

# PHILADELPHIA HOUSING AUTHORITY



## MOVING TO WORK ANNUAL REPORT YEAR EIGHT

FINAL

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EXECUTIVE DIRECTOR

SUBMITTED JUNE 29, 2009

PHILADELPHIA HOUSING AUTHORITY  
MOVING TO WORK  
YEAR EIGHT REPORT

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*MOVING TO WORK YEAR EIGHT ANNUAL REPORT*  
*PART ONE: ACCOMPLISHMENTS REPORT*

# Accomplishments Introduction

## A SUMMARY OF THE EXTENSIVE INITIATIVES UNDERTAKEN AND ACCOMPLISHMENTS ACHIEVED BY PHA

This is the Eighth Annual Accomplishments Report published by the Philadelphia Housing Authority (PHA) under the Moving To Work (MTW) Demonstration Program. PHA's participation in the MTW Program continues to be an essential component of its efforts to transform and revitalize Philadelphia's public housing program, create affordable homeownership opportunities, and promote resident economic self-sufficiency. PHA is pleased to report that it has entered into a new MTW Agreement effective October 16,

2008, which will extend the MTW program in Philadelphia for an additional ten (10)-year period.

The Annual Accomplishments Report provides a summary of the extensive initiatives undertaken and accomplishments achieved by PHA for the one-year period ending March 31, 2009.

The Annual Accomplishment Report also serves as section 1 of the PHA MTW Annual Report.



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# Year Eight Highlights

## Ribbon Cutting at Nellie Reynolds Gardens



“PHA is proud of our many accomplishments in revitalizing public housing communities over the past year and stretching back over a decade. This year’s opening of Nellie Reynolds Gardens is a recent example.”

**Carl R. Greene**  
Executive Director,  
Philadelphia Housing  
Authority



Among the many highlights of the past year were the commencement of construction at Warnock Phase I and II and Spring Garden II scattered sites; completion of 64 rental units at Nellie Reynolds Gardens and 54 rental units at Angela Court phase II; completion of 50 homeownership units at Ludlow; sale of 103 affordable homes; and commitments obtained for approximately \$49.7 million in new private equity, state and local resources to support PHA development activities.

PHA also furthered its efforts to provide a broad range of services enriched housing options for older adults with receipt of a state license to operate a new Adult Day Care Center scheduled for opening in mid-2009 co-located at the Nellie Reynolds Gardens development.

While much progress has been made, PHA’s efforts have continued to be hindered by ongoing reductions in federal support for public housing operating costs which was pro-rated at approximately 87% of actual funding need during the last year. PHA’s Executive

Director, Carl R. Greene, has continued to emphasize the importance of stable,

adequate funding for the future viability of the public housing program.

“PHA is proud of our many accomplishments in revitalizing public housing communities over the past year and stretching back over a decade. This year’s opening of Nellie Reynolds Gardens, start of construction at Warnock Street and completion of fifty homeownership units at Ludlow are just three of the most recent examples,” said Greene, “However, we must continue to advocate for adequate funding if we are to protect and preserve these critical community assets and ensure that they remain viable for future generations. I am hopeful that HUD and our elected officials will focus on providing stable, predictable and adequate funding for both public housing and the Housing Choice Voucher program. In these times of economic uncertainty and dislocation, the need for PHA housing resources is greater than ever.”

In discussing the past year, Executive Director Greene emphasized progress made in reducing energy costs, eliminating deferred maintenance backlogs and improving customer service.

“In light of rapidly increasing energy costs and ongoing federal funding cutbacks, PHA has renewed and reinvigorated a focus on energy conservation and preventive maintenance activities,” he said. “Our new ‘Maintenance WAVE’ program is an example

of the innovative and entrepreneurial approach that PHA embraces. Multi-trade crews are methodically focusing on scattered site and conventional properties to pro-actively address preventive maintenance needs, while weatherizing apartments and common areas.”

“This is a recently implemented initiative, which has already completed weatherization activities on over 1,110 apartments and dramatically reduced service order turnaround time,” Greene noted.

“When combined with the additional energy-related work that PHA will accomplish using funds from the American Recovery and Reinvestment Act, I believe we will make great strides in the next year in containing energy costs and improving maintenance response. Our residents love to see the Maintenance WAVE arrive, as it is further evidence of PHA’s commitment to the future of their communities”.



## Strategic Operating Plan

All MTW activities are incorporated into PHA’s comprehensive, agency-wide Strategic Operating Plan, which provides a detailed “blueprint” for agency goals, objectives and tasks in every major area of agency operations. The Strategic Operating Plan is regularly updated to report progress and reflect new agency initiatives including those undertaken as part of the MTW Demonstration Program. PHA utilizes an industry standard project management system to track and report on Strategic Operating Plan progress.

To ensure continuous progress in each goal area, PHA convenes regular inter-departmental goal meetings for each of the nine goals. The goal meetings are working sessions that provide an opportunity for staff to work on key objectives, address operational challenges, and identify solutions to strategic plan tasks. In addition to goal meetings, PHA established a Leadership Council that meets bi-weekly to review strategic plan progress and to identify and resolve obstacles to achieving all identified goals. Finally, as noted below, site level goals and objectives are monitored and supported by cross-functional teams as part of the Performance Management Initiative.

The Accomplishments Report highlights and summarizes the accomplishments achieved by PHA under each of the nine Strategic Operating Plan goals during the fiscal year from April 1, 2008 through March 31, 2009.

# Strategic Operating Plan Goal 1

## *Achieve Excellence In Property Management*

### Maintenance WAVE program



Under the Maintenance Mania program, PHA was able to overcome years of under-funding in the operating budget and clear the large backlog of service orders at scattered sites.



### Over the course of the year, PHA was able to maintain a high level of productivity on key property management indicators:

- Through the new Maintenance WAVE program, PHA completed weatherization efforts at over 1,100 apartments.
- Under the Maintenance Mania program, PHA was able to overcome years of under-funding in the operating budget and clear the backlog of service orders at scattered sites; completed service orders per month have risen from 4,000 to 8,000.
- Of approximately \$32.7 million in rent billed, PHA successfully collected \$30.35 million. This represents an increase of approximately \$946,933 over the prior year.
- PHA achieved a 98.28% adjusted occupancy rate for conventional housing and a 99.51% rate for PAPMC sites.
- 100% of PHA occupied units were inspected using the UPCS standards during the year.
- Over 99% of scheduled recertifications were completed.
- The overall total of formerly homeless households housed under the “Blueprint to End Homelessness” program as of March 31, 2009 is 601.
- Sparkle Plus initiatives were undertaken at all sites to maintain their curb appeal.
- Comprehensive staff training curricula were developed and implemented.

PHA currently owns and manages a total of 15,661 housing units in thirty-one (31) conventional public housing developments, ten (10) scattered site management areas, eleven (11) alternatively managed developments and eighteen (18) newly renovated or constructed Low Income Housing Tax Credit sites. PHA's portfolio includes units managed by its subsidiary, Philadelphia Asset and Property Management Corporation (PAPMC). Unit counts will continue to change in the coming months to reflect new development (Warnock Street, Ludlow, Spring Garden II scattered sites and Angela Court II), disposition and demolition activity (Mantua, partial Liddonfield, partial Abbotsford).

## Customer Service and Satisfaction Survey Highlights

How satisfied are you with the following:	2009	2006
Your unit/home?	94%	86%
Your development/building?	85%	77%
Your neighborhood?	71%	72%

Do you think management is:	2009	2006
Responsive to your questions and concerns?	87%	81%
Courteous and professional with you?	88%	84%
Supportive of your resident/tenant organization	84%	76%

How safe do you feel:	2009	2006
In your unit/home?	94%	88%
In your building?	86%	69%
In your parking area?	70%	61%

How satisfied are you with the upkeep of the following areas in your development?	2009	2006
Common areas	94%	88%
Exterior of buildings?	82%	78%
Parking areas?	72%	69%
Recreation areas	69%	67%

# Strategic Operating Plan Goal 2

## *Achieve Excellence in The Management Of The Housing Choice Voucher Program And Enforce Program Compliance*

### HCV Inspections



100% of all HCV scheduled inspections were completed. Units are inspected before occupancy and then regularly throughout the term of the lease.

### Housing Fair



Housing Fairs aimed to improve the quality and expand the geographic distribution to HCV participants.



PHA operates one of the country's largest Housing Choice Voucher (HCV) programs, which last year served approximately 15,613 Philadelphia households. In contrast to the PHA-owned housing programs, the HCV program allows PHA to enter into contracts with private property owners so that rents are affordable to low-income households. In these efforts, PHA collaborates with a broad range of community actors, developers and government agencies to use HCV resources to accelerate and support neighborhood revitalization.

HCV resources are also allocated to assisting low-income households to become homeowners. Eligible households, who must have an employment history unless they are disabled or elderly, are provided with credit and homebuyer counseling that enables them to find and secure permanent homeownership units in the community. PHA's HCV homeownership initiative represents one of the most successful programs in the country.

PHA continued to operate community site offices, which provided neighborhood residents with convenient access to conduct business and contact with their assigned Service Representatives.

## Major accomplishments in the area of HCV operations during MTW Year Eight include:

- As part of the home sales activity, PHA expanded its HCV Homeownership Program to 268 homes, including 51 new homeowners in the past year. Twenty One (21) of these new homeowners are families with disabilities
- 100% of scheduled recertifications were completed.
- 100% of all HCV scheduled inspections were completed. Units are inspected before occupancy and then regularly throughout the term of the lease.
- PHA investigations handled 697 complaints, of which 216 resulted in requests for termination. 201 complaints were unsubstantiated while 116 were resolved. 25 complaints remained under investigation while 139 were about residences or people that are not in the program.
- PHA continued to provide enhanced Tenant Responsibility MTW Training. As part of its local leased housing MTW program initiative, PHA requires all Housing Choice Voucher Program participants to participate in Tenant Responsibility Training at initial lease-up. This effort helps improve residents' understanding of their roles and responsibilities as good neighbors and PHA program participants.
- Efforts to improve the quality and expand the geographic distribution of housing units available to HCV participants were implemented during the past year. These efforts included conducting Housing Fairs, briefing sessions and distribution of informational materials to program participants.
- File audits were completed on all files using PHA's CRM Quality Control module.
- HCV participants who are subject to the seven-year time limit as part of MTW continued to work with PHA to develop a Family Economic Development Action Plan (FEDAP). The FEDAP helps establish self-sufficiency goals for the entire family in order to assist them in improving their overall economic status. PHA staff collaborates with local community partners to provide employment, training and other supportive services to HCV program participants.
- PHA continued to operate a model Housing Choice Voucher program, serving 15,613 families.
- 897 landlords took the full-day required property management course.
- 841 families initiated economic self-sufficiency agreements.
- These agreements serve as a road map toward leaving the HCV program or to moving to HCV homeownership.

# Strategic Operating Plan Goal 3

## *Develop Affordable Quality Housing that Supports Balanced Communities*

### Passyunk Office Building



PHA completed construction of an 80,000 sq. ft. building on the site that will serve as PHA offices for Operations, Police, Contract and Development departments including warehouse spaces.



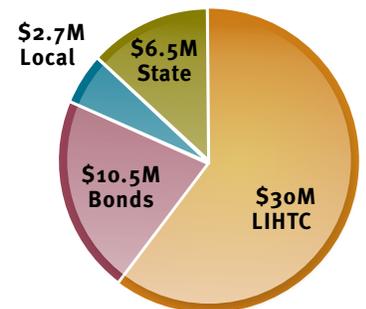
This Strategic Operating Goal encompasses both the redevelopment of existing PHA communities as well as the implementation of new development initiatives that complement Philadelphia's neighborhood revitalization efforts. MTW funding flexibility has allowed PHA to leverage capital dollars in support of public housing and neighborhood revitalization.

PHA redevelopment and neighborhood revitalization initiatives have transformed Philadelphia's neighborhoods. The economic value and leveraging effect generated by these initiatives have been carefully documented in the "Creating Wealth" study discussed in the Year Five Annual Report. That study documented the extent to which real estate values in neighborhoods adjacent to PHA redevelopment projects have increased at levels substantially higher than in other parts of the city.

## Major highlights for this goal area during MTW Year Eight include:

- PHA continued to effectively administer capital budgets of over \$1.5 billion. This includes funding for recently completed redevelopment, new construction and modernization as well as projects scheduled in the coming years. PHA's track record as a developer includes two new transactions this year: Paschall Phases I and II
- An additional \$49.7 million in leveraged financing was raised during the year including \$6.5 million in state funds, \$10.5 million in bond funds, \$30 million in LIHTC private equity and \$2.7 million in local funds.
- PHA closed on a total of \$68 million in real estate transactions over the past year, involving the creation of 153 rental units. The sites that closed included Warnock phase I and II and Spring Gardens Scattered sites.
- Construction began on a \$68 million, 108 family rental units at Warnock Phase I and Spring Garden Scattered sites, and a 45 unit senior building at Warnock Phase II. The site will include approximately 30,000 square feet of non-residential office space.
- Master planning and property acquisition activities were completed for the \$33 million Mantua Square Phase 1 and 2.
- At Paschall, tax credit applications were submitted and master-planning activities completed for a 100-unit development with an estimated cost of \$35 million.
- At Mantua, a tax credit application was approved for Phase I, 50 rental units of the overall 101 unit development with an estimated cost of \$35.5 million
- At the \$83 million MLK Plaza development, PHA finalized development and had zoning approval for development of green space and 19 affordable homeownership units.
- At Passyunk, PHA completed construction of an 80,000 sq. ft. building on the site that will serve as PHA offices for Operations, Police, Contract and Development departments including warehouse spaces.
- Heating system upgrades were completed at Queen Lane, Norris, and Emlen Arms.
- PHA submitted 17 disposition applications between April 1, 2008 and March 31, 2009 to permit the transfer of 1,331 scattered site properties (1,710 residential units) that are to be used along with other properties assembled by PHA affiliates and private purchasers/developers for various purposes including:
  - sale to enhance PHA's scattered sites initiative (to decrease PHA's inventory of vacant structures and lots, and provide needed capital to offset HUD funding reductions)
  - transfer to PHA affiliates for the development of affordable rental housing and homeownership developments, including 45 senior and 256 family rental units
  - transfer to community development corporations and private entities for the development of approximately 216 affordable rental and homeownership units.
- PHA undertook a wide range of master planning efforts in neighborhoods adjacent to or near PHA developments including Abbottsford Homes, Mill Creek East and West Extensions, Mantua Hall vicinity, Warnock Extension, Ludlow Extension, Glenwood vicinity, Strawberry Mansion, Grays Ferry North, Sharswood neighborhood, Bartram Village vicinity, Liddonfield, Queen Lane vicinity and Morton Homes.

### Leveraged Financing



\$49.7 million in leveraged financing was raised during the year including \$6.5 million in state funds, \$10.5 million in bond funds, \$30 million in LIHTC private equity and \$2.7 million in local funds.

# Strategic Operating Plan Goal 4

*Implement Public Safety Programs That Promote the Well-Being Of Our Neighborhoods and the Accountability of Program Participants.*

## PHA Police Department



In Year 8, PHAPD successfully processed 27,512 Police Record Checks for PHA residents.

PHA’s public safety focus under Strategic Operating Plan Goal 4 encompasses management of security for all PHA housing communities, offices and other facilities. In addition, PHA provides a range of public safety related services including support for resident crime prevention efforts, investigation of complaints, coordination of lease compliance activity, criminal records checks and other critical tasks. These services include management of private security contracts that provide security at 11 senior developments, 3 family developments, 5 HCV site offices, 2 scattered site offices and 3 administrative offices.

The PHA Police Department Investigations Unit now processes Police Record Checks for Conventional, Scattered Sites and Admissions Departments. This change enables “real time” receipt of criminal record information, which is reviewed by trained Investigative personnel and then the rapid responses are furnished to the requestor.

Requests are received from PHA Management based on information received at initial application for housing and recertification of current leases, listing all adults over the age of 18. The requests are processed through the Pennsylvania State Police criminal records and National Crime Information Center directly. The returned history is reviewed and approved and/or denied based on criminal activity found. The results are provided to appropriate PHA personnel for either arrest, eviction or other necessary action.

In Year 8, PHAPD successfully processed 27,512 Police Record Checks for PHA residents.



PHAPD manages private security officers at 33 sites, including this one at Nellie Reynolds Gardens.

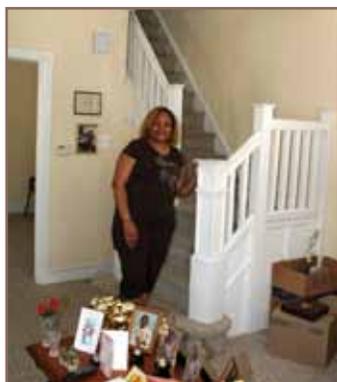
## Progress in the area of public safety was made during Year Eight in spite of ongoing reductions in federal funds. Highlights from MTW Year Eight include:

-  The Lease Enforcement Compliance Unit participated in informal rent counseling sessions throughout the year, which has contributed to the number of tenants who pay off their judgments prior to eviction. LECU's initiatives, combined with asset management efforts, have resulted in a total collection of \$193,026.06 in judgments in order to avoid eviction.
-  The PHA Investigations Unit continued to provide assistance to all internal and external agencies, federal, state and local as requested. The unit conducts Workers' Compensation investigations to ensure the integrity of claims made. The unit will process Police Record Checks for conventional and scattered sites and continue to assist HCVP in processing investigations to deter illegal occupancy.
-  Security Upgrades: Installation of the integrated security systems were completed this fiscal year at Admissions, Ludlow, Nellie Reynolds Gardens, Katie B Jackson, Fairhill, Queen Lane and Bentley Hall.
-  Fleet Department: PHA's Fleet Department handled 2,152 calls for vehicle service (down 9% from previous year). Additionally, the Fleet Department selected candidate vehicles for retirement or replacement thereby reducing the fleet size by 44% since 2002, which provided a significant saving in the areas of repairs, fuel and insurance. Finally, fuel usage for 2009 was reduced by 6% through stringent monitoring practices.
-  Insurance/Risk Management: PHA's primary insurance coverages - liability, property and auto - were recently reviewed for renewal, resulting in 6-12% reductions due to favorable loss history and risk management activities. PHA also secured additional new policies and coverages at no charge.
-  PHA was cited by the Housing Authority Insurance Group for low claims and was sent two rebates totaling more than \$1M.
-  Community Relations: The G.R.E.A.T. Program reached approximately 4000 students in Elementary, Middle and Junior High Schools.

## Strategic Operating Plan Goal 5

### *Engage Other Institutions to Leverage Resources and Assist In Promoting Economic Enhancement and Support Services for PHA Residents.*

#### New PHA homeowner



Angela Allen in the living room of her new home.

Strategic Operating Plan Goal 5 incorporates the numerous programs and activities undertaken by PHA and its network of community partners to promote resident economic self sufficiency, encourage the healthy development of children, support seniors and people with disabilities, and maximize resident potential for independent living.

Programs under this goal area include affordable homeownership, youth and senior programs, employment training and job placement initiatives. Because the scope of need among PHA residents is so great, PHA cannot do this job alone. Therefore, central to PHA's approach is leveraging resources, collaborating with resident leadership, and partnering with qualified agencies and institutions to bring the best available program services to PHA residents.

PHA's Communication Department supported and enhanced these efforts through community events, media spots and publications including the successful "PHA Experience" quarterly resident newspaper. These efforts are designed to promote resident awareness of community opportunities, to promote positive role models, to inform residents of PHA policy issues, and to strengthen and reshape PHA's image in the larger community.

Through the non-profit Tenant Support Services Inc. (TSSI), PHA expanded efforts to involve public housing and other community residents in improving PHA communities. TSSI is an integral partner in all of PHA's service planning and implementation initiatives.



## Significant accomplishments related to this goal area through

### MTW Year Eight include:

- PHA's groundbreaking affordable homeownership program continued to grow during the past year. The Home Sales Department sold another 103 homes (45 new, 7 5-H and 51 HCV in Year Eight, bringing the program total to 982.
- More than 1,500 low and moderate-income households participated in PHA sponsored first-time homebuyer workshops over the past year. PHA has also established working partnerships with 27 certified housing counseling agencies and many major regional banks including Wachovia, Bank of America, Citizens, TD Bank and Sovereign Banks.
- PHA continued to implement a Resident Mortgage Assistance Program (RMAP) comprehensive benefit package to assist residents in achieving homeownership by providing closing cost assistance, writing down the cost of the home and providing free financial counseling.



- PHA continued to operate the Pre-Apprenticeship Training Program initiative in partnership with the building trade unions. As of March 31, 2009, a total of five hundred and seventy eight (578) residents graduated from the program, including seventy (70) graduates over the past year. Two hundred and ninety-five (295) of these graduates entered the construction trades. These jobs are positions at union scale wages with benefits, resulting from certified apprenticeships in the building and construction trades program and PHA's new partnership with industrial employment opportunities. PHA formed partnerships in Year 8 to provide employment opportunities at businesses including University of Pennsylvania, Preston Construction Company, Haines and Kibblehouse Earthmovers, Nesmith & Company, Urban League, Elite Janitorial, Ferry LLP Development Group, the Combine Group, PECO/Exelon, and the Quantum Group. These companies join others such as Aker Shipyard, Gamesa Windmill Plant and Boeing/Vertol Industries in recruiting Pre-Apprenticeship grads.

- PHA placed residents in jobs through the Section 3 Program. This program, which requires PHA contractors to hire qualified PHA residents for new positions, produced two hundred and eighty-nine (289) jobs in the past fiscal year. PHA contractors continue to fill their workforce needs with qualified PHA residents, who are often graduates of the Pre-Apprenticeship program.
- A total of sixty-three (63) residents enrolled and twenty-nine (29) graduated from the Certified Nursing Assistant (CNA) Program over the past year, bringing the total to one thousand and twenty-seven (1027) residents. CNA graduates have a 90% employment rate. All graduates are employable as state certified CNAs.
- A total of ninety-three (93) residents enrolled and forty-nine (49) graduated from the Pharmacy Technician Program over the past year, for a total of four hundred and twenty-six (426) residents. Pharmacy Technician graduates have a 90% employment rate. All graduates are eligible to sit for the Pennsylvania State Certification and may secure employment as Pharmacy Technicians.

# Strategic Operating Plan Goal 5

## Continued

### John F. Street Community Center

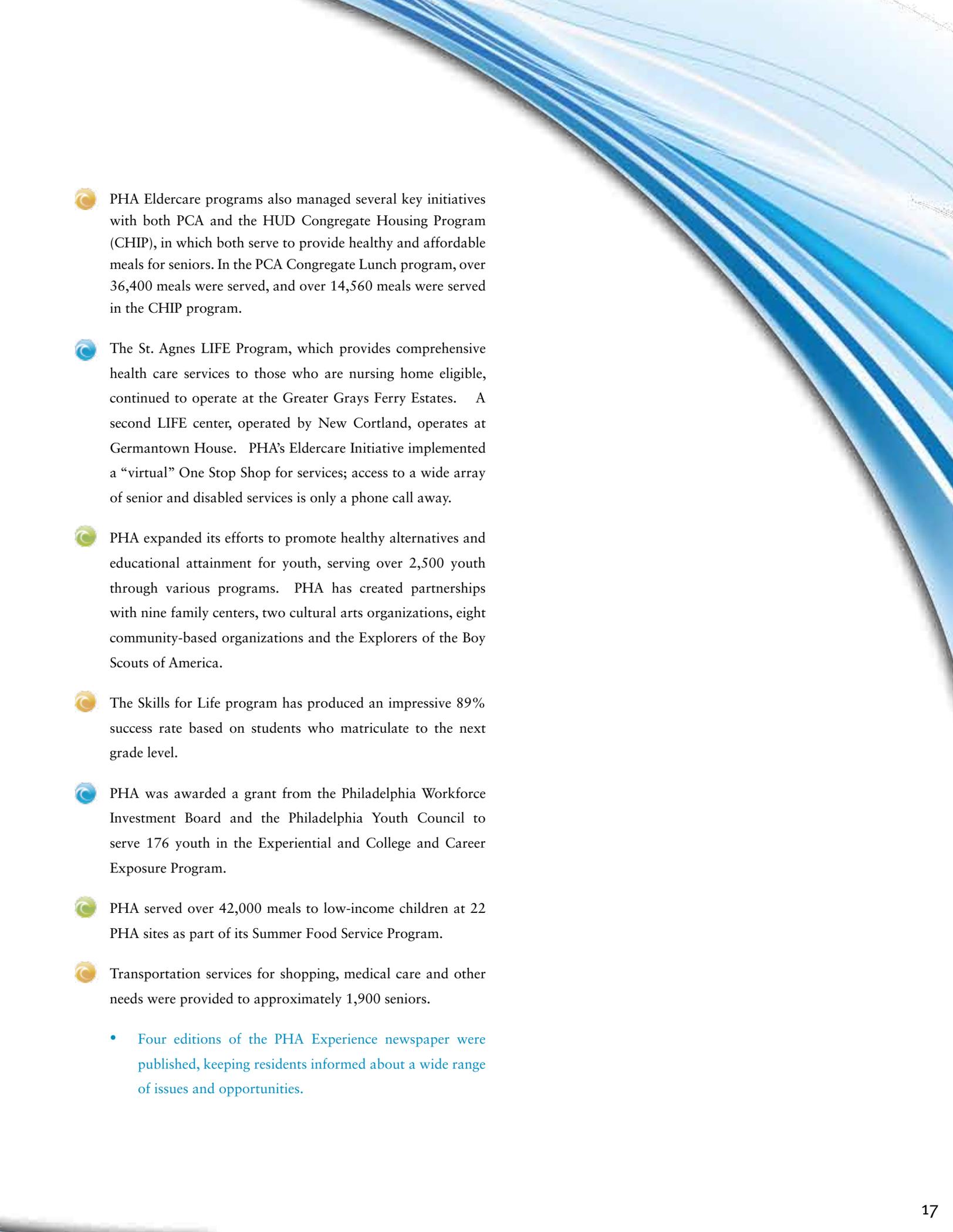


PHA opened a community Library at the John F. Street Community Center with a total of 8000 new and donated books from The Philadelphia Free Library, community donors and PHA staff.

- A total of fifty-two (52) residents enrolled and thirty-two (32) graduated from the Medical Billing Program this year, for an overall total of two hundred and eighty-four (284) graduates. Medical Billing graduates have a 92% employment rate. Graduates may secure employment as Medical Billing Clerks.
- PHA has expanded the number and variety of programs available to residents by incorporating new Community Partners in Year Eight. (The full list of Community Partners is included under goal 9.)



- PHA opened a community Library at the John F. Street Community Center with a total of 8000 new and donated books from The Philadelphia Free Library, community donors and PHA staff. The library is open to the community from 12 to 3pm and to the Boys and Girls Club from 3-8pm. The library also is the site of one of the PHA's Neighborhood Network Computer Labs.
- PHA's partnership with the Boys & Girls Clubs of Philadelphia, now in its second year, has gotten only better with age. 250 children took part in the after school program established under this partnership. Sites at both Wilson Park and John F. Street Community Centers are operating at capacity with long waiting lists.
- The eldercare programs were able to conduct 3,900 Social Service coordinator visits in 2008, resulting in 1,700 referrals for additional services. In addition, the eldercare program held 15 special events programs, which included health fairs, special celebrations, disability workshops and other events.

- 
- PHA Eldercare programs also managed several key initiatives with both PCA and the HUD Congregate Housing Program (CHIP), in which both serve to provide healthy and affordable meals for seniors. In the PCA Congregate Lunch program, over 36,400 meals were served, and over 14,560 meals were served in the CHIP program.
  - The St. Agnes LIFE Program, which provides comprehensive health care services to those who are nursing home eligible, continued to operate at the Greater Grays Ferry Estates. A second LIFE center, operated by New Cortland, operates at Germantown House. PHA's Eldercare Initiative implemented a "virtual" One Stop Shop for services; access to a wide array of senior and disabled services is only a phone call away.
  - PHA expanded its efforts to promote healthy alternatives and educational attainment for youth, serving over 2,500 youth through various programs. PHA has created partnerships with nine family centers, two cultural arts organizations, eight community-based organizations and the Explorers of the Boy Scouts of America.
  - The Skills for Life program has produced an impressive 89% success rate based on students who matriculate to the next grade level.
  - PHA was awarded a grant from the Philadelphia Workforce Investment Board and the Philadelphia Youth Council to serve 176 youth in the Experiential and College and Career Exposure Program.
  - PHA served over 42,000 meals to low-income children at 22 PHA sites as part of its Summer Food Service Program.
  - Transportation services for shopping, medical care and other needs were provided to approximately 1,900 seniors.
    - Four editions of the PHA Experience newspaper were published, keeping residents informed about a wide range of issues and opportunities.

# Strategic Operating Plan Goal 6

*Improve the Productivity and Cost Effectiveness of PHA's Operations.*

## Quality Assurance Team



PHA's efforts to improve productivity and cost efficiency continued to be emphasized over the past year. Across all departments and levels of the operation, staff engaged in working groups, discussions and detailed analyses designed to identify cost savings and/or productivity enhancing opportunities.



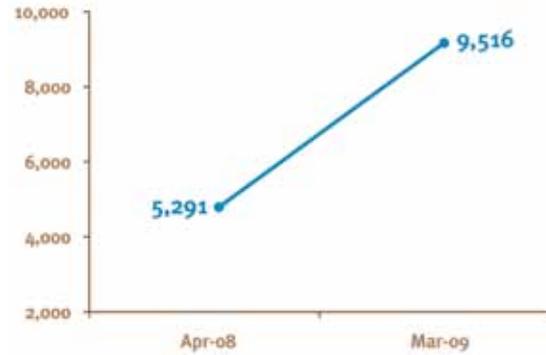
## Accomplishments related to Strategic Operating Plan Goal 6 in MTW Year Eight included:

- PHA expanded the Performance Management Initiative over the past year. Through this program, PHA leverages cross-functional teams of staff in support of site-level improvement programs.
- PHA reduced total inventory from \$3,443,882.01 to \$2,533,472.65 for an overall reduction of \$910,409.36, or 26% as compared to the previous fiscal year. The reduction resulted from re-evaluation of PHA needs, strict maintenance of item reorder-points and reductions of days-of-supply variables in inventory management calculations.
- As part of the Supply Chain Data Quality Initiative, projects were developed focusing on external partners and vendors. Checklists for Vendor and Procurement Contracts have been developed to accomplish 100% audit of files to ensure most recent data for better partner and vendor correspondence, and to improve the services provided. Projects aimed at reducing the payment lifecycle and updating policies and procedures were also developed under the Supply Chain Data Quality Initiative.

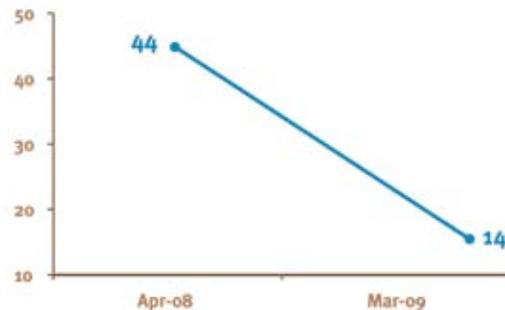
- As part of the Financial Data Quality Initiative, a cleanup and optimization of all Physical Assets and the corresponding financial information has been developed. This project entails complete review and audit of Physical Assets, establishing an optimal process for the upload of new assets and retirement of older assets, and an enhancement of the PeopleSoft Asset Management module.
- As part of the Human Resource Data Quality Initiative, a clean-up plan with regard to current employee data and information was developed. This is comprised of verifying, correcting and updating personal and professional employee information in the HR database. Also, checklists regarding the documentation included in employee files were created to ensure all relevant and required documents are available and maintained at all times.
- An audit schedule was developed to ensure that all the files are maintained and stored at a designated location at all times. Policies and procedures have been developed for HR functions, including: Recruitment, Payroll, Time and Labor, and Benefits.
- As part of a continuous process of improvement initiatives for HR functions, the Quality Assurance team is working on improving the current functions and working on creating policies and procedures to document enhancements in the recruitment process, overtime automation, workforce development, career development processes, the conducting and recording of training programs, and succession planning. This project entails a complete streamlining of HR workflow, with accompanying enhancements to the PeopleSoft HR module.

## Ending the Backlog of Service Orders

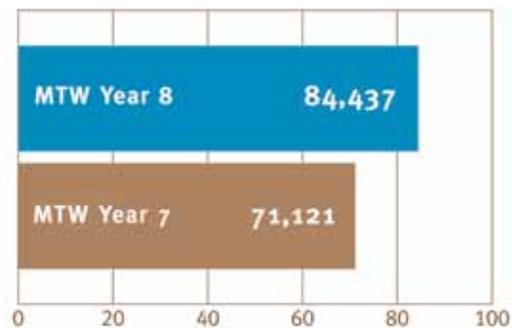
Completed Service Orders Per Month



Days to Complete Service Orders



Service Orders Completed Year to Year



# Strategic Operating Plan Goal 7

*Improve Program Compliance, Reporting, Performance and Accountability*

# Strategic Operating Plan Goal 8

*Maximize the Use of Technology to Improve Efficiency and Accountability of PHA Operations*

## Minority and Woman-owned Businesses



Rhonda Griffith is president of Pest Free Maintenance, Inc., a PHA vendor.

PHA continued to implement an ambitious quality assurance and compliance program throughout the organization, combined with an array of technology initiatives. All program procedures are documented, which facilitates the review and/or audit of program transactions. PHA's Quality Assurance Department provided quality control reviews of program files, assisted operating units to assess and re-engineer business practices to promote efficiency, and provided regular monitoring of strategic goals and objectives. PHA continued to utilize a sophisticated project management system to track and report on all program initiatives. This system is updated monthly and reviewed by senior management.

## Significant accomplishments related to these goals through MTW Year Eight included:

● PHA continued its commitment to working with minority and woman-owned businesses. During the past year, PHA achieved over 47% MBE participation with contract awards totaling over \$26 million. Women also owned 19% of those same businesses.

PHA continues to place an emphasis on providing better service to both internal and external customers. A Data Quality initiative geared toward the elimination of duplicate and incorrect data elements, thus maintaining clean and updated data, has been implemented. Various projects for Supply Chain, Finance, Human Resources and IT Operations were created as part of this initiative.

● The Quality Assurance team commenced documentation of business processes for all operations across various departments through out the organization in Oracle Business Process Architect, which helps in daily business operations, training etc. Oracle Business Process Architect is also used for maintaining all organizational charts and information for better resource management.

● PHA implemented the use of ePro technologies. ePro technologies replaced many paper-based procurement processes with streamlined digital transactions. Purchase Orders, Invoices, Shipping Documents and several other document sets are being replaced, eliminating manual processes such as copying, faxing and other labor associated with paper processes.



- PHA conformed to all required investor and funding source requirements including timely submission of cost certifications for all Low Income Housing Tax Credit sites. These actions illustrate the careful attention PHA pays to conformance to regulatory and other funding covenants.
- PHA implemented a new software system for the Housing Choice Voucher program. This new system provides centralized reporting, correspondence, vendor and tenant management, electronic inspections, optimized and integrated A/R and A/P processes.
- The PHA vacancy tracking control book was implemented to display and record the total costs of unit rehabilitation. This implementation will enable PHA to better manage unit turnover time and costs.
- PHA completed the PeopleSoft Financials Module upgrade to version 9.0. This upgrade makes PHA current with the most recent release of PeopleSoft Financials. PHA is now able to take advantage of new and evolving PeopleSoft functionality. In addition, existing applicable PHA enhancements and customizations were identified and reengineered to fit seamlessly within the new PeopleSoft 9.0 environment (i.e. Affirmative Action at the Contract sub-level).
- PHA launched the Business Intelligence (BI) initiative. This implementation takes advantage of all the upgraded systems providing management level dashboard displays. It provides historical, current, and predictive views of critical business operations. The SAS business intelligence offers decision makers with fast and simple access to critical reports and analysis. The SAS self-service reporting is tailored to the different skills and needs of individuals, enabling everyone to generate reports on their own. Additionally, SAS provides the tools to develop Key Performance Indicators to assess the present state of business and prescribe a course of action for the future.

### PHA Contracts - Year 8



PHA continued its commitment to working with minority and woman-owned businesses. During the past year, PHA achieved over 47% MBE participation with contract awards totaling over \$26 million. Women also owned 19% of those same businesses.

# Strategic Operating Plan Goal 7 and 8

## *Continued*

- As part of the IT Operations Data Quality Initiative, Enterprise Business Intelligence (SAS) to track performance metrics for Supply Chain, Finance, and Human Resources operations has been developed. A project has also been developed to implement a Centralized Document Management System aimed at creating a document warehouse that will be accessible to multiple simultaneous users to reduce processing times and improve efficiency in daily operations for various departments across the organization.
- PHA expanded Interactive Voice Response (IVR) services to include the Housing Choice Voucher (HCV) component of the organization. This expansion now allows all of the HCV offices to use IVR technology including the voice-recording component, Call Parrot. HCV Managers are able to monitor incoming calls to ensure agents adhere to compliance and quality standards. The implementation is enriched with comprehensive and user-friendly data mining capabilities including agent ID, caller ID, time, date, and more. This integrated system is used as a training device to enhance customer service.
- A total of 293,811 calls were received into the PHA Call Center system - the hub of communications between the public (clients, residents, tenants and citizens, etc) and the Authority. This system enables callers to advise PHA of deficiencies, concerns or problems and assignment, generate work orders to correct issues and be connected to the proper PHA department. The service orders or cases can be tracked for timeliness and accuracy of resolution. The system also affords PHA the ability to review processing from initial call through final resolution for timeliness and efficiency.
- PHA upgraded the AVST Voice Mail System for PBX and Centrex. This replacement enhances the functionality and capacity of voicemail for more than 600 users. The replacement of the voicemail system provided additional computing power, compliance with industry requirements, and stability.
- To improve the ability to adapt to the increased demand for access to the data center and the enhanced user base, PHA has upgraded to a high volume switch, upgraded internet security software, enhanced SPAM email filtering, and direct connectivity to internet. Access to the data center is now crisp as well as having the capacity to accommodate the expansion of VOIP services and increased application access.
- PHA implemented centralized business critical forms and letters. For ease of access the forms and letters are accessed via the PHA PORTAL. The forms have business ownership for version control.

# Strategic Operating Plan Goal 9

## *Maximize Relationships and Initiatives to Deliver Sound and Effective Services*

Strategic Operating Plan Goal 9 focuses on creating and nurturing partnerships to achieve maximum benefit for PHA residents and program participants. As federal funding for HCV and public housing declines, relative to need, the importance of forging partnerships in support of PHA's mission has become even more important to the agency's long-term success.

### Significant accomplishments in this area through MTW Year Eight included:

- The Commonwealth of Pennsylvania, Pennsylvania Housing Finance Agency and PHA formed a strategic partnership in an effort to increase the supply of service-enriched housing in Philadelphia. Key areas of collaboration include: the implementation of an Older Adult Day Center co-located at Nellie Reynolds Gardens and additional sites in the future; best efforts to forge partnerships with Living Independently for Elders (LIFE) providers at new and existing PHA sites; the expansion of the Nursing Home Transition Initiative; support for co-locating Assisted Living services with public housing; and best efforts to identify sources of funding to support accessibility modifications.
- The DPW-PHFA-PHA strategic partnership greatly expanded the Nursing Home Transition Initiative, in which PHA provides housing opportunities for persons living in nursing homes who wish to live independently. PHA entered into a Memorandum of Understanding with Liberty Resources, Inc., to provide tenant based rental assistance in the form of housing choice vouchers for 100 LRI clients looking to transition out of or avoid placement in a skilled nursing facility. State funding through PHFA will finance 75 of the 100 vouchers for 2 years.
- To promote affordable homeownership, PHA continued its highly effective partnerships with major banks including Wachovia Bank, Bank of America, Citizens Bank, TD Bank, Sovereign Bank and Wells Fargo. PHA also maintains relationships with 27 certified housing counseling agencies throughout the city of Philadelphia.

### Adult Daily Living Center at Nellie Reynolds Gardens



The Commonwealth of Pennsylvania, Pennsylvania Housing Finance Agency and PHA formed a strategic partnership in an effort to increase the supply of service-enriched housing in Philadelphia. A key area of collaboration includes the implementation of an Older Adult Daily Living Center at Nellie Reynolds Gardens.

# Strategic Operating Plan Goal 9

## Continued

### Healthy Homes



A second \$871,664 “Healthy Homes” grant was awarded to PHA, the only housing authority in the nation to receive this award.

PHA’s Community and Supportive Services Development efforts resulted in the receipt of new grant funds from numerous partners including:

-  An additional \$1,000,000 from the Commonwealth of Pennsylvania through the Philadelphia Workforce Development Corporation to support the Pre-Apprenticeship program;
-  A second \$871,664 “Healthy Homes” grant award to PHA, the only housing authority in the nation to receive this award;
-  \$240,819 from the Pennsylvania Department of Education to support the Summer Food Program;
-  \$920,000 from the U.S. Department of Health and Human Services Administration to implement an Assets For Independence Homeownership Program designed to provide homeownership opportunities to low and moderate income Philadelphians;
-  \$356,720 from HUD to provide Family Self Sufficiency program services to public housing and Housing Choice Voucher recipients;
-  \$200,000 from the Philadelphia Youth Network to provide services under the best practices Skills for Life Program;
-  \$48,966 from the Philadelphia Corporation for Aging to provide meals and transportation, trips and activities to seniors;
-  \$109,448 from HUD in support of PHA’s Congregate Housing Program;
-  \$344,448 HUD Shelter Plus Care Program dollars in partnership with Project HOME to augment the city’s homeless prevention efforts;
-  PHA helped Da Networks Housing to submit a successful application that resulted in an award of \$480,000 for 2 Family Service Coordinators to serve the Ludlow community;
-  And finally, PHA partnered with the Free Library of Philadelphia to receive a \$24,000 award from the Claniel Foundation to expand the Family Reading program from 4 to 6 sites.



### In addition, PHA assisted Tenant Support Services, Inc. in raising:

- \$15,000 from the Enon Community Reinvestment Ministry Grant program to provide a nutrition education component in the Summer Food program.
- \$25,000 from the Pennsylvania Department of Community and Economic Development (DCED) to provide after school and summer camp programs at Bartram Village.
- An additional \$100,000 from the Wachovia Foundation for the South Philadelphia After-school Recreation Center (SPARC) at Wilson Park.
- The Philadelphia Department of Public Health began offering primary health care to PHA residents, who formerly used the emergency room for their health care. The American Cancer Society offered a smoking cessation program to PHA residents, who on average smoke at a rate nearly twice the national average.
- PHA's Community and Supportive Services development efforts also resulted in leveraged funds and services. Drexel University provided \$78,840 of in-kind support of PHA's "Healthy Homes" grant. Partnership efforts that leveraged resources and services are not all quantified in dollars and cents because they are more difficult to assign a monetary value, such as the One Warm Coat outreach that made much needed coats available to 814 residents, and Health Partners, Inc which provides free teachers at PHA Neighborhood Network sites.

### One Warm Coat Outreach Program



PHA's Community and Supportive Services helped supply much needed coats to 814 residents, with the support of AIG.

