities and families with children who depend on PHA for housing.

PHA is grateful for the active support and partnership of Mayor Jim Kenney and the City of Philadelphia, which make our successes possible.

We are proud of every one of our accomplishments, but several illustrate the success of PHA's efforts to leverage limited resources and help transform neighborhoods and the lives of the residents that we serve:

- PHA moved into its new \$45 million headquarters building in the Sharswood neighborhood with the consolidation of the agency's departments at one location. Our new home is both an anchor and a beacon for the Sharswood Transformation Plan. At the same grand opening, we unveiled plans for commercial development on the adjacent block with services requested by the community's residents.
- The authority broke ground on a \$35 million investment, the Blumberg 83, a mix of townhomes and walk-ups at the east end of the old Blumberg Apartments complex.
- We celebrated the completion of Sharswood Tower, a \$28 million investment to give seniors a place they'll be proud to call home.
- The U.S. Department of Housing and Urban Development (HUD) designated Vaux Community Building, which contains Big Picture Philadelphia High School, an EnVision Center demonstration site that will offer a range of services to the community. Ours is the only site selected in Pennsylvania among 17 such sites nationwide.

- In the North Central Choice neighborhood, Norris Apartments Phase II opened in early November, while construction began two months earlier on Norris Phase III. They are part of a City-PHA plan to build 267 rental and 30 homeownership units.
- The redevelopment of the Mill Creek neighborhood in West Philadelphia was completed with the grand opening of the Lucien E. Blackwell Community Center and an adjacent park. The renewal of this neighborhood first began in 2001.
- Affordable housing was preserved in the desirable Queen Village neighborhood with the completed rehabilitation of units at Courtyard at Riverview in South Philadelphia.
- Over the past year, PHA helped 66 public housing and Housing Choice Voucher resident households to purchase their first homes. All PHA homebuyers took part in mandatory pre-purchase counseling programs, and will also receive post-purchase support services.
- As a result of joint efforts of the City and PHA Police Departments, PHA residents were safer this year, with an overall 22% decrease in reported crimes. Compared to the prior year, crime fell in every major category.

It's our hope that by reading this report you'll find information that enhances your understanding of the critically important work taking place to expand the range and quality of affordable housing options in Philadelphia.

Our thanks go out to the agency's 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.

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

A handwritten signature in black ink that reads "Kelvin A. Jenkins". The signature is fluid and cursive, with a large loop at the end.

PRESIDENT & CEO

MESSAGE FROM THE MAYOR



It's been great working alongside CEO Kelvin Jeremiah and the team of professionals at the Philadelphia Housing Authority (PHA). Philadelphia may be a world class city, but we also have a dire need for homes that low-income individuals, families and seniors can afford. As PHA demonstrated over the past year, the agency strives to

meet as much of that demand as possible.

While PHA and its partners build and renovate properties across the city, nowhere is the agency's outstanding work more on display than in the North Philadelphia community of Sharswood. I have been to the neighborhood on numerous occasions for groundbreakings, grand openings and just to drive through to watch the progress. It is truly remarkable to see what PHA and its partners are accomplishing in that formerly ignored section of the city.

It's important to note that as land and housing values increase in neighborhoods adjacent to Sharswood, PHA is creating and safeguarding a truly mixed-income community. As hundreds of new affordable apartments and houses are built, long-time homeowners are receiving help with repairs and upgrades. In addition, the Ridge Avenue commercial corridor, spurred by PHA's new headquarters building, is on its way back to serving the incoming residents.

Our City government has also made a major commitment to affordable housing. In our new budget and five-year plan, we are dedicating tens of millions of dollars generated by properties coming off the 10-year property tax abatement to preserve affordability and ensure that families are not displaced by the real estate boom.

Another important step by the City this year toward protecting

affordability was enactment of the "Good Cause" bill. This adjustment to our Fair Housing Ordinance prevents landlords from evicting tenants during the first year of a lease unless there is "good cause" to do so. The bill is designed to make sure low-income residents have the protections they need so that landlords aren't treating them unfairly.

But for all the City's productive initiatives and programs, PHA is by far the largest agency on building, preserving and managing housing for those who need it most. The authority has also shown its commitment to collaboration by financially supporting more than 20 non-profit partners to develop quality affordable apartments and facilities.

On a personal note, last October I was so happy to join with Councilwoman Jannie Blackwell in the opening of the Lucien E. Blackwell Community Center, named for her late husband. It's a beautiful space jointly paid for by PHA and the City with a newly created park right across the street.

I'd like to praise PHA on one other front: its dedication to continuous improvement. Its commitment to diversity in contracting and emphasis on buying local should be applauded.

In fiscal year 2019, more than 42 percent of PHA's contract spending went to Philadelphia businesses. The agency also awarded 46 percent of its contracts to minority-owned businesses. That's a tremendous record.

Congratulations to Board Chair Lynette Brown-Sow and PHA on a strong year of accomplishment for the people of Philadelphia.

A handwritten signature in black ink that reads "James F. Kenney". The signature is fluid and cursive, with a large, sweeping "J" and "K".

Mayor Jim Kenney

BUILDING MOMENTUM





PROMISES MADE, PROMISES KEPT

PHA's new consolidated headquarters opened in January 2019 at 2013 Ridge Avenue and serves as an anchor institution and catalyst for development in the Sharswood/Blumberg neighborhood. It is a key component of the Choice Neighborhood plan to transform the community and the Ridge Avenue commercial corridor.

This gleaming building, with its modern design and large glass windows, conveys transparency and an outward looking agency, making it a beacon. PHA's new location is designed to achieve LEED Certification rating and meet the latest applicable Energy Star Standards. The total investment cost for the new headquarters was \$45 million, with \$30 million in bond funding, and PHA is saving approximately \$2 million per year by the consolidation.

