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# NEWS ON TAP

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*The NEWS ON TAP Newsletter is part of OHCD's Housing and Disability Technical Assistance Program (TAP) concerning issues related to housing for persons with disabilities in the City of Philadelphia.* *July 2008*

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## **The Housing Trust Fund Is Making A Difference**

By Peggy Robertson

Philadelphia's Housing Trust Fund (HTF), which was launched in September 2005, is a source of money that expands housing opportunity for people with a range of incomes, including very low income. In fact, Philadelphia's trust fund has very deep income targeting. Half of the funds must be used to benefit people with incomes at or below 30% of area median income (about \$22,000/year), and half must benefit households earning between 30% and 115% of area median (about \$85,000/year for a family of four).

The Housing Trust Fund is used to: expand the supply of affordable housing; provide grants for home repair; adapt housing for the disabled; and prevent homelessness by providing emergency payments for rent, mortgage and utility bills as well as rental assistance. The Fund has been developed specifically to:

- Increase production of affordable housing for sale or rental;
- Increase the accessibility of new and existing affordable housing for persons with physical disabilities and increase the supply of visitable housing;
- Preserve affordable housing, including but not limited to grants for basic systems repair or improvement of facades; and
- Prevent or reduce homelessness, including but not limited to emergency assistance to prevent and/or end homelessness or near homelessness by maintaining households in their own residences when eviction is imminent; this includes rent and mortgage arrearage assistance, security deposits, utility assistance, and long-term hotel, motel or boarding home rental assistance.

The HTF was, in part, a response to the city's increased and growing demand for

### ***Inside this edition...***

*APM - An Agency With A Vision ..... 5*

*(Continued on page 2)*

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*(HTF continued from page 1)*

the development and availability of affordable and accessible/barrier-free housing for low-income persons with disabilities. According to the city's Consolidated Plan, there are an estimated 354,409 people with disabilities (1 in 5) who live in Philadelphia. An estimated 66,000 Philadelphians with disabilities are in need of permanent, affordable, accessible housing of their choice. Additionally, more than 70 percent of people with severe disabilities are unemployed and receive annual assistance of \$6,000 or less.

City officials and OHCD supported the disability community and advocated to create the Housing Trust Fund. Sources of income for the HTF come from the fees the City charges for recording deeds and mortgages, and starting July 1<sup>st</sup>, the City's General Fund. The fund is administered by the Philadelphia Office of Housing and Community Development (OHCD). The Housing Trust Fund Oversight Board includes three City Council appointees, the Chair of the City Council Housing

Committee, representatives from OHCD, the Redevelopment Authority, the Deputy Mayor for Planning and Economic Development and four community representatives appointed by the Mayor. Currently, there are only three community representatives with a vacancy to be filled. The Oversight Board reviews the Request for Proposals (RFPs) that go out, and gets monthly updates about how the Trust is being administered and what projects are being funded. The Oversight Board proposes the distribution of HTF earnings among various categories of housing activities, which are incorporated in the City's *Consolidated Plan* and adopted by City Council. Specific housing developments are selected through the RFP process, with final approval made by the Mayor.

Before the HTF was established, OHCD mandated that any developers using city funds make all newly constructed housing visitable. They also increased the accessibility standards above those required by HUD. The HTF uses those same standards, whereby developers that receive awards from the HTF must make 100% of

new construction units visitable, and 10% of the units fully accessible. In addition, starting with the Fall 2007 RFPs, 4% of newly constructed units must be accessible for sensory impaired, which is the same as OHCD's requirement. Visitability features include at least one no-step entrance, a bathroom on the first floor, wide doorways and a clear path of travel on the main floor.

As of June 2007, the HTF funded 1,102 units either for new construction or rehabilitation, 155 of which will be fully accessible.

Because of the Housing Trust Fund, the city is responding in flexible and innovative ways to meet the city's housing needs and provide opportunities to developers that may not have been possible. For example, the Trust Fund awards will allow several developments to proceed to construction including a project by Asociación Puertorriqueños en Marcha (APM), one of the largest Hispanic non-profit organizations in Pennsylvania that provides health, human and community development services.

