

# **APPENDIX TO THE PHILADELPHIA POVERTY ACTION PLAN**

*Special thanks to the subcommittee members of the Special Committee on Poverty Reduction and Prevention for this living appendix, available at [phlcouncil.com/poverty](http://phlcouncil.com/poverty).*

## **Benefits Access: Build New Capacity at Trusted Organizations**

### **Rationale:**

Thousands of Philadelphians are eligible for help paying for groceries, housing and health care but are still not receiving the benefits. The City currently partners with Benefits Data Trust (BDT), a national non-profit headquartered in Center City, to operate BenePhilly, a program that provides access at 7 trusted organizations and through a call center to free one-on-one support to help Philadelphians fill out benefit applications and follow up on application status. Accessing benefits is a critical step in moving toward financial stabilization. The City's network of Financial Empowerment Centers (FEC) builds upon benefits access and aims to move Philadelphians from stabilization to thriving via its free, one-on-one financial counseling. FECs work with residents to identify their specific financial goals that range from debt management to increased savings to wealth generation. While BenePhilly and FEC have been successful with the clients they serve, BDT estimates that Philadelphians are collectively leaving \$450 million in untapped federal and state benefits on the table every year. Many of those who are eligible and not enrolled include our underserved populations, such as immigrants, youth aging out of foster care, students, and returning citizens.

### **Approach:**

Leverage existing infrastructure, institutions, and community organizations by connecting people to benefits and financial counseling services at places they already visit, such as libraries, CareerLinks offices, free tax preparation sites, etc. This can be accomplished as follows.

*Increase the Number of Organizations Conducting Benefits Screenings: Benefits Launch Express* is software that is simple enough for anyone to complete a quick eligibility screening for multiple federal and state benefits. *Benefits Launch Express* requires no formal training and is well suited for organizations that want to help their clients access benefits but do not necessarily have the resources to provide individual support. Benefits Launch Express users can opt-in to receive follow-up nudges via text message to get help completing the next steps or get connected to more in-depth assistance.

*Expand Capacity for Organizations to Provide In-Person Application Assistance:* Build on the existing network of 21 community-based organizations with Community PRISM by equipping additional organizations in strategic locations across the city with outreach, training, staff resources and *Community PRISM* software. Community PRISM makes it easy for trained case managers or social workers at non-profit partners across the city to screen people for up to 19 benefits and help them apply for up to 11 benefits at the same time, based on the answers to a single set of questions. The streamlined process significantly reduces redundant data entry and paperwork and enables people to get the help they need more quickly.

*Invest in More Financial Counseling:* Since 2013, Financial Empowerment Centers (FECs) have given families and individuals the tools they need to set financial goals such as reducing debt, improving credit scores, and saving for college or a new home. The free one-on-one financial counseling sessions, offered by counselors at Clarifi, are designed to place low-income families in a better position to build and manage wealth, making it possible for participants to transfer wealth to the next generation. By equipping additional organizations with staff resources and training to provide effective financial counseling, the City can help more low-income individuals and families reduce debt, increase savings, and build wealth.

The scope of the funding request is based on the scale of expansion with the cost of Benefits Launch Express estimated at \$17,600 per year per site. The cost of Community PRISM is \$145,500 per site (which includes staff and subscription fee costs), and the cost of expanding the FECs by 5-7 sites is approximately \$500k. These are annual, recurring costs. The funding can be a mix of private and public sources. The implementation is based on the timing of receipt of funding. Benefits Launch Express can be deployed to organizations within 6 months of approval. New Community PRISM organizations can begin screening and applying people for benefits within 2 months of executing a contract with BDT. FECs could reach full financial counseling capacity within 6-12 months after a contract is signed. Activity measures include: number of households completing a benefits screening; number of households that applied for benefits through a BenePhilly Center or BenePhilly hotline; number of households that are receiving benefits; dollar amount of state and federal benefits received by Philadelphians; number of households that participated in financial counseling sessions; number of Financial Empowerment Centers; number of organizations using Community Prism to apply for benefits; and number of organizations conducting benefits screenings. Outcome measures include: number of children with increased academic achievement; number of children with increased high school completion and college entry; number of Philadelphians with increased life expectancy; and number of households with greater financial security (increased discretionary income, reduced debt, improved credit, increased savings.)

## **Benefits Access: Use Data-Driven Strategies for Outreach and Enrollment**

### **Rationale:**

As research by the Center on Budget and Policy Priorities shows, poverty would be nearly twice as high if not for programs like SNAP and the EITC. This is powerful evidence that benefits have the power to lift many Philadelphians out of poverty and be a stabilizing force for people to take steps toward economic mobility. While many people successfully navigate the system on their own, others remain unenrolled due to a lack of awareness of eligibility, challenges with mobility, or stigma associated with benefits. Data-driven, proactive outreach strategies address the lack of awareness, while phone-based assistance addresses transportation barriers and concerns about stigma since people can apply from their home.

### **Approach:**

Over the past 14 years, BDT has partnered with government, healthcare, and non-profit service providers to use data matching to identify individuals who are likely eligible for benefits and not receiving them. For example, by cross matching enrollment lists, it is possible to identify a target population of people who are currently enrolled in Medicaid but not in SNAP food assistance. People who qualify for Medicaid are likely to qualify for SNAP because of similar eligibility requirements. BDT then conducts outreach via mail, text messages, and phone calls to engage with and help people to apply or recertify for benefits. For individuals who want help to complete the enrollment, BDT provides free assistance over the phone in more than 170 languages. A recently published randomized experiment conducted by economists at MIT's Poverty Action Lab found that BDT's targeted outreach tripled SNAP enrollment and generated \$20 in benefits for every \$1 invested. There are two strategies recommended to expand upon this work, as follows.

*Cross-match new lists to help more people apply:* With additional resources and lists, many more applications could be submitted. The City should explore lists of people likely eligible for benefits, such as vital records, health information exchange, individuals receiving tax assistance, and LIHEAP (energy assistance) enrollees. Outreach using a variety of media (e.g., letters, texts) should direct individuals to channels that provide the level of assistance that is right for them: in-person, over the phone, or self-service.

*Use text or telephonic outreach to help people recertify so they don't lose their benefits:* Depending on the benefit, most people have to submit additional recertification documents every 6 or 12 months to prove that they are still eligible. Failure to recertify by the deadline is a major reason that people become disenrolled. The City could work with the appropriate state agency to conduct outreach to "nudge" individuals to complete their recertification for benefits.

The cost per application as a result of targeted outreach is typically \$200. With \$1 million in additional funding, it would be possible to submit approximately 5,000 applications annually on behalf of Philadelphians, resulting in \$12 million in benefits delivered. The cost of recertification "nudges" and technical assistance can vary depending on the benefit and size of the outreach pool, but generally ranges from \$30,000 - \$70,000 per campaign. This would be a recurring cost. The funding can be a mix of private and public sources. Targeted Outreach could begin within 6 months of a signed contract and access to new lists. It is important to note that lists for State and Federal funded benefits may take three to nine months to obtain due to navigating intergovernmental data agreements. On the other hand, lists for City funded services would be easier to obtain.

Activity measures include: number of new data lists utilized for targeted benefits outreach campaigns; number of targeted benefits outreach campaigns; number of households targeted by an outreach campaign who complete a benefits screening; number of households targeted by an outreach campaign who applied for benefits through a BenePhilly Center or BenePhilly hotline; number of households who were targeted by an outreach campaign that are receiving benefits; and dollar amount of state and federal benefits received by Philadelphians. Outcome measures include: number of children with increased academic achievement; number of children with increased high school completion and college entry; number of Philadelphians with increased life expectancy; and number of households with greater financial security (increased discretionary income, improved credit, reduced debt, increased savings).

## **Benefits Access: Streamline Enrollment in City-funded Benefits**

### **Rationale:**

Inconsistencies across City benefit requirements, such as the definition of terms like “income” and “household,” make it harder for people to apply for and receive all the help they need. For example, some programs define income as wages only while others include sources of unearned income. While it may not be possible or prudent to align all requirements across benefits, it is possible to simplify all benefits into a combined application to eliminate duplicative efforts of data entry and documentation.

### **Approach:**

It is recommended that the City take the following steps: 1) Construct a detailed benefits crosswalk that outlines the benefit rules, documentation requirements, and submission procedures as a first step to designing a combined application, 2) merge the crosswalk information with results of the Discover Benefits pilot - a screener tool that covers City-funded housing related benefits and programs - and research conducted by the Mayor’s Office on the impact of other “screeners” to prepare specifications for a prototype of a combined application for City-funded benefits, and 3) build and pilot the prototype.

The cost for this proposal is currently undefined, as it will require additional analysis based on the crosswalk completed. The timeline to deliver on the proposed recommendation will need to be developed in partnership with CAO; however, the work will be a multi-year work, with phase one starting during the first year. Activity measures include: number of City entitlement and benefit programs that can be applied for using one form; number of City entitlement and benefit program applications that are available online; and utilization rate for each City entitlement and benefit programs. Outcome measures include: number of children with increased academic achievement; number of children with increased high school completion and college entry; number of Philadelphians with increased life expectancy; and number of households with greater financial security (increased discretionary income, reduced debt, improved credit, increased savings).

## **Growing Income: Increase the Pennsylvania Minimum Wage**

### **Rationale:**

Although there has been significant job growth in Philadelphia, most of those new jobs were in the low-wage sector, paying \$35,000 a year or less. Philadelphia, which has a poverty rate of almost 25 percent, is also unique: most large cities have created a larger share of jobs paying between \$35,000 and \$100,000. (Corporation, 2019) Minimum wage workers account for 3,415,000 Pennsylvanians in 2017 (Labor, 2018). Furthermore, Pennsylvania had a higher percentage of minimum wage workers (2.8%) than the nation (2.1%). A majority of Pennsylvania earners at or below the minimum wage in 2018 were white females who were high school graduates or less. Six percent of minimum wage workers in Pennsylvania have one or more children and 11 percent were single parents. In 2018, Pennsylvania workers earning at or below the minimum wage were most likely to be employed in food services and drinking places, retail, and other services. (Minimum Wage Advisory Board, 2019)

### **Approach:**

Support action by the Governor and state legislation to raise the minimum wage to \$15 an hour, enabling full time employees to earn \$31,200 annually. The increase may be phased in over 3 years. If Pennsylvania were to raise their minimum wage, it would join 31 states and 41 cities in the United States that have raised their minimum wage from the federal minimum hourly wage. A higher minimum wage will enable minimum wage workers to more ably meet the basic needs of themselves and their families. Further, workers that make above the minimum wage will also benefit because generally, wages will increase for everyone making within \$3 of a new minimum wage. (Chainani, 2019) Importantly, increased earnings among low-wage workers will help to decrease the poverty rate in Philadelphia, bolster workers' financial stability, and potentially increase wage tax collections (depending on the outcome of wage tax forgiveness/credits for low-wage workers currently being debated in City Council).

The policy will require significant advocacy of the General Assembly. A coalition of cities, labor organizations, non-profits, social service agencies and other supporters will be necessary. Timeline includes: 2-3 years of concerted advocacy. Activity measures include: number of organizations in the coalition advocating for the minimum wage increase; number of actions taken to advocate for the minimum wage increase; number of legislative activity taken to increase the minimum wage to \$15/hour; and number of Philadelphians earning a \$15 minimum wage. Outcome measures include: number of children with increased academic achievement; number of children with increased high school completion and college entry; number of Philadelphians with increased life expectancy; and number of households with greater financial security (increased discretionary income, reduced debt, improved credit, increased savings).

## **Growing Income: City-wide General Assistance Pilot Program**

### **Rationale:**

Pennsylvania recently eliminated its cash assistance program for individuals without dependent minors, a population who are not eligible for TANF. Prior to its elimination in July 2019, the state program assisted 5,600 residents of Philadelphia with payments of \$205 a month for a single person. (Just Harvest, 2019) Many of these lower-income adults are faced with difficult challenges that may preclude work, including a disability, domestic abuse, or caretaker of a disabled or ill child. Some may be older youth who are aging out of the foster care system without a stable family, housing, financial resources, or the education or training to sustain employment.

### **Approach:**

The Philadelphia General Assistance pilot program will be a small, targeted program providing a modest amount of cash support to people who need it urgently in order to stabilize their lives, prevent serious decline, and work toward self-sufficiency. Eligible individuals must fall into one of the following categories to receive support: (1) Permanent or Temporary Disabilities: It may take a person with a disability up to two years to qualify for Supplemental Security Income (SSI), leaving individuals without income during that time. GA will be available until the individual person with mental and/or physical disabilities has received approval to receive SSI. In this case, the program acts as a loan, and funds will be repaid to the City through a minimal deduction from the individual's SSI payments; (2) Youth Aging Out of Foster Care: Youth who "age out" of foster care or leave the system at 18 or older, who require a bridge to achieve self-sufficiency; (3) Person fleeing from domestic violence: individuals without children that have experienced violence from a partner will also be eligible for GA; and (4) Caretaker of an unrelated child under the age of 13 or someone who is ill or disabled.

The Philadelphia GA pilot program will permit slightly higher monthly stipends than those offered by the state GA program over a longer period of time of up to 18-26 months. The longer payments will enable individuals to have adequate time to obtain approval from SSI, get back on their feet after obtaining a job and achieving self-sufficiency after domestic violence.

Funding includes: \$250 per month for approximately 3,000 residents (or \$9million/year minus repayments of people that receive approval from SSI). This would include the approximately 300 youth who age out of the foster care system annually. Timeline includes: 2-3 years to plan pilot, identify funding and implement the pilot. Activity measures include: number of Philadelphians who have increased income supports via the pilot GA program. Outcome measures include: number of Philadelphians who have improved health outcomes (improved food security, medical access via ability to pay for co-pays); and number of Philadelphians who are housed.

## **Growing Income: Temporary Assistance to Needy Families (TANF) Grant Increase**

### **Rationale:**

TANF (Temporary Assistance to Needy Families) was created in 1996 to provide families with children a time limited grant to help meet their basic needs and work towards financial mobility. Families are eligible for TANF if their income is at or below 23% of the poverty level. Currently, however, the TANF grant provides only \$403 per month for a family of three – an amount that has not increased since the inception of the program in 1996. The monthly grant is less 23% of federal poverty line. Therefore, families receiving TANF are living far below the poverty line and sometimes, in deep poverty.

### **Approach:**

Support a campaign with partners to increase the amount of the TANF grant. The TANF grant in Philadelphia serves approximately 19,000 families, including 34,000 children who are currently living at or below 23% of the federal poverty level. By gradually raising the TANF grant in Pennsylvania as proposed, the program can bolster a family's economic security and ensure no child lives in deep poverty - which is defined as at or less than 50% of the federal poverty line. The suggested timeline to increase TANF is as follows: (1) In FY21, increase the TANF benefit amount from 23% to 30% of the federal poverty level; (2) Increase the benefit amount by 10% each year until it reaches 50% of the federal poverty level; and (3) Fix the benefit amount at 50% of the federal poverty level so that the TANF grant increases with inflation.

This would not result in a new City expenditure. The initial TANF grant increase would cost \$68.4 million per year, which could be partially funded by reallocating a larger portion of the federal TANF grant to direct assistance. It may also be possible to use the reserve of unspent TANF funds. This will require 2-3 years of advocacy and planning. Activity measures include: number of households that benefitted from a TANF grant increase; dollar amount of additional household income received by households eligible for TANF; number of organizations advocating for the TANF grant increase; and number of actions taken to advance the TANF grant increase. Outcome measures include: number of children with increased academic achievement; number of children with increased high school completion and college entry; number of Philadelphians with increased life expectancy; and number of households with greater financial security (increased income, reduced debt, improved credit, increased savings).

## **Growing Income: Create a Pennsylvania State Earned Income Tax Credit**

### **Rationale:**

Pennsylvania has a significantly regressive tax system, meaning low-income families pay proportionally more than families in higher income brackets. Further, the state's current Tax Forgiveness program does not incentivize work and its benefits are limited to the amount of tax owed. That is not helpful to those who pay little tax, including the lowest income working families and many of those just entering the workforce from welfare.

