



ACCOMPLISHMENTS REPORT 2015

April 1, 2014 - March 31, 2015



Kelvin A. Jeremiah
President & CEO

Philadelphia Housing Authority
12 S. 23rd Street, Philadelphia, PA 19103
215.684.4112
pha.phila.gov

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;
7. Improve customer service, streamline operations, and create a business model that is data-driven and high-performing;
8. 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.



| Table of Contents |

4 | Messages

7 | The Year at a Glance

8 | Moving to Work Participation

10 | Development

17 | Housing

21 | Resident Services

25 | Business

29 | Finances

32 | Board of Commissioners



| Messages |



A Message From Mayor Michael A. Nutter

It has been an honor to serve as Mayor for this great city and to work with the Philadelphia Housing Authority (PHA) to ensure that low-income and impoverished citizens have access to decent, safe, affordable housing.

Quality housing is critical to the development and advancement of Philadelphia. Over the years, the city has made tremendous progress in nearly every area—our streets are safer, our population is growing. PHA has done its part by leading the charge to eliminate homelessness and to transform struggling communities into neighborhoods of choice where families can grow and thrive.

PHA has enjoyed another productive and exciting year. The agency has celebrated several groundbreakings that will increase the number of affordable housing units in the City. Dozens of residents have enrolled in job and skill training programs with the goal of improving their own quality of life. There are two Choice Neighborhoods Initiative projects on the horizon that will create more homes, revitalize communities, and serve as an economic engine for Philadelphia.

I truly value the partnership that PHA and the City share and I am proud to lend my support whenever possible, as the U.S. Conference of Mayors recently did when we called upon Congress to preserve the Moving to Work Program (MTW). MTW has played a key role in PHA's ability to implement cost-effective policies and programs to increase housing choices for low-income families, promote resident self-sufficiency, and revitalize blighted communities.

PHA and the City have a joint responsibility to improve the well-being of our residents, particularly those who are most vulnerable. Thank you to PHA President and CEO Kelvin A. Jeremiah and the Board of Commissioners for your bold leadership and vision.

As we look back on this year's past accomplishments, let's also look forward to the great work and service ahead.

Sincerely,



Michael A. Nutter
Mayor



A Message from

The PHA President & CEO and the Board Chair



It has been another fantastic year for the Philadelphia Housing Authority.

PHA is moving forward with a new mission and new strategic goals for 2015 and beyond. As you may have noticed, we have also launched a new look that complements our new priorities and objectives.

At the same time, PHA remains committed to addressing the needs of the nearly 80,000 residents we serve, and we are taking the necessary steps to ensure that quality, affordable housing is not only available, but preserved for future generations.

The agency has gained momentum on a number of important projects and initiatives, including the comprehensive and ambitious revitalization of the Sharswood/Blumberg community in North Philadelphia. The improvements we've made to our resident services programs have also taken root and produced real results for families who seek to forge a path to self-sufficiency.

We are also cognizant of the challenges PHA faces. We remain concerned about the potential loss of PHA's Moving to Work status. The agency has flourished under the regulatory and funding flexibility afforded by MTW, which has allowed PHA to develop award-winning, mixed-income communities and establish programs designed to help residents achieve self-sufficiency. Failure to extend the MTW Agreement would be devastating, especially since the demand for affordable housing remains high, with thousands of families on the waitlists.

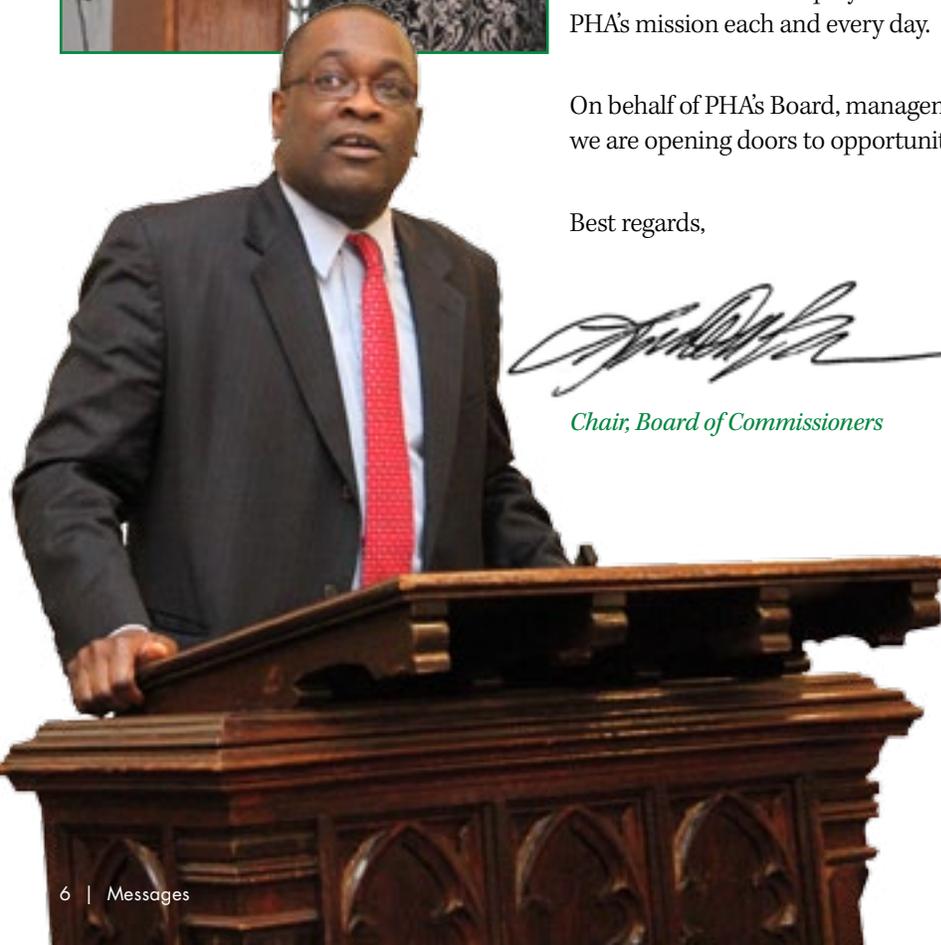
This year's accomplishments would not have been possible without the hard work and dedication of PHA's employees. We want to thank them for their service and for supporting PHA's mission each and every day.

