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**HILADELPHIA
HOUSING
DEVELOPMENT
CORPORATION**

2011

ANNUAL REPORT

CD YEAR 36 (FY 2011)

JULY 1, 2010 - JUNE 30, 2011



**Anthony C. McIntosh
Executive Vice President
September 2011**

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MISSION

From its inception, the Philadelphia Housing Development Corporation (PHDC) has been guided by special beliefs about our corporation and the services which we perform. We are committed to five principles which govern the way we conduct our activities, view our co-workers and plan our future. These principles are:

- SERVICE:** We are committed to providing the highest quality service to our clients and our community.
- EFFICIENCY:** We will maximize the use of those resources which are available to provide the greatest benefit to our clients and our community.
- RESPECT:** We will create an environment which promotes respect for our peers, mutual trust, self-esteem and care for ourselves, our clients and our community.
- VALUE:** We will value and support the efforts of our co-workers, managers and clients with energy, assistance, consideration and encouragement.
- EXCELLENCE:** We are the best in our field and will continue to assume that responsibility through our commitment to professionalism.

PHDC has been serving Philadelphia neighborhoods since 1965.

COMPLETED PROJECTS

Basic Systems Repair Program

TIER	HOMES	COST	MBE/WBE/DSBE EXPENDITURES*	MBE/WBE/DSBE PERCENTAGES*
Tier 1	707	\$2,559,135	\$1,188,471	46.4%
Tier 2	1,123	\$12,414,174	\$5,800,326	46.7%
Totals	1,830	\$14,973,309	\$6,988,797	46.7%

Weatherization Assistance Program

HOMES	COST	MBE/WBE/DSBE AMOUNT*	MBE/WBE/DSBE PERCENTAGE*
1,411	\$6,089,775	\$1,945,867	32.0%

Adaptive Modifications Program

HOMES	COST	MBE/WBE/DSBE AMOUNT*	MBE/WBE/DSBE PERCENTAGE*
153	\$1,808,267	\$718,650	39.7%

Senior Housing Assistance Repair Program (SHARP)

HOMES	SUBSIDY	DEVELOPMENT
700	\$325,000	\$1,137,500

Targeted Housing Preservation Program (THPP)

DEVELOPER	HOMES	SUBSIDY	DEVELOPMENT COST
Enterprise Center CDC	3	\$52,106	\$62,606
Greater Brewerytown CDC	4	\$86,646	\$88,646
HACE	3	\$66,580	\$68,080
Mt Airy USA	2	\$49,391	\$50,391
Nicotown CDC	6	\$118,960	\$136,960
PNHS	5	\$108,169	\$111,140
Totals	23	\$481,852	\$517,823

* Figures refer only to MBE/WBE/MSBE prime contractors and do not include MBE/WBE/DSBE subcontractors utilized by majority contractors.

COMPLETED PROJECTS

Real Estate Sold and Settled

PROGRAM	HOMES	TOTAL SALES
16th and Norris Streets Townhouses	2	\$275,000
Land Bank	12	\$475,900
Totals	14	\$750,900

Homeownership Rehabilitation Program (HRP)

The Homeownership Rehabilitation Program (HRP) provides gap financing for the rehabilitation of vacant houses. This financing is considered a subsidy for the benefit of the income-eligible homebuyer and is provided at settlement.

DEVELOPER	HOMES	SUBSIDY	DEVELOPMENT COST
Allegheny West Foundation	2	\$202,666	\$334,666
Habitat for Humanity	2	\$148,726	\$336,683
Nueva Esperanza	1	\$93,417	\$165,417
Philly Restorations	1	\$61,700	\$179,200
Resources for Human Development	2	\$169,742	\$298,742
Totals	8	\$676,251	\$1,314,708

Child Care Facilities Program

	CHILD CARE CENTERS	SUBSIDY	DEVELOPMENT COST
Nonprofit Finance Fund	21	\$1,004,415	\$1,309,217



CURRENT PROJECTS

Basic Systems Repair Program

TIER	HOMES	COST	MBE/WBE/DSBE EXPENDITURES*	MBE/WBE/DSBE PERCENTAGES*
Tier 1	82	\$312,000	\$205,000	65.7%
Tier 2	218	\$905,000	\$451,000	49.8%
Totals	300	\$1,217,000	\$656,000	53.9%

