

# HOUSING ALLIANCE OF PENNSYLVANIA

## STRATEGIC DIRECTION for 2015-2020

ADOPTED JUNE 17, 2015

### INTRODUCTION

The last Housing Alliance strategic plan was developed in 2008, just as the housing market and global economy crashed, the Low Income Housing Tax Credit (LIHTC) ground to a halt and Barack Obama became the first African American US president.

Economic disaster and recovery have shaped the past seven years politically and economically. Our state and national approach to public policy is undergoing a radical rethink. The old idea that there is some public responsibility for caring for the poor or assuring an opportunity ladder is being challenged constantly. Bitter political rivalry and stalemate has become the norm in Washington, DC as we finish out the President's second term.

Budget cuts have left the affordable housing and community development sectors with reduced funding while demand for services has increased.

There are two notable exceptions to this negative trend. First, for homeless services funding has held steady and even increased. This success can be traced to nearly twenty years of impact research that has demonstrated that investing in proven program models actually saves taxpayer money. Second is the Low Income Housing Tax Credit, which not only has a long track record of success, but a powerful market base of investors, syndicators and developers.

At the state level, the last six years saw a drastic reductions of the safety net while creating more demand for services and leaving providers and developers with fewer resources to meet growing need. Nonprofits and developers have gone out of business. For those that remain, some of have gotten larger by pooling resources, while others have changed their business model to compete more effectively. For all, it is a more competitive world and one of much greater uncertainty. In addition to losses at the federal and state levels, the historic compact between private philanthropy and public investment has dissolved leaving no secure path forward for caring for those most in need.

Again there are lessons in the notable exceptions: first, the victory of Tom Wolf as Governor, defeating an incumbent by building his campaign around a core commitment to education and second, the new focus within the Republican caucus in the state House on homelessness and poverty, traditional Democratic issues.

In this environment, the Housing Alliance has made significant advances.

- The Housing Trust Fund, championed by the Housing Alliance, today has generated \$26M and is helping almost 2,800 households. The legislative proposal to expand it statewide has broad-based and bipartisan support (47 co-sponsors on HB 792 and 25 on SB 566).
- Blight bills researched and promoted by the Alliance are being widely adopted and have been credited with documented growth in property values.
- The first-ever PA House Bi-Partisan Homeless Task Force (HR 550) was created to research and report on causes and solutions.

# HOUSING ALLIANCE OF PENNSYLVANIA

## STRATEGIC DIRECTION for 2015-2020

ADOPTED JUNE 17, 2015

Today, with the economic recovery and job growth, a new trend has taken hold: the gap between rich and poor.

Economic growth has largely benefitted the top income brackets. There is a clear sense that the most vulnerable have been left behind, with lower income Americans are not yet feeling optimistic about their economic future. The US has seen a dramatic resurgence of riots in neighborhoods where poverty, homelessness and unemployment fuel despair and rage.

Community development and housing organizations are heeding the call; future growth must be inclusive.

Yet, across the country there is a sense that something is not quite right. We are a nation that takes care of our own, that educates people and gives them a chance, provides opportunity for advancement and a decent life. There is a sense that we are failing on this score. And while the old ways are no longer working, the path forward is less clear. That is an opportunity for the Housing Alliance to shape win-win solutions.

The Alliance is striving to craft, build and promote solutions to the pressing issues of housing, homelessness, blight and homeownership. A new issue, the connection of health to housing quality is emerging as a growing concern.

The keys to success for the Alliance are in being non-partisan and broad-based, built on a single-minded focus on housing, generating resources that enhance locally grown ideas and a focus on data-informed solutions that rise above partisan considerations.

Today, the further focus of the Alliance is on administrative advocacy at the state level, information, training, technical assistance and implementation of data-informed strategies. While it represents a paradigm shift, it is one that builds on strength.

The continuing challenge of funding statewide work defies easy solution, but promising new directions lie in the establishment of new partnerships and elevating lessons from local learning labs to create replicable models.

These are the themes in this new Strategic Direction Plan for 2015-2020.