### **Approach:**

Conduct a campaign to amend PA's Tax Reform Code of 1971 to grant low-to-moderate income workers in PA a state income tax credit equal to 10% of their federal Earned Income Tax Credit (EITC). – Twenty-nine states, the District of Columbia and Puerto Rico have their own EITC to help low wage working families meet basic needs.

This proposal would not require City funding. A 2009 study estimated that a PA EITC with an additional 10% of their federal credit would cost the state approximately \$144 million in tax revenue per year. The annual administrative costs are 1% of the total refund, or \$1.44 million a year. Although a bill can be established in 2020, it may take 2-3 years to build community and legislative support. Activity measures include: number of organizations advocating for the PA EITC increase; number of actions taken to advance the PA EITC increase; number of Philadelphian households receiving the PA EITC; and dollar amount of additional household income received by households eligible for the PA EITC. Outcome measures include: number of households with great financial security (increased income, reduced debt, improved credit, increased savings); number of children with increased academic achievement; number of children with increased high school completion and college entry; and number of Philadelphians with increased life expectancy.



## **Enhancement of Clean Slate: Upgrade Electronic Data Record**

### **Rationale:**

An immense number of Philadelphians are harmed by criminal records. [One in three American adults has a criminal record](#). Given the 1.2 million adults in Philadelphia, a conservative estimate is that around 400,000 adults have records. But they are not the only ones impacted. [Half of American children have a parent with a criminal record](#), adding potentially more than 170,000 affected Philadelphians. A criminal record is a barrier to achieving basic needs in our society: [employment, housing and education](#). As a result, criminal records have been a driver of poverty. A Villanova study found that the [poverty rate would have dropped by 20%](#) between 1980 and 2004 if not for mass incarceration and the criminal records it produced.

The Clean Slate Law of 2018 provides for automated sealing by algorithm of most misdemeanor convictions after 10 years, summary offense convictions after 10 years, and cases resulting in non-conviction within several weeks. Clean Slate has enormous potential to mitigate these issues. A recent University of Michigan Law School study found that by removing the intractable employment barrier created by a criminal record, [record clearing enhances earnings by 25%](#). Because people of color are disproportionately likely to have criminal records, automated record sealing is a powerful racial equity tool for individuals and entire neighborhoods.

Pennsylvania was the first state in the country to establish a law establishing automated sealing of non-conviction cases within weeks. While the law also enables the sealing of most misdemeanor and summary offense convictions after 10 years, crime grade data (that is, whether a charge was a felony, misdemeanor or summary and whether of the first, second or third degree) is lacking for most Philadelphia charges before 2006. As a result, according to the District Attorney's office, 3 out of 4 eligible misdemeanors can't be sealed.

### **Approach:**

Work with advocates to encourage the Governor's Office and State Legislature to provide funding to the First Judicial District (FJD) for staff resources to identify and insert grade data from court files for common misdemeanors (drug possession, DUIs, sex work, theft cases) in Municipal Court, so that those convictions can be sealed by automation. The court administration is interested in taking steps to insert missing grade information; however, it will require additional staff to perform the manual work. The Governor's Office can help by providing resources for staff.

This would not require City funding but would rather require a State allocation of \$250,000 for staff capacity. Activity measures include: number of Philadelphians with sealed pre-2006 misdemeanor records. Outcome measures include: number of Philadelphians with sealed misdemeanors who were able to access housing; number of Philadelphians with sealed misdemeanors who were able to access employment; and number of Philadelphians with sealed misdemeanors who were able to access educational opportunities.

## **Enhancement of Clean Slate: Eliminate Barrier of Court Fines and Costs**

### **Rationale:**

An immense number of Philadelphians are harmed by criminal records. [One in three American adults has a criminal record](#). Given the 1.2 million adults in Philadelphia, a conservative estimate is that around 400,000 adults have records. But they are not the only ones impacted. [Half of American children have a parent with a criminal record](#), adding potentially more than 170,000 affected Philadelphians. A criminal record is a barrier to achieving basic needs in our society: [employment, housing and education](#). As a result, criminal records have been a driver of poverty.

The Clean Slate Law of 2018 provides for automated sealing by algorithm of most misdemeanor convictions after 10 years, summary offense convictions after 10 years, and cases resulting in non-conviction within several weeks. Clean Slate has enormous potential to mitigate these issues. A recent University of Michigan Law School study found that by removing the intractable employment barrier created by a criminal record, [record clearing enhances earnings by 25%](#). Because people of color are disproportionately likely to have criminal records, automated record sealing is a powerful racial equity tool for individuals and entire neighborhoods.

Pennsylvania was the first state in the country to establish a law establishing automated sealing of non-conviction cases within weeks. While the law also enables the sealing of most misdemeanor and summary offense convictions after 10 years, convictions are not eligible to be sealed unless there are no financial obligations still owed in the cases, also presenting a barrier to 50% of otherwise eligible cases statewide and 75% in Philadelphia.

### **Approach:**

An amendment to HB 440 passed in the Pennsylvania House on December 18th and will be moving to the Senate in 2020. Support the current amendment HB 440, proposing that otherwise eligible misdemeanors and summary offenses would be disqualified only if restitution - cost from injury or loss given to the victim – is owed, rather than disqualifying cases for unpaid court fees. There is no cost for this recommendation although court revenue from fees will decrease. HB 440 could be fully approved by the spring of 2020. Activity measures include: number of Philadelphians newly eligible for Clean Slate. Outcome measures include: number of Philadelphians with sealed misdemeanors who were able to access housing; number of Philadelphians with sealed misdemeanors who were able to access employment; and number of Philadelphians with sealed misdemeanors who were able to access educational opportunities.

## **Enhancement of Clean Slate: Expand Sealing of Felonies**

### **Rationale:**

An immense number of Philadelphians are harmed by criminal records. [One in three American adults has a criminal record](#). Given the 1.2 million adults in Philadelphia, a conservative estimate is that around 400,000 adults have records. But they are not the only ones impacted. [Half of American children have a parent with a criminal record](#), adding potentially more than 170,000 affected Philadelphians. A criminal record is a barrier to achieving basic needs in our society: [employment, housing and education](#). As a result, criminal records have been a driver of poverty.

The Clean Slate Law of 2018 provides for automated sealing by algorithm of most misdemeanor convictions after 10 years, summary offense convictions after 10 years, and cases resulting in non-conviction within several weeks. Clean Slate has enormous potential to mitigate these issues. A recent University of Michigan Law School study found that by removing the intractable employment barrier created by a criminal record, [record clearing enhances earnings by 25%](#). Because people of color are disproportionately likely to have criminal records, automated record sealing is a powerful racial equity tool for individuals and entire neighborhoods.

Pennsylvania was the first state in the country to establish a law establishing automated sealing of non-conviction cases within weeks. While the law also enables the sealing of most misdemeanor and summary offense convictions after 10 years, Pennsylvania law currently provides for no sealing for any felony conviction, no matter how long a person has since remained crime-free.

### **Approach:**

Support a state bill during the 2020-21 legislative session to seal selected non-violent felonies. This recommendation, which has been approved by 29 states, will permit individuals that are unable to obtain housing, secure a well-paying job or enroll in higher education due to these non-violent felonies. No additional funding is required. This recommendation may take up to 3 years to accomplish. Activity measures include: number of Philadelphians who have their non-violent felony records sealed. Outcome measures include: number of Philadelphians with sealed misdemeanors who were able to access housing; number of Philadelphians with sealed misdemeanors who were able to access employment; and number of Philadelphians who were able to access educational opportunities.

## **Eliminate or Reduce Philadelphia, Pennsylvania and Court Fines and Fees**

### **Rationale:**

A national dialogue has emerged regarding the potential disparate impact of fines and fees on communities of color and low-income households. While fines and fees can serve a legitimate purpose of offsetting the cost of a city or state service or dissuading illegal behavior, when applied without assessing an individual's ability to pay, fines and fees of low-income residents may be unduly burdensome and have unintended consequences, such as making Clean Slate unavailable.

### **Approach:**

The City of Philadelphia has had success in developing programs that make fines and fees more equitable, including the Philadelphia Water Department's Tiered Assistance Program (TAP) and the elimination of Philadelphia Free Library fines. It is recommended that the City build on these efforts and develop a system wide process for examining and making changes to both city- and criminal justice-levied fines and fees that are identified as having a disproportionate impact on communities of color or creating a burden on low-income individuals that outweighs the value of the fine or fee.

This work would engage numerous stakeholders within the City administration and the Courts in identifying existing fines and fees, evaluating whether they have a disparate impact on low income individuals and communities of color, assessing the financial impact of policy changes, and planning and implementing recommended policy shifts.

The revenue losses and collection cost savings will vary fine to fine and fee to fee. In those cases where low-income payment options are instituted, there may be an increase in revenue. As individual fines and fees are examined, a cost-benefit analysis will need to be done; however, until this analysis is done, there are no estimates of the cost of the proposal. For implementation, the amount of time will vary. Some fines and fees could be adjusted through administrative action or local legislation. Others may require state legislation that could take 3-4 years. Activity measures include: number of fines and fees that were adjusted to address equity concerns; number of departments that evaluated and assessed their fines and fee structure from an equity lens; and number of people who had fines and fees reduced or eliminated due to changes made. Outcome measures include: number of Philadelphians with increased financial security (reduced debt and increased savings); and number of Philadelphians who were eligible for Clean Slate due to changes in fines and fees structure.

## **Earned Forgiveness of Water Debt**

### **Rationale:**

Philadelphia should provide forgiveness of water arrears to eliminate the intergenerational transfer of water debt and remove the threat of water foreclosures in low-income communities. Earned forgiveness programs for utility debt exist in many states, including Pennsylvania. Long established programs are already in place at PECO and PGW. Such programs are a win-win for all stakeholders. Participants receive direct and immediate benefits, but utilities, other customers, and state and local governments benefit as well (See, e.g., C. Harak, Helping Low-Income Utility Customers Manage Overdue Bills Through Arrearage Management Programs (AMP), National Consumer Law Center (September 2013)).

### **Approach:**

Earned forgiveness programs are crucial components of comprehensive utility affordability programs, and should have the following features: (1) Earned forgiveness should be integrated with the Tiered Assistance Program (TAP); (2) Tenants should earn forgiveness of all water debt that has accumulated during their leasehold. Owner and Occupant customers should earn forgiveness of all unpaid water debt at their homes; (3) Upon enrollment in TAP, the Revenue Department is required to determine and notify the customer in writing of the amount of the customer's arrears; (4) The customer's arrears are frozen upon entry into TAP; (5) With each payment of a TAP bill, the customer earns proportionate forgiveness of water debt; (6) The customer can earn retroactive forgiveness by catching up on missed TAP bill payments; (7) The amount of earned forgiveness, and the amount of remaining water debt, should be shown on the customer's bill in order for the customer to see the incentive that accompanies payment; (8) Full forgiveness should be earned over a period of 12-36 months (Pennsylvania Public Utility Commission (PUC) policy indicates forgiveness should occur over a 2- to 3-year period. PECO, National Grid, and Eversource provide arrearage forgiveness over 12-month periods); and (9) Customers should be eligible to earn forgiveness of arrearages more than once. A customer who earns complete forgiveness, but accumulates new water debt as a result of illness, make-up bills, or other hardship should have the opportunity to earn forgiveness again.

In the first year, the Philadelphia Water, Sewer and Storm Water Rate Board (Board) should approve earned forgiveness of pre-TAP arrears to commence September 1, 2020. In the second year and thereafter, with each annual reconciliation review of TAP, the amount of TAP arrears forgiven and eligible to be forgiven can be ascertained/estimated in order to track the program's success. In the next three to five years, PWD should be required to retain a qualified, experienced program evaluator to assess TAP (The Applied Public Policy Research Institute for Study and Evaluation (APPRISE) conducts such evaluations for the customer assistance programs offered by PECO and PGW and many other utilities. The evaluation should cover program procedures and implementation; customer needs assessment; interviews with program managers and implementation partners; customer surveys; and an analysis of the impact of TAP on water affordability, bill payment, collections, and water usage). Modifications to TAP can be proposed/approved in PWD rate proceedings.

## **Provide for Additional Family Exemptions to the Philadelphia Realty Transfer Tax to Address Tangled Titles and Preserve Philadelphia Family Homes**

### **Rationale:**

A simple ordinance to correct an anomaly in the Philadelphia Code that requires the payment of the realty transfer tax where it should not be required. For low-income Philadelphians, the expense of paying the transfer tax is a major impediment to the deed transfer of a family home. As a result, over generations, title to the family home becomes ever more tangled, making it impossible for family members to realize the equity in their homes or to obtain benefits (for example, loan modifications) that require home ownership.

### **Approach:**

Pursuant to Chapter 19-1400 of the Philadelphia Code, upon the recording of a transfer of an interest in real estate, a realty transfer tax of 3.278% of the value of the interest transferred must be paid. (The Commonwealth of Pennsylvania similarly collects a transfer tax of 1%.) Some transfers are exempt from the transfer tax, including transfers between certain family members such as between parents and children, between grandparents and grandchildren, between siblings, and between spouses.

Among the categories not excluded from tax, however, are (1) transfers between aunts or uncles and nieces or nephews; (2) transfers between cousins; and (3) transfers between a decedent's heir and a person related to the decedent in any of the categories otherwise excluded from tax.

The first two categories are of closely-related family members who should benefit from the same exclusion as other close family relationships. The third category, concerning heirs, will allow a property to transfer without tax from a decedent to a close family member even if the property had been bequeathed to a different person by will. For example, a person might bequeath a property to a close friend who does not need or want it. The friend might prefer that it go to the decedent's child or grandchild, who is actually living there. The friend could still deed it to the child or grandchild but at present, that transfer would be taxed.

In the first year, City Council should pass an ordinance amending section 19-14905(6) of the Philadelphia Code to add an exclusion from the City's Realty Transfer Tax for transfers: (1) between an aunt or uncle and niece or nephew; (2) between cousins; and (3) between an decedent's heir and a person related to the decedent in any of the categories of relationship otherwise excluded from tax. In the following years, the Department of Records should implement the new policy.

## **Work with Municipal Court to Improve Access to Justice in Debt Collection Cases to Ensure that Homes are not Unfairly Encumbered by Judgment Liens**

### **Rationale:**

The debt buying industry has exploded, flooding courts nationwide and harming people living in poverty. Debt buyers pay pennies on the dollar for “junk” debt that original creditors have deemed uncollectible—often because the debt is too old or disputed, or there are problems with the creditor’s records—then try to collect on it. Although debt buyers purchase very little information or documents substantiating the debt, they sue anyway. Without appropriate concern for due process, courts can find themselves being used as an essential arm of the debt collection model.

This national problem has become a local disaster. Philadelphia’s Municipal Court entered more than \$57 million in default judgments against Philadelphians in debt collection cases from 2016-2018. Junk debt buyers filed the majority of these cases. Consumers rarely recognized the names of these debt buyers when they found themselves sued on debts they might not even recognize. Consumers are then summoned to a judgeless “courtroom” in Municipal Court where the debt buyer attorneys are allowed “to run the proceedings themselves,” pressuring unrepresented defendants into judgments “by agreement” that cannot be appealed and obtaining default judgments against every absent defendant—all without any involvement by a judge, and often without any of the documents the debt buyer would need to actually prove its case ([link](#)).

These judgments have major consequences for low-income families across the city. In addition to emptying rent money from tenants’ bank accounts, they immediately become liens on defendants’ homes and any other property they may own. They block loan modifications that are desperately needed to prevent foreclosures, cut away at what little equity they might have, and hinder the transfer of the home from one generation to the next.

### **Approach:**

City Council can be an advocate for low-income homeowners and renters caught up in this judgment mill by evaluating the impact of Municipal Court’s judgeless courtroom, endorsing basic court reforms that would improve access to justice in debt collection cases, and providing unrepresented defendants with information and resources to better navigate the process.

In the first year, the City should work with the Municipal Court to analyze court data to identify the severity of this problem. City Council should hold investigative hearings to learn about the effect of judgeless courtrooms on Philadelphians living in poverty.

