

**OFFICE OF HOMELESS SERVICES  
FISCAL YEAR 2027 BUDGET TESTIMONY  
APRIL 20, 2026**

**INTRODUCTION**

Good afternoon, Council President Johnson and Members of City Council. My name is Cheryl Hill. I am the Executive Director of the Office of Homeless Services. Joining me today are David Holloman, Chief of Staff, Crystal Yates-Gale, Deputy Managing Director, with the support and work of all the dedicated Office of Homeless Services (OHS) colleagues who are here in the room and those who are hard at work serving our most vulnerable populations in Philadelphia. I am pleased to provide testimony on the Office of Homeless Services' Fiscal Year 2027 Operating Budget.

**DEPARTMENT MISSION & PLANS**

**Mission:** The Office of Homeless Services (OHS) provides leadership, coordination, planning, and mobilization of resources to make homelessness rare, brief, and nonrecurring in the city in pursuit of the Mayor's vision for a safer, cleaner, and greener City with access to economic opportunity for all. Philadelphia's homeless services system consists of more than 75 homeless, housing, and social service providers, mostly nonprofits, working together with local, state, and federal government entities.

**Plans for Fiscal Year 2027:**

To more effectively serve Philadelphia's most vulnerable population, OHS has positioned its FY27 plans to align with Mayor Cherelle L. Parker's [Executive Order \(EO\) 7-25](#), committing the City to ending street homelessness by working toward functional zero: a point at which homelessness is rare, brief, and non-recurring, and every person sleeping outdoors has a clear pathway to shelter and housing. To achieve this goal, the EO pledges to add 1,000 new beds with wraparound services to the City's current 3,000 shelter bed inventory. OHS has already begun and is on track to complete this expansion in FY26 to ensure enough beds are available for anyone who needs one. As part of this work, OHS will also prioritize improving the quality of existing shelter programs by strengthening physical conditions, enhancing service delivery standards, and providing targeted technical assistance to providers to ensure consistent, trauma-informed, client-centered care. OHS will continue to leverage partnerships with City partners, service providers, health systems, and the Philadelphia Housing Authority (PHA) to increase outreach and access to shelter, health care, treatment, and permanent supportive housing.

**Prevention, Diversion, and Intake**

Prevention and Diversion will focus on strengthening our homelessness prevention system by advancing data-driven intake and assessment tools that more precisely identify individuals and families at greatest risk of losing housing. We will enhance coordination at high-impact locations and deepen collaboration with City partners to reduce barriers, streamline access to services, and proactively support scheduled encampment resolutions that align outreach and housing resources more effectively.

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### **Emergency and Temporary Housing**

Emergency and Temporary Housing will continue expanding shelter capacity and strengthening coordination with City partners, providers, communities, and PHA to ensure individuals have improved access to shelter, health care, treatment, and permanent supportive housing. We will use our Request for Proposal (RFP) and monitoring processes to reinforce high-quality service delivery, selecting top-performing providers and bringing on new partners where programs fail to meet standards.

In FY27, we will also assess and refine operations at the OHS Solutions Center, a site designed to address the complex needs of individuals experiencing homelessness by bringing shelter, health care, and long-term housing access together under one roof.

### **Permanent Housing**

Permanent Housing will continue advancing Mayor Parker's Housing Opportunities Made Easy (H.O.M.E.) Initiative by partnering with the Department of Planning and Development (DPD) and key stakeholders to expand affordable and supportive housing through federal HOME-ARP funds, set-aside units, and new landlord incentive pilots. We will strengthen pathways to long-term stability by expanding permanent single-room occupancy (SRO) housing for seniors and individuals with complex needs and deepening collaboration with providers across the housing continuum.

In FY27, OHS will also continue to administer One Philly Wellness vouchers with the Department of Behavioral Health and Intellectual disAbilities Services (DBHIDS) and the Office of Community Wellness and Recovery (OCWR) to support individuals in recovery from opioid use disorder in securing and maintaining independent housing.

### **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 informational backbone for the provision of the services OHS provides.

As the Philadelphia Continuum of Care (CoC) Collaborative Applicant and Homeless Management Information System (HMIS) Lead, OHS will continue its charge to apply for and manage all grant dollars effectively and with fidelity. OHS will further develop and execute a new strategic plan, incorporating community input, to ensure improved overall agency-wide effectiveness, including contract conformance and vendor payment efficiency as OHS continues its mission to make homelessness rare, brief, and nonrecurring.