Weatherization Assistance Program

HOMES	COST	MBE/WBE/DSBE AMOUNT*	MBE/WBE/DSBE PERCENTAGE*
163	\$549,332	\$192,789	35.1%

Adaptive Modifications Program

HOMES	COST	MBE/WBE/DSBE AMOUNT*	MBE/WBE/DSBE PERCENTAGE*
53	\$553,456	\$219,411	39.6%

Targeted Housing Preservation Program

DEVELOPER	HOMES	SUBSIDY	DEVELOPMENT COST
Enterprise Center CDC	4	\$100,000	\$100,500
Greater Brewerytown CDC	10	\$250,000	\$252,500
HACE	1	\$25,000	\$25,500
Mt. Airy, USA	2	\$50,000	\$50,500
New Kensington CDC	4	\$100,000	\$101,000
Nicotown CDC	5	\$125,000	\$125,500
PNHS	1	\$25,000	\$25,500
Yorktown CDC	2	\$50,000	\$50,500
Totals	29	\$725,000	\$731,500

* Figures refer only to MBE/WBE/MSBE prime contractors and do not include MBE/WBE/DSBE subcontractors utilized by majority contractors.



CURRENT PROJECTS

Real Estate Properties for Sale as of July 1, 2011

PROPERTY	SALES PRICE
2129 S. Cecil St.	\$63,000
2131 S. Cecil St.	\$63,000
2041 S. Cecil St.	\$70,000
1626 Page St.	\$137,500

Homeownership Rehabilitation Program

DEVELOPER	HOMES	SUBSIDY	DEVELOPMENT COST
AET Enterprises	1	71,000	186,000
Allegheny West Foundation	5	516,246	836,246
Frankford CDC	1	45,000	150,000
Kellytown Development	1	78,500	193,500
Nicetown CDC	1	108,500	178,500
Norris Square Civic Association	2	170,000	299,000
Nueva Esperanza	1	56,000	158,000
PHDC	1	67,000	182,000
PNHS	10	469,500	1,177,500
Philly Restorations	3	240,000	552,000
Tioga United CDC	6	796,000	2,097,000
Tony Goodman	1	71,000	169,000
Tristate Builders	1	76,500	196,500
Totals	34	2,765,246	6,375,246

Child Care Facilities Program

	CHILD CARE CENTERS	SUBSIDY	DEVELOPMENT COST
Nonprofit Finance Fund	6	\$445,570	\$1,565,351



COMPLETED PROJECT

Pilot Program

Basic Systems Repair Program and Weatherization Assistance Program

In 2009, PHDC began a pilot project to explore whether combining repairs under the Basic Systems Repair Program (BSRP) and Weatherization Assistance Program (WAP) when a property was eligible for both would produce efficiencies for each program.

Twenty-three properties were addressed within the pilot program, and some minor efficiencies were realized. PHDC was able to assign one inspector to identify repairs, rather than the two that would have been necessary under separate programs. Similarly, when a contractor was operating in both programs and the repairs were within that contractor's area of expertise, one contractor could be assigned rather than two. For example, a contractor who provided insulation services under WAP and roofing services under BSRP would have better access to do insulation work prior to completing the roofing repairs.

At the same time, combining program repairs created numerous technical challenges. The frequency of services offered is different, as WAP is only offered once while BSRP may return to a home as conditions warrant. BSRP serves only homeowners, while WAP serves both homeowners and renters. Because the income eligibility is higher for WAP than for BSRP, applicants who are eligible for WAP may not be eligible for BSRP. As a result, significant staff time was expended to identify those properties that fit within the guidelines of both programs. No additional expenses were required to run the program, while there were no cost savings associated with it either.