On behalf of PHA's Board, management, and staff, thank you for your partnership. Together, we are opening doors to opportunities.

Best regards,

Chair, Board of Commissioners

Kelvin A. Jeremiah
President & CEO



| The Year at a Glance |

17,935

Housing Choice
Voucher Program
Households

1,953

New Families
Served

12,995

Public Housing
Households

436

Veterans and Their
Families Housed

112

Additional
Vets Served

50

New
Homeowners

\$30,000,000

Choice Neighborhoods
Implementation Grant
for North Central
Philadelphia

\$203,000

In Scholarships
Awarded to

53

Residents

| Moving to Work Participation |

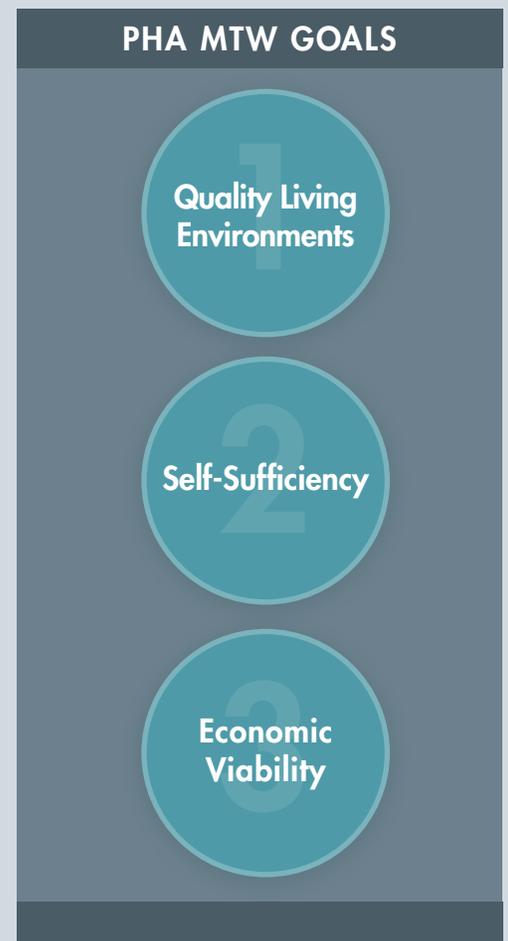


The Philadelphia Housing Authority is 1 of only 39 public housing agencies, out of 3,400 nationwide, to bear the designation of Moving to Work (MTW). The MTW Demonstration Program was created by Congress in 1996 to encourage flexibility, regulatory relief, and innovation to improve housing and services 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 14th full year in the demonstration program during this past fiscal year (February 2002 – February 2015), 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
 - 1,130 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
 - More than 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 583 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 |

Opening Doors to Strong, Vibrant Communities



Choice Neighborhoods: Sharswood/Blumberg



PROJECT HIGHLIGHTS

- Over 1,200 new residential units
- 420 affordable and market-rate homeownership units
- Over 200,000 square feet mixed use development on Ridge Avenue
- Establish a high-performing K-8 public school at the former Reynolds School site
- Additional recreational fields/ community gardens
- Comprehensive, individualized supportive services

PHA's most ambitious development project is the transformation of the Sharswood/Blumberg area in North Philadelphia. The neighborhood is one of the poorest and most neglected communities in the city, with a poverty rate of 59 percent and average household income at about \$11,500 a year (compared with \$60,000 as the approximate household median income for Philadelphia). Thirty-one percent of the population does not have a high school diploma. There are also 1,282 abandoned real-estate parcels and two closed neighborhood schools in a community where 45 percent of the residents are 18-years-old or younger.

PHA and its partners are seeking to transform this once-forgotten community into a neighborhood of choice by building quality affordable housing, reconnecting residents to good schools and economic opportunities, and creating a safe and vibrant commercial corridor on Ridge Avenue that attracts and supports small business.

A \$500,000 Choice Neighborhoods Initiative Planning Grant from the U.S. Department of Housing and Urban Development jumpstarted PHA's unprecedented revitalization initiative.

The agency completed a draft transformation plan in November 2014.

In the coming years, PHA will invest more than \$200 million and leverage an additional \$250 million in public/private partnerships to transform the Sharswood/Blumberg community. The planning grant, coupled with the award of \$1.5 million in a community development block grant from the city and 9 percent low-income tax credits from the commonwealth, is making the first phase, featuring 57 new construction units, possible.



Choice Neighborhoods: Norris/North Central Philadelphia

In June 2014, HUD awarded the City of Philadelphia a \$30 million Choice Neighborhoods Implementation Grant to revitalize North Central Philadelphia, a one half square mile area near Temple University. The grant will help the neighborhood implement a transformation plan designed to create jobs, housing, and opportunities for residents. Additionally, the City will leverage the grant funding to generate \$125 million in federal, state, other public and private funds.

The comprehensive revival effort under Choice Neighborhoods will build on recent successes in North Central Philadelphia, like the transit-oriented Paseo Verde development and PHA's LEED Gold Norris Apartments LP site, which replaced a high-rise.

The Choice Neighborhoods Initiative focuses on three core areas: housing, people, and neighborhood. More than forty partners collaborated to craft a resident-driven transformation for the area. The transformation plan's priorities include more job training and opportunities; reduced crime and increased neighborhood safety; elimination of trash-strewn vacant land; and high-quality educational resources.

PHA serves as co-applicant with the City of Philadelphia, as well as the lead for housing. The funding will create nearly 300 new units of housing, including 147 new and refurbished units at PHA's Norris Apartments site. Targeted infill housing will replace vacant lots with new housing. In all, over 700 lots will be greened or developed.

The development will also create 600 construction jobs and 300 permanent jobs.

