

# Promise Zone Comprehensive Housing Strategy

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KSK Architects Planners Historians, Inc.  
Real Estate Strategies, Inc.

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Promise Zone Comprehensive Housing Strategy:

# Preface





Preface

Promise Zones are federally designated high poverty communities where the federal government partners with local leaders to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health, and improve housing. The Promise Zone Initiative provides significant benefits over a 10 year period, including preference for federal funding such as Choice Neighborhood and Promise Neighborhood grants, and federal agency support and expertise to leverage federal investments and grants to attract private real estate development.

The West Philadelphia Promise Zone includes a large area of Northern West Philadelphia abutting thriving University City. The zone boundaries extend from Girard Ave in the north, 48th Street to the west, Sansom Street to the south, and the Schuylkill River to the east. The zone encompasses all of the Belmont, Mantua, Powelton Village, Saunders Park and West Powelton neighborhoods. It also includes portions of the Mill Creek and Cathedral Park neighborhoods to the west, the East Parkside neighborhood to the north, and portions of the University City, Walnut Hill and Spruce Hill neighborhoods to the south. For the purposes of this plan, the boundary of the study area extends west to 52nd Street.

The Promise Zone includes multiple census tracts, including all of census tracts 90, 91, 92, 105, 106, 107, 108 and 109. It also includes portions of census tracts 110 to the north, 9800 to the east, and 389, 88.01, 88.02, 87.01, 87.02 and 86.02 to the south. The population of the Zone is approximately 35,315 people. The poverty rate is over 50% compared to a city wide average of 27%.

The Zone encompasses key institutions and major centers of employment, including Drexel University, the University City Science Center, and Penn Presbyterian Medical Center. The University of

Pennsylvania abuts the zone to the south. The Zone also includes the 30th Street AMTRAK and SEPTA Regional Rail Station and expanding new development in the vicinity of the station. Major planned new development within the Promise Zone includes the \$3.5 billion Schuylkill Yards development at JFK Boulevard and 30th Street and the \$1 billion UCity Square development at 38th and Lancaster Ave Zone, both of which will likely generate significant employment over the next decade. The Philadelphia Zoo and part of Fairmount Park are located in the north of the Zone. The Zone is served by multiple transit route, including the SEPTA Market Street Subway -Elevated line and the Lancaster Ave Trolley.

Major relatively recent affordable rental housing developments in the study area include PHA's Lucien E Blackwell Homes in Mill Creek and Mantua Square in Mantua, Mt Vernon CDC's Mt Vernon Village rehabilitation in Mantua, and the Union Hill affordable homeownership development in Mantua.

Mantua Square Affordable Housing



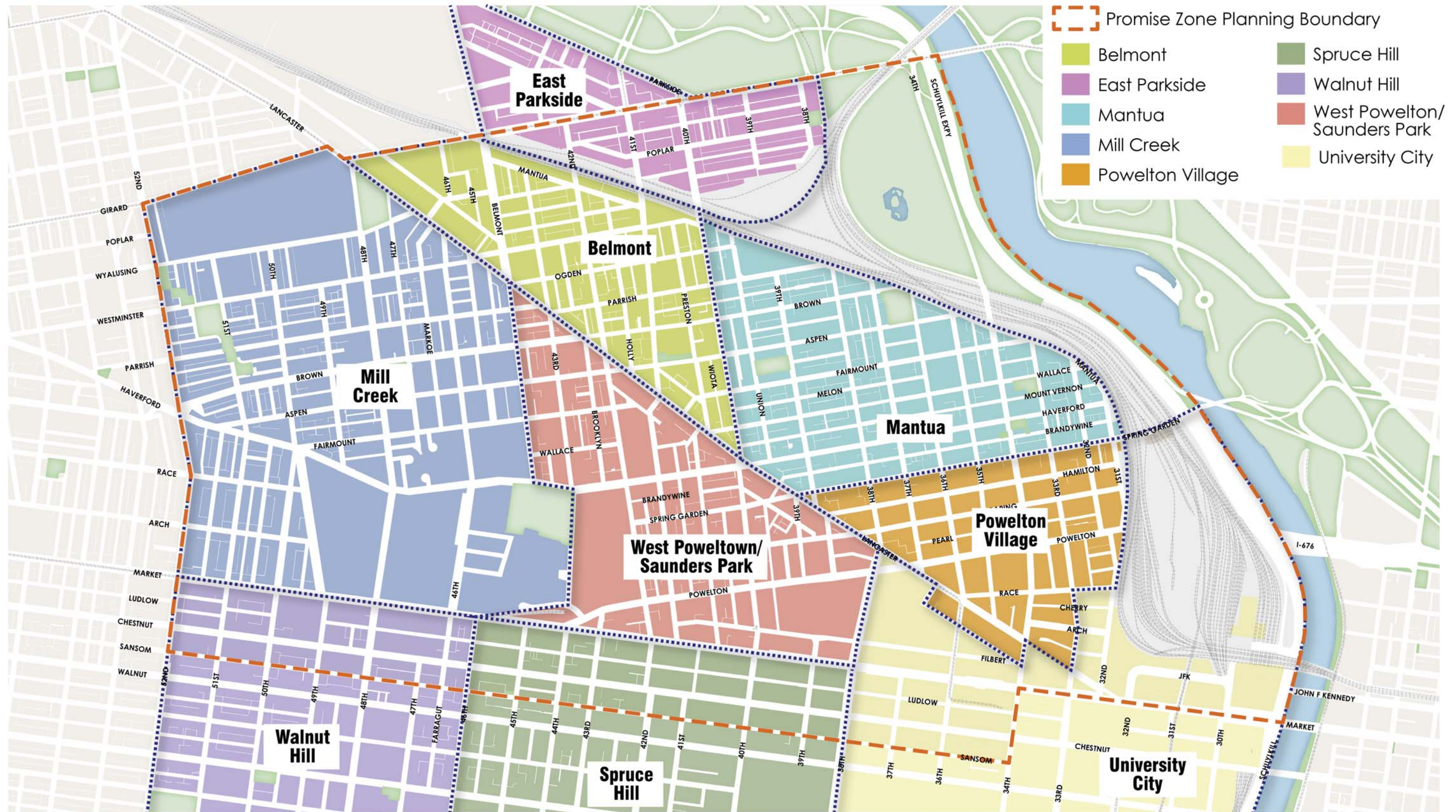
Birds Eye View of Promise Zone



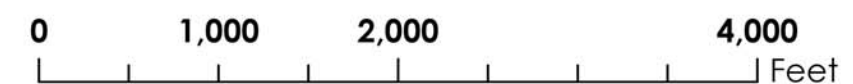
University City Science Center







Map of Promise Zone Neighborhoods





Physical and socioeconomic conditions in individual neighborhoods within the Promise Zone vary widely. Powelton Village and Spruce Hill are stable middle class historic neighborhoods close to expanding Drexel University and the University of Pennsylvania. New private market development and reinvestment is occurring in Saunders Park and Walnut Hill and in the southern fringe of Mantua, close to University City. In contrast, limited new private development or investment has occurred in Belmont and West Powelton in the west of the Zone.



PROJECT PROCESS

The Promise Zone program in Philadelphia focuses on education, public safety, housing, economic development, health and workforce development. The West Philadelphia Promise Zone Housing Committee is focused on the implementation of housing initiatives in the zone through a partnership of non- profit and public agencies. Implementation partners include the Mayor’s Office of Community Empowerment and Opportunity, Mt Vernon Manor CDC in Mantua, Peoples Emergency Center CDC in Saunders Park, and the Philadelphia Housing Authority. The focus of the committee is on encouraging equitable development and housing preservation, including improving the quality of the existing housing stock, expanding homeownership to assure that existing residents benefit from improvements, and providing mixed income and affordable housing for a diverse population.

The Housing Committee, in conjunction with the Philadelphia Housing Authority, determined the need for a comprehensive housing strategy for the Promise Zone that is based on a detailed assessment of existing neighborhood physical and socioeconomic conditions, a housing market study, and a synthesis of previous neighborhood specific housing plans, to guide housing investment activities. This comprehensive housing plan provides a road map for implementation activities and allocation of resources. The plan is a collaborative vision for the Promise Zone, building upon the recommendations of previous plans. It includes a comprehensive analysis of existing conditions and market trends, detailed specific parcel by parcel recommendations, and identification of priority projects for each neighborhood within the Promise Zone. Strategies and actions are targeted to the needs and constraints of each neighborhood.

This plan was created by the combined efforts of the Project Team, made up of KSK Architects, Planners, Historians, Inc. and RES (Real Estate Strategies, Inc.). An Existing Conditions Analysis was completed, including overall mapping of key components (owner occupancy, crime, violations, rental licenses, existing affordable housing developments, zoning, vacancy, etc.), and parcel by parcel field surveys for the identified housing target areas. Previous plans for the Promise Zone were analyzed and synthesized to aid in the determination of the housing target sites that should be prioritized by the Housing Committee. A Real Estate Market Analysis was completed to determine the existing housing market conditions and market pressures throughout the Promise Zone, including an understanding of how college students living in the Promise Zone impact their neighborhoods. Based on the findings of the Existing Conditions and Real Estate Market Analysis, The Project Team developed a series of redevelopment plans for each of the housing target sites that take into account the market pressures in the surrounding areas.

PREVIOUS PLANS FOR THE PROMISE ZONE

The Project Team reviewed numerous previous plans that had been created for different areas of the Promise Zone. These plans range from Planning Commission created District Plans as part of the Philadelphia 2035 Comprehensive Plan (University Southwest and West Park), neighborhood plans (Walnut Hill Neighborhood Plan, Mantua Transformation Plan), commercial corridor plans (Make Your Mark! Lower Lancaster Revitalization Plan, 52nd Street Economic Development Strategy), and large-scale development proposals (Schuylkill Yards, Philadelphia 30th Street Station District Plan).

Housing recommendations from these plans include targeted infill of high vacancy blocks in Mantua, identifying the north portion of 40th Street as a housing corridor, focus areas for Market Street Station Areas at 40th, 46th, and 52nd Streets, rehabilitation of deteriorated housing on key blocks in Walnut Hill, mixed-income residential development on the 3900 block of Market Street, and subsidized rental and senior housing on Haverford Avenue in Mantua.

These plans were evaluated based on current market conditions, prevalence of publicly owned and vacant land, and proximity to other areas of strength (i.e. recent development, homeownership areas, employment areas). These previous plan areas were refined and modified based on the evaluation to determine proposed target housing areas for the Promise Zone that could be prioritized for the development over the next five to ten years.

Map of Target Areas from Previous Plans





Promise Zone Comprehensive Housing Strategy:

# Promise Zone Overview





Promise Zone Overview

The West Philadelphia Promise Zone is a diverse area that includes the historic residential neighborhoods of Powelton Village, Spruce Hill, and Walnut Hill, high development zones around Drexel University and the University of Pennsylvania in University City, retail corridors on Market Street, Lancaster Avenue, and 52nd Street, workforce housing in Mill Creek, Belmont, and East Parkside, and the transitioning neighborhoods of Mantua and West Powelton/ Saunders Park. These different neighborhoods offer various opportunities and constraints to the future of the Promise Zone depending on their location.

This section provides an overview of the main characteristics of the study area and summarizes how the following topics are manifested in the different neighborhoods of the Promise Zone:

- Affordable Rental Housing
- Vacancy
- Crime
- Ownership
- Recent & Proposed Development
- Market Study Summary

Affordable Rental Housing

The neighborhoods of the Promise Zone contain a significant amount of existing affordable rental housing, both in the form of larger developments such as PHA’s Blackwell Homes and Mantua Square, and Scattered Sites affordable housing that was developed by private and non-profit development partners. Table 1 lists the major affordable housing developments located in each neighborhood, and the map opposite shows where all affordable housing in the Promise Zone is located.

Much of the affordable rental housing is concentrated in the Belmont, Mantua, Mill Creek, and West Powelton/Saunders Park neighborhoods. Many of the affordable housing developments are owned by the Philadelphia Housing Authority (PHA). Developments vary with a combination of high-rise towers (West Park Apartments, medium-rise multi-family developments (Mantua Square), and single family homes (Blackwell Homes). Areas with very little or no affordable housing include the southern portion of Mill Creek, Spruce Hill, Walnut Hill, University City, and Powelton Village. Several scattered site housing developments are also located in Mantua, including PHA, People’s Emergency Center (PEC,) West Philadelphia Real Estate (WPRE), and Neighborhood Restoration.

In addition to the site specific affordable housing described above, housing choice vouchers are also used in the Promise Zone; however, concentrations of the use of these vouchers varies widely between different areas. Based on the percentage of all rental units, there is very low use of vouchers (5% and under) in Powelton Village, University City, and parts of Belmont, Mill Creek, and Spruce Hill. High concentrations of voucher use (15-21%) exist in East Parkside, the western portion of Mantua, and the western portion of

Mill Creek. Other areas of the Promise Zone have more moderate use of housing vouchers, between 5 and 15%. Table 2 shows the breakdown of affordable housing units by subsidy type in the Promise Zone.

While the Promise Zone is relatively well-served with affordable rental housing, there is also the issue of expiring rental housing subsidies that may result in the loss of affordable housing units in the next couple years. Several HUD multifamily developments are scheduled to expire at the end of 2017 or 2018, including University Square Plaza, University City Townhomes, Center Post Village, Mantua Presbyterian Apartments, Sarah Allen Homes, and Stephen Smith Towers. The loss of these affordable rental housing units would put a significant burden on the affordability of the Promise Zone and would require development of new affordable housing units to accommodate displaced residents.

There are also several LIHTC developments that have surpassed Year 15 of their tenure, including Help Philadelphia, Jameson Court, Spencer’s Place, and Neighborhood Restoration. Historically, the Low Income Housing Tax Credit program offered an option at the end of the initial 15- year affordability period for owners to solicit from the allocating agency a Qualified Contract from a purchaser who would maintain affordability restrictions at the property for an additional 15 years. If the agency could not provide a contract, then the owner could offer the units at market rents. Beginning in mid-1995, the Pennsylvania Housing Finance Agency (PHFA) has required that LIHTC applicants waive their right to pursue a qualified contract and agree to leave affordability restrictions in place during both the initial 15-year period and an additional 15-year extended use period. All existing LIHTC properties within the Promise Zone boundaries are subject to 30-year affordability restrictions. The table below shows properties with less than 10 years remaining on the 30-year affordability restriction. While occupancy by full-time students is generally prohibited in LIHTC properties during the first 15 years of operations, during the extended use period these properties may be leased to income-qualified full-time students.

Table 3: Housing with Less than 10 Years of Affordability Remaining

Name	Address	Placed in Service	Units
Westminster Affordable Housing	898 N 42nd St	1993	9
Westminster Affordable Housing	898 N 42nd St	1994	12
Neighborhood Restoration V	4500 Market St	1995	75
Sarah Allen Phase IV	4035 Parrish St	1995	36
Pugh Affordable Housing	4214 W Girard Ave	1996	9
Imani Homes	301 N 41st St	1996	23
328 N Holly (Imani)	328 N Holly St	1996	1

Source: PolicyMap 165

Table 1: Affordable Housing Developments by Neighborhood

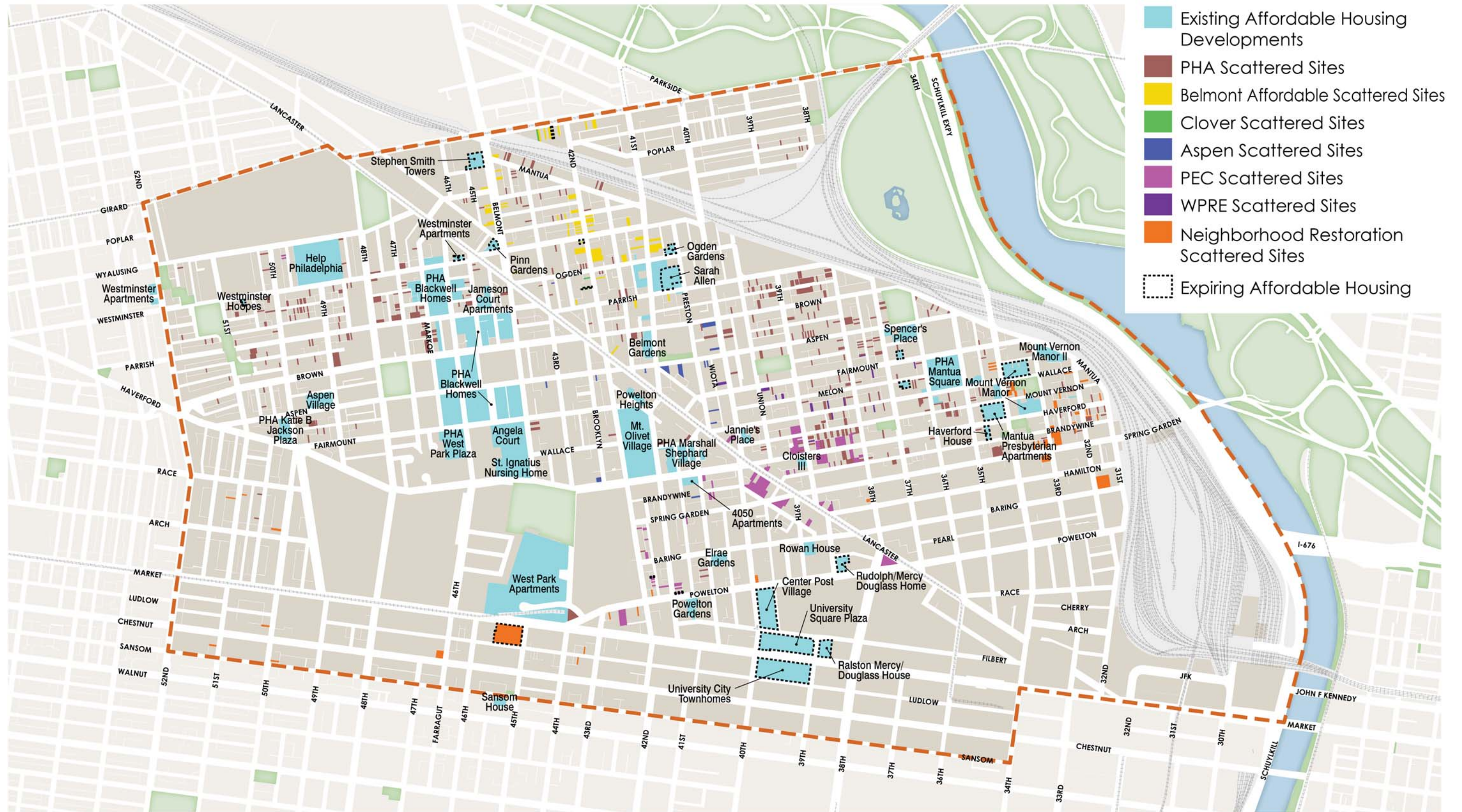
Belmont	Belmont Gardens Ogden Gardens Sarah Allen Homes Pinn Gardens Stephen Smith Towers
Mantua	Cloisters III Haverford House Jannie's Place Mantua Presbyterian Apartments Mount Vernon Manor PHA Mantua Square Spencer's Place
Mill Creek	Aspen Village Angela Court Help Philadelphia Jameson Court Apartments PHA Blackwell Homes PHA Katie B Jackson Plaza PHA West Park Plaza PHA West Park Apartments St. Ignatius Nursing Home Westminster Apartments Westminster Hoopes
Spruce Hill	Sansom House
West Powelton/ Saunders Park	4050 Apartments Center Post Village Elrae Gardens Mt. Olivet Village PHA Marshall Shephard Village Powelton Gardens Powelton Heights Ralston Mercy/Douglass House Rown House Rudolph/Mercy Douglass Home University Square Plaza

Table 2: Affordable Housing Supply by Subsidy Type

Housing Subsidy	General Occupancy	Special Needs	Senior	Total
Public Housing	1,122	n/a	1,563	2,685
Section 8	681	n/a	337	1,018
LIHTC	2,896	287	1,298	4,481
Total	4,699	287	3,198	8,184

Source: RES, HUD, PolicyMap, PHFA





**Map of Promise Zone Existing Affordable Housing**





VACANCY

Vacancy is a significant issue in the Promise Zone. Approximately 22% of the 14,412 parcels in the Promise Zone are vacant, either vacant buildings or vacant lots. However, concentrations of vacancy vary widely throughout neighborhoods in the study area. Mantua and East Parkside have the heaviest concentrations of vacancy, as does the area round Brooklyn Street in West Powelton/Saunders Park. Belmont and areas of Mill Creek also have relatively high vacancy, while Powelton Village, University City, and Spruce Hill have almost no vacancy.

In Mantua, one of the high vacancy neighborhoods, there have been many housing redevelopment sites recommended by previous planning efforts. In total, 13 housing development sites were identified for Mantua, including several high vacancy areas around Haverford Avenue and 36th/38th Streets, Folsom Street between 39th and Union Streets, 39th and Olive Streets, several sites along Mantua Avenue, and 40th Street between Mantua and Brown. Most of the vacancy in Mantua is vacant lots, however there are several vacant buildings as well.

Other areas of the Promise Zone where high vacancy coincides with areas previously recommended for housing projects includes the southern portion of Wiota Street in Belmont and the Brooklyn Street area in West Powelton/Saunders Park.

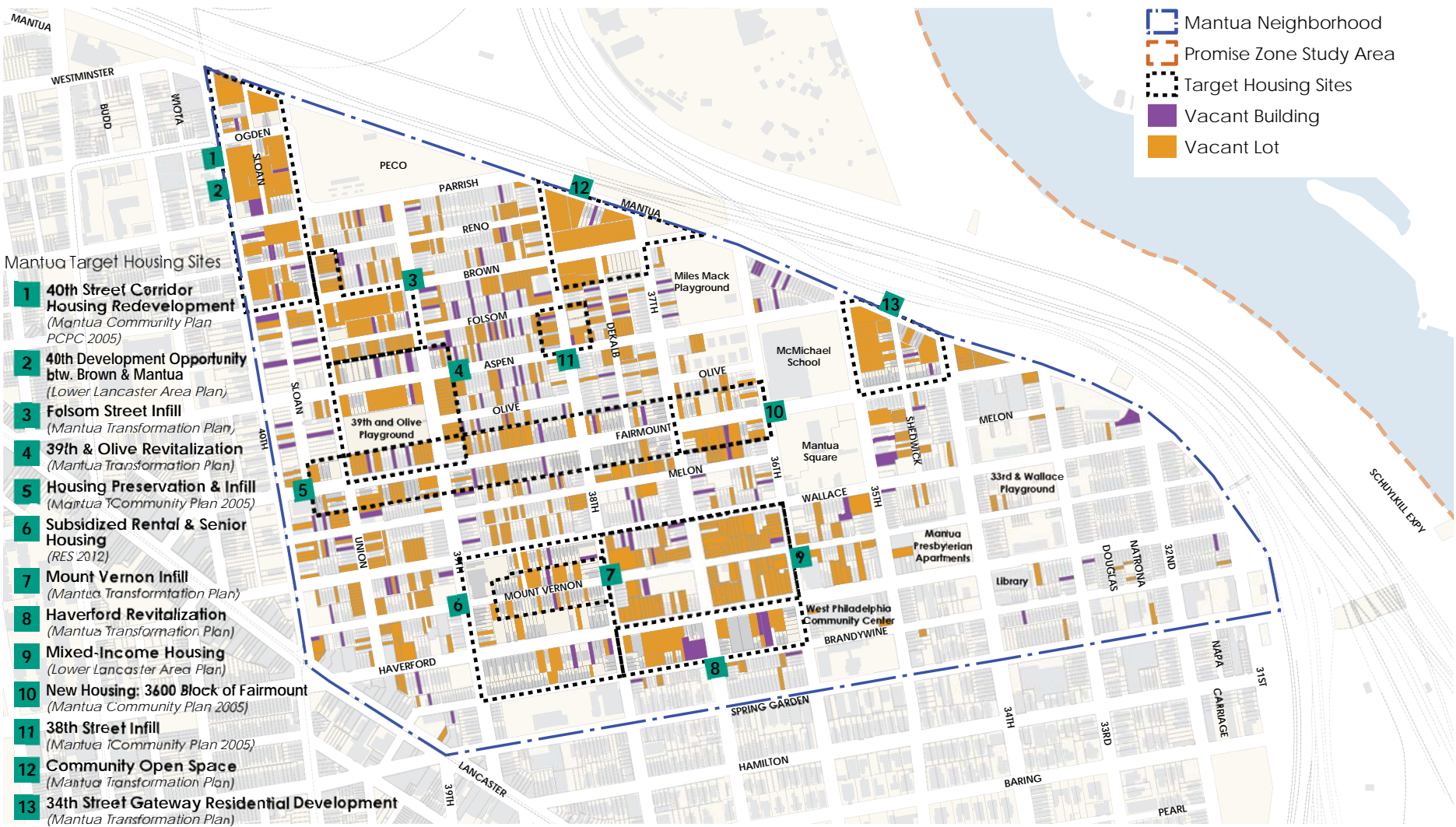
Haverford Avenue Vacancy in Mantua



Vacancy around Brooklyn Street in West Powelton/Saunders Park



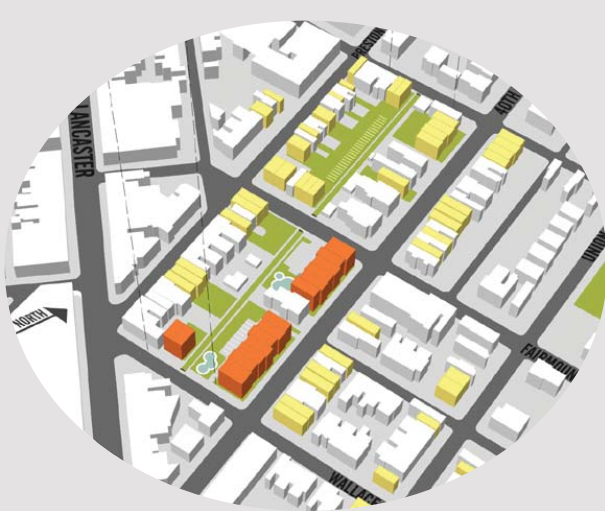
Map of Mantua Vacancy with Previously Identified Target Housing Sites



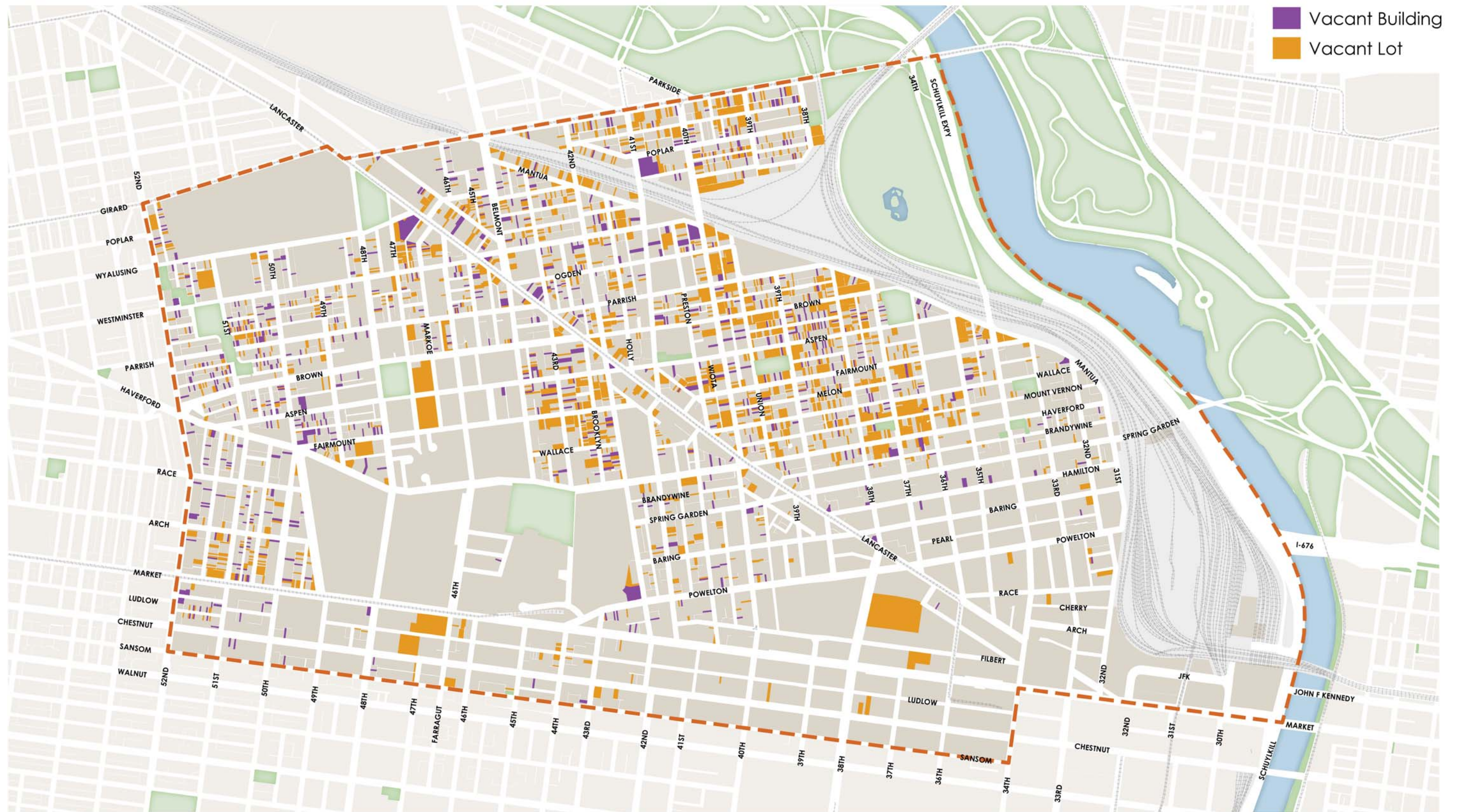
Mantua Transformation Plan: Olive Street Playground Revitalization



Lower Lancaster Revitalization Plan: Wiota Green Redevelopment







**Map of Promise Zone Existing Vacancy**





CRIME

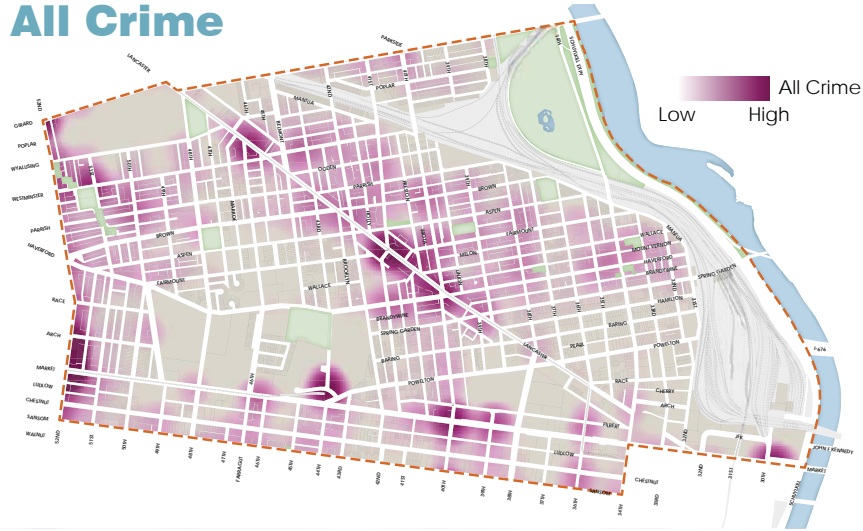
Crime in the Promise Zone is an issue, both for the amount of crime in certain areas, and for the overall perception of crime throughout the study area that does not always coincide with actual crime incidents. When combining property crime and violent crime instances, hot-spots for crime appear predominantly in commercial areas, such as Lancaster Avenue between Holly and 39th Streets and around 46th Street. The 52nd Street Commercial Corridor has several crime hotspots, particularly between Sansom and Race Streets. Market Street intersections at 30th, 36th, 39th, 40th, 44th, and 46th Street also have higher instances of crime. These Market Street intersections are often also station stops on the Market-Frankford Subway line. The 46th Street Station crime area also includes PHA's West Park housing development. Mostly residential areas of the Promise Zone that have higher instances of crime include the Mill Creek neighborhood around 51st and Westminster, the southeast portion of the Belmont neighborhood, parts of Mantua, the 40th Street corridor, and isolated areas in Walnut Hill, Spruce Hill, and University City. There is little crime in Powelton Village, Mill Creek around Haverford Avenue, the northern area of Belmont, and parts of West Powelton/Saunders Park.

The data points on the crime map shift slightly when looking only at property crime. Significant hot-spots become noticeable in University City around Sansom Street between 34th and 37th, and at 39th and Market Street. Other hot-spots include Market Street between 30th and 34th, the southern portion of the 52nd Street commercial corridor, and other scattered intersections along Market Street. Crime on Lancaster Avenue appears to be much less when only property crimes are shown, although there is still some crime around the intersection with 41st Street. Powelton Village and the southeast corner of Mantua are areas that have moderate instances of property crime, as does West Powelton/Saunders Park south of Lancaster Avenue and the intersection of Brown and 48th Street in Mill Creek.

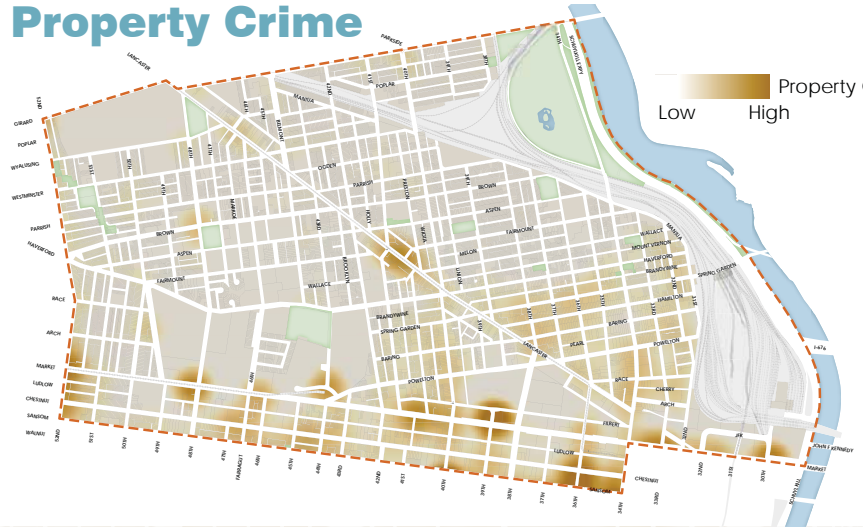
The pattern of data points on the crime map change again when only instances of violent crime are mapped. In this case, there is little to no crime in Powelton Village and University City, except for the intersection of 30th and Market. Crime hot-spots are located at Market Street intersections with 40th, 44th, and 46th Streets. As in the previous two maps, the south end of the 52nd Street Corridor has significant instances of crime, as does the area around 41st Street on Lancaster Avenue. Some crimes can be seen throughout the Mantua, Belmont, East Parkside, and Mill Creek neighborhoods when only mapping violent crime, particularly along the 40th Street corridor.

Maps of Promise Zone Crime by Type

All Crime



Property Crime



Violent Crime



OWNERSHIP

Public ownership of property in the Promise Zone is a key element to determining where redevelopment can take place without significant acquisition of private property. Public agencies with land in the Promise Zone include the Philadelphia Housing Authority (PHA), Philadelphia Housing Development Corporation (PHDC), Philadelphia Redevelopment Authority (PRA), City of Philadelphia, Philadelphia Land Bank, School District of Philadelphia, and Philadelphia Authority for Industrial Development (PAID).

There is significant public ownership in Mantua, both with scattered sites and concentrated blocks of ownership on Mantua Avenue, Mount Vernon Street, and Wallace Street. Other areas with significant public ownership include the area around Markoe and 46th Street in Mill Creek, PRA owned parcels over the old Mill Creek watershed, large parcels between Market Street and Haverford Avenue around 46th Street, and the area just south of Lancaster Avenue in West Powelton/ Saunders Park. There is very little vacancy in Powelton Village, University City, Spruce Hill, and Walnut Hill, making redevelopment in these areas more difficult.

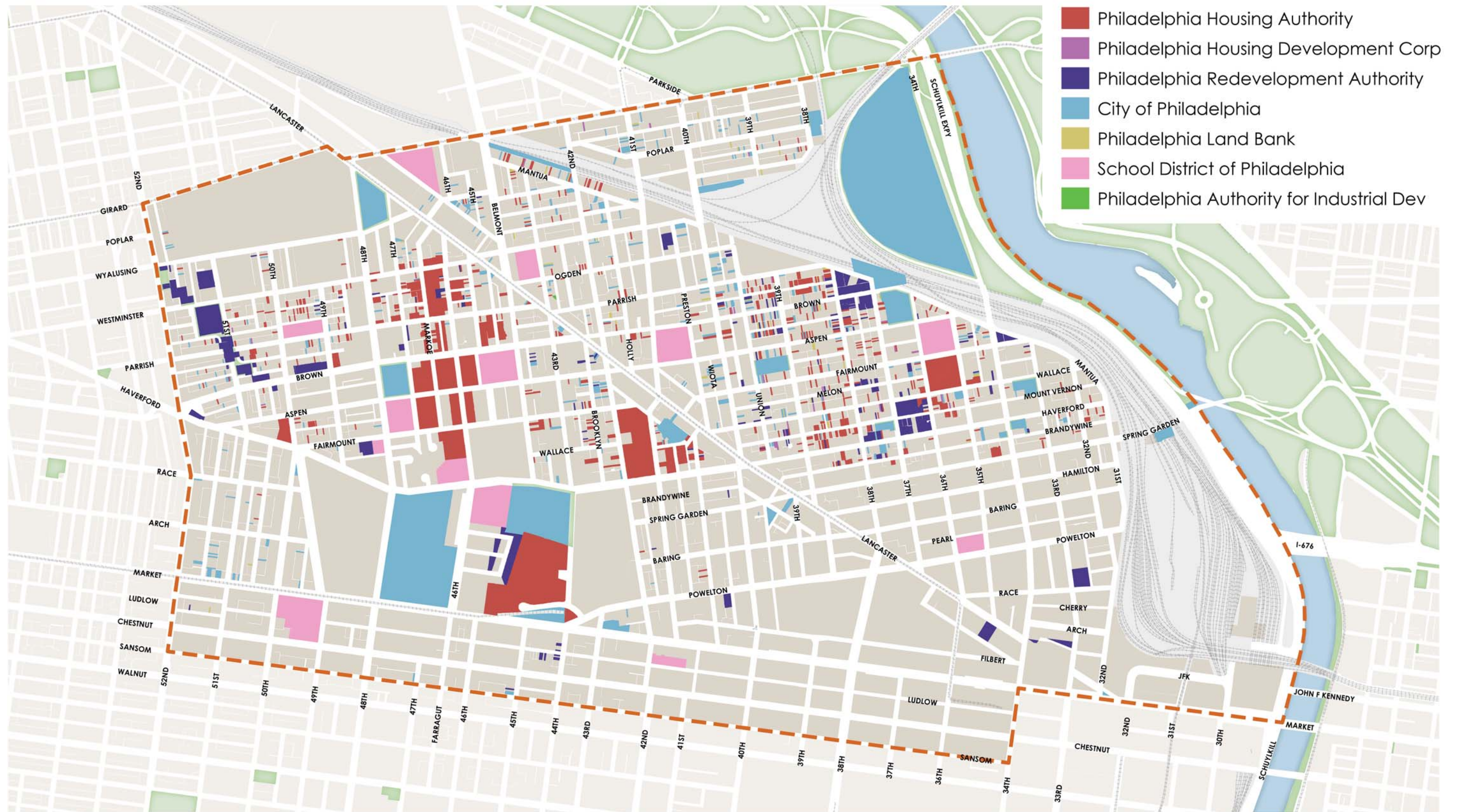
Despite the high concentration of public ownership in the Promise Zone, when combined with vacancy data, there is less publicly owned vacant land that would make redevelopment feasible. The 40th, 46th, and 52nd Street Station Areas on Market Street have almost no vacancy, as does the gateway area on Girard Avenue around 40th Street. There is, however, considerable public vacancy on the blocks around Folsom Street, Haverford Avenue and Mantua Avenue in Mantua, and scattered vacancy on Brooklyn Street in Mill Creek, and 40th Street and Wiota Street in Belmont.

Other non-public major property owners in the Promise Zone include Drexel University, particularly in Powelton Village and University City, the University of Pennsylvania in University City, and the People's Emergency Center (PEC in West Powelton/Saunders Park. PEC owns several affordable housing developments, both larger developments and scattered sites. The many larger affordable housing developments are also major property owners and are potential partners for future housing development in the Promise Zone.

Publicly Owned Vacant Lot on Folsom Street







**Map of Promise Zone Publicly Owned Property**





RECENT & PROPOSED DEVELOPMENT

In order to better understand current and future development patterns in the Promise Zone, and to identify areas of strength around which future development should be located. The following three types of development were identified:

- 1. Existing Affordable Housing
- 2. Recent/Current Construction
- 3. Proposed Development

The map of these development type shows a concentration of recent/current construction and proposed development in University City with recent market rate mixed-use and office developments (Evo, Cira Center South, 3700 Lancaster, the Summit, 3601 Market Street, 3711-37 Market Street, 3737 Chestnut, the Study) and proposed mixed-use developments (Schuylkill Yards and uCity Square). These developments form the core of University City's building boom that is resulting in a second high density commercial area for Philadelphia. Opportunities for the continued expansion of this area westward on market Street can be seen in the future redevelopment of PHA's West Park Apartments and the recent improvements to the City owned former Provident Mutual Life Building. The area between 39th and 45th streets also has several existing affordable housing developments.

