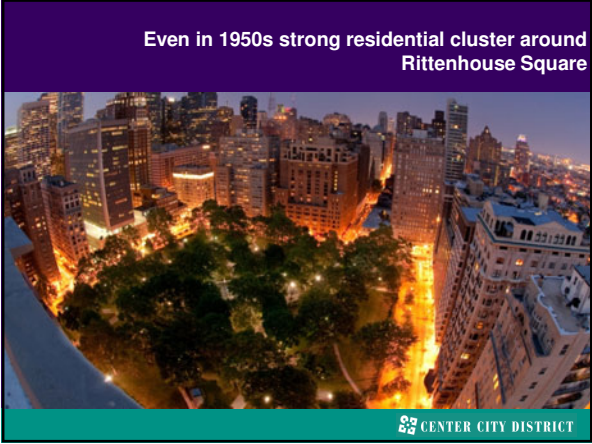
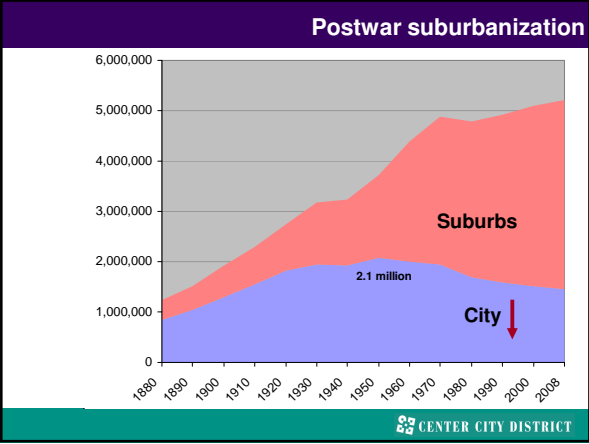


Aggressively marketed as alternative to the city

This is the way you live at **LEVITTOWN**

Even though these people like the suburbs, it is not to your benefit. The suburbs are a trap. They are a trap because they are designed to give you the pleasure of living in the suburbs, but they are not designed to give you the pleasure of living in the city.