PROJECT HIGHLIGHTS

- 237 affordable units
- 60 market-rate units
- Community park
- Over 700 vacant lots greened or developed
- Thriving Germantown Avenue retail corridor



Queen Lane

The Queen Lane implosion in September 2014 represented progress for the historic Germantown community while also serving as an opportunity to reflect upon the neighborhood's rich and vibrant history.

The implosion of the obsolete, 16 story high-rise was a major milestone in the redevelopment of the Queen Lane site, which has been almost four years in the making. PHA's initial development plans were announced in 2010 and were postponed after local residents raised concerns about a Potter's Field, a historical burial ground dating back to the 1700s.

PHA collaborated with residents and historical preservation agencies to address the concerns. After the completion of an archaeological dig and extensive community engagement, PHA signed an agreement that governs the way the site will be redeveloped in regards to the Potter's Field.

The agency broke ground for construction in December. The high-rise will be replaced with a 55-unit development that will be a mix of low-rise flats, walkups, and townhouses in character with the neighborhood. The new, modern affordable housing will enhance the neighborhood and spur other economic growth in this community.



With the demolition of Queen Lane, PHA has a total of 16 remaining high-rises containing 1,880 units spread across 8 sites.

PROJECT HIGHLIGHTS

- 55 new affordable housing units



Strawberry Mansion Developments

The Strawberry Mansion neighborhood of North Philadelphia is on the rise. PHA is building three new developments in the community, representing a total investment of over \$25 million. When all the developments are complete, 100 new housing units will have been added to the neighborhood.

“We believe that our commitment to the historic Strawberry Mansion neighborhood will encourage others to develop here as well, whether through new construction or renewal. It is my sincere hope that the construction will attract business owners and residents who will also want to live and work in this revitalized section of the city,” said PHA President & CEO Kelvin A. Jeremiah.

Construction of the first development on Oakdale Street began in August 2014. Over 400 people applied for a chance to live in one of the 12 units being built during a two-day period in March 2015. Prospective residents began lining up as early as one o'clock in the morning on the first day for applications.

PROJECT HIGHLIGHTS

- Oakdale – 12 units
- Gordon Street – 21 units
- Strawberry Mansion – 67 units

PHA broke ground for the construction of Gordon Street Apartments in November 2014. The agency will convert a long vacant piece of land into a quality, affordable housing development featuring 21 units in a mixture of walkup units and townhomes. All homes at the site will be built to Energy Star standards. By using less energy for heating, cooling, and water heating, Energy Star certified homes deliver approximately 20 percent savings on annual utility bills. They also help to prevent air pollution. Construction of the Gordon Street Apartments will create Section 3 job opportunities for low and very low-income persons, particularly for public and assisted housing residents. PHA expects to complete construction of the new, \$8.4 million development by August 2015.



Falls Ridge Land Deal

In its continuing efforts to cultivate public/private collaborations and increase affordable housing, PHA's Board approved a deal in December with Pennrose Properties to build 96 housing units on the last two acres of vacant land at the Falls Ridge site in northwest Philadelphia. Sixty of the units will be affordable units and 36 will be market-rate. Construction is expected to begin in 2015 and be completed in late 2016.

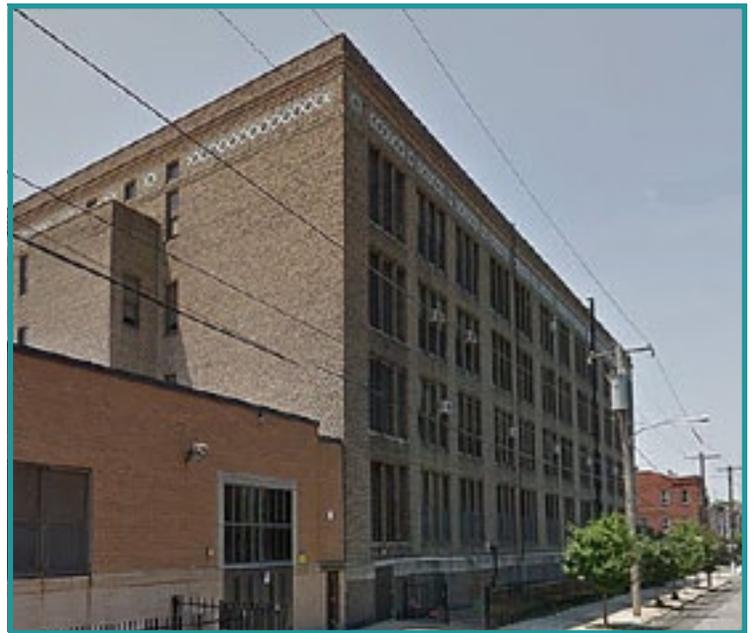
Under the agreement, Pennrose will enter into a long-term ground lease with the housing authority for no less than 65 years, with an option not to exceed an additional 34 years. The development company will pay PHA \$750,000 upon financial closing. The total cost of the new development is estimated at \$23.6 million. Low Income Housing Tax Credits are projected to fund just over half of that cost.

Falls Ridge, formerly known as Schuylkill Falls, is a mixed-income, HOPE VI development containing homeownership and rental units. The site also features retail space and is located adjacent to a market-rate development.



School District of Philadelphia Purchase

PHA is moving forward with the purchase of 2 former Philadelphia schools for future use. The acquisitions were approved by the Board in November 2014. Rudolph Walton Elementary School in the Strawberry Mansion section will be developed for housing while the John Reynolds School will be repurposed as a state-of-the-art grade school as part of PHA's Sharswood/Blumberg Choice Neighborhoods Transformation Plan.



"6 in 5" Initiative

PHA's ambitious redevelopment plans picked up steam in Fiscal Year 2015 thanks to support from like-minded partners, elected officials, and community members. The housing authority continues to develop vibrant, sustainable communities and promote revitalization in neighborhoods throughout the city.

In May 2013, PHA launched its "6 in 5" Initiative, a program designed to create or preserve 6,000 affordable housing units over a 5-year period. In addition to building on PHA's success as a developer in its own right, the agency sought partners, citing the fact PHA cannot meet the enormous need for affordable housing in Philadelphia alone.