The Board Room on the first floor of the building is named in honor of former Commissioners Nellie Reynolds and Jannie L. Blackwell for their long service to PHA.

Ms. Blackwell has long served on the City Council and remains instrumental in helping the authority reach its development goals.

Private investment is coming to the Ridge Avenue commercial corridor with commitments from Save-A-Lot Food Stores, Pagano's Market and Bar, an urgent care center, and a hardware store. This represents \$75 million of commercial investment based on input from Sharswood residents, and these are only the beginning of good things to come.



HEADQUARTERS GETS NATIONAL ATTENTION

PHA's new headquarters hosted U.S. Housing and Urban Development (HUD) Secretary Ben Carson following a tour of the building.

Sec. Carson held a press conference to announce \$74 million in Family Self-Sufficiency (FSS) grants to housing authorities across the country, including PHA.

During his visit, Carson hosted a roundtable with PHA residents who benefited from participating in the FSS program.

He complimented PHA on its work in transforming the community, as well as its self-sufficiency programs that help residents with employment and homeownership.



TRANSFORMING A SUPERBLOCK INTO A CHOICE NEIGHBORHOOD

In early December, PHA began construction for the Blumberg 83 apartments, transforming a superblock into a walkable, green community.

Eighty-three new rental units in a mix of townhomes and multi-unit walk-up buildings will cover several square blocks

at the east end of the old Blumberg Apartments complex.

The reconnection of 23rd Street through the former superblock, as well as the addition of a new connector, Bucknell Street, between Jefferson and Master Streets, restores part of the original neighborhood street grid.

The redesigned street grid is essential to the development of a neighborhood that promotes safety, walkability, beauty, transportation access, and improved water quality. The pattern follows the City of Philadelphia's plan to reduce storm water pollution from entering the city's combined sewer system through the use of green infrastructure.

Construction of the Blumberg 83 is guided by two green rating programs: Enterprise Green Communities and Energy Star Certified Homes.





A TOWERING ACHIEVEMENT

The rehabilitation of the outdated Blumberg senior building into Sharswood Tower marks another stage of accomplishment in the Choice Neighborhood Transformation Plan for the Sharswood/Blumberg neighborhood.

In mid-March, PHA celebrated the grand opening of this totally renovated 13-story high rise. This is the only

building left standing after the demolition of the rest of the outdated Blumberg Apartment complex.

It took 16 months and an investment of \$28 million to give seniors a place they are proud to call home. The renovations include: a new community room, offices, elevators, kitchens, bathrooms, mechanical systems, heating, hot water, central air conditioning, entrance and lobby, parking lot and driveway.

All 94 units at Sharswood Tower are subsidized under HUD's Rental Assistance Demonstration Program (RAD) with Project Based Vouchers (PBV). This move assures stable funding for the operation of Sharswood Tower over the next 20 years.

The building is being reoccupied by former Blumberg senior residents who were relocated during construction.





OPEN TO SERVE

The U.S. Department of Housing and Urban Development (HUD) has designated the Vaux Community Building an EnVision Center demonstration site. The designation offers the potential to PHA and the City of Philadelphia to leverage funding for services aligned with the goals of the program.

EnVision Centers offer HUD-assisted families access to support services that can help them become self-sufficient, as well as make federal resources available to households currently waiting for HUD assistance.

Only 17 sites nationwide were selected as demonstration locations, with the Vaux Community Building being the only site in Pennsylvania.

Under the EnVision designation, the Vaux Building, which houses Vaux Big Picture High School, has become a centralized support hub in four areas: economic empowerment, educational advancement, health and wellness, and character and leadership.

Currently, Temple University's College



of Public Health is operating a nurse managed clinic.

The building now houses PHA's homeownership department, PhillySEEDS, employment assistance, Clarifi (financial literacy organization), and a computer lab in the Workforce Development Center. It is open to serve the community.



RESTORING THE NORTH CENTRAL NEIGHBORHOOD

PHA is well on its way toward the goal of making the city's North Central neighborhood into a community of choice.

The housing authority joined the City of Philadelphia in early November 2018 to celebrate the completion of Norris Apartments Phase II. This development consists of 89 newly constructed rental units on land that was mostly vacant and nonproductive. Norris Phase II sits east of the Temple University regional rail and covers eight city blocks.

Norris Phase II has high sustainability goals and seeks certification from

LEED, Energy Star Homes and Enterprise Green Communities.

Construction of Norris Phase III began on the site of the original Norris Apartments complex west of the regional rail station. It consists of 50 rental units and covers one square block with completion expected by November 2019.

Norris II and III partially replace the original Norris Apartments; a 147-unit development that dates back to late 1959 and early 1960's and became obsolete. The new developments complement ongoing private housing and commercial



developments in the neighborhood.

PHA and the City of Philadelphia were awarded a \$30 million Choice Neighborhoods Implementation Grant by HUD in June 2014 to revitalize the North Central neighborhood. Ultimately, five phases of construction will take place over five years, creating 267 rental units and 30 homeownership units, dramatically increasing the supply of affordable housing in the community.



MISSION ACCOMPLISHED

After almost two decades of work, the revitalization plan of the Mill Creek neighborhood in West Philadelphia concluded with the opening of the Lucien E. Blackwell (LEB) Community Center in mid-October 2018.

The building covers approximately 12,000 square feet and features a regulation size basketball/volleyball court, warming kitchen, community room, computer lab, and outdoor patio. The site also contains parking spaces and an INDEGO bike station, and has LEED (Leadership in

Energy and Environmental Design) certification. The LEB Community Center was developed and furnished by PHA and the City of Philadelphia to substantially enhance the Mill Creek community.

