

**OFFICE OF SUPPORTIVE HOUSING
FISCAL YEAR 2016 BUDGET TESTIMONY
APRIL 29, 2015**

EXECUTIVE SUMMARY

DEPARTMENT MISSION AND FUNCTION

Mission: To help individuals and families move towards independent living and self-sufficiency in safe and stable housing. The Office of Supportive Housing fulfills this mission through Philadelphia’s Homeless Continuum of Care and the Riverview Home, which is a state, licensed Personal Care Home that provides housing to low income elderly and disabled persons. OSH is also responsible for the policy, planning and coordination of the City’s response to homelessness.

Description of Major Services: The Office of Supportive Housing (OSH) is charged with planning and implementing the City of Philadelphia’s support and services to residents who are experiencing homelessness and whenever possible to prevent homelessness. OSH balances diverse needs, capturing as many resources and tools as possible and directing them to multiple subpopulations. OSH does its work always in partnership with other city departments, the Commonwealth and the Federal government, as well as over 50 non-profit corporations and advocacy groups. OSH provides direct support to emergency housing, as well as a wide array of services including transitional and supportive housing to individuals, couples and families.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

Budget Highlights: The FY16 General Fund proposed allocation is slightly higher than the FY15 Current Projection to account for employee salary increases as a result of union contract settlements. The total FY16 Proposed Operating budget for OSH is on par with the FY15 Current Projection.

| Fund | Class | FY14 Actual | FY15 Current Projection | FY16 Proposed Budget | FY16-FY15 Change | FY16-FY15 Percent Change |
|---------|-----------|-------------|-------------------------|----------------------|------------------|--------------------------|
| General | 100 | 7,877,851 | 8,263,759 | 8,281,213 | 17,454 | 0.2% |
| | 200 | 36,866,677 | 36,586,621 | 36,586,621 | 0 | 0.0% |
| | 300/400 | 340,878 | 344,127 | 344,127 | 0 | 0.0% |
| | 500 | 30,899 | 32,421 | 32,421 | 0 | 0.0% |
| | Total | 45,116,305 | 45,226,928 | 45,244,382 | 17,454 | 0.0% |
| | Positions | 154 | 159 | 159 | 0 | 0.0% |
| Other* | 100 | 395,640 | 614,129 | 710,423 | 96,294 | 15.7% |
| | 200 | 28,501,815 | 45,022,629 | 44,956,142 | (66,487) | -0.1% |
| | 300/400 | 976,701 | 887,489 | 887,489 | 0 | 0.0% |
| | Total | 29,874,156 | 46,524,247 | 46,554,054 | 29,807 | 0.1% |
| | Positions | 9 | 12 | 12 | 0 | 0.0% |
| All | 100 | 8,273,491 | 8,877,888 | 8,991,636 | 113,748 | 1.3% |
| | 200 | 65,368,492 | 81,609,250 | 81,542,763 | (66,487) | -0.1% |
| | 300/400 | 1,317,579 | 1,231,616 | 1,231,616 | 0 | 0.0% |
| | 500 | 30,899 | 32,421 | 32,421 | 0 | 0.0% |
| | Total | 74,990,461 | 91,751,175 | 91,798,436 | 47,261 | 0.1% |
| | Positions | 163 | 171 | 171 | 0 | 0.0% |

* Other Funds includes: County Liquid Fuels Tax Fund, Special Gasoline Tax Fund, Healthchoices Behavioral Health Fund, Hotel Room Rental Tax Fund, Grants Revenue Fund, Community Development Fund, Car Rental Tax Fund, Housing Trust Fund, Water Fund, Water Residual Fund, Aviation Fund, and Acute Care Hospital Assessment Fund.