In the second year, the City, working with the Municipal Court, could lessen the information and power imbalance that unrepresented consumers face by sending mailers to defendants about the court process and their rights and employ courtroom navigators or lawyers to inform defendants facing debt collection matters. The City could require all debt collectors, including debt buyers, to be registered and licensed by the City.

## **Preserve Philadelphia Family Homes by Easing Probate Process to Permit Heirs to Become Record Owners of their Intergenerational Homes**

### **Rationale:**

Philadelphia has long been a city where the American dream of homeownership is open to rich and poor families. In fact, over a third of homeowners have annual incomes below \$35,000. Unfortunately, homeownership rates in Philadelphia have recently been on the decline. According to Pew's Philadelphia Research Initiative, between 2006 and 2017, the City's homeownership rate dropped from 60% to 48%.

Many of our communities are built around the Philadelphia family home. For decades, families have inherited their homes from their parents, and later passed them on to their children. These intergenerational family homes are even more important for low-income families because they can protect against rising property values and help families avoid involuntary displacement. And they are one of the strongest ways families of color build wealth. Nationally, the median Black household is estimated to have only one-twelfth the wealth of the median White household, and two-thirds of household wealth is tied up in a home's equity.

The high cost of probate fees makes it very difficult for many families to raise their loved ones' estates. For many low-income Philadelphians, the cost to probate an estate in Philadelphia is about \$450. This is unaffordable for many and often results in the estate simply going unaddressed, and the record ownership of the home remaining in the deceased family member's name for years (or decades.)

Without probate in most cases, the record owner of the family home will continue to be the deceased, while real or equitable ownership of the home will pass to the heirs. When the heirs die, their interest in turn goes to the heirs' heirs. Before too long, it is not uncommon for a home to be "owned" by a dozen or more relatives. These "tangled titles" affect at least 18,000 Philadelphia homes. Not having one's name on a recorded deed impairs a family's eligibility to qualify for help with their mortgage, property tax, home repair programs, and the opportunity for the next generation to access the home's wealth. Keeping titles in the name of a dead person also dramatically increases the opportunities for deed theft.

### **Approach:**

In the first year, the Register of Wills, with the support of the City Administration and City Council, should adopt a fee waiver process to encourage more low-income heirs to probate their loved ones estates. In addition, the Register, with the support of the City Administration and City Council, can dedicate resources to send community educators to community organizations, houses of worship, public libraries, and rec centers to talk about the importance of wills, other estate planning documents, and where to obtain these documents at little or no cost. In the first ten years, the City should see a decrease in the number of tangled titles and the preservation of the intergenerational Philadelphia Family Home.



## **Access to Justice Reforms: Pre-Filing Mediation**

### **Rationale:**

The City has begun planning for a pre-filing mediation program that would provide a forum for landlords and tenants to resolve issues without the need for filing an eviction case in court. As of November 2019 there is a small pilot underway for 10 mediation sessions. Both landlord and tenant advocates are eager to see this program grow as it is win-win for both sides. Pre-filing mediation has the potential to save landlords the \$100 court cost for filing an eviction case in court plus the \$350-\$650 fee for hiring an attorney. If mediation is successful, landlords could negotiate payment plans to recoup unpaid rent and fees without having to deal with costly turnover and vacancy expenses that come with an eviction. Mediation could also successfully be used to negotiate a mutually agreed upon move out date. For tenants, mediation would avoid a court filing from appearing on the tenant's record making it more difficult for them to rent in the future. Mediation would also avoid tenants having to pay the passed along fee for court costs and attorneys fees. The current structure of the pilot mediation program is comprised of the Good Shepherd Mediation Program and TURN, who provide tenant advocates to support the tenants in understanding the process and complying with mediated agreements. Both landlords and tenants are provided with a Landlord/Tenant education sheet prior to the mediation so as to educate both about their rights and responsibilities.

### **Approach:**

The best form of this policy is as a City-funded program that is separate from the court system. Ideally the program would consist of an umbrella agency tasked with coordinating and recruiting for the program, a mediation organization, and a tenant advocacy organization.

The City needs to allocate funding, an umbrella agency tasked with coordination and recruitment needs to be identified and there needs to be a robust education campaign to enlist landlords to use the program as an alternative to filing in court.

## **Eviction Record Sealing**

### **Rationale:**

Tenants have an eviction record at the moment an eviction complaint is filed against them. Tenants are saddled with this eviction record regardless of the merits of the complaint or outcome of the case. This eviction record makes it difficult for them to find stable, habitable housing in the future. One way to prevent this harmful history from following tenants is to have eviction cases sealed on the state level so that only those who are involved in the case have access to the case information.

### **Approach:**

The best form of this policy is for the state court system to create a procedure to seal eviction records. This could happen either by the courts deciding to do so under their equitable powers, or by a change to the minor court rules, or by legislation at the state level. The recommended sealing procedure would include: (1) all eviction cases filed under seal with only the tenant, landlord and their own attorneys having access to the case files, (2) other individuals can physically access case files at court if they provide names and addresses of parties and the property, (3) cases remain under seal unless landlord wins a judgment for money or possession and 30 days have passed since entry of the judgment and tenant has not satisfied the judgment, (4) unsealed judgments will remain unsealed until they are satisfied or until 5 years have passed. What needs to happen to make this successful is advocacy for the courts to make this change themselves to their own case record procedures, advocacy for changes to the minor court rules, and advocacy for introduction and passage of drafted legislation on the state level.

## **Affordable Housing Development**

### **Rationale:**

The City of Philadelphia can improve the quality and supply of affordable housing, while reducing costs and delays, through the following changes to zoning, building and other permitting requirements.

### **Approach:**

Zoning and permitting. (1) The minimum lot size in the current zoning code is 1,440 square feet, which is too big and limits the number of affordable units that can be built. Minimum lot size should be aligned with existing conditions in Philadelphia, about 700 to 750 square feet; (2) Streamline zoning approval process for projects providing 51% affordable units; (3) Ensure affordable housing sites identified in City Neighborhood Plans are properly zoned to avoid the need for variances; (4) Developers use the affordable housing bonus but the length of the deed restriction makes fee-in-lieu the preferred option. Lower the deed restriction on affordable housing to 10-15 years from the current 50 year requirement to generate the development of more affordable units by the private sector; (5) Increase the density bonus for affordable units as the percentage of affordable units provided goes up; (6) Any projects that provide more than 20% affordable units at 50%-60% of AMI should be given CMX-3 by-right use and zoning regulations; (7) Exempt affordable housing projects from the new Community Benefits Agreements (CBA) proposed by Council President Clarke; (8) Waive all permit and review fees on publicly-funded jobs; and (9) Rooming houses and single-room occupancy (SRO) buildings are difficult to establish legally under Philadelphia's zoning code although they provide a form of unsubsidized affordable rental housing needed in Philadelphia, such that the following changes are recommended: (a) By-right group living designation should be created in the CMX-2, 2.5 and 3 and RM-1 districts; (b) Ensure group living is designated residential, rather than commercial; and (c) Allow a bedroom in a group living unit to be rented as a one-person household under HUD guidelines and change PHA guidelines to allow a one-bedroom voucher to be used for that purpose.

Infrastructure improvements. (1) When the Land Bank is purchasing property with existing liens, we propose the Land Bank pay the past-due taxes on the properties to the School District but not any other city fees due. That money could instead be used to create a grant program for developers providing 51% affordable units to fund infrastructure improvements required by Streets and PWD; (2) For affordable/mixed-income developments, non-contiguous parcels under a single application should not trigger stormwater regulations regardless of whether or not the aggregate total exceeds 15,000 square feet. Requirements/interpretations for scattered sites should be removed from stormwater regulations for affordable development; and (3) Private paving requirements for scattered sites should be waived for affordable/mixed income housing developments.

Funding. (1) Work on a plan with affordable developers to use Housing Trust Fund money to bring housing to market through a more efficient cost structure, such as a grant program to lower the purchase price for buyers; and (2) Use Housing Trust Fund money to create forgivable second mortgages on affordable housing. For example, if it the second mortgage was 20%, a person buying a \$230,000 house would effectively be buying a \$184,000 house. The city contributes \$46,000 on a property built more efficiently and cost-effectively by the private market for a \$230,000 end buyer.

## **U.S. Bank Liens**

### **Rationale:**

In 1997, 30,000 Philadelphia property tax liens were bundled together and sold, at a discount, to US Bank to raise revenue for the City. Many of these properties are vacant lots, exacerbating issues for low income families and gardens/open space. Some of them may be owner-occupied dwellings thereby putting families at risk of homelessness. Some are community gardens where residents work together to grow healthy food and access safe green space and, more still, some are individually maintained gardens, cultivated for decades by neighbors in long blighted neighborhoods. To make these properties part of the solution to the land crisis in Philadelphia the policy should: (1) Help homeowners with US Bank liens pay off the liens or enter into Owner-Occupied Payment Agreements (OOPAS) with US Bank. This is permitted by law; (2) Facilitate the acquisition of US Bank lien properties by CDCs, CBOs, and other nonprofits working to secure and protect community gardens. US Bank may be receptive to negotiating with CDCs and CBOs to settle the liens at a reduced cost; and (3) For vacant land, create a streamlined process allowing stewards of the vacant land, in cases where an existing garden or community maintained open space is present, to enter into no interest payment arrangements to prevent these parcels from being lost to development.

### **Approach:**

In the first year: (1) No Properties with US Bank Liens go to Sheriff Sale; (2) All relevant data on US Bank lien properties is accessible and usable by CDCs and CBOs interested in acquiring the properties to produce affordable housing, neighborhood gardens, and other public spaces. This includes generating maps and other information technology tools; (3) Homeowners with US Bank liens enter into Owner-Occupied Payment Agreements (OOPAS). This is permitted by law; (4) Fund is developed to provide loans to owner-occupied homeowners or garden properties with US Bank liens. This fund can also be used to help homeowners acquire side yards with US Bank liens; (5) A request is submitted jointly by CDCs, CBOs and other impacted nonprofits for a charitable donation of liens on high priority parcels for the development of affordable housing, neighborhood gardens, and other public spaces. (6) Short of a donation, a fund is developed to provide grants and/or loans to CDCs and CBOs to acquire properties with US Bank liens for the development of affordable housing, neighborhood gardens, and other public spaces; (7) City forgives post 1997 property tax liens, and waives fees and penalties on properties with US Bank liens that are developed into affordable housing or community open space/gardens; and (8) The Land Bank is allowed to acquire properties with US Bank liens.

In the next five years: (1) Continue keeping US Bank Lien properties out of Sheriff Sale; (2) Continue the Fund to provide grants and/or loans to CDCs, CBOs, and owner-occupied homeowners or gardeners to acquire properties with US Bank liens. This includes side yards; (3) Leverage the City's bully pulpit and the community's advocacy skills to encourage US Bank to waive penalties, interest and other charges on their liens making only the principal due when the property is to be developed for affordable housing or community garden preservation; and (3) City forgives post 1997 property tax liens and waives fees and penalties on properties with US Bank liens that are developed into affordable housing or community open space/gardens.

In the next ten years: (1) No more properties with US Bank liens; and (2) Formal commitment to no more tax sales including owner occupied homes or gardens.

## **Rooming Houses**

### **Rationale:**

The number of rooming houses in Philadelphia is growing. Rooming houses fill a particular need for affordable housing at this time in Philadelphia. Philadelphia has a poverty rate of 26%, has lost over 13,000 lower-cost rental units in the last 10 years, and has 125,000 severely cost-burdened renters and owners (paying more than 50% of income towards rent). (See Philadelphia Housing Action Plan, p. 4-5, at [phila.gov/media/20190115161305/Housing-Action-Plan-Final-for-Web.pdf](http://phila.gov/media/20190115161305/Housing-Action-Plan-Final-for-Web.pdf)). Many tenants cannot afford the upfront costs of first and last month's rent and security deposits, and some cannot pass the eviction or criminal record history background checks that landlords increasingly require. Rooming houses often allow tenants to pay rent weekly, include all utilities, and have more lenient tenant screening policies. The issue is that few of these rooming houses are zoned for multiple families and many have precarious habitability and fire code safety issues. Tenants are not able to access regular tenant protections because doing so puts their already precarious rental situation at risk. Tenants cannot call License and Inspection or take other steps to protect their rights because they know if L&I inspects, a cease operations order will be issued ordering their immediate eviction, and then they will truly have nowhere to live.

### **Approach:**

The best form of this policy is for the city and advocates to analyze its zoning, property maintenance and fire codes to assess ways to allow for rooming houses that are appropriately zoned and are in compliance with the fire code. Philadelphia needs an amnesty period that allows owners of current rooming houses to come forward and work with the city to come into compliance. This is a complicated issue that will require research both specific to Philadelphia, but also nationally to learn best practices and creative solutions.

In the first year, hold regular meetings between advocates, city councilmembers, L&I, City Law Department, and Fire Department to assess which laws and codes would need to be amended and to research best practices and creative solutions. In the second year, develop proposed solution and begin to amend laws and codes as necessary. In the third year, provide amnesty period to bring current rooming houses into the open and into compliance. In the fourth and fifth years, assess progress made and chart next steps.

## **Tenant Access to Affordable Home Utility Service**

### **Rationale:**

Low-income tenants are particularly vulnerable to utility shut offs, risks to family unity, and loss of housing associated with unaffordable utilities. While programs exist to help make utility bills affordable, tenants may be unable to access these programs due to the configuration of their homes and the actions of their landlords.

### **Approach:**

The following steps would help low-income tenants afford utility service and remain in their homes.

First, Rental Licenses should be deemed to explicitly authorize tenants to become utility customers with tenants names listed on the utility bills (this would alter policies of PWD that give landlords the right to refuse tenant customer status; in operation, this precludes tenants from accessing affordable water bills through the Tiered Assistance Program (TAP)), provided the following conditions are met: (a) The tenant's residence is individually-metered (providing service exclusively to the dwelling unit occupied by the tenant pursuant to the lease); (b) The tenant is responsible for the applicable utility service pursuant to the terms of the lease; (c) The tenant's dwelling unit is directly served by the utility company and is not provided service through a third-party reseller of utility service. (See, e.g., 66 Pa. C.S. § 1313 (governing the resale of utility service). Individuals who receive service from a third-party (e.g., submetering and ratio-utility billing) are not customers of the utilities and cannot access utility consumer protections provided under state law).

Second, a landlord should not be able to obtain monetary judgment or evict a tenant on the basis of tenant nonpayment of utility bills unless all of the following conditions are met: (a) The tenant's residence is individually-metered (providing service exclusively to the dwelling unit occupied by the tenant pursuant to the lease); (b) The landlord has taken all necessary actions to permit the tenant to be a customer of the utility and billed directly for service to their dwelling unit; and (c) The tenant is not enrolled in a utility customer assistance program through which collection action on any unpaid utility bills is suspended.

Third, an owner of a rooming house in which the rooms are not individually metered should be responsible for all utility bills associated with the property and the tenants/occupants should have a right to recover from the landlord any utility costs or debts imposed upon them by the utility company.

In the first year, adopt amendments to the Philadelphia Code and applicable departmental regulations regarding rental licenses, judgments and evictions, and rooming arrangements to protect tenant access to affordable utility service. In five years, survey multifamily dwellings to determine the location and number of low-income tenants receiving utility service through a third-party reseller, submetering, ratio-utility billing system or similar arrangement to determine if further steps are needed to ensure affordable utility service. In five to ten years, educate and adopt enforcement mechanisms to ensure that if they are required to pay for utilities, low-income tenants have access to individually-metered, affordable utility service.

## **Utility Metering and Compliance at Leased Premises**

### **Rationale:**

Low-income tenants experience the disruption of safe and healthy housing due to utility metering and noncompliance issues at leased premises. Frequently, low-income tenants relocating to new homes experience the inability to connect to or maintain utility service because the service has been previously reconnected without the utility's knowledge and authorization, without proper metering, and without regard to the potential health and safety risks of unlawful service. Tenants in such circumstances may face allegations of tampering with utility equipment. They may be forced to relocate or be required to bear additional expense to rectify the metering and/or noncompliance issues.