# Strategic Operating Plan Goal 9

## Continued

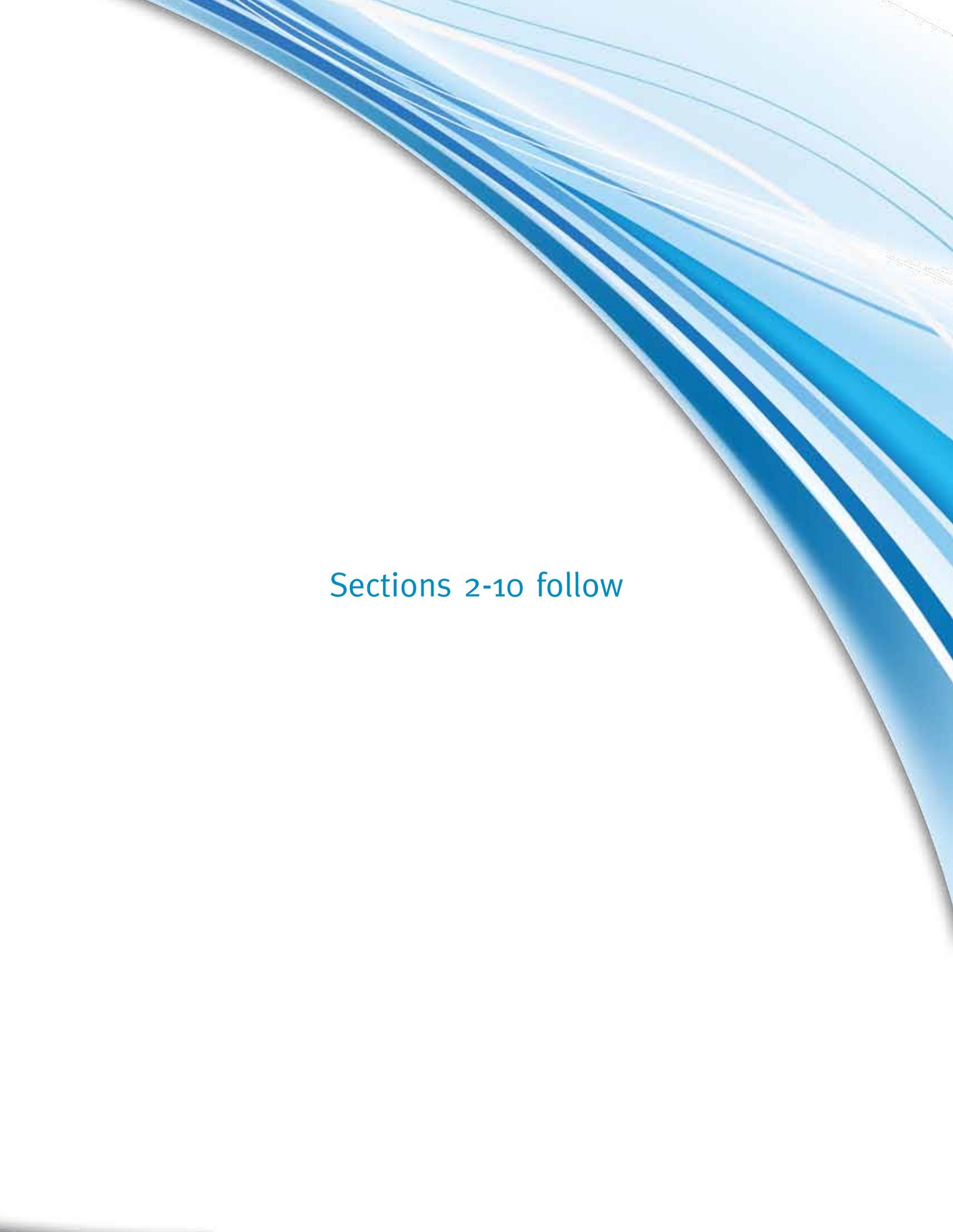
### Jewish Employment & Vocational Services (JEVS)



Jewish Employment & Vocational Services (JEVS) provides a 36-hour Home Maintenance and Repair Program course through the Orleans Technical Institute. In the last year, approximately 101 residents enrolled in Home Maintenance Program provided by JEVS.

PHA offered a broad range of supportive services to residents, including the following offered through the agency's Community Partners program during Year Eight:

- Opportunities Industrialization Corporation, Inc. (OIC) provides Hospitality Training in the areas of Culinary Arts, Guest Services, Front Office Procedure, and/or Travel Tourism. In the last year, approximately one hundred and twenty-three (123) residents enrolled in one of the various programs offered by OIC, of which fifty-four (54) graduated.
- Educational Data Systems Inc. (EDSI) provides Supported Work, Job Search, Job Placement, Community Service and Job Retention services; In the last year, approximately seventy-seven (77) residents enrolled in one of the various programs offered by EDSI.
- Management Environmental Technologies, Inc. (MET) offers Job Training, Youth Development, Cultural Awareness, Small Business Development and Neighborhood Improvement programs. In the past year, approximately twenty-three (23) residents enrolled in one of the various programs offered by MET.
- The Enterprise Center Self Employment Program offers classes, individualized coaching, and a professional and nurturing environment, allowing students to gain valuable, marketable skills and the resources to start a business. By the end of the program, students will be prepared to begin their own business venture. In the past year, approximately twenty-five (25) residents enrolled in the Self-Employment Program offered by the Enterprise Center.
- Community College of Philadelphia's Administrative Assistant Job Readiness Program prepares students to serve as administrative assistants by providing training in the areas of life skills, customer service, computer use, workplace etiquette, filing, job searching and interviewing. In the past year, approximately fifty-one (51) residents enrolled in Administrative Assistant program offered by CCP.
- New WAVE Resources Inc Customer Service provides a 16-week course for careers in hotels, restaurants, and food service at schools, financial services, airlines, personal care facilities, and retail. In the last year, approximately one hundred and nine (109) residents enrolled in one of the various programs offered by New WAVE. Sixty-two (62) graduated.
- The New WAVE Resources Inc Commercial Drivers License program provides a 16-week course that trains residents to drive commercial vehicles such as trucks, buses, and ambulances. Upon successful completion, students can obtain one of two types of commercial driver's licenses, Class A (Tractor Trainer) or Class B (small trucks and buses). In the last year, approximately one hundred and forty-nine (149) residents enrolled in the program.
  - This training is critical to residents in the HCV program and those thinking of becoming homeowners.
  - In all, 354 residents graduated from Community Partners training programs.



Sections 2-10 follow

*MOVING TO WORK YEAR EIGHT ANNUAL REPORT*  
*PART TWO: PLANNED VS ACTUAL*

## SECTION 2: HOUSEHOLDS SERVED

This section provides the following information:

- Types of units and the characteristics of families served
- Types of units and the characteristics of families on the waiting list

Additionally, this section compares data for the Philadelphia Housing Authority (PHA) in the MTW Baseline Year (2001) and MTW Year Eight in Public Housing (Conventional Sites, Scattered Sites, Low-Income Housing, Tax Credit, and Alternative Management Entities Properties) and the Housing Choice Voucher (HCV) Program.

### **A. Number and Characteristics of Households Served**

In PHA's Year Eight Plan, PHA projected serving a total of 13,656 households in the public housing program. The actual number of households served in the public housing program as of March 31, 2009 was 13,633, due primarily to relocation activities and normal turnover. Note that this level of occupancy represents a 98.28% adjusted occupancy rate for conventional housing and 99.51% for PAPMC sites

PHA projected that it would serve 14,850 households in the MTW Tenant-based HCV program. As of March 31, 2009, the actual number of households served in this program was 14,027 due primarily to higher than normal turnover and longer housing search times. As of March 31, 2009, PHA had 749 voucher holders actively looking for housing, which will generate substantial new leasing activity in the early part of the new fiscal year. Additional vouchers will be issued incrementally over the coming year. An additional 1,586 households were served in the non-MTW HCV programs including Moderate Rehab.

Overall, PHA served 29,246 households in MTW Year Eight. For comparative purposes, PHA was serving approximately 24,602 households in FY 2001, i.e. the baseline year for MTW. An additional 2,844 MTW Activity Vouchers were utilized for authorized vouchers.

#### **1. Unit Size of PHA Households.**

The Baseline Year unit sizes for PHA households are presented in Table 2-1, followed by Year Eight. The number of households by bedroom size increased in all categories except efficiencies and 6-bedroom units over the figures provided in the Baseline Year. PHA has increased the number of households served by 4,644 over the term of the MTW Demonstration.

The Year Eight unit sizes shown in Table 2-2 are generally consistent with the unit sizes detailed in the Year Eight Annual Plan. In terms of percentages, the percentage of one bedroom households increased from 17% to 18% over the course of the year, and the percentage of two bedroom households increased from 25% to 26%. Corresponding 1% decreases occurred in the three to five bedroom categories.

**Table 2-1. Baseline Year Number and Unit Size for All PHA Households.**

Housing Type/ Program	Efficiency	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Six Bdrm	Total
Conventional	499	1,580	2,756	2,335	517	89	8	7,784
Scattered Sites	0	34	531	2,327	663	602	237	4,394
HCV Housing	506	2,152	3,169	5,434	918	195	50	12,424
<b>Program Total</b>	<b>1,005</b>	<b>3,766</b>	<b>6,456</b>	<b>10,096</b>	<b>2,098</b>	<b>886</b>	<b>295</b>	<b>24,602</b>
<b>Distribution %</b>	<b>4%</b>	<b>15%</b>	<b>26%</b>	<b>41%</b>	<b>9%</b>	<b>4%</b>	<b>1%</b>	<b>100%</b>

Source: PHA CCS. October 1, 2001.

**Table 2-2. Year Eight. Number and Unit Size for All PHA Households**

Housing Type/Program	Efficiency	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	Five Bdrm	Six Bdrm	Total
Conventional	293	1,398	2,350	2,175	516	76	11	6,819
Scattered Sites	26	159	628	2,225	542	493	186	4,259
LIHTC <sup>1</sup>	1	574	494	461	96	3	0	1,628
AME <sup>2</sup>	0	206	313	343	57	8	0	927
HCV Housing	557	2,867	3,793	6,747	1,156	311	96	15,527*
<b>Program Total</b>	<b>877</b>	<b>5,204</b>	<b>7,578</b>	<b>11,951</b>	<b>2,367</b>	<b>891</b>	<b>293</b>	<b>29,160*</b>
<b>Distribution %</b>	<b>3%</b>	<b>18%</b>	<b>26%</b>	<b>41%</b>	<b>8%</b>	<b>3%</b>	<b>1%</b>	<b>100%</b>

Source: PHA Elite, March 31, 2009.

\*Does not include information on all port-out households. Actual HCV Total is 15,613. Actual Program Total is 29,246

<sup>1</sup> Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed.

<sup>2</sup> AME – Alternatively Managed Entity

## 2. Composition by Family Type of PHA Households.

The number and type of households served by PHA in MTW Baseline Year and Year Eight are presented in Tables 2-3 and Table 2-4. Family households continue to represent the majority of households served by PHA in Year Eight. Elderly and disabled households represented 16% and 30% of the remaining households served respectively. Relative to the Year Eight Annual Plan, the percentage of disabled households increased significantly from 24% to 30%. This shift reflects in part the extensive activities undertaken by PHA to improve access to housing opportunities among people with disabilities through programs such as the Nursing Home Transition.

**Table 2-3. Baseline Year Composition by Family Type for All PHA Households**

Housing Type/ Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Program Totals	Percent Program Totals
Conventional	4,121	53%	2,168	28%	1,495	19%	7,784	100%
Scattered Sites	2,240	51%	1,058	24%	1,096	25%	4,394	100%
HCV Housing	8,186	66%	1,430	12%	2,808	22%	12,424	100%
<b>Program Totals</b>	<b>14,547</b>	<b>59%</b>	<b>4,656</b>	<b>19%</b>	<b>5,399</b>	<b>22%</b>	<b>24,602</b>	<b>100%</b>

Source: PHA CCS, October 1, 2001.

**Table 2-4. Year Eight Composition by Family Type For All PHA Households**

Housing Type/ Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Program Totals	Percent Program Totals
Conventional	3,655	54%	1,598	23%	1,566	23%	6,819	100%
Scattered Sites	2,116	50%	1,279	30%	864	20%	4,259	100%
LIHTC <sup>1</sup>	813	50%	533	33%	282	17%	1,628	100%
AME <sup>2</sup>	491	53%	365	39%	71	8%	927	100%
HCV	<u>8,909</u>	57%	<u>790</u>	5%	<u>5,828</u>	38%	<u>15,527*</u>	100%
<b>Program Total</b>	<b>15,984</b>	<b>55%</b>	<b>4,565</b>	<b>16%</b>	<b>8,611</b>	<b>30%</b>	<b>29,160*</b>	<b>100%</b>

Source: PHA Elite. March 31, 2009

<sup>1</sup>Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed.

<sup>2</sup>AME – Alternatively Managed Entity

\*Does not include information on all port-out households. Actual HCV Total is 15,613. Actual Program Total is 29,246

### 3. Income Groups

The income groups for PHA households in the MTW Baseline Year and Year Eight are presented in Tables 2-5 and 2-6. The vast majority of PHA residents have incomes below 30% of the area median income (“AMI”) level. During Year Eight, the percentage of households earning less than 30% of AMI decreased slightly with a corresponding small increase in the percentage of households earning between 30-50% of AMI. PHA continued to meet the MTW Demonstration Agreement requirement that at least 75% of the families assisted under MTW be very low-income families. The percentage of households earning less than 30% of AMI has increased since the baseline year, which reflects the continuing strong demand for affordable housing among Philadelphia’s poorest residents.

**Table 2-5. Baseline Year Income Levels for All PHA Households.**

Housing Type/ Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Conventional	6,488	978	255	63	7,784
Scattered Sites	3,391	668	263	72	4,394
HCV Housing	<u>10,101</u>	<u>1,916</u>	<u>387</u>	<u>20</u>	<u>12,424</u>
<b>Program Totals</b>	<b>19,980</b>	<b>3,562</b>	<b>905</b>	<b>155</b>	<b>24,602</b>
<b>Percentage</b>	<b>81%</b>	<b>14%</b>	<b>4%</b>	<b>&lt;1%</b>	<b>100%</b>

Source: PHA CCS. October 1, 2001.

**Table 2-6. Year Eight Income Levels for All PHA Households.**

Housing Type/ Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Conventional	5,952	654	177	36	6,819
Scattered Sites	3,438	571	202	48	4,259
LIHTC <sup>1</sup>	1,190	358	74	6	1,628
AME <sup>2</sup>	419	382	126	0	927
HCV Housing	<u>13,055</u>	<u>2,095</u>	<u>360</u>	<u>17</u>	<u>15,527*</u>
<b>Program Totals</b>	<b>24,054</b>	<b>4,060</b>	<b>939</b>	<b>107</b>	<b>29,160*</b>
<b>Percentage</b>	<b>82%</b>	<b>14%</b>	<b>3%</b>	<b>&lt;1%</b>	<b>100%</b>

Source: PHA Elite. March 31, 2009

\*Does not include information on all port-out households. Actual HCV Total is 15,613. Actual Program Total is 29,246

<sup>1</sup>Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed.

<sup>2</sup>AME – Alternatively Managed Entity

#### 4. Program/Housing Types for All PHA Households

PHA housing by program types for MTW Baseline and Year Eight are presented in Table 2-7. The total number of households increased over the Baseline Year by 19% in Year Eight. A significant increase was observed in the number of PHA households funded under the Housing Choice Voucher Program, which increased by 25% over the Baseline Year.

**Table 2-7. Baseline Year and Year Eight Program/Types for All PHA Households.**

Housing Type/Program	Baseline Year		Year Eight	
	Total	%	Total	%
Conventional	7,784	32%	6,819	23%
Scattered Sites	4,394	18%	4,259	15%
LIHTC <sup>1</sup>	0	0%	1,628	6%
AME <sup>2</sup>	0	0	927	3%
HCV Housing	12,424	50%	15,613	53%
<b>Program Total</b>	<b>24,602</b>	<b>100%</b>	<b>29,246</b>	<b>100%</b>

Source: PHA CCS. October 1, 2001; Elite March 31, 2009

<sup>1</sup>Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed.

<sup>2</sup>AME – Alternatively Managed Entity

#### 5. Races and Ethnicity

Tables 2-8 thru 2-10 present the race/ethnicity of PHA resident household heads in the MTW Baseline and Year Eight. African-Americans continue to represent the majority of households served by PHA (88%), followed by white (7%). Of the approximate 29,160 heads of PHA households, (5%) identify themselves as being of Hispanic ethnicity. During Year Eight, race and ethnicity percentages remained consistent with those indicated in the Annual Plan.

**Table 2-8. Baseline Year Race/Ethnicity for All Heads of PHA Households.**

Housing Type/Program	African-American	White	Hispanic	Asian/Pacific Island & Native American	Other	Total
Conventional Housing	7,425	252	90	14	3	7,784
Scattered Sites	3,901	37	448	5	3	4,394
HCV Housing	<u>10,765</u>	<u>1,129</u>	<u>337</u>	<u>115</u>	<u>78</u>	<u>12,424</u>
<b>Program Totals</b>	<b>22,091</b>	<b>1,418</b>	<b>875</b>	<b>134</b>	<b>84</b>	<b>24,602</b>
<b>Percentage Distribution</b>	<b>90%</b>	<b>6%</b>	<b>4%</b>	<b>&lt;1%</b>	<b>&lt;1%</b>	<b>100%</b>

Source: PHA CCS. October 1, 2001.

**Table 2-9. Year Eight Race for All Heads of PHA Households**

Housing Type/Program	African-American	White	Asian/Pacific Island & Native American	Other	Total
Conventional Housing	6,478	167	16	158	6,819
Scattered Sites	3,874	33	5	347	4,259
LIHTC <sup>1</sup>	1,589	8	2	22	1,628
AME <sup>2</sup>	795	97	35	0	927
HCV Housing	<u>12,932</u>	<u>1,617</u>	<u>226</u>	<u>752</u>	<u>15,527*</u>
<b>Program Totals</b>	<b>25,668</b>	<b>1,922</b>	<b>284</b>	<b>1,279</b>	<b>29,160*</b>
<b>Percentage Distribution</b>	<b>88%</b>	<b>7%</b>	<b>1%</b>	<b>4%</b>	<b>100%</b>

Source: PHA Elite, March 31, 2009.

\*Does not include information on all port-out households. Actual HCV Total is 15,613. Actual Program Total is 29,246

<sup>1</sup>Low-Income Housing Tax Credit (LIHTC) properties. PAPMC managed

<sup>2</sup>AME – Alternatively Managed Entity

**Table 2-10. Year Eight Ethnicity of Heads of Households of Public Housing and Housing Choice Vouchers**

Housing Type/Program	Hispanic	Non-Hispanic	Total
Conventional Housing	163	6,656	6,819
Scattered Sites	312	3,947	4,259
LIHTC <sup>1</sup>	25	1,603	1,628
AME <sup>2</sup>	246	681	927
HCV Housing	<u>739</u>	<u>14,788</u>	<u>15,527*</u>
<b>Program Totals</b>	<b>1,485</b>	<b>27,675</b>	<b>29,160*</b>
<b>Percentage Distribution</b>	<b>5%</b>	<b>95%</b>	<b>100%</b>

\*Does not include information on all port-out households. Actual HCV Total is 15,613. Actual Program Total is 29,246

## B. Changes in Tenant Characteristics.

While the overall number of households served by PHA has significantly increased since the baseline year, the demographic composition of households has remained relatively constant. See comments above.

## C. Changes in the Waiting List Numbers and Characteristics.

This section provides information about the types of units requested and the characteristics of families on the PHA Waiting List for housing units in MTW Year Eight at Public Housing (both conventional and scattered sites) and with the Housing Choice Voucher Program, formerly known as the Section 8 Program.

At the end of Year Eight, the waiting list has 61,913 applicant households, reflecting the strong need for affordable housing in Philadelphia. This reflects an increase of more than 12,400 over the waiting list numbers at the beginning of Year Eight. The number of applicants on the waiting list for HCV Housing/Housing Choice Vouchers has decreased significantly from the baseline year to present reflecting the fact that the HCV waiting list has been closed to most new applicants as well as the high level of voucher issuance and leasing activity that occurred over the past few years. PHA intends to re-open the HCV waiting list in the near future.

### 1. Unit Size Need by Waiting List Applicants.

Table 2-12 indicates that efficiency (23%); two (38%) and three bedroom (24%) units are the most sought units.

**Table 2-11. Baseline Year Composition by Bedroom Size Need  
For All Waiting List Applicants for PHA Housing**

Housing Type/Program	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Six Bedroom	Not Specified	Total
Public Housing	255	3,760	662	106	12	5	2,391	7,191
HCV Housing	176	3,297	1,720	343	55	7	12,989	18,587
<b>Program Total</b>	<b>431</b>	<b>7,057</b>	<b>2,382</b>	<b>449</b>	<b>67</b>	<b>12</b>	<b>15,380</b>	<b>25,778</b>
<b>Percentage Distribution</b>	<b>2%</b>	<b>27%</b>	<b>9%</b>	<b>2%</b>	<b>&lt;1%</b>	<b>&lt;1%</b>	<b>60%</b>	<b>100%</b>

Source: PHA CCS, October 1, 2001.

**Table 2-12. Year Eight Composition by Bedroom Size Need  
For All Waiting List Applicants for PHA Housing**

Housing Type/Program	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Six Bedroom	Total
Public Housing <sup>1</sup>	10,376	6,123	23,068	14,398	2,677	259	39	56,940
HCV Housing	3,918	371	269	292	100	18	5	4,973
<b>Program Totals<sup>1</sup></b>	<b>14,294</b>	<b>6,494</b>	<b>23,337</b>	<b>14,690</b>	<b>2,777</b>	<b>277</b>	<b>44</b>	<b>61,913</b>
<b>Percentage Distribution</b>	<b>23%</b>	<b>10%</b>	<b>38%</b>	<b>24%</b>	<b>4%</b>	<b>&lt;1%</b>	<b>&lt;1%</b>	<b>100%</b>

Source: PHA Elite, March 31, 2009.

<sup>1</sup>Public Housing program includes conventional, scattered and LIHTC sites.

### 2. Composition by Family Type of Waiting List Applicants.

Tables 2-13 and 2-14, indicate that the majority of applicants on the waiting lists are families (69%), followed by elderly (18%), and disabled (13%). A significant increase in the number and percentage of elderly applicants occurred over Year Eight.

**Table 2-13. Baseline Year Composition by Family Type for All Waiting List Applicants for PHA Housing.**

Housing Type/Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Total	Percent Program Totals
Public Housing	4,265	59%	258	4%	2,668	37%	7,191	100%
HCV Housing	13,246	71%	1,645	9%	3,696	20%	18,587	100%
<b>Program Totals</b>	<b>17,511</b>	<b>68%</b>	<b>1,903</b>	<b>7%</b>	<b>6,364</b>	<b>25%</b>	<b>25,778</b>	<b>100%</b>

Source: PHA CCS. October 1, 2001.

**Table 2-14. Year Eight Composition by Family Type for All Waiting Lists Applicants for PHA Housing**

Housing Type/Program	Family	Percent Families	Elderly	Percent Elderly	Disabled	Percent Disabled	Total	Percent Program Totals
Public Housing	39,258	69%	10,069	18%	7,613	13%	56,940	100%
HCV Housing	3,138	68%	1,030	18%	805	14%	4,973	100%
<b>Program Totals</b>	<b>42,396</b>	<b>69%</b>	<b>11,099</b>	<b>18%</b>	<b>8,418</b>	<b>13%</b>	<b>61,913</b>	<b>100%</b>

Source: PHA Elite, March 31, 2009.

<sup>1</sup> Public Housing program includes conventional, scattered and LIHTC sites.

### 3. Income Levels of Waiting List Applicants

In the Baseline Year, 77% of applicant households were below 30% of area median income (“AMI”). As of March 31, 2009, the percentage of households below 30% AMI increased to 90% which reflects a slight decrease from the 92% reported at the start of Year Eight.

**Table 2-15. Baseline Year Income Levels for All Waiting List Applicants for PHA Housing.**

Housing Type/Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Public Housing	6,450	618	115	8	7,191
HCV Housing	<u>13,514</u>	<u>3,483</u>	<u>1,244</u>	<u>346</u>	<u>18,587</u>
<b>Program Totals</b>	<b>19,964</b>	<b>4,101</b>	<b>1,359</b>	<b>354</b>	<b>25,778</b>
<b>Percentage</b>	<b>77%</b>	<b>16%</b>	<b>5%</b>	<b>&lt;2%</b>	<b>100%</b>

Source: PHA CCS, October 1, 2001.

**Table 2-16. Year Eight Income Levels for All Waiting List Applicants for PHA Housing.**

Housing Type/ Program	Below 30% Median Income	Between 30% and 50% Median Income	Between 50% and 80% Median Income	Over 80% Median Income	Total
Public Housing	51,336	4,874	669	61	56,940
HCV Housing	4,216	647	104	6	4,973
<b>Program Totals<sup>1</sup></b>	<b>55,552</b>	<b>5,522</b>	<b>773</b>	<b>67</b>	<b>61,913</b>
<b>Percentage</b>	<b>90%</b>	<b>9%</b>	<b>1%</b>	<b>&lt;1%</b>	<b>100%</b>

Source: PHA Elite, March 31, 2009.

#### 4. Program/Housing Type Requested by Waiting List Applicants.

**Table 2-17. Baseline Year and Year Eight Program/Types for All Waiting List Applicants for PHA Housing.**

Housing Type/Program	Baseline Year		Year Eight	
	Total	%	Total	%
Public Housing	7,191	28%	56,940	91%
HCV Housing	18,587	72%	4,973	9%
<b>Program Total</b>	<b>25,778</b>	<b>100%</b>	<b>61,913</b>	<b>100%</b>

Source: PHA CCS. October 1, 2001; Elite, March 31, 2009

#### 5. Race/Ethnicity of Waiting List Applicants

The racial/ethnic composition of household applicants has shifted somewhat over the course of the MTW Demonstration, with African American households reflecting a larger percentage of all applicants. PHA plans to continue its outreach to Hispanic and other non African-American minorities to increase ethnic diversity.

**Table 2-18. Baseline Year Composition by Race/Ethnicity for All Waiting List Applicants for PHA Housing**

Program Type	African-American	White	Spanish American	Asian, Pacific Island & Native American	Other	Total
Public Housing	6,676	223	216	35	41	7,191
HCV Housing	15,425	1,961	558	72	571	18,587
<b>Total</b>	<b>22,101</b>	<b>2,184</b>	<b>774</b>	<b>107</b>	<b>612</b>	<b>25,778</b>
<b>Percentage of Total</b>	<b>86%</b>	<b>8%</b>	<b>3%</b>	<b>&lt;1%</b>	<b>2%</b>	<b>100%</b>

Source: PHA CCS. October 1, 2001.

**Table 2-19. Year Eight Composition by Race for All Waiting List Applicants for PHA Housing.**

Housing Type/Program	African-American	White	Asian/Pacific Island & Native American	Other	Total
Public Housing	49,894	1,545	244	5,257	56,940
HCV Housing	4,130	427	201	215	4,973
<b>Program Totals</b>	<b>54,024</b>	<b>1,972</b>	<b>445</b>	<b>5,472</b>	<b>61,913</b>
<b>Percentage Distribution</b>	<b>87%</b>	<b>3%</b>	<b>1%</b>	<b>9%</b>	<b>100%</b>

Source: PHA Elite, March 31, 2009.

**Table 2-20. Year Eight Composition by Ethnicity for All Waiting List Applicants for PHA Housing.**

**Public Housing and Housing Choice Vouchers**

<b>Housing Type/Program</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>	<b>Total</b>
Public Housing	3,174	53,766	56,940
HCV Housing	196	4,777	4,973
<b>Program Totals</b>	<b>3,370</b>	<b>58,543</b>	<b>61,913</b>
<b>Percentage Distribution</b>	<b>5%</b>	<b>95%</b>	<b>100%</b>

**D. Impact of MTW on Households Served.**

The total number of households served has increased significantly under MTW from 24,602 households at the MTW Demonstration Program initiation to 29,246 at the close of Year Eight.

## SECTION 3: ADMISSIONS AND OCCUPANCY POLICIES

### A. Changes in Concentration of Lower-Income Families by Program.

Deconcentration –PHA has dramatically expanded the range of affordable rental and homeownership opportunities for low-income residents of Philadelphia. The total number of households served has increased significantly under MTW from 24,602 households at the MTW Demonstration Program initiation to 29,246 at the close of Year Eight. In addition, PHA’s groundbreaking affordable homeownership program has created 982 homeownership opportunities, of which 103 closed in Year Eight. Year Eight housing development activities are more fully described in Section 7 of this Report.

See prior MTW Plans and Reports and Section 7 for further detail on PHA’s extensive homeownership development efforts. Currently, with the exception of Martin Luther King, Jr., Phase IIC, assisted homeownership programs are limited to households typically earning no more than 80% of median income. The goal is to establish mixed-income communities in neighborhoods where severely distressed housing developments formerly existed. In past MTW Years, PHA proposed homeownership opportunities for households with incomes up to 150% of median income at the Martin Luther King and Falls Ridge HOPE VI sites. In the Year 3 Plan approval, HUD declined to approve this option. HUD subsequently approved PHA's plan to use program income to construct homes at Martin Luther King IIC, which will be sold to families earning between 80-115% of AMI, with the majority of homes sold to families earning between 80-100% of AMI.

Beginning with the Year One Plan, PHA proposed efforts to raise the income of current residents, attract a greater mix of incomes through expanded and integrated community policing and lease enforcement efforts, improve conditions in developments and communities where PHA housing exists, and avoid concentrations of low-income residents. This has proven difficult, as Philadelphia has suffered a population decline for many years, with the largest losses at the middle and higher income levels. Also, as previously noted, the number and percentage of extremely low-income households on PHA’s waiting lists continues to grow substantially.

Starting with the Year Two Plan, PHA began to integrate all homeownership programs, including homeownership in the HOPE VI mixed-finance developments, into the MTW Family Program. Essential components of two HOPE VI housing revitalization efforts are to increase economic diversity and expand participation in PHA initiatives. The Falls Ridge (formerly Schuylkill Falls) and Martin Luther King HOPE VI developments seek to increase the diversity of participants in MTW initiatives by offering market rate units.

In Year Three, PHA broke ground for the Lucien E. Blackwell development (formerly Mill Creek), which continues the strategy of integrating homeownership and rental using tax credit financing. Lucien E. Blackwell units will also be offered in settings that are less dense and rely on significant off-site opportunities.

In Year Five, PHA developed 40 units in Phase I and 25 Units in Phase II for Homeownership in the Lucien E. Blackwell development. These are the highest quality homes, built by PHA, a national leader in affordable housing. All homes at Blackwell feature a driveway for off street

parking, central air conditioning, plush carpeting, garbage disposal, dishwasher, washer-dryer hook-ups, cable and telephone outlets in each bedroom and living room. PHA has created wealth for low and moderate-income residents through homeownership opportunities.

Also, in Year Five, PHA constructed 125 homeownership units for sale at the Greater Grays Ferry Estates. Greater Grays Ferry Estates has all the beauty and security of a newly built development, while connecting with the wider neighborhood. To date, one hundred and twenty-three (123) units were sold including two (2) units to former Tasker relocated residents through PHA's lease-to-purchase program.

In Year Five, PHA opened its third site for homeownership at the Martin L. King Development.

In Year Six, PHA completed 125 homeownership units at LEB III and MLK, along with completion of 197 rental units at Cambridge III, Greater Grays Ferry Estates II, Lucien E. Blackwell II, Neumann North, MLK IV and ADAPT force account.

PHA initiated mobility counseling activities beginning in Year Three. PHA continued to provide relocation assistance to families relocating as a result of HOPE VI and other revitalization programs. The relocation process and support provided to families by PHA has also contributed to deconcentration.

Expanded and integrated community policing and lease enforcement efforts are intended to improve conditions in developments and communities where PHA housing exists and to attract a greater mix of incomes.

PHA's MTW Family Program has helped increase incomes of families currently receiving PHA housing assistance. PHA offers the pre-apprenticeship, nursing, health administration and numerous other training programs to families in public housing. These programs are designed to provide existing residents with the skills to enter the construction and health fields. Additional programs include, but are not limited to, daycare training, GED preparation, job placement, certified food handler, home maintenance and repair, youth development, and hospitality industry training, offered by new and existing Community Partners. PHA expects that the increase in training and employment options provided by Community Partners will contribute to the deconcentration of poverty.

PHA adopted and implemented a written policy to encourage participation in HCV program by owners of units located outside areas of poverty and minority concentration. Supportive services and training are provided to certificate and voucher holders who are interested and are seeking housing opportunities in other areas.

Additionally, PHA provides HCV participants with information and assistance as needed to port their voucher(s) to any other community.

## **B. Changes in Rent Policy.**

Rent Simplification -- Incentives to Promote Family Self-Sufficiency. Beginning in Year Three, PHA adopted Rent Simplification as part of a comprehensive program in public housing and HCV to restructure the rent computation process and change the annual and interim review processes. The PHA Board adopted the rent simplification package in January of 2004 after a long period of

public and resident meetings. (PHA held two public hearings and approximately 50 other meetings with resident groups.) The Rent Simplification Program for Public Housing includes the following:

- Retains the income exclusions required by other federal legislation.
- Self-certification of assets and asset income at initial occupancy and at recertification with the first \$500 of asset income excluded from the calculation of annual income.
- Elimination of the existing deductions and creation of one new deduction of \$500 for working families
- Changes in the calculation of Annual Income for elderly and disabled households with Medicare/Medicaid/health insurance payments, the full amount of the health insurance payments will be deducted from income prior to the calculation of the rent.
- Calculation of the total tenant payment with a reduced percentage of monthly adjusted income using a tiered formula based on family size:
  - Household Size 1 – 2 persons: Rent is 28% of adjusted monthly income
  - Household Size 3 – 4 persons: Rent is 27% of adjusted monthly income
  - Household Size 5+persons: Rent is 26% of adjusted monthly income
- Maintenance of the current program for application of utility allowances
- Recertification for all families once every 24 months.
- Ceiling rent families may be recertified every 36 months.
- Elimination of the need to report increases in income that occur between regularly scheduled recertifications, however, if income decreases between regularly scheduled recertifications, residents may still request an interim recertification.
- Requirement for PHA participants reporting zero income to document zero income every 90 days.
- After a 90-day grace period, a \$50 minimum rent will apply to families reporting zero income. The minimum rent will also apply to any tax credit units assisted by PHA.
- Households headed by or consisting of seniors or persons with disabilities are exempt from the minimum rent. Households headed by seniors or persons with disabilities that include non-senior, non-disabled members who are able to work will still be subject to the minimum rent.
- Establish a review board to examine any claim of hardship that results from rent simplification.
- Establish a phase-in period for rent increases in excess of \$50 that result from rent simplification. For rent increases in excess of \$50 rent will increase as follows: 50% of the increase will be applied at the time of the first reexamination under rent simplification and 50% will be applied one year after the first reexamination under rent simplification.
- Revision of the ceiling rent schedule and pegging of ceiling rent to a percentage of the HCV Fair Market Rent.

A similar package of changes was also adopted for the Housing Choice Voucher Program. PHA has prepared an impact analysis of the rent simplification policy, which is included as an attachment.

Other Changes – PHA adopted an MTW transfer beginning in Year Three. The transfer permits PHA to move a limited number of families from Public Housing to the HCV program and vice versa. Moves are limited to 50 families per year for each program (no more than 100 total moves per year). The transfer permits a more efficient response in certain situations such as request for witness protection and domestic violence.

Blueprint to End Homelessness – PHA revised its admissions policies to permit families “graduating” from transitional housing facilities to obtain public housing or a housing voucher. The overall total of families housed to date under the “Blueprint to End Homelessness” program, as of March 31 2009 is 601. PHA has started Phase II to house a total of 500 families, 300 public housing and 200 Housing Choice Vouchers.

Adjusted Ceiling Rent adopted in lieu of Market-Based Flat Rent. Beginning in Year Three, PHA conducted preliminary studies on the rental values of public housing units using the HCV rent reasonableness model. However, the results were not consistent and PHA opted to use an adjusted ceiling rent approach in lieu of the flat rents for public housing. New ceiling rents pegged to the FMR s were adopted as part of the rent simplification process described above.

PHA will continue to explore models for market-based rent caps based on quality, location, type and age of the unit as well as amenities available. PHA continues to keep this as an MTW initiative and if a workable model is found, PHA may adopt the approach in a future plan year.

## SECTION 4: CHANGES IN HOUSING STOCK

### A. Number of units in inventory by program.

**Table 4-1. Number of Public Housing Units and HCV Vouchers in Year Eight**

Housing Programs	Baseline Year	Year Eight in use Projection	Year Eight in use Actual
	1-Apr-01	31-Mar-09	31-Mar-09
MTW Tenant-Based Vouchers	11,473	14,850	14,027
MTW Activity Vouchers	0	2,785	2,844
<b>MTW Subtotal</b>	<b>11,473</b>	<b>17,635</b>	<b>16,871</b>
Non-MTW Vouchers <sup>1</sup>	2	679	725
HCV Moderate Rehabilitation	949	751	751
Public Housing Units <sup>2</sup>	12,178	13,656	13,633
<b>TOTAL PHA UNITS</b>	<b>24,602</b>	<b>32,721</b>	<b>31,980</b>

Source: PHA Elite, March 31, 2009

<sup>1</sup>Non-MTW Vouchers include special purpose vouchers for the Family Unification Program (FUP), Mainstream vouchers, designated housing, and VASH.

<sup>2</sup>Public Housing units include all occupied units at conventional, scattered site, PAPMC and AME sites.

### B. Narrative Explanation of the Differences.

The actual occupancy in public housing was somewhat less than the projected occupancy primarily due to relocation activity. Actual utilization of MTW vouchers was less than projected due to higher than normal turnover and longer housing search times.

## SECTION 5: SOURCES AND AMOUNTS OF FUNDING

### A. Planned Versus Actual Funding Amounts.

Table 5-1 presents the budgeted and actual amounts and sources of funding received by PHA in MTW Year Eight. Sources of funds include those funds previously designated for vouchers. Under MTW, voucher resources may be redirected to achieve the key objectives of the MTW Program.

**Table 5-1. Summary of Sources and Amounts of Funding in Year Eight**

Revenue Sources	MTW Year Eight Budget (\$)	MTW Year Eight Actual Funding (\$)
Dwelling Rental Income	19,000,000	20,333,160
Interest Income/Other	1,800,000	2,737,805
MTW Housing Choice Voucher <sup>1</sup>	145,000,000	167,536,110
Capital Subsidy including Replacement Housing Factor <sup>2</sup>	77,214,716	71,544,852
Operating Subsidy	115,647,398	104,005,544
<b>Total Revenues</b>	<b>358,662,114</b>	<b>366,157,471</b>

<sup>1</sup> Excludes Non MTW Vouchers, Mod Rehab and Special Allocations

<sup>2</sup> Includes Replacement Housing Funding

### B. Narrative Discussion of Differences.

The decrease in the operating subsidy was due to public housing authorities nationwide being funded at less than 100% or at 87% for FYE 3/31/09.

Increased Dwelling Rental Income is the result of decreases in the utility allowances for scattered site residents resulting in a higher rent paid by the residents.

The increase in interest income was due the significant increase in MTW Housing Choice Voucher funding.

The Capital/Replacement Funds showed a decrease in capital funds over last year largely due to a decrease in replacement housing funds.

**C. Consolidated Financial Statement for MTW Year Eight.**

**Table 5-2. Summary of MTW Funds and Non-MTW Funds in Year Eight**

<b>Revenue Sources</b>	<b>MTW Year Eight Planned Budget (\$)</b>	<b>MTW Year Eight Actual (\$)</b>
Dwelling Rental Income	19,000,000	20,333,160
Interest Income/Other	1,800,000	2,815,880
Section 8 Subsidy and Admin Fee	154,474,118	177,860,692
Capital Subsidy including Replacement Housing Factor	77,214,716	71,544,852
Operating Subsidy	115,647,398	104,005,544
*Other Grants	661,000	2,266,837
<b>Total Revenue</b>	<b>368,797,232</b>	<b>378,826,965</b>

\*Includes: PCA, ROSS-PH, CHSP, Summer Food, State Apprenticeship, Homeownership funds received between 4/1/08 – 3/31/09.

## SECTION 6: USES OF FUNDS

### A. Budgeted Versus Actual Expenditures.

**Table 6-1. Planned Versus Actual Consolidated Budgets in Year Eight**

<b>Project</b>	<b>MTW Year Eight Budget (\$)</b>	<b>MTW Year Eight Actual (\$)</b>
Public Housing	135,447,398	125,202,720
Capital Funds	77,214,716	71,544,852
Housing Choice Voucher Program	155,474,118	179,812,556
Other Grants	661,000	2,266,837
<b>TOTAL</b>	<b>368,797,232</b>	<b>378,826,965</b>

### B. Narrative/Explanation of Uses of Funds.

PHA's Moving To Work Agreement envisions a streamlined annual planning and reporting process, which includes provision in each report of "budgeted vs. actual expenditures by line item." Throughout the term of PHA's MTW participation, PHA has provided this information through four line items: Public Housing, Capital Funds, HCV, and Other Grants. PHA's annual audit, which is submitted to HUD, includes a detailed accounting of these expenditures with a further breakdown of the line items in the annual MTW report. Accordingly, please refer to that audit for additional line item detail.

The flexibility of the Moving to Work Demonstration Program has allowed PHA to more effectively address the critical need for affordable housing in Philadelphia in a variety of new ways, and in addition to capital programs discussed in Section 7.

As part of continuing efforts to use HCV vouchers to support neighborhood revitalization and economic mobility, PHA partnered with a range of organizations under its new Unit-Based Subsidy RFP program. This program uses MTW flexibility and allows qualified partners to request Housing Choice Vouchers, ACC, or other available PHA funds for the repair, rehabilitation, or construction of new units for neighborhood revitalization efforts. Trevor's place, Peoples Emergency Center, Ingliss House, and Project Home are some of the organizations that received Unit-Based Vouchers.

The Community Partners program continues to fund a range of supportive services including the nationally recognized Pre-Apprenticeship Program and the Skills for Life youth program. The Community Partners program recruits new partners, expands the range of training programs, and provides incentives to encourage successful participation by residents. These programs are designed to provide residents with the skills to enter the construction, transportation and health fields. Residents securing employment through these programs are earning a median hourly rate

of \$13.66. Additional programs include certified nursing assistant, pharmacy technician, medical billing, home maintenance and repair, and hospitality industry training.

In Year 8 PHA's new community partners expanded training opportunities for eligible residents to obtain a commercial driver's license, develop resident owned businesses, and provide training for Administrative Assistants, and Customer Service. Community Partner implemented an intense six weeks Financial Literacy Improvement Program for all residents. This program covers the principals and importance of banking with specific emphasis on savings, credit and investment.

**C. Reserve Balance and Adequacy of Reserves.**

PHA only restates reserves at the end of each fiscal year. As of the fiscal year ending March 31, 2008, PHA's Low Rent Operating Reserve was \$4,211,499. PHA's operating reserve as of year-end March 31, 2009 will not be available until September 2009.

## SECTION 7: CAPITAL PLANNING

### A. Budgeted Versus Actual Expenditures by Property

**Table 7-1. Capital Programs: Planned vs. Actual for Year Eight**

<b>Development Name</b>	<b>Scope of Work</b>	<b>Estimated Capital Cost</b>	<b>Actual Expenditures and Obligations</b>
PHA-Wide	Security Upgrades	\$1,000,000	\$500,000
Third Party Capital Requests	New Development	\$5,000,000	\$2,500,000
Johnson Homes	Utilities upgrade	\$6,000,000	\$0
Millcreek Extension <sup>1</sup>	New Development	\$8,000,000	\$0
Marshall Shephard Village <sup>1</sup>	New Development	\$10,000,000	\$5,000,000
Ludlow HOPE VI Scattered Sites <sup>1</sup>	New Development	\$8,000,000	\$10,050,000
Nellie Reynolds Garden	New Development	\$11,000,000	\$16,000,000
Warnock <sup>1</sup>	New Development	\$22,500,000	\$29,200,000
PHA-Wide	Accessibility Improvements	\$500,000	\$500,000
PHA-Wide	Energy Conservation	\$500,000	\$500,000
PHA-Wide	Sparkle Plus	\$23,000,000	\$1,300,000
	<b>TOTAL</b>	<b>\$95,500,000</b>	<b>\$65,550,000</b>
<sup>1</sup> Capital Funding needs for HOPE VI and Mixed-Finance Developments.			

### MAJOR DEVELOPMENTS

- PHA has expanded its role as developer by adding 2 new transactions (Paschall Phase I and II, for a total of twenty-eight deals currently in its portfolio, creating another 100 rental units, successfully securing a total of approximately \$1.2M in low-income housing tax credits for a total private equity raise from investors in the amount of approximately \$9.0M.
- PHA completed 50 Homeownership units at Ludlow.
- PHA completed 118 rental units at Nellie Reynolds Garden and Angela Court II.
- PHA continues it's investment of capital dollars in the following transactions which closed in FY 2008-2009: Warnock phase I and II and Spring Garden II Scattered site – Total Capital Closed FY 2008-2009– \$68M, (to support 153 affordable rental units).