3601 Market Street Mixed-Use Development



Recent and proposed developments are also clustered in Mantua in the vicinity of Wallace and 35th Streets. PHA's Mantua Square affordable housing development was recently completed, as well as the rehabilitation of multiple Mount Vernon Manor affordable housing properties. The Mantua Supermarket Site on Haverford Avenue in this area has had several proposals created for a mixed-use development and affordable housing. This development cluster is further bolstered by existing affordable housing developments including Haverford House and Mantua Presbyterian Apartments.

Rehabilitation of Mount Vernon Manor



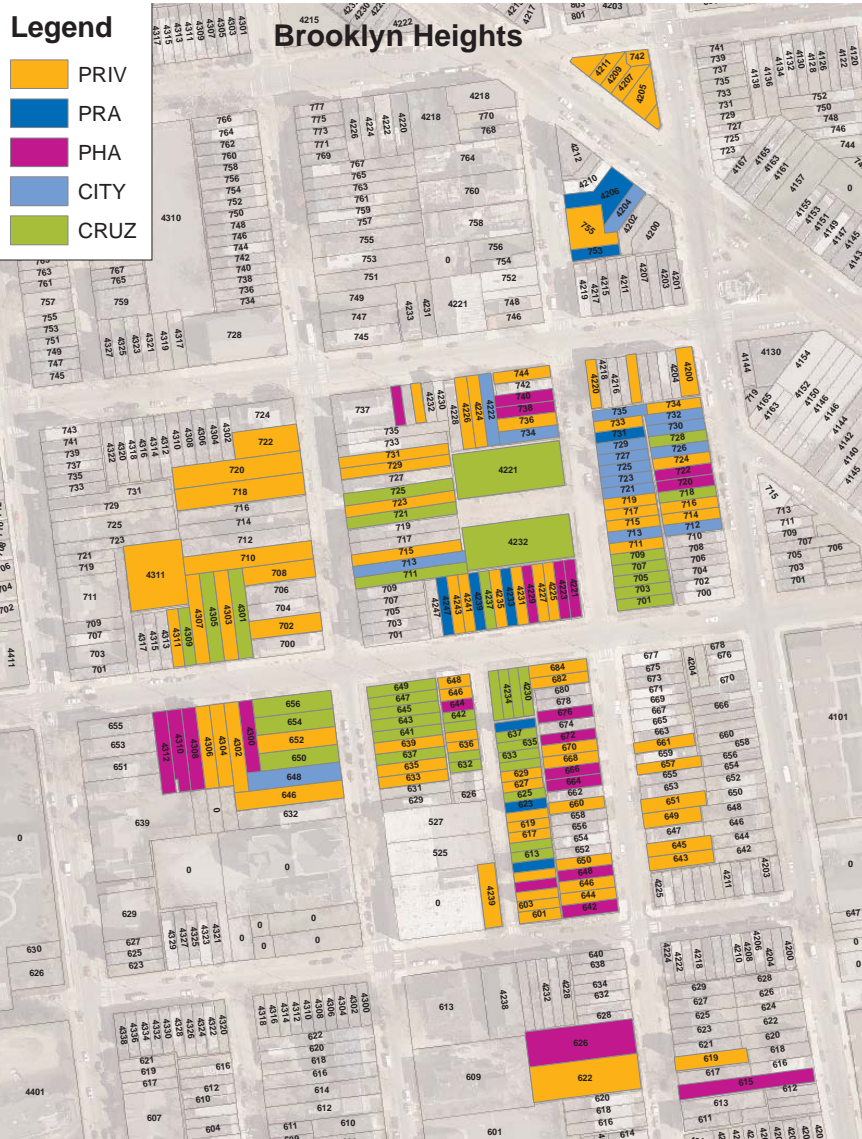
There are several existing affordable rental housing developments north and south of Lancaster Avenue around 40th Street, as well as the recently completed PEC affordable development, Jannie's Place and 4050 Apartments. However, this area does not have much in the way of proposed development, which would be helpful in further stabilizing the existing developments.

PHA's Union Hill homeownership affordable housing development was built in 2010 in Mantua. The project targeted first time homebuyers and has since stabilized the blocks around Fairmount Avenue between 39th and 40th Streets.

PHA has recommended improvements to development areas in Mill Creek, including Brooklyn Heights, Mill Creek East, Mill Creek West, and the LEB Community Center (under construction as of May 2017). These proposed developments are surrounded by existing affordable housing developments, including Lucien Blackwell Homes, Mt. Olivet Village, Angela Court, and Help Philadelphia.

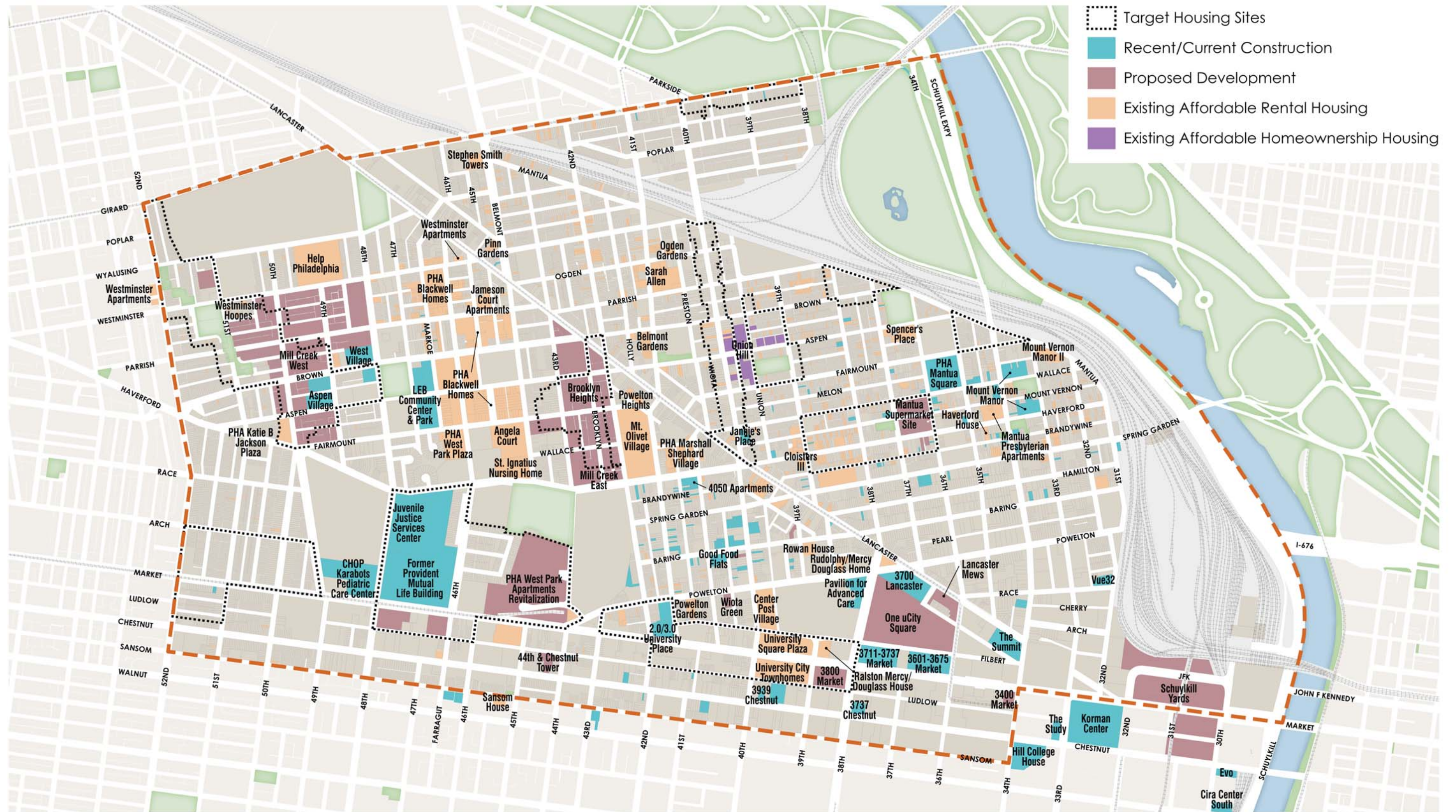
Areas of the Promise Zone with very little recent and proposed development include the area around 52nd and Market Streets in Walnut Hill/Mill Creek, East Parkside around Girard Avenue, most of Belmont, and the northern part of Mantua.

Map of PHA Acquisition for Brooklyn Heights Proposed Development

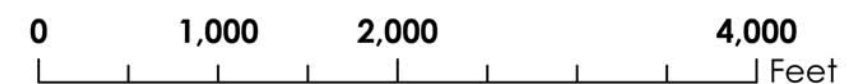


The map on the following page also includes the revised target housing sites identified as a result of the existing conditions analysis that will be discussed in more detail in the following section.





**Map of Promise Zone Recent & Proposed Development**





## GENTRIFICATION AND NEIGHBORHOOD CHANGE

Gentrification takes place when more affluent households move into a lower-income area, and real estate values increase as reflected by rising sales prices and rent levels. In addition to income, gentrification can result in shifts in demographic characteristics including race, age, and household type (families, singles and couples, students). Increasing real estate activity and the influence of the area's educational and medical institutions can be seen throughout the Mantua and West Powelton/Saunders Park Promise Zone neighborhoods (see the map on the following page showing recent property sales). Increased activity can also be seen in the number of tax abatement applications for new construction and investment; 300 tax abatements were submitted in the Promise Zone for residential properties between 2011 and 2015. Almost 60% of the applications were for properties in Mantua. Student demand in the Promise Zone is concentrated south of Haverford Avenue, but speculative activity has occurred throughout Mantua, and units are being marketed to students as far north as Girard and Parkside Avenues. Although some speculation is occurring in Belmont, this area and the northern part of Mantua offer opportunities to provide and preserve affordable housing for low and moderate income households.

One outcome of gentrification is an increase in the cost of rental housing compared to resident's income levels. Despite the inventory of existing affordable housing and Housing Choice Voucher usage in the PMA, almost 37% of renter households are severely cost-burdened—spending more than 50% of their gross income for rent and utilities. Student renters in Powelton Village appear cost-burdened because in most cases, their incomes are small compared to their rent, which is often being paid by parents or covered by student loans. Renter cost-burden is significant in Mantua and East Parkside in particular.

One approach to mitigating the effects of gentrification is to provide funding for home repairs for lower income homeowners in an area that is experiencing increased development activity. Lower incomes make it difficult for homeowners to do the preventive maintenance and repairs required to keep older homes, like those that are typical throughout the PMA, in good condition. This is also an issue for lower-income senior homeowners. Because deteriorating homes impact the housing values of nearby structures, a program to assist lower income homeowners with repairs would fit well in the PMA overall and in the Promise Zone specifically.

Another potential resource for maintaining affordability in the Promise Zone is through the Jumpstart program. Gentrification takes place when more affluent households move into a lower-income area, and real estate values increase as reflected by rising sales prices and rent levels. In addition to income, gentrification can result in shifts in demographic characteristics including race, age, and household type (families, singles and couples, students). Increasing real estate activity and the influence of the area's educational and medical institutions can be seen throughout the Mantua and West Powelton/Saunders Park Promise Zone neighborhoods. Student demand is concentrated south of Haverford Avenue, but speculative activity has occurred throughout

Mantua, and units are being marketed to students as far north as Girard and Parkside Avenues. Although some speculation is occurring in Belmont, this area and the northern part of Mantua offer opportunities to provide and preserve affordable housing for low and moderate income households.

## MARKET STUDY KEY FINDINGS

Real Estate Strategies, Inc. (RES) has conducted an analysis of real estate market conditions in the West Philadelphia Promise Zone (PZ). The findings and recommendations are based on market research conducted during the first half of 2017. The analysis is focused primarily on the PZ's residential market potential with the goal of assisting the PZ Housing Sub-Committee in rationalizing and prioritizing housing recommendations from the more than 40 existing neighborhood plans in effect within the PZ geography. The Housing Sub-Committee is particularly interested in creating housing opportunities for low- and moderate-income residents residing in the PZ. A summary of the key findings from the Market Analysis are listed below; the full analysis is available in the appendix on page 118.

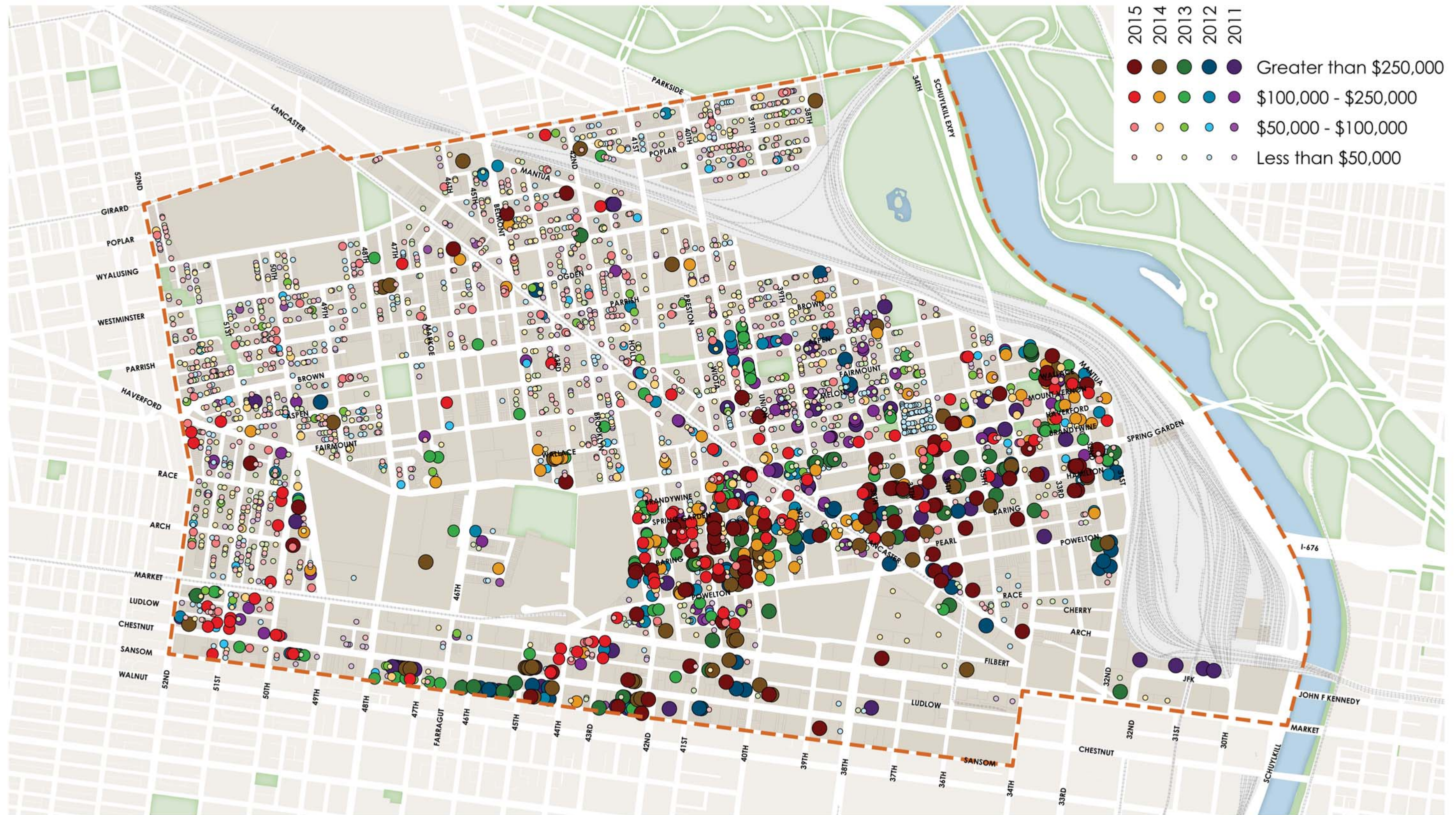
- The Promise Zone offers excellent access to employment, transit and health care. Employment in University City has been trending upward, and growth is expected to continue. Limited access to neighborhood retail in the Mantua and Belmont neighborhoods, a high incidence of crime in the core of the Promise Zone, and the presence of deteriorated structures on many blocks are challenges that impact demand for housing.
- The PMA within which housing in the Promise Zone is expected to compete for tenants and homebuyers is defined as five West Philadelphia zip codes: 19104; 19131; 19139; 19143; and 19151. An increase of 2,335 households is projected in the PMA over the next five years.
- Residential demand in the Promise Zone has increased over time because of both educational institution expansion and the increase in employment in University City. Several thousand beds of new student-oriented housing have been produced in the Promise Zone as well as higher-end rental units targeted to professionals. Drexel University's enrollment has declined over the past two years and some layoffs at the University have occurred. Collectively, these trends should result in somewhat reduced student rental pressure in Mantua and West Powelton/Saunders Park in the short term. Because of their proximity to major employers and the Market Street transit corridor, the Mantua and West Powelton/Saunders Park neighborhoods will continue to experience market-rate development pressure.
- An estimated 645 market-rate and 154 affordable residential units are in the development pipeline in the Promise Zone.
- Taking into account household growth, projects already planned, and replacement demand, RES estimates

demand for the development or substantial rehabilitation of an additional 350 to 650 rental units and 125 to 200 homeownership units in the Promise Zone over the next five years.

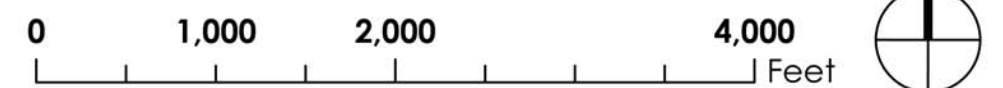
- There is a significant stock of income-restricted affordable housing in the Promise Zone, and many landlords accept Housing Choice Vouchers (HCVs). Expiring subsidy contracts at a number of larger multifamily buildings, particularly around the 40th Street MFL station, signal a need for proactive affordable housing preservation efforts in the Promise Zone. In areas where students shop for apartments, rents have risen above Fair Market Rents (FMRs) making it difficult for low- and moderate-income households to use HCVs.
- 12,728 households in the PMA either live in income-restricted housing or utilize HCVs within the PMA. Despite this assistance, 37% of PMA renters are severely cost burdened (spending more than 50% of income for housing costs) indicating a strong need for additional affordable housing.
- Clusters of existing homeownership—particularly Union Hill, the homeownership units developed on Fairmount Avenue as part of the Lucien Blackwell Homes HOPE VI, and the older neighborhood of Nehemiah homes on the east side of 46th Street should be strengthened by additional homeownership development. Crime prevention is critical to the success of new homeownership initiatives. Drexel's efforts to partner with the Powel School and the Science Leadership Academy should increase interest from prospective homeowners in the catchment areas for these schools.





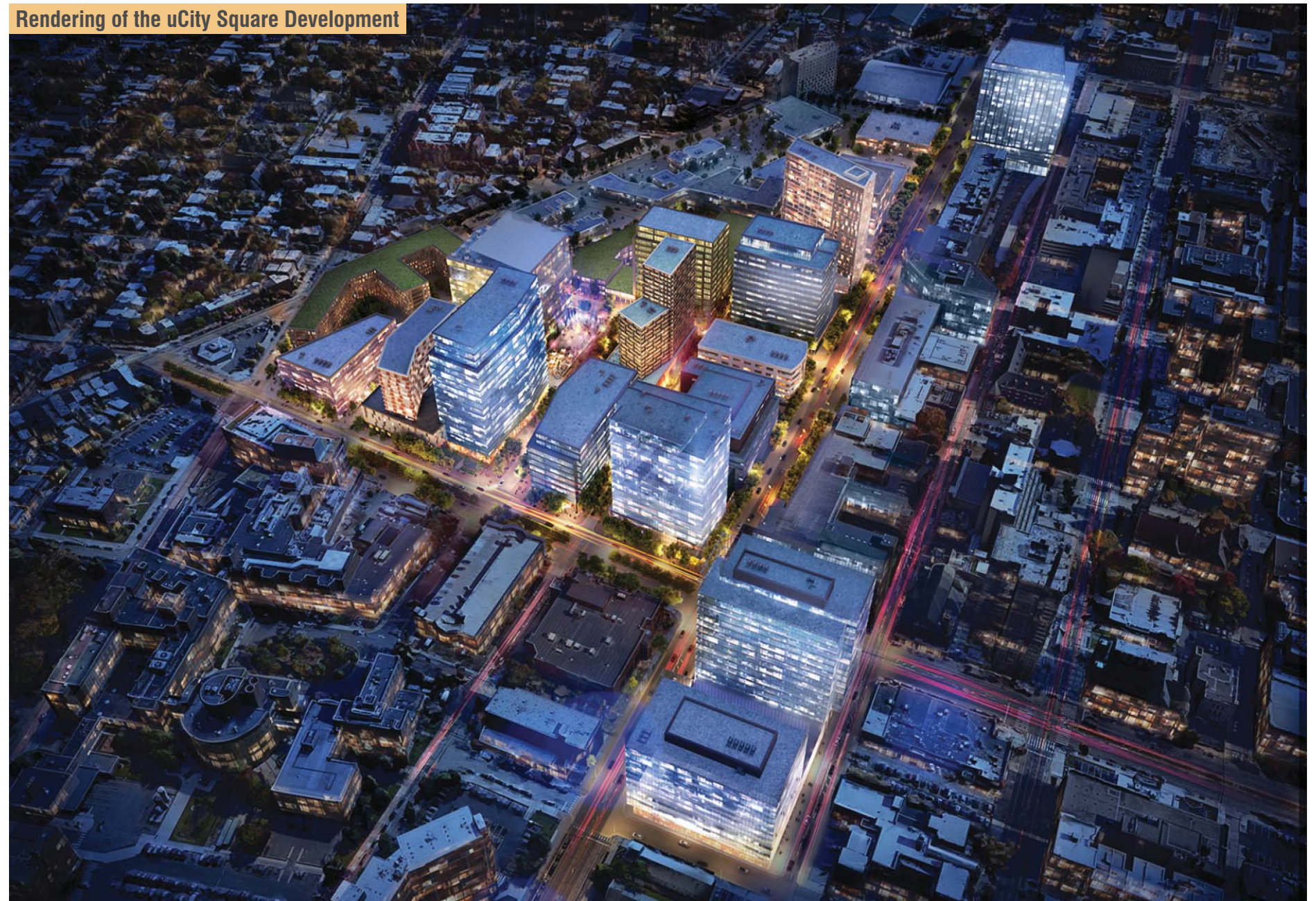


**Map of Promise Zone Housing Sales 2010-2016**





- An increase in the number of households in the 25-44 year age cohort is expected over the next five years. Both homeownership and rental housing with two or three bedrooms would be appropriate to address the needs of these households.
- 300 tax abatement applications were submitted to the City for Promise Zone residential properties from 2011 through 2015, an indication of both new construction and investment in existing residential structures. Almost 60% of the applications were for properties in the Mantua neighborhood.
- Scattered site LIHTC development has been cost-effective in West Philadelphia and research has shown that these developments have a more positive impact on surrounding property values than a multi-family building with an equivalent number of units. Given the presence of vacant or deteriorated homes in parts of the Promise Zone, as well as a significant inventory of vacant lots, this approach would be appropriate for producing additional general occupancy housing moving forward. Around transit stops, however, higher density multifamily development would be most appropriate.
- The aging of the Baby Boom population will lead to a large increase in the number of senior-headed households in the Promise Zone and the PMA over the next five to ten years. Many of these households have extremely low incomes and will require rent subsidies to afford quality housing. Existing rent-subsidized senior developments are fully occupied, indicating demand for additional affordable senior rental housing development in the Promise Zone.
- Census data indicate that a large number of senior and near senior homeowners live in the Promise Zone, including some who have occupied their homes for decades. Many of these older homeowners have very low incomes. Strategies for helping these households maintain their homes and age in place will be important over the next decade.
- The Promise Zone has a number of designated commercial corridors within its boundaries. Development outside of these areas should be solely residential. First floor commercial space in mixed-use buildings would be appropriate for visible locations along major corridors such as Haverford Avenue, Lancaster Ave and at TOD locations on Market Street.
- The build out of UCity Square should help to anchor the lower end of the Lancaster Avenue commercial corridor, however, lower household and income density in Belmont and Mill Creek has resulted in limited commercial viability of the Lancaster Avenue corridor west of 42nd Street. Siting additional retail, particularly a 15,000- to 20,000-square foot grocery store, in Mantua would take advantage of greater population and income density and serve a part of the Promise Zone at a distance from existing supermarkets.



Rendering of the uCity Square Development



Promise Zone Comprehensive Housing Strategy:

# Target Housing Sites





# Target Housing Sites

Based on the Analysis of Existing Conditions, Real Estate Market Analysis, evaluation of housing strategies propose in previous plans, and input from the Promise Zone Housing Subcommittee, 11 priority target housing development areas were identified as follows:

- 1 34<sup>th</sup> Street Gateway
- 2 40<sup>th</sup> Street Corridor
- 3 Brooklyn Street Vicinity
- 4 Folsom Street Infill
- 5 38<sup>th</sup> and Brown Vicinity
- 6 Haverford Ave Corridor
- 7 Girard Ave Corridor
- 8 52<sup>nd</sup> Street Station Area
- 9 40<sup>th</sup> Street Station Area
- 10 46<sup>th</sup> Street Station Area
- 11 Mill Creek Watershed Area

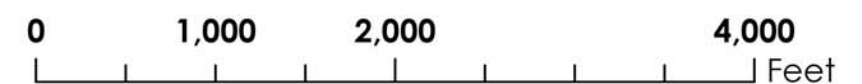
The maps and narrative on the following pages detail the existing conditions, market pressures, and proposed redevelopment plans for each target housing site. In addition to new development, there are also recommendations for areas to focus on the use of home repair programs for existing housing. Existing properties targeted for home repair were identified around proposed redevelopment sites to further stabilize the target sites and capitalize on the strength of the adjacent redevelopment. They include both rental and homeownership units.







**Map of Promise Zone Proposed Target Housing Sites**





## 1 34th Street Gateway

The 34<sup>th</sup> Street Gateway in Mantua at Mantua Ave includes the area bounded by 35<sup>th</sup> Street to the west, Mantua Ave to the north, and Fairmount Ave to the south. The target area was identified as an important element of the Mantua Transformation Plan. It was also identified as a key redevelopment corridor in the PCPC 2005 Mantua Community Plan. 34<sup>th</sup> Street is an important link between Mantua and University City, and between Mantua and Girard Ave, East Parkside and the Philadelphia Zoo. The intersection of Mantua Ave and 34<sup>th</sup> Street at the 34<sup>th</sup> Street bridge over the railroad is a high visibility location. This part of Mantua Ave includes the first section of the proposed Mantua Greenway that will eventually connect East Parkside and Mantua via the Amtrak/SEPTA rail lines. The target area includes large areas of vacant land as well as homes in relatively good condition facing the 3400 block of Fairmount Ave. While there is a large amount of vacant land, relatively few parcels are in public ownership. The triangular site bounded by 34<sup>th</sup> Street, Mantua Ave and Fairmount Ave, formerly owned by PRA, is now owned by West View Development Partners (Rick Young) and has been proposed by the developer as a site for the construction of duplex homes. The target area is zoned RSA-5 Single Family Attached, and RM-1 low rise multifamily consistent with its proposed use.

### MARKET FORCES

Student rental demand has extended northward from Drexel to Mantua Avenue, although rents are highest between Haverford Avenue and the campus. After years of enrollment growth, Drexel has experienced two years of declining enrollment and has also seen several thousand units of private student housing developed. Softening student demand could reduce development pressure north of Haverford offering an opportunity to introduce affordable rental units. The Mantua Greenway will be a public amenity that helps to screen and mitigate the negative impact of the rail yards. Over time, employment growth in University City, including the build out of Schuylkill Yards, should support housing demand throughout Mantua. The proximity to the Greenway, the Morton McMichael School, and the Miles Mack Playground would make the target area appropriate for the development of affordable family rental housing or, because of the proximity to the school and the Greenway, potentially workforce homeownership development. The marketability of homeownership units will depend on how effectively the Greenway development screens the rail yards.

### REDEVELOPMENT PLAN

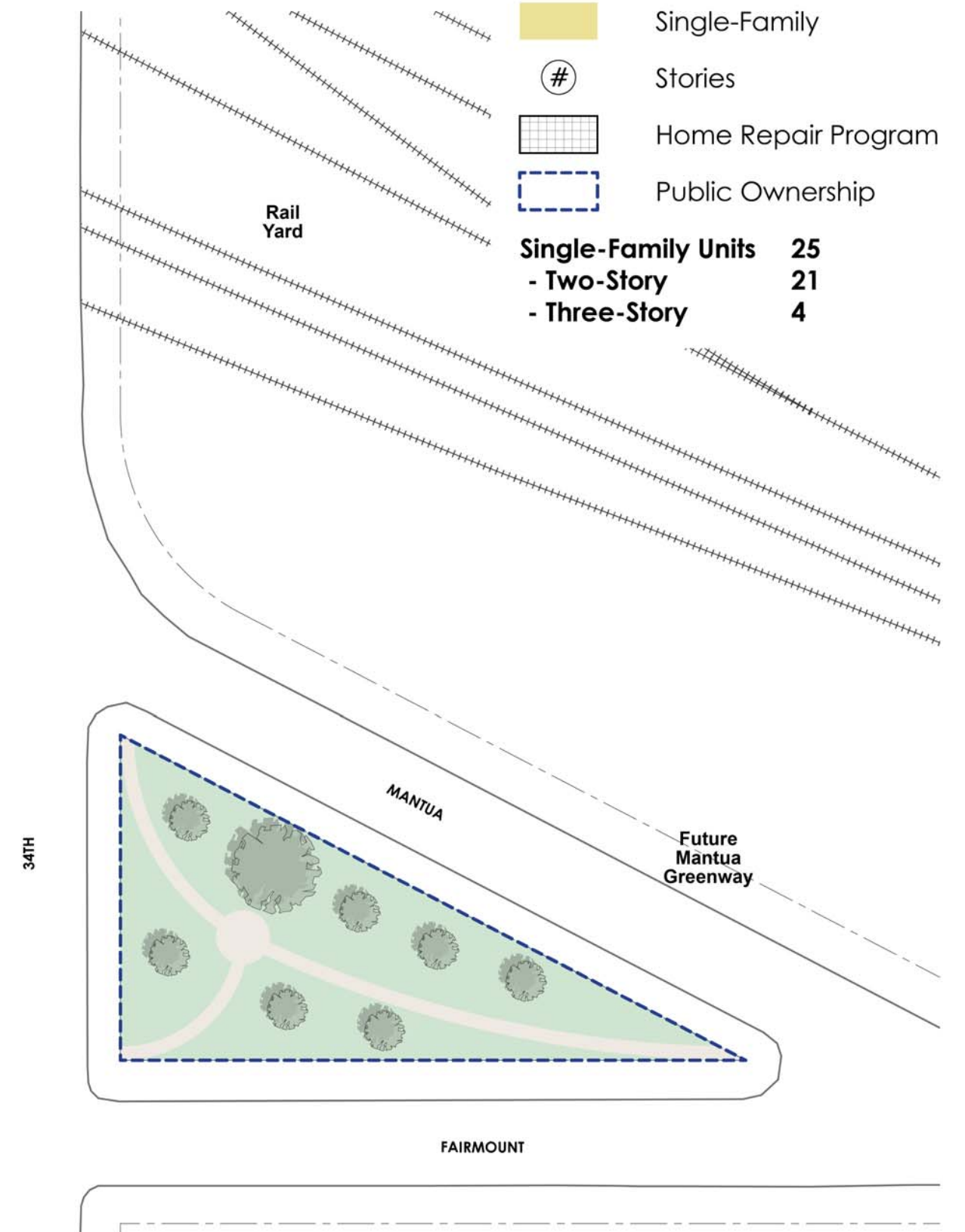
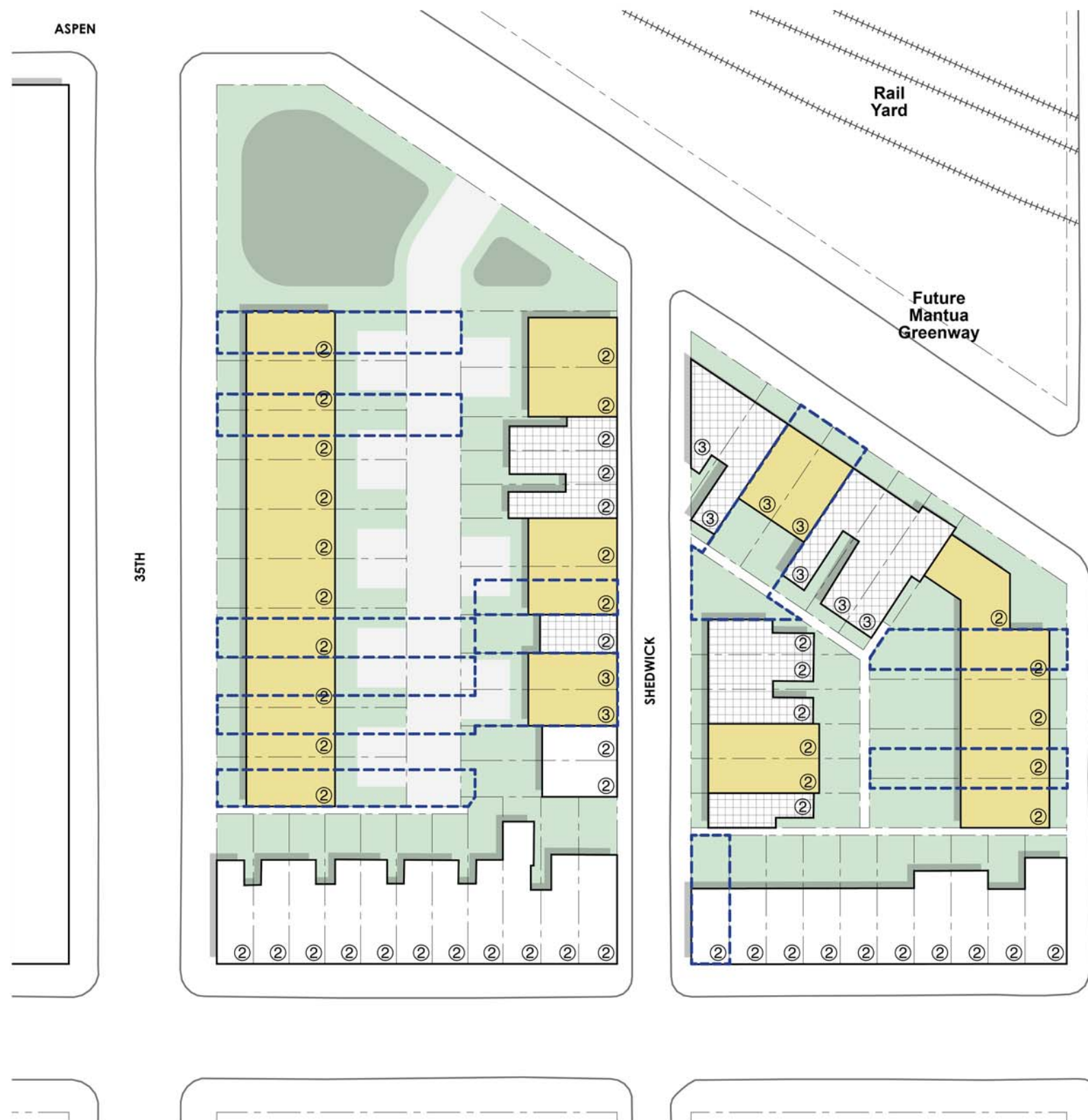
The proposed development plan for the target area includes retention of existing sound housing, repair and rehabilitation of buildings suitable for rehabilitation, demolition of severely deteriorated properties to create development sites, and construction of new single-family infill housing on vacant lots. The triangular vacant parcel at 34<sup>th</sup> and Mantua Ave is proposed as a landscaped gateway park, that would contribute to the Mantua

Greenway corridor public open space concept. However, it is currently under the control of a private developer. The 34<sup>th</sup> Street Gateway target area could accommodate approximately 25 single family owner-occupied or rental homes. The development plan proposes infill 2 story 3 bedroom townhouses fronting 35<sup>th</sup> Street, 34<sup>th</sup> Street and Shedwick Street, to respond to the existing built context. A new alley is proposed between 35<sup>th</sup> and Shedwick Streets to serve the adjacent properties with access and rear parking. The plan includes a proposed storm water management /rain garden at the corner of 35<sup>th</sup> Street and Mantua Ave that would contribute to the Mantua Greenway concept and manage stormwater created by the new development. Because of the limited number of publicly owned parcels, public acquisition of privately owned vacant land would likely be required to realize the proposed development.

Development of the 34<sup>th</sup> Street Gateway would help create a focal point for further revitalization of this key zone of east Mantua and bring needed visibility to the currently isolated area.

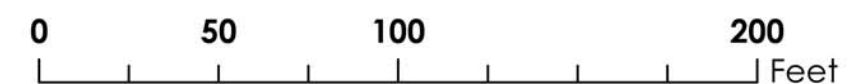






<span style="display: inline-block; width: 20px; height: 10px; background-color: yellow; border: 1px solid black;"></span>	Single-Family
<span style="display: inline-block; width: 10px; height: 10px; border: 1px solid black; text-align: center;">#</span>	Stories
<span style="display: inline-block; width: 20px; height: 10px; border: 1px solid black; background-image: linear-gradient(to right, transparent 49%, black 49% 49%, black 49% 49%, black 49% 51%, transparent 51%); background-size: 4px 4px;"></span>	Home Repair Program
<span style="display: inline-block; width: 20px; height: 10px; border: 2px dashed blue;"></span>	Public Ownership
<b>Single-Family Units</b>	
- Two-Story	25
- Three-Story	21
	4

# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 34th Street Gateway - Proposed Development Plan





## 2 40<sup>th</sup> Street Corridor

The 40th Street corridor encompasses parcels fronting 40th Street between Mantua Ave and Lancaster Ave. within the Mantua and Belmont neighborhoods. Development of the 40th Street corridor was identified as an important development focus in the City Planning Commission 2005 Mantua Community Plan. 40th Street is a key link across the rail lines between the Parkside community and Girard Ave and the Lancaster Ave commercial corridor. There has been some reinvestment activity along 40th Street, including PECCDC's Janie's Place apartment building at 40th and Wallace Streets. New single family semidetached homes have been constructed on the east side of 40th Street between Fairmount Ave and Brown Street as part of the Union Hill Development. The 'Make Your Mark' Lower Lancaster Ave Revitalization Plan identified the vacant block of 40th Street between Wallace and Aspen as a focus for reinvestment, because of its high visibility and proximity to Lancaster Ave and Janie's Place. The plan also proposed that 40th Street between Brown Street and Mantua Ave be considered for new housing development that would help connect Mantua and Belmont to the Parkside community over the 40th Street Bridge. There are significant parcels of vacant land including sites on the west side of 40th Street at the intersection with Wallace Street, the west side of the 800 block of N 40th Street, between Reno and Parrish Street, and on the east side to the 800 block of 40th Street at Mantua Ave. Parcels front 40th Street are typically zoned RM-1 low rise multifamily, except for the Union Hill lots fronting 40th Street between Fairmount and Aspen Streets. Zoning is consistent with the proposed reuse and is a result of recently approved rezonings in the Mantua neighborhood.

### MARKET FORCES

Because of the highly variable conditions along the 40th Street Corridor, new residential development should be phased to build on the relative strength of the southern end of the target area near Lancaster Avenue, moving northward as units are absorbed. Mixed-income rental housing would have market support in the area closest to Lancaster Avenue as would age-restricted LIHTC units. Affordable infill homeownership units could potentially help to anchor and extend the Union Hill development building value for the existing homeowners. It would be critical to improve existing structures on the same block in order to improve the marketability of the homeownership units. Family LIHTC rental units would also have market support in this location.

### REDEVELOPMENT PLAN

The proposed redevelopment plan for the target area envisions phased construction of over 200 new housing units over the course of several years. The plan includes construction of two 3-4 story 'gateway' elevator apartment buildings at the intersection of Mantua Ave and 40th Street at the south end of the bridge. Smaller walk up apartment buildings are proposed on smaller vacant parcels between Ogden and Brown Street, responding to the scale of the existing semidetached homes. 3 Story semidetached single-family homes are proposed for infill lots between Wallace and Brown

Streets to support the Union Hill single family home development. A 3-story mixed income elevator apartment building is proposed for the vacant lot at 40th Street and Wallace Streets, close to Lancaster Ave. Targeted promotion of the city's home repair program is proposed for existing housing along the corridor that is in fair condition but in need of rehabilitation.

Because of the limited number of publicly owned parcels and lack of large parcels of land in single private ownership, public acquisition of vacant land may be required to realize the proposed development.

Development of the high visibility 40th Street corridor will be important to spur reinvestment if the adjacent blocks in the Belmont and Mantua communities. It is expected that early phases of the project will be located closer to Lancaster Avenue to build off the nearby areas of strength; later phases will continue development north up 40th Street to Mantua Ave.