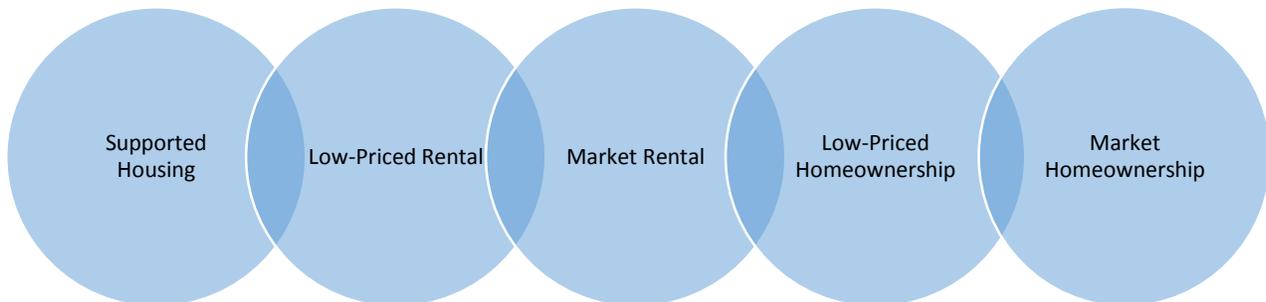
We gratefully acknowledge the funding from Independence Foundation that made this visioning process and product possible.

In this document you will see that the Housing Alliance of Pennsylvania has zeroed in on six issue areas that are both significant and in which there is the potential for impact. In the following section those issues are identified with the proposed direction of work, and an overview of the activities needed to move toward the desired result.

HOUSING ALLIANCE OF PENNSYLVANIA  
STRATEGIC DIRECTION for 2015-2020  
ADOPTED JUNE 17, 2015

**OVERARCHING STRATEGIC DIRECTION FOR 2015-2020**  
**A BALANCED HOUSING MARKET**

To create and lead a movement for economic opportunity and diversity by developing, preserving and providing a range of locally appropriate housing choices.



**Issue #1 – Affordable Rental**

Without incentives and/or capital, the housing market does not supply enough rental homes affordable to people living on low wages (\$12/hour and below) and low fixed incomes.

There is a shortage of 277,000 rental homes that are both affordable and available to people living on about \$22,000 a year or less.<sup>1</sup> This shortage is a hidden driver in Pennsylvania’s structural deficit, increasing expenditures for Medical Assistance, Corrections, Education and other government programs.

- Housing people in prison past their parole date because they have no place to go (about 1,000 inmates last year) costs about \$100/day versus \$25/day for supportive housing.
- People released from prison with a stable home are 2½ times less likely to be rearrested.
- Children who move frequently fall behind in school.
- People who are homeless or are living in substandard housing are sick more often, driving up Medical Assistance costs.

**Strategic Direction #1**

**Expand low-priced or “affordable” rental home production, operation and preservation.**

**Principles that will drive Housing Alliance work**

- Locally-driven
- Data-informed and based on available best practices
- Permanently affordable where practical to maximize the use of scarce public subsidy
- Preservation as well as production
- Rehab vacant buildings except where new construction is necessary to expand opportunities for residents

<sup>1</sup> “Affordability and Availability of Rental Housing in the Third Federal Reserve District: 2015”, Federal Reserve Bank of Philadelphia

# HOUSING ALLIANCE OF PENNSYLVANIA

## STRATEGIC DIRECTION for 2015-2020

ADOPTED JUNE 17, 2015

### **Focus of Activities**

- Policy implementation
- Training and technical assistance at provider, state and local levels
- Local learning labs to explore, expand and lift up what works
- Resource alignment
- Continued campaign to fund the state and national housing trust funds
- Organize statewide response and action on federal budget, LIHTC

### **Issue #2 – Homelessness**

Homelessness is a solvable Issue that continues to impede child development, destabilize families, victimize veterans and people with disabilities while costing communities dearly.

- 16,000 Pennsylvanians were unsheltered in 2014;
- 24,504 homeless children and youth received services from PA school districts in 2014.<sup>2</sup>
- Housing instead of homelessness could help reduce the state’s structural deficit. More humane, effective approaches like housing first, permanent supported housing and rapid rehousing are also cheaper than having people utilize emergency shelters, hospitals and prisons.
- Medicaid expansion and TANF provide an opportunities for alternative payment options for supportive services.