- PHA continues to leverage these capital dollars to provide quality housing to meet market-rate standards.
  - Leveraged Dollars on closed transactions FY 2008-2009
 

▪ Private Equity Raised (LIHTC)	\$30.0M
▪ Local Funds	\$2.7M
▪ State	\$6.5M
▪ Bond	<u>\$10.5M</u>
Total Leveraged Dollars	\$49.7M

A summary of major capital planning, development, modernization and related activities for the past year follows:

**504 Accessibility units**

- PHA managed the needs assessment survey, retrofits and reporting tasks to obtain 3<sup>rd</sup> certification of compliance with the Uniform Federal Accessibility Standards and Attachment E to its Moving to Work Agreement with HUD for 152 fully accessible and adaptable units. PHA commenced construction activities related to the UFAS certification process.

**Vacancy reduction**

- PHA completed rehab of 732 vacant units in conventional, Scattered Sites and PAPMC sites, and identified/surveyed 300 additional units slated for rehab using ARRA funds.

**Sparkle Plus Program**

- The Sparkle Plus Program was coordinated at all sites to maintain their curb appeal.

**Deferred Maintenance Program**

- PHA implemented the Maintenance Wave Program, which is a coordinated 7 day per week effort to reduce long-term work orders for deferred maintenance and structural repairs. From 3/2/09-3/31/09, over 100 long-term services order had been closed.
- PHA reduced overall completion time of service order from 115 days to 35 days or less.

**Demolition**

During this period, HUD approval was received for demolition of 2817 Warnock Street. PHA submitted additional demolition requests to HUD for Liddonfield Homes and Paschall Apartments, both of which are pending HUD approval.

**Disposition**

PHA submitted 17 disposition applications between April 1, 2008 and March 31, 2009 to permit the transfer of 1,331 scattered site properties (1,710 residential units) that are to be used along with other properties assembled by PHA affiliates and private purchasers/developers for various developments and uses including: sale to enhance PHA's scattered sites initiative (designed to sell vacant structures and lots to decrease PHA's inventory of vacant structures and lots, and provide needed capital to offset HUD funding reductions); transfer to PHA affiliates for the development of affordable rental housing and homeownership developments, including 45 senior and 256 family rental units ; transfer to community development corporations and private entities for the development of approximately 216 affordable rental and homeownership units.

### **Property Settlements**

Although not all of the property dispositions submitted to HUD for approval have resulted in settlement during this period, the following dispositions have been closed and have been constructed or are currently under construction:

#### **1. Warnock Street**

- One (1) vacant structure for use in the phased new construction of 95 Low-Income Housing Tax Credit (LIHTC) rental units and an on-site management office

#### **2. Ludlow Development**

- 70 vacant structures and lots for use in the phased new construction of 75 rental units utilizing LIHTC and ACCs, and 50 affordable homeownership units

#### **3. Philadelphia Housing Development**

- Six (6) vacant lots on North 16<sup>th</sup> Street to the Philadelphia Housing Development Corporation (PHDC) to be used in the development of 20 new construction and rehabilitated moderate income homeownership units

#### **4. Evelyn Sanders, LP - an affiliate of The Women's Community Revitalization Project (WCRP)**

- 14 vacant lots on Hutchinson, Percy Streets and West Indiana Avenue for use in the development of 40 LIHTC affordable rental units

#### **5. Habitat for Humanity**

- 1805 N. Gratz Street for use as an affordable homeownership unit

#### **6. Spring Garden Development Associates, L.P. (an affiliate of Spring Garden Development Corporation and Michaels Development Corporation)**

- 22 structures and 58 units for the rehabilitation and new construction of 58 LIHTC units, 32 of which will be public housing in North Central Philadelphia

### **Conversion**

#### **Liddonfield Homes I**

- HUD required conversion of 412 units of public housing in Northeast Philadelphia due to deterioration and inability to rehabilitate in an economic manner – PHA is seeking a developer or development partner for this site. PHA submitted a required conversion plan to HUD, approval of which is still pending, as part of its Year 9 Annual MTW Plan.

### **Acquisitions**

#### **Ludlow Development**

- Acquired 68 properties from the RDA, 31 properties from the City of Philadelphia, and 5 properties from PHDC

#### **Warnock Development**

- Acquired 58 properties from the RDA and 9 properties from the City of Philadelphia

#### **2012 Chestnut Street Office building**

- Issued RFP for Construction Management Services to build a 3-story office building with parking.

#### **Liddonfield – \$95 million**

- Grant agreement received for the \$3,500,000 in RACP funds from the Commonwealth of Pennsylvania.

#### **Lucien E. Blackwell Homes - \$140 Million**

##### **Marshall Shepherd Village - \$25 million**

- Lease up completed
- Prepared cost certificate

##### **Angela Court Phase II - \$8 million**

- Lease up completed
- Construction completion of 54 senior rental units

##### **LEB Street and Cameras Project - \$2.1 million**

- Completed street improvements
- Completed design for street cameras

##### **Lucien E Blackwell Community center (\$11.0 million)**

- Prepared and issued Construction RFP

#### **Ludlow Scattered Sites HOPE VI - \$50 Million**

##### **Ludlow Phase III - \$26.6 million**

- Completed and submitted Cost certificate
- Received 8609s
- 3 months break even

### **Ludlow Phase V Homeownership - \$20.5 million**

- Completed 50 affordable homeownership units.
- Sold 43 out of 50 homeownership units

### **Mantua - \$31 million**

- Completed demolition activities of existing site.
- Completed master plan for development of 101 rental units
- Received LIHTC award for Phase I.
- Issued Construction RFP.
- Awarded Construction contract to Hunter Robert
- Started Design process.
- Submitted 10 % spent down for Tax Credit Phase I 50-unit development.

### **Martin Luther King (MLK)- \$83 million**

#### **MLK Phase IIC – \$9.9 million**

- Completed design of 19 homeownership units and green space.
- Obtained zoning
- Issued RFP for CM construction services.
- Selected Construction manager

### **Mt Olivet fence (\$700.0 k)**

- Issued construction RFP
- Awarded construction contract.
- Completed design
- Started construction

### **Nellie Reynolds Garden - \$22 million**

- Completed construction of a three story, 64-unit senior building including approximately 12,000 square feet of commercial space.
- Completed re-syndicate new investor Wachovia.
- Prepared cost certificate

### **Norris Apts.**

- Completed the replacement of (2) new energy efficient steam heating boilers, domestic hot water boilers, and window-wall, and completely painted the mechanical room at Norris Apts. Installed thermostatic temperature controls and traps at each radiator affording the residents the ability to control their heat levels in their apartment for the first time.

### **Paschall Vicinity**

- Completed the plan to create affordable rental and homeownership housing on and off site of the existing Paschall Apartments Development. The plan calls for various separate projects within the target boundary. PHA may do not all. The unit mixture will be 1, 2, 3 and 4 bedroom units of twin, row and walk-up type. The PHA portion would be the development of 112 units on site and 80 units

offsite. With the potential of an additional 70 offsite units. Approximately 100 parcels will need to be acquired.

- Completed and submitted the Low Income Housing Tax Credit application for Phases I and II (100) units.
- Completed the RFP for Construction Management Services to complete the unit demolition of the existing 223 units and the Revitalization of Phase I and Phase II.

### **Passyunk Homes**

- Completed construction of 80,000 square foot office building and parking for PHA.
- Started fit out for interior spaces.

### **Spring Garden Apartments II - \$19 million**

- Completed financial closing
- Began construction of 58 affordable units that included 32 ACC/LIHTC rental units. First sub phase is 35% complete

### **Warnock - \$46.2 million**

#### **Warnock Phase I - \$20.9 million**

- Completed financial closing
- Started construction of 50 family rental units

#### **Warnock Phase II - \$25.3 million**

- Completed financial closing with PNC and HUD
- Started construction of 45 senior rental units including 36,000 sq ft non-dwelling space.

### **Wilson Park Pavilion \$1.8**

- Awarded the CM contract, completed the design for the Pavilion which will feature Audio-Visual equipment, recreational space and can accommodate myriad assembly events for our senior population. Projected to be completed summer of 2009.

### **OTHER RESULTS:**

#### **HVAC Upgrades**

- Completed the installation of A/C system in public corridors, 1<sup>st</sup> floor lobby and the community room at Emlen Arms
- 80 % complete the installation of a boiler room ventilation system at Emlen Arms.
- Completed the RFP and awarded the \$2M contract to complete mechanical upgrades and Underground Storage Tank repairs at Wilson Park Apts, Blumberg Apts, West Park Apts., Queen Lane and Harrison Plaza.

### **Blumberg Apts**

- Started construction of guard booth relocation. Demolished the brick alcove at the entry areas. Surveyed all fire safety and security systems in preparation for the booth relocation and to replace inoperable or antiquated systems.
- Completed an extensive water infiltration survey of each tower to determine the exact location of moisture penetration
- Completed the first phase of the structural concrete repairs
- Lowered the retaining walls and placed sod within the courtyard to passively improve security by enhancing the visibility of the open area.

### **Preventive Maintenance**

- Complete construction of Deferred Maintenance Work Plan for conventional sites.

### **ARRA Stimulus Projects.**

- Submitted Capital plan to HUD
- Prepared Construction RFPs
- Issued 4 construction RFPs

### **MASTER PLANNING:**

In addition to the above activities, PHA conducted master planning activities for sites throughout the City including: Abbottsford Homes, Mill Creek East and West Extensions, Mantual Hall vicinity, Warnock Extension, Ludlow Extension, Glenwood vicinity, Strawberry Mansion, Grays Ferry North, Sharswood neighborhood, Bartram Village vicinity, Liddonfield, Queen Lane vicinity and Morton Homes.

## SECTION 8: MANAGEMENT INFORMATION FOR OWNED/MANAGED UNITS

### A. Vacancy Rates

- 1. Target:** At the time of the submission of the MTW Year Eight Plan, PHA reported an actual vacancy rate of 12.50%. PHA projected that the adjusted vacancy rate would be 2.48% by the end of MTW Year Eight.
- 2. Actual:** As of the end of MTW Year Eight (March 31, 2009), the actual vacancy rate is 12.70% and the adjusted vacancy rate is 2.89% (Table 8-1). This is based on a total unit count of 15,661. The difference between actual and target performance is attributable to relocation efforts and turnover.

**Table 8-1. Vacancy Rates for Year Eight**

<u>VACANCIES</u>	<u>Baseline Year (4/01/01)</u>		<u>Year Eight (3/31/09)</u>	
<u>SITE NUMBER / NAME</u>	<u>Actual</u>	<u>Adjusted</u>	<u>Actual</u>	<u>Adjusted</u>
	<u>Rate %</u>	<u>Rate %</u>	<u>Rate %</u>	<u>Rate %</u>
<b><u>North Central</u></b>				
001 Johnson Homes	6.58	6.58	3.01	2.63
010 Raymond Rosen Manor -	52.39	0.00	0.20	0.20
117 Raymond Rosen Manor -	-	-	0.00	00.00
042 Champlost – mod	0.98	0.96	0.00	0.00
049 Morton Homes	1.61	1.21	0.00	0.00
050 Norman Blumberg Apts - mod	59.80	15.20	2.79	2.59
077 Bentley	18.18	18.18	8.08	8.08
<b><u>North Area</u></b>				
003 Richard Allen Homes - reconfig.	8.67	1.33	1.33	1.33
014 Norris Homes - FA	16.67	16.36	2.78	2.78
015 Harrison Plaza	5.35	5.35	1.34	1.34
020 Spring Garden	3.96	3.47	1.98	0.99
055B Fairhill Apts - mod	17.42	17.42	0.76	0.76
114 Gladys B. Jacobs	1.25	1.25	1.25	1.25
<b><u>Northeast</u></b>				
023 Liddonfield	23.64	22.34	55.31	0.65
029 Hill Creek - FA	27.16	4.78	1.20	1.20
032 Oxford Village	10.00	5.50	0.81	0.81
034 Whitehall Apts - FA	44.22	0.40	1.19	1.19
066 Holmecrest	3.57	3.57	1.19	1.19
079 Plymouth Hall	26.09	26.09	100	0.00
<b><u>South Area</u></b>				
013 Wilson Park – Elderly	39.94	18.45	2.15	2.15
113 Wilson Park - Multi-family (Mod.)	-	-	2.23	2.23
031 Bartram Village	5.88	5.88	2.23	2.23
061 Paschall Apts	16.29	14.93	14.93	1.81

<b><u>VACANCIES</u></b>	<b>Baseline Year (4/01/01)</b>		<b>Year Eight (3/31/09)</b>	
<b><u>SITE NUMBER / NAME</u></b>	<b>Actual</b>	<b>Adjusted</b>	<b>Actual</b>	<b>Adjusted</b>
	<b>Rate %</b>	<b>Rate %</b>	<b>Rate %</b>	<b>Rate %</b>
062 Point Breeze Court	5.63	5.63	4.23	4.23
<b><u>West Area</u></b>				
018 Arch Homes	5.48	5.48	0.00	0.00
024 Queen Lane	7.25	7.19	2.90	2.90
035 Haddington Homes	10.14	10.14	1.35	1.35
039 Westpark Apts	25.69	25.69	2.14	2.14
046 Haverford	4.17	4.17	0.00	0.00
063 Katie B. Jackson (9 Units to S.S.)	18.64	18.64	8.47	6.78
076 Emlen Arms	7.05	7.05	2.56	2.56
093 Westpark Plaza	6.15	6.15	3.08	3.08
<b>TOTAL CONVENTIONAL</b>	<b>22.14</b>	<b>13.84</b>	<b>6.66</b>	<b>1.72</b>
<b><u>Scattered Sites</u></b>				
901 Haddington/Overbrook	8.16	0.84	10.95	2.95
902 Mantua	22.00	11.09	25.32	4.11
903 Kingsessing	8.70	3.34	11.19	4.62
904 Germantown/Hunting Park	16.56	7.57	23.21	3.90
905 Fairhill Square	24.34	13.32	22.57	4.85
030 Abbottsford Homes – mod	49.92	2.18	0.85	0.85
906 Francisville	37.48	14.46	30.51	10.66
907 Ludlow	29.69	9.95	24.67	4.74
908 Susquehanna	26.47	11.25	35.24	4.24
909 Strawberry Mansion	41.12	16.94	44.86	9.69
910 Oxford/Jefferson	34.63	7.60	42.34	5.94
055A Parkview Apt	5.00	5.00	5.00	5.00
065 Collegeview	7.41	7.41	3.70	3.70
100 C.B. Moore Homes	3.33	3.33	3.33	3.33
104 Arlene Homes	0.00	0.00	0.00	0.00
<b>TOTAL SCATTERED SITES</b>	<b>25.59</b>	<b>9.99</b>	<b>26.11</b>	<b>5.47</b>
<b>TOTAL PHA</b>	<b>23.57</b>	<b>12.25</b>	<b>15.26</b>	<b>3.38</b>
<b><u>Tax Credit Properties</u></b>				
<b><u>PHA Managed (PAPMC)</u></b>				
129 Cambridge Plaza - Phase II	na	na	0.00	0.00
132 Suffolk Manor	na	na	0.73	0.73
133 Richard Allen Homes - Phase III	na	na	1.41	1.41
134 Richard Allen Homes - Phase III	na	na	0.93	0.93
137 Cambridge Plaza - 202	na	na	0.00	0.00
138 Mt. Olivet	na	na	1.24	1.24
139 Greater Grays Ferry Estates			1.23	1.23
143 Greater Grays Ferry Estates II-A	na	na	0.00	0.00
144 Greater Grays Ferry Estates II-B	na	na	0.00	0.00
145 Lucien E Blackwell	na	na	0.00	0.00
147 Cambridge Plaza - Phase III	na	na	0.00	0.00
149 Martin Luther King – Phase IV	na	na	0.00	0.00

<b>VACANCIES</b>	<b>Baseline Year (4/01/01)</b>		<b>Year Eight (3/31/09)</b>	
<b><u>SITE NUMBER / NAME</u></b>	<b>Actual</b>	<b>Adjusted</b>	<b>Actual</b>	<b>Adjusted</b>
	<b>Rate %</b>	<b>Rate %</b>	<b>Rate %</b>	<b>Rate %</b>
150 Lucien E Blackwell II	na	na	0.00	0.00
152 Germantown House	15.98	15.98	0.00	0.00
153 Lucien E. Blackwell III	na	na	0.00	0.00
156 Marshall Sheppard Village	na	na	1.25	1.25
157 Ludlow Phase III	na	na	0.00	0.00
158 Nellie Reynolds Garden	na	na	0.00	0.00
<b>TOTAL PHA Managed (PAPMC)</b>	<b>na</b>	<b>na</b>	<b>0.49</b>	<b>0.49</b>
<b><u>Privately Managed Entity's (AMEs)</u></b>				
121 Courtyard Apts at Riverview	5.32	5.32	0.64	0.85
126 8 Diamonds	na	na	0.00	0.81
141 8 Diamonds	na	na	3.45	3.45
127 Spring Garden Scattered Sites	No data	No data	1.16	1.16
128 Martin Luther King-Phase I	na	na	0.00	0.00
130 Falls Ridge	na	na	0.00	0.00
131 St. Anthony's Senior Residence	No data	No data	5.26	5.26
136 Martin Luther King – Phase III	na	na	0.00	0.00
146 St. Ignatious	na	na	1.49	1.49
148 Neumann North	na	na	0.00	0.00
<b>TOTAL PRIVATELY MANAGED</b>	<b>na</b>	<b>na</b>	<b>0.72</b>	<b>0.72</b>
<b>COMBINED AME TOTAL</b>	<b>na</b>	<b>na</b>	<b>0.58</b>	<b>0.58</b>
<b>GRAND TOTAL PHA &amp; AME SITES</b>	<b>24.09%</b>	<b>11.64%</b>	<b>12.70</b>	<b>2.89</b>

## B. Rent Collection – Finance

**Table 8-2. Uncollected Rent for Year Eight**

	<b>Baseline Year</b>	<b>Year Eight</b>
Billed Rents	\$12,490,979	\$32,742,207
Cash Collected	11,727,499	30,351,964
Uncollected	763,479	2,390,243
Percent Uncollected	6.11%	7.3%

Source: Finance Department

**1. Target:** PHA projected a 2.45% rate for uncollected rent would be achieved during the current year.

**2. Actual:** The total collections for MTW Year Eight was \$30.351 million, which is an increase of approximately \$946,933 over the prior year. At year's end, the percent of uncollected rents was 7.3%. The difference between actual and target performance is attributable to regional and nationwide economic conditions. PHA has faced increased

challenges maintaining high rent collections as the impacts of the recession are felt by residents.

### **C. Work Orders**

1. **Target:** PHA projected it would continue to meet its current response rate of 100% for emergency work orders within 72 hours. For routine work orders, PHA projected it would respond with an average rate of 35 days.
2. **Actual:** PHA responded to 99.22% of all emergency work orders within 72 hours. PHA responded to 97.51% of emergency work orders within 24 hours. For routine work orders, PHA responded within an average time period of 49 days. Note that as a result of the Maintenance Wave program implemented in early 2009, PHA significantly improved response times in the final quarter of the year, a trend that is expected to continue into MTW Year Nine.

### **D. Inspections**

1. **Target:** PHA planned to complete inspections of 100% of units during MTW Year Eight.
2. **Actual:** PHA completed 100% of inspections for conventional units, scattered sites, PAPMC and AME sites as of the end of MTW Year Eight.

**Results of Independent PHAS Inspections:** PHA does not have an official final score for the year ending March 31, 2009

### **E. Security**

This fiscal year has continued to be affected by the reduction in federal funding needed to maintain proper service levels at the Authority. Despite these severe cuts, PHA has continued looking to new solutions and cost saving measures to provide a high level of service.

The Philadelphia Housing Authority Police Department (PHAPD) has moved to a modern, state of the art building located at 3100 Penrose Ferry Rd., Philadelphia, PA 19145. This move has afforded the department a central location housing the Patrol Division, Investigations, Lease Enforcement Compliance Unit (LECU), Fleet, Risk Management and GREAT/DARE staff. Future plans include the addition of Radio Room, Call Center and Housing Choice Voucher Program (HCVP) Investigations staff to this site. Combining all units and sections of PHAPD will enable a more efficient management of the department while making the transition from patrol based policing to a diversified public safety department.

#### **Homeland Security:**

The PHA Police Department is part of the U. S. Attorney's Office partnership with law enforcement for Homeland Security. The PHA Police Department has attended scheduled meetings to confer about methods and approaches to secure the community against terrorism. As

one of the largest construction facilitators and property managers in the State of Pennsylvania, the PHA offers an array of services and skills to assist in the management of both man-made and natural disasters that threatens tenants and the citizens of this city.

**Enhanced Cooperation with the Philadelphia Police Department:**

The PHA Police Department continues to provide real time information to the Philadelphia Police Department to assist in law enforcement initiatives at PHA properties. Information requests are processed through PHA technology and results are provided enabling criminal actors to be identified and located. Arrest information is provided by Philadelphia Police, reviewed by PHAPD Investigations and forwarded to appropriate PHA management and LECU or HCVP for action.

**Patrol Division:**

The PHA Police Department addresses criminal activity based on reports from managers, clients, and information received from Philadelphia Police department. Crime statistics reported to PHA Police indicate illegal activity on PHA properties is lower than the surrounding areas. PHA Police assists PHA Operations in conducting Rent Blitzes and Maintenance Mania.

**Investigations:**

The Investigations Unit continues to provide assistance to all internal and external agencies, federal, state and local, as requested. The unit conducts Workers' Compensation investigations to ensure the integrity of claims made. The unit will process Police Record Checks for conventional and scattered sites and continues to assist HCVP in processing Investigations to deter illegal occupancy. Investigations works with the Philadelphia District Attorneys' Office in the relocation of victims/witnesses who cooperate in the prosecution of violent criminal offenders. Investigators complete all background checks for potential PHA applicants to ensure eligibility for employment.

**Risk Management and Insurance:**

The formation and maintenance of a safety committee has afforded PHA the right to apply for a liability insurance premium reduction of 3-5%. Upon approval, this action will save the Authority several hundred thousand dollars at renewal. In the area of Workers' Compensation, open claims have decreased and new claims have decreased 2%.

**Lease Enforcement Compliance Unit:**

LECU works closely with site based Asset Managers to support the lease enforcement, hearing and evictions processes. This unit has also contributed to eviction prevention by coordinating with landlord, tenant and other city organizations to assist low- income families. LECU has provided informal rent counseling sessions to residents, which has increased the number of satisfied delinquencies prior to eviction.

The following statistics summarize LECU activities for the period 04/01/08 to 03/31/09:

**Lease Enforcement and Compliance Investigations:**

Complaints Received:	210
Complaints Substantiated	120
Complaints Unsubstantiated	80
Complaints Pending	10
Submitted for Management Action	83 (Criminal Activity/Municipal Court)

Evictions Granted	69
Dismissed/Withdrawn/No Action Taken	14

**Evictions:**

These statistics represents all actions taken, including criminal activity, rents, non-compliance, etc

Total Court Cases:	1836	Total Writs Served	1380
Continued Cases	253	Scheduled Evictions	633
Default Judgments	369	Actual Evictions	173
Possessions Granted	370	Paid in Full	331
Agreements	0	Evictions Postponed	36
Cases Withdrawn	772	Units Vacated	93 Petitions
Grievance Hearings Held – Public Housing	72	Bankruptcies Filed	21
Judgments Awarded to PHA:			
Amount Paid Prior to Eviction	\$861,845.05		
Amount Paid Prior to Landlord-Tenant Hearing	\$193,026.06		
Amount Paid Prior to Landlord-Tenant Hearing	\$361,160.00		
Total Cash Collected	\$554,186.06		

**Crime Commission:**

The PHA Police Department continues to maintain a working relationship with the Citizens Crime Commission of Pennsylvania. PHA supports the Commission’s anonymous TIP line through which citizens report crimes that are particularly heinous.

**Criminal History Checks: Pennsylvania Access To Criminal History (PATCH):**

The Pennsylvania Access to the Criminal History (PATCH) System is maintained in accordance with Pennsylvania’s Criminal History Information Act contained in Chapter 91 of Title 18, Crimes Code by the Pennsylvania State Police. This Act also directs The Pennsylvania State Police (PSP) to disseminate criminal history data to criminal justice agencies, non-criminal justice agencies and individuals on request. Criminal justice agencies can access all of an individual’s criminal history record information (CHRI). Requests made by non-criminal justice agencies and individuals are subject to edit criteria contained in the law. Approximately 16,000 criminal history checks have been performed by sworn personnel to determine a candidate’s suitability for public housing. Through close contact with the PSP, the turn around time has been cut from fourteen (14) plus days to ten (10) days or less.

**HCV Investigators/Detectives training:**

Personnel continue to maintain and enhance skills levels by attending local, state and federal training on databases used for processing investigations and Police record checks.

**Statistics of HCV Investigation Complaints**

Unsubstantiated Complaints	201
Resolved Complaints	116
Requests for Termination	216
Non-HCV Complaints	139
Open Complaints	025
Total Complaints	697

**Statistics - Quality Control Inspection**

Approved Inspections	717
Failed Inspections	39
Total QC Inspections	756

**Statistics - Tax Runs:**

Total Tax Runs	1,384
Delinquent Letters sent to Vendors	45
Recovery of Delinquent Tax Revenue	\$58,700.00

**Police Criminal Record Checks:**

**Eligibility**

o Received	<b>4067</b>
o Approved	3866
o Denied	101

**Conventional**

• Received	324
• Approved	324
• Denied	000

**Recertification**

• Received	10,934
• Approved	10,716
• Denied	218

**Investigations Unit:**

This unit is the informational hub, which conducts various types of investigations for the PHA using updated technology as requested. Checks are conducted using Avencia (police calls for service by address), remote view video, GPS vehicle information, Philadelphia Police Department records via internet and other systems through permissions obtained. The Investigations unit conducts complex, confidential investigations and provide information timely and accurately. This unit handles complaints against Police, employees, and others conducting business with PHA, which must be handled confidentially and covertly.

**Statistics of Investigation Unit**

Internal investigation requests received:	215
• Background checks	131
• Workers' Compensation	4
• Emergency Relocation Requests	21
• Complaints against Police	4
• Confidential	63
Criminal Investigation requests received:	81

**Quality of Life Program**

The program was a success. Numerous sites were provided problem-solving teams of police officers to address issues from Corner Lounging, Curfew and serious crimes. The teams worked in concert with resident leaders and residents in promoting safe PHA communities. The Philadelphia Housing Authority Police Department partnered with the School District of Philadelphia with a Truancy Reduction Task Force. This citywide task force addressed both PHA and non-PHA sites with truancy problems.

The Quality of Life program continues building on its success.

- Automated Eviction Fact Sheets have proven to streamline the Eviction process by making the fact sheets easily traceable and holding manager's accountable for on-time submissions.
- Electronic Filing - Landlord-Tenant actions
- Continues to be a success. Municipal Court of Philadelphia Eviction information is readily available on PHA databases
- Investigation Division works closely with Housing Choice and Lease Enforcement in identifying problem tenants and conditions that warrant either civil or criminal action. Managers are able to electronically request investigations when warranted
- Live Scan technology was investigated but the cost was prohibitive

### **Community - Based Policing**

This program is part of our Quality of Life program where Police partners with PHA Managers and residents to ensure a safe and secure environment.

- Foot Patrols - established at Developments that have problems and need immediate police intervention. During this period, two sites (Norris and Blumberg had foot patrols deployed to address specific crime related problems)
- Bike Patrol - None were utilized this past year due to manpower shortages and Federal Funding cuts
- Dare, Great and Explorer Programs continue to flourish in PHA developments. Recognizing the youth of PHA is the key to the future, these programs continued to nurture and support the PHA youth.
- Mobile Computer Labs - Continue to be used to teach seniors and youths basic computer skills. They are also used at City sponsored events to promote PHA's message.

### **Neighborhood Town Watch Groups**

PHA has made ongoing efforts to organize Neighborhood Watch groups including partnering with city agencies. Unfortunately, both existing groups (Rosen, Johnson Homes) disbanded over the course of the year due to lack of resident involvement. PHA will continue to encourage and support efforts to involve residents directly in neighborhood security matters over the coming year.

### **Security Upgrades:**

Currently private security officers are on site at eleven (11) senior developments, five (5) family developments, five (5) Housing Choice Voucher site offices, two (2) Scattered Site office and three (3) administrative offices.

**Integrated Digital Security Systems For Added Protection:**

Installation of integrated security systems was completed this fiscal year at Admissions, Ludlow, Nellie Reynolds Gardens, Katie B Jackson, Fairhill, Queen Lane and Bentley Hall. Estimates to complete repairs at Norris, Emlen, Wilson Park seniors, Abbottsford, Scattered Site offices, Blumberg and West Park have been reviewed and are pending.

**G.R.E.A.T. (Gang Resistance Education and Training):**

The Gang Resistance Education and Training program is a school- based, law enforcement officer instructed classroom curriculum. The program's primary objective is prevention and is intended to deter delinquency, youth violence, and gang membership. The GREAT program focuses on providing skills to students to help them avoid delinquent behavior and violence to solve problems. It is aimed at middle school students and seeks to reduce their involvement in gangs and delinquent behavior, teach them consequences of gang involvement, and help them develop positive relations with law enforcement. These objectives are addressed through a curriculum taught in schools by G.R.E.A.T. certified uniformed law enforcement officers. Students are taught to set positive goals, resist negative pressures, resolve conflicts, and understand the negative impact of gangs and violence on their lives.

The G.R.E.A.T. Program has reached approximately 4000 students in Elementary, Middle and Junior High Schools. These include: William Dick, Girard Academic Music Program, Spring Garden, Harrison, Dunbar, Mifflin, Richard Allen, Mary, Mother of Peace, Catherine, Patterson, Alcorn, Barry, and McMichael Elementary. Also, at various Middle and Junior High Schools that include: Pepper, Harding, Spring Garden, St Veronica's, Reynolds, Tilden and Vare. In addition, the PHA-P.D. personnel is an integral component of the G.R.E.A.T. National Training Team and assists in training officers from around the country as GREAT officers back in their respective communities. Although G.R.E.A.T. has produced demonstrable benefits, it is just one of a suite of programs the PHAPD uses to improve police relations and good citizenship.

**G.R.E.A.T. Summer Camp Component**

The summer component provides education and recreation activities that continue to build on the Gang Resistance Education and Training (G.R.E.A.T.) school-based program. Philadelphia Housing Authority (P.H.A.) young residents enjoy recreational games; outings and educational workshops that continue to reinforce the 13 week cognitive, social and self-esteem building lessons. The goal of the 6-week summer component is to offer residents the opportunities to enhance their social skills, make them aware of alternatives to gang involvement and add structure during the summer months. Consequently, creativity is added to the program to allow the anti-gang message to achieve even more dramatic results with young residents thereby generating more opportunities to apply the skills already learned.

The program provides residents with a non-threatening and safe environment to interact with police officers and community stakeholders for hundreds of children from July through the middle of August. In addition, PHAPD provided 7 one-day trips and 1 overnight trip for 12 of PHA's residents as a positive alternative activity to interact with police officer while enhancing their

social skills. The G.R.E.A.T. summer component conducted 22 seminars serving 615 younger residents and 99 adults.

### **D.A.R.E.**

For over two decades, the Drug Abuse & Resistance Education Program (D.A.R.E.) represents the single largest prevention effort directed at reducing the use of drugs and other harmful substances among school-aged children in the United States. The PHA Police Department continues this tradition by bringing the D.A.R.E. Program to 111 school age children in schools and various housing developments throughout the city.

### **Vehicle GPS (Global Positioning System)**

The PHA Police Department has implemented a GPS for vehicle tracking and maintenance to be used by the PHAPD marked patrol units. These units will increase personnel utilization as well as effectively monitor vehicle maintenance issues. A solicitation was developed for installing the GPS on all Scattered Site and Major System vehicles. The solicitation has been bid on and once awarded, will enhance the Fleet Departments ability to manage these vehicles.

### **Pest Control Initiative**

PHA's Department of Environmental Services conducted regular routine services and special services such as treatment of termites, bugs, rats and so on to all scattered and conventional sites.

## SECTION 9: MANAGEMENT INFORMATION FOR LEASED HOUSING

### A. Leasing Information

#### 1. Target versus Actual Lease Ups.

Target: PHA expected to achieve a 100% voucher lease-up rate for MTW vouchers in MTW Year Eight. The projected utilization for the period April 1, 2008 through March 31, 2009 for MTW allocations was 14,850 families leased.

Actual: For the fiscal year ending March 31, 2009, PHA achieved a 94.4% voucher lease-up rate with 14,027 families leased. This was due primarily to higher than normal turnover and long search times by voucher holders. An additional 1,586 households were served in the non-MTW HCV programs including Moderate Rehab.

#### 2. Information and Certification of Data on Leased Housing Management.

Ensuring Rent Reasonableness: PHA determines rent reasonableness for all HCV units prior to initial leasing and upon the owner's request for a rent increase. PHA has implemented a citywide rent database that assesses and compares rents by Philadelphia neighborhoods. PHA utilizes the services of Applied Real Estate Analysis, Inc. (AREA) to conduct rental analysis on unassisted units of various bedroom sizes in 32 rental sub-markets in Philadelphia.

Expanding Housing Opportunities: PHA places an emphasis on increasing the supply and range of affordable housing opportunities. PHA supports housing rehabilitation and neighborhood revitalization initiatives to increase the range of housing choices available to low-income participants and promote improved utilization of housing vouchers in stable neighborhood. The agency also continues to promote homeownership opportunities through an extensive counseling, escrow, and sales program. PHA continues to increase homeownership opportunities through use of Tenant Based Vouchers, 5(h) Homeownership Demonstration Program (single-family scattered site units) and Turnkey III units (public housing sites). In Year Eight, the Housing Choice Voucher (HCV) Program closed a total of 51 homes of which twenty-one (21) were disabled families for a total of 268 homes sold under the HCV Program including 75 families with disabilities. See Chapter 10 for additional details on homeownership activities.

Deconcentration of Low-Income Families: PHA's MTW family program strives to effect upward mobility by assisting public housing residents to increase their income. At HOPE VI developments, mixed-income communities are promoted by targeting different tiers of income. Applicants and/or participants receiving tenant-based vouchers are required to attend a briefing session during which voucher recipients are encouraged to broaden their housing search beyond "traditional neighborhoods" and exercise housing choice.

PHA's deconcentration strategy targets PHA's resources and development activities in impacted areas in order to improve neighborhoods from within. Its HCV families are dispersed and de-concentrated throughout the City. PHA's residents use HCVs in a variety of non-impacted communities outside Philadelphia.

### 3. Narrative/Explanation of Differences.

As noted, PHA's HCV utilization rates fell below the projected MTW Year Eight target primarily due to higher than normal turnover and lengthy search times for voucher holders. As of March 31, 2009, PHA had 749 voucher holders actively looking for housing, which will generate substantial new leasing activity in the early part of the new fiscal year. Additional vouchers will be issued incrementally over the coming year in order to achieve full utilization.

## **B. Inspection Strategy**

### 1. Results of Inspection Strategy.

#### Planned Versus Actual Inspections Completed by Category:

- Annual Housing Quality Standards (HQS) Inspections- PHA met its goal of completing 100% of planned annual HQS Inspections. PHA has scheduled 100% annual HQS inspections of occupied households.
- Pre-Contract HQS Inspections-PHA completed 100% of planned pre-contract HQS inspections. Pre-inspections are conducted on 100% of all units prior to any unit being placed in the HCV program.
- HQS Quality Control Inspections - PHA completed 100% of planned HQS quality control inspections. PHA conducts HQS quality control inspections on 10% of the total number of initial and annual HQS inspections performed annually.
- PHA has not yet implemented its revised inspection procedure for High Performing Landlords. PHA is in the process of developing the parameters for the program.

#### HQS Enforcement:

- PHA continues to enforce 72 hour and/or 30 day corrective action in the event of failed inspections. Re-inspection of units with safety or health violations is scheduled within 72 hours for emergency deficiencies and within 30 days for routine deficiencies. Units that fail inspection for serious conditions have up to 72 hours to repair or the Housing Assistance Payment (HAP) is abated. Units that fail the re-inspection for routine or emergency repairs are terminated from the program.

### 2. Narrative/Discussion of Differences.

PHA met or exceeded the target performance goals specified in the MTW Annual Plan for Year Eight.

## SECTION 10: RESIDENT PROGRAMS

Resident programs at PHA are designed to improve the quality of life for residents of both Public Housing and the Housing Choice Voucher programs through a comprehensive array of economic, educational, social, and health initiatives for youth, adults, and seniors. Under the MTW Demonstration Program, PHA has the opportunity to maximize the delivery of services that are offered by PHA, partners, agencies and neighborhood organizations to residents.

PHA uses its MTW single fund budget flexibility, in combination with other funds to provide or coordinate the provision of all services required to promote family economic self-sufficiency. PHA uses related non-profit agencies to implement and operate various components of our comprehensive program. Tenant Support Services, Inc. (TSSI), which is operated by public housing residents, is keenly aware of the needs, interests, and preferences of the target populations, and as an independent non-profit agency, it has access to private and public funding sources unavailable to PHA.

PHA uses a regional model for supportive social service delivery to all residents of a wide array of educational, training, placement, entrepreneurial, homeownership and supportive services through its Economic Self Sufficiency (ESS) Center North at 712 N. 16<sup>th</sup> Street. Five ESS teams in five regional offices have been established at: South Philadelphia - 1172-1174 South Broad Street, West Philadelphia - 5207 Walnut Street, Northwest Philadelphia - 5538-A Wayne Avenue, North Philadelphia - 642 N. Broad Street, Northeast Philadelphia - 4346 Frankford Avenue and Main Office located at 712 North 16<sup>th</sup> Street, 2<sup>nd</sup> Floor. These service centers outreach to and serve resident of Scattered Sites, Conventional Sites and Housing Choice Vouchers units. Economic Self Sufficiency (ESS) Coordinators link public housing residents to PHA's Family Programs.

TSSI supports PHA in developing, managing and implementing programs. TSSI contracts with PHA to perform resident empowerment services, leadership development and evaluation services. TSSI sponsors an annual Resident Empowerment Conference that has hosted residents from 48 of the 50 states. It has also sponsored Healthy Homes Asthma Intervention and Reduction program. Finally, TSSI assists with the Resident Council election processes.

### **Fundraising Efforts**

In MTW Year Eight, PHA's efforts resulted in the receipt of substantial additional grant funds including: an additional \$1,000,000 from the Commonwealth of Pennsylvania through the Philadelphia Workforce Development Corporation to support the Pre-Apprenticeship Program; a second \$871,664 Healthy Homes Grant award; \$240,819 from the Pennsylvania Department of Education to support the Summer Food Program; \$920,000 from the U.S. Department of Health and Human Services Administration to implement an Assets For Independence Homeownership Program designed to provide homeownership opportunities to low and moderate income Philadelphians; \$356,720 from HUD to provide Family Self Sufficiency program services to public housing and housing choice voucher recipients; \$200,000 from the Philadelphia Youth Network to provide services under the Best Practices Skills for Life Program; \$48,966 from the Philadelphia Corporation for Aging to provide meals and transportation, trips and activities to seniors; \$109,448 from HUD in support of PHA's Congregate Housing Program; and, \$344,448 in HUD Shelter Plus Care Program dollars in partnership with Project HOME to augment the city's homeless prevention efforts.

In addition, PHA assisted Tenant Support Services Inc to raise \$15,000 from the Enon Community Reinvestment Ministry Grant program to provide a nutrition education component in the Summer food program; \$25,000 from the Pennsylvania Department of Community and Economic Development (DCED) to provide after school and summer Camp programs at Bartram; and, an additional \$100,000 from the Wachovia Foundation for the South Philadelphia After-school Recreation Center (SPARC) at Wilson Park. PHA helped Da Networks Housing to submit a successful application that resulted in an award of \$480,000 for 2 Family Service Coordinators to serve the Ludlow community. And finally, PHA partnered with the Free Library of Philadelphia to receive a \$24,000 award from the Claniel Foundation to expand the Family Reading program from 4 to 6 sites.

PHA efforts also resulted in leveraged funds and services. Drexel University provided \$78,840 of in-kind support for PHA's Healthy Homes grant. Partnership efforts that leveraged resources and services are not all quantified in dollars and cents because they are more difficult to assign a monetary value to, such as the One Warm Coat outreach that made much needed coats available to 814 residents, and Health Partners, Inc which provides free teachers at PHA Neighborhood Network sites. The Philadelphia Department of Public Health began offering primary health care to PHA residents, who formerly used the emergency room for their health care. The American Cancer Society offered a smoking cessation program to PHA residents, which on average smoke at nearly twice the national average. Community and Supportive Service partnerships and Economic Development Partnership activities have assumed a high priority and a policy and methodology for quantifying the value of such services is being developed.

### **Family Program**

The goal of PHA's Family Program is self-sufficiency, with the following elements central to this Program:

- Increase the number of households participating in educational, employment and entrepreneurial training programs.
- Increase the average household income of residents.
- Increase savings among resident households.
- Increase opportunities for seniors to continue to live independently.
- Increase access to health care resources.
- Increase services to youth.
- Increase self-sufficiency through homeownership.

In order to effectively deliver these services, PHA has developed the following 5-tiered approach based on household income:

1. Zero Income Households. Assign a case manager to each head of household to develop a self-sufficiency plan that will provide referrals for education and job training programs, improve job readiness, and initiate a job search and placement.
2. TANF Recipients. Through the case manager assigned by Philadelphia County Assistance Office to TANF Recipients, PHA will supplement existing services to provide additional referrals for education and job training programs, improve job readiness, and initiate a job search and placement.

3. Part-Time or Seasonally Employed Heads of Households. PHA will assist these individuals to obtain full-time employment with benefits through training programs to improve career skills and job referrals.
4. Full-Time Employed Heads of Households. PHA will assist these individuals to obtain a living wage with benefits and to achieve homeownership through Career Awareness workshops and job referrals.
5. Elderly and Disabled Households. PHA will assist these individuals to fully access available services and opportunities, including the development of an Assisted Living Program for eligible participants.

PHA's Moving to Employment (MTE) Economic Self-Sufficiency Program for public housing residents are similar to the HCV Family Self-Sufficiency Program, but do not include an escrow account. Services under the Family Self-Sufficiency Program and Economic Self Sufficiency Programs include specialized skills training, supportive services such as substance abuse counseling, youth and elderly programs, job search and housing search assistance, and homeownership counseling.

The Community Partners program continues to fund a range of supportive services including the nationally recognized Pre-Apprenticeship Program and the Skills for Life youth program. The Community Partners program recruits new partners, expands the range of training programs, and provides incentives to encourage successful participation by residents. These programs are designed to provide residents with the skills to enter the construction, transportation, health and other employment fields. Residents securing employment through these programs are earning a median hourly rate of \$13.66. Additional programs include certified nursing assistant, pharmacy technician, medical billing, home maintenance and repair, and hospitality industry training. In Year Eight, PHA's new community partners expanded training opportunities for eligible residents to obtain a commercial driver's license, develop resident owned businesses, and provide training for Administrative Assistants, and Customer Service. A Community Partner implemented an intense six weeks Financial Literacy Improvement Program for all residents. This program covers the principals and importance of banking with specific emphasis on savings, credit and investment.

In year Eight, PHA established a Library that is open to residents as well as the local community. The library features 13 computers with Internet access and wall-to-wall shelves stocked with approximately 8,000 books. Books genres vary from children's books, fiction, non-fiction, reference, science and history. The Library is located at John F. Street Community Center on 1100 Popular Street, Philadelphia, PA 19123.

### **Supportive Services**

A broad range of supportive services is currently available to residents. Resident programs offered during Year Eight include the following:

1. Pre-Apprenticeship Program. Residents can participate and graduate from the Pre-Apprenticeship Program in the areas of Maintenance and Construction Training Program. This program prepares residents for union testing and provides them the connection to union membership and quality employment. As of March 31, 2009, a total of five hundred and seventy eight (578) residents graduated from the Pre-Apprenticeship Building, Maintenance and Construction Training Program, of which seventy (70) graduated over the past year. Two hundred and ninety-five (295) of these

graduates entered the construction trades. These jobs are positions at union scale wages with benefits, resulting from certified apprenticeships in the building and construction trades program.