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**PROPOSED BUDGET OVERVIEW & OTHER BUDGET DRIVERS**

<b>General Fund Financial Summary by Class</b>						
	FY25 Original Appropriations	FY25 Actual Obligations	FY26 Original Appropriations	FY26 Estimated Obligations	FY27 Proposed Appropriations	Difference: FY27 Proposed-FY26 Estimated
Class 100 - Employee Compensation	\$10,635,985	\$11,280,708	\$11,415,485	\$12,106,839	\$12,306,871	\$200,032
Class 200 - Purchase of Services	\$77,701,846	\$73,476,653	\$72,396,005	\$72,396,005	\$72,692,842	\$296,837
Class 300/400 - Materials, Supplies & Equipment	\$344,127	\$334,892	\$344,127	\$344,127	\$344,127	\$0
Class 500 - Contributions	\$32,421	\$191,134	\$32,421	\$32,421	\$0	(\$32,421)
	<b>\$88,714,379</b>	<b>\$85,283,387</b>	<b>\$84,188,038</b>	<b>\$84,879,392</b>	<b>\$85,343,840</b>	<b>\$464,448</b>

<b>Hotel Tax Fund Financial Summary by Class</b>	
	FY27 Proposed Appropriations
Class 100 - Employee Compensation	\$583,403
Class 200 - Purchase of Services	\$19,445,597
	<b>\$20,029,000</b>

<b>Contracts Summary (Professional Services only)</b>						
	FY23	FY24	FY25	FY26	FY26 YTD (Q1 & Q2)	FY27 Projected
Total amount of contracts	\$5,237,642	\$8,745,906	\$8,656,450	\$7,408,392	\$4,921,988	\$7,114,071
Total amount to S/LBE	N/A	N/A	N/A	N/A	N/A	N/A
Total amount to M/W/DSBE	\$4,027,011	\$6,946,051	\$6,056,450	\$3,913,997	\$3,742,623	
S/LBE Participation Rate	N/A	N/A	N/A	N/A	N/A	N/A
M/W/DSBE Participation Rate	77%	79%	70%	53%	76%	

*\*S/LBE not yet available as the City works to build the S/LBE registry and begin setting small and local business participation goals.*

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Total S/LBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY25	FY26	FY27 Projected
S/LBE Contract Participation Goal	N/A	N/A	N/A

*\*S/LBE not yet available as the City works to build the S/LBE registry and begin setting small and local business participation goals.*

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### **Proposed Funding Request:**

The proposed Fiscal Year 2027 General Fund budget totals \$85,343,840, an increase of \$464,448 over Fiscal Year 2026 estimated obligation levels. This increase is primarily due to labor awards for members of DC33 and DC47 and wage increases for non-represented and exempt employees, in addition to added support for food purchases at shelters in FY27.

The proposed budget includes:

- \$12,306,871 in Class 100, a \$200,032 increase over FY26 estimated obligations to support collective bargaining agreements for members of DC33 and DC47 and wage increases for non-represented and exempt employees. This funding will support OHS's staffing needs.
- \$72,692,842 in Class 200, a \$296,837 increase over FY26 estimated obligations for additional support for food purchases for emergency shelters. This funding will continue to support shelter, case management, and other contracted services.
- \$344,127 in Class 300/400, level with FY26. This funding will support the Office's supplies and equipment needs in FY27.

The proposed Fiscal Year 2027 Hotel Tax Fund budget totals \$20,029,000. This funding request will support one of the key goals of the Mayor's Executive Order 7-25 to end street homelessness by adding 1,000 new shelter beds to the City's current 2,859 shelter bed inventory which includes overflow capacity.

The proposed budget includes:

- \$586,403 in Class 100. This funding will support five additional support staff at OHS and one staff position at the Department of Behavioral Health and Intellectual disAbility Services (DBHIDS) who will focus on program monitoring to ensure that shelter services and facilities meet the expectations set by the Administration.
- \$19,455,597 in Class 200. This funding supports the operations and services at 14 or more shelter sites, expanded hours and outreach at the Hub of Hope, and an additional encampment resolution team.