PHA has 3 strategies to make "6 in 5" a success:

- Self developed units
- Preservation
- Partnership

Planned New PHA Housing Units

PROJECT NAME	# OF UNITS
1010-1012 S 20th Street	4
Blumberg Phase 1	57
Blumberg Phase 2	96
Blumberg Phase 3	219
Blumberg Phase 4	198
Blumberg Phase 5	151
Blumberg Phase 6	132
Blumberg Phase 7	45
Blumberg Phase 8	210
Blumberg Phase 9	60
Blumberg Phase 10	35
Gordon Street	21
LEB Community Building	N/A
Markoe Street Phase 3	6
Norris Phase 1- Homeownership	25
Norris Phase 2- Rental	89
Norris Phase 3- Rental	57
Norris Phase 4- Homeownership	5
Norris Phase 5- Rental	121
Oakdale Street	12
Queen Lane	55
Queen's Row - Market Rate	5
Queen's Row - ACC	24
Scattered Sites	142
Scattered Sites Repositioning	500
Strawberry Mansion - Arlington Monument	67
Walton School (Strawberry Mansion)	55
TOTAL	2,391

Unit-Based Voucher Awards

DEVELOPMENT	COMPANY NAME	PHILADELPHIA NEIGHBORHOOD	TARGET POPULATION	UBV'S REQUESTED
2415 N. Broad St	Project HOME	North Philadelphia	Homeless	88
4050 Apartments	People's Emergency Center	West Philadelphia	Homeless	20
Belmont Specialty Housing I	Belmont Specialty Housing I, LP	West Philadelphia	Low income disabled	25
Belmont Specialty Housing II	Belmont Specialty Housing II, LP	West Philadelphia	Low income disabled	15
Cantrell Place	Presbys Inspired Life	South Philadelphia	Seniors	15
CATCH's SRO Program	CATCH	South Philadelphia	Mental illness	25
Centennial Village	Community Ventures	West Philadelphia	Low income families	23
Fattah Homes II	People's Emergency Center	West Philadelphia	Homeless families	6
Francis House	St. Ignatius Nursing & Rehab Center	West Philadelphia	Seniors (frail elderly)	10
Grace Townhomes	Women's Community Revitalization Project	Port Richmond	Seniors	36
Haddington III	Achievability	West Philadelphia	Low income and homeless families	19
HELP Philadelphia V	HELP Development Corp	North Philadelphia	Veterans and senior veterans	15
Hope Bridge	Methodist Family Services	West Philadelphia	Single females with special needs	28
Impact Veterans and Family Service Center	Impact Services Inc.	Kensington	Veteran families	8
Inter Community (Scattered)	Inter Community (Scattered)	Roxborough	Mental illness	13
Jannie's Place	People's Emergency Center	West Philadelphia	Homeless families	11
NewCourtland Apts at Allegheny Ave	NewCourtland	North Philadelphia	Seniors	20
Witherspoon Senior Apartments	Presbys Inspired Life	Southwest Philadelphia	Seniors	15
TOTAL				392

Third Party Development

PROJECT NAME	# OF UNITS
IMPACT Services	18
NewCourtland – Allegheny	56
St. Francis Villa	40
TOTAL UNITS	114



Housing | Opening Doors to Affordable Housing



Public Housing

PHA is the fourth largest housing authority in the country and the largest landlord in Pennsylvania. The agency manages over 50 conventional housing developments and over 4,000 scattered site units in active use for a total of over 14,000 public housing units across the city. The Housing Operations Department is responsible for core business functions, including rent collection, property maintenance, and customer service.

In FY 2015, PHA successfully moved in 513 public housing applicants, which represents an increase of 159 moves from FY2014. Housing Operations staff also pulled and screened over 900 applicants for eligibility and suitability, quintupling the pool of applicants ready to be housed.

Additionally, 169 homeless families were referred to PHA by the City of Philadelphia and successfully housed and 53 applicants who required wheelchair accessible units were housed in units that met their needs. PHA also drew hundreds of applicants for Oakdale apartments.



The Maintenance Department expanded their efforts in making ready vacant units across the portfolio for occupancy by new residents. PHA turned over a total of 975 vacant units in FY 2015, which is 334 more units than last year. This includes 161 scattered site units, versus 30 in FY 2014.



FY 2015 HOUSING STATISTICS

513

Public Housing Applicants Placed

900

Applicants Screened

169

Homeless Families Successfully Housed

53

Applicants Placed Requiring Wheelchair Accessible Units

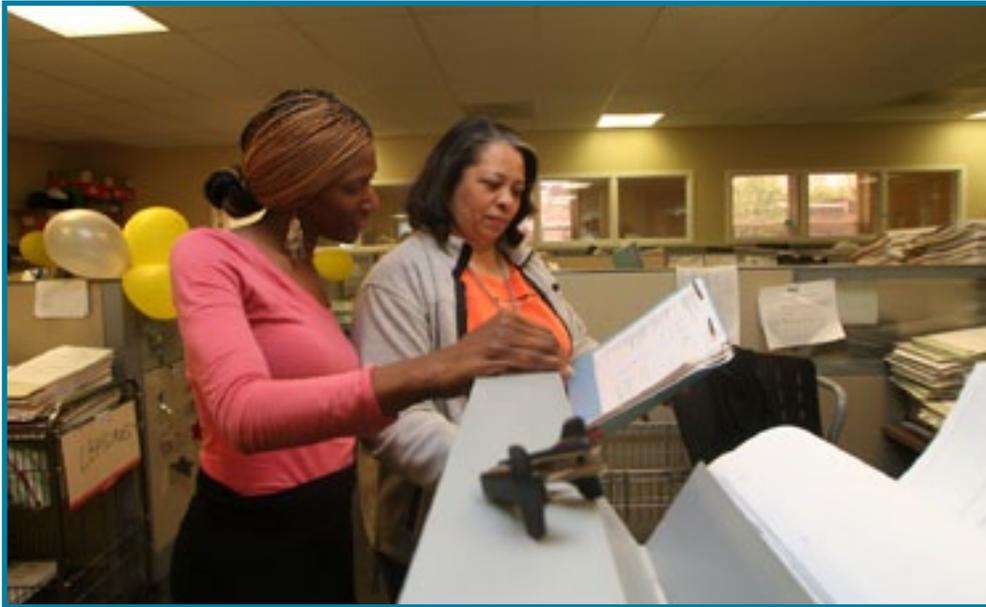
334

More Affordable Housing Units Rehabbed and Preserved

Housing Choice Voucher Program

The Housing Choice Voucher Program provides rental assistance to eligible participants and helps them find affordable housing that fits their family's needs in the private market. PHA reorganized the department last year and the changes have paid off immensely for families in need.

