

**OFFICE OF HOMELESS SERVICES
FISCAL YEAR 2024 BUDGET TESTIMONY
APRIL 11, 2023**

INTRODUCTION

Good afternoon, Council President Clarke and Members of City Council. I am Liz Hersh, Director of the Office of Homeless Services. Joining me today are David Holloman, Chief of Staff, Indira Aye-Potter, Deputy Chief of Staff, Peter Curran, Deputy Director for Finance, Contracts and Asset Management, Marybeth Gonzales, Deputy Director for Policy, Planning and Performance, and Roberta Cancellier, Deputy Director for Housing Services. I am pleased to provide testimony on the Office of Homeless Services' Fiscal Year 2024 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The mission of the 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.

Plans for Fiscal Year 2024:

Over the past five years, the Office of Homeless Services and our network of over 70 nonprofit homeless service providers have made significant progress in reducing the number of people who are homeless. Philadelphia has decreased the number of unsheltered persons by 22% in the last five years (2019 to 2023) with an overall 22% percent decrease in the number of homeless persons both sheltered and unsheltered for the same period. This progress is a direct result of investing in deeply affordable housing and homelessness prevention while continuously improving the quality of services provided through quality assurance, training, coordination, and collaboration.

Our primary goal for FY24 is to continue to build on success and keep the momentum going toward making homelessness in Philadelphia rare, brief, and nonrecurring. With a tightening rental market and inflation pressing down on people with limited incomes, the need for high quality, accessible services is as critical as ever. We will be there to help those in need, like we were last year when over 12,000 came to our front door.

I will highlight just a few of our special initiatives that build upon our core services of homelessness prevention, emergency, temporary and long-term housing.

Through partnerships and wise investment of scarce public dollars, we will invest in innovative solutions to the affordable housing crisis:

- Shared Housing – a partnership with PHA to rehabilitate long-vacant scattered site units for occupancy by single adults living as roommates, and large families for long-term affordability.
- Housing for college students who would otherwise be homeless.
- Medical Respite piloting assistance with activities of daily living for those who have high medical needs and are living with disabilities.
- Shallow Rent to provide stability for those who are living on extremely low fixed incomes such as disability assistance.
- PEACE program that helps frail elderly get out of shelter and choose the least restrictive, most appropriate long-term housing available to them.

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- Landlord Gateway – an exciting initiative through the Operation Transformation Fund bringing together sixteen city and public agencies to create a one-stop shop for private market rental owner and managers to take advantage of city programs.

We are most excited about the Youth Homelessness Demonstration Project (YHDP) which centers youth voices to development and implement a coordinated community plan to deploy over \$8 million from the federal government to address homelessness among youth and young adults.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2022)				
	Total	Minority	White	Female
Number of Full-Time Staff	145	126	19	103
Number of Exempt Staff	33	25	8	22
Number of Executive Staff (deputy level and above)	6	3	3	4
Average Salary, Full-Time Staff	\$70,102	\$68,918	\$77,960	\$69,114
Average Salary, Exempt Staff	\$91,692	\$88,792	\$100,753	\$89,742
Average Salary, Executive Staff	\$122,380	\$114,751	\$130,009	\$123,927
Median Salary, Full-Time Staff	\$72,620	\$72,620	\$72,620	\$72,620
Median Salary, Exempt Staff	\$92,151	\$92,151	\$94,842	\$81,655
Median Salary, Executive Staff	\$119,254	\$119,254	\$119,254	\$119,254

Employment Levels (as of December 2022)		
	Budgeted	Filled
Number of Full-Time Positions	189	145
Number of Part-Time Positions	0	0
Number of Exempt Positions	33	33
Number of Executive Positions (deputy level and above)	6	6
Average Salary of All Full-Time Positions	\$70,102	\$70,102
Median Salary of All Full-Time Positions	\$72,620	\$72,620

