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Office of Housing and Community Development

Welcome Fred Purnell, Deputy Director for Housing & Community Development

Mayor Kenney has appointed Frederick S. Purnell, Sr. as the Deputy Director for Housing and Community Development. Fred, as he prefers to be called, started in May.

Fred is a housing and community development expert with over 30 years of experience. He was most recently the



Executive Director of Wilmington (DE) Housing Authority (WHA). While he was there he directed the development of Low Income Housing Tax Credit homes and managed public housing and the Housing Choice Voucher program.

Under Fred's leadership the WHA completed several tax credit and mixed-use public housing developments including the award-winning New Village of Fort Lake and Lincoln Towers

developments. WHA secured more than \$50 million in competitive grants during his tenure.

Prior to Wilmington, he served 18 years at the Philadelphia Housing Authority (PHA) in a variety of key positions, including Deputy Executive Director for Modernization. He is a proven leader in neighborhood revitalization.

"Fred brings a wealth of community development experience and knowledge," said Anne Fadullon, Director of Planning and Development. "We have skilled teams at OHCD, PRA, PHDC and the Land Bank. Our employees work each day to create quality affordable and market-rate housing and to support strong neighborhoods. His leadership and expertise are invaluable as the City strategically aligns its housing and community development work."

"This opportunity encompasses all my years of community development experience and my dedication to making a difference in the lives of those in need," said Fred. "The first month has been exciting, and I am looking forward to transforming neighborhoods across the city."

Fred is a Philadelphia native, proud graduate of Central High School and Pennsylvania State University.

Welcome aboard!

We are changing our name!

And our acronym too!

On January 4, 2016 Mayor Kenney signed an Executive Order that changes the name of the Office of Housing and Community Development (OHCD) to the Division of Housing and Community Development (DHCD).

The name change reflects our ongoing transition to the Office of Planning and Development (OPD) umbrella. OPD will enable us, alongside partners like the Philadelphia Redevelopment Authority (PRA), Philadelphia Housing Development Corporation (PHDC), the Land Bank, the Planning Commission, and Developer Services to more strategically guide housing and community development and to have an even greater impact in Philadelphia neighborhoods!

We have a new name, but the commitment to public service is still the same.

The name change will be effective on July 1, 2016.



Division of Housing & Community Development

June 2016

The Land Bank has been busy!

Most exciting is that the Land Bank Board approved its first property sale. A vacant lot in West Poplar is on its way to becoming a new home for a young couple.

The Land Bank in June issued its first RFP for workforce housing. (See page 4 for more on the workforce housing program.) Proposals to create 8 homes in Francisville affordable to middle-income homebuyers are due on July 20.

On May 24 the Land Bank used its authority to acquire tax delinquent vacant properties at Sheriff's Sale for the first time. The Land Bank acquired 13 properties that will be used in future workforce housing RFPs and for business expansion.

The Land Bank recently began a partnership with the Neighborhood Gardens Trust (NGT) to support the development and preservation of community gardens and



open space. Last summer, NGT examined 328 gardens across the city. This review gave them valuable information about the conditions, capacity, and suitability of local gardens. Using the information from this study, NGT and the Land Bank will review and assess existing applications for community gardens. NGT will also research existing gardens operating on publicly owned property.

Finally, the Land Bank continues to take ownership of property from other public agencies. As of mid-June the Land Bank owns more than 1,100 properties.

Philadelphia is the largest city in the country with a land bank, and the Philadelphia Land Bank is moving forward!



Diversified Community Services & Universal Companies Partner to Knock Out Poverty

Diversified Community Services provides housing security, affordable housing options, and anti-poverty strategies to Philadelphia residents. In partnership with Universal Community Homes Neighborhood Advisory Committee (UCH NAC), Diversified attacks poverty two generations (Two Gen) at a time.



The Two Gen model is a new approach to quality early childhood education that links workforce development services, family engagement, and other support services. While most anti-poverty programs focus on either adults OR children, Two Gen provides opportunities for both parents and children simultaneously. This strategy has successfully reduced the student achievement gap by the third grade, broken the cycle of generational poverty, and moved the family toward economic security and stability.

Other Diversified and UCH NAC initiatives strengthen their South Philadelphia neighborhood:

- For more than 20 years, Diversified has provided comprehensive housing counseling and financial education services through Dixon House. The primary goals of Dixon House are to enable families to become first-time owners and to help families understand the ins and outs of homeownership and the importance of savings, good credit and household budgeting.
- Diversified and UCH NAC participate in the City of Philadelphia's Mortgage



Foreclosure Prevention program. The UCH NAC conducts door-to-door outreach for community members at risk of losing their homes to foreclosure, while Dixon House provides housing counseling.