Staff Demographics Summary (as of December 2014)

| | Total | Minority | White | Female |
|----------------------------------|----------|----------|----------|----------|
| Full-Time Staff | 164 | 138 | 26 | 119 |
| Executive Staff | 16 | 13 | 3 | 9 |
| Average Salary - Executive Staff | \$88,427 | \$87,366 | \$93,027 | \$93,554 |
| Median Salary - Executive Staff | \$86,111 | \$83,600 | \$97,731 | \$93,150 |

Employment Levels (as of December 2014)

| | Budgeted | Filled |
|---------------------|----------|--------|
| Full-Time Positions | 171 | 164 |
| Part-Time Positions | 0 | 0 |
| Executive Positions | 16 | 16 |

Contracts Summary (*as of December 2014)

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15* |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total amount of contracts | \$2,854,086 | \$4,276,757 | \$4,026,492 | \$4,518,015 | \$4,183,400 | \$3,629,928 |
| Total amount to M/W/DBE | \$472,260 | \$880,773 | \$1,469,777 | \$1,709,346 | \$1,167,480 | \$1,092,480 |
| Participation Rate | 17% | 21% | 37% | 38% | 28% | 30% |

PERFORMANCE, CHALLENGES AND INITIATIVES

DEPARTMENT PERFORMANCE (OPERATIONS) Emergency housing (shelter) served an average of 1,500 single individuals and 450 families every night in FY15. During the winter months of December 1 through March 31 an average of 450 additional emergency housing beds were available. This support is critical to persons who might otherwise be on the streets.

The number of households receiving financial assistance to prevent homelessness increased from 610 to 676 (10.8%) from FY13 to FY14. Starting in the second quarter of FY14, OSH used Housing Trust Funds and also received Community Services Block Grant (CSBG) Funds from the Mayor's Office of Community Empowerment and Opportunity to provide prevention services. In the second quarter of FY15, OSH received additional CSBG funds and is already serving more than twice the number of households in the first half of FY15 relative to the same period in FY14. Through the second quarter of FY15, 374 persons have received assistance to prevent them from experiencing homelessness.

In concert with the City's 10 Year Plan to End Homelessness, a plan created in 2005, OSH implemented the Mayor's Homeless Housing Strategy, which included a commitment to provide housing opportunities for homeless individuals and families. Since the end of the Federal American Recovery and Reinvestment Act (ARRA) funding of \$23 million from 2009 – 2012, to provide Prevention, Rapid Re-Housing and Housing Stabilization services there has been a dramatic decrease in the numbers of families and persons assisted to prevent homelessness and to move out of homelessness into permanent housing. The ARRA funding was approximately \$7 million per year whereas the FY14 Federal allocation was \$2.8 million. Rapid re-housing is the practice of focusing resources to help households (individuals and families) to quickly move out of homelessness and into permanent housing and reduce the amount of time experiencing homelessness. Participants receive financial assistance to move back into the community and housing stabilization services which is a type of case management focused on helping participants to maintain their housing, such as managing the household budget, making timely rent and utility payments and being a good tenant and neighbor. OSH continues to seek and utilize all available local, state and federal homeless rapid re-housing funding and assure that residents in Emergency and Transitional Housing are able to connect with all mainstream benefits for which they qualify and connect them to resources and opportunities to increase their skills, education and income. The number of households receiving assistance is lower for the first two quarters of FY14 because the performance measures only represent new households whereas the majority of recipients of rapid re-housing assistance at that time were already housed and receiving ongoing rental assistance. In the first two quarters of FY15, OSH was able to move 272 households out of emergency housing into transitional housing and end homelessness for 174 households. In FY16, OSH will continue to provide short to medium term financial assistance and housing stabilization services to households residing in emergency or transitional housing. The goals and service for upcoming rapid re-housing and prevention services are contingent on expected grant funding and capturing of other supportive housing resources in FY16.

In addition to rapid re-housing, OSH provides Continuum of Care permanent supportive housing units. OSH serves as the collaborative applicant for Continuum of Care funding through HUD. The Continuum of Care (CoC) program is designed to focus community commitment on the goal of ending homelessness and providing funding for new and ongoing efforts to quickly re-house homeless individuals and families and promote self-sufficiency among individuals and families experiencing homelessness. In FY14, OSH completed 509 Transitional Housing Placements. Placements for the first and second quarters of FY15 are slightly higher than those quarters in FY14 (265 in FY14 and 272 in FY15). More than 80% of those who leave Transitional Housing enter permanent housing. OSH is on track to meet the FY15 placement goal of 505.

