

closing the GAP

Housing
(un)Affordability
in Philadelphia



Amy Hillier & Dennis Culhane
Cartographic Modeling Laboratory
University of Pennsylvania
March 2003

Commissioned by the Philadelphia Affordable Housing Coalition



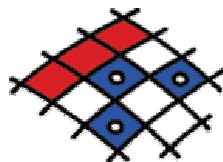
This report was commissioned by the **Philadelphia Affordable Housing Coalition (PAHC)** with funds from the William Penn Foundation, the Samuel S. Fels Fund, the Prudential Foundation and members of PAHC.

The PAHC was formed in 2001 by organizations who see Philadelphia's affordable housing crisis up close, every day, from the front lines. The main goal of the PAHC is to build power to increase the amount of housing resources our City spends on households living on less than \$20,000 a year – the bottom one-third of our City. To achieve this goal, the PAHC engages in community organizing, advocacy, leadership development, research, education and strategic relationship building with elected officials. The PAHC has purposefully brought together a diversity of organizations. Current members and allies include: Liberty Resources, Women's Community Revitalization Project, Kensington Welfare Rights Union, Disabled in Action, Tenants Action Group, Congreso de Latinos Unidos, Lutheran Settlement House, Raise of Hope, Friends Neighborhood Guild, Action AIDS, the Greater Philadelphia Federation of Settlements and The Lighthouse. The PAHC welcomes organizations who want more housing resources for low-income Philadelphians to join our struggle.

This study was researched and written by the **Cartographic Modeling Lab (CML)** at the University of Pennsylvania. The CML is a joint venture of the School of Social Work and the Graduate School of Fine Arts. The CML uses Geographic Information Systems (GIS), web-based information systems, and administrative data to conduct academic research and urban and social policy analysis with a special focus on Philadelphia. For more information, visit cml.upenn.edu.

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Summary of Findings

Low-income households struggle to afford housing in Philadelphia. Surveys, including the US Census and American Housing Survey, consistently confirm what housing advocates, public officials, and low-income residents already know: housing costs too much relative to what low-income households receive from low-wage jobs and public assistance.

This study focuses on the poorest households in Philadelphia—those earning under \$20,000. In 2000, Philadelphia had 206,251 households earning less than \$20,000 a year—a full 35 percent of all households in the city. The following are our key findings.

Housing affordability is primarily the result of inadequate income.

- Philadelphia has lost tens of thousands of manufacturing jobs in the last few decades, only some of which have been replaced by lower-paying, less permanent service sector jobs.
- The value of earned income and public assistance payments has not kept pace with increasing housing costs.

The poorest households struggle the most to pay for housing.

- There are 129,109 households in Philadelphia with incomes under \$20,000 paying 30 percent or more of their income on housing.
- 83 percent of renters and 64 percent of homeowners in Philadelphia with incomes under \$20,000 pay 30 percent or more for housing. 70 percent of poor households that pay 30 percent or more for housing actually pay 50 percent or more for housing.
- There are at least 30,000 fewer affordable housing units in Philadel-

phia than needed for rental households with incomes below \$20,000.

For people with physical disabilities, it is especially difficult to find affordable housing.

- Philadelphia has 354,409 people ages 5 and older with disabilities, 151,250 of whom have physical disabilities.
- Seventy percent of respondents to a survey conducted by Liberty Resources, a nonprofit advocacy organization for people with disabilities, indicated that they feel trapped in their own house at least occasionally. Half would like modifications for their housing and only a third reported having fully accessible housing.
- The maximum Supplemental Security Income (SSI) payment in Pennsylvania is not enough to cover the fair market rent for a one-bedroom apartment, the allowable rent for a one-bedroom apartment subsidized through the Low Income Housing Tax Credit (LIHTC) program, or the median rent in Philadelphia.

Low-income households have problems finding quality housing in quality neighborhoods.

- Most Americans live in housing built after World War II, but more than half of all housing units in Philadelphia were built before 1934.
- In 1999, 18,600 households in Philadelphia reported having severe physical problems with their plumbing, heating, kitchen, or hallways, and 40,100 reported having moderate problems.
- As of April 2002, Philadelphia had 64,500 residential properties with open code violations. Approxi-

mately half of these properties are owned by people who do not live on site.

- In 1999, more than 100,000 households in Philadelphia—15.3 percent of owners and 21.3 percent of renters—reported that crime is so bothersome in their neighborhood that they would like to move.

Housing subsidies are needed to make housing affordable for low-income households, but most low-income households do not receive housing subsidies.

- Only one in three rental households in Philadelphia earning less than \$20,000 live in subsidized housing.
- Little of HUD's \$84 million Community Development Block Group (CDBG) grant to Philadelphia is spent on programs that provide housing for households with incomes below \$20,000.
- Current income subsidies—in the form of Temporary Assistance to Needy Families (TANF), General Assistance (GA), Supplemental Security Income (SSI), and the Earned Income Tax Credit (EITC)—are not sufficient to make housing affordable for low-income households.
- Philadelphia is losing conventional public housing units and, in the coming years, is at risk of losing subsidized rental units in multifamily buildings that are part of the LIHTC and project-based Section 8 programs.

Philadelphia is not alone; housing affordability for low-income households is a national crisis.

- In 1999, 4.9 million households across the country meet HUD's "worst case housing" standard, because they have incomes below 50 percent of the local area median income and pay more than 50 percent of their income on housing or live in severely substandard housing.

- Between 1997 and 1999, the number of units affordable to extremely low-income households (defined by HUD as households with incomes below 30 percent of the area median income), dropped by 750,000.
- In 1999, there were 940,000 fewer affordable housing units than needed for extremely low-income households. For every 100 renters in this category, there were only 40 units available.
- Nationally, the cost of rental housing increased nearly twice as much as the cost of living adjustment for SSI between 1998 and 2000.

Closing the housing affordability gap requires increasing incomes and providing more housing subsidies.

- The City should spend more of its Community Development Block Grant (CDBG) on the Neighborhood Based Rental Housing Program.
- The federal government should increase the number of Section 8 housing choice vouchers, and Philadelphia should improve the performance of the Section 8 program.
- The federal government should help to increase incomes by expanding the EITC program and raising the minimum wage.
- Pennsylvania should create housing allowances for SSI recipients.
- Pennsylvania should use its state Maintenance of Effort (MOE) money in combination with TANF housing funds to provide housing subsidies to households on and moving off of TANF.

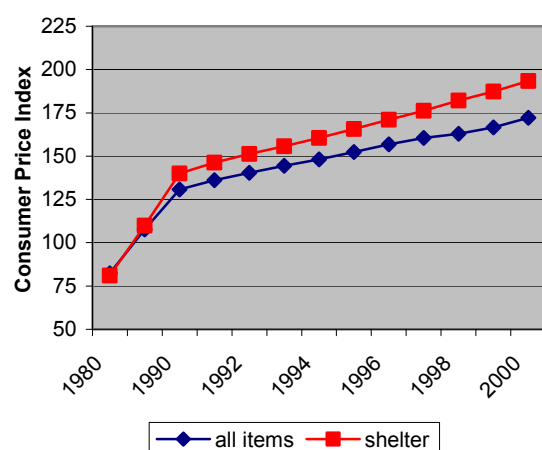
Affordable Housing

To be affordable, housing should consume only a portion of a household's income. Federal program guidelines state that no more than 30 percent of gross income should be spent on housing, including rent or mortgage, upkeep, and utilities. We first consider how the relationship between these two critical factors—the cost of housing and household incomes—has changed over time before examining the current extent of the housing affordability crisis.

Causes of Affordability Crisis

The root cause of the housing affordability crisis in Philadelphia, while stubborn and persistent, is basic. The incomes of low-income households have declined over the past 30 years while the cost of their housing has gone up. According to the Consumer Price Index (CPI), increases in shelter costs outpaced all other major categories of consumer expenses except for medical care between 1980 and 2000.¹ The strong economy in the 1990s exacerbated this trend, as rents increased at one and a half times the rate of inflation.²

Consumer Price Index of Shelter Costs
(Statistical Abstract of the United States)



Like most of the older industrial areas of the United States, the Philadelphia area has seen a restructuring of its labor market over the last fifty years, including a steep decline in manufacturing employment, a relocation of employment to suburban areas, and the lower incomes associated with the service sector employment that has emerged in its place. Accompanying this shift in the types of employment accessible to city residents has been an equally important shift toward part-time and temporary employment, where employee benefits are far less comprehensive, unionization rates are lower, and hours of work are limited.

These trends are made more severe by the deteriorating value of minimum wage over the past 30 years. The majority of people living below poverty depend on wages—not public assistance—for their income. In 1999, 72.4 percent of households living below poverty in the Philadelphia Metropolitan Statistical Area (MSA) had wage income and 59.1 percent of them depended upon it as their primary source of income.³ The real value of the current minimum wage is down 30 percent since 1968 and 24 percent since 1979.⁴ The income of a family of four with one person working full-time at the minimum wage earns less than 60 percent of the poverty line today, whereas they earned 90 percent of the poverty line in 1968.⁵

Pennsylvania's current minimum wage is \$5.15, which is also the national minimum wage. Eleven states (including the District of Columbia) mandate higher minimum wages, ranging from \$5.25 (Hawaii) to \$6.75 (Massachusetts).⁶ According to the National Low Income Housing Coalition (NLIHC), someone living in Philadelphia would need to earn \$13.54 per hour to afford the fair market rent on a one-bedroom apartment (\$704) and \$16.75 per hour to afford a two-bedroom apartment (\$871).⁷ This translates into

annual incomes of \$28,160 to afford the typical one-bedroom apartment and \$34,840 to afford the typical two-bedroom apartment.

The Department of Housing and Urban Development (HUD) calculates fair market rents to determine which rental units should be eligible to participate in the Section 8 voucher program. They are intended to reflect typical housing costs—including utilities—for the MSA.⁸ Looking just at the city of Philadelphia, a household would need to earn \$10.94 per hour, \$5.79 above the current minimum wage, to afford the median gross rent (\$569). Median gross rents include the rent and utility costs. (2000 US Census).

The Earned Income Tax Credit (EITC) is intended to “make work pay” by offering tax refunds or by offsetting taxes for working families. Congress created the program in 1975 in part to offset the burden of social security taxes and to provide an incentive to work. Congress expanded the program in the 1990s, greatly increasing the value of the EITC. The amount of the credit depends on the level of earnings and the number of children in the family. An individual with no children can earn up to \$10,710 per year, with one child up to \$28,281, and with more than one child up to \$32,121. When minimum wage workers receive the EITC, they effectively are earning just over \$7 per hour.⁹

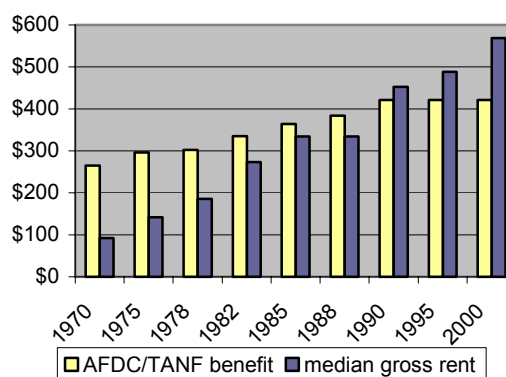
The EITC is now the largest anti-poverty program in the country, with more participants and a higher gross value than any other public assistance program. The IRS reports that 148,000 filers in Philadelphia received the EITC in 1999. The average claim was about \$1,700 per household, totaling \$250 million in assistance to low and moderate-income households in the city.¹⁰ Nationally, it is estimated that only 75 percent of eligible households that are eligible claim the EITC, suggesting that an additional 50,000 households in Philadelphia might be eligible but not receiving the benefit. In addition, nearly 40 percent of low-income filers obtain instant refunds

and pay to have their taxes prepared by for-profit vendors, factors that erode the value of their tax credits.¹¹ However, the importance and the effectiveness of the EITC in making up for income losses and in ameliorating housing cost burdens should not be underestimated.

As wages have deteriorated in value, public assistance benefits have predictably eroded in value as well. Pennsylvania has not only *not* adjusted welfare benefits to keep pace with inflation; the maximum welfare grant for a family of three has decreased by 63 percent. A family on welfare that receives \$421 today would have received \$686 in 1970 (adjusted for inflation). Only four states—Idaho, New Jersey, Texas, and Virginia—have experienced greater decreases.¹² Welfare is the single most important housing subsidy for very poor families in Philadelphia. Its erosion in value is one of the principal sources of housing problems among poor families.

The diminished value of welfare benefits is especially problematic given the rise in housing costs, as demonstrated by a comparison of maximum grants to median gross rents. In 1970, a household of three could receive a grant of up to \$265 in Pennsylvania when the median gross rent was just \$92. The maximum welfare grant in 2000 was \$421 compared with the median gross rent of \$569. Since 1990, median rents have actually exceeded the total cash value of welfare.¹³

Changes in AFDC/TANF Benefits Relative to Median Rents in Philadelphia¹⁴



In Philadelphia, 106,000 individuals were receiving TANF as of August 2002, with a total expenditure of approximately \$220 million a year. The maximum grant for a family of four in Philadelphia is \$497 a month, or \$5,964 a year. This puts the fair market rent on a one-bedroom (\$704) or two-bedroom apartment (\$871) and the median gross rent (\$569) well out of reach. TANF grants represent just 37 percent of the federal poverty line or, if food stamps are included 62 percent.

The availability and value of benefits for unemployed workers has similarly worsened over this period. In 1999, only 38 percent of unemployed workers received unemployment benefits compared with 81 percent in 1975.¹⁵ And for the long-term unemployed who must rely on public assistance, state cutbacks in General Assistance (GA) have essentially eliminated the benefit for adults who are not disabled. Prior to 1980, this benefit was available year-round to all Pennsylvania citizens meeting the income requirements, regardless of age. These two factors have seriously eroded the income security of adults without children, who have the highest rates of homelessness in Philadelphia.

The increasing disparity between incomes of the richest and poorest people in the country also contributes to the housing affordability problem for low-income households. Between 1992 (start of economic recovery) and 1999, the incomes of the top 5 percent increased by more than 20 percent while rising just 10 percent for the bottom 5 percent. For the top 1 percent, income rose by 50 percent while decreasing 50 percent for the bottom 1 percent.¹⁶

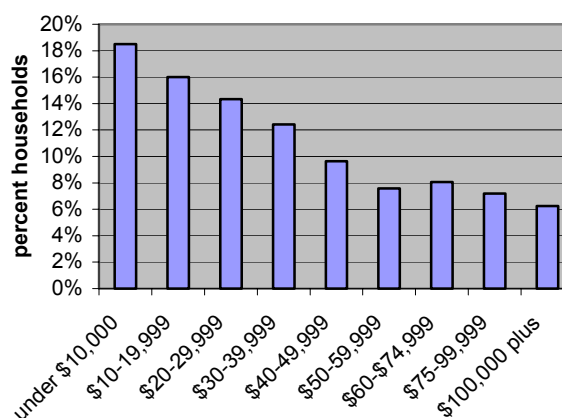
Who is “Low Income”?

This report focuses on households earning less than \$20,000 a year.¹⁷ By focusing on households earning less than \$20,000, this report aims to give the most attention to the households with the greatest needs. This amount corresponds

closely with the federal poverty line as well as 30 percent of the area median income (AMI), measures of income relevant to eligibility guidelines and reporting requirements for many different programs. There are some variations in income within these different definitions, but households with less than \$20,000, below poverty, or below 30 percent of AMI will all be considered low income for the purposes of this report.

A large proportion of Philadelphia’s population meets these definitions of low income. According to the 2000 US Census, Philadelphia has 206,251 households with annual incomes under \$20,000, just over one-third of all households in the city (see Map 1). The middle third of Philadelphia’s households (189,501) have incomes between \$20,000 and \$45,000, while the top third (197,083) earn \$45,000 or more a year. The proportion of households with incomes under \$20,000 varies by race: 28 percent of Whites, 40 percent of African Americans, 40 percent of Asians, and 49 percent of Hispanics.

Distribution of Household Incomes in Philadelphia (2000 US Census)



Of the 206,251 households with incomes under \$20,000, 92,222 (45 percent) own their homes and 114,029 (55 percent) rent. The homeownership rate for all income groups in Philadelphia is 60 percent, so low-income households are less likely to be homeowners. Homeownership rates vary by race and ethnicity just as they do by income, although

homeowners outnumber renters for all groups except Asians. Whites have the highest rates of homeownership (66 percent), followed by African Americans (55 percent), Hispanics (51 percent), and Asians (43 percent). Overall, homeowner households have higher incomes, with a median income of \$37,773 compared with \$21,365 for renters. Nearly half of rental households have incomes under \$20,000 while just over a quarter of homeowners do.

The poverty line offers a different way to measure income, taking into consideration family size and comparing a household's income to what is needed to "make ends meet." The poverty line was originally calculated as three times the amount needed for a minimum food budget and has since been adjusted annually for inflation. There have been numerous efforts to update the poverty line so that it reflects the rising cost of housing, among other changes.¹⁸ Recognizing that people can be living above poverty and still be in need, many federal assistance programs allow households to have incomes above the federal poverty line (for example, families earning up to 130 percent of the federal poverty line can be eligible for food stamps).

The poverty line in 2002 for a household of four is \$18,100. The poverty line is the same across regions, varying only by household size and composition. According to the 2000 Census, Philadelphia has approximately 128,486 households (21.8 percent) living in poverty. This includes 336,177 individuals (22.9 percent of Philadelphia's population), 118,467 of whom are children under 18. The 2000 US Census figures show increases in both the total number of people living below poverty (increase of nearly 23,000) and the poverty rate (increase of nearly 2.7 percent) from 1990.

The third major approach to defining income, developed by the US Department of Housing and Urban Development (HUD), calculates income as a percentage of the median (middle, or typical) family

income for a metropolitan area. For 2002, the area median income (AMI) for the Philadelphia MSA is \$63,300 for a household of four. The 30 percent AMI category, considered "extremely low income" by HUD, includes households of four earning no more than \$19,000. Approximately 158,000 households in Philadelphia have incomes at or below 30 percent of AMI.¹⁹

This 30 percent of AMI category includes the lowest income households, corresponding loosely to those below poverty or those earning less than \$20,000 a year. But HUD's guidelines allow households with much higher incomes to be considered "low income" and "very low income." HUD defines "low income" as below 80 percent of the AMI (\$50,650 for a household of four in the Philadelphia MSA) and "very low income" as below 50 percent of the AMI (\$31,650 for a household of four), and "extremely low income" as below 30 percent of AMI (\$19,000 for a household of four).

HUD's approach to defining low income results in what are very high income limits relative to incomes in the city of Philadelphia because it pools incomes from the whole metropolitan area without acknowledging differences between suburban and urban areas. According to the 2000 Census, the median family income for Philadelphia is \$37,036, well below the metropolitan median that is inflated by suburban counties such as Bucks (\$68,727), Montgomery (\$72,183) and Chester (\$76,916) (see Map 2). In addition, HUD guidelines are based on median family incomes, rather than median household incomes. Median family incomes are always higher than median household incomes because they do not include households with just one person. As a result of the way that HUD categorizes income, *more than half* of Philadelphia's households meet the definition of low income.²⁰

About ten years ago, the City of Philadelphia established its own income guidelines for programs funded through HUD's Community Development Block

Grant (CDBG). Ordinance 1029-AA defines “low income” as households earning below 50 of the AMI (\$31,650 for a household of four) and “very low income” as households earning less than 25 percent of the AMI (\$15,825 for a household of four).²¹ This represents an important correction to the otherwise distorted eligibility guidelines set by HUD.

Definitions of Low-Income

Agency	Term used	Annual income*
HUD	low income (80% AMI)	< \$50,650
HUD	very low (50% AMI)	< \$31,650
HUD	extremely low (30% AMI)	< \$19,000
OHCD	low income (50% AMI)	< \$31,650
OHCD	very low income (25% AMI)	< \$15,825
HHS	poverty	< \$18,100

* for a household of four

Median Incomes for Philadelphia

area median family income (<i>Metro Area</i>)	\$63,300
median family income (<i>city</i>)	\$37,036
median household income (<i>city</i>)	\$30,746
median homeowner income (<i>city</i>)	\$37,773
median renter income (<i>city</i>)	\$21,365

Measuring Housing Affordability

Many different indicators can be used to show that housing costs exceed what is affordable to low income households. The most common measure of housing affordability compares housing costs to gross income. HUD has established 30 percent as the maximum that any household receiving federal housing assistance should pay for housing.

In some cases, 30 percent may be more than a household can afford to pay for housing. The 30 percent does not take into consideration household composition. An elderly person living alone might be able to pay more of their income for housing than a family with young children. It also does not take into consideration that the remaining 70 percent of a low income leaves much less to pay for food, clothing, and other expenses than 70 percent of a moderate or high

income. Housing affordability expert Cushing Dolbeare has suggested that 10 percent or 20 percent is a more appropriate affordability standard for the poorest households.²²

Despite concerns like these, HUD’s 30 percent criterion is the basis for rent limits in public housing programs and is the only widely accepted standard for housing affordability. HUD has a stricter definition of affordability for its *Worst Case Housing* report. It considers all rental households with incomes below 50 percent of the local area median income that pay more than 50 percent of their income on housing or live in severely substandard housing to be examples of “worst case housing need.” For the purposes of this study, the 30 percent rule will be used.

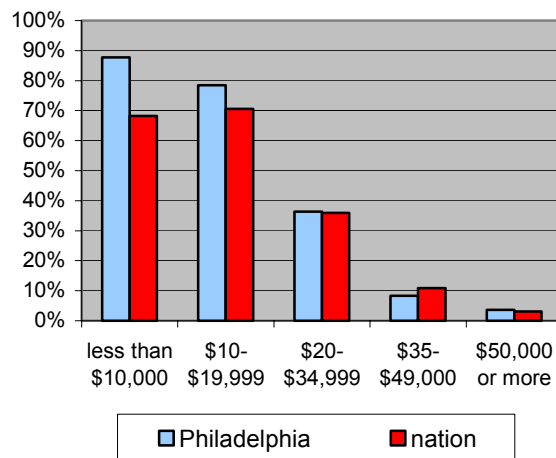
Despite the fact that Philadelphia has been known historically as an affordable city—a city where working class families could own a rowhome and walk to work—housing affordability is a problem for a larger proportion of low-income households in the city than in the nation. In Philadelphia, 129,109 households with incomes under \$20,000 pay 30 percent or more for housing. Earning less than \$20,000 a year is almost a guarantee that renters in Philadelphia will have excessive housing costs, with 83.4 percent of them paying 30 percent or more for housing (see Map 3). Homeowners are less likely to have excessive housing costs, but 64.1 percent of those with incomes under \$20,000 still pay 30 percent or more on housing. Most low-income households pay much more than 30 percent of their income on housing. About 70 percent of households living below poverty that pay 30 percent or more on housing actually pay *50 percent* or more on housing.