### 3 Brooklyn Street Area

The Brooklyn Street area in the Mill Creek neighborhood is generally bounded by Aspen Street to the north, 43rd Street to the west, 42nd Street to the east, and Wallace Street to the south. Redevelopment of the Brooklyn Street area was identified as a key development opportunity area in the Make Your Mark Lower Lancaster Ave Revitalization Plan. The area was also identified as a key development area in PHA's Mill Creek East Extension Plan. The area has been a target of PHA's planning efforts over the last 15 years. The target area includes large areas of vacant land and many deteriorated buildings. However, the area is strategically located between PHA's successful Lucien E Blackwell Homes development to the west that includes a significant number of owner occupied homes, and PHA's Mt Olivet Village and Budd Street developments to the east. The target area includes major institutions such as St Ignatius Church and School, St Ignatius Nursing Home and the Angela Court senior housing development on 44th Street. The city's Lee Cultural Center is located south of Haverford Ave, a block away. There are a significant number of vacant PHA owned parcels within the target area. Many vacant lots in the vicinity of Brooklyn Street and Fairmount Ave were sold by PHA to Brooklyn Heights LP/ L Cruz Development for the development of affordable housing, but the developer defaulted on the project after completion of several building foundations. The target area is principally zoned RM-1 Multifamily low-rise, except for a few corner parcels on Fairmount Ave that are zoned CMX-2 neighborhood Commercial, and a section of 43rd Street south of Fairmount Ave that is zoned RSA-5 Single Family Attached Housing.

#### MARKET FORCES

This target area presents an opportunity to leverage the positive impact of the Lucien E. Blackwell HOPE VI redevelopment, a significant investment in the neighborhood. The HOPE VI included homeownership units along Fairmount Avenue suggesting that subsidized for sale units could be appropriate in this location. While redevelopment of the significant number of vacant lots in this target area may mitigate the high incidence of crime in the immediate vicinity, continued criminal activity may limit the marketability of homeownership units. Homeownership development should be phased to begin on Fairmount Avenue if possible to build on the strength of the existing HOPE VI owner-occupied houses and to increase the visibility of this new investment in Mill Creek. General occupancy LIHTC housing would also be appropriate in this target area and should be absorbed without additional project based subsidy.

#### REDEVELOPMENT PLAN

The proposed development plan for Brooklyn Street vicinity includes construction of 114 new single-family homes. The plan includes the extension of the 4200 block of Olive Street as a through street from Brooklyn to 43rd Street to create proper access and circulation for the block. Olive Street is also the site of the unfinished LP/L

Cruz development houses, which will be completed as part of the redevelopment of this target area. New 2 story single family affordable owner occupancy semidetached homes are proposed for lots fronting Fairmount Ave and 43rd Street, as an eastward extension of the Lucien E Blackwell Homes. New affordable rental 2 story attached townhouses are proposed for lots fronting the 600 and 700 blocks of Brooklyn Street and 700 block of N 42nd Street. Existing remaining severely deteriorated rowhouses fronting narrow Hutton Street would be acquired and demolished. Because of the very narrow width of the existing Hutton Street, the street is proposed to be widened to function as a service driveway to access rear parking to homes fronting Brooklyn Street and 43rd Street. Promotion of the city's home repair program is proposed for sound housing in fair condition that requires rehabilitation.

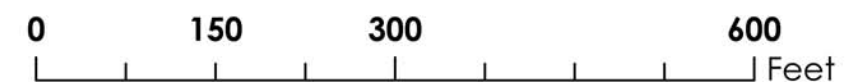
PRA recapture of the Brooklyn Heights and L Cruz development parcels on which the developer has defaulted will be important to permit assembly of viable development parcels. Public acquisition of privately owned land parcel and acquisition and demolition of severely deteriorated buildings will also be required. Redevelopment of the Brooklyn Street area will be important to consolidate PHA's prior investment to the east and west and support the St Ignatius developments in the 43rd/44th Street area.







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Brooklyn Heights - Proposed Development Plan





#### 4 Folsom Street Infill

The Folsom Street infill area in Mantua includes the general area bounded by Brown Street, 39th Street, Fairmount Ave and Union Street. The 3900 blocks of Folsom Street and Brown Street were identified as a priority redevelopment site in the Mantua Transformation Plan. The plan proposed that the target area be developed for new rental housing. The site was also identified as a priority development site in the PCPC 2005 Mantua Community Plan, as well as the PHA Northwest Philadelphia Master Plan. Both the Mantua Community Plan and PHA plan proposed expansion of the somewhat hidden 39th and Olive Playground to address its isolated mid-block location. The target area encompasses part of the recent Union Hill development, including homes fronting the 3900 block of Aspen Street and the 700 block of Union Street. The target area includes large areas of vacant land, including multiple publicly owned parcels owned by PRA and PHA as well as Land Bank and other city agency owned parcels. Redevelopment of this area would support the earlier publicly assisted Union Hill development. The target area is mostly zoned RSA-5 Single Family Attached, which is consistent with the proposed development.

#### MARKET FORCES

Similar to the 40th Street Corridor, the Folsom Street Infill area presents the opportunity to further leverage the existing Union Hill homeownership development by building additional “for-sale” units. The presence of an expanded 39th and Olive Playground would be an attractive amenity to families with children. Acquisition and rehabilitation of existing deteriorated units or working with existing property owners on home repair, would be important to the marketability of for-sale units.

#### REDEVELOPMENT PLAN

The proposed development plan for 55 new homes includes the construction of 2 story semidetached homes fronting the 3900 block of Folsom Street and the east side of the 700 block of N 39th Street, to complement the Union Hill development homes. New 2 and 3 story townhomes would be constructed fronting the 3900 block of Brown Street, 800 block of Union Street and 3900 block of Fairmount Ave. A total of three existing homes fronting the 3900 block of Aspen Street, south side and 3900 block of Fairmount Ave north side, would be acquired and demolished to permit creation of a much-needed expansion of the 39th and Olive Playground to create a focal point for this revitalized community. The other existing homes on those blocks would remain. Promotion of the city’s home repair program is proposed for sound housing in fair condition that requires rehabilitation, particularly for the homes at the southwest corner of 39th and Folsom Streets.

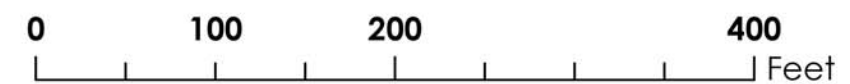
Development of the Folsom Street area is important to help protect the investment in the Union Hill development and create a strong focal point for subsequent revitalization of surrounding blocks.







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Folsom Street Infill - Proposed Development Plan





## 5 38<sup>th</sup> and Brown Streets

The 38th and Brown Street target area in Mantua includes the area generally bounded by 38th Street, Brown Street, 37th Street and Mantua Ave. The 38th and Brown site was included as a priority development site in the PCPC 2005 Mantua Community Plan. At that time, Inglis House had proposed a housing complex for senior persons with physical disabilities. More recently the large PRA owned vacant site bounded by Mantua Ave, 38th Street, Brown Street and 37th Street has been proposed for a Mission First 3 story 97-unit senior housing development to be built in 2 phases. The PRA owned parcel on the south side of Brown Street between 37th and DeKalb Street is currently used as a community garden, the Mantua Peace Garden. There is an additional large PRA own vacant parcel on the south side of Brown Street between DeKalb and 38th Street, as well as multiple PRA and PHA vacant lots on the 700 and 800 block of N 38th Street. The target area abuts the proposed Mantua Greenway and is close to the Miles Mack Playground. The target area is zoned RSA 5 single family attached.

### MARKET FORCES

There is a pressing need for additional affordable senior housing in West Philadelphia. The existing inventory is essentially fully leased, most properties maintain long waiting lists, and the population is aging. An affordable senior housing building on this site would have market support and would also serve to screen adjacent development sites from the extensive at-grade train yards across Mantua Avenue. The rail yards and distance to shopping and services make this site less appropriate for homeownership development than some of the other target areas. A senior building at this location should offer a shuttle to connect residents to commercial areas and health care.

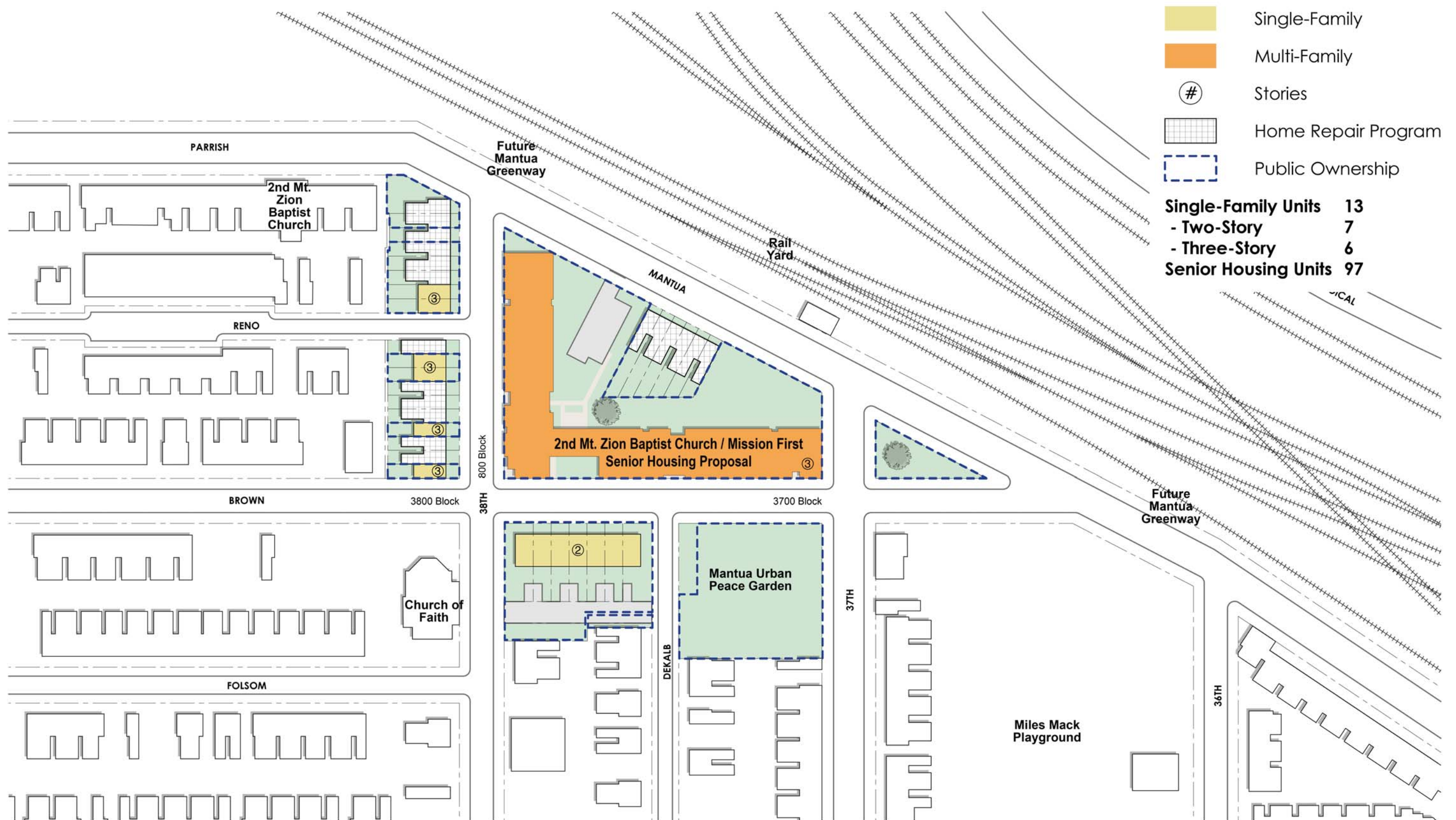
### REDEVELOPMENT PLAN

The proposed development plan for 110 units includes the construction of the 2 phase 97 unit senior apartment building on the 38th and Brown site, and complementary construction of new infill 32 story attached homes on the south side of Brown Street between DeKalb and 38th Street. The Mantua Urban Peace Park would be retained and improved. Promotion of the city's home repair program is proposed for sound housing in fair condition that requires rehabilitation.

Development of the 38th and Brown site is a high priority because of the large amount of vacant publicly owned land and proximity to the proposed Mantua Greenway.







**PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY**  
38th and Brown Area - Proposed Development Plan





## 6 Haverford Ave Corridor

The Haverford Ave target area in Mantua includes the general area bounded by Brandywine Ave to the south, Wallace Street to the north, 39th Street to the west and 36th Street to the east. Development of the Haverford Ave corridor is a key initiative of the Mantua Transformation Plan. The development as proposed in the plan included a 25,000-sf retail development that included a grocery store, mixed income higher density housing along Haverford Ave, infill family housing along Mt Vernon Street and an improved recreation space at 37th and Mt. Vernon. The Mantua Community Plan of 2005 had also recommended creation of a new town center along Haverford Ave. Because of proximity of the site to Drexel University and University City, and its high visibility, development of the corridor could provide a catalyst for further revitalization of blocks to the north. The target area includes a significant amount of vacant land, including large PRA owned parcels on the block bounded by Wallace, 36th Street, Haverford and 37th Street. The parcels fronting Haverford Ave between 36th and 37th Streets are zoned CMX-2, Neighborhood Commercial. Blocks fronting Haverford Ave between 37th and 39th Streets are zoned RM-1 Multifamily low-rise. Parcels fronting Mt Vernon and Brandywine are typically zoned RSA-5, except for the south side of the 3600 block of Mt Vernon, which is zoned CMX-2 Commercial Mixed Use.

### MARKET FORCES

The Haverford Avenue Corridor offers an opportunity to capture demand for a mix of uses, including commercial, market-rate and affordable housing. Residents in the middle and eastern parts of Mantua do not have the same level of access to a supermarket as those in other Promise Zone neighborhoods. The impact of Drexel's expansion has created additional population density and spending power to the south of Haverford Avenue. The rehabilitation of affordable apartment communities north of Haverford Avenue is stabilizing northern Mantua, which is also seeing in fill residential development and speculative purchases of existing buildings.

### REDEVELOPMENT PLAN

The proposed development plan for approximately 230 units and commercial space includes a 3-story elevator access mixed use, mixed income building at the corner of 36th and Haverford, with retail uses at first floor and apartments above. It also includes 3-story multifamily mixed income elevator access apartment buildings at the corner of 38th and Haverford and on the south side of the 3700 block of Haverford. Walk up apartments are proposed for the PRA owned parcels at 37th and Mt Vernon. 2 story single family homes are proposed for the 3700 block of Mt Vernon and Haverford Ave. Promotion of the city's home repair programs is proposed for homes in fair condition but requiring rehabilitation, on the blocks between 38th and 39th Streets. While the target area includes significant areas of publicly owned land acquisition of privately owned vacant land will also be required to consolidate viable development parcels to accommodate some of the recommendations.

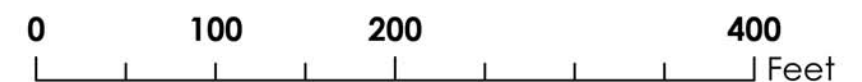
Development of the Haverford Ave corridor is a high priority because of the opportunity to provide market rate and mixed income housing and neighborhood serving retail uses along the high visibility corridor close to Powelton Village.







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Haverford Corridor - Proposed Development Plan





## 7 3800-4000 Blocks of Girard Ave

The Girard Ave priority development area in East Parkside includes the area bounded by Girard Ave to the north, Cambridge Street to the south, 40th Street to the west and 38th Street to the east. The Philadelphia School District School of the Future and West Fairmount Park is located on the north side of Girard Ave. The target area is served by the Girard Ave trolley with stops at 39th and 40th Streets. Development of the 3800-4000 blocks of Girard Ave was identified as a high priority in the Philadelphia 2035 West Park District Plan, because of its high visibility location on a principal access route to the Centennial District and the Please Touch Museum to the west and, the Philadelphia Zoo, and the Schuylkill Expressway access ramps to the east. The target area includes a significant number of vacant parcels that are the site of recently demolished large 3 story rowhouse structures on Girard Ave. There are also a significant number of deteriorated and vacant buildings in poor condition abutting the vacant sites. None of the deteriorated buildings or vacant lots are in public ownership. The 3800 block of Girard Ave is zoned RM-1, Multifamily, while the 3900 block is zoned RSA-3 single Family Attached, and RM-1. The 4000 block is zoned CMX-2, Neighborhood Commercial. The single-family zoning on the 3900 block is not appropriate for this arterial street, and the RSA-3 parcels could more appropriately be rezoned RM-1. The CMX-2 zoning of the 4000 block is no longer appropriate as there is minimal demand for commercial uses at this location. The block should be rezoned RM-1, as recommended in the West Park District Plan.

### MARKET FORCES

The Girard Avenue Corridor enjoys proximity to Fairmount Park as well as both trolley and bus services making development of multi-family rental apartments appropriate. This area has a relatively high percentage of extremely cost-burdened renter households, as well as a high percentage of older homeowners and a high incidence of tax delinquency. In addition to affordable renter housing, programs to assist older homeowners to age in place and repair and maintain their homes are appropriate in this location. The presence of the Park and the Microsoft School of the Future campus on the north side of Girard Avenue as well as the rail lines running to the south of the East Parkside neighborhood limit the number of households in the surrounding trade area. Despite the location in a commercial corridor, street level retail is not recommended in this location.

### REDEVELOPMENT PLAN

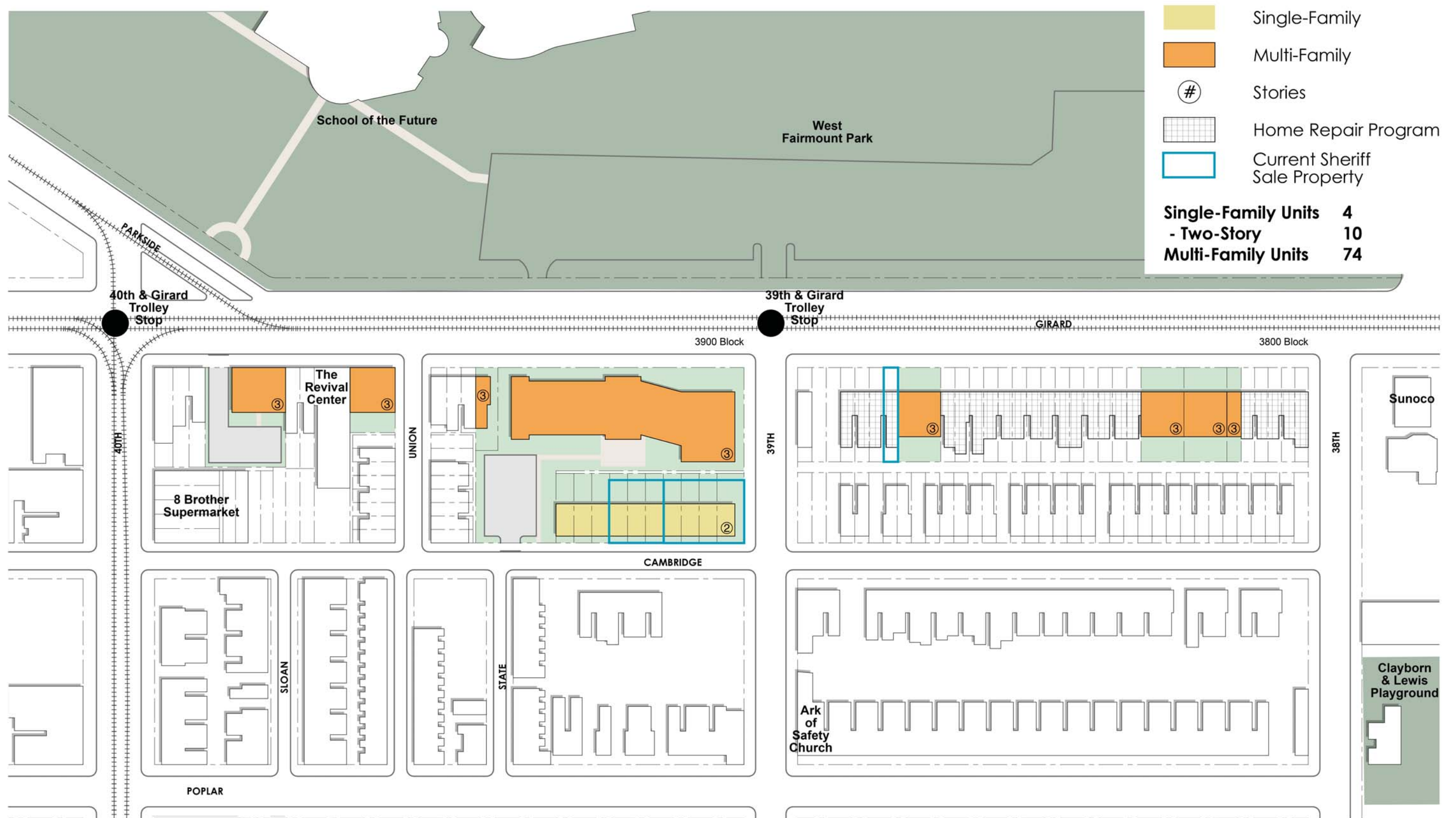
The proposed redevelopment plan for the target area assumes acquisition and demolition of existing 3 story buildings in very poor condition, to create larger viable redevelopment parcels. A 3 story 30-unit multifamily elevator access apartment building is proposed for the 3900 block of Girard Ave where very deteriorated buildings are proposed for demolition. 3 story walk up multifamily buildings are proposed for smaller infill lots on the 3800 and 400 blocks of Girard Ave. 2 story single family homes re proposed for vacant parcels on the 3900 block of Cambridge Street. Promotion of the

city's home repair programs is proposed for homes in fair condition but requiring rehabilitation, on the 3800 block of Girard Ave.

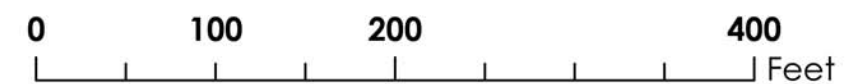
Development of the Girard Ave corridor is a high priority because of its high visibility location on an arterial route to major visitor destinations.







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Girard Corridor - Proposed Development Plan





## 8 52nd Street Station Area

The 52nd Street Station area in Walnut Hill and Mill Creek encompasses the area bounded by Arch Street to the north, 52nd Street to the west, and Ranstead Street and 49th Street to the south and east. 52nd Street south of Market Street is an important neighborhood commercial corridor. Revitalization of the area south of Market Street between 51st and 52nd Street was a key recommendation of the 2007 Walnut Hill Neighborhood Plan, to address the only significant area of deterioration in the Walnut Hill Neighborhood. The target area abuts the 52nd Street Market Elevated Subway Station. The area abuts homes in generally good condition in the Walnut Hill neighborhood south of Market and east of 49th Street. The target area includes a significant number of vacant parcels north of Market Street, including parcels on the 5100 block of Market Street, the unit block of the west side of 51st Street, and the east side of the unit block of Farson Street. In contrast, the unit block of N 50th Street with attractive semidetached homes is in generally good condition. There are many vacant lots on the 5100 block of Ranstead Street south of Market Street. There are a limited number of publicly owned parcels or buildings in the target area. The target area has been selected because of its proximity to transit access and easy access to University City and Center City. Parcels on the north side of 52nd Street and east side of 52nd Street are zoned CMX-2, Neighborhood Mixed Use Commercial, consistent with existing and proposed uses. The unit block of N 50th Street is zoned RTA-1, Residential 2 Family Attached, consistent with existing use. The remainder of the area north of market is zoned RM-1 and RSA-5, which is generally consistent with existing residential uses. However, the entire block bounded by Market Street, 52nd Street, Chestnut and 51st Street is zone CMX-4 Center City Commercial Mixed Use, which is an inappropriate zoning classification for this largely residential block outside Center City. Parcels fronting 52nd Street and Market Street should be rezoned CMX-2.5, Neighborhood Commercial, while parcels fronting Ranstead and Ludlow Streets should be rezoned RSA-5 Single Family Residential Attached.

### MARKET FORCES

The 52nd Street Station target area offers access to a robust commercial corridor as well as a stop on the Market Frankford Line. The MFL provides quick access to employment centers in University City and Center City. Employment growth in University City will continue to support demand for workforce housing in this location.

### REDEVELOPMENT PLAN

The proposed development plan for the target area includes construction of a 4 story 30-unit mixed use elevator access building with first floor retail on the north side of the 5100 block of Market Street between 51st and Paxton Streets. New 3 story walk up apartment buildings are proposed for the north side of Market Street between 50th and 51st Streets. New 2 story single family townhouses are proposed for vacant lots on the unit block of 51st Street, Farson Street, Paxton Street and Arch Street. South of Market

infill 2 story townhouses are proposed for vacant lots the 5100 block of Ranstead Street. Promotion of the City's home repair program is proposed to encourage the rehabilitation of existing homes in need of repair on sound blocks. Realization of the development program will likely require public acquisition of privately owned vacant land and acquisition and demolition of very deteriorated buildings in order to assemble viable land parcels.

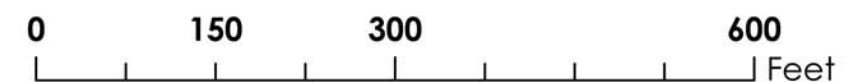
Development of the 52nd Street corridor is a high priority because of its proximity to 52nd street station







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 52nd Street Station Area - Proposed Development Plan





## 9 40th Street Station Area

This target site in the Spruce Hill, West Powelton/ Saunders park Neighborhood is generally bounded by 43rd Street to the west, Filbert Street and Powelton Ave to the north, 38th Street to the east and Ludlow Street to the south. The target area abuts the 46th Street Market Elevated Subway Station. Development of the 40th Street Station area was identified as a high priority in the PCPC University City Southwest 2035 Plan. Because of its proximity to transit and location close to University City, the plan noted that the area could support a significantly higher density of development. The plan assumed construction of mixed income residential, retail and hotel uses oriented to University City. The southside of the 3900 block of Market Street is currently occupied by University City Townhomes, a 70-unit affordable rental housing development constructed in the early 1980's. While the development is in good condition, it does not reflect the maximum development potential of the site. The site could be redeveloped as a mixed income community at a significantly higher density while providing an equal number of affordable units. There are large vacant land parcels on the south side of the 3800 block and 4100 block of Market Street and the north side of the 4100 block of Market Street. The section of the target area from 38th to 42nd Street from Filbert to Ludlow Street is zoned CMX-4, Center City Commercial Mixed Use, which permits an FAR considerably more than the existing density of development.

### MARKET FORCES

Within walking distance of all major University City employers and university campuses, the 40th Street Station target area is a high demand TOD location that can support market-rate residential and commercial development. Two large affordable housing developments, University City Townhomes (family) and University Square Plaza (senior) are immediately adjacent to the 40th Street station of the Market-Frankford Line. Both of these developments have HUD rent subsidy contracts that are expiring in 2017. The strategy for this target area should be to preserve affordable housing units in the Promise Zone but maximize the value of these key sites to help realize redevelopment opportunities in other parts of the neighborhood. It may be possible to work with HUD and the property owners to extend and move these project-based subsidy contracts to newly constructed/rehabilitated units in other target areas.

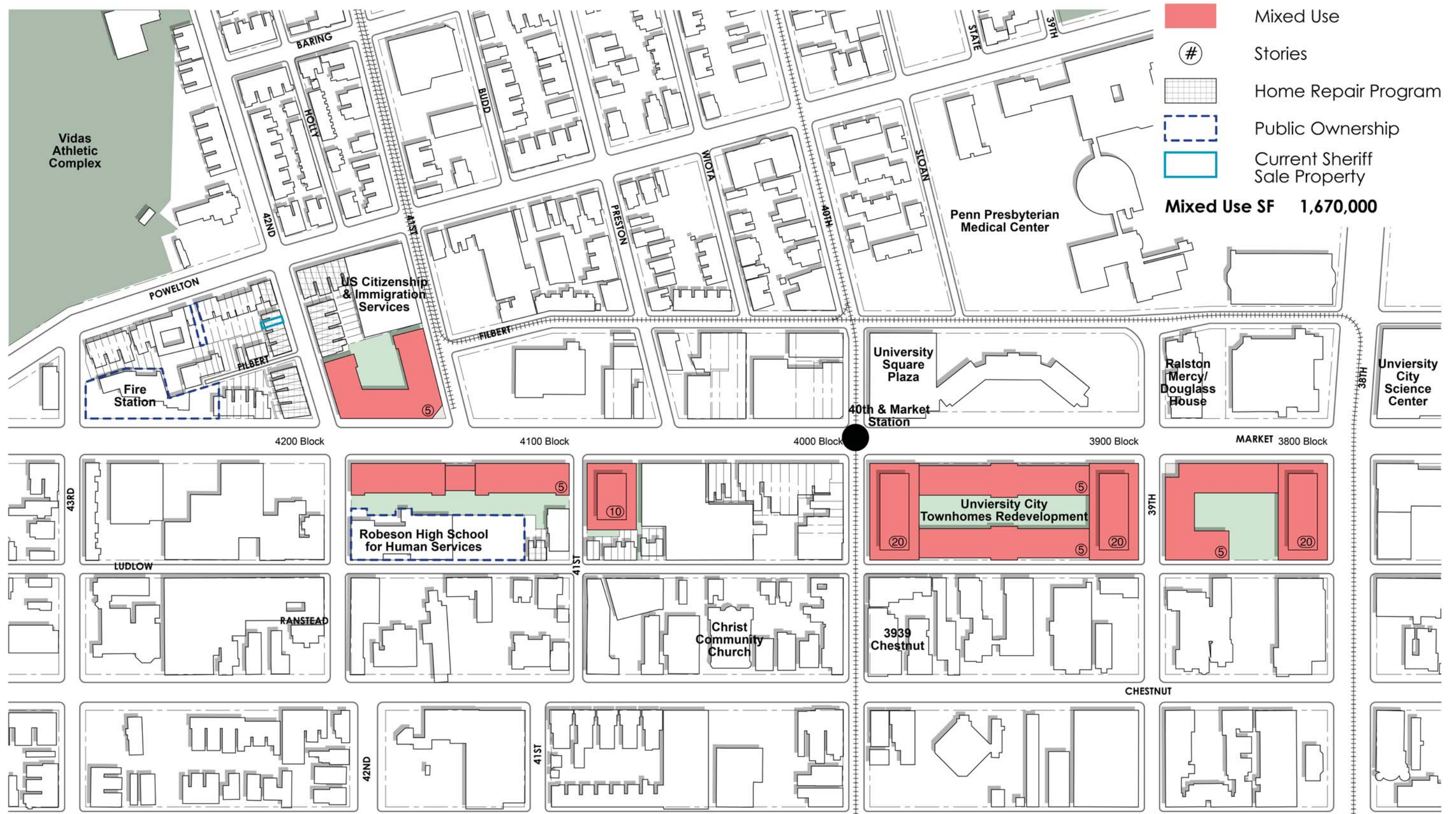
### REDEVELOPMENT PLAN

The proposed development of the target area includes redevelopment of the University City Townhomes site for a midrise/high rise mixed use and mixed income development that would include both market rate and affordable housing to replace the existing townhouses. The vacant parcel at 38th and Market would accommodate a similar high rise/midrise mixed-use development oriented to the University City market. Development parcels within the 40th and Market target area could accommodate over 1.5m sf of new development. Because of the strong market conditions in the

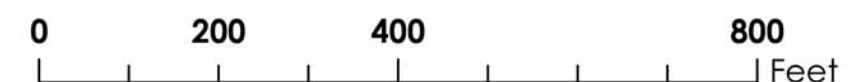
surrounding area, is anticipated that development in this target area will be undertaken by the private sector.







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 40th Street Station Area - Proposed Development Plan





## 10 46<sup>th</sup> Street Station Area

The 46th Street Station priority target area is generally bounded by 48th Street to the west, Haverford Ave to the north, 44th Street to the east and Ludlow Street to the south. The 46th Street Market Elevated Subway Station is the focal point of the area. The north side of Market Street includes 2 large superblocks without dividing streets. The superblock between 46th and 48th Streets includes the historic former Provident Mutual Life Insurance Building, at one point planned as the Philadelphia Safety Services Campus. The superblock between 44th and 48th Streets includes the PHA 300-unit West Park High rise public housing development. A low density single story Aldi auto oriented grocery store set back from the street behind surface parking is located at the northeast corner of 46th and Market Streets. The target area also includes a vacant parcel owned by The Enterprise Center at the southeast corner of Farragut and Market Street. The Community College of Philadelphia has an Autotech Center at the West Regional Campus of CCP at the 4600 block of Market Street. CCP has plans to expand the Autotech Center toward Farragut Street on the south side of the 4600 block of Market Street. The 46th Street Station area is identified as a development priority area in the PCPC University City Southwest 2035 District Plan. The plan recommendations include renovation of the 4601 Market campus, creation of a new east west street between 46th and 48th Streets north of the historic building to break up the superblock, and encouragement of market rate development of The Enterprise Center parcel at Farragut and Market Street. The target area was also the focus of the Community Deign Collaborative Study “Infill Philadelphia: Soak it Up” Report. Most of the superblock bounded by Market Street, 48th Street, Haverford Ave and 46th Street, except for the Nehemiah townhomes, is city owned. Most of the superblock bounded by 46th Street, Haverford Ave, Market Street, and Busti Ave extended, except for the Nehemiah townhouses, is also publicly owned, including the PHA West Park and the city owned Lee Cultural Center. Parcels at the northwest, northeast and southeast corners of the intersection of 46th and Markets, including the former Provident Mutual Building, are zoned CMX-3 Community Commercial Mixed Use with an FAR of 5. Zoning is consistent with proposed uses.

### MARKET FORCES

The 46th Street Station target area also is a key TOD location in the path of market pressure but is challenged by several physical conditions. The Market Frankford Line becomes elevated at this location. The north side is impacted by the topography of the West Park high rise public housing site. The Philadelphia Public Services Campus project, which would have brought 900 employees to this location, will not take place and the City released an RFQ for developers for the site in November 2017; however, the future of the vacant, partially rehabbed building is not clear.. An Aldi supermarket has operated in this location for many years and recently underwent a major renovation, proving the viability of the location for neighborhood retail. The area as a whole would be attractive to developers of mixed-use, mixed-income housing,

senior housing (particularly within the context of a low-/mid-rise redevelopment of the West Park PHA development) or institutional users. The Entrerprise Center is marketing their vacant site for a mixed-use, mixed-income, transit-oriented development in the long term and in the interim they are cleaning and greening the site to make it more attractive.

### REDEVELOPMENT PLAN

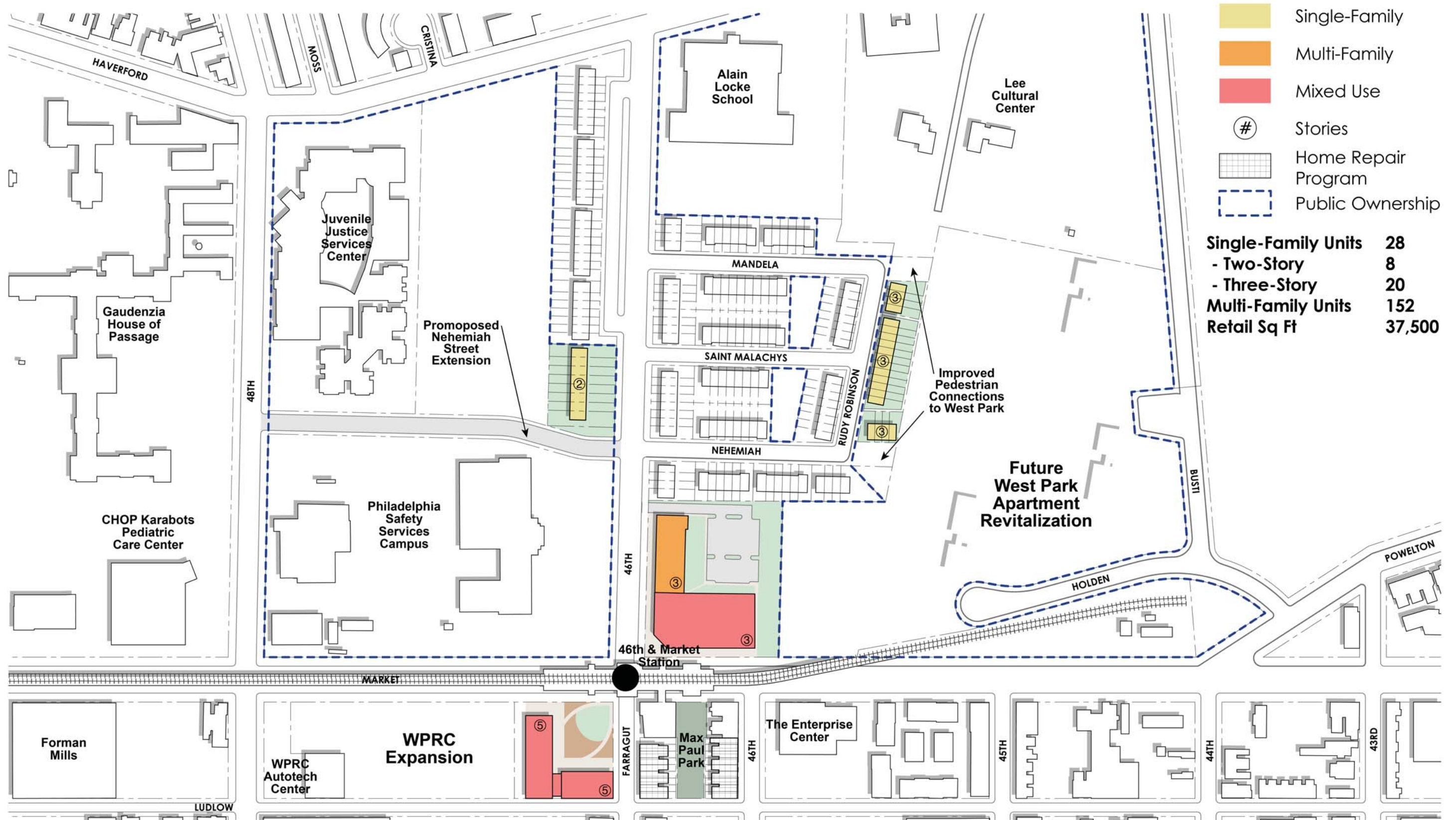
The proposed development plan for the target area includes the following elements:

- Construction of a new east west street link between 46<sup>th</sup> and 48<sup>th</sup> Streets on the alignment of Nehemiah Street, to break up the large superblock and create development frontage
- Construction of a new north south street link between Market Street and Haverford Ave on the alignment of 44<sup>th</sup> Street to break up the superblock east of 46<sup>th</sup> Street
- Adaptive reuse of the historic Provident Mutual Insurance Building for mixed income housing or a satellite college campus
- Development of The Enterprise Center parcel at the southwest corner of Farragut Street and Market Street as a 5-story market rate mixed use building enclosing a public plaza, and including 4 levels of apartments over retail
- Long term development of the auto oriented Aldi site as a mixed use, mixed income development that incudes and Aldi store as the first-floor tenant
- Long term revitalization of the PHA West Park high rise apartment complex as a mixed income residential development, involving the recomplete rehabilitation of the existing buildings or phased redevelopment of the towers

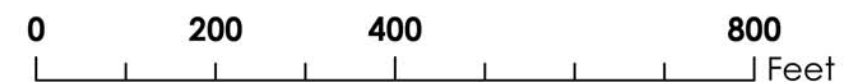
It is anticipated that because of relatively strong market conditions, development of the 46<sup>th</sup> Street station target area will be undertaken by the private sector in conjunction with the owners of the publicly owned parcels. Redevelopment of the 46<sup>th</sup> Street Station area is a high priority because of the relatively strong market conditions and significant publicly owned land and buildings.







