

Opening Doors Initiative

Expanding and Preserving Affordable Housing

The Challenge

- Philadelphia is confronting an affordable housing crisis with skyrocketing rents and limited supply.
- PHA's existing public housing portfolio of ~13,000 units requires **~$3.9 Billion** in new funds to ensure preservation and address redevelopment and rehab needs.
- There is an overwhelming need for additional affordable housing **[www.phaopeningdoors.com]** in Philadelphia, but very limited available resources to increase supply.
- In response, PHA has developed the **"Opening Doors Initiative", a $6.8 Billion effort to preserve and expand affordable housing.**
- PHA is coordinating and is working in tandem with Mayor Parker's H.O.M.E. Program initiative to address the City's housing crisis.

Public Housing Requires Major Capital Investments

Deteriorating Physical Conditions

More than 60% of units in PHA's portfolio are over **70 years** old

Repair, replacement and redevelopments costs estimated at **$3.9 Billion**

High Operating Costs

Public Housing operating expenses are high as a result of aging systems and other factors

Uncertain/ Inadequate Funding

HUD's Annual capital of only $56 Million

Cannot leverage new private funding under the public housing platform

The Need for Affordable Housing Is Growing

- PHA's current portfolio cannot meet the enormous demand for affordable housing in Philadelphia.
- **>105,000** low-income applicants are on PHA waiting lists.
- **88%** of Philadelphia households with incomes **<$30,000** are housing cost burdened, i.e. they spend more than 30% of income on housing costs.
- **68%** of these renters pay **>50%** of income for housing costs.

Solving the Problem Requires Multiple Strategies

Preserve	Redevelop	Build	Acquire
Preserve public housing portfolio and convert to Section 8 platform	Redevelop obsolete public housing sites and replace with new housing	Build new affordable housing	Acquire existing multifamily mixed-income housing

Preservation and Redevelopment Strategies

A primary goal of the Opening Doors Initiative is to preserve or redevelop the existing PHA public housing portfolio of ~13,000 units:

- **~70%** can be preserved for the long-term with various levels of rehab work. Estimated rehab costs range from $100-$200K per unit.
- The remaining **~30%** of existing public housing units are functionally obsolete and require complete redevelopment. Estimated redevelopment costs are **$550-600K+** per unit.
- As of September 2025, ~2,330 units are complete or in process. An additional ~5,370 are in the planning stages.

Acquisition and Development Strategies

Another major goal is to increase the supply of affordable housing by ~7,000 units:

- **Acquiring existing multi-family housing.** PHA is in the process of acquiring~4,000 units at an estimated average cost of **$225-260K** per unit. As of September 2025, 1,410 units have been acquired.
- **Building new units.** Working with the City, non-profits, mission-driven and private developers, PHA plans to build ~3,000 new units, including additional units built as part of PHA's neighborhood redevelopment initiatives. Estimated costs are **$550-600K+** per unit.

Acquisition Strategy

PHA, through its development affiliate, PHADC, is acquiring existing multifamily properties and vacant land to expand affordable housing.

Targeted property types include, but are not limited to:

- Properties that were recently built and/or already stabilized requiring limited or no additional capital needs.
- Expiring LIHTC and other affordable use restricted properties;
- Multi-family properties in opportunity areas;
- Mixed-use or market-rate housing in opportunity neighborhoods; and
- Vacant land earmarked for the development of new affordable housing.

Acquisition Strategy

Acquisitions are more cost effective than building new.

- ~70% of PHA's construction cost is labor.
- Per unit cost for new construction is $550-600K on average and growing.
- Acquisition cost per unit is under $260K.
- For every 1 new construction unit built, PHA can acquire 2.
- Avoids lengthy and costly regulatory review processes.
- Provides more housing options in communities that have been traditionally inaccessible.

Funding Acquisitions

1. **Reserve Funds** – PHA has utilized HUD-held Moving to Work (MTW) program reserves to partially fund acquisitions.
2. **Private Funding**
   - **Line of Credit**
   - **Bond Financing** - PHA/PHADC issued **$302.5M** in tax exempt, guaranteed revenue bonds to acquire, construct, renovate and improve multifamily properties.

Tools to Reach the Goal

In addition to bond proceeds, PHA will utilize available federal tools to facilitate both preservation and expansion:

- HUD's Rental Assistance Demonstration (RAD) allows public housing subsidies to be converted to the Section 8 program.
- RAD also allows PHA to expand the number of affordable units through the Faircloth to RAD or "Restore-Rebuild" Program.
- Section 18 is another tool that facilitates disposition and conversion to Section 8.
- RAD has a proven track record of success, with over 244,000 housing units converted nationwide, generating over $22B in housing investments.