The new center completed the redevelopment of the former Mill Creek housing site. In 2001, PHA partnered with the City of Philadelphia and St. Ignatius, a faith based organization, to begin the revitalization of the community. PHA completed the last of 685 units of

new family-style homes in 2008, both on the former Mill Creek site and in the surrounding area.

The final segment of the development is a park built by the City immediately south of the new community center. This new public green space complements the community center and the surrounding neighborhood.





Resident Council President of Courtyard at Riverview Inez Green sheds some tears of joy as she cuts the ribbon signaling the completion of 18 months of rehab work at Courtyard at Riverview Apartments.

NO PLACE SWEETER THAN HOME

The rehabilitation of Courtyard at Riverview concluded in late October, ensuring that 470 affordable housing units were preserved in a high property value neighborhood. The development is located at the south end of Queen Village and adjacent to the Italian Market area.

The renewal of the site, formerly known as Southwark, took 18 months. It followed a record-setting deal under the Rental Assistance Demonstration (RAD) program between PHA, the U.S. Department of Housing and Urban Development (HUD), and The Michaels Organization. This allowed the owner of the building,

Michaels, to generate private capital for the much needed repairs and upgrades, which allowed the property to be preserved as affordable housing.

Michaels Management serves as the property manager for Courtyard at Riverview.

The kitchens of all 470 units at Courtyard now have new counters and energy-saving appliances, and all baths feature new fixtures and vanities. Individual units received new flooring. The development's buildings were modernized with roofing and window replacements, new elevators, and improved heating and ventilation.

EXPANDING AFFORDABLE HOUSING



BETTER OPPORTUNITIES

The Housing Opportunity Program (HOP) improved on its record for moving Housing Choice Voucher (HCV) families to better neighborhoods.

HOP helped 30 HCV participants lease homes in opportunity areas, an increase of 30 percent from a year earlier.

Opportunity areas are neighborhoods identified as those with low concentrations of poverty and high-performing

schools, and access to employment opportunities.

Moves to “Opportunity Neighborhoods” generally offer a better quality of life, and economically diverse neighborhoods are healthier communities.

HOP participants receive counseling services and other training before, during, and after their move, to help them succeed and thrive in their new communities.

HOP changes lives

In August 2018, the Housing Opportunity Program assisted Marques Biddle-Johnson, age 20, and his siblings find a new unit in a better neighborhood. The family had recently lost its father. In order to keep his family together, Marques decided to leave college and assume responsibility as the head of the household.

With the assistance of the program, Marques was able to lease a unit in the Mount Airy neighborhood in northwest Philadelphia. While his age concerned the owner of the property, he had worked with HOP in the past and knew he could always reach out for assistance. The area was a great fit for the family because the house was a nice size, in a decent community, and closer to his mentors.

The landlord now reports that he and the Biddle-Johnson family have a good working relationship. Marques has gone back to school, taking classes at Community College of Philadelphia and planning to start at Temple University in the fall.





SPEEDING UP THE LEASING PROCESS

At the start of CY 2018, the average processing time for an owner's Request for Tenancy Approval (RTA) to lease housing to a voucher recipient was 51 calendar days, resulting in almost two months of nonpayment for owners.

In an effort to reduce this leasing time, Leased Housing reviewed the entire leasing process. The department developed time standards for each step in the process with the goal of reducing the leasing time frame by 10 days by the end of 2018.

As a result of these new standards, Leased Housing reduced the total processing period by 13 days or over 25%. Owners can now expect to lease their unit to an HCV recipient in just over a month, with the new average time frame taking 38 calendar days.

PROTECTING THOSE WHO PROTECTED US

In CY 2018, the Housing Choice Voucher Program (HCVP) sustained its partnership with the Department of Veteran's Affairs (VA) to serve veterans, through the Veterans Administration Supportive Housing Program (VASH) program. The program provides rental assistance for homeless veterans through HUD funding and also offers case management and clinical services through the VA.

A total of 638 veterans received housing from PHA, including 72 new homeless veterans who secured housing at a unit of their choice. Additionally, in July 2018 PHA was awarded 34 new vouchers by HUD to further support housing to one of the most vulnerable populations in the city.

SHELTERING THOSE AT RISK

In CY 2018, HUD awarded PHA 99 new vouchers through the Mainstream program. These new vouchers are in addition to the existing 120 Mainstream vouchers already administered by PHA.

Mainstream vouchers provide assistance to non-elderly persons with disabilities who are transitioning out of institutional or other separated settings, those at serious risk of institutionalization, homeless persons, or those at risk of becoming homeless.

The voucher subsidies, worth over \$873,000, enable

non-elderly disabled families to lease affordable private housing of their choice. The vouchers are particularly valuable to persons with disabilities, who often face difficulties in locating suitable and accessible housing on the private market. Sixteen percent of Philadelphia residents are people with disabilities and 13 percent of them are mobility-impaired.

PHA created new partnerships with the City of Philadelphia Office of Homeless Services and Liberty Resources to provide case management and support for the Mainstream voucher holders.

MAKING SURE HOUSING STAYS AFFORDABLE

PHA completed its first conversion of a public housing development to the Project Based Voucher (PBV) program.

Plymouth Hall LLC signed a 20 year Project Based Housing Assistance Payment (HAP) contract with PHA valued at \$11.5 million.

The conversion of Plymouth Hall guarantees a rental subsidy for all 53 units until 2038.

Under the Rental Assistance Demonstration (RAD) program and with HUD's approval, PHA has the authority to convert public housing developments to the PBV program.

RAD allows public housing agencies to leverage public and private debt and equity against assets in order to reinvest in the public housing stock and make improvements to the developments.





SECOND CHANCES MAKE A DIFFERENCE

PHA uses its Moving to Work (MTW) authority to conduct the Second Chance Housing Choice Voucher Pilot Program. The policy permits the issuance of up to 10 tenant-based vouchers for active participants in good standing with our partner agency the Eastern District Federal Court Supervision to Aid Reentry (STAR) Program.