| Performance Measure | FY08 | FY13 | FY14 | FY14- FY13 Change | FY14 Q1- Q2 | FY15 Q1- Q2 | FY15- FY14 Q1-Q2 Change | FY15 Goal | FY16 Goal |
|--|------|------|------|-------------------------|-------------------|-------------------|----------------------------------|--------------|--------------|
| Households provided financial assistance to prevent homelessness | 336 | 610 | 676 | 10.8% | 181 | 374 | 106.6% | 675 | N/A* |
| Households provided financial assistance to end homelessness | N/A | 291 | 135 | -53.6% | 59 | 174 | 194.9% | 155 | N/A* |
| New permanent supportive housing units for people experiencing homelessness (Non-Philadelphia Housing Authority) | 76 | 180 | 59 | -67.2% | 0** | 0** | N/A | 100 | 100 |
| Number of transitional housing placements | 435 | 539 | 509 | -5.6% | 265 | 272 | 2.6% | 505 | 520 |

*Dependent on grant funding received during year.

** Per HUD, numbers are reported 1x/year at the end of the fiscal year

DEPARTMENT CHALLENGES

- Philadelphia’s homeless strategies are recognized nationally as very productive and effective. However, the need for affordable housing, coupled with high levels of poverty and unemployment continue to have a direct impact on the numbers of individuals and families in particular that consistently present at our front door. More and more low –income and poor citizens turn to the homeless system to meet their housing needs. On any given day, OSH is operating at or near full capacity. On average, 30 families present daily at the Appletree Family Intake Center. The OSH front door is the safety net for these families.
- The number of young mothers with one or two children is significant. Many of these young families are not characteristically homeless; many of them have never had a home, meaning they have never lived independently. They became a parent and/or young adult living with family, friends and “couch surfing” with a child in tow. These families thrive when there are supportive services and a healthy environment that builds accountability and key life skills of child care, healthy food and job skills. OSH is currently developing ways to provide appropriate housing options with increased collaboration.

ACCOMPLISHMENTS & INITIATIVES

Increased Homeless Housing: Between 2008 and 2014, the overall Philadelphia homeless housing inventory increased by 80% (from 3,047 to 5,500) through local and federal McKinney-Vento Act-funded construction, rehabilitation and leased units, including units through the City’s partnership with the Philadelphia Housing Authority. To date, through this partnership, 2,103 individuals and 1,601 families have moved into permanent housing. In addition, through the 2013 HUD Continuum of Care Program, the City was awarded \$29.8 million for continuing and new housing for individuals and families experiencing homelessness, including 80 newly funded permanent housing units. The decrease in non-PHA permanent supportive housing units in FY14 was due to delays in the receipt of grant funding and in agencies securing development funding. The FY15 Quarter 1 and 2 numbers are not available at this time as per HUD, they are reported once per year at the end of the fiscal year. OSH expects to meet the FY 15 goal of 100 new units.

Homelessness Prevention: OSH will continue to work to prevent homelessness of individuals and families already housed by providing financial assistance with delinquent rent and/or utilities or security deposits to re-locate to more affordable housing and providing financial assistance to prevent mortgage foreclosure. The FY16 goal is contingent upon the amount of funding received from federal and/or state sources.

Expansion of Beds for Victims of Domestic Violence: The number of beds for women and children experiencing domestic violence were expanded, as well as community-based services for Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual (LGBTQIA) and gender minority individuals experiencing domestic violence. In FY14, the City provided \$3 million for Domestic Violence services to double the number of emergency housing beds (from 100 to 200) for women and children experiencing domestic violence. In addition, OSH expanded community-based services to serve LGBTQIA and gender minority victims of domestic violence.

In FY15 to date, Carol’s Place (the new 100 bed shelter operated by Women Against Abuse (WAA)) has served 349 people (151 adults and 198 children). An additional \$200,000 provided through transfer ordinance will support child

care/children's programming onsite. A Domestic Violence (DV) specialist funded to assist at OSH intake has provided support and services to 223 unique adult consumers during FY15 to date. The DV hotline collaboration between Congreso, Lutheran Settlement House, Women in Transition and WAA, funded in part through OSH, has fielded more than 9,000 calls from victims in FY15. In FY16, OSH will support the implementation of the Citywide Coordinated Response to Domestic Violence, which builds on the successful efforts of law enforcement to increase and improve efforts to address DV by engaging the City's social service departments and other key stakeholders in the collaborative effort.

