



Philadelphia Housing Authority ACCOMPLISHMENTS REPORT 2014

April 1, 2013 - March 31, 2014



Philadelphia Housing Authority



Philadelphia Housing Authority

Kelvin A. Jeremiah
President & CEO

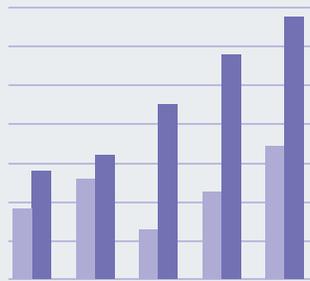
Philadelphia Housing Authority
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Mission

The Philadelphia Housing Authority's mission is to provide quality housing for Philadelphia's low and moderate income families by maintaining and improving its housing developments, achieving excellence in property management, providing opportunities for resident economic enhancement and social mobility, and by forming strategic partnerships with public, private, nonprofit and philanthropic organizations.

PHA'S 12 MANAGEMENT PRIORITIES

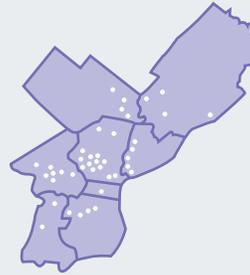


IMPROVE PERFORMANCE
In Core Business Operations



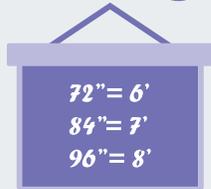
Assess, Preserve, and Diversify
PHA's Affordable Housing Portfolio

Implement a Comprehensive Scattered Site Relocation
STRATEGY



Enhance Resident
SAFETY & SECURITY

Implement Resident and Community-Based Approaches to
Services, Training, and Jobs



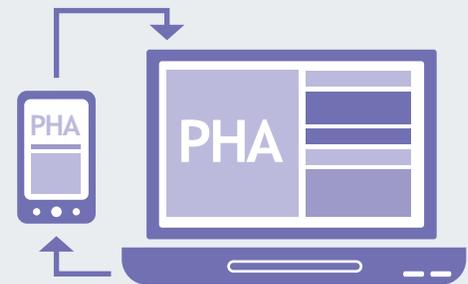
Expand Public, Private, and Philanthropic
PARTNERSHIPS



Strategically Allocate
VOUCHERS
To Support Overarching Housing Strategy

ENHANCE USE OF
Information Technology

Create a Management
Business Model
That is Data-Driven and High-Performing



Monitor

COMPLIANCE & ENHANCE
INTERNAL CONTROLS



new
OLD

REBRAND PHA
As a Good Neighbor,
Employer of Choice,
And Reliable Partner

Enhance Affiliate/Subsidiary
Operations to Support
COMMUNITY REVITALIZATION



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Messages

“We have seen a great deal of progress in a short time. PHA has attracted much-needed investments for community development and neighborhood revitalization... PHA is committed to providing pathways to opportunities for residents who are seeking higher education, employment, and homeownership.”

- Michael A. Nutter, Mayor of Philadelphia

A Message From Mayor Michael A. Nutter

As the Mayor of the great City of Philadelphia, I understand all too well that housing is about people and is the cornerstone upon which strong, vibrant neighborhoods are built. Decent, safe, affordable housing is at the heart of the Philadelphia Housing Authority's (PHA) mission, which makes PHA a critically important agency for helping to transform our communities and helping Philadelphians thrive.

Under the leadership of PHA's President & CEO, Kelvin A. Jeremiah, the City of Philadelphia and PHA have strengthened their relationship, to the benefit of the people who live in PHA housing and all Philadelphians. This spirit of cooperation has given us the opportunity to better coordinate the City's housing policy and neighborhood revitalization efforts in a transparent and coherent manner that involves public, private, and community stakeholders.

PHA has instituted strong internal controls, has become a better steward of public funds, and welcomed a talented Board of Commissioners, Chaired by Lynette Brown-Sow. The Chair and all of PHA's Commissioners are appointed by the Mayor, through a legislated process, and subsequently are accountable to the citizens of this great city.

We have seen a great deal of progress in a short time. PHA has attracted much-needed investments for community development and neighborhood revitalization, such as the Choice Neighborhoods Planning Grant for Blumberg Apartments in North Philadelphia and the Choice Neighborhoods Implementation Grant for Norris Homes. In addition to expanding housing opportunities and transforming communities, PHA is committed to providing pathways to opportunities for residents who are seeking higher education, employment, and homeownership. This work is crucial to my administration's efforts to achieve shared prosperity for all Philadelphians.

This Annual Accomplishments Report provides highlights of PHA's accomplishments over the last year, as well as information about PHA's financial condition and long-term planning. The significant reforms that PHA has made since returning to local control ensure that this important agency remains strong and viable for many years to come.

I am proud of PHA's accomplishments to date, and I am pleased to work together in partnership with PHA to do more to help Philadelphians, where the demand for affordable housing is high.

Sincerely,



Michael A. Nutter

Mayor



Messages

“We are ready to introduce a new PHA to the community - one that is transparent, accountable, and focused on our mission of providing safe, affordable housing to some of the City’s most vulnerable populations.”