Since April 2014, the HCV Program provided an additional 2,500 households with affordable housing units and increased its voucher utilization rate from 82 percent to over 87 percent. To accomplish this feat, PHA pulled over 2,000 applicants from the HCV waitlist. HCV currently serves over 17,000 low-income families in Philadelphia.



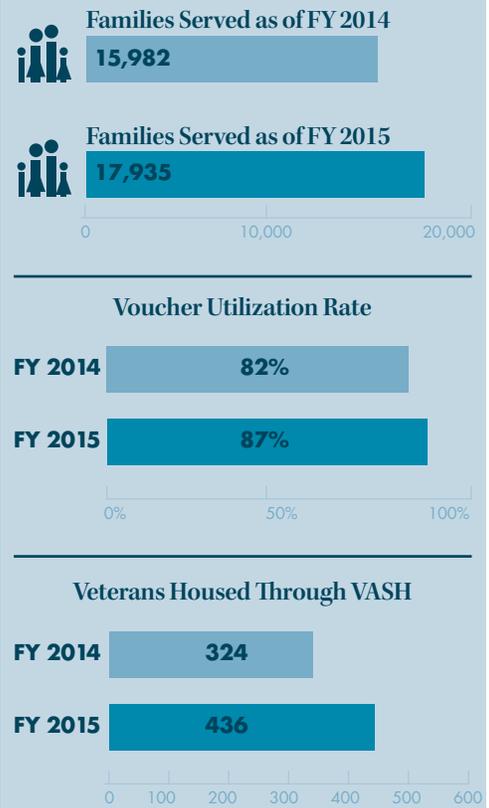
Special Programs

The HCV Program is also committed to serving special populations in the City. In 2014, over 400 applicants were housed using Special Program Vouchers, including 70 formerly homeless veterans and their families. Citing PHA's record of accomplishment of successfully and efficiently leasing units, the U.S. Department of Housing and Urban Development awarded the agency 123 additional vouchers for housing veterans. The award increases PHA's Veterans Affairs Supportive Housing Vouchers from 460 to 583.

Partnerships have been crucial in expanding housing opportunities for families. Under an ongoing agreement with the City of Philadelphia, the HCV Program housed over 400 formerly homeless individuals and families as part of a strategic and coordinated effort to end homelessness.



HCV HOUSING STATISTICS



RESIDENT SPOTLIGHT

Edward Mack served as the keynote speaker for a pre-Veterans Day breakfast celebrating participants in the Veterans Affairs Supportive Housing Program. Mr. Mack is one of three VASH participants who have gone on to become homeowners thanks to the assistance of PHA's Homeownership Department.

Unit-Based Voucher Contracts

In 2014, the Board of Commissioners awarded over 20 new unit-based voucher contracts, committing 309 vouchers, which will ultimately help create 602 assisted and private affordable housing units in Philadelphia. Organizations like Project HOME, NewCourtland, and Impact Services were among the organizations awarded contracts. Under this program, the rental assistance is tied to a specific unit, which helps to ensure that quality housing developments are affordable for low-income individuals and families.

RESIDENT SPOTLIGHT

Corey Mims, who served in the U.S. Navy from 2000 to 2004, stayed with various family members and in shelters before moving to transitional housing, getting back on his feet, and signing up for the VASH Program. "There is nothing like having your own place," he said.



Mobility Program

PHA launched the Housing Opportunity Program, a regional mobility initiative that encourages HCV residents to consider opportunity areas in Philadelphia and the surrounding counties as part of their housing search. Opportunity areas are family-friendly communities that offer good schools, safe neighborhoods, employment opportunities, and economic diversity. Participants receive housing counseling and other training before, during, and after their move to help them succeed and thrive in their new communities. One hundred fifty families have enrolled and 74 have signed leases under the program.

HCV ACHIEVEMENTS



20 New Unit-Based Voucher Contracts



602 Affordable Units Created



150 Families Enrolled in the Housing Opportunity Program



74 Housing Opportunity Program Families With Signed Leases



RESIDENT SPOTLIGHT

Chantell Hunter, a Marine Corps veteran, now lives in a beautiful home with space for her children to play and has a dream job working at the VA. "VASH was my starting over. It felt good to get a stable living condition for my kids," she said. "Being able to tell them we were going to have a home—they were happier than I was."

Resident Services |

Opening Doors to Self-Sufficiency



Resident Services

PHA provides more than quality, affordable housing for low-income families—it also offers residents the opportunity to develop job and life skills that will help them achieve success and self-sufficiency.

The Community Operations and Resident Development Department has also established services for residents of all ages, ranging from after-school programs for youth to senior programming that promotes healthy, active lives for residents aged 55 and older.



RESIDENT SPOTLIGHT

HCV resident Woodrow Webb was unemployed when he started the Commercial Driver's License Program. After completing the program, he found a medical billing job, but kept pursuing opportunities to become a driver. He was recently hired as a contractor driver for FedEx.