### **Approach:**

Adopting an ordinance with the following provisions would help low-income tenants avoid the loss of utility service and threat to housing stability associated with landlord metering and compliance issues: (1) The landlord has an affirmative obligation to inspect and ensure utility metering and compliance at the outset of any residential lease agreement; fulfillment of this obligation is explicitly required to deliver a habitable premise; (2) The failure to ensure utility metering and compliance at the outset of any residential lease agreement should constitute a prohibited and unlawful eviction practice for purposes of Chapter 9-1600 of the Philadelphia Code (Phila. Code § 9-1602(1)(a) defines "self-help eviction practices" to include engaging or threatening to engage in conduct "which prevents... a tenant(s) from lawfully occupying their dwelling unit." Metering and utility noncompliance constitute conduct which prevents lawful use of utility service, vital to safe and healthy occupancy by the tenant); and (3) The tenant has a private right of action to obtain from the landlord: (a) Judgment for actual damages incurred by the tenant; (b) A per diem penalty of \$300 or the actual cost of substitute housing (whichever is greater); (c) The amount of any utility bills and charges imposed on the tenant and associated with utility metering and noncompliance (including estimated usage charges or utility make up bills); (d) Reimbursement of expenses incurred by the tenant associated with inspecting and making the dwelling unit compliant for utility metering and utility service; (e) Payment of the costs of relocation; and (f) Payment of attorneys' fees and expenses.

In the first year, adopt an ordinance requiring landlords to inspect and ensure utility metering and compliance and providing redress rights to tenants for landlords' failure to ensure utility compliance. Within ten years, periodically survey organizations serving low-income tenants to ensure the ordinance is meeting tenants' needs for compliant utility service and determine if adjustments should be considered.

## **Economic Stability and Substance Use Recovery**

### **Rationale:**

The Department of Behavioral Health and Intellectual disAbility Services (DBHIDS) recommends the creation of a 10 bed, recovery-oriented, low-demand home; 20 housing subsidies; and employment support for 3 years. The program will be for women experiencing homelessness who are seeking shelter, safety and ultimately economic self-sufficiency and recovery from substance use. Each element will use a harm reduction model to engage individuals around behavioral health and physical health wellness. The target population will be women over the age of 18, who are experiencing homelessness, actively using substances, and are not connected to traditional treatment services.

### **Approach:**

Women will be referred through DBHIDS street outreach and justice system diversion programs (Co-responders, PAD, PASS, and Salvation Army New Day Center). The women entering the program will be engaged by staff who will use a harm reduction model to address trauma, behavioral health and physical health wellness. The women will also be introduced to skills that will help them to begin addressing their extreme poverty through education, employment and federal entitlements. As the women begin to address their substance use disorder, they will be referred to the appropriate treatment program and/or supportive housing program that best meets their needs. They will be referred to the Employment Specialist and have the option of utilizing a housing subsidy, to ensure their transition is complete. The housing subsidies will also be used to create flow within the current recovery house system, in order to ensure that the women being served receive the most appropriate housing and treatment.

DBHIDS will take the lead in this initiative and will contract with a recovery house provider who meets DBHIDS standards to provide the services. DBHIDS will partner with the Office of Homeless Services (OHS) to ensure that the individuals are part of the Coordinated Entry System and matched to permanent supportive housing opportunities. We will also partner with Career Link and First Step Staffing through the Employment Specialist.

The recovery house project will take approximately 3-6 months for startup and admission of the first resident. Startup will include site selection, ordering furniture and supplies, renovations, and hiring staff. Potential obstacles include zoning regulations for the recovery house; to overcome this, DBHIDS would find an existing recovery house provider with an unused property that already has the proper zoning and would convert the existing house to be used for this purpose. DBHIDS will also work with the planning commission to ensure that the sites selected meet the zoning requirements.

DBHIDS ability to implement will be contingent upon an approved, sustained funding source, as follows: (1) Low Demand Recovery House (10 beds) for 3 years is \$759,000. The program would serve at least 20 women per year, as the expected length of stay for each woman would be approximately 6 months; (2) Housing Subsidies (20) - \$15,980 per person cost for 3 years - \$958,800; and (3) Employment Support – Employment Specialist for 3 years – \$225,000.



## **Opportunity Zones**

### **Rationale:**

Investors can invest in Opportunity Zones through Qualified Opportunity Funds (QOF) Eligibility as an investor is broad and open to individuals and businesses including corporations and partnerships. Investors are eligible to take advantage of certain benefits on taxation capital gains tax. Deferral: Capital gains that are invested in QOF may temporarily defer capital gains taxation until the investment is sold (or, if not sold until 12/31/2026.) Reduction in capital gains tax for long term investments: Capital gains that are invested in QOF for at least five years or seven years may step up its basis respectively by 10% or 15%. This means \$100 of invested capital gains will have \$15 tax free after keeping the investment for at least seven years. Exclusion of capital gains tax on appreciation of investments: Capital gains resulting from appreciation of Opportunity Fund investments are excluded from taxation if the original investment is held for seven years. Position: To drive economic development in low-income neighborhoods, the Tax Cut and Jobs Act of 2017 (TCJA) created Opportunity Zones (OZ). The passing of the federal policy created fanfare and excitement within the real estate community about the potential of accessing the estimated 6 Trillion of unrealized capital and 100 Billion in equity in capital gains dollars available. The policy also created fears and apprehension that may accelerate the pace of gentrification in urban cores displacing black and brown communities. Ironically amongst the demographic the spirit of the law is intended to benefit. In the 8,700 QOZ's in the U.S. there are 31 Million Americans, 56% identify as minorities, the zones average a poverty rate of 31% with an average unemployment rate of 14.4%. Challenge: There are no guard rails or means of protecting communities that were formerly redlined and starved of investment resources from parasitic capital that can provide financial returns without a beneficial impact on communities and residents in OZ's. Opportunity: Reshaping the approach to Economic Development which has been stagnant and ineffective for 30 yrs.

### **Approach:**

(1) Create a city-wide investment prospectus by neighborhood; (2) Gather and convene stakeholder i.e. municipal, state, federal, philanthropic orgs and institutions focused on Intentional transformative positive impact on livelihoods of residents in QOZ's; (3) Identify and "entice" social impact investors; (4) Explore how the Land Bank can effectively distribute land for equitable development in a timely manner that aligns of the jobs act; (5) Create a repository and data analysis on projects in development in proximity to QOZ's - differentiating between last mile and shovel ready projects for investors and qualified opportunity zone funds; (6) Solicit feedback from local working groups and stakeholders to build deals that meet both community benefit and investor needs and goals; (7) Building relationships, networks of trust and intermediaries between QOZ funds, Community Develop groups and developers with a focus on projects that foster and support business workforce and entrepreneurship development as well equitable mixed income communities; (8) Interview and convene investors in order to engage and promote existing civic infrastructure investment, projects and planning initiatives that meet City Council and the Administrations urban planning goals; (9) Create metrics of community health to measure the impact of investment in OZ's; (10) Collect opportunity zone profiles – relevant demographic, social, and market data; (11) Inform and educate community leaders on QOZ's, Opportunities and Challenge; (12) Challenge government agencies to prioritize social impact opportunities in zones; (13) Convene and encourage collaboration between community, government, philanthropic, investor, and educational and workforce development organizations for the express purpose of producing QOZ projects (Source: Opportunity Zone Investment Prospectus); (14) Adopt Guiding Principles that articulate the Collective's commitment to the economic and social growth of marginalized Philadelphia communities; (15) Create a unified vision of inclusive, equitable growth for Philadelphia; (16) Participate in national networks committed to social impact QOZ's, actively promote model QOZ initiatives, create critical mass of local leaders calling for establishment of Intermediary and adoption of Guiding Principles, convene and educate CDC's, socially-conscious developers, and diverse investors, and create list of development projects.

Implement Phila Opportunity Zone Framework and Guiding Principles within 2 years. Enable Accountability and Reporting as follows. An Investment Prospectus should rely on objective quantitative evidence as well as qualitative local knowledge. To the greatest extent practicable, it should use readily accessible data that can help investors uncover investable projects and help cities and their stakeholders build inclusive growth strategies and create new (or repurpose existing) institutions to market Opportunity Zones, leverage public, private and civic investments and enhance the linkage of local residents to resulting employment opportunities. The robust use of national data that is locally relevant will also help cities build accountability systems to measure Zone performance and inclusive growth outcomes. Convene an annual financing charrette - for public, private and civic practitioners to develop financial scenarios for capital stack deals scored by potential for transformative community social impact i.e. affordable, workforce and market rate housing to foster mixed income neighborhood development. In year five, measure what works and replicate best practices at scale.

## **Expanding Housing Counseling**

### **Rationale:**

For FY 2020 (2019-2020) \$3.9 million was budgeted for counseling provided by Philadelphia's 24 housing counseling agencies. (There was a total of \$9.522 million provided under that budget category of "housing counseling" citywide according to the 2020 CDBG Action Plan. Of this total, \$5.39 was from CDBG, \$3.66 million from the Housing Trust Fund, and \$470,000 from the City of Philadelphia General Fund. In addition to counseling services, this category includes direct household assistance such as mortgage payments for homeowners at risk of foreclosure and utility arrears for tenants.) Nearly all the funding comes from CDBG and the Housing Trust Fund, \$470,000 from the City of Philadelphia General Fund; CDBG is most restrictive source. The cost of a full-time counselor with benefits and indirect costs is \$55,000-\$65,000. FY 2020 Annual Goals include 11,250 households receiving Housing Counseling Services, 750 households receiving Tangled Title Services, and 200 households receiving down payment/closing cost assistance and counseling. (This last goal was set before the Philly First Home program launched June 1, 2019. As of November 2019, over 742 households were approved for grants under the program, all will receive counseling.) Housing counseling agencies participating in the Philly First program are spending about 70% of their time on the down payment assistance program, 20% to prevent mortgage or tax foreclosure, 10% utility assistance, which represents a significant change from prior years.

The following are major challenges in service delivery: complying with new requirement for HUD certification by August 1<sup>st</sup>, 2019; increased client volume driven by Philly First Home Program not matched by new resources; pay per client encourages focus on quick cases, discourages meaningful engagement on more complicated cases; tangled title process and cost remain an issue despite additional city resources; agencies advocating for Registrar of Wills to waiving/reducing probate fees for low income residents; proactive estate planning is also needed; most renters who come in are looking for payment assistance and are already facing eviction or are in a payment plan and trying to comply – nonprofits that operate counseling services have little or no money to provide for renters; therefore, few renters are provided service; outreach is a different skill than counseling – while \$15/hour wage requirement as city subcontractors is good, it means agencies quickly expend outreach budget; outreach would help reach people (including renters) before point of crisis; and onerous requirements of some programs, like NAC outreach (multiple home visits to a client each month), make implementation difficult and limit volume. Other considerations include: none of the four agencies interviewed currently offer landlord education/assistance, two of four would consider providing those services if funding was available, and one agency wanted to do more counseling by phone or video to reach more clients, but research has shown face-to-face counseling is more effective.

### **Approach:**

Consider the following policies. Ensure there are enough certified counselors to meet demand by providing training opportunities for current/future counselors to pass HUD exam. Allocate additional, targeted funding to ensure that new demands on counselors (e.g., a focus on eviction prevention, Philly First Home program) do not decrease other counseling activities (e.g., foreclosure prevention). Provide sufficient funding to hire community outreach specialists, who have a different skill set and training than counselors, to connect with tenants and owners before point of crisis. This is especially important for renters. This should include some number of full-time outreach specialists because "very part time" nature of current positions leads to heavy staff turnover. Link renter counseling to rental assistance resources. Provide funding for a number of counselor positions that would focus on serving complicated cases, not driven solely by volume. Increase education/resources for small landlords.

Consider the following actions. Survey all housing counseling agencies to determine how many counselors have/have not been HUD certified, and extent of need for training to increase number of certified counselors; offer or connect agencies with training according to need. Increase number of counselors skilled and experienced with rental housing issues, including financial literacy/stability counseling for renters. Increase number of counselors who are trained to handle complex cases and either assign them exclusively to such cases or provide funding that allows counselors to set aside time to work on these more time-consuming cases. Increase number of community outreach specialists who can refer clients for financial literacy and housing counseling. Pilot counseling by FaceTime/WhatsApp/other video to test quality/effectiveness.

## **Property Owner Incentives for Affordability**

### **Rationale:**

Philadelphia will need three thousand more apartment units annually to meet the demand created by millennials who would rather rent than own and boomers looking to downsize (Source: Weareapartments.org). Reaching and maintaining the growth will require courageous steps by policymakers who are willing to implement inventive policy ideas, provide incentives, and reduce impediments to building apartments that meet demand across income levels.

Philadelphia already has one of the lowest rental prices in the country with an average market rental at \$1245 and the average income of the Philadelphia renter is near the bottom of the major markets.

Philadelphia metro ranks in the bottom third of national apartment demand and near bottom for barriers to development. Of the top 50 metros, Philadelphia ranked 6th on the multifamily supply restriction index developed by the National Multifamily Housing Council and the National Apartment Association meaning it's very difficult to build in Philadelphia. High demand coupled with low supply and costly construction and development costs leads to less affordability.

### **Approach:**

Policies and legislation needs to be created that (1) Evaluates zoning restrictions in neighborhoods where affordable housing is most needed; (2) Updates parking requirements that match current trends in car ownership and transportation; (3) Determines areas where density exemptions and incentives are most needed, especially near transportation hubs; (4) Provides collaboration between neighborhood groups so that development benefits current residents while promoting responsible development; (5) Creates tax abatement programs that link development for multifamily housing with low income rent programs; and (6) Provides incentives for owners of older housing stock to update and repair properties in low income neighborhoods.

In the first year: (1) Meet with L & I and zoning board to determine the possibility of new zoning requirements; (2) Meet with property owner groups to develop reasonable incentives; and (3) Work with research groups to target the neighborhoods most in need of affordable housing. In the second year: (1) Form collaboration between neighborhood groups, policy makers, and developers; (2) Purpose and pass legislation. In the third year: (1) Award contracts to developers and property owners.

## **Growing and Strengthening LIHTC Units**

### **Rationale:**

Increase the development of new affordable rental units under the Low Income Housing Tax Credit program, strengthen the financial sustainability of built projects so they can stay in good condition and quality, and deepen affordability of LIHTC units to lower income tenants

### **Approach:**

Leverage more 4% LIHTCs by providing deeper city subsidy to make up for the lower value of the equity of these tax credits by lifting the city's subsidy cap to somewhere between \$3 million - \$5 million. Launch a project-based shallow rent subsidy program that can write down operating costs on LIHTC units that currently serve tenants at 60% AMI in order to serve tenants at 30% AMI or below. Explore a maintenance fund that could support unanticipated expenses that operating funds cannot cover. Replace operating revenue for LIHTC projects developed that will no longer receive a 10-year tax abatement after July 1, 2020 through a 10-year operating subsidy (would average \$40,000 - \$50,000 over ten years for each project, or approximately \$390,000 per year). Revisit OPA's property tax assessments of LIHTC units to determine if they can be reduced to lower operating costs. Win state authorization for property tax abatements for deed restricted affordable housing such as LIHTC units.

In the first year: (1) Convene a conversation with PHFA to determine how best to address gaps in budgets for projects submitted 11/15/19 due to the change in the 10-Year Tax Abatement; (2) Convene affordable housing developers to explore the complexities of layering in additional city operating and rent subsidy to identify barriers and solutions; (3) Determine which LIHTC projects awarded require city operating subsidy to replace 10YTA; and (4) Pilot a shallow rent subsidy program for new LIHTC projects that will come on line in 2020.

In the first five years: (1) Issue a Request for Information (RFI) for developers that would access 4% for new unit development to determine capacity and subsidy need; (2) Make permanent annual, recurring General Fund contributions into the Housing Trust Fund to ensure revenue for operating subsidies and shallow rent subsidies can be continued; (3) Determine appropriate property assessment burden for LIHTC units and recommend to OPA a modified assessment base; (4) Draft a property tax abatement state authorization legislation for deed-restricted affordable units, coordinate with the Housing Alliance of Pennsylvania on a legislative strategy, and meet with state Senators or Representatives to find a bill sponsor; and (5) In coordination with LISC's Preservation Task Force, identify most common maintenance needs that go unaddressed to determine needs for an emergency maintenance fund.