- Kelvin A. Jeremiah, PHA President & CEO

A Message from PHA's Chair and the President & CEO

Dear Friends:

What an amazing year it has been for the Philadelphia Housing Authority (PHA)! In April 2013, PHA returned to local control after two years of federal receivership. Our newly installed Board of Commissioners and all PHA staff were ready to introduce a new PHA to the community—one that is transparent, accountable, and focused on our mission of providing decent, safe, affordable housing to some of the City's most vulnerable populations.

While it is true that PHA is operating during a time of diminishing resources, dominated by deficit reductions and election fever, we are committed to delivering on our mission. To do this, we must preserve and expand our real estate portfolio to meet the growing demand for affordable housing in Philadelphia; expand opportunities for residents to become self-reliant; and we must be good stewards of public funds by finding innovative ways to do things better and more efficiently. We are reminded every day of the awesome responsibility we have to the people we serve, who depend on us to provide them with a home. For us and the rest of PHA, it is a passion that is shaped by our understanding that housing is an issue of human dignity and human rights.

We have seen tremendous progress in every aspect of our business and operations. We have had the high honor and privilege of attending graduations for PHA residents who have completed self-sufficiency programs and earned gainful employment, and have seen the excitement from our PHA Scholars who received \$360,000 over the last two years in scholarships from PHA, scholarships that put them on a path to transform their lives. We are looking forward to more milestones, like the demolition of high-rises at Blumberg and Queen Lane; and the grand openings of new developments that will offer a better quality of life for their residents and members of the surrounding communities.

The agency has also faced its share of funding challenges this year, including sequestration. We are proud to say that we have met—and overcome—these obstacles, thanks to the hard work and dedication of PHA's employees and a committed Board, alongside of whom we are honored to serve. Indeed, notwithstanding our funding challenges, PHA has operated on a balanced budget and within its means for the last two consecutive fiscal years.

Many of our accomplishments would not have been possible without the steadfast support of our partners. We thank partners like Mayor Michael A. Nutter, Council President Darrell Clarke, the Philadelphia Redevelopment Authority, the Office of Housing and Community Development, Project HOME, and the Pennsylvania Housing Finance Agency, who all share our passion for service. PHA truly cannot do this important work alone.

This Accomplishments Report highlights how far we have come and offers a look into where we plan to go in the coming months and years ahead. On behalf of PHA's Board, management, and staff, thank you for taking this opportunity to learn more about the new PHA.

Best regards,



Lynette M. Brown-Sow
Chair, Board of Commissioners

Kelvin A. Jeremiah
President & CEO

The Year At a Glance





13,243 Public Housing Households Served

17,815 Housing Choice Voucher Program Households Served

\$500,000 Received for Choice Neighborhoods Initiative Planning Grant

\$160,000 in Scholarships Awarded to 36 Residents

33 New Homeowners

50 New Police Officers Hired

399 Veterans and Their Families Housed



Moving to Work Participation

The Philadelphia Housing Authority (PHA) is 1 of only 39 public housing agencies, out of 3,400 nationwide, to bear the designation of Moving-to-Work (MTW). The MTW Demonstration Program was created by Congress in 1996 to encourage flexibility, regulatory relief, and innovation to improve housing and services for low-income families and the communities in which they live.

In addition to the statutory and regulatory flexibility afforded by MTW, agencies are granted Single Fund authority. This permits PHA to combine its public housing operating funds, Housing Choice Voucher funds, and certain capital funds into a single fund. Doing so allows PHA to allocate funding to the various MTW-eligible activities in a manner that best suits Philadelphia.

In keeping with the spirit and intent of the MTW Program's statutory goals, PHA established three overarching goals to guide its operations: (1) quality living environments, (2) self-sufficiency, and (3) economic viability. MTW flexibility allows PHA to deliver on these goals by implementing locally designed strategies and solutions that achieve dramatically better outcomes for PHA-assisted households, PHA-owned real estate, and the PHA organization.

Having concluded its 13th full year in the demonstration program during this past fiscal year (February 2002 – February 2014), PHA continues to add to its long list of accomplishments. Select accomplishments are highlighted below and, with others, discussed in further detail throughout this report.

The flexibility afforded by MTW has enabled PHA to:

- ▲ Leverage resources to eliminate distressed public housing and revitalize entire neighborhoods
 - Over 6,000 units constructed or rehabilitated, with 6,000 more planned
- ▲ Support residents in securing jobs
 - More than 1,000 residents have received job training and placement
- ▲ Create homeownership opportunities
 - 1,080 families obtained homeownership since entry to the MTW program
- ▲ Provide scholarship opportunities
 - \$363,000 in scholarships awarded to 89 residents over the past 2 years
- ▲ Serve more seniors, people with disabilities, and other low-income families
 - 5,000 more families served today than at entry to the MTW program
- ▲ Reduce homelessness amongst veterans and chronically homeless
 - 500 housing opportunities provided to the City of Philadelphia annually for homeless persons with an additional 460 VASH vouchers administered for homeless veterans
- ▲ Forge partnerships to improve lives and reduce public expenditures
 - 75 vouchers for persons transitioning out of costly nursing homes funded by the Commonwealth of Pennsylvania



Development

PHA seeks to continue and expand its highly successful development and redevelopment efforts in order to increase and improve quality affordable housing opportunities for individuals and families.