CENTER CITY DISTRICT



East side of Center City was in decline



CENTER CITY DISTRICT

Creation of national park on east side started 1940s



CENTER CITY DISTRICT

500 block of Chestnut Street

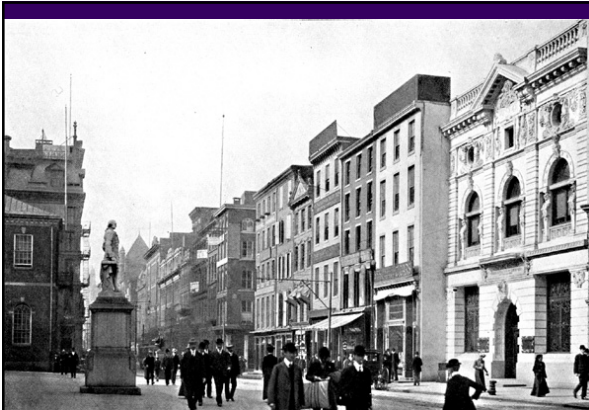


CENTER CITY DISTRICT

Early 19th century & Victorian architecture



CENTER CITY DISTRICT



CENTER CITY DISTRICT



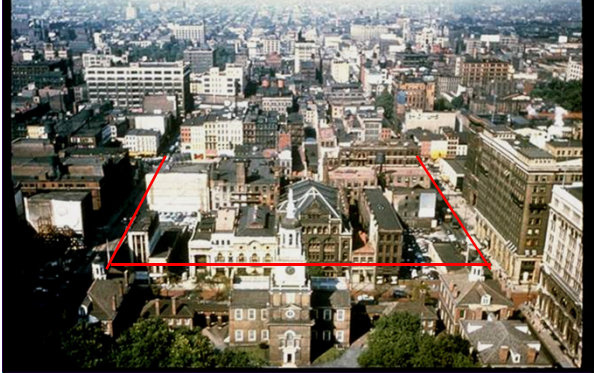
CENTER CITY DISTRICT

Historic buildings we would not demolish today



CENTER CITY DISTRICT

1950s: center of garment industry in Philadelphia

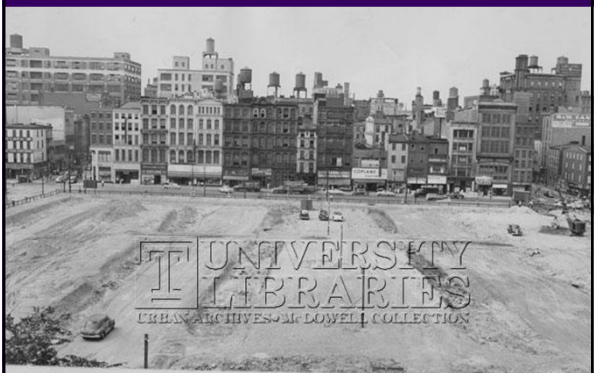


CENTER CITY DISTRICT



CENTER CITY DISTRICT

Demolished as obsolete



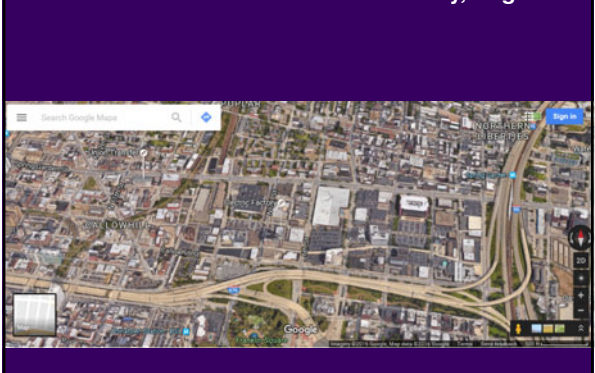
CENTER CITY DISTRICT

Relocated to Callowhill Corridor



CENTER CITY DISTRICT

Low density, large lots



CENTER CITY DISTRICT

All very symmetrical, but not well used



CENTER CITY DISTRICT

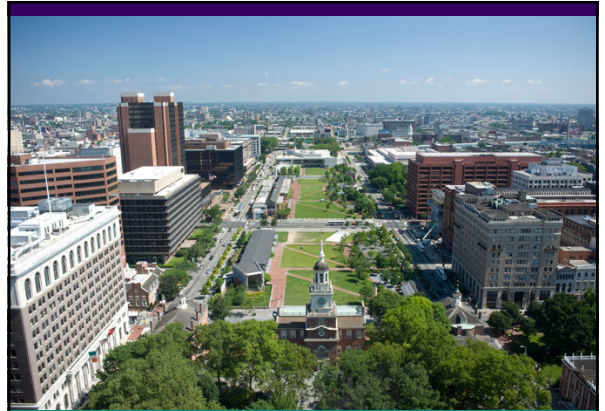


CENTER CITY DISTRICT

Surrounded by institutional, corporate and federal buildings



CENTER CITY DISTRICT



CENTER CITY DISTRICT

Formal urban renewal began at the river

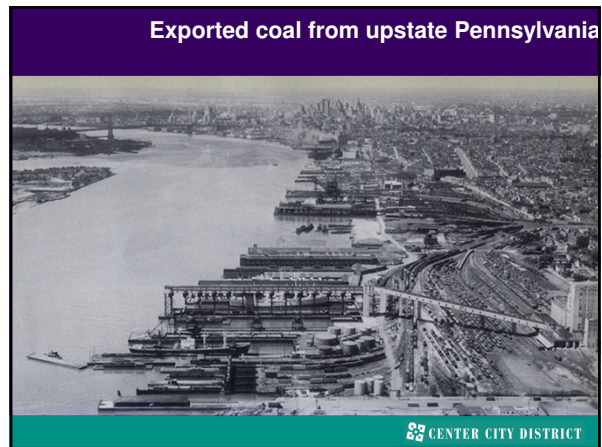
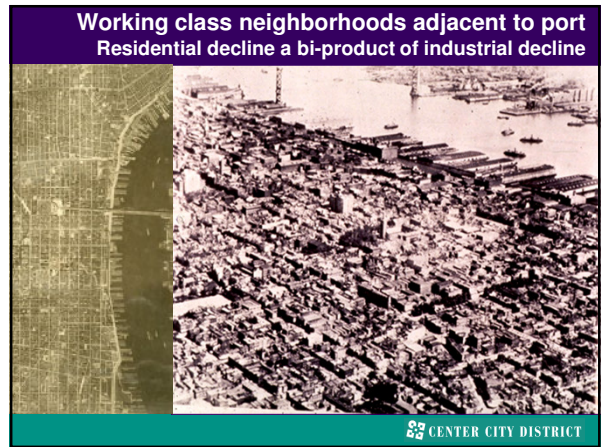


CENTER CITY DISTRICT

1908: economic gateway to the city



CENTER CITY DISTRICT



Ships were unloaded manually, 1962



CENTER CITY DISTRICT

Labor intensive jobs



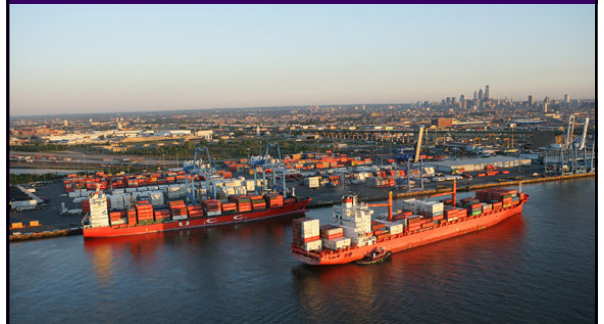
CENTER CITY DISTRICT

Labor intensive industry: Longshoremen



CENTER CITY DISTRICT

Containerization of cargo: moves function away from central waterfront



CENTER CITY DISTRICT

Packer Marine Terminal



CENTER CITY DISTRICT

Mechanization of moving goods and products



CENTER CITY DISTRICT

From container ship



CENTER CITY DISTRICT

To trains.....



CENTER CITY DISTRICT

Or trucks; significant reduction in need for labor
Huge gains in efficiency



CENTER CITY DISTRICT

Similar process in San Francisco
Move to Oakland



CENTER CITY DISTRICT

Port of Oakland California



CENTER CITY DISTRICT

Oakland



CENTER CITY DISTRICT

West 57th Street, Pier 97 in the 1960s
Move across to New Jersey



CENTER CITY DISTRICT

Port Elizabeth/Newark Marine Terminal



CENTER CITY DISTRICT

Port Elizabeth/Newark Marine Terminal



CENTER CITY DISTRICT

1950s: working waterfront was in decline



CENTER CITY DISTRICT

Finger piers become obsolete



CENTER CITY DISTRICT

Left to deteriorate



CENTER CITY DISTRICT

Economic base of residential neighborhoods eroded



CENTER CITY DISTRICT

Old Food Distribution Center on Dock Street



CENTER CITY DISTRICT

Location today



CENTER CITY DISTRICT

1908: from ship to shore to local stores



CENTER CITY DISTRICT

Ever more congested with cars



CENTER CITY DISTRICT

1950s seriously deteriorated markets
Moved to South Philadelphia



CENTER CITY DISTRICT

Food Distribution Center



CENTER CITY DISTRICT

Location today

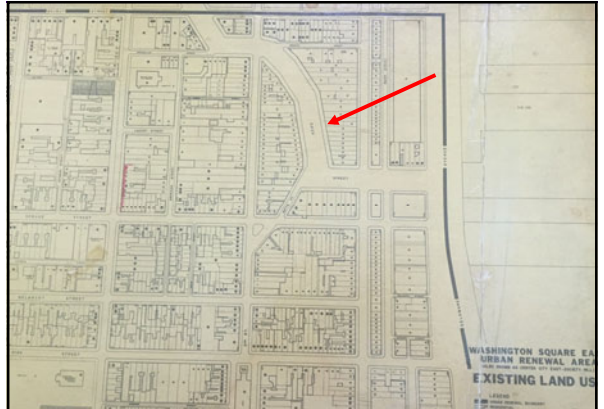


CENTER CITY DISTRICT

Persuaded federal government essential to renewal



CENTER CITY DISTRICT



CENTER CITY DISTRICT

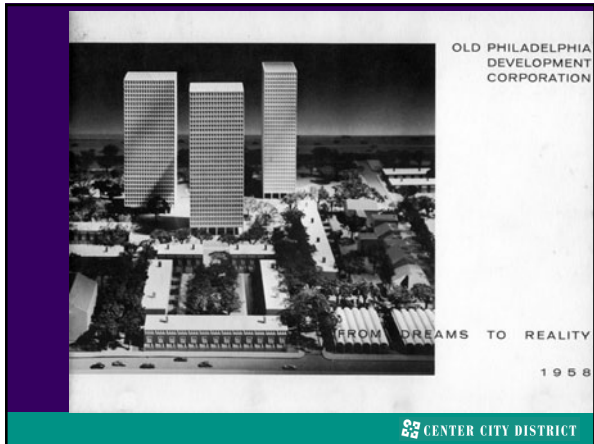
Dilworth supervises demolition



CENTER CITY DISTRICT



CENTER CITY DISTRICT



Preservation of only colonial & federal architecture
Industrial and Victorian was demolished
Creation of Society Hill



CENTER CITY DISTRICT

1956: 567 properties designated for preservation



CENTER CITY DISTRICT

Distinctive light fixtures & brick pavers



CENTER CITY DISTRICT

Creation of Delancey Park for children



CENTER CITY DISTRICT

Three bears park



CENTER CITY DISTRICT

Expansion of McCall Public School



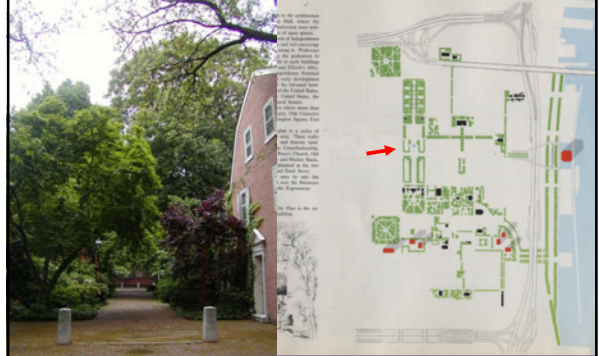
CENTER CITY DISTRICT

System of greenways



CENTER CITY DISTRICT

To link Society Hill to the National Historical Park



CENTER CITY DISTRICT

Small scale places



CENTER CITY DISTRICT

Major stimulus to downtown living



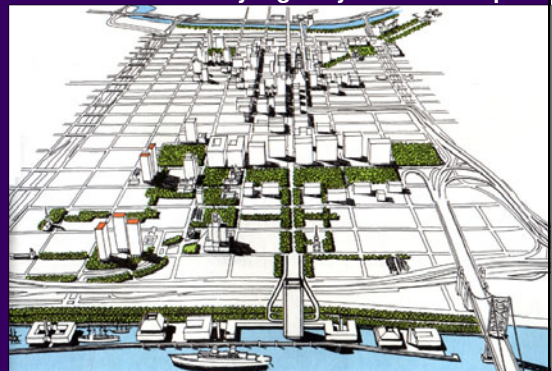
CENTER CITY DISTRICT

1963 boundaries of Center City quite distinct
Outside these boundaries: working class, lower income communities



