

**OFFICE OF HOMELESS SERVICES
FISCAL YEAR 2023 BUDGET TESTIMONY
APRIL 13, 2022**

INTRODUCTION

Good morning, President Clarke and Members of City Council. I am Liz Hersh, Director of the Office of Homeless Services (OHS). Joining me today are David Holloman, Chief of Staff, Peter Curran, Fiscal Officer, Roberta Cancellier, Deputy Director for Housing Services and Marybeth Gonzales, Deputy Director for Policy, Planning and Performance. I am pleased to provide testimony on Office of Homeless Services' Fiscal Year 2023 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The mission of Philadelphia's Office of Homeless Services (OHS) is to provide the leadership, coordination, planning, and mobilization of resources to make homelessness rare, brief, and nonrecurring in the city.

The homeless services system provides homelessness prevention and diversion services to those facing imminent homelessness, emergency, temporary, and long-term housing to Philadelphians experiencing literal homelessness.

Plans for Fiscal Year 2023:

The Office of Homeless Services' work is divided into four areas described briefly below with the highlights of our plans in each area.

HOMELESSNESS PREVENTION AND DIVERSION

Homelessness Prevention and Diversion services help households stabilize and maintain their current housing or identify and create new pathways to housing stability by providing counseling, mediation, problem solving, and financial assistance. These efforts help families at imminent risk of homelessness prevent shelter admission by providing alternatives that are effective and safe.

Homelessness Prevention Services can be accessed by phone to a central hotline number, online application or by walking into an OHS access point. People are then referred to community- based organizations for assessment and services.

Homelessness Prevention is critical, not just to help vulnerable people avoid the trauma of homelessness, but also to save taxpayer dollars. Research from the Homebase Program in New York City estimates that every \$1 spent on prevention, avoids \$3 in shelter costs. From FY17 through FY21 nearly 7,000 households avoided shelter admission thanks to this program. In a two-year lookback, only 4 percent of those who had received homelessness prevention services entered shelter making it 96 percent effective.

EMERGENCY AND TEMPORARY HOUSING

Emergency, Temporary Housing continues to be a core service to meet the immediate and short-term housing needs of people experiencing literal homelessness. It is, quite simply, shelter. Shelters provide safety, meals, housing case management, connections with employment, family, and behavioral health services. OHS funds 38 shelters located throughout the City that are open 24 hours a day, year-round, offering a total of 3,392 beds - under normal circumstances. With COVID, the number of beds was reduced to 2,526 to allow for social distancing. An additional six sites are open for winter providing 177 more beds to help more people come in from the cold.

HUD defines Transitional Housing (TH) as a project designed to provide housing and appropriate supportive services to homeless persons to facilitate movement to independent living. The housing is short-term, typically less than 24 months. Philadelphia has reduced its reliance on TH over the past several years and now offers just 1,061 units (down from 1,244 in 2018) all in buildings that would be costly to renovate into apartments, and all designated for populations for whom this program model is effective such as young parents and people in recovery.

PERMANENT HOUSING

Permanent safe, affordable, and accessible housing, with wrap around services, resolves homelessness. Housed people are not homeless. OHS employs two main long-term housing programs: Rapid Rehousing and Permanent Supportive Housing.

Rapid Rehousing (RRH) is a one to two-year subsidy accompanied by housing case management. It has an 81 percent success rate in preventing a return to homelessness over the past two years.

Permanent Supportive Housing (PSH) is a long-term subsidy with wraparound services designed especially for those who have behavioral health disabilities and may have been homeless for a long time. It has a 90 percent success rate.

INFRASTRUCTURE AND ADMINISTRATIVE SERVICES

The Infrastructure and Administrative Services Program has two divisions that support all service delivery. They provide the financial, technological, operational, and information backbone for the provision of the high-quality services OHS provides. Unlike many City departments, OHS is largely funded by grants from state and federal government, as well as philanthropic sources.