To do so, the agency is partnering with public, private, non-profit and philanthropic organizations to increase affordable housing production and is dedicating efforts to serve populations with particular needs.

Development

PHA is committed to developing vibrant communities and revitalizing Philadelphia's neighborhoods through its development activities.

PHA's Capital Projects and Development Department is also leading the agency's sustainability efforts by embracing green standards for new construction and retrofits.

"6 in 5" Initiative

To address the growing demand for affordable housing, PHA launched the "6 in 5" Initiative, with the aim of creating and preserving 6,000 units of affordable housing over a period of five years. The Faircloth Amendment of 1998 capped the number of public housing units nationally. Due to redevelopment of high-density sites into lower density communities, PHA is more than 6,000 units under its statutory cap.

To meet the goal of adding 6,000 units in five years, PHA has developed three strategies:

1. SELF-DEVELOPED UNITS

PHA's new development efforts include:

PROJECT NAME	# OF UNITS	ANTICIPATED START DATE
Blumberg Phase 1	57	December 2014
Blumberg Phase 2 - Rental	83	2015
Blumberg Phase 2 - HO	68	2015
Blumberg Phase 3 - Rental	60	2016
Queen Lane	55	November 2014
Queen's Row - Market Rate	5	September 2013
Queen's Row - ACC	24	October 2014
Markoe Street Phase 3	6	October 2014
Strawberry Mansion	67	January 2015
Oakdale Street	12	August 2014
Gordon Street	21	October 2014
Scattered Sites	142	September 2013
1010-1012 S 20th Street	4	March 2015
LEB Community Building	N/A	October 2015
Norris Phase 1	125	2015
Norris Phase 2	52	2016
Norris Phase 3	60	2018
Norris Phase 4	60	2019
Scattered Sites Redev.	300	2015
Pepper School / Communications Annex (Eastwick)	400	TBD
Walton School (Strawberry Mansion)	40	TBD
TOTAL	1641	

2. PRESERVATION

PHA will renovate its viable scattered sites units and preserve units with expiring affordability. Over the next five years, PHA estimates that 2,200 tax credit units will expire if preservation is not undertaken.

3. PARTNERSHIP

With over 100,000 individuals on PHA's waiting lists for housing, it is clear that the agency cannot meet the need alone. PHA has issued a solicitation for unit-based subsidy and project-based vouchers and seeks to partner with other organizations interested in developing affordable housing opportunities. The agency also plans to offer some scattered sites properties to Community Development Corporations for affordable housing development.

DEVELOPMENT	PROJECT/ SPONSOR	NEIGHBORHOOD LOCATION	TARGET POPULATION	TOTAL UNITS
Impact Veterans Family Center	Impact Services	North Philadelphia	Veterans and their families	18
NewCourtland Apts at Allegheny	NewCourtland	North Philadelphia	Seniors	56
HELP 7200 Grovers Lane	HELP USA	West Philadelphia	Veterans	15
810 Arch St	Project HOME	Center City Philadelphia	Homeless	48
Venango St.	Project HOME	North Philadelphia	Homeless	17
Kate's Place	Project HOME	Center City Philadelphia	Homeless	5
JBj Soul Homes	Project HOME	Fairmount	Alcohol dependency and Homeless	15
Liberty Resources	Liberty Resources	Northeast Philadelphia	Disabled	2
Liberty Resources	Liberty Resources	Northeast Philadelphia	Disabled	5
Los Balcones	Norris Square Civic Association	North Philadelphia	Low-income families	22
Walnut Park	Walnut Park Associates LLC	West Philadelphia	Seniors	3
Paseo Verdes	Transit Village Affordable Housing LP	North Philadelphia	Low-income families	19
Mt. Vernon	Mt. Vernon LP	West Philadelphia	Low-income families	15
NewCourtland Apts at Cliveden	NewCourtland	Germantown	Seniors	32
TOTAL				271

Choice Neighborhoods Planning Grant – Blumberg

On November 22, 2013, HUD awarded PHA a \$500,000 Choice Neighborhoods Initiative Planning Grant for the Sharswood community of North Philadelphia, which includes Blumberg Apartments, PHA's most distressed high-rise property. This marks the first time PHA has been named a Choice Neighborhoods Planning Grant recipient.

PHA was one of nine agencies to receive a grant and had the privilege of hosting HUD Secretary Shaun Donovan, Congressman Chaka Fattah, Mayor Michael Nutter, City Council President Darrell Clarke, and other partners at Blumberg for the announcement.

The Blumberg redevelopment also received a 9% Low Income Housing Tax Credit (LIHTC) award from the Pennsylvania Housing Finance Agency in February 2014, which will allow PHA to raise \$12.6 million through private investment. It is PHA's first 9% tax credit award in over four years.

Development

“The partnership with the Philadelphia Housing Authority has brought rent subsidies to the Vets Family Project, making the project affordable to the population it seeks to serve. Without PHA, the project would be unable to serve very low-income vets families.”