Most low-income households have excessive housing costs, and most of the households with excessive housing costs are low-income. Of the 179,496 total households (of all incomes) that pay 30 percent or more on housing, 80,290 (44.7 percent) are rental households with incomes under \$20,000 and 48,819 (27.2

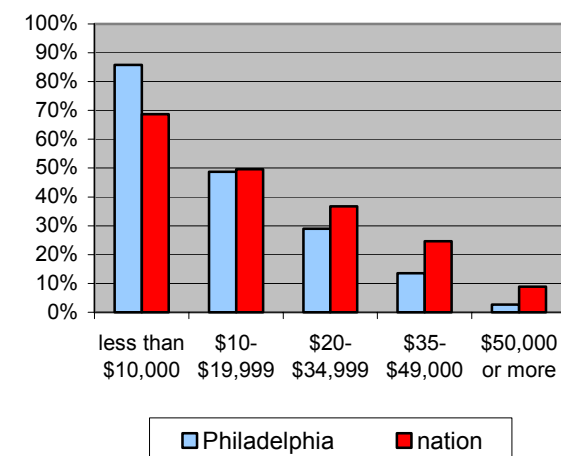
percent) are homeowners with incomes under \$20,000.

Nationally, the pattern is the same, although a smaller proportion of low-income households have excessive housing costs. Among households with incomes under \$20,000, 69 percent of renters and 56 percent of homeowners pay 30 percent or more on housing, according to the 2000 US Census. Comparisons between housing costs in Philadelphia and the nation show that only for middle and upper-income homeowners is housing more likely to be affordable in Philadelphia.

Rental Households with Excessive Housing Costs (2000 US Census) ²³



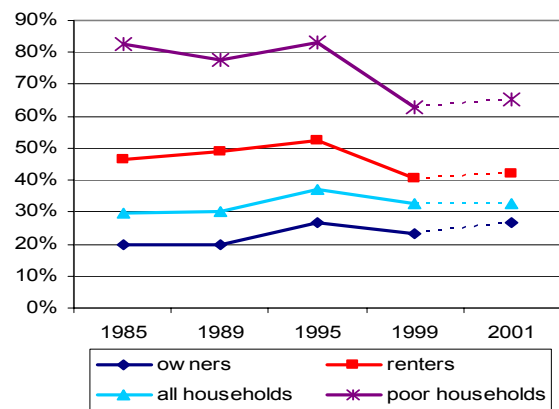
Homeowner Households with Excessive Housing Costs (2000 US Census) ²⁴



The number of households with excessive housing costs in Philadelphia and the nation has fluctuated over the past fifteen years, peaking in the mid-1990s and then declining in the late 1990s as real incomes rose.

The economic gains in the late 1990s were a rare example of a rising tide lifting all boats, as poor and wealthy people, alike, saw income gains. However, national data from the 2001 American Housing Survey show that the percent of households with excessive housing costs is on the rise again for renters, owners, and poor households, alike. As the extent of the problem has changed over time, differences in housing affordability among owners, renters, and the poor have persisted, with households living below poverty and renters consistently being the most likely to have excessive housing costs.

Percent Households in Philadelphia with Excessive Housing Costs (AHS) ²⁵



Note: The dotted lines are estimates for Philadelphia based on national 2001 AHS data. The most recent AHS survey of Philadelphia was in 1999.

Additional Indicators of Affordability Crisis

Many of those unable to afford housing double up with friends and relatives, hiding the actual number of households in need of affordable housing. Housing units with more than one person per

room (including all rooms, not just bedrooms) are considered by the Census Bureau to be overcrowded. According to the 2000 Census, there were 31,636 housing units (3.5 percent of owner-occupied units and 8.0 percent of renter occupied units) with more than one person per room (see Map 4). This represents a 17 percent increase over the 1990 total of 26,965 units with more than one person per room.

Subfamilies offer another way of measuring overcrowding. Subfamilies are made up of families (including at least one parent and one child under 18 years old or a married couple without children) living in the household of a relative who is the head of the household. According to the 2000 Census, there are 25,585 subfamilies in Philadelphia that include 31,114 adults and 37,216 children. The number of subfamilies is down 23 percent from the 1990 total of 33,034.

While national survey data, including the US Census and American Housing Survey, provide the most comprehensive information about housing and economic conditions, administrative data from local service providers offer an additional source. The number of homeless shelter users is an indicator of problems with housing affordability. Though most chronic shelter-users frequently suffer from mental health illnesses and substance abuse problems, families that become homeless tend to have far fewer of these problems.²⁶ According to the Office of Emergency Shelter and Services (OESS), approximately 8,500 single individuals and 3,200 families found their way into a shelter between July 2001 and June 2002, for an unduplicated total of about 20,000 people. On a typical night, roughly 2,150 were staying in a shelter.²⁷

Other people experiencing housing affordability problems seek assistance from the Tenants Action Group (TAG) because they are being sued by their landlord. Unpaid rent is the most frequent cause of

these suits, but Landlord-Tenant cases are also the result of other violations of the lease or the landlord's failure to make repairs to the property. Regardless, tenants seeking assistance from TAG are at risk of being evicted. Each year, TAG documents between 2,000 and 3,000 complaints. Many more tenants are sued in Landlord-Tenant Court each year. In 2000, Municipal Court issued 6,586 alias writs of possession, in essence judgments in favor of landlords requiring tenants to either pay overdue rent (or otherwise satisfy lease violations) or move out. A subset of these is actually evicted for failing to comply with the court judgment.

Survey and administrative data indicate the scope and severity of housing affordability problems. But behind every number are individuals and households with stories that, while they probably include common themes, are unique. Stories such as those related by Barbara Ehrenreich in *Nickel and Dimed*, a professional writer who attempted to make ends meet through a series of low-wage jobs in different communities across the country, have given new attention to what is the lived experience of millions of households. Ehrenreich worked for a time at Wal-Mart (recently reported to be Pennsylvania's largest private employer), but quit because she could not afford her rent on the \$7/hour wage.²⁸ No doubt the struggles of the tens of thousands of low-income households in Philadelphia that cannot afford housing are at least as compelling.

How much can low-income households afford for housing? (affordability defined as 30 percent of gross income)

Income source	Income/month	Income/year	Max. affordable housing payment/mo.
minimum wage (\$5.15/hr)	\$893	\$10,712	\$267
low wage (\$8/hour)	\$1,387	\$16,640	\$416
low wage (\$10/hour)	\$1,733	\$20,800	\$520
TANF (4 people)	\$497	\$5,964	\$149
TANF (4) + Food Stamps*	\$949	\$11,388	\$285
SSI (one person)	\$572	\$6,868	\$172
SSI (2 people)	\$861	\$10,332	\$258
SSI (2) + Food Stamps*	\$1,109	\$13,308	\$333

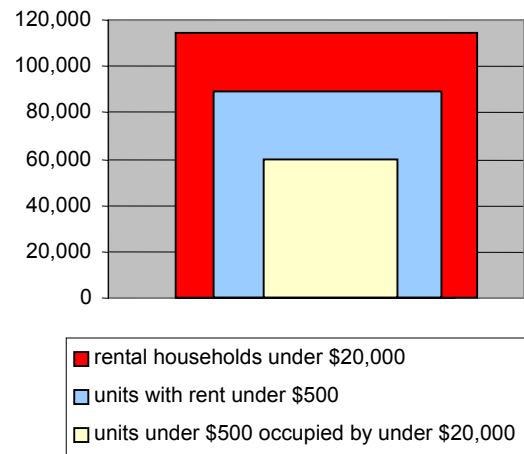
* Assumes maximum food stamp allotment.

Quantifying the Housing Affordability Gap

One way of quantifying the gap in affordable housing is to compare the number of low-income households to the number of available housing units that are affordable to them. Following the 30 percent rule, households earning less than \$20,000 can afford housing costs up to \$500 a month. According to the 2000 Census, there are 114,029 rental households in Philadelphia with incomes below \$20,000 but only 85,670 rental units with gross rents (which include utilities) under \$500. Assuming that only household with incomes under \$20,000 occupy rental units with gross rents under \$500, this leaves a gap of almost 30,000 affordable rental housing units. But according to the 2000 US Census, households with incomes of \$20,000 or more occupy one third of those units, so the actual gap in affordable units is nearly 60,000.

Nationally, the number of units affordable to households with incomes below 30 percent of AMI dropped by 750,000 between 1997 and 1999. This decrease is attributable to rent increases as well as the loss of properties from the housing stock, entirely.

Gap in Affordable Housing Units for Low-income Households in Philadelphia (2000 census)



HUD estimates that there are 940,000 fewer units than needed for this extremely low-income group. For every 100 renters with incomes below 30 percent of AMI, there were only 40 units available.²⁹

Budget Profiles of Low-income Households in Philadelphia

The following charts show the breakdown of before-tax income (on the left) and expenses (on the right) for six households in Philadelphia with incomes under \$20,000. These profiles demonstrate the challenge of paying for housing on low-wage and public assistance income. Note: food is shown as an expense only when the household spends more than the value of its food stamp allotment on food each month.

One Adult, Five Children

Annual income: \$13,440

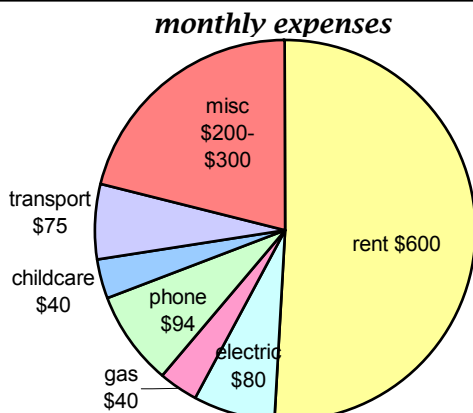
Wages: \$1,120/month (\$6.50/hour)

TANF: \$200/month

Food stamps: \$485/month

Childcare subsidy: \$880/month

The childcare co-payment is \$40/month.
Household fell behind in utility payments after paying for school uniforms.



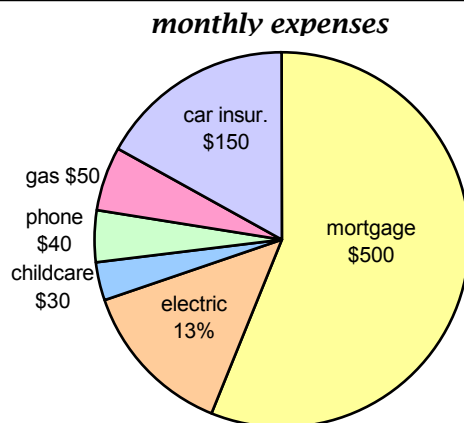
One Adult, One Child

Annual income: \$14,560

Wages: \$1213/month (\$7/hour)

Childcare subsidy: \$370/month

They depend upon family to pay for food costs (this household does not receive food stamps). Household owes more than \$1,000 on electric bill and \$500 on gas. Childcare co-payment is \$30/month.

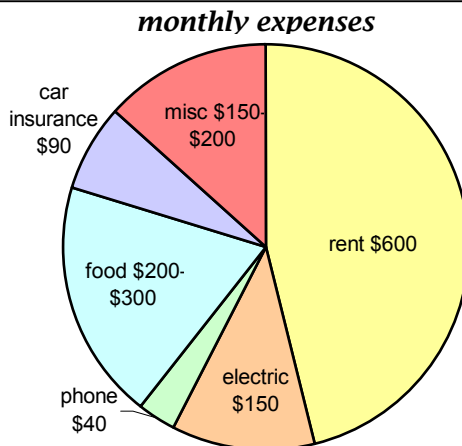


Two adults (one working), Two children

Annual income: \$18,200

Wages: \$1,516/month when working full time (\$8.75/hour)

Sometimes the father is given only 30 hours/week.



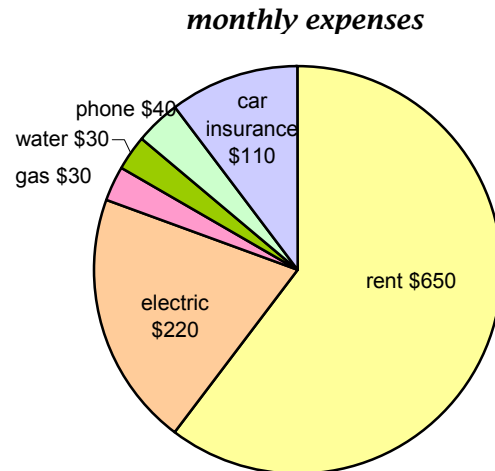
***Two Adults (one working),
Two Children***

Annual income: \$17,680

Wages: \$1,473/month (\$8.50/hr)

Food Stamps: \$129-\$179/month

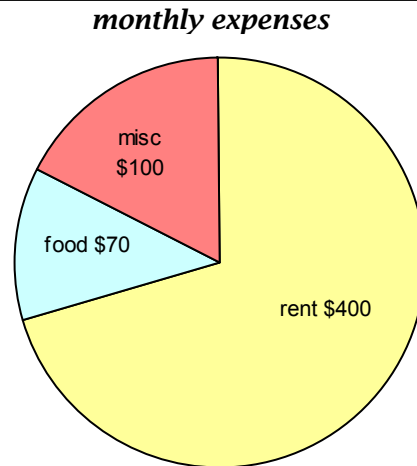
This household was about to be evicted because they were two months behind on their rent. The father's work hours are sporadic because his work is seasonal



Single Adult with Disability

Annual income: \$7,764

SSI: \$572/month



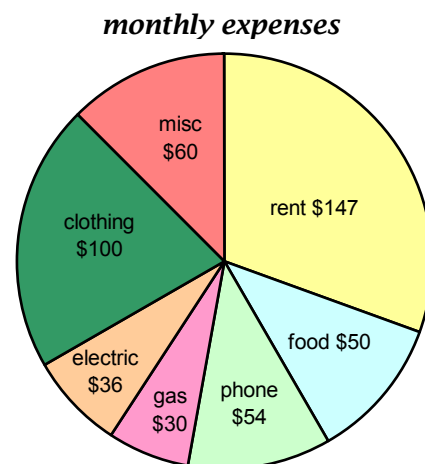
One Adult, One Child

Annual income: \$11,544

TANF: \$142/month

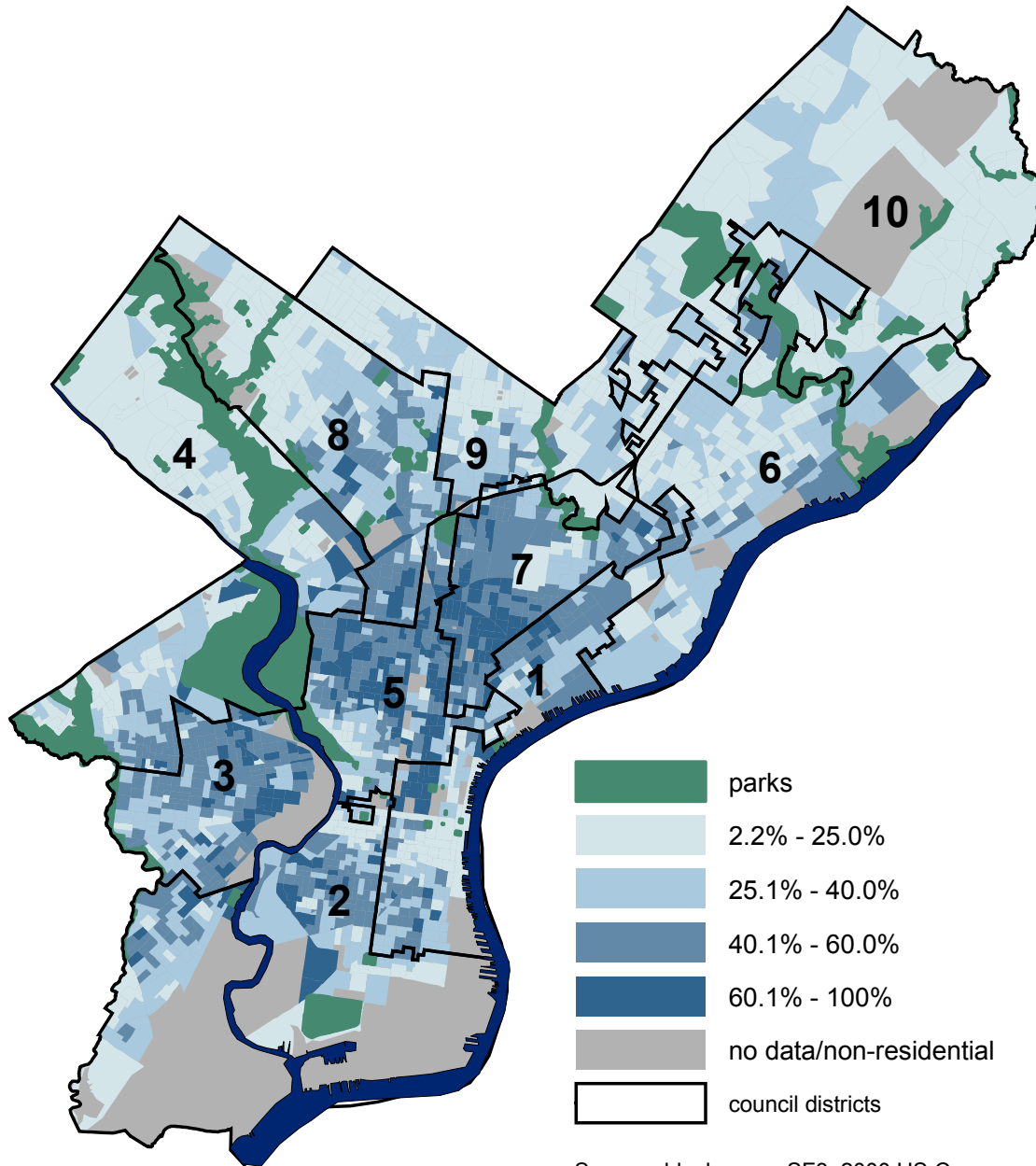
SSI: \$572/month

Food Stamps: \$248/month



Map 1.

Percent Households in Philadelphia with Incomes Under \$20,000

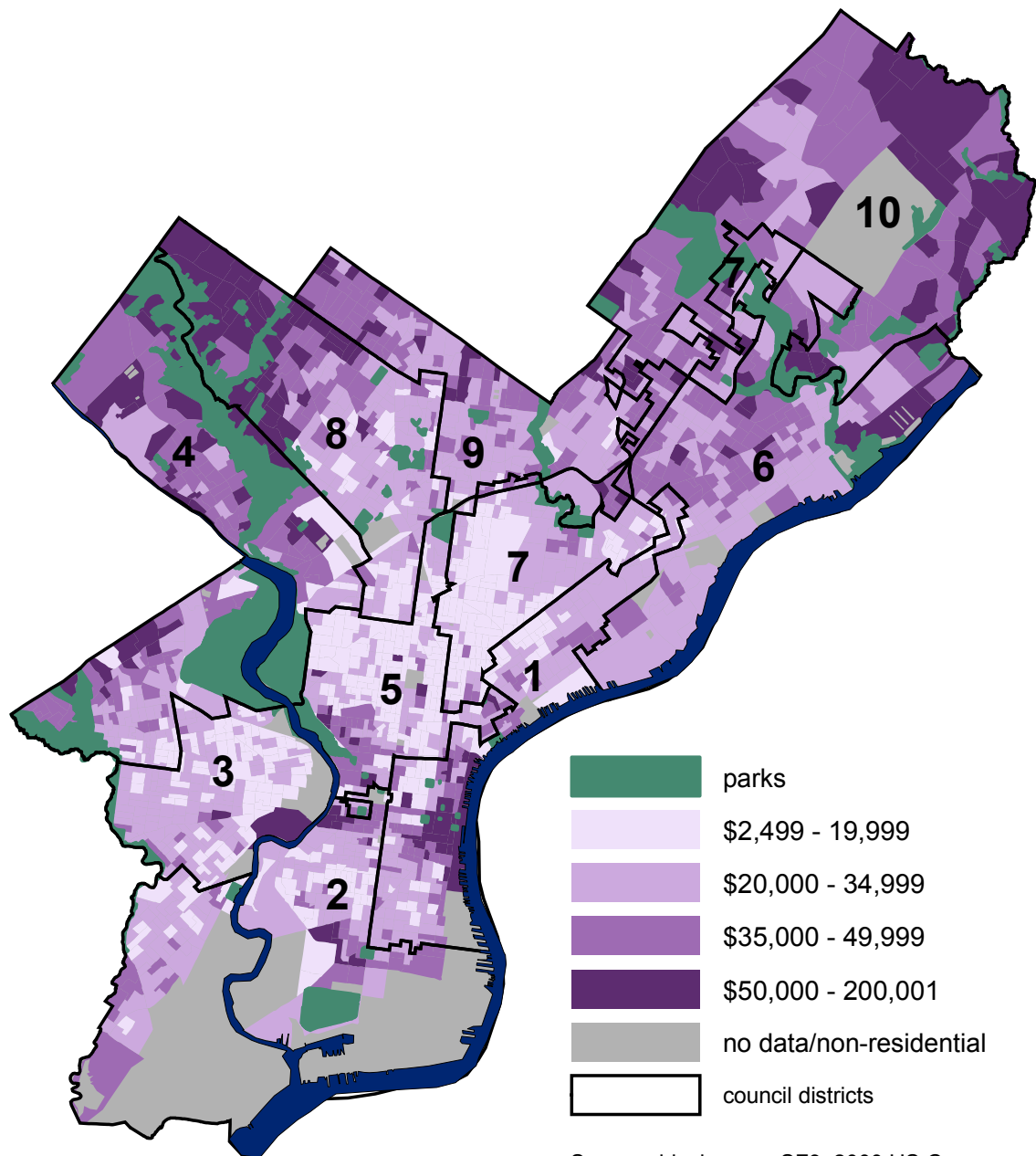


The neighborhoods of Fairhill, Hartranft, University City, North Central, West Kensington, Strawberry Mansion, Poplar, Harrowgate, Belmont, and University City have the highest percent of households with incomes under \$20,000.