Ending Veteran Homelessness: In Philadelphia, 9% of adults experiencing homelessness were Veterans per the 2014 U S Conference of Mayor's Hunger and Homelessness Report. Since August 2013 through March 2015, the City and partners, including the Veterans Administration (VA), the Public Housing Authority (PHA) and non-profits, ended homelessness for 862 veterans. Philadelphia has been designated one of 10 Dedicating Opportunities to End Homelessness (DOEH) communities by HUD and the US Interagency Council on Homelessness. Philadelphia used a diversity of housing strategies, as well as data-based analytic tools to project gaps and identify housing resources to close the gaps and end chronic and veteran homelessness. In addition, Philadelphia participated in the Rapid Results Institute sponsored by Community Solutions to build a local team to end veteran homelessness. This is leading to new housing commitments and processes to ensure that veterans are identified, targeted, and offered housing solutions more quickly. OSH is now developing a new partnership with HUD/VA with new resources to Support Service for Veterans Families (SSVF) and a total of 460 rental subsidies.

With an estimated 500 veterans in need of housing, adequate resources from the VA, and the continuing commitment from the partners to collaborate, OSH is now working with the Philly Vets Home team for a final push to meet Mayor Nutter's goal to end veteran homelessness in 2015.

Permanent Supportive Housing Clearinghouse: In 2012, OSH, in concert with Health & Opportunity, developed an initiative to consolidate the housing resources of the social service departments in the City. With this effort, there is a streamlined, single point of access to permanent supportive housing. This eliminates duplicative efforts and the cost of maintaining multiple access points, promotes coordination between housing and services, and assures that all available housing resources and partnerships for supportive housing are captured and not lost. Resources are dedicated to households served by the Health & Opportunity social service cluster who have both a services and a housing need, including individuals and families with mental illness, chronic substance abuse and related health disabilities, as well as those who are homeless or at the highest risk of homelessness. This initiative now includes access to 8 programs and to date 3,055 individuals and families have been housed.

Infant Screening Protocol: Mothers who reside in emergency housing with infants 0-4 months of age are now supported to develop strong, healthy babies with the development of new infant protocols and services. An Infant care nurse weighs infants 0-4 months every two weeks for up to 16 weeks to track growth and development and parents receive assistance with locating and connecting to a primary care provider for regularly scheduled well child appointments. In FY14, 39 infants were screened, and to date, 59 infants were screened in FY15. In addition, all children in Emergency Housing receive an immunization screening.

Facility Improvements: In the FY16 OSH proposed Capital Budget, \$1.0 million is recommended for capital improvements at the Woodstock Family Residence, Stenton Family Manor, Our Brother's Place (single males) and the Riverview Home. This funding is for infrastructure improvements such as fire alarm system upgrades, door replacements, installation of emergency generators, HVAC upgrades and facade and shower room renovations

Development of New Permanent Supportive Housing Resources: OSH is now in a feasibility stage of initiating new partnerships at a local and national level to create 100 units of permanent supportive housing annually. These would be new units in addition to other permanent supportive housing unit creation. Potential strategies to accomplish this goal include providing incentives to improve the housing stock owned by small and minority landlords and property owners, as well as, faith-based partners, to join OSH with a commitment to supportive housing units. A specific partnership with private and other City agencies is assessing the potential for building new models of supportive housing for veterans and young families.

STAFFING

OSH has hired 4 new employees since the beginning of FY15: 3 are African-American males and one is and Asian female.

Staff Demographics (as of December 2014)