– John MacDonald, President and CEO of Impact Services Corporation

The City’s Office of Housing and Community Development awarded an additional \$1.5 million for Blumberg Phase I, which will consist of 57 new construction rental units.

CNI partners include:

- ▲ The Mayor’s Office
- ▲ School District of Philadelphia
- ▲ Philadelphia Police Department
- ▲ Girard College
- ▲ Project HOME



Scattered Sites Repositioning Strategy

PHA has the largest scattered sites portfolio of any housing authority in the country; the agency once owned approximately 8,000 scattered site units across the City. Many of them were acquired in the 1960s and 70s and some were built over a century ago. These properties have become increasingly difficult to manage, given their age, the state of disrepair of some, and the agency’s limited resources.

Two years ago, PHA began an evaluation study to create an appropriately-sized portfolio that the agency can manage and maintain efficiently. Under the new repositioning strategy, PHA will evaluate units as they become vacant, preserve units located in areas of opportunity that can be feasibly modernized, and work with City agencies, affordable housing developers, community development corporations, and others to address units that PHA is not able to efficiently operate.

PHA anticipates bringing back about 500 vacant units for occupancy by the end of 2015, as well as conducting auctions and other strategic dispositions of several hundred surplus properties.

On July 16, 2013, PHA held its third scattered sites auction in two years, giving private developers another opportunity to own a piece of Philadelphia and invest in the City’s future. Approximately 200 properties were up for sale and more than 400 people attended. The average sale price was \$11,000 and the highest successful bid was \$170,000. Proceeds from the auction will help finance the agency’s “6 in 5” Initiative.

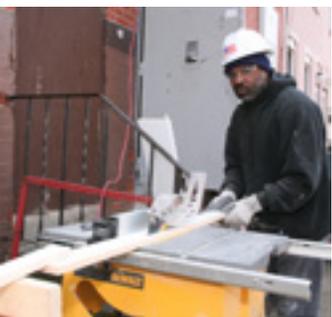
	TOTAL PROCEEDS RECEIVED	AMOUNT PAID TO CITY OF PHILADELPHIA FOR LIENS	TOTAL PROCEEDS	TOTAL PROPERTIES	TOTAL PROPERTIES SOLD	TOTAL PROPERTIES TO BE SOLD
Auction 1	\$3,350,812.51			396	294	102
Auction 2	\$2,092,325.06			92	63	29
Auction 3	\$1,303,539.73			196	139	57
Escrows	\$1,088,048.46					
Prop Sold Outside Auc	\$1,713,167.51					
TOTAL	\$9,547,893.27	(\$6,225,303.00)	\$3,322,590.27	684	496	188

Sustainability

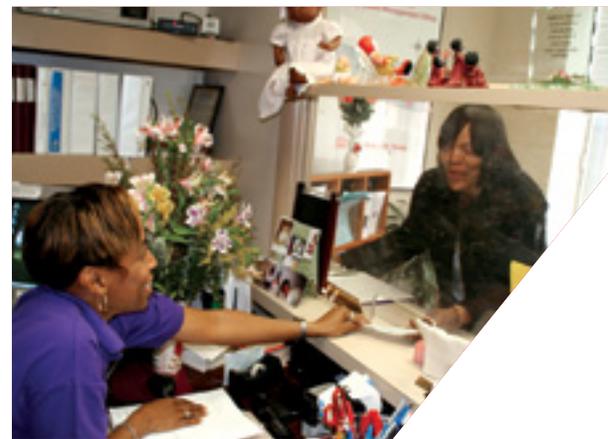
In August 2012, PHA's Board adopted a Sustainability Policy for the agency and authorized the creation of a Sustainability Working Group. PHA is committed to:

- ▶ Conducting its housing development and property management activities in a socially, environmentally, and economically responsible manner;
- ▶ Reducing its energy consumption and increasing its use of alternative energy sources;
- ▶ Minimizing its environmental impacts in the areas of waste, water, energy, and air quality;
- ▶ Providing leadership and education for its staff and resident families about best sustainability practices and healthy living choices; and
- ▶ Increasing the number of opportunities in low and high-skill green jobs.

In December 2013, PHA agreed to participate in the White House Better Building Challenge and committed to reducing its energy consumption by 20% in ten years.



Philadelphia Mayor Michael Nutter talks about ending homelessness for veterans following a meeting with HUD Secretary Shaun Donovan (right), Philadelphia Housing Authority President & CEO Kelvin Jeremiah (left) and one recently housed vet (far left).





Resident Services

A key management priority for PHA is to help families transition from assistance to self-sufficiency by connecting families to the specific services they need to move out of poverty. Our programs include various educational opportunities, access to job training, assistance with job placement, job retention, and ultimately moving residents towards homeownership.

Education

GED Program

PHA's Adult Basic Education Program teaches students skills in math, reading, and writing to prepare them to take the General Educational Development (GED) tests. **Ten PHA residents graduated** from the program and received their GEDs this year.