Number & Percent of Households with Incomes Under \$20,000, by Council District

1	2	3	4	5	6	7	8	9	10
23,955	23,935	26,321	18,937	26,641	16,140	23,628	20,379	14,091	12,223
36.7%	38.6%	47.2%	30.7%	44.3%	26.9%	44.8%	35.0%	26.0%	20.4%

Map 2.
Median Household Income in Philadelphia



Source: block group SF3, 2000 US Census

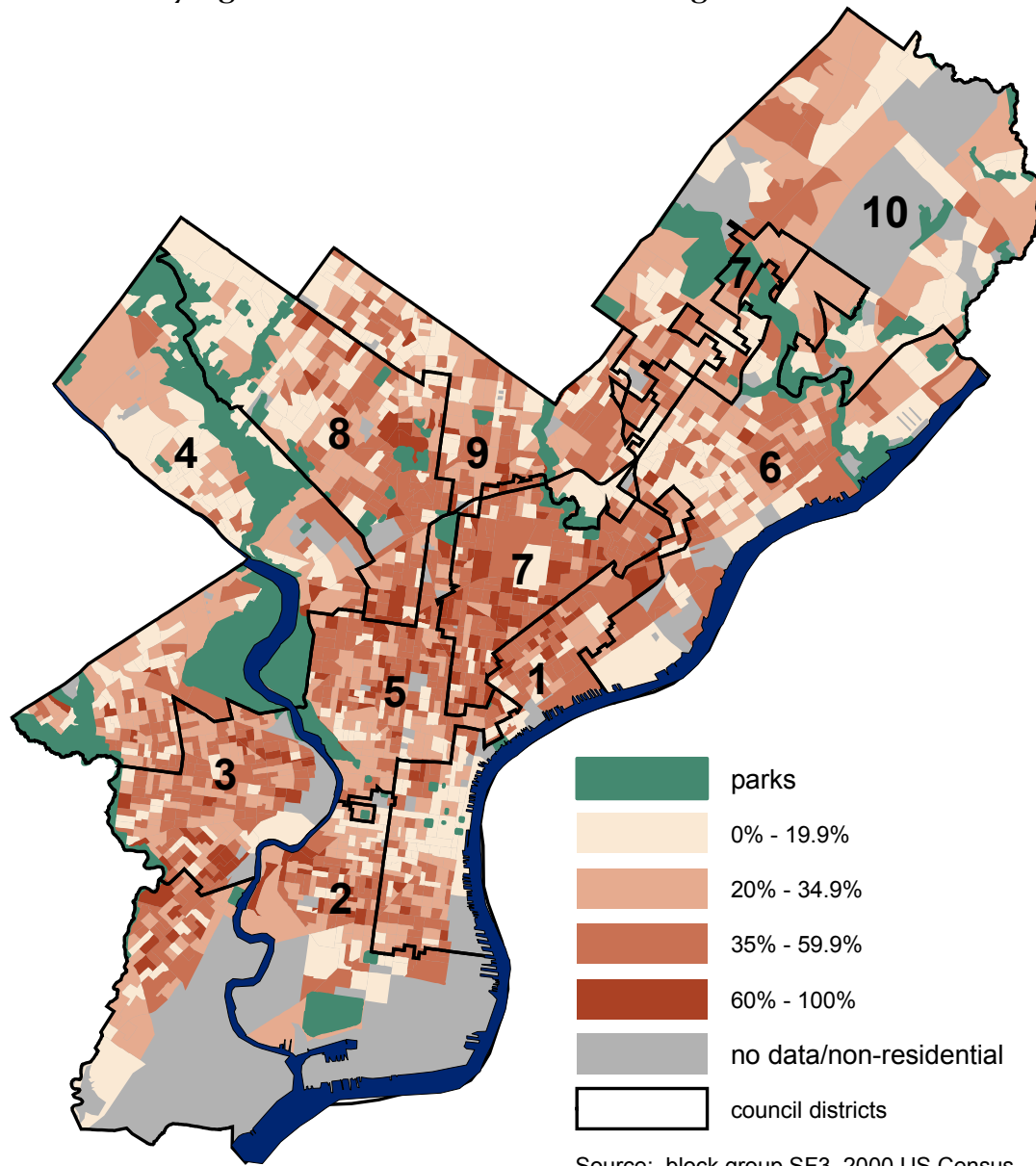
In 2000, the median income for Philadelphia was \$30,746 (\$37,337 for homeowners and \$21,365 for renters). The neighborhoods of Chestnut Hill, Byberry, Pennypack Park, Riverfront, West Mount Airy, West Torresdale, and Wissahickon Park have the highest median household income.

Median Household Income, by Council District

1	2	3	4	5	6	7	8	9	10
\$27,701	\$26,781	\$21,210	\$32,312	\$21,790	\$34,418	\$21,630	\$28,563	\$34,665	\$43,363

Map 3.

Percent Rental Households in Philadelphia with Incomes Under \$20,000 a Year and Paying 30 Percent or More on Housing



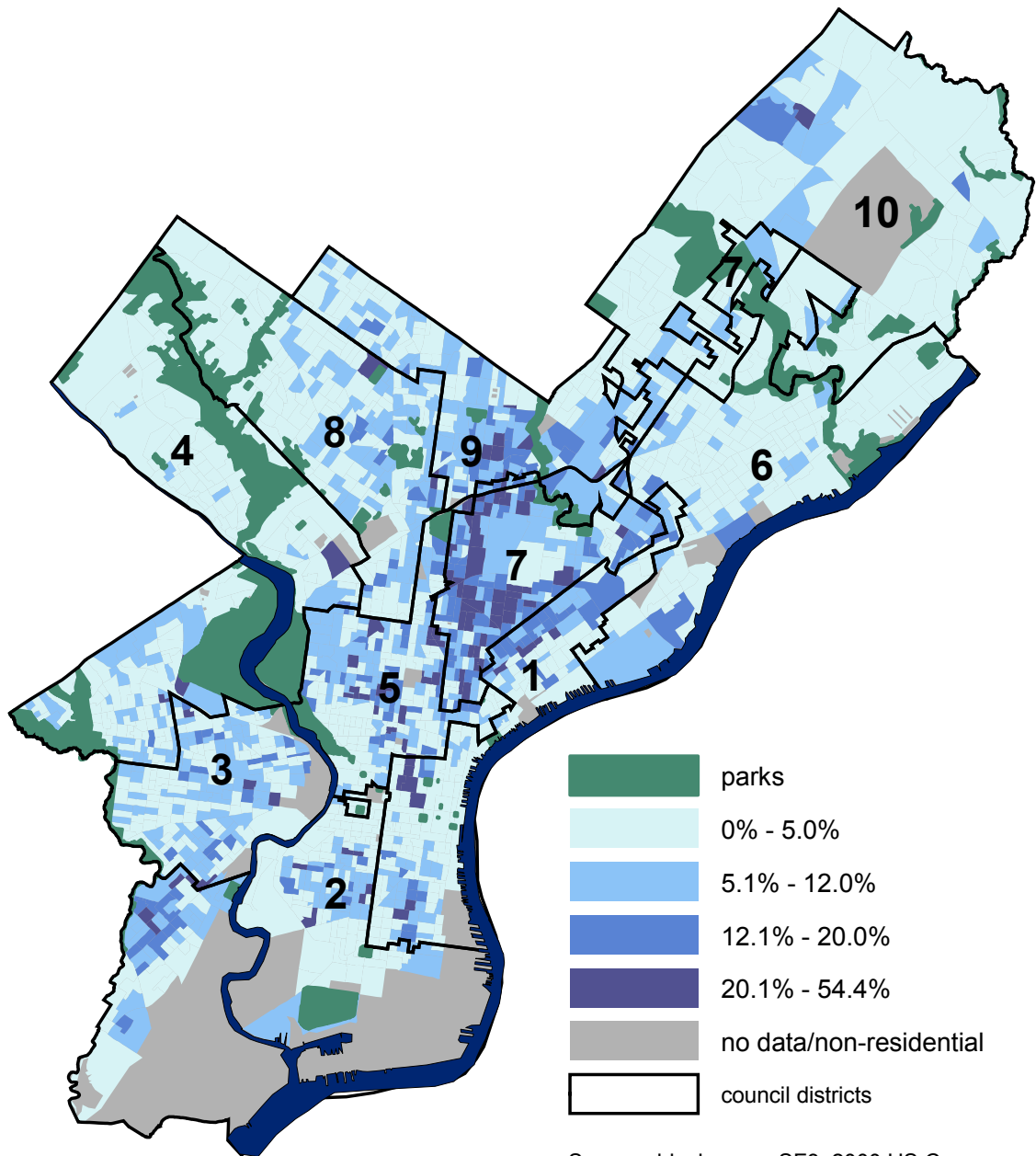
Source: block group SF3, 2000 US Census

The neighborhoods of Fairhill, Harrowgate, Belmont, Richmond, and West Kensington have the highest percent of renter households with incomes under \$20,000 and paying 30 percent or more of their income on housing.

Number and Percent of All Rental Households with Incomes Under \$20,000/year and Paying 30% or More on Housing, by Council District

1	2	3	4	5	6	7	8	9	10
8,646	8,779	11,673	7,236	11,114	5,171	9,430	8,644	4,672	4,926
31.0	32.5	39.9	28.4	34.5	30.2	42.6	33.3	29.8	27.9

Map 4.
Percent Overcrowded Housing in Philadelphia



Source: block group SF3, 2000 US Census

The neighborhoods with the highest percent of overcrowded households are Fairhill, Hunting Park, Juniata Park, Feltonville, Olney, and Harrowgate. There is as strong correlation between the percent overcrowded and percent Hispanic (see 7th District).

Accessible Housing

Housing must be accessible in addition to being affordable in order to meet the needs of people with physical disabilities. Finding housing that is affordable or that is accessible is difficult enough for low-income households. Finding housing that meets both conditions is often an insurmountable challenge.

People with Disabilities

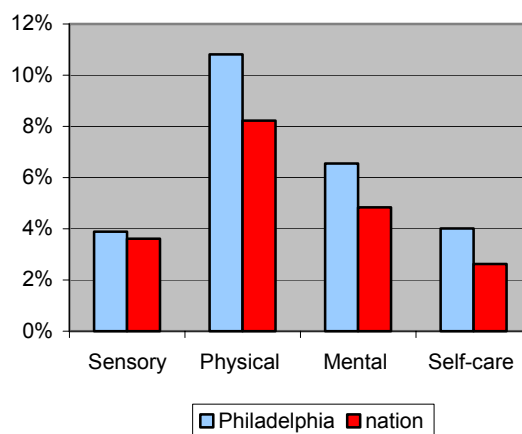
This study looks at people with physical disabilities, who often need modifications to their homes in order to allow them to move about and perform basic life functions such as bathing and cooking. People with mental disabilities and serious mental illness also have special housing needs, but they are not the focus of this study.³⁰

The 2000 Census has provided the most detailed information ever about people with disabilities, including the first estimate of the number of people with physical disabilities. A full 25 percent of Philadelphians 5 years old and over—354,409 people—report having some sort of disability. Included in this are 151,250 with physical disabilities, 54,334 people with sensory disabilities, 91,582 with mental disabilities, and 56,084 people with self-care disabilities (see Map 5).³¹

The percent of people with disabilities is much higher in Philadelphia than the nation, overall. In Philadelphia, 25.3 percent of people 16 and over reported having a disability, compared with 19.3 percent nationally. This difference is not attributable to differences in the age of the population. Philadelphia has only a slightly higher proportion of residents 65 and over—14.7 percent compared to 13.0 percent for the nation. Nearly the same proportion of people with disabilities is over 65 in Philadelphia and the nation—27 percent in Philadelphia compared with 28 percent for the nation. In other words,

Philadelphia has a high proportion of people with disabilities who are not older adults.

Population 5 years old and over with a Disability (2000 US Census)



Standards for Accessibility and Visitability

The federal Fair Housing Amendments Act of 1988, § 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act and parallel Pennsylvania state laws provide standards for accessibility in housing. To be accessible, a housing unit must have an accessible entry—either no steps or a ramp. Interior and exterior doors must be wide enough for someone in a wheelchair to move through (at least 36 inches wide). Bathrooms need to have reinforcements for handrails or grab bars. Bathrooms need to be big enough so that someone in a wheelchair can get in, close the door, and move around. They should have lower sinks, mirrors that are tilted down, roll in showers or shower seats, higher toilets, and lower sinks that someone in a chair can wheel under (no cabinets under sink). Kitchens should also have lower sinks that someone in a wheelchair can roll under, have lower counters and cabinets, a stovetop that

someone can roll under, and a separate oven that is lower. Outlets, light switches, and thermostats should be lower. For people with hearing impairment, fire alarms should have flashing lights, and the system for admitting visitors should also use flashing lights.

Standards for visitability are different from those for accessibility, but they are also related to the kinds of opportunities and quality of life a person with physical disabilities can enjoy. A visitable house refers to one in which someone in a wheelchair is able to visit. To be visitable, a home or apartment must have at least one accessible entry, sufficiently wide interior doorways, and a half bathroom on the first floor.³²

Section 504 of the federal Rehabilitation Act of 1973 requires that a minimum of five percent of all federally-financed housing must be accessible to people with physical disabilities and two percent to be accessible to people with visual and/or hearing impairments. In addition, the 1988 amendments to the Fair Housing Act require that newly constructed or substantially renovated residential buildings (subsidized and unsubsidized) with four or more units are accessible.

There is currently no legislation mandating that housing be made visitable, but there are national and local efforts to make all new construction housing visitable. In December 2001, Philadelphia Councilmember Jannie Blackwell introduced Bill No. 010742 that calls for a change in the Philadelphia building code to require that all publicly-financed new construction of single and multi-family housing be “constructed according to the principles of Visitability.”

Incomes of People with Disabilities

The 2000 US Census shows that people with disabilities are more likely to live in poverty than people without disabilities. In Philadelphia, 27 percent of people with disabilities are living below poverty,

compared with 21 percent of people without disabilities. Nationally, the same pattern exists, although the poverty rates for people with and without disabilities is much lower: 18 percent of people with disabilities are living below the poverty line compared with 11 percent of people without disabilities.

Almost half of all people with a disability are employed. According to the Census, 46.7 percent of people age 16 and over reporting a disability are employed compared with 63.8 percent of people age 16 and over who do not have a disability.

Less than a third of people who report having a disability in Philadelphia receive SSI or General Assistance. SSI is funded by general tax revenues (not Social Security taxes) and provides monthly cash assistance to low-income aged, blind, and disabled people. As of December 2000, 84,346 individuals in Philadelphia received SSI (12,000 of them children under the age of 18) and 23,000 individuals received General Assistance (GA).³³ Some states supplement the minimum federal grant, but Pennsylvania does not. The maximum monthly payment is \$572.40 for an individual and \$860.70 for a couple. This is not enough to cover the fair market rent on an apartment in Philadelphia even if the entire grant is used for housing. An additional 23,000 individuals receive GA, with a maximum grant of \$205 a month. GA is intended for individuals who have a disability but are not eligible or have not started to receive SSI.

The falling value of SSI benefits relative to housing costs is a primary reason that people with disabilities across the country are struggling to find affordable housing. SSI benefits fell below 20 percent of the national median income in 2000 for the first time ever. Between 1998 and 2000, the cost of rental housing increased nearly twice as much as the cost of living adjustment for SSI.³⁴

Measuring the Need for Accessible Housing

It is nearly impossible to quantify the number of people in Philadelphia who need accessible housing. Because of the 2000 US Census, we now know how many people in Philadelphia have physical disabilities and potentially need accessible housing. We also know that people with disabilities are more likely to be poor. But the Census provides no information about the housing people with disabilities have or need.

Philadelphia's housing stock, made up primarily of two- and three-story row houses, contributes to the challenge of finding accessible housing. Even when there is money for modifications, row houses are difficult to adapt because of steep stairways and limited frontage space.

As part of a lawsuit settlement, OHCD agreed to maintain a list of subsidized accessible units. The Pennsylvania Housing Finance Agency (PHFA) also maintains a list of the approximately 2,100 subsidized units in Philadelphia that are accessible (see Map 7).³⁵ But, because of the lack of subsidized accessible housing, most people with disabilities have to find housing in the private market, and there is no information available about the number of private housing units that are accessible.

Many of the available units that are accessible are subsidized through the Low Income Housing Tax Credit (LIHTC) program where rents are meant to be affordable for people with incomes at 50 or 60 percent of the AMI (\$22,150 for a single person, \$31,650 for a household of four in Philadelphia). However, the allowable rent for a one-bedroom apartment under LIHTC is \$593 or more, exceeding the maximum monthly SSI payment in Pennsylvania. In addition, the number of subsidized units available to low-income people with disabilities is decreasing because tens of thousands of

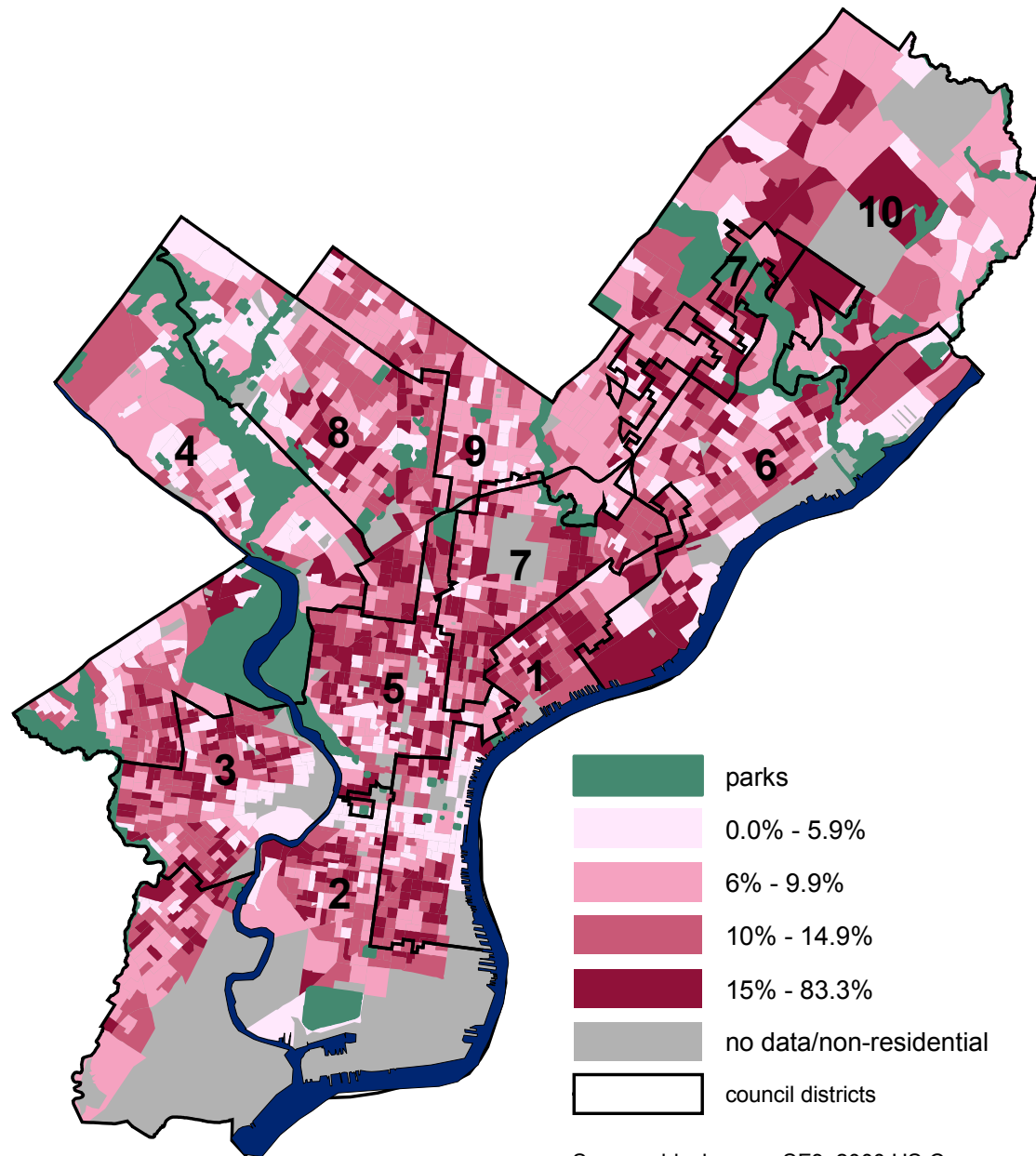
units have been designated as "senior only."³⁶

Despite the lack of comprehensive data, there are numerous indicators that the need for more accessible housing that is affordable is substantial, particularly among low-income households. A survey administered in 2001 by Liberty Resources, a local organization that provides services to people with disabilities, documents some of the problems people with disabilities have finding accessible housing that is affordable.³⁷

Seventy percent of survey respondents indicated that they feel trapped in their own house at least occasionally. Half would like modifications for their housing and only a third reported having fully accessible housing (37 percent somewhat accessible, 25 percent not accessible). In addition to waiting for modifications, many wait to move into accessible units. "I waited for housing five years," reported one survey respondent. "That's ridiculous." More than one in three respondents reported paying over 50 percent of their income on rent. One respondent reported that it took the SSI payments of all three people in the household to cover the rent.

Map 5.

Percent People Ages 5 and Over in Philadelphia with a Physical Disability



People with physical disabilities are spread much more evenly across the city than low-income households, but the neighborhoods of West Kensington, Belmont, Brewerytown, Strawberry Mansion, and Tioga have the highest percentages.

Number and Percent People with Physical Disabilities, by Council District

1	2	3	4	5	6	7	8	9	10
16,780	14,524	14,724	13,670	16,628	15,049	17,620	15,616	12,495	14,144
11.1%	9.7%	9.7%	9.2%	11.0%	9.7%	11.3%	10.5%	8.3%	9.3%

Quality Housing

Low-income households need to be able to afford decent housing—housing that is free of lead and other code violations—in neighborhoods where they feel safe and have access to basic services. Housing quality is a problem for low-income renters, who often cannot afford rents on apartments that are well maintained, as well as for homeowners who cannot afford to maintain their own properties. While it is easy to take aim at slumlords who seek to maximize profits while minimizing their responsibility to provide decent housing, landlords are also frequent victims of the affordability crisis. When tenants cannot afford to pay fair rents, landlords are often unable to make the repairs necessary to maintain housing quality. Such problems can leave code violations unattended and ultimately lead to housing abandonment.

Housing & Neighborhood Quality Standards

The often-cited National Housing Act of 1949 declared that all Americans deserve a “decent home and suitable living environment.” But while the ambitious legislation called for massive slum clearance, new public housing, and additional support for homebuyers, it did not create enforceable standards for housing and neighborhood quality.

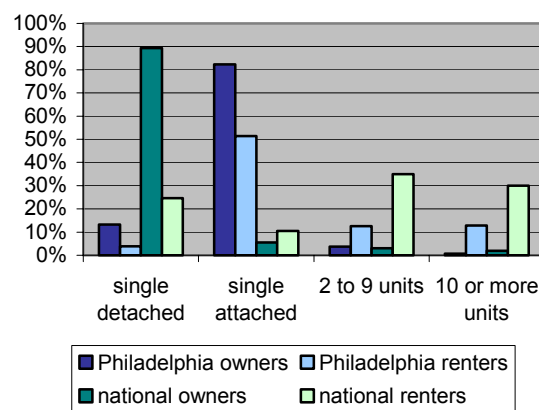
Philadelphia’s housing code establishes the minimum standard for housing quality. It requires that all housing units have working smoke detectors or a fire alarm system, a bathroom that provides privacy and has a window or ventilation system, flush toilet, sink, and shower or bathtub, working cooking equipment and a kitchen sink, central heating system, and electricity and light fixtures in every room. They must also be free of rodents (rats, mice, cockroaches) and lead paint on interior surfaces in units occupied by children.

