

Housing Trust Fund Fact Sheet

What is the Housing Trust Fund?

The Housing Trust Fund (HTF) was created in 2005 to dedicate municipal funding for affordable housing initiatives. City funding for affordable housing allows for more flexibility compared to federal and state dollars, which must be used in accordance with specific grants guidelines. Although more flexible than many individual grants the City receives, the Philadelphia Code sets requirements for how HTF dollars must be spent. Half of HTF expenditures must go towards very low-income households earning 30 percent or less of the Area Median Income (AMI) and the other half must go towards low- and moderate-income households.



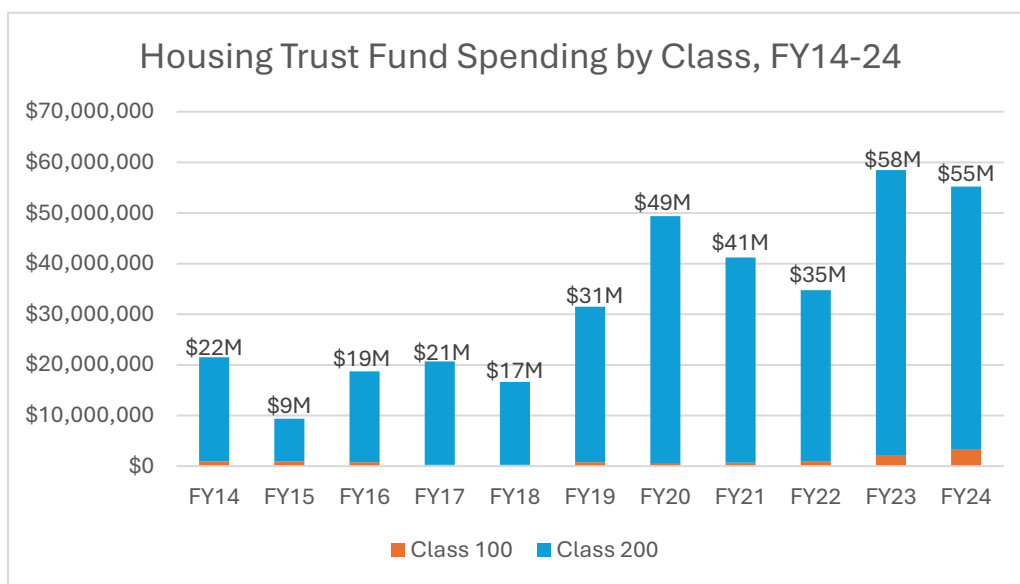
How are Housing Trust Fund Dollars Spent?

Since FY14, the Housing Trust Fund's (HTF) budget has grown from \$21.5 million to \$55.2 million in FY24, a 157 percent increase. Housing Trust Fund dollars go towards programs that fall into one of four categories: housing stability, which provides financial assistance to help Philadelphians remain in their homes (\$26.4 million of FY23 HTF dollars); affordable housing production and preservation (\$15.7 million of FY23 HTF dollars); home repairs and modification (\$10.5 million of FY23 HTF dollars); or, housing services and support through housing counseling and legal aid. The table below provides examples of programs for each of these categories and outcomes achieved in FY22-23, the most recent year for which data is available:

