



Budget Office

CITY OF PHILADELPHIA

April 25, 2023

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised by Councilmembers regarding the Proposed FY24 Operating and Capital Budget.

Questions from CM Gauthier:

Question #1 Measuring Sheltered & Unsheltered Homelessness (OHS)

According to the 2022 PIT Count, there are 4,489 Philadelphians—roughly 4,500—who are literally homeless, meaning they are either sheltered or living on the streets. And, according to the 2022 Housing Inventory Report, there are 5,145 year-round, seasonal and overflow emergency, safe haven and transitional housing beds in Philadelphia. However, as many who have been homeless in this City will tell you, on some nights there are not enough beds.

- A. If there are nights when we do not have enough beds, how confident are you that your estimates of sheltered and unsheltered homelessness are accurate? If 5,100 beds are not enough, isn't it more likely that the estimate of literal homelessness is too low?
- B. What resources do we need to ensure that everyone who wants to come inside has a place to go?

Response #1

A. Measuring homelessness.

We acknowledge that on rare occasions our shelters experience a shortage of beds. OHS works hard to arrive at an accurate count and we feel confident about our data. We nevertheless face limitations both in the counting methods and fluctuations in the size of the homeless population from season to season, and even week to week. More details about our counting follow below.

The 2022 Philadelphia Point in Time Count (PIT) conducted in February 2022 recorded 4,489 people who were literally homeless, defined by HUD as living in a place that is unfit for human habitation, in an emergency or temporary homeless facility such as a shelter. The PIT numbers are derived from both an observational citywide count that takes place overnight on a single night, and from Homeless Management Information System (HMIS) enrollment records required of homeless service providers.

The PIT is the best estimate of the number of people experiencing homelessness at a given point in time. It uses a set methodology established by HUD, which also certifies the final numbers.



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We complement the PIT numbers with system utilization data collected year-round, and thus try to paint a more complete picture of the population we serve. Over the course of 2022 the City's homeless system served a total of 17,693 unique persons (13,478 households) in all program types including long-term housing.

The Housing Inventory Count (HIC) similarly is compiled at a point in time. In 2022 it recorded 4,938 emergency and temporary beds. The HIC count encompasses 126 "projects" (the HUD term): homeless shelters (about 3,000 beds), transitional housing beds (about half OHS and half VA exclusive). The remainder are mental health safe havens, drug treatment programs and recovery houses for people who are also homeless, and which have more specialized admission criteria related to clinical diagnosis. In February 2022 when the HIC and PIT were conducted, the City was still under COVID pandemic restrictions.

B. How the City can meet the needs of people experiencing homelessness.

1. Deeply affordable housing solves homelessness.

The real solution to homelessness is deeply affordable permanent housing. The current estimated gap as of March 2022 using HUD methodology is 3,316 units - 475 for homeless families and 2,841 for single adults. At \$15,000 per year for a rent subsidy, we estimate the annual cost to be \$49.7 million. The quickest and most cost-effective starting place is Shared Housing working with PHA on rehabbing scattered site units for people exiting homelessness as we are doing through the Neighborhood Preservation Initiative (NPI).

2. Homelessness prevention and diversion are cost-effective ways to stabilize families.

In FY22, OHS provided homelessness prevention assistance to over 1,500 households, about 1/4 of those who requested assistance from us. This program was 96% effective in preventing shelter admission in a two-year lookback. We have seen a dramatic uptick in demand since the end of the eviction moratorium and child tax credit. The cost to meet demand by quadrupling our services to reach 6,000 households would be an estimated \$9.2 million given an average cost of \$1,539 per household.

3. Shelters save lives.

OHS conducted a "Shelter Gaps Summary" in March 2022 using HUD prescribed methodology. It showed a gap of 376 shelter beds. Shelter beds in 2022 cost \$17,185 each and serve 3-4 people a year making their cost per person \$4,550. The estimated cost of 376 additional shelter beds is \$6.4 million to shelter an estimated 1,400 more people a year.



