



MUNICIPAL MONEY MATTERS

PHILADELPHIA CITY CONTROLLER CHRISTY BRADY

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Reviewing the Housing Opportunities Made Easy (H.O.M.E.) Initiative

A Closer Look at the City's \$2 Billion Housing Investment

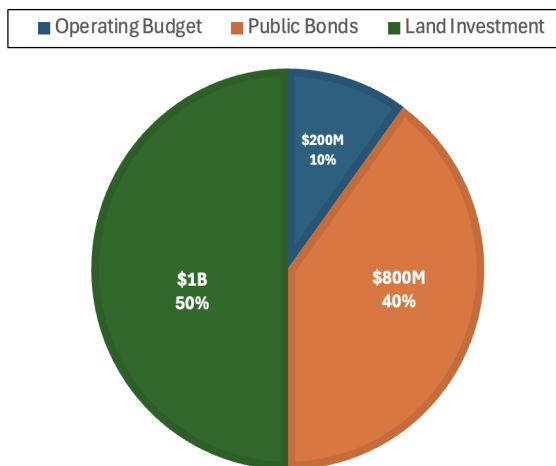
In June, the Administration and City Council approved a \$2 billion new housing initiative known as H.O.M.E. - Housing Opportunities Made Easy. The plan aims to build, preserve, and restore 30,000 housing units across Philadelphia.

H.O.M.E. has three funding sources:

- \$200 million from the City's operating budget, largely made up of ongoing funding that supports existing housing programs, including grants from other levels of government and dedicated sources like the Housing Trust Fund
- \$800 million from two \$400 million public bond issuances, to be repaid over 20 years
- \$1 billion from the value of publicly owned land – meaning the city will use land it already owns, such as vacant lots and underused property, by donating or transferring it to developers to support affordable or mixed income housing

In addition, the new homes will generate additional real estate taxes for the city and School District of Philadelphia. Once all the new units are built and under private ownership, they will generate about \$25 million annually in new revenues after abatements expire and exemptions are applied. Ultimately, transforming currently unused public land could bring in an estimated \$110 million for the city and \$140 million for the school district over a 10-year period.

H.O.M.E. INITIATIVE FUNDING



Source: [Housing Opportunities Made Easy Proposal](#)

Real Estate Tax Revenue Breakdown

- \$160,00 estimated building value per unit
- \$10,000 estimated land value per unit
- Homeownership: 4,750 units would generate \$3,989,430 annually
- Homeownership: the estimate assumes continued eligibility for the \$100,000 homestead exemption after the abatement expires
- Rental Units: 8,750 units would generate \$20,821,538 annually
- Rental Units: no exemption applies, they are fully taxed on both land and improvement

How the Bond Debt Will Be Repaid and Invested

Repayment of the \$800 million in bonds (called debt service) will come from the city's general fund. Interest payments are expected to average about \$25 million per year over 20 years, and principal repayment is estimated at approximately \$40 million per year, bringing total annual debt service payments to around \$65 million. Over 20 years, the full cost of the bonds will exceed \$1.3 billion.

The \$800 million will expand 34 existing programs, like [Turn the Key](#), as well as 19 newly proposed programs, including the One Philly Mortgage Program and the Shallow Rent Program.

Each month Controller Brady looks forward to bringing transparency and accountability of our city, right to you.