Full-Time Staff

Executive Staff

| | Male | | Female | | | Male | | Female | |
|-------------------|------------------|--|------------------|--|-------------------|------------------|--|------------------|--|
| | African-American | | African-American | | | African-American | | African-American | |
| <i>Total</i> | 34 | | 84 | | <i>Total</i> | 6 | | 4 | |
| <i>% of Total</i> | 20.7% | | 51.2% | | <i>% of Total</i> | 37.5% | | 25.0% | |
| | White | | White | | | White | | White | |
| <i>Total</i> | 8 | | 18 | | <i>Total</i> | 1 | | 2 | |
| <i>% of Total</i> | 4.9% | | 11.0% | | <i>% of Total</i> | 6.3% | | 12.5% | |
| | Hispanic | | Hispanic | | | Hispanic | | Hispanic | |
| <i>Total</i> | 1 | | 9 | | <i>Total</i> | 0 | | 3 | |
| <i>% of Total</i> | 0.6% | | 5.5% | | <i>% of Total</i> | 0.0% | | 18.8% | |
| | Asian | | Asian | | | Asian | | Asian | |
| <i>Total</i> | 1 | | 2 | | <i>Total</i> | 0 | | 0 | |
| <i>% of Total</i> | 0.6% | | 1.2% | | <i>% of Total</i> | 0.0% | | 0.0% | |
| | Other | | Other | | | Other | | Other | |
| <i>Total</i> | 1 | | 6 | | <i>Total</i> | 0 | | 0 | |
| <i>% of Total</i> | 0.6% | | 3.7% | | <i>% of Total</i> | 0.0% | | 0.0% | |
| | Bi-lingual | | Bi-lingual | | | Bi-lingual | | Bi-lingual | |
| <i>Total</i> | 3 | | 11 | | <i>Total</i> | 0 | | 3 | |
| <i>% of Total</i> | 1.8% | | 6.7% | | <i>% of Total</i> | 0.0% | | 18.8% | |
| | Male | | Female | | | Male | | Female | |
| <i>Total</i> | 45 | | 119 | | <i>Total</i> | 7 | | 9 | |
| <i>% of Total</i> | 27.4% | | 72.6% | | <i>% of Total</i> | 43.8% | | 56.3% | |

CONTRACTING

**M/W/DBE Participation on Large Contracts
FY15 Contracts**

| Vendor | Service Provided | Amount of Contract | RFP Issue Date | Contract Start Date | Ranges in RFP | % of M/W/DBE Participation Achieved | \$ Value of M/W/DBE Participation | Total % and \$ Value Participation - All | Living Wage Compliant? |
|--|---|--------------------|----------------|---------------------|---------------|-------------------------------------|-----------------------------------|--|------------------------|
| Food Management Services d/b/a Linton's Management | Food service for the Riverview Home | \$712,527 | 4/20/12 | 7/1/12 | MBE 10-15% | 0% | \$0 | 0 | Yes |
| | | | | | WBE: 10-15% | 0% | \$0 | 0% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| US Facilities | Maintenance services at 6 City-Supported Emergency Housing Facilities | \$663,250 | 4/19/13 | 7/1/13 | MBE: 5 -10% | 100% | \$663,250 | \$663,250 | Yes |
| | | | | | WBE: 5-10% | 0% | \$0 | 100% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Core Care Food Services | Food service Families Foreward/Phila/Kirkbride Campus | \$600,334 | 4/9/13 | 7/1/13 | MBE: 5 -15% | 0% | \$0 | 0 | Yes |
| | | | | | WBE: 5-15% | 0% | \$0 | 0% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Darlene Morris | Emergency Housing & Support Services to homeless families | \$415,000 | 3/17/14 | 7/1/14 | MBE: | 0% | \$0 | \$415,00 | Yes |
| | | | | | WBE: | 100% | \$415,00 | 100% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |
| Social Solution Global Inc. | Customization/ ongoing support for HUD mandated HMIS database | \$400,000 | 1/29/13 | 10/1/13 | MBE: 10-15% | 8% | \$32,000 | \$32,000 | Yes |
| | | | | | WBE: 10-15% | 0% | \$0 | 8% | |
| | | | | | DSBE: | 0% | \$0 | \$0 | |

OTHER BUDGETARY IMPACTS

FEDERAL AND STATE (WHERE APPLICABLE)

Philadelphia will receive a small increase in Emergency Solutions Grant (ESG) funds (\$250K) to support rapid re-housing rental assistance. Nationally, there are increases in the Continuum of Care Homeless Assistance Program funding. However locally, there is a \$ 3.5M reduction in HOME, CDBG and HOPWA funds that are critical HUD funding that supports housing development and rehabilitation.

The proposed State funding is favorable in the Homeless Assistance Program (HAP), Human Services Development Program (HSDF), State Food Purchase Program (SFPP), resulting in as much as a \$ 600K increase overall if passed by the legislature.

OTHER IMPACTS

Per the December 2014 U S Conference of Mayor's Report on Hunger and Homelessness, the main causes of homelessness in Philadelphia among families with children are: lack of affordable housing; eviction; and, poverty. Among unaccompanied individuals, the main causes of homelessness are: lack of affordable housing; substance abuse and lack of needed services; and, poverty.