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 46th Street Station Area - Proposed Development Plan





## 11 Mill Creek Watershed Area

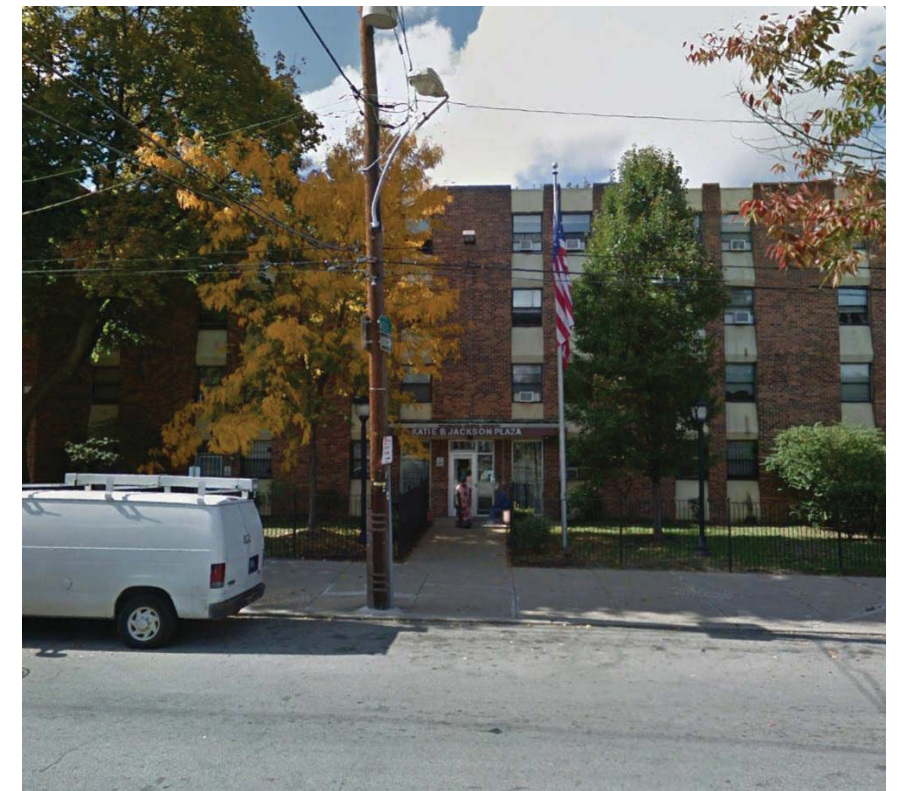
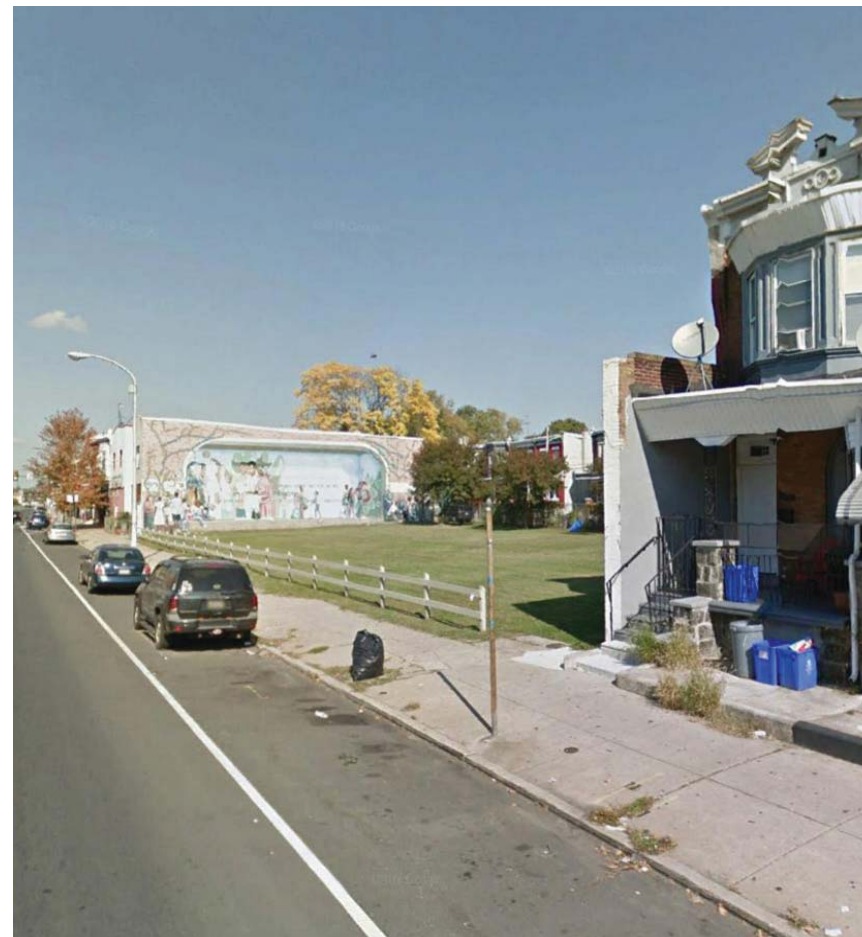
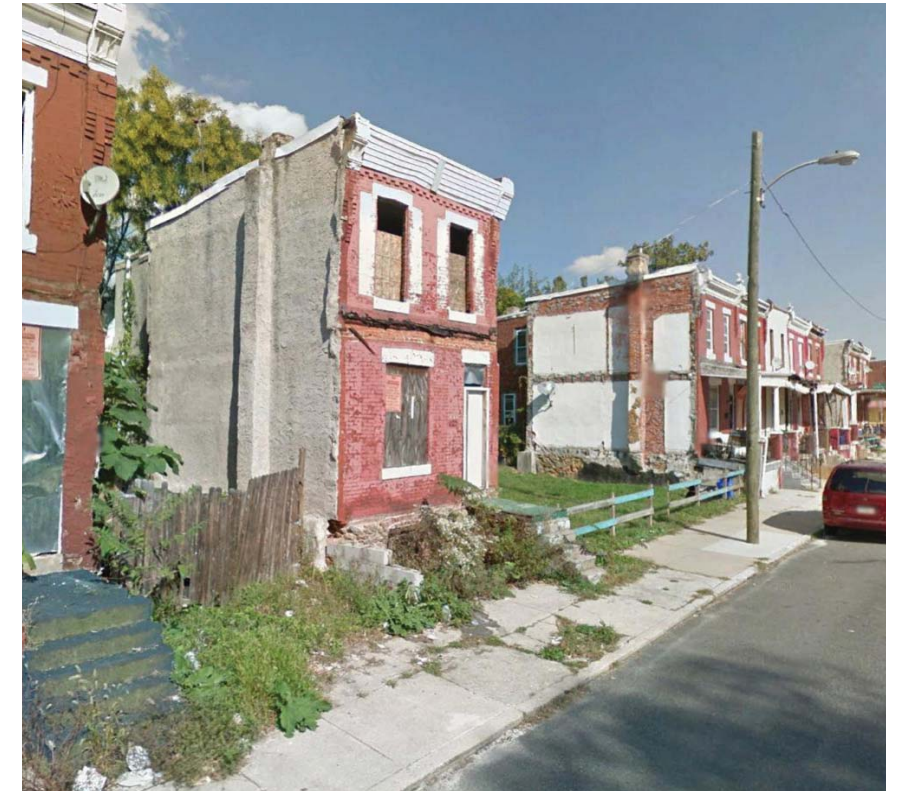
The Mill Creek Watershed Development Area follows the former alignment of Mill Creek, now flowing in 20-foot diameter storm water drainage pipe 30 feet below grade. The target area is an irregularly shaped area extending from Girard and 52nd Street in the northwest to Aspen and 48th Street in the southeast. During the last century, the area had been subject to building collapses as a result of fractures in the storm drainage pipe carrying Mill Creek. In 1961, several blocks of housing in the vicinity of 50th and Folsom Streets collapsed, and 111 houses were condemned and demolished. The cleared land was acquired by PRA under Urban Renewal powers and the street circulation was reconfigured, resulting in the creation of West Mill Creek Park and associated open space and recreation facilities that follow the alignment of the storm drain. This network of open space is the defining feature of the neighborhood, and includes tennis courts at 50th Street and Wyalusing, basketball courts, a baseball diamond within the central open space of West Mill Creek Park, the West Mill Creek playground at 51st and Parrish, and the Mill Creek Farm located on a vacant PRA parcel on the 4900 block of Brown Street.

While West Mill Creek Park and the associated network of open space that follows the alignment of the creek could be a potentially attractive focal point of a revitalized community, housing within the target area is in a very deteriorated condition. The target area includes large areas of vacant land and many vacant buildings, particularly east of 50th Street in the vicinity of Ogden Street. The south side of the 5000 block of Ogden Street is mostly vacant lots and vacant buildings. The north side of the 5000 block of Ogden Street consists of a mix of vacant buildings and deteriorated occupied buildings interspersed with vacant lots. There are also a large number of vacant lots in the north of the target area, on the 900 block of N 52nd Street and the 900 block of Creighton Street. There are multiple vacant lots and vacant buildings scattered throughout the target area. Creation of the Mill Creek Park open space corridor has resulted in the closure of through streets and the disruption of the street grid, making access and circulation difficult and confusing. The existing housing stock typically consist of small-lot, narrow-frontage, two-story rowhouses, with front porches at the street line and second-floor bay windows. Most are in a deteriorated condition and many front porches are collapsing. Median house price in 2017 was \$45,000. The neighborhood has a high foreclosure rate (6.4%) compared to Philadelphia as a whole. Homeownership rates are typically higher west of 51st Street, between Westminster and Brown Streets.

However, there are also areas of sound housing. Housing conditions improve east of 50th Street. The target area is anchored in the south by PHA's well-maintained, 59-unit, three-story Katie B Jackson apartment building for seniors at 50th and Aspen Streets. The 42-unit, three-story Aspen Village development at 49th and Aspen Streets, within the target area and across the street from a well-maintained community garden, has recently been rehabilitated. Just outside the target area is the more upscale West Village

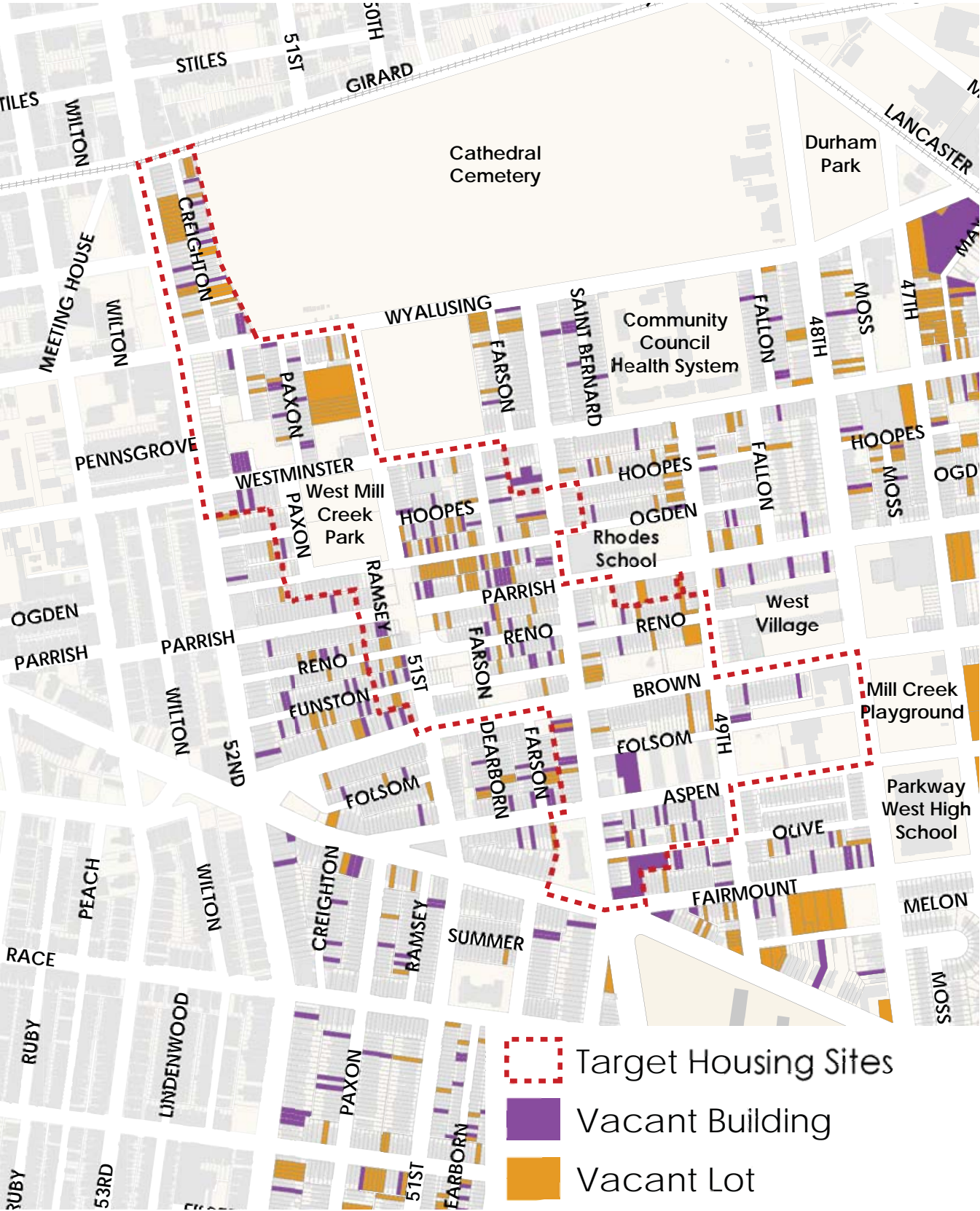
development at 48th and Brown, completed in 2012. This gated market rate community of 86 stacked townhouses with off-street parking is targeted to the University City market. Across the street on the southside of Brown Street at 48th Street is the new three-story Dialysis Center of West Philadelphia at Mill Creek. The large PRA-owned parcel on the west side of the 900 block of N 51st Street near Westminster Street, has been proposed by Gaudenzia for the 30-unit West Mill Place. The area bounded by Westminster, 48th /49th Street, Fairmount and 50th/51st Street is PHA's planned Mill Creek West development.

The network of open space, well-managed community gardens, and recent and proposed investment within or adjacent to the target area could provide a nucleus for reinvestment. PHA has identified the Mill Creek watershed area as a target area for future PHA-funded infill, and as an offsite relocation resource for the West Park high-rise redevelopment. PHA's five-year capital plan includes the construction of 50 units in the Mill Creek Watershed target area. Affordable rental infill development of vacant parcels and lots and acquisition and demolition of deteriorated vacant buildings for redevelopment, coupled with targeted home repair programs to address issues such as deteriorating front porches, provide the opportunity for attractive new development close to open space and recreation facilities.

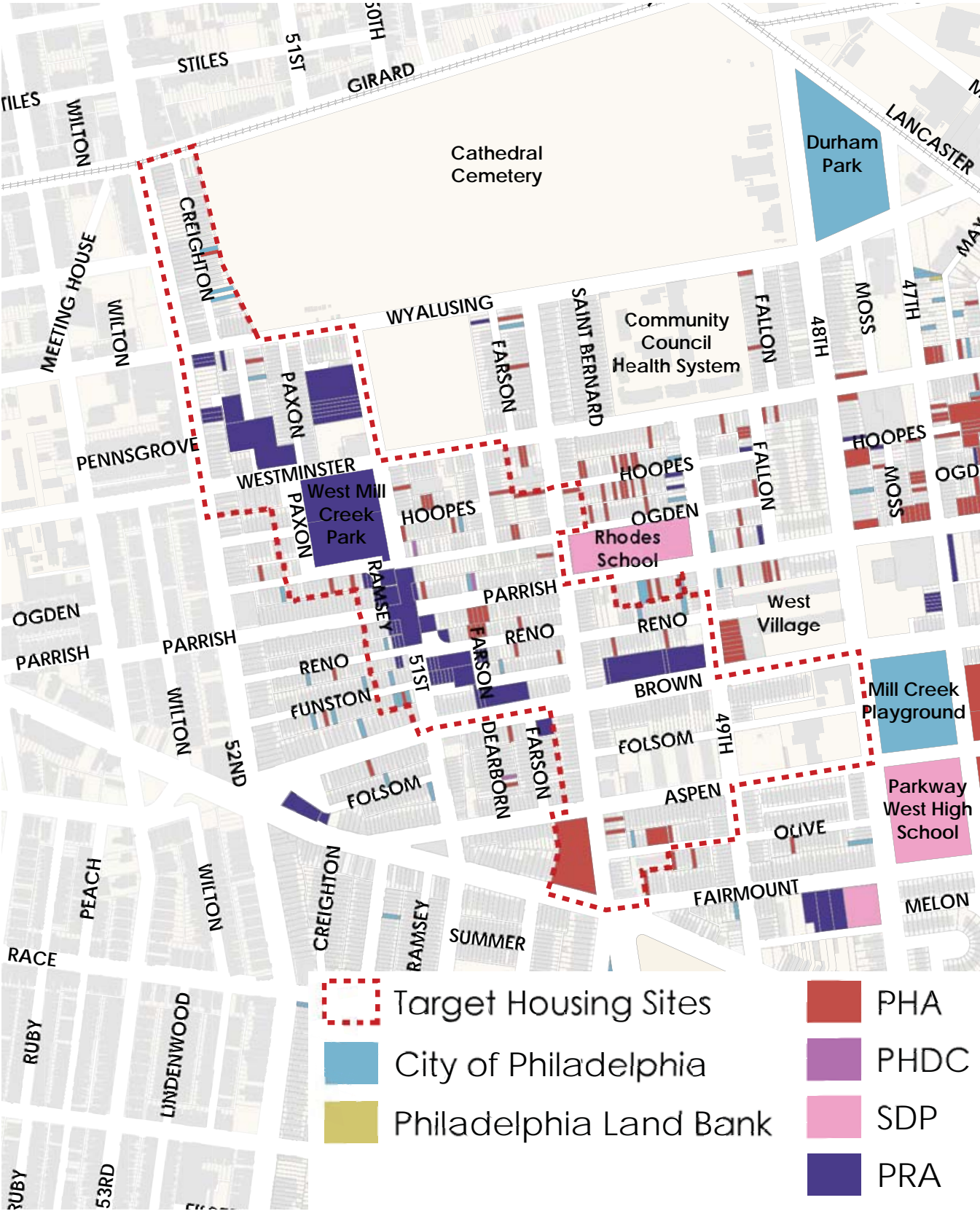




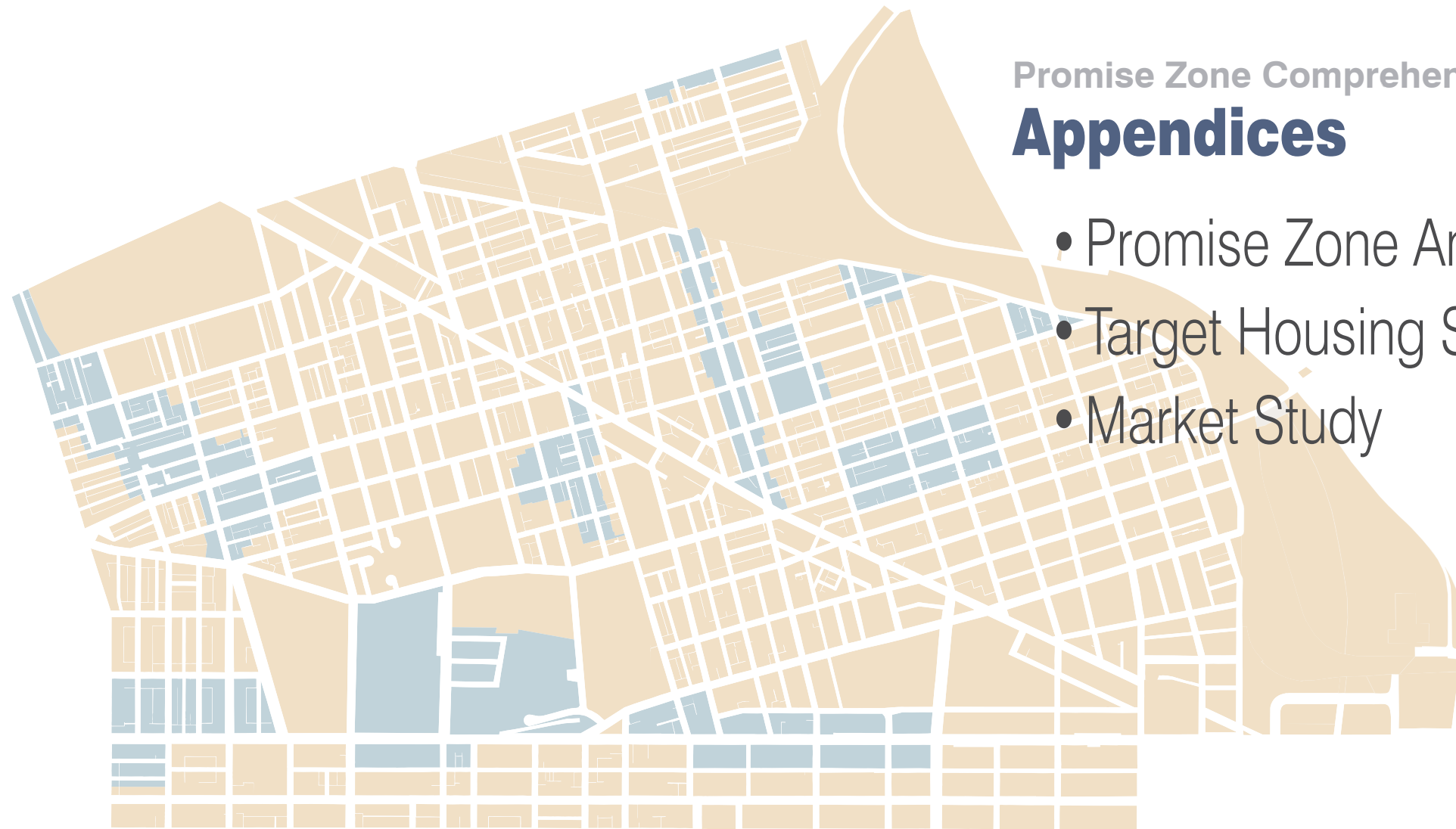
Vacancy



Public Ownership







Promise Zone Comprehensive Housing Strategy:

## **Appendices**

- Promise Zone Analysis Maps
- Target Housing Sites Analysis Maps
- Market Study



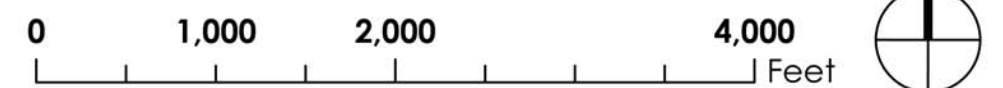
# Promise Zone Analysis Maps



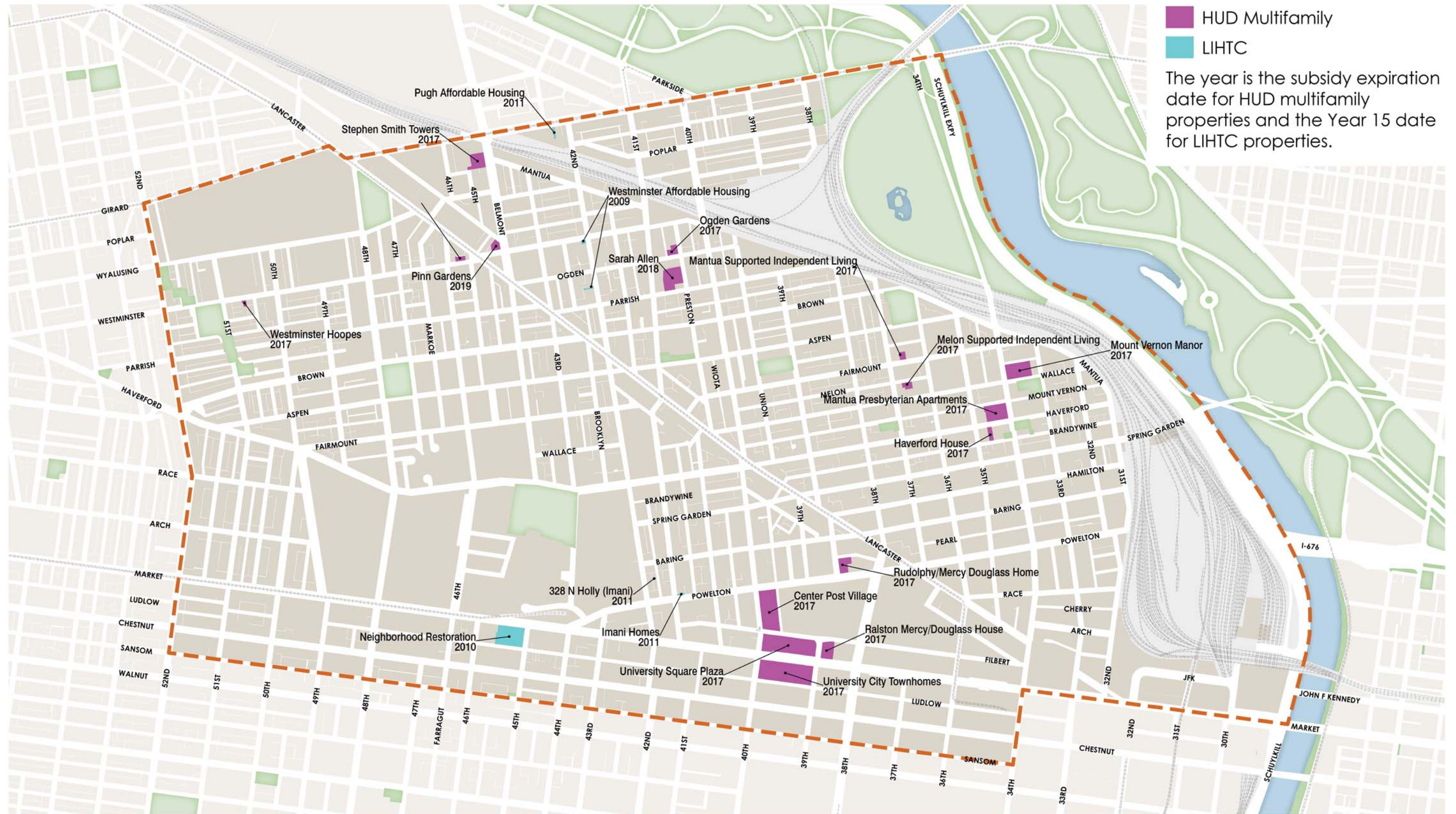


## PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY

Major Property Owners

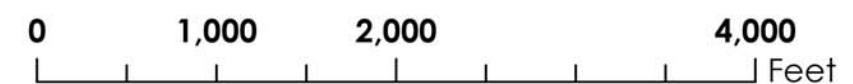






## PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY

Assisted Housing with Expiring Subsidy Contracts or Nearing the End of Affordability Period



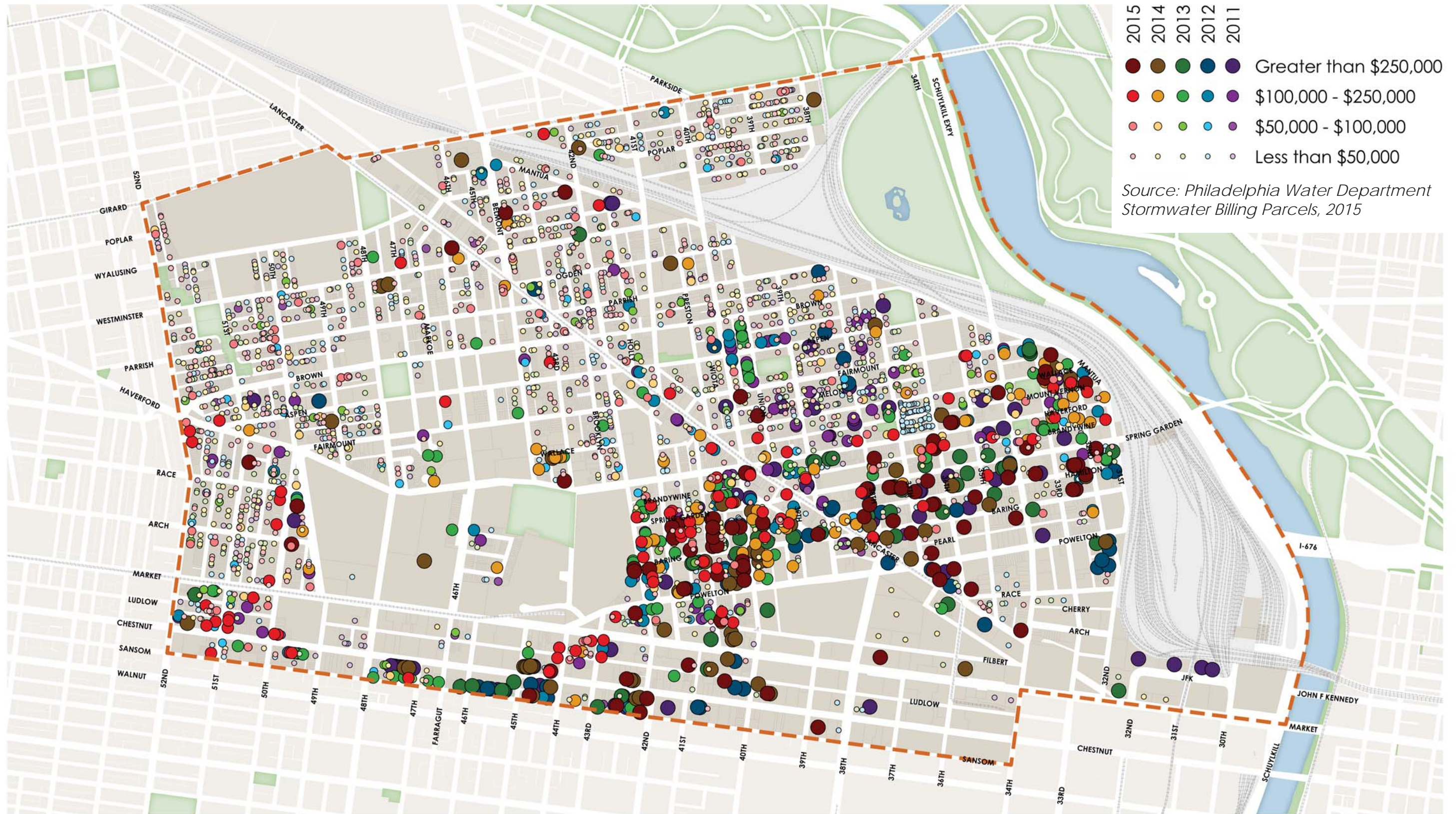




## PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY

### Commercial Corridors



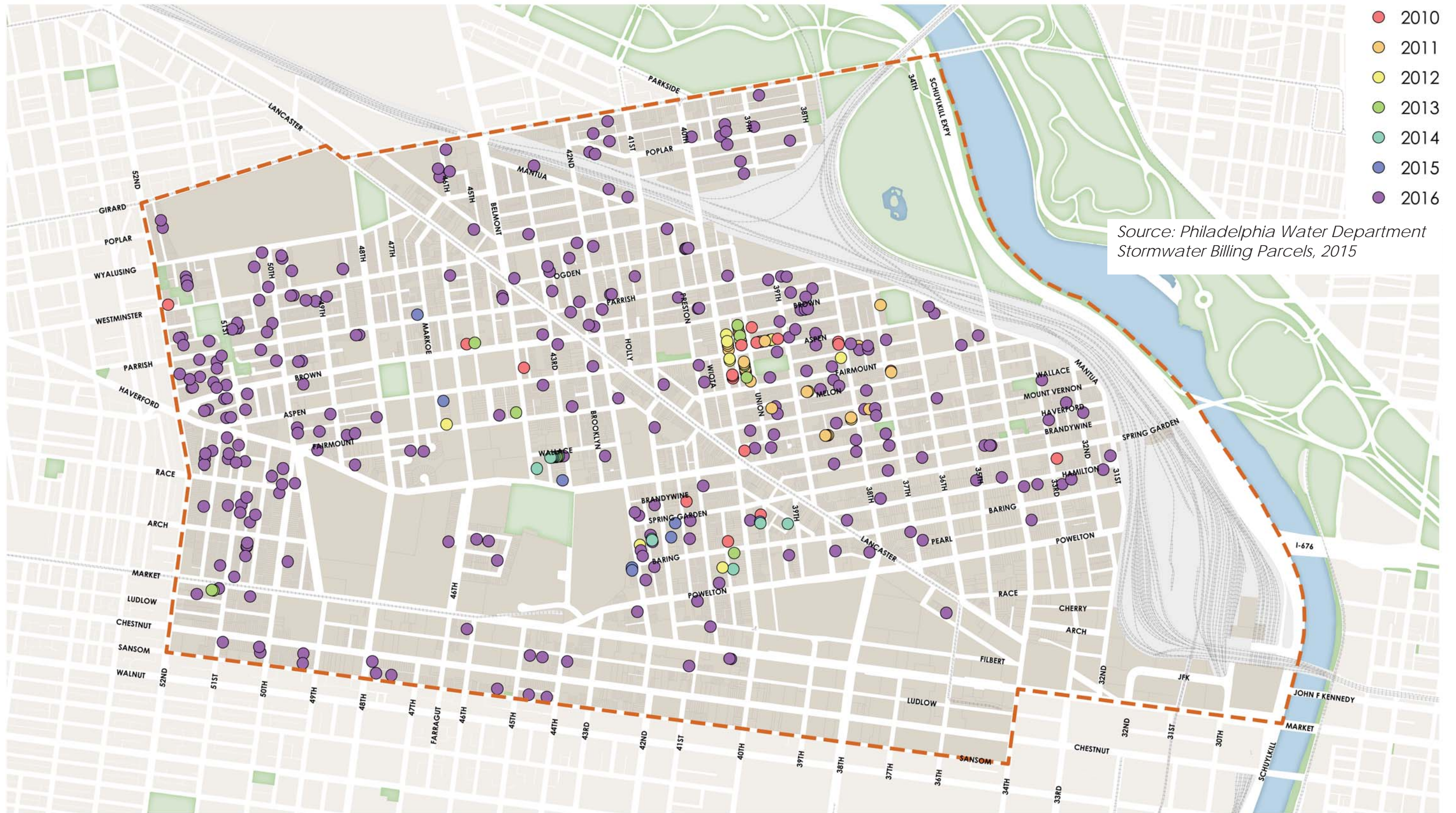


# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Property Sales, 2010-2015

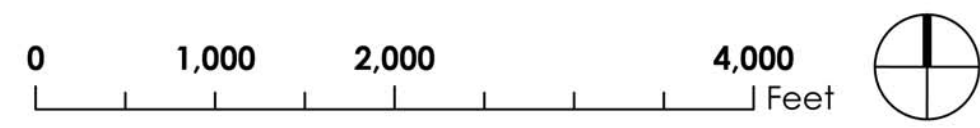
0 1,000 2,000 4,000 Feet



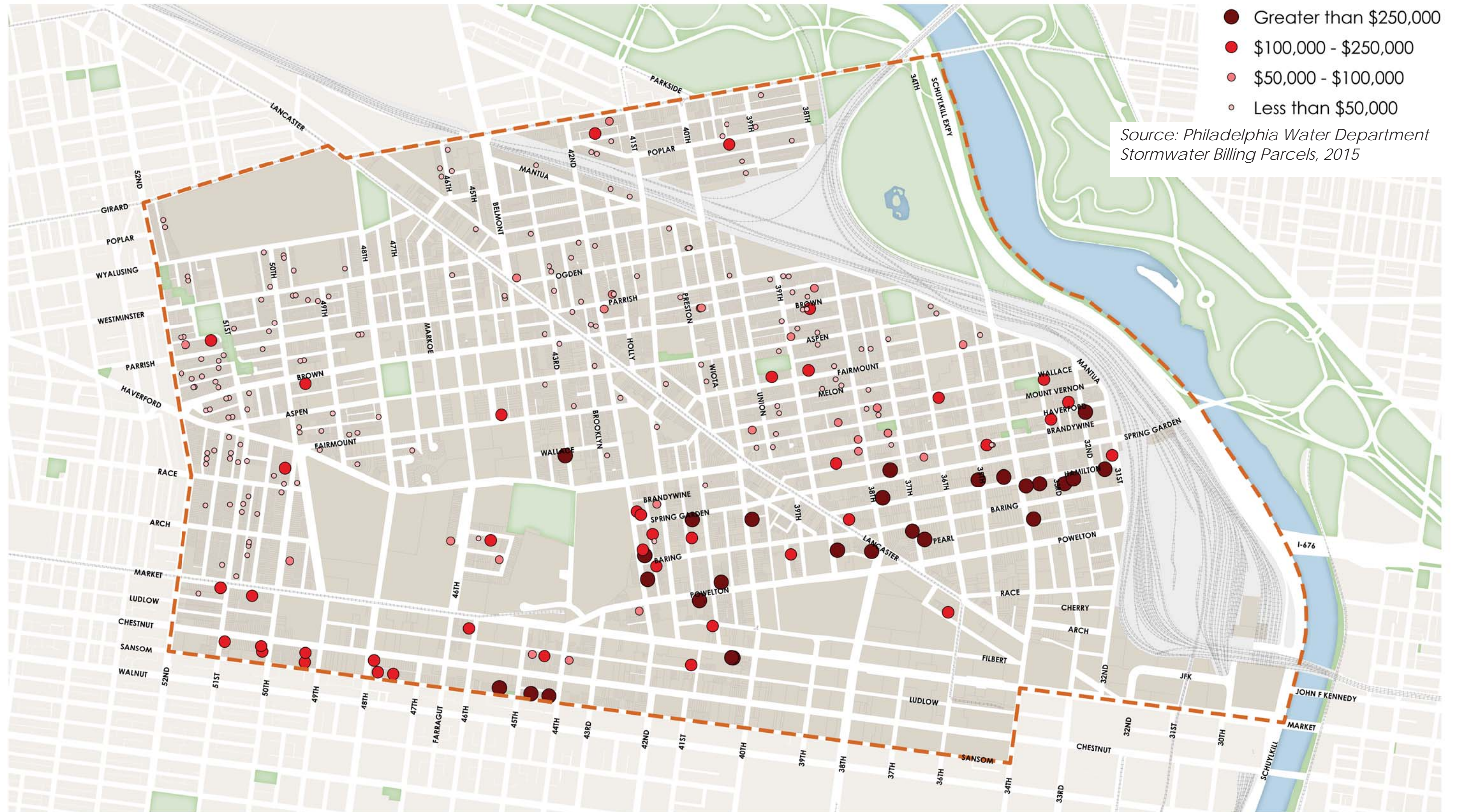




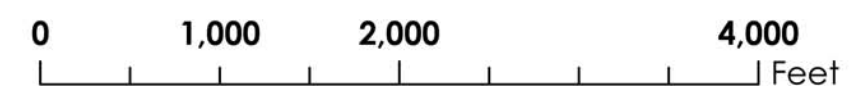
PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
Housing Sales by Year, 2010-2016







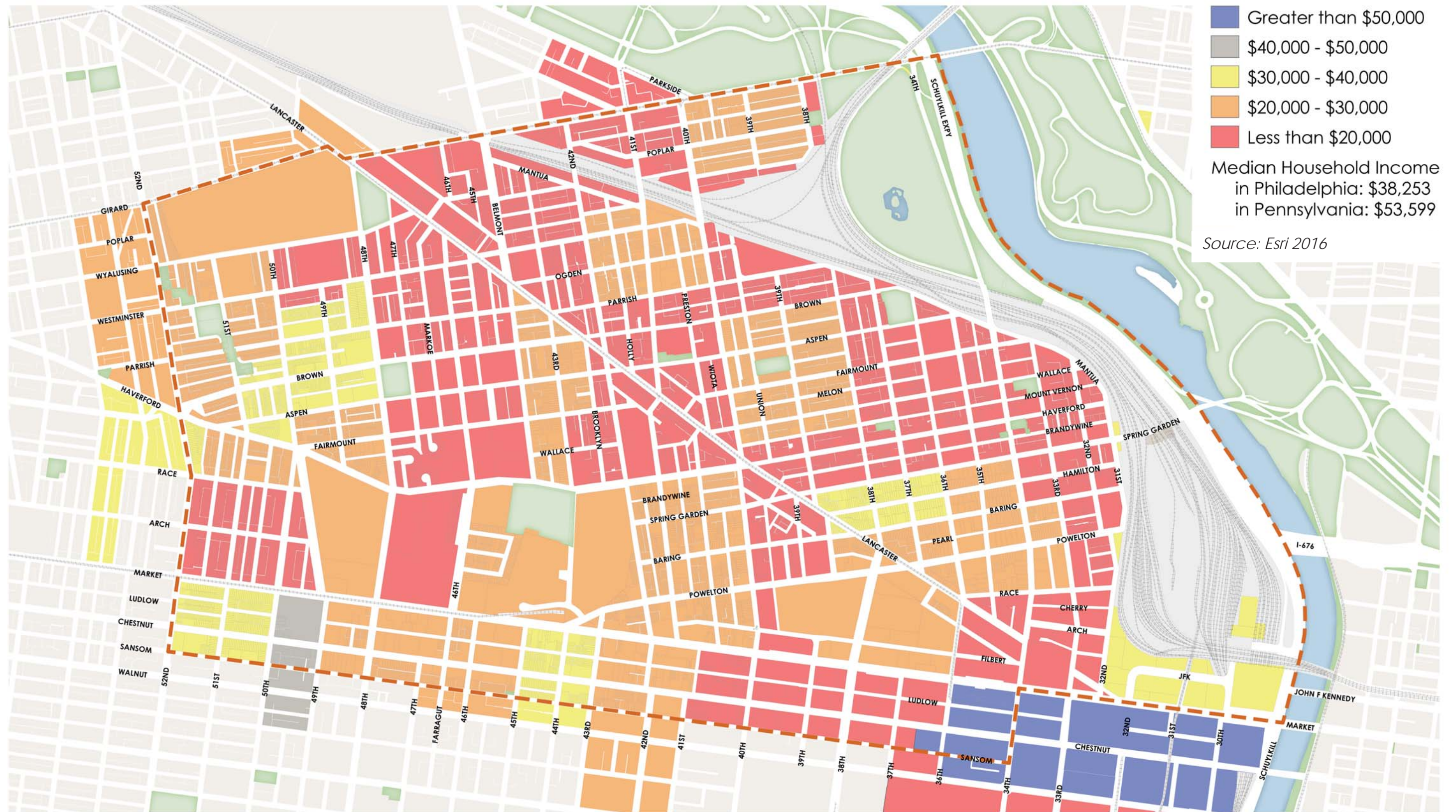
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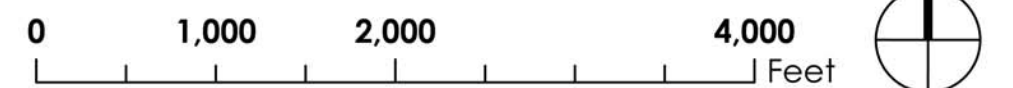