2. Section 3 Compliance Program. PHA placed residents in jobs through the Section 3 program. This program produced two hundred and eighty nine (289) jobs over the past year. PHA contractors continue to fill their workforce needs with qualified PHA residents, who are often graduates of the Pre-Apprenticeship program.
3. Certified Nursing Assistant Program. A total of sixty-three (63) resident enrolled and twenty-nine (29) graduated from the Certified Nursing Assistant (CNA) Program over the past year, bringing the total to one thousand and twenty-seven (1027) residents. CNA graduates have a 90% employment rate. All graduates are employable as State certified CNAs.
4. Pharmacy Technician Program. A total of ninety-three (93) residents enrolled and forty-nine (49) graduated from the Pharmacy Technician Program over the past year, for a total of four hundred and twenty-six (426) residents. Pharmacy Technician graduates have a 90% employment rate. All graduates are eligible to sit for the Pennsylvania State Certification and may secure employment as Pharmacy Technicians.
5. Medical Billing. A total of fifty-two (52) residents enrolled and thirty-two (32) graduated from the Medical Billing Program this year, for an overall total of two hundred and eighty-four (284) graduates. Medical Billing graduates have a 92% employment rate. Graduates may secure employment as Medical Billing Clerks.
6. Job Skill Training and Entrepreneurial Development Programs. PHA has expanded the number and variety of programs available to residents by incorporating the following;
  - **Opportunities Industrialization Corporation, Inc. (OIC)** provides Hospitality Training in the areas of Culinary Arts, Guest Services, Front Office Procedure, and/or Travel Tourism. In the last year, approximately of one hundred and twenty-three (123) residents enrolled in one of the various programs offered by OIC, of which fifty-four (54) graduated.
  - **Educational Data Systems Inc. (EDSI)** provides Supported Work, Job Search, Job Placement, Community Service and Job Retention services; In the last year, approximately seventy-seven (77) residents enrolled in one of the various programs offered by EDSI.
  - **Management Environmental Technologies, Inc. (MET)** offers Job Training, Youth Development, Cultural Awareness, Small Business Development and Neighborhood Improvement programs. In the past year, approximately twenty-three (23) residents enrolled in one of the various programs offered by MET.
  - **The Enterprise Center Self Employment Program** offers classes, individualized coaching, and a professional and nurturing environment, allowing students to gain valuable, marketable skills and the resources to start a business. By the end of the program, students will be prepared to begin their own business venture. In the past year, approximately twenty-five (25) residents enrolled in the Self Employment Program offered by the Enterprise Center.
  - **Community College of Philadelphia’s Administrative Assistant Job Readiness Program** prepares students to serve as administrative assistants by providing training in the areas of life

skills, customer service, computer use, workplace etiquette, filing, job searching and interviewing; In the past year, approximately fifty-one (51) residents enrolled in Administrative Assistant program offered by CCP

- **New Wave Resources Inc Customer Service** provides a 16-week course for careers in hotels, restaurants, and food service at schools, financial services, airlines, personal care facilities, and retail. In the last year, approximately one hundred and nine (109) residents enrolled in one of the various programs offered by New Wave. Sixty-two (62) graduated.
- **New Wave Resources Inc Commercial Drivers License** provides a 16-week course that trains residents to drive commercial vehicles such as trucks, buses, and ambulances. Upon successful completion, students can obtain one of two types of commercial drivers licenses, Class A (Tractor Trainer) or Class B (small trucks and buses). In the last year, approximately one hundred and forty-nine (149) residents enrolled in the program.
- **Jewish Employment & Vocational Services (JEVS)** provides a 36-hour Home Maintenance and Repair Program course through the Orleans Technical Institute. In the last year, approximately one hundred and one (101) residents enrolled in Home Maintenance Program provided by JEVS.

7. Youth Programs. Approximately 200 low-income children participated in a new after school program established under a partnership between PHA and the Boys & Girls Clubs (BGCP) of Philadelphia. The BGCP provides programs and activities at PHA's two newest community centers, Wilson Park in South Philadelphia and the John F. Street Community Center in North Philadelphia. Both locations offer programs for 1st through 5th graders from 3:00 PM to 6:00 PM, and for 12-18 year olds from 6:00 to 8:00, Monday through Friday. Activities at the centers focus on five core areas: education and career development; character and leadership development, health and life skills; the arts; fitness and recreation. There is no charge to families for their children's participation in the BGCP programs at the PHA locations. BGCP obtained foundation and Department of Juvenile Justice grants in cooperation with HUD to pay for this first year of program operation, while PHA covers the cost of providing and maintaining the community centers.

As part of PHA's foundation strategy, TSSI, in partnership with PHA, was awarded \$150,000 from the Wachovia Foundation to hire a coordinator to initiate the program delivery phase of the Grays Ferry revitalization project. TSSI launched the South Philadelphia After-school Recreation Center (SPARC) with services provided by the BGCP designed to promote healthy living, support academic achievement and leadership skills for area youth. The SPARC provides youth with access to an exercise room, arts and crafts room with kiln, recording studio, dance studio, computer lab, classrooms, commercial kitchen and a gym/multipurpose room.

PHA has created partnerships with nine Family Centers, two Cultural Arts organizations, eight Community Based Organizations, and the Explorers of the Boy Scouts of America. These organizations provide youth services for full participation in the economic and social fabric of the City of Philadelphia. The goal is to provide youth with the academic and social skills necessary to not only succeed and graduate from high school, but to develop a long-term career path. To support these goals, PHA is creating resident youth councils, a youth mentoring program, and a comprehensive PHA-wide youth services network to ensure PHA youths throughout the city have equal access to all youth services available.

8. Skills for Life Program. Eighty-nine percent (89%) of the Skills for Life students matriculated to the next grade level, which exceeds the Philadelphia School District rate by as much as 29%. Youth receive stipends and transit passes to attend academic enrichment and career exploration programs. Adult training participants gain work experience that leads to employment in the building and construction trades.
9. Senior Programs. PHA has a number of senior developments along with programs initiatives specifically designed to provide services for senior residents. PHA is presently developing a comprehensive program to enhance supportive living services and options for programs that are administered by the Pennsylvania Departments of Public Welfare and Aging. Working cooperatively with our partners such as the departments of Public Welfare and Aging, Health Plan Organizations, and leading pharmaceutical firms, we are able to provide enhancements to our service delivery amenities in senior properties.

PHA's senior services include the Living Independence for the Elders program (LIFE), Nursing Home Transition (NHT), Adult Day Center (ADC), and the Healthy Cafe Program (HCP).

- **LIFE** provides managed care program for frail elderly recipients who have been determined to need "nursing facility level of care" but wish to remain in their home and community as long as possible. LIFE provides a comprehensive all-inclusive package of services to meet their needs. The program is known nationally as the Program of All-inclusive Care for the Elderly (PACE). PACE providers in Pennsylvania have the name "LIFE" in their name (Living Independence for the Elderly). PHA presently has a partnership with two LIFE providers, (Mercy LIFE and New Courtland LIFE) which successfully operate out of two senior properties - Greater Grays Ferry Estates and Germantown House.
- **Nursing Home Transition (NHT)** is a national initiative to reduce the cost of public program spending for nursing home care to individuals' needing long-term care in home and community-based settings. Nursing home transition programs were initiated with federal support in the late 1990's and targeted to Medicaid-eligible nursing home residents who are candidates for returning to community care settings. PHA is a key NHT partner with the Commonwealth of Pennsylvania in providing affordable housing to thirty-three (33) nursing home residents identified by the Area Agency on Aging (PCA), since 2006, savings to the Commonwealth of \$2.2 million dollars.
- **Adult Day Care** – PHA is preparing to launch an Adult Day Care center at the new Nellie Reynolds Gardens senior development. This important new initiative is a key part of PHA's long-term strategy to support seniors in maximizing their potential for independent living. The program will provide an array of services to include assistance with Activities of Daily Living, medication administration, care planning, social and recreational activities, companionship, and meals. Activities may include art projects, gardening, reminiscence groups, and bingo and trivia games. PHA plans to expand this program to additional sites in the future, as well as to integrate it with new senior Home Services and Assisted Living options.
- **Healthy Café Program (HCP)** is presently operating in three senior properties: Wilson Park, Emlen Arms and Bentley Hall. The program is designed to promote healthy nutrition and social exchange between peers. The cafes provide healthy nutritious breakfast meals and foods choices at a low cost to residents and guests. To date, the program has been very successful. In the three operating locations, there have been positive health results including weight loss to diminishment

in blood pressure levels. PHA plans to open another healthy café in our Nellie Reynolds Gardens property.

PHA continues to operate the Elderly/ Disabled Service Coordinators program to provide case management and referral services to the frail elderly and/or disabled residents. Funds are used to pay for salaries, fringe benefits and related administrative costs for employing five service coordinators. Coordinators ensure that eligible residents are linked to the supportive services they need to continue living independently in public housing and housing choice voucher units. Service Coordinators are responsible to:

- Work with community service providers to coordinate the provision of services and to tailor the services to the needs and characteristics of eligible residents
- Monitor and evaluate the delivery, impact, effectiveness and outcome of supportive services under the program
- Coordinate program with other independent living or self sufficiency, education and employment programs
- Perform other duties and functions to assist residents to remain independent, and to prevent unnecessary institutionalization, and
- Mobilize other national and local public and private resources and partnerships

10. Home Sales Department To date, PHA's Homeownership Division has sold 982 homes through the HCV Homeownership Program, Turnkey III, 5(h), and redevelopment site programs. During the current fiscal year April 1, 2008 thru March 31, 2009, the Homeownership Division sold 103 homes. PHA is one of the leading housing authorities in the nation in HCV homeownership sales.

In MTW Year Eight, the Housing Choice Voucher (HCV) Program closed a total of 51 homes of which twenty-one (21) were for disabled families for a total of 268 homes sold under the HCV Program including 75 families with disabilities.

Under the Turnkey III Program, to date PHA has sold 206 homes. The Turnkey III program is designed to give families the opportunity to own their own home after a two-year occupancy agreement. Each resident has an individual escrow reserve account, which is intended to assist the households to accumulate savings during the lease term, and apply the funds toward a down payment and/or closing costs. PHA developed two Turnkey III sites. Brown Street Village is now fully sold, and only one home remains to be sold at Whitman Park.

Under the Section (5H) Scattered Sites Program, 125 homes have closed to date.

PHA sold out a total of 65 homes at Lucien E. Blackwell Homes Phases I and II, and an additional 34 homes in Phase III. PHA sold 123 affordable homes at Greater Grays Ferry Estates. At MLK Plaza, PHA sold a total of 90 homes in Phases I and II. At Falls Ridge, 28 home sales were closed. At Ludlow Homes, PHA has closed on 43 homeownership sales and completed 5 additional sales agreements. Two units remain for sale at Ludlow. Last year, PHA provided first-time homebuyer workshops to approximately 1,500 PHA residents. PHA received an overwhelming response from widespread and targeted marketing efforts, having received approximately 1,200 applications from prospective homebuyers for the new development at Ludlow.

PHA has made a special commitment in fulfilling its objective of providing homeownership opportunities to public housing residents. PHA created a Resident Mortgage Assistance Program (RMAP), this is a comprehensive benefit package to assist residents in achieving Homeownership. It provided residents with closing cost assistance, wrote down the sales price for our clients who purchase homes at new developments and provided free financial counseling in planning their budget.

The Homeownership Division provided homeownership seminars to various community organizations and events throughout the City of Philadelphia, including the annual Tribune Homebuyer's Workshop, one of the premier homebuyer events held in the city. PHA also established partnerships with major banks including Wachovia Bank, Bank of America, Citizens Bank, TD Bank, Sovereign Bank, Wells Fargo, East River Bank and PNC. The services include free credit reports, budgeting/money management, and credit repair. The Division maintains relationships with 27 certified housing counseling agencies throughout the city of Philadelphia and the Pennsylvania Housing Finance Agency (PHFA).

11. Clean Sweep and Community Days. PHA residents are required to participate in a program of Community Service. PHA developed two programs for residents to fulfill this commitment by participating in site/neighborhood clean up activities known as "Clean Sweep and Community Days." These programs continue to foster neighborhood pride and good neighbors.
12. Summer Food Services. PHA operates a summer food program, serving breakfast and lunch to children up to the age of 18 living in and around public housing. Residents are hired to operate this summer program. Last year, the program served 42,000 meals.
13. Healthy Homes. PHA operates a demonstration healthy homes program to reduce asthma hazards in housing choice voucher properties. Focus is on households with children between 0 to 6 years old.
14. DARE and GREAT Programs. See discussion of this program in Section 8.
15. Conflict Resolution; Domestic Violence Prevention and Assistance. Residents needing assistance to resolve a dispute in their family or neighborhood can get such assistance from PHA Police Department staff trained in conflict resolution.
16. Computer Labs: Mobile and On Site Neighborhood Networks Labs. See discussion of this program in Section 8.
17. Health Clinics. With Drexel University/MCP Hahnemann, Resources for Human Development and Temple University, PHA operates clinics that offer medical, dental and community behavioral health care and health education; primary care for all ages including family planning, pre-natal care, well child care, EPSDT exams, nutrition, chronic illness care such as asthma, diabetes, heart disease, high blood pressure, acute illness. Behavioral health care includes mental health, drug and alcohol treatment. The centers employ a psychiatrist, licensed psychologist and social workers. The centers generally provide counseling and medication for depression, anxiety, bipolar disorder, schizophrenia, post traumatic stress disorder, substance abuse, family and child therapy, grief and loss counseling. Some centers provide van service.

18. HOPE VI Community and Supportive Services. PHA contracts for case management services with HOPE VI Providers, Asociacion de Puertorriquenos en Marcha (APM) and Ramsey Educational Development Institute, Inc (REDI) to provide community and social services to residents of Ludlow Scattered Sites. Services help residents end their reliance on categorical assistance. HOPE VI links residents to available community services and provides specific training.
19. HOPE VI Mentoring Demonstration Program. PHA operates a mentoring demonstration program whose focus is to increase FICO credit rating and to increase the adjusted family income. This program serves 40 residents in Lucien E. Blackwell (formerly Mill Creek). The other goals are to assist residents to: train for gaining and sustaining employment; enroll in GED and/or college and gain access to homeownership programs.
20. Grants and Resource Development. The Program Compliance/HOPE VI (PCH6) Department is responsible to research grant opportunities and to identify prospective partners that have the capacity to provide programs and services that are needed by public housing and housing choice voucher residents to become economically self sufficient and to improve their quality of life.

PCH6 identifies opportunities for education, job skills training, job preparation, placement and retention, resident owned business development, homeownership, credit repair and financial literacy and supportive social services including healthy lifestyles, children, youth and senior programs.

## SECTION 11: OTHER INFORMATION REQUIRED BY HUD

This section provides documentation to HUD that the Philadelphia Housing Authority has complied with specific MTW requirements or with other HUD requirements that are mandated by other HUD regulations.

**A. Board Resolution approving the MTW Year Eight Report.**

**B. Results of latest completed 133 Audit.**

**C. Required Certifications and other submissions from which PHA is not exempted by the MTW Agreement**

- PHA Certifications of Compliance with MTW Plan Requirements (submitted with Year Eight Annual Plan)
- Form HUD-50070. Certification for a Drug-Free Workplace.
- Form HUD-50071. Certification of Payments to Influence Federal Transactions.
- Form SF-LLL. Disclosure of Lobbying Activities.

**D. Submissions required for the receipt of funds (All required forms submitted with Year Eight Plan Document).**

- Form HUD-52723. Calculation of PFS Operating Subsidy.
- Form HUD-52722-A. Calculation of Allowable Utilities Expense Level.
- Form HUD-52721. Direct Disbursement Payment Schedule Data.
- Form HUD-52837. Capital Fund Annual Statement, Parts I, II, III (Formula Allocation).
- Form HUD-52837. Capital Fund Annual Statement, Parts I, II, III (Replacement Housing).
- Form HUD-52673. Estimate of Total Required Annual Contributions.
- Form HUD-52663. Requisition for Partial Payment of Annual Contributions.

RESOLUTION NO. X11324

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO SUBMIT THE MOVING TO WORK ("MTW") ANNUAL REPORT AND CONSOLIDATED FINANCIAL REPORT FOR MTW YEAR EIGHT (FISCAL YEAR ENDING MARCH 31, 2009) TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD")**

**WHEREAS**, PHA entered into a Moving To Work Demonstration (MTW) Agreement with the Department of Housing and Urban Development ("HUD") on October 16, 2008 and such Agreement provides that PHA prepare an Annual Report, including a Consolidated Financial Report; and

**WHEREAS**, the MTW Agreement calls for suspension of current evaluation and reporting requirement due to the authority granted to PHA to depart from the standard program requirements; and

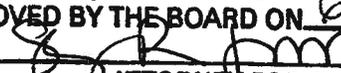
**WHEREAS**, as an alternate assessment protocol, HUD will assess PHA's performance on an annual basis by comparing at the end of PHA's fiscal year it goals as stated in its approved MTW Annual Plan, to its actual performance, as stated in its Annual Report.

**WHEREAS**, PHA must include in the MTW Annual Report all required elements as described in the MTW Agreement;

**WHEREAS**, PHA has prepared the MTW Annual Report for MTW Year Eight (Fiscal Year ending March 31, 2009); and

**WHEREAS**, PHA is required to submit the MTW Annual Report for Board approval prior to submission to HUD.

**THEREFORE, BE IT NOW RESOLVED** that the Board of Commissioners of the Philadelphia Housing Authority does hereby authorize the Executive Director or his designee to submit to HUD the MTW Annual Report for MTW Year Eight (Fiscal Year ending March 31, 2009) along with the Consolidated Financial Report for the period.

I hereby certify that this was  
APPROVED BY THE BOARD ON 6/29/09  
  
ATTORNEY FOR PHA

## DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure.)

Approved by OMB  
0348-0046

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity:</b> <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:	<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known:	
<b>6. Federal Department/Agency:</b> U.S. Department of Housing & Urban Development	<b>7. Federal Program Name/Description:</b> MTW Year Eight Report CFDA Number, if applicable: 14.870	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b> \$	
<b>10. a. Name and Address of Lobbying Registrant</b> (if individual, last name, first name, MI):  Not Applicable	<b>b. Individuals Performing Services</b> (including address if different from No. 10a) (last name, first name, MI):	
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: Carl R. Greene Title: Executive Director Telephone No.: 215-684-4174      Date: 06/29/09	
<b>Federal Use Only:</b>		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

# Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Philadelphia Housing Authority

Program/Activity Receiving Federal Grant Funding

## Moving To Work Year Eight Report

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. **Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here  if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.

(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Carl R. Greene

Title

Executive Director

Signature

X

Date

June 29, 2009

# Certification of Payments to Influence Federal Transactions

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Applicant Name

Philadelphia Housing Authority

Program/Activity Receiving Federal Grant Funding

Moving to Work Year Eight Report

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Carl R. Greene	Executive Director
Signature	Date (mm/dd/yyyy)
	06/29/2009

*MOVING TO WORK YEAR EIGHT REPORT*  
APPENDIX A: RENT IMPACT ANALYSIS

## **Rent Impact Analysis MTW Year Eight Annual Report**

Pursuant to the Moving To Work (MTW) Agreement, the Philadelphia Housing Authority (PHA) conducted a rent impact analysis for the four-year period 2004 through 2008. The phase-in of rent simplification began in April 2003 for the Housing Choice Voucher program and in September 2004 for the Public Housing program. Low Income Housing Tax Credit sites managed by PAPMC, Moderate Rehab units and non-MTW vouchers are not subject to rent simplification and are not included in this analysis.

PHA's rent simplification program currently includes the following components:

- ◆ Implementation of a single working household deduction
- ◆ Modification of the definition of income to exclude the first \$500 of asset income as well as offsetting certain Medicare related insurance premiums
- ◆ Utilization of a sliding scale of percentages based on family size to calculate Total Tenant Payment
- ◆ Establishment of a \$50 minimum rent after a ninety (90) day grace period
- ◆ Increase in Ceiling rents (PH only)
- ◆ Implementation of two year recertifications
- ◆ Establishment of a seven year participation limit (HCV only) with exclusions for seniors and persons with disabilities
- ◆ Requirement for development of a Family Economic Development Action Plan for applicable households (HCV only)

PHA prepared this rent impact analysis of public housing and HCV households using "snapshots" of resident household data from PHA's computer system for the periods 2004 through 2008. Note that the profile of PHA households was constantly changing during this period as a result of move-ins and move-outs. As discussed in PHA's Annual Reports, new move-ins from the waiting list are overwhelmingly "extremely low" income households. In contrast, households moving out are more likely to be higher income households who "graduate" from HCV and/or move on to homeownership and other housing opportunities.

The following is a summary of the results of the rent impact analysis.

### Affordability

PHA's rent policies resulted in affordable household rents in both the public housing and HCV programs. The following chart shows average Total Tenant Payment (TTP) as a percentage of Gross Income. The chart excludes households earning less than \$2,000 annually, who are subject to a minimum rent payment after a 90-day grace period and, therefore, tend to pay a higher percentage of income for TTP. See discussion of this group below under "Minimum Rent Payers". Table 1 highlights the fact that for all other households, PHA residents pay 28% or less of gross income towards rent.

**Table 1:  
Total Tenant Payment As Percentage of Gross Income**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Public Housing Households</b>					
<i>Average</i>	27%	26%	26%	29%	27%
<i>Lowest Quartile</i>	25%	26%	26%	26%	26%
<i>Median</i>	27%	27%	27%	27%	27%
<i>Highest Quartile</i>	28%	28%	28%	28%	28%
<b>Housing Choice Voucher Households</b>					
<i>Average</i>	27%	27%	27%	28%	28%
<i>Lowest Quartile</i>	25%	26%	26%	26%	27%
<i>Median</i>	27%	27%	27%	27%	27%
<i>Highest Quartile</i>	28%	28%	28%	28%	28%

Minimum Rent Payers

The number of households reporting either zero incomes or incomes less than \$2,000 has steadily declined from 2004 to 2008. The total number has decreased from 1,364 in 2004 to 642 in 2008. This group is required to pay a \$50 minimum rent after a ninety-day grace period.

Household Income

Average total household incomes increased for both public housing and HCV households. Table 2 shows total household income for HCV and public housing.

**Table 2: Household Incomes**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Change 04-08</b>
<b>Public Housing Households</b>						
<i>Average</i>	11,504	12,727	12,392	12,679	12,630	10%
<i>Lowest Quartile</i>	6,500	7,068	7,068	7,277	7,332	13%
<i>Median</i>	7,868	8,713	8,736	8,960	8,713	11%
<i>Highest Quartile</i>	14,194	16,242	15,528	15,852	15,619	10%
<b>Housing Choice Voucher Households</b>						
<i>Average</i>	10,292	10,891	11,981	12,487	13,071	27%
<i>Lowest Quartile</i>	5,964	6,387	7,068	7,385	7,805	31%
<i>Median</i>	7,873	8,268	9,288	9,620	10,433	33%
<i>Highest Quartile</i>	13,143	14,084	15,491	16,119	17,074	30%

## Employment Income

Under rent simplification, employment income increased for households with at least one wage earner. As shown in Table 3, the rate of increase in income from employment for wage earning households was significantly higher in the HCV program, i.e. median employment income increased by 21% for HCV wage earning households compared to an 8% increase in the public housing program. This may reflect the impact of PHA's Community Partner activities focused on HCV residents. In absolute terms, however, median income for wage earning households was only slightly higher in HCV than in the public housing program.

**Table 3: Employment Incomes for Households with Wage Earner(s)**

	2004	2005	2006	2007	2008	Change 04-08
<b>Public Housing Households</b>						
<i>Average</i>	17,755	19,556	19,073	19,476	19,468	10%
<i>Lowest Quartile</i>	8,736	10,178	10,075	10,400	10,398	19%
<i>Median</i>	15,371	17,680	16,671	17,252	16,604	8%
<i>Highest Quartile</i>	23,296	25,393	25,135	25,850	25,324	9%
<b>Housing Choice Voucher Households</b>						
<i>Average</i>	14,812	15,846	17,230	17,979	17,974	21%
<i>Lowest Quartile</i>	8,535	9,280	10,002	10,556	10,629	25%
<i>Median</i>	13,728	14,721	16,077	16,691	16,650	21%
<i>Highest Quartile</i>	20,240	21,302	22,966	24,000	24,061	19%

## Non Wage Earning Households

Households without wage earners were the predominate group served by PHA. Based on the current population demographics as well as the characteristics of PHA's waiting list, this situation is unlikely to change or be measurably impacted by rent simplification in the foreseeable future.

Based on the impact analysis, PHA does not anticipate making significant changes at this time to the rent simplification program.

*MOVING TO WORK YEAR EIGHT ANNUAL REPORT*  
*APPENDIX B: RESULTS OF 2008 RESIDENT SURVEY*

## **Customer Service and Satisfaction Survey**

The following document provides a summary of results of the resident survey completed by PHA in early 2009. The survey was administered to 601 PHA residents, representing a statistically valid sample of PHA households and sites. Overall, the results of the survey continue to be very positive.

While no significant issues emerged from the survey, PHA utilizes the results to help focus its property management, maintenance and capital priorities as well as to identify staff training and resident information needs. Survey results are reviewed by senior management and site staff to identify trends and issues that may require follow up. In general, however, PHA believes that the 2009 survey results provide validation of the effectiveness of existing management and maintenance strategies.

**Philadelphia Housing Authority**  
**Customer Service and Satisfaction Survey 2009**  
**ALL DEVELOPMENTS\***  
601 respondents

**OVERALL SATISFACTION**

1. How satisfied are you with the following:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Does Not Apply	Missing Answer
Your unit/home?	14% 86	79% 474	6% 35	0% 2	0% 1	0% 3
Your development/building?	14% 76	71% 395	14% 77	1% 6	7% 44	0% 3
Your neighborhood?	9% 54	61% 363	26% 151	4% 23	1% 6	1% 4

**MAINTENANCE AND REPAIR**

2. Over the last year, how many times have you called for maintenance or repairs?

Have Never Called	1 to 3 Times	4 to 6 Times	More Than 6 Times	Does Not Apply	Missing Answer
40% 242	39% 233	16% 98	5% 27	0% 0	0% 1

3. If you called for NON-EMERGENCY maintenance or repairs (for example, leaky faucet, broken light, etc.), the work was usually completed in:

Have Never Called	Less Than One Week	1 to 4 Weeks	More Than 4 Weeks	Problem Never Corrected	Missing Answer
45% 270	32% 107	37% 122	26% 87	4% 14	0% 1

4. If you called for EMERGENCY maintenance or repairs (for example, toilet plugged up, gas leak, etc.), the work was usually completed in:

Have Never Called	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
55% 333	15% 40	29% 76	54% 144	2% 6	0% 2

5. Based on your experience, how satisfied are you with:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Does Not Apply	Missing Answer
How easy it was to request repairs?	11% 41	71% 255	15% 52	3% 9	40% 242	0% 2
How well the repairs were done?	7% 24	74% 264	17% 61	2% 8	40% 242	0% 2
How well you were treated by the person you contacted for repairs?	11% 39	77% 273	7% 24	6% 20	40% 243	0% 2
How well you were treated by the person doing the repairs?	11% 38	83% 296	5% 17	2% 6	40% 242	0% 2

**COMMUNICATION**

6. Do you think management provides you information about:

	Strongly Agree	Agree	Disagree	Strongly Disagree	Does Not Apply	Missing Answer
Maintenance and repair (for example, water shut-off, boiler shut-down, modernization activities?)	8% 48	78% 455	12% 70	2% 11	2% 15	0% 2
The rules of your lease?	8% 49	82% 493	8% 46	2% 10	0% 1	0% 2
Meetings and events?	5% 28	71% 398	19% 107	5% 30	6% 36	0% 2

7. Do you think management is:

	Strongly Agree	Agree	Disagree	Strongly Disagree	Does Not Apply	Missing Answer
Responsive to your questions and concerns?	8% 46	79% 468	12% 71	1% 7	1% 7	0% 2
Courteous and professional with you?	9% 56	79% 469	11% 65	1% 5	1% 4	0% 2
Supportive of your resident/tenant organization?	7% 27	77% 305	13% 52	3% 11	33% 200	1% 6

8. Are you involved in a resident/tenant organization in your housing development?

Yes	No	Missing
9% 55	91% 539	1% 7

## **SAFETY**

9. How safe do you feel:

	<b>Very Safe</b>	<b>Safe</b>	<b>Unsafe</b>	<b>Very Unsafe</b>	<b>Does Not Apply</b>	<b>Missing Answer</b>
In your unit/home?	13% 80	81% 482	4% 24	2% 9	0% 2	1% 4
In your building?	12% 57	74% 364	11% 56	3% 13	17% 103	1% 8
In your parking area?	7% 32	63% 286	24% 110	6% 29	23% 137	1% 7

10. Do you think any of the following contribute to crime in your development?  
(Mark all that apply.)

	<b>Number</b>	<b>Percentage</b>
Bad Lighting	178	30%
Broken Locks	31	5%
Location of Housing Development	226	38%
Police Do Not Respond	126	21%
Residents Don't Care	351	58%
Resident Screening	193	32%
Vacant Units	65	11%
Open Air Drug Activities	283	47%

11. If residents in your development break the rules in the lease, does management take action?

<b>Yes</b>	<b>No</b>	<b>Don't Know</b>	<b>Missing</b>
80%	20%	48%	1%
243	62	289	7

12. Are you aware of any crime prevention programs available to residents (for example, Neighborhood Watch, Block Watch, Community Policing, Tenant Patrol, or Street Patrol)?

<b>Yes</b>	<b>No</b>	<b>Does Not Apply</b>	<b>Missing Answer</b>
25%	75%	9%	1%
134	409	53	5

## **SERVICES**

13. Over the last year, how many problems, if any, have you had with electricity or heat?

<b>Never Had a Problem</b>	<b>1 to 3 Problems</b>	<b>4 to 6 Problems</b>	<b>More Than 6 Problems</b>	<b>Does Not Apply</b>	<b>Missing Answer</b>
62%	33%	5%	0%	0%	1%
370	195	28	2	2	4

13a. If you had a problem with electricity or heat, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
62%	8%	27%	63%	3%	1%
370	18	60	141	6	6

14. Over the last year, how many problems, if any, have you had with kitchen appliances (for example, stove, refrigerator, etc.)?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
77%	21%	2%	0%	0%	0%
459	127	11	2	1	1

14a. If you had a problem with kitchen appliances, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
76%	8%	22%	61%	9%	0%
459	11	31	86	12	2

15. Over the last year, how many problems, if any, have you had with water or plumbing (for example, toilets, hot water, etc.)?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
59%	35%	7%	0%	0%	0%
351	207	40	2	0	1

15a. If you had a problem with water or plumbing, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
58%	10%	24%	63%	3%	0%
351	26	59	156	8	1

16. Over the last year, how many problems, if any, have you had with smoke detectors?

Never Had a Problem	1 to 3 Problems	4 to 6 Problems	More Than 6 Problems	Does Not Apply	Missing Answer
87%	13%	0%	0%	0%	0%
524	75	1	0	0	1

16a. If you had a problem with smoke detectors, how long did it take to fix?

Never Had a Problem	Less Than 6 Hours	6 to 24 Hours	More Than 24 Hours	Problem Never Corrected	Missing Answer
87%	21%	17%	58%	4%	0%
524	16	13	44	3	1

## **HOUSING DEVELOPMENT APPEARANCE**

17. How satisfied are you with the upkeep of the following areas in your development:

	<b>Very Satisfied</b>	<b>Satisfied</b>	<b>Dissatisfied</b>	<b>Very Dissatisfied</b>	<b>Does Not Apply</b>	<b>Missing Answer</b>
Common areas (for example, stairways, walkways, hallways, etc)?	9% 52	76% 430	14% 77	2% 10	5% 31	0% 1
Exterior of buildings?	8% 49	73% 427	16% 95	2% 10	3% 19	0% 1
Parking areas?	7% 31	66% 311	22% 105	5% 26	21% 126	0% 2
Recreation areas (e.g., playgrounds and other outside facilities)?	10% 39	59% 227	19% 71	12% 46	36% 216	0% 2

18. How often, if at all, are any of the following a problem in your development:

	<b>Never</b>	<b>Sometimes</b>	<b>Often</b>	<b>Always</b>	<b>Does Not Apply</b>	<b>Missing Answer</b>
Abandoned cars?	35% 190	54% 292	6% 33	4% 22	10% 62	0% 2
Broken glass?	24% 135	60% 338	11% 59	5% 28	6% 39	0% 2
Graffiti?	32% 182	51% 288	10% 58	6% 33	6% 38	0% 2
Noise?	8% 48	54% 308	21% 118	16% 93	5% 29	1% 5
Rodents and insects (indoors)?	8% 43	57% 322	20% 113	16% 88	5% 32	0% 3
Trash/litter?	10% 57	61% 345	17% 96	11% 63	6% 36	1% 4
Vacant units?	31% 159	59% 301	6% 29	5% 25	14% 84	0% 3

## **CONCLUSION**

19. If there is a person with a permanent disability in your household who has difficulty moving around, did your management make necessary changes to your unit if you requested them (for example, grab bars, lowered light switches, wheelchair access)?

<b>Made No Such Request</b>	<b>Yes</b>	<b>No</b>	<b>Does Not Apply</b>	<b>Missing Answer</b>
66% 254	19% 73	15% 59	35% 212	0% 3

20. Since moving into your current residence, have you been told by a doctor, nurse, or other local health department that any of your children (who live with you) have lead poisoning or a high level of lead in their blood?

<b>Yes</b>	<b>No</b>	<b>Missing</b>
1% 8	99% 589	1% 4

**21. Would you recommend your housing development to a friend or family member seeking public housing?**

Yes	No	Don't Know	Missing
78%	22%	18%	1%
381	109	107	4

**22. If there were one area you would like to see PHA improve upon what would it be?**

**Amenities (14 respondents)**

- Larger units (5 respondents)
- Playground (2 respondents)
- Children's center (1 respondent)
- Improve back yard (1 respondent)
- Library in recreation center (1 respondent)

- More room (1 respondent)
- Recreation center (1 respondent)
- Senior center (1 respondent)
- Soda and candy machine in the lobby (1 respondent)

**Cleaning (19 respondents)**

- Trash (6 respondents)
- Cleaner outside (4 respondents)
- Clean up common areas (2 respondents)
- Cleaner inside (1 respondent)
- Clean building (1 respondent)
- Clean up vacant houses (1 respondent)
- Cleaner development (1 respondent)
- Cleanliness (1 respondent)
- More people to clean up (1 respondent)
- More trash pickups (1 respondent)

**Communication (10 respondents)**

- Communication (3 respondents)
- More meetings with residents (2 respondents)
- Better communication with management (1 respondent)
- Organize a resident council (1 respondent)
- Continued communication with residents (1 respondent)
- Communicate about meetings/events (1 respondent)
- Communicate with the deaf (1 respondent)

**Maintenance (62 respondents)**

- Maintenance/repairs (32 respondents)
- More maintenance personnel (10 respondents)
- Faster/timely repairs (5 respondents)
- Maintenance workers (5 respondents)
- Property upkeep (3 respondents)
- Fix lights in play area (2 respondents)
- Repair door locks (1 respondent)
- Repair outdoor lighting quicker (1 respondent)
- Repair of non-emergency problems (1 respondent)
- Upkeep of building exterior (1 respondent)
- Playground repair (1 respondent)

**Management (20 respondents)**

- Customer service (13 respondents)
- Listen to residents/address resident concerns (2 respondents)
- Nicer managers (2 respondents)
- Better managers (1 respondent)
- Better customer service representatives (1 respondent)
- Management training (1 respondent)

**Other (49 respondents)**

- Location (11 respondents)
- All areas/too many to name (9 respondents)
- Resident screening/screen residents (9 respondents)
- Cost/rent (7 respondents)
- Noise (3 respondents)
- Faster relocation/relocate residents (3 respondents)
- Vacant units (2 respondents)
- Check on seniors (1 respondent)
- Closer resident council office (1 respondent)
- Resident morale (1 respondent)
- PHA could do better (1 respondent)
- Quicker process (1 respondent)

**Physical Improvements (35 respondents)**

- Lighting (20 respondents)
- New units/buildings (4 respondents)
- Demolish buildings/old units (3 respondents)
- Back door (2 respondents)
- Better units and grounds (1 respondent)
- Build better apartments (1 respondent)
- Lights and recreation area for children (1 respondent)
- More lights and gates (1 respondent)
- Need to control heat (1 respondent)
- Redevelop homes (1 respondent)

**Programs/Activities (50 respondents)**

- Programs/Activities for children/youth or after school (23 respondents)
- Programs/Activities (9 respondents)
- Day care (7 respondents)
- Programs for seniors (6 respondents)
- Adult education/GED (3 respondents)
- Recreational and afterschool programs (1 respondent)
- Children's center (1 respondent)

**Rodents/Insects (8 respondents)**

- Rodents/mice (5 respondents)
- Extermination (3 respondents)

**Safety (93 respondents)**

- Police (38 respondents)
- Drugs (14 respondents)
- Security (13 respondents)
- Bars on windows (9 respondents)
- More PHA police/bring back PHA police (5 respondents)
- Gangs/teenagers hanging out (4 respondents)
- Crime (3 respondents)
- Better security (2 respondents)
- Quicker police response (1 respondent)
- Safer locations (1 respondent)
- Keep out the troublemakers (1 respondent)
- Patrol the development (1 respondent)
- Police to stop drug sales (1 respondent)

**GENERAL INFORMATION**

23. What is your gender?

Male	Female
11%	89%
69	532

24. How old are you?

18-24	25-34	35-44	45-54	55-61	62+	Missing
3%	24%	19%	19%	14%	22%	1%
19	142	111	111	81	133	4

25. What is your race/ethnicity? (mark all that apply)

Caucasian/ White	African-Am./ Black	Asian/Pacific Islander	Native Am./ Indian	Hispanic	Other	Missing
2%	94%	0%	0%	3%	1%	1%
10	562	2	1	15	7	4

26. How long have you lived in your housing development?

Less Than 6 Months	6 Months to 2 Years	2 to 5 Years	Over 5 Years	Missing Answer
1%	15%	36%	48%	1%
3	89	215	287	7

27. How much do you pay in rent each month (including utilities)?

< \$100 Per Month	\$100 - \$199 Per Month	\$200 - \$299 Per Month	\$300 - \$399 Per Month	\$400 - \$499 Per Month	\$500 or More Per Month	Missing Answer
6%	18%	38%	27%	11%	1%	1%
33	105	228	158	65	7	5

\*The percentages assigned to all categories are based on the total number of responses to each question or sub-question less the responses for "Missing Answer", "Does Not Apply" and "Don't Know". The percentages assigned to the responses for "Missing Answer", "Does Not Apply" and "Don't Know" are based on the total number of respondents in the sample. In addition, in calculating the percentages in questions 3, 4, 13a., 14a., 15a., and 16a. the responses for "Have Never Called" or "Never Had a Problem" were not included. Percentages have been rounded, and therefore may not total 100%.

ISDANER &  
COMPANY, LLC

**ISDANER &  
COMPANY, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

ISDANER &  
COMPANY, LLC

**PHILADELPHIA HOUSING AUTHORITY**

**MARCH 31, 2008**

**PHILADELPHIA HOUSING AUTHORITY**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND SINGLE AUDIT**

**FOR THE YEAR ENDED MARCH 31, 2008**

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**Philadelphia Housing Authority**  
Building Beyond Expectations

**Carl R. Greene**  
Executive Director

**PHILADELPHIA HOUSING AUTHORITY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TRANSMITTAL LETTER**

**November 10, 2008**

To the Board of Commissioners, Citizens and Clients of the Philadelphia Housing Authority:

Pennsylvania State law requires that all general-purpose local governments and component units publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Philadelphia Housing Authority (PHA) for the fiscal year ended March 31, 2008.

This report consists of management's representations concerning the finances of PHA. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of PHA has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of PHA's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, PHA's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

PHA's financial statements have been audited by Isdaner & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of PHA for the fiscal year ended March 31, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that PHA's financial statements for the fiscal year ended March 31, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of PHA was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited authority's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of PHA's Financial Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. PHA's MD&A can be found immediately following this transmittal letter.

### **Profile and Background of the Philadelphia Housing Authority**

The federal government exerts a major influence on the nation's housing and development activity, a role that has its roots in the 1930s. Over the past 70 years, Washington has developed a variety of programs and policies to support housing production, revitalize cities, and expand housing opportunities for low- and moderate-income homebuyers and renters.

The following major federal housing laws constitute the backbone of the present federal Department of Housing and Urban Development (HUD) housing programs:

- The National Housing Act, passed in 1934, was the first landmark housing law of the New Deal era. It created the Federal Housing Administration (FHA), whose mission was to stimulate housing activity by insuring mortgages made by private lenders.
- The United States Housing Act of 1937 created the public housing program. Like the National Housing Act, the U.S. Housing Act has been amended many times, including a comprehensive revision in 1974.
- In the Housing Act of 1949, Congress established a national housing policy with three objectives: (1) eliminating housing shortages through housing production and related community development, (2) clearing slums and blighted areas, and (3) achieving the goal of "a decent home and a suitable living environment for every American family."
- In 1965, Congress passed a law to create the U.S. Department of Housing and Urban Development. In addition, closely related legislation was passed in 1965, which created the rent supplement program to subsidize the rents of low-income households in private housing.

- One of the landmark housing laws of the post-World War II era, the Housing and Urban Development Act of 1968 created two major subsidy programs, the Section 235 home purchase program and the Section 236 rent subsidy program.
- The Housing and Community Development Act of 1974 rewrote the U.S. Housing Act of 1937, revising the public housing program and creating the Section 8 rent subsidy program. Under Section 8, low-income tenants pay a fixed portion of their income for rent in privately owned housing and HUD covers the difference between the tenant payment and the fair market rent for the unit.
- The Housing and Community Development Act of 1987 made a number of changes to the public housing program. These included converting development funding from loans supported by annual contract payments to up-front grants, requiring public housing authorities to submit comprehensive plans to get modernization funds, and adding provisions for resident management and ownership. For Section 8, the 1987 act made vouchers a permanent program, rather than a demonstration; provided portability for certificates and vouchers, allowing families to take their subsidies with them if they moved within the same or a contiguous metropolitan area; and authorized PHAs to tie up to fifteen (15%) percent of their certificate funding to specific projects.
- The National Affordable Housing Act of 1990 created the Homeownership and Opportunity for People Everywhere (HOPE) program, which was designed to encourage the use of government-owned or government-financed housing for low-income home ownership.
- For public housing, the Housing and Community Development Act of 1992 included provisions to reduce vacancies and improve severely depressed projects. The Section 8 provisions included authorization to use vouchers or certificates for home ownership, and a Moving to Opportunity demonstration program to help families living in subsidized projects to move out of areas with high concentrations of poverty.
- Public housing reform is represented through the Quality Housing and Work Responsibility Act of 1998 (QHWRA). QHWRA was signed by President Clinton on October 21, 1998 and is found in Title V of HUD's FY1999 appropriations act (P.L. 105-276).
- QHWRA is landmark legislation that makes public housing reform a reality by:
  - Reducing the concentration of poverty in public housing
  - Protecting access to housing assistance for the poorest families

- Supporting families making the transition from welfare to work
- Raising performance standards for public housing agencies, and rewarding high performance
- Transforming the public housing stock through new policies and procedures for demolition and replacement and mixed-finance projects, and through authorizing the HOPE VI revitalization program
- Merging and reforming the Section 8 certificate and voucher programs, and allowing public housing agencies to implement a Section 8 homeownership program
- Supporting HUD management reform efficiencies through deregulation and streamlining and program consolidation

Under QHWRA, PHA has established a system of site-based waiting lists, consistent with all applicable civil rights and fair housing laws. PHA has set a minimum rent of \$50 for residents in public housing, the Section 8 Voucher Program and moderate rehabilitation projects. Exceptions to payment of minimum rent may be made by the PHA for families in hardship circumstances.