Policy, Planning and Performance (P3): includes strategic planning, performance management, training, grants, data quality, and timely and accurate reporting to all funding entities. OHS works tirelessly to advocate for, build, expand and deliver long-term housing to end homelessness once and for all.

Administrative Services: responsible for facilities, asset management, contracts, finance, human resources, and information technology. OHS works through an extensive network of mostly nonprofit providers each of which has at least one contract for their services that is negotiated and managed by the office and most of which are paid by reimbursement.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Please refer to attached FY23 Budget Hearing Summary Charts in section 1: Staff Demographics Summary, section 2: Employment Levels, section 3: Financial Summary by Class, section 6: Participation Rate and Goal.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2023 General Fund budget totals \$68,896,752, an increase of \$12,638,580 over Fiscal Year 2022 estimated obligation levels. This increase is primarily due to the restoration of \$5.5 million, to sustain programs that had been supported by federal funds in recent years. This funding supports the expansion of low barrier Permanent Supportive Housing (PSH) and Emergency Shelter services assisting individuals with Opioid or other substance abuse disorders, \$3.1 million to continue the operation of non-congregate shelter settings serving older and vulnerable adults plus additional funding for food, security and wage increases for front line staff working in our emergency shelter facilities.

The proposed budget includes:

- \$9,881,368 in Class 100, a \$94,383 increase over FY22. This funding will pay for negotiated wage increases with DC33, DC47 and exempt employees.
- \$58,638,836 in Class 200, a \$12,544,197 increase over FY22. This funding will allow OHS to continue providing PSH and Emergency Shelter services that were originally funded as part of the Resilience Project in addition to funding non-congregate shelter and wrap around services for older adults.
- \$344,127 in Class 300/400, level with FY22. This funding will provide materials, supplies, and equipment needed to carry out the agency's mission.
- \$32,421 in Class 500, level with FY22.

STAFFING LEVELS

The department is requesting 149 budgeted positions for FY23, a decrease of 13 positions from FY22. The decrease is attributed to the closure of the Riverview Personal Care Home in FY22.

NEW HIRES

Please refer to attached FY23 Budget Hearing Summary Charts in section 8: New Hires Information.

PERFORMANCE, CHALLENGES, AND INITIATIVES

Homelessness Prevention and Diversion

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Number of households provided homeless prevention assistance	1,873	1,400	1,400

Program FY23 Strategic Goals

- OHS is continuing to expand and tailor services to meet the unique needs of the Hispanic/Latinx community. To that end, OHS secured a grant from the state’s housing trust fund (the PA Housing Affordability and Rehabilitation Enhancement or PHARE program) to convene an advisory group to market, recruit and train staff and new providers, and to work with OHS on making services more accessible and available to people with limited English proficiency.
- OHS will continue to provide homelessness prevention and diversion services through the network of community-based organizations with an emphasis on multi-month rental assistance and housing case management to prevent shelter admission and stabilize families.
- Given the continued pandemic, OHS is continuing to grow and expand access to services by phone, and internet to avoid contact when needed without depriving vulnerable people of services.

Administrative Services and Infrastructure

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Data Quality: Number of key data elements in the Homeless Management Information System (HMIS) that meet the completeness threshold	12 of 16 Data Elements	12 of 16 Data Elements	12 of 16 Data Elements
Median length of time to conform service provider contracts	68	64	56

Program FY23 Strategic Goals

- OHS has been selected to be part of a pilot project with the Procurement Department and the Office of the Chief Administrative Officer (CAO) working with a team from Harvard’s Government Performance Lab (GLP) to rethink how the City can provide support to department staff in planning and executing procurements and professional service purchases. OHS will have the opportunity to

co-design and solidify strategies for additional supports. This is a very significant opportunity to improve operations.