*"I knew at some point a job would come through and PHA provided it. I'm going to run with it from here."
– Abdul Mujahid, Pre-Apprenticeship graduate*

Jobs

Pre-Apprenticeship

In August 2013, PHA launched the revamped Pre-Apprenticeship Training Program. The comprehensive job training course teaches residents maintenance and repair skills. Graduates go on to become apprentices and ultimately full-time PHA employees with union cards and union wages.

The improved program sought to correct the deficiencies in the original program - while over 800 residents graduated, fewer than 100 graduates were actually employed in the trades. The new Pre-Apprenticeship Program emphasizes job placement and job retention for participants. The program is made possible thanks to a partnership between PHA and three local unions.

Pre-Apprenticeship also serves as a pipeline to meeting PHA's commitment to have residents comprise at least 25 percent of the agency's workforce. Currently, 9 percent of PHA's employees are also PHA residents.

Union Partners:

- ▲ Painters Union DC 21
- ▲ Maintenance Mechanics Local 32BJ
- ▲ Laborers Local 332

Resident Services

Section 3

Section 3 of the HUD Act of 1968 requires recipients of certain HUD financial assistance to provide job training, employment, and contract opportunities for low (or very low) income residents in connection with projects and activities in their neighborhoods to the greatest extent possible.

PHA has aggressively enhanced its Section 3 program in 2013 to increase benefits for residents and ensure greater compliance. Improvements include updating policy and procedures, educating vendors about the requirements, and streamlining the hiring process for vendors and residents alike.

In 2013, PHA launched an online resident job bank designed to connect residents with job and training opportunities offered by PHA contractors and vendors in a variety of different industries. Of the 38 jobs posted to the Section 3 Job Bank, over 35 of those jobs have been matched with qualified residents and the interview and placement process is underway.



Homeownership

PHA is committed to helping residents become self-sufficient and make the leap to homeownership. The Homeownership Department connects prospective homeowners with housing counselors, lenders, and realtors and helps them navigate the process from credit repair to closing.

This year:

- ▶ 7 residents purchased their home through the Scattered Sites Homeownership Program
- ▶ 26 voucher holders, including one veteran, bought a home through the HCV Homeownership Program.

PHA also named Santander Bank as one of several preferred lenders. Santander will offer financial literacy classes and help more residents become self-sufficient homeowners.



Resident Councils

Over the past year, PHA held 45 Successful Resident Council Elections as part of an unprecedented effort to increase resident participation. Many sites had not held elections for years or were holding them for the first time.

Elected resident leaders serve as the voice of the residents they represent and work in partnership with PHA to ensure residents' input is considered by PHA on various operational and administrative issues. Duly elected resident councils are eligible for tenant participation funds that may be used for resident empowerment events and programs that benefit their communities.

Resident Services

“The scholarship will help pay off some of the bills and loans from my school [and] I won’t have to rely on my mother to pay them. She works every day and tries her best to help support me, my grandmother, and herself. With the opportunity of getting the scholarship, I can help myself.”

- Ayanna Wallace, Scholarship Recipient

PhillySeeds

In 2013, PHA created PhillySeeds, a non-profit 501(c)(3) organization dedicated to advancing educational, economic, and social services opportunities for PHA residents.

Scholarships

In July 2013, PhillySeeds awarded **\$160,000** in scholarships to **36 Residents** seeking higher education. To qualify, scholarship recipients must be a current PHA resident and admitted to an accredited two or four-year college, university, or trade/technical school with a minimum grade point average (GPA) of 2.5.

Scholarships were awarded in amounts of **\$1,000**, **\$3,000**, and **\$5,000** based on GPA. The scholarship committee received so many excellent candidates that they awarded **28 Residents** the highest level available.

The recipients represented PHA developments across Philadelphia, as well as the Housing Choice Voucher Program.



“These scholarships provide an opportunity for real social and economic change. Our PHA Scholars are writing a different history for themselves and are making it possible for them to fulfill their God-given potential.”

- Kelvin A. Jeremiah, PHA President & CEO

Other Activities

- ▲ Distributed more than **2,500** book bags with school supplies to residents ages 4 to 17, to ensure that they were prepared for the start of the new school year.
- ▲ Distributed **2,000** turkeys to residents at multiple developments for Thanksgiving.
- ▲ Distributed **\$50** gift cards to **88** zero-income residents for the holidays.
- ▲ Partnered with Calvary Chapel of North Philadelphia to host a holiday luncheon for **600** PHA seniors.

Safety and Security

In 2013, PHA, in collaboration with residents, developed and implemented the Safe Affordable Housing for Everyone Program (SAFE). Under the SAFE Program, PHA dramatically expanded its police force in 2013 by hiring **50 New Officers**, a decision spurred by resident concerns about safety and security in their communities. PHA's Police Department now patrols 24 hours a day, 7 days a week. Within six months of hiring additional personnel, PHA saw a **125 percent** increase in arrests at 10 high-crime sites and a reduction in crime in all major areas, including robbery, aggravated assault, burglary, theft, and narcotics.

The revived PHAPD also adopted a community policing model that encourages residents to play an integral role in improving their neighborhoods and work directly with PHAPD. Police Officers are conducting foot patrols and building strong relationships with the community.