QHWRA also allows PHA to terminate the leases of Residents of public housing and tenant-based Section 8 assistance and be subject to expedited eviction (after an expedited grievance process) for violent or drug-related criminal activity and felony convictions. Families evicted for drug-related criminal activity from public housing or tenant-based Section 8 are prohibited from being readmitted for 3 years.

- Congress has dealt with substantive housing issues in other legislation, including a number of significant housing and development programs created through tax legislation, such as: (1) the mortgage revenue bond and mortgage credit certificate programs, to provide subsidized financing for first-time home buyers; (2) the low-income housing tax credit program, which has become the nation's major low-income housing production program; and (3) the empowerment zone and enterprise community program, which provides tax incentives to encourage development in distressed urban and rural areas.

### **Moving To Work**

**Moving To Work (MTW)** is the operating plan for the Philadelphia Housing Authority. MTW is a special, contractual agreement between PHA and the government under which the authority has substantial budget flexibility and regulatory relief. This allows PHA to make program changes that increase efficiency and help residents become self-sufficient.

In October 2008, PHA signed a ten-year extension of its MTW agreement. The agency entered the program effective April 1, 2001, one of 27 public housing authorities to do so. PHA began its eighth year of MTW on April 1, 2008, and has published a plan detailing goals and objectives for the current fiscal year. It has also held public hearings on its proposed plan for the next fiscal year.

PHA was organized under the laws of the Commonwealth of Pennsylvania to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies. PHA is the fourth largest housing authority in the country and has the largest scattered site inventory of almost 5,420 available units, including: 3,927 occupied units, vacant buildings and lots. For the past several years, PHA has embarked upon a strategic planning process that encompasses the following mission statement:

***The mission of the PHA is to provide quality housing for the low and very low-income families of Philadelphia well into the 21<sup>st</sup> century by improving the management systems and buildings, using the best property management principles, and by forming partnerships with the wider community to increase available resources.***

Strategic Goals related to the aforementioned mission include:

- Increase the availability of decent, safe, and affordable housing;
- Improve community quality of life and economic vitality;
- Promote individual and family self-sufficiency and asset development.

PHA's current strategic operating plan is based on a comprehensive critical appraisal of its operating, capital and support services. The strategic operating plan development process is one that carefully considers the immediate and long-term needs and programs for residents in public housing and the Housing Choice Voucher program.

Nine goals were identified as a result of this process and have been incorporated into PHA's Annual MTW Plan. Subsequently, each of the nine goals were placed under five Moving to Work Principals

<b>MTW Objective 1:</b>	Reform the existing Housing Choice Voucher program and public housing programs.
<b>Goal 1:</b>	Achieve excellence in property management.
<b>Goal 2:</b>	Achieve excellence in the management of the Housing Choice Voucher program and enforce program compliance.
<b>MTW Objective 2:</b>	Revitalize neighborhoods where MTW and MTW-eligible residents reside.
<b>Goal 3:</b>	Develop affordable quality housing that supports balanced communities.
<b>MTW Objective 3:</b>	Develop an MTW family program to furnish comprehensive economic self-sufficiency services to eligible MTW families.
<b>Goal 5:</b>	Engage other institutions to leverage resources and assist in promoting economic enhancement and supportive services for PHA residents.
<b>Goal 9:</b>	Maximize relationships and initiatives to deliver sound and effective services.
<b>MTW Objective 4:</b>	Establish a quality of life program to promote a living environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of public housing residents, voucher and landlord participants and PHA, to one another and the broader community.
<b>Goal 4:</b>	Implement public safety programs that promote the well-being of our neighborhoods and the accountability of program participants.
<b>MTW Objective 5:</b>	Establish efficient operating procedures and implement cost-saving strategies.
<b>Goal 6:</b>	Improve the productivity and cost effectiveness of PHA operations.
<b>Goal 7:</b>	Improve program compliance, reporting, performance and accountability.
<b>Goal 8:</b>	Maximize the use of technology to improve the efficiency and accountability of PHA operations.

Each of the nine goals is supported by objectives that aggressively and affirmatively promote improvements in the Philadelphia Housing Authority's operation and service delivery. Descriptions of each of the main programs reflected in the accompanying financial statements are as follows:

### **Low-Rent Housing Program**

This program provides low-rent housing to qualified residents of the City of Philadelphia. All units are owned and operated by PHA and were purchased with financing arranged or provided through HUD. The operations of the program are subsidized by HUD through Annual Contribution Contract W-55.

### **Housing Choice Voucher Program**

Housing Choice Programs now come under the umbrella of Moving To Work, providing the framework for assisting residents toward self-sufficiency. Housing Choice Voucher Programs include New Construction, Moderate Rehabilitation, Rental Vouchers, and Single Room Occupancy Programs. These programs were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

### **New Construction and Substantial Rehabilitation Programs**

The Housing Choice New Construction and Substantial Rehabilitation programs allow for construction of low-income housing units to be subsidized for a contracted period of time. Both for-profit and not-for-profit developers may provide low-income housing under this program. Developers must obtain their own financing and HUD subsidizes rents once the units are occupied.

### **Moderate Rehabilitation Program**

This program provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for-profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing. Once the units are occupied, HUD subsidizes rents in such amounts sufficient to cover the developer's debt service payments on the financing.

### **Project Based Program**

This program allows for existing privately owned housing units to be used for low-income housing. This program assists low-income families and persons to find and lease a house or apartment. After inspecting the unit, PHA assists the resident in negotiating a lease under HUD rules and regulations for the program. After the lease is signed, the resident pays a share of the rent according to HUD guidelines, and the remainder is subsidized by PHA through HUD funding.

PHA earns a fee for administering the annual contributions from HUD. This fund accounts for the revenues and expenses associated with providing administrative services.

### **Senior Program**

PHA has established a program for seniors, Living Independently For Elders (LIFE) in conjunction with St. Agnes Hospital, NewCourtland Elder Services and the Pennsylvania Department of Public Welfare. The program includes senior assisted living and enhanced supportive services, with the goal of enabling nursing-home eligible residents to remain in their homes.

Separately, the Congregate Housing Services Program provides two (2) meals a day (7) seven days a week throughout the year, homemaker services and case management for approximately twenty residents on a daily basis. Its goal is to prevent premature institutionalization of the elderly at Bentley Hall.

Further, PHA provided services to over 5,211 seniors at PHA Senior Centers in FY 2006/2007. (Figures for 2007/2008 are not yet available.)

### **Summer Food Program**

The Summer Food Program provides nutritious breakfasts and lunches, sponsored by the Department of Education, at 20 public housing sites throughout the City of Philadelphia. Approximately 42 staff members, primarily PHA residents, are hired for this seasonal employment. 42,575 meals were provided (the combined total for service of breakfast and lunch).

### **Adult Literacy Program**

PHA offers adult literacy through its Community Partners, including the pre-Apprenticeship Program in the Building Trades. The literacy program is designed to offer PHA residents enhancement of basic educational skills in the areas of language development, writing, mathematics, reading, problem-solving, etc. This program is designed to assist participants in passing the General Educational Development (GED) examination, entering a training program and securing employment, working with children on homework, and increasing personal confidence and self-esteem.

### **New Initiatives**

PHA's Moving to Work (MTW) Demonstration Program is focused on helping families achieve self-sufficiency and improving and increasing the stock of quality affordable housing throughout the city. It furnishes convenient and comprehensive services to families to assist them in reaching their full potential, with an emphasis on education, job training and placement, self-sufficiency, and preparation for homeownership. In addition, MTW promotes the revitalization of neighborhoods where MTW and MTW-eligible families live.

The flexibility of the MTW program affords PHA an opportunity to more effectively carry out these strategic goals. PHA will focus on the following core objectives:

- Reform the existing Housing Choice Voucher and Public Housing Programs to improve and increase the supply of quality affordable housing throughout the City of Philadelphia.
- Revitalize neighborhoods where MTW and MTW-eligible residents reside.
- Develop an MTW Family Program to furnish comprehensive family self-sufficiency services to eligible MTW families.
- Establish a Quality of Life Program to promote a living environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of public housing residents, voucher participants, voucher landlords, and the PHA to one another and to the broader community.
- Establish efficient operating procedures and implement cost-saving strategies.

PHA intends to continue its focus on strengthening families and revitalizing Philadelphia neighborhoods where MTW and MTW-eligible families reside. This will be achieved by providing comprehensive economic empowerment assistance and supportive services to families, continuing to improve the quality and availability of affordable housing, and by expanding public safety activities.

Year Seven of PHA's Moving To Work program saw continuation of a number of enhancements.

### **MTW Priority 1 Year 8 Objectives**

- **Continuation of the Quality Initiative**, including enhanced Quality Control procedures and systems to improve customer service and the accuracy and completeness of client files. These efforts have been enhanced through PHA's recently implemented IVR system. The IVR system allows HCV participants and vendors to obtain updated information on their PHA program status. Calls that cannot be handled automatically or through an immediate staff response are turned into "cases" which are tracked and monitored through to resolution.
- **Housing Choice Time Limits**. PHA will continue its efforts to reform the Housing Choice Voucher program and respond to the needs of the city and its residents. PHA has established a seven-year time limit in the Housing Choice Voucher Program, subject to certain exemptions such as for elderly and disabled households.
- **Two-Year & Three-Year Re-Certifications**. PHA has implemented a new recertification system beginning in April 2003. Recertifications for both

public housing and Housing Choice Voucher participants will occur every two years under the new system, except for public housing residents choosing market or flat rents (who will be recertified every three years). Two-year recertifications may not apply to sites funded with Low-Income Housing Tax Credits.

- **Improved applicant screening and enforcement of program regulations**, including enhancements to PHA's investigative and complaint tracking software.
- **Continuation of Tenant Integrity Program** training for all program participants.
- **Continuation of a comprehensive staff training program** and implementation of a revised procedures manual.
- **Continuation of new landlord training** and outreach programs.
- **Continuation of direct deposit** for Housing Choice Voucher payments.
  
- **Good Neighbors Make Good Neighborhoods Program.** In 2001 PHA made a commitment to provide Housing Choice vouchers to support families moving from homelessness and transitional housing programs to permanent housing. Through the Good Neighbors Make Good Neighborhoods Program, 500 families were housed through December 2003. PHA reached a new agreement in October 2003 with the Blueprint to End Homelessness, a coalition of nonprofit transitional housing providers and made 300 housing opportunities available. PHA increased its original commitment for this program to 400 units. All 400 units were leased by 2008. PHA expanded the program with a commitment of another 500 units in 2008. These units are currently being leased.
- **Rent Simplification.** To promote the goals of economic self-sufficiency and administrative efficiency, PHA has developed and implemented a program to streamline the rent calculation system for both public housing and Housing Choice Voucher participants. The new system, which is based on family size, decreases the percentage of income paid towards rent and provides incentives for resident savings. PHA intends to make the new system simpler to administer and understand, reducing paperwork and administrative burdens for residents and staff.
- **Revitalization Initiatives.** PHA will continue its large-scale revitalization efforts at public housing and other sites around the city. PHA is currently overseeing \$1 billion in large-scale HOPE VI and non-HOPE VI development projects.

#### **MTW Priority 2 Year 8 Objectives**

- **Family Economic Development Action Plan (FEDAP).** Housing Choice Voucher Program participants work with PHA staff to develop and implement a Family Economic Development Action Plan as a condition of their continued participation in the program.

- **Affordable Homeownership.** PHA has expanded its homeownership activities to create quality, affordable homeownership opportunities for public housing residents, Housing Choice Voucher participants, and other low-income residents. PHA has expanded its Housing Choice Voucher Homeownership program, opening it up to all Housing Choice Voucher ESS program participants. PHA also implemented enhanced housing counseling services designed to help residents with budget, credit repair and other activities designed to support successful homeownership.
- **Replacement Housing.** PHA continued its efforts to increase housing opportunities through implementation of its Replacement Housing Policy. The policy focuses on four strategies to acquire property: (1) acquisition through purchase of single family scattered sites, foreclosure by institutional lenders of single family residential buildings and purchase of multi-family residential buildings; (2) reuse of ACC subsidy to affordable housing projects; (3) provision of capital funds to affordable housing projects; and (4) neighborhood redevelopment projects.
- **New Construction and Substantial Rehabilitation Programs.** Subject to funding availability, PHA will continue work at existing sites throughout the City, including Greater Grays Ferry Estates, Germantown House, Lucien E. Blackwell Homes, Martin Luther King Plaza, Wilson Park and Ludlow Scattered Sites.
- **Enhancements to the Unit-Based Program.** PHA may elect to issue a new or revised RFP for the Unit-Based Program.

#### MTW Priority 3 Year 8 Objectives

- **Maintain services to residents through the Community Partners Program.** PHA awarded contracts to several training providers under this program to provide supportive and self-sufficiency services to PHA households. Subject to availability of adequate federal funding, PHA plans to award additional community partner program contracts in the coming year in order to maintain the range and quality of training initiatives available to PHA residents.
- **LIFE Program.** Expansion of comprehensive, long-term senior health care services through the establishment of Living Independently For Elderly (LIFE) Centers that will allow seniors to remain in their units while receiving services through Adult Day Centers. A state-of-the-art senior care center opened in 2004 on the first floor of PHA's 72-unit Conswiller B. Pratt Apartments, located within PHA's Greater Grays Ferry Estates. A second facility opened in 2005 operates at Germantown House. A third facility featuring an adult day living center is planned for Nellie Reynolds Garden, a new 64-unit facility that will open in November 2008.
- **Pre-Apprenticeship, Certified Nursing Assistant, Medical Billing and Pharmacy Technician Training Programs.** Since the inception of these programs, almost

2,210 residents have graduated and found careers in the building trades, the health care industry and other fields.

- **Computer Training.** The Philadelphia Housing Authority continues to increase residents' access to technology to (1) increase academic performance of youth and adults, to (2) increase the employability skills of adults and working age youth, to (3) increase computer technology skills among all demographic groups, and to (4) increase health and nutrition information for groups of all ages.

PHA has 17 computer laboratories at various stages of the development cycle, with formal standardization at both conventional and community-based sites to provide technology programming, and computer assisted instruction. In addition to the comprehensive laboratories, PHA provides web based basic education software, accessible through the Internet, which participants can use to improve skills in targeted occupations.

PHA facilitates handicapped accessibility at its laboratories, and installs chairlifts, as necessary.

#### **MTW Priority 4 Year 8 Objectives**

- **Expansion of Quality of Life Program.** The objective of the program is to improve the quality of life for all PHA residents and the surrounding communities by creating an environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of all. The program incorporates resident responsibility training, lease enforcement, local code enforcement, public safety and community policing activities. In addition, PHA joined the Citizens Crime Commission anonymous tip line reward program and entered into a contract with the City of Philadelphia to begin Town Watch programs at several PHA developments.
- **Enhanced Tenant Responsibility Training.** As part of its local leased housing MTW program initiative, PHA now requires all Housing Choice Voucher program participants to participate in Tenant Responsibility Training at both the initial lease-up and at every recertification period. This effort will help improve residents' understanding of their roles and responsibilities as good neighbors and PHA program participants.
- **Security Enhancements to PHA Properties.** As noted in the Capital Improvement summary included in this Annual Plan, PHA has continued to implement security related capital improvements at a wide range of PHA properties, and especially at family high rises.
- **Required Landlord Training.** PHA has developed a program for landlords of the properties associated with the Housing Choice Voucher program, which includes training by professionals from the Institute of Real Estate Management (IREM), as

well as training provided by PHA regarding local property management issues, city code compliance, lease enforcement, and community responsibilities.

### **MTW Priority 5 Year 8 Objectives**

- **Implementation of Peoplesoft's 8.9 CRM technology** to create tracking databases such as complaint tracking, incident tracking, MTW client tracking, investigations tracking and risk management tracking.
- **Continued implementation of enhanced Interactive Voice Response and CTI systems** in order to improve responsiveness to customer and public inquiries. These systems went live in MTW Year 6.
- **Streamline Rent Calculation System.** PHA has developed and started a program to streamline the rent calculation system for both public housing and voucher participants. PHA has made the new system simpler to administer and understand while giving residents an incentive for work and education.
- **Revised Procurement Policies.** PHA has a revised procurement policy approved by HUD. The new system simplifies the procurement process, while ensuring an appropriate level of internal control and external competition. The plan includes enhanced criteria for qualification and selection of developers for redevelopment projects and the policy for subsidiaries. PHA has moved forward with implementation of the revised policies and the supply chain management initiative.

### **Factors Affecting Financial Condition**

**Laws, Regulations and Federal Examinations.** PHA is subject to a number of laws and regulations. Material portions of PHA's grant revenue and other financial resources are contingent on PHA's compliance with such laws and regulations. PHA is subject to examinations made by federal and state authorities who determine compliance with terms, conditions, laws and regulations governing other grants awarded to PHA in the current and prior years. The current status of such examinations are monitored by HUD, PHA's cognizant agency. Management of PHA is not aware of any noncompliance with such laws and regulations that could result in a material disallowance of costs or withholding of future revenue.

PHA is a party to various legal actions arising in the normal course of business. It is the opinion of management that the ultimate disposition of these matters will not have a material adverse effect on PHA's financial position or results of operations.

**Cash Management Policies and Practices.** HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance for the market

value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by PHA or with an unaffiliated bank or trust company for the account of PHA.

It is PHA's policy to maintain collateralization in accordance with the requirements of both HUD and the Commonwealth of Pennsylvania. The three credit risk categories are defined as follows:

- 1) Insured or collateralized with securities held by the authority or by its agent (correspondent bank or Federal Reserve Bank) in the authority's name.
- 2) Collateralized with securities held by the pledging financial institution, trust department, or agent in the authority's name.
- 3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the authority's name.

**Risk Management.** Prior to April 1, 1999 PHA was self-insured for personal injury claims. Asserted and unasserted claims are accrued based on PHA's experience and advice of an independent claims manager. Although management believes that adequate accruals have been established, the ultimate liability that may result from asserted and unasserted claims could differ materially from estimated amounts. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage.

**Pension and Other Post-employment Benefits.** PHA contributes to the Philadelphia Housing Authority Retirement Income Plan (the Plan). The Plan is a single-employer plan, which issues separate financial statements. The following table provides information concerning covered employees and benefit provisions for the Plan.<sup>1</sup>

Covered employees	Permanent employees of PHA except those enrolled in PHA Defined Contribution Pension Plan.
Current annual covered payroll	\$46,298,645
Normal retirement date	65th birthday
Normal retirement benefit	2.5% of Average Earnings, as defined in the Plan, multiplied by the years of service not to exceed 25 years, plus 1.25% of Average Earnings multiplied by years of service in excess of 25 years.

<sup>1</sup> This is a brief summary of Plan benefits and is not intended to replace or supplement the Plan in any manner. The information contained herein is not a part of the Plan and, moreover, does not constitute a summary plan description or a part of any contract of employment.

Death benefit

The Plan contains provisions for the payment of benefits to surviving spouses of employees.

The financial statements of the Plan are prepared on the accrual basis of accounting. Contributions and benefit payments are recognized when earned and incurred, respectively. Plan investments are listed at fair value as determined by quoted market prices. Short-term investments are reported at cost, which approximates fair value.

Actuarially determined contributions are required to provide sufficient assets to pay benefits when due and are determined using the entry age normal method. Under this method, the actuarial present value of projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings of service of the individual between entry age and assumed exit age. The portion of actuarial present value allocated to each valuation is called the normal cost. The significant actuarial assumptions used to compute the actuarial determined contributions are as follows:

- a) A rate of return on the investments of 7.5% per year;
- b) Projected salary increase of 5% per year;
- c) No post-retirement benefit increase.

PHA's current funding practice is to contribute 5.5% of total payroll to the Plan. Employees are currently required to contribute 5.5% of total salary to the Plan. The funding policy is subject to change but is determined by collective bargaining agreements for represented employees and by employment policies for non-represented employees.

**Capital Assets.** Purchased land, buildings and equipment are valued at cost when historical records are available. When no historical records are available, estimated historical cost is used. When property is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations. Donated property is recorded at estimated fair value when received. Ancillary charges necessary in preparing an asset for use are capitalized. The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method. Depreciation commences on modernization and development additions in the initial year of utilization.

**Contributions by Federal Agencies.** HUD contributes an operating subsidy for the Public Housing Program, reflected in the operating budget under the Annual Contributions Contract W-55. Operating subsidy contributions, including capital contributions, for the year ended March 31, 2008 were \$371,405,345 and are included in operating subsidies in the combined statement of revenues, expenses and changes in equity.

HUD contributions for Section 8 Programs under Annual Contributions Contract p-4601 are included in intergovernmental revenues in the combined statement of revenues, expenses and changes in equity as follows:

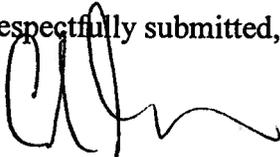
Housing Choice Vouchers	\$180,745,228
Mainstream	368,887
Moderate Rehabilitation	2,015,443
New Construction	260,344
Single Room Occupancy	<u>1,485,881</u>
Total	<u>\$184,875,783</u>

Contributed capital represents the cumulative amount of annual contributions made available by HUD with respect to all federally aided projects under annual contributions contracts. Annual contributions contracts provide that HUD shall have the right to audit records of public housing authorities. Accordingly, final determination of PHA's financing and contribution status for the annual contribution contracts is the responsibility of HUD based upon financial reports submitted by PHA.

PHA received approximately 87% of its fiscal 2008 revenues from HUD. If, in the future, the amount of revenues received from HUD falls below critical levels, PHA's operating reserves could be adversely affected.

In closing, we would like to express our appreciation to the PHA Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Philadelphia Housing Authority's finances.

Respectfully submitted,



Carl R. Greene  
Executive Director

**PHILADELPHIA HOUSING AUTHORITY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Philadelphia Housing Authority ("PHA"), we offer readers of the PHA's financial statements this narrative overview and analysis of the financial activities of the PHA for the fiscal year ended March 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through xvi of this report, as well as the financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**Financial Highlights**

- The assets of the Philadelphia Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$869.7 million (*net assets*). Of this amount, \$374.4 million are *unrestricted net assets*, which includes \$206.6 million of notes and mortgages receivable from PHA's discretely presented component units. The remaining unrestricted net assets of \$167.8 may be used to meet PHA's ongoing obligations to clients and creditors.
- PHA's total FY2008 net assets increased by \$59.8 million over FY2007, equivalent to a 7.4% increase.
- PHA's operating income in the proprietary funds for FY2008 was \$410.7 million, \$51.7 million more than operating expenses.
- PHA's debt outstanding of \$148.1 million as of March 31, 2008 increased \$6.7 million from that amount outstanding as of March 31, 2007.
- Other long-term liabilities increased by \$1.3 million to a total of \$6.5 million as of March 31, 2008.

**Overview of the Financial Statements**

This discussion and analyses are intended to serve as an introduction to the Philadelphia Housing Authority's basic financial statements. The PHA's basic financial statements comprise three components: 1) agency-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The *agency-wide financial statements* are designed to provide readers with a broad overview of PHA's finances, in a manner similar to a private-sector business. The *statement of net assets* presents information on all of PHA's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of PHA is improving or deteriorating. The *statement of activities* presents information showing how PHA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus,

revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., authorized but uncollected grant revenue and earned but unused vacation leave).

The agency-wide financial statements include not only PHA itself (known as the *primary government*), but also legally separate non-profit agencies for which PHA is financially accountable, as described in the accompanying notes to the financial statements.

*Notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the financial statements. The agency-wide financial statements and accompanying notes can be found on pages 3 through 29 of this report.

The remaining statements that support the agency-wide financial statements are the *fund financial statements*. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Philadelphia Housing Authority, like other public housing authorities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of PHA's funds are considered to be *Enterprise Funds*. Normally, an enterprise fund is used to report any activity for which a fee is charged to external users for goods or services. In accordance with Accounting Principles Generally Accepted in the United States of America ("GAAP"), enterprise funds may also be used by all governmental entities, such as PHA, that were using traditional not-for-profit accounting as of the date of adoption of Governmental Accounting Standards Board ("GASB") Statement No. 34 (June 1999), even if their activities do not otherwise meet the criteria for using an enterprise fund. In practice, enterprise funds frequently are used to account for activities whose costs are only partially funded by fees and charges. Enterprise funds are considered useful in such instances because they focus attention on the cost of providing services, and they serve to highlight the portion of that cost being borne by taxpayers, which in the case of PHA take the form of federal grant contributions.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Fund financial statements and required supplementary information can be found beginning on page 30 of this report.

## Agency-wide Financial Analysis

**Net Assets.** As noted earlier, net assets may serve over time as a useful indicator of an agency's financial position. In the case of the Philadelphia Housing Authority, assets exceed liabilities by \$869.7 million at the close of the most recent fiscal year. The combined net assets of PHA increased by \$59.8 million, or 7.4%, from March 31, 2007 to March 31, 2008. The following table shows a summary of changes from the prior year amounts.

### Philadelphia Housing Authority Net Assets as of March 31 (In millions of dollars)

	<u>2008</u>	<u>2007</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<b><u>Assets</u></b>				
Cash & Investments	\$ 181.6	\$ 125.2	\$ 56.4	45.0%
Accounts Receivable	2.1	3.9	(1.8)	-46.2%
Due from Other Governments	28.7	24.7	4.0	16.2%
Other Current Assets	2.5	3.2	(0.7)	-21.9%
<b>Total Current Assets</b>	<b>214.9</b>	<b>157.0</b>	<b>57.9</b>	<b>36.9%</b>
Net Program Loans Receivable	206.6	181.5	25.1	13.8%
Capital Assets	571.0	593.5	(22.5)	-3.8%
Other Assets	25.3	19.3	6.0	31.1%
<b>Total Assets</b>	<b>\$ 1,017.8</b>	<b>\$ 951.3</b>	<b>\$ 66.5</b>	<b>7.0%</b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 25.9	\$ 15.2	\$ 10.7	70.4%
Other Current Liabilities	33.9	35.4	(1.5)	-4.2%
<b>Total Current Liabilities</b>	<b>59.8</b>	<b>50.6</b>	<b>9.2</b>	<b>18.2%</b>
Noncurrent Liabilities	88.3	90.8	(2.5)	-2.8%
<b>Total Liabilities</b>	<b>148.1</b>	<b>141.4</b>	<b>6.7</b>	<b>4.7%</b>
<b><u>Net Assets</u></b>				
Invested in Capital Assets	489.2	507.5	(18.3)	-3.6%
Restricted	6.1	2.4	3.7	154.2%
Unrestricted	374.4	300.0	74.4	24.8%
<b>Total Net Assets</b>	<b>869.7</b>	<b>809.9</b>	<b>59.8</b>	<b>7.4%</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,017.8</b>	<b>\$ 951.3</b>	<b>\$ 66.5</b>	<b>7.0%</b>

**Statement of Activities.** The Statement of Activities shows the sources of PHA's changes in net assets as they arise through its various programs and functions. A condensed Statement of Activities comparing fiscal year 2008 with fiscal year 2007 is shown in the table below.

**Philadelphia Housing Authority**  
**Statement of Activities as of March 31**  
(In millions of dollars)

	<u>2008</u>	<u>2007</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<b><u>Revenue</u></b>				
Program Revenue:				
Charges for Services	\$ 20.8	\$ 18.9	\$ 1.9	10.1%
Federal & Other Revenue	371.4	325.7	45.7	14.0%
General Revenue:				
Disposal of Fixed Assets	(1.1)	1.1	(2.2)	-200.0%
Investment Income & Other	27.2	18.7	8.5	45.5%
<b>Total Revenue</b>	<b>\$ 418.3</b>	<b>\$ 364.4</b>	<b>\$ 53.9</b>	<b>14.8%</b>
<b><u>Expenses</u></b>				
Direct	\$ 242.2	\$ 237.0	\$ 5.2	2.2%
Administrative	71.5	81.5	(10.0)	-12.3%
Total Expenses (Excluding Deprec.)	\$ 313.7	\$ 318.5	\$ (4.8)	-1.5%
Depreciation	49.3	49.7	(0.4)	-0.8%
Total Expenses (Including Deprec.)	363.0	368.2	(5.2)	-1.4%
Prior year adjustments	(0.1)	1.8	(1.9)	-105.6%
Capital contributed to component units	4.6	9.6	(5.0)	-52.1%
<b>Increase/(Decrease) in Net Assets</b>	<b>\$ 59.8</b>	<b>\$ 7.6</b>	<b>\$ 66.0</b>	<b>868.4%</b>

Federal and Other Revenues include the annual operating subsidies and capital grants made available by the U.S. Department of Housing and Urban Development ("HUD"), along with grants received from other Federal sources and the Commonwealth of Pennsylvania. PHA also generated \$12.2 million in unrestricted investment income, which was primarily used to partially offset its administrative expenses.

Direct expenses amounted to \$242.2 million, representing a year-to-year increase of \$5.2 million, or 2.2%. The year-to-year change in depreciation, which decreased \$.4 million (.8%), is tied to the decrease in capital assets owned by PHA.

**Long-term Debt and Other Long-term Liabilities.** Long-term debt and other long-term liabilities as of March 31, 2008, compared with March 31, 2007, are depicted in the following schedule.

**Philadelphia Housing Authority**  
**Long-term Debt and Other Long-term Liabilities March 31**  
(In millions of dollars)

	<u><b>Increase/(Decrease)</b></u>			
	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>Amount</b></u>	<u><b>Percent</b></u>
Long-term Debt	\$ 76.7	\$ 80.4	\$ (3.7)	-4.6%
Self-Insurance Liability	5.0	5.2	(0.2)	-3.8%
Other	6.6	5.2	1.4	26.9%
<b>Total</b>	<u><u><b>88.3</b></u></u>	<u><u><b>90.8</b></u></u>	<u><u><b>(2.5)</b></u></u>	<u><u><b>-2.8%</b></u></u>

Total bonds and notes payable decreased \$3.7 million.

Prior to April 1, 1999 the Philadelphia Housing Authority was self-insured for personal injury claims. Asserted and unasserted claims are accrued based on PHA's experience and advice of an independent claims manager. Although management believes that adequate accruals have been established, the ultimate liability that may result from asserted and unasserted claims could differ materially from estimated amounts. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage.

**Request for Information**

This financial report is designed to provide a general overview of the Philadelphia Housing Authority's finances for all those with an interest in the agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Assistant Executive Director for Administration, 2012 Chestnut Street, Philadelphia, PA 19103.

**FINANCIAL SECTION**

Report of Independent Certified Public Accountants

Board of Commissioners  
Philadelphia Housing Authority  
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office  
Office of Public Housing  
Wanamaker Building  
100 Penn Square East  
Philadelphia, Pennsylvania 19107

We have audited the accompanying financial statements of Philadelphia Housing Authority (“PHA”) as of and for the year ended March 31, 2008, which collectively comprise PHA’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of PHA’s management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of certain of the component units whose statements reflect \$517 million or 34% of the assets, \$210 million or 19% of net assets and \$23 million or 5% of revenues of PHA. These statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of PHA’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of PHA as of March 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued in the Single Audit Section of this report, our report dated November 10, 2008 on our consideration of PHA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the *Governmental Accounting Standards Board*. This supplementary information is the responsibility of PHA's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit such information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise PHA's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplementary information as required by U.S. Office of Housing and Urban Development and the City of Philadelphia is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



November 10, 2008

**PHILADELPHIA HOUSING AUTHORITY**

**STATEMENT OF NET ASSETS**

**MARCH 31, 2008**

**ASSETS**

	<u>Primary Government</u>	<u>Component Units</u>
<b>Current assets:</b>		
Cash	\$ 65,339,499	\$ 5,256,100
Investments	107,176,904	-
Receivables, net:		
Tenants	381,023	196,674
Due from other governments	26,555,796	1,490,175
Other receivables	3,897,625	105,597
Other current assets	<u>2,460,649</u>	<u>969,224</u>
<b>Total current assets</b>	<u>205,811,496</u>	<u>8,017,770</u>
<b>Noncurrent assets:</b>		
Mortgages receivable	206,633,391	-
Restricted cash and investments	9,048,866	28,842,694
Capital assets, net of depreciation	571,002,060	400,188,269
Other assets	<u>25,311,593</u>	<u>3,237,806</u>
<b>Total noncurrent assets</b>	<u>811,995,910</u>	<u>432,268,769</u>
<b>TOTAL ASSETS</b>	<u><u>\$1,017,807,406</u></u>	<u><u>\$440,286,539</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Accounts payable	\$ 25,947,177	\$ 17,844,599
Due to other governments	1,285,312	128,518
Compensated absences	4,139,849	-
Trust and deposits	825,951	449,183
Deferred credits and other liabilities	22,689,588	2,812,075
Current portion of long-term debt	<u>5,067,474</u>	<u>15,380,000</u>
<b>Total current liabilities</b>	<u>59,955,351</u>	<u>36,614,375</u>
<b>Noncurrent liabilities:</b>		
Compensated absences	2,729,062	-
Long-term debt	76,756,296	245,799,960
Other long-term liabilities	<u>8,759,481</u>	<u>22,762,048</u>
<b>Total noncurrent liabilities</b>	<u>88,244,839</u>	<u>268,562,008</u>
<b>TOTAL LIABILITIES</b>	<u>148,200,190</u>	<u>305,176,383</u>
<b>Net assets:</b>		
Invested in capital assets	489,178,290	139,008,309
Restricted	6,054,267	-
Unrestricted	<u>374,374,659</u>	<u>(3,898,153)</u>
<b>Total net assets</b>	<u>869,607,216</u>	<u>135,110,156</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$1,017,807,406</u></u>	<u><u>\$440,286,539</u></u>

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2008**

	<b>Primary Government</b>	<b>Component Units</b>
<b>Operating revenue:</b>		
Tenant revenue	\$ 20,808,716	\$ 7,315,976
Operating subsidies	349,938,816	7,162,551
Other	15,046,229	801,838
Total operating revenue	385,793,761	15,280,365
<b>Operating expenses:</b>		
Administrative	71,583,928	5,036,947
Tenant services	3,175,807	270,966
Utilities	30,620,800	2,830,888
Maintenance	75,227,910	4,020,632
Protective services	6,805,859	253,719
General	25,611,124	2,663,160
Housing assistance payments	99,265,066	-
Depreciation and amortization	49,324,656	12,247,739
Total operating expenses	361,615,150	27,324,051
Operating profit (loss)	24,178,611	(12,043,686)
<b>Nonoperating revenue (expenses):</b>		
Interest and investment earnings, net of capitalized interest of \$59,833	12,228,913	712,097
Gain on the sale of capitalized assets	(1,147,755)	-
Interest expense, net of capitalized interest of \$3,871,459	(1,545,818)	(3,579,278)
Net nonoperating revenue	9,535,340	(2,867,181)
Profit (loss ) before capital grants	33,713,951	(14,910,867)
Capital grants	21,466,529	-
Change in net assets	55,180,480	(14,910,867)
<b>Net assets at beginning of year:</b>		
As previously reported	809,926,935	83,891,745
Prior period adjustments	(73,238)	40,312,873
As restated	809,853,697	124,204,618
Capital contributed	4,573,039	25,816,405
Net assets at end of year	\$869,607,216	\$135,110,156

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2008**

	<u>Primary Government</u>	<u>Component Units</u>
Cash flows from operating activities:		
Receipts from residents and others	\$ 20,352,452	\$ 7,695,089
Payments to landlords	(99,265,066)	-
Payments to suppliers	(133,926,659)	(11,825,394)
Payments to and on behalf of employees for compensation and benefits	(73,513,784)	(4,667,604)
Other receipts	29,102,366	603,567
	<u>(257,250,691)</u>	<u>(8,194,342)</u>
Net cash used in operating activities		
Cash flows from noncapital financing activities:		
Operating subsidies received	334,371,091	7,625,559
	<u>334,371,091</u>	<u>7,625,559</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(27,991,378)	(25,257,746)
Proceeds from debt	5,649,500	38,117,529
Debt principal payments	(9,863,666)	(5,620,026)
Proceeds from capital contributions	4,573,041	25,941,405
Interest payment on debt	(1,545,820)	(182,800)
Repayments to affiliates	-	(1,962,105)
Capital subsidies	21,466,529	-
Developer fees paid	-	(9,613,796)
	<u>(7,711,794)</u>	<u>21,422,461</u>
Net cash provided by (used in) capital and related financing activities		
Cash flows from investing activities:		
Purchases of investments, net	(87,274,885)	-
Deposits to reserves	(2,873,536)	(18,063,577)
Investment in other assets	(562,135)	(108,324)
Additions to notes receivable	(25,170,680)	-
Interest income	9,020,592	72,040
Accumulated development costs	-	(2,826,752)
	<u>(106,860,644)</u>	<u>(20,926,613)</u>
Net cash used in investing activities		
Net decrease in cash	(37,452,038)	(72,935)
Cash - beginning of year	102,791,537	5,329,035
Cash - end of year	<u>\$ 65,339,499</u>	<u>\$ 5,256,100</u>

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS - CONTINUED**  
**YEAR ENDED MARCH 31, 2008**

	<u>Primary Government</u>	<u>Component Units</u>
Reconciliation of excess of current expenditures over revenues to net cash provided by (used in) operating activities:		
Net operating profit (loss)	\$ 24,178,611	(\$12,043,686)
Adjustments to reconcile excess (deficiency) of total revenues over (under) total expenses to net cash used in operating activities:		
Depreciation and amortization	49,324,656	12,247,739
Bad debts	574,390	9,069
(Increase) decrease in assets:		
Tenant accounts receivable	(458,951)	30,819
Accounts receivable - subsidy	(10,193,298)	
Accounts receivable - general	7,824,251	-
Increase in prepaid expenses	(4,638,110)	(81,725)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	7,750,903	1,102,038
Payable to special limited partner	-	(15,000)
Deferred revenue and other credits		4,246
Due to affiliates	19,165	(261,205)
Government revenues reported in noncapital financing activities	<u>(331,632,308)</u>	<u>(9,186,637)</u>
Net cash used in operating activities	<u>(\$257,250,691)</u>	<u>(\$ 8,194,342)</u>

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENTS OF NET ASSETS  
MARCH 31, 2008**

	Richard Allen Phase III, L.P.	Cambridge Plaza, L.P.	Cambridge Plaza II, L.P.	Cambridge III L.P.	Suffolk Manor L.P.	Mill Creek Phase I LP	Lucien E. Blackwell Homes Phase II, L.P.	Lucien E. Blackwell Homes Phase III, L.P.	Mt. Olivet L.P.
<b>ASSETS</b>									
Current Assets:									
Cash	322,227	187,804	74,905	90,069	433,329	100,835	192,243	200	271,417
Investments	-	-	-	-	-	-	-	-	-
Restricted cash and investments	1,106,928	150,896	423,887	404,143	354,792	339,625	666,811	21,369	1,098,841
Receivables, net	121,071	5,623	10,121	43,329	66,814	83,992	94,415	32,370	175,171
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Other assets	46,192	44,602	26,869	10,379	74,246	5,229	55,526	52,314	90,647
Total current assets	1,596,418	388,925	535,782	547,920	929,181	529,681	1,008,995	106,253	1,636,076
<b>NONCURRENT ASSETS</b>									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	28,310,997	6,260,114	8,050,032	8,074,298	21,128,057	16,142,567	16,184,828	13,296,028	13,603,425
Other assets	102,325	37,756	128,316	50,687	40,187	71,167	85,119	86,147	232,974
Total noncurrent assets	28,413,322	6,297,870	8,178,348	8,124,985	21,168,244	16,213,734	16,269,947	13,382,175	13,836,399
<b>TOTAL ASSETS</b>	<b>30,009,740</b>	<b>6,686,795</b>	<b>8,714,130</b>	<b>8,672,905</b>	<b>22,097,425</b>	<b>16,743,415</b>	<b>17,278,942</b>	<b>13,488,428</b>	<b>15,472,475</b>
<b>LIABILITIES AND NET ASSETS</b>									
Current liabilities:									
Accounts payable	793,456	57,287	23,444	42,823	101,447	82,912	63,890	164,598	508,122
Due to other governments	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	18,105	3,648	4,360	4,059	16,192	8,910	-	10,183	21,091
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Deferred credits and other liabilities	-	243,905	153,856	14,064	-	11,441	17,301	10,816	-
Total current liabilities	811,561	304,840	181,660	60,946	117,639	103,263	81,191	185,597	606,976
<b>NONCURRENT LIABILITIES</b>									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	22,190,978	2,379,029	3,393,093	3,041,325	10,453,027	6,103,752	4,201,075	2,944,341	9,616,165
Other liabilities	123,853	771,487	607,500	366,133	2,628,108	1,292,278	237,949	1,199,100	1,502,706
Total noncurrent liabilities	22,314,831	3,350,516	4,200,593	3,407,458	13,081,135	7,396,030	4,439,024	4,143,441	11,118,871
<b>TOTAL LIABILITIES</b>	<b>23,126,392</b>	<b>3,655,356</b>	<b>4,382,253</b>	<b>3,468,404</b>	<b>13,198,774</b>	<b>7,499,293</b>	<b>4,520,215</b>	<b>4,329,038</b>	<b>11,725,847</b>
<b>NET ASSETS:</b>									
Invested in capital accounts	6,120,019	3,681,085	4,456,939	5,032,973	10,675,030	10,038,815	11,983,753	10,351,687	3,987,260
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	763,329	(649,646)	(125,062)	171,528	(1,776,379)	(794,693)	774,974	(1,192,297)	(240,632)
<b>TOTAL NET ASSETS</b>	<b>6,883,348</b>	<b>3,031,439</b>	<b>4,331,877</b>	<b>5,204,501</b>	<b>8,898,651</b>	<b>9,244,122</b>	<b>12,758,727</b>	<b>9,159,390</b>	<b>3,746,628</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>30,009,740</b>	<b>6,686,795</b>	<b>8,714,130</b>	<b>8,672,905</b>	<b>22,097,425</b>	<b>16,743,415</b>	<b>17,278,942</b>	<b>13,488,428</b>	<b>15,472,475</b>

The accompanying notes are an integral part of this statement

**PHILADELPHIA HOUSING AUTHORITY**  
**COMPONENT UNITS**  
**COMBINING STATEMENTS OF NET ASSETS**  
**MARCH 31, 2008**

	German- town House, L.P.	Uni-Penn Housing /via M.L.K. Plaza IV	Tasker I, L.P.	Tasker II, L.P.	Ridge Avenue Housing, L.P.	Raymond Rosen Assoc T/A 8 Diamonds Townhouses	Southwark Plaza Limited Partnership	Spring Garden Housing Limited Partnership	St. Ignatious Senior Housing I L.P.	St Anthony's Senior Residences Associates, L.P.
<b>ASSETS</b>										
Current Assets:										
Cash	81,995	337,582	36,499	363,198	7,483	165,226	82,772	77,427	414,584	30,811
Investments	-	-	-	-	-	-	-	-	-	-
Restricted cash and investments	125,065	263,180	1,599,651	261,380	169,015	1,517,052	955,873	75,022	334,178	190,365
Receivables, net	93,353	22,323	148,303	119,665	2,319	3,989	65,224	16,097	277,527	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Other assets	47,590	19,088	163,090	107,478	22,355	34,280	64,335	20,313	11,536	6,185
Total current assets	348,003	642,173	1,947,543	851,721	201,172	1,720,547	1,168,204	188,859	1,037,825	227,361
<b>NONCURRENT ASSETS</b>										
Mortgage receivable	18,300,830	8,687,284	41,525,283	29,727,136	21,314,597	18,746,847	43,843,801	11,670,882	7,138,237	4,320,195
Capital assets, net of depreciation	101,358	46,184	1,001,532	636,983	343,730	73,617	77,555	24,188	5,931	11,309
Other assets	18,402,188	8,733,468	42,526,815	30,364,119	21,658,327	18,820,464	43,921,356	11,695,070	7,144,168	4,331,504
Total noncurrent assets	18,750,191	9,375,641	44,474,358	31,215,840	21,859,499	20,541,011	45,089,560	11,883,929	8,181,993	4,558,865
<b>TOTAL ASSETS</b>										
	144,473	55,533	228,791	102,222	182,274	284,686	542,040	1,097,773	482,994	95,349
<b>LIABILITIES AND NET ASSETS</b>										
Current liabilities:										
Accounts payable	-	5,736	42,325	18,642	41,562	70,452	79,941	13,760	32,400	12,300
Due to other governments	-	-	1,420,000	1,345,000	-	-	-	15,000	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	56,154	188,550	15,905	78,313	777,033	77,733	69,378	-	521	-
Deferred credits and other liabilities	200,627	249,819	1,707,021	1,544,177	1,000,869	432,871	691,359	1,126,533	515,915	107,649
Total current liabilities	256,781	444,105	1,765,251	1,631,032	1,720,464	581,058	741,678	1,139,293	548,936	120,249
<b>NONCURRENT LIABILITIES</b>										
Compensated absences	-	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	8,187,912	3,315,580	31,580,000	19,655,000	18,187,838	15,968,970	38,682,801	7,031,317	2,495,608	1,650,000
Other liabilities	530,255	407,163	165,112	1,791,000	1,539,268	1,030,337	-	1,697,594	184,308	-
Total noncurrent liabilities	8,718,167	3,722,743	31,745,112	21,446,000	19,727,106	16,999,307	38,682,801	8,728,911	2,679,916	1,650,000
<b>TOTAL LIABILITIES</b>										
	8,974,949	3,972,562	33,452,133	22,990,177	20,727,975	17,432,178	39,374,160	9,855,444	3,195,831	1,757,649
<b>NET ASSETS:</b>										
Invested in capital accounts	10,112,918	5,371,704	8,525,283	8,727,136	3,126,759	2,777,877	5,161,000	4,624,565	4,642,629	2,670,195
Restricted	(281,521)	31,375	2,496,942	(501,473)	(1,995,235)	330,956	554,400	(2,596,080)	343,533	131,021
Unrestricted	9,831,397	5,403,079	11,022,225	8,225,663	1,131,524	3,108,833	5,715,400	2,028,485	4,986,162	2,801,216
<b>TOTAL NET ASSETS</b>										
	18,750,191	9,375,641	44,474,358	31,215,840	21,859,499	20,541,011	45,089,560	11,883,929	8,181,993	4,558,865