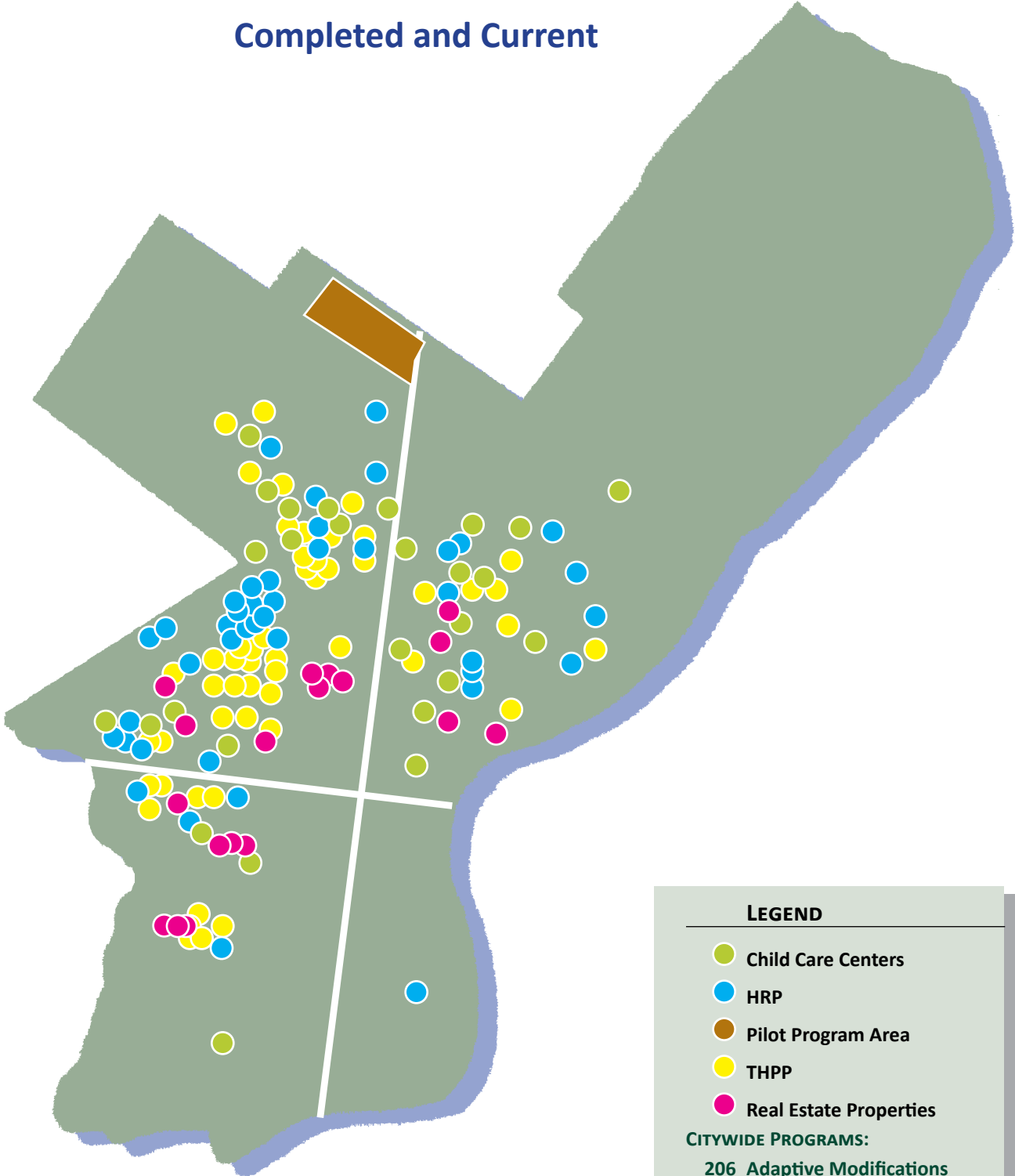
As the program was initially designed, the relatively minor efficiencies were more than offset by the dedication of staff time necessary to identify eligible properties. Accordingly, PHDC will alter the program so as to eliminate the additional staff resource requirements while retaining the efficiencies. If, upon inspection, WAP properties are determined to need BSRP repairs prior to the WAP work, they will be automatically reviewed for BSRP eligibility and potentially expedited BSRP repairs. A limited portion of the BSRP budget will be allocated to implement this initiative on a city-wide basis.