- OHS’s Policy, Planning and Performance unit (P3) is focused on continuing to improve data quality, reporting, and analysis with a racial equity lens to assess where the homeless services system may be skewed and adjust accordingly. The unit is dedicated to continuing to improve community engagement and input into budgetary, policy, and programmatic decision making through training, community meetings, online, and virtual input sessions until OHS can resume in person meetings.
- OHS’s Human Resources, Information Technology, Fiscal and Contract units are all focused on quality and efficiency to meet growing needs.

Emergency and Temporary Housing

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Percent of exits to permanent housing destinations from shelter and transitional housing programs	40.5%	40.0%	40.0%
Median length of stay in shelter, transitional, and safe haven programs	71 days	110 days	90 days

Program FY23 Strategic Goals

- Sustain the progress made in housing people age 65+ who are homeless that began with the establishment of the COVID Prevention Spaces and then expanded into dedicated Single Room Occupancy programs. Since COVID-19 started, the number of older adults in congregate sites and on the streets went down and over 250 got placed in long-term housing.
- Expand Help for the Hurdles, a program piloted by OHS in partnership with a nonprofit staffing firm that prioritizes employing people who are in recovery, reentry, and homelessness overcome barriers to employment by providing childcare and transportation. Jobs include Mail Sorters, Packers, Loaders and Cleaning with an average hourly rate of \$15.32 with 23.28 average hours of work a week. To date, 113 people have enrolled.
- Raise the wages for those employed in the shelter system. While the City has been a leader in the living wage movement, those working in the shelter system, predominantly women of color, many with lived experience of homelessness themselves, have been left behind.

Permanent Housing

Performance Measure	FY21 Year-End	FY22 Target	FY23 Target
Number of households provided rapid rehousing assistance to end their homelessness	491	500	500
Percent of households who return to homelessness within two years after exiting to a permanent housing destination	20%	20%	20%
Number of households placed into all types of permanent housing, including permanent supportive housing and rapid rehousing	1,014	1,000	1,250

Program FY23 Strategic Goals

- Sustain and expand Street to Home to continue to engage people who are unsheltered and offer them a viable option for ending their homelessness.
- Sustain and expand Shared Housing, a supported roommate program that houses people who are homeless in sustainably affordable units while helping revitalize neighborhoods by fixing up vacant PHA scattered site homes.
- Expand and maximize the PEACE program to achieve OHS goal of 100 frail elderly people in shelters and behavioral health programs getting housed in long-term care, community and personal care programs where they can live out their lives safely, with dignity.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The American Rescue Plan (ARP) brought a one-time infusion of \$42 million for homeless assistance through the HOME-ARP program, sunseting in 2030 once the HOME-ARP Plan is approved by HUD. The only allowable uses of these funds as written into the legislation are acquisition and development of affordable housing, acquisition, and development of non-congregate shelter services to those experiencing homelessness, and time-limited tenant-based rental assistance. Unlike the CARES ESG funding received in 2020, no funds are available for the operation of homeless service programs such as emergency shelter. Nor are there funds to operate the affordable housing once it is developed. While HOME-ARP is an important policy step forward toward creating more affordable housing to end homelessness, it leaves a significant gap in covering the cost of operating existing emergency and temporary housing services for FY23.

Additionally, the CARES ACT funding received in 2020 is due to sunset in September 2022. These funds allowed OHS to maintain services in FY21 as well as fund expansions in non-congregate shelters, Rapid-Rehousing and Street Outreach.

CONTRACTING EXPERIENCE

Please refer to attached FY23 Budget Hearing Summary Charts in section 4: Contracts Summary.

EMPLOYEE DATA

Please refer to attached FY23 Budget Hearing Summary Charts in section 7: Staff Demographics.

LANGUAGE ACCESS

- 1. Provide the name of your language access coordinator, the date of your last department training, and a link to the posting of your language access plan.**

Rakeisha Stevenson, Social Work Supervisor at the Appletree Family Intake Center serves as the Language Access Coordinator for the Office of Homeless Services. The OHS Language Access Plan is posted online at: <https://www.phila.gov/documents/language-access-plans/>. Language access trainings were completed on March 25, 2022.