The accompanying notes are an integral part of this statement

**PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENTS OF NET ASSETS  
MARCH 31, 2008**

	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Newman North, L.P.	Tenant Support Services Inc.	Marshall Shepard	Ludlow Scattered	Nellie Reynolds	Total
<b>ASSETS</b>								
Current Assets:								
Cash	3,931	1,414	39,266	596,209	16,624	927,270	400,780	5,256,100
Investments	-	-	-	-	-	-	-	-
Restricted cash and investments	231,015	339,294	106,235	-	16,104,145	2,003,932	-	28,842,694
Receivables, net	1,088	1,000	26,866	297,914	83,872	-	-	1,792,446
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	10,147	34,369	17,691	4,763	-	-	-	969,224
Total current assets	246,181	376,077	190,058	898,886	16,204,641	2,931,202	400,780	36,860,464
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	6,586,669	8,564,362	8,867,709	37,837	15,001,966	20,457,725	4,346,563	400,188,269
Other assets	8,335	72,406	-	-	-	-	-	3,237,806
Total noncurrent assets	6,595,004	8,636,768	8,867,709	37,837	15,001,966	20,457,725	4,346,563	403,426,075
<b>TOTAL ASSETS</b>	<b>6,841,185</b>	<b>9,012,845</b>	<b>9,057,767</b>	<b>936,723</b>	<b>31,206,607</b>	<b>23,388,927</b>	<b>4,747,343</b>	<b>440,286,539</b>
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	38,314	101,483	190,206	18,267	7,427,507	4,242,251	772,457	17,844,599
Due to other governments	-	-	-	50,755	-	-	-	128,518
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	12,779	12,493	20,245	-	-	-	-	449,183
Bonds, notes and loans payable	-	-	-	-	12,600,000	-	-	15,380,000
Deferred credits and other liabilities	2,756	822,654	38	53,566	44,424	-	173,667	2,812,075
Total current liabilities	53,849	936,630	210,489	122,588	20,071,931	4,242,251	946,124	36,614,375
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	2,440,589	3,213,383	3,791,782	-	9,530,955	12,680,908	2,664,532	245,799,960
Bonds, notes and loans payable	1,042,071	1,260,872	777,978	-	1,367,621	1,665,668	573,687	22,762,048
Other liabilities	3,482,660	4,474,255	4,569,760	-	10,898,576	14,346,576	3,238,219	268,562,008
Total noncurrent liabilities	3,536,509	5,410,885	4,780,249	122,588	30,970,507	18,588,827	4,184,343	305,176,383
<b>NET ASSETS:</b>								
Invested in capital accounts	4,146,080	5,350,979	5,075,927	37,837	(7,128,989)	7,776,817	1,682,031	139,008,309
Restricted	(841,404)	(1,749,019)	(798,409)	776,298	7,365,089	(2,976,717)	(1,119,031)	(3,898,153)
Unrestricted	3,304,676	3,601,960	4,277,518	814,135	236,100	4,800,100	563,000	135,110,156
<b>TOTAL NET ASSETS</b>	<b>6,841,185</b>	<b>9,012,845</b>	<b>9,057,767</b>	<b>936,723</b>	<b>31,206,607</b>	<b>23,388,927</b>	<b>4,747,343</b>	<b>440,286,539</b>

The accompanying notes are an integral part of this statement

**COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2008**

	Richard Allen Phase III, L.P.	Cambridge Plaza, L.P.	Cambridge Plaza II, L.P.	Cambridge III L.P.	Suffolk Manor L.P.	Mill Creek L.P.	Lucien E. L.P.	Lucien E. L.P.	Mt. Olivet L.P.
<b>Operating revenue:</b>									
Total tenant revenue	524,891	139,339	121,011	78,362	414,482	178,711	205,014	115,963	537,336
Operating subsidies	419,528	144,450	60,855	145,448	612,889	282,638	144,064	48,499	635,654
Other income	2,779	617	638	260	1,117	1,030	560	250	4,657
<b>Total operating revenue</b>	<b>947,198</b>	<b>284,406</b>	<b>182,504</b>	<b>224,070</b>	<b>1,028,488</b>	<b>462,379</b>	<b>349,638</b>	<b>164,712</b>	<b>1,177,647</b>
<b>Operating expenses:</b>									
Administrative	322,000	80,520	53,858	75,133	184,909	161,995	171,044	66,749	297,115
Tenant services	-	-	-	-	-	-	-	-	-
Utilities	113,211	16,692	30,029	28,761	293,021	46,546	43,185	37,453	376,239
Maintenance	253,619	75,329	54,762	59,382	289,378	123,371	67,882	20,491	229,677
Protective services	-	-	-	-	-	-	-	-	63,883
General	246,736	95,345	56,521	61,815	216,309	126,285	78,821	56,966	178,204
Housing assistance programs	-	-	-	-	-	-	-	-	-
Depreciation and amortization	839,859	224,597	293,276	288,686	622,188	579,344	531,607	370,702	490,754
Interfund sources/uses	(6,082,380)	-	-	(611,907)	-	(1,232,589)	(2,223,245)	(3,484,453)	(347,004)
<b>Total operating expenses</b>	<b>(4,306,955)</b>	<b>492,483</b>	<b>488,446</b>	<b>(98,130)</b>	<b>1,605,805</b>	<b>(195,048)</b>	<b>(1,330,706)</b>	<b>(2,932,092)</b>	<b>1,288,868</b>
<b>Operating income (loss)</b>	<b>5,254,153</b>	<b>(208,077)</b>	<b>(305,942)</b>	<b>322,200</b>	<b>(577,317)</b>	<b>657,427</b>	<b>1,680,344</b>	<b>3,096,804</b>	<b>(111,221)</b>
<b>Nonoperating revenue and (expenses):</b>									
Interest and investment earnings	118,651	16,213	44,281	31,274	25,022	28,522	51,068	3,533	56,998
Impairment Loss	-	-	-	-	-	-	-	-	-
Interest expense	26,570	140,815	187,919	159,601	500,292	335,789	220,390	192,909	335,848
<b>Net nonoperating revenue and (expenses)</b>	<b>92,081</b>	<b>(124,602)</b>	<b>(143,638)</b>	<b>(128,327)</b>	<b>(475,270)</b>	<b>(307,267)</b>	<b>(169,322)</b>	<b>(189,376)</b>	<b>(278,850)</b>
<b>Income (loss) before capital subsidies</b>	<b>5,346,234</b>	<b>(332,679)</b>	<b>(449,580)</b>	<b>193,873</b>	<b>(1,052,587)</b>	<b>350,160</b>	<b>1,511,022</b>	<b>2,907,428</b>	<b>(390,071)</b>
<b>Capital subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>5,346,234</b>	<b>(332,679)</b>	<b>(449,580)</b>	<b>193,873</b>	<b>(1,052,587)</b>	<b>350,160</b>	<b>1,511,022</b>	<b>2,907,428</b>	<b>(390,071)</b>
<b>Total net assets a beginning of year:</b>									
As previously reported	1,537,114	3,364,118	4,781,457	5,010,628	9,951,238	8,893,962	11,247,705	6,251,962	4,136,699
<b>Prior period and equity transfer adjustments</b>	<b>1,537,114</b>	<b>3,364,118</b>	<b>4,781,457</b>	<b>5,010,628</b>	<b>9,951,238</b>	<b>8,893,962</b>	<b>11,247,705</b>	<b>6,251,962</b>	<b>4,136,699</b>
<b>Total net assets at end of year</b>	<b>6,883,348</b>	<b>3,031,439</b>	<b>4,331,877</b>	<b>5,204,501</b>	<b>8,898,651</b>	<b>9,244,122</b>	<b>12,758,727</b>	<b>9,159,390</b>	<b>3,746,628</b>

The accompanying notes are an integral part of this statement

**COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2008**

	German town House, L.P.	Uni-Penn t/a M.L.K.	Tasker I, L.P.	Tasker II, L.P.	Ridge Avenue Housing, L.P.	Raymond Townhouses	Southwark Partnership	Spring Garden Partnership	St. Ignatious L.P.	St Anthony's Associates, L.P.
<b>Operating revenue:</b>										
Total tenant revenue	487,708	134,922	666,338	374,829	808,395	353,409	719,322	259,980	270,609	117,924
Operating subsidies	456,768	71,510	975,724	205,889	-	-	1,522,800	278,640	126,895	134,217
Other income	473	400	14,644	4,716	12,266	502,114	234,319	878	4,725	3,999
<b>Total operating revenue</b>	<b>944,949</b>	<b>206,832</b>	<b>1,656,706</b>	<b>585,434</b>	<b>820,661</b>	<b>855,523</b>	<b>2,476,441</b>	<b>539,498</b>	<b>402,229</b>	<b>256,140</b>
<b>Operating expenses:</b>										
Administrative	252,473	90,199	424,345	157,958	335,985	90,873	816,440	189,473	129,172	93,839
Tenant services	-	-	-	-	10,866	260,100	-	-	-	-
Utilities	249,641	23,704	306,651	100,632	94,107	126,239	478,446	76,868	103,124	44,463
Maintenance	167,898	42,433	405,435	194,656	318,898	167,495	916,123	124,050	98,395	57,820
Protective services	105,496	-	78,813	-	5,239	-	-	-	-	-
General	146,479	52,877	377,855	153,492	91,142	82,134	305,486	107,372	41,378	63,201
Housing assistance programs	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	480,909	262,742	1,406,562	1,023,994	719,979	974,104	1,465,627	364,540	335,708	245,360
Interfund sources/uses	(1,904,000)	(787,595)	(3,544,032)	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>(501,104)</b>	<b>(315,640)</b>	<b>(544,371)</b>	<b>1,630,732</b>	<b>1,576,216</b>	<b>1,700,945</b>	<b>3,982,122</b>	<b>862,303</b>	<b>707,777</b>	<b>504,683</b>
<b>Operating income (loss)</b>	<b>1,446,053</b>	<b>522,472</b>	<b>2,201,077</b>	<b>(1,045,298)</b>	<b>(755,555)</b>	<b>(845,422)</b>	<b>(1,505,681)</b>	<b>(322,805)</b>	<b>(305,548)</b>	<b>(248,543)</b>
<b>Nonoperating revenue and (expenses):</b>										
Interest and investment earnings	14,250	24,680	78,620	97,955	2,284	15,812	45,579	818	31,906	7,547
Impairment Loss	-	-	-	-	-	-	-	-	-	-
Interest expense	274,726	154,172	33,000	21,000	17,744	79,845	-	409,142	66,051	11,756
<b>Net nonoperating revenue and (expenses)</b>	<b>(260,476)</b>	<b>(129,492)</b>	<b>45,620</b>	<b>76,955</b>	<b>(15,460)</b>	<b>(64,033)</b>	<b>45,579</b>	<b>(408,324)</b>	<b>(34,145)</b>	<b>(4,209)</b>
<b>Income (loss) before capital subsidies</b>	<b>1,185,577</b>	<b>392,980</b>	<b>2,246,697</b>	<b>(968,343)</b>	<b>(771,015)</b>	<b>(909,455)</b>	<b>(1,460,102)</b>	<b>(731,129)</b>	<b>(339,693)</b>	<b>(252,752)</b>
<b>Capital subsidies</b>										
<b>Change in net assets</b>	<b>1,185,577</b>	<b>392,980</b>	<b>2,246,697</b>	<b>(968,343)</b>	<b>(771,015)</b>	<b>(909,455)</b>	<b>(1,460,102)</b>	<b>(731,129)</b>	<b>(339,693)</b>	<b>(252,752)</b>
<b>Total net assets a beginning of year:</b>										
As previously reported	8,645,820	5,010,099	8,775,528	9,355,842	1,902,539	4,018,288	(33,299,207)	2,759,614	5,325,855	3,053,968
Prior period and equity transfer adjustments	-	-	-	(161,836)	-	-	40,474,709	-	-	-
	<b>8,645,820</b>	<b>5,010,099</b>	<b>8,775,528</b>	<b>9,194,006</b>	<b>1,902,539</b>	<b>4,018,288</b>	<b>7,175,502</b>	<b>2,759,614</b>	<b>5,325,855</b>	<b>3,053,968</b>
<b>Total net assets at end of year</b>	<b>9,831,397</b>	<b>5,403,079</b>	<b>11,022,225</b>	<b>8,225,663</b>	<b>1,131,524</b>	<b>3,108,833</b>	<b>5,715,400</b>	<b>2,028,485</b>	<b>4,986,162</b>	<b>2,801,216</b>

The accompanying notes are an integral part of this statement

IL E H SI / / T R  
 COMPONENT UNITS  
 COMBINING STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
 YEAR ENDED MARCH 31, 2008

	Uni-Penn Housing Partnership I	Uni-Penn Partnership II	Newman North, L.P.	Tenant Support Services Inc.	Marshall Shepard	Ludlow Scattered	Nellie Reynolds	Total
<b>Operating revenue:</b>								
Total tenant revenue	267,377	262,218	277,836	-	-	-	-	7,315,976
Operating subsidies	-	-	216,000	680,083	-	-	-	7,162,551
Other income	-	2,825	8,571	-	-	-	-	801,838
<b>Total operating revenue</b>	<b>267,377</b>	<b>265,043</b>	<b>502,407</b>	<b>680,083</b>				<b>15,280,365</b>
<b>Operating expenses:</b>								
Administrative	149,529	133,205	168,473	591,660	-	-	-	5,036,947
Tenant services	-	-	-	-	-	-	-	270,966
Utilities	14,613	30,444	196,819	-	-	-	-	2,830,888
Maintenance	78,472	96,434	178,632	-	-	-	-	4,020,632
Protective services	150	138	-	-	-	-	-	253,719
General	28,301	34,238	52,245	9,958	-	-	-	2,663,160
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	215,068	260,682	235,390	16,061	-	-	-	12,247,739
Interfund sources/uses	-	-	-	-	(236,100)	(4,800,100)	(563,000)	(25,816,405)
<b>Total operating expenses</b>	<b>486,133</b>	<b>555,141</b>	<b>831,559</b>	<b>617,679</b>	<b>(236,100)</b>	<b>(4,800,100)</b>	<b>(563,000)</b>	<b>1,507,646</b>
<b>Operating income (loss)</b>	<b>(218,756)</b>	<b>(290,098)</b>	<b>(329,152)</b>	<b>62,404</b>	<b>236,100</b>	<b>4,800,100</b>	<b>563,000</b>	<b>13,772,719</b>
<b>Nonoperating revenue and (expenses):</b>								
Interest and investment earnings	2,625	14,144	315	-	-	-	-	712,097
Impairment Loss	-	-	-	-	-	-	-	-
Interest expense	151,692	130,098	129,919	-	-	-	-	3,579,278
<b>Net nonoperating revenue and (expenses)</b>	<b>(149,067)</b>	<b>(115,954)</b>	<b>(129,604)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,867,181)</b>
<b>Income (loss) before capital subsidies</b>	<b>(367,823)</b>	<b>(406,052)</b>	<b>(458,756)</b>	<b>62,404</b>	<b>236,100</b>	<b>4,800,100</b>	<b>563,000</b>	<b>10,905,538</b>
<b>Capital subsidies</b>								
<b>Change in net assets</b>	<b>(367,823)</b>	<b>(406,052)</b>	<b>(458,756)</b>	<b>62,404</b>	<b>236,100</b>	<b>4,800,100</b>	<b>563,000</b>	<b>10,905,538</b>
<b>Total net assets a beginning of year:</b>								
As previously reported	3,672,499	4,008,012	4,736,274	751,731	-	-	-	83,891,745
Prior period and equity transfer adjustments	-	-	-	-	-	-	-	40,312,873
	3,672,499	4,008,012	4,736,274	751,731	-	-	-	124,204,618
<b>Total net assets at end of year</b>	<b>3,304,676</b>	<b>3,601,960</b>	<b>4,277,518</b>	<b>814,135</b>	<b>236,100</b>	<b>4,800,100</b>	<b>563,000</b>	<b>135,110,156</b>

The accompanying notes are an integral part of this statement

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Philadelphia Housing Authority ("PHA") was incorporated in Pennsylvania in 1937 as a municipal authority. PHA develops, acquires, leases and operates affordable housing for city residents with limited incomes. PHA operates under rules and regulations prescribed by the U.S. Department of Housing and Urban Development ("HUD") and other federal agencies.

To meet the funding requirements of operating deficits that would otherwise result from the essential services that PHA provides, PHA receives subsidies, primarily from HUD, in the form of annual grants for operating assistance, contributions for capital and reimbursement of expenditures incurred for certain federal housing programs, and/or debt service payments. Subsidies are established through budgetary procedures, which establish amounts to be funded by the grantor agencies.

Basis of Accounting

PHA's financial statements are prepared in accordance with Government Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government*. GASB Statement No. 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting, and requires the presentation of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows. GASB Statement No. 34 also requires PHA to include Management's Discussion and Analysis as part of the required supplementary information.

PHA's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenditures occur and/or PHA has complied with the grant and subsidy requirements, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

PHA has elected to apply all Financial Accounting Standards Board ("FASB") statements and interpretations issued after November 30, 1989, except for those that conflict with GASB pronouncements.

Reporting Entity and Reclassifications

The accompanying financial statements present the activities of PHA and its component units, entities for which PHA is financially accountable. The component units described in Note 13 as *discrete component units* are displayed in a separate column in the financial statements to emphasize their legal separateness from PHA. The component units described in Note 13 as *blended component units* are so intertwined with PHA that they are, in substance, one and the same. Accordingly, they are blended in the financial statements with PHA.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Both blended and discrete component units are reported on a three-month time lag.

In addition to the component units, the financial statements of the PHA include Low-Income Public Housing and Whitman Park and Brown Street Homeownership Turnkey III Programs under Annual Contributions Contract W-55, Section 8 Housing Assistance Programs under Annual Contributions Contract P-4601, New Construction Programs under HUD Housing Assistance Payments Contracts PA26-8023-025, Development and Modernization programs, various HUD grants in support of the public housing objective and resident affairs programs.

Federal Programs

Grant programs are subject to financial and compliance audits by the grantors or their representatives. Management believes PHA's potential future liability for disallowances resulting from these audits will not have an adverse impact on the financial statements of PHA.

PHA received approximately 75% of its fiscal 2008 operating subsidies from HUD under the Low-Rent Housing and Section 8 Programs. Descriptions of the primary PHA programs are:

Low-Rent Housing Program

This program provides low-rent housing to qualified residents of the City of Philadelphia. All units are owned and operated by PHA and were purchased with financing arranged or provided through HUD. The operations of the program are subsidized by HUD through Annual Contribution Contract W-55. Operating subsidy contributions for the year ended March 31, 2008 were \$94,576,279 and are included in operating subsidies in the combined statement of revenues, expenses and changes in net assets.

Section 8 Programs

The Section 8 Programs - Housing Choice Voucher Programs - include Moving to Work, New Construction, Moderate Rehabilitation, Rental Vouchers, and Single Room Occupancy programs. These programs were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons. HUD contributions for Section 8 programs under Annual Contributions Contract P-4601 are included in operating subsidies in the combined statement of revenues, expenses and changes in net assets as follows:

Housing Choice Voucher	\$180,745,228
Mainstream	368,887
Moderate Rehabilitation	2,015,443
Single Room Occupancy	1,485,881
New Construction	260,344
Total	<u>\$184,875,783</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Moving-to-Work Program*

The Moving-to-Work (MTW) Demonstration Program is focused on helping families achieve self-sufficiency and on improving and increasing the stock of quality affordable housing throughout the City. It will furnish convenient and comprehensive services to families to assist them in reaching their full potential, with an emphasis on education, job training and placement, self-sufficiency, and preparation for homeownership. In addition, MTW will promote the revitalization of neighborhoods where MTW and MTW-eligible families live.

*New Construction and Substantial Rehabilitation Programs*

The Section 8 New Construction and Substantial Rehabilitation programs allow for construction of low-income housing units to be subsidized for a contracted period of time. Both for-profit and not-for-profit developers may provide low-income housing under this program. Developers must obtain their own financing and HUD subsidizes rents once the units are occupied.

*Moderate Rehabilitation Program*

This program provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for-profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and then HUD subsidizes rents, once the units are occupied, in such amounts sufficient to cover the developer's debt service payments on the financing.

*Housing Choice and Vouchers Program*

This program allows for existing privately-owned housing units to be used for low-income housing. This program assists low-income families and persons to find and lease a house or apartment. After inspecting the unit, PHA assists the resident in negotiating a lease under HUD rules and regulations for the program. The resident pays a share of the rent according to HUD guidelines, and the remainder is subsidized by PHA through HUD funding.

PHA earns a fee for administering the annual contributions from HUD. This fund accounts for the revenues and expenses associated with providing administrative services.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

In addition to the above primary programs, PHA administers the following:

- Senior Program
- Summer Food Program
- Congregate Housing Services Program
- Summer Youth Program – “Youth Works”
- Homeownership
- Nursing Home Assistance
- GREAT Program
- Pre-Apprenticeship

Budgets

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor required for financial statement presentation.

Investments

Investments are stated at fair value. Income from investments is recognized on the accrual basis.

Land, Buildings and Equipment

Purchased land, buildings and equipment are valued at cost when historical records are available. When no historical records are available, estimated historical cost is used. When property is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any resulting gain or loss is included in operations.

In accordance with Statement of Financial Accounting Standards No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” PHA and its component units review their rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference.

If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method. Depreciation of building improvements commences in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	40 years
Building improvements	15 years
Roofs	10 years
Heavy Equipment	7 years
Automobiles	5 years
Equipment	5 years
Computer Equipment	3 years

**Compensated Absences**

A liability is recorded for compensated absences attributable to services already rendered and not contingent on a specific event outside the control of PHA and its employees, as employees earn the right to the benefits. Compensated absences that relate to future services or that are contingent on a specific event outside the control of PHA and its employees are accounted for in the period in which such services are rendered or in which such events take place.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**(2) CASH AND INVESTMENTS**

PHA's investment policies comply with HUD and Commonwealth of Pennsylvania guidelines. These policies restrict PHA's investments to obligations of the U.S. Treasury, U.S. Government agencies, and their instrumentalities. All investments are held in secured custody accounts in the name of PHA. All investments are publicly traded and the fair value was based on published quoted values. Accrued interest receivable on investments was \$206,308 at March 31, 2008 and is included in accounts receivable.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(2) CASH AND INVESTMENTS - Continued**

It is PHA's policy to maintain collateralization in accordance with the requirements of both HUD and the Commonwealth of Pennsylvania.

HUD defines three credit risk categories as follows:

- (1) Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve Bank) in the entity's name.
- (2) Collateralized with securities held by the pledging financial institution, trust department or agent in the entity's name.
- (3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the entity's name.

At March 31, 2008 cash and investments, all of which were in risk category #1, consisted of the following:

Primary Government

	<u>Credit Risk Category</u> 1	<u>Fair Value</u>	<u>Carrying Amount</u>
Demand deposits	\$ 30,459,045	\$ 30,459,045	\$ 30,459,045
Money market funds	49,492,265	49,492,265	49,492,265
U.S. government and agency securities	<u>101,585,169</u>	<u>101,585,169</u>	101,585,169
<b>Total</b>	<u>\$181,536,479</u>	<u>\$181,536,479</u>	
Petty cash			<u>28,790</u>
<b>Total cash and investments</b>			<u>\$181,565,269</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(2) CASH AND INVESTMENTS – Continued**

Component Units

	<u>Credit Risk Category</u> 1	<u>Fair Value</u>	<u>Carrying Amount</u>
Demand deposits	\$ 5,256,100	\$ 5,256,100	\$ 5,256,100
Money market funds	28,842,694	28,842,694	28,842,694
<b>Total</b>	<b>\$34,098,794</b>	<b>\$34,098,794</b>	
<b>Total cash and investments</b>			<b>\$34,098,794</b>

Reconciliation of detail to statement of net assets

	<u>Primary Government</u>	<u>Discrete Component Units</u>
Cash - unrestricted	\$ 65,339,499	\$ 5,256,100
Investments - unrestricted	107,176,904	-
Cash and investments - restricted	9,048,866	28,842,694
	<b>\$181,565,269</b>	<b>\$34,098,794</b>

Restricted cash and investments at March 31, 2008 pertain to the following:

Cash:

Resident security deposits	\$ 825,951	\$ 454,192
Affordability reserves	-	2,475,892
Replacement reserves	-	3,096,399
Operating reserve	2,873,536	3,675,839
Other reserves	3,180,548	2,830,905
Debt service escrow	-	16,309,467
	<b>6,880,035</b>	<b>28,842,694</b>

Investments:

Deposits under Low-Rent Housing Homeownership Program	1,535,256	-
Bond reserves	633,575	-
	<b>\$9,048,866</b>	<b>\$28,842,694</b>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(3) TENANT RECEIVABLES**

Tenant receivables are presented net of an allowance for doubtful accounts of \$556,000. The allowance reflects management's best estimate of probable losses inherent in the receivable balance, and is determined based on known troubled accounts, historical experience and economic conditions. Management performs ongoing evaluations of the tenants' financial circumstances and has evaluated the collectibility of the receivables. Actual results could differ from the estimates used.

**(4) OTHER ASSETS**

	Primary Government	Discrete Component Units
<u>Current</u>		
Prepaid Insurance and Other	\$ 51,543	\$ 942,082
Materials and supplies, net	2,409,106	-
Advances and Deposits	-	27,142
	\$2,460,649	\$ 969,224
<u>Noncurrent</u>		
Turnkey homes held for resale	\$ 90,078	\$ -
Capitalized interest, net of interest income of \$78,862	22,201,936	-
Other	3,019,579	3,237,806
	\$25,311,593	\$3,237,806

PHA capitalizes interest in connection with long-term construction projects. These projects are financed through several bond indentures as described in Note 7. Interest capitalization will cease when construction is completed.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(5) CAPITAL ASSETS**

Capital assets are summarized as follows:

	Balance March 31, 2007	Capital Acquisitions	Sales or Other Dispositions	Balance March 31, 2008
<u>Primary Government</u>				
Land	\$ 25,095,486	\$ -	\$ -	\$ 25,095,486
Buildings and improvements	1,176,614,971	37,816,255	(7,833,297)	1,206,597,929
Equipment – dwelling	402,059	78,306	( 311,773)	168,592
Equipment – administration	25,042,805	687,812	(864,559)	24,866,058
Construction in progress	80,476,700	28,015,284	(38,420,977)	70,071,007
	<u>1,307,632,021</u>	<u>66,597,657</u>	<u>(47,430,606)</u>	<u>1,326,799,072</u>
Less accumulated depreciation	<u>(714,148,928)</u>	<u>(49,324,658)</u>	<u>7,676,574</u>	<u>(755,797,012)</u>
	<u>\$ 593,483,093</u>	<u>\$17,272,999</u>	<u>(\$39,754,032)</u>	<u>\$571,002,060</u>
<u>Discrete Component Units</u>				
Land	\$ 3,497,484	\$ 11,602,929	\$ -	\$ 15,100,413
Buildings and improvements	339,278,082	53,473,184	(759,673)	391,991,593
Leasehold improvements			-	
Equipment – dwelling	3,887,880	89,480	-	3,977,360
Equipment – administration	100,906	14,797	-	115,703
Construction in progress	13,585,934	39,806,254	(13,585,934)	39,806,254
	<u>360,350,286</u>	<u>104,986,644</u>	<u>(14,345,607)</u>	<u>450,991,323</u>
Less accumulated depreciation	<u>(27,946,192)</u>	<u>(22,856,862)</u>	<u>-</u>	<u>(50,803,054)</u>
	<u>\$332,404,094</u>	<u>\$ 82,129,782</u>	<u>(\$14,345,607)</u>	<u>\$400,188,269</u>

**(6) MORTGAGES RECEIVABLE**

Mortgages receivable are summarized as follows:

Non-interest-bearing note due from The Philadelphia Redevelopment Authority (“RDA”)	\$ 34,059,453
Amounts due from PHA component units, at interest rates ranging from 1% to 5.46%	<u>172,573,938</u>
	<u>\$206,633,391</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(6) MORTGAGES RECEIVABLE - Continued**

The amount due from RDA is in connection with the rehabilitation of the rental housing project “*The Courtyard Apartments at Riverview*”, which is owned by Southwark Plaza Limited Partnership, a component unit of PHA. The loan resulted from a HUD grant to PHA, which PHA subsequently provided to the project to repay tax-exempt mortgage notes issued by RDA. Repayment is due upon final settlement with RDA.

The amounts due from the component units represent advances of various HUD grants under the Moving to Work Program, Hope VI Program and other capital fund programs. The offsetting liability of the discrete component units is included in long-term debt. All balances net to zero with the exception of \$2,651,864 in advances made to component units between December 31, 2007 and March 31, 2008.

The repayment schedule is as follows:

<u>Year ending March 31,</u>	
2009	\$ -
2010	2,525,991
2011	-
2012	-
2013	-
2014 – 2018	-
2019 – 2023	-
2024 – 2028	-
2029 – 2033	-
2034 – 2038	35,682,801
2039 – 2043	91,497,082
2044 – 2048	8,234,701
2049 – 2053	13,898,157
2054 – 2058	15,317,336
2069 – 2063	39,477,323
	<u>\$206,633,391</u>

**(7) DEFERRED CREDITS AND OTHER LIABILITIES**

Deferred credits and other liabilities at March 31, 2008, consisted of the following:

	Primary Government	Discrete Component Units
Deferred revenues	\$ 2,063,673	\$ 154,758
Contract retention	2,335,681	-
Accrued expenses	16,748,329	523,727
Due to affiliates	-	2,133,590
Escrows	1,541,905	
	<u>\$22,689,588</u>	<u>\$2,812,075</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(8) LONG-TERM DEBT**

Long-term debt represents borrowings of PHA to fund various projects, and the blending of the borrowings of component units as described in Note 12. Salient terms of the arrangements are as follows:

<u>Borrower/Description</u>	<u>Due Third Parties</u>	<u>Due PHA</u>
<u>PHA and Blended Component Units</u>		
Tasker Capital Fund Revenue Bonds, Series A of 2002; insured by Financial Security Assurance, Inc.; interest payable each June 1 and December 1, at rates ranging from 1.75% to 5.5%; annual principal payments due each December 1 through 2021	\$ 69,198,659	
Tasker II Capital Fund Revenue Bonds, Series D of 2003; insured by Financial Security Assurance, Inc.; interest payable each June 1 and December 1 at 4.75%; annual principal payments due 2017 through 2022	11,000,000	
Unsecured revolving credit agreement with a financial institution; maximum borrowing – \$15,000,000; interest at LIBOR plus 1.5%; due in 2008	1,572,474	
Escheated unclaimed funds	<u>52,637</u>	
	<u>\$81,823,770</u>	
<u>Discrete Component Units</u>		
RDA Bonds related to the <i>Tasker I</i> project; interest at 1%. principal due in 2042	\$26,525,000	
Series C RDA Bonds related to the <i>Tasker II</i> project; interest at .1%; principal due in 2043	15,960,000	
Mortgage notes for the <i>Spring Garden</i> Housing property; interest ranging from nil to 6.55%; due in 2015 and 2045	2,179,534	
Non-interest-bearing mortgage note to RDA; collateralized by a mortgage on the <i>Spring Garden</i> property consisting of 97 low-income units; due in 2045	1,861,700	
Non-interest bearing note to RDA to rehabilitate <i>The Courtyard Apartments at Riverview</i> housing project; due upon final settlement of the project	34,059,453	
Non-interest-bearing mortgage note to RDA to develop <i>Southwark Plaza</i> ; due in 2030	3,000,000	

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(8) LONG-TERM DEBT – Continued**

	<u>Due Third Parties</u>	<u>Due PHA</u>
Non-interest bearing mortgage note to RDA; collateralized by cash collateral and a mortgage on the <i>St. Anthony's Senior Residences</i> property consisting of 53 senior rental units; due in annual installments from 2030 through 2039	1,650,000	
6.09% Federal Home Loan Bank Affordable Housing Mortgage; due in 2032	188,400	
0.5% mortgage note collateralized by the <i>Eight Diamonds</i> property (consisting of 152 low-income housing rental units); due in 2040		\$ 15,968,970
Mortgage note collateralized by the <i>Spring Garden</i> property (consisting of 97 low-income housing rental units); interest at the Applicable Federal Rate; due in 2040		2,939,083
0.1% mortgage note collateralized by the <i>Richard Allen</i> property; due in 2041		22,190,978
Mortgage notes for the development of <i>Suffolk Manor</i> property Interest ranges from 5.05% to 5.23%; due in 2041 and 2042		10,453,027
Non-interest-bearing note to rehabilitate the housing project <i>The Courtyard at Riverview</i> ; due in 2037		1,623,348
5.46% mortgage notes for the development of <i>Cambridge Plaza I</i> ; due in 2042		2,579,029
0.1% mortgage note for the development of <i>Tasker I, L.P.</i> ; due in 2042		6,475,000
5.12% mortgage note for the development of <i>Mt. Olivet, L.P.</i> ; due in 2055		6,492,641
6.09% mortgage note for the development of <i>Uni-Penn Housing Partnership I</i> ; due in 2041		2,252,189
5.23% mortgage note for the development of <i>Cambridge Plaza II, LP</i> ; due in 2058		3,593,093
4.79% mortgage note for the development of <i>LEB III</i> ; principal and interest due in 2061		2,944,341
Non-interest-bearing note for the development of <i>Germantown House</i> due in 2059		2,500,000
Unsecured note payable due TCB at a rate of 6.545%; all principal and interest due March 17, 2031	51,000	

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(8) LONG-TERM DEBT – Continued**

	Due Third Parties	Due PHA
5.25% mortgage note for <i>Mill Creek I</i>		\$ 1,396,749
Non-interest-bearing note to <i>PHFA</i> ; due in 2042	\$ 718,000	
0.01% mortgage note for the development of <i>Mt. Olivet, L.P.</i> ; due in 2058		3,123,524
Mortgage note for the development of <i>Mill Creek I</i> ; interest at prime plus 2%, due in 2050		4,707,003
0.01% mortgage note for <i>Ridge Avenue Housing</i> ; due in 2041		18,187,838
5.23% mortgage note for <i>Cambridge III</i> ; due in 2059		3,041,325
5.23% mortgage note for <i>Uni-Penn II</i> ; due in 2042		2,495,383
0.01% mortgage note for the development of <i>Tasker II</i> ; due in 2043		5,040,000
Non-interest-bearing note for the development of <i>Angela Court</i>	967,853	
Non-interest-bearing note for <i>Spring Garden</i>	15,000	
4.2% construction note for the development of <i>Marshall Shepard</i> ; due in 2009	12,600,000	
5.04% mortgage note for the development of <i>Nellie Reynolds Gardens</i> ; due in 2062		2,664,532
3.00% second mortgage note for the development of <i>Marshall Shepard Village</i> ; due in 2062		9,530,955
1.00% first mortgage note for the development of <i>Ludlow Scattered Sites</i> ; due in 2052		6,050,000
Second mortgage for the development of <i>Ludlow Scattered Sites</i> ; accruing interest at the applicable federal rate; due in 2062		4,104,917
Bridge loan accruing interest at the applicable federal rate; due in 2010		2,525,991
	102,733,477	158,446,483
Total debt for discrete component units	\$261,179,960	

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(8) LONG-TERM DEBT - Continued**

The Tasker Capital Fund Revenue Bonds, Series A and the RDA Bonds related to the Tasker I project ("Bonds"), are limited obligations of PHA and were issued on a parity basis pursuant to Trust Indentures ("indentures") dated July 1, 2002 between PHA and Wachovia Bank, N.A., as Trustee ("Trustee"), to provide funds for the indicated projects and other PHA projects. Repayment of the bonds is secured by a security interest in a portion of PHA's Capital Fund Allocations ("grants") from HUD. Such grants are subject to the availability of appropriations, and are to be paid directly by HUD to the Trustee.

Bonds maturing after 2012 are subject to optional redemption at prices stated in the indentures. In addition, \$15.9 million of bonds maturing in 2020 and 2021 are subject to mandatory redemption at face value plus accrued interest.

Under the indentures, PHA is required to maintain a debt service fund equal to the annual debt service requirements.

The amortization schedule for the long-term debt of PHA and its component units is set forth below:

Year Ending March 31,	Primary Government			Component Units		
	Principal	Interest	Debt Service Requirement	Principal	Interest	Debt Service Requirement
2009	\$ 5,067,474	\$ 3,921,518	\$ 8,988,992	\$ 15,380,000	\$ 1,883,452	\$ 17,263,452
2010	3,665,000	3,746,768	7,411,768	5,385,991	1,792,766	7,178,757
2011	3,860,000	3,554,356	7,414,356	2,955,000	1,692,506	4,647,506
2012	4,055,000	3,359,832	7,414,832	3,070,000	1,581,424	4,651,424
2013	4,225,000	3,197,632	7,422,632	3,195,000	1,459,366	4,654,366
2014 - 2018	32,770,000	12,880,200	45,650,200	18,410,000	5,003,782	23,413,782
2019 - 2023	26,812,637	4,825,128	31,637,765	9,725,000	1,192,458	10,917,458
2024 - 2028	-	-	-	-	-	-
2029 - 2033	-	-	-	4,889,400	-	4,889,400
2034 - 2038	-	-	-	36,533,556	-	36,533,556
2039 - 2043	-	-	-	87,690,267	-	87,690,267
2044 - 2048	-	-	-	10,115,897	-	10,115,897
2049 - 2053	-	-	-	12,153,752	-	12,153,752
2054 - 2058	-	-	-	22,243,440	-	22,243,440
2061 - 2063	-	-	-	29,432,657	-	29,432,657
	<u>80,455,111</u>	<u>\$35,485,434</u>	<u>\$115,940,545</u>	<u>261,179,960</u>	<u>\$14,605,754</u>	<u>\$275,785,714</u>
Less current portion	<u>5,067,474</u>			<u>15,380,000</u>		
	<u>75,387,637</u>			<u>\$245,799,960</u>		
Premium on Series A bonds	<u>1,368,659</u>					
	<u>\$76,756,296</u>					

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(8) LONG-TERM DEBT - Continued**

Long-term debt is summarized as follows:

	Balance at March 31, 2007	Additions	Repayments	Balance at March 31, 2008
<b><u>Primary Government</u></b>				
Bonds	\$ 82,262,637	\$ -	(\$3,380,000)	\$ 78,882,637
Other notes	2,231,040	5,649,500	(6,308,066)	1,572,474
Plus premium on Series A bonds	1,544,259	-	(175,600)	1,368,659
	<u>\$ 86,037,936</u>	<u>\$5,649,500</u>	<u>(\$9,863,666)</u>	<u>\$ 81,823,770</u>
<b><u>Discrete Component Units</u></b>				
Bonds	\$ 45,170,000	\$ -	(\$2,685,000)	\$ 42,485,000
Notes due to PHA	35,928,714	28,187,527	(5,669,758)	158,446,483
Other notes	47,637,416	12,615,000	(3,939)	60,248,477
	<u>\$228,736,130</u>	<u>\$40,802,527</u>	<u>(\$ 8,358,697)</u>	<u>\$261,179,960</u>

**(9) OTHER LONG-TERM LIABILITIES**

Other long-term liabilities at March 31, 2008 consisted of the following:

	Primary Government	Discrete Component Units
Estimated liability for self insured claims	\$5,033,699	\$ -
Health trust escrow	1,953,657	-
Escheat payable	506,326	-
Development fee payable	-	10,541,021
Interest payable – due PHA	-	12,027,633
Other	1,265,799	193,394
	<u>\$8,759,481</u>	<u>\$22,762,048</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(10) EMPLOYEES' RETIREMENT PLAN**

Plan Description

PHA contributes to the Philadelphia Housing Authority Retirement Income Plan. The Plan is a single-employer plan which issues separate financial statements. Employees are required to contribute 5.5% of total salary to the Plan on a pre-tax basis. The following table provides information concerning covered employees and benefit provisions for the Plan.

Covered employees	All permanent employees of PHA
Current annual covered payroll	\$46,298,645
Normal retirement date	65 <sup>th</sup> birthday
Normal retirement benefit	2.5% of average earnings, as defined in the Plan, multiplied by the years of service not to exceed 25 years, plus 1.25% of average earnings multiplied by years of service in excess of 25 years
Death benefit	The Plan contains provisions for the payment of benefits to surviving spouses of employees.

Actuarially Determined Contribution Requirements and Contributions Made

Actuarially determined contributions are required to provide sufficient assets to pay benefits when due and are determined using the entry age normal method. Under this method, the actuarial present value of projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of service of the individual between entry age and assumed exit age. The portion of actuarial present value allocated to each valuation is called the normal cost. The significant actuarial assumptions used to compute the actuarial determined contributions are as follows:

- a) a rate of return on the investments of 7.5% per year
- b) projected salary increase of 5.5% per year
- c) no post-retirement benefit increase

PHA's funding policy is to contribute 5.5% of total payroll to the Plan. Employees are required by collective bargaining agreements to contribute 5.5% of total salary to the Plan. The funding policy is determined by collective bargaining agreements and employment policies.

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funding Excess (Deficiency) (a-b)	Funding Ratio (a/b)	Covered Payroll (c)	Ratio of Funding Excess to Covered Payroll [(a-b)/c]
11/01/03	\$191,375,788	\$213,342,359	(\$21,966,571)	90%	\$70,442,599	(31%)
11/01/04	195,151,751	227,044,436	(31,892,685)	86%	71,998,084	(44%)
11/01/05	200,176,636	238,402,516	(38,225,880)	84%	69,677,849	(55%)
11/01/06	208,627,822	255,538,644	(46,910,822)	82%	64,801,439	(72%)
11/01/07	214,492,237	260,423,690	(45,931,453)	82%	46,298,645	(99%)

At October 31, 2007, the Plan's assets were comprised of investments in the following percentages: 65% equity, 27% fixed income and 2% cash.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(11) LEASE COMMITMENTS**

PHA has entered into various noncancellable operating leases, primarily for office space and equipment. Future minimum payments under these leases are as follows:

<u>Year ending March 31</u>	
2009	\$1,565,434
2010	1,146,969
2011	601,683
2012	488,329
2013	<u>59,240</u>
	<u>\$3,861,655</u>

Total rent expense for the year ended March 31, 2008 was \$2,650,265.

**(12) CONTINGENCIES**

PHA is subject to examination by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to PHA in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries.