### **Strategic Direction #2**

**Lead and support data-driven, state and local systems-change that move Pennsylvania toward being a national leader in making homelessness rare, brief and nonrecurring.**

### **Principles that will drive Housing Alliance work**

- Collective Impact model to break down silos and align efforts toward a single goal
- Locally driven, data-informed
- Connected with national efforts
- Budgetary reforms, advances needed for effective investment of dollars

### **Focus of Activities**

- Establishment of an effective state Interagency Council on Homelessness
- Adoption of a state plan to end homelessness with quantifiable goals to measure progress
- Combined reporting on homeless dollars, activities and results
- Homeless Provider Network for a local provider voice in state decisions
- Training on evidence-based and data-informed practices
- Medicaid to pay for services and TANF for Rapid Rehousing
- Partnership with strong national advocates for federally focused work

---

<sup>2</sup> 2013-14 Pennsylvania ECYEH State Evaluation Report

# HOUSING ALLIANCE OF PENNSYLVANIA

## STRATEGIC DIRECTION for 2015-2020

ADOPTED JUNE 17, 2015

### **Issue #3 – Blight**

Blighted property is bringing down local property values, impeding local housing and economic development. At the same time, these properties are potential assets for affordable housing development.

- Approximately 300,000 vacant, abandoned and blight buildings and lots in PA<sup>3</sup>
- PA's housing stock is old; almost 60% was built before 1970.
- A vacant property causes neighboring properties on the same block to lose between 6.5% and 20% of their values.<sup>4</sup>
- Rehab and repair of occupied rental and owned homes lacks significant and regular funding or financing mechanism.
- Demolition and land banking lack funding mechanisms

### **Strategic Direction #3**

**Lead the adoption of incentives to develop blighted property for affordable housing; preserve, rehabilitate and repair deteriorated homes for owners and renters to spur community revitalization and economic development.**



### **Principles that will drive Housing Alliance work**

- Paradigm shift - blighted property as potential asset
- Marriage between housing, economic development, blight remediation
- Blight prevention and remediation, including occupied rental and homeownership
- Policy implementation, focus on legislation as needed to gain funding, refine laws, hold the line against erosion of resources
- Balance demolition, rehab and preservation
- Locally driven, data informed

---

<sup>3</sup> The 2010 U. S. Census documents 384,145 vacant non-seasonal housing *units* in Pennsylvania. There is no official count of vacant buildings. In addition to these vacant homes, there are a significant, but uncounted, number of vacant commercial and industrial structures, as well as vacant parcels of land across the state.

<sup>4</sup> Econsult Corporation, "May 8 Consulting and Penn Institute for Urban Research, Vacant Land Management in Philadelphia: The Costs of the Current System and the Benefits of Reform"; Philadelphia Redevelopment Authority and Philadelphia Association of CDC's (November 2010) [http://may8consulting.com/pub\\_16.html](http://may8consulting.com/pub_16.html) (RDA Report).

# HOUSING ALLIANCE OF PENNSYLVANIA

## STRATEGIC DIRECTION for 2015-2020

ADOPTED JUNE 17, 2015

### **Focus of Activities**

- Provide training and technical assistance to state government
- Local learning labs to explore, understand, assess, document and lift up what works
- Alignment and incentivizing of public programs such as tax credits, site selection, Keystone Communities, Mixed Use Development, Penn State Housing Research Center, the PA Housing Finance Agency, the Department of Community and Economic Development, the Federal Home Loan Bank, Act 47 for Distressed Cities, etc.
- Training – Local Government Training Partnership, codes academy, the Department of Labor & Industry, workforce development
- Implement blight remediation tools such as strategic code enforcement and land banks.

### **Issue #4 – Health and Housing**

Poor quality housing and housing instability are hidden drivers of poor health and higher health care system costs. Conversely, quality homes can reduce child health issues such as asthma and lead poisoning. Adequate housing can reduce nursing home, emergency room and state hospital utilization. The Affordable Care Act (ACA) offers new opportunities to link health and housing.

- A \$15,000 home modification keeps a person with disabilities out of a nursing home saving an estimated \$29,000/year<sup>5</sup>.
- Housing First permanent homes for chronically homeless reduces Medical Assistance, emergency shelter, and criminal justice costs by as much as 75% in the first 12 months<sup>6</sup>.
- Direct and indirect costs of children’s health issues resulting from substandard housing in North Carolina totaled \$96 million in one year<sup>7</sup>.