- Diversified partners with the UCH NAC in the Philadelphia Safe Commercial Corridor project through Local Initiatives Support Corporation's (LISC) Safe Growth and Crime Prevention through Environmental Design (CPTED) program. CPTED looks at open spaces in the community and considers how to transform them into positive spaces.

Diversified and UCH NAC continue to reduce poverty, create neighborhood stability and provide pathways for education in the community. For more information, please visit www.dcsphila.org.

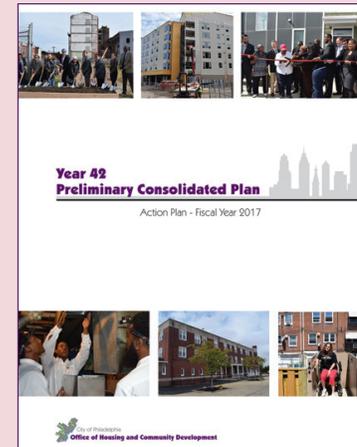




June 2016

**Council Approves Year
42 Consolidated Plan**

Each May OHCD submits its Proposed Consolidated Plan to City Council for consideration. Council approved the Plan in June, and OHCD will submit the Plan to the U.S. Department of Housing and Urban Development (HUD) by the end of June.



The Plan details how OHCD will use approximately \$114 million in federal, state, and local funds for housing, community and economic development. The Plan has four strategic objectives:

- Prevent homelessness by keeping people in their homes
- Increase affordable housing options
- Strengthen communities, eliminate blight and support neighborhood planning
- Create jobs by attracting and retaining businesses

These key objectives help the City provide decent affordable housing, support suitable living environments and create economic opportunity for Philadelphia residents.

The Plan explains how OHCD will use funding from four federal programs: the Community Development Block Grant (CDBG), the HOME Investment partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and the Emergency Solutions Grant (ESG). The Plan also describes programs supported by state and local resources, including funding from the Commonwealth of Pennsylvania and the Philadelphia Housing Trust Fund (HTF).

The Plan is available at www.phila.gov/ohcd.

Beware of Reverse Mortgages!

There is a lot of talk about reverse mortgages in the news. Here are some facts that you need to know before applying for a reverse mortgage.

- A reverse mortgage is a loan! A reverse mortgage is a special type of home loan for older homeowners (62 years or older) that requires no monthly mortgage payments. A reverse mortgage can be expensive and it will strip your home of its equity. Borrowers are still responsible for property taxes, maintenance, and homeowner's insurance.

mortgage must either pay off the loan or leave the home.

2. Your heirs might not be able to inherit your house.
3. A reverse mortgage is a BIG responsibility! You must continue maintaining the property, which includes:
 - Keeping the home in good repair
 - Paying property taxes and insurance premiums
 - Living in the property

If you do not meet these requirements, the reverse mortgage company may be able to FORECLOSE on your property and eventually sell the home at Sheriff's Sale.

- Beware of phone calls and/or persons knocking on your door recommending a reverse mortgage to make repairs to your home. There are safer and cheaper ways of getting home repairs done.
- A reverse mortgage may make you ineligible for programs such as SSI, Medicaid, food stamps, home repair and property tax assistance.
- The legal rights of a surviving spouse are unclear and when the homeowner dies, their spouse may be forced to move from the home.

If you have questions or are thinking about applying for a reverse mortgage, please contact the SaveYourHomePhilly hotline at 215-334-HOME (4663) for more information.

BEWARE!

Reverse Mortgages Can Be Dangerous!

A reverse mortgage is a loan!

A reverse mortgage is a special type of home loan for older homeowners (62 years or older) that requires no monthly mortgage payments. A reverse mortgage can be expensive and it can strip your home of its equity. Borrowers are still responsible for property taxes and homeowner's insurance.

A reverse mortgage can be dangerous in many ways:

1. After the homeowner(s) who has a reverse mortgage has died, the loan becomes payable to the mortgage company. Anyone who is living in the home, whose name is not on the mortgage, must either pay off the loan or leave the home.
2. Your heirs might not be able to inherit your house.
3. A reverse mortgage is a BIG responsibility! You must continue maintaining your property, which includes:
 - Keeping the home in good repair
 - Paying property taxes and insurance premiums
 - Living in the property
4. If a homeowner does not meet these requirements, the reverse mortgage company may be able to FORECLOSE on your property and eventually sell the home at Sheriff's Sale.
5. Beware of phone calls and/or persons knocking on your door recommending a reverse mortgage to make repairs to the home. There are safer and cheaper ways of getting home repairs done.
6. A reverse mortgage may make the homeowner ineligible for government assistance programs such as SSI, Medicaid, food stamps, home repair programs and property tax assistance.
7. The legal rights of a surviving spouse are unclear and in many cases, when the homeowner dies, their spouse may be forced to move from the home.