## **Homeownership Development as an Anti-Poverty and Wealth Building Strategy**

### **Rationale:**

A homeownership development program could build family wealth in Philadelphia as our strengthening housing market is boosting equity in most neighborhoods. This can: (1) Prevent households from slipping into poverty by giving them an asset that can be relied on for stability or financial equity during hardships; (2) Help those who are living in poverty or facing housing instability find a safe place to live with family members that own their homes; and (3) Mitigate the impacts of generational poverty by creating a home and asset that family members in poverty can inherit.

### **Approach:**

Based on interviews with several affordable housing developers that have previous experience creating new affordable homes for purchase, the best form of this policy would contain the following elements: (1) Target households at 50% - 60% Area Median Income (\$45,500 to \$54,060 for a family of four), or up to 80% AMI; (2) Provide a local per-unit subsidy cap of \$100,000 so that the purchase price can be written down to around \$150,000. Additional subsidy from private, philanthropic, or federal sources (PHFA, FHLB,) may also be needed, or could reduce needed city subsidy, depending on construction costs. Avoid using CDBG or HOME funds that come with challenging restrictions; (3) Explore private/non-profit partnerships and buyer subsidy models that could reduce the cost of development or rehab and reduce the subsidy needed per household; (4) Amortize the subsidy over a 15 year period to incentivize owner longevity but allow for equity growth for family wealth building (15 years would be consistent with the Philly First Program, which does not amortize even through year 14); (5) Provide technical support for the development of Community Land Trusts that could be used as a tool for longer term affordability; (6) Create clear guidelines and tracking system for OPA assessment of subsidized ownership properties that have a soft 2nd mortgage that limit re-sale price to ensure property owners are not priced out based on rising taxes, during and after any tax abatements or affordability expirations; (7) Use the Land Bank to acquire (A barrier to parcel assemblage are vacant properties that are not tax delinquent and cannot be acquired by the Land Bank. Are there tools other than eminent domain to acquire those parcels?), assemble, and dispose of land at nominal value. Investigate the potential inventory of vacant structures (not all structures are cost effective to rehab as infill and may need to be demolished, thus may not be good targets for this program) that can be targets for rehab into homeownership (particularly for acquisition targets; current PLB inventory of structures is very limited); Investigate PHA structures that the agency has expressed a desire to donate to PLB to see if they are cost-effective and appropriate for rehab for-sale (they may or may not be); (8) Pair with the Philly First down payment assistance program for first-time homebuyers; (9) Consider pairing subsidy with training programs post-purchase for first-time homebuyers; Training could cover basic maintenance issues to avoid costlier future repairs, as well as estate planning to head-off actions by predatory home buying wholesalers and future tangled title issues; (10) Evaluate zoning changes (density) that could allow developers to build smaller footprint homes, maximize units per lot, and meet the needs of low/mod income buyers; and (11) Investigate city-driven cost drivers including storm water management and street paving requirements that add cost but cannot be recovered through sale price. Consider use of city capital funds for infrastructure and affordable housing discounts for storm water fees.

In the first year: (1) Determine maximum per unit subsidy that can be made available, budget HTF dollars, and issue an RFP; (2) Draft legislation that would allow for zoning changes to build more dense ownership; (3) Explore with PWD storm water management fee discounts for affordable homes; (4) Review OPA policy for assessment of affordable homes, amend if necessary, and ensure systems are in place to implement and track accurately; and (5) Convene market rate developers and affordable housing developers to explore potential partnerships.

In the first five years: Assess the condition of the structures in the Land Bank inventory to determine if they can be rehabbed. Identify vacant parcels that can be reserved for homeownership (acquisition and disposition targets).

## **Safe & Healthy Homes Toolkit: Built to Last Housing Stabilization Initiative**

### **Rationale:**

Preserving existing affordable housing is key to mitigating displacement and creating generational wealth for low-income homeowners. In Philadelphia today, a variety of programs aim to assist property owners – and to a lesser extent, renters – to address major home repairs, provide adaptations for elderly and disabled residents, and improve the home's energy performance to reduce utility bills. However, the current system is not designed to coordinate or integrate services at scale to get to the more meaningful goal of helping residents rise out of poverty and fundamentally preserve their homes.

PEA is uniquely positioned, as an independent municipal authority, to act as the administrative backbone to facilitate inter-organization and intra-government coordination and layered service delivery. PEA began development of the Built to Last platform in February 2019 at the encouragement of Councilmember Derek Green, in response to stakeholder and Public Utility Commission urging to address low-income energy insecurity in Philadelphia. Built to Last will restore the safety, health, affordability and comfort of existing affordable housing for the long term.

Built to Last involves three pillars of activity: (1) Integrated Benefits Screening and Application – Developing data integration and information sharing to allow for streamlined intake for utility, health and City home repair programs with other programs, and allowing clients to opt in to Built to Last's coordinated service delivery; (2) Property Audit & Scope Development – Conduct a BPI-certified holistic home assessment that identifies all critical home needs and which programs can provide services and funding. Reduce the number of audits needed and enable data sharing. Develop a Service Plan for each home that allows for streamlined construction activity and completes all measures needed. Identify and define additional funding needed; and (3) Construction Management – Provide “before, during and after” coordination of service delivery across multiple programs, partner with organizations to integrate construction timing, ordering and layering to maximize services provided, and provide quality assurance and warranty support.

### **Approach:**

In the first year, expanded benefits screening with some application support is in place, a holistic assessment protocol is agreed on, and the management platform is developed for beta testing through a pilot project in Year 2. In the second and third years, PEA and partners launch an 80-100 home pilot to test aligned service delivery using the platform. City funding is earmarked to support administration, audits, scope development, construction management and home improvements not covered by existing programs. Local contractors and organizations participate as audit partners and home repair subcontractors for the participating programs and grow the market's capacity to meet the expected program demand. In the fourth, fifth, and sixth years, healthcare institutions, MCOs and Medicare/Medicaid invest more broadly in high-need communities through the Built to Last platform. PEA and partners are delivering aligned services to 750 homes per year. In ten years, PEA and partners are delivering aligned services to more than 1,500 homes per year.

Policy changes to support this initiative include: (1) Funding to help homeowners clear title and allow homeowners with partial title to be eligible for housing programs; (2) Low-cost basic homeowner's insurance is available to long-term low-income homeowners. Could be a City initiative; (3) Philadelphia Department of Public Health receives expanded funding for treatment of bed bugs and other vectors and for both preventative and reactive treatment of lead and health hazards in homes; and (4) PHDC's programs allow third-party home evaluator to identify qualifying needs.

## **Safe & Healthy Homes Toolkit: Health and Housing**

### **Rationale:**

Multiple organizations have worked for years to provide home repairs to needy households who face a host of housing challenges, including housing insecurity, health and safety problems, and high energy costs.

A health and housing toolkit would: (1) Create a list of home standards to qualify a home as safe, healthy and energy efficient; (2) Require all providers utilizing City support to conduct home evaluations based on a universal evaluation that identifies the repairs needed to meet the list of home standards; (3) Provide coordination of multiple points of entry for those requesting housing repairs (applicants should be screened for ownership issues and back taxes and RRR eligibility and should be able to apply in the neighborhoods and outside of 9 to 5 hours (i.e., at NACs, housing counseling agencies, the Save Your Home Philly hotline and a web application); (4) Up to a certain TBD amount of money, the City shall either provide or subcontract out the repairs to fix all or most critical hazards identified by the universal evaluation; (5) Create a system that connects home repair providers so multiple providers could collectively address the needs in each house. This "home repair connection" system should allow application information to be shared; (6) Connect homeowners to free legal services for estate planning to prevent tangled title; (7) Provide all housing affordability assistance referrals (i.e., PGW & PECO programs; real estate tax repayment plans, homestead exemption, senior citizen tax freeze; Community Benefits Trust screening, etc.); and (8) After repairs are complete, report the repairs fixed and the remaining number of hazards still in the home (consider a post-repair independent evaluator, at least on a spot-check basis).

### **Approach:**

In the first year, create the list of repairs; RFQ for an independent evaluator of the data; start work on point of entry solutions and a home repair connection system. In the second year, all providers are using the universal evaluation and keeping the data as proscribed by the organization selected by the RFQ; coordinated point of entry system is functional. In the third year, collect the Before/After data to see the number of repairs needed and completed; roll out the home repair connection system. In the fourth year, find out which repairs are not being done and why. Determine what resources are necessary to fill those gaps. In the fifth year and thereafter, obtain the resources to fill gaps.

## **Rent Subsidy & Emergency Homelessness Subcommittee**

### **Rationale:**

According to the City of Philadelphia's *Roadmap to Homes - Philadelphia's Five-Year Strategic Plan for the Homeless Assistance System* "each year approximately 15,000 people access our city's homeless services after finding themselves without a place to stay at night; thousands more are at risk of homelessness. Homelessness is caused by involuntary poverty, high housing costs, behavioral health challenges and trauma. Numerous stakeholders are invested in both responding to and preventing homelessness in a resource-constrained and often highly stigmatized environment. Coordinating a measurable, high-impact community response that helps individuals and communities drives the need for and benefit of a system plan." As a subcommittee, we endorse the plan's structural approach of making homelessness rare, brief and non-recurring. Additionally, as recognized in most public services, there remains a critical need for non-English speaking and translation services as well as ethnic and culturally appropriate services for Latinx, Asian Pacific Islander, Immigrant African, African American, Youth, LGBT and other often underserved communities. For the purposes of the subcommittee's primary focus, our recommendations align with the goal of making homelessness rare and nonrecurring – that is, to prevent and end homelessness to the greatest extent possible by ensuring an adequate supply of homes that are dedicated to people who are virtually or imminently homeless. While we recognize the complex, multifaceted nature of homelessness, we urge that significant investment be made as a priority within this plan, which we laud. While having a safe, stable, affordable place to live does not guarantee an end to poverty, it is most certainly impossible to increase one's income, sustain recovery, hold a job, get an education or create family stability while experiencing homelessness. We propose a multi-pronged approach. Note that these proposals, in addition to being consistent with the Roadmap to Homes, are dovetails with the City's Housing Equity Plan adopted in 2018.

### **Approach:**

Solution #1: Prevent homelessness by investing in eviction prevention through information, education, mediation, diversion and direct financial assistance when needed. Recognizing that eviction is not only a result of poverty, but a cause, the City has recently made significant progress in reducing the number of filings. City Council and the administration have invested in eviction prevention and defense starting with the Eviction Task Force, the Philadelphia Eviction Prevention Program (PEPP), increased financial assistance to people facing homelessness and now right to counsel. The number of evictions has dropped significantly, and we strongly suggest that these interventions be continued and expanded. They are working. The best form of this policy is financial assistance when needed coupled with financial counseling, legal, mediation, and tenant rights information to continue driving down eviction filings. Homelessness prevention and diversion work. 90% of evictions are reported as being due to nonpayment of rent. Over the past two years Office of Homeless Services (OHS) has prevented and diverted nearly 3000 people from homelessness and none have yet come back to the shelter system. We estimate that every dollar spent on prevention, the city saves three on shelter costs alone. In 2019 there has been a dramatic unanticipated upturn in referrals to homelessness prevention among people seeking financial assistance. OHS's Emergency Rental Assistance Unit has had over 7,000 visits from people seeking financial assistance for eviction/homelessness prevention, about double that of 2017. OHS can assist about 25% of them. In the first year: Invest \$4M in homelessness and eviction prevention annually. These funds are combined with an interview with a social worker, referrals to appropriate additional services, mediation with the landlord and/or family to prevent displacement, and financial assistance when both needed and available to prevent homelessness. Explore establishing a call center to better streamline and coordinate eviction prevention with homelessness prevention strategies perhaps combining with expanded efforts of the Benefits Data Trust. In the second year: Continue sustained investment pending outcome results from prior years interventions and any additional new data. Implement call center plans or whatever alternative service model emerges from the exploration of best practices and recommended homelessness prevention model. In the fifth year: assess progress, lessons learned and invest based on impact.

Solution #2: Provide 2500 new permanent supportive housing units to end and prevent the experience of homelessness for people with special needs and extremely low or no incomes. The best form of the policy/program is supportive Housing, an evidence-based practice that is 90% effective in preventing a return to homelessness. It couples a rent subsidy that makes housing affordable coupled with wrap-around social services. Support services should be provided both through skilled providers in partnership with DBHIDS and through the hiring of people with lived experienced and those with training as peer leaders and mentors. Providers of these services should be provided with remediation funds to quickly repair damaged units and maintain appropriate upkeep. Note that within supportive housing we propose two strategies: 1) to rehabilitate and repurpose underutilized and offline units; and 2) invest in tenant based rental assistance culminating in the establishment of a city-run rental assistance program. The first supportive housing strategy is to repurpose 350 vacant and underutilized residential structures in the City inventory, owned by nonprofits and/or the Philadelphia Housing Authority specifically for supportive housing. In the first year: Establish a partnership between the City and PHA to renovate 350 scattered site units that are currently



offline. These units need anywhere from \$50K-\$150K to be habitable. These units are permanently-affordable and come with a sustainable, modest baseline subsidy that reduces carrying costs. This partnership opportunity would be a significant down payment on repurposing vacant units right away - if we capital were made available to improve them. Identify units in the City inventory and/or held by nonprofits and/or units that could be acquired for this purpose that could be renovated for occupancy and services as permanent supportive housing. Develop cost estimates and plan to invest in nonprofits with capacity for renovation and conversion to supportive housing to start in Year 2. In the second year: Scale and sustain partnership between the City and PHA to repurpose scattered site units. Establish and/or expand renovation partnership to produce, preserve and support an additional 350 new units of supportive housing. The second supportive housing strategy is to establish a city rental assistance program with a dedicated revenue source to ensure that high quality, affordable rental is available to Philadelphians with the lowest or no income who have disabilities and are experiencing chronic homelessness. In the first year: Dedicate \$3,125,000 to support 250 new tenant-based rental subsidies including at least 70 Housing First Units to be dedicated as supportive housing for people with disabilities experiencing homelessness. Collaborate, support and augment the business-led PHL Cares efforts and address street homelessness that is directly impacting commercial and residential areas. (\$12,500 per). Begin exploration of how a dedicated revenue source can be identified and a city-run rental assistance program established to ensure that commitments made can be sustained in subsequent administrations. In the second year: Dedicate \$6,250,000 to support the existing 250 tenant based rental subsidies and expand the supply by an additional 250. Continue to scale and invest in Housing First in partnership with PHL Cares. Implement dedicated revenue source and city run rental assistance program to end chronic homelessness.

**Solution #3:** Prevent discharge of people from the criminal justice and child welfare systems into homelessness. The best form of the policy is to develop a discharge policy from both the criminal justice and child welfare systems and ensure that there is housing available for people upon discharge to prevent their exit into homelessness; and to partner with intersectional systems to resolve housing crisis that could otherwise lead to homelessness with a focus on those exiting from public systems i.e. criminal justice systems, hospitals, foster care, behavioral and mental health systems, rehabs, and skilled-nursing care facilities. In the first year: Create an intersectional planning team representing key systems with the hiring of a designated consultant to guide the process to resolve housing crisis that could otherwise lead to homelessness with a focus on those exiting from public systems starting with criminal justice and child welfare. Use the established Interagency Council on Homelessness as the coordinating body. The work of the consultant could be done under the auspices of the Roadmap to Home and the Board. In the second year: implement the Plan. In the fifth year: evaluate efficiency and effectiveness.

**Solution #4:** Create a comprehensive digital and social media platform that is easy to navigate and visually stimulating that offers a resource guide on where to go for help and educates communities on tenant programs, financial counseling, and illegal lock outs. In the first year: hire consultant to develop plan. In the second year: launch platform. In the fifth year: evaluate efficiency and effectiveness.