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**STAFFING LEVELS**

The department is requesting 160 budgeted General Fund positions for FY27, an increase of six positions over FY26.

This increase is attributable to six custodial positions that were made permanent.

<b>Employment Levels (as of November 2025)</b>			
	FY26 Budgeted	Filled as of November 2025	FY27 Proposed
Number of Full-Time Positions	154	154	160
Number of Exempt Positions	21	19	23
Number of Executive Positions (deputy level and above)		3	
Average Salary of All Full-Time Positions		\$72,342	
Median Salary of All Full-Time Positions		\$71,721	

**NEW HIRES**

<b>New Hires (from 7/1/2025 to November 2025)</b>	
	Total Number of New Hires
Other	2
<b>Total</b>	<b>2</b>

<b>New Hires (from November 2025 through March 2026)</b>	
	Total Number of New Hires
Asian	1
<b>Total</b>	<b>1</b>

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VACANCY RATE AND ALLOWANCE

Vacancy Rate Summary (General Fund)						
	FY25 Actual Vacancy Rate	FY26 Budgeted Vacancy Allowance	FY26 Vacancy Rate	FY26 Budgeted Vacancy Allowance Rate	FY27 Budgeted Vacancy Allowance	FY27 Budgeted Vacancy Allowance Rate
Departmental Total	1.3%	(\$597,635)	0.0%	5.2%	(\$464,986)	3.9%

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**OTHER BUDGETARY IMPACTS**

**Federal and State (Where Applicable)**

In the 2025 and 2026 grants cycles, the Philadelphia Continuum of Care, including the City and non-profit organizations, received \$46,260,040 in CoC funding, with \$37,442,608 supporting permanent supportive housing.

**CONTRACTING EXPERIENCE**

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY26											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE and SBE Participation Achieved	\$ Value of M/W/DSBE and SBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business	Waiver for Living Wage Compliance?
US Facilities, Inc.	Facility maintenance services	\$2,894,425	5/19/2021	7/1/2025	MBE: 28-32%	100%	\$2,894,425	100%	\$2,894,425	Yes	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE:BGFE	0%	\$0				
Food Management Services, Inc. d/b/a Linton's Managed Services	Food services	\$2,142,153	6/3/2021	7/1/2025	MBE: 8-11%	8%	\$171,372	8%	\$171,372	Yes	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE:BGFE	0%	\$0				
Food Management Services, Inc. d/b/a Linton's Managed Services	Food services	\$1,035,560	5/6/2021	7/1/2025	MBE: 10-14%	8%	\$82,845	8%	\$82,845	Yes	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE:BGFE	0%	\$0				
Darlene Morris (Love & Care Residential Systems)	Emergency Housing & Support Services	\$765,353	11/22/2022	7/1/2025	MBE: BGFE	100%	\$0	100%	\$765,353	Yes	No
					WBE: 1-3%	190%	\$765,353				
					DSBE: BGFE	100%	\$0				
					S/LBE:100%	100%	\$0				
Eccovia Inc.	Database support	\$294,321	9/16/2019	7/1/2025	MBE: 2-5%	0%	\$0	0%	\$0	No	No
					WBE: 1-4%	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE:BGFE	0%	\$0				

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<b>Non-Profit Vendor Demographics</b>		
<b>Public Health Management Corporation</b>	<b>Minority %</b>	<b>Female %</b>
Workforce	93.00%	70.00%
Executive	53.00%	77.00%
Board	55.00%	36.00%
<b>Women Against Abuse</b>	<b>Minority %</b>	<b>Female %</b>
Workforce	78.00%	83.00%
Executive	54.00%	100.00%
Board	69.00%	78.00%
<b>Resources for Human Development</b>	<b>Minority %</b>	<b>Female %</b>
Workforce	60.00%	54.00%
Executive	36.00%	82.00%
Board	54.00%	46.00%
<b>Congreso de Latinos Unidos</b>	<b>Minority %</b>	<b>Female %</b>
Workforce	89.00%	82.00%
Executive	67.00%	67.00%
Board	82.00%	27.00%
<b>Project Home</b>	<b>Minority %</b>	<b>Female %</b>
Workforce	26.00%	79.00%
Executive	47.00%	69.00%
Board	44.00%	68.00%

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**PROGRAM BASED BUDGETING:**

**Program Name:** Prevention, Diversion, and Intake

**Program Number:** 06

**FY27 Proposed General Fund:** \$4,175,784

**Program Description:** The Prevention, Diversion and Intake (PDI) unit helps low-income Philadelphia residents facing imminent homelessness by providing housing stabilization services and financial assistance to prevent shelter admission. For those already experiencing homelessness, PDI conducts intake assessments to determine shelter placement based on individual needs.