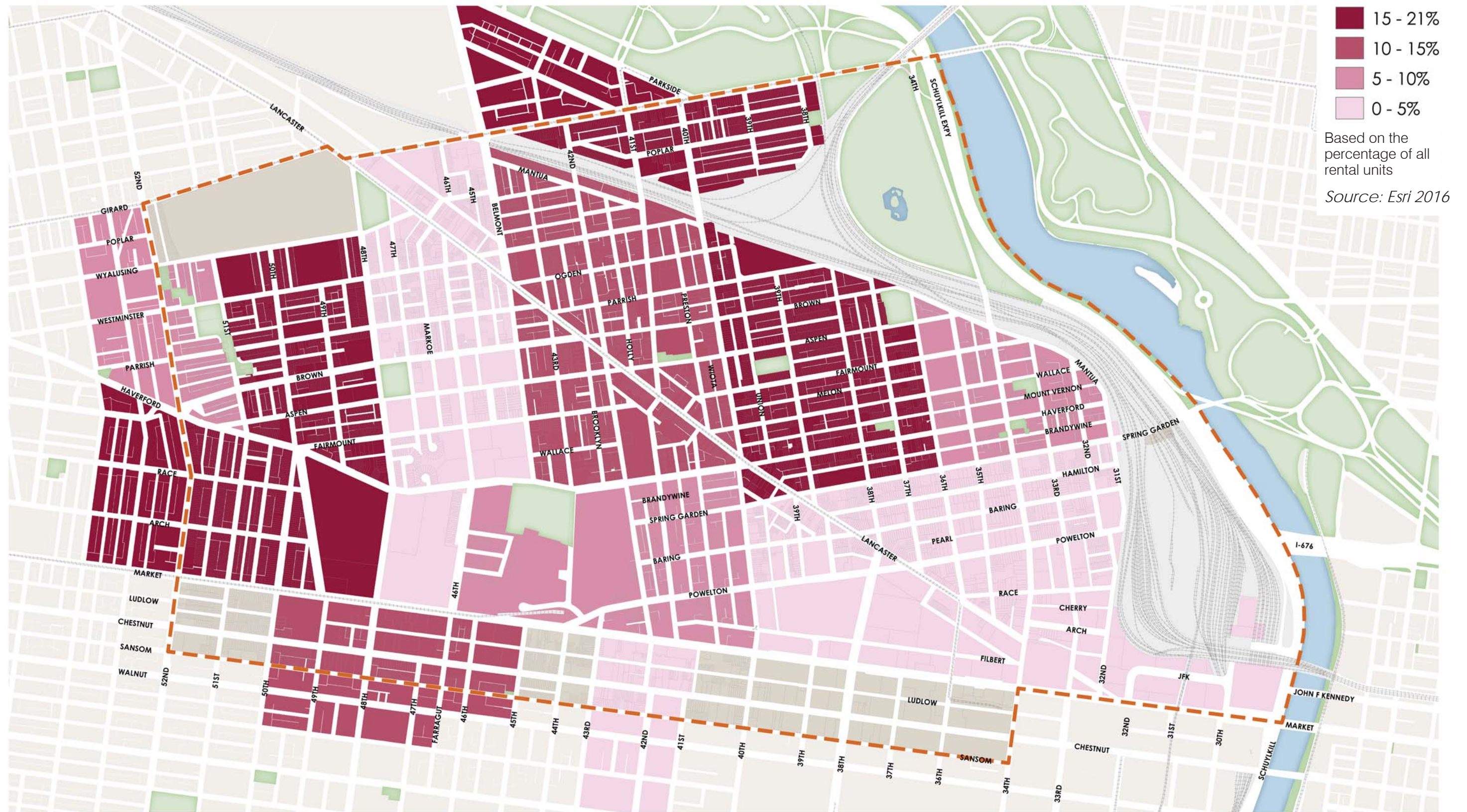




PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
 Median Household Income by Census Block Group, 2016



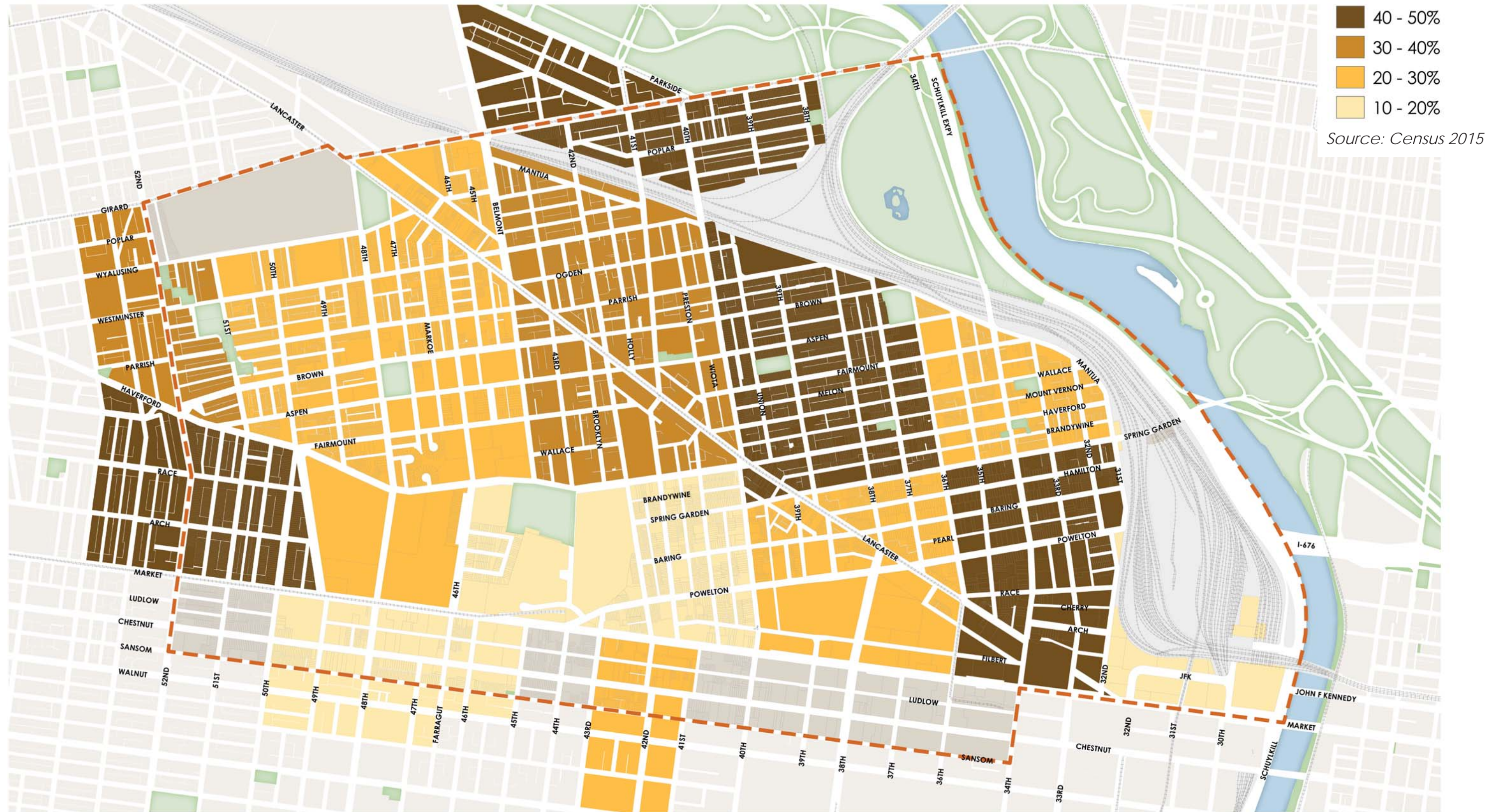




**PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY**  
 Concentration of Housing Choice Voucher Use by Census Tract

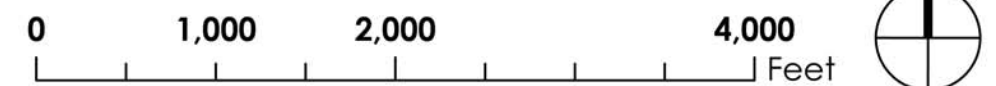




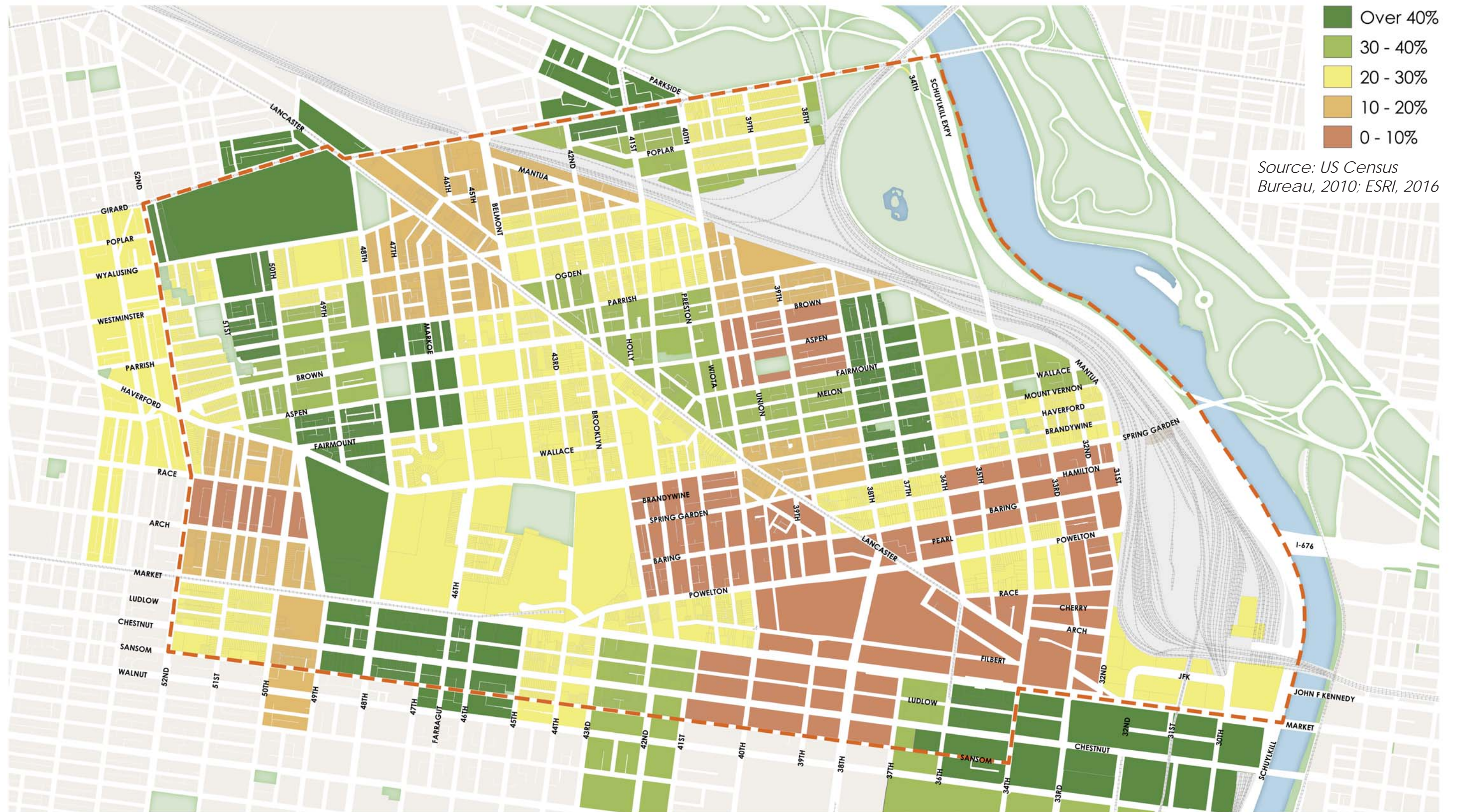


## PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY

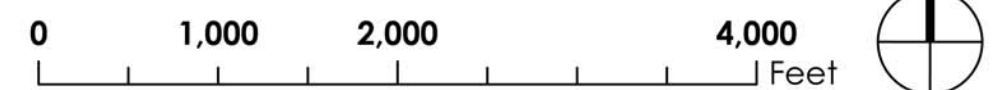
Severely Cost Burdened Renter Households (Housing Costs Over 50% of Income) by Census Tract







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Household Growth by Census Block Group, 2010-2016



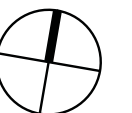
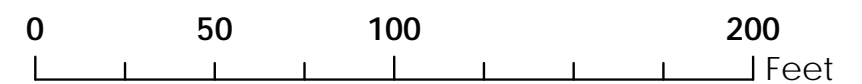


# Target Housing Sites Analysis Maps





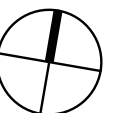
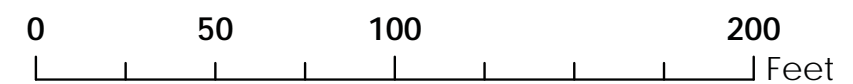
# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 34th Street Gateway - Building Condition







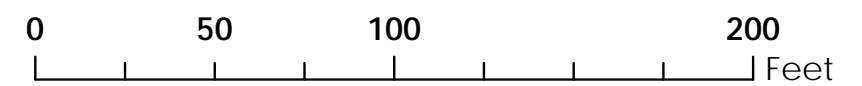
# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 34th Street Gateway - Crime (2006-2016)







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 34th Street Gateway - Building Height





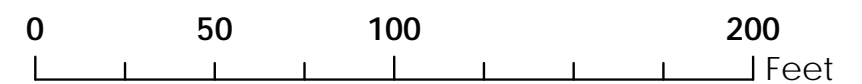


# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 34th Street Gateway - Major Property Owners





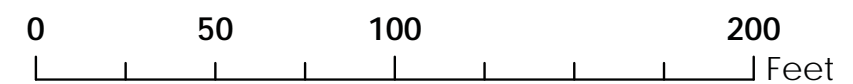
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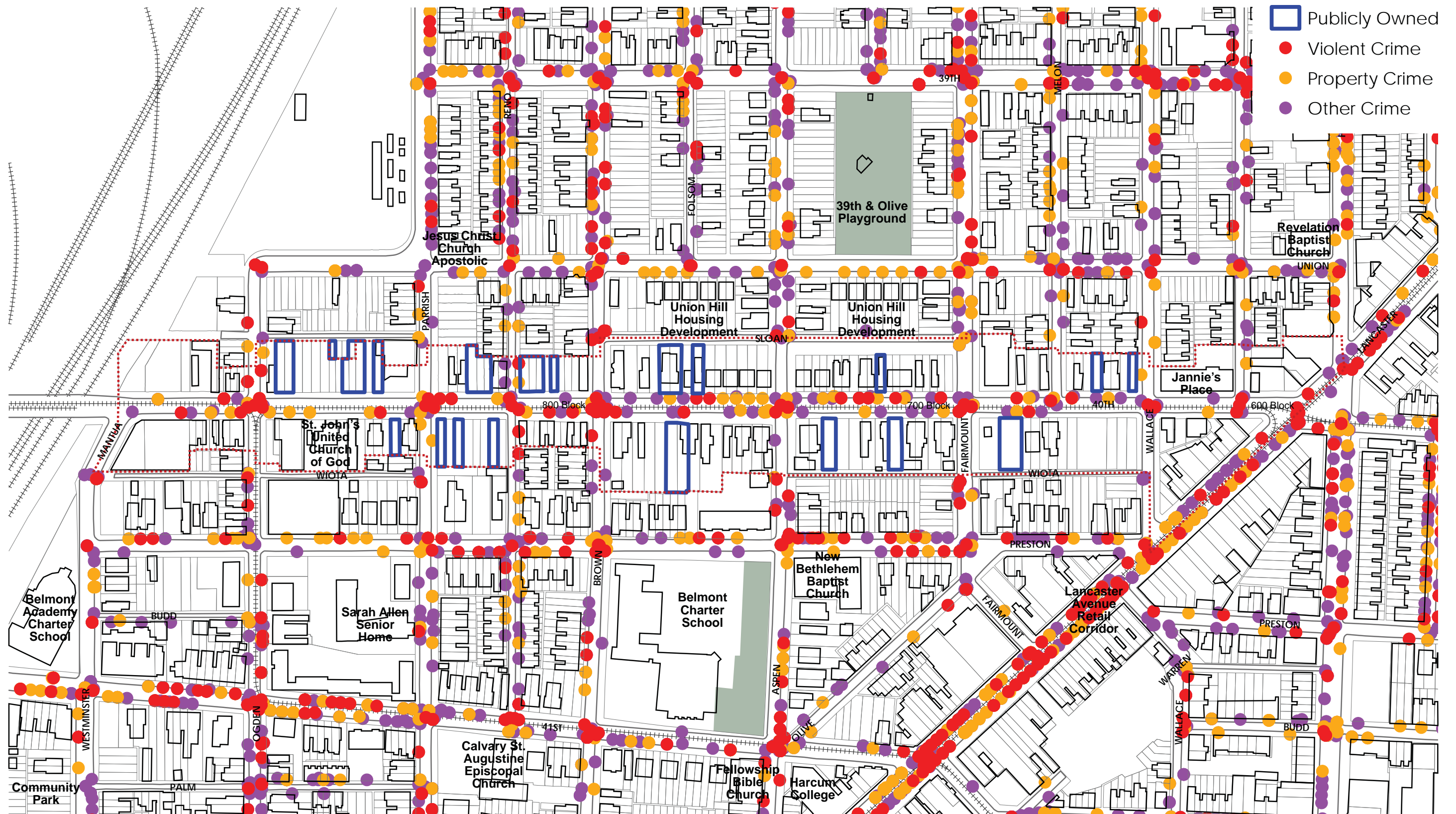
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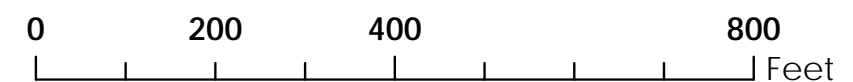








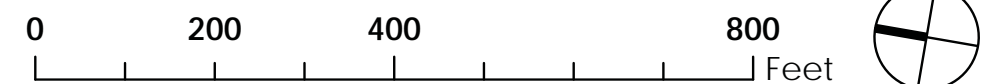
PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
40th Street Corridor - Crime (2006-2016)







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 40th Street Corridor - Building Height





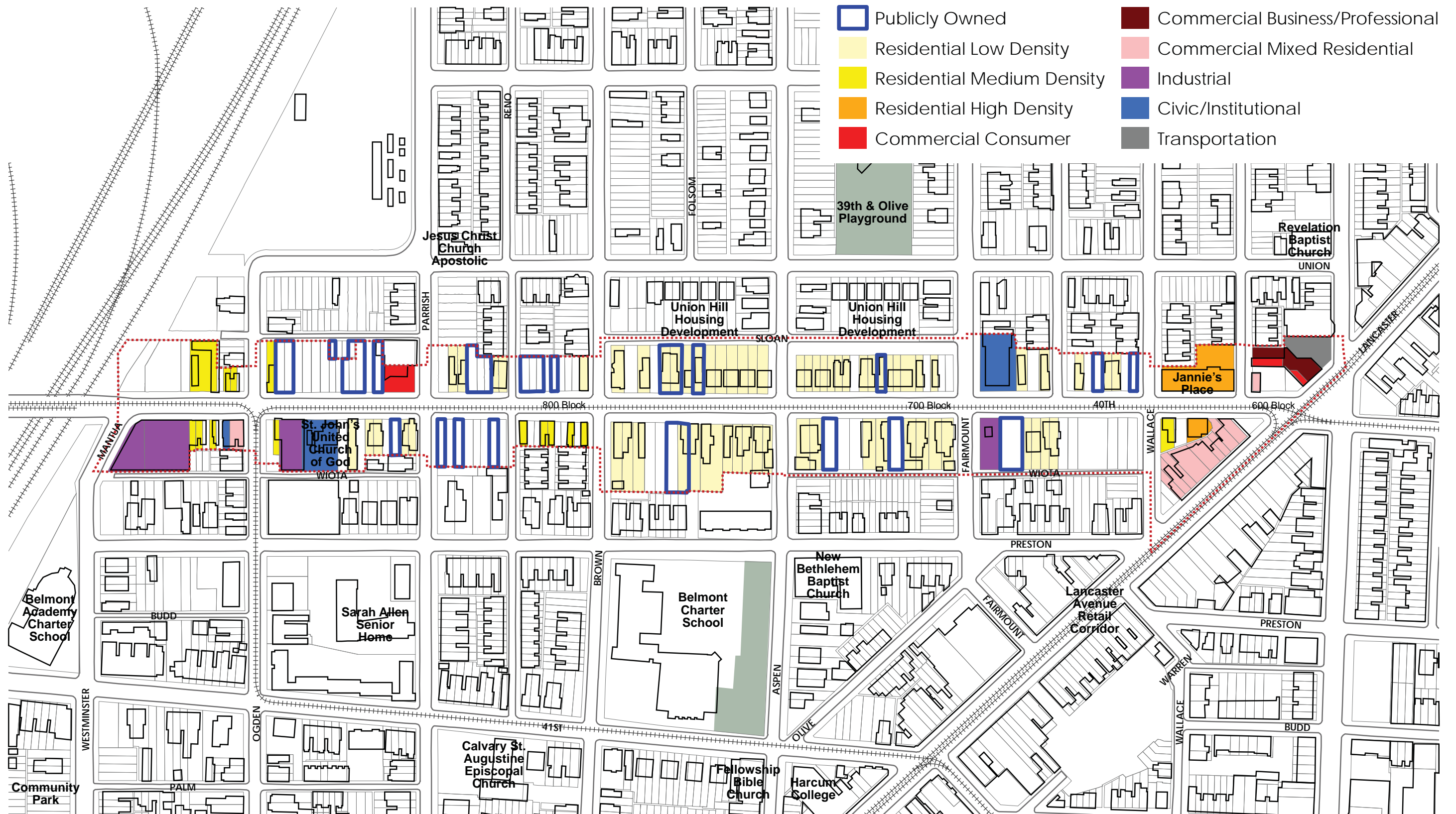


# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 40th Street Corridor - Major Property Owners

0 200 400 800 Feet





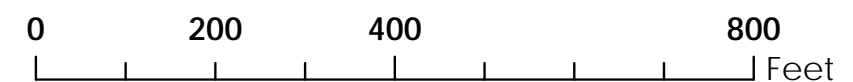


PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
40th Street Station Area - Land Use





# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 40th Street Corridor - Vacancy

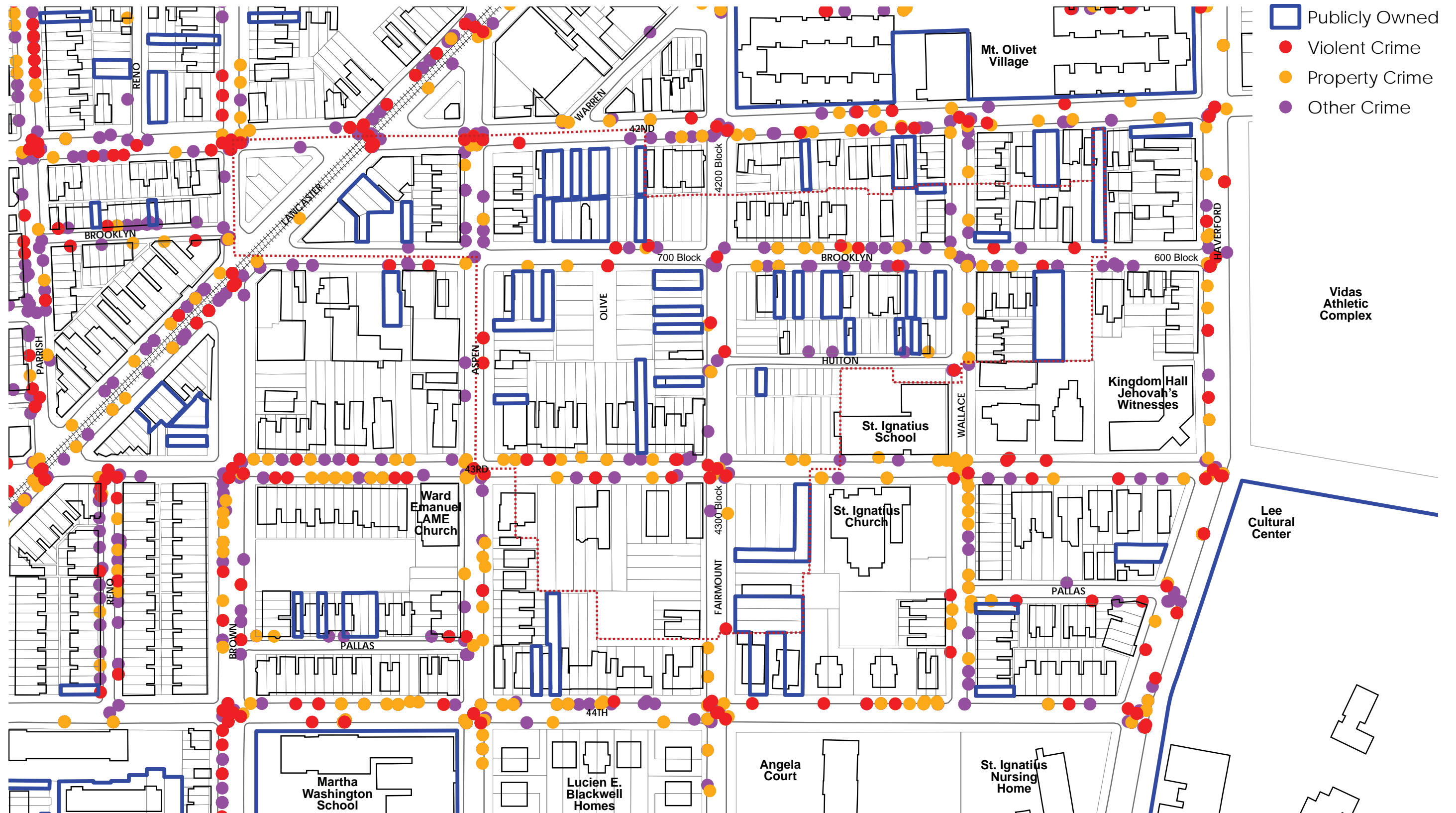




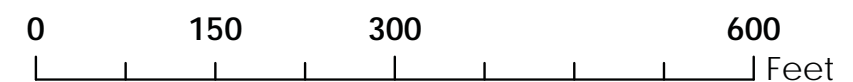


# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Brooklyn Heights - Building Condition





PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
 Brooklyn Heights - Crime (2006-2016)







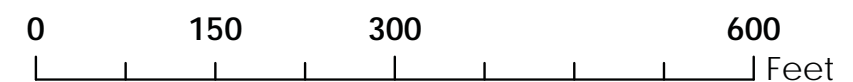
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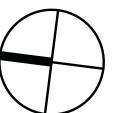
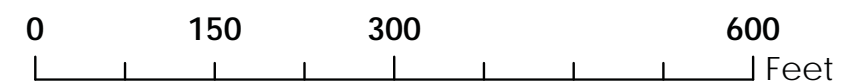
# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Brooklyn Heights - Major Property Owners







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Brooklyn Heights - Land Use







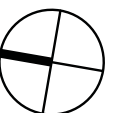
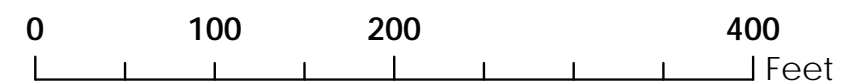
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 Brooklyn Heights - Vacancy







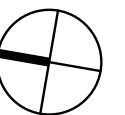
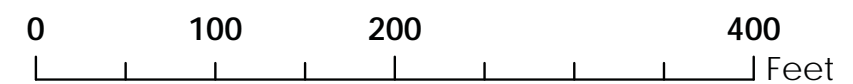
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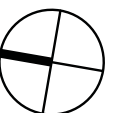
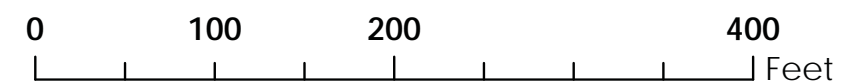
PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
Folsom Street Infill - Crime (2006-2016)







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY Folsom Street Infill - Building Height



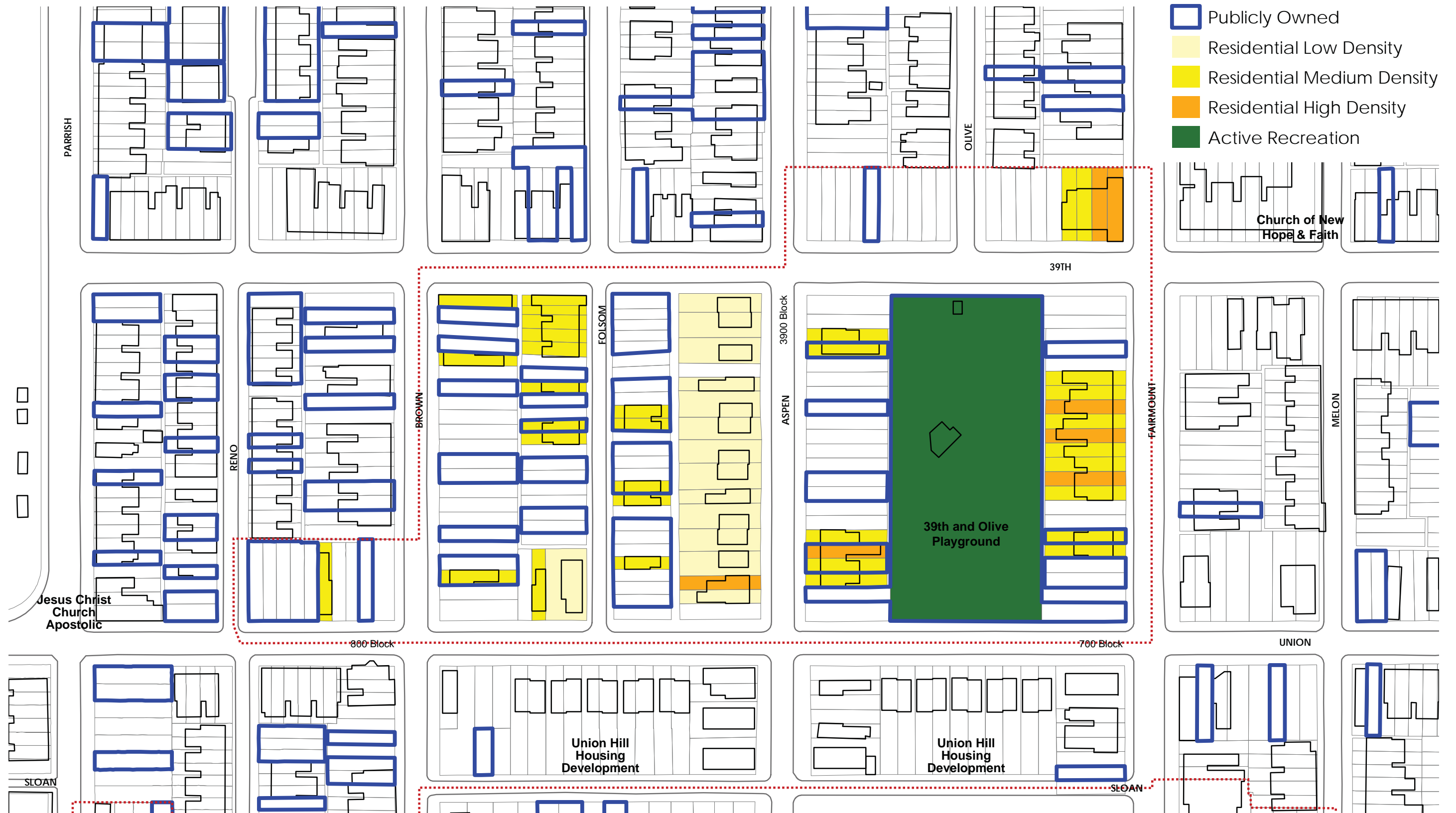




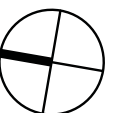
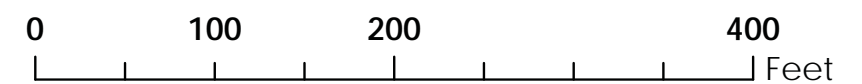
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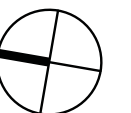
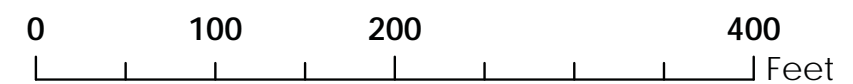
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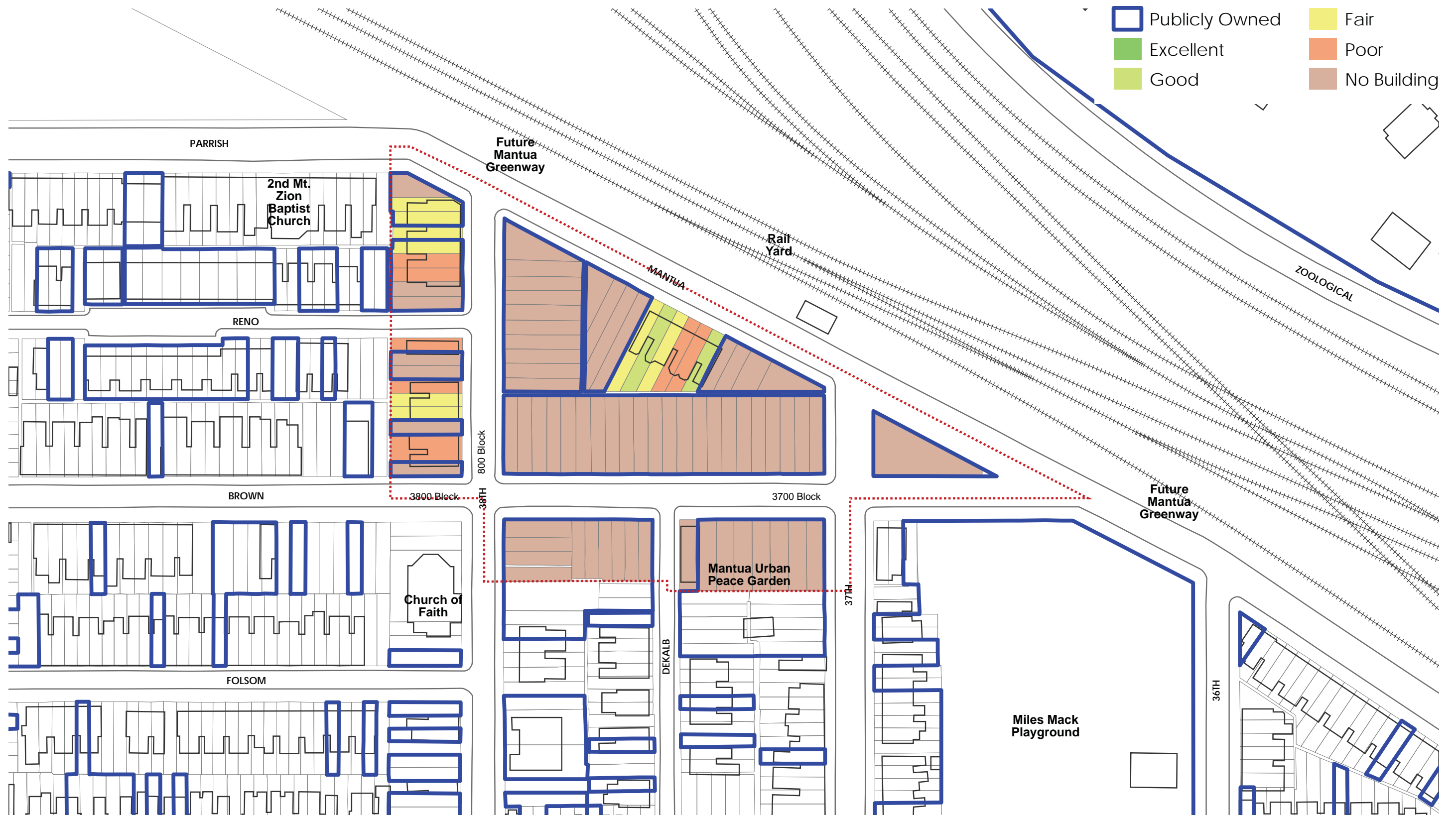




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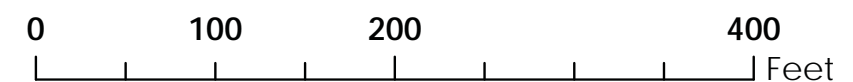
PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
38th and Brown Area - Building Condition







PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
38th and Brown Area - Crime (2006-2016)



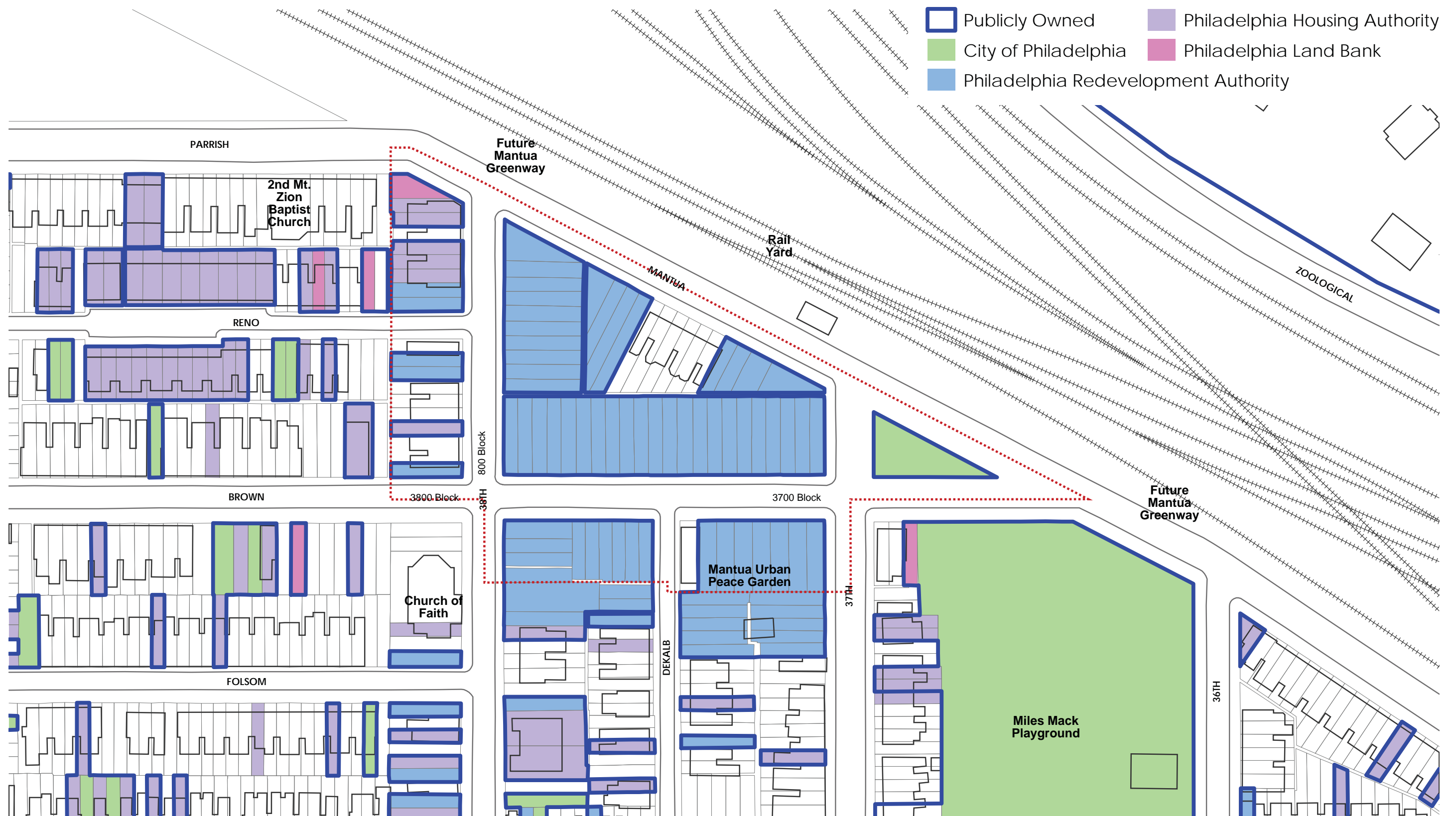




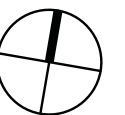
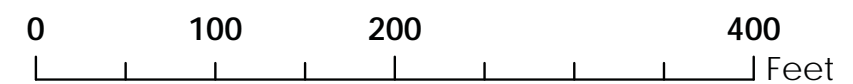
# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 38th and Brown Area - Building Height







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 38th and Brown Area - Major Property Owners







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 38th and Brown Area - Land Use



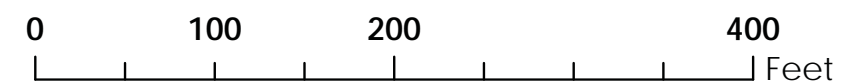


PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
38th and Brown Area - Vacancy





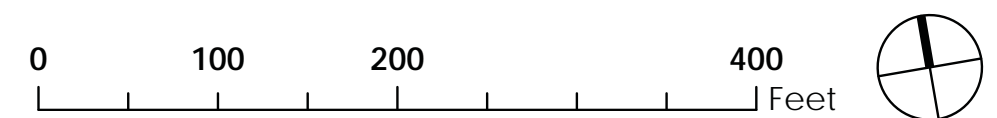
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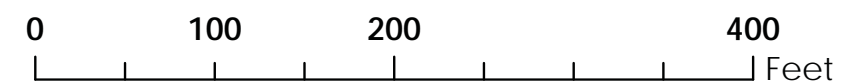
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Haverford Corridor - Crime (2006-2016)







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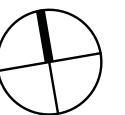
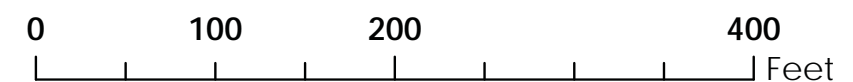






## PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY

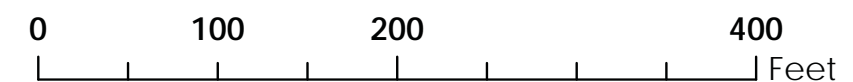
### Haverford Corridor - Major Property Owners