## **Improve Administration of Property Tax Assistance and Payment Agreement Programs to Save Homes from Tax Foreclosure Sheriff Sales**

### **Rationale:**

The Department of Revenue has made great strides in recent years to improve collection of property taxes, while increasing access to property tax assistance and payment agreement programs that protect vulnerable homeowners. These programs are vital to ensure that no Philadelphia family loses their home because they cannot afford rising property taxes. According to Revenue's FY 2019 Annual Report, roughly 245,000 homeowners were enrolled in some form of taxpayer assistance program, providing over \$150 million in tax relief.

### **Approach:**

It is important for Revenue to improve access to and administration of these programs as follows.

First, allow automatic monthly payments. Over 13,000 homeowners are enrolled in Owner Occupied Payment Agreements (OOPAs) to pay delinquent property taxes and nearly 15,000 homeowners are enrolled in Installment Plans to pay current-year taxes. These payment agreements have strict deadlines for monthly payments and impose harsh consequences for late payments, including removal from agreements and imposition of interest and penalties. Many homeowners, particularly those enrolled in OOPAs, are elderly and suffer from serious disabilities and they struggle to make consistent payments each month in-person or by mail. Revenue should allow taxpayers to make monthly payments by automatic withdrawals from their bank accounts.

Second, expand automatic enrollment in taxpayer assistance programs. Many of the available taxpayer assistance programs have overlapping eligibility criteria related to ownership, residency, and income. Revenue has already started automatically enrolling homeowners with OOPAs in the Homestead Exemption program. Revenue should use a single application to enroll homeowners in all assistance programs for which they are eligible, including the Homestead Exemption, LOOP, and the Senior Freeze.

Third, provide adequate notice to homeowners before removal. Revenue currently removes homeowners from taxpayer assistance programs and payment agreements when a new deed is recorded without any notice to the homeowner and without any individualized review. As a result, many homeowners are removed from programs without warning and without the right to establish continued eligibility. This is particularly troublesome given that nearly all assistance programs permit equitable owners to enroll. The OOPA program, for example, requires equitable owners to take steps to obtain record ownership. Yet compliance with this requirement often leads to removal without notice. Revenue should review accounts individually upon learning of a new deed to determine continued eligibility and provide adequate notice to homeowners before removal.

Fourth, provide accurate account information to mortgage servicers. Mortgage servicers often advance funds to Revenue for property taxes immediately upon learning that a homeowner has fallen behind. This is especially true for elderly homeowners with reverse mortgages that require borrowers to pay property taxes directly (i.e., without escrow). Even in cases where homeowners have enrolled in payment agreements that provide for forgiveness of interest and penalties, mortgage servicers advance the total amount due listed on the Revenue website. Revenue should provide mortgage servicers accurate account information, including reduced balances due if paid through an existing payment agreement, so that homeowners are protected against the consequences of overpayment.

In the first year, the Department of Revenue should implement the above suggestions by July 1, 2020. Reconvene periodic stakeholders meetings to facilitate dialogue about program administration. In the second year and thereafter, conduct data analysis to evaluate enrollment in assistance programs; review auditing process for accounts enrolled in assistance programs; review accounts with mortgage servicer advances to reduce overpayments

## **Financial Help for Renters at Risk of Displacement Due to Sheriff Sales and Evictions**

### **Rationale:**

As City Council's 2019 Narrowing the Gap report states, housing insecurity is a leading cause of short-term destabilization for poor households in Philadelphia as well as households at risk of falling into poverty. Households can become housing insecure due to eviction, Sheriff's Sale, or a property being shut down by Licenses and Inspections.

For renters who want to remain in the homes, it is very difficult to catch up on rent once they have fallen behind. That difficulty increases when a court case is filed and attorney fees and court costs are added on. For renters who must move, signing a new lease typically requires advance payment of first and last month's rent in addition to one month's security deposit. This amount is rarely an expense that low income Philadelphians can afford.

### **Approach:**

First, additional funding is needed. Recognizing the need for financial help for renters, Philadelphia provides assistance through the Office of Homeless Services Emergency Assistance and Response Unit (OHS EARU). However, OHS had 7,000 visits from people seeking assistance this year to avoid eviction. As a result, there are many more families applying for assistance than there is funding available. Applicants report being told to arrive as early as 6:30 am because only a small number of applicants are accepted each day. In addition to EARU, there are rent/relocation assistance programs available for veterans, refugees, households living with HIV, families with children involved in DHS and low-income residents of some zip codes. There is also a state funded rental assistance program for very low income households, whose maximum grant is \$400. However, for the many renters who are not eligible for these programs, there is nothing available other than the limited assistance available at EARU. Additional funding is needed for families who are facing housing insecurity due to eviction, Sheriff's Sale or the property being shut down by Licenses and Inspections.

Second, the rental assistance application process needs to be more accessible. Along with additional funding, the application process for relocation assistance needs to become more accessible. The current system requires people to call numerous numbers to find out if funding is available, and often take time off from work and school in order to apply. More locations are needed where people can apply for rent assistance, such as landlord tenant court, BenePhilly, and sites where utility assistance is offered, such as Neighborhood Energy Centers. Online or phone applications via BenePhilly are an option that should be explored as it could provide access to renters who cannot travel due to disability or other reasons. Options for a more universal rental assistance process or application should be explored, as well, to make the process more efficient for both renters and agencies.

Third, tenants facing displacement due to Sheriff's Sale should receive relocation assistance. Currently, there is no financial assistance available to renters facing displacement due to their rental property being listed for Sheriff's Sale, unless they have an eviction court case filed against them. The source of revenue for tenant financial assistance varies. Raising the fees charged by the Sheriff's office for processing a Sheriff's Sale could provide an additional source of revenue that can assist this underserved population of renters.

## **Allow Homeowners Facing Mortgage Foreclosure to Save their Homes by Subordinating Municipal Liens to New Mortgage Loan Modifications**

### **Rationale:**

Philadelphia continues to deal with homeowners facing mortgage foreclosure. In some instances homeowners fall behind in both their mortgages and their PGW and water bills. In an effort to resolve the foreclosure, homeowners submit loss mitigation applications to lenders in hopes of obtaining a loan modification. These modifications capitalize their arrears and provide a new affordable monthly payment. However, in recent years, mortgage servicers, including the Pennsylvania Housing Finance Agency (PHFA), have instituted a new hurdle for homeowners seeking loan modification. These servicers now strictly interpreting a federal rule for the many mortgages ensured by the Federal Housing Administration (FHA) and insisting that the loan modifications have first lien position.

Philadelphia homeowners with FHA-insured mortgages are routinely denied loan modifications if there is an outstanding municipal claim against the property, including an unpaid water or gas bill. And since it is not uncommon to fall behind in one's utility bills when one falls behind in one's mortgage, this affects many homeowners. This policy includes homeowners who are currently in TAP or CRP customer assistance programs. As a result, CLS estimates that approximately a dozen homeowners every month who would otherwise qualify for a loan modification that would bring their mortgage current are facing the loss of their homes at mortgage foreclosure sheriff sales.

City Council has the opportunity step in and help homeowners with this issue by adopting a policy to subordinate municipal liens when necessary for a homeowner to receive a loan modification. Failure to do so will cause homeowners who have been deemed eligible for a loan modification and resolution of their foreclosure to needlessly lose their homes. This policy will help stabilize families and communities by allowing homeowners to remain in their homes with affordable mortgage payments, while also still paying water and gas debts.

### **Approach:**

The City should work with mortgage servicers, especially PHFA, to subordinate municipal liens when a homeowner is eligible for a permanent loan modification and is in an active payment agreement for municipal liens. The City should also work with the Sheriff and PHFA to understand the practical effects of a post-sale distribution to better understand how payment could still be made in the rare instance a homeowner loses their home to foreclosure after receiving a loan modification.

## **Green Homes, Green Jobs**

### **Rationale:**

Philadelphia is a city of neighborhoods. Homeownership stabilizes neighborhoods and creates family wealth. As Philadelphia neighborhoods develop, it is critical that we develop both economic and homeownership opportunities for low-income residents. As low-income residents are pushed out of developing neighborhoods, they are forced into lower quality housing, putting their health, education, and employment at risk. Friends Rehabilitation Program proposes a program that provides training opportunities in the growing sector of green construction, while renovating vacant city and PHA-owned rowhomes to meet healthy, energy efficient standards. These homes will be sold to qualified homeowners through sale and lease purchase opportunities associated with a comprehensive homeownership-training program.

Green building projects that integrate opportunities for low-to-moderate income homeownership, and workforce development opportunities would: (1) Expand opportunities for low-to-moderate income homeownership through the sale and lease purchase of healthy, energy efficient homes; (2) Transform vacant city-owned and PHA houses into healthy, affordable, energy efficient homes; (3) Provide training opportunities for young adults, returning citizens, and other low-income Philadelphians in green building career tracks; (4) Create energy efficient homes to support long-term affordability with reduced utility and maintenance costs; (5) Create healthy homes with materials that provide comfort and indoor air quality; and (6) Create a skilled workforce trained in the construction of affordable, energy efficient, healthy homes.

### **Approach:**

In the first year, identify first round of vacant homes to be renovated. Finalize homeownership and green building curricula with training partners. In the second year, move first homeowners or lease purchase tenants into homes. Graduate first class of trained green builders. Identify the next round of building sites. In the third and fourth years, review data on energy usage, and affordability of home maintenance in first 2 years. Continue with pipeline of homeowners, properties, and green building trainees, making improvements to curriculum and home design as needed. In the fifth year, review data on career growth of green building trainees. Review data on financial stability of homeowners. Identify areas for improvement. In five to ten years, assess opportunities for new construction of affordable green homes.

## **Ensuring Adequate Safe Housing Opportunities for Survivors of Domestic Violence**

### **Rationale:**

Last year, 5,646 requests for safe shelter were denied due to lack of space in Women Against Abuse's two confidential emergency safe havens for victims of domestic violence. Victims who are turned away often face a false choice: sleep in a car or on the streets, or return home to their abusive partner and almost certainly endure additional violence. No victim of domestic violence in Philadelphia seeking safe housing as an escape from imminent abuse should be turned away without a safe housing/shelter alternative.

The Joint State Government Commission's 2016 Task Force on Homelessness in Pennsylvania (<http://jsg.legis.state.pa.us/resources/documents/ftp/publications/2016>) recommended the following solutions for victims of domestic violence: (1) Ensure a full continuum of care for victims of domestic violence who are experiencing homelessness with services and supports uniquely matched to their safety and housing needs; (2) Explore a tiered model that provides longer/greater assistance to families experiencing multiple/significant barriers; (3) In prioritizing services, recognize that for domestic violence victims that are still in danger, safety comes first and long-term housing is secondary; (4) Establish close collaboration between domestic violence victims' advocates and homeless shelters' personnel. Where feasible, implement a domestic violence specialist co-location with mainstream systems/community institutions to provide universal screening, cross-training and intervention to prevent homelessness and address the root issue (in this case, family violence); (5) Increase emphasis on client-driven care, including client-driven goal-setting and housing placement based on client needs/safety assessments, and flexible financial assistance (allowing advocates to address victims' self-identified needs, including transportation, child care, et cetera); (6) When appropriate, recognize the potential and enhance the possibility for victims to stay in their homes while their abuser leaves; (7) Examine and improve long-term outcomes for domestic violence victims by planning for safe housing beyond those experiencing immediate homelessness to those also experiencing housing instability; (8) Review and adjust current housing policies that may inadvertently make it more difficult for victims of domestic violence to secure stable housing after leaving an abusive partner; and (9) Focus on violence prevention as a strategy for ending homelessness for women and children as a result of domestic violence (both locally and on the state level).

### **Approach:**

In all years, the City of Philadelphia ("the City") should fully fund Philadelphia's two emergency safe shelters for victims of domestic violence, the Philadelphia Domestic Violence Hotline, as well as the Domestic Violence Specialist hosted at homeless intake. In the first year, the City and provider community should complete a needs assessment of housing opportunities and priorities for survivors of domestic violence (in concert with the Office of Domestic Violence Strategies and Shared Safety). In the second year, the City should evaluate strategies like New York's "right to shelter" rule to determine the plausibility of implementing the rule in Philadelphia for survivors of domestic violence at risk of imminent harm. In the second to third years, understanding priorities and gaps, the City should publicly issue and begin implementation of a comprehensive strategy to ensure no survivor of domestic violence at risk of imminent harm and seeking safe housing/shelter alternatives be turned away without a comprehensive strategy for safety. This should be a public-facing process, with feedback from victims of domestic violence, along with other public and private stakeholders. In the second year, the City should convene and hold information sessions for landlords, including PHA, on specific needs of victims of domestic violence, current landlord/tenant laws impacting victims including lease bifurcation, and available partnerships with service providers like Women Against Abuse. In the second to fourth years, existing programs like Women Against Abuse's Safe at Home program that pair trauma-informed supports with subsidies for housing in the community can be scaled up to begin to meet gaps in available housing opportunities for victims. In the second to fourth years, as part of its strategy, the City should right-size its emergency and transitional housing inventory specifically for victims of domestic violence. In the second to tenth years, the Philadelphia Housing Authority should issue RFPs for project-based housing opportunities that prioritize victims of domestic violence. In the fourth to tenth years, Philadelphia should be required to retain a qualified, experienced program evaluator to assess the implementation of its strategy, and to recommend any needed realignment strategies, as well as next steps.

## **Matched Savings Program**

### **Rationale:**

The City of Philadelphia should require providers of homeless services to guide participants in emergency housing programs that have income, to save a portion of their income for future rent, move-out and related expenses. As an incentive and to support this strategy, the City of Philadelphia should offer a match savings to an evidence-based practice percentage. The best form of this policy, or the most effective way to motivate participants to save portions of their income is to offer participants a savings incentive in the form of a matching component. A matched savings program in North Carolina working with those who are homeless or at risk of becoming homeless called the [Community Empowerment Fund \(CEF\)](#), has been shown to be effective in catalyzing over \$100,000 in deposits in two years in a population usually deemed too poor to participate in such savings programs, according to Alex Biggers who helped start the program.

### **Approach:**

In the next one to five years: (1) Research matched saving programs for the homeless nationwide to identify best practices and most effective components. Develop and/or identify a revenue stream to fund match (tax on legalized marijuana, new development fund, etc.) and develop the program; (2) Implement program; and (3) Evaluate the effectiveness of the program on savings and its correlations to reducing recidivism for those who participated.

## **Medical Fragility**

### **Rationale:**

In 2016, approximately 22% of Philadelphia's poor residents were disabled; the highest rate for large U.S. cities. In addition, the city's homeless population is disproportionately impacted by disabilities and illness. Providers receive referrals of individuals who are medically fragile with complex medical issues; some of which occur after hours with no other placement alternatives. These medical issues include needing intermediate or skilled nursing care; assistance with performing Activities for Daily Living (ADL) skills independently; being incontinent; and exhibiting co-morbidities. SELF is Philadelphia's largest emergency housing provider for individuals experiencing homelessness. With access to nursing support five days a week, SELF can reduce the length of time medically fragile individuals remain homeless, improve their health outcomes and medication compliance and increase their ability to live in and secure housing. The best form of this policy is outlined in a study conducted by the [University of Pittsburgh](#) that supports providing long-term housing assistance and supportive services to medically fragile individuals experiencing chronic homelessness who receive Medicaid.

### **Approach:**

In the next one to five years: (1) Consult with SELF about best practices used in its current Home4Good program. Speak with Evan Cole of University of Pittsburgh to determine if collaboration is feasible; (2) Implement program with a goal of saving the state approximately 13% in total Medicaid costs that can be passed to the city (to be negotiated); and (3) Within 3-5 years, increased emphasis is placed on addressing the social determinants of health, in particular housing security for medically fragile homeless individuals. Evaluate and replicate the program.



## **Sweat Equity**

### **Rationale:**

Sweat equity is a contribution to a project in the form of labor, as opposed to financial equity. SELF's adult participants want the city to partner with Habitat for Humanity so they can help renovate abandoned houses and/or large warehouses that provide permanent supportive housing for homeless individuals. Another similar suggestion is the creation of mini-houses on vacant and abandoned, city-owned lots.