Any questions, please contact the
SaveYourHomePhilly Hotline
215-334-HOME (4663)

SEIU
Senior Adv. Center
Homeless Prevention Program

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City Turning Vacant Land into Workforce Housing

For many years most of the neighborhoods in Philadelphia provided opportunities for middle-income families to buy homes that provided access to amenities, transit and jobs. In recent years, however, the cost of a home in many of these neighborhoods has become unaffordable, and now the same families are

values, neighborhood amenities, access to public transportation and employment opportunities.

Developers are able to sell units at prices up to \$230,000. The City is starting the program in neighborhoods where the average home value exceeds \$300,000 (see map below). Affordability of the homes will be maintained for a minimum of 10 years through a deed restriction.

The Philadelphia Land Bank has issued a Requests for Proposals (RFPs) for properties in Francisville. Proposals are due by July 20.

Upcoming RFPs will seek development of small clusters of no more than 10 parcels in targeted neighborhoods. By keeping the project sizes small, the City hopes to encourage participation by small and minority developers.

Philadelphia Workforce Housing Program

Purpose
The Workforce Housing Program has three goals:

- To ensure that neighborhoods with rapidly increasing home prices maintain their economic diversity
- To provide homeownership opportunities for moderate-income households, such as a family of four earning about \$96,000 a year
- To provide opportunities for small developers and contractors, particularly minority- and women-owned businesses.

Need
For many years most of the neighborhoods in Philadelphia provided opportunities for middle income families to buy homes with access to amenities, transit and jobs. In recent years, however, the home prices in many of these neighborhoods have risen to where those families are now priced out. As a result, the income diversity these communities once featured is disappearing.

To preserve income diversity in these appreciating markets, the City will leverage the vacant land it owns into homeownership opportunities for the middle class.

Program Outline
The City will sell vacant lots and structures to developers who will build and sell homes to households that meet the program income guidelines (see chart). The program will increase the availability of affordable housing in neighborhoods with increasing home values, neighborhood amenities and access to public transportation and employment opportunities.

Developers can sell units at prices up to \$230,000. The City will start the program in neighborhoods where the average home value exceeds \$300,000. In this program:

- Publicly owned land will be the only project subsidy
- Developers are urged to comply with existing zoning
- Developers are highly encouraged to build three-bedrooms, two-bathroom units
- Designs should integrate the new homes into the existing neighborhood fabric
- Developers must find buyers for the homes and the City will verify the buyers' eligibility for the program
- Developers are encouraged to include viability elements in some homes

Affordability of the homes will be maintained for a minimum of 10 years through a deed restriction. The affordability requirements will ensure homes developed under the program remain affordable for an extended period of time.

Eligible buyers must meet income limits set by the U.S. Department of Housing and Urban Development (HUD). These income limits change annually.

Household Size	Maximum Annual Household Income
1	\$67,560
2	\$77,160
3	\$86,760
4	\$96,360
5	\$104,160

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1	\$67,560
2	\$77,160
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priced out. As a result, income diversity in these communities is disappearing.

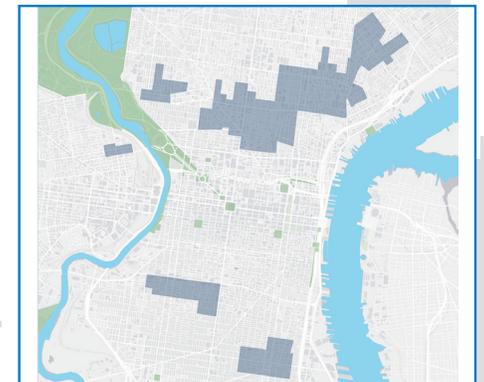
To preserve income diversity in appreciating markets, the City is leveraging the vacant land it owns into homeownership opportunities for the middle class, creating the Workforce Housing Program.

The Workforce Housing Program has three goals:

- To ensure that neighborhoods with rapidly increasing home prices maintain their economic diversity
- To provide homeownership opportunities for middle-income households, such as a family of four earning about \$96,000 a year
- To provide opportunities for small developers and contractors, particularly minority- and women-owned businesses

The City is selling vacant lots and structures to developers who can build and sell homes to households that meet the program income guidelines (see box above). The program increases the availability of affordable housing in neighborhoods with increasing home

Developers interested in receiving Workforce Housing Program RFP notifications may sign up at www.philadelphialandbank.org/whats-new/stay-informed/ and select Development Opportunities. An RFP will be issued approximately once a month. RFPs will include properties in the shaded areas below. Shading represents areas with both active market demand for new construction homes and public ownership of vacant property.



Workforce Housing targeted neighborhoods.