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General Fund Financial Summary by Class						
	FY22 Original Appropriations	FY22 Actual Obligations	FY23 Original Appropriations	FY23 Estimated Obligations	FY24 Proposed Appropriations	Difference: FY24-FY23
Class 100 - Employee Compensation	\$9,786,985	\$9,151,392	\$9,931,274	\$9,946,614	\$10,223,985	\$277,371
Class 200 - Purchase of Services	\$45,637,327	\$45,807,172	\$58,638,836	\$60,113,570	\$67,806,170	\$7,692,600
Class 300/400 - Materials, Supplies & Equipment	\$344,127	\$317,222	\$344,127	\$344,127	\$344,127	\$0
Class 500 - Contributions	\$32,421	\$5,175	\$32,421	\$32,421	\$32,421	\$0
	\$55,800,860	\$55,280,961	\$68,946,658	\$70,436,732	\$78,406,703	\$7,969,971

	FY20	FY21	FY22	FY23 YTD (Q1 & Q2)	FY24 Projected
Total amount of contracts	\$5,451,388	\$20,868,625	\$8,298,050	\$2,681,892	\$3,379,915
Total amount to M/W/DSBE	\$3,560,747	\$16,517,389	\$6,143,434	\$1,816,897	\$2,883,575
Participation Rate	65%	79%	74%	68%	85%

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

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2024 General Fund budget totals \$78,406,703, an increase of \$7,969,971 over Fiscal Year 2023 estimated obligation levels. This increase is primarily due to \$3,131,978 in Class 200 funding to address increased operating costs due to rising inflation, \$1,338,000 in Class 200 funding to add 100 new Supportive Housing Units, \$445,552 in Class 200 funds to sustain the Kensington-focused Encampment Resolution Team, \$595,213 in Class 200 to fund operations for Sanctuary Village Tiny Homes.

The proposed budget includes:

- \$10,223,985 in Class 100, a \$277,371 increase over FY23. This funding will pay for negotiated wage increases with DC33, DC47 and for wage increases for exempt employees.
- \$67,806,170 in Class 200, a \$7,692,600 increase over FY23. This funding will support the creation of 100 new Supportive Housing Units, sustain the Kensington-focused Encampment Resolution Team, fund operation at Sanctuary Village and maintain current service levels.
- \$344,127 in Class 300/400, level with FY23. This funding will provide materials, supplies, and equipment needed to carry out the agency's mission.
- \$32,421 in Class 500, level with FY23.

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STAFFING LEVELS






The department is requesting 149 budgeted positions for FY24, level with FY23.

NEW HIRES

New Hires (from 7/1/2022 to December 2022)	
	Total Number of New Hires
Black or African American	6
Asian	0
Hispanic or Latino	0
White	3
Other	0
Total	9

PERFORMANCE, CHALLENGES, AND INITIATIVES







HOMELESSNESS PREVENTION AND DIVERSION

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Number of households provided homeless prevention assistance	1,558	1,400	1,400	

FY24 Strategic Goals

- OHS will continue to expand and tailor services to meet the unique needs of the immigrant, refugee, and Limited English Proficiency (LEP) community. To that end, OHS is in its second year of a two-year pilot \$191,100 grant from the Pennsylvania Housing Affordability and Rehabilitation Enhancement (PHARE) program to convene an Advisory Board and hire consultants to market services, recruit, and train staff and providers to help make services more accessible and available to people with LEP.
- 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.
- OHS will continue to work with the Office of Emergency Management (OEM) and the Office of Immigrant Affairs (OIA) to provide appropriate services to asylum seekers arriving in the city to help them stabilize as city residents and prevent their entry into the homeless system.

EMERGENCY AND TEMPORARY HOUSING

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Percent of exits to permanent housing destinations from shelter and transitional housing programs	37.0%	40.0%	40.0%	
Median length of stay in shelter, transitional, and safe haven programs (days)	52 days	90 days	90 days	








FY24 Strategic Goals

- Increase the number of people who exit temporary housing with increased income from either benefits or employment. In FY22, 40 percent of those exiting the system reported having increased income.
- Stabilize and support the shelter workforce, which suffered through COVID and is still rebounding. This includes ensuring adequate pay, working conditions, trauma-informed support for workers, and additional training.

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- Continue the effective work of the non-congregate shelters that house older adults, a population that is growing, by focusing on their long-term housing goals and planning for them to age safely and with dignity.