CENTER CITY DISTRICT

Framed by highways in the 1963 plan



CENTER CITY DISTRICT

**Demolition of industrial era train tracks
Creation of modern new Office District**



CENTER CITY DISTRICT

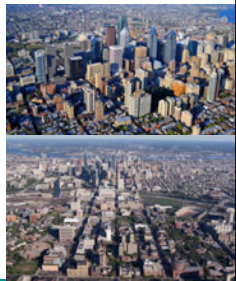
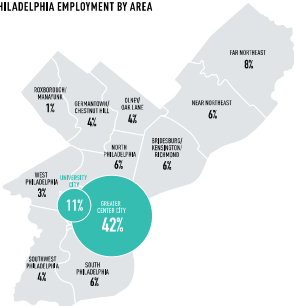
University City: a parallel process of transformation



CENTER CITY DISTRICT

**Downtown holds 42% of all city jobs; University City = 11%
8% of city's land area, holds 53% of city's jobs**

PHILADELPHIA EMPLOYMENT BY AREA



CENTER CITY DISTRICT

**Like large rock in pond, creation 20th century
downtown produced transformational ripple effects**



CENTER CITY DISTRICT

**Proximity to employment gives value to neighborhoods
Gentrification is a by-product of economic transformation**



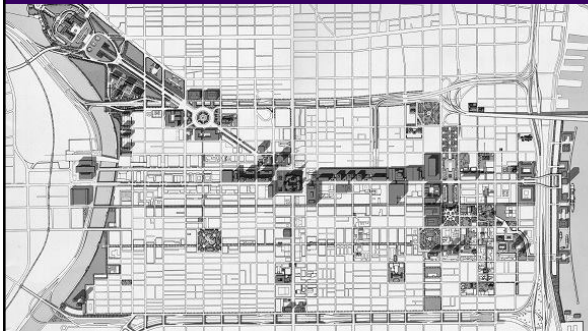
CENTER CITY DISTRICT

Renovation began to spread outward in 1970s

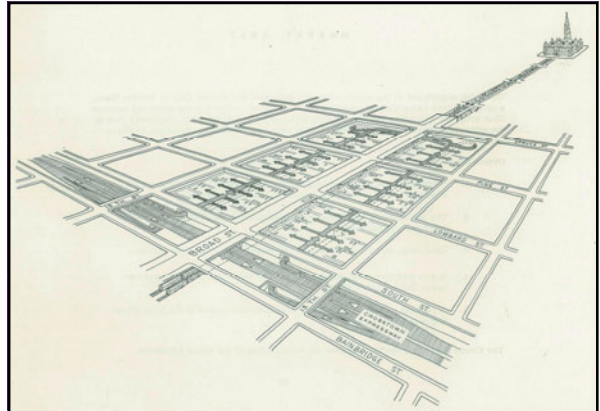


CENTER CITY DISTRICT

Crosstown expressway



CENTER CITY DISTRICT



CENTER CITY DISTRICT

Typical condemnation letter



CENTER CITY DISTRICT

Dear Mr. and Mrs. Kubiak:

This is to inform you that your Department of Highways has decided, on the basis of comprehensive engineering and traffic studies, to build or improve the above highway, and in so doing finds it necessary to acquire right of way from the above property.

In the next few weeks it will be necessary for Department staff appraisers, local independent real estate brokers retained by the Department of Highways, or both, to inspect the property so that a proper determination of its value can be made.

Please note that your property has not been condemned, and you are not required to move from the premises. When your removal is eventually required, you will be visited by the right of way agent who will explain your rights to relocation assistance and moving costs.

We thank you in advance for the cooperation we are sure you will give your Highway Department and its employees throughout the making of this highway improvement.

CENTER CITY DISTRICT

Neighborhood opposition to demolition



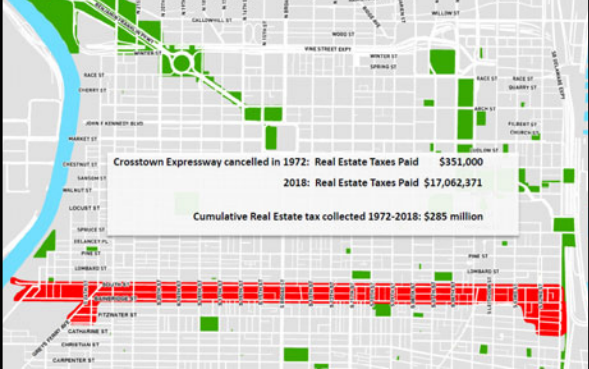
CENTER CITY DISTRICT

Inter-racial alliances



CENTER CITY DISTRICT

Strong community opposition: striking of Crosstown



CENTER CITY DISTRICT

Downtown population grew slowly, but steadily 1980s



CENTER CITY DISTRICT

Residential continuity to the south



CENTER CITY DISTRICT

An easy walk into the business district



CENTER CITY DISTRICT

Vine Street discontinuity on the northern side

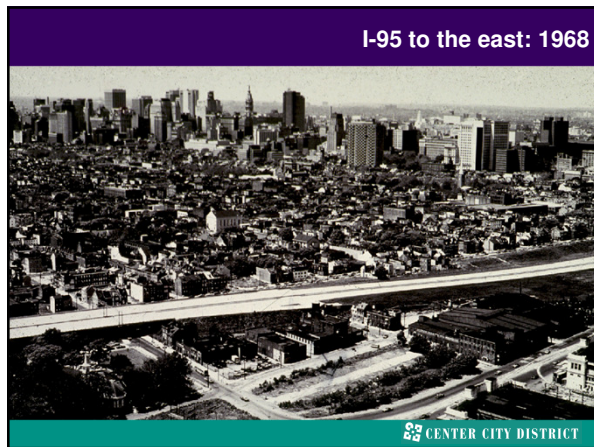
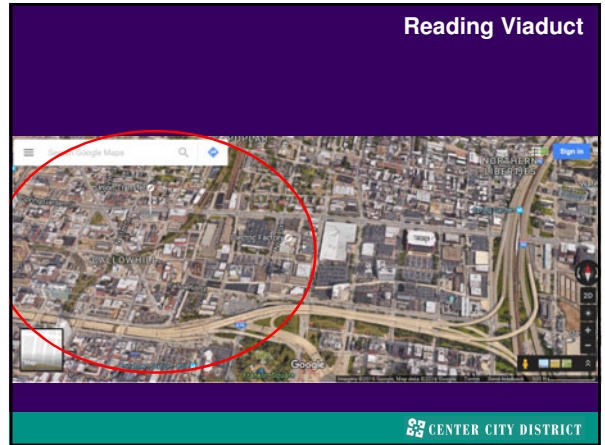
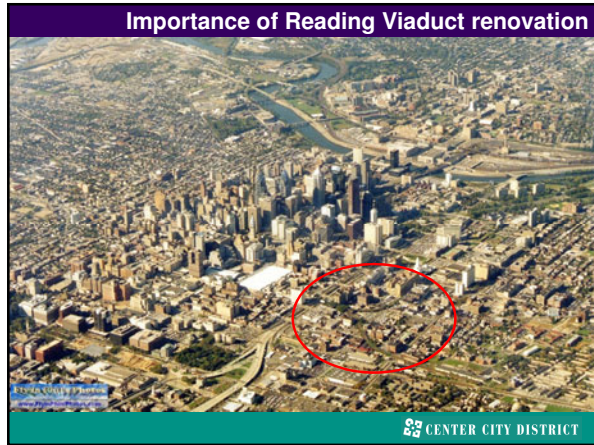
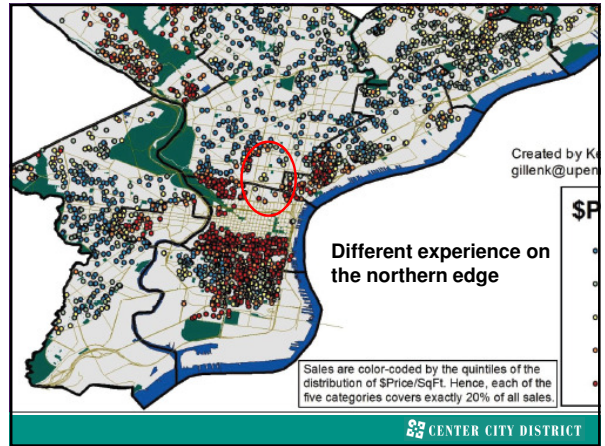
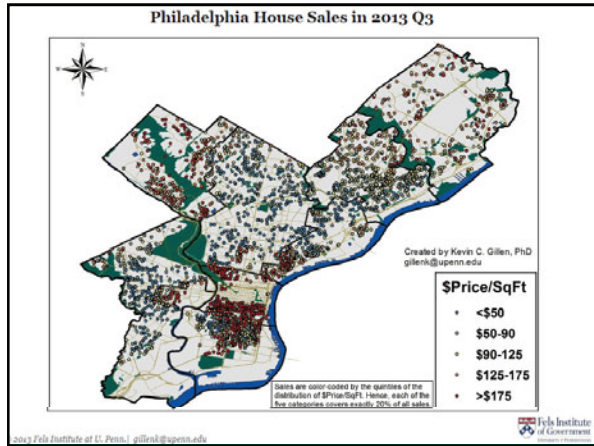