### **Approach:**

In the next one to five years: (1) Tax (1-5%) hospitals, health insurers and non-profits to help fund the program and renovation costs. An option is also to support this goal through partnership opportunities; (2) Using the intake and enrollment processes, identify adult homeless individuals with skills in the building trades. Work with DHS and The School District of Philadelphia to identify young adults at risk of becoming homeless and provide career advice, financial education and vocational skills in an effort to prevent them from becoming homeless. Get young adults enrolled in vocational schools (Dobbins, YouthBuild, etc.) to assist in building/renovating homes; and (3) Evaluate and replicate program.

## **Provide Adult Education in Every Neighborhood by Expanding CCP and Community Schools**

### **Rationale:**

The Community College of Philadelphia (CCP), as an affordable pathway to higher education, enables Philadelphians to close the skills gap. CCP helps educate and train Philadelphians in seven industry pathways important to Philadelphia's economy through more than 70 academic and post-secondary workforce-training programs. It connects students to benefits to support their success while enrolled in the College and offers high quality small business training programs that reach deep into the communities across Philadelphia, enabling them to grow and hire community residents. More than half of CCP students are 24 or older, more than 60% are women, and 76% are minority students (51% African American, 15% Hispanic, 10% Asian/Pacific Islander); further, more than 73% of all students receive some type of financial aid. 89% of students are employed in the Philadelphia region within eight months after graduating.

### **Approach:**

The City should expand support for the following programs that train adults for family-sustaining jobs: Free adult education at community schools, including ESL, literacy, pre-GED, and GED programs; ESL and GED training, proficiency certificates, and associate degrees tailored to marketplace jobs; Post-secondary credential and workforce training for jobs requiring skills training but no degree; Accelerated pathways for high school students who wish to participate in dual enrollment; Articulation agreements to more than 14 institutions of higher education offering 4-year degrees; Wraparound services that particularly address barriers for populations that are often marginalized; Small business training for neighborhood and corridor businesses not served by traditional resources; and A world-class business training program for those businesses which are growing.

The current funding gap of up to \$19M annually should be addressed. The initial implementation timeline involves an increase in the scale of current activities. Activity measures may include: the number of increased enrollments, the number of courses offered, and the number of Philadelphians with access to various adult education offerings within a half mile of where they live. Outcome measures may include: increased graduation and increased completion rates.

## **Targeted Middle-Skill Job Training & Living Stipends**

### **Rationale:**

Many Philadelphians find themselves stuck working in minimum wage and entry-level jobs without the time or money to escape that cycle and train for middle-skill, family-sustaining jobs. Middle-skill occupations are those that require some post-secondary training/education but do not require a bachelor's degree. Many of these occupations require a vocational certification(s) or externship as part of their preparation. The Federal Reserve Bank of Philadelphia released their concept of Opportunity Occupations and updated these data in 2019. An Opportunity Occupation is defined as employment accessible to workers without a bachelor's degree, typically paying above the national annual median wage adjusted for regional differences in consumer prices. Philadelphia Works uses this as a guideline in selecting Middle-skill occupations that might help residents with strong work backgrounds but lacking specific middle-skill credentials. Targeted middle-skill training programs for existing local jobs has the potential to be the quickest remedy to help the working poor transition out of poverty.

### **Approach:**

Each year, the Pennsylvania Department of Labor and Industry (DLI) issues a list of High-Priority Occupations (HPOs) for Philadelphia County, based on unmet employer demand for skilled labor. According to the DLI, "the purpose of the HPO lists is to align workforce training and education investments with occupations that are in demand by employers, have higher skill needs and are most likely to provide family sustaining wages." In addition to HPOs identified by the State, industries and employers can apply to be added to a county's HPO list for types of jobs they are having difficulty filling or keeping filled. In 2019, DLI estimated there were annual openings of over 17,000 existing middle-skill jobs in Philadelphia across 61 job title categories which require an associate degree or less. Philadelphia Works, Inc. in February 2020, using DLI data, further distills the list of targeted middle-skill opportunities to just over 7,000 annual job openings for middle-skill occupations that don't require a bachelor's degree and that have a lower risk of automation.

By leveraging existing federal and state workforce development funding and adding targeted local subsidies where needed, working Philadelphians living in poverty who opt into a training program for a middle-skill opportunity that actually exists would be eligible for fully subsidized tuition and a temporary living stipend to help defray the forgone wages necessitated by the coursework. Eligible Philadelphians would be those already working low-wage jobs, who have already demonstrated the abilities necessary to obtain and keep a job, but who otherwise do not have the time and money for a job with higher wages. Living subsidies should be capped and determined based on household need, the amount of foregone wages necessary to quickly complete coursework, and wherever possible should utilize private sector investment. Once established, this streamlined job training and placement capability could become an effective selling point in recruiting employers to Philadelphia.

Funding would be determined through the Philadelphia Poverty Commission alongside partnerships with the private sector, the Pennsylvania Department of Labor & Industry, CCP, Philadelphia Works, and other key institutions. An initial implementation timeline would entail: an assessment of capacity at CCP, and other training providers, for new or expanded targeted certifications within 90 days; and within one year, identifying a service provider to manage the selection of offerings, employer alignment, and appropriate stipends to match the needs of employers and each student. Activity measures may include: the number of low-wage, working Philadelphians who complete targeted middle-skill training programs. Outcome measures may include: the number of program graduates who transition from low-wage to mid-wage, family-sustaining jobs.

## **Help Small Businesses Grow to Increase Jobs and Revenue**

### **Rationale:**

In addressing the issue of poverty, what is often left out of the narrative is the critical role of entrepreneurship. As cited within the Goldwater Institute policy report No. 254 titled, "Increasing Entrepreneurship is a Key to Lowering Poverty Rates", there is a strong connection between a state's rate of entrepreneurship and declines in poverty. Statistical analysis of all 50 states indicates that states with a larger share of entrepreneurs had bigger declines in poverty. In fact, comparing states during the last economic boom—from 2001 to 2007—data show that for every percentage point increase in the rate of entrepreneurship in a state, there is a two percent decline in the poverty rate.

Further evidence of how entrepreneurship can be a ladder out of poverty comes from the Aspen Institute. Researchers there conducted a five-year survey in the mid-1990s that followed more than 1,500 low income entrepreneurs across the nation. Close to three-fourths (72 percent) of those low-income entrepreneurs experienced an increase in their household income of more than \$8,000, to \$22,374. Their household assets increased by an average of more than \$15,000 over five years. Perhaps most impressive, more than half (53 percent) had moved out of poverty in five years.

### **Approach:**

In addition to the support provided to the Commerce Department, and the support of the City's Small Business Development Centers, and Power Up Your Business at Community College of Philadelphia, the City needs to continue to support the Philadelphia's Goldman Sachs Foundation's 10 Thousand Small Businesses (10KSB) Program at the Community College of Philadelphia.

The 10KSB program is currently supported by the Goldman Sachs Foundation through an annual grant to the Community College of Philadelphia to operate its world class business curriculum peer learning program 3 times annually. The program was launched in 2013 with a five-year commitment, and Goldman Sachs has continued to extend that support through 2020. The program is designed for regional businesses who have limited resources but can demonstrate they are positioned for growth. The 14-week program requires business owners to dedicate 80-100 hours during a 3-month period and develop a growth plan for their business. The Program requirements are established by Goldman Sachs, and are targeted to businesses that have been in operation for at least 2 years, have at least 4 FTE employees, minimum revenues of \$150,000 and up, are recommended by a panel of interviewers from Philadelphia and Inner City Capital Connections (ICIC), and finally approved by Goldman Sachs. Applicants must make the time commitment to attend all classes over the 14 weeks.

Expansion of the program would need to be done with permission of Goldman Sachs and could run in parallel to the current program with either additional funding from Goldman Sachs, the City of Philadelphia or both. There could be a focus on a specific industry or type of business for Philadelphia. New York City model focused on early stage women owned businesses, with a different set of criteria and ran in parallel to the main program. Typically, 30 entrepreneurs are served in each cohort, with the general program serving up to 90 businesses annually. An expansion could serve an additional 30. Activity measures may include: the number of annual peer learning cohorts and total number of participants; and the percentage of cohorts based in Philadelphia (at least 50%). Outcome measures may include tracking increased revenue and number of jobs created among participants; and the number of businesses receiving support from Commerce & PIDC.

## **Expand Dual Enrollment, Dual Credit, and CTE Programming**

### **Rationale:**

The School District of Philadelphia defines college and career readiness as students demonstrating the knowledge, skills, and mindsets needed to succeed in college, work, and life, by ensuring every student: Achieves mastery in a core set of skills (Reading, English, Science, and Math) required for employability and succeeds in credit-bearing general education coursework at a college, university, or training program (College Ready); and identifies a career interest, articulates the skills required to enter and advance within the desired career (Career Ready).

The School District of Philadelphia can promote career paths that lead to economic mobility by partnering with the Community College of Philadelphia (CCP) and with training initiatives, in order to bring more students directly into college-level courses and job training opportunities. An estimated 70% of new CCP students currently must take remedial courses.

In 2017, CCP launched a dual enrollment program, in which eighth grade students were accepted into the Parkway Center City Middle College, which allowed them to take classes at CCP for credit at high school and community college. At this school, 100% of the more than 400 students graduate with a high school diploma as well as a two-year college degree. Increased funding for this program will create more opportunities for students to earn dual credit with no additional costs for the students.

### **Approach:**

Bolster support for The School District of Philadelphia, in order to increase students' ability to succeed in college, work and life, through assisting with reducing barriers to student success in college and career readiness. Funding is needed to increase the number of dual enrollment, dual credit, and career and technical education (CTE) slots. Support is also needed for the development of materials to increase student and family awareness of these opportunities. A cost estimate for an expansion of both supports starts at \$375,000 annually. An initial implementation timeline includes: School Board approval within the first 90 days; an RFP issued, and contracts with post-secondary institutions executed within the first year; and a continued increase in student enrollment in subsequent years. Activity measures may include: the number of students participating in each program. Outcome measures may include: the increase in the number of students prepared to enter the workforce or enroll in college.

**Assess Budget Impact on Eliminating Exemptions to the “21st Century Minimum Wage and Benefits Standard” for all City Contracts**

**Rationale:**

In December 2018, Mayor Jim Kenney signed the 21st Century Minimum Wage and Benefits Standard Ordinance which will raise the minimum wage for most Philadelphia government workers, contractors, and subcontractors. The minimum wage will increase as follows and be subsequently raised based on Consumer Price Index adjustments: \$13.25 on July 1, 2019; \$13.75 on July 1, 2020; \$14.25 on July 1, 2021; and \$15.00 on July 1, 2022.

When the law was enacted, it was done with several noteworthy exemptions for profit and non-profit contractors, below a certain size of organization or contract value. This means that thousands of local workers who do work for City programming could be earning well below these minimum wage standards.

**Approach:**

Analyze the full budget impact on removing some or all of these exemptions alongside a projection of the number of local workers who would then earn a “21<sup>st</sup> Century Minimum Wage.”

Funding would be determined by the City’s Finance Department and Budget Office. An initial implementation timeline would involve: the completion of a financial and job-impact analysis within 90 days; and all necessary contract renegotiations being reflected in the City budget by the end of the upcoming Fiscal Year. Activity measures may include the percentage of all City contracts that are not exempt—both in terms of total number and contract size. Outcome measures may include the increase in the number of Philadelphians impacted by the 21st Century Minimum Wage and Benefits Standard.

## **Establish a Building Trades Pipeline for School District Graduates & Special Populations**

### **Rationale:**

By providing a jobs pipeline for students and returning citizens, the City of Philadelphia can strengthen low-income neighborhoods and help disadvantaged persons lead productive, sustainable lives. Specifically, a skills training program for recent School District of Philadelphia graduates and returning citizens would combat underemployment and unemployment by instilling key skills and promoting leadership, discipline, time management, and teamwork. This is a new model of learning for the 21st century that will not only spur change in Philadelphia but ultimately provide a best practice for cities across the country.

### **Approach:**

Execute a Memorandum of Understanding with the Building Trades to admit graduates of certain programs for career and technical education students and for returning citizens into pre-apprenticeship without additional requirements. Investment in career development programs and building trades training programs is necessary to achieve this goal. Coordination among the School District of Philadelphia, the Community College of Philadelphia, the Departments of Education, Labor and Industry, and Community and Economic Development will align credit hours for this track.

A skills training program for returning citizens should include the following three-pronged Development Plan. First, a Work and Life Skills Development Plan should highlight specific skills that build on education, work experience, skill set, and interests. Second, a Personal Professional Skills Development Plan should focus on developing those skills that are critical to adapting to any work environment, succeeding in it, and presenting a positive, professional attitude that will be critical to the enrollee's advancement into a long term, better paying employment. Third, a Job Plan should identify job interests, leads, and other organizations that will help in obtaining long-term, meaningful employment, and should complement a cultural awareness component, which includes visits to museums, theater performances, sporting events, and government and business institutions. This program will lead to more permanent, unsubsidized employment and stability that will help break the cycle of poverty and distress that passes from generation to generation among Philadelphia's underserved populations.

Initial implementation requirements include aligning credit hours with the State and developing a returning citizens program. Activity measures may include the number of jobs obtained and educational achievements. Outcome measures may include increased wages, families reunified, and professional networks established.

## **Expansion of the Same Day Work and Pay Program**

### **Rationale:**

Many of Philadelphia's most vulnerable residents confront multiple barriers to increasing their financial stability through employment. In 2017, the City conducted a survey of individuals who were panhandling and found that 84% were interested in employment. Many surveyed cited factors like a lack of stable housing, lack of identification, and complex behavioral health needs including active substance use disorder as barriers to obtaining and sustaining employment. By providing individuals with barriers work opportunities, connections to government services, and behavioral health support, the City can work to mitigate these barriers.

### **Approach:**

In 2019, Mural Arts launched the Same Day Work and Pay program, which connects homeless, unemployed, and underemployed individuals with no-barrier work opportunities coupled with access to resources and services. Individuals are selected through a daily lottery. Once selected, participants work to beautify Philadelphia neighborhoods through mural painting, graffiti removal, trash pickup, and more. After the day shift is complete, participants are given \$50 compensation for their work. During the work shift, participants work alongside peer support specialists trained to work with individuals with complex behavioral needs and connect them with necessary services, housing, and future work opportunities. Since the successful launch, the City has worked to expand the program in both the number of work site hosts and the number of daily work opportunities. As of January 2020, the program has been expanded to CLIP and hosts approximately 30 daily employment opportunities. The City can continue to scale this program, adding an additional 70 daily opportunities (for a total of 100), new work site hosts, and work site locations.

This program is underway. Additional funding would allow the program to scale within the first year. A \$700,000 recurring investment would provide a program manager and the City of Philadelphia's Department of Behavioral Health and Intellectual disAbility Services (DBHIDS) peer support for four teams. Activity measures may include: the number of daily employment opportunities, work site hosts, locations, and connections with services. Outcome measures may include: The number of Philadelphians who have improved health outcomes, including food security and medical access via ability to pay for co-pays; and the number of program participants who are housed.



## **Full Summer Youth Employment**

### **Rationale:**

Full summer youth employment could transform Philadelphia, as we prepare a generation of youth (ages 12 to 24) to join the workforce and continue on the path of hope and opportunity. Each year approximately 18,000 youth apply for the WorkReady program but only between 8,000 and 10,000 receive jobs. Summer jobs help set youth on a path to success, improve our communities, and reduce poverty. With a poverty rate of 38% for youth between ages 16-24, we have to do more.

### **Approach:**

WorkReady Philadelphia, managed by the Philadelphia Youth Network (PYN) is a citywide effort to address the skills gap by convening partners, employers, leaders of youth-serving systems and youth to build a coordinated approach to preparing young people for future employment. WorkReady stakeholders seek to give young people ages 12-24 access to a meaningful paid work experience that promotes self-efficacy, connects youth to caring adults and offers the opportunity to build the transferable skills required to secure and sustain employment. When young people have access to early employment opportunities, they are: Applying more essential skills such as communication, time management, accountability and more; Infusing wages back into the local economy; and Generating a professional network to build social capital, navigate complex systems and climb career ladders.