There are no formal standards for neighborhood quality. But the city’s housing and building codes do provide standards for upkeep of vacant property: all vacant lots are to be kept clear of trash and vacant houses are to be sealed to prevent entry. All houses that pose a danger to nearby properties and people are supposed to be demolished if their owners are unwilling or unable to make them safe. The amount of crime and nuisance violations (noise, trash) are also factors in neighborhood quality, as are access to transportation, food, schools, and other services.

Measuring Need for Quality Housing & Neighborhoods

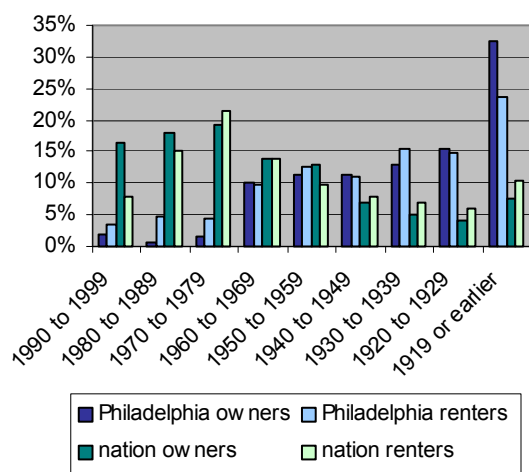
Unlike many other large cities, Philadelphia’s homeowners and renters live in very similar housing stock. Most Philadelphians—80 percent of all homeowners and half of all renters—live in row homes. Only 22 percent of Philadelphia’s renters live in buildings with 10 or more units, compared with 29 percent of renters nationally and 36 percent in central cities (AHS, 1999). The fact that most people in Philadelphia live in single-family homes means that widely dispersed efforts are required to maintain housing quality.

Number of Units in Structure (1999 AHS)



Another major factor in housing maintenance is the age of housing in Philadelphia. Most Americans, including those living in other cities as well as Philadelphia's suburbs, live in housing built after World War II. Philadelphians, on the other hand, typically live in pre-war housing. The median year built for owner-occupied housing units is 1934 and for rental units is 1937. By definition, this means that half of all households live in housing that is more than 65 years old. This compares with national medians of 33 years old for owner-occupied and 36 year old for rental housing units (see Map 6).

Year Built for Housing Units (1999 AHS)



Old housing is much more likely to have lead paint. When the layers of lead paint are encased in non-lead paint, this does not pose a serious risk. However, houses in poorer condition are more likely to have exposed lead paint. In 1999, 40,100 households in Philadelphia reported having broken plaster or peeling paint (AHS), factors that further increase children's exposure to lead. Children are even more likely to be exposed to lead in the soil near their homes, and those who play in empty lots are at greater risk than those who play in playgrounds. The numbers of children testing positive has dropped in recent years because outreach programs are teaching parents how to protect their children. Still, in 2001 about 6,000 of the 41,000 children tested for lead poisoning had unhealthy levels of

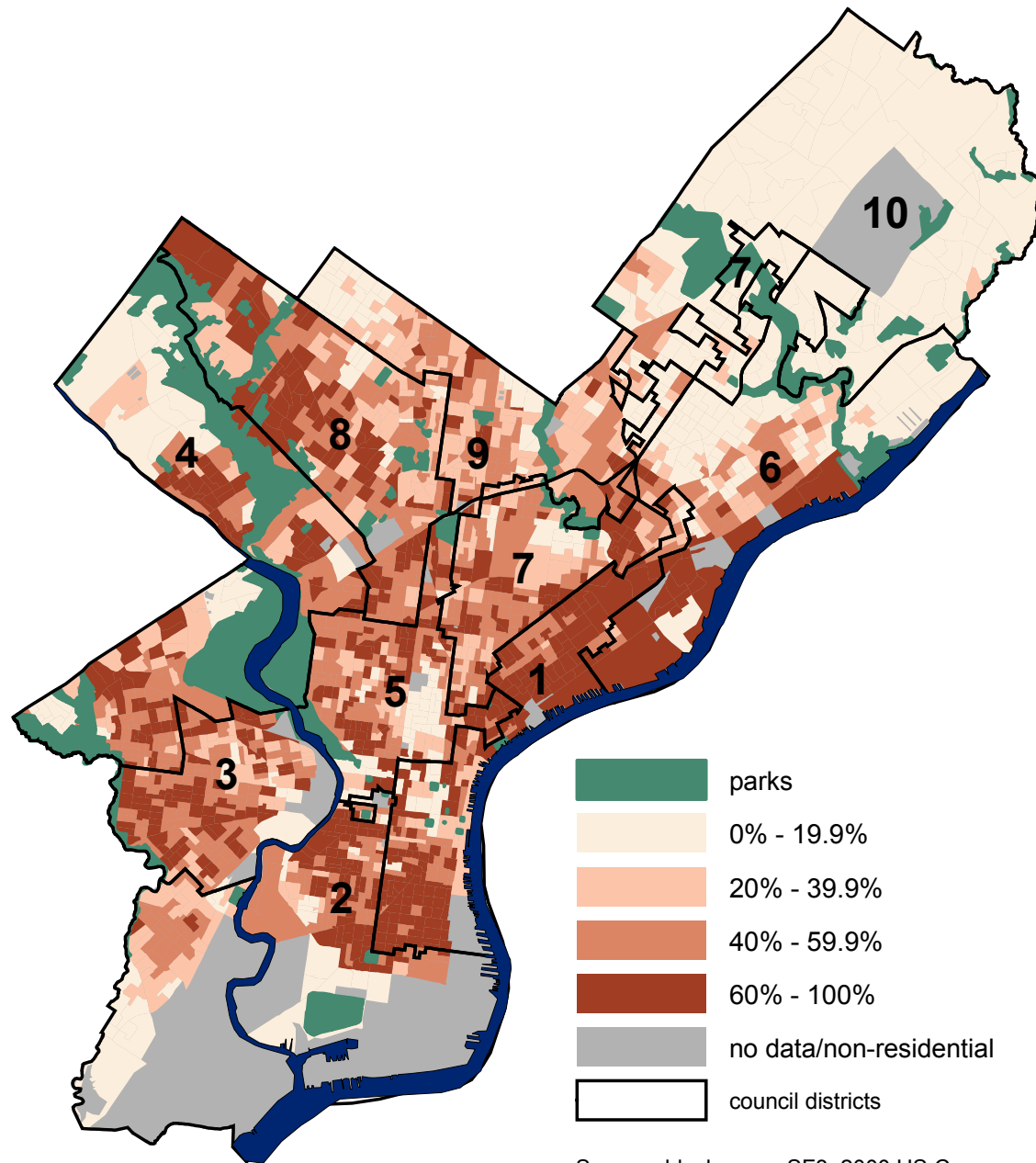
lead in their blood. The Health Department issued between 600 and 800 lead violations against property owners in 2001, and there are at least 1,400 homes awaiting abatement.

The American Housing Survey asks renters and owners whether there are severe or moderate physical problems in their homes. In 1999, 18,600 households in Philadelphia reported having severe problems and 40,100 reported having moderate problems.³⁸ These involve problems with plumbing (no running water, toilet, shower, or tub), heating (uncomfortably cold or unvented gas as primary method), electricity (no electricity, exposed wires), the kitchen (no kitchen equipment), hallway (no light fixture, missing or loose steps or railing), or with upkeep (leaks and cracks). The percent of households in Philadelphia reporting these problems is much greater than the percent nationally.

Rodents are a problem for both owners and renters in Philadelphia. In 1999, 137,700 households in Philadelphia (26.0 percent) reported seeing signs of rodents. Nationally, the rate was just 8.2 percent. In Philadelphia, 11.2 percent of households (65,400 households) reported having cracks inside their homes, compared with 5.5 percent nationally. Philadelphia households reported exterior problems, as well: 21,000 homes with sagging roofs, 28,700 with missing roof material, 19,800 with broken windows, and 16,500 with crumbling or cracked foundations (1999 AHS). Local administrative data provide additional evidence of problems with housing quality. As of April 2002, the Department of Licenses and Inspections reported that there were 64,500 residential properties in Philadelphia with open code violations, an estimated 33,000 of which have off property owners.

When it comes to neighborhood quality, crime is a leading concern, with 28 percent of households reporting that crime is bothersome in their neighborhood. For 17.6 percent of all households (102,400), crime is so bothersome that they would like to move.

Map 6
Percent Housing in Philadelphia Built Before 1940



Source: block group SF3, 2000 US Census

Almost 60 percent of the city's housing stock was built before 1939. The only areas of the city with significant amounts of housing built after World War II are in the Northeast, Eastwick, Packer Park, Roxborough, Andorra, Overbrook, Wynnefield, Cedarbrook, and in redeveloped parts of lower North Philadelphia such as Yorktown and Poplar.

Low-Income Housing Programs

Affordable housing for low-income households nearly always involves a housing subsidy. As this study has documented, the private market simply does not supply decent housing that is affordable to households earning less than \$20,000 a year. A small minority of low-income households find unsubsidized housing that is affordable, either by inheriting a house (which still may include unaffordable maintenance costs), living with friends or relatives, or finding low-rent housing from landlords who own poorly-maintained properties. But they are the exception. Low-income households that live in subsidized housing are also the exception. Only approximately one in three rental households with incomes under \$20,000 live in housing subsidized through Philadelphia's public housing programs or the Low Income Housing Tax Credit (LIHTC) program.

Nearly all the money used to subsidize housing in Philadelphia is federal money from HUD. The largest amount of federal funding is spent on public housing, including Section 8 housing choice vouchers, project-based Section 8, and conventional public housing projects. The City receives several smaller federal grants, including the Community Development Block Grant (CDBG), HOME, Housing Opportunities for People With AIDs (HOPWA), and Federal Emergency Shelter Grant, as well as grants from the Pennsylvania Department of Community and Economic Development (CED). The Office of Housing and Community Development (OHCD) administers all of these grants. The LIHTC program is federally funded but administered by the Pennsylvania Housing Finance Agency (PHFA). Money from the Neighborhood Transformation Initiative (NTI) represents the only significant contribution of the City's own money to the housing budget.

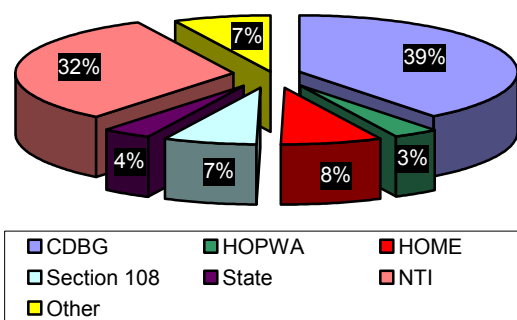
Current funding levels from these major housing grants are inadequate to meet the needs of Philadelphia's low-income households. Even if the entire housing budget were spent on those with the lowest incomes, there would still be a severe shortage of affordable housing for households with incomes under \$20,000. But the City does have discretion over how this limited housing budget is spent.

Funds earmarked for "affordable" housing for "low-income" households are often directed to households that are middle-income (\$31,650-\$50,650) relative to actual incomes in Philadelphia but "low income" according to HUD. Federal money is also frequently directed at creating homeownership opportunities that are not available or appropriate for many low-income households. Although Philadelphia does not currently have enough money to ensure that all low-income households have decent, accessible, and affordable housing, current spending priorities prevent the maximum number of low-income households from being served.

Philadelphia's Housing Programs

OHCD oversees spending of CDBG funds and most of the other federal, state, and city funding for housing and community development. Together, these funds come to \$213 million in the 2003 fiscal year (referred to as Year 28). OHCD reports how these funds will be spent each year in its Consolidated Plan, soliciting public feedback through a preliminary plan and hearings before finalizing the city's housing and economic development budget. OHCD also submits a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD each year,

Sources of City's 2003 Housing Budget



Sources of City's 2003 Housing Budget

Source	Amount
CDBG	\$83,773,000
HOPWA	\$7,125,000
Home	\$16,265,000
Section 108 loans	\$15,000,000
Commonwealth of PA	\$7,609,000
NTI	\$68,141,000
Other	\$15,151,000
Total	\$213,064,000

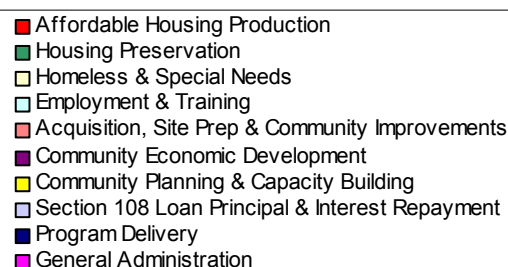
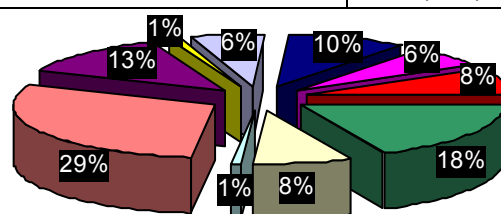
explaining the choice of spending priorities and assessing progress toward stated goals.

The city's housing budget pays for a wide range of activities, including site acquisition, new construction, rehabilitation, economic development, and job training. OHCD oversees all of these programs but contracts with the Redevelopment Authority (RDA), the Philadelphia Housing Development Corporation (PHDC), and dozens of non-profit organizations to administer them.

In 2003, the largest portion of the budget—\$54.6 million or 29 percent—will be spent on site acquisition and demolition for NTI. The next largest portion (18 percent) will be spent on housing preservation. The \$39.6 million reserved for these activities represents an increase of more than \$11 million over the budget in 2002, again because of NTI activities. Only \$17.3 million, or 8 percent of the budget, will be spent on creating new affordable housing.

Breakdown of 2003 Housing Budget

Source	Amount
Aff. Housing Production	\$17,338,000
Housing Preservation	\$39,554,000
Homeless & Sp. Needs	\$16,348,000
Employment & training	\$1,710,000
Acquisition, Site Prep.	\$63,211,000
Community Econ. Dev.	\$26,816,000
Community Planning	\$1,995,000
Section 108 Repayment	\$12,535,000
Program Delivery	\$20,489,000
General Administration	\$13,068,000
Total	\$213,064,000



Breakdown of 2003 Housing Budget

The CDBG, equaling \$83.8 million in 2003, is the largest piece of the housing budget. Congress established the CDBG Program in 1974 to give local communities control over how federal funds for housing and economic development are spent. Philadelphia's CDBG grant has increased gradually over the past four years, but next year's allotment represents a decrease of \$5.15 million from 2002. This is the result of shifting federal spending priorities, not any change in Philadelphia's need relative to other parts of the country.

Federal guidelines require that CDBG funds support programs for low and moderate-income families—as defined by

HUD. Census tracts are eligible for “area-wide” activities when more than 50 percent of residents have incomes below 80 percent of AMI (\$50,650 for a household of four).³⁹ Half of all residential census tracts in Philadelphia meet this standard. Income guidelines for individuals vary for CDBG-funded programs, but 80 percent AMI is the upper limit for most of them. More than half of all households in Philadelphia meet this guideline.⁴⁰

About ten years ago, Philadelphia’s City Council passed Ordinance 1029-AA in response to HUD’s broad income guidelines, indicating a desire that CDBG money be directed to Philadelphia’s lowest income households. “The project or activities funded by the CDBG Program shall give priority to very low, and low income residents given the nature and relative severity of their needs,” the ordinance states.

As mentioned earlier in this report, the ordinance also states that in Philadelphia, “low income” should be defined as a household with no more than 50 percent of the area median family income (\$31,650 for a household of four) and “very low income” should be defined as a household with an income no more than 25 percent of the area median family income (\$15,825 for a household of four). These are much more stringent than HUD’s definitions, which extend the labels “low income” and “very low income” to households with 80 percent (\$50,650 for a household of four) and 50 percent (\$31,650 for a household of four) of the area median family income, respectively.

How much of the city’s housing budget, then, is directed toward the households in Philadelphia with the lowest incomes—those with incomes under \$20,000, below 25-30 percent AMI, or below the poverty line? The answer is that no one knows. It is nearly impossible to determine because of the way program administrators report the income of program recipients. OHCD prepares a 1029-AA quarterly production report for City Council that provides a breakdown of recipients of city housing and economic

development funds by race, income, and council district. But it only reports the number of households served with incomes below 50 percent AMI (\$31,650 for a household of four). This makes it nearly impossible to determine how much of the housing budget is directed to households with incomes below \$20,000 or below 25-30 percent of AMI.

Neighborhood Based Rental Housing.

This program supports the development of new rental housing units and is generally used in conjunction with LIHTC. Under this program, 3,344 units in 73 different developments have been created over the last 10 years.⁴¹ In Year 27, 491 additional units were completed, 66 percent of which are designated for elderly renters and 31 percent of which are designated for special needs renters. An additional 360 units in eight different developments are underway and there are plans but not funding for another 358 units in ten different developments (see Map 8).

This program creates more new units of rental housing than any other CDBG-funded program, but for whom are these units affordable? Because developments that receive this funding rely on tax credits for their completion, the neighborhood based rental program uses LIHTC rent guidelines for tenants. These rent guidelines reflect what households with incomes 40-60 percent of the area median family income can afford—in other words households of four with at least \$25,000. Allowable rents under this program for a one-bedroom apartment range from \$474 to \$711 and, for a two-bedroom, from \$570-\$855. Only the lowest of these rent levels would be affordable to households with incomes close to \$20,000, but not below.

In order to be affordable to these households, either the tenant or the development needs an additional subsidy. In many cases, tenants receive Section 8 vouchers that allow them to pay just 30 percent of their income on housing costs. Developers can also use their developer

fees to subsidize rents, although this happens less frequently.

Neighborhood Based Homeownership Program and Homestart. OHCD subsidizes the construction of new housing for homeowners through these programs. In past ten years, the city has created or renovated 1,263 homeowner units in 104 different developments over the past 10 years. In Year 27, 143 units were completed under the Neighborhood Based Homeownership Program. An additional 82 units at 7 different developments are underway and 568 units at 38 developments are planned but not funded (see Map 9).

Households must earn at least \$8,000 per year to qualify for one of these new homes and, depending on the property, can earn as much as \$48,100 to \$72,120 (for a household of four). While these guidelines do not prevent people with incomes under \$20,000 from being served, most of the recipients of these new housing units have higher incomes. Project managers for the new housing developments explain that poor credit histories and the requirements of the mortgage companies keep most households under \$20,000 from qualifying. In some cases, homeowners with incomes below \$20,000 do qualify because of secure sources of income such as SSI and because developers have strong relationships with individual lenders and are able to help new homeowners obtain mortgages.

Homeownership Rehabilitation Program (HRP). Through this program, the city provides financing for the acquisition and rehabilitation of vacant homes for first-time homeowners. In Year 27, 30 homeownership units were renovated through HRP. An additional 85 units are planned by not funded. The income guidelines for this program are the same as for the Neighborhood Based Homeownership Program.

Settlement Grants. Eligible first-time homeowners can receive up to \$800 for

settlement costs through the Settlement Grant program if they participate in pre-purchase counseling. In Year 27, 491 households received settlement grants. An estimated 25 percent of the grant recipients have incomes under \$20,000. The total number of recipients has decreased significantly and the incomes of recipients have increased since HUD started requiring that properties be inspected and be lead-free in order to be eligible, regardless of whether there are children living in the property. The \$800-\$1,000 settlement grant is rarely sufficient to pay for lead removal, so households that might otherwise be eligible cannot receive settlement grants. Before HUD instituted its inspection and lead-free policy, between 1,500 and 2,000 homeowners received Settlement Grants each year.

Basic System Repair Program (BSRP). BSRP provides grants to homeowners living in single-family homes for repairs to electrical, plumbing, and heating systems or roof replacement. Households must have incomes no higher than 150 percent of the federal poverty line (\$26,940 for a household of four) in order to be eligible. In Year 27, the program served 3,056 households. The waiting period for work to begin depends in part on the nature of the work: heating and roof repairs are made much more quickly than plumbing (other than sewage problems), general maintenance, and electrical work. The average cost of repairs is \$6,000, although a small number of households receive repairs costing up to \$25,000. The backlog has increased in recent years and current funding levels do not meet the demand for the program.

Housing Counseling. Housing counseling programs serve more households than any of the other OHCD-administered housing programs. In Year 27, 30 different agencies provided various types of housing counseling to 14,988 households. Most of the agencies provide counseling services to homeowners or prospective homeowners, although the Tenants' Action Group (TAG) has the largest housing

counseling contract and serves renters, exclusively.

In Year 27, 5,287 households received pre-purchase counseling, 519 predatory lending counseling, 1,293 default counseling, 8,597 budget counseling, and 5,953 tenant counseling. Most households that receive mortgage default or pre-purchase counseling also receive budget counseling. Households learning less than 80 percent of the area median family income (\$50,560) are eligible for housing counseling, but most households earn less than that. In Year 27, 70 percent had incomes less than 50 percent of the area median (\$31,650 for a household of four).

Adaptive Modifications. The Adaptive Modification Program pays for changes to the homes of renters and homeowners with physical disabilities in order to make their homes barrier free. In recent years, the program has served about 120 households a year. Households can earn up to 50 percent of AMI (\$31,650 for a household of four) (see Map 7). Even with \$300,000 from Pennsylvania's DCED through the Access Home Modification Program and \$2 million of CDBG funding, the need for adaptive modifications greatly exceeds current funding. There are approximately 800 people on the waiting list, requiring a wait of five or six years. A *Philadelphia Inquirer Sunday Magazine* cover story from January 2002 documented the struggles of a 12-year old girl in a wheel chair and her family to obtain state funds to adapt their home.⁴² They live outside Philadelphia, but their challenges to find money to pay for modifications are similar to those of households with accessibility problems in the city.

An adaptive modification grant rarely covers the cost of all changes needed to make a housing unit fully accessible, often leaving recipients with the choice of adapting their entry way or bedroom. In cases where modifications cost more than \$5,000, the adaptive modification grant must also cover the cost of lead containment, regardless of whether there are

children living in the home. This reduces the amount of money available for the adaptive modifications and has reduced the number of people served each year from about 120 to fewer than 100. Properties in need of basic system repairs are not eligible for the Adaptive Modification Program until those repairs have been made.

Section 108 Loans. The City is allowed to borrow from HUD up to five times the amount of its annual CDBG grant in the form of Section 108 loans. In past years, the City has used some of this (\$108 million since 1994) to subsidize a range of housing projects and programs.⁴³ These funds have been used to support development, renovation, or repair of 3,330 housing units through the housing programs described above. (see Appendix D for list of Section 108 loan recipients and amounts). Repayment for these housing loans comes out of future CDBG grants. In 2003, \$12.5 million of the City's \$84 million CDBG grant will go to repaying money borrowed in previous years. No additional Section 108 loans have been requested for housing projects.

The City has also received Section 108 loans for economic development. Under the auspices of the Philadelphia Industrial Development Corporation (PIDC), these loans have been used to support a wide range of development initiatives. Since 1998, \$215 million has been borrowed in Section 108 economic development loans. The 2003 budget includes \$15 million in new economic development loans (see Appendix D for list of Section 108 loan recipients and amounts).