CENTER CITY DISTRICT

Difference in density



CENTER CITY DISTRICT





1991: focus on the basics: cleaning

CENTER CITY DISTRICT

**Public safety
Community Service Representatives**

- 42 CSR's
- 4 Supervisors
- 7 days per week

CENTER CITY DISTRICT

Partnership with the police

CENTER CITY DISTRICT

**Since 1995 serious crimes cut in half
declined from 18.2 to 9.9/day
Even as population & activity increased downtown**

PART 1 CRIMES PER DAY IN THE CENTER CITY DISTRICT, 1993-2017

Year	Nonviolent Crimes	Violent Crimes	Total Part 1 Crimes
1993	16.7	1.9	18.6
1994	16.4	1.4	17.8
1995	16.8	1.9	18.7
1996	16.4	1.4	17.8
1997	15.2	1.2	16.4
1998	14.4	1.4	15.8
1999	12.7	1.4	14.1
2000	12.0	1.4	13.4
2001	11.3	1.1	12.4
2002	11.3	0.9	12.2
2003	11.8	0.8	12.6
2004	10.9	0.7	11.6
2005	10.8	0.6	11.4
2006	10.8	0.6	11.4
2007	10.4	0.5	10.9
2008	10.2	0.5	10.7
2009	10.7	0.5	11.2
2010	11.5	0.5	12.0
2011	11.5	0.5	12.0
2012	10.2	0.7	10.9
2013	9.7	0.7	10.4
2014	9.4	0.4	9.8
2015	9.5	0.4	9.9
2016	9.6	0.3	9.9
2017	9.9	0.4	10.3

Source: Philadelphia Police Department

CENTER CITY DISTRICT

83% feel safe "most of the time" or "always"

PERCEPTION OF SAFETY IN CENTER CITY

- 23% I ALWAYS FEEL SAFE
- 60% I FEEL SAFE MOST OF THE TIME
- 14% I OCCASIONALLY FEEL UNSAFE
- 3% I OFTEN FEEL UNSAFE
- 1% NOT SURE

83% FEEL SAFE

Source: 2015 Customer Satisfaction Survey (www.ccdistrict.com)

CENTER CITY DISTRICT

**Reversing polarity:
Downtown diversified in the 1990s**

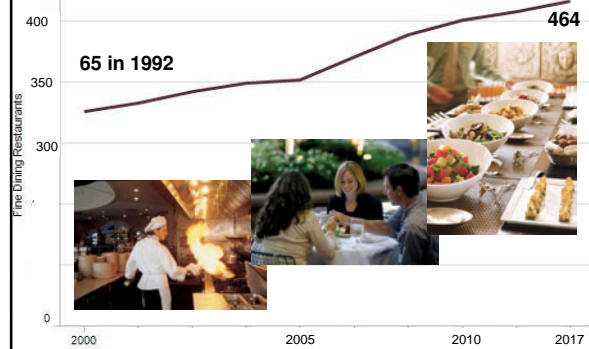
CENTER CITY DISTRICT

Added more amenities



CENTER CITY DISTRICT

Continuous growth in fine dining restaurants



CENTER CITY DISTRICT

Largest retail promotion: 2 x year:
Restaurant Week



CENTER CITY DISTRICT

Extensive retail, dining, cultural & educational offerings
within walking distance



CENTER CITY DISTRICT

Easy access to 5 hospitals
providing world-renowned medical care



CENTER CITY DISTRICT

It became a more attractive place to live



CENTER CITY DISTRICT

1950s & 1960s renewal adds Modernist office product



1953: the demolition of Pennsylvania Railroad



Penn Center



South Broad Street inventory: 40% vacant in 1990



Inventory from 1890s to 1920 becomes outmoded:
For prime office use: New York & Baltimore



Minneapolis: migration from B & C to A buildings



CENTER CITY DISTRICT

Dallas & Minneapolis



CENTER CITY DISTRICT

Older warehouse & industrial buildings



CENTER CITY DISTRICT

Cleveland



Cleveland, & Dallas



CENTER CITY DISTRICT

St. Louis



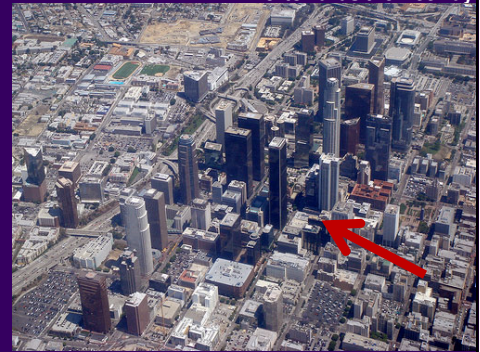
CENTER CITY DISTRICT

Los Angeles Broadway: 1920s



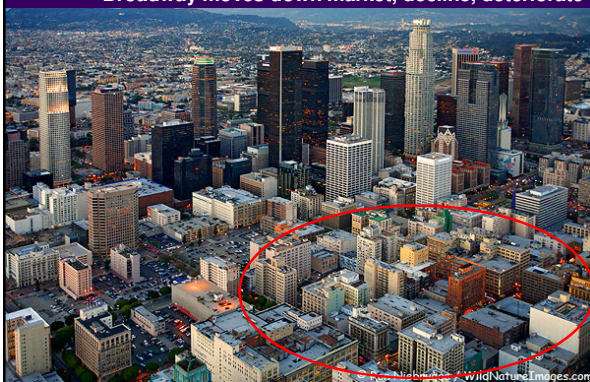
CENTER CITY DISTRICT

Bunker Hill drew commercial life out of old downtown & towards the freeway



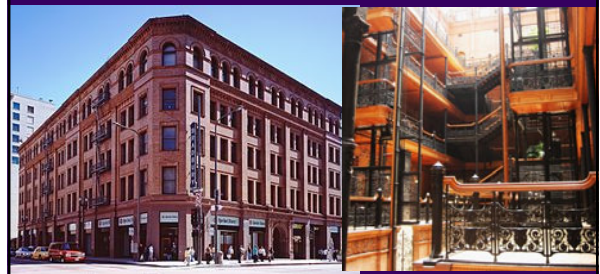
CENTER CITY DISTRICT

Broadway moves down market, decline, deteriorate



CENTER CITY DISTRICT

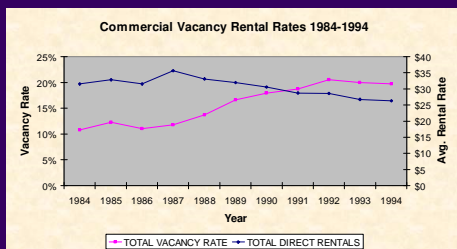
Bradbury Building These are the buildings in every city that get renovated for housing