- 2. Breakdown new hires and existing staff by race and language. Breakdown how many front-line personnel are trained to provide language access services.**

Bilingual Staff Data	
Language	# of Employees
Arabic	1
Cantonese	1
Lao and Thai	1
Russian	1
Spanish	6
Sylheti (dialect of Bengali)	1

New hires: 3 African America and 1 White.

Existing staff: 106 African American, Spanish, French, Albanian, Yoruba, Igbo; 17 white, 7 Hispanic, Spanish; 7 Asian, Spanish, Chinese (Mandarin/Cantonese) Hindi, Malayalan, Javanese, Indonesian, Tamil, Kanada; 5 other, Spanish

2 staff provide Language Access Services but neither have received training to date.

- 3. How many requests for language access services did your department receive in the past year? How many language access services were delivered by staff? Breakdown language access services provided, by language, including but not limited to the language line, translation of public notices and documents, website language services, and advertisement/publication services.**

76 requests through 3rd party provider, 70 requests for Spanish, 2 Ukranian, 1 Arabic, 2 Farsi, 1 Swahili

- 4. Explain what your department has done to improve language access services over the past year.**

OHS continues to utilize bilingual staff, including staff who speak Mandarin, Korean, and Hindi and other languages. Information flyers and vital forms for participants have been translated into Spanish. Created signs at intake sites/access points in languages other than English. We have multi-lingual and culturally competent staff dispatched in the community to reach people who are unable to come to centralized sites. We regularly use telephonic interpretation services at our intake sites/access points.

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

More severe winter weather has forced the use of more emergency housing facilities during periods of extreme cold. OHS increases staffing to prevent weather related deaths among people experiencing homelessness.

2. How might worsening climate change increase costs and demands for your department?

- Increased staffing costs
- Costs of increased provider services
- Increased transportation costs moving people from the street to shelter

3. How does your department intend to mitigate and adapt to climate change?

Our goal is to protect people during extreme weather conditions and reduce the number of people experiencing homelessness that perish on the street. OHS will continue to develop programs that address poverty and create paths out of homelessness. Creating more affordable housing opportunities and opportunities to earn money to reduce panhandling can help people move from the street into homes.

1. Staff Demographics Summary

Staff Demographics Summary (as of December 2021)				
	Total	Minority	White	Female
Number of Full-Time Staff	149	125	17	98
Number of Exempt Staff	30	22	5	17
Number of Executive Staff (deputy level and above)	6	3	3	4
Average Salary, Full-Time Staff	\$66,493	\$64,576	\$74,010	\$64,438
Average Salary, Exempt Staff	\$83,842	\$80,295	\$99,450	\$82,810
Average Salary, Executive Staff	\$106,692	\$95,000	\$118,384	\$110,000
Median Salary, Full-Time Staff	\$70,334	\$71,159	\$75,000	\$68,057
Median Salary, Exempt Staff	\$79,625	\$78,887	\$75,000	\$85,000
Median Salary, Executive Staff	\$80,291	\$103,000	\$110,000	\$106,500

2. Employment Levels

Employment Levels (as of December 2021)		
	Budgeted	Filled
Number of Full-Time Positions	212	149
Number of Part-Time Positions	0	0
Number of Exempt Positions	30	30
Number of Executive Positions (deputy level and above)	6	6
Average Salary of All Full-Time Positions	\$66,493	\$66,493
Median Salary of All Full-Time Positions	\$70,334	\$70,334

3. Financial Summary by Class

Some departments may also want to provide financial summary tables for other funds, such as the Grants Fund. Departments should delete any budget lines that have \$0 in every year (i.e. if a department has no Class 500 appropriations, actuals, or proposed appropriations, the Class 500 row should be deleted).