The justification for using money targeted for low-income people for these development projects has been that they create new jobs. These loans are repaid by the developer, not from future CDBG funds like the housing loans. The Consolidated Plan explains that the money will be used "to expand the capacity for commercial and industrial lending and to

Summary of Programs Funded through City Housing Budget

Housing Program	Year 28 budget	Household Income Max*	Number of Households Served in Year 27
Neighborhood-based Rental	\$4,939,000	\$50,650	491
Neighborhood-based Homeownership	\$1,499,000	\$50,650	143
Homestart	\$1,400,000	\$50,650	not included in 1029AA report
Homeownership Repair Program (HRP)	\$4,000,000	\$50,650	38
Settlement Grants	\$550,000	\$50,650	491
Housing Counseling	\$4,005,000	\$50,650	14,988
Basic System Repair Program (BSRP)	\$9,300,000	\$27,150	3,056
Adaptive Modifications	\$2,300,000	\$31,650	120

*for a household of four

assist potential downtown development. The goals of these loans will be to create or retain permanent jobs for residents of Philadelphia, especially those with low and moderate incomes, to stimulate private investment to expand retail goods and services in the neighborhoods, to eliminate blight and to generate tax rates for the City.”

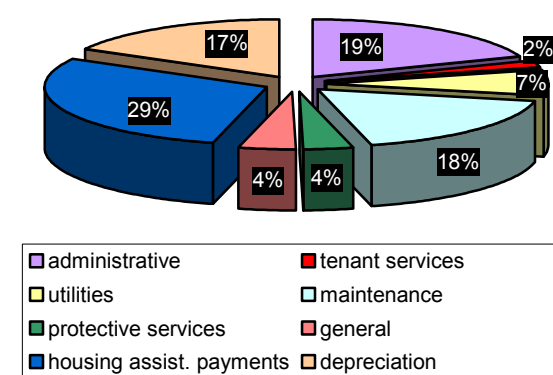
City regulations require that the Commerce Department maintain records on the numbers and income of people employed through these projects. But HUD regulations prohibit limiting job opportunities to Philadelphia residents, so those employed are not necessarily from Philadelphia. Also, even though City Ordinance 1029-AA states that “Emphasis shall be given to spend Economic Development funds in very low, low and moderate income areas,” recipients of Section 108 economic loans are under no obligation to spend the money in low or moderate income neighborhoods.

Public Housing

The Philadelphia Housing Authority (PHA) owns and manages the largest stock of housing affordable to low-income households. In recent years federal housing policy has called for the development of mixed-income developments, but PHA has traditionally served only low-income households. PHA has

an annual budget of \$295 million, nearly all of which is provided by HUD. This does not include the budget for the project-based Section 8 program, which is administered directly by HUD rather than PHA. PHA is governed by a five-member board that reviews spending and operations and is also accountable to HUD.

Breakdown of PHA Budget (from PHA)



Category	Amount
Administrative	\$56,602,421
Tenant services	\$6,051,395
Utilities	\$21,046,580
Maintenance	\$52,178,324
Protective services	\$11,066,052
General	\$11,846,370
Housing assist. payments	\$86,212,443
Depreciation	\$50,125,407
Total	\$295,128,992

PHA Conventional Developments and Scattered Sites. PHA owns and manages 44 conventional housing developments across the city that includes high-rise and low-rise structures. There are ten senior-only developments (946 units), seven mixed senior and family projects (4,133 units), and 27 family projects (8,116 units).⁴⁴ PHA also owns about 6,000 scattered site properties, mostly row houses. As of October 2002, PHA was housing a total of 11,983 households in its developments and scattered sites. Nearly all of them are low-income; only 11 percent have incomes above \$20,000 a year.

PHA has the largest scattered site inventory in the country. The city acquired the majority of these under Mayor James Tate in the 1960s. Tate secured a federal grant for PHA to purchase 5,000 abandoned properties that private developers were encouraged to purchase, renovate, and sell to PHA.⁴⁵ These row houses are intended to blend into the community more than large-scale projects. In effect, they are anything but scattered, with significant concentrations located in North and West Philadelphia (see Map 10). HUD has authorized PHA to sell a small number of its scattered sites for below-market prices to tenants who earn a minimum of \$10,000 a year. Since 1984, PHA has sold 100 of its houses.

The number of households living in developments and scattered sites has dropped 12 percent over the past four years, decreasing from 13,549 in 1998 to 11,978, largely because of the HOPE VI program (see below). This decrease has been off-set by an increase in Section 8 housing choice vouchers. There are 17,000 households on the waiting list for development or scattered site housing. According to PHA, the wait period from application to move in ranges from six months to four years. Senior citizens have the shortest waiting period while households needing two or more bedrooms have the longest wait.

HOPE VI. HOPE VI is a fairly recent HUD initiative designed to improve public

housing by creating lower density developments with mixed income residents. PHA has received \$100 million in HOPE VI revitalization grants from HUD: \$50 million for the Richard Allen Homes, \$26 million for Schuylkill Falls, \$25 million for Martin Luther King Plaza, and \$35 million for Mill Creek. PHA has also used tax credits through the LIHTC program to fund the renovations. High-rise buildings have been demolished at all of these sites. Other activities have included modifications to existing low-rise housing, new construction of low-rises, and new landscaping.

HUD lifted its one-for-one replacement rule that previously governed renovations to public housing projects and insured that the net number of units did not decrease. However, PHA reports that replacing high-rises with townhouses generally leads to a 50 percent reduction in the number of units available.⁴⁶ PHA reports that as of September 2002 it had relocated 820 households as a result of HOPE VI activities, the largest number from the Martin Luther King development. HOPE VI is having the same effect on public housing stock around the country, leading a group of housing advocacy organizations to conclude in its recent report, "False HOPE," that the HOPE VI program "worsens acute affordable housing needs."⁴⁷

Residents who have been required to move out of projects have received new Section 8 vouchers. Preliminary findings from a research study about the effect of relocation on residents from MLK indicate that leaving behind friends and community has been difficult for some former residents, but they have used their Section 8 vouchers to move to areas that are more racially mixed and have less poverty and housing vacancy.⁴⁸ While PHA states that relocated residents will have the opportunity to move back to the developments when they are completed, income guidelines aimed at making the projects mixed income will likely prevent some from returning.

Section 8 Housing Choice Vouchers. HUD spends \$8 billion a year to provide 1.6 million households nation-wide with Section 8 vouchers, making it the largest rental housing subsidy program in the US. Households with Section 8 vouchers find rental housing in the private market that meets HUD's Housing Quality Standards and rent guidelines. Tenants then pay 30 percent of their income toward the rent and HUD covers the rest if the rent is no more than 90-110 percent of the fair market rent for the area. To be eligible, a household's income cannot exceed 50 percent of AMI (\$31,650 for a household of four), and each public housing authority must provide at least 75 percent of its vouchers to households with incomes no more than 30 percent of the AMI (\$19,000 for a household of four).

As of 2000, 14,114 households in Philadelphia were receiving Section 8 vouchers. This is up 27 percent from 11,105 households in 1995. There are 10,000 households on the Section 8 waiting list.⁴⁹ The voucher program is intended to provide more geographically dispersed options within the private housing market for low-income tenants than conventional project-based public housing. All evidence indicates that Section 8 voucher households are much more spread out than those living in conventional public housing units.⁵⁰

The chief problems with the Section 8 program are the lack of landlords willing to participate and community resistance. Nationally, three out of ten Section 8 voucher holders are not able to find an apartment to rent. This turn-back rate largely represents the strength of local rental housing markets. "Loose" markets that cannot demand high rents are likely to provide more Section 8 units while landlords in "tight" markets will often refuse to accept Section 8 vouchers because they can command more than HUD's fair market rent in the private market. HUD reports that metropolitan areas with outreach programs aimed at increasing landlord participation in the Section 8 program also have lower turn-back rates.⁵¹

In addition to market considerations, pressure from neighbors also influence landlords' decisions to participate in the Section 8 program. In neighborhoods across the city, there has also been long-standing community resistance to the Section 8 program, driven by fears about the negative impacts of Section 8 housing to property values as well as racial discrimination. This is despite the fact that a number of recent research studies have found that Section 8 has little or no effect on nearby housing values, provided they are not too clustered together.⁵²

While community organizations and low-income families report difficulties in finding landlords in Philadelphia who are willing to rent under Section 8, PHA reports that only 16.8 percent of households with a voucher were unable to find Section 8 housing between April 2001 and September 2002. This is much lower than the national turn-back rate of 30 percent. PHA reports that it hosts monthly housing fairs to match up landlords and Section 8 voucher holders, has a hotline to assist new landlords and a media specialist assigned to promote and improve the program, and works with the Homeowners Association of Philadelphia County (HAPCO), an association of landlords. Still, having a Section 8 voucher is no guarantee that a household will be able to find housing.

Starting in April 2003, PHA will limit Section 8 assistance to seven years. While Congress has been considering legislation that would impose lifetime limits on Section 8 for the entire country, PHA director Carl Greene acted without a federal mandate, following the lead of the Delaware State Housing Authority.⁵³

Accessible PHA Units. As a result of a lawsuit, PHA was mandated to increase the number of units accessible to people with physical disabilities. In September 2002, PHA reported having 1,928 units in developments and scattered sites that are accessible to residents with disabilities. However, only 1,324 of these units are occupied, and only 334 of the 504-designated units are wheel chair accessi-

ble. PHA does not maintain information about the number of accessible apartments within the Section 8 program.

Project-based Section 8. Unlike the Section 8 voucher program, in which the housing subsidy follows the tenant, it is the landlord who holds the Section 8 certificate through the several programs that fund project-based Section 8. Most tenants in the multifamily buildings that receive Section 8 assistance are seniors and people with disabilities. According to HUD, Philadelphia has 129 project-based Section 8 properties with 11,780 units.⁵⁴ These properties are much more dispersed across the city than PHA developments, with numerous properties located in Oak Lane, Germantown, Mount Airy, and the far Northeast (see Map 11).

Section 8 project-based programs started in 1970s. Originally, they only included existing properties, but starting in the 1980s, the program was used to finance rehabilitation and new construction.⁵⁵ Property owners who participate in the Section 8 program are under contract and can decide whether or not to renew their contract upon expiration. Around the country, thousands of project-based Section 8 units are in jeopardy because property owners are opting out of the program, believing that they can do better in the private housing market. So far, two property owners in Philadelphia have chosen not to renew their contracts. In the next five years, 93 contracts will be up for renewal, representing 9,500 units. While the housing market in many of Philadelphia's neighborhoods, particularly those where Section 8 projects are located, has not improved to the point where owners would do better in the private market, there is a threat that some of these subsidized units will be lost.

Additional threats to Section 8 projects include foreclosures as well as the Mark to Market program, which aims to have landlords decrease rents that are above HUD-determined fair market rents for the area in exchange for mortgage refinancing. Staff at the Multifamily Housing division in Philadelphia's HUD office

are among the only ones monitoring this potentially vulnerable housing stock because they are responsible for renewing the Section 8 contracts and working with owners who give notice that they no longer wish to participate. The Philadelphia Regional Alliance of HUD Tenants is trying to draw attention to these issues.

Other Housing Programs

Low Income Housing Tax Credit (LIHTC). This program provides incentives for private developers to build new multifamily properties by offering tax credits in exchange for a commitment to reserve a certain number of units for low-income households. Philadelphia has 270 buildings with 6,300 units that were built using the tax credits.⁵⁶ LIHTC buildings are much more dispersed across the city than PHA developments, providing opportunities for households to live in areas other than those with the highest poverty rates and poorest quality housing (see Map 11).

Rents on subsidized units in LIHTC properties are intended to be affordable to households earning 60 percent of AMI (\$37,980 for a household of four) or less. Community organizations whose mission is to serve low-income households can choose to target their housing to much poorer households, and developers who commit to serving even lower-income households can receive additional points in PHFA's allocation process. But while LIHTC money will subsidize development, it does not subsidize operating costs. A rental subsidy, such as a Section 8 housing voucher, is often needed to make rents affordable. Otherwise, developers need to depend upon an internal reserve to subsidize rents. As a result of these different arrangements, the rents paid by tenants in LIHTC units vary widely across and even within buildings.

PHFA initiated a \$1.5 million pilot program in 2001 intended to provide additional subsidies on LIHTC units for people with disabilities. While this has the potential to make LIHTC units afford-

able, the existing accessible units in LIHTC properties are generally occupied (not always by people with disabilities). Building managers have had no incentive to displace current residents in order to take advantage of this new subsidy.

The financing involved in LIHTC projects is fairly complicated, in part because of the different types of tax credits available and in part because developments that receive LIHTC will always need additional sources of funding to make them viable. A developer is free to apply for tax credits directly to PHFA. But federal funds like CDBG that OHCD has authority over are generally used as a secondary source of financing, so rental housing projects supported by OHCD are in the best position to receive tax credits.

PHFA changed its allocation guidelines in recent years so that suburban counties can receive a greater share of the Philadelphia region's LIHTC money, but Philadelphia still receives the majority of the region's LIHTC funds and can receive more than its designated share if the suburban counties do not submit enough applications. Philadelphia's share of the state's LIHTC money has gone up and down over the past eight years, a function of the number of applications the city submits in addition to the amount of funding available, which has increased steadily. Philadelphia received just \$3.5 million in 2001, 19.3 percent of the state's LIHTC funds, compared with \$7.5 million in 1995, 35 percent of the state's total.

Low Income Housing Emergency Assistance Program (LIHEAP) and CRISIS. These are federally funded emergency utility assistance programs for low-income households. They provide grants to low-income households to cover overdue utility bills and future utility costs as well as to prevent service disconnection. In 2001-2002, 73,000 households received LIHEAP assistance and 10,000 received CRISIS grants in Philadelphia. The numbers were higher the previous year—79,000 LIHEAP recipients and 52,000 CRISIS recipients—because it was a much

colder winter. Households can receive both kinds of grants.

Eligibility for LIHEAP and CRISIS is limited to households earning no more than 135 percent of the poverty line (\$23,828 for a household of four). Program administrators report that recipients generally have much lower incomes than the maximum allowed. While these programs do successfully target low-income households, utility companies are the major beneficiaries and urge their low-income customers to apply. PGW and PECO received the majority of the \$17.5 million from LIHEAP and \$1.8 million from CRISIS this year.

Nominally, the programs are intended to address emergency—rather than recurring—situations. But because households can receive LIHEAP and CRISIS grants every year, many low-income households have come to count on receiving these grants to pay large utility bills. Unlike most other federal programs that provide housing assistance for low-income households, LIHEAP has had strong bi-partisan support, so funding levels have increased while funding for other need-based programs has decreased.

TANF Housing Funds. When the federal government created TANF in 1996, it granted states the right to develop and implement their own programs and gave them broad discretion over spending what has resulted in surpluses in TANF funding as the welfare rolls have dropped.⁵⁷ Recent research indicates that households have a higher likelihood of staying off welfare rolls when TANF funds have been used to provide housing vouchers.⁵⁸

Federal rules governing how states spend their TANF funds have limited the ability of states to meet the housing needs of current and former TANF recipients. Specifically, they require that housing subsidies be considered “assistance” when provided for more than four months and count toward the five-year lifetime limit for TANF assistance even if

households are not receiving more traditional forms of cash assistance.⁵⁹

The federal government denied Pennsylvania's request for a waiver from this rule. In response, Pennsylvania announced in November 2002 that it would make \$22 million in TANF funds available for no-interest home mortgage loans, pre-development costs for cooperative housing, expansion of social services available through the Family Resource Center program, and housing rehabilitation. While former TANF households and other very low-income households might qualify for these programs, none of them provides the direct rental subsidies shown in other states to provide the most help.

Comparing the Response to the Need

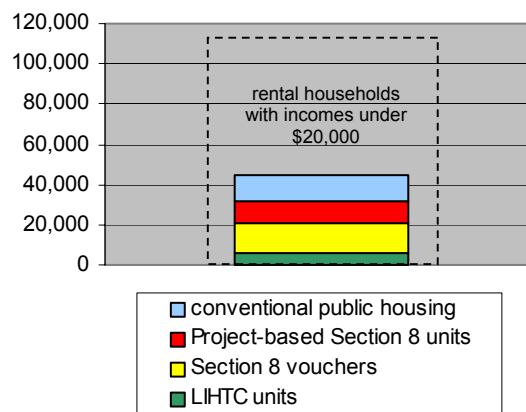
Comparing the need, as documented in the first section of this report, with the response, as discussed in this section, shows that there are tens of thousands of low-income households in Philadelphia who are not receiving any housing assistance or adequate assistance.

There are approximately 38,000 units of public housing, including units in conventional developments and scattered sites and those making up the Section 8 voucher and project-based programs. Many of the 6,300 units in LIHTC-financed units are also subsidized through the Section 8 voucher program, but even if there was no overlap, there would still be just 44,000 subsidized rental units. Most of these are probably occupied by households earning less than \$20,000, but not all of them.

At best, about one in three of Philadelphia's 114,000 rental households with incomes under \$20,000 a year receives some type of housing subsidy. Clearly, the limited number of new rental units housing developed through the city's current housing budget does little to address this substantial need. Similarly, the thousand or so subsidized homeownership opportunities provide little help to the

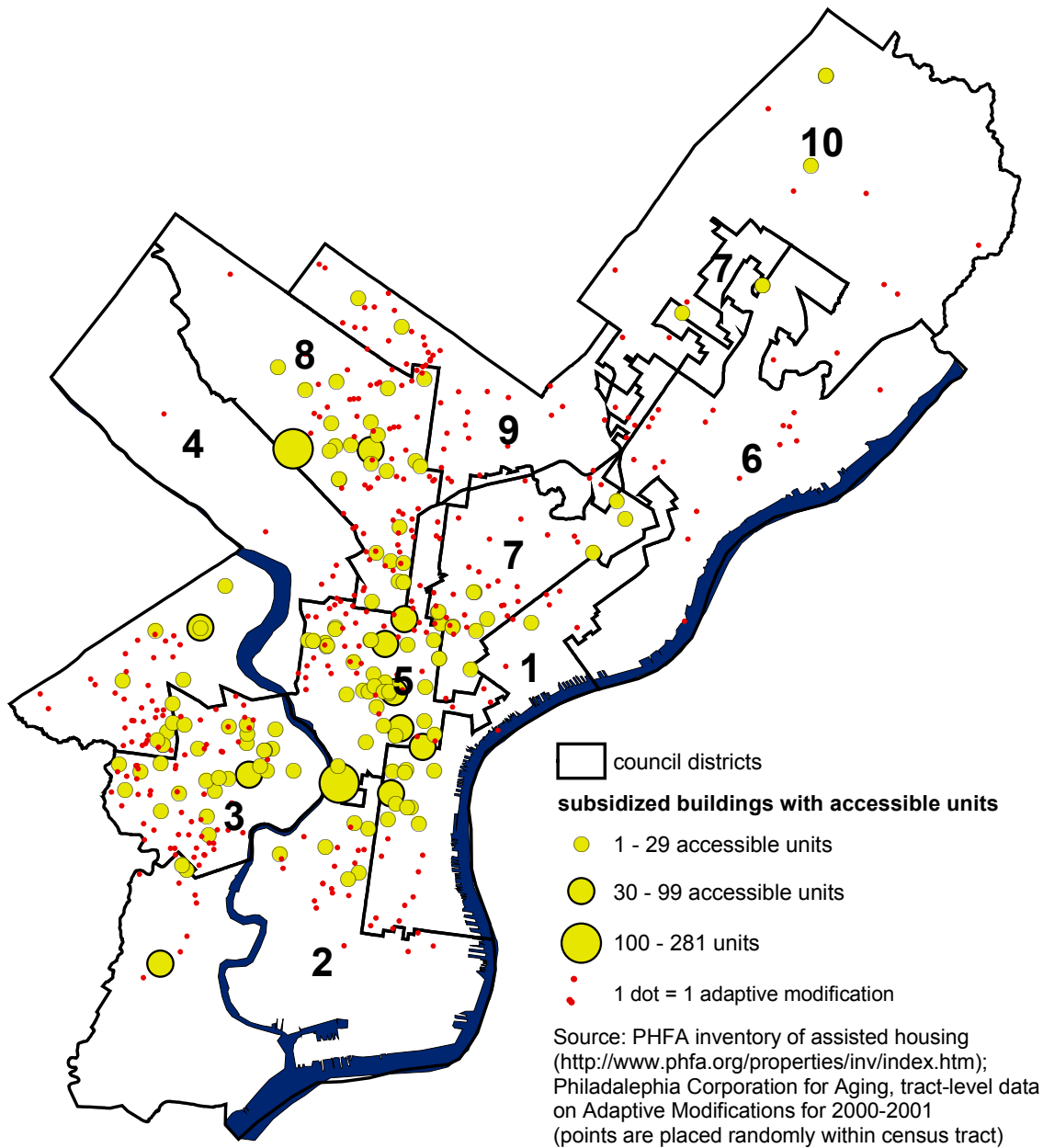
84,000 homeowner households earning less than \$20,000. Even if all the programs under the city's control targeted very low-income households, the vast majority of needy households would still not receive any assistance due to the limited amount of funds available for these activities.

Subsidized Housing Units in Philadelphia (PHA, HUD, PHFA)



Note: While the graph includes all 6,300 LIHTC units in the stack, some of these units are already included in the Section 8 voucher count.