### **Strategic Direction #4**

**Build new alliances with healthcare advocates to work for quality, affordable homes as central to improving health outcomes.**

### **Principles that will drive Housing Alliance work**

- Safe, adequate and affordable housing is central to good health.
- Investing in housing can save the health care system money.

### **Focus of Activities**

- Medicaid expansion provides an opportunity to fund homeless services
- Link home repair and health such as with the Healthy Row Homes initiative
- Strategic partnerships such as with the PA Health Access Network (PHAN)
- Explore pilots with public system insurers

---

<sup>5</sup> Improving Housing Options through Rental Assistance; Select PHFA Partnerships and Initiatives to Assist People with Disabilities and Prevent Homelessness; PA Housing Finance Agency; November 2014

<sup>6</sup> *Home & Healthy for Good: A Statewide Housing First Program*, <http://shnny.org/uploads/Home-Healthy-Good-2012.pdf>, March 2012

<sup>7</sup> Chenoweth, David, *The Economic Cost of Substandard Housing Condition Among North Carolina Children*, North Carolina Housing Coalition, 2007

# HOUSING ALLIANCE OF PENNSYLVANIA

## STRATEGIC DIRECTION for 2015-2020

ADOPTED JUNE 17, 2015

### **Issue #5 – Rebuilding Homeownership**

Homeownership rates have dropped since 2009, especially among low and moderate income, and African American consumers.

- Fewer young people are becoming homeowners.
- The regulatory environment has been reshaped around ability to repay.
- Fear and a lack of information are impeding homeownership.
- There is a lack of access to credit for low and moderate income buyers.

At the same time, there are both resources and potential partnerships available.

- Homeownership still offers an important wealth-building and community development opportunity for individuals and families of all income levels;
- There is an appetite for rebuilding homeownership - among banks, community leaders, non-profits, government and realtors and, most importantly, consumers;
- There are interested stakeholders who welcome the opportunity to work in partnerships to help qualified consumers become homeowners – and to grow the number of prospective homebuyers.

### **Strategic Direction #5**

**Work to rebuild homeownership, especially for low and moderate-income customers through information, education, partnerships and innovative products that both mitigate lender risk and make homebuyer success more likely.**

### **Principles that will drive Housing Alliance work**

- Homeownership remains a viable option for low and moderate income people.
- Use partnerships to mitigate risk, advocate for greater flexibility, products and services to make home ownership accessible, without repeating past mistakes.
- Help existing homeowners sustain their homes.
- Housing Counseling is a proven strategy for reducing default and foreclosure.

### **Focus of Activities**

- Educate and inform homeownership professionals about the products and services available to help people become homeowners and sustain homeownership, even in a tight regulatory environment.
- Build partnerships between PHFA, lenders, realtors and community organizations to mitigate risk and increase the pool of qualified applicants through statewide entities.
- Support and advance evidence-based practices.
- Advocate for programs that help existing low-income homeowners get the repairs needed to keep their homes and for new funds to support affordable homeownership
- Join advocacy efforts that address obstacles to rebuilding homeownership such as student loan debt, appraisal bias, fear, lack of information, lack of funding for housing counseling and layering-on of regulations.

# HOUSING ALLIANCE OF PENNSYLVANIA

## STRATEGIC DIRECTION for 2015-2020

ADOPTED JUNE 17, 2015

### **Issue #6 – Organizational Growth, Strength**

As the funding, economic and political environments continue to change, the Housing Alliance must continue to evolve to remain strong, viable, relevant and effective.

#### **Strategic Direction #6**

**Cultivate a strong governing board, first-rate statewide professional staff and funding base that ensure that the organization is resilient, effective and enduring at representing the housing needs and interests of low-income people and communities in the state capital.**

#### **Principles that will drive Housing Alliance work**

- Commitment to unique niche as non-partisan, broad-based coalition unified around housing
- Statewide, representative of diverse communities
- Sensitive and committed to local control
- Use of data, evidence
- Solutions-oriented
- Evolving focus to policy implementation
- Reflective, learning organizational culture

#### **Activities**

- Cultivate the board of directors as a strong, representative governance body.
- Conduct a Board Self-Assessment as basis for board development plan
- Expand role of Honorary Board
- Support staff, look at structure, workload
- Plan board and staff succession
- Expand online presence, youth appeal
- Assess and tailor marketing, messaging, social media and media presence.
- Sustain diverse funding base
- Continue to grow fee based, contractual work and partnerships