CENTER CITY DISTRICT

Wall Street: 1995

21 million SF vacant office space
20% commercial vacancy rate
Over-reliance on FIRE sector
Quiet after dark



CENTER CITY DISTRICT

1995: empty after 5:00 pm & on weekends



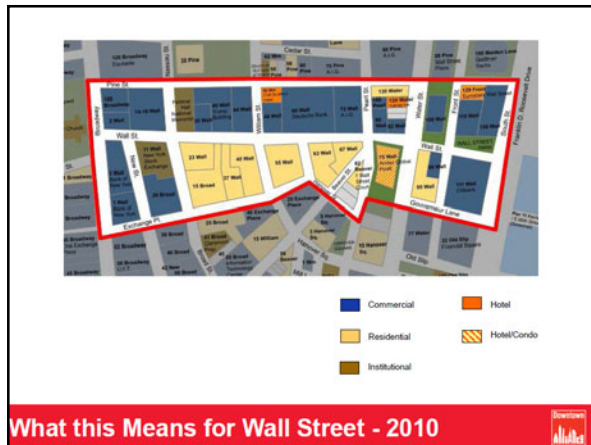
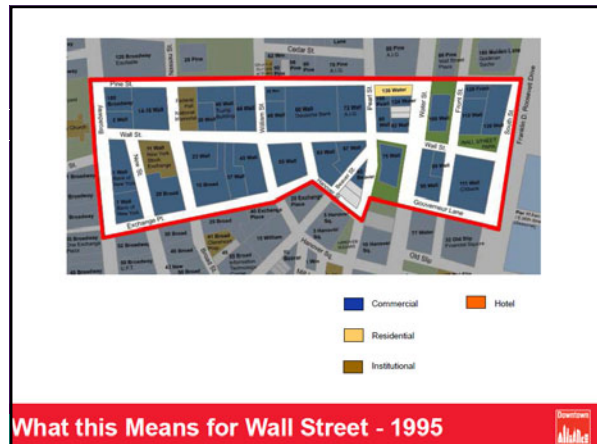
CENTER CITY DISTRICT

The Downtown Alliance



Formed in 1995

Mission: To create and promote a safe, clean, live-work, totally wired community, which showcases the nation's most historic neighborhood and serves as the financial capital of the world for the 21st century.

Method: Strengthen and Diversify the core commercial sector



1996: 4.5 million sf. Vacant Class "C" office space Within core of business district

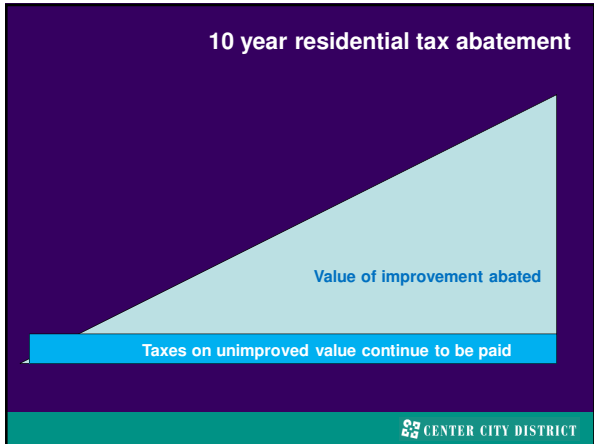



- Retained architect & developer to evaluate buildings
- Survey to determine best buildings; floor layout, window size & exposure
- Detailed economic analysis of 10 buildings: evaluation for code compliance, cost-estimate, pro-formas.

10 year residential tax abatement Approved 1997



- Extraordinary costs of converting from vacant office or industrial to residential use
- 10 year abatement on improvements
- Available city wide



Case study of one of first conversions: Vacant industrial building

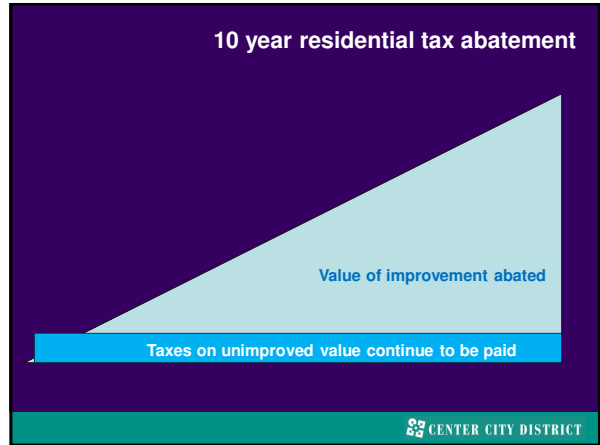
Vacant building paying \$25,651 in RE taxes
Blighting influence for over a decade

\$17.2 million spent to create 162 apartments.
Project continued to pay \$25,651 in RE taxes on unimproved value; City forgoes \$530,000 in RE taxes on improvements for 10 years.

- Project created 250 construction jobs & generated \$514,000 in city taxes during construction
- Project created 10 permanent jobs which generate \$16,000 per year in new wage taxes.

40% of tenants were new to city & their new spending in town + new wage taxes generate \$980,000 per year in new municipal taxes

CENTER CITY DISTRICT



1997 Residential Preferences Survey Of downtown office workers Of those who would consider making move to Center City:

- 79% were between the age of 21 to 49 years old
- 65% held a professional position
- 43% attended graduate school or more
- 32% had a household income of \$100,000 or more

CENTER CITY DISTRICT

1997 Residential Preferences Survey

- 63% of employees commute 30 minutes or more to work each day
- 20% of employees who do not live in Center City would consider living in Center City in the future
- 82% were attracted by the ability to walk to work
- 74% were attracted by the proximity to arts, entertainment & restaurants

CENTER CITY DISTRICT

But a look at the real estate pages in 1997.....



Heavily marketed by developers building at scale
Clean, tranquil & green



Great place to raise kids



Promoting the opportunity



Urban developers not carrying out development at the scale of suburban developers.

- *Make Your Move to Center City* Ad Campaign
- Placed in newspapers and magazines in 1997
- Limited run/conversation with brokers.