COMMUNITY PARTNER PROGRAMS



Adult Basic Education/
GED Classes



Digital Literacy Training



Customer Service
Training



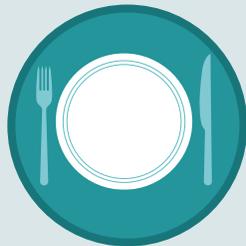
Commercial Driver's
License Training



Human Services



Certified Nursing
Assistant and Phlebotomy



Culinary Skills
Training



Entrepreneurship
Training



Pre-Apprenticeship
Training



Family Self-Sufficiency Program

In FY 2015, PHA revamped its Family Self-Sufficiency Program and received an FSS grant totaling \$410,546 from HUD, which will fund 6 FSS Coordinators who work with residents to help them achieve self-sufficiency.

One hundred forty-three HCV residents and 27 public housing residents are currently participating in the program. They have set action plans for the next 5 years that will help them meet personal goals and achieve self-sufficiency.



RESIDENT SPOTLIGHT

Terry Summers successfully completed the FSS Program and received her bachelor's degree in behavioral health and human services from Philadelphia University last year.

Ms. Summers is now working full-time at PHA as a FSS Coordinator herself where she helps residents achieve their dreams.

Scholarships

In July 2014, PhillySEEDS, Inc., a PHA subsidiary, awarded over \$200,000 in scholarships to 53 PHA residents seeking higher education, a significant increase over the first year when 36 residents were awarded scholarships totaling \$160,000.

The scholarships embody the agency's belief that education is the key to bridging the poverty gap and is a catalyst for social and economic mobility. The annual program empowers residents and helps families reach the education and training resources necessary to succeed in life.

Scholarships were awarded in the amounts of \$1,000, \$3,000, and \$5,000. To qualify for the scholarship, students 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 of 2.5 (B) or higher. The review committee considered the applicants' essays, community service, extracurricular activities, internships, recommendation letters, and academic transcripts in making their selections.

The number of residents applying for scholarships increased this year and judges continued to see incredible performances by students with high grade point averages. In fact, 28 of the 53 scholarships were awarded to residents with a GPA of 3.3 or greater. The scholarship recipients represent PHA developments around the City, as well as the Housing Choice Voucher Program.

Money for the scholarships comes from PHA's operating budget, donated funds, and vendor contributions as part of their Section 3 commitments.

RESIDENT SPOTLIGHT

Dear PhillySEEDS, Inc.,

This scholarship means a whole lot to me and I am grateful for the opportunities this scholarship will provide me. I rely on financial aid, grants and student loans to help finance my education. I truly value my education here at Penn State University, and receiving this scholarship will help reduce my financial burdens and provide assistance for me as I continue pursuing my education here at Penn State for my senior year.

*Sincerely,
Reshay Johnson*

RESIDENT SPOTLIGHT

Yuzza Henderson, a HCV resident and straight-A student majoring in early childhood education at Eastern University, was a 2014 scholarship recipient. "I am so grateful," she said. "This money will pay for almost four college classes, including books and fees."



Homeownership

PHA's Homeownership Division connects prospective homeowners with housing counselors, lenders, and realtors and helps residents navigate the process from credit repair to counseling.

In FY 2015, PHA assisted 50 residents in purchasing their homes, a significant increase from last year's sales, which totaled 42.



RESIDENT SPOTLIGHT



Deborah Smith and her two sons became PHA residents more than 20 years ago. She studied to become an electrician and finished in less than a year. Soon after she graduated, she was hired by PHA as one of the first women electricians. She has been working for PHA ever since, and loves her job.

After her children moved out, Deborah decided she wanted to buy her own home. The PHA Homeownership Division connected Deborah with PHA's Homeownership workshop and training. She attended a class where she learned how to manage her finances. PHA also helped her find a lender and assisted her through the entire home buying process.

PHA was so good at helping her with her finances, Deborah not only purchased the home, but bought a car at the same time.

Safety and Security

In February 2015, PHA hired a veteran Philadelphia Police Officer to serve as the agency's Chief of Police and Director of Public Safety. The agency also plans to further expand the force from 75 officers to approximately 110. The reorganized PHA Police Department (PHAPD) hired 12 sworn police officers in FY 2015. Four PHA residents are currently at the Philadelphia Police Academy, undergoing training so that they will be qualified to join PHA's police force later in 2015.

A mobile mini-station was established, in addition to three mini-stations at PHA's West Park Apartments, Wilson Park, and Harrison Plaza. PHAPD also created a bicycle unit with six officers on patrol. PHAPD operates under a community policing model and works closely with other local law enforcement agencies. In August 2014, PHA created a Police Advisory Board, which comprises resident leaders.



SINCE THE HISTORIC EXPANSION OF THE PHAPD IN 2013



Decrease in Violent Crime



Increase in Arrests

Business |

Opening Doors to Innovation and Success



PHA Business

PHA's talented and innovative professionals in the fields of contracting, finance, technology, legal services, and compliance help drive the agency's mission behind the scenes. Their work is crucial as PHA seeks to provide its residents with the highest quality services, despite the agency's limited resources. The housing authority continued to operate on a balanced budget in Fiscal Year 2015 by identifying cost savings and reducing expenditures.

Supplier Diversity

In an effort to debundle construction contracts, PHA awarded contracts to 9 firms for small construction management services in FY 2015. All 9 firms had Minority and Women Business Enterprises (MBEs/ WBEs) representation that met or exceeded HUD goals, with 3 of them being minority-owned, 1 woman-owned, and 1 disabled veteran-owned.

The action by the Board is part of its strategy to expand and diversify the number of construction firms serving the agency. The small construction contracts also open doors to work often reserved only for large companies.

In 2014, the authority improved its record for contracting and subcontracting with MBEs/ WBEs. The agency's participating rate for MBEs was 42 percent while the rate for WBEs was 33 percent, for the year-long period ending on September 30. The federal standard is 20 percent for MBEs and 10 percent WBEs.

The MBE/WBE numbers are based on modernization and management contracts totaling over \$81.3 million. Of that total, over \$34.5 million in contracts were awarded to MBEs while more than \$26.8 million went to WBEs.

Of the MBE contract awards, 31 went to African American businesses, 6 went to Hispanic American business owners, and 7 went to Asian Pacific American companies. On the WBE ledger, 13 companies are owned by African Americans and 1 is owned by an Asian Pacific American.