Prevention and Diversion services and resources are key to ensuring that families and individuals at risk of homelessness are diverted from entering shelters in the first place. OHS works with City Departments and partners, including the Department of Behavioral Health and Intellectual disAbility Services (DBHIDS), Department of Human Services (DHS), Philadelphia Housing Development Corporation (PHDC), Office of Public Safety (OPS), Office of Community Empowerment and Opportunity (CEO), the Managing Director’s Office (MDO), and hospital and health care providers, to prevent discharges from institutions into homelessness.

**FY27 Strategic Goals:**

- PDI will strengthen homelessness prevention response by improving how the risk of homelessness is identified and services are prioritized, including piloting a data-driven intake and assessment process that better identifies people most at risk of becoming homeless. In calendar year 2025, 64 percent of persons who entered shelter, safe havens, transitional housing, or permanent housing reported it was their first time experiencing homelessness, which is down from 67 percent in 2024. PDI will work to improve access and service coordination at high-impact locations, such as the City’s Kensington Wellness Support Center and Outreach Coordination Center, to reduce barriers and streamline connections to shelter and housing.
- The program will continue to coordinate with City partners to implement a proactive encampment resolution strategy that strengthens advanced planning, enabling the scheduling of resolutions to more effectively align resources and outreach needs.

**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Number of households provided homeless prevention assistance <sup>1</sup>	1,407	1,500	1,650

<sup>1</sup> The FY27 target reflects anticipated new grant funding.

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**PROGRAM BASED BUDGETING:**

**Program Name:** Emergency and Temporary Housing

**Program Number:** 07

**FY27 Proposed General Fund:** \$63,111,818

**Program Description:** The Emergency and Temporary Housing unit provides immediate shelters and short-term housing for people experiencing homelessness. This represents a critical need, especially as street homelessness is on the rise nationally and in Philadelphia. Emergency shelters save lives because they provide safety, meals, housing, case management, and connections to employment, family, and behavioral health services. Temporary housing provides short-term rental assistance with supportive services to individuals and families experiencing homelessness with the goal of interim stability and support to move to and maintain permanent housing.

**FY27 Strategic Goals:**

- OHS will sustain implementation efforts for the shelter bed expansion and coordinate with City partners, providers, communities, and PHA to increase outreach and access to shelter, health care, treatment, and permanent supportive housing as outlined in the Mayor’s Executive Order 7-25.
- The Department will continue to utilize the RFP and monitoring processes to select the highest-performing providers for continued services. OHS will also select new providers when programs are not consistently meeting standards despite extensive technical assistance from the Department.
- OHS will assess progress, adapt, and adjust operations as needed at the Office of Homeless Services Solutions Center, a site for rapidly connecting individuals leaving encampments with long-term housing, treatment, or shelter programs.

**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Percent of exits to permanent housing destinations from shelter and transitional housing programs	28%	≥ 25%	≥ 25%

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### **PROGRAM BASED BUDGETING:**

**Program Name:** Permanent Housing

**Program Number:** 08

**FY27 Proposed General Fund:** \$12,371,368

**Program Description:** Providing Permanent Housing (PH) that is safe, affordable, and accessible with wraparound services is the best way to resolve homelessness. Permanent Housing addresses both personal challenges, such as mental and physical health conditions, and systemic barriers, like rising housing costs. By offering long-term stability, Permanent Housing reduces dependence on emergency shelters, improves health outcomes, and promotes community integration. This long-term stability creates opportunities for individuals and families to pursue employment, education, and wellness goals.

In addition to the programs supported by the General Fund, OHS offers two types of permanent housing that can be funded with federal Continuum of Care (CoC) Program funds: 1) Rapid Rehousing (RRH), a one- to two-year tenant- or project-based subsidy accompanied by housing case management; and 2) Permanent Supportive Housing (PSH), a long-term subsidy with wraparound services designed specifically for people with behavioral health disabilities who may have experienced homelessness for a long time.

