

Legislation Text

File #: 130932, **Version:** 0

Authorizing the Committee on Finance to conduct public hearings to examine the City Budget for nontraditional funding sources to assist low and middle income households with home repair and maintenance service to address household energy needs, weatherization and improved energy efficiency in light of CDBG funding cuts and federal funding reductions to homeowner assistance programs.

WHEREAS, Community Development Block Grant (CDBG) funding from the federal government is dwindling as a result of the Budget Control Act of 2011. The decline in CDBG funding to utility assistance programs operated by non-profits such as the Utility Emergency Services Fund contributes to even greater underfunding for needy households due to the loss of dollar-for-dollar matching funds leveraged from their partnering utility companies. For example, since 2011 there has been a \$1,060,000 reduction in matching funds from Philadelphia utility companies; and

WHEREAS, Federal funding for the Low Income Home Energy Assistance Program (LIHEAP) has also been slashed during the past several years, from \$5.1 billion in Fiscal Year 2010 to \$3.3 billion in Fiscal Year 2013; and

WHEREAS, The Philadelphia Housing Trust Fund and federally-funded energy assistance programs such as LIHEAP currently grant only \$100 to \$500 to households for use in home heating and emergency home repair cost assistance to reduce energy costs; and

WHEREAS, The decline in federal assistance has resulted in thousands of families experiencing utility service termination; and

WHEREAS, The Basic Systems Repair Program (BSRP), which provides home repairs to enable low-income homeowners to remain in their homes, has over 4,500 homeowners on the waiting list. This program is cost effective in that the average home repair cost is \$10,000 compared to the average cost of a shelter stay which is \$20,000; and

WHEREAS, Electricity prices per kilowatt hour increased by more than 21% in the last year alone. Consumers are also paying over \$3 per gallon for heating oil. Even though natural gas prices are at a new low since 2003, the U.S. Energy Information Administration estimates that over 90% of American homes will have higher heating bills this winter; and

WHEREAS, The U.S. Bureau of Labor Statistics reports unemployment in Philadelphia at a staggering rate of 11% while the national average for unemployment is only 7.6%. Twenty-eight percent of the City's residents live in poverty, including 30% of its children. Philadelphians are struggling to stay warm in extremely cold weather; and

WHEREAS, Small systems home repair, weatherization and other energy efficiency programs are essential to maintaining a decent, dignified, and safe quality of life for the City's poor and struggling middle class families to stay safe and warm in their homes while deterring cold weather related health problems and homelessness;

and

WHEREAS, Home energy efficiency and systems repair programs also create jobs in the community for inexperienced workers, individuals who are underemployed or people experiencing barriers to employment. For example, My Way is an affordable, non-profit service in Germantown, Mt. Airy, East and West Oak Lane, and Chestnut Hill that employs community members to perform low cost home repair and handyman services for seniors also residing in the community; and

WHEREAS, The Ray of Hope Project is a nonprofit organization in the 7th Council district that brings hope to the community by providing rehabilitative job skills training to former offenders and offers educational apprenticeship to inexperienced workers by performing urgently needed home repairs and home rehabilitation for Philadelphians who cannot afford such repairs; and

WHEREAS, Recognizing that Philadelphians need more assistance, on November 20, 2013, Mayor Michael A. Nutter submitted a written commitment to appropriate \$1.25 million to fund additional energy assistance by directing \$1 million to the Basic Systems Repair Program and \$250,000 directed to the Energy Sense Program for the purpose of home repairs, furnace replacements and weatherization to improve home heating systems and overall energy efficiency in the current fiscal year; and

WHEREAS, Elected officials have a duty and an obligation to scrutinize the City Budget weighing the cost and benefits of funding a variety of energy assistance programs that can restore quality of life to struggling poor and middle class families, deter increased costs associated from health care and emergency housing assistance that results from utility service termination while simultaneously creating jobs in the community; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Hereby authorizes the Committee on Finance to conduct public hearings to examine the City Budget for nontraditional funding sources to assist low and middle income households with home repair and maintenance service to address household energy needs, weatherization and improved energy efficiency in light of CDBG funding cuts and federal funding reductions to homeowner assistance programs.