S&P Rating

PHA retained its AA- investment grade credit rating from Standard and Poor's (S&P) Rating Services. The rating is on par with a number of well-known, private sector companies and reflects S&P's views of the housing authority's strengths.

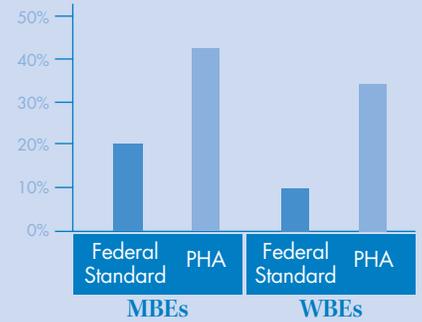
PHA credits the agency's reformed spending and management practices and the implementation of internal controls, which have resulted in more fiscal discipline, balanced budgets, and PHA becoming a better steward of public funds. S&P also said the outlook for the housing authority is stable.

PHA FINANCIAL STRENGTHS CITED BY S&P

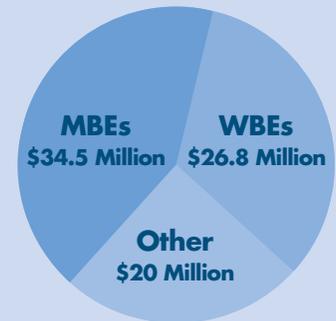
- A very strong risk profile with high occupancy rates and high percentage of rent collection
- A very strong financial risk profile with extremely strong debt and liquidity profiles and strong financial policies
- Very strong overall management and financial flexibility
- Strong demand for housing

PHA DIVERSITY STATISTICS

MBE/WBE CONTRACTING



PHA CONTRACTS



TOTAL = \$81.3 MILLION

CONTRACT AWARDS

MBE

African American Businesses

31

Hispanic American Businesses

6

Asian Pacific American Businesses

7

WBE

African American Businesses

13

Asian Pacific American Businesses

1

0 20 40

Early Bond Payoff

The Board of Commissioners approved the early repayment of revenue bonds totaling over \$24 million. The bonds were issued in 2002 and 2003 for the development of PHA's Greater Grays Ferry Estates in South Philadelphia.

The early repayment of the bonds will free up over \$28 million between 2014-2021 for maintenance and other capital needs. That total includes the principal of \$24.3 million plus almost \$4.3 million in interest.

Combatting Waste, Fraud, and Abuse

In FY 2015, the Office of Audit and Compliance continued to successfully perform investigative, audit and compliance-related activities relating to PHA's operations, programs, and services. This has reduced risks and ensured that policies, procedures, laws, and regulations are followed, established standards are met, resources are used efficiently and effectively, and PHA objectives are achieved.

In May 2014, PHA President & CEO Kelvin A. Jeremiah testified before the U.S. House of Representatives' Committee on Oversight & Government Reform's Subcommittee on Government Operations in Washington, D.C. He was invited to provide insight and commentary on waste, fraud, abuse, and mismanagement in public housing authorities. Mr. Jeremiah spoke about PHA's successes in curtailing waste, fraud, and abuse through OAC, and ensuring that scarce public housing resources go to the families who need it most.



Human Resources

In FY 2015, PHA's Human Resources Department successfully negotiated four new Memoranda of Agreements with the unions for a term of 5 years from April 1, 2014 through April 30, 2019. These agreements provide for wage increases, benefit changes, new work rules, clarification, and modification of existing work rules, and will promote increased productivity and efficiency in the workplace.

All prior Memoranda of Agreement (including the Agreements recently signed for a 5 year term from April 1, 2014 through April 30, 2019) were combined into one consolidated document for each of its 6 collective bargaining units.

The HR Department also developed and implemented a new performance management system that evaluates work performance and recognizes high-performing employees, and an Employee Recognition Program that awards exemplary performance.

OAC BY THE NUMBERS

753

Complaints Received

400+

Investigations Opened

602

Open Investigations Substantiated

\$84,667.31

In Restitution to PHA

UNIONS

- Building and Construction Trades Council (BCTC)
- Service Employees International Union (SEIU) 32BJ
- AFSCME District Council 33
- Fraternal Order of Housing Police

Information Systems Management

PHA's Information Systems Management (ISM) Department completed a Customer Relationship Management (CRM) system upgrade that positively impacts the agency's public housing management applications.

ISM spearheaded PHA's comprehensive security and surveillance project, completing installation at 27 out of 28 sites and offices. PHA also completed installation of a disaster recovery site to ensure that the agency continues to function in the event of an unforeseen disaster.

Policy, Research and Enterprise Planning

The major accomplishments of the Office of Policy, Research and Enterprise Planning (PREP) for FY 2015 include the Board's adoption of the agency's 5 year Strategic Directions Plan in December 2014, executing several Memoranda of Understanding (MOU) with outside organizations, and securing grants. Many of the MOU partnerships will support the ongoing transformation efforts in the Sharswood/Blumberg community, which received a Choice Neighborhoods Initiative Planning Grant. PREP also submitted a draft outline transformation plan for Blumberg.

PREP secured a total of \$923,624 in grants, which will support a variety of resident programs, including family self-sufficiency, the Summer Food Service Program, and PHA's smoke-free initiative.



AWARDS AND RECOGNITION

PHA President and CEO Kelvin A. Jeremiah

- Winner of the Philadelphia Business Journal's Minority Business Advocate Award

PhillySEEDS, Inc.