PHA is a party to various legal actions arising in the normal course of business. Accruals for anticipated losses are recorded at the time judgments are rendered or liability appears likely. It is the opinion of management that the amounts accrued represent a reasonable provision for any anticipated losses, and the ultimate disposition of these matters will not have a materially adverse effect on PHA's financial position or changes in net assets.

**(13) COMPONENT UNITS**

Blended Component Units

*Philadelphia Housing Authority Homeownership Corp.*

The Philadelphia Housing Authority Homeownership Corp. ("PHAHC"), a nonprofit corporation, was formed January 14, 2004, with the purpose of developing and selling affordable housing units to low-income families. Additionally, the PHAHC was created to provide financial counseling and other counseling services to purchasers and to facilitate and coordinate the sale and conveyance of the housing units.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(13) COMPONENT UNITS – Continued**

***Philadelphia Housing Authority Development Corporation***

The Philadelphia Housing Authority Development Corporation (“PHADC”) was created in May of 1997 as a Pennsylvania non-profit corporation to undertake development activities on behalf of PHA. PHADC is an affiliate of PHA. The Board of Directors and the Officers of PHADC are comprised of employees of PHA. PHADC has the power and authority to undertake development activities pursuant to agreement with PHA. In exchange for providing development services to PHA and certain Limited Partnerships, which own several of PHA tax credit sites, PHADC is paid a development fee in accordance with certain State and Federal guidelines. To date, PHADC has developed in excess of fifteen public housing rental and homeownership sites on behalf of PHA.

***Philadelphia Asset and Property Management Corp. (“PAPMC”)***

PAPMC is a nonprofit corporation formed by PHA in 2004 to provide asset and property management services to PHA component units.

Selected financial data for these blended component units is as follows:

As of and for the year ended as indicated:

	<u>PHADC</u> <u>3/31/08</u>	<u>PAPMC</u> <u>12/31/07</u>	<u>PHAHC</u> <u>3/31/08</u>	<u>Total</u>
Assets	\$76,788,972	\$140,159	\$132,927	\$77,062,058
Liabilities	<u>1,582,474</u>	<u>334,378</u>	<u>132,927</u>	<u>2,049,779</u>
	<u>75,206,498</u>	<u>(194,219)</u>	<u>-</u>	<u>75,012,279</u>
Revenue	6,854,609	911,993	22,866	7,789,468
Expenses	<u>(265,487)</u>	<u>(793,509)</u>	<u>(22,866)</u>	<u>(1,081,862)</u>
Change in net assets	<u>\$6,589,122</u>	<u>(\$118,484)</u>	<u>\$ -</u>	<u>\$6,707,606</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(13) COMPONENT UNITS - Continued**

Discrete Component Units:

<u>Entity</u>	<u>Number of Housing Units</u>
Tenant Support Services, Inc.	N/A
Cambridge Plaza Limited Partnership	44
Raymond Rosen Associates, Limited Partnership	152
Richard Allen Phase III, Limited Partnership	178
St. Anthony's Residences Associates, Limited Partnership	53
Southwark Plaza, Limited Partnership	470
Spring Garden Housing, Limited Partnership	97
Suffolk Manor Apartments, Limited Partnership	137
Tasker I, Limited Partnership	245
Tasker II, Limited Partnership	245
Cambridge Plaza II, Limited Partnership	40
Mt. Olivet, Limited Partnership	161
Uni-Penn Housing Partnership I	49
Uni Penn Housing Partnership II	46
Mill Creek Phase I, Limited Partnership	80
Ridge Avenue Housing, Limited Partnership	135
Cambridge III, Limited Partnership	40
St. Ignatius Senior Housing, Limited Partnership	67
Lucien E. Blackwell Homes Phase II, Limited Partnership	80
Germantown House, Limited Partnership	133
Uni Penn Housing Partnership IV	42
Neuman North, Limited Partnership	42
Marshall Shepard Village, Limited Partnership	N/A
Ludlow Scattered Sites Phase III, Limited Partnership	N/A
Lucien E. Blackwell Homes Phase III, Limited Partnership	50
Nellie Reynolds	N/A

In most instances, the entities have entered into agreements with PHA to provide various services for the projects. In addition, management and/or development fees are paid to PHADC for services rendered over the life of the project.

The individual entities have issued bonds or other debt to fund projects, including amounts owed to RDA, and PHA as mortgagees, as disclosed in Note 7.

***PHA Tenant Support Services, Inc. ("TSSI")***

TSSI, a not-for-profit corporation, is a program of, and was established by, PHA to promote the welfare of public housing residents and recipients of housing assistance under Section 8 of the National Housing Act.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(13) COMPONENT UNITS - Continued**

***Cambridge Plaza Limited Partnership*** (“Cambridge”)

Cambridge was formed as a limited partnership in 2001 to acquire and develop 44 public housing units. PHA, through a corporate not-for-profit affiliate, is the general partner. The project has qualified for federal low-income housing tax credits.

The project is being funded by \$4.5 million of investor capital, and \$4.6 million of loans from PHA. PHADC is entitled to a development fee of \$413,000, of which \$248,000 will be recontributed to the project. Additionally, PHA has agreed to pay approximately \$2.8 million of project costs to be funded by Hope VI and Moving to Work Grants. PHA will provide Operating Subsidies for medium income families, and will manage the property and receive no fee for its services.

PHA, as owner of the land, has entered into a ninety-nine year ground lease with the partnership at an annual rental of \$1, and has the option to purchase the property from Cambridge at a value and under circumstances as stipulated in a Purchase Option Agreement.

***Raymond Rosen Associates, LP*** (“Raymond Rosen”)

Raymond Rosen was formed as a limited partnership in 2000 to acquire, construct and operate a 152-unit apartment complex. The project has qualified for federal tax credits, and accordingly is required to comply with various requirements including unit eligibility and rent computations. The project will be financed by \$8.3 million of investor capital, a \$15.8 million first mortgage from PHA, a \$12.5 million second mortgage from the Pennsylvania Housing Finance Agency (“PHFA”), and a construction loan of \$5.9 million with a third-party lender.

The partnership has entered into a 99-year ground lease with PHA at a rental of \$1 per year. A development fee of \$1 million and management fees at 6% of rental income are to be paid to an entity affiliated to the general partner.

***Richard Allen Phase III, Limited Partnership*** (“Richard Allen”)

Richard Allen was formed as a limited partnership in 2001 to develop and operate a 178-unit rental project. The project is being financed by \$16.4 million of RDA bonds and a mortgage from PHA for up to \$23.8 million.

The partnership has entered into a ninety-nine year ground lease with the RDA at a base rent of \$10 per year.

***St. Anthony’s Senior Residences Associates, LP*** (“St. Anthony”)

St. Anthony’s was formed as a limited partnership in 1998 to construct and operate a 53-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low or moderate-income individuals or families. The project was financed by \$1.65 million of mortgages from the RDA, and \$5.1 million of investor capital.

A development fee of \$430,000 and a management fee of 8% of monthly rental collections were paid to the general partner or entities affiliated to the general partner. St. Anthony’s has entered into a contract with PHA for operating subsidy payments through 2041.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(13) COMPONENT UNITS - Continued**

***Southwark Plaza, LP*** (“Southwark”)

Southwark was formed as a limited partnership to acquire the *Courtyard Apartments at Riverview* rental property from PHA in 1997 through the RDA. The project was financed by \$18.9 million of investor capital, first and second mortgage loans of \$35.7 from PHA and a \$3 million third mortgage from RDA.

The partnership has entered into a development agreement with the general and certain limited partners (collectively, the Developer) for rehabilitation of the property. A development fee of \$5.1 million is to be paid to the Developer. The partnership has also agreed to pay the managing general partner a management fee of \$50,000 per year adjusted annually for inflation.

***Spring Garden Housing, Limited Partnership*** (“Spring Garden”)

Spring Garden was formed as a limited partnership in 1998 to develop and operate a 97-unit rental housing project. Additionally, the buildings have been designated as “certified historic structures” by the National Park Service, and, as such, will qualify for federal tax credits. The partnership has entered into an operating agreement with PHA to provide monthly subsidies, as well as a ninety-nine year ground lease, under which the partnership will pay rent of \$1 per year plus taxes, utilities and other operating expenses.

The partnership has entered into development and management agreements with entities affiliated with the general partner. The agreements provide for the payment of a development fee of \$1.2 million and an ongoing management fee of 6% of gross rentals for operating and administrative services. Additionally, an annual, non-cumulative incentive management fee of 10% of gross rentals is to be paid for day-to-day administrative services.

***Suffolk Manor Apartments, Limited Partnership*** (“Suffolk”)

Suffolk was formed as a limited partnership in 2001 to acquire and rehabilitate 138 rental units. PHA, through a corporate not-for-profit affiliate, is the general partner. The partnership has qualified for federal housing credits. The project is being financed by a \$5.3 million mortgage from PHA.

The Partnership has entered into a ninety-nine year ground lease with PHA at a base rent of \$1 per year.

***Tasker I, Limited Partnership*** (“Tasker I”)

Tasker I was formed as a limited partnership in 2002 to acquire and rehabilitate the 245 public housing rental units – *Tasker Homes Phase I*. PHA, through a corporate not-for-profit affiliate, is the general partner. The project was acquired from RDA pursuant to an Installment Sale Agreement dated December 30, 2002 and has qualified for federal low-income housing tax credits.

The Project is being funded by \$15.4 million of investor capital, \$33 million of tax-exempt bonds issued by RDA, and a \$9.9 million mortgage loan from PHA. PHA will provide operating subsidies for the project.

PHA, as owner of the land, has entered into a ninety-nine year ground lease with the RDA at an annual rental of \$10. RDA has agreed to transfer its leasehold interest in the property to Tasker I in accordance with the terms of the Installment Sale Agreement.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(13) COMPONENT UNITS - Continued**

***Tasker II Limited Partnership*** (“Tasker”)

Tasker was formed as a limited partnership in 2003 to develop 184 public housing units. PHA, through a corporate not-for-profit affiliate, is the general partner. The project has qualified for federal low-income housing credits.

The project is being financed by \$21 million of RDA bonds, a mortgage from PHA for \$21 million and investor capital of \$12.6 million. PHA will provide operating subsidies to the project.

***Cambridge Plaza II Limited Partnership*** (“Cambridge II”)

Cambridge II was formed as a limited partnership in 2003 to develop 40 public housing units. PHA, through a corporate not-for-profit affiliate, is the general partner. The project has qualified for federal low-income housing credits.

The project is being financed by \$6 million of investor capital and a loan from PHA for up to \$3.6 million. PHADC is entitled to a Development Fee of \$743,708, which will be deemed earned upon completion of construction. PHA will provide operating subsidies to the project.

***Mt. Olivet Limited Partnership*** (“Mt. Olivet”)

Mt. Olivet was formed as a limited partnership in 2003 to develop 161 public housing units. PHA, through a corporate not-for-profit affiliate, is the general partner. The project has qualified for federal low-income housing credits.

The project is being financed by \$7.165 million of investor capital and two loans from PHA, the (*Southside Mortgage Note*) and the (*Northside Mortgage Note*) for up to \$6,492,641 and \$3,250,000, respectively. PHA will provide operating subsidies to the project.

***Uni-Penn Housing Partnership I*** (“Uni-Penn I”)

Uni-Penn I was formed as a limited partnership in 2000 to construct and operate a 49-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low or moderate-income individuals or families. The project was financed by \$2.3 million of mortgages from PHA and \$5.3 million of investor capital. From the date of initial occupancy, a management fee payable on a monthly basis.

***Uni Penn Housing Partnership II*** (“Uni-Penn II”)

Uni-Penn II was formed as a limited partnership in 2002 to construct and operate a 46-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low or very low-income persons. The project was financed by a first mortgage commitment of \$2,495,384 from PHA, a second mortgage commitment of \$718,000 from the Pennsylvania Housing Finance Agency (PHFA) and \$5,343,000 of investor capital. A management fee, equal to six percent (6%) of gross collected rental revenue, may be earned annually by the property manager.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(13) COMPONENT UNITS - Continued**

***Mill Creek Phase I, Limited Partnership*** (Mill Creek)

Mill Creek was formed as a limited partnership in 2003 to construct and operate an 80-unit rental housing project, part of the Lucien E. Blackwell Homes development. PHA, through a corporate not-for-profit affiliate, is the general partner. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low-income persons. The project was financed by a mortgage commitment of \$6,103,653 from PHA and \$12,766,360 of investor capital. PHA will provide operating subsidies to the project.

***Ridge Avenue Housing, Limited Partnership*** (Schuylkill Falls)

Schuylkill Falls was formed as a limited partnership in 1999 to construct and operate a 135-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low or very low-income persons. The project was financed by a mortgage commitment of \$18,230,759 from PHA and \$5,610,000 of investor capital. A management fee, equal to six percent (6%) of gross collected rental revenue, may be earned annually by the property manager.

***Cambridge III, Limited Partnership*** (Cambridge III)

Cambridge III was formed as a limited partnership in 2003 to construct and operate a 40-unit rental housing project, part of the Cambridge Plaza development. PHA, through a corporate not-for-profit affiliate, is the general partner. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low-income persons. The project is being financed by a mortgage commitment of \$3,041,325 from PHA and \$6,314,248 of investor capital. PHA will provide operating subsidies to the project.

***St. Ignatius Senior Housing, Limited Partnership*** (Angela Court)

Angela Court was formed as a limited partnership in 2001 to construct and operate a 67-unit rental housing project. As a result of tax credits received, the property is restricted as to rental charges and is required to lease all units to low-income persons. The project was financed by a mortgage loan commitment of \$362,000 from PHA, a loan commitment of \$1,000,000 from the Pennsylvania Housing Finance Agency (PHFA), a loan commitment of \$500,000 from the Pennsylvania Department of Health, a loan commitment of \$350,000 from the Philadelphia Redevelopment Authority and \$5,700,000 of investor capital. A management fee, equal to 6.6% of gross collected rental revenue, may be earned annually by the property manager.

***Lucien E. Blackwell Homes Phase II, L.P.*** (LEBII)

Lucien E. Blackwell Homes Phase II, L.P. was formed as a limited partnership in July 14, 2004, to develop 80 residential units. PHA, through a corporate not-for-profit affiliate, is the general partner. This project will be rented to low-income tenants and will be operated in a manner necessary to qualify for federal low income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The partnership expects to generate an aggregate of \$15,639,880 of federal low-income housing tax credits based on PHFA awards, which were available beginning in January 2006, for use by its partners pro-rated over a ten-year period.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(13) COMPONENT UNITS - Continued**

***Germantown House, L.P.*** (Germantown)

Germantown House, L.P. was formed as a limited partnership in November 12, 2004, to develop a 133-unit apartment project. PHA, through a corporate not-for-profit affiliate, is the general partner. This project will be rented to low-income tenants and will be operated in a manner necessary to qualify for federal low income housing tax credits as provided for in Section 42 of the Internal Revenue Code. Subject to certain compliance requirements, the partnership expects to generate an aggregate of \$11,925,470 of federal low-income housing tax credits, which were available in January 2007 for use by its partners pro-rated over a ten-year period.

The project is being financed by equity contributions by the Limited Partner amounting to \$11,772,000 to be provided in eight installments pending satisfaction of certain benchmarks as well as two (2) construction period notes from PHA, which will be converted into two (2) permanent mortgage notes totaling \$8,187,912.

***Uni-Penn Housing Partnership IV, L.P.*** (Uni-Penn IV)

Uni-Penn Housing Partnership IV was formed as a limited partnership in June 28, 2002, to develop 42 units. In July 2004, PHA became the General Partner of the Limited Partnership. This project will be rented to low-income tenants and will be operated in a manner necessary to qualify for federal low income housing tax credits as provided for in Section 42 of the Internal Revenue Code. Subject to certain compliance requirements, the partnership expects to generate an aggregate of \$5,994,120 of federal low-income housing tax credits, which were available in January 2006 for use by its partners pro-rated over a ten-year period.

The project is being financed by equity contributions by the Limited Partner amounting to \$5,334,000 to be provided in eight installments pending satisfaction of certain benchmarks as well as a mortgage note from PHA amounting to \$3,320,420, a Bridge Note not exceeding \$479,700 and a grant in the amount of \$330,000.

***Neumann North, L.P.*** (Neumann North)

Neumann North, L.P. was formed as a limited partnership in October 7, 2002 to develop 67 senior housing residential units, including space to be leased for use as an Adult Day Care Center. This project was completed in December 2005.

This project will be rented to low-income tenants and will be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. Subject to certain compliance requirements, the partnership expects to generate an aggregate of \$6,433,250 of federal low-income housing tax credits, which were available in January 2006 for use by its partners pro-rated over a ten-year period.

The project is being financed by equity contributions as well as three mortgage notes. The equity contribution by the General Partner amounts to \$250,000 and the Limited Partner's contribution amounts to \$5,475,000. The combined mortgage notes as of December 31, 2005 from PHA, the Mellon Bank Community Development Corporation and the Redevelopment Authority of the City of Philadelphia amounted to \$3,533,052 of which the PHA note is \$2 million.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(13) COMPONENT UNITS - Continued**

***Marshall Shepard Village, L.P.***

Marshall Shepard Village was formed as a limited partnership in 2007 to develop and construct 16 buildings to be located on land which in the aggregate will contain 80 dwelling units upon completion of construction. The project is being financed by means of construction loan proceeds from the issuance and sale of tax-exempt bonds in the amount of \$12,600,000. These tax-exempt bonds are Pennsylvania Housing Finance Agency Multifamily Development Bonds, Issue 2007-1.

***Ludlow Scattered Sites III, L.P.***

Ludlow Scattered Sites III, L.P. was formed as a limited partnership in 2007 to develop and construct 21 buildings to be located on land which in the aggregate will contain 75 dwelling units upon completion of construction. The project is being financed by a first mortgage loan in the amount of up to \$6,050,000 made by PHA. The mortgage will bear interest at 1% per annum, compounded annually. The first mortgage loan will mature in 45 years. The partnership will also receive a bridge loan in the amount of up to \$2,756,153 made by the PHA. The loan will bear interest at the long-term applicable federal rate.

Complete financial statements of the individual component units can be obtained directly from the Philadelphia Housing Authority, Finance Department, 2012 Chestnut Street, Philadelphia, PA 19103.

***Nellie Reynolds Gardens L.P.***

Nellie Reynolds Gardens was formed as a limited partnership October 25, 2006, to develop 64 unit apartment project. PHA, through a corporate not-for-profit affiliate, is the general partner. The project will be rented to low income tenants and will be operated in a manner necessary to qualify for federal low-income housing tax credits as provided in Section 42 of the Internal Revenue Code. Subject to certain compliance requirements, the partnership expects to generate an aggregate of \$11,621,640 of federal low-income housing tax credits, which will be available in January 2009, for use by its partners over a ten year period.

The project is being financed by equity contributions by the Limited Partner amounting to \$11,263,000 to be provided in eight installments pending satisfaction of certain benchmarks as well as one (1) construction period note from PHA, which will be converted into a permanent mortgage note totaling \$7,538,415.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2008**

**(14) PRIOR PERIOD ADJUSTMENTS**

Net assets of the component units as of April 1, 2007 have been restated to reflect the reversal of an impairment loss of \$40.5 million, originally recognized at December 31, 2006, on a low-income rental housing project owned by Southwark Plaza Limited Partnership. The estimated fair market value used to determine the impairment loss improperly excluded, among other items, the value of the soft mortgage debt used to finance the project. An approved purchaser of the project is able to assume the non-interest loan debt as part of a purchase transaction; as such, this amount is includable in the valuation. Accordingly, Southwark management recalculated the fair market value at December 31, 2006 and determined that the carrying value of the property prior to the impairment charge did not exceed its fair market value at that date.

Net assets of the primary government at April 1, 2007 have been restated to correct certain errors in prior year financial statements, resulting in a decrease in net assets of \$73,238.

**HUD SUPPLEMENTARY INFORMATION**

**Philadelphia Housing Authority**  
**Combining Statement of Net Assets**  
**As of March 31, 2008**

	Low Rent Public Housing Program	State and Local Grants	Section 8 Housing Choice Program	Section 8 Modern Rehab Prg No. 1	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg No. 3	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5
<b>ASSETS</b>								
<b>Current Assets:</b>								
Cash	6,603,706	680,369	18,193,701	-	-	-	-	-
Investments	14,610,009	-	44,247,295	-	-	-	-	-
Restricted cash and investments	2,361,207	-	3,180,548	-	-	-	-	-
Receivables, net	559,227	2,142,112	1,470,618	-	-	-	-	-
Due from other governments	998,743	-	22,908	5,649	-	68,713	-	-
Due from other funds	11,468,249	96,775	-	75,706	412,526	293,947	41,115	11,991
Other assets	2,453,052	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>39,054,193</b>	<b>2,919,256</b>	<b>67,115,070</b>	<b>81,355</b>	<b>412,526</b>	<b>362,660</b>	<b>41,115</b>	<b>11,991</b>
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	358,926,330	1,010,368	256,620	-	-	-	-	-
Other assets	910	-	-	-	-	-	-	-
<b>Total noncurrent assets</b>	<b>358,927,240</b>	<b>1,010,368</b>	<b>256,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>397,981,433</b>	<b>3,929,624</b>	<b>67,371,690</b>	<b>81,355</b>	<b>412,526</b>	<b>362,660</b>	<b>41,115</b>	<b>11,991</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current liabilities:</b>								
Accounts payable	7,735,803	1,505,627	(16)	-	-	-	-	-
Due to other governments	1,051,941	-	-	-	-	-	-	-
Due to other funds	-	660,137	62,953,309	-	-	-	-	-
Compensated absences	3,546,549	-	55,324	-	-	-	-	-
Trust and deposits	825,951	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Deferred credits and other liabilities	10,559,513	257,139	109,134	-	40,146	-	7,566	-
<b>Total current liabilities</b>	<b>23,719,757</b>	<b>2,422,903</b>	<b>63,117,751</b>	<b>-</b>	<b>40,146</b>	<b>-</b>	<b>7,566</b>	<b>-</b>
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	2,364,366	-	36,883	-	-	-	-	-
Bonds, notes and loans payable	52,637	-	-	-	-	-	-	-
Other liabilities	8,759,481	-	-	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>11,176,484</b>	<b>-</b>	<b>36,883</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>34,896,241</b>	<b>2,422,903</b>	<b>63,154,634</b>	<b>-</b>	<b>40,146</b>	<b>-</b>	<b>7,566</b>	<b>-</b>
<b>NET ASSETS:</b>								
Invested in capital accounts	358,873,693	1,010,368	256,620	-	-	-	-	-
Restricted	-	-	3,180,548	-	-	-	-	-
Unrestricted	4,211,499	496,353	779,888	81,355	372,380	362,660	33,549	11,991
<b>TOTAL NET ASSETS</b>	<b>363,085,192</b>	<b>1,506,721</b>	<b>4,217,056</b>	<b>81,355</b>	<b>372,380</b>	<b>362,660</b>	<b>33,549</b>	<b>11,991</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>397,981,433</b>	<b>3,929,624</b>	<b>67,371,690</b>	<b>81,355</b>	<b>412,526</b>	<b>362,660</b>	<b>41,115</b>	<b>11,991</b>

Philadelphia Housing Authority  
Combining Statement of Net Assets  
As of March 31, 2008

	Section 8 Modern Rehab Prg No. 6	Section 8 Modern Rehab Prg No. 7	Section 8 Modern Rehab Prg No. 8	Section 8 Modern Rehab Prg No. 9	Section 8 Modern Rehab Prg No. 10	Section 8 Modern Rehab Prg Admin Fees	Total Section 8 Modern Rehab Prg	Section 8 single room Occupancy Program
<b>ASSETS</b>								
Current Assets:								
Cash	-	-	-	-	-	2,556,797	2,556,797	-
Investments	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	-	163	163	-
Due from other governments	5,733	1,477	98,974	8,523	757	-	90,852	90,802
Due from other funds	26,979	79,786	98,974	214,194	15,558	-	1,270,776	913,323
Other assets	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>32,712</b>	<b>81,263</b>	<b>98,974</b>	<b>222,717</b>	<b>16,315</b>	<b>2,556,960</b>	<b>3,918,588</b>	<b>1,004,125</b>
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>32,712</b>	<b>81,263</b>	<b>98,974</b>	<b>222,717</b>	<b>16,315</b>	<b>2,556,960</b>	<b>3,918,588</b>	<b>1,004,125</b>
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	2,335,279	2,335,279	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	10,780	-	-	-	58,492	63,068
Deferred credits and other liabilities	-	-	10,780	-	-	2,335,279	2,393,771	63,068
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>10,780</b>	<b>-</b>	<b>-</b>	<b>2,335,279</b>	<b>2,393,771</b>	<b>63,068</b>
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>10,780</b>	<b>-</b>	<b>-</b>	<b>2,335,279</b>	<b>2,393,771</b>	<b>63,068</b>
<b>NET ASSETS:</b>								
Invested in capital accounts	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Unrestricted	32,712	81,263	88,194	222,717	16,315	221,681	1,524,817	941,057
<b>TOTAL NET ASSETS</b>	<b>32,712</b>	<b>81,263</b>	<b>88,194</b>	<b>222,717</b>	<b>16,315</b>	<b>221,681</b>	<b>1,524,817</b>	<b>941,057</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>32,712</b>	<b>81,263</b>	<b>98,974</b>	<b>222,717</b>	<b>16,315</b>	<b>2,556,960</b>	<b>3,918,588</b>	<b>1,004,125</b>

**Philadelphia Housing Authority**  
**Combining Statement of Net Assets**  
**As of March 31, 2008**

	Supportive Housing Programs	Section 8 New Construction Programs	Special Programs for the Aging	Child Care and Development Grants	Congregate Housing Program	Head Start Program	Summer Feeding Program	Development Program
<b>ASSETS</b>								
Current Assets:								
Cash	-	-	-	-	20,357	-	-	-
Investments	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Receivables, net	-	77,833	-	-	-	-	-	-
Due from other governments	1,181	-	-	-	158	-	-	37,410
Due from other funds	-	-	14,757	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total current assets	1,181	77,833	14,757	-	20,515	-	-	37,410
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	1,181	77,833	14,757	-	20,515	-	-	37,410
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	-	-	-	-	11,663	-	-	-
Due to other governments	-	-	-	-	8,652	-	-	-
Due to other funds	1,181	(23,771)	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	14,757	-	-	-	-	37,410
Deferred credits and other liabilities	-	-	14,757	-	-	-	-	-
Total current liabilities	1,181	(23,771)	14,757	-	20,515	-	-	37,410
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	1,181	(23,771)	14,757	-	20,515	-	-	37,410
<b>NET ASSETS:</b>								
Invested in capital accounts	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Unrestricted	-	101,604	-	-	-	-	-	-
Total Net Assets	-	101,604	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND NET ASSETS</b>	1,181	77,833	14,757	-	20,515	-	-	37,410

Philadelphia Housing Authority  
 Combining Statement of Net Assets  
 As of March 31, 2008  
 (CFP) (GFP) (MTW)

	(HOPE VI) Revitalization of Severely Distressed Areas Program	(ROSS) Resident Opportunity and Self-Sufficiency Program	Capital fund Program	DISASTER FUNDING Program	COMPREHENSIVE GRANT	Moving to Work Programs	OTHER BUSINESS ACTIVITIES	LONG TERM NOTES RECEIVABLE
<b>ASSETS</b>								
Current Assets:								
Cash	-	-	-	-	-	15,349,115	1,191,326	-
Investments	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	-	981	12,681	-
Due from other governments	4,077,074	199,509	14,821,563	-	-	1,046,082	-	-
Due from other funds	990	(57,517)	(347,620)	-	-	55,002,234	1,381	115,235
Other assets	-	-	-	-	-	-	-	-
Total current assets	4,078,064	141,992	14,473,943	-	-	71,398,412	1,205,388	115,235
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	-	-	-	-	-	-	-	206,633,391
Capital assets, net of depreciation	29,538,017	96,038	114,568,786	-	-	33,716,412	-	-
Other assets	-	-	-	-	-	-	-	3,018,669
Total noncurrent assets	29,538,017	96,038	114,568,786	-	-	33,716,412	90,078	209,652,060
<b>TOTAL ASSETS</b>	33,616,081	238,030	129,042,729	-	-	105,114,824	1,295,466	209,767,295

<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	1,786,922	88,609	11,303,527	-	-	2,296,890	275,322	897,245
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	1,596,828	53,383	386,152	(198,346)	-	20,863	238,629	-
Compensated absences	-	-	-	-	-	491,719	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	690,413	-	2,784,264	-	-	5,621,208	320,672	703,251
Deferred credits and other liabilities	4,074,163	141,992	14,473,943	(198,346)	-	8,430,680	834,623	1,600,496
Total current liabilities	13,148,336	384,984	30,941,756	(198,346)	-	27,273,970	2,460,316	2,101,792
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	-	-	-	-	-	327,813	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	327,813	-	-
<b>TOTAL LIABILITIES</b>	13,148,336	384,984	30,941,756	(198,346)	-	27,601,783	2,460,316	2,101,792

<b>NET ASSETS:</b>								
Invested in capital accounts	29,538,017	96,038	114,568,786	-	-	33,716,412	-	-
Restricted	3,901	-	-	198,346	-	62,639,919	460,843	208,166,799
Unrestricted	29,541,918	96,038	114,568,786	198,346	-	96,356,331	460,843	208,166,799
<b>TOTAL NET ASSETS</b>	33,616,081	238,030	129,042,729	-	-	105,114,824	1,295,466	209,767,295

**Philadelphia Housing Authority**  
**Combining Statement of Net Assets**  
**As of March 31, 2008**

	DEBT SERVICE FUND	General Purpose Bonds	Blended Component Units	Total PHA Programs
<b>ASSETS</b>				
Current Assets:				
Cash	66,349	-	20,677,779	65,339,499
Investments	-	-	48,319,600	107,176,904
Restricted cash and investments	564,000	69,575	2,873,536	9,048,866
Receivables, net	890	111	14,032	4,278,648
Due from other governments	-	-	5,169,514	26,555,796
Due from other funds	-	-	7,597	68,478,563
Other assets	631,239	69,686	77,062,058	283,338,945
<b>Total current assets</b>				
<b>NONCURRENT ASSETS</b>				
Mortgage receivable	32,152,578	736,911	-	206,633,391
Capital assets, net of depreciation	19,994,292	2,207,644	-	571,002,060
Other assets	52,146,870	2,944,555	-	25,311,593
<b>Total noncurrent assets</b>	104,293,740	10,889,110	-	802,947,044
<b>TOTAL ASSETS</b>	<b>168,587,480</b>	<b>11,978,796</b>	<b>77,062,058</b>	<b>1,086,285,989</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Accounts payable	-	-	45,585	25,947,177
Due to other governments	442,152	3,935	233,371	1,285,312
Due to other funds	-	-	-	68,478,583
Compensated absences	442,152	3,935	46,257	4,139,849
Trust and deposits	-	-	-	825,951
Bonds, notes and loans payable	3,495,000	-	1,572,474	5,067,474
Deferred credits and other liabilities	1,144,008	174,167	152,092	22,689,588
<b>Total current liabilities</b>	<b>5,081,160</b>	<b>178,102</b>	<b>2,049,779</b>	<b>128,433,934</b>
<b>NONCURRENT LIABILITIES</b>				
Compensated absences	65,703,659	11,000,000	-	2,729,062
Bonds, notes and loans payable	-	-	-	76,756,296
Other liabilities	65,703,659	11,000,000	-	8,759,481
<b>Total noncurrent liabilities</b>	<b>131,407,318</b>	<b>22,000,000</b>	<b>-</b>	<b>88,244,839</b>
<b>TOTAL LIABILITIES</b>	<b>136,488,478</b>	<b>23,178,102</b>	<b>2,049,779</b>	<b>216,678,773</b>
<b>NET ASSETS:</b>				
Invested in capital accounts	(37,046,081)	(10,263,089)	(1,572,474)	489,178,290
Restricted	19,039,371	2,099,228	2,873,719	6,054,267
Unrestricted	(18,006,710)	(8,163,861)	73,711,034	374,374,659
<b>TOTAL NET ASSETS</b>	<b>1,086,285,989</b>	<b>1,086,285,989</b>	<b>1,086,285,989</b>	<b>1,086,285,989</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>				
	<b>1,086,285,989</b>	<b>1,086,285,989</b>	<b>1,086,285,989</b>	<b>1,086,285,989</b>

**Philadelphia Housing Authority**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**For the year ended March 31, 2008**

	Low rent Public Housing Program	State and Local Grants	Section 8 Housing Choice Program	Section 8 Modern Rehab Prg No. 1	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg No. 3	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5
Operating revenue:								
Total tenant revenue	20,658,677	-	-	-	-	-	-	-
Operating subsidies	94,576,279	3,651,102	6,990,961	292,238	421,555	412,523	69,535	-
Other income	689,401	13,030	325,047	-	-	-	-	-
Total operating revenue	115,924,357	3,664,132	7,316,008	292,238	421,555	412,523	69,535	-
Operating expenses:								
Administrative	31,881,731	107,631	1,071,079	30,885	59,719	47,745	8,403	-
Tenant services	732,633	35,185	-	-	-	-	-	-
Utilities	30,563,524	-	-	-	-	-	-	-
Maintenance	39,486,740	3,479,565	39,203	-	-	-	-	-
Protective services	4,638,333	104,756	-	-	-	-	-	-
General	24,162,406	-	25,915	1,298	2,511	2,007	354	-
Housing assistance programs	-	-	3,981,586	261,260	361,712	364,649	61,087	-
Depreciation and amortization	38,524,676	30,292	540	-	-	-	-	-
Interfund sources/uses	(17,983,742)	-	-	-	-	-	-	-
Total operating expenses	152,006,301	3,757,429	5,119,323	293,443	423,942	414,401	69,844	-
Operating income (loss)	(36,081,944)	(93,297)	2,197,685	(1,205)	(2,387)	(1,878)	(309)	-
Nonoperating revenue and (expenses):								
Interest and investment earnings	1,038,086	25,149	50,525	-	-	-	-	-
Gain and (Loss) on the sale of fixed assets	(1,061,680)	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-
Net nonoperating revenue and (expenses)	(23,594)	25,149	50,525	-	-	-	-	-
Income (loss) before capital subsidies	(36,105,538)	(68,148)	2,248,210	(1,205)	(2,387)	(1,878)	(309)	-
Capital subsidies	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Change in net assets	(36,105,538)	(68,148)	2,248,210	(1,205)	(2,387)	(1,878)	(309)	-
Total net assets at beginning of year:	320,925,320	1,574,869	1,968,846	82,560	374,767	364,538	33,858	11,991
As previously reported	-	-	-	-	-	-	-	-
Prior period and equity transfer adjustments	78,265,410	-	-	-	-	-	-	-
Total net assets at end of year	363,085,192	1,506,721	4,217,056	81,355	372,380	362,660	33,549	11,991

**Philadelphia Housing Authority**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**For the year ended March 31, 2008**

	Section 8 Modern Rehab Prg No. 6	Section 8 Modern Rehab Prg No. 7	Section 8 Modern Rehab Prg No. 8	Section 8 Modern Rehab Prg No. 9	Section 8 Modern Rehab Prg No. 10	Section 8 Modern Rehab Prg Admin Fees	Total Section 8 Modern rehab Prg	Section 8 Single room Occupancy	Supportive Housing Programs
Operating revenue:									
Total tenant revenue	-	143,279	226,242	323,409	72,490	-	2,015,443	1,485,881	-
Operating subsidies	-	-	-	-	-	-	-	-	-
Other income	-	143,279	226,242	323,409	72,490	-	2,015,443	1,485,881	-
Total operating revenue	-	143,279	226,242	323,409	72,490	-	2,015,443	1,485,881	-
Operating expenses:									
Administrative	-	14,760	21,063	63,239	6,302	-	256,160	269,084	-
Tenant services	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-
General	-	620	885	2,658	265	-	10,768	11,310	-
Housing assistance programs	-	128,494	205,121	260,045	66,154	-	1,758,470	1,216,219	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interfund sources/uses	-	-	-	-	-	-	-	-	-
Total operating expenses	-	143,874	227,069	325,942	72,721	-	2,025,398	1,496,613	-
Operating income (loss)	-	(595)	(827)	(2,533)	(231)	-	(9,955)	(10,732)	-
Nonoperating revenue and (expenses):									
Interest and investment earnings	-	-	-	-	-	103,850	103,850	-	-
Gain and (Loss) on the sale of fixed assets	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-
Net nonoperating revenue and (expenses)	-	-	-	-	-	103,850	103,850	-	-
Income (loss) before capital subsidies	-	(595)	(827)	(2,533)	(231)	103,850	93,895	(10,732)	-
Capital subsidies	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Change in net assets	-	(595)	(827)	(2,533)	(231)	103,850	93,895	(10,732)	-
Total net assets a beginning of year:	32,712	81,858	89,021	225,250	16,546	117,831	1,430,922	961,789	-
As previously reported	-	-	-	-	-	-	-	-	-
Prior period and equity transfer adjustments	-	-	-	-	-	-	-	-	-
Total net assets at end of year	32,712	81,263	88,194	222,717	16,315	221,681	1,524,817	941,057	-

**Philadelphia Housing Authority**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**For the year ended March 31, 2008**

	Section 8 New construction Programs	Special Programs for the Aging	Child Care and Development Grants	Head Start Program	Congregate Housing Program	Summer Feeding Program	Development Program	Revitalization of severely Distressed Areas Program	Resident Opportunity and Self-Sufficiency Program
Operating revenue:									
Total tenant revenue	260,344	-	-	-	79,394	101,136	-	11,884,301	870,473
Operating subsidies	-	-	-	-	20,355	140,293	-	-	-
Other income	-	-	-	-	99,749	241,429	-	-	-
Total operating revenue	260,344	-	-	-	99,749	241,429	-	11,884,301	870,473
Operating expenses:									
Administrative	-	-	-	-	746	2,252	-	709,735	610,128
Tenant services	-	-	-	-	98,789	240,027	-	1,235,414	61,030
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	6,980,951	87,520
General	-	-	-	-	214	-	-	(50)	-
Housing assistance programs	247,786	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	343	760,736	922,941	7,763
Interfund sources/uses	-	-	-	-	-	-	-	3,939,949	-
Total operating expenses	247,786	-	-	-	99,749	242,622	760,736	13,788,940	789,293
Operating income (loss)	12,558	-	-	-	-	(1,193)	(760,736)	(1,904,639)	81,180
Nonoperating revenue and (expenses):									
Interest and investment earnings	-	-	-	-	-	-	-	-	-
Gain and (Loss) on the sale of fixed assets	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-
Net nonoperating revenue and (expenses)	-	-	-	-	-	-	-	-	-
Income (loss) before capital subsidies	12,558	-	-	-	-	(1,193)	(760,736)	(1,904,639)	81,180
Capital subsidies	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Change in net assets	12,558	-	-	-	-	(1,193)	(760,736)	(1,904,639)	81,180
Total net assets a beginning of year:	89,318	-	-	-	-	1,193	26,315,702	37,819,787	17,796
As previously reported	(272)	-	-	-	-	-	(25,554,966)	(6,373,230)	(2,938)
Prior period and equity transfer adjustments	-	-	-	-	-	-	-	-	-
Total net assets at end of year	101,604	-	-	-	-	-	-	29,541,918	96,038

**Philadelphia Housing Authority**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**For the year ended March 31, 2008**

	Capital Fund Program	Comprehensive Grant Program	DISASTER	Moving to Work Programs	OTHER BUSINESS ACTIVITIES	Long-Term Notes Receivable	Debt Service Fund	General Purpose Bond Proceeds	Blended Component Units
Operating revenue:					1,779				148,280
Total tenant revenue	53,863,868	-	214,197	173,945,437	-	-	-	-	-
Operating subsidies	-	-	-	-	3,096,520	6,300,140	-	-	4,461,443
Other income	-	-	-	-	3,095,299	6,300,140	-	-	4,609,703
Total operating revenue	53,863,868	-	214,197	173,945,437	7,987,119	12,600,280	-	-	9,071,146
Operating expenses:									
Administrative	9,624,710	-	15,851	24,097,425	1,027,334	-	985,367	-	924,697
Tenant services	166,463	-	-	1,011,604	-	-	(405,338)	-	-
Utilities	-	-	-	56,874	402	-	-	-	-
Maintenance	10,761,393	-	-	439,416	-	14,429,825	(476,703)	-	-
Protective services	-	-	-	2,062,770	-	-	-	-	-
General	399,384	-	-	878,964	74,392	-	34	-	24,935
Housing assistance programs	-	-	-	92,061,005	-	-	-	-	-
Depreciation and amortization	6,265,301	12,306	-	1,014,586	-	-	1,785,172	-	-
Interfund sources/uses	30,191,349	-	-	14,579,502	3,483,742	(30,089,256)	(6,691,900)	(529,000)	(1,473,663)
Total operating expenses	57,408,600	12,306	15,851	136,202,146	4,585,870	(15,659,433)	(4,803,368)	(529,000)	(524,051)
Operating income (loss)	(3,544,732)	(12,306)	198,346	37,743,291	(1,487,571)	21,959,573	4,803,368	529,000	5,133,754
Nonoperating revenue and (expenses):									
Interest and investment earnings	-	-	-	2,662,453	285,462	3,042,149	1,746,299	95,155	3,179,765
Gain and (Loss) on the sale of fixed assets	(80,173)	-	-	(5,902)	-	-	-	-	-
Interest expense	1,413,588	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	132,230
Net nonoperating revenue and (expenses)	1,493,761	-	-	2,656,551	285,462	3,042,149	1,746,299	95,155	3,047,535
Income (loss) before capital subsidies	(5,038,493)	(12,306)	198,346	40,399,842	(1,202,089)	25,001,722	6,549,667	624,155	8,181,289
Capital subsidies	21,466,529	-	-	-	-	-	6,549,667	624,155	-
Transfers									
Change in net assets	16,428,036	(12,306)	198,346	40,399,842	(1,202,089)	25,001,722	6,549,667	624,155	8,181,289
Total net assets a beginning of year:	145,646,835	503,427	-	55,956,489	-	183,165,077	(24,556,377)	(8,788,016)	66,903,958
As previously reported									
Prior period and equity transfer adjustments	(47,506,085)	(491,121)	-	-	1,662,932	-	-	-	(72,968)
Total net assets at end of year	114,568,786	-	198,346	96,356,331	460,843	208,166,799	(18,006,710)	(8,163,861)	75,012,279

**Philadelphia Housing Authority**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**For the year ended March 31, 2008**

	<b>Total PHA Programs</b>
Operating revenue:	
Total tenant revenue	20,808,716
Operating subsidies	349,938,816
Other income	15,046,229
Total operating revenue	<u>385,793,761</u>
Operating expenses:	
Administrative	71,583,930
Tenant services	3,175,807
Utilities	30,620,800
Maintenance	75,227,910
Protective services	6,805,859
General	25,611,124
Housing assistance programs	99,265,066
Depreciation and amortization	49,324,656
Interfund sources/uses	(4,573,041)
Total operating expenses	<u>357,042,111</u>
Operating income (loss)	<u>28,751,650</u>
Nonoperating revenue and (expenses):	
Interest and investment earnings	12,228,913
Gain and (Loss) on the sale of fixed assets	(1,147,755)
Interest expense	1,545,818
Extraordinary items	-
Net nonoperating revenue and (expenses)	<u>9,535,940</u>
Income (loss) before capital subsidies	38,286,990
Capital subsidies	<u>21,466,529</u>
Transfers	-
Change in net assets	<u>59,753,519</u>
Total net assets a beginning of year:	
As previously reported	809,926,935
Prior period and equity transfer adjustments	<u>(73,238)</u>
Total net assets at end of year	<u><u>869,607,216</u></u>