Targeted to different audiences



Promoting downtown living



Living in the Center of Everything

- Description of neighborhoods
- List of downtown amenities
- List of neighborhood services
- 50,000 brochures distributed to real estate brokers, downtown employees and students

The passage of the 10-year tax abatement in 1997: triggered significant increase in housing production Tapped into deeper trends



CENTER CITY DISTRICT

Built on a long tradition of downtown living



CENTER CITY DISTRICT

Built on improved downtown amenities



CENTER CITY DISTRICT

2006: Why move to Center City? Convenience



Please rank the following factors in your decision to move to this location.
(1= extremely important, 4= not important)

Convenience to shopping/dining/entertainment	1.54
Neighborhood safety	1.61
Price of unit	1.71
Proximity to arts and cultural institutions	1.90
Proximity to place of employment	1.90
Building safety	1.92
Access to public transit	2.03
Access to parks and recreation	2.29
Diversity of neighborhood	2.42
Building amenities and services	2.45
Proximity to family and friends	2.46
Availability of convenient parking	2.50
Access to regional highways	2.54
Living in a historic building	3.07
Living in a newly constructed unit	3.20
Benefits from the 10-year tax abatement	3.31

CENTER CITY DISTRICT

Spring 2007: Survey of 62 condo & rental buildings in CCD
500 responses



40%: moved in from outside the city
73% work downtown,
16% work in University City
35% hold jobs in the office sector
20% work in education & health services;
24% listed themselves as "retired."
50% walk to work
28% take public transportation.

CENTER CITY DISTRICT

1998–2017:
180 buildings converted to residential use



CENTER CITY DISTRICT

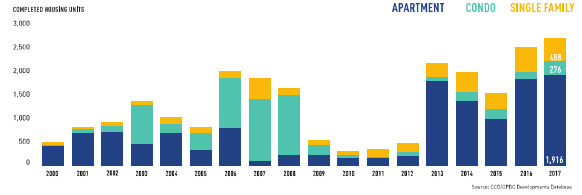
Expanded in 2000 to include all new construction



CENTER CITY DISTRICT

Since 2000 added 23,178 new units of housing
Apartments, condo & single family

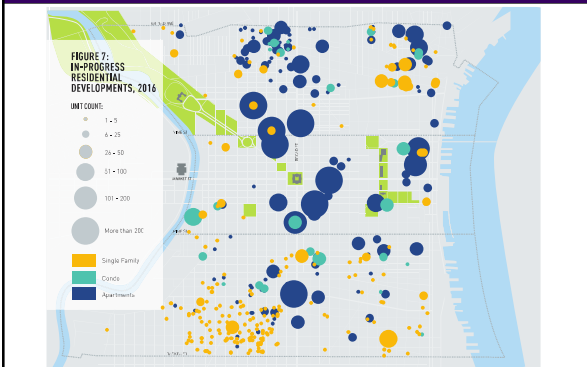
FIGURE 1: GREATER CENTER CITY HOUSING COMPLETIONS, 2000-2017



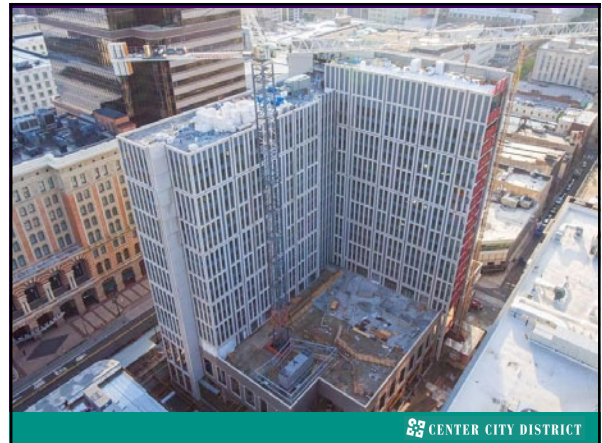
Source: CCD/CDD Development Database

CENTER CITY DISTRICT

Geographic distribution: 2016

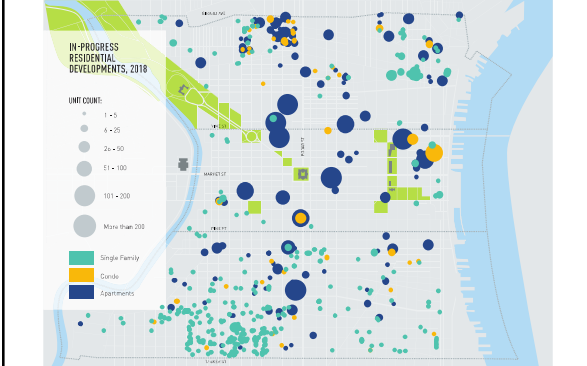


CENTER CITY DISTRICT



CENTER CITY DISTRICT

Geographic distribution: 2017



CENTER CITY DISTRICT

Since 2000, CCD has tracked residential development in Greater Center City, monitoring print, online & publicly available permit data. Each year a field survey also conducted to verify & track the progress of each development



CENTER CITY DISTRICT

Methodology

Track print & online accounts of all residential construction in Greater Center City throughout the year.

Monitor the issuance of new construction building permits on-line from the Department of L&I database.

Status of each project is then verified by on-site surveying for all smaller projects as well as confirmation from developers for larger projects.

- started construction
- completed construction
- occupancy commenced



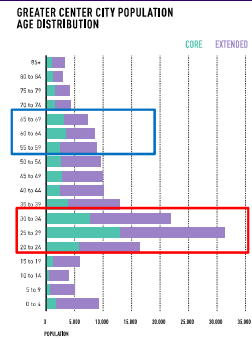
Central Business District is no longer just an office district
56 condo buildings with 4,200 units inside CCD
235 apartment buildings + 4 coops: 17,000 units



Significant volumes of returning empty nesters
& they have driven up housing prices



46% of residents in core, ages 20-34
Large cohort of empty nesters

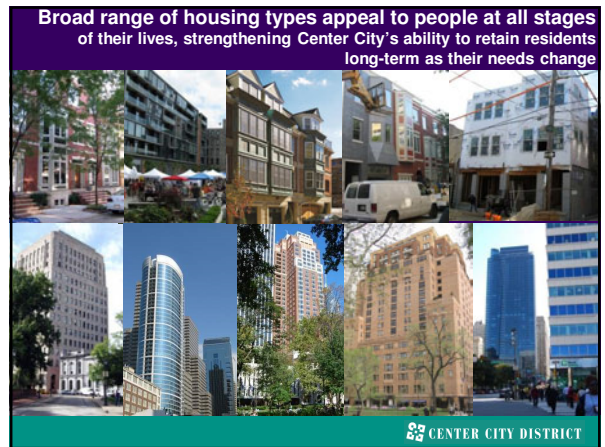
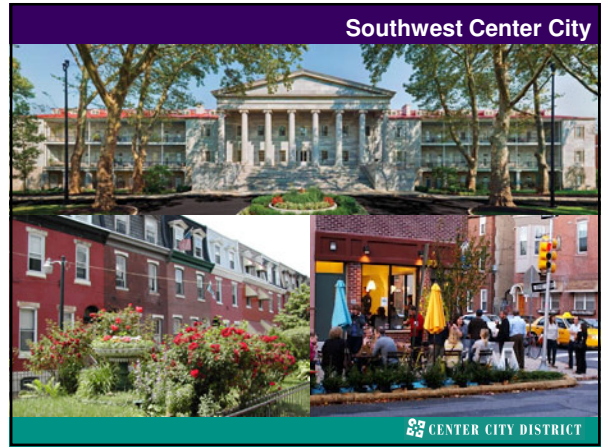
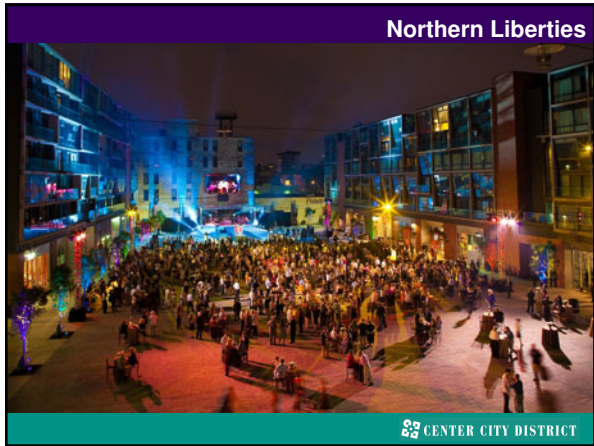