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Questions from CM Gauthier:

Question #2 Shelter Oversight

Everyday outreach workers encourage people who are unsheltered to come inside and yet many refuse. Common concerns include dangerous conditions, violence, theft, drug use, bed bugs, and body lice. Often, couples, people with pets, sex workers, and people with opioid addictions and clean needles have found that shelters do not work for them. What strategic investments will the Office Homeless Services make to ensure that emergency shelters are a more appealing, high-quality, low-barrier option?

OHS Response #2

Philadelphia has long had the lowest number of people who are unsheltered among the big cities thanks to the high quality and wide range of shelter facilities, among other programs. We continue to strive to do better. Just this year we contracted with the University of Pennsylvania to assess our approach to unsheltered homelessness including interviews and focus groups with those who are currently or recently homeless.

But as the outreach workers will tell you, the best-selling point for coming in is the promise of a place to call home. Shelters save lives. Housing ends homelessness.

City shelters are remarkably safe. Between July 1, 2022, and February 28, 2023, City funded shelters provided 40,420 bed nights with only 919 reported incidents. The percentage of incidents per bed night is 2.27%. Only 6% of all incidents in shelter were classified as a physical altercation. There were 2 complaints of theft. Though drug use in shelters is prohibited, it does happen now and then as people struggle with recovery. Bed bugs do occur from time to time and are addressed quickly by the shelter provider. We use hot boxes for bed bugs at admission and regular pest control to mitigate.

OHS has made significant strategic investments throughout this administration to make emergency shelters more appealing, higher-quality and lower-barrier. These include the following:

- No ID required to enter.
- No required savings or fees.
- No drug screen - although you may not bring in weapons or works on site.
- Family compositions of all types are recognized and honored and are able to enter all family shelters together with their children.
- Meals are culturally appropriate, tasty and nutritious. Religious restrictions are respected.
- Service animals are allowed as reasonable accommodation. One shelter accepts pets.
- We now have 7 emergency housing programs that serve couples.
- We have added 6 small, community-based non-congregate shelters offering over 100 beds where people have their own rooms.
- We have added Street to Home, 150 units of Rapid Rehousing for people directly from the street to their own units.



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- We have added 6 mobile assessors so people can qualify for housing without entering shelter.
- We have added about 300 gold-standard Housing First units for people who are chronically homeless and have a disability.
- Provider staff received over 5,000 training sessions in 2022.
- Close supervision and quality assurance of shelter standards with corrective action as needed.

Questions from CM Gauthier:

Question #3 Emergency Displacement

As I mentioned during L&I's budget hearing last week, we have had several instances of people displacement due to emergencies. What housing services are available to these displaced individuals and families, and are those programs currently funded at a level that keeps up with the volume of displaced residents?

OHS Response #3

OHS supports this kind of emergency response, but does not coordinate the effort, nor are we the first stop in terms of temporary shelter.

In the case of large-scale incidents like a building closure, the City's Office of Emergency Management (OEM) coordinates the City's response, collaborating with the American Red Cross, Managing Director's Office, Licenses and Inspections, the Department of Behavioral Health and Intellectual disAbilities, and the Office of Homeless Services. OHS staff is often deployed to support and assist tenants in making housing plans. For example, when Lindley Court was closed, OHS played a significant role in housing many of the residents and provided housing counseling. OHS offers short-term emergency shelter placement and may be able to help with security deposit and first month's rent if there is a need for the household to permanently relocate.

Single households that are displaced due to house fire or similar emergency first utilize the expertise and assistance of the American Red Cross (ARC). If their housing needs continue past the time ARC can provide service, the household may be referred to OHS for further housing assistance. Because we are not able to predict the number of displaced residents that may need assistance, OHS works to accommodate households in our existing system. With the Managing Director's Office and OEM, we have done some planning around a "swing space," a safe, temporary space that could be quickly activated in the event of a larger scale displacement that would exceed our office's regular capacity.