Summary of Pilot Program

HOMES	BSRP COST	WAP COST	MBE/WBE/DSBE	TOTAL
23	\$125,000	\$129,000	30%	\$259,470

PROPERTIES AND DEVELOPMENTS

Completed and Current



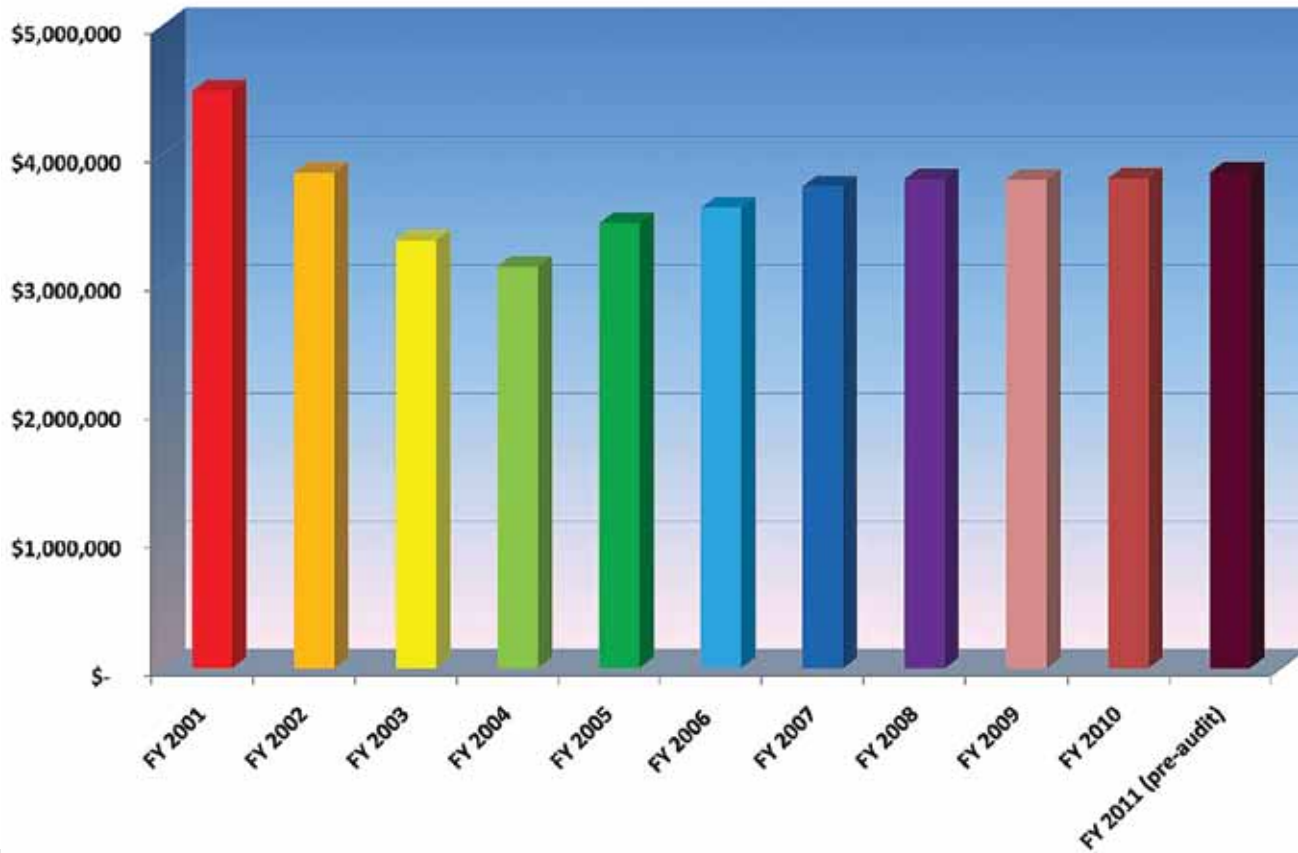
FINANCIALS

Annual Statement of Net Assets June 30, 2011 & June 30, 2010

	JUNE 30, 2011 (PRE-AUDIT)	JUNE 30, 2010 (AUDITED)
Assets		
Current Assets		
Cash	\$1,716,410	\$2,286,624
Accounts receivable, net	\$7,287,065	\$7,321,992
Loans receivable	\$529,197	\$621,080
Other current assets	\$305,879	\$339,535
Property held for development or sale	\$1,459,635	\$1,736,170
Total Current Assets	\$11,298,186	\$12,305,401
Noncurrent assets		
Capital assets, net of accumulated depreciation	\$298,303	\$243,253
Total Assets	\$11,596,489	\$12,548,654
Liabilities		
Current Liabilities		
Accounts payable & accrued liabilities	\$5,219,736	\$6,484,400
Program income payable	\$293,623	\$106,976
Loans payable	\$529,197	\$621,080
Mortgage note payable, current portion	\$1,000	\$1,398
Program advances	\$1,423,080	\$1,264,612
Other	\$75,907	\$78,948
Total Current Liabilities	\$7,542,543	\$8,557,414
Noncurrent liabilities		
