

Legislation Text

File #: 150357, **Version:** 0

Calling on the President of the United States and the Secretary of the Department of Housing and Urban Development (HUD) to preserve the Moving To Work (MTW) Program and maintain current, or substantially similar, funding levels for the Philadelphia Housing Authority (PHA) under its Moving to Work (MTW) Agreement with HUD in order to continue to provide housing and services for low-income families in the City of Philadelphia.

WHEREAS, In 1996, the United States Congress established the Moving to Work (MTW) Demonstration Program to provide housing authorities with the ability to flexibly combine funding sources into an MTW Block Grant, streamline the administration of housing programs, and develop local solutions for addressing the housing and social service needs of low-income individuals and families, in order to create opportunities to achieve self-sufficiency; and

WHEREAS, Since the beginning of the Philadelphia Housing Authority's participation in the MTW program in 2000, the program has had a tremendous impact on transforming distressed public housing developments and revitalizing neighborhoods across the City of Philadelphia; and

WHEREAS, The flexibility afforded to PHA by its MTW status has served as a catalyst for redeveloping 23 housing developments, which provide quality housing to over 4,200 residents, and has provided thousands of families with services that have led to over 500 families achieving homeownership and self-sufficiency; and

WHEREAS, Despite a letter from HUD to the City of Philadelphia in March 2014 stating that the City's MTW agreement would be renewed for 10 years without significant change to its financial terms, HUD has arbitrarily and without justification reversed its position. The agency has stated that it now proposes to cut Philadelphia's public housing operating subsidy by as much as 36.5 percent. This would cost the City more than \$49 million each year in federal funding or nearly half a billion dollars in funding to PHA over a 10-year period. This massive reduction would require the elimination of public housing for 1,230 households and jeopardize affordable housing for the more than 100,000 Philadelphia households now on the PHA's waiting list. Similar draconian cuts have been proposed for 10 other cities across the nation; and

WHEREAS, PHA's current MTW Agreement offers a wide range of significant benefits to low-income families, PHA, and the City, some of which include the ability to utilize PHA's limited funds to leverage hundreds of millions in other public and private funding to support the transformation of distressed public housing and revitalization of Philadelphia neighborhoods; and

WHEREAS, Other benefits of MTW participation include the ability to provide families with children, seniors, and persons with disabilities, who reside in PHA housing, with essential maintenance and public safety services and a wide range of supportive service programs, such as education, job training and placement, and financial literacy to assist on the path to self-sufficiency and independent living; and

WHEREAS, PHA established the "6 in 5" Program to develop or preserve 6,000 units of affordable

housing over a 5-year period, and there is an existing pipeline of planned projects scheduled for completion over the next several years, including comprehensive revitalization plans for Norris Homes and the Sharswood/Blumberg community in North Philadelphia under the Choice Neighborhoods Initiative, the conclusion of the development of new replacement housing at Queen's Row and Queen Lane in Germantown, and the construction of new units at Oakdale and Gordon Street in Strawberry Mansion; and

WHEREAS, PHA has an estimated \$1 billion in unfunded capital needs and while MTW funding alone does not fully solve this decades-old problem, it has been an invaluable tool in the City's efforts to preserve and improve the supply of affordable housing; and

WHEREAS, In February 2015, the Federal Reserve Bank of Philadelphia issued a study on the Affordability and Availability of Affordable Housing in the Third Federal Reserve District, which found that there are only 38 available units for every 100 extremely low income households in Philadelphia, creating a deficit of 69,600 units, and that 72% of extremely low income households were paying 50% or more of their household income for rent; and

WHEREAS, Philadelphia's affordable housing crisis is compounded by the fact that more than 1 out every 4 Philadelphians or 26.9% live in poverty, making Philadelphia's poverty rate the highest among the 10 largest US cities; and

WHEREAS, The amendments proposed by HUD to PHA's current MTW Agreement would have a devastating effect on both PHA's planned revitalization and development plans, displacing elderly, disabled and family households alike; and

WHEREAS, PHA's current waiting list for housing imposes an average time from application to housing that is greater than 10 years. HUD's proposed funding cuts will only serve to worsen an already seemingly insurmountable problem; and

WHEREAS, The potential funding cut will also result in major cutbacks in PHA's operations, jeopardizing the health, safety, and housing security of its residents; and

WHEREAS, The challenge of meeting the growing demands of affordable housing in Philadelphia will be further exacerbated by the elimination of 500 housing opportunities provided annually to the City by PHA for homeless individuals and families, perpetuating the extremely challenging conditions already facing many low-income families and individuals in the City; now, therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council calls on the President of the United States and the Secretary of HUD to maintain the current MTW Program, extend PHA's current MTW Agreement, and maintain substantially the same or increased funding for PHA to continue its critically important work.

FURTHER RESOLVED, that the Chief Clerk is directed to forward a certified copy of this Resolution to the President of the United States, the Secretary of HUD, Senator Casey, Senator Toomey, Congressman Fattah, Congressman Brady and Congressman Boyle, as evidence of the grave concern of this legislative body.