Housing voucher assistance is available to the participants for a period of up to 2 years, with the goal of transitioning out of the program.

In CY 2018, two Second Chance participants reached that goal.

Janice B. King

Ms. King is one of our most successful Second Chance participants and the first woman to take part in the program. She qualified for a voucher in February 2016 when she could not otherwise afford rent in a safe neighborhood.

Despite working fulltime for the Philadelphia Parks and Recreation Department, a large balance of fines and

restitution kept her from moving forward financially. The rental subsidy made it possible for her to purchase a vehicle and put aside some savings.

In February 2018, she was able to successfully transition out of the program. She is financially stable and can afford her own apartment.

Omar G. Ruiz

Mr. Ruiz benefited from a number of STAR partnerships, including the Revive & Restore initiative with Friends Rehabilitation Program (FRP) and the Second Chance Program with PHA.

Though he enjoyed his work at FRP which ended in July 2016, he still had trouble making ends meet. The housing subsidy lifted a good deal of the financial stress.

Omar took a new job providing home healthcare that ended in December 2017. In April 2018, he found a new job with Interstate Realty Management and is now self-sufficient.

STRENGTHENING FAMILIES & COMMUNITIES





Colette Dunlap, Project Administrator for Jobs Plus, consults with one of her successful clients.

JOBS PLUS CREATES RESULTS

The Jobs Plus Program at PHA's Raymond Rosen development is bearing fruit.

Residents have convenient access to the services they need to get ahead economically including: employment readiness training, job training, job placement, and support services through the program.

337 residents of Raymond Rosen are enrolled in the Jobs Plus Pilot – with over half (219) finding employment.

They are employed as:

- Home health aides
- Dietary Aides at Hahnemann University Hospital
- PHA Lab Monitors
- Childcare providers
- Security professionals
- City Year Corps Members

It removes barriers to employment that might otherwise prevent residents from taking advantage of services to help them achieve self-sufficiency.

TRANSFORMING RESIDENT SERVICES

PHA restructured and rebranded its resident services division. The new division is focused on giving residents a pathway to opportunity and prosperity, meet the needs of residents and improve their outcomes.

The resident services division, formerly known as Community Operations and Resident Development (CORD), is now known as Resident Programs and Partnerships (RPP).

The restructuring will improve the economics and quality of life for PHA clients with a resident centered focus for services.

The new department focuses on three areas: resident relations and youth programming, place-based and senior programming, and workforce development and homeownership programming.

BUILDING STRONG PARTNERSHIPS FOR RESIDENT PROGRAMS

PHA secured new partners to administer its Family Self Sufficiency (FSS) program. Compass and Clarifi have joined forces to oversee and manage the program where they will engage with eligible PHA residents for enrollment.

Compass Working Capital is an innovative nonprofit organization that provides financial services to families with low income, helping them to build savings and the financial capacity to get out of poverty. Clarifi offers financial counseling to help people improve their credit, reduce debt, and avoid foreclosure.

COMPASS and Clarifi are currently working with over 360 PHA families in the FSS program where they are

working on their personalized goals, introduction of budgeting and financial literacy skills, economic and educational advancement opportunities, and homeownership.

Compass and Clarifi will continue to increase their number of participants in the upcoming fiscal year since PHA was awarded a new Family Self Sufficiency grant from HUD.



GETTING A PIECE OF THE ROCK

PHA residents definitely feel there's no place like home.

In the last fiscal year, homeownership sales totaled 66. Under what's called the 5H Program, 15 of those families purchased the PHA scattered site home they had been renting. Another 25 converted their Housing Choice rental voucher into a homeownership voucher to buy their homes. Finally, 26 other families bought homes on the general housing market with PHA assistance.

The number of new homeowners could have been even higher but during the FY 2019 there was a major lack of inventory for first time homebuyers, on an affordable housing level, due to a very strong real estate market. Several PHA-ready buyers, particularly HCV buyers, were outbid.

| | FY 2018 | FY 2019 |
|------------------------|-----------|-----------|
| Section 5H | 15 | 15 |
| HCV Homeownership | 45 | 25 |
| PH 1st Time Homebuyers | 22 | 26 |
| Total | 82 | 66 |

The market is starting to stabilize and metrics indicate it will be a buyer's market as 2019 progresses. PHA also anticipates new grant announcements by both for-profit and non-profit organizations that will help buyers.

Many more potential homeowners from PHA are in the pipeline. In FY 2019, 1,058 PHA residents attended the Homeownership Department's workshops and seminars.

THEY'RE NOW HOMEOWNERS

Annette Shannon

Ms. Annette Shannon started her journey toward homeownership with her first phone call requesting information about the program. At that time, Ms. Shannon lived at Morton Homes and, after tragically losing her son, was interested in purchasing a home for her family.

Ms. Shannon worked a fulltime job while caring for her other 3 children. After viewing several properties, Annette found the perfect home in early August 2018. After numerous delays related to final repairs of the home by the seller, she went to settlement on her dream house in January 2019.

Eleanor Blunt-Dennis

Ms. Blunt-Dennis began in the Homeownership Program in 2015 after her mother passed away the year before. She lived in the property for close to 50 years and knew that owning her home would allow her to keep the family memories intact and create memories with her family in the future.

Eleanor's homeownership training was a pleasant experience. She took part in numerous workshops, kept up with her credit and housing counseling, savings, and budgeting for 3 years. In the winter of 2018, she became a homeowner and is now in a better financial situation than she was as a renter with PHA.



Eleanor Blunt-Dennis

SECTION 3 JOB OPPORTUNITIES CREATED

PHA remains committed to increasing employment opportunities for Section 3 residents, both through hiring at PHA and hiring with its contractors. In FY19, PHA hired 88 Section 3 residents, including 10 PHA resident interns. One hundred percent of the hires for

the Summer Foods staff (33) and Computer Lab Monitors (7) were also PHA residents.

