



CASE STUDY

Philadelphia: Expanding Access to Affordable Housing

An Affordable Housing Trust is a fund that uses public revenue in a variety of ways to create and sustain affordable housing. Affordable Housing Trusts are a proven equitable policy solution that can help residents access high-quality, affordable homes and can reduce exposure to unhealthy living environments, lessen the cost burden of housing, and enhance housing and neighborhood stability.

BACKGROUND

Philadelphia is the sixth largest city in the nation with over 1.6 million residents. According to 2019 Census data, over half of Philadelphia's residents reported that they were experiencing housing problems, including inadequate kitchen or plumbing facilities, overcrowding, or paying more than 30% of their monthly income on rent. Nearly 30% of Philadelphia's renter households paid 50% or more of their income on rent and 27% of homeowners paid 30% or more of their income on mortgage and other housing related fees (Comprehensive Housing Affordability Strategy, 2015-2019). Philadelphia's Housing Trust Fund — which is managed by the Division of Housing and Community Development — was created to help prevent and combat the issues that renters and homeowners across the nation are facing (i.e., housing instability, dilapidated homes, and lack of affordable housing). By utilizing multiple dedicated and recurring funding sources, Philadelphia has been able to improve the quality of life for thousands of residents.

POLICY

Philadelphia's Housing Trust Fund works as a part of a larger housing ecosystem. The policy allows the Division

of Housing and Community Development to fund unique programs and enables collaboration between city offices and stakeholders.

When the city's Housing Trust Fund was created in 2005, its main source of revenue was recording fees, but recently, the city committed 0.5% of its General Fund annually to the trust, as a result of a measure passed unanimously by City Council. These dedicated sources of funding, in combination with federal and leveraged funds, have given the Division of Housing and Community Development the flexibility to address residents' changing needs. Because of this, they can operate tailored housing focused programs, including home repair assistance and housing counseling.

Additionally, the Division of Housing and Community Development has used the fund to collaborate with other entities. For example, it has worked with the Pennsylvania Horticultural Society to turn vacant land into quality housing sites. It also has partnered with the Office of Homeless Services to provide homeless diversion and prevention services to Philadelphia households by removing financial barriers to sustaining housing. The policy also prioritizes collaboration with key stakeholders by requiring the fund's

“We take a comprehensive look at the city’s housing needs, and our tools reflect that. If you are looking through the lens of community health, we are leveraging all available strategies, and the Housing Trust Fund plays a crucial role in meeting the needs of our city’s residents.”

Melissa Long, Deputy
Director of the Division of
Housing and Community
Development

oversight board be made up of city officials, community organizations, and housing advocates.

Despite being a fiscally distressed city, Philadelphia continues to fund innovative solutions for affordable housing because the Division of Housing and Community Development realizes how essential it is to the health and sustainability of the residents and city.

OUTCOMES

Philadelphia’s Housing Trust Fund has made great strides toward equity and neighborhood stability. Since its inception, it has assisted 62,000 households through housing programs, development, and preservation. Additionally, it has helped develop nearly 300 accessible and affordable units for persons with disabilities (DHCD, 2022). In Fiscal Year 2020-2021, the Housing Trust Fund was able to address the housing needs of over 12,000 households, with most of those benefiting making less than 50% of the area median income. The fund also expanded access to homeownership opportunities by establishing the Philly First Home Program in 2019, which

offers grants of up to \$10,000 toward down payment and closing costs for first-time homebuyers, and funds homeownership counseling as well. Through this program, the city has contributed over \$24 million to assist first-time homebuyers (DHCD, 2022). By establishing a fund that focuses over 90% of its investments in low and moderate-income neighborhoods, Philadelphia is taking the necessary steps to create neighborhoods that enable healthy, thriving residents.

REFERENCES

- The Comprehensive Housing Affordability Strategy (CHAS) database. (2015-2019). U.S. Dept. of Commerce, Bureau of the Census. Retrieved from: <https://www.huduser.gov/portal/datasets/cp.html>
- Forrest, K., & Patterson, C. (2021, December 15). Affordable housing trusts: A healthy housing choice for cities. CityHealth. <http://www.cityhealth.org/resource/affordable-housing-trusts-a-healthy-housing-choice-for-cities/>
- Community Development (DHCD). (2022, March 31). *Philadelphia Housing Trust Fund Report 2020-2021*. Retrieved from <https://www.phila.gov/media/20220331093748/Philadelphia-Housing-Trust-Fund-Report-2020-2021.pdf>