Category	Example Projects	FY22-23 Outcomes
Maintaining Housing Stability	<ul style="list-style-type: none"> • UESF emergency utility assistance • Shallow Rent Program offers rental assistance to cost-burdened tenants in affordable housing developments • Eviction Diversion Program Targeted Financial Assistance helps avoid eviction by covering rent up to \$3,000 • Rental, security deposit, and mortgage assistance 	<ul style="list-style-type: none"> • 3,042 UESF utility grants • 247 homelessness prevention services • 226 mortgage assistance grants • 342 Shallow Rent recipients • 1,035 Eviction Diversion Program Targeted Financial Assistance Grants
Affordable Housing Production and Preservation	<ul style="list-style-type: none"> • Urban Affairs Coalition's Home Buy Now and Philly First Home help eligible Philadelphians purchase homes • Philadelphia Accelerator Fund provides flexible financing and access to capital to invest in affordable housing • Assistance to developers for creating and preserving affordable rental and special needs housing 	<ul style="list-style-type: none"> • 886 rental units produced or preserved • 19 developments produced or preserved • 32 Home Buy Now grants • 87 units under construction • 168 units under preservation
Home Repairs and Modifications	<ul style="list-style-type: none"> • Basic systems repairs (plumbing, electrical, roofing, heating, adaptive modifications) through PHDC • Emergency heater repairs through Energy Coordinating Agency and PHDC • Home repairs in targets areas through Rebuilding Together Philadelphia and Habitat for Humanity 	<ul style="list-style-type: none"> • 4,960 heaters repaired • 4,772 basic system repairs • 491 adaptive modifications for persons with disabilities • 90 targeted repairs
Housing Services and Support	<ul style="list-style-type: none"> • Neighborhood Advisory Committees connect residents with housing programs, helping them apply for grants, legal services, and affordable housing opportunities • Group and one-on-one counseling for renters and homeowners • Legal services through Tangled Title Program to help Philadelphians retain homeownership 	<ul style="list-style-type: none"> • 21 Neighborhood Advisory Committees • 24 housing counseling agencies supported • 14,319 households received a housing counseling service • 1,762 tangled title beneficiaries • 411 successful title transfers • 420 tangled title grants

Source: [FY22-23 Philadelphia Housing Trust Fund Report](#). Some outcome data may have changed since publication.

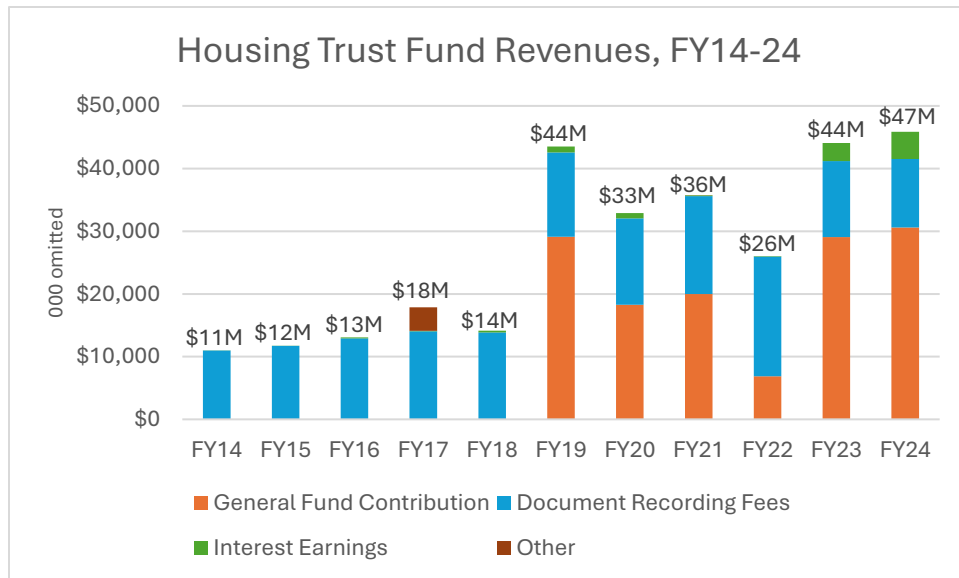
Unlike the General Fund and Transportation Fund, whose primary expenditure category is employee compensation (Class 100), most of the Housing Trust Fund's budget is spent on contracted services in Class 200, which represented over 90 percent of annual spending in FY14-FY24. These contracts are for programs that provide services such as adaptive modifications in residence of income-eligible disabled persons, financial assistance to low- and moderate-income households for energy-related emergencies, mortgage assistance, and housing counseling. Employee wages and benefits (Class 100), accounted for ten percent or less of HTF annual spending in FY14-24. In FY21-22, a small amount, less than one percent, of the HTF's annual budget was spent on materials, supplies, and equipment (Class 300/400).



Where Do Housing Trust Funds Come From?