In FY 19, PHA Contractors hired 36 Section 3 residents through PHA's Job Bank and 132 independently, for a total of 168.



A BANNER YEAR FOR PhillySEEDS

PhillySEEDS, a 501(c)(3) non-profit subsidiary of PHA, had a record fiscal year for 2019 with its 3 core programs: PhillySEEDS Scholars Program, Homeownership Closing Costs Assistance Program and Rental Security Deposit Assistance Program.

Below is a chart highlighting the programs:

| PhillySEEDS Program | Successful Program Recipients | Total Amount Awarded |
|-----------------------------|-------------------------------|----------------------|
| Homeownership Closing Cost | 26 | \$79,995 |
| Security Deposit Assistance | 34 | \$34,240 |
| Scholars Program | 71 | \$273,000 |
| Total | 131 | \$387,235 |

PhillySEEDS, Inc. was awarded Nan McKay's 2018 NMA Resident Service Award for the organization's PhillySEEDS Scholarship program for the Fiscal Year of 2019.

A total of almost \$1.3 million has been awarded to 343 residents since this award-winning program began in 2013.

Money for the scholarships comes from PHA's operating budget, donations from corporate and individual program supporters, and funds received from vendors as part of their Section 3 commitments.





IN THE SPIRIT OF MLK

The Lucien E. Blackwell Community Center hosted the 2019 MLK Day of Service, its first ever event as the facility became fully operational.

Activities at the newly minted center focused on the promotion of businesses and nonprofits in the Mill Creek neighborhood and West Philadelphia.

People can build a community from the bottom up by supporting local businesses and, in turn, promoting economic mobility.

The MLK Day of Service included:

- Over 150 participants
(including youth, volunteers, and guests)
- 20 Local Vendors
- Bike and book giveaway
- Food pantry
- The opportunity to take part in business formation and financial literacy workshops

To quote Dr. King, "Faith is taking the first step even when you don't see the whole staircase."

"Faith is taking the first step even when you don't see the whole staircase."

– Dr. Martin Luther King Jr.

LOOKING FOR THE RIGHT OPPORTUNITY

For the second consecutive year, PHA hosted a job fair in collaboration with the School District of Philadelphia in November 2018.

- 76 residents attended the Job Fair
- 50 residents signed up to take an employment exam

FOSTERING GRASS ROOTS LEADERSHIP

The successful revitalization of Bartram Village and the surrounding Kingsessing neighborhood calls for developing strong grass roots leadership to rebuild the bonds of the community and improve the quality of life.

Starting in the fall of 2018, PHA began conducting a Leadership Series that created an opportunity for Bartram Village residents to meet with neighbors and PHA while learning how to participate in the Bartram Choice Neighborhood planning efforts.

Six sessions were hosted and 32 residents participated in the series with graduation taking place in early February 2019.

To implement action activities and partnerships at Bartram Village, focus groups are currently developing strategies and discussing solutions around key areas of interest for Bartram Village and neighborhood residents.



PHA won a Choice Neighborhoods Initiative Grant from the U.S. Department of Housing and Urban Development in early 2018 toward the redevelopment of Bartram Village and the surrounding Kingsessing neighborhood in Southwest Philadelphia.

The renewal of Bartram Village and the surrounding neighborhood is consistent with PHA's strategy to reinvent public housing through creation of viable, self-sustaining, mixed income communities.



PROTECTING OUR CHILDREN

PHA's Housing Operations department completed visual assessments of lead-based paint hazards on all homes in its portfolio built before 1978 where at least one child under six years of age lives.

More than 1,500 homes were assessed that could potentially pose a risk of lead exposure. Following protocols established by the Environmental Protection Agency (EPA), PHA staff corrected the few deficiencies identified. EPA-certified risk assessors then tested the repaired areas and confirmed that the corrections were effective.

PHA annually examines all pre-1978 homes (when lead-based paint was widely used) where children under six live. All PHA maintenance staff – more than 600 employees – have been trained and/or retrained in lead-safe work practices. All have received the U.S. Department of Housing and Urban Development's (HUD) lead-based paint visual assessment training and all have obtained the U.S. Environmental Protection Agency's (EPA) certification.

PHA established a lead paint hotline: 215.684.8600.

PARENTS ARE A CHILD'S FIRST TEACHER

A program designed to get children ready for school before they reach Pre-K celebrated its first graduating class early in the fall of 2018.

PHA's partnership with the Parent-Child Home Program (PCHP) began in November 2016. Forty-two families successfully completed the two-cycle program for a graduation rate of 76%.

Trained community-based early learning specialists visit families at home twice a week. During these visits, the specialists use books and educational toys to build language, literacy and enriched learning homes. They show parents how to interact and increase verbal interaction between themselves and their children. The more words children hear at home has a huge impact on how ready they are to learn in school.



PHA has expended \$100,000 in start-up funds to support PCHP, which is also supported by the nonprofit GreenLight Fund that invested \$600,000 to get the program up and running. The program also produces opportunities for employment to neighborhood residents. It routinely hires people from the neighborhood who understand the culture of the community and are a cultural match for families they visit.

DEVELOPING OUR YOUTH

Young people need to learn how to meet the challenges of adolescence and adulthood and achieve their full potential. PHA sponsors activities designed to develop tomorrow's adults and leaders.