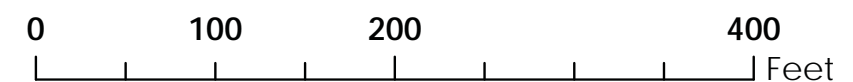
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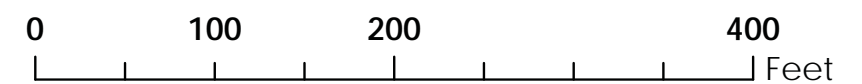
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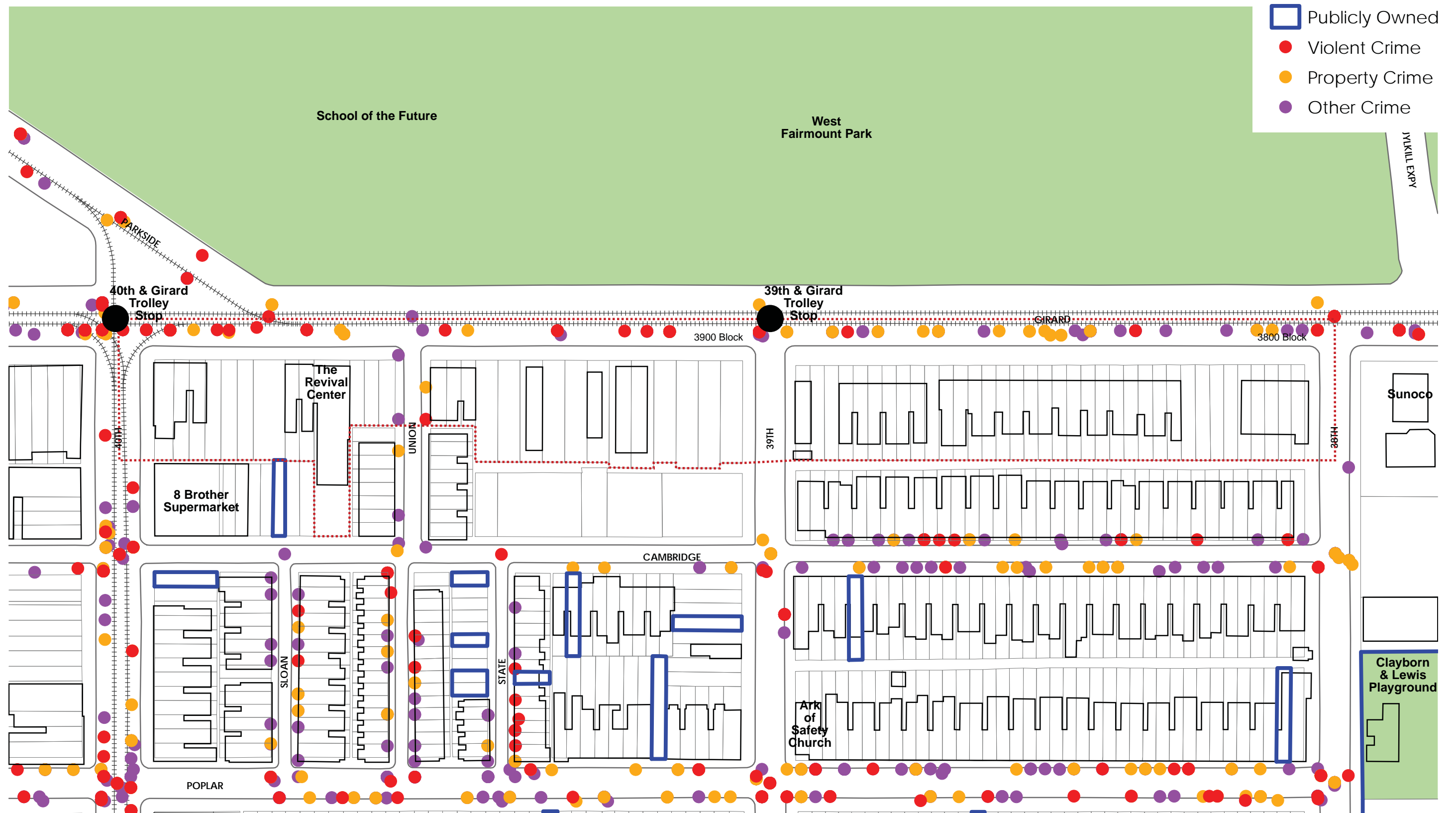




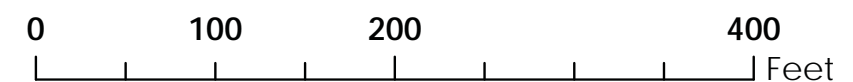
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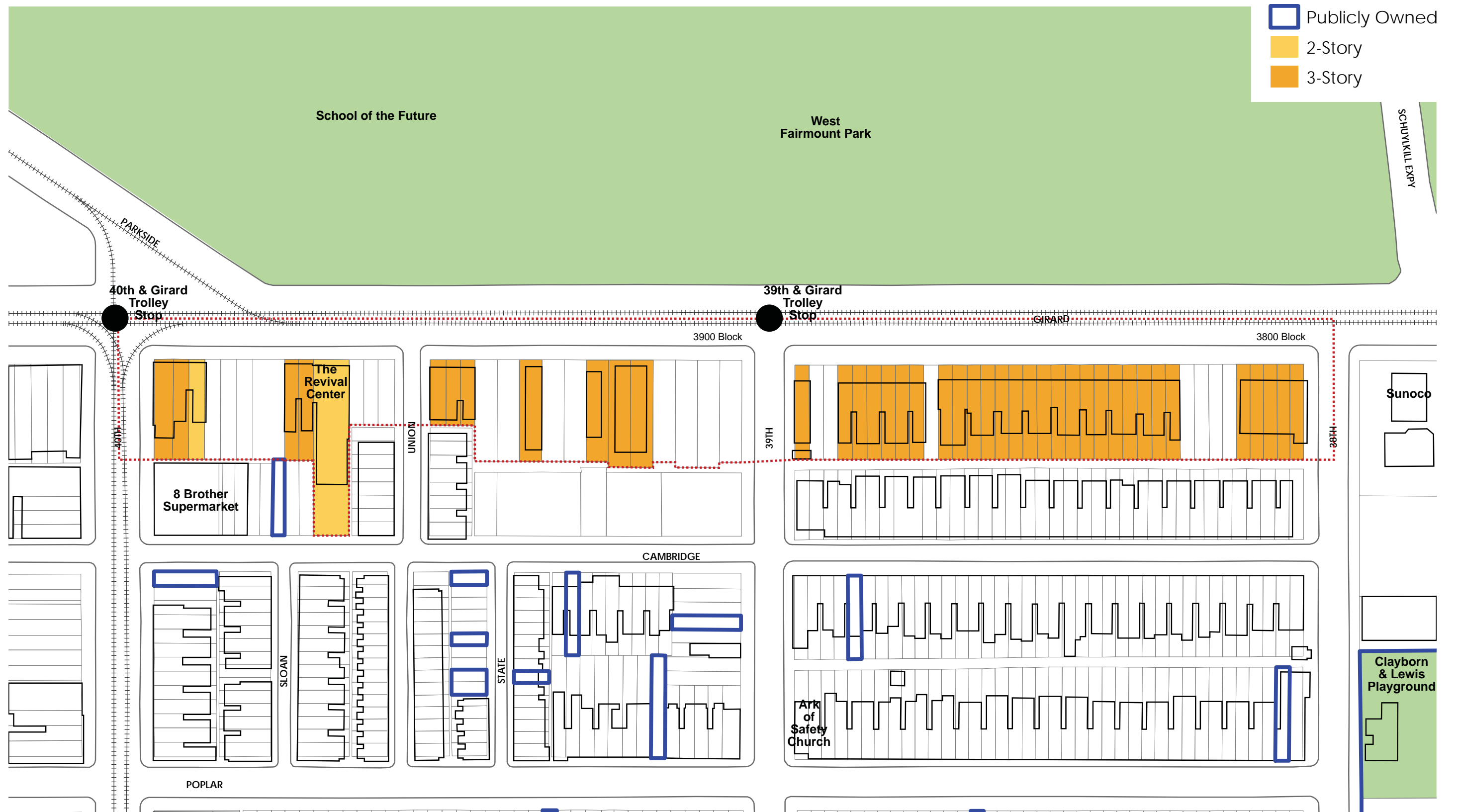




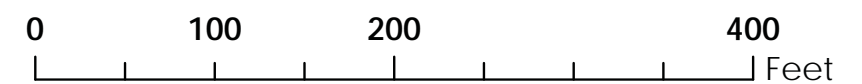
PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
Folsom Street Infill - Crime (2006-2016)



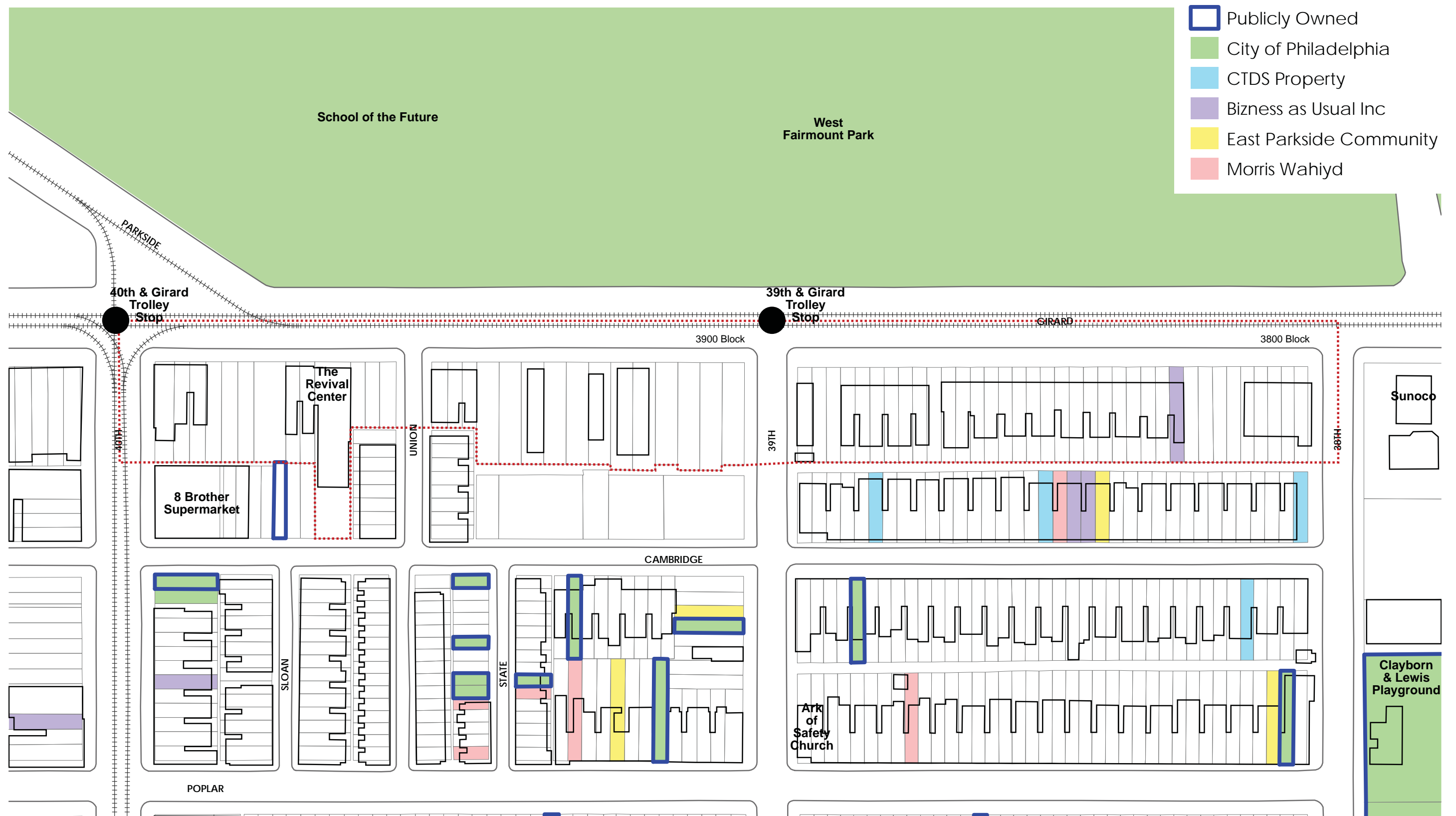




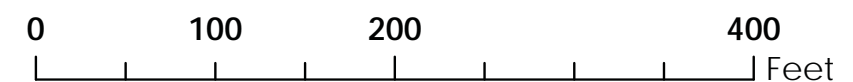
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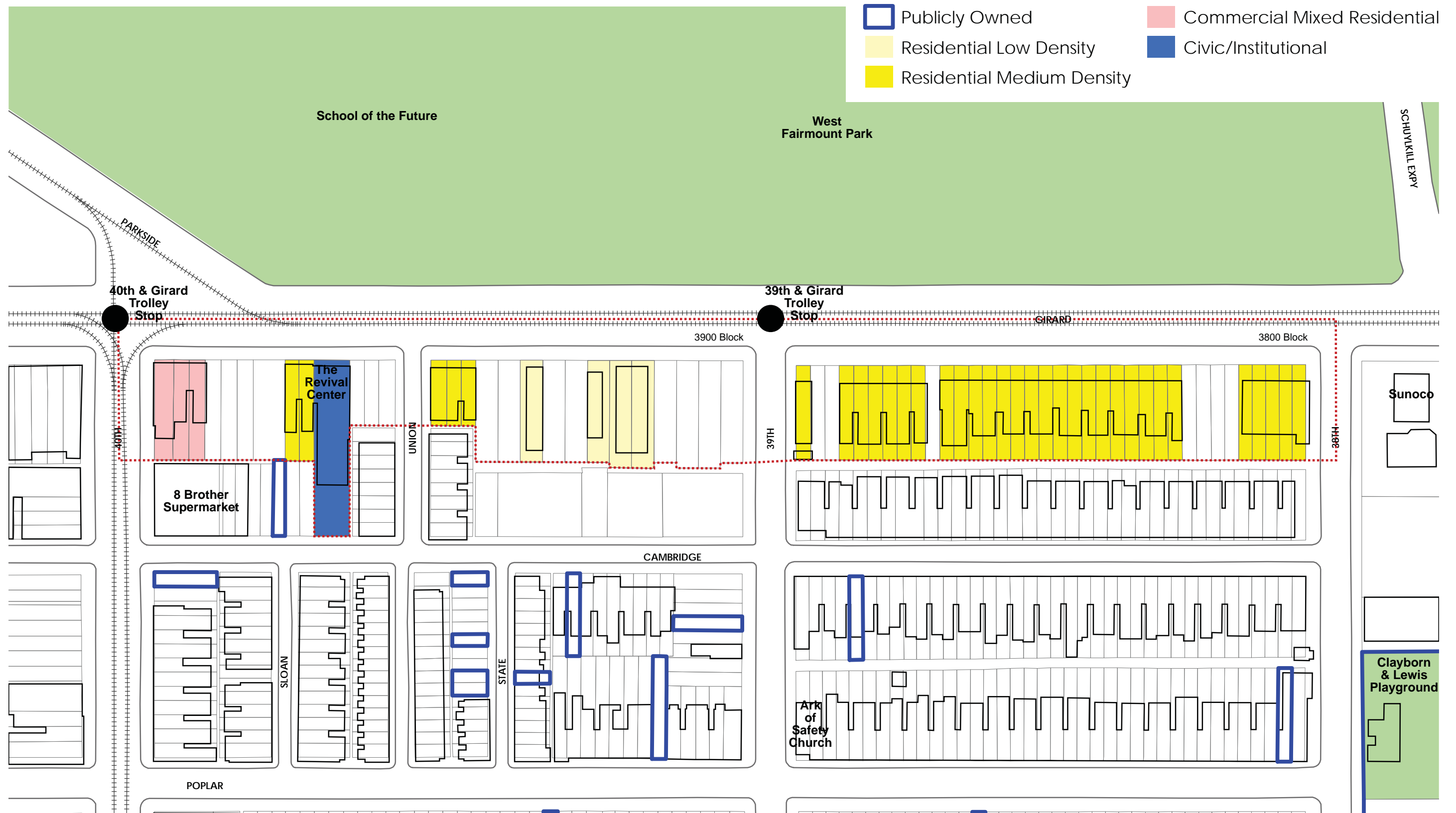




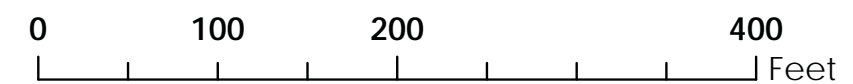
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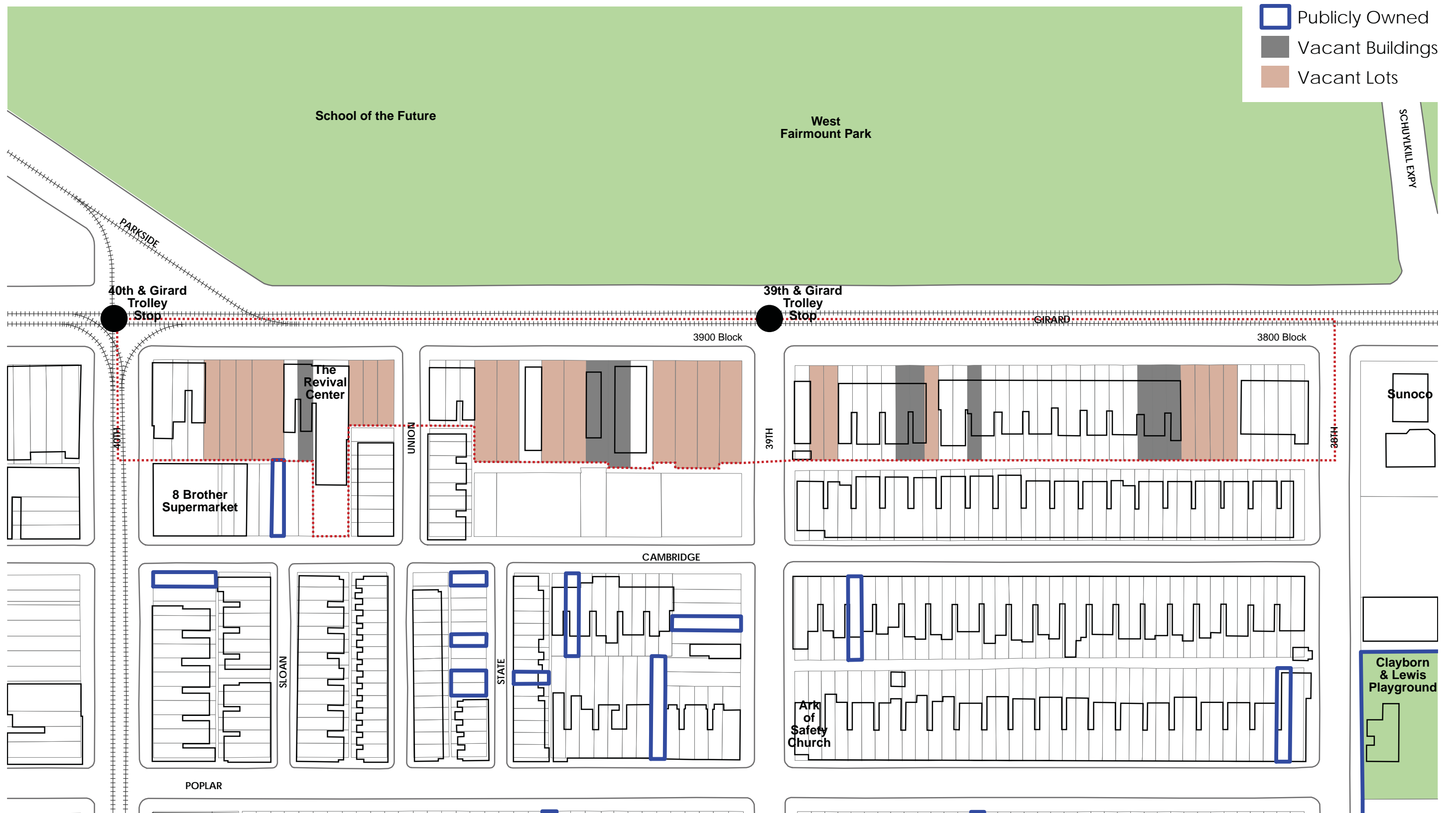




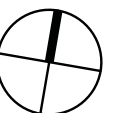
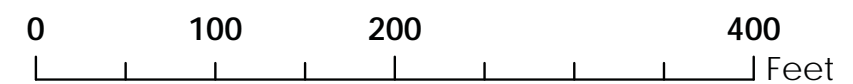
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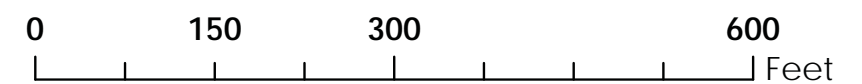
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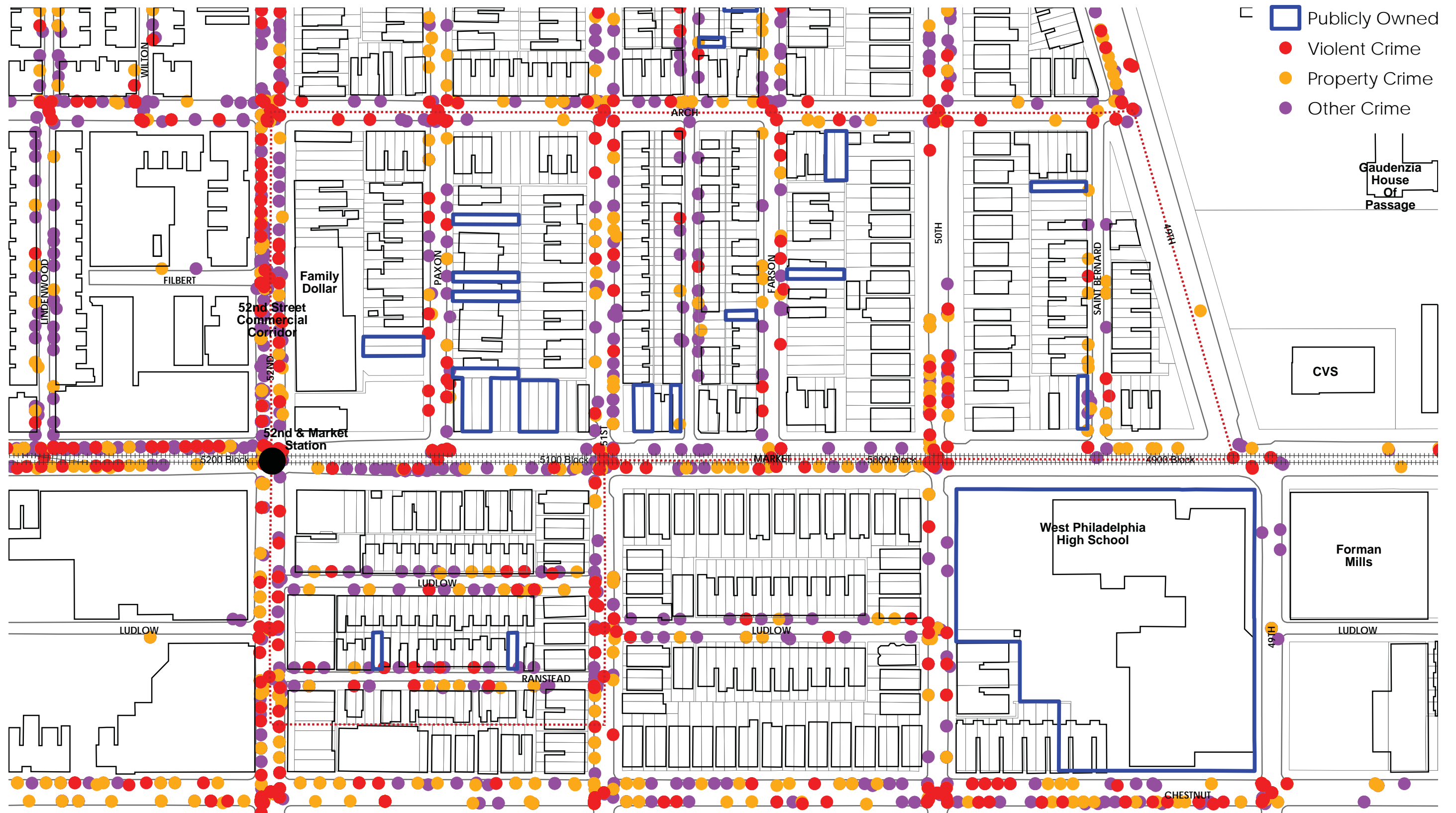




# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 52nd Street Station Area - Building Condition







PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
52nd Street Station Area - Crime (2006-2016)

0 150 300 600 Feet







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 52nd Street Station Area - Building Height





# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 52nd Street Station Area - Major Property Owners





# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 52nd Street Station Area - Land Use

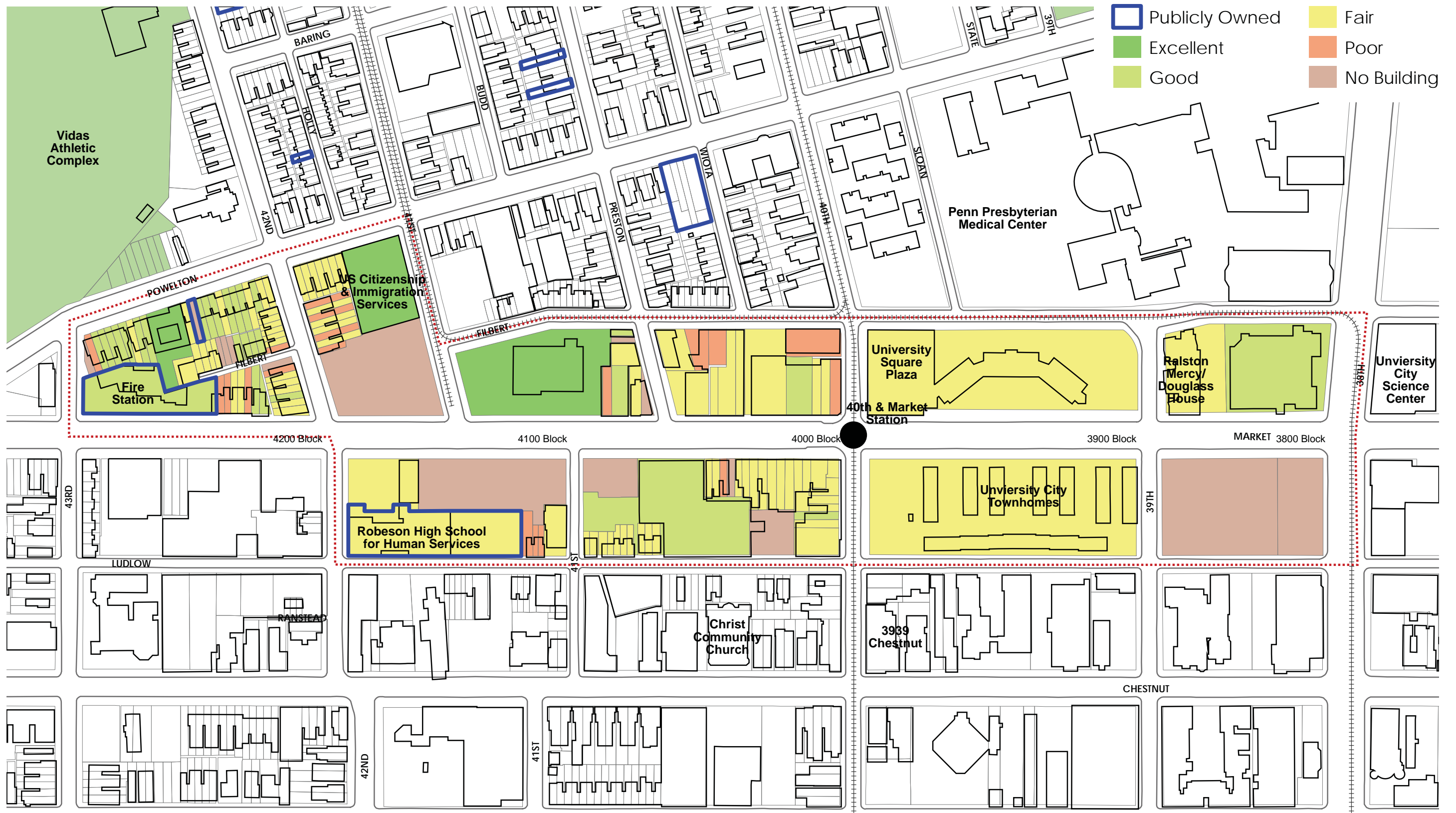






# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 52nd Street Station Area - Vacancy





# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 40th Street Station Area - Building Condition

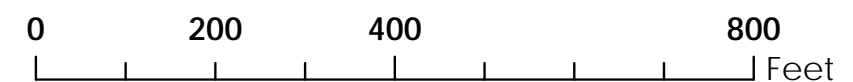
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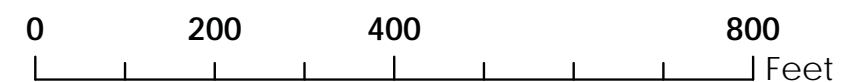
PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
40th Street Station Area - Crime (2006-2016)







# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 40th Street Station Area - Building Height







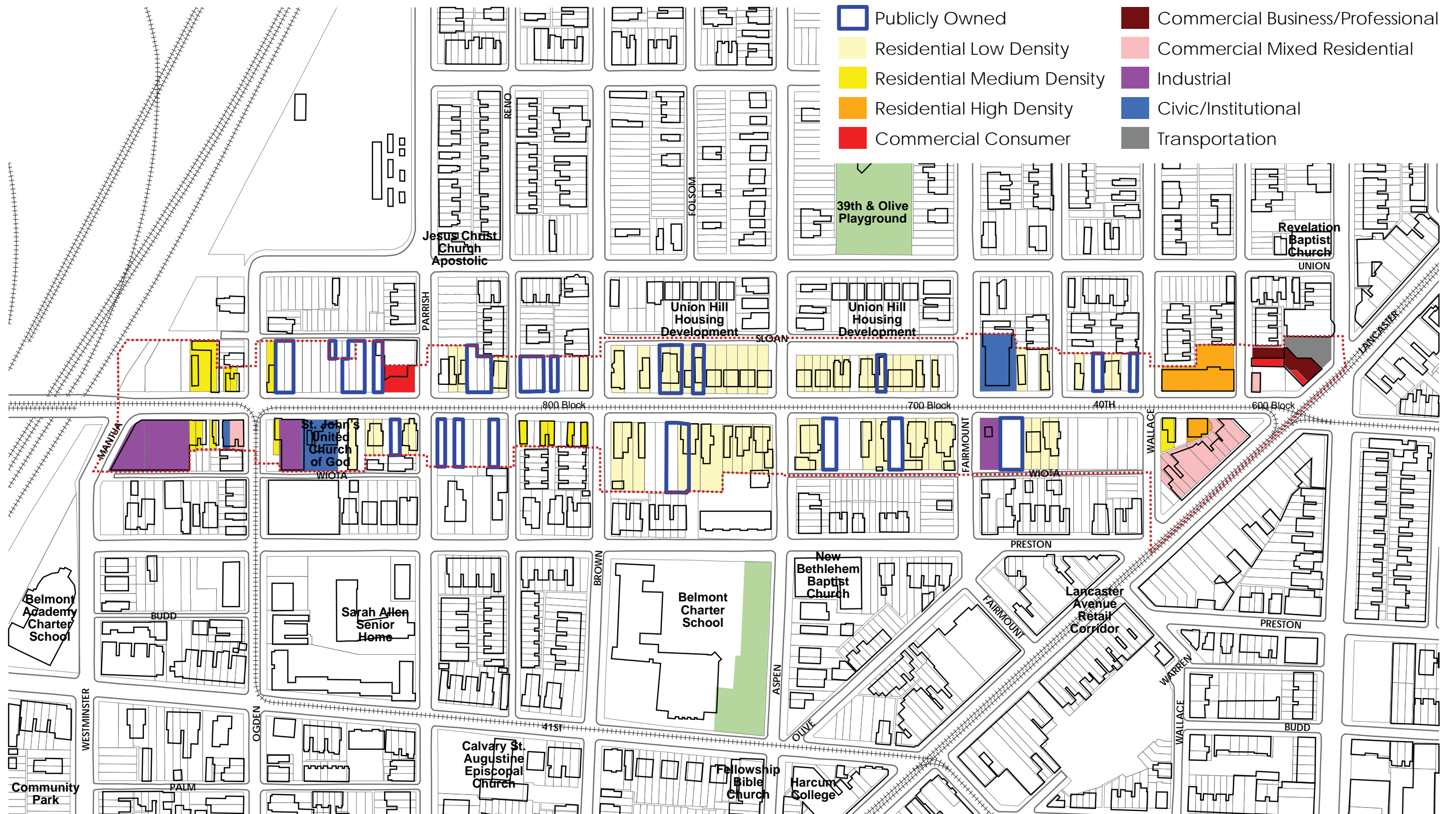
## PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY

### 40th Street Station Area - Major Property Owners

0 200 400 800 Feet







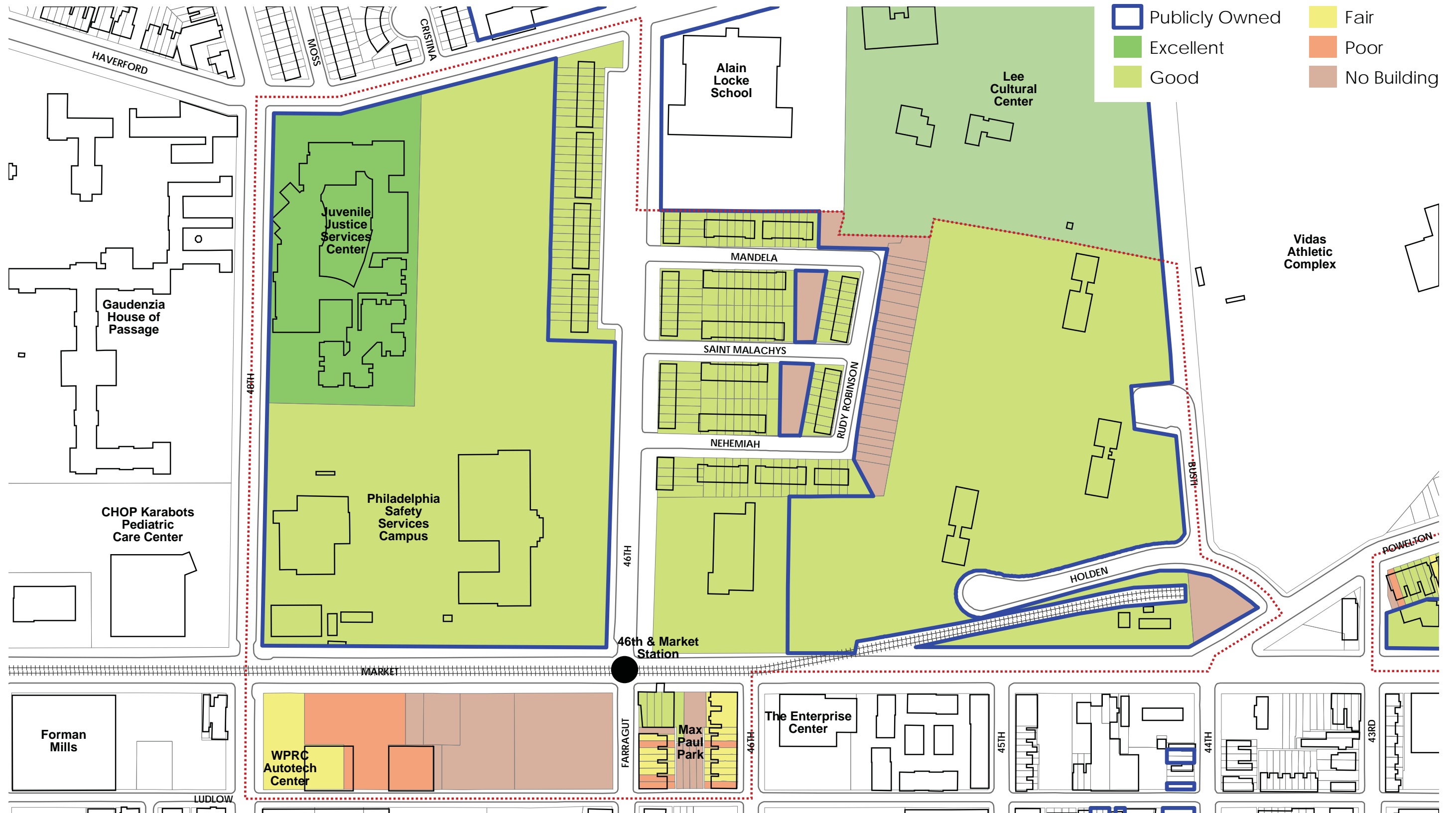
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40th Street Station Area - Land Use



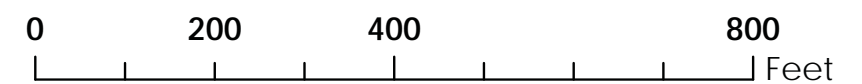


# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 40th Street Corridor - Vacancy





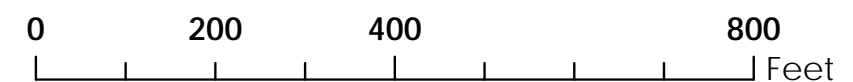
# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 46th Street Station Area - Building Condition







PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY  
46th Street Station Area - Crime (2006-2016)











## PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY

### 46th Street Station Area - Major Property Owners

0 200 400 800 Feet



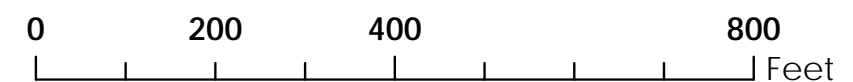








# PROMISE ZONE COMPREHENSIVE HOUSING STRATEGY 46th Street Station Area - Vacancy





# West Philadelphia Promise Zone Housing Market Analysis



# 1. INTRODUCTION

Real Estate Strategies, Inc. (RES) has conducted an analysis of real estate market conditions in the West Philadelphia Promise Zone (PZ). The findings and recommendations are based on market research conducted during the first half of 2017. The analysis is focused primarily on the PZ’s residential market potential with the goal of assisting the PZ Housing Sub-Committee in rationalizing and prioritizing housing recommendations from the more than 40 existing neighborhood plans in effect within the PZ geography. The Housing Sub-Committee is particularly interested in creating housing opportunities for low- and moderate-income residents residing in the PZ.

Working with KSK and the project steering committee, RES provided input about which target area identified in previous plans are most appropriate for residential redevelopment given current market conditions. RES also reviewed the market for neighborhood commercial uses to provide guidance on whether mixed-use development should be encouraged in these priority areas. The following sections of this report include:

- An analysis of the advantages and challenges of the PZ study area for residential development;
- Definition of the primary market area (PMA) within which housing in the PZ competes and a profile of current and projected economic and demographic conditions in the PZ and the PMA;
- A survey of competitive residential supply including affordable and market-rate rental housing and for-sale housing units in the PMA;
- An estimate of five-year residential demand and the percentage of demand that could be captured within the PZ;
- Recommendations about product types and locations with market support in the PZ.

Much of the base information about existing conditions in the PZ has been presented in the main body of the Comprehensive Housing Strategy report and is not restated in this market analysis. RES has contributed to and reviewed this data, and it underpins the market study findings. This market analysis report should be read in conjunction with the full Comprehensive Housing Strategy report and is not itself a stand-alone document.

## Key Findings

- The PZ offers excellent access to employment, transit and health care. Employment in University City has been trending upward, and growth is expected to continue. Limited access to neighborhood retail in the Mantua and Belmont neighborhoods, a high incidence of crime in the core of the PZ, and the presence of deteriorated structures on many blocks are challenges that impact demand for housing.
- The PMA within which housing in the PZ is expected to compete for tenants and homebuyers is defined as five West Philadelphia zip codes: 19104; 19131; 19139; 19143; and 19151. An increase of 2,335 households is projected in the PMA over the next five years.

- Residential demand in the PZ has increased over time because of both educational institution expansion and the increase in employment in University City. Several thousand beds of new student-oriented housing as well as higher-end rental units targeted to professionals have been produced in the PZ. Drexel University’s enrollment has declined over the past two years and some layoffs at the University have occurred. Collectively, these trends should result in somewhat reduced student rental pressure in Mantua and West Powelton/Saunders Park in the short term. Because of their proximity to major employers and the Market Street transit corridor, the Mantua and West Powelton/Saunders Park neighborhoods will continue to experience market-rate development pressure.
- An estimated 645 market-rate and 154 affordable residential units are in the development pipeline in the PZ.
- Taking into account household growth, projects already planned, and replacement demand, RES estimates demand for the development or substantial rehabilitation of an additional 350 to 650 rental units and 125 to 200 homeownership units in the PZ over the next five years.
- There is a significant stock of income-restricted affordable housing in the PZ, and many landlords accept Housing Choice Vouchers (HCVs). Expiring HUD subsidy contracts at a number of larger multifamily buildings, particularly around the 40<sup>th</sup> Street MFL station, signal a need for proactive affordable housing preservation efforts in the PZ. In areas where students shop for apartments, rents have risen above Fair Market Rents (FMRs) making it difficult for low- and moderate-income households to use HCVs. LIHTC properties in their extended use period (after Year 15) are permitted to rent units to income-qualified full-time students.
- 12,728 households in the PMA either live in income-restricted housing or utilize HCVs within the PMA. Despite this assistance, 37% of PMA renters are severely cost burdened (spending more than 50% of income for housing costs) indicating a strong need for additional affordable housing.
- Clusters of existing homeownership—particularly Union Hill, the homeownership units developed on Fairmount Avenue as part of the Lucien Blackwell Homes HOPE VI, and the older neighborhood of Nehemiah homes on the east side of 46<sup>th</sup> Street--should be strengthened by additional homeownership development. Crime prevention is critical to the success of new homeownership initiatives. Drexel’s efforts to partner with the Powel School and the Science Leadership Academy should increase interest from prospective homeowners in the catchment areas for these schools.
- An increase in the number of households in the 25-44 year age cohort is expected over the next five years. Both homeownership and rental housing with two or three bedrooms would be appropriate to address the needs of these households.