### **FY27 Strategic Goals:**

- In alignment with Mayor Parker’s Housing Opportunities Made Easy (H.O.M.E.) Initiative, OHS will continue to work with the Department of Planning and Development (DPD) and other key partners to increase the number of housing units by leveraging federal HOME-ARP funding for rental assistance and supportive services, developing new affordable housing, and utilizing homeless and special needs set-aside units. These efforts include piloting landlord incentives through PHDC’s Rental Improvement Fund and expanding partnerships to create permanent SRO housing with wraparound services for seniors and individuals with complex needs.
- As part of the Wellness Ecosystem Initiative, OHS will continue to administer One Philly Wellness vouchers, which are rental subsidies to help people in recovery from opioid use disorder achieve independent housing and maintain their recovery. Referrals to these vouchers are made in partnership with DBHIDS and the Office of Community Wellness and Recovery (OCWR).

**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Percent of persons in all Permanent Housing project types, with the exception of Rapid Rehousing, who either exited to a permanent housing destination or remained in the Permanent Housing project	95%	96%	96%
Number of households placed into all types of permanent housing, including permanent supportive housing and rapid rehousing <sup>1</sup>	1,179	1,700	1,400

<sup>1</sup> The target for this measure is preliminary, as this measure is impacted by some factors beyond OHS's control, including at the federal level. OHS continues to closely monitor and respond to federal changes.

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### **PROGRAM BASED BUDGETING:**

**Program Name:** Infrastructure and Administrative Services

**Program Number:** 09

**FY27 Proposed General Fund:** \$5,684,870

**Program Description:** The Infrastructure and Administrative Services Program supports all service delivery. It provides the financial, technological, operational, and informational backbone for the provision of high-quality OHS services. Similar to other health and human services departments, OHS is largely funded by grants from the state and federal governments as well as private philanthropic sources.

The Policy, Planning, and Performance (P3) unit provides strategic planning, governance, performance management, training, grants, data quality, and timely and accurate reporting to all funding entities. OHS was designated by the Philadelphia CoC to serve as the Collaborative Applicant and Homeless Management Information System (HMIS) Lead. P3 is responsible for collecting and submitting the CoC application on behalf of the entire Philadelphia CoC, essentially acting as the lead applicant for funding related to homeless services within the community, including gathering information from other participating agencies and submitting a consolidated application to HUD. P3 also ensures the Philadelphia CoC is compliant with all HUD CoC activities, policies, and regulations, including the Roadmap to Homes CoC Board, committees, governance, and HMIS.

The Fiscal, Contracts, and Asset Management (FCAM) unit is responsible for the financial stewardship, compliance, and resource optimization that support OHS's mission to make homelessness rare, brief, and nonrecurring in Philadelphia. This team ensures that funding is managed responsibly, contracts are executed efficiently, and City assets are utilized effectively to provide critical services to Philadelphians in need.

### **FY27 Strategic Goals:**

- Infrastructure and Administrative Services will implement recommendations from an external analysis to streamline payment and contracting processes to reduce delays and improve vendor satisfaction. This effort supports the City's broader goal of achieving timely contract execution and prompt vendor payments.
- OHS will continue to prioritize community collaboration and engagement, specifically with regard to service providers, to ensure a transparent and representative process in the CoC grant application process. By partnering with service providers, the CoC Board, and Committee members, OHS will develop an iterative process of community input, review, and feedback to create grant application materials reflective of community needs.
- Infrastructure and Administrative Services will implement a citywide strategic plan developed in collaboration with a strategic planning consultant, City partners, service providers, and individuals with lived experience. The plan is being designed through key informant interviews with City departments, service providers, and individuals with lived experience to gather insights and help draft a strategic plan

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on behalf of the Philadelphia Continuum of Care. The rollout is anticipated in spring 2026 and will include aligning OHS’s Agency Improvement Plan with this broader strategic planning effort. While the primary implementation will occur in FY26, activities and updates are expected to continue into FY27 to ensure full implementation.

**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Invoice processing - Median number of business days from voucher receipt to voucher being submitted to Finance	19	15	15