PERMANENT HOUSING

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Number of households provided rapid rehousing assistance to end their homelessness	543	500	500	
Percent of households who return to homelessness within two years after exiting to a permanent housing destination	19%	20%	20%	
Number of households placed into all types of permanent housing, including permanent supportive housing and rapid rehousing	1,061	1,250	1,250	

FY24 Strategic Goals

- Sustain and expand “Street to Home” by continuing to engage people who are unsheltered and offering them a viable option for ending their homelessness without entering shelter. Enhance supportive services so that these individuals don’t return to homelessness.
- Sustain and expand Shared Housing, which houses those who qualify in renovated affordable units while also helping to revitalize neighborhoods by fixing up vacant PHA scattered site homes.
- Maximize the PEACE program to achieve the goal of serving 75 frail elderly people in shelters and behavioral health programs to obtain housing and long-term care where they can live out their lives safely and with dignity.
- Build and implement the Landlord Gateway, a web portal for landlords who rent to people that have not had access to City rental assistance. This initiative is funded through the City’s Operations Transformation Fund and involves all City departments that touch housing, from L&I and DHS to Commerce and the Division of Housing and Community Development in the Department of Planning and Development.

INFRASTRUCTURE AND ADMINISTRATIVE SERVICES

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Median length of time to conform service provider contracts (days)	74	64	64	

FY24 Strategic Goals

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- Policy, Planning, and Performance (P3) continues to lead the work of implementing Roadmap to Homes, the City’s strategic plan to make homelessness rare, brief, and nonrecurring.
- P3 continues to focus on improving data quality and consistency, including implementation of new tools, reporting, and analysis with a racial equity lens to assess where the homeless services system may be skewed and adjust accordingly. P3 is dedicated to continuing to improve community engagement and input in budgetary, policy, and programmatic decision-making through training, community meetings, and online and virtual input sessions until in-person meetings can resume.
- Continue to implement the Youth Homelessness Demonstration Program through planning, RFP and expansion of housing projects.
- Continue to streamline the contracting, invoicing, and payment processes to improve cash flow for providers, reduce time for payments, and ensure compliance, quality, accountability, and efficiency.

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OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

FY23 Estimated Federal & State Funding:

State: \$14,723,726

Federal: \$11,129,394

FY22 Actual

State: \$11,515,533

Federal \$11,268,489

The City of Philadelphia through the Office of Homeless Services was awarded \$8.8 million as part of HUD's Youth Homelessness Demonstration Program (YHDP). The goal of the YHDP is to support selected communities in the development and implementation of a coordinated community approach to preventing and ending youth homelessness.

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CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY23											
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 Businesses (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance? [yes / no]
U.S. Facilities Inc.	Preventive Maintenance, repairs, & emergency response to 5 City EH Housing Facilities & Intake Sites.	\$1,315,385	5/19/2021	7/1/2022	MBE: 28 - 32%	100%	\$1,315,385	100%	\$1,315,385	Yes	No
					WBE: 12-16%	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
Darlene Morris (Love & Care Residential Systems)	Emergency Housing & Support Services to families experiencing homelessness.	\$747,368	11/22/2022	1/1/2023	MBE: Best Efforts	0%	\$0	100%	\$747,368	Yes	No
					WBE: Best Efforts	100%	\$747,368				
					DSBE: Best Efforts	0%	\$0				
Food Management Services, Inc. d/b/a Linton's Managed Services	Food Service for Families Forward Phila. Emergency & Supportive Svs. Facility.	\$458,730	5/6/2021	7/1/2022	MBE: 10-14%	11%	\$50,460	11%	\$50,460	No	No
					WBE: 8-13%	0%	\$0				
					DSBE: Best Efforts	0%	\$0				
Food Management	Food Service Operator for the Riverview	\$453,093	6/3/2021	7/1/2022	MBE: 8 - 11%	11%	\$49,840	11%	\$49,840	No	No
					WBE: 7-10%	0%	\$0				

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nt Services, Inc. d/b/a Linton's Managed Services	Home and the Fernwood Emergency Hsng. Program.				DSBE: Best Efforts	0%	\$0				
Darlene Morris (Love & Care Residential Systems)	Emergency Housing & Support Services to families experiencing homelessness.	\$373,684	4/3/2018	7/1/2022 *6 month extension approved by CAO & Law	MBE: 1-3%	0%	\$0	100%	\$373,684	Yes	No
					WBE: 1-3%	100%	\$373,684				
					DSBE: Best Efforts	0%	\$0				