Youth Enrichment Services

- 220 youth are currently enrolled in PHA afterschool programs across 10 sites
- 280 youth were enrolled in our summer camps this year
- 23 PHA teens gained summer employment through the Philadelphia Youth Network's Work Ready Program
- During the summer of 2018, PHA served almost 43,000 residents through the Summer Food program
- 50 youth from our PHA summer camps participated in our annual Summer Spelling Bee, 9 youth walked away with 1st, 2nd, and 3rd place trophies
- Over 1,600 book bags were distributed to PHA youth during the 7th annual book bag giveaway





ENSURING SAFETY AND SECURITY

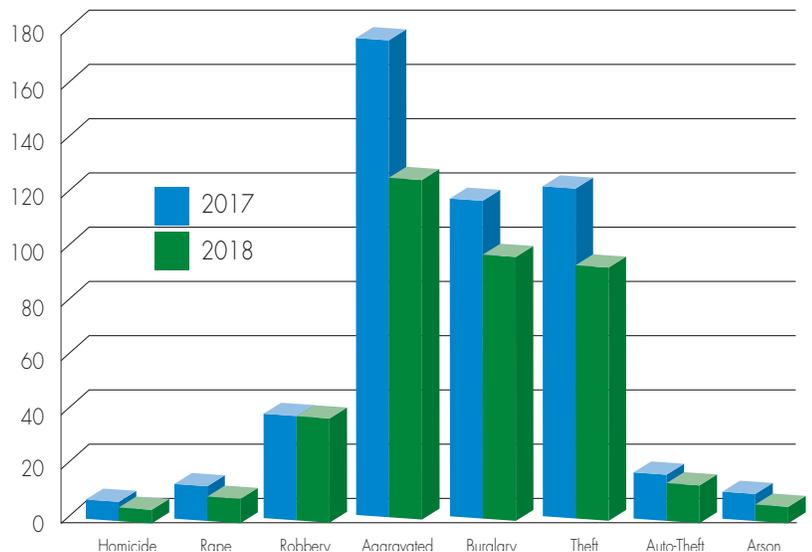
The PHA Police Department, working closely with residents, again recorded a decrease in crime in almost all categories during Calendar Year 2018 compared to the previous year.

- Homicide (-28.6%)
- Rape (-30.8%)
- Aggravated Assault (-28.5%)
- Burglary (-16.8%)
- Theft (-23.4%)
- Auto Theft (-17.6%)
- Arson (-40.0%)
- Robberies (0%)

Total Violent Crime decreased by **23.9%**
 and total Property Crime decreased by **20.7%**.
 Overall, Total Crime decreased in CY2018 by **22.2%**.

A reduction in Preventable Accidents reflects that officers are driving more defensively while carrying out their duties. A comparison of accident numbers from 2015 to 2018 shows a 53.8% drop in preventable accidents, a 37.5% reduction in non-preventable accidents, and a 48.4% decrease in total accidents.

The Police Advisory Board meets quarterly to collaborate with PHA Police and strategize on existing conditions as well as plan for future endeavors. This allows the department to stay aware of current conditions surrounding each development and connect with resident leaders.



A TOP FLIGHT OPERATION



DOING BUSINESS WITH PHA

PHA hosted two business networking events 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, bonding and insurance requirements.

A total of 69 vendors took part in these events in CY 2018.

PHA's Supply Chain Management team in collaboration with Philadelphia Gas Works hosted its semi-annual "Doing Business" during the City's annual MED Week (Minority Enterprise Development), an event designed to show vendors how to grow their businesses and learn about government procurement and networking processes.

Philadelphia Industrial Development Corporation (PIDC) presented its agency's role in helping small Philadelphia-based businesses with short-term capital investments for paying employee payrolls, purchasing buildings, land and manufacturing and how to grow a successful business.



AN ECONOMIC ENGINE IN THE CITY

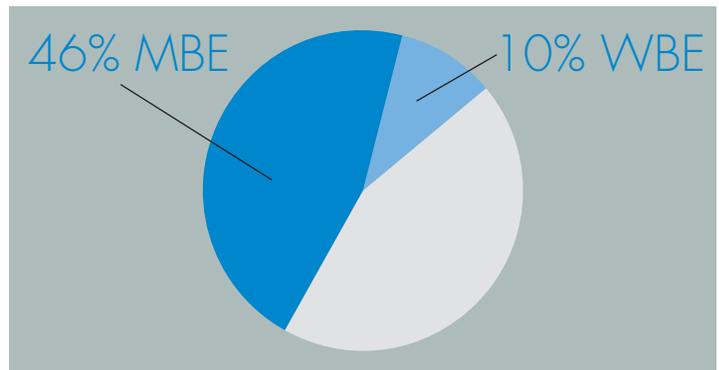
In FY19, Philadelphia businesses received \$58.9 million of the total PHA contracted procurement spend of \$120.6 million. In other words, 42.6% of the agency's spending went to city businesses.

PHA also posted a Minority Business Enterprise/ Women Business Enterprise (MBE/WBE) participation rate of 46% MBE and 10% WBE.

Philadelphia based businesses or organizations received \$52 million out of total disbursements of \$183.9 million in FY19. That's 52.1% of all disbursements.

The housing authority works 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 and contracts for piggybacking.

\$58.9 million
of PHA's spending went to Philadelphia businesses



MODERN FLEET = LOWERED COSTS

The Supply Chain Fleet Management Department sustained its fleet modernization process with the leasing of 72 additional vehicles, bringing the total number of leased vehicles to 136.

The additional new vehicles greatly affect the fuel and repair costs for the Fleet. Vehicle repairs are down by 7% and fuel consumption has dropped 10%. Seventy-two new vehicles have been placed on order (Phase III) with Enterprise for 2019 to continue modernizing the fleet.



LOWER COSTS, HIGHER EMPLOYMENT

PHA and the Philadelphia Building and Construction Trades Council (BCTC) signed a Project Labor Agreement (PLA) that lowers costs on large-scale construction projects and makes for greater inclusion of women and minorities at those worksites.

The agreement – which affects projects of \$3 million or more – mandates that PHA residents make up at least 25 percent of the workforce. PHA’s apprenticeship program has produced hundreds of graduates who have earned their Building Trades cards and are available to fill these slots.



Another part of the agreement requires contractors to sign a PLA with the unions and abide by all provisions, including a minimum of 20 percent minority and women-owned business participation.

KEEPING EVERYONE HONEST

The Office of Audit and Compliance (OAC) performed very effective investigative, audit, and compliance-related activities related to PHA’s operations, programs, and services.

| OAC BY THE NUMBERS | |
|--------------------|---|
| 454 | Complaints Received |
| 210 | Investigations Opened |
| 161 | Open Investigations Substantiated |
| \$157,953.00 | In Ordered Restitution/Reimbursement to PHA |

Other highlights include:

- The OAC Investigations unit uncovered \$784,456 of fraud.
- OAC collected \$132,418 from repayment agreements arising from investigations into resident misconduct, pushing the total OAC collections to over \$1 million dollars.
- OAC ensured PHA’s efficient and transparent cooperation with, and response to:
 - » PHA’s annual independent audit
 - » Regional Housing and Urban Development (HUD) Office and HUD Office of Inspector General (OIG) inquiries
 - » HUD OIG survey
- OAC Compliance Unit performed the following to ensure compliance with HUD regulations as it relates to:
 - » 9 Site Based Quality Assurance Reviews (SBQAR)
 - » Semi-annual Admission Reviews
 - » Force Account Construction Project Review
 - » Housing Choice Voucher (HCV) Quality Control Housing Quality Standards (HQS) Unit Inspections and Public Housing Service Order Audit

HUMAN CAPITAL

PHA remains committed to recruiting, training, and retaining a diverse and highly qualified workforce, which is vital to the agency's success.

In FY 2019, the Human Resources Department (HRD) hired or rehired 303 employees. Of all the employees hired or rehired, 88 or almost 30% were classified as Section 3 residents.

Also, PHA residents comprised 10 out of 31 interns and all of the Summer Food staff (33) and Computer Lab Monitors (7).

PHA achieved a year-over-year reduction

of approximately 50% in total approved Workers' Compensation claims through the work of HRD, Risk Management, and the agency's insurance carrier.

The Department achieved a projected year-over-year medical cost reduction of approximately \$1.6M for plan year 2018-19 through the procurement and negotiation of a new medical insurance provider.



ISM – THE HEART OF PHA'S OPERATIONS

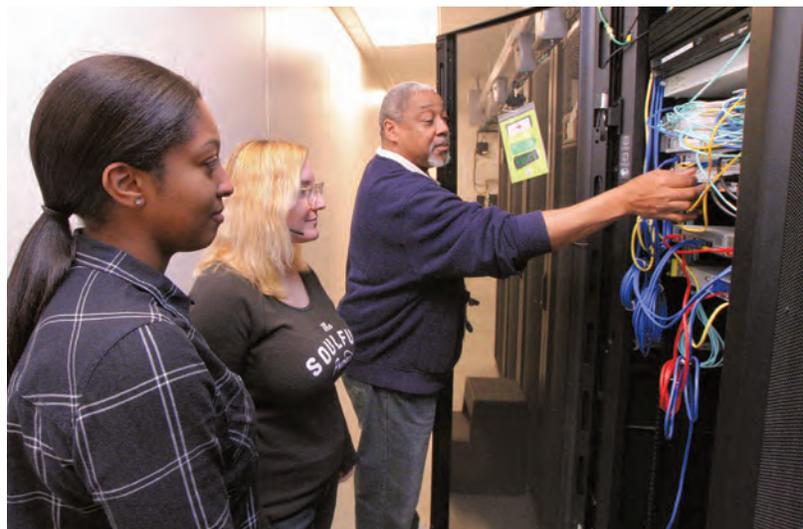
Simply put, PHA relies on the Information Systems Management (ISM) department for smooth and efficient operations, especially in light of the move to its new headquarters building.

The department coordinated and facilitated multiple vendors' work at the new location to complete the new PHA Data Center, door access controls, audio and video needs, and building management systems.

ISM acquired and built the new Network Infrastructure to support over 400 users at our new Ridge Avenue office.

The department implemented a case management reporting system for new HUD requirements regarding lead based blood test results in PHA's housing units. The application records blood levels, unit test results, and unit remediation while generating reports for HUD. The system is critical to our residents' health and safety.

A new service order scheduling dashboard was deployed for superintendents, allowing them to make daily assignments for their crews without processing each service order individually.



ISM deployed an electronic service order trip sheet for Maintenance staff to record time and materials used for service orders on their iPads.

The department performed many valuable operations to maintain the consistency of the agency's operations during FY19, but it is also looking to the future.



A KEEN LEGAL TEAM

The Office of General Counsel (OGC) has successfully advanced many essential business matters for the housing authority. Its expertise is critical to the success of PHA, its clients, and stakeholders.

Auctions: OGC coordinated a successful auction of 67 scattered sites properties that resulted in \$4.7 million in revenue for PHA. The money raised by these auctions helps support the mission of the housing authority. PHA uses funds raised through the auctioned properties for other, much needed housing opportunities. Auctioning excess properties is part of a broad strategy to reposition PHA's large inventory of scattered site holdings.

Litigation: Working together with **Risk Management** and the **Operations** and **Human Resources Departments**,

CY 2018 marked the fewest cases filed against PHA, including personal injury lawsuits, in over five years! PHA's experienced litigation team also continues to perform lease enforcement activities at great cost saving to the agency.

Risk Management: This division's loss control initiatives have continued to save PHA money and enhance the safety of PHA's employees and residents. The agency was recognized with the Employee Safety Award in August 2018, part of the Housing Authority Insurance (HAI) Group Risk Management awards. Total incurred workers compensation claims costs declined by 60% over the five year period running from 2013 to 2017. Even under a three-year moving average, these costs declined by over 30%.