- 300 tax abatement applications were submitted to the City for PZ residential properties from 2011 through 2015, an indication of both new construction and investment in existing residential structures. Almost 60% of the applications were for properties in the Mantua neighborhood.
- Scattered site LIHTC development has been cost-effective in West Philadelphia, and research has shown that these developments have a more positive impact on surrounding property values than a multi-family building with an equivalent number of units. Given the presence of vacant or deteriorated homes in parts of the PZ, as well as a significant inventory of vacant lots, this approach would be appropriate for producing additional general occupancy housing moving forward. Around transit stops, however, higher density multifamily development would be most appropriate.
- The aging of the Baby Boom population will lead to a large increase in the number of senior-headed households in the PZ and the PMA over the next five to ten years. Many of these households have extremely low incomes and will require rent subsidies to afford quality housing. Existing rent-subsidized senior developments are fully occupied, indicating demand for additional affordable senior rental housing development in the PZ.
- Census data indicate that a large number of senior and near senior homeowners live in the PZ, including some who have occupied their homes for decades. Many of these older homeowners have very low incomes. Strategies for helping these households maintain their homes and age in place will be important over the next decade.
- The PZ has a number of designated commercial corridors within its boundaries. Development outside of these areas should be solely residential. First floor commercial space in mixed-use buildings would be appropriate for visible locations along major corridors such as Haverford Avenue, Lancaster Ave and at TOD locations on Market Street.
- The build out of uCity Square should help to anchor the lower end of the Lancaster Avenue commercial corridor, however lower household and income density in Belmont and Mill Creek have resulted in limited commercial viability of the Lancaster Avenue corridor west of 42nd Street. Siting additional retail, particularly a 15,000- to 20,000-square foot grocery store, in Mantua would take advantage of greater population and income density and serve a part of the PZ at a distance from existing supermarkets.

### Terms and Conditions

Our report has not ascertained the legal and regulatory requirements applicable to this project. Our report is based on estimates, assumptions and other information developed from research of the market, our knowledge of the industry and other factors, including certain information provided by the project steering committee. The sources of information and bases of the estimates and assumptions are stated in our market study. Some assumptions inevitably will not materialize, and unanticipated events

and circumstances may occur; therefore, actual results will vary from those described in our market study, and the variations may be material.

Further, we have neither evaluated management’s effectiveness nor are we responsible for future marketing efforts and other management actions upon which actual results will depend. We will have no responsibility for updating our market study to account for events and circumstances that occur after the date of our market study. Our report is intended for the information of the KSK consultant team and the PZ Housing Sub-Committee. Otherwise, neither our report nor its contents, nor any reference to Real Estate Strategies, Inc., may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, loan, appraisal or other agreement or document without our prior written permission.

## 2. AREA ANALYSIS

The PZ location offers a number of advantages for housing development:

- Proximity to employment opportunities is a major driver of residential demand. The PZ is strategically located adjacent to and partially overlapping Philadelphia’s University City, a major Philadelphia **employment center**. University City is home to a concentration of educational (University of Pennsylvania, Drexel University, University of the Sciences in Philadelphia) and medical (Hospital of the University of Pennsylvania, Penn Presbyterian, Children’s Hospital of Philadelphia, Veteran’s Administration) institutions that have grown and attracted additional knowledge-based enterprises to West Philadelphia. The University City District (UCD), a special services district, serves both the institutional and surrounding residential neighborhoods in this part of Philadelphia.
- Employment is **growing** in University City. UCD reports that in 2016, there were more than 77,000 jobs within the boundaries of the University City District; the count has grown by 2,000 jobs since 2014. The City’s renovation of 4601 Market—originally expected to bring +/- 900 employees to the Promise Zone—has been placed on hold. The Kenney administration has revised the original concept of relocating Police Headquarters to this site and is soliciting proposals from the development community. Drexel University is undertaking two efforts to cement the Market Street corridor in University City as a center for innovation: uCity Square (in conjunction with Wexford) and Schuylkill Yards (in conjunction with Brandywine Realty Trust). These efforts should further employment growth in and around the PZ.
- The PZ has **strong transit connections** both within the City and surrounding areas and regionally. Both SEPTA and Amtrak provide rail service from 30<sup>th</sup> Street Station. The Market-Frankford Line (MFL) runs along Market Street and connects West Philadelphia to Center City as well as regional connections at the 69<sup>th</sup> Street Terminal in Upper Darby. The PZ is served both by SEPTA bus routes as well as trolleys running on Lancaster Avenue and Girard Avenue.



- Top quality **health care** is available at the teaching and research hospitals that are located within close proximity to the PZ. In addition to medical services, these hospitals also create employment opportunities for residents with a variety of educational and skill levels.

Despite the many advantages of the PZ location, several challenges are present that could affect potential demand for housing, particularly for homeownership units.

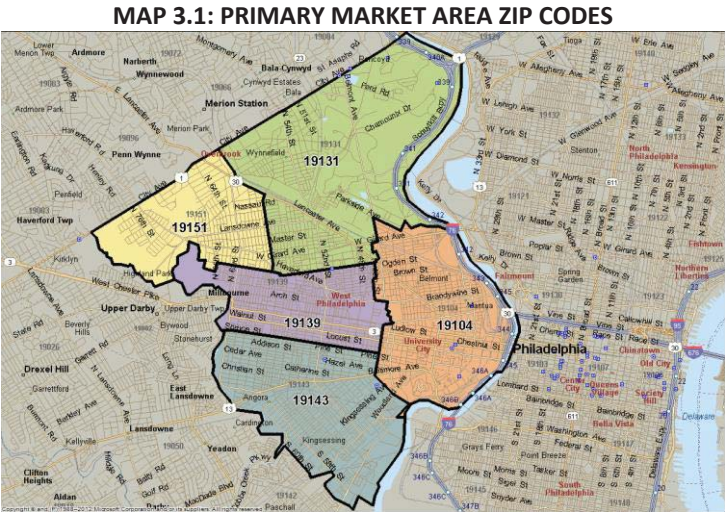
- Although student and daytime employment retail and service needs are met, **neighborhood retailing is weak** in parts of the PZ, particularly in Mantua and Belmont. New retail space is proposed as part of uCity Square, but reportedly will be targeted to office workers rather than residents.
- The **crime rate is high** in the core of the PZ. Effective crime monitoring and prevention activities are critical to supporting residential and commercial development in the PZ. With its large investment in the HOPE VI redevelopment of the Millcreek neighborhood, PHA could be an important resource in addressing crime hot spots in this part of the PZ.
- Despite new affordable and market-rate housing development in the PZ, many **existing structures are deteriorated**.
- After a decade of growth, a **decrease in the college-age population** nationwide is leading some colleges and university to streamline and refocus curricular offerings and pare administrative payrolls. Both Drexel and the University of the Sciences in Philadelphia laid off faculty and administrators in 2017. After growing its student body dramatically during the institution’s transition from commutercollege to residential university, Drexel has tightened its undergraduate admissions standards. As a result, the University is experiencing lower enrollment levels than in the 2010-15 period. Drexel’s administration believes this admissions approach will result in higher student retention and that enrollment levels will stabilize as a result. Decreases in enrollment as well as the recent construction of more than 2,000 beds of privately developed student housing will reduce the rental pressure from Drexel students in neighborhoods surrounding the University campus.

### 3. DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

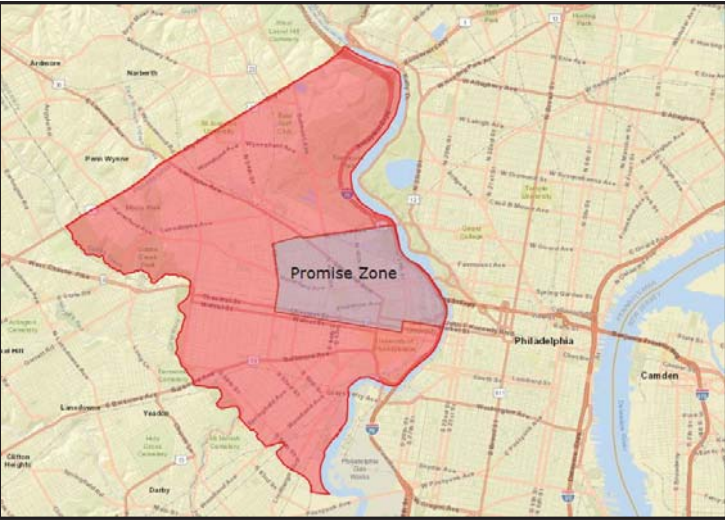
#### Residential Primary Market Area Definition

The Comprehensive Housing Strategy document includes updated economic and demographic data for the PZ and sub-geographies. To understand potential residential demand in the PZ, RES looked at the broader Primary Market Area (PMA) from which a majority of potential renters or homebuyers would be drawn and within which households—particularly households with low to moderate incomes—would shop for rental or homeownership units.

An analysis of demographic data, transportation patterns and information from interviews with developers and property managers suggests that the majority of demand for non-student residential units in the PZ comes from households living in West and Southwest Philadelphia. The PMA for housing units in the PZ has been defined to include five zip codes: 19104, 19131, 19139, 19143 and 19151. These zip codes cover all of West Philadelphia and a portion of Southwest Philadelphia extending as far west as 60<sup>th</sup> Street. The region is bounded by the Schuylkill River to the east, City Avenue to the north and Cobbs Creek Parkway to the west as shown in Map 3.1. Map 3.2 shows the location of the PZ boundaries within the overall PMA.



MAP 3.2: PRIMARY MARKET AREA AND PROMISE ZONE BOUNDARIES





Economic and Demographic Characteristics

\*Population

In 2016, there were approximately 45,500 residents in the PZ, 238,000 in the PMA and 1,572,000 in Philadelphia as a whole. The population within the PZ decreased 1.6% between 2000 and 2010, but is estimated to have increased by 5.5% between 2010 and 2016, according to U.S. Census Bureau data and Esri estimates. The PMA also experienced population loss between 2000 and 2010, but grew by 3.1% between 2010 and 2016, a rate slightly higher than the 3.0% population growth rate estimate for Philadelphia as a whole during this period. The transition of Drexel University from a commuter school to a residential institution has contributed to the growth trend in the PZ and PMA. For the five-year period between 2016 and 2021, Esri projects that population in the PZ will grow by 3.9% compared to growth rates of 2.5% for the PMA and 2.4% for the city overall.

TABLE 3.1: POPULATION TRENDS: 2000 AND 2010 CENSUS, 2016 ESTIMATES, AND 2021 PROJECTIONS

	Promise Zone	PMA	Philadelphia
2000 Census	43,846	243,336	1,517,550
2010 Census	43,154	230,968	1,526,006
2016 Estimate	45,519	238,052	1,571,860
2021 Projections	47,286	244,092	1,610,367
Change 2000-2010	-692	-12,368	8,456
Change 2010-2016	2,365	7,084	45,854
Change 2016-2021	1,767	6,040	38,507
Percent Change 2000-2010	-1.6%	-5.1%	0.6%
Percent Change 2010-2016	5.5%	3.1%	3.0%
Percent Change 2016-2021	3.9%	2.5%	2.4%
Avg. Annual Percent Change 2000-2010	-0.2%	-0.5%	0.1%
Avg. Annual Percent Change 2010-2016	0.9%	0.5%	0.5%
Avg. Annual Percent Change 2016-2021	0.8%	0.5%	0.5%
<b>Median Age</b>			
2010 Census	25.1	30.5	33.6
2016 Estimate	26.3	31.5	34.4
2021 Projection	27.2	32.7	35.4
<b>Percent Population by Race (2016 Esri)</b>			
White Alone	21.1%	15.8%	39.8%
African American Alone	63.3%	73.7%	42.2%
Asian Alone	10.8%	6.0%	7.3%
Some Other Race Alone	1.3%	1.0%	7.0%
Two or More Races	3.1%	3.0%	3.3%
Hispanic (of any race)	4.4%	3.7%	14.5%

Source: 2000 and 2010 Census, Esri, RES

\* Care must be taken in evaluating demographic patterns in areas with large undergraduate student populations. Students residing in dormitories are reflected in population counts, but not in household statistics. Instead, these dorm residents are included in the “population in group quarters”

Census category. Students living in off-campus housing units are reflected in both population and household counts. Households made up of one or more full-time students typically report very low incomes that are not reflective of the additional financial support they may receive from parents.

Age

The median age has been increasing in the PZ, PMA and Philadelphia since 2000. Nevertheless, the 2016 median age in the PZ (26.3 years) is much lower than the city-wide median (34.4 years), primarily as a result of the student population concentrated in University City.

Race

Racial distribution patterns vary between the PZ, the PMA and the City of Philadelphia. According to Esri 2016 estimates, approximately 21% of the residents in the PZ are white, 63% are African American and 11% are Asian. African Americans represent the largest racial group in all three geographies. There is a higher percentage of white residents in the PZ compared to the PMA. At 10.8%, the Asian population percentage is higher in the PZ than in the PMA or citywide. The PMA and PZ areas have much smaller Hispanic populations than the city overall. The PMA is the least racially diverse of the three analysis areas; African American residents make up nearly three-quarters of the market area population.

Households

Changes in the number of households in the three analysis areas follow a pattern similar to population trends. The number of households in the PZ and the PMA decreased between the 2000 and 2010 Census years and increased from 2010 to 2016. The number of households in the PZ increased by 5.7% between 2010 and 2016 compared to a 3.0% household growth rate in the PMA and 2.7% household growth rate for Philadelphia. Household counts have increased citywide since 2000. Esri estimates that in 2016, the total number of households was 16,469 in the PZ and 92,374 in the PMA.

Household growth is the most important driver of housing demand. The number of households in the PMA is projected to increase by 2,335 in the five-year period from 2016 to 2021. Table 3.2 presents household trend data for the PZ, PMA and city as a whole.

The PZ and PMA have large student populations. Individuals residing in group quarters (such as dormitories) are included in population statistics, but are not reflected in household counts or the calculation of average household size. Students living **off-campus** are reflected in household demographics.

Average Household Size

As shown in the Census data presented in Table 3.3, the majority of households in each analysis area in 2010 were one- or two-person households. The share of one-person households was higher in the PZ than in the PMA or the city overall resulting in a lower average household size for the PZ geography (see Table 3.2). Average household size in all three analysis areas has been declining since 2000, but is projected to stabilize through 2021.

Segmenting households by age cohort can help to separate demographic data into student and non-student categories, but for the 15-24 year age cohort, this is still problematic. It is difficult to distinguish between a household of three 20 year-old undergraduates and a household headed by a 20-year old single parent with two young children. Each of these household types has very different housing needs/preferences, disposable income, and consumer behaviors. Data maps provide more insights into these unexpected patterns. For example, areas with large off-campus student populations show high concentrations of extremely cost-burdened renter households, but it would be incorrect to make an immediate assumption that new affordable housing should be built to serve this population. Nevertheless, student demand may result in lowered affordability for non-student renter households in a particular location, so preservation or production of affordable housing to meet this need may be appropriate. Rather than relying only on demographic data, the consultants have also used field work and interviews to develop a better understanding of areas where student and non-student households reside together and what the needs of each group are.

TABLE 3.2: HOUSEHOLD TRENDS: 2000 AND 2010 CENSUS, 2016 ESTIMATES, AND 2021 PROJECTIONS

	Promise Zone	PMA	Philadelphia
2000 Census	16,021	92,122	590,069
2010 Census	15,574	89,670	599,736
2016 Estimate	16,469	92,374	615,818
2021 Projection	17,171	94,709	630,131
Change 2000-2010	-447	-2,452	9,667
Change 2010-2016	895	2,704	16,082
Change 2016-2021	702	2,335	14,313
Percent Change 2000-2010	-2.8%	-2.7%	1.6%
Percent Change 2010-2016	5.7%	3.0%	2.7%
Percent Change 2016-2021	4.3%	2.5%	2.3%
Avg. Annual Percent Change 2000-2010	-0.3%	-0.3%	0.2%
Avg. Annual Percent Change 2010-2016	0.9%	0.5%	0.4%
Avg. Annual Percent Change 2016-2021	0.8%	0.5%	0.5%
<b>Average Household Size</b>			
2000 Census	2.38	2.44	2.48
2010 Census	2.31	2.36	2.45
2016 Estimate	2.33	2.37	2.46
2021 Projection	2.34	2.37	2.46

Sources: 2000 and 2010 Census, Esri, RES

TABLE 3.3: HOUSEHOLD SIZE: 2010 CENSUS

Household Size	Promise Zone		PMA		Philadelphia	
	Number	Percent	Number	Percent	Number	Percent
1 Person	6,669	42.8%	34,100	38.0%	204,714	34.1%
2 Person	3,795	24.4%	23,763	26.5%	169,159	28.2%
3 Person	2,216	14.2%	13,969	15.6%	94,783	15.8%
4 Person	1,350	8.7%	8,820	9.8%	66,886	11.2%
5 Person	811	5.2%	4,831	5.4%	35,648	5.9%
6 Person	384	2.5%	2,232	2.5%	15,890	2.6%
7+ Person	349	2.2%	1,950	2.2%	12,656	2.1%
Total	15,574		89,665		599,736	

Source: US Census Bureau; Esri

Household Income

On average, household incomes in the PZ are significantly lower than incomes in Philadelphia overall. Table 3.4 presents Esri 2016 household income estimates. Almost 40% of PZ households have annual incomes below \$15,000 compared to only 22% of Philadelphia households and just under 30% of PMA households. Median household income is \$20,622 in the PZ, \$28,469 in the PMA and \$38,145 in Philadelphia, suggesting that extreme poverty is more concentrated in the PZ than in the PMA or City as a whole. The presence of off-campus student households—whose reported income typically does not accurately reflect purchasing power due to parental support—contributes to the concentration of households in very low income cohorts in the PZ.

TABLE 3.4: HOUSEHOLD INCOME DISTRIBUTION: 2016 ESRI ESTIMATES

2016 Households by HH Income	Promise Zone		PMA		Philadelphia	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	6,544	39.7%	27,608	29.9%	136,035	22.1%
\$15,000 - \$24,999	2,567	15.6%	13,573	14.7%	78,521	12.8%
\$25,000 - \$34,999	2,024	12.3%	11,975	13.0%	71,243	11.6%
\$35,000 - \$49,999	1,887	11.5%	12,494	13.5%	82,427	13.4%
\$50,000 - \$74,999	1,809	11.0%	12,154	13.2%	94,775	15.4%
\$75,000 - \$99,999	743	4.5%	6,599	7.1%	59,583	9.7%
\$100,000 - \$149,999	542	3.3%	5,286	5.7%	56,913	9.2%
\$150,000 - \$199,999	186	1.1%	1,547	1.7%	19,156	3.1%
\$200,000+	163	1.0%	1,138	1.2%	17,149	2.8%
Total Households	16,465		92,374		615,802	
Average Household Income	\$34,177		\$42,824		\$57,438	
Median Household Income	\$20,622		\$28,469		\$38,145	
Per Capita Income	\$14,816		\$17,663		\$23,072	

Sources: Esri, RES

Household Tenure

Renter-occupied units are a higher percentage of all residential units in the PZ compared to the PMA and the city. The percentage of renter households in the PZ is 62.1%, compared to 48.6% in the PMA and 43.0% citywide. Only 22.7% of housing units in the PZ are owner-occupied. Owner-occupied units make up 38.2% of units in the PMA and 46.9% of units in Philadelphia. Esri projects continued decline in homeownership in all three geographies over the next five years, which mirrors national trends. The PZ also has the highest estimated vacancy rate of the three analysis areas at 15.2%.

TABLE 3.5: HOUSING UNITS BY TENURE AND VACANCY: 2016 ESRI ESTIMATES

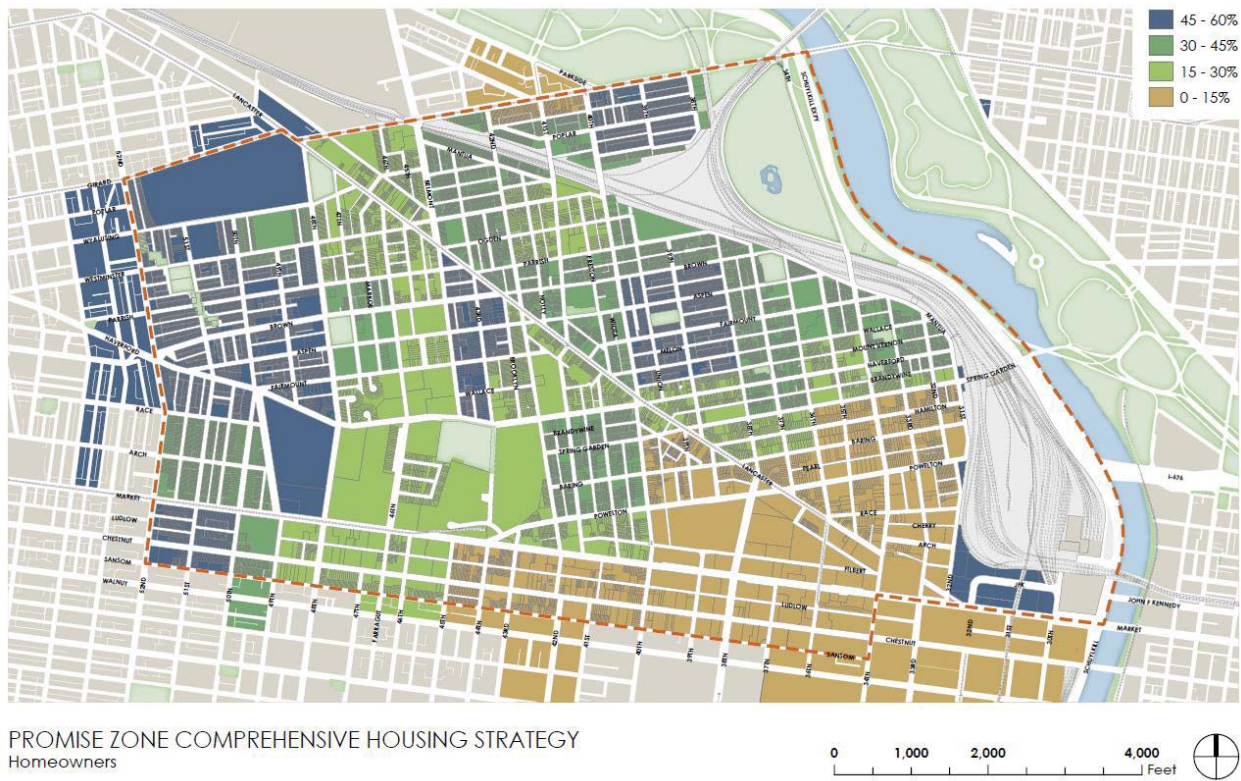
2016 Housing Units	Promise Zone		PMA		Philadelphia	
	Number	Percent	Number	Percent	Number	Percent
Total	19,420		106,410		685,088	
Owner Occupied	4,411	22.7%	40,608	38.2%	69,270	46.9%
Renter Occupied	12,058	62.1%	51,766	48.6%	321,037	43.0%
Vacant	2,951	15.2%	14,036	13.2%	294,781	10.1%

Source: Esri



Within the PZ, concentrations of homeownership exist in pockets in a number of neighborhoods including Mantua, East Parkside, West Powelton and Millcreek. Map 3.3 shows percentages of homeownership by block group:

MAP 3.3: 2016 PERCENT HOMEOWNERS BY BLOCK GROUP: PROMISE ZONE



Source: KSK

TABLE 3.6: HOUSEHOLD TENURE BY YEAR MOVED IN: ACS 2010-2014 ESTIMATES

Owner	Promise Zone	PMA	Philadelphia
2010 or Later	290	2,509	25,155
2000-2009	865	10,295	106,451
1990-1999	910	7,693	62,172
1980-1989	808	6,744	40,414
1970-1979	645	4,810	32,915
1969 or Earlier	760	7,257	39,716

Renter	Promise Zone	PMA	Philadelphia
2010 or Later	4,728	21,880	124,867
2000-2009	3,802	19,139	114,526
1990-1999	786	3,827	19,950
1980-1989	294	1,404	6,963
1970-1979	115	813	3,686
1969 or Earlier	84	513	3,482

Source: American Community Survey, Esri

The American Community Survey (ACS) provides estimates of households by tenure and “year moved in”. The 2010-2014 estimates shown in Table 3.6 document the presence of long-time homeowner households in the PZ, suggesting the need for strategies to assist households who are aging in place in these neighborhoods. These data also reflect the transience of the rental population in both the PZ and the PMA. In the PZ, an estimated 39% of renter households had moved into their units within the past four years; for the PMA, the proportion was 42%.

Economic Characteristics

Labor Force and Employment Statistics

Table 3.7 shows employment and labor force statistics in Philadelphia from 2006 to 2016. Employment grew in Philadelphia each year during this period, however, more rapid growth in the size of the civilian labor force led to increases in the unemployment rate between 2007 and 2012. The unemployment rate in Philadelphia was highest from 2010 to 2013, remaining above 10% throughout this period. The unemployment rate has trended downward since 2012, despite growth in the size of the civilian labor force. In 2016 both the labor force and employment levels recorded a ten-year high, while the unemployment rate, at 6.8%, was the lowest seen since the Great Recession began in 2007. These strong labor market trends have supported a strong real estate market throughout Philadelphia.

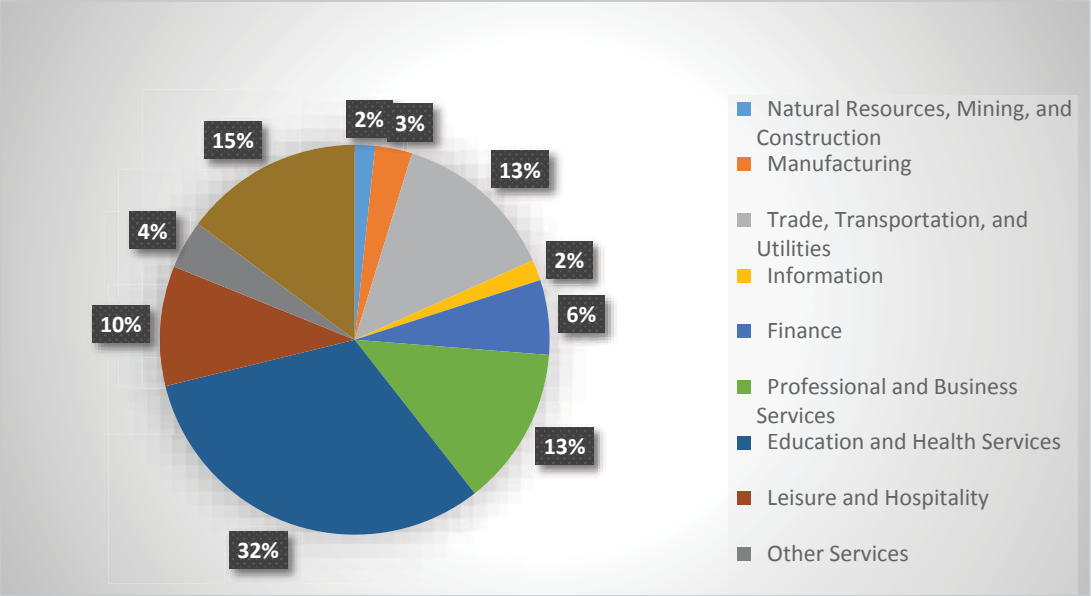
TABLE 3.7: ANNUAL AVERAGE LABOR FORCE STATISTICS: PHILADELPHIA COUNTY 2006-2016

Year	Civilian	Employment	Unemployment	Unemployment
	Labor Force			Rate
2006	615,906	577,682	38,224	6.2
2007	620,518	582,727	37,791	6.1
2008	630,620	586,024	44,596	7.1
2009	652,401	588,815	63,586	9.7
2010	687,775	615,039	72,736	10.6
2011	690,905	617,187	73,718	10.7
2012	699,451	623,226	76,225	10.9
2013	698,149	626,118	72,031	10.3
2014	690,533	634,415	56,118	8.1
2015	696,194	648,280	47,914	6.9
2016	707,571	659,423	48,148	6.8

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)

Figure 3.1 presents the 2015 employment distribution by industry for Philadelphia County (the City of Philadelphia). Over 200,000 people work in education and health services in the City, representing 32% of all at-place employment. Other industry sectors making up 10% or more of total jobs include: trade, transportation and utilities; professional and business services; leisure and hospitality; and government.

FIGURE 3.1: 2015 PHILADELPHIA NONFARM EMPLOYMENT BY INDUSTRIAL SECTOR



Source: Pennsylvania Department of Labor & Industry

University City is a major employment hub in Philadelphia, second only to Center City. Approximately 11% of jobs in the City of Philadelphia are located in this part of West Philadelphia. The University City District reports that in 2016, more than 77,000 jobs are located within its boundaries, an increase from 75,000 jobs in 2014. Table 3.8 lists the ten largest employers in the city. Eight of these employers are in the education, government and health services sectors; three of the ten are based in University City (the University of Pennsylvania, Drexel University and Children’s Hospital of Philadelphia). Proximity to employment at educational and health care institutions is a major factor supporting housing demand in the PZ and PMA.

TABLE 3.8: TOP 10 EMPLOYERS IN PHILADELPHIA

Company
Trustees of the University of Pennsylvania
Federal Government
City of Philadelphia
School District of Philadelphia
The Children's Hospital of Philadelphia
Thomas Jefferson University Hospital
Temple University
American Airlines, Inc.
Southeastern PA Transportation Authority
Drexel University

Source: Pennsylvania Center for Workforce Information and Analysis

University Enrollment Trends

Demand from students enrolled at the University of Pennsylvania (UPenn) and, more importantly, at Drexel University (Drexel) has impacted the housing market in the PZ. While UPenn’s enrollment level has remained relatively steady (between 24,500 and 24,900 students), Drexel’s enrollment trended upward dramatically from a low of 9,158 students (many of whom commuted) in the 1995-96 academic year to 26,359 students in the 2014-15 academic year. Some of these students are located at out-of-state campuses, are taking on-line courses or are involved in cooperative learning terms off-campus. Drexel reported that in the 2014-15 academic year, 16,345 students were attending classes at the University City campus. These dramatic enrollment increases as well as the shift in character of the institution from commuter school to residential university created strong demand for student housing in neighborhoods adjacent to Drexel’s campus.

Beginning in 2015, Drexel made substantial shifts in undergraduate admission procedures and standards and in refocusing on-line and certificate curriculum offerings. As a result, enrollment has decreased each of the past two academic years. According to the 2017 State of University City report, for the 2015-16 academic year Drexel reported 16,065 students taking classes at the University City campus, a 1.7 percent decline from the year before. Enrollment for the 2016-17 academic year reportedly declined further, however these data were not available to RES. In response to declining enrollment, Drexel has had several rounds of staff layoffs. In summer 2017, the University reportedly laid off 200 additional employees including both administrators and non-tenured faculty.

4. HOUSING SUPPLY

In 2016, there were an estimated 106,410 housing units in the PMA and 19,420 units in the PMA. PZ housing units are 18.3% of the total PMA inventory. The housing stock in the PMA is varied and includes two- and three-story row homes, large twin homes, single-family detached units, and garden, mid-rise and high-rise multifamily buildings. Esri estimates the 2016 residential vacancy rate in the PMA as 13.2% compared to 10.1% in Philadelphia as a whole. Two thirds of housing units in the PMA were built before 1950. ACS 2010-2014 data estimates indicate that the median year built for housing units in the PMA was 1942.

The Esri estimates of the value of owner-occupied housing in the analysis geographies presented in Table 4.1 show that the PZ and PMA have housing values below those reported for the city as a whole. The substantial deviation between the median and average home values in the PZ reflects the presence of high value real estate in neighborhoods immediately surrounding the universities. Values decline in PMA zip codes farther from the campuses.

The ACS 2010-2014 data presented in Table 4.2 indicate that the median contract rent (2014 dollars) in the PZ was \$630 per month, \$698 per month in the PMA and \$736 per month citywide. Approximately 20% of renters in the PZ pay contract rents below \$300 per month reflecting the concentration of rent-subsidized units in PZ neighborhoods.



TABLE 4.1: ESTIMATED 2016 VALUE OF PMA OWNER-OCCUPIED HOUSING UNITS

2016 Value of Owner-Occupied Units	Percent of All Owner-Occupied Units		
	Promise Zone	PMA	Philadelphia
<\$50,000	25.9%	18.8%	11.6%
\$50,000 - \$99,999	32.3%	34.1%	20.0%
\$100,000 - \$149,999	13.6%	18.9%	18.1%
\$150,000 - \$199,999	6.8%	11.7%	16.6%
\$200,000 - \$249,999	6.1%	4.8%	12.2%
\$250,000 - \$299,999	4.0%	2.7%	6.5%
\$300,000 - \$399,999	4.2%	3.7%	6.7%
\$400,000 - \$499,999	3.0%	2.6%	3.4%
\$500,000 - \$749,999	2.7%	1.8%	2.8%
\$750,000 - \$999,999	0.1%	0.2%	1.1%
\$1,000,000 +	1.3%	0.5%	1.0%
Median Home Value	\$87,350	\$95,770	\$150,935
Average Home Value	\$146,937	\$137,275	\$193,119

Sources: US Census Bureau; Esri

TABLE 4.2: PMA CONTRACT RENT: ACS 2010-14 ESTIMATES

	Percent of All Renter-Occupied Units		
	Promise Zone	PMA	Philadelphia
<\$100	3.6%	3.0%	1.7%
\$100 - \$199	6.0%	4.7%	2.9%
\$200 - \$299	10.7%	5.6%	4.6%
\$300 - \$399	6.6%	5.0%	4.0%
\$400 - \$499	9.1%	7.0%	6.3%
\$500 - \$599	10.5%	9.7%	9.4%
\$600 - \$699	10.6%	13.3%	13.0%
\$700 - \$799	10.9%	14.0%	14.5%
\$800 - \$899	9.4%	11.1%	11.5%
\$900 - \$999	4.8%	6.7%	7.3%
\$1,000 - \$1,299	5.9%	7.8%	8.6%
\$1,250 - \$1,499	3.0%	2.9%	4.2%
\$1,500 - \$1,999	3.1%	3.2%	4.5%
\$2,000 +	3.8%	2.1%	2.9%
Median Contract Rent	\$630	\$698	\$736

Sources: 2010-14 ACS; Esri; RES

Income-Restricted Rental Housing

There are a total of 8,184 income-restricted affordable housing units located in the PMA, including public housing, other HUD-funded housing (Section 8, Section 202, etc.) and Low Income Housing Tax Credits (LIHTC) developments. This supply is summarized in Table 4.3. Data from the Department of Housing and Urban Development (HUD) indicate that another 4,544 units are occupied by households with Housing Choice Vouchers bringing the total number of PMA income-restricted units to 12,728.

TABLE 4.3: PMA AFFORDABLE HOUSING SUPPLY

	General Occupancy	Special Needs	Senior	Total
Public Housing	1,122	N/A	1,563	2,685
Section 8	681	N/A	337	1,018
LIHTC	2,896	287	1,298	4,481
Total	4,699	287	3,198	8,184

Source: RES, HUD, PolicyMap, PHFA

More than 57% of income-restricted units in the PMA are general occupancy housing; 39% are age-restricted. A smaller number of units target special needs populations such as homeless persons, the disabled and individuals with a history of substance abuse. The PMA has 287 units in developments that specifically serve populations with special needs. Affordable housing developments in the PMA are typically fully occupied and maintain extensive waiting lists.

The stock of affordable housing in the PMA includes a wide range of project types and sizes including large scale high-rise public housing and Section 8 projects, mid-rise LIHTC multi-family, and duplex and rowhouse-style subsidized family housing. Two developers, Neighborhood Restorations and WPRE, have created large portfolios of single-family attached scattered site LIHTC housing throughout West Philadelphia primarily through rehabilitation of existing properties. These initiatives have been recognized for their cost effectiveness as well as the greater positive impact on surrounding property values created by the scattered site approach versus an equal number of units in a single multi-family building.

Preservation of existing affordable housing is an issue for the PZ, given the strong market-rate demand generated by area institutions. A number of HUD properties have subsidy contracts that are expiring in 2017 or 2018. In particular several large affordable developments at 40<sup>th</sup> and Market Street are at risk for market-rate conversion or redevelopment.

Occupancy in PMA Income-Restricted Rental Housing

The length of the Philadelphia Housing Authority’s (PHA) waiting list is evidence of the strong need for rent-subsidized affordable housing through the City. According to PHA’s FY 2017 Moving to Work Plan, there are 28,500 households on the waiting list for conventional public housing, 15,500 households on

site-based waiting lists for redeveloped public housing sites funded with LIHTCs, and 18,230 households waiting for Housing Choice Vouchers (HCV). Based on discussions with property managers and information posted on the affordable housing database PAHousingSearch.com, the entire inventory of affordable units in the PMA is essentially fully leased. Most properties maintain waiting lists and experience only short-term turnover vacancy.

While all senior affordable properties and many general occupancy affordable units in the PMA have project-based rent subsidies (tenants pay 30% of income for rent and utilities), the units in the Neighborhood Restorations/WPRE scattered site portfolio referenced above are able to charge fixed LIHTC rents and remain fully leased. Rents are set at the 50% AMI maximums, but occupancy is available to households with incomes at or below the 60% AMI income limit. Table 4.4 shows the 2017 LIHTC maximum rents as well as the published HUD Fair Market Rents (FMRs) used in the HCV program.

**TABLE 4.4: 2017 FAIR MARKET RENTS AND MAXIMUM LIHTC RENTS BY AMI LEVEL AND UNIT SIZE: PHILADELPHIA METROPOLITAN AREA**

UNIT SIZE	LIHTC 50% AMI	LIHTC 60% AMI	FAIR MARKET RENT
Studio	\$728	\$874	\$845
One-bedroom:	\$780	\$936	\$1,003
Two-bedroom:	\$936	\$1,123	\$1,211
Three-bedroom:	\$1,081	\$1,298	\$1,515
Four-bedroom:	\$1,207	\$1,449	\$1,686

Sources: PHFA; HUD  
Note: Rents shown are gross rents including both the contract rent and a utility allowance.

**Market-Rate Rental Housing**

The market-rate rental market consists of several different segments:

- Entire homes for rent or formerly single-family homes that have been subdivided into apartments;
- Older garden and mid-rise apartment buildings; and
- Newer luxury high-rises targeted to either undergraduate student or to graduate students and professionals working in University City.

Table 4.5 below summarizes the asking rent ranges for units in each segment. For the segment including houses, apartments in houses and small multi-family buildings, rents are broken out based on whether the units are in an area where students rent versus neighborhoods with few student renters. Rents typically include water, sewer and trash removal, with tenants paying for gas and electricity. Some older apartment buildings include heat and hot water in the rent, but that is not typical.

**TABLE 4.5: 2017 RENTAL RATE RANGES BY PMA MARKET SEGMENT AND LOCATION**

Market Segment	Unit Type	Rent Range by Location	
		Non-Student	Student
Houses, apartments in houses, small multifamily buildings	1 BR	\$700 - \$850	\$1,000+
	2 BR	\$800 - \$1,100	\$1,100+
	3 BR	\$900 - \$1,350	\$1,850+
Garden apartments, large older apartment buildings	1 BR	\$900 - \$1,275	
	2 BR	\$1,300 - \$1,700	
Newer luxury mid-rise and high-rise apartment buildings	studio	\$1,300 - \$1,900	
	1 BR	\$1,700 - \$2,300	
	2 BR	\$2,300 - \$3,800	

Source: RES research May-June 2017

The rental rate ranges shown suggest that in parts of the PMA where students shop for housing, rents have increased beyond the HUD FMRs making it difficult for households with HCVs to live in these areas. Rental rates for luxury apartments now leasing in the PZ are between \$2.70 and \$3.50/square foot with some small efficiency units topping \$4.00/square foot.

**Occupancy in Professionally Managed Market-Rate Rental Units**

The REIS data service tracks an inventory of more than 7,600 apartment units in professionally managed Class A, B and C market-rate multifamily apartment buildings throughout West and Southwest Philadelphia. In 2007, the vacancy rate in this submarket was 9.5%; 400 new units had recently come on-line. During the recession years, new construction was halted and the average submarket vacancy rate dipped to 1.9% by 2014 as the new supply was absorbed. In 2015, approximately 760 new multifamily units were delivered to the submarket leading to a large increase in vacancy. At year-end 2016, the submarket vacancy rate was 8.0%.

REIS analyzes anticipated completions and projects absorption over a five-year time horizon. REIS projects that because additional newly constructed units are in the development pipeline, submarket vacancy rates will range between 8.0% and 9.5% through 2021.

**New Rental Supply**

At least 645 market-rate rental units and 154 LIHTC rental units are under construction or funded in the PZ. The market-rate units—in properties such as Vue 32, AKA Korman at Cira South and 3700 Lancaster—are targeted to the top of the market.