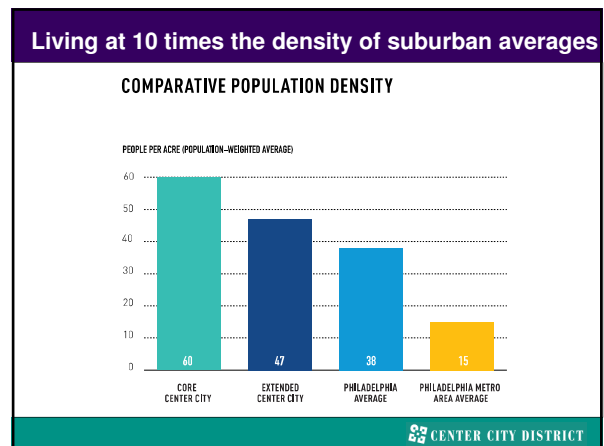
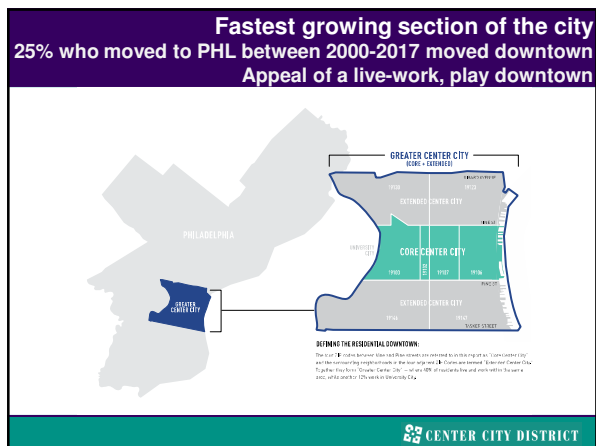
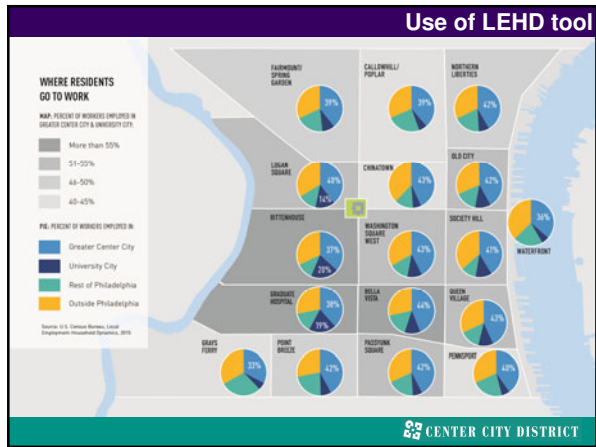
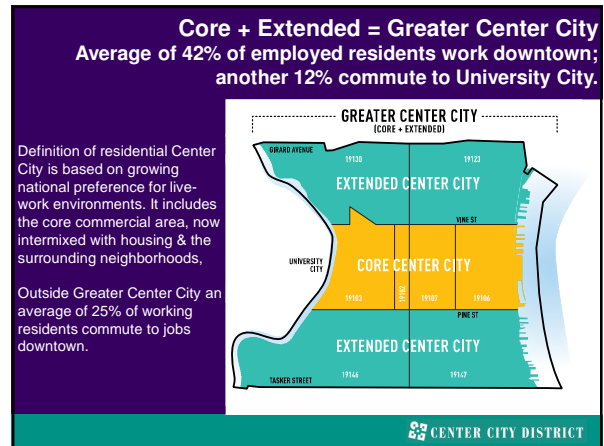
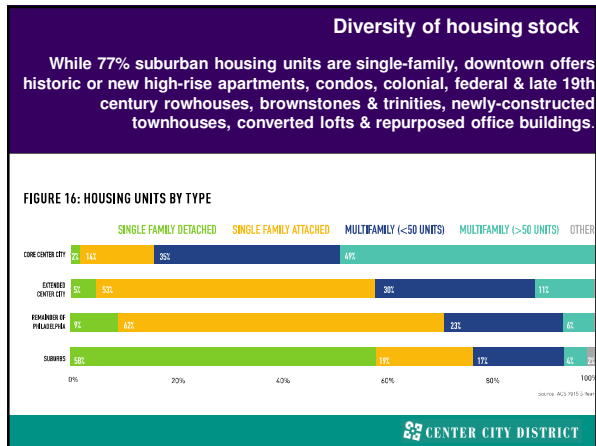
Renters are younger
Younger home-buyers are moving outward



Queen Village







Density drives restaurants, retail & sidewalk vitality



CENTER CITY DISTRICT

63% of residents get to work without a car;
39% in core walk to work



CENTER CITY DISTRICT

75% in core have a BA degree; 50% in extended



CENTER CITY DISTRICT

The highest concentration of educated workers
in city & region:



CENTER CITY DISTRICT

Demographics are a powerful lure
to both retailers & employers



CENTER CITY DISTRICT

Knowledge workers drive the new economy



CENTER CITY DISTRICT

Suburban firms are locating downtown to be near talent & start-ups

CENTER CITY DISTRICT

Profound long-term demographic changes

Distribution of Households with and without Children, and Single-Person Households, 1960, 2000, and 2030

Arthur Nelson, Annals

CENTER CITY DISTRICT

Shrinking household size

FIGURE 17: HOUSEHOLD TENURE, 2015

Across the city, 55% of those living alone are renters

Philadelphia average household size has contracted from 3.0 persons in 1970 to 2.6 in 2015.

For every 100 people, 5 additional housing units are required today compared to 1970.

In most neighborhoods of Core Center City, household size averages just 1.6 persons per unit.

CENTER CITY DISTRICT

Defining new boundaries for Center City

2002: In depth look at 2000 census

The Success of Downtown Living: Expanding the Boundaries of Center City

Center City in 2001 was almost twice the average monthly rent of \$60 for the rest of the City, and 50% more than the average rent of \$62 per month in the surrounding suburbs.

In the last decade, Center City also experienced an increase in homeownership and rising home values. For example, while the number of renter-occupied units increased 9% from 1990 to 2000 in the neighborhood of Logan Circle, the number of owner-occupied units in this neighborhood increased by 16%.

Throughout all areas of Center City, the sales price of homes increased dramatically, appreciating on average 10% per year in the second half of the 1990s, between 2000 and 2006. Three Center City zip codes saw sales prices increase between 50% and 100% from zip codes experienced increases of 6%-9%, and in one zip code, 19146, Southwest Center City, sales prices increased by 120%.