*(Continued on page 3)*

*(HYF continued from page 2)*

Rose Gray, Vice President of Community & Economic Development for APM, said that without the Trust Fund award they would have had to have gone after other funds or made their project smaller. She explained, "The trust fund has been really helpful, especially with our Pradera II project. We have been making our homes visitable for several years and find that the cost to include a bathroom on the first floor and widen the doorways is minimal. However, with some projects more extensive site preparation needs to be done in order to have a zero step entrance. The HTF award provided the gap filler needed for us to prepare and grade the site for 53 units to meet the visitability standards. The HTF is really helpful because most developers plan their projects a year or two ahead, and even though we try to budget for inflation, we need additional money for the rising costs."

Rick Sauer, Executive Director of the Philadelphia Association of Community Development Corporations (PACDC) and a community representative

on the Oversight Board, said that in addition to the new construction, adaptive modifications have been funded in 266 homes by the HTF during the first three years. "The adaptive modifications, which are to make units accessible, received \$718,000 from the HTF each of the past two years. The Basic Systems Repair Program also gets HTF dollars, with \$4.281 million allocated for this purpose and 909 homes repaired during the first three years."

Unfortunately, because there have been fewer home sales and remortgages, funding for the trust fund has decreased. The fund started out at \$14 million, which included a one time infusion of \$1.5 million from the Neighborhood Transformation Initiative. Last fiscal year (FY07) the HTF raised only about \$12 million. Mr. Sauer explained, "Because the deed and mortgage transactions have decreased, the revenues dropped off. PACDC led a campaign to expand funding for the trust Fund and fill this gap. The mayor proposed adding \$1 million to the Trust Fund each year for the next five years and Councilman Clarke proposed an increase of \$5 million. As the result of a compromise, the City's

budget that was recently signed includes an increase for the Trust Fund of \$3 million each year for the next five years. This will bring the fund up to about \$15 million per year."

PACDC announced, "This momentous accomplishment is the result of a tremendous amount of education and advocacy by PACDC's members and partners, and leadership provided by Councilman Clarke and the Mayor -- we are truly grateful to all. Please be sure to thank City Councilmembers and the Mayor and his Administration for this significant step forward in addressing Philadelphia's housing and neighborhood revitalization needs!"

### **Inclusionary Housing Bill**

Nancy Salandra, who is on the Oversight Board and is a representative of the Philadelphia Affordable Housing Coalition said, "Unfortunately this is just a drop in the bucket. I'm glad we have the trust fund, but we need three or four times that much to really make a difference. One idea that we have been talking about is an inclusionary housing

*(Continued on page 4)*

(HTF continued from page 3)

ordinance that mandates more affordable housing. Under the ordinance, a set of incentives to builders would be designed to reduce builders' expenses such as streamlining building-code rules, allowing higher building density, helping with land acquisition, or tax credits."

The Philadelphia City Council approved an inclusionary housing bill requiring developers to include a certain percentage of affordable housing in all projects of 20 units or more. The bill, which was signed by Mayor John F. Street on January 13, 2008, amends the city's housing code to require that residential developers of more than 20 units set aside at least 10 percent for below-market renters: half for families making 0% to 80% of the area's median income, and half for families making 80% to 125% of the area's median income. Affordable units may be built on-site, or at another site.

Mr. Sauer explained, "For example, if a developer builds 100 new units, 10 on-site units must be affordable, or 15 off-site must be affordable, or the builder must make a contribution to the

Housing Trust Fund."

However, the bill will not go into effect until an incentive package is approved to help offset the costs to developers for meeting the requirements. It is the intent of Council that certain programs be developed to minimize the burden on developers. Such programs may include, but need not be limited to, modifications of Building Code requirements; provision of land for affordable developments at below-market rates; and the provision of credits against business privilege tax.

According to an article in *The Philadelphia Inquirer* on December 14, 2007, "Developers will be required to build affordable housing as part of every major residential project or contribute money toward that end under legislation City Council passed yesterday."