Deferred rent liability	\$154,308	\$136,947
Mortgage note payable, net of current	\$38,455	\$39,459
Total Liabilities	\$7,735,306	\$8,733,820
Net Assets		
Investment in capital assets, net of related debt	\$298,303	\$243,253
Restricted	\$523,088	\$512,398
Unrestricted	\$3,039,792	\$3,059,183
Total Net Assets	\$3,861,183	\$3,814,834

FINANCIALS

Net Assets (Fund Balances FY 2001-2011) Eleven Year Comparison



Analysis of Net Assets and Results of Operations For Fiscal Year Ending June 30, 2011 (Pre-Audit)

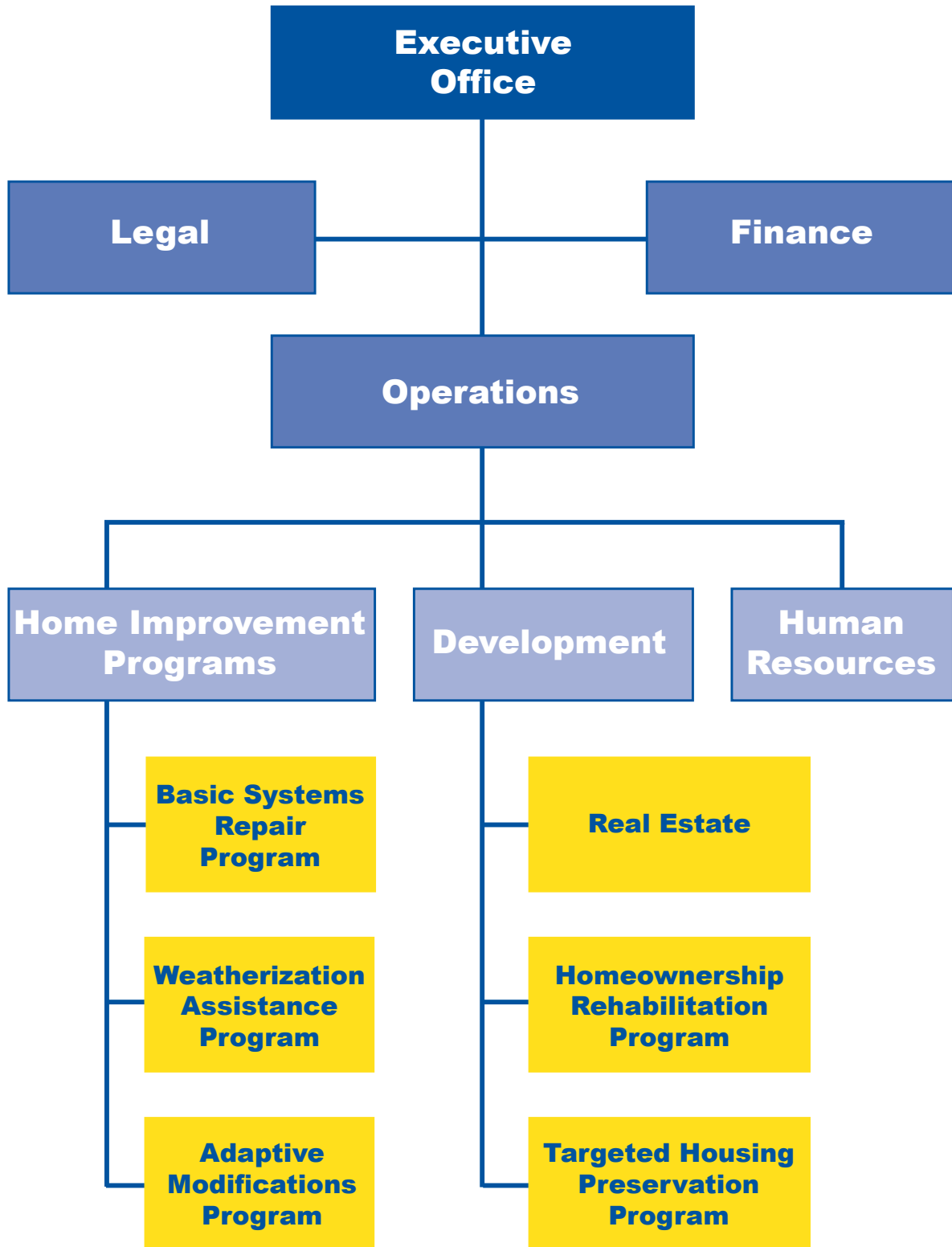
	NET ASSETS JUNE 30, 2010	EXPENSES FY 2011	REVENUES FY 2011	INTER- ACCOUNT TRANSFERS	CHANGE IN NET ASSETS (LOSS) FY 2011	NET ASSETS JUNE 30, 2011
Original City Grant	\$301,427	\$16,844	\$23,751		\$6,907	\$308,334
Development Reserve	\$3,059,183	\$23,225	\$3,834		\$(19,391)	\$3,039,792
City Contract Fund	\$126,385	\$29,930,424	\$29,985,993	\$(51,786)	\$3,783	\$130,168
State Contract Fund	\$84,586	\$9,131,144	\$9,189,750	\$(58,606)	\$0	\$84,586
Plant Fund	\$243,253	\$55,342	\$0	\$110,392	\$55,050	\$298,303
Totals	\$3,814,834	\$39,156,979	\$39,203,328	\$0	\$46,349	\$3,861,183

