

PHILADELPHIA, PA

ROUND 1 AWARD: \$3,329,929



Overview: To expand housing supply and lower housing costs, HUD's Office of Community Planning and Development awarded **\$3.3 million to the City of Philadelphia**. This grant funding will be used to identify and remove barriers to affordable housing production and preservation.

More than 39% of Philadelphia households are housing cost burdened. The City has established a Housing Trust Fund, adopted a Housing Action Plan, and invested in resources to construct and rehabilitate housing.

PRO Housing funding will enable Philadelphia to reduce local barriers to housing, preserve existing affordable units, increase resilience, and support mixed-income development.

Age of Housing Stock

- 88% of homes were built before 1980, and more than half are over 65 years old. Over 40% of rental units need repairs.

Displacement / Eviction

- Over 228,000 residents are experiencing displacement pressure according to the Reinvestment Fund's Displacement Risk Ratio.

Risk of Flooding / Extreme Heat

- The City, one of the most energy burdened in the U.S., is battling the impacts of extreme heat, and is vulnerable to flooding due to increased precipitation, tidal rivers, and rising sea levels.

LOCAL BARRIERS TO HOUSING IDENTIFIED BY PHILADELPHIA

RECENT ACTIONS TO BOOST HOUSING SUPPLY LOCALLY

The City of Philadelphia

- Created Mixed-Income Neighborhood Overlays — requiring 20% of newly constructed housing to be available at affordable rates.
- Established a Mixed-Income Housing Bonus to incentivize developers to set aside a portion of newly constructed units as affordable housing.
- Created a \$400 million bond program, The Neighborhood Preservation Initiative, to stabilize the existing housing inventory, expand commercial corridors, and address critical infrastructure needs.
- In 2023, Philly First Home made 1,131 grants to first-time low-to-moderate-income homebuyers for down payments / closing costs.
- Extended the Eviction Diversion Program through a new initiative that provides a one-time payment to landlords to cover a tenant's rent arrears up to \$3,000, and launched a guaranteed income pilot to assist families on the waitlist for housing assistance.



ANTICIPATED IMPACT OF PRO HOUSING FUNDING

as contemplated in grant application

Preserve Existing Affordable Units

- Building upon the 2021 study of naturally occurring affordable housing, the City aims to develop a comprehensive action plan and create financial, legal, and educational tools to preserve affordable housing.

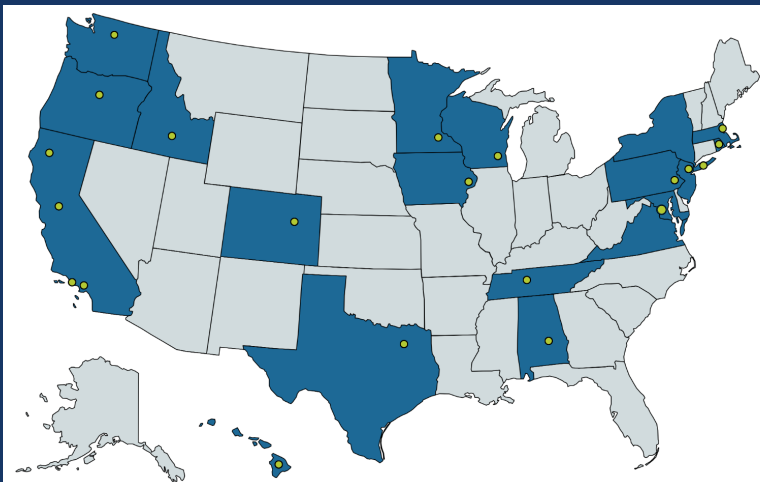
Promote Climate Resilient Housing

- Through PRO Housing funding, the City will assess the climate vulnerability of the affordable housing stock and develop Climate Resilient Design Guidelines to assist in the decision making and incorporation of climate resilience in new and improved housing.
- The resilience efforts will focus on households within the floodplain and may include a pilot to support rehabilitation through the installation of sump pumps, utility elevation, retrofits, and repairs to damages from previous flooding.

Reduce Barriers to Housing Production

- By expanding capacity, the City hopes to expedite and provide flexibility to the development process. The City will work with stakeholders to create and promote a package of recommended changes to the local code and departmental regulations to streamline affordable housing development.
- To analyze the impact of ongoing mixed-income housing initiatives, the City's proposal includes a market feasibility study to assess the optimal ratio of affordable to market rate units, mix of housing typologies, affordability restrictions, incentives, among others. Once the assessment is complete, the City plans to draft a proposal to improve Philadelphia's mixed-income development initiatives.

HUD AWARDED \$85 MILLION TO 21 APPLICANTS THROUGH ROUND 1 OF THE PRO HOUSING COMPETITION



- PRO Housing provides first-of-its-kind funding to identify and remove barriers to housing production and preservation.
- The competition prioritizes communities that demonstrate an acute need for affordable housing.
- Successful applications demonstrated local actions — such as updates to land use policies, developer incentives, financing, and innovative strategies — to address barriers and boost housing supply.