"A divided Council approved Councilman Darrell L. Clarke's inclusionary housing bill by a 12-5 vote, reflecting concerns raised by developers."

"The bill is a first for Philadelphia, and it gained

the support of the Philadelphia Campaign for Housing Justice, a coalition of housing advocates."

As reported in the January 18, 2008 Philadelphia Business Journal, "However, the law won't go into effect until the building industry and City Council, most notably Councilman Darrell L. Clarke, work out a way to offset what developers call a new, onerous tax on construction and an unfunded mandate."

Bill No. 071005-A has amended Title 7 of The Philadelphia Code, entitled "Housing Code," by adding a new Chapter establishing inclusionary affordable housing requirements, by requiring that certain developments, consisting of a certain number of dwelling units, provide a certain percentage of those units for affordable housing or provide other options for affordable housing, all under certain terms and conditions.

The Bill can be found on the following site: <http://webapps.phila.gov/council/detailreport/?key=7927> and amendments [1](#) and [2](#).

## APM - An Agency With A Vision

By Peggy Robertson

Nilda Iris Ruiz, President and CEO of Asociación Puertorriqueños en Marcha (APM), has a vision for her agency to bring opportunities to the community and see what the possibilities are. APM, incorporated in 1971, has been involved in community development for 17 years. This non-profit organization has been successful in providing new homes and helping to stabilize the homes that are in the community. New and existing homeowners alike have seen an increase in equity and the economics of the community have become stronger. The mixed incomes and integration of accessible units in the developments have brought viability to the community.

Rose Gray, Vice President of Community & Economic Development for Asociación Puertorriqueños en Marcha, is pleased to report that several of their projects have received awards from the Philadelphia Housing Trust Fund (HTF). APM



*One of Pradera II's Visitable Units*

has consistently developed housing that is not only visitable, but includes fully accessible units. As noted in the article on the Housing Trust Fund, Ms. Gray explained that the award they received for Pradera II was critical in helping them grade their site in order to meet visitability standards.

Pradera II consists of 53 units, all visitable, with (2) three-bedroom and (2) two-bedroom fully accessible units and two units that have hearing and visual accessibility. All of the accessible units are currently occupied by people with disabilities. The Pradera II homes range in price from \$83,000 - \$98,000 and all are affordable to

households with incomes at or below 80% of the median. In addition, the homes are made to be as energy efficient as possible, which has created savings for gas, electric and water bills.

Ms. Gray was very enthusiastic about another APM project that is in the works. "We are very excited about our Green Building Initiative which received the American Institute of Architects Philadelphia's 2006 Design Excellence Award as well as an HTF award. This is a 13 unit homeownership development located on Sheridan Street and designed to be highly energy efficient. All of the units will include universal

*(Continued on page 6)*

*(APM continued from page 5)*

design features as well as hearing/vision/mobility accessibility features.”

This project will set a new standard in Philadelphia, taking affordable housing in the city to a new extreme. The homes will include green roofs, solar panels, rain screens, electric power, double flush toilets and bamboo flooring, all of which are environmentally friendly. The project will be LEED (Leadership in Energy and Environmental Design) Gold Certified. The highest level of certification is Platinum, with points given for the following criteria:

- 1) [Sustainable](#) sites;
- 2) [Water efficiency](#);
- 3) Energy and atmosphere;
- 4) Materials and resources;
- 5) Indoor environmental quality; and
- 6) Innovation and design process. Sheridan Street was only three points away from the Platinum benchmark.