General Fund Financial Summary by Class						
	FY21 Original Appropriations	FY21 Actual Obligations	FY22 Original Appropriations	FY22 Estimated Obligations	FY23 Proposed Appropriations	Difference: FY23-FY22
Class 100 - Employee Compensation	\$8,068,689	\$7,600,652	\$9,307,467	\$9,786,985	\$9,881,368	\$94,383
Class 200 - Purchase of Services	\$35,593,350	\$36,823,262	\$45,637,327	\$46,094,639	\$58,638,836	\$12,544,197
Class 300/400 - Materials, Supplies & Equipment	\$344,127	\$335,280	\$344,127	\$344,127	\$344,127	\$0
Class 500 - Contributions	\$32,421	\$22,800	\$32,421	\$32,421	\$32,421	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$44,038,587	\$44,781,994	\$55,321,342	\$56,258,172	\$68,896,752	\$12,638,580

4. Contracts Summary

This table focuses on large professional services contracts with for-profit vendors.
 "Large" is defined as meaning that an RFP was required.

Departments should focus on contracts that have been conformed to date.

Any departments that have large contracts with non-profit providers are encouraged to provide board makeup information in the optional "Non-Profit Vendor Demographics" table below.

M/W/DSBE Participation on Large Professional Services Contracts

Top Five Largest Contracts, FY22

Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance ? [yes / no]
Example	Example	\$100	12/1/2020	1/1/2020	MBE: \$20 WBE: \$20 DSBE: \$60	20%	\$20	100%	\$100		
US Facilities, Inc.	Ongoing repairs & operations at city Quarantine Sites due to the Covid 19 Pandemic.	\$1,878,451	4/17/2017 *an extension was granted due to the Pandemic.	7/1/2017	MBE: 12-15% WBE: 8-11% DSBE:Best Efforts	100%	\$1,878,451	100%	\$1,878,451	Yes	Yes
US Facilities, Inc.	Preventive Maintenance, general repairs, to 5 City Supported EH Housing Facilities & Intake Sites.	\$858,751	5/19/2021	7/1/2021	MBE: 28-32% WBE: 12-16% DSBE:Best Efforts	100%	\$858,751	100%	\$858,751	Yes	Yes
Food Management Services, Inc. d/b/a Linton'sManaged Services	Food Service Operator for the Riverview Home and the Fernwood Emergency Hsng. Program.	\$765,511	6/3/2021	7/1/2021	MBE: 8-11% WBE: 7-10% DSBE:Best Efforts	11%	\$84,206	11%	\$84,206	No	Yes
Darlene Morris (Love & Care Residential Systems)	Emergency Housing & Support Services to families experiencing homelessness.	\$725,600	4/3/2018	7/1/2018	MBE: 1-3% WBE: 1-3% DSBE:Best Efforts	100%	\$725,600	100%	\$725,600	Yes	Yes
Food Management Services, Inc. d/b/a Linton'sManaged Service	Food Service for Families Forward Phila. Emergency & Supportive Svs. Facility.	\$455,958	5/6/2021	7/1/2021	MBE: 10-14% WBE: 8-13% DSBE:Best Efforts	11%	\$50,155	11%	\$50,155	No	Yes

Non-Profit Vendor Demographics		
PHMC	Minority %	Female %
Workforce	87.00%	76.00%
Executive	91.00%	91.00%
Board	75.00%	75.00%
Women Against Abuse	Minority %	Female %
Workforce	99.00%	84.00%
Executive	92.00%	92.00%
Board	83.00%	83.00%
Nueva Esperanza, Inc.	Minority %	Female %
Workforce	95.00%	54.00%
Executive	90.00%	63.00%
Board	75.00%	63.00%
Friends Rehabilitation Program	Minority %	Female %
Workforce	96.00%	78.00%
Executive	67.00%	67.00%
Board	50.00%	50.00%
People's Emergency Center	Minority %	Female %
Workforce	95.00%	67.00%
Executive	76.00%	44.00%
Board	71.00%	58.00%

5. Performance Measures Table

Please refer to the FY23 Budget Testimony narrative for performance measures.

6. Participation Rate and Goal

The Contracts Summary table is for **professional services contracts only**.
The Contract Participation Goal table is for **all** contracts (Public Works, SS&E, and Professional Services, combined).