To support community policing activities, PHA opened three mini-stations on site at Harrison Plaza, West Park Apartments, and Wilson Park. The mini-stations are staffed with police officers and open on weekdays.

PHA has also invested **\$10 Million** for a **Layered Door Entry Areas Control System** and installed **600 New Security Cameras with 24/7 Monitoring** to safeguard residents and properties.



"Crime is still here, but it is greatly reduced. The criminal presence is diminishing and you can see the difference. People can go in and out of their homes without walking through a bunch of riffraff. And other residents now want to participate in making their environment safe."

- Phara Regusters, President of Blumberg Family Resident Council

Housing Programs

PHA provides safe and decent affordable housing for thousands of low and moderate income residents in Philadelphia. The agency owns and operates public housing units throughout the city; it also administers the Housing Choice Voucher Program, which provides rental assistance to residents in the private market.



Public Housing

PHA has refocused its attention on its core business operations, including collecting rent, maintaining the existing housing stock, and providing responsive, useful, and efficient services to those we serve: the residents of PHA's developments.

The public housing program is currently serving **13,243** households.

Maintenance Operations

In 2013-2014, PHA's Maintenance Department demonstrated that they are the best in the business. Workers went above and beyond during a difficult year, helping residents through fires, power outages, and snow storms.

PHA completed **Over 130,000** work orders, a nearly 8 percent increase in completed service orders in two years. This includes **10,000 Emergency Service Orders** completed in 2013, an increase by 50 percent from 2012. 99.96 percent of emergency service orders were completed within 24 hours.

At the same time, overtime was significantly reduced from last fiscal year.

Admissions

On April 15, 2013, PHA closed many of its public housing wait lists due to long wait times. The wait lists for senior designated housing developments and special programs, including tax credit sites, remain open.

The agency also reached out to applicants for a wait list update. PHA received **19,856** responses via the agency's website and call center.

In March 2014, PHA centralized admissions for public housing to ensure that applicants are processed according to policy in a consistent, transparent, and timely manner.

Wait List Numbers

Public Housing Program – **33,344**

Tax Credit Housing Program – **35,902**

Special Public Housing Programs

BLUEPRINT TO END HOMELESSNESS – Since 2008, PHA has worked with the City of Philadelphia to house homeless individuals and families leaving transitional housing programs. In 2013, PHA's Public Housing Program met its goal for Year 4 of the agreement of housing **300 participants** who were referred by the City and began working towards its goal for Year 5.

YOUTH AGING OUT OF FOSTER CARE – PHA and the City's Department of Human Services began a pilot program to provide youth aging out of foster care with stable housing as they complete their education and work to become self-sufficient. Participants receive case management services from DHS.

Housing Programs

Housing Choice Voucher (HCV)

As of March 31, 2014, PHA's Housing Choice Voucher Program serves **17,815** households.

In 2013, PHA consolidated its Leased Housing operations at one central location to maximize efficiency and better serve participating residents and property owners in the program.

HCV conducted a wait list update in January 2014 and purged 26,226 applications from applicants who did not respond. PHA currently has **27,968** active applications. In 2015, PHA plans to increase its voucher utilization to approximately 90 percent.



Special HCV Programs

Blueprint to End Homelessness

The HCV Program [Housed 1,013 Formerly Homeless Individuals](#) and families through the agreement with the City.

The Veterans Affairs Supportive Housing Program (VASH)

VASH combines rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs.

On June 3, 2013, HUD Secretary Shaun Donovan announced that PHA would receive \$342,362 in grant funding to house homeless veterans. As of March 2014, [399 Veterans and Their Families Have Been Housed](#) through the program, out of a total allocation of 460 vouchers.

To end homelessness among veterans by 2015, PHA is working in partnership with the Veteran Affairs, HUD, The U.S. Interagency Council on Homelessness, and the City of Philadelphia to identify resources and develop strategies. One of this year's innovations for rapid rehousing is the Sign and Move-In Tours, in which PHA conducts pre-inspections of units to expedite the lease up process for homeless vets.



Second Chance Initiative

PHA's Board approved the creation of a time-limited, ten voucher pilot program designed to provide supportive services and housing subsidies to formerly incarcerated returning citizens that are active participants in good standing with the Eastern District Federal Court Supervision to Aid Reentry (STAR) Program and Mayor's Office of Reintegration Services (RISE) Program.

Housing Opportunity Program

With funding from a new HUD grant, PHA commenced a new pilot HCV Mobility Program in partnership with other Housing Authorities in the region, HUD, Quadel, the First Suburbs Project, and other local/regional partners. The overall goal is to provide voucher holders with informative housing counseling and support services to find housing in areas that offer higher opportunities for jobs, educational, and social mobility opportunities both within and outside of the City of Philadelphia. Participants are provided with a broad range of supportive services, housing counseling, and other resources to promote the successful transition to higher opportunity areas.



Business

For the first time in years, PHA is operating within a balanced budget while meeting the needs of our residents, maintaining our properties, and increasing housing opportunities – all in an uncertain fiscal environment.

PHA is rising to meet these funding challenges by being innovative, identifying potential cost savings, and making data-driven decisions. The agency strives to be a good steward of the public trust and the public funds it receives to operate.

Supplier Diversity

PHA is an economic engine for the City: every year, the agency spends approximately \$150 million on goods and services to support its mission. This year, PHA expanded its outreach efforts to educate more businesses on how to become a vendor for the agency as part of its commitment to promoting supplier diversity.

PHA has made it a priority to expand its contracting and vendor outreach in order to increase competition and enhance minority and women-owned businesses. Additionally, PHA also hosted two business networking events, “Doing Business with PHA” to provide suppliers with the opportunity to learn how to work with the agency. Over 300 prospective suppliers attended to learn about upcoming contract opportunities, prequalification, submitting proposals, bidding procedures, Section 3 compliance, minority and women-owned business participation, supplier financing, and bonding and insurance requirements.

In February 2014, PHA President & CEO Kelvin A. Jeremiah served as keynote speaker at the Greater Philadelphia Hispanic Chamber of Commerce’s annual membership meeting, pledging real engagement with the Hispanic community. PHA also became a member of the Greater Philadelphia Chamber of Commerce.

PHA is committed to working with qualified minority-owned business enterprises (MBEs) and women-owned business enterprises (WBEs). For the period from October 1, 2012 through September 30, 2013, the agency exceeded its participation goals for both MBEs and WBEs.

PARTICIPATION GOAL	PARTICIPATION RATE	CONTRACT AMOUNTS
MBEs – 20% of contracts	MBEs – 30%	\$5.9 million
WBEs – 10% of contracts	WBEs – 26%	\$5.2 million

From October 1, 2012 – September 30, 2013 based on \$19,659,980 in contracts awarded



Cost Savings from Cooperative Purchasing Agreements and Contract Modifications

The U.S. Communities Government Purchasing Alliance recognized PHA's Supply Chain Management Department with a special award for its support of the organization and its agreements. PHA uses this cooperative to purchase building materials, saving the agency a considerable amount of money. In the first quarter, PHA received **\$36,000 in rebates**.

Office of Audit and Compliance (OAC) Process/Savings

PHA's Office of Audit and Compliance (OAC) is charged with eliminating fraud, waste, abuse, and corruption across the agency and ensuring that PHA employees, residents, and contractors perform their responsibilities with honesty and integrity. The department also implements process improvements to realize savings in both time and money for the agency. OAC's work is critical to PHA's continual efforts to restore public trust and safeguard public funds.

OAC FINANCIAL ACCOMPLISHMENTS FOR APRIL 1, 2013 – MARCH 31, 2014

Internal Audit Recovery (Actual)	\$ 120,870
Compliance Streamlining (Potential)	\$ 225,000
Wage Compliance Recoveries	\$ 164,418
Termination/Resignation Savings	\$ 1,256,296
Pension Contribution Savings	\$ 393,497
Repayment Agreements (Ordered)	\$ 69,079
Repayment Agreements (Received)	\$ 23,122
Restitution	\$ 687,194

Complaints Received	675
Opened as Active Investigations	390
Substantiated Cases	180
Cases Referred for Criminal Prosecution	14
Completed Arrests Cases	3

Employee Training

Nan McKay & Associates provided training to over 200 PHA employees from various departments so they could become certified as Public Housing Specialists, Housing Choice Voucher Specialists, or obtain Tax Credit Certification.

Language Access Policy

PHA worked closely with community partners to update the agency's language access policy and procedures to ensure that limited English proficiency (LEP) speakers have open access to PHA programs and services. The new LEP policy calls for the provision of translation services, and making various applications and other key documents available in other languages to promote access and diversity.

Technology

PHA's Information Systems Management Department (ISM) provides state-of-the-art technology services to PHA's departments. Throughout this fiscal year, ISM has implemented systems that have streamlined processes and improved operational efficiency.

In June 2013, ISM launched PHA's new paperless Invoice Automation System that processes vendor invoices electronically from approval to payment. The new system allows vendors to submit electronic invoices to PHA, which are then transferred into the Invoice Automation System and routed to individual employees for approval.

ISM has also made advances in employee time entry. In January 2014, PHA launched its new Paperless Timesheet System. The new system replaced the manual process for documenting time entry and now allows employees to enter all time requirements electronically.

In partnership with HR, ISM built a system to assist employees in tracking their professional development and progress at PHA. The new Performance Management System was launched in January 2014, and has provided employees and their supervisors with an efficient means of tracking their annual goals.