**Home Sales Trends**

Realtors active in West Philadelphia report that there is interest in homeownership in and around University City as well as investor interest. RES analyzed home sales data from the TREND Multiple



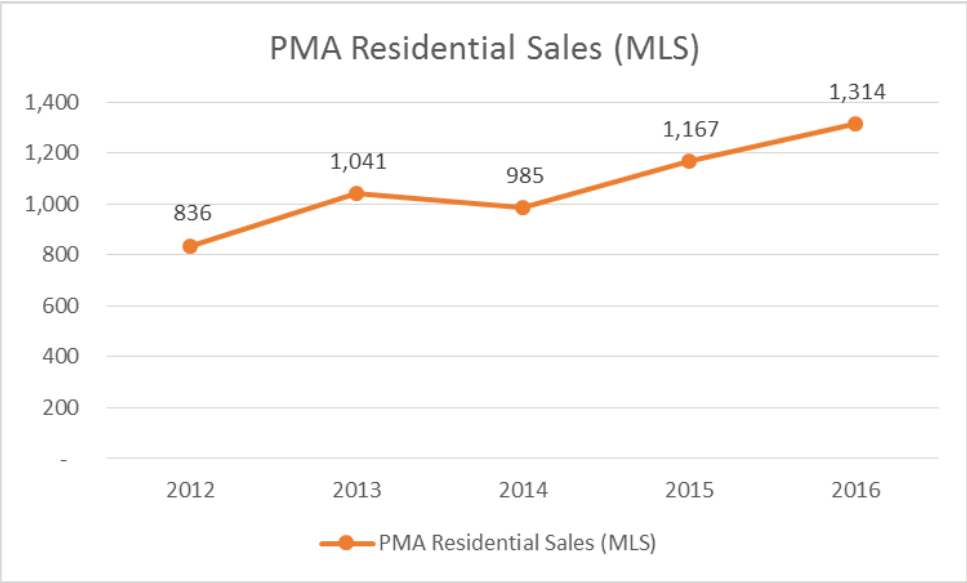
TABLE 4.6: PMA RESIDENTIAL SALES TRENDS

Single Family Homes						Condominiums				
	19104	19131	19139	19143	19151	19104	19131	19139	19143	19151
Sales										
2012	90	156	151	247	166	2	18	0	6	0
2013	121	170	180	320	200	6	33	0	11	0
2014	88	193	155	309	200	8	24	1	5	2
2015	116	213	213	363	214	3	32	0	12	1
2016	129	226	194	397	300	10	47	0	11	0
Average Sales Price										
2012	\$ 191,850	\$ 95,120	\$ 69,550	\$ 97,840	\$ 117,640	\$ 337,000	\$ 79,940	\$ -	\$ 175,000	\$ -
2013	\$ 166,520	\$ 96,970	\$ 71,810	\$ 112,420	\$ 102,300	\$ 314,670	\$ 100,360	\$ -	\$ 225,190	\$ -
2014	\$ 188,080	\$ 97,860	\$ 66,510	\$ 114,610	\$ 118,890	\$ 334,300	\$ 87,370	\$ 142,100	\$ 192,900	\$ 53,000
2015	\$ 206,680	\$ 109,500	\$ 78,730	\$ 121,510	\$ 122,030	\$ 325,150	\$ 90,760	\$ -	\$ 250,360	\$ 45,000
2016	\$ 256,390	\$ 104,980	\$ 86,600	\$ 136,260	\$ 122,750	\$ 401,450	\$ 87,830	\$ -	\$ 254,270	\$ -
Median Sales Price										
2012	\$ 125,000	\$ 74,900	\$ 35,000	\$ 46,500	\$ 99,900	\$ 320,000	\$ 66,000	\$ -	\$ 179,930	\$ -
2013	\$ 124,000	\$ 72,420	\$ 32,000	\$ 55,000	\$ 97,900	\$ 318,000	\$ 80,000	\$ -	\$ 247,500	\$ -
2014	\$ 140,000	\$ 75,000	\$ 35,000	\$ 56,000	\$ 107,000	\$ 320,000	\$ 77,500	\$ 142,100	\$ 212,500	\$ 51,000
2015	\$ 164,400	\$ 87,500	\$ 41,500	\$ 65,000	\$ 110,000	\$ 349,000	\$ 75,000	\$ -	\$ 236,000	\$ 45,000
2016	\$ 200,000	\$ 92,000	\$ 44,000	\$ 69,000	\$ 123,000	\$ 355,000	\$ 81,000	\$ -	\$ 240,000	\$ -

Source: Trend MLS, RES

Listing service for the PMA zip codes for the five years from 2012 through 2016. During this period the number of single-family home sales in the PMA trended upward as did sales in each of the PMA zip codes. Table 4.6 and Figure 4.1 present these trends.

FIGURE 4.1: PMA SINGLE-FAMILY RESIDENTIAL SALES



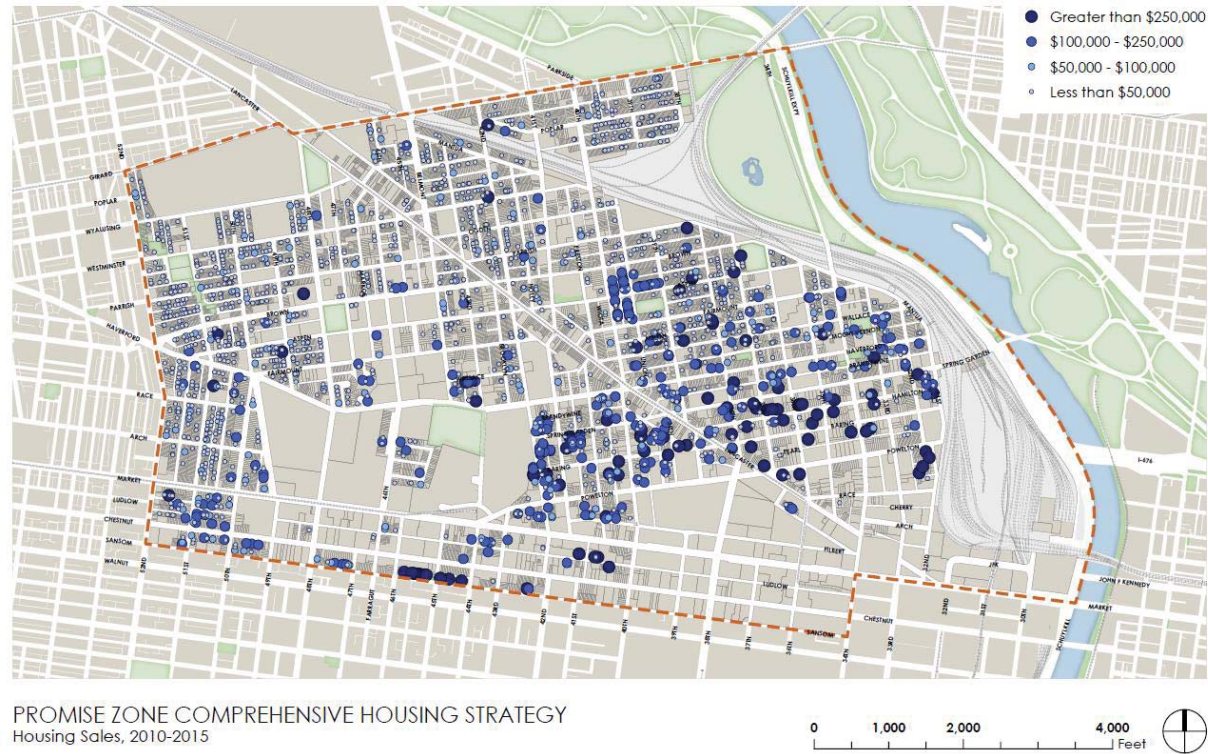
Source: TREND MLS; RES

The largest share of home sales occurred in the 19143 zip code with an average of 327 sales per year. The number of sales in the 19104 zip code was significantly lower than other zip codes. Both median and average sales prices in 19104 exceeded sales prices each year for all other PMA zip codes. Median sales prices for properties in the 19104 zip code peaked at \$200,000 in 2016. The lowest median home sale prices were found in the 19139 and 19143 zip codes, where 2016 medians were \$44,000 and \$69,000 respectively.

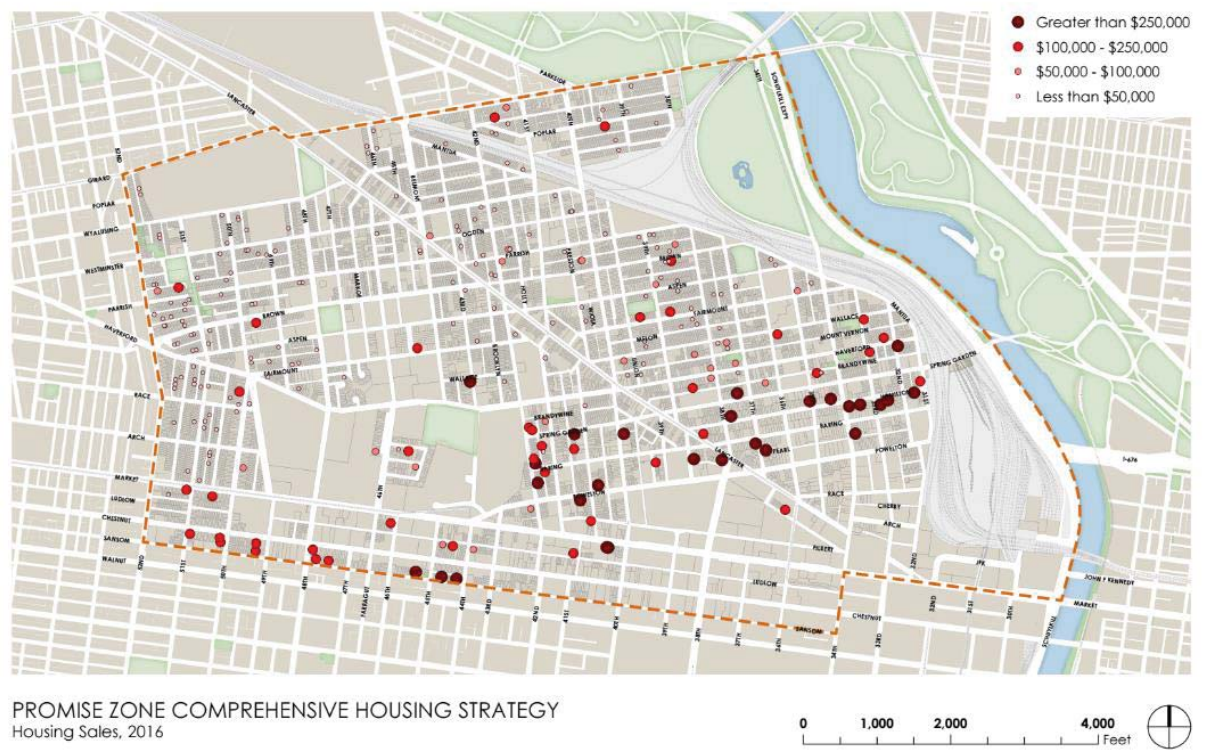
Residential condominiums make up a relatively small share of the residential inventory in the PMA. Most condominium sales during the five-year time frame occurred in the 19131 zip code, but average and median condominium sales prices were much lower in this zip code in comparison to 19104 and 19143. Median condominium sales prices in 2016 reached \$355,000 for 19104 and \$240,000 in 19143; the figure for 19131 was only \$81,000. In general, both median and average sales prices for condominiums have increased over time.

The data in Maps 4.1 and 4.2 is more comprehensive and shows sales by value based on City Office of Property Assessment data for the years 2010 through 2016. Sales for 2016 are broken out separately in order to more clearly visualize the areas with most recent transactions.

MAP 4.1: SINGLE-FAMILY RESIDENTIAL SALES: PROMISE ZONE 2010-2015



MAP 4.2: SINGLE-FAMILY RESIDENTIAL SALES: PROMISE ZONE 2016



Sources: Philadelphia Office of Property Assessment; RES;KSK



New Home Ownership Housing

RES did not identify any actively planned new construction homeownership developments in the PMA. The most recent homeownership initiative in the PZ was the 40-unit Union Hill development which was offered for sale starting in 2010, the depth of the housing crisis spurred by the Great Recession.

**Abatement Applications: Investment in New Construction and Existing Housing**

While building permits provide an indication of new construction, much of the residential investment in older city neighborhoods is rehabilitation of existing structures. Philadelphia’s 10-year tax abatement program provides insights into the location of residential rehabilitation activities. The abatement program allows for a 10-year exemption from real estate taxation for the increased value created by rehabilitation activities. Property owners must submit an application to be approved for the abatement. A total of 300 abatements were awarded in PZ neighborhoods during the 2011-15 period. Because the count is of applications, it is not an indication of number of units. An abatement application could be for a single- or multi-family structure. A review of OPA data for the five year period 2011 through 2015, shows that the highest number of abatement applications were for properties in Mantua (117), followed by West Powelton/Saunders Park (63) and Spruce Hill (33) .

**5. HOUSING DEMAND**

Gross housing demand is a function of household growth in a PMA as well as the need to replace deteriorated or functionally obsolete units. Housing demand is also influenced by the distribution of households by age and income as well as changing life stages.

Five-year demand from household growth is based on the Esri projected increase of 2,335 households in the PMA between 2016 and 2021. To calculate replacement demand, RES used the Census Bureau’s Components of Inventory Change series (CINCH), which provides data on the percentage of housing stock lost from inventory dues to factors such as fire, disaster, deteriorated condition, and conversion to non-residential use. For the United States as a whole, the most recent CINCH data (2011-3) indicates that an average of 0.3% of the nation’s occupied housing stock is lost annually.

The table below details the calculation of a five-year gross demand estimate. RES estimates gross residential demand of 3,721 units in the PMA over the five-year period 2016 to 2021. Applying the 2016 tenure split for occupied units results in gross rental demand of 2,084 units and gross homeownership demand of 1,637 units. Demand can be accommodated through new housing production, occupancy of vacant units or substantial rehabilitation of existing, but functionally obsolete housing.

**TABLE 5.1 : FIVE-YEAR PMA GROSS RESIDENTIAL DEMAND ESTIMATES**

Demand from Household Growth (2016-2012)			2,335	units
Total Occupied Housing Units			92,374	
Replacement Demand Factor			0.003	
Replacement Demand (annual)			277	
Five-Year Replacement Demand			<u>1,386</u>	Units
Five-Year Gross Demand			3,721	Units
Rental Units	56%	2,084		
Homeownership Units	44%	1,637		

Sources: US Census Bureau; ESRI; RES

Not all of the PMA gross demand can be “captured” by development within the Promise Zone. Some demand will be accommodated by new construction or substantial rehabilitation of housing units in other parts of the PMA. Based on the location characteristics of the PZ and historical development patterns, we estimate that the Promise Zone can capture 40 to 50 percent of gross demand, or roughly 1,490 to 1,860 units over five years. It is likely that the PZ is less competitive for homeownership than other areas of the PMA. After considering the existing pipeline of planned affordable and market-rate units in the PZ, RES estimates net PZ five-year residential demand as follows:

- 350 to 650 rental units
- 125 to 200 for-sale homeownership units

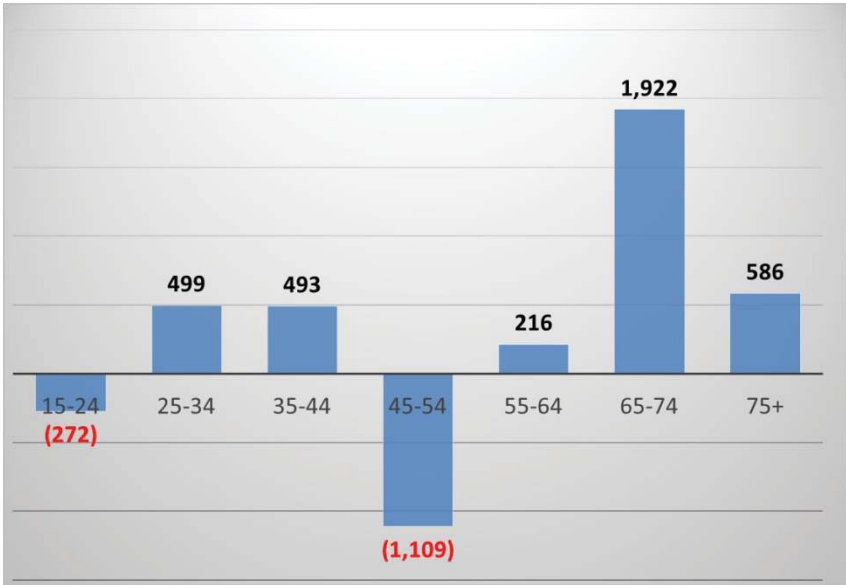
Households by Income and Age

Age and income patterns influence the level of demand for various types of residential units as well as the rent/sales prices that are achievable in a market area. Table 3.5 presents the distribution of PMA households by income and age of the head of household. The most important trends illustrated by these data are:

- Approximately 4,900 households in the 15-24 age cohort have incomes below \$25,000. It is likely that off-campus student households are reflected in these data.
- Significant growth is projected in empty nester (55-64) and senior (65+) age cohorts reflecting the aging of the Baby Boom generation in the PMA. (see Figure 5.1) The concentration of aging households in the PMA suggests the need for additional senior housing as well as strategies to allow seniors to age in place in their current homes.

- Growth is also projected in the number of households headed by persons age 25 to 44. While the 25-34 year age cohort has historically been viewed as a key age range for first-time home purchases, after the Great Recession, younger households have shown a preference for renting. Many first-time homebuyers are now in the 35 to 39 year age range.
- The data on changes in households by income range are less reliable. Because the household income estimates and projections are shown in nominal, rather than inflation-adjusted dollars, changes in household counts between income ranges can reflect the impact of inflation over time, rather than real changes in purchasing power. Thus growth in the number of households in higher income ranges does not necessarily reflect an in-migration of higher income households.

FIGURE 5.1: PROJECTED CHANGE IN PMA HOUSEHOLDS BY AGE COHORT: 2016--2021



Sources: Esri; RES

TABLE 5.2: PMA HOUSEHOLDS BY INCOME AND AGE: 2016 ESTIMATES AND 2021 PROJECTIONS

Income Band	Age Cohort							Total
	15-24	25-34	35-44	45-54	55-64	65-74	75+	Households
2016 Estimates								
<\$15,000	3,559	4,881	3,325	3,922	5,286	2,902	3,733	27,608
\$15,000-\$24,999	1,346	2,078	1,540	1,695	2,097	2,234	2,583	13,573
\$25,000-\$34,999	1,134	2,250	1,750	1,784	1,869	2,084	1,104	11,975
\$35,000-\$49,999	976	2,403	1,951	1,975	2,199	2,051	939	12,494
\$50,000-\$74,999	705	2,508	1,968	2,423	2,400	1,319	831	12,154
\$75,000-\$99,999	309	1,390	1,129	1,433	1,344	557	437	6,599
\$100,000-\$149,999	283	1,269	933	1,156	1,031	459	155	5,286
\$150,000-\$199,999	104	431	247	312	287	129	37	1,547
\$200,000+	55	228	209	310	233	86	17	1,138
Total	8,471	17,438	13,052	15,010	16,746	11,821	9,836	92,374
2021 Projections								
<\$15,000	3,446	5,021	3,423	3,553	5,182	3,402	3,960	27,987
\$15,000-\$24,999	1,186	1,937	1,427	1,353	1,921	2,382	2,617	12,823
\$25,000-\$34,999	1,483	3,206	2,576	2,326	2,740	3,472	1,672	17,475
\$35,000-\$49,999	577	1,475	1,166	1,117	1,357	1,446	596	7,734
\$50,000-\$74,999	629	2,302	1,905	1,968	2,160	1,392	774	11,130
\$75,000-\$99,999	337	1,603	1,346	1,532	1,574	756	540	7,688
\$100,000-\$149,999	335	1,517	1,135	1,308	1,366	614	197	6,472
\$150,000-\$199,999	142	598	331	410	395	174	48	2,098
\$200,000+	64	278	236	334	267	105	18	1,302
Total	8,199	17,937	13,545	13,901	16,962	13,743	10,422	94,709
Projected Change, 2016-2021								
<\$15,000	(113)	140	98	(369)	(104)	500	227	379
\$15,000-\$24,999	(160)	(141)	(113)	(342)	(176)	148	34	(750)
\$25,000-\$34,999	349	956	826	542	871	1,388	568	5,500
\$35,000-\$49,999	(399)	(928)	(785)	(858)	(842)	(605)	(343)	(4,760)
\$50,000-\$74,999	(76)	(206)	(63)	(455)	(240)	73	(57)	(1,024)
\$75,000-\$99,999	28	213	217	99	230	199	103	1,089
\$100,000-\$149,999	52	248	202	152	335	155	42	1,186
\$150,000-\$199,999	38	167	84	98	108	45	11	551
\$200,000+	9	50	27	24	34	19	1	164
Total	(272)	499	493	(1,109)	216	1,922	586	2,335

Sources: Esri, RES

Households by Area Median Income (AMI) Level

HUD publishes annual income limits for metropolitan areas throughout the United States for use in qualifying occupants of federally-assisted affordable housing units. The income limits vary based on household size. Household AMI levels are important to evaluating demand for various types of affordable housing products in the PMA. Households need to have incomes below 60% AMI to qualify for LIHTC housing. Households with incomes below 30% AMI typically need project-based rent subsidies



to be able to afford housing units in good repair. Table 5.3 summarizes the 2016 HUD income limits for the Philadelphia metropolitan area.

TABLE 5.3: HUD INCOME LIMITS 2016: PHILADELPHIA METROPOLITAN AREA

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% AMI	\$16,900	\$19,300	\$21,700	\$24,100	\$26,050	\$28,000	\$29,900	\$31,850
50% AMI	\$28,150	\$32,150	\$36,150	\$40,150	\$43,400	\$46,600	\$49,800	\$53,000
60% AMI	\$33,780	\$38,580	\$43,380	\$48,180	\$52,080	\$55,920	\$59,760	\$63,600
80% AMI	\$45,000	\$51,400	\$57,850	\$64,250	\$69,400	\$74,550	\$79,700	\$84,850

Source: US Department of Housing and Urban Development

To understand how households are distributed by AMI level, RES analyzed data for the PMA from Ribbon Demographics, a reseller of Census and Claritas demographic data offering custom “HISTA” tabulations—households by income, size, tenure and age.

TABLE 5.4: ESTIMATED DISTRIBUTION OF 2016 PMA HOUSEHOLDS BY AGE, TENURE AND AMI LEVEL

	Renter		Owner		Total		TOTAL	Pct.
	<62	62+	<62	62+	<62	62+		
<20% AMI	14,485	2,918	3,800	3,133	18,286	6,051	24,336	26.3%
20-50% AMI	11,157	3,362	5,376	6,253	16,533	9,616	26,148	28.3%
50-60% AMI	2,546	492	1,937	1,296	4,483	1,788	6,271	6.8%
60-80% AMI	4,601	614	3,428	1,952	8,029	2,566	10,595	11.5%
>80% AMI	8,581	1,392	10,591	4,539	19,172	5,930	25,102	27.2%
Total	41,370	8,777	25,132	17,173	66,502	25,950	92,452	100.0%

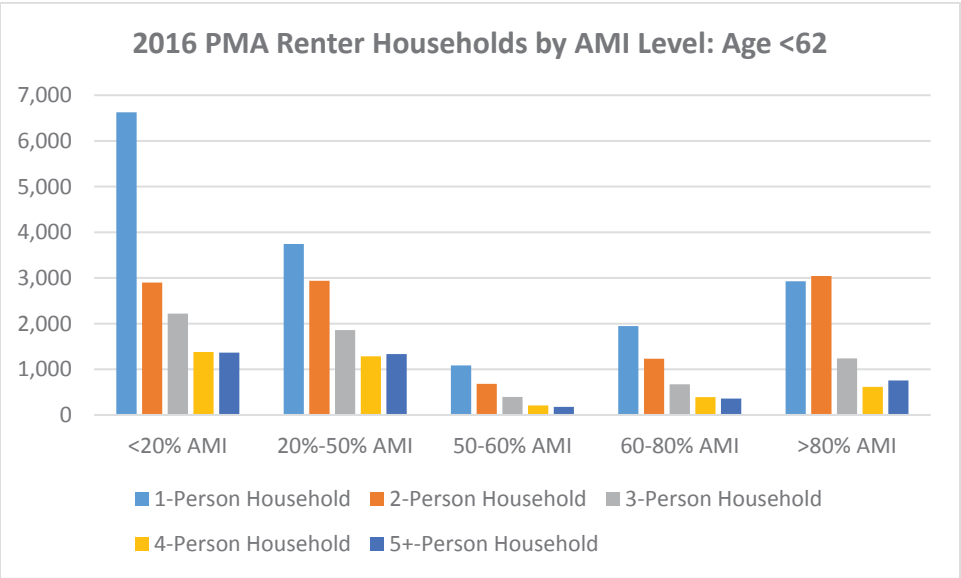
Source: Ribbon Demographics; HUD; RES

Note: Because the base projections Ribbon Demographics uses are from a different vendor, the PMA household total in this table varies slightly from the Esri household count estimates provided earlier in this report.

Understanding household size by AMI level is also helpful in considering the unit types/sizes that would be appropriate for development or rehabilitation in the PZ. The following four charts (Figures 5.2 through 5.5) show the 2016 distribution of households by size for non-senior (under age 62) and senior (age 62 and over) renter households and non-senior and senior owner households.

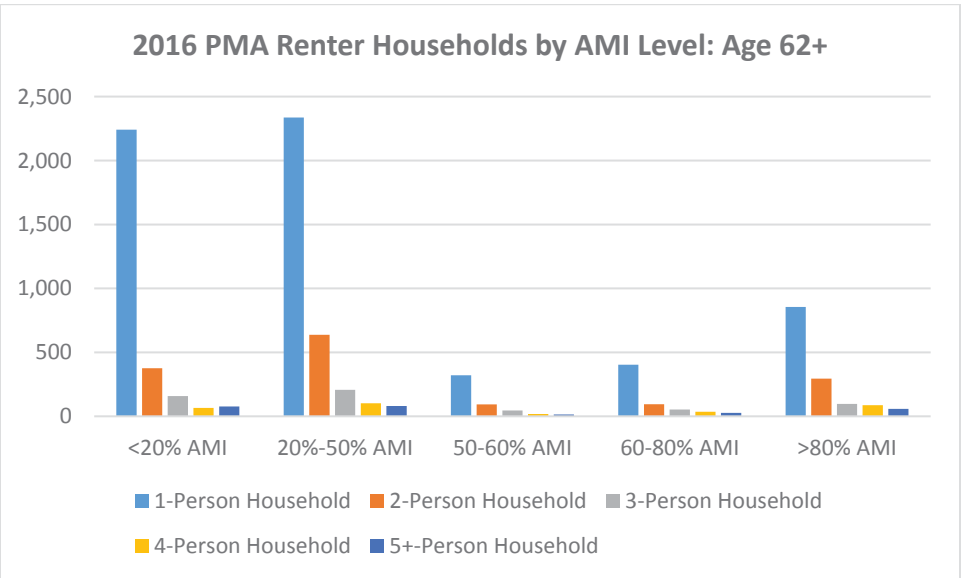
The data in Table 5.4 show that while non-senior homeowner households tend to have incomes greater than 80% AMI, there are a significant number of homeowners in lower income bands. Lower incomes make it difficult for homeowners to do the preventive maintenance and repairs required to keep older homes, like those that are typical throughout the PMA, in good condition. This is also an issue for lower-income senior homeowners. Because deteriorating homes impact the housing values of nearby structures, a program to assist lower income homeowners with repairs would fit well in the PMA overall and in the PZ specifically.

FIGURE 5.2



The analysis in Figure 5.2 supports the need for a range of unit sizes for general occupancy affordable rental housing in the PMA. While the data for <20% AMI households likely includes student households, the other cohorts do not. These data suggest that a market exists for one- , two- and three-bedroom units general occupancy units.

FIGURE 5.3



For households headed by a person age 62 and older, the data suggests that one-bedroom units should be the primary type of unit developed.

FIGURE 5.4

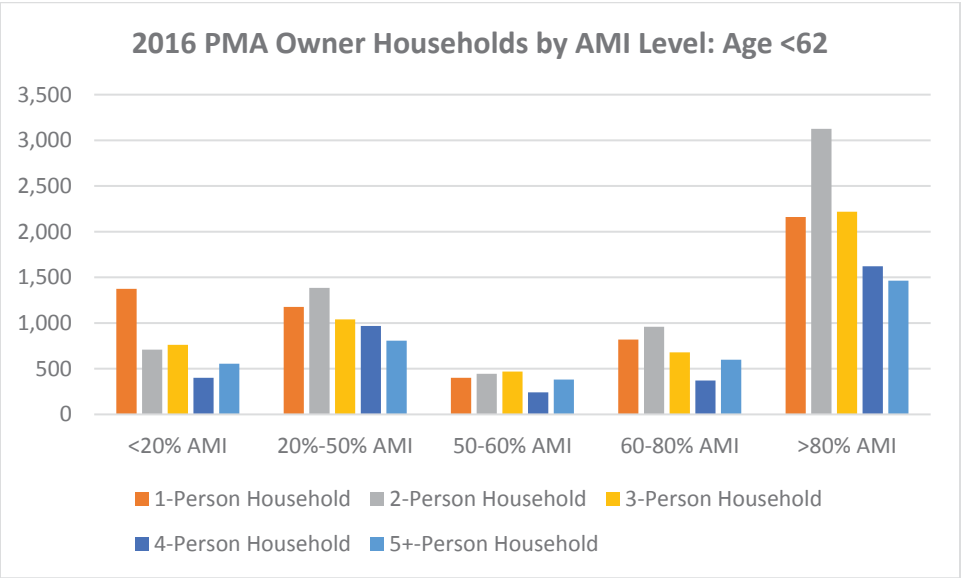
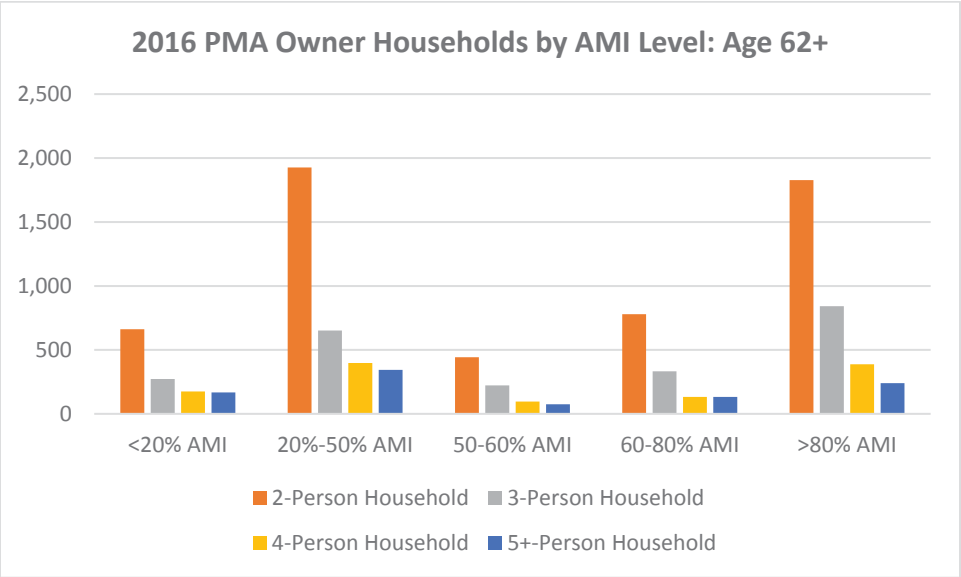


FIGURE 5.5

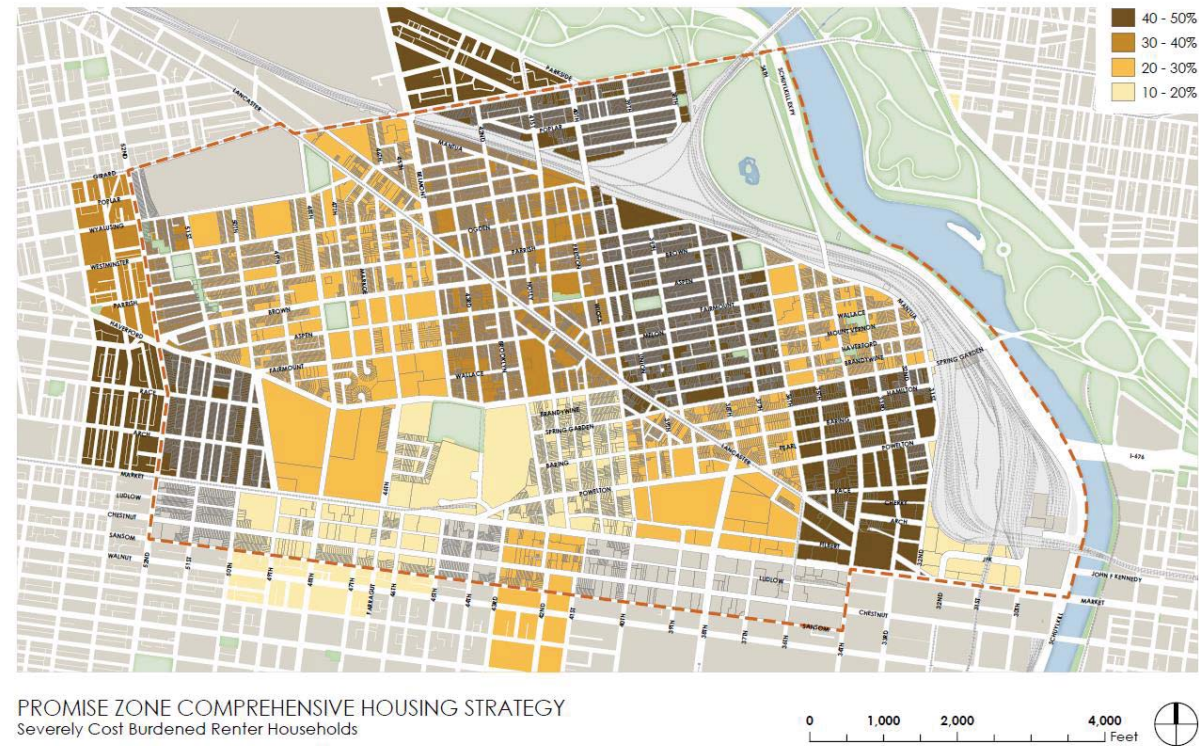


Comparisons of demographic and housing inventory analysis revealed that of all renter households in the PMA, 13.8% either live in income-restricted affordable housing or use HCVs or other government housing assistance. The HISTA data shows that between 37 and 43 percent of PMA LIHTC eligible renter households (households with incomes below 60% AMI) are assisted. The range reflects the fact that the

exact number of off-campus student households is unknown. Full-time students cannot live in LIHTC housing during a development’s initial 15-year affordability period. Most LIHTC properties are income-restricted for 30 years, with Years 16 through 30 known as the “extended-use” period. During the extended-use period, units may be rented to income-qualified full-time students.

Despite the inventory of existing affordable housing and HCV usage in the PMA, almost 37% of renter households are severely cost-burdened—spending more than 50% of their gross income for rent and utilities. Map 5.1 shows the percentage of severely cost-burdened renter households by block group. Student renters in Powelton Village appear cost-burdened because in most cases their incomes are small compared to their rent, which is often being paid by parents or covered by student loans. Renter cost-burden is significant in Mantua and East Parkside in particular.

MAP 5.1: SEVERELY COST BURDENED RENTER HOUSEHOLDS AS A PERCENT OF ALL RENTERS



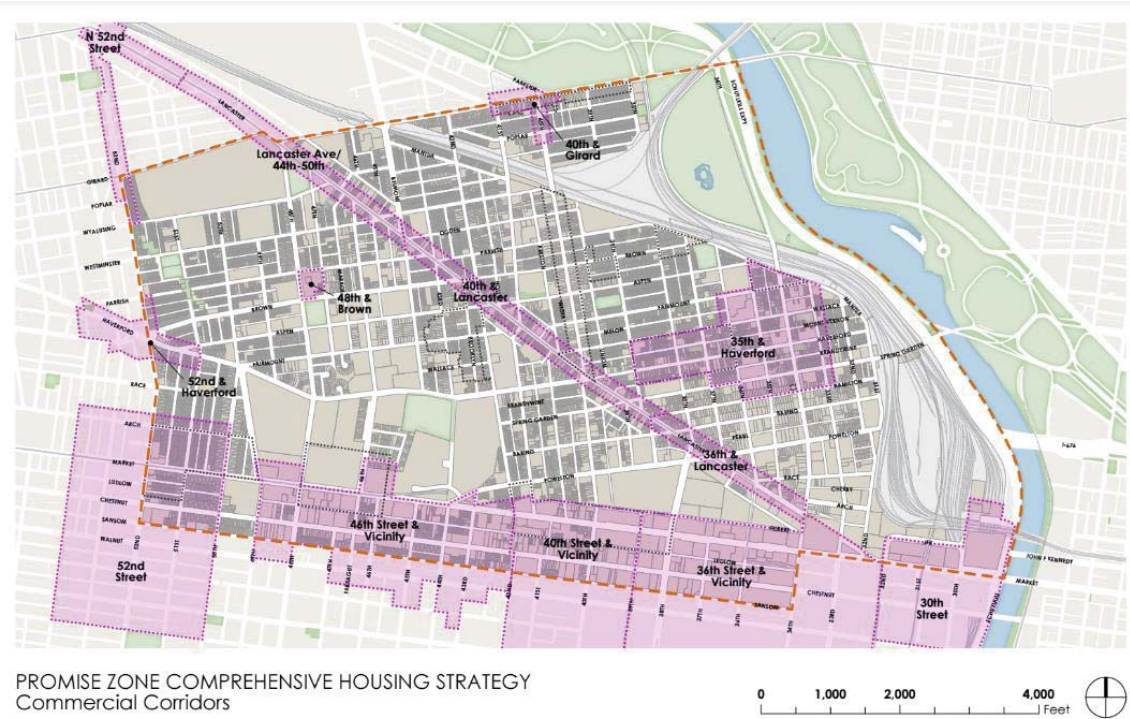
6. COMMERCIAL DEVELOPMENT

RES was asked to provide guidance about the need to develop mixed-use buildings with first floor commercial space in the PZ versus buildings that are solely residential. The PZ has a number of City-designated commercial corridors within its boundaries (Map 6.1). Development outside of these areas should be solely residential. First floor commercial space in mixed-use buildings would be appropriate for visible locations along major corridors such as Haverford Avenue, Lancaster Ave and at TOD locations



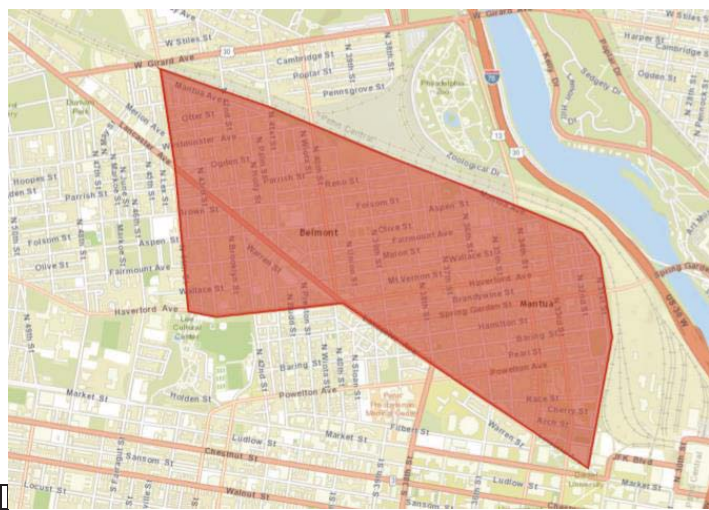
on Market Street. Lower population and income density in the area of Lancaster Avenue west of 42<sup>nd</sup> Street makes commercial development less viable. It may be difficult to fill storefront space created in this part of Lancaster Avenue over the next five years.

MAP 6.1: DESIGNATED COMMERCIAL CORRIDORS IN THE PROMISE ZONE



Sources: City of Philadelphia; KSK

MAP 6.2: POTENTIAL 36<sup>TH</sup> STREET AND HAVERFORD AVENUE GROCERY STORE TRADE AREA



Convenient grocery store access is an important consideration for both renters and homebuyers. The PZ is served by supermarkets at 52<sup>nd</sup> and Parkside (Shop-Rite), 46<sup>th</sup> and Market (Aldi), and 40<sup>th</sup> and Walnut (Fresh Grocer) which are accessible to residents of Millcreek, West Powelton, Saunders Park, Powelton Village, Spruce Hill and Walnut Hill. Food shopping is less convenient for residents of Belmont and Mantua. Councilwoman Blackwell has advocated for supermarket development to serve this part of the PZ with 36<sup>th</sup> Street and Haverford Avenue as a preferred site.

Based on the potential grocery store trade area that a store at this location would serve (see Map 6.2), Esri estimates grocery store spending potential of \$21.5 million, enough to support approximately 40,000 SF of food store space. Existing corner and convenience stores sell groceries, and these businesses will continue to capture some of this demand, as will the existing grocery stores in the market. However, a 15,000 to 20,000 SF grocery store serving Mantua and Belmont could have market support. This estimate is based on a location at 36<sup>th</sup> and Haverford. If a supermarket were developed at uCity Square, it would potentially draw from a wider area as well as capturing sales from the daytime worker population and could be larger.