- Winner of the Pennsylvania Association of Housing and Redevelopment Agencies (PAHRA)'s Bellamy Award.
- Winner of Multifamily Executive Magazine's Community Service Award

Pre-Apprenticeship Program

- Awarded PAHRA's Certificate of Merit

Philadelphia Housing Authority

- Named the Most Improved Public Housing Authority by the Housing Authority Insurance Group.
- Recognized with a special award by the U.S. Communities Government Purchasing Alliance

Paschall Village

- Winner of the National Association of Housing and Redevelopment Officials (NAHRO)'s Award of Merit

Norris Apartments

- Winner of NAHRO's Award of Merit
- Recognized for Outstanding Achievement by the Mid-Atlantic Regional Council of NAHRO
- Awarded PAHRA's Certificate of Achievement
- Winner of the Mid-Atlantic chapter of the Construction Management Association's Sustainable Construction Award
- Named Best Green Building Project of 2013 by the General Building Contractors Association regional chapter
- Winner of the 10,000 Friends of Pennsylvania's Commonwealth Award

The Apartment Association of Greater Philadelphia (AAGP)'s Best in Apartment Living Awards

- Mantua Square – honorable mention in Community Presentation
- Paschall Village – 3rd place in Community Presentation and 2nd place for Maintenance Excellence
- Plymouth Hall – 2nd place in the Community Presentation and 2nd for Maintenance Excellence

| Finances |



PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF NET POSITION
 March 31, 2014

Assets

Current Assets	PRIMARY GOVERNMENT	COMPONENT UNITS
Cash and cash equivalents	\$ 100,205,213	\$ 5,833,138
Restricted cash	\$ 29,475,747	\$ 21,581,395
Investments	\$ 22,274,011	-
Receivables	\$ 65,770,206	\$ 3,184,969
Mortgage receivable	-	-
Other current assets	\$ 2,324,290	\$ 668,945
Total Current Assets	\$220,049,467	\$31,268,447
Noncurrent Assets	PRIMARY GOVERNMENT	COMPONENT UNITS
Mortgages receivable	\$ 353,256,112	-
Restricted investments	\$ 2,863,793	-
Capital assets, net	\$ 617,420,236	\$453,826,363
Equity interest in component units	\$ 5,076,592	-
Other assets	\$ 88,012	\$ 3,036,764
Total Noncurrent Assets	\$978,704,745	\$456,863,127
TOTAL ASSETS	\$1,198,754,212	\$488,131,574

Liabilities and Net Position

Current Liabilities	PRIMARY GOVERNMENT	COMPONENT UNITS
Accounts payable	\$ 5,891,200	\$ 1,526,460
Accrued liabilities	\$ 14,629,021	\$ 3,637,273
Current portion of long-term debt	\$ 4,575,000	\$ 3,497,133
Due to other government agencies	\$ 98,625	-
Compensated absences	\$ 4,486,076	-
Resident security deposits	\$ 800,020	\$ 540,183
Unearned revenue and other current liabilities	\$ 8,676,903	\$ 3,056,875
Total Current Liabilities	\$ 39,156,845	\$ 12,257,924
Noncurrent Liabilities	PRIMARY GOVERNMENT	COMPONENT UNITS
Compensated absences	\$ 2,990,697	-
Long-term debt	\$ 51,197,958	\$359,081,215
Other long-term liabilities	\$ 8,296,729	\$ 57,662,000
Total Noncurrent Liabilities	\$ 62,485,384	\$416,743,215
TOTAL LIABILITIES	\$101,642,229	\$429,001,139

Net Position

Net investment in capital assets	\$ 561,647,278	\$ 93,956,330
Restricted for housing assistance payments	\$ 9,800,783	-
Restricted for development	\$ 3,012,505	-
Unrestricted (deficit)	\$522,651,417	(\$ 34,825,895)
Total Net Position	\$1,097,111,983	\$59,130,435
TOTAL LIABILITIES and NET POSITION	\$1,198,754,212	\$488,131,574

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

March 31, 2014

Operating Revenue	PRIMARY GOVERNMENT	COMPONENT UNITS
Tenant revenue	\$ 24,222,511	\$ 21,781,506
Operating subsidies	\$322,513,262	-
Other income	\$ 9,001,499	\$ 2,949,342
Total Operating Revenue	\$355,737,272	\$ 24,730,848

Operating Expenses	PRIMARY GOVERNMENT	COMPONENT UNITS
Administrative	\$ 71,813,838	\$ 7,775,419
Tenant services	\$ 2,636,177	-
Utilities	\$ 22,929,277	\$ 4,400,699
Maintenance	\$ 60,452,929	\$ 8,740,155
Protective services	\$ 9,449,097	-
General	\$ 25,919,010	\$ 2,739,948
Housing assistance payments	\$140,871,173	-
Depreciation and amortization	\$ 57,047,576	\$ 18,266,300
Total Operating Expenses	\$391,119,077	\$ 41,922,521

Operating Loss **(\$35,381,805)** **(\$17,191,673)**

Nonoperating Revenue (Expenses)	PRIMARY GOVERNMENT	COMPONENT UNITS
Interest and investment earnings	\$ 5,986,142	\$ 15,604
Interest expense	(\$ 4,388,741)	(\$ 6,013,765)
Other revenue (charges)	(\$ 972,476)	-
Impairment loss	-	(\$ 27,314,059)
Total Nonoperating Revenue	\$ 624,925	(\$ 33,312,220)

Loss Before Capital Contributions **(\$34,756,880)** **(\$50,503,893)**

Capital Contributions	PRIMARY GOVERNMENT	COMPONENT UNITS
HUD capital subsidies	\$ 13,069,561	-
Partner distributions	-	(\$ 48,115)
Partner contributions	-	\$ 2,265,326
	\$ 13,069,561	\$ 2,217,211

Change in Net Position **(\$ 21,687,319)** **(\$48,286,682)**

Net Position, Beginning	PRIMARY GOVERNMENT	COMPONENT UNITS
As previously reported	\$1,119,104,880	\$107,417,117
Prior period adjustments	(\$ 305,578)	-
As restated	\$1,118,799,302	\$107,417,117

NET POSITION, ENDING **\$1,097,111,983** **\$ 59,130,435**

| Board of Commissioners |



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Herbert Wetzel
Board Vice-Chair
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Kelvin A. Jeremiah
President & CEO

Philadelphia Housing Authority
12 S. 23rd Street, Philadelphia, PA 19103
215.684.4112
pha.phila.gov