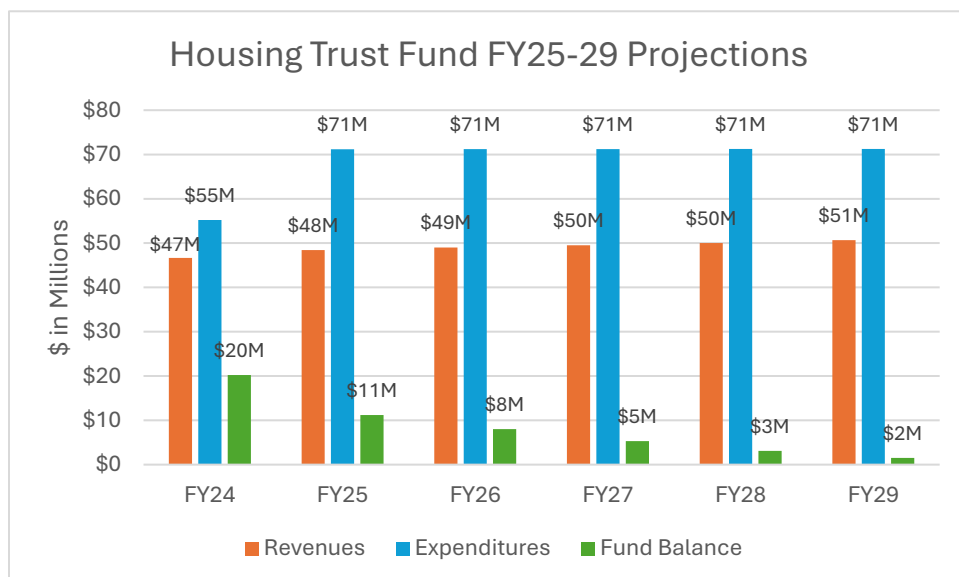
The Housing Trust Fund has three primary sources of revenue: contributions from the General Fund, document recording fees, and interest earnings. From FY14-FY18, document recording fees were the largest source of HTF revenue. Starting in FY19, the City appropriated funds in the General Fund for the HTF, first from revenue from expired Real Estate Tax abatements and later, starting in FY22, through a Charter change that requires an amount equal to 0.5 percent of General Fund expenditures to be deposited into the HTF every year. Since FY19, these General Fund contributions have been the largest source of HTF revenue.

Housing Trust Fund revenues increased by over \$35 million from \$11 million in FY14 to \$46.7 million in FY24. The most significant growth happened in FY19 after the City began making transfers from the General Fund to HTF, which have come to represent the largest source of revenue. In FY24, almost two-thirds of HTF revenue (\$30.6 million) came through a General Fund transfer, while one-third of revenue was from document recording fees and interest earnings (\$16 million).



Even though the Housing Trust Fund has increased, it is a small share of the overall resources dedicated to affordable housing in Philadelphia. A [report by the Reinvestment Fund](#) found that about 75 percent of funding for the three major housing agencies (Philadelphia Housing Association, Division of Housing and Community Development, and Office of Homeless Services) comes from federal sources. Even within the Division of Housing and Community Development (DHCD), which receives the bulk of HTF funds, only 17% of its \$271 million FY24 budget comes from the Housing Trust Fund. Distinct from HTF, the [Neighborhood Preservation Initiative](#) (NPI), a series of City-issued bonds totaling \$400 million for investments in Philadelphia housing programs over multiple years, is the largest source of funding for DHCD, followed by federal sources.

Looking Forward at the Housing Trust Fund



Starting in FY25, the City will report on the Housing Trust Fund's budget as part of its Quarterly City Managers Report and Five-Year Financial Plan, following requests for additional reporting from PICA.

The Adopted FY25-29 Five-Year Plan for the Housing Trust Fund projects stable expenditures, at \$71 million through the life of the Plan, and slight revenue increases – \$2.2 million (4.6 percent) from FY25-29. Despite projected operating budget deficits in every year of the FY25-29, HTF's fund balance is expected to remain positive through FY29 as it draws down on its high FY24 fund balance, dropping from \$20 million in FY24 to \$1.5 million in FY29.

About the Report

This report was written by Suzanne Staherski and edited by Marisa Waxman, with graphic support from ChatGPT's DALL-E feature. All AI-generated content was reviewed by PICA Staff prior to publication.