The following is a section of an article entitled ***Could affordable-housing developers become green-building pioneers?*** by Doron Taussig in the



*Sheridan Street (above) is the site for APM's Green Building Initiative*

*Philadelphia City Paper* on August 7, 2007 which describes the project in more detail:

*Sheridan Street Housing is a product of a Philadelphia Community Design Collaborative initiative, in which nonprofit developers were teamed with designers to come up with innovative affordable-housing plans. In this case, Asociacion de Puertorriquenos en Marcha (APM), a North Philly community development group, was teamed with Interface Studio Architects, a start-up office with a green mission. The resulting design, which won the highest honor at American Institute of Architects Philadelphia's 2006 Design Excellence Awards, calls for 13 individual homes that will include solar panels on*

*the roof for heating water and a "whole house switch," which will allow occupants, when leaving, to take the residence down to a "steady state" to preserve energy. The project will break ground on Sheridan Street, a few blocks north of Cecil B. Moore Avenue, near Seventh Street, later this year.*

*At first glance, green housing, like its green brethren, does appear to be a commodity for the elite. To build green costs extra — the Sheridan Street project will be about 10 percent more expensive on account of its green features, for example, according to Rose Gray of APM. And affordable housing, often subsidized by the government, has*

*(Continued on page 7)*



*Interface Studio Architects' rendering of the Sheridan Street Housing Project when completed shows solar panels on the roofs*

*(APM continued from page 6)*

*historically been built as cheaply as possible.*

*"When you build these things, you build [them] so they're affordable long-term," says APM's Gray.*

*In other words, green housing could help low-income people keep their homes.*

Helping people get their needs met, especially their housing needs, is paramount for APM. APM is dedicated to improving the quality of life in the Greater Philadelphia area through programs that assess and institute meaningful remedies for the many societal problems prevalent in today's world. APM has developed close to 300 units of affordable

housing. They have also contributed to the community in a multitude of ways such as: the development of a day care center/head start program and the Borinquen Plaza retail center, which houses a 44,000 square

foot supermarket/laundromat. In addition, APM offers a housing counseling program that provides budgeting, pre- and post-mortgage counseling, credit repair, weatherization and basic system repair programs to those with low and/or moderate incomes. All housing services are coordinated and complemented with APM's network of social services.

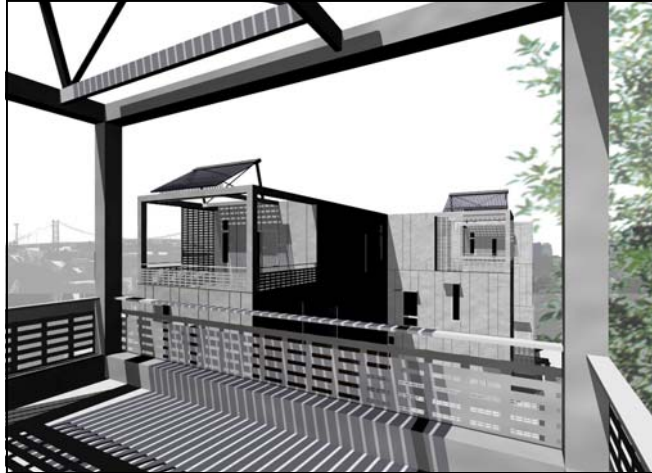
With the Sheridan Street Housing project soon to be developed, Ms. Ruiz's vision of providing people with opportunities and creating new possibilities is truly being realized.



*Interface Studio Architects' rendering of street scene of Sheridan Street Housing Project when completed*

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 Brian Phillips, AIA, Principal  
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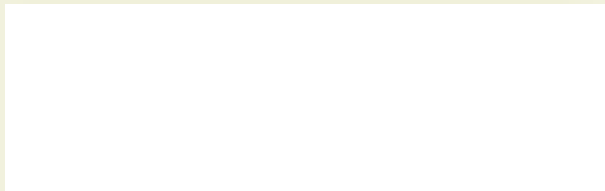
MEP Engineer Bruce Brooks  
 Consulting Engineer  
 Structural Engineer Cubellis  
 Civil Engineer CMX  
 Green Building Consultant  
 MacGrann Associates



Renderings of the Sheridan Street Housing Project when completed. A balcony view (left) and street scene (right). All photos courtesy of Interface Studio Architects

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Visit **The Home Finder**, an interactive feature of the **NEWS ON TAP** website that allows developers/managers of OHCD-funded housing to directly post the availability of accessible units, accessed at [www.phillyhomefinder.org](http://www.phillyhomefinder.org),



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