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2008  
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Line Item #	Account Description	Low Rent (4,850)	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
	<b>ASSETS:</b>														
	<b>CURRENT ASSETS:</b>														
	<b>Cash:</b>														
111	Cash - unrestricted		680,369	18,193,701	-	-	-	-	-	-	-	-	-	-	2,556,797
112	Cash - restricted - modernization and development	6,603,706													
113	Cash - other restricted			3,180,548											
114	Cash - tenant security deposits	825,951													
115	Cash - restricted for payment of current liability														
100	Total cash	7,429,657	680,369	21,374,249											2,556,797
	<b>Accounts and notes receivables:</b>														
121	Accounts receivable - PHA projects	998,743													
122	Accounts receivable - HUD other projects			22,908	5,649		68,713		5,733	1,477			8,523	757	
124	Accounts receivable - other government	717	2,141,326												
125	Accounts receivable - miscellaneous		746	1,469,202											
126	Accounts receivable - tenants - dwelling rents	907,590													
126.1	Allowance for doubtful accounts - dwelling rents	(551,717)													
126.2	Allowance for doubtful accounts - other														
127	Notes, loans & mortgages receivable - current														
128	Fraud recovery														
128.1	Allowance for doubtful accounts - fraud														
129	Accrued interest receivable	202,637	.40	1,416											
120	Total receivables, net of allowances for doubtful accounts	1,557,970	2,142,112	1,493,226	5,649		68,713		5,733	1,477			8,523	757	163
	<b>Current investments</b>														
131	Investments - unrestricted	14,610,009		44,247,295											
132	Investments - restricted	1,535,256													
135	Investments - restricted for payment of current liability														
142	Prepaid expenses and other assets	43,946													
143	Inventories	2,675,835													
143.1	Allowance for obsolete inventories	(266,729)													
144	Intergovernmental - due from	11,468,249	96,775		75,706	412,526	293,947	41,115	11,991	26,979	79,786	98,974	214,194	15,558	
145	Assets held for sale														
146	Amounts to be provided														
150	TOTAL CURRENT ASSETS	39,054,193	2,919,256	67,115,070	81,355	412,526	362,660	41,115	11,991	32,712	81,263	98,974	222,717	16,315	2,556,960

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2008  
FINANCIAL DATA SCHEDULE

Line Item #	Account Description	Low Rent 14.5% <sup>1</sup>	State & Local	Housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
	<b>NONCURRENT ASSETS:</b>														
	<b>Fixed assets:</b>														
161	Land	25,095,486	-	-	-	-	-	-	-	-	-	-	-	-	-
162	Buildings	1,043,848,974	1,100,000	-	-	-	-	-	-	-	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	4,446	1,319	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	23,192,578	31,122	711,144	-	-	-	-	-	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(733,215,154)	(122,073)	(454,524)	-	-	-	-	-	-	-	-	-	-	-
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	358,926,330	1,010,368	256,620	-	-	-	-	-	-	-	-	-	-	-
	<b>Other Non Current Assets</b>														
171	Notes, loans & mortgages receivable - non current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, loans & mortgages receivable - non current - past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants Receivable - non current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
175	Undistributed Debits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	<b>TOTAL NONCURRENT ASSETS</b>	358,927,240	1,010,368	256,620	-	-	-	-	-	-	-	-	-	-	-
190	<b>TOTAL ASSETS</b>	397,981,433	3,929,624	67,371,690	81,355	412,526	362,660	411,115	11,991	32,712	81,263	98,974	222,717	16,315	2,556,960
	<b>LIABILITIES AND EQUITY:</b>														
	<b>LIABILITIES:</b>														
	<b>Current Liabilities</b>														
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable < 90 days	7,248,751	1,505,627	(16)	-	-	-	-	-	-	-	-	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	487,052	-	-	-	-	-	-	-	-	-	-	-	-	-
322	Accrued compensated absences - current portion	3,546,549	-	55,324	-	-	-	-	-	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
332	Accounts Payable - PHA Projects	924,148	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	127,793	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	825,951	-	-	-	-	-	-	-	-	-	-	-	-	-
342	Deferred revenues	1,800,472	96,100	30,784	-	40,146	-	7,566	-	-	-	-	10,780	-	-
343	Current portion of Long-Term debt - capital projects/mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of Long-Term debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	8,752,828	-	1,228	-	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	6,213	161,039	77,122	-	-	-	-	-	-	-	-	-	-	-
347	Inter-program - due to	-	660,137	62,953,309	-	-	-	-	-	-	-	-	-	-	-
348	Loan Liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	<b>TOTAL CURRENT LIABILITIES</b>	23,719,757	2,422,903	63,117,751	-	40,146	-	7,566	-	-	-	10,780	-	-	2,355,279

PHILADELPHIA HOUSING AUTHORITY  
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Line Item #	Account Description	Low Rent HUDs (M)	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
	<b>Non Current Liabilities</b>														
351	Long-term debt, net of current- capital projects/ mortgage revenue bonds	52,637													
352	Long-term debt, net of current- operating borrowings														
353	Noncurrent liabilities- other	8,759,481													
354	Accrued Compensated Absences - non current	2,364,366		36,883											
355	Loan Liability - non current														
360	<b>TOTAL NONCURRENT LIABILITIES</b>	11,176,484		36,883											
300	<b>TOTAL LIABILITIES</b>	34,896,241	2,422,903	63,154,634	40,146		7,566				10,780				
	<b>EQUITY:</b>														
501	Investment in general fixed assets														
	<b>Contributed Capital:</b>														
502	Project notes (HUD)														
503	Long-term debt - HUD guaranteed														
504	Net HUD PHA contributions														
505	Other HUD contributions														
507	Other contributions														
508	Total contributed capital														
508.1	Invested in Capital Assets, Net of Related Debt	358,873,693	1,010,368	256,620											
	<b>Reserved fund balance:</b>														
509	Reserved for operating activities														
510	Reserved for capital activities														
511	Total reserved fund balance														
511.1	Restricted Net Assets			3,180,548											
512	Undesignated fund balance/retained earnings														
512.1	Unrestricted Net Assets	4,211,499	496,353	779,888	81,355	372,380	362,660	33,549	11,991	32,712					
513	<b>TOTAL EQUITY/NET ASSETS</b>	363,085,192	1,506,721	4,217,056	81,355	372,380	362,660	33,549	11,991	32,712	81,263	88,194	222,717	16,315	221,681
600	<b>TOTAL LIABILITIES and EQUITY/NET ASSETS</b>	397,981,433	3,929,624	67,371,690	81,355	412,526	362,660	41,115	11,991	32,712	81,263	98,974	222,717	16,315	2,356,960

PHILADELPHIA HOUSING AUTHORITY  
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Line Item #	Account Description	TOTAL MOD REHAB	MR-SRO	SUPP HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS	CFP	COP
<b>ASSETS:</b>															
<b>CURRENT ASSETS:</b>															
Cash:															
111	Cash - unrestricted	2,556,797	-	-	-	-	-	20,357	-	-	-	-	-	-	-
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Cash - tenant security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total cash	2,556,797	-	-	-	-	-	20,357	-	-	-	-	-	-	-
<b>Accounts and notes receivable:</b>															
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	90,802	90,802	1,181	-	-	-	-	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	77,833	-	-	-	-	-	-	-	-	-	-
126	Accounts receivable- tenants - dwelling rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, loans & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	163	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	91,015	90,802	1,181	77,833	-	-	158	-	-	37,410	4,077,074	199,509	14,821,563	-
<b>Current Investments</b>															
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments -restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	1,270,776	913,323	-	-	-	-	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	14,757	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	3,918,588	1,004,125	1,181	77,833	14,757	-	20,515	-	-	37,410	4,078,064	141,992	14,473,943	-

PHILADELPHIA HOUSING AUTHORITY  
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Line Item #	Account Description	TOTAL MOD REHAB	MR-SRO	SUPP HOUSING	NEW CONST.	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS	CFP	CCP
	<b>NONCURRENT ASSETS:</b>														
	<b>Fixed assets:</b>														
161	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
162	Buildings	-	-	-	-	-	-	-	-	-	-	30,587,613	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	1,253	-	-	-	-	-	-	1,552	74,805,223	-
164	Furniture, equipment & machinery - administration	-	-	-	-	21,929	-	-	-	-	-	-	101,631	135,247	-
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	171,667	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	-	-	-	-	(23,182)	-	-	-	-	-	(3,438,756)	(7,145)	(8,612,689)	-
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	2,389,160	-	48,069,338	-
160	Total fixed assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	-	-	29,538,017	96,038	114,568,786	-
	<b>Other Non Current Assets</b>														
171	Notes, loans & mortgages receivable - non current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, loans & mortgages receivable - non current - past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants Receivable - non current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
175	Undistributed Debits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	-	-	-	-	-	-	-	-	-	29,538,017	96,038	114,568,786	-
190	TOTAL ASSETS	3,918,588	1,004,125	1,181	77,833	14,757	-	20,515	-	-	37,410	33,616,081	238,030	129,042,729	-
	<b>LIABILITIES AND EQUITY:</b>														
	<b>LIABILITIES:</b>														
	<b>Current Liabilities</b>														
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable ≤ 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	11,663	-	-	-	-	-	-	-
322	Accrued compensated absences - current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
342	Deferred revenues	58,492	63,068	-	-	14,757	-	-	-	-	-	-	-	-	-
343	Current portion of Long-Term debt - capital projects/mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of Long-Term debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	37,410	554,188	-	1,339,996	-
347	Inter-program - due to	2,335,279	-	1,181	(23,771)	-	-	8,852	-	-	-	136,225	-	1,444,268	-
348	Loan Liability - current	-	-	-	-	-	-	-	-	-	-	1,596,828	53,383	386,152	-
310	TOTAL CURRENT LIABILITIES	2,393,771	63,068	1,181	(23,771)	14,757	-	20,515	-	-	37,410	4,074,163	141,992	14,473,943	-

PHILADELPHIA HOUSING AUTHORITY

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Line Item #	Account Description	TOTAL MOD REHAB	MR. SRO	SUPP HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPB VI	ROSS	CFP	CGP
	<b>Non Current Liabilities</b>														
351	Long-term debt, net of current- capital projects/ mortgage revenue bonds	-													
352	Long-term debt, net of current- operating borrowings	-													
353	Noncurrent liabilities- other	-													
354	Accrued Compensated Absences - non current	-													
355	Loan Liability - non current	-													
350	<b>TOTAL NONCURRENT LIABILITIES</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
300	<b>TOTAL LIABILITIES</b>	2,393,771	63,068	1,181	(23,771)	14,757	-	20,515	-	-	37,410	4,074,163	141,992	14,473,943	-
	<b>EQUITY:</b>														
501	Investment in general fixed assets	-													
	<b>Contributed Capital:</b>														
502	Project notes (HUD)	-													
503	Long-term debt - HUD guaranteed	-													
504	Net HUD PHA contributions	-													
505	Other HUD contributions	-													
507	Other contributions	-													
508	Total contributed capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
508.1	Invested in Capital Assets, Net of Related Debt	-										29,538,017	96,038	114,568,786	
	<b>Reserved fund balance:</b>														
509	Reserved for operating activities	-													
510	Reserved for capital activities	-													
511	Total reserved fund balance	-													
511.1	Restricted Net Assets	-													
512	Undesignated fund balance/retained earnings	-													
512.1	Unrestricted Net Assets	1,524,817	941,057	101,604	101,604					3,901					
513	<b>TOTAL EQUITY/NET ASSETS</b>	1,524,817	941,057	-	101,604	-	-	-	-	-	-	29,541,918	96,038	114,568,786	
600	<b>TOTAL LIABILITIES and EQUITY/NET ASSETS</b>	3,918,588	1,004,125	1,181	77,833	14,757	-	20,515	-	-	37,410	33,616,081	238,030	129,042,729	

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Line Item #	Account Description	DISASTER	MTW	OTHER BUSINESS ACTIVITIES	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	TOTAL BUSINESS ACTIVITIES	COMPONENT UNITS	TOTAL
	<b>ASSETS:</b>									
	<b>CURRENT ASSETS:</b>									
	<b>Cash:</b>									
111	Cash - unrestricted		15,349,115	1,191,326	-	66,349	-	1,257,675	25,933,879	70,595,599
112	Cash - restricted - modernization and development									
113	Cash - other restricted									
114	Cash - tenant security deposits								31,293,636	34,474,184
115	Cash - restricted for payment of current liability								422,594	1,248,545
100	Total cash		15,349,115	1,191,326	-	66,349	-	1,257,675	57,650,109	106,318,328
	<b>Accounts and notes receivables:</b>									
121	Accounts receivable - PHA projects								5,273,141	6,271,884
122	Accounts receivable - HUD other projects		1,046,082							20,387,539
124	Accounts receivable - other government									2,142,043
125	Accounts receivable - miscellaneous								1,490,175	3,037,956
126	Accounts receivable- tenants - dwelling rents			16,876				16,876	209,213	1,133,679
126.1	Allowance for doubtful accounts - dwelling rents			(4,265)				(4,265)		(555,982)
126.2	Allowance for doubtful accounts - other									
127	Notes, loans & mortgages receivable - current									
128	Fraud recovery									
128.1	Allowance for doubtful accounts - fraud									
129	Accrued interest receivable		981	70		890	111	1,071	3,463	209,771
120	Total receivables, net of allowances for doubtful accounts		1,047,063	12,681	-	890	111	13,682	6,975,992	32,626,890
	<b>Current Investments</b>									
131	Investments - unrestricted								48,319,600	107,176,904
132	Investments - restricted					564,000	69,575	633,575		2,168,831
135	Investments -restricted for payment of current liability									
142	Prepaid expenses and other assets								976,821	1,020,767
143	Inventories									2,675,835
143.1	Allowance for obsolete inventories									(266,729)
144	Interprogram - due from									
145	Assets held for sale		55,002,234	1,381	115,235			116,616		68,478,583
146	Amounts to be provided									
150	TOTAL CURRENT ASSETS		71,398,412	1,205,388	115,235	631,239	69,586	2,021,548	113,922,522	320,199,409

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Line Item #	Account Description	DISASTER	MTW	OTHER BUSINESS ACTIVITIES	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	TOTAL BUSINESS ACTIVITIES	COMPONENT UNITS	TOTAL
<b>NONCURRENT ASSETS:</b>										
<b>Fixed assets:</b>										
161	Land								15,100,413	40,195,899
162	Buildings		29,415,710			26,840,409		26,840,409	391,991,593	1,598,589,522
163	Furniture, equipment & machinery - dwellings		24,775						3,977,360	4,145,952
164	Furniture, equipment & machinery - administration		635,986						115,703	24,981,760
165	Leasehold improvements									
168	Infrastructure									
166	Accumulated depreciation		(3,080,074)			(6,843,414)		(6,843,414)	(50,803,054)	(806,600,065)
167	Construction in progress		6,720,015			12,155,583	736,911	12,892,494	39,806,254	109,877,261
160	Total fixed assets, net of accumulated depreciation		33,716,412			32,152,578	736,911	32,889,489	400,188,269	971,190,329
<b>Other Non Current Assets</b>										
171	Notes, loans & mortgages receivable - non current			206,633,391				206,633,391		206,633,391
172	Notes, loans & mortgages receivable - non current - past due									
173	Grants Receivable - non current			90,078		19,994,292	2,207,644	22,292,014	3,237,806	25,529,820
174	Other assets									
175	Undistributed Debits				3,018,669			3,018,669		3,018,669
176	Investment in joint ventures									
180	TOTAL NONCURRENT ASSETS		33,716,412	90,078	209,652,060	52,146,870	2,944,555	264,833,563	403,426,075	1,206,373,119
190	TOTAL ASSETS		105,114,824	1,295,466	209,767,295	52,778,109	3,014,241	266,855,111	517,348,597	1,526,572,528
<b>LIABILITIES AND EQUITY:</b>										
<b>LIABILITIES:</b>										
<b>Current Liabilities</b>										
311	Bank overdraft									
312	Accounts payable ≤ 90 days									
313	Accounts payable > 90 days past due		2,296,890	275,322	897,245			1,172,567	2,804,163	28,218,703
321	Accrued wage/payroll taxes payable								13,882,192	13,882,192
322	Accrued compensated absences - current portion								31,985	519,037
324	Accrued contingency liability		491,719						46,257	4,139,849
325	Accrued interest payable									
331	Accounts payable - HUD PHA programs								1,171,844	1,171,844
332	Accounts Payable - PHA Projects									
333	Accounts payable - other government								361,889	1,286,037
341	Tenant security deposits									127,793
342	Deferred revenues								449,183	1,275,134
343	Current portion of Long-Term debt - capital projects/mortgage revenue bonds								154,758	2,218,431
344	Current portion of Long-Term debt - operating borrowings					3,495,000		3,495,000	16,952,474	20,447,474
345	Other current liabilities		4,028,561	263,801	330,774		174,167	768,742	641,004	16,086,547
346	Accrued liabilities - other		1,592,647	56,871	372,477	1,144,008		1,573,356	2,168,405	7,196,685
347	Inter-program - due to	(198,346)	20,863	238,629		442,152	3,935	684,716		68,478,583
348	Loan Liability - current									
310	TOTAL CURRENT LIABILITIES	(198,346)	8,430,680	834,623	1,600,496	5,081,160	178,102	7,694,381	38,664,154	165,048,309

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Line Item #	Account Description	DISASTER	MTW	OTHER BUSINESS ACTIVITIES	LONG-TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	TOTAL BUSINESS ACTIVITIES	COMPONENT UNITS	TOTAL
	<b>Non Current Liabilities</b>									
351	Long-term debt, net of current- capital projects/ mortgage revenue bonds					65,703,659	11,000,000	76,703,659	245,799,960	322,556,256
352	Long-term debt, net of current- operating borrowings									
353	Noncurrent liabilities- other									
354	Accrued Compensated Absences - non current		327,813						22,762,048	31,521,529
355	Loan Liability - non current									2,729,082
350	<b>TOTAL NONCURRENT LIABILITIES</b>		327,813			65,703,659	11,000,000	76,703,659	268,562,008	356,806,847
300	<b>TOTAL LIABILITIES</b>	(198,346)	8,758,493	834,623	1,600,496	70,784,819	11,178,102	84,398,040	307,226,162	521,855,156
	<b>EQUITY:</b>									
501	Investment in general fixed assets									
	<b>Contributed Capital:</b>									
502	Project notes (HUD)									
503	Long-term debt - HUD guaranteed									
504	Net HUD PHA contributions									
505	Other HUD contributions									
507	Other contributions									
508	Total contributed capital									
508.1	Invested in Capital Assets, Net of Related Debt		33,716,412			(37,046,081)	(10,263,089)	(47,309,170)	137,435,835	628,186,599
	<b>Reserved fund balance:</b>									
509	Reserved for operating activities									
510	Reserved for capital activities									
511	Total reserved fund balance									
511.1	Restricted Net Assets								2,873,719	6,054,267
512	Undesignated fund balance/retained earnings	198,346	62,639,919	460,843	208,166,799	19,039,371	2,099,228	229,766,241	69,812,881	370,476,506
512.1	Unrestricted Net Assets	198,346	96,356,331	460,843	208,166,799	(18,006,710)	(8,163,861)	182,457,071	210,122,435	1,004,717,372
513	<b>TOTAL EQUITY/NET ASSETS</b>		105,114,824	1,295,466	209,767,295	52,778,109	3,014,241	266,855,111	517,348,597	1,526,572,528
600	<b>TOTAL LIABILITIES and EQUITY/NET ASSETS</b>									

PHILADELPHIA HOUSING AUTHORITY  
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Account Description	Low Rent 14-537(a)	State & Local	housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
<b>REVENUE:</b>														
703 Net tenant rental revenue	20,331,893	-	-	-	-	-	-	-	-	-	-	-	-	-
704 Tenant revenue - other	326,784	-	-	-	-	-	-	-	-	-	-	-	-	-
705 Total tenant revenue	20,658,677	-	-	-	-	-	-	-	-	-	-	-	-	-
706 HUD PHA operating grants	94,576,279	-	6,990,961	292,238	421,555	412,523	69,535	0	54,172	143,279	226,242	323,409	72,490	-
708 Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
711 Investment income - unrestricted	-	3,651,102	-	-	-	-	-	-	-	-	-	-	-	-
712 Mortgage interest income	1,038,086	25,149	50,525	-	-	-	-	-	-	-	-	-	-	103,851
713 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
713.1 Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
714 Fraud recovery	10,930	-	19,941	-	-	-	-	-	-	-	-	-	-	-
715 Other revenue	678,471	13,030	305,106	-	-	-	-	-	-	-	-	-	-	-
716 Gain or loss on the sale of fixed assets	(1,061,680)	-	-	-	-	-	-	-	-	-	-	-	-	-
720 Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>700 TOTAL REVENUE</b>	<b>115,900,763</b>	<b>3,689,281</b>	<b>7,366,533</b>	<b>292,238</b>	<b>421,555</b>	<b>412,523</b>	<b>69,535</b>	<b>0</b>	<b>54,172</b>	<b>143,279</b>	<b>226,242</b>	<b>323,409</b>	<b>72,490</b>	<b>103,851</b>
<b>EXPENSES:</b>														
<b>Administrative</b>														
911 Administrative salaries	13,349,061	-	404,888	20,812	40,243	32,173	5,663	-	2,725	9,946	14,193	42,615	4,247	-
912 Auditing fees	197,649	-	-	-	-	-	-	-	-	-	-	-	-	-
913 Outside management fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
914 Compensated absences	(245,120)	-	(11,523)	-	-	-	-	-	-	-	-	-	-	-
915 Employee benefit contributions- administrative	6,629,710	-	191,830	10,073	19,476	15,572	2,740	-	1,319	4,814	6,870	20,624	2,055	-
916 Other operating- administrative	11,950,429	107,631	485,614	-	-	-	-	-	-	-	-	-	-	-
Subtotal	31,881,729	107,631	1,070,809	30,885	59,719	47,745	8,403	-	4,044	14,760	21,063	63,239	6,302	-
<b>Tenant services</b>														
921 Tenant services - salaries	9,275	-	-	-	-	-	-	-	-	-	-	-	-	-
922 Relocation costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
923 Employee benefit contributions- tenant services	4,675	-	-	-	-	-	-	-	-	-	-	-	-	-
924 Tenant services - other	718,683	35,185	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	732,633	35,185	-	-	-	-	-	-	-	-	-	-	-	-

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Account Description	Low Rent 14 50%	State & Local	Housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
Utilities														
931 Water	9,643,012	-	-	-	-	-	-	-	-	-	-	-	-	-
932 Electricity	7,158,999	-	-	-	-	-	-	-	-	-	-	-	-	-
933 Gas	13,119,059	-	-	-	-	-	-	-	-	-	-	-	-	-
934 Fuel	75,142	-	-	-	-	-	-	-	-	-	-	-	-	-
935 Labor	310,466	-	-	-	-	-	-	-	-	-	-	-	-	-
937 Employee benefit contributions- utilities	157,791	-	-	-	-	-	-	-	-	-	-	-	-	-
938 Other utilities expense	99,055	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	30,563,524	-	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary maintenance & operation														
941 Ordinary maintenance and operations - labor	18,302,052	148	-	-	-	-	-	-	-	-	-	-	-	-
942 Ordinary maintenance and operations - materials & other	4,341,210	6,421	-	-	-	-	-	-	-	-	-	-	-	-
943 Ordinary maintenance and operations - contract costs	6,459,535	-	-	-	-	-	-	-	-	-	-	-	-	-
945 Employee benefit contributions- ordinary maintenance	9,302,632	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	38,405,429	6,569	-	-	-	-	-	-	-	-	-	-	-	-
Protective services														
951 Protective services - labor	1,185,538	76,371	-	-	-	-	-	-	-	-	-	-	-	-
952 Protective services- other contract costs	2,836,034	-	-	-	-	-	-	-	-	-	-	-	-	-
953 Protective services - other	14,151	-	-	-	-	-	-	-	-	-	-	-	-	-
955 Employee benefit contributions- protective services	602,610	28,385	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,638,333	104,756	-	-	-	-	-	-	-	-	-	-	-	-
General expenses														
961 Insurance premiums	14,534,884	-	10,103	936	1,810	1,447	255	-	123	447	638	1,916	191	-
962 Other General Expenses	8,507,968	-	5,269	-	-	-	-	-	-	-	-	-	-	-
963 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
964 Bad debt - tenant rents	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-
965 Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
966 Bad debt - other	-	-	4,678	-	-	-	-	-	-	-	-	-	-	-
967 Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
968 Severance expense	619,534	-	5,865	362	701	560	99	-	47	173	247	742	74	-
Subtotal	24,162,406	-	25,915	1,298	2,511	2,007	354	-	170	620	885	2,658	265	-
969 TOTAL OPERATING EXPENSES	130,384,054	254,141	1,096,724	32,183	62,230	49,752	8,757	-	4,214	15,380	21,948	65,897	6,567	-

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Account Description	Low Rent (4.5%)	State & Local	Housing choice voucher	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES
<b>970 EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>														
971 Extraordinary maintenance	(14,483,291)	3,435,140	6,269,809	260,055	359,325	362,771	60,778	-	49,958	127,899	204,294	257,512	65,923	103,851
972 Casualty losses - non-capitalized	1,081,311	3,472,996	39,203	-	-	-	-	-	-	-	-	-	-	-
973 Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
974 Depreciation expense	38,524,676	30,292	3,981,586	261,260	361,712	364,649	61,087	-	49,948	128,494	205,121	260,045	66,154	-
975 Fraud losses	-	-	540	-	-	-	-	-	-	-	-	-	-	-
976 Capital outlays- governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
977 Debt principal payment- governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
978 Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>900 TOTAL EXPENSES</b>	169,990,041	3,757,429	5,118,053	293,443	423,942	414,401	69,844	-	54,162	143,874	227,069	325,942	72,721	-
<b>OTHER FINANCING SOURCES (USES)</b>														
1001 Operating transfers in	17,983,742	-	-	-	-	-	-	-	-	-	-	-	-	-
1002 Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1003 Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1004 Operating transfers from/to component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1005 Proceeds from notes, loans and bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1006 Proceeds from property sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1007 Extraordinary items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1008 Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>1010 TOTAL OTHER FINANCING SOURCES (USES)</b>	17,983,742	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>1000 EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES</b>	(36,105,536)	(68,148)	2,248,210	(1,205)	(2,387)	(1,878)	(309)	-	10	(595)	(827)	(2,533)	(231)	103,851

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Account Description	TOTAL MOD REHAB	MR. SRO	SUPPORTIVE HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS	CFP
<b>REVENUE:</b>													
703 Net tenant rental revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
704 Tenant revenue - other	-	-	-	-	-	-	-	-	-	-	-	-	-
705 Total tenant revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
706 HUD PHA operating grants	2,015,443	1,485,881	-	260,344	-	-	-	79,394	-	-	11,884,301	870,473	53,863,868
706.1 Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	21,466,529
708 Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-
711 Investment income - unrestricted	103,851	-	-	-	-	-	-	-	101,136	-	-	-	-
712 Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
713 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
713.1 Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
714 Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-
715 Other revenue	-	-	-	-	-	-	-	20,355	140,293	-	-	-	-
716 Gain or loss on the sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
720 Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	(80,173)
<b>700 TOTAL REVENUE</b>	<b>2,119,294</b>	<b>1,485,881</b>	<b>-</b>	<b>260,344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,749</b>	<b>241,429</b>	<b>-</b>	<b>11,884,301</b>	<b>870,473</b>	<b>75,250,224</b>
<b>EXPENSES:</b>													
<b>Administrative</b>													
911 Administrative salaries	172,617	181,324	-	-	-	-	-	-	-	-	1,035,088	210,755	6,862,852
912 Auditing fees	-	-	-	-	-	-	-	-	-	-	-	-	-
913 Outside management fees	-	-	-	-	-	-	-	-	-	-	-	-	-
914 Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-
915 Employee benefit contributions- administrative	83,543	87,760	-	-	-	-	-	-	-	-	539,688	80,464	2,744,531
916 Other operating- administrative	-	-	-	-	-	-	-	746	2,252	-	(865,041)	318,909	17,326
Subtotal	256,160	269,084	-	-	-	-	-	746	2,252	-	709,735	610,128	9,624,709
<b>Tenant services</b>													
921 Tenant services - salaries	-	-	-	-	-	-	-	23,352	61,453	-	-	46,639	-
922 Relocation costs	-	-	-	-	-	-	-	-	-	-	907,350	-	(151)
923 Employee benefit contributions- tenant services	-	-	-	-	-	-	-	4,267	-	-	-	1,201	-
924 Tenant services - other	-	-	-	-	-	-	-	71,170	178,574	-	328,064	13,190	166,614
Subtotal	-	-	-	-	-	-	-	98,789	24,27	-	1,235,414	61,030	166,463

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Account Description	TOTAL MOD REHAB	MR-SRO	SUPPORTIVE HOUSING	NEW CONST.	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS	CFP
Utilities													
931 Water	-	-	-	-	-	-	-	-	-	-	-	-	-
932 Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-
933 Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
934 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
935 Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
937 Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
938 Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary maintenance & operation													
941 Ordinary maintenance and operations - labor	-	-	-	-	-	-	-	-	-	-	-	-	-
942 Ordinary maintenance and operations - materials & other	-	-	-	-	-	-	-	-	-	-	-	-	-
943 Ordinary maintenance and operations - contract costs	-	-	-	-	-	-	-	-	-	-	-	1,175	-
945 Employee benefit contributions- ordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	1,175	-
Protective services													
951 Protective services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-
952 Protective services- other contract costs	-	-	-	-	-	-	-	-	-	-	-	-	-
953 Protective services - other	-	-	-	-	-	-	-	-	-	-	-	-	-
955 Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses													
961 Insurance premiums	7,763	8,153	-	-	-	-	-	214	-	-	(50)	14,770	-
962 Other General Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
963 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-	-	399,384
964 Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-	-	-	-
965 Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
966 Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-	-
967 Interest expense	3,003	3,157	-	-	-	-	-	-	-	-	-	8,082	-
968 Severance expense	10,768	11,310	-	-	-	-	-	214	-	-	(50)	22,852	-
Subtotal	266,928	280,394	-	-	-	-	-	99,749	242,279	-	1,945,099	695,185	11,604,144
969 TOTAL OPERATING EXPENSES													

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Account Description	TOTAL MOD REHAB	MR - SRC	SUPPORTIVE HOUSING	NEW CONST	SPEC PROG FOR AGING	DAY CARE	CONGREGATE HOUSING	HEAD START	SUMMER FEEDING	DEVELOP	HOPE VI	ROSS	CFP
970 EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	1,852,366	1,205,487	-	260,344	-	-	-	-	(850)	-	9,939,202	175,288	63,646,080
971 Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
972 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-
973 Housing assistance payments	1,758,470	1,216,219	-	247,786	-	-	-	-	-	-	6,980,951	86,345	10,761,393
974 Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-	-
975 Fraud losses	-	-	-	-	-	-	-	-	343	760,736	922,941	7,763	6,265,301
976 Capital outlays- governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-
977 Debt principal payment- governmental funds	-	-	-	-	-	-	-	-	-	-	-	-	-
978 Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-	-
900 TOTAL EXPENSES	2,025,398	1,496,613	-	247,786	-	-	-	99,749	242,622	760,736	9,848,991	789,293	28,630,838
OTHER FINANCING SOURCES (USES)													
1001 Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
1002 Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
1003 Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	(3,856,498)	-	(29,652,650)
1004 Operating transfers from/to component units	-	-	-	-	-	-	-	-	-	-	-	-	-
1005 Proceeds from notes, loans and bonds	-	-	-	-	-	-	-	-	-	-	(83,451)	-	(538,699)
1006 Proceeds from property sales	-	-	-	-	-	-	-	-	-	-	-	-	-
1007 Extraordinary items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
1008 Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
1010 TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	(3,939,949)	-	(30,191,349)
1000 EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL	93,896	(10,732)	-	12,558	-	-	-	-	(1,193)	(760,736)	(1,904,639)	81,180	16,428,037

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Account Description	CGP	DISASTER	MTW	OTHER BUSINESS ACTIVITIES	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	BUS ACTIVITIES	COMPONENT UNITS	TOTAL
<b>REVENUE:</b>										
703 Net tenant rental revenue								1,779	7,448,543	27,782,215
704 Tenant revenue - other				1,779					15,693	342,477
705 Total tenant revenue				1,779				1,779	7,464,236	28,124,692
706 HUD PHA operating grants										
706.1 Capital Grants			173,945,437						6,482,468	352,454,849
708 Other government grants										21,466,529
711 Investment income - unrestricted		214,197							680,083	4,646,518
712 Mortgage interest income			2,662,453	285,482		1,746,299	95,155	2,126,936	3,640,807	9,647,807
713 Proceeds from disposition of assets held for sale					3,042,149			3,042,149	20,721	3,062,870
713.1 Cost of sale of assets										
714 Fraud recovery										
715 Other revenue				3,096,520	6,300,140			9,396,660	5,263,281	15,817,196
716 Gain or loss on the sale of fixed assets			(5,902)							(1,147,755)
720 Investment income - restricted									230,334	230,334
<b>700 TOTAL REVENUE</b>		214,197	176,601,988	3,383,781	9,342,289	1,746,299	95,155	14,567,524	23,781,930	434,333,911
<b>EXPENSES:</b>										
<b>Administrative</b>										
911 Administrative salaries			6,568,159	349		341,715		342,064	2,152,484	31,279,292
912 Auditing fees			35,800						941,390	1,174,839
913 Outside management fees									1,267,315	1,267,315
914 Compensated absences			(70,557)							(327,200)
915 Employee benefit contributions- administrative		15,851	2,915,219	47		203,312		203,359	285,831	13,777,786
916 Other operating- administrative			14,648,803	1,026,938		440,340		1,467,278	1,314,624	29,448,571
Subtotal		15,851	24,097,424	1,027,334		985,367		2,012,701	5,961,644	76,620,603
<b>Tenant services</b>										
921 Tenant services - salaries			996,109						202,804	1,339,632
922 Relocation costs						(405,338)		(405,338)		501,861
923 Employee benefit contributions- tenant services										10,143
924 Tenant services - other			15,495						68,162	1,595,137
Subtotal			1,011,604			(405,338)		(405,338)	270,966	3,446,773

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Account Description	CGP	DISASTER	MTW	OTHER BUSINESS ACTIVITIES	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	BUS ACTIVITIES	COMPONENT UNITS	TOTAL
<b>Utilities</b>										
931 Water		-	4,762	402	-	-	-	402	1,197,612	10,845,788
932 Electricity		-	52,112	-	-	-	-	-	839,683	8,050,794
933 Gas		-	-	-	-	-	-	-	706,596	13,825,655
934 Fuel		-	-	-	-	-	-	-	-	75,142
935 Labor		-	-	-	-	-	-	-	-	310,466
937 Employee benefit contributions- utilities		-	-	-	-	-	-	-	-	157,791
938 Other utilities expense		-	-	-	-	-	-	-	-	186,052
Subtotal		-	56,874	402	-	-	-	402	2,830,888	33,451,688
<b>Ordinary maintenance &amp; operation</b>										
941 Ordinary maintenance and operations - labor		-	211,113	-	-	-	-	-	1,611,340	20,124,653
942 Ordinary maintenance and operations - materials & other		-	13,444	-	-	-	-	-	2,338,048	6,700,298
943 Ordinary maintenance and operations - contract costs		-	92,665	-	-	-	-	-	68,779	6,620,979
945 Employee benefit contributions- ordinary maintenance		-	106,667	-	-	-	-	-	2,465	9,411,764
Subtotal		-	423,889	-	-	-	-	-	4,020,632	42,857,694
<b>Protective services</b>										
951 Protective services - labor		-	1,269,857	-	-	-	-	-	253,287	2,785,053
952 Protective services- other contract costs		-	233,262	-	-	-	-	-	144	3,069,440
953 Protective services - other		-	-	-	-	-	-	-	288	14,439
955 Employee benefit contributions- protective services		-	559,651	-	-	-	-	-	-	1,190,646
Subtotal		-	2,062,770	-	-	-	-	-	253,719	7,059,578
<b>General expenses</b>										
961 Insurance premiums		-	505,166	2	-	-	-	2	2,413,527	17,494,532
962 Other General Expenses		-	182,060	-	-	-	-	-	191,153	9,285,834
963 Payments in lieu of taxes		-	-	-	-	-	-	-	-	-
964 Bad debt - tenant rents		-	-	74,390	-	-	-	74,390	83,415	657,805
965 Bad debt- mortgages		-	-	-	-	-	-	-	-	-
966 Bad debt - other		-	-	-	-	-	-	-	-	4,678
967 Interest expense		-	-	-	-	-	-	-	-	5,125,096
968 Severance expense		-	191,738	-	-	-	-	-	3,711,508	831,435
Subtotal		-	878,964	74,392	-	-	-	74,426	6,399,603	33,999,380
<b>TOTAL OPERATING EXPENSES</b>		15,851	28,531,525	1,102,128	-	580,063	-	1,682,191	19,737,452	196,835,716

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2008  
FINANCIAL DATA SCHEDULE

Account Description	COP	DISASTER	MTW	OTHER BUSINESS ACTIVITIES	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	GENERAL PURPOSE BOND PROCEEDS	BUS ACTIVITIES	COMPONENT UNITS	TOTAL
<b>970 EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>										
971 Extraordinary maintenance		198,346	148,070,463	2,281,653	9,342,289	1,166,236	95,155	12,885,333	4,044,478	237,498,195
972 Casualty losses - non-capitalized		-	15,527	-	-	(476,703)	-	13,953,172	-	36,390,848
973 Housing assistance payments		-	92,061,005	-	-	-	-	-	-	-
974 Depreciation expense	12,306	-	1,014,586	-	-	1,785,172	-	-	-	99,265,066
975 Fraud losses		-	-	-	-	-	-	1,785,172	12,247,739	61,572,395
976 Capital outlays- governmental funds		-	-	-	-	-	-	-	-	-
977 Debt principal payment- governmental funds		-	-	-	-	-	-	-	-	-
978 Dwelling units rent expense		-	-	-	-	-	-	-	-	-
<b>900 TOTAL EXPENSES</b>	12,306	15,851	121,622,643	1,102,128	14,429,825	1,888,532	-	17,420,485	31,983,191	394,064,025
<b>OTHER FINANCING SOURCES (USES)</b>										
1001 Operating transfers in		-	-	-	26,080,589	6,899,559	529,000	33,509,148	-	51,492,890
1002 Operating transfers out		-	(14,500,000)	(3,483,742)	-	-	-	(3,483,742)	-	(51,492,890)
1003 Operating transfers from/to primary government		-	-	-	-	-	-	-	-	-
1004 Proceeds from notes, loans and bonds		-	(79,502)	-	4,008,669	(207,659)	-	3,801,010	27,290,088	3,389,446
1005 Proceeds from property sales		-	-	-	-	-	-	-	-	-
1006 Extraordinary items (net gain/loss)		-	-	-	-	-	-	-	-	-
1007 Special items (net gain/loss)		-	-	-	-	-	-	-	-	-
<b>1010 TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	(14,579,502)	(3,483,742)	30,089,258	6,691,900	529,000	33,826,416	27,290,088	30,389,446
<b>1000 EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL</b>	(12,306)	198,346	40,399,843	(1,202,089)	25,001,722	6,549,687	624,155	30,973,455	19,086,827	70,659,332

**SINGLE AUDIT SECTION**

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED MARCH 31, 2008**

<u>CFDA Number</u>	<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>Pass Thru Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
10.558	Child Care Food Program		\$ 101,136
<u>U.S. Department of Housing and Urban Development</u>			
14.170	Congregate Housing Service Program	N/A	79,394
14.182	New Construction Section 8 Program	N/A	260,344
14.235	Supportive Housing Program	N/A	
14.249	Section 8 Single Room Occupancy Program	N/A	1,485,881
14.850a	Low Rent Public Housing	N/A	94,576,279
14.855	Moving to Work Program	N/A	173,945,437
14.856	Section 8 Moderate Rehabilitation	N/A	2,015,443
14.857	Section 8 Housing Choice Vouchers	N/A	6,990,961
14.866	Revitalization of Severely Distressed Public Housing	N/A	11,884,301
14.870	Resident Opportunity & Self-Sufficiency	N/A	870,473
14.872	Capital Fund Program	N/A	75,330,397
<u>Health and Human Services</u>			
93.044	Special Programs for the Aging	N/A	-
93.575	Child Care and Development Grant	N/A	3,651,102
93.600	Head Start	N/A	
97.109	Disaster Housing assistance Grant	N/A	214,197
			<u>\$371,405,345</u>

This schedule is prepared on the accrual basis of accounting.

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weakness(es)?	No
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in Accordance with Section 510(a) of Circular A-133?	No
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850a	Low Rent Public Housing
14.871	Section 8 Housing Choice Vouchers
14.866	Revitalization of Severely Distressed Public Housing
14.872	Capital Fund Program
14.855	Moving to Work Program
N/A	Bond Proceeds

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS - Continued**

Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There are no Financial Statement Findings for the current audit period.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There are no Federal Award Findings and Questioned Costs for the current period.

**PHILADELPHIA HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2008**

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There are no open prior audit findings.

**Report on Internal Control over Financial Reporting and Compliance**  
**Based on an Audit of Financial Statements Performed**  
**in Accordance with Government Auditing Standards**

Board of Commissioners  
Philadelphia Housing Authority  
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office  
Office of Public Housing  
Wanamaker Building  
100 Penn Square East  
Philadelphia, Pennsylvania 19107

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Philadelphia Housing Authority (PHA) as of and for the year ended March 31, 2008, which collectively comprise PHA's basic financial statements and have issued our report thereon dated xxxxxxxx 00, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered PHA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

***Compliance***

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Sedaner & Company LLC*

November 10, 2008

Report of Independent Certified Public Accountants  
on Compliance with Requirements Applicable to Each Major  
Program and Internal Control over Compliance in Accordance  
With OMB Circular A-133

Board of Commissioners  
Philadelphia Housing Authority  
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office  
Office of Public Housing  
Wanamaker Building  
100 Penn Square East  
Philadelphia, Pennsylvania 19107

***Compliance***

We have audited the compliance of the Philadelphia Housing Authority (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2008. PHA's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of PHA's management. Our responsibility is to express an opinion on PHA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on PHA's compliance with those requirements.

In our opinion, PHA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2008.

### ***Internal Control over Compliance***

The management of PHA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered PHA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Sedanev & Company, LLC". The signature is written in a cursive, flowing style.

November 10, 2008

**CITY OF PHILADELPHIA**  
**SUPPLEMENTARY INFORMATION**

**PHILADELPHIA HOUSING AUTHORITY  
STATEMENT OF NET ASSETS  
MARCH 31, 2008**

**ASSETS**

**Current assets:**

Cash

Unrestricted	\$ 70,595,600
Restricted	35,722,700

Investments:

Unrestricted	107,176,900
Restricted	2,168,800

Rents receivable - net of allowance for

Accounts receivable	26,738,680
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Accrued interest receivable	209,700
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Deferred charges and other assets	3,429,900
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Total current assets	246,619,980
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**Noncurrent assets:**

Land, building and equipment - net of accumulated depreciation	971,190,300
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Mortgage receivable	34,060,000
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Other assets	28,549,400
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Total noncurrent assets	1,033,799,700
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**TOTAL ASSETS**

<b>\$ 1,280,419,680</b>
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**LIABILITIES**

**Current liabilities:**

Accounts payable	\$ 42,100,900
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Accrued liabilities	4,658,900
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Accrued interest payable	1,171,800
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Trust for deposit liabilities	1,275,100
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Deferred credits and other liabilities	26,915,500
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Bonds, notes and other loans	20,447,500
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Total current liabilities	96,569,700
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**Noncurrent liabilities:**

Long-term debt	149,982,860
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Other long-term liabilities	29,149,720
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Total long-term liabilities	179,132,580
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**TOTAL LIABILITIES**

275,702,280
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**NET ASSETS**

Net investment in fixed assets	628,186,600
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Restricted	6,054,300
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Unrestricted	370,476,500
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Total net assets	1,004,717,400
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**TOTAL LIABILITIES AND NET ASSETS**

\$ 1,280,419,680
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PHILADELPHIA HOUSING AUTHORITY  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED MARCH 31, 2008

	<u>EXPENSES</u>	<u>TENANT REVENUE</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
<b>FUNCTIONS/PROGRAMS</b>					
Housing activities	\$ 366,423,630	\$ 28,125,000	\$ 387,490,930	\$ 21,466,500	\$ 70,658,800
Changes in net assets:					
Net assets - beginning					893,819,000
Prior period adjustments					<u>40,062,000</u>
Net assets - ending					<u><u>\$1,004,539,800</u></u>