FINANCIALS

Schedule of Revenues, Expenses and Changes in Net Assets For Fiscal Years Ending June 30, 2011 & 2010

	FY 2011 (PRE-AUDIT)	FY 2010 (AUDITED)
Operating Revenues		
Revenues applicable to contracts with the City of Philadelphia and other agencies	\$38,909,794	\$35,851,447
Sale of property held for development or sale	\$283,413	\$1,019,855
Other	\$6,285	\$110,363
Total Operating Revenues	\$39,199,492	\$36,981,665
Operating Expenses		
Property costs applicable to contracts with the City of Philadelphia and other agencies	\$30,237,151	\$26,908,989
Costs applicable to sale of property held for development or sale	\$278,366	\$1,040,884
Salaries, wages and benefits	\$7,378,913	\$7,532,384
Office rental	\$324,967	\$307,894
Outside services fees	\$669,488	\$686,483
Depreciation	\$55,342	\$48,766
Other	\$209,277	\$256,761
Total Operating Expenses	\$39,153,504	\$36,782,161
Operating Income (Loss)	\$45,988	\$199,504
Nonoperating Revenues (Expenses)		
Interest income	\$3,836	\$5,452
Interest expense	\$(3,475)	\$(18,113)
Net Nonoperating Revenue (Expenses)	\$361	\$(12,661)
Changes in net assets	\$46,349	\$186,843
Total net assets, beginning	\$3,814,834	\$3,627,991
Total Net Assets, End of Year	\$3,861,183	\$3,814,834

PHDC ORGANIZATION CHART



PHDC BOARD OF DIRECTORS



*Seated from left: Lynda Orfanelli, Anthony McIntosh, Ed Covington, Deborah McColloch.
Standing from left: Yvonne Haskins, Terri Paone, Andrew Rachlin, Ken Weinstein, Anna Adams.
(Not shown Bridget Collins-Greenwald, Rue Landau, Nora Lichtash.)*

Ed Covington, *President*

Anna Adams (*Representative, Finance Director*)

Bridget Collins-Greenwald (*Representative, Managing Director*)

Yvonne Haskins, Esq.

Rue Landau, Esq.

Nora Lichtash

Deborah McColloch

Anthony C. McIntosh

Lynda Orfanelli

Terri Paone (*Representative, President of City Council*)

Andrew Rachlin (*Representative, Director of Commerce*)

Ken Weinstein

Anthony C. McIntosh, *Executive Vice President*

Honorable Michael A. Nutter, *Mayor, City of Philadelphia*

PHDC STAFF





City of Philadelphia, Michael A. Nutter, Mayor



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Anthony C. McIntosh, Executive Vice President