The ten-year tax abatement for new construction, approved in 2000, has already led to the construction of new and renovated in Society Hill, Queen Village, Bella Vista, Pike Square, Chinatown, Fairmount and

CENTER CITY DISTRICT

Population growth by decade: 1970-2000

Area	Neighborhood	Year				Percent Change			
		1970	1980	1990	2000	70-80	80-90	90-00	70-00
Core	Chinatown	1,133	1,150	1,403	1,362	2%	22%	-3%	20%
	East of Broad	430	740	1,404	2,441	72%	90%	74%	468%
	Logan Circle	3,974	2,160	2,427	2,670	-46%	12%	6%	35%
	Old City	225	656	2,073	2,650	192%	216%	28%	1078%
	Rittenhouse / Fitter	15,305	16,429	16,089	16,609	7%	-2%	3%	9%
	Society Hill	4,841	5,213	5,715	5,808	8%	10%	2%	20%
	Wash West	9,855	10,223	9,828	10,894	4%	-4%	11%	11%
	West of Broad	7,702	6,981	6,275	6,877	-9%	-10%	10%	-11%
Core		43,465	43,552	45,214	49,211	0%	4%	9%	13%
Extended Area	Art Museum	18,300	15,618	14,895	15,700	-15%	-5%	5%	-14%
	Bella Vista	8,338	6,137	5,784	4,577	-26%	-6%	-21%	-45%
	Northern Liberties	905	359	593	789	-60%	65%	33%	-13%
	Queen Village	4,503	3,986	4,436	4,396	-11%	11%	-1%	-2%
	South of South	5,053	3,469	3,763	3,585	-31%	8%	-5%	-29%
Waterfront		400	644					61%	
Extended Area		37,099	29,569	29,871	29,691	-20%	1%	-1%	-20%
Center City		80,564	73,121	75,085	78,902	-9%	3%	5%	-2%

CENTER CITY DISTRICT

Household growth by decade, 1970-2000

Area	Neighborhood	Year				Percent Change			
		1970	1980	1990	2000	70-80	80-90	90-00	70-00
Core	Chinatown	418	410	397	459	-2%	-3%	16%	10%
	East of Broad	283	567	872	801	100%	54%	-8%	183%
	Logan Circle	1,662	1,264	1,365	1,239	-24%	8%	-9%	-25%
	Old City	103	373	1,368	1,748	263%	267%	28%	1601%
	Rittenhouse / Fitter	9,064	10,780	10,420	11,088	19%	-3%	6%	22%
	Society Hill	2,481	2,875	3,401	3,635	16%	18%	7%	47%
	Wash West	6,074	6,551	6,635	7,052	8%	1%	6%	16%
	West of Broad	4,835	4,921	4,570	4,889	2%	-7%	7%	1%
Core		24,921	27,741	29,028	30,911	11%	5%	6%	24%
Extended Area	Art Museum	7,436	8,054	8,264	8,887	8%	3%	8%	20%
	Bella Vista	2,759	2,398	2,649	2,343	-13%	10%	-12%	-15%
	Northern Liberties	410	194	336	474	-53%	73%	41%	16%
	Queen Village	1,757	2,008	2,308	2,487	14%	15%	8%	42%
	South of South	2,207	1,643	1,816	1,929	-26%	11%	6%	-13%
Waterfront		400	644	217				72%	
Extended Area		14,588	14,287	15,590	16,493	-2%	9%	6%	13%
Center City		39,488	42,038	44,618	47,404	6%	6%	6%	20%
Philadelphia		642,145	619,781	603,075	590,071	-3%	-3%	-2%	-5%

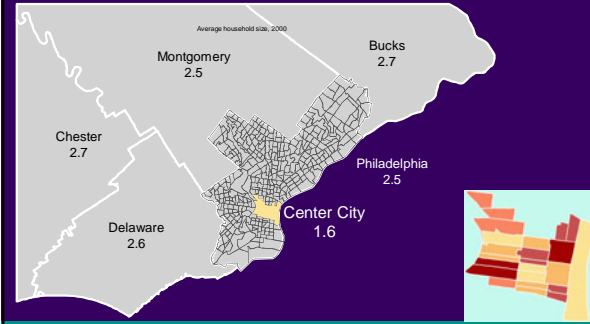
CENTER CITY DISTRICT

Smaller, more affluent, better educated

Area	Neighborhood	Year				Percent Change			
		1970	1980	1990	2000	70-80	80-90	90-00	70-00
Core	Chinatown	2.5	2.6	2.9	2.6	2%	14%	-11%	3%
	East of Broad	1.4	1.3	1.4	1.4	-5%	8%	2%	5%
	Logan Circle	1.6	1.4	1.5	1.6	-9%	6%	3%	0%
	Old City	2.2	1.6	1.4	1.4	-27%	-9%	-3%	-35%
	Rittenhouse / Fitter	1.6	1.5	1.5	1.5	-7%	-1%	0%	-8%
	Society Hill	1.9	1.8	1.7	1.6	-6%	-7%	-5%	-17%
	Wash West	1.5	1.5	1.4	1.4	-1%	-3%	-1%	-6%
Core	West of Broad	1.5	1.4	1.3	1.3	-6%	-5%	0%	-14%
	Center City	1.7	1.6	1.6	1.5	-7%	1%	-2%	-8%
Extended Area	Art Museum	2.3	1.9	1.7	1.7	-18%	-7%	-4%	-21%
	Bella Vista	3.0	2.5	2.2	1.9	-14%	-15%	-12%	-36%
	Northern Liberties	2.1	1.9	1.7	1.7	-9%	-9%	-5%	-22%
	Queen Village	2.5	2.0	1.9	1.8	-22%	-3%	-8%	-30%
	South of South	2.2	2.1	2.0	1.8	-5%	-5%	-9%	-17%
	Waterfront			1.8	1.7			-8%	
Extended Area	Center City	2.4	2.1	1.9	1.7	-15%	-9%	-7%	-28%
Center City		2.0	1.8	1.7	1.6	-11%	-4%	-5%	-19%

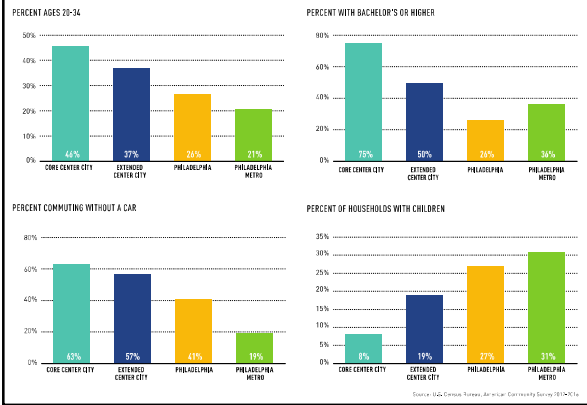
CENTER CITY DISTRICT

Households downtown were getting smaller: Larger extended families replaced by singles & couples. Smaller households occupying more real estate



CENTER CITY DISTRICT

FIGURE 5: NEW DEMOGRAPHIC REALITIES



Source: US Census Bureau, American Community Survey (ACS)

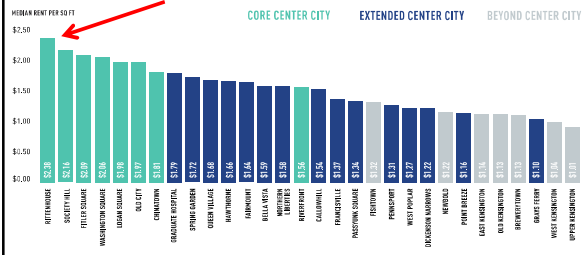
FIGURE 6: GREATER CENTER CITY NEIGHBORHOOD PROFILES

NEIGHBORHOOD	AVERAGE HOUSEHOLD SIZE	% OF HOUSEHOLDS WITH CHILDREN	% AGES 20-34	PERCENT 60 AND OLDER	% BACHELOR'S OR MORE	AVERAGE HOUSEHOLD INCOME	NON-AUTO COMPUTING MORE SHARE	% NO VEHICLE HOUSEHOLDS
Chinatown/Market East	2.0	12%	54%	8%	44%	\$20,877	74%	58%
Logan Square	1.6	9%	44%	29%	73%	\$103,471	64%	41%
Old City	1.7	9%	40%	13%	81%	\$124,525	57%	28%
Rittenhouse Square	1.6	7%	47%	20%	87%	\$129,863	76%	48%
Society Hill	1.9	13%	27%	33%	86%	