Non-Profit Vendor Demographics		
Women Against Abuse	Minority %	Female %
Workforce	78.00%	83.00%
Executive	54.00%	100.00%
Board	69.00%	78.00%
Public Health Management Corporation	Minority %	Female %
Workforce	93.00%	70.00%
Executive	53.00%	77.00%
Board	55.00%	36.00%
Mt. Airy Bethesda d/b/a Stenton Manor	Minority %	Female %
Workforce	100.00%	61.00%
Executive	100.00%	63.00%
Board	100.00%	34.00%
Congreso de Latinos Unidos	Minority %	Female %
Workforce	87.00%	82.00%
Executive	80.00%	80.00%
Board	83.00%	40.00%
Project Home	Minority %	Female %

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Workforce	74.00%	71.00%
Executive	29.00%	86.00%
Board	39.00%	39.00%

EMPLOYEE DATA

Staff Demographics (as of December 2022)				
Full-Time Staff			Executive Staff	
	Male	Female	Male	Female
	African-American	African-American	African-American	African-American
<i>Total</i>	25	81	1	1
<i>% of Total</i>	17%	56%	17%	17%
<i>Average Salary</i>	\$71,724	\$67,483	\$125,000	\$100,000
<i>Median Salary</i>	\$72,620	\$72,620	\$125,000	\$100,000
	White	White	White	White
<i>Total</i>	11	8	1	2
<i>% of Total</i>	8%	6%	17%	33%
<i>Average Salary</i>	\$69,620	\$89,427	\$113,525	\$138,226
<i>Median Salary</i>	\$66,647	\$80,655	\$113,525	\$138,226
	Hispanic	Hispanic	Hispanic	Hispanic
<i>Total</i>	2	4	0	0
<i>% of Total</i>	1%	3%	0%	0%
<i>Average Salary</i>	\$87,913	\$64,607	0	0
<i>Median Salary</i>	\$87,913	\$62,345	0	0
	Asian	Asian	Asian	Asian
<i>Total</i>	0	6	0	0
<i>% of Total</i>	0%	4%	0%	0%
<i>Average Salary</i>	\$0	\$64,124	0	0
<i>Median Salary</i>	\$0	\$61,068	0	0
	Other	Other	Other	Other
<i>Total</i>	4	4	0	1
<i>% of Total</i>	3%	3%	0%	17%
<i>Average Salary</i>	\$77,835	\$73,526	0	\$119,254
<i>Median Salary</i>	\$82,386	\$67,811	0	\$119,254
	Bilingual	Bilingual	Bilingual	Bilingual
<i>Total</i>	2	1	0	0
<i>% of Total</i>	1%	1%	0%	0%
<i>Average Salary</i>	\$87,913	\$72,620	0	0
<i>Median Salary</i>	\$87,913	\$72,620	0	0
	Male	Female	Male	Female
<i>Total</i>	42	103	2	4
<i>% of Total</i>	29%	71%	33%	67%
<i>Average Salary</i>	\$72,545	\$69,114	\$119,288	\$123,927
<i>Median Salary</i>	\$72,620	\$72,620	\$119,288	\$119,254

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.**

Sharnine Weathers, Program Manager to Housing Access 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/>. Annual language access trainings were completed in February 2023 augmented by the distribution of training literature developed by the OHS Training unit.

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

New hires: 6 Black or African American, 3 White.

Existing staff: 100 African American, 16 white, 6 Hispanic, 6 Asian

7 Hispanic staff are bilingual with the languages being Spanish, French, Portuguese

Brazilian-QPB and 1 Arabic.

- 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 continued to utilize the interpretation services, and to make access to interpretation services available to our contracted providers.
 - OHS continued to utilize the “point to” language card at our intake sites.
 - Informational materials are available on our website and at our intake sites in English and Spanish, at minimum.
 - We translated informational materials into Romanian in an attempt to engage with individuals on the street who were non-English speakers.

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- OHS convenes and has received grant funds to work closely with Latinx agencies in Philadelphia to increase bilingual hires and strengthen access to OHS services.
- OHS recently translated a Request for Proposals into Spanish to encourage community-based organizations in Spanish speaking communities to offer housing and services.
- Created an English-Spanish-Simplified Chinese glossary of words and terms often used by the homeless services system. We published the glossary on our website and shared widely with our network, including the Office of Immigrant Affairs.
- Regularly share Spanish-language tweets as part of our outreach on social media.

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.