In order to reach full summer youth employment, PYN would need approximately \$30 Million annually which is more than double its current funding. Over the next 5 years PYN would like to increase the number of youth it can serve by 2,500 which equates to \$5 Million in additional funding each year. Funding for Summer 2020 would need to be available by March 2020. Activity measures may include the number of summer jobs for youth. Outcome measures may include the percentage of youth with summer employment.

## **Establish a “Living Wage Philadelphia” Certification Program**

### **Rationale:**

A living wage is an hourly rate at which an individual working a standard 40-hour work week earns enough to meet their and their household’s basic needs like food, shelter, and transportation. Pennsylvania State Law prohibits the City of Philadelphia from setting its own minimum wage despite the different costs of living within Philadelphia as compared to the rest of the state as well as the unwillingness of the Legislature to raise the statewide minimum wage above the federal minimum of \$7.25 per hour. By creating an opt-in program for employers to be certified that they provide a living wage, the City can circumvent the legislative barrier and facilitate employers offering workers a living wage. In addition to significant benefits for the employee, this program also provides employers marketable branding to attract customers interested in patronizing establishments that pay a living wage, similar to other value-based certifications.

### **Approach:**

Washington, D.C.’s Living Wage Certification Program, instituted in 2019, is a response to the high costs of living. The program is administered by Think Local First DC, a local non-profit, with a grant from the DC Department of Small and Local Business Development. In western North Carolina, since 2008 ‘Just Economics’ has operated a similar program to educate, advocate, and organize for employers to pay a living wage and be certified. To date, over 400 local employers have committed to paying the living wage, a per hour rate calculated annually by ‘Just Economics.’ In a more targeted case, W.A.G.E. operates a national program, including in Philadelphia, that publicly recognizes nonprofit arts organizations that have a history of and commitment to paying artists a fair fee based on the work and the organization’s operating budget. With these models, the City can adopt best practices in creating its own living wage certification program that will provide benefits to people currently making below a living wage as well create a marketable accreditation for businesses.

The initial implementation timeline could include: issuing an RFP for program administration within 90 days; an awarded contract and initiative launch within the first year; and ongoing program evaluation and promotion thereafter. Funding requirements would be determined by RFP respondents wishing to serve as the independent administering non-profit and could be housed within the Philadelphia Poverty Commission. Activity measures may include the number of participating employers and their employees. Outcome measures may include the number of family-sustaining jobs created or transitioned.

## **Increase Support for Micro-Enterprise Development & Grassroots Entrepreneurship**

### **Rationale:**

In addressing the issue of poverty, what is often left out of the narrative is the critical role of entrepreneurship. As cited within the Goldwater Institute policy report No. 254 titled, "Increasing Entrepreneurship is a Key to Lowering Poverty Rates", there is a strong connection between a state's rate of entrepreneurship and declines in poverty. Statistical analysis of all 50 states indicates that states with a larger share of entrepreneurs had bigger declines in poverty. In fact, comparing states during the last economic boom—from 2001 to 2007—data show that for every percentage point increase in the rate of entrepreneurship in a state, there is a two percent decline in the poverty rate.

Further evidence of how entrepreneurship can be a ladder out of poverty comes from the Aspen Institute. Researchers there conducted a five-year survey in the mid-1990s that followed more than 1,500 low income entrepreneurs across the nation. Close to three-fourths (72 percent) of those low-income entrepreneurs experienced an increase in their household income of more than \$8,000, to \$22,374. Their household assets increased by an average of more than \$15,000 over five years. Perhaps most impressive, more than half (53 percent) had moved out of poverty in five years.

### **Approach:**

In addition to the support provided to the Commerce Department, and the support of the City's Small Business Development Centers, City Council and the City has also recently made a significant investment in a targeted grassroots entrepreneurship program, Power Up Your Business at Community College of Philadelphia (CCP).

These programs are designed to support entrepreneurs in the City's neighborhoods and commercial corridors through workshops, and peer learning curriculum that is delivered in the communities it serves. One example, Power Up Your Business was launched in 2017, supported by an \$800,000 annual investment to CCP by City Council to provide grassroots neighborhood-based entrepreneurship business education. The program is in its 4th year, and is seeking to expand its activities to specifically target distinct entrepreneurship populations, in addition to providing its core programs – community workshops, business focused workshops, and its signature peer learning experience, a 12 week curriculum that rotates across our main campus, three regional centers, and a satellite location in South Philadelphia. The program provides storefront workshops that are partnered with each peer learning experience, and it also delivers workshops in conjunction with community-based organizations. Finally, it provides industry best practice programs, targeted to distinct populations, including a Child Care Series, targeting early childhood centers business operations, and a mini peer learning program with FINANT—all in Spanish. It has also partnered with Mt. Airy CDC to provide the curriculum and instructors for a start-up and early stage businesses.

Additional funds would be invested above current City funding to support expanded activities, particularly around technical assistance coaching, community partnerships, industry best practices, and innovations to reach targeted populations, and ongoing operational support to effectively run the program. \$1,200,000 in annual funding is recommended (currently \$800,000). The initial implementation timeline would involve the expansion implementation in first six months of Fiscal Year 2020-21. Activity measures may include: the number of annual workshops; the number of peer learning cohorts; synthesis of industry best practices; and the number of active community organization partners. Outcome measures may include: increased revenue among participants; the number of additional jobs created; tracking implemented tactical improvement plans; tracking increased skill levels; and tracking increased awareness of small business resources in the city and how to access them.

## **Procurement Prep Program**

### **Rationale:**

This initiative aims to address a well-documented challenge that exists in many metropolitan markets: local, diverse businesses face barriers to accessing institutional supply chains like those driven by anchor institutions. Programs like the Economy League's Philadelphia Anchors for Growth and Equity (PAGE) initiative work to create a pathway for local businesses to meet industry demand. Philadelphia anchor institutions report that the biggest barrier to increasing purchasing from local, minority-owned firms is a lack of businesses with capacity. While this perception can be partially attributed to lack of familiarity with local businesses, in order to truly make an impact through local purchasing there needs to be a steady pipeline of growing businesses. These businesses need access to markets, capital to invest in growth, and the managerial expertise necessary to work within large and complex procurement systems. The program also addresses the pressing challenge of socio-economic marginalization of businesses owned by people of color in Philadelphia, due to a lack of access to institutional supply chains.

### **Approach:**

While Philadelphia is fortunate to have an extensive array of capacity-building organizations and capital providers, no existing programs focus on building the specific expertise and skills needed to compete for contracts within institutional supply chains. To address this significant, specialized opportunity space, the City should support "Procurement Prep," focused on helping diverse local businesses expand their capacity to do business with area anchor institutions.

In partnership with the Economy League's PAGE initiative, Procurement Prep will help emerging business leaders develop the skills and expertise they need to compete and guide them through the process. The Procurement Prep program has a three-pronged strategy: Contract with a proven capacity-building program in the institutional procurement space, such as Interise's Streetwise MBA; Make connections – convene matchmaking summits to connect program graduates with procurement directors and decision makers in institutional supply chains; and Guide practical application – work with the Economy League to facilitate the identification of contract opportunities for businesses in the program, work with an advisory group of local procurement directors to assess company readiness to compete for the contracts, and facilitate structured, interactive workshops to guide companies through the process of pursuing these opportunities and responding to RFPs.

City funding for a 3-year pilot at \$100,000 a year is recommended. Activity measures may include: number of businesses that participated in the program. Outcome measures may include: Volume of new contracts awarded to program graduates; number of new full-time employees hired as a result of the new contracts; and Additional Wage Tax and BIRT revenues generated by the new activity

## **Train Future Employers, Not Just Future Workers**

### **Rationale:**

Philadelphia's education and workforce development systems are setup to prepare future workers, not future employers ([link](#)). As Philadelphia's population continues to increase, including a doubling of foreign-born residents since 1990 ([link](#)), we need to be hyper-focused on growing the number of jobs to meet the needs of current and future residents through business growth. Foreign-born residents are 43 percent more likely to start businesses than native-born Philadelphia residents ([link](#)). In addition, *Narrowing the Gap: Strategies to alleviate and prevent poverty in Philadelphia* cited an Aspen Institute's five-year survey which found that "72 percent of low-income entrepreneurs experienced an increase in their household income and household assets increased by an average of more than \$15,000 over five years. Perhaps most impressive, more than half (53 percent) had moved out of poverty in five years" ([link](#)). The City must be concerned with both helping businesses launch, and helping small businesses stabilize and grow. In 2018, the Small Business Administration reported that small businesses in fact drive job growth ([link](#)). Entrepreneurship education should be taught in grades K-12, knowing that even when students don't launch businesses, thinking like owners can help transform the workplace and their own career outcomes; and that budget surpluses resulting from modifications in the 10-year tax abatement and other sources be allocated to a neighborhood revitalization fund, managed by PIDC, that helps microbusinesses launch, stabilize and grow. The following precedents should be considered in implementation.

**The Workshop School:** The mission of the Workshop School is to unleash the creative and intellectual potential of young people to solve the world's toughest problems. The school accomplishes this by putting real world problems at the center of the curriculum and evaluating students' work based on the progress they make in defining, exploring and ultimately developing solutions to those problems. It gives students an outlet for creativity while teaching critical skills like advanced manufacturing, networking, communications, planning and budgeting ([link](#)).

**PIDC Community Capital:** PIDC Community Capital builds sustainable neighborhoods, revitalizes business corridors, and supports business by making investments that create jobs, grow businesses, leverage outside capital, eliminate blight, and provide goods and services to low-income communities throughout Philadelphia.

**Power Up Your Business:** Power Up Your Business is a free, neighborhood-based approach to support small business owners in Philadelphia. Building from these experiences, the College will focus on commercial corridor and other neighborhood-based businesses that define our communities across the city. As an institution with three neighborhood-based Regional Centers and a central Main Campus, the College is in a unique position to serve Philadelphia's small business community. The City of Philadelphia, in its governance role over the School District of Philadelphia, PIDC and the Community College of Philadelphia, has the influence and authority to build from these successful programs in order to prioritize entrepreneurship as a vital part of its efforts towards poverty reduction.

### **Approach:**

The City of Philadelphia can work with the School District of Philadelphia, existing entrepreneurs and educators, using the already proven Workshop School as a model, as well as with the PA Department of Education to develop an entrepreneurial method of implementing business principles in grades K-12. The City can work with Philadelphia Works to fund/grow funding for proven entrepreneurship programs (i.e., The Enterprise Center, Power Up Your Business, etc.) and implement a mentorship programs that help small, neighborhood-based business owners through the preliminary launch phase, after which they can benefit from existing resources and programs. As recommended in the PHL Neighborhood Growth Project policy agenda, "this effort should identify high-need geographic areas that experience more than twice the national unemployment rate and work with local stakeholders to increase entrepreneurial activity and spur economic revival. This partnership should work with and encourage venture capital and high-tech investors to find smart business opportunities in these communities that also deliver social responsibility pay off." In addition, and in support of small business stabilization, we propose: Reduction/elimination of the net profits portion of the BIRT; Tax incentive for healthcare entrepreneurs that locate in high morbidity rate zip codes; and Increase the tax credit for private investment (locally) in federally-qualified opportunity zones. The initial implementation timeline would require: first, establishing a new policy for entrepreneurship education; and, second, identifying curriculum/models of implementation. Activity measures may include the number of students receiving entrepreneurship education. Outcome measures may include the number of businesses launched and/or growing number of jobs.

## **Vital Records for Youth**

### **Rationale:**

Older youth and especially older youth who are engaged in various City systems, with an emphasis on Child Welfare and Juvenile Justice face the challenge of easily accessing or maintaining vital records. Based on various factor older youth often find that when it comes time for them to be gainfully employed, apply for college, open a bank account or rent an apartment they do not have many of their vital documents. Not having your birth certificate, social security card or ability to get a driver license impacts a system involved youth by delaying their ability to navigate various system as they transition to adulthood. Certified copies that are affordable and easily accessible is a huge challenge. The cost, timing and process can be extremely prohibited.

### **Approach:**

The recommendation is to engage a contracted vendor, or develop a centralized process, for youth to access vital records for free. With the cross-sector advocacy support of the Philly Homes for Youth Coalition, this recommendation would: Imbed access to vital records at the Department of Human Services for system involved youth; Provide staffing to access systems and pull records; Develop a data system that can track and record lost documents; and Build a secure, independent online portal where youth can save and access documents.

Funding would be required for additional staffing and a secured data system to support the work and management of the recommended system. Developing this new system will take 1- 2 years once City and State legal authority is granted. Activity measures may include the number of youth who received their vital records. Outcome measures may include number of youth who received their vital records; avg. level of debt reduced; number of youth who are more financially secure (increased income, reduced debt, improved credit; number of youth who accessed educational opportunities.

## **Early College & Career Exposure**

### **Rationale:**

The School District of Philadelphia defines college and career readiness as students demonstrating the knowledge, skills, and mindsets needed to succeed in college, work, and life, by ensuring every student: Achieves mastery in a core set of skills (Reading, English, Science, and Math) required for employability and succeed in credit-bearing general education coursework at a college, university, or training program (College Ready); and identifies a career interest, articulating the skills and processes required to enter the career, and advancing along a career pathway (Career Ready).

The goal would be to support increasing student access to resources which are aligned to their career interest and supporting various recommendations previously made to the committee (Summer Youth Employment, Parent support, Dual Enrollment, Early College and Career Exposure, Career pathways, CTE support, etc.).

### **Approach:**

Bolstering support for The School District of Philadelphia, in order to increase students' ability to succeed in college, work and life, includes assisting with reducing barriers to student success in college and career readiness by focusing on this specific area. Funding to support community(school)-based workshops and learning sessions for students and their families regarding available resources for post-secondary pathways, financing post-secondary education, FAFSA completion sessions and financial aid, working papers and work-based experiences and financial literacy topics like managing budgets and debt. The community workshops and support would also host experiences for students and families to contribute to strengthening other recommendations which include: College tours for third graders; Career exposure for middle school students; Career connected work in classrooms; and Career pathways for School District of Philadelphia students.

Estimated costs would be approximately \$125K for partner collaboration, resources, marketing for five school-based community driven resource centers for year one and each subsequent year. The initial implementation timeline could include School Board approval in the first 90 days and a continued increase in enrollment and student preparation beginning in year one. Activity measures may include the number of students participating annually. Outcome measures may include a long-term increase in the number of students prepared to enter the workforce or enroll in college.

## **Develop More Coordination Among Public Systems and Public Outreach**

### **Rationale:**

Whether it is unclaimed public benefits for which someone is eligible or knowledge of continuing adult education classes available in their neighborhood, Philadelphians are far too often unaware of existing programs and opportunities that could directly and positively impact them and their families. Achieving full utilization of all existing and future anti-poverty resources, however, will require ongoing and intentional outreach coordination among government agencies, key institutional partners, and community providers – as well as, crucially, employers. Research shows that without this coordination and investment in enhanced and targeted outreach, residents may continue to face fragmented and incomplete information on opportunities available to them, providers may duplicate services increasing system inefficiency, and outcome measurement may be difficult to capture in a holistic way ([link](#)). All too often, marketing budgets for initiatives are too small, too siloed, and not targeted enough to be effective.

### **Approach:**

The City of Philadelphia should invest in a comprehensive and ongoing marketing and outreach strategy for existing public benefits and anti-poverty resources. With the help of outside marketing experts, the City should maintain a goal of targeted, multi-modal outreach campaigns for every single anti-poverty resource. The City must also leverage existing community engagement networks, such as Block Captains, and low-cost underutilized avenues for information distribution, such as utility and tax mailings.

Funding requirements would be determined by a City-issued RFP. The initial implementation timeline would include: issuing an RFP for outside marketing expertise, including a full audit of City outreach assets within 90 days; and awarding a comprehensive marketing strategy contract and fully implementing said strategy within the first year. Activity measures may include traditional marketing campaign success metrics. Outcome measures may include utilization rates for a wide range of local, state, and federal anti-poverty programs.