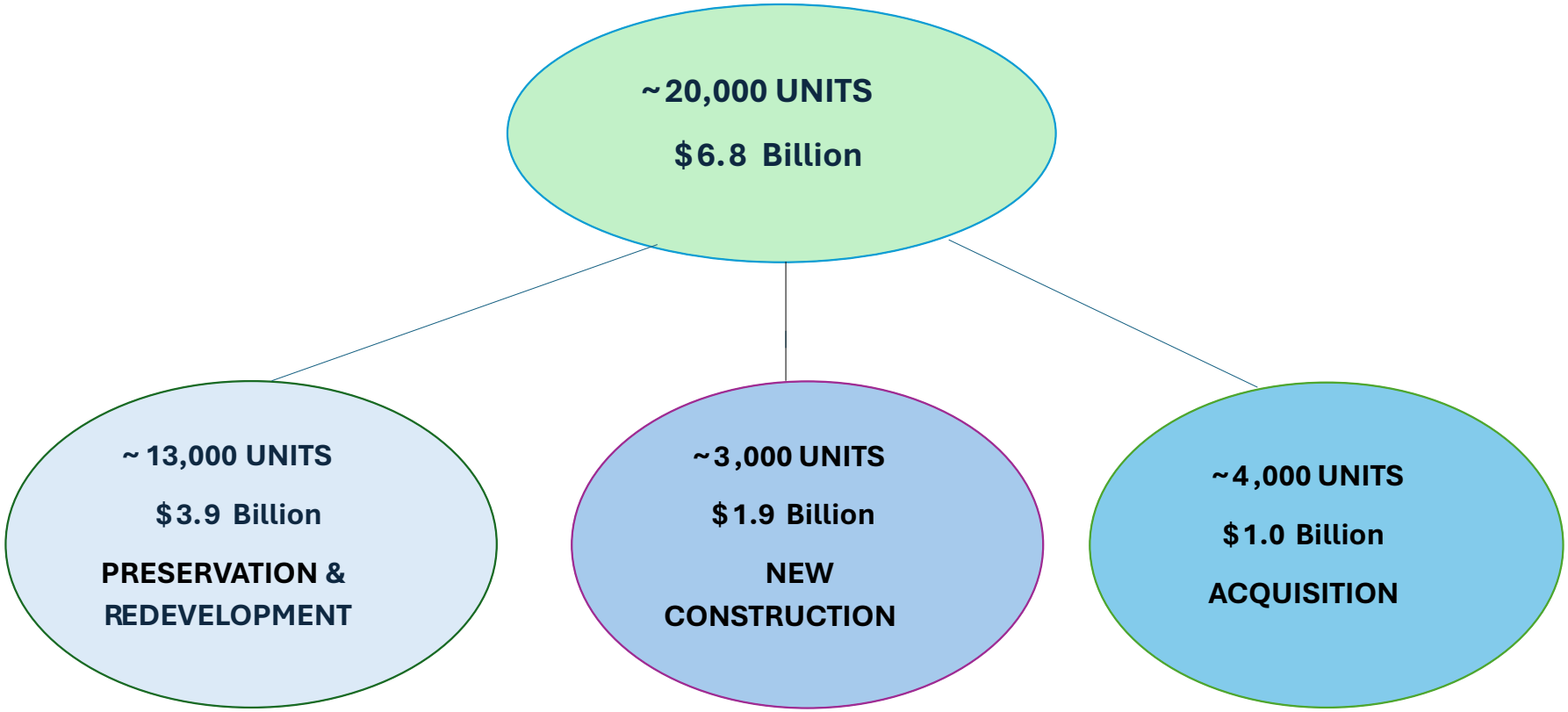
Benefits of Converting to Section 8

Converting existing public housing and building/acquiring additional units using the Section 8 **Project Based Voucher (PBV)** program:

- Provides a **more stable funding** platform
- Allows PHA to **leverage debt** to support construction costs
- Ensures **long-term affordability** for current and future residents
- **Protects tenant rights**

Projected Estimated Costs*

**Preliminary estimates*



Funding Sources

PHA will continue to work with the City, State and Federal governments and community partners to secure needed financing and leverage existing PHA funds and other sources including:

- Low Income Housing Tax Credits (LIHTC)
- Historic Tax Credits (State/Federal)
- Tax Exempt Bonds
- Private Mortgage Financing
- CHOICE Neighborhoods grants
- Redevelopment Assistance Capital Grant Program (RACP) and other City and/or State funding
- Other funding

Recent Acquisitions



- **Somerset Station Apartments** is a **220-unit** newly constructed mixed-income development, including studio, one-bedroom and two-bedroom floor plans. Situated in the Port Richmond neighborhood, development features modern units, underground parking, and retail space.



- ***The Dane Apartments*** is a high-rise building consisting of **231 units**, including studio, one-bedroom, and two-bedroom floor plans. The development is located just off City Avenue in the Wynnefield neighborhood.

Recent Acquisitions







- **The Greene Manor Apartments** is located in Mount Airy Germantown and consists of 4 buildings with a total of 381 units ranging from studios to three-bedroom apartments.
- ***The Legacy at Powelton Village*** consists of 40 units, including one to three-bedroom apartments. It is situated a short distance from Drexel University.
- ***UCity Flats*** is located in the University City neighborhood and has 44 four-bedroom units, which were previously designated as student housing. PHA plans to convert these units into family apartments.
- **Birchwood at Grays Ferry,** previously referred to as St. Anthony's, is a 52-unit property in South Philadelphia that includes both senior and family units.



Find more information at:
www.phaopeningdoors.com



Questions?