THE BOTTOM LINE



STATEMENT OF NET POSITION – MARCH 31, 2018

| | Primary Government | Component Units |
|--|------------------------|----------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$149,148,463 | \$8,733,543 |
| Restricted cash and cash equivalents | 39,889,358 | 29,424,414 |
| Investments | 1,573,906 | — |
| Receivables | 67,876,032 | 3,691,260 |
| Other current assets | 1,386,647 | 363,128 |
| TOTAL CURRENT ASSETS | \$259,874,406 | \$42,212,345 |
| NONCURRENT ASSETS | | |
| Mortgages receivable | \$399,157,958 | — |
| Restricted investments | 419,714 | — |
| Capital assets, net | 558,626,327 | 456,513,392 |
| Equity interest in component units | 5,076,772 | — |
| Other assets | 3,130,105 | 1,579,329 |
| TOTAL NONCURRENT ASSETS | \$966,410,876 | \$458,092,721 |
| TOTAL ASSETS | \$1,226,285,282 | \$500,305,066 |
| Deferred outflows of resources | 10,948,464 | — |
| TOTAL ASSETS AND DEFERRED | \$1,237,233,746 | \$500,305,066 |
| OUTFLOWS OF RESOURCES | | |
| CURRENT LIABILITIES | | |
| Accounts payable | 15,452,774 | 839,926 |
| Accrued liabilities | 18,008,372 | 2,458,370 |
| Current portion of long-term debt | 8,051,920 | 4,410,174 |
| Due to other government agencies | 426,031 | — |
| Compensated absences | 4,731,028 | — |
| Resident security deposits | 769,913 | 511,838 |
| Unearned revenue and other current liabilities | 5,336,601 | 13,035,503 |
| TOTAL CURRENT LIABILITIES | \$52,776,639 | \$21,255,811 |
| NONCURRENT LIABILITIES | | |
| Compensated absences | \$3,154,021 | — |
| Long-term debt | 60,701,208 | 334,706,340 |
| Net pension liability | 78,935,989 | — |
| Other long-term liabilities | 5,007,353 | 86,721,754 |
| TOTAL NONCURRENT LIABILITIES | \$147,798,571 | \$421,428,094 |
| TOTAL LIABILITIES | \$200,575,210 | \$442,683,905 |
| NET POSITION | | |
| Net investment in capital assets | \$520,686,858 | \$117,396,878 |
| Restricted for development | 3,293,889 | — |
| Unrestricted (deficit) | 512,677,789 | (59,775,717) |
| TOTAL NET POSITION | \$1,036,658,536 | \$57,621,161 |
| TOTAL LIABILITIES AND NET POSITION | \$1,237,233,746 | \$500,305,066 |

STATEMENT OF NET POSITION – MARCH 31, 2018

OPERATING REVENUE

| | | |
|--------------------------------------|---------------------------|---------------------|
| Tenant revenue..... | \$27,324,361 | \$28,375,308 |
| Operating subsidies..... | 377,530,586 | — |
| Other income..... | 13,039,995 | 891,384 |
| TOTAL OPERATING REVENUE | \$417,894,942..... | \$29,266,692 |

OPERATING EXPENSES

| | | |
|---------------------------------------|---------------------------|-----------------------|
| Administrative..... | \$69,614,297 | \$5,492,580 |
| Tenant services..... | 3,454,892 | 199,264 |
| Utilities..... | 21,285,950 | 4,044,036 |
| Maintenance..... | 67,025,702 | 15,036,087 |
| Protective services..... | 10,587,536 | — |
| General..... | 29,100,353 | 3,639,461 |
| Housing assistance payments..... | 173,973,310 | — |
| Depreciation and amortization..... | 44,381,808 | 17,049,267 |
| TOTAL OPERATING EXPENSES | \$419,423,848..... | \$45,460,695 |
| OPERATING LOSS..... | (\$1,528,906)..... | (\$16,194,003) |

NONOPERATING REVENUE (EXPENSES)

| | | |
|--|------------------------|---------------------|
| Interest and investment earnings..... | \$9,211,539 | 168,045 |
| Interest expense..... | (1,802,484) | (8,151,208) |
| Other revenues (charges)..... | 12,847,71 | — |
| NET NONOPERATING REVENUE (EXPENSE) | 20,256,766..... | (7,983,163) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS... | 18,727,860..... | (24,177,166) |

CAPITAL CONTRIBUTIONS

| | | |
|------------------------------------|------------------------|---------------------|
| HUD capital subsidies..... | \$24,072,084 | — |
| Partner distributions..... | — | (534,146) |
| Partner contributions..... | — | 17,531,350 |
| CHANGE IN NET POSITION..... | 42,799,944..... | (7,179,962) |
| Net Position, Beginning..... | \$993,858,592 | \$64,801,123 |
| Net Position, Ending..... | \$1,036,658,536 | \$57,621,161 |

STANDARD & POOR'S GLOBAL RATINGS

S&P Global Ratings assigned an 'A+' rating to PHA's General Revenue Bonds (PHA Headquarters Project), Series 2017 for \$28.9 million.

S&P Global Ratings stated, "The stable rating outlook reflects PHA's strong position as provider and developer of affordable housing in Philadelphia ..."

Additionally, in a pre-publication notice, S&P Global

Ratings affirmed its 'AA-' underlying rating, with a stable outlook, on Philadelphia Housing Authority's series 2002A-2002B and series 2003C-2003D Capital Fund Program Revenue bonds.

These high ratings provided PHA the opportunity to explore lowering the interest rates, and saving PHA as much as \$1 million a year.

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PHILADELPHIA HOUSING AUTHORITY

OPENING DOORS TO OPPORTUNITIES

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