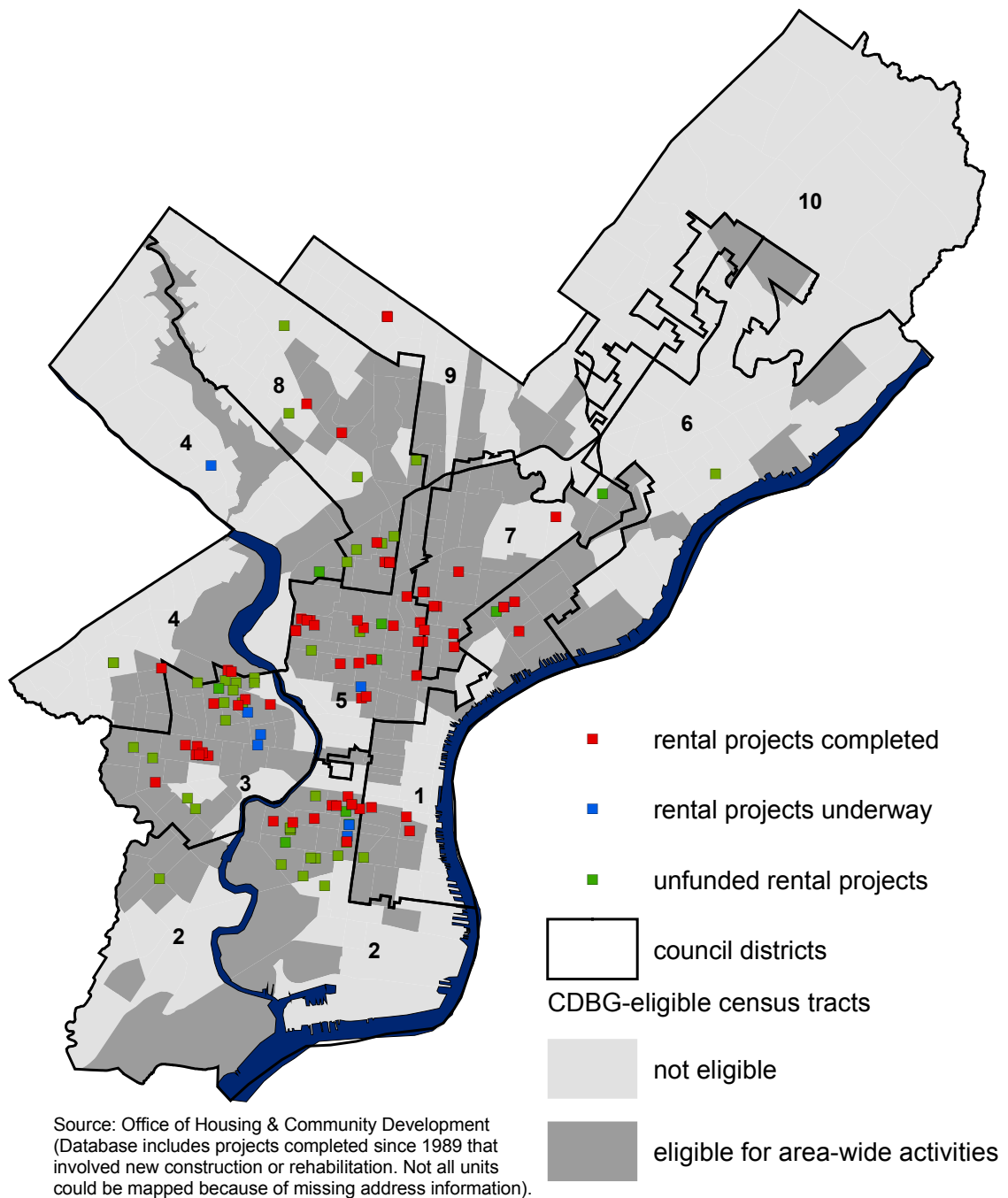
Map 7.
Subsidized Accessible Units and Adaptive Modifications



Number of Subsidized Accessible Units, by Council District
(does not include PHA units)

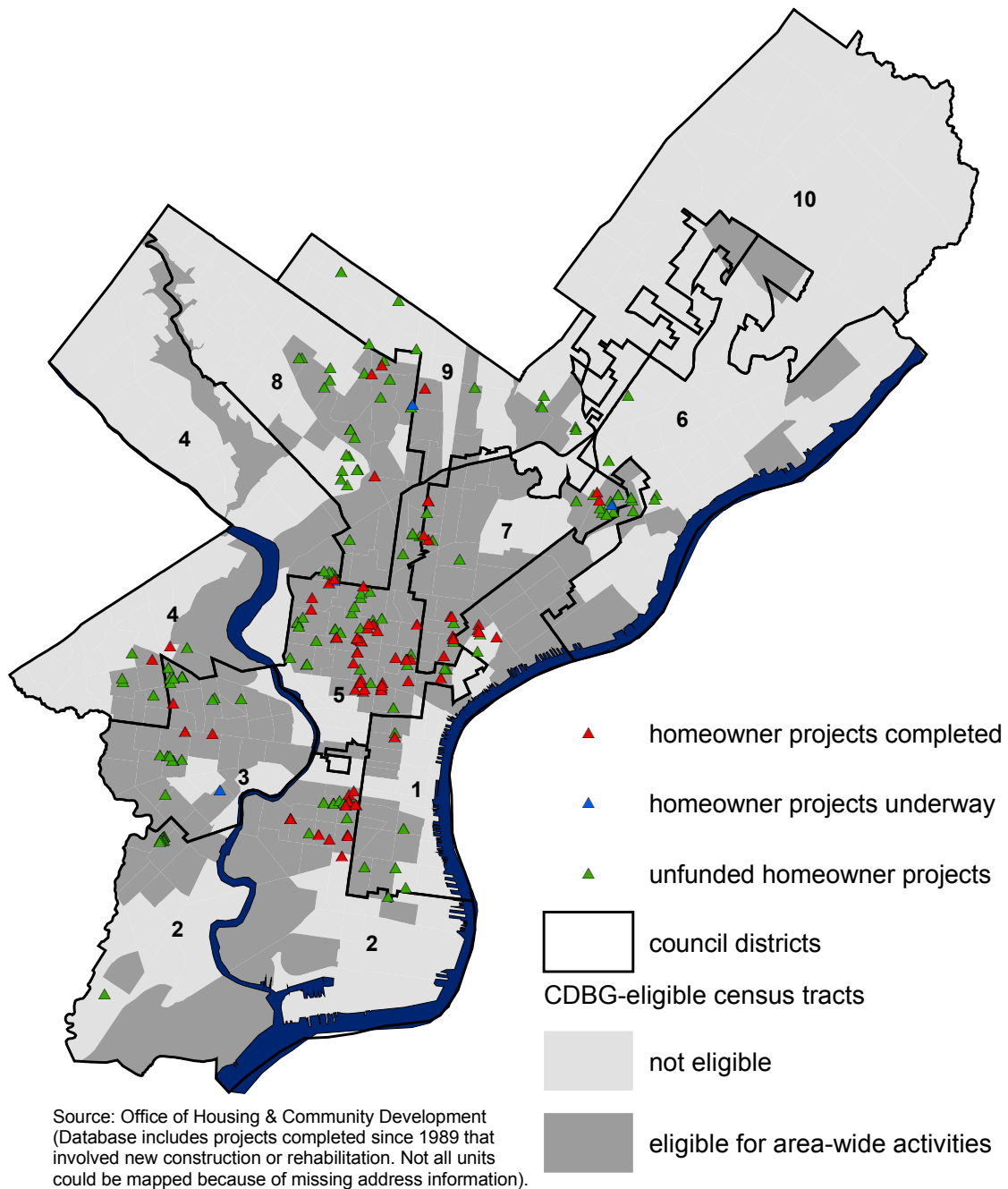
1	2	3	4	5	6	7	8	9	10
57	145	170	147	840	0	91	517	5	143

Map 8.
Rental Units Funded with Philadelphia's CDBG & HOME Funds

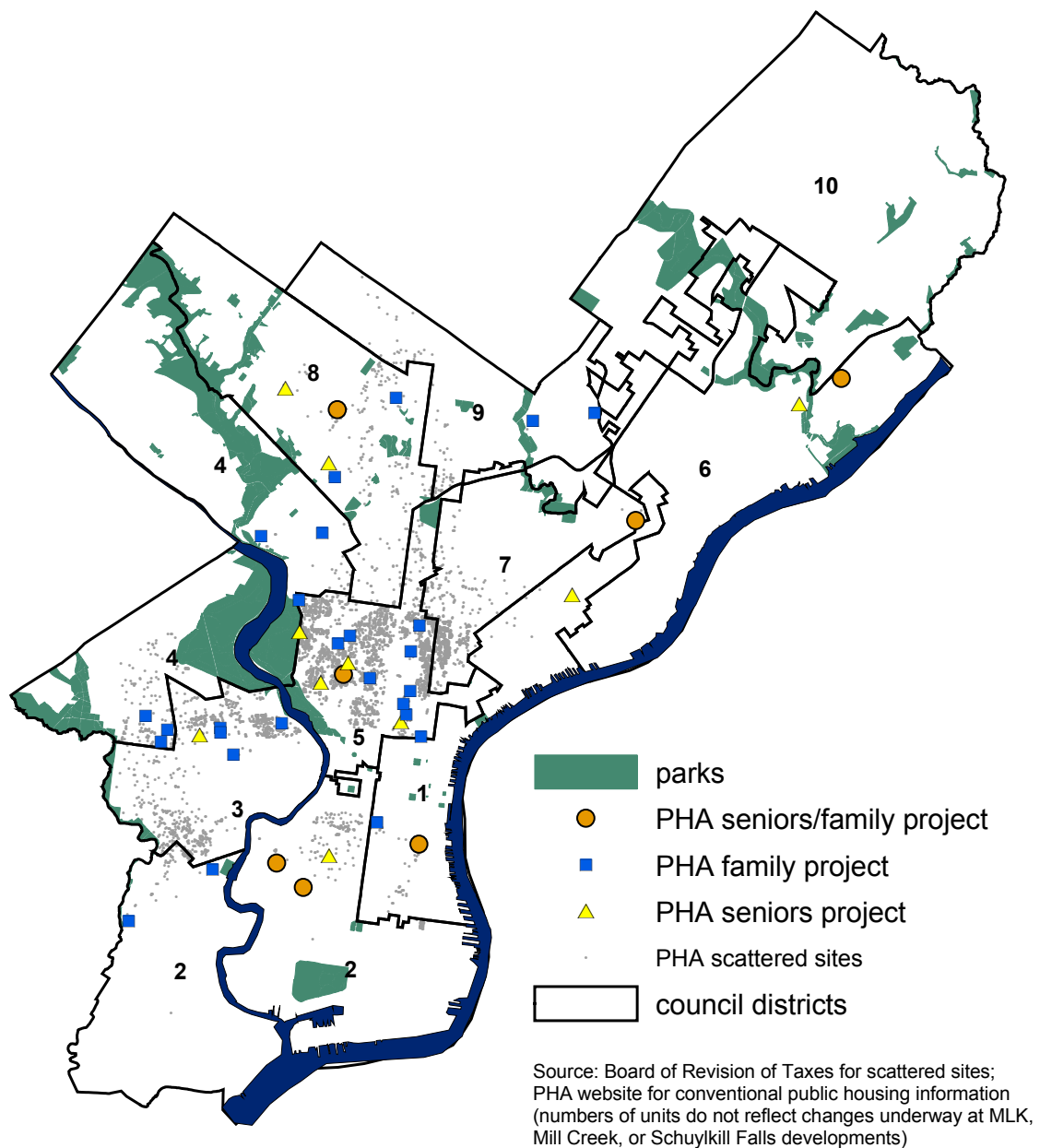


Map 9.

Homeowner Units Funded with Philadelphia's CDBG & HOME Funds



Map 10.
PHA-owned Properties in Philadelphia



Number of Conventional Public Housing Units, by Council District

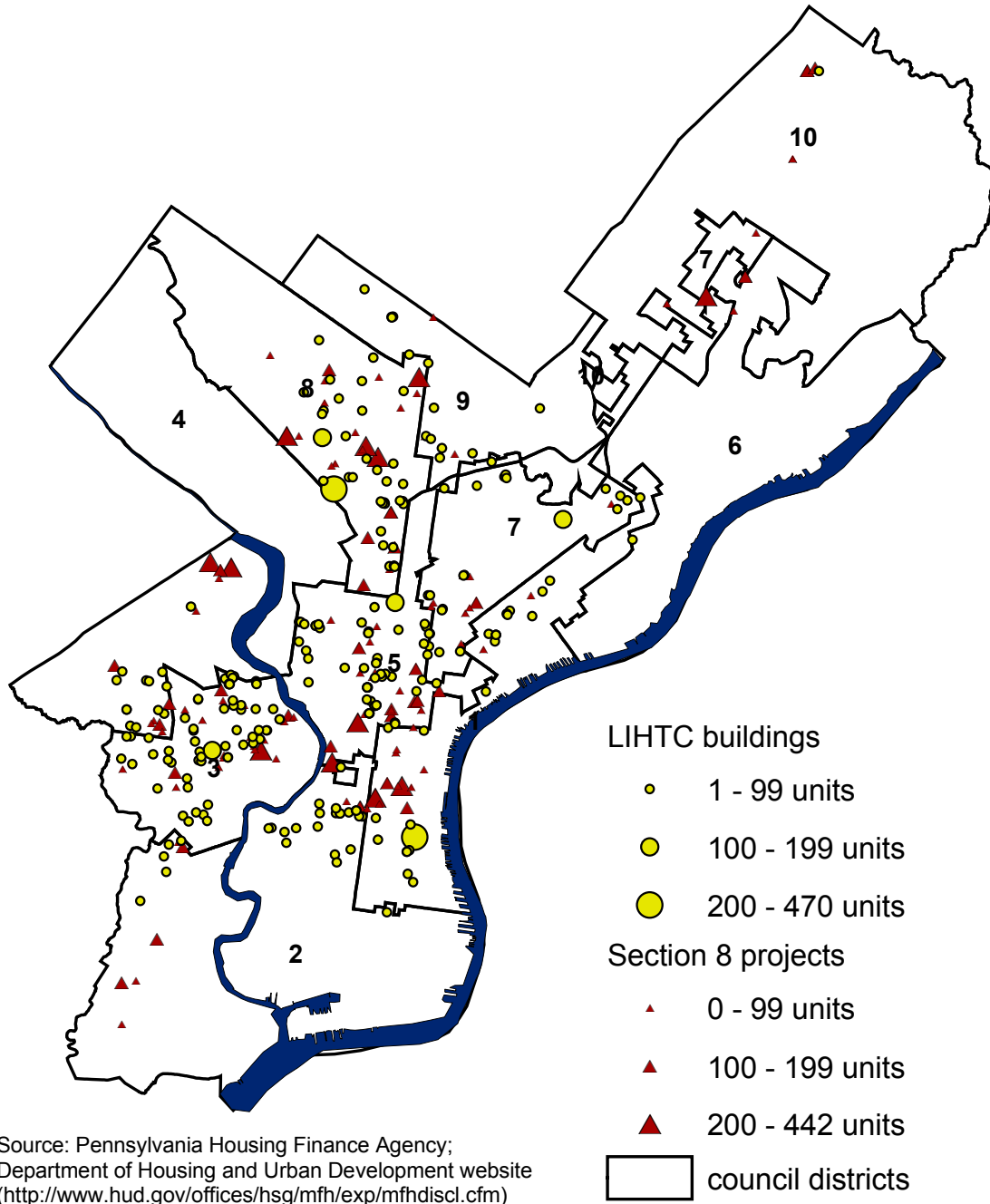
1	2	3	4	5	6	7	8	9	10
1,483	3,569	1,057	1,261	4,590	547	256	886	540	0

Number of Scattered Site Public Housing Units, by Council District

1	2	3	4	5	6	7	8	9	10
56	274	908	178	2,701	2	696	215	70	0

Map 11.

LIHTC and Project-based Section 8 Subsidized Rental Units



LIHTC Units, by Council District

1	2	3	4	5	6	7	8	9	10
675	555	1,417	200	1,384	1	601	931	122	63

Units in Section 8 Projects, by Council District

1	2	3	4	5	6	7	8	9	10
902	224	1,188	883	1,597	336	284	1,434	109	396

Outlook & Recommendations

Recommendations

There is no silver bullet for solving the housing affordability crisis for low-income households. A combination of income supports, housing subsidies, and new construction offers the most promising approach to closing the gap. A larger share of the existing city, state, and federal money dedicated to housing must be directed at the lowest income households, and existing housing units must be protected. But it is also important to find new resources for affordable housing. The answer does not lie with one level of government; more resources are needed from federal, state, and local levels.

Local Level

More of Philadelphia's \$200 million annual housing budget—federal grants and NTI bond money—should be spent on households with the lowest incomes. Specifically, Philadelphia should do the following:

- OHCD should increase spending for the Neighborhood Based Rental Housing Program.
- OHCD should increase spending for the Basic Repair Program (BSRP) and Adaptive Modification Programs.
- The Mayor, City Council, and OHCD should honor the spirit of Ordinance 1029-AA by ensuring that Philadelphia's low-income households are the primary beneficiaries of CDBG funds. This should include more detailed reporting about the incomes of recipients of CDBG-funded programs in the quarterly 1029-AA production report.
- The Mayor's new Secretary of Housing and Neighborhood Preservation

should ensure that a substantial portion of the 3,500 new units of affordable housing to be created through NTI are affordable to households earning less than \$20,000.

- The City's Secretary of Housing and Neighborhood Preservation should also monitor the entire stock of subsidized housing, including units funded through PHA, CDBG, LIHTC, and Project-based Section 8. This office should facilitate communication among PHA, HUD, PHFA, and housing advocates to protect these resources and act as an advocate for Philadelphia in Harrisburg and Washington DC.
- Philadelphia needs to make the Section 8 Housing Choice Voucher program work because it is the most cost-efficient form of housing subsidy. Elected officials should help to improve the program to help stem community opposition. PHA must work to increase public confidence in its ability to monitor tenants and landlords in the Section 8 program. Researchers should work to determine why landlords choose to participate or not participate in the program. And residents must be willing to accept low-income neighbors into their communities.
- Philadelphia should actively promote enrollment in the EITC program for households eligible but not receiving this benefit.

State Level

Pennsylvania is in a position to make existing federal programs—including LIHTC, TANF, and SSI—work better and help more low-income households. Spe-

cifically, Pennsylvania should do the following:

- The Department of Public Welfare should create housing allowances for SSI and TANF recipients and former recipients who are working. The money for the TANF housing allowances should come out of the state's TANF housing funds and state Maintenance of Effort (MOE) funds. Federal TANF money would be used for current recipients, since they are already using up time toward their five-year lifetime limit, and state MOE money should be used to help those who have left the TANF program, since they should not have their five-year clock continue to run.
- PHFA should expand its deep subsidy program for people with disabilities to make fair market rents and rents in LIHTC buildings affordable.
- The Pennsylvania Legislature should increase the minimum wage by at least \$1.50.

Federal Level

Because housing affordability is a problem for low-income households across the nation, and because the scope of the problem exceeds the resources of local communities and states, the federal government must make the largest contribution to affordable housing. In order to meet its responsibilities outlined in the 1949 Housing Act to provide a "decent home and suitable living environment for every American family," the Federal government should do the following:

- Congress should increase the number of Section 8 Housing Choice Vouchers nationally by 200,000 a year.
- Congress should increase the amount of CDGB and HOME funding that Philadelphia and other cities receive.
- Congress should increase the minimum wage by at least \$1.50.

- HUD should not require properties needing adaptive modifications or eligible for settlement grants to be lead free unless there is a child living in the home. HUD should provide Philadelphia with new additional funding for lead abatement and removal.
- Congress should revise TANF guidelines to allow TANF funds to be used to subsidize housing without counting housing assistance toward the five-year lifetime limit for benefits.
- Congress should create Thrifty Production Vouchers to make LIHTC units affordable to low-income households. Like Section 8 vouchers, the Thrifty Production Vouchers would allow households to pay just 30 percent of their income toward housing. But the federal government would spend less because it would pay the remaining cost of operating the unit, rather than the Fair Market Rent.

Outlook

"The problem of housing affordability is not only Philadelphia's major single housing problem, it lies at the root of almost all of the city's other housing problems."

-Cushing Dolbeare

Cushing Dolbeare provided the last report on housing affordability in Philadelphia with her 1988 study, *Housing in Philadelphia*. The overall trends she reported—diminishing incomes, rising housing costs, deteriorating housing—persist. The need for affordable housing still greatly exceeds the resources available. Dolbeare likened Philadelphia's efforts to meet its housing needs with existing federal and state funding to trying to "stop a charging elephant with a slingshot." This is still, unfortunately, a fair assessment. The poorest households are the most likely to have excessive housing costs, just as they were in 1988. And housing affordability is still at the root of the city's problems, including housing

abandonment, just as Dolbeare argued in 1988.

While affordability is the most common housing problem, it is not the only one that low-income households face. This study has not attempted to document the discrimination that some households encounter in their efforts to find and keep housing. Some of this discrimination is blatant: landlords refusing to rent apartments, realtors refusing to sell houses, neighbors trying to intimidate new residents, and predatory lenders exploiting vulnerable households. But much of this discrimination is subtle: realtors steering homeowners to certain neighborhoods, lenders offering different terms on loans, and apartment managers claiming that there are no apartments available with sufficient space for families. All of these types of discrimination contribute to the challenges that low-income African American and Latino households and households with children, among others, face in trying to find decent, affordable housing.

Many of the costs of housing unaffordability are born directly by low-income households. These costs take the form of stress, poor credit history, and strained relationships associated with borrowing money, juggling bills to avoid eviction and utility disconnection, living in overcrowded housing, and doubling up with friends and relatives, all while trying to take care of their family. Recent research has begun to document what to many is common sense: chronic stress has negative health consequences.⁶⁰

The costs are not born by adults, alone. Children are the most likely to have their health jeopardized by poor quality housing, either through injuries because of unsafe housing and neighborhoods, lead poisoning from lead paint and dust, or asthma and allergies linked to cockroaches and mold. Housing instability impacts school attendance and children's ability to learn.⁶¹ Growing up in poor and violent neighborhoods also has detrimental effects on child development.⁶²

The affordability crisis affects more than just low-income households. When low-income households cannot pay their rent or mortgage, they create a ripple of instability and strain that affects everyone around them. Taxpayers pay for emergency shelter, remedial education, and health services. Beyond these quantifiable costs, human capital is wasted in the struggle to find and maintain housing that could be directed toward efforts that benefit us all.

The cost of closing the affordability gap seems prohibitively expensive. It would take hundreds of millions of dollars to ensure that all low-income households in Philadelphia have decent, accessible, and affordable housing. But the fact that it is currently beyond Philadelphia's ability to make housing affordable for all of its low-income households should not prevent the city from trying to make housing more affordable to more low-income households.

In the face of all the challenges that Philadelphia and its more than 200,000 households with incomes under \$20,000 face, there are signs of hope:

- OHCD has overseen the development of thousands of new units of subsidized housing over the past 10 years.
- By issuing nearly \$300 million in new bonds for the Neighborhood Transformation Initiative (NTI), the city has shown that it is willing to borrow money in order to revitalize its neighborhoods. NTI represents the most ambitious effort to improve housing and neighborhood quality in any large city in the nation.
- The Philadelphia Affordable Housing Coalition has brought together a broad spectrum of community organizations to advocate for the needs of Philadelphia's poorest households. Although these organizations serve different types of clients and different parts of the city, they have come to-

gether to advocate for the common needs of low-income households.

It is time to build on these and other strengths, boldly facing this challenge with determination and honesty about who is in the most need of assistance. We must confront the challenge without pitting Philadelphia's middle-income households against poorer households who share the same basic concerns for good jobs, decent housing, quality schools, and safe neighborhoods. In order to close the housing affordability gap, public officials and citizens of all incomes must come to believe that everyone deserves a decent and affordable home.

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Appendices

Appendix A. **Data Sources for Report**

2000 US Census

The Decennial Census is the richest source of data for small geographic areas, reporting hundreds of variables down to the level of census blocks or census block groups for the entire country. There are two major parts to the Census: the short form and the long form. The short form is given to every one and is used to gather information on total population, age, race, and housing tenure (own or rent). These data elements are available at the block, block group, and tract through Summary File 1 (SF1) and the Redistricting Data Summary File (PL 94-171) for Philadelphia. Only one in six people is asked to complete the long form of the Census, and this is the basis for most of the housing, income, work, and education variables that researchers use. This information (Summary File 3, or SF3) was released in September 2002. Data from all of these files can be accessed on American Factfinder at the US Census website

(http://factfinder.census.gov/servlet/DataSetMainPageServlet?_lang=en).

American Housing Survey

The American Housing Survey (AHS) is also administered by the Census Bureau. It is based on a sample rather than 100-percent count and is designed to collect information about housing costs and housing conditions that is not collected through the Census long form. AHS data are collected nationally in odd years and for metropolitan statistical areas (MSA) on average every four years. For Philadelphia, data are available for 1999, 1995, 1989, 1985, 1982, 1978, 1975 and 1970. The MSA is the smallest geographic area for which all data are available, but many of the data elements are also provided for sub-areas (for the Philadelphia MSA, these subareas are Philadelphia, Delaware, and

Montgomery counties). The MSA-level data can also be broken down by housing units with physical problems, race (Black), age (65 and older), and below poverty. The AHS provides the basis for many housing studies including the Department of Housing and Urban Development's *Worst Case Housing Needs* and the National Low Income Housing Coalition's *Out of Reach*.

Philadelphia Neighborhood Information System (NIS)

The Philadelphia Neighborhood Information System (NIS) is an on-going research project of the Cartographic Modeling Laboratory aimed at collecting, distributing, mapping, and analyzing housing data from city agencies. The NIS includes information about housing sales and values, vacancy, housing code violations, utility terminations, and tax arrearages collected from the City Planning Commission, Office of Housing and Community Development, Department of Licenses and Inspections, Revenue Department, Water Department, Philadelphia Gas Works, and US Post Office.

The most current version of the data is made available through two online mapping applications (cml.upenn.edu/nis). The ParcelBase provides information about individual properties (for registered community organizations and city agencies) while the NeighborhoodBase provides aggregate information about areas (publicly accessible). The NIS is supported by the City of Philadelphia, William Penn Foundation, Pew Charitable Trusts, and the University of Pennsylvania.

Appendix B

Council District Housing & Demographic Profiles

These profiles, and all other council district-level data reported in this study, reflect the new council district boundaries that go into effect in January 2004. This information and other data like it are available on NeighborhoodBase, a web-based mapping application developed by the Cartographic Modeling Lab (cml.upenn.edu/nbase).

Councilmanic Districts	1	2	3	4	5	6	7	8	9	10
RACE (Source: 2000 Census, SF1)										
Total Black/African American	18,694	73,251	118,727	80,544	98,003	14,276	33,097	119,666	93,737	5,829
Percent Black/African American	12.3%	48.9%	78.2%	54.0%	64.8%	9.2%	21.2%	80.2%	62.3%	3.8%
Total White	109,609	62,205	21,115	61,589	39,581	128,696	66,659	23,273	34,380	136,160
Percent White	72.1%	41.5%	13.9%	41.3%	26.2%	83.2%	42.8%	15.6%	22.9%	89.0%
Total Hispanic/Latino	12,306	3,411	2,846	2,650	12,118	8,395	66,560	2,692	13,087	4,863
Percent Hispanic/Latino	8.1%	2.3%	1.9%	1.8%	8.0%	5.4%	42.7%	1.8%	8.7%	3.2%
Total Asian	13,084	10,135	7,234	3,201	3,504	4,764	6,231	1,796	10,920	6,785
Percent Asian	8.6%	6.8%	4.8%	2.1%	2.3%	3.1%	4.0%	1.2%	7.3%	4.4%

Councilmanic Districts	1	2	3	4	5	6	7	8	9	10
DISABILITY (Source: 2000 US Census, SF3)										
Total People with Physical Disabilities	16,780	14,524	14,724	13,670	16,628	15,049	17,620	15,616	12,495	14,144
Percent People with Physical Disabilities	11.1%	9.7%	9.7%	9.2%	11.0%	9.7%	11.3%	10.5%	8.3%	9.3%

Councilmanic Districts	1	2	3	4	5	6	7	8	9	10
INCOME (Source: 2000 US Census, SF3)										
Median Household Income	\$27,701	\$26,781	\$21,210	\$32,312	\$21,790	\$34,418	\$21,630	\$28,563	\$34,665	\$43,363
Owner Households with Incomes Below \$20,000	11,563	11,057	9,228	8,482	9,589	9,259	11,006	8,042	8,015	5,981
Percent Owner Households w/Incomes Below \$20K	30.9%	31.5%	34.9%	23.4%	34.4%	21.6%	35.9%	24.9%	20.8%	14.1%
Renter Households w/Incomes Below \$20,000	12,392	12,878	17,093	10,455	17,052	6,881	12,622	12,337	6,076	6,242
Percent Renter Households w/Incomes Below \$20K	44.4%	47.7%	58.4%	41.0%	53.0%	40.1%	57.0%	47.5%	38.8%	35.4%
Total Owner Households w/Incomes Below \$20K AND Paying 30% or More for Housing	5,834	5,809	4,922	4,458	4,223	4,778	6,040	4,599	4,777	3,376
Percent of All Owner Households w/Incomes Below \$20K AND Paying 30% or More for Housing	15.6%	16.6%	18.6%	12.3%	15.2%	11.1%	19.7%	14.3%	12.4%	8.0%
Total Renter Households w/Incomes Below \$20K AND Paying 30% or More for Housing	8,646	8,779	11,673	7,236	11,114	5,171	9,430	8,644	4,672	4,926
Percent of All Renter Households w/Incomes Below \$20K AND Paying 30% or More for Housing	31.0%	32.5%	39.9%	28.4%	34.5%	30.2%	42.6%	33.3%	29.8%	27.9%

Councilmanic Districts	1	2	3	4	5	6	7	8	9	10
ALL HOUSING (Source: 2000 Census, SF3)										
Median Rent (2000)	\$601	\$566	\$497	\$625	\$483	\$560	\$500	\$504	\$557	\$594
Median Housing Value (2000)	\$51,853	\$48,018	\$38,638	\$62,668	\$33,814	\$64,560	\$38,646	\$50,720	\$61,091	\$99,137

Councilmanic Districts	1	2	3	4	5	6	7	8	9	10
PUBLIC & SUBSIDIZED HOUSING (Sources: PHA, BRT, HUD)										
Public Housing Developments, Family (06/01)	1	2	4	5	10	0	0	2	2	0
Public Housing Units Family Developments (06/01)	538	1,717	989	1,239	3,846	0	0	241	540	0
Public Housing Developments, Seniors (06/01)	1	1	1	1	3	1	0	2	0	0
Public Housing Units, Senior Developments (06/01)	71	72	68	22	234	84	0	395	0	0
Public Housing Developments, Mixed (06/01)	1	2	0	0	1	1	1	1	0	0
Public Housing Units, Mixed Developments (06/01)	874	1,780	0	0	510	463	256	250	0	0
Total Units in Public Housing Developments (6/01)	1,483	3,569	1,057	1,261	4,590	547	256	886	540	0
Scattered Site Public Housing (05/01)	56	274	908	178	2,701	2	696	215	70	0
Section 8 Units in Project-based Section 8 (2002)	902	224	1,188	883	1,597	336	284	1,434	109	396
Low Income Housing Tax Credit (LIHTC) properties	24	27	60	13	55	1	18	36	12	1
Affordable Units in LIHTC properties (2002)	675	555	1,417	200	1,384	1	601	931	122	63

Data about public housing developments are from the PHA website (www.pha.phila.gov).

Data about scattered site public housing developments were identified in data from the Board of Revision of Taxes (BRT). All properties identified by BRT as residential or small apartment buildings owned by PHA were assumed to be scattered site properties.

Data about project-based Section 8 are from HUD's website (<http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>).

Data about LIHTC properties are from PHFA. The location of approximately 5 percent of these properties could not mapped or assigned to a council district.

Appendix C

Neighborhood Profiles

This information is from the NeighborhoodBase (cml.upenn.edu/nbase). The 69 neighborhoods are aggregations of census tracts. The ten neighborhoods with the highest value for each variable are highlighted in gray.

	% African American	% Asian	% White	% Hispanic	% People with Physical Disabilities	% Homeowners	% Renters	Median Homeowner (w/Mortgage) Cost	Median Housing Value	Median Household Income	Median Rent	% Homeowners w/Incomes U\$20K	% Homeowners with Incomes U\$20K Paying 30% + on Housing	% Owners of All Incomes Paying 30% or More on Housing	% Renters w/Incomes Under \$20K	%Renters w/Incomes Under \$20K and Paying 30% + on Housing	% Renters of All Incomes Paying 30% or More on Housing
Allegheny West	95.8	0.3	2.4	1.3	12.1	64.9	35.2	525	25,270	21,771	468	41.2	19.8	24.1	59.5	39.1	45.4
Belmont	95.5	0.4	1.7	1.4	13.0	43.3	56.7	610	26,647	15,507	404	41.4	20.9	25.7	68.3	45.5	50.3
Brewerytown	94.9	0.3	3.1	1.4	13.9	54.0	46.0	618	24,112	21,099	441	40.9	17.2	18.9	53.7	34.6	37.3
Bridesburg	0.3	0.3	97.1	1.5	12.6	85.6	14.4	722	57,939	33,421	561	26.9	15.5	22.2	39.9	30.5	33.8
Bustleton	3.5	7.0	87.1	3.3	11.5	62.2	37.8	1,128	112,021	36,402	648	17.2	8.6	20.9	42.9	33.0	45.4
Byberry	5.1	2.8	89.4	3.4	7.2	86.5	13.6	955	87,094	52,836	688	10.6	6.8	17.3	24.9	22.4	33.5
Cedar Park	67.9	4.3	23.0	2.6	8.2	28.0	72.0	971	88,983	26,468	508	14.6	8.2	15.1	49.9	34.4	39.2
Cedarbrook	95.0	0.2	2.6	1.0	8.7	74.8	25.2	869	81,449	41,406	642	14.1	9.1	25.1	28.7	24.4	38.8
Center City East	9.6	12.8	74.3	3.5	5.5	28.5	71.5	1,812	193,869	35,049	690	10.2	2.6	9.2	36.7	23.2	35.9
Center City West	6.8	8.2	82.0	3.6	6.9	31.3	68.7	1,592	149,286	38,460	760	14.0	1.6	7.1	32.6	23.9	41.4
Chestnut Hill	15.5	2.4	79.2	2.3	6.1	49.2	50.8	1,589	199,072	57,672	857	8.4	7.0	20.3	17.0	15.3	35.2
Cobbs Creek	95.9	0.6	1.2	1.1	11.8	67.7	32.3	704	41,661	25,085	512	36.5	19.6	26.6	50.0	35.5	43.0
East Falls	20.0	4.8	72.1	2.6	7.1	44.7	55.3	1,086	80,382	38,285	707	16.3	6.6	11.9	37.2	27.7	36.4
East German-town	92.0	0.3	4.9	1.3	10.3	58.1	41.9	731	45,460	24,804	481	27.7	17.4	28.4	56.6	38.9	46.1
East Mount Airy	81.4	0.6	14.5	1.7	9.0	68.1	31.9	926	82,256	41,058	557	16.6	9.3	20.9	40.0	29.1	36.1
East Oak Lane	69.8	7.5	17.1	5.0	9.2	57.4	42.6	951	81,413	37,289	627	16.0	11.0	25.4	33.4	27.3	40.3
Eastwick	57.5	2.7	36.7	1.9	8.7	62.7	37.3	852	66,709	33,320	639	23.0	14.9	27.8	40.0	27.0	44.0
Elmwood	55.4	10.3	31.2	2.3	9.9	65.5	34.5	638	42,021	24,817	499	32.7	17.8	25.5	59.9	41.6	48.7
Fairhill	27.1	0.8	21.4	70.3	12.7	53.3	46.7	475	18,750	13,795	461	56.1	26.7	28.6	71.9	54.8	56.9
Fairmount	24.2	3.9	65.2	7.6	7.6	36.0	64.0	1,031	106,816	37,919	758	16.5	9.2	17.5	34.2	25.6	41.1
Fishtown	17.4	1.5	68.3	16.7	9.4	57.3	42.7	691	53,086	29,940	540	26.3	11.9	17.9	42.9	29.8	40.2
Fox Chase	2.5	2.8	92.2	3.1	10.3	60.4	39.7	1,012	99,736	37,084	578	16.3	10.5	20.5	35.1	29.8	41.3
Frankford	30.8	1.9	56.6	12.9	10.3	61.7	38.3	656	44,203	25,283	491	28.0	16.6	23.4	55.0	40.3	46.6
Germantown	79.4	1.2	15.8	1.9	10.9	36.3	63.7	892	60,914	25,559	483	22.7	13.3	22.7	49.0	34.0	41.4
Girard Estates	30.1	6.0	61.5	1.8	10.0	72.4	27.6	729	53,810	28,426	567	30.8	16.6	24.1	50.2	39.1	48.9
Grays Ferry	56.3	2.6	39.0	1.7	11.5	53.7	46.3	588	29,318	17,619	228	33.8	16.1	21.4	74.3	41.3	44.0
Haddington	96.0	0.4	1.1	1.3	12.4	62.0	38.0	627	36,514	22,525	444	37.4	20.2	27.0	58.0	35.2	39.4
Harrowgate	23.4	3.9	34.0	53.5	9.3	59.8	40.2	469	27,047	16,625	500	52.1	32.4	37.0	66.0	51.7	57.2
Hartranft	68.0	1.1	12.7	23.8	11.9	41.5	58.5	483	17,855	13,881	335	49.3	27.2	29.9	68.4	41.4	44.5
Holmesburg	26.8	1.8	66.2	6.0	7.1	61.6	38.4	985	77,460	35,984	520	18.1	8.6	15.8	43.5	28.8	35.8
Hunting Park	38.8	1.4	18.6	56.8	10.8	61.4	38.6	538	27,119	17,455	521	44.1	22.6	29.3	60.9	45.0	50.5
Juniata Park	18.9	7.4	41.8	40.1	10.7	71.8	28.2	641	44,690	26,122	552	34.2	19.3	27.1	54.0	43.1	50.0

	% African American	% Asian	% White	% Hispanic	% People with Physical Disabilities	% Homeowners	% Renters	Median Homeowner (w/Mortgage) Cost	Median Housing Value	Median Household Income	Median Rent	% Homeowners w/Incomes U\$20K	% Homeowners with Incomes U\$20K Paying 30% + on Housing	% Owners of All Incomes Paying 30% or More on Housing	% Renters w/Incomes Under \$20K	%Renters w/Incomes Under \$20K and Paying 30% + on Housing	% Renters of All Incomes Paying 30% or More on Housing
Kensington	4.0	6.6	80.0	11.6	11.2	69.0	31.1	600	34,554	25,109	490	31.3	14.7	19.0	56.8	43.6	49.1
Kingsessing	95.3	0.7	1.8	1.1	11.2	63.7	36.3	656	35,435	23,050	500	34.4	18.9	24.4	60.5	43.1	50.6
Lawncrest	19.8	7.0	62.8	13.8	8.3	66.9	33.1	796	59,583	32,878	524	20.3	11.0	20.6	42.6	30.5	41.6
Logan	82.9	4.9	6.6	5.5	8.7	59.8	40.2	689	46,843	28,919	509	26.3	14.6	22.2	46.4	36.5	45.8
Manayunk	5.8	1.1	91.1	1.4	8.5	56.6	43.4	852	77,175	40,208	724	22.3	11.7	19.8	21.8	17.1	28.9
Marconi Plaza	9.1	2.9	85.9	1.6	10.8	76.2	23.8	920	89,788	35,665	629	24.4	14.6	25.1	32.1	21.8	33.9
Mayfair	1.7	1.0	95.2	2.7	10.0	78.5	21.5	822	70,228	37,291	535	18.0	9.0	18.8	40.2	32.7	40.6
Mill Creek	96.4	0.3	1.4	1.0	12.1	54.1	45.9	588	30,614	19,226	422	40.6	21.9	25.3	60.7	36.7	41.3
North Central	93.8	0.8	3.1	2.1	11.4	42.1	57.9	563	20,224	13,906	380	47.8	21.1	23.7	69.0	43.3	47.3
Ogontz	85.4	1.0	11.4	1.7	11.0	62.1	37.9	724	47,503	23,976	405	29.1	18.7	27.6	57.3	35.6	42.2
Olney	44.6	17.9	21.1	21.0	6.9	70.4	29.6	688	51,493	30,616	538	25.8	15.7	25.1	44.9	34.7	40.4
Overbrook	68.2	2.0	26.6	2.0	8.4	68.8	31.2	793	64,044	32,530	588	21.0	11.5	23.9	43.5	31.5	40.4
Oxford Circle	8.4	7.9	75.8	9.6	9.2	76.8	23.2	806	65,314	37,210	597	20.9	11.8	21.4	33.8	26.3	35.5
Pennsport	16.9	8.3	70.3	5.2	12.4	61.2	38.8	793	61,476	32,388	595	26.7	14.2	23.7	42.9	30.8	40.5
Pennypack	8.1	4.0	84.7	4.3	11.3	63.8	36.2	957	88,386	39,636	574	16.7	8.8	16.6	33.0	26.4	36.3
Pennypack Park	0.5	0.6	97.7	2.8	6.6	97.2	2.8	1,292	120,930	58,655	805	11.8	9.4	13.4	42.9	28.6	28.6
Point Breeze	78.1	10.9	8.2	1.8	10.7	60.4	39.6	535	28,508	19,212	529	49.3	22.8	27.0	53.3	38.9	45.9
Poplar	80.5	3.0	11.2	7.0	12.8	27.2	72.8	725	57,072	14,739	275	30.6	12.3	17.6	66.3	32.3	34.4
Powelton	47.5	8.4	39.4	3.0	7.9	20.6	79.4	712	59,434	15,424	394	25.8	11.6	20.5	63.1	42.5	49.3
Rhawnhurst	3.6	4.3	88.4	4.7	11.6	59.7	40.3	953	91,577	34,855	522	19.4	10.3	17.7	42.4	28.9	41.0
Richmond	9.7	1.4	76.6	14.7	12.2	70.6	29.4	596	39,769	23,399	524	37.9	19.4	24.3	59.1	45.6	49.8
Riverfront	7.6	2.8	87.5	2.8	1.8	63.7	36.3	1,650	217,942	76,698	1,308	14.9	4.1	12.5	10.7	6.6	25.0
Roxborough	6.3	2.8	88.9	1.9	6.8	63.2	36.8	1,036	100,156	43,753	742	14.2	7.5	18.5	26.3	20.9	37.7
Schuylkill	69.8	2.1	23.9	3.4	10.7	38.6	61.4	862	67,484	25,396	510	29.6	17.8	30.8	47.1	30.2	39.7
Somerton	3.9	8.4	84.6	3.2	9.6	62.9	37.1	1,130	113,907	41,771	576	11.5	6.3	17.6	42.6	32.5	42.8
So. Philadelphia	12.7	12.9	69.7	4.3	12.0	69.5	30.5	685	48,752	24,400	534	38.5	19.9	27.2	53.7	39.2	46.2
Straw. Mansion	97.6	0.2	0.6	1.0	13.2	55.0	45.0	482	20,390	14,775	389	48.6	21.0	23.0	68.7	43.9	48.1
Tacony	3.1	0.9	92.8	3.8	9.8	74.5	25.5	776	58,901	33,927	523	24.4	12.3	20.4	38.7	27.7	36.1
Tioga	92.8	1.0	3.3	2.3	13.0	55.9	44.1	594	30,282	21,167	429	36.8	18.2	23.0	60.5	41.3	46.9
University City	21.0	22.4	51.3	4.2	1.8	8.7	91.3	1,017	80,947	13,711	565	26.2	11.9	17.6	63.4	43.4	50.2
West Kensington	21.2	2.2	22.8	68.4	14.4	46.3	53.7	526	23,035	15,300	434	49.1	23.8	24.5	66.2	47.8	50.6
West Mount Airy	49.9	1.3	44.3	2.1	6.8	57.2	42.8	1,257	117,612	49,721	612	9.2	6.4	18.0	23.1	16.8	26.6
West Oak Lane	95.8	0.3	1.5	1.0	9.9	82.0	18.0	780	62,457	37,714	563	20.4	12.1	23.3	34.5	25.1	34.1
West Torresdale	5.5	2.1	90.0	2.9	7.7	75.6	24.4	990	92,160	48,275	682	12.2	7.3	17.3	22.3	19.0	34.8
Wharton	11.7	15.6	67.3	5.8	12.3	59.4	40.7	753	61,103	27,819	587	32.2	16.1	22.3	42.9	30.9	40.7
Wissahickon Park	22.0	1.4	72.3	2.8	7.4	56.4	43.6	1,155	135,615	48,953	673	11.3	0.0	3.2	6.3	6.3	14.6
Wynnefield	65.5	3.7	27.5	2.0	9.7	44.6	55.4	893	72,366	30,614	688	20.6	10.6	20.1	45.0	30.8	44.8

Appendix D

Section 108 Housing and Economic Development Loans

Section 108 Housing Loans, 1994-2001

Activity	Amount
Acquisition, demolition, site preparation, remediation	\$2,733,166
Homeownership dev.	\$45,671,572
Logan relocation	\$10,851,928
Public housing	\$2,000,000
Rental developments	\$21,592,138
Repair programs	\$13,465,411
Special needs projects	\$12,097,785
Total	\$105,415,000

Source: Consolidated Plan

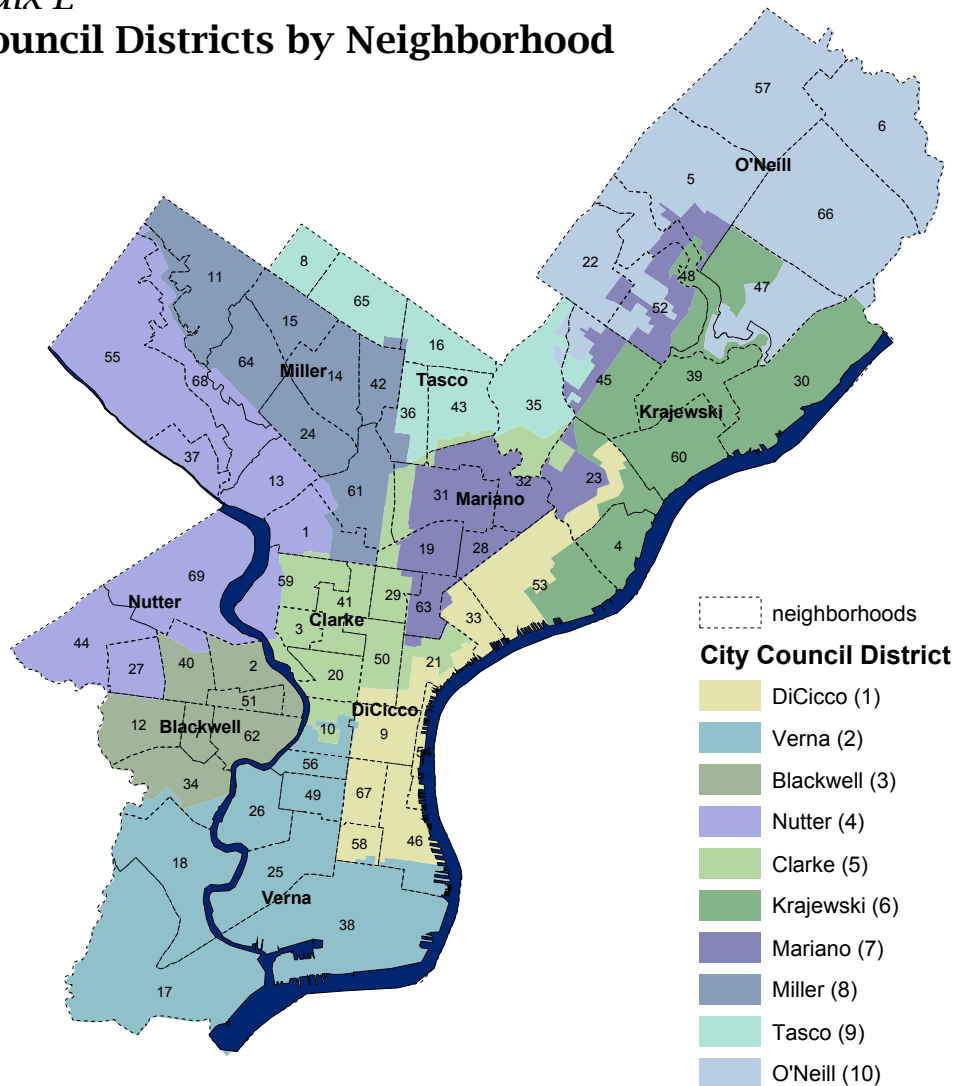
Section 108 Economic Development Loans, 1995-1999

Lobro Associates, L.P.	\$2,500,000
Franklin Smelting & Refining	\$800,000
Honor Foods	\$300,000
World Apparel Products	\$1,600,000
Academic Properties	\$7,455,000
Trans Freight Systems	\$2,110,000
Urban League of Philadelphia	\$240,000
Conveca Associated L.P. (Hawthorne Suites)	\$4,500,000
Phila Hospitality Partner (Ritz-Carlton)	\$16,000,000
Urban Ed. Dev. Research	\$3,100,000
Six Penn Center Assoc	\$8,752,486
Continuing Care Nursing	\$3,500,000
Amtrak Reservations Center	\$2,550,000
Asia Foods Limited, Inc	\$1,200,000
Vietta Group	\$2,500,000
Headhouse Retail Associates	\$3,650,000
Affordable Hospitality Assoc.	\$6,862,000
Loews Hotels, Inc.	\$20,750,000
Kvaerner Phila. Shipyard	\$40,875,000
1600 Arch GP LLC	\$4,200,000
Headhouse Retail Assoc.	\$2,750,000
Total	\$136,194,486

Source: Commerce Department

Appendix E

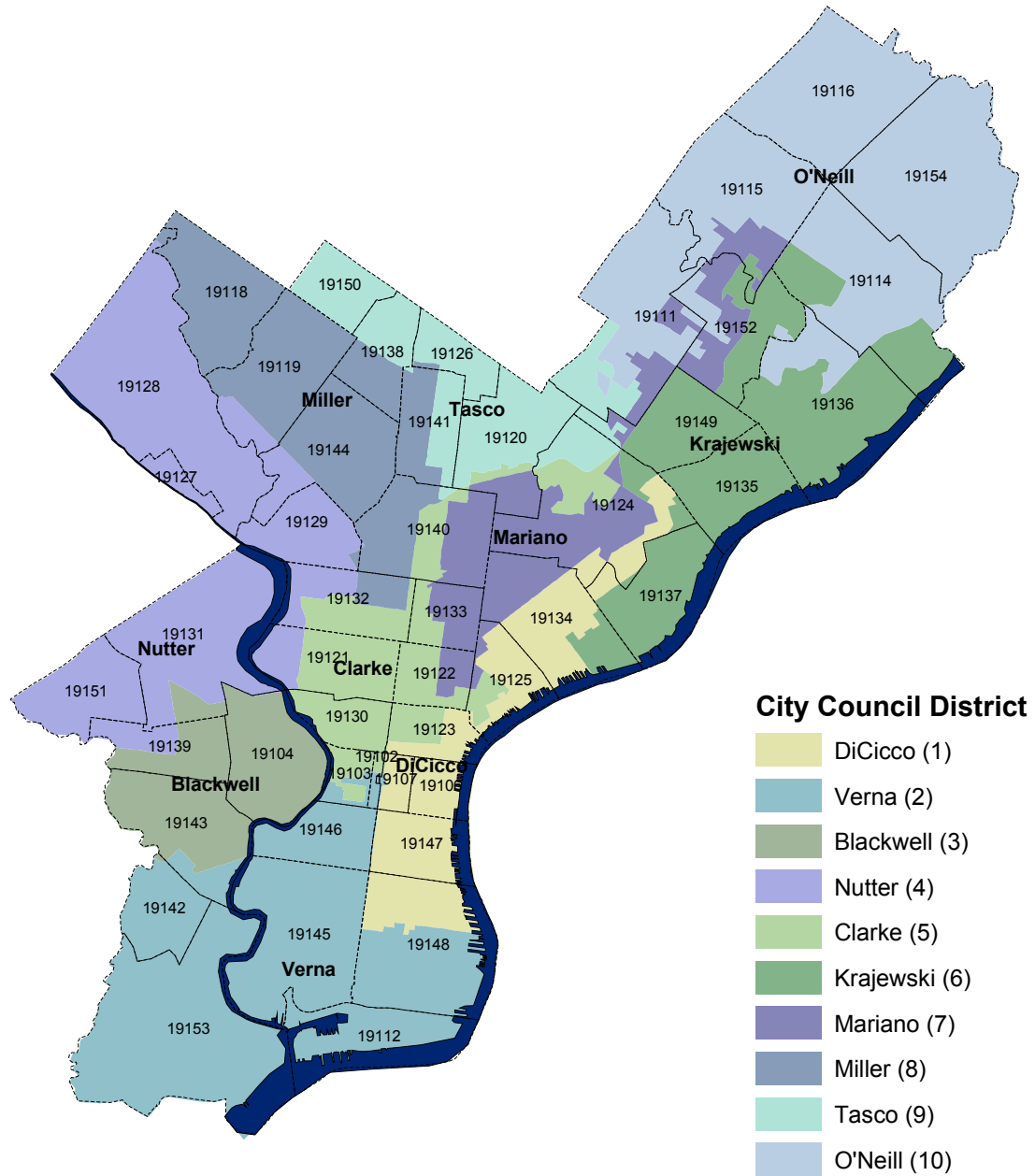
City Council Districts by Neighborhood



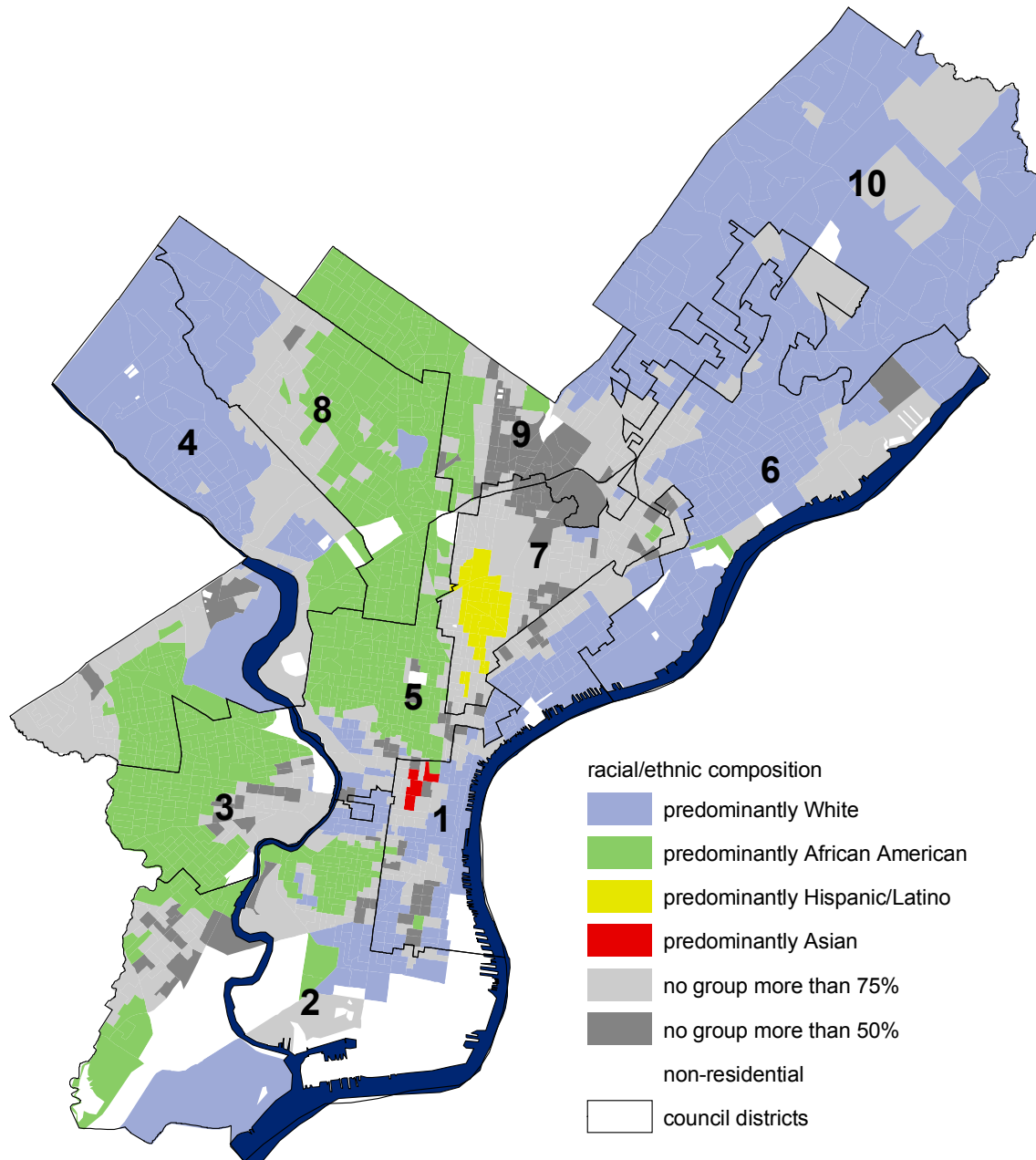
1 Allegheny West	23 Frankford	45 Oxford Circle	67 Wharton/Hawthorne/BV
2 Belmont/Mantua/E.Park	24 Germantown	46 Pennsport/QVillage	68 Wissahickon Park
3 Brewerytown	25 Girard Estates	47 Pennypack/A Gardens	69 Wynnefied
4 Bridesburg	26 Grays Ferry	48 Pennypack Park	
5 Bustleton	27 Haddington-Carroll Park	49 Point Breeze	
6 Byberry	28 Harrowgate	50 Poplar/Ludlow/YTown	
7 Cedar Park/Walnut Hill	29 Hartranft	51 Powelton/W Powelton	
8 Cedarbrook	30 Holmesburg/Torresdale	52 Rhawnhurst	
9 Center City East	31 Hunting Park	53 Richmond	
10 Center City West	32 Juniata Park/Feltonville	54 Riverfront	
11 Chestnut Hill	33 Kensington	55 Roxborough	
12 Cobbs Creek	34 Kingessing	56 Schuylkill-Soutwest	
13 East Falls	35 Lawncrest/Summerdale	57 Somerton	
14 E Germantown/Morton	36 Logan/Fern Rock	58 South Philadelphia	
15 East Mount Airy	37 Manayunk	59 Strawberry Mansion	
16 East Oak Lane	38 Marconi Plaza/Packer Pk	60 Tacony/Wissanoming	
17 Eastwick	39 Mayfair	61 Tioga/Nicetown	
18 Elmwood	40 Mill Creek/Dunlop	62 Univ City/Spruce Hill	
19 Fairhill	41 North Central	63 West Kensington	
20 Fairmount/Sp Garden	42 Ogontz/Belfield	64 West Mount Airy	
21 Fishtown/N Liberties	43 Olney	65 West Oak Lane	
22 Fox Chase/Burholme	44 Overbrook/Morris Park	66 West Torresdale	

Appendix F

Council District by Zip Code



Appendix G
Racial and Ethnic Composition in Philadelphia



Endnotes

- ¹ US Census Bureau, *Statistical Abstract of the United States*, 2001, p. 453.
- ² HUD, *State of the Cities 2000: Megaforces Shaping the Future of the Nation's Cities*.
- ³ The 1999 American Housing Survey reports information by poverty only for the entire Philadelphia MSA and not just for people living below poverty in the city of Philadelphia.
- ⁴ Department of Labor website: <http://www.dol.gov/esa/minwage/chart.htm> and Edith Rasell, Jared Bernstein, and Heather Boushey, "Step up, not out, Economic Policy Institute, 2/7/01 <http://www.epinet.org/Issuebriefs/ib149.html>.
- ⁵ U.S. Bureau of the Census, *Statistical Abstract of the United States and Survey of Current Business*.
- ⁶ The other states include Alaska, California, Connecticut, Delaware, Oregon, Rhode Island, Vermont, Washington, and Wisconsin.
- ⁷ HUD determines Fair Market Rents (FMRs) using Census, American Housing, and telephone survey data.: <http://www.huduser.org/datasets/fmr/2002FMR.pdf>
- ⁸ For more on fair market rents, go to <http://www.huduser.org/datasets/fmr.html>.
- ⁹ Richard S. Toikka, "The Minimum Wage and the Earned Income Tax Credit: A Decade of Progress," Employment Policies Institute Policy Brief, July 12, 2001.
- ¹⁰ Data are from the IRS website, www.irs.gov
- ¹¹ Campaign for Working Families Briefing Paper #1, July 20002. The Campaign is a project of the Fels Policy Research Institute at the University of Pennsylvania and is funded by the PEW Charitable Trusts.
- ¹² Committee on Ways and Means, US House of Representatives, *2000 Green Book*, Section 7, pp. 389-390.
- ¹³ *2000 Green Book*; 1990 and 2000 US Census; Cushing Dolbeare, "Housing In Philadelphia," 1988, p. 26.
- ¹⁴ *2000 Green Book*; 1990 and 2000 US Census; Cushing Dolbeare, "Housing In Philadelphia," 1988, p. 26.
- ¹⁵ *2000 Green Book*, Section 4, p. 283.
- ¹⁶ Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing*, 2001, p. 12.
- ¹⁷ Annual income, as it is used in this report, refers to gross (before tax) income.
- ¹⁸ For more information, visit <http://aspe.hhs.gov/poverty/papers/hptgssiv.htm>. See also, Ralph Dolgoff and Donald Feldstein, *Understanding Social Welfare*, Boston: Allyn and Bacon, 2000, pages 162-5. For a discussion of poverty thresholds (used for statistical purposes) versus poverty guidelines (used for administrative purposes), visit <http://aspe.hhs.gov/poverty/contacts.htm#a>.
- ¹⁹ This estimate for 2002 is based on special tabulations of the 1990 US Census. HUD provides these data to municipalities at the Comprehensive Housing Affordability Strategy (CHAS) website: <http://www.comcon.org/resources/chas/state.asp>
- ²⁰ See CHAS website.
- ²¹ See Appendix 4 of the Consolidated Plan, Year 27.
- ²² See her 1988 study on housing affordability, *Housing in Philadelphia*.
- ²³ Excessive housing costs are defined as households paying 30 percent or more of gross income on housing.
- ²⁴ Excessive housing costs are defined as households paying 30 percent or more of gross income on housing.
- ²⁵ Excessive housing costs are defined as households paying 30 percent or more of gross income on housing. 1999 is the most recent year for which American Housing Survey data are available for Philadelphia. The 2001 points on this graph were estimated using national AHS data and probably underestimate the actual rate of increase in the percent of households with excessive housing costs between 1999 and 2001. These figures refer to households living in Philadelphia with the exception that poor households include all households in the Philadelphia MSA living below poverty (because the AHS does not provide poverty data for just Philadelphia). Households that report paying 100 percent or more of their income on housing were not included.
- ²⁶ For stories about the path to homelessness for New York City families, see the cover story from the *New York Times Magazine* for March 24, 2002.
- ²⁷ Office of Emergency Shelter and Services, October 2002.
- ²⁸ Bob Fernandez, "Pa.'s 'new economy' crowns Wal-Mart its employment king," *Philadelphia Inquirer*, 20 October, 2002.
- ²⁹ HUD, "A Report on Worst Case Housing Needs in 1999: New Opportunity Amid Continuing Challenges," Executive Summary, January 2001.
- ³⁰ For more about supportive housing, see report of the Office of Emergency Shelter and Services advisory group, 2002, "Increasing the Supply of Permanent Housing," and Dennis Culhane, Stephen Mettraux & Trevor Hadley (in press), "The Impact of Supportive Housing for Homeless People with Severe Mental Illness on the Utilization of the Public Health, Corrections, and Emergency Shelter Systems: The New York-New York Initiative," *Housing Policy Debate*, 13(1): http://www.fanniemaefoundation.org/programs/hpd/pdf/hpd_1301_culhane.pdf
- ³¹ The US Census determines the disability status of all people (with disability or without disability). People with a disability can then have more than one type of disability. Sensory disability is defined by the Census Bureau as "blindness, deafness, or severe vision or hearing impairment." Physical disability is defined as "a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying." Mental disability is defined as having a condition lasting 6 months or more that made learning, remembering, or concentrating difficult. Self-care disability is defined as having a condition lasting 6 months or more that made dressing, bathing, or getting around inside the home difficult. The other categories reported by the US Census are go-outside-the-home, and employment disability.

³² For more details about accessible and visitable housing, go to www.newsontap.org, a website designed by Diane T. Myers and funded by OHCD to provide technical assistance on issues relating to people with disabilities.

³³ These numbers come from the Social Security Administration's website: http://www.ssa.gov/statistics/ssi_st_cty/2000/index.html.

³⁴ See Ann O'Hara and Emily Miller, *Priced Out in 2000: The Crisis Continues*, Technical Assistance Collaborative, Inc. and Consortium for Citizens with Disabilities Housing Task Force, June 2001.

³⁵ This list is maintained on the PHFA website: <http://www.phfa.org/apts/index.htm>

³⁶ See Ann O'Hara and Emily Miller, *Priced Out in 2000: The Crisis Continues*, Technical Assistance Collaborative, Inc. and Consortium for Citizens with Disabilities Housing Task Force, June 2001.

³⁷ Liberty Resources mailed a survey to 1000 people on their mailing list and received 150 responses, 91 of which were from people living in Philadelphia.

³⁸ These conditions are, no doubt, more severe for low-income households. However, the AHS provides a breakdown by poverty only for the Philadelphia MSA. Comparisons between Philadelphia and people living below poverty in the Philadelphia MSA show that housing conditions are about the same or worse in Philadelphia.

³⁹ Most of Philadelphia's CDBG money is spent in these eligible tracts, but it can be spent outside if the particular project will serve low and moderate-income households.

⁴⁰ See CHAS website <<http://www.comcon.org/resources/chas/state.asp>>

⁴¹ This figure is based on a list of all subsidized rental projects from OHCD. The list includes 145 units with 5,700 units, but more than 2,000 of these units are reserved for people who are elderly or have special needs (such as a mental illness).

⁴² See Dribben, "The red tape blues," *Inquirer Sunday Magazine*, 1/27/02.

⁴³ A list of Section 108 funded projects can be found in the Appendix of the Consolidated Plan.

⁴⁴ Number of units taken from PHA website, www.pha.phila.gov.

⁴⁵ See Clea Benson, "A block's rise and ruin," *Philadelphia Inquirer*, 11 August, 2002, p. A21.

⁴⁶ Daniel Brook, "Go Low," *City Paper*, 2-8 January, 2003.

⁴⁷ National Housing Law Project, Poverty & Race Research Action Council, Sherwood Research Associates, and Everywhere and Now Public Housing Residents Organizing Nationally Together (ENPHRONT), *False HOPE: A Critical Assessment of the HOPE VI Public Housing Redevelopment Program*, p. ii. <www.nhlp.org/false_hope.htm>

⁴⁸ Susan Clampet-Lundquist, a researcher at the University of Pennsylvania, is conducting an evaluation of the HOPE VI relocation of MLK residents for her PhD dissertation.

⁴⁹ This number was reported by PHA in September 2002. Some of these households may also be on the waiting list for conventional public housing.

⁵⁰ HUD provides census-tract level data on the number of Section 8 voucher households on its website, but this data is not up-to-date or comprehensive. PHA does not disseminate data on where Section 8 households live in order to protect their confidentiality.

⁵¹ See HUD Office of Policy Development and Research, *Study on Section 8 Voucher Success Rates*, March 2002.

⁵² Chang-Moo Lee, Dennis P. Culhane, and Susan M. Wachter, 1999, The Differential Impacts of Federally Assisted Housing Programs on Nearby Property Values: A Philadelphia Case Study, *Housing Policy Debate* 10(1): 75-93 and George C. Galster, Peter Tatian, and Robin Smith, 1999, The Property Value Impacts of Neighbors Using Section 8 Certificates, *Housing Policy Debate*, 10(4): 879-917.

⁵³ Leonard N. Fleming, "PHA Will Limit Section 8 Aid," *Philadelphia Inquirer*, 3/14/03, B1.

⁵⁴ These figures are based on the Section 8 data on HUD's website: <http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>.

⁵⁵ More information on the history of HUD's Multifamily Housing Programs can be found on the National Housing Trust website:

<http://www.nhtinc.org/policy/legoverview.asp>.

⁵⁶ According to PHFA report from March 2002.

⁵⁷ <http://www.acf.dhhs.gov/programs/ofa/>

⁵⁸ Barbara Sard and Margy Waller, The Brookings Institute and Center on Budget and Policy Priorities, "Housing Strategies to Strengthen Welfare Policy and Support for Working Families," April 2002, p. 1.

⁵⁹ Center on Budget and Policy Priorities, "A Housing Perspective on TANF Reauthorization and Support for Working Families," March 12, 2002, p. 3.

⁶⁰ See, for example, Leith Mullings and Alaka Wali, *Stress and Resilience: The Social Context of Reproduction in Central Harlem*. New York: Kluwer Academic/Plenum Publishers, 2001.

⁶¹ See Doc4Kids Project of Boston Medical Center, Children's Hospital, "Not Safe at Home: How America's Housing Crisis Threatens the Health of Its Children," 1998. <<http://www.gwu.edu/~chsrb/pdf/19-win98.pdf>>

⁶² Jeanne Brooks-Gunn, Greg J. Duncan, and J. Lawrence Aber, editors. *Neighborhood Poverty: Context and Consequences for Children* (New York: Russell Sage Foundation, 1997).



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