Finances

Statement of Net Assets

Fiscal year ended March 31, 2013

Assets

CURRENT ASSETS	PRIMARY GOVERNMENT	COMPONENT UNITS
Cash and Cash Equivalents	\$ 32,078,754	\$ 4,841,023
Restricted Cash	\$ 23,142,585	\$ 553,327
Investments	\$ 108,874,926	
Receivables	\$ 46,585,054	\$ 2,105,010
Mortgage Receivable	\$ 6,128,164	
Other Current Assets	\$ 1,664,889	\$ 902,546
TOTAL CURRENT ASSETS	\$ 218,474,372	\$ 8,401,906

NONCURRENT ASSETS	PRIMARY GOVERNMENT	COMPONENT UNITS
Mortgage Receivable	\$ 340,637,088	
Restricted Cash		\$ 19,761,595
Restricted Investments	\$ 9,616,505	\$ 498,814,559
Capital Assets, Net	\$ 654,146,511	
Other Assets	\$ 9,540,697	\$ 3,312,764
TOTAL NONCURRENT ASSETS	\$ 1,013,940,801	\$ 521,888,918
TOTAL ASSETS	\$1,232,415,173	\$ 530,290,824

Liabilities and Net Position

CURRENT LIABILITIES	PRIMARY GOVERNMENT	COMPONENT UNITS
Accounts Payable	\$ 4,968,648	\$ 2,087,452
Accrued Liabilities	\$ 11,903,162	\$ 2,963,585
Current Portion of Long-Term Debt	\$ 4,390,000	\$ 3,361,700
Due to Other Government Agencies	\$ 207,355	
Compensated Absences	\$ 4,351,307	
Trust and Deposits	\$ 856,000	\$ 543,601
Unearned Revenue and Other Current Liabilities	\$ 19,199,219	\$ 4,227,881
TOTAL CURRENT LIABILITIES	\$ 45,875,691	\$13,184,219
NONCURRENT LIABILITIES	PRIMARY GOVERNMENT	COMPONENT UNITS
Compensated Absences	\$ 2,900,874	
Long-Term Debt	\$ 55,772,958	\$ 357,605,969
Other Long-Term Liabilities	\$ 8,760,770	\$ 52,083,519
TOTAL NONCURRENT LIABILITIES	\$ 67,434,602	\$409,689,488
NET POSITION	PRIMARY GOVERNMENT	COMPONENT UNITS
Net Investments in Capital Assets	\$ 593,983,553	\$137,791,216
Restricted for Housing Assistance Payments	\$ 9,120,900	
Restricted for Development	\$ 3,007,070	
Unrestricted (Deficit)	\$ 512,993,357	\$ 30,374,099
TOTAL NET POSITION	\$ 1,119,104,880	\$107,417,117
TOTAL LIABILITIES AND NET POSITION	\$1,232,415,173	\$530,290,824

Finances

Statement of Revenues, Expenses and Changes in Net Position

OPERATING REVENUE	PRIMARY GOVERNMENT	COMPONENT UNITS
Tenant Revenue	\$ 24,044,621	\$ 9,459,692
Operating Subsidies	\$ 319,937,448	\$12,996,873
Other Income	\$ 11,180,541	\$ 369,790
TOTAL OPERATING REVENUE	\$ 355,162,610	\$22,826,355
OPERATING EXPENSES	PRIMARY GOVERNMENT	COMPONENT UNITS
Administrative	\$ 77,693,482	\$ 5,470,820
Tenant Services	\$ 2,482,424	\$ 366,329
Utilities	\$ 22,954,358	\$ 3,993,892
Maintenance	\$ 59,593,492	\$ 7,384,329
Protective Services	\$ 9,200,477	\$ 1,297,324
General	\$ 26,010,151	\$ 3,974,542
Housing Assistance Payments	\$135,362,315	
Depreciation and Amortization	\$ 50,162,167	\$ 18,666,946
TOTAL OPERATING EXPENSES	\$ 383,458,866	\$41,154,182
OPERATING LOSS	\$ 28,296,256	\$ 18,327,827
OPERATING REVENUE (EXPENSES)	PRIMARY GOVERNMENT	COMPONENT UNITS
Interest and Investment Earnings	\$ 5,580,663	\$ 21,819
Other Revenue/Charges	\$ 4,563,217	
Interest Expense	\$ 4,447,955	\$ 5,932,684
NET NONOPERATING REVENUE	\$ 5,695,925	\$ 5,910,865
LOSS BEFORE CAPITAL CONTRIBUTIONS	\$ 22,600,331	\$ 24,238,692
CAPITAL CONTRIBUTIONS	PRIMARY GOVERNMENT	COMPONENT UNITS
HUD Capital Subsidies	\$ 18,761,435	
Partner Distributions		\$ 7,243
Partner Contributions		\$ 2,294,795
TOTAL CAPITAL CONTRIBUTIONS	\$ 18,761,435	\$ 2,287,552
CHANGE IN NET POSITION	\$ 3,838,896	\$21,951,140
NET POSITION AT BEGINNING OF YEAR	PRIMARY GOVERNMENT	COMPONENT UNITS
As Previously Reported	\$1,119,152,654	\$129,368,257
Prior Period Adjustments	\$ 3,791,122	
As Restated	\$1,122,943,776	\$129,368,257
NET POSITION AT END OF YEAR	\$1,119,104,880	\$107,417,117



Board of Commissioners



Lynette M.
Brown-Sow



Rev. Leslie D.
Callahan



Bonnie
Camarda



Asia
Coney



Julia
Danzy



Joan
Markman, Esq.



Kenneth A.
Murphy, Esq.



Herbert
Wetzel



Ethel M.
Wise

For more information about the Philadelphia Housing Authority,
Please contact us at:

215.684.4112 or info@pha.phila.gov

Or visit us at:

www.pha.phila.gov

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