Contracts Summary (Professional Services only)	FY17	FY18	FY19	FY20	FY21	FY22 YTD (Q1 only*)
Total amount of contracts	\$3,823,226	\$3,304,143	\$3,288,183	\$5,451,388	\$20,868,625	\$4,700,872
Total amount to M/W/DSBE	\$1,615,331	\$1,614,345	\$1,598,385	\$3,560,747	\$16,517,389	\$4,290,260.00
Participation Rate	42%	49%	49%	65%	79%	91%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)

	FY21	FY22	FY23
M/W/DSBE Contract Participation Goal	35%	35%	45%

The 45% participation rate was recommended by OEO and is an increase from the prior year goal of 35%.

7. Staff Demographics

Totals in this table should tie out to numbers in tables 1 and 2 above.

Biracial employees should be included under "Other."

The number of employees who identify as non-binary (i.e. employees who do not identify as either female or male) should be included in the text box below the table, along with salary detail.

Staff Demographics (as of December 2021)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	30	76	<i>Total</i>	1	1
<i>% of Total</i>	21%	54%	<i>% of Total</i>	17%	17%
<i>Average Salary</i>	\$67,846	\$62,818	<i>Average Salary</i>	\$100,000	\$82,000
<i>Median Salary</i>	\$70,334	\$70,334	<i>Median Salary</i>	\$100,000	\$82,000
	White	White		White	White
<i>Total</i>	10	7	<i>Total</i>	1	2
<i>% of Total</i>	7%	5%	<i>% of Total</i>	17%	33%
<i>Average Salary</i>	\$65,925	\$85,559	<i>Average Salary</i>	\$100,154	\$127,500
<i>Median Salary</i>	\$70,334	\$75,000	<i>Median Salary</i>	\$100,154	\$127,500
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	1	6	<i>Total</i>	0	0
<i>% of Total</i>	1%	4%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$80,291	\$60,231	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$80,291	\$58,430	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	0	7	<i>Total</i>	0	0
<i>% of Total</i>	0%	5%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$0	\$55,325	<i>Average Salary</i>		\$0
<i>Median Salary</i>		\$45,396	<i>Median Salary</i>		\$0
	Other	Other		Other	Other
<i>Total</i>	3	2	<i>Total</i>	0	1
<i>% of Total</i>	2%	1%	<i>% of Total</i>	0%	17%
<i>Average Salary</i>	\$80,111	\$88,000	<i>Average Salary</i>	\$0	\$103,000
<i>Median Salary</i>	\$85,000	\$88,000	<i>Median Salary</i>	\$0	\$103,000
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	1	11	<i>Total</i>		1
<i>% of Total</i>	1%	8%	<i>% of Total</i>	0%	17%
<i>Average Salary</i>	\$38,058	\$40,992	<i>Average Salary</i>		\$103,000
<i>Median Salary</i>	\$38,058	\$38,058	<i>Median Salary</i>		\$103,000
	Male	Female		Male	Female
<i>Total</i>	44	98	<i>Total</i>	2	4
<i>% of Total</i>	31%	69%	<i>% of Total</i>	33%	67%
<i>Average Salary</i>	\$68,528	\$64,438	<i>Average Salary</i>	\$100,077	\$110,000
<i>Median Salary</i>	\$70,334	\$70,334	<i>Median Salary</i>	\$100,077	\$106,500

Detail for non-binary employees, if applicable:

8. New Hire Information

Date range is 7/1/21 to December 2021 increment run. Detail for any hires since then can be added in the text box below the table.

New Hires (from 7/1/2021 to December 2021)

	Total Number of New Hires	[language 1]	[language 2]	[language 3]	[language 4]	[language 5]
Black or African American	3					
Asian	0					
Hispanic or Latino	0					
White	1					
Other	0					
Total	4	0	0	0	0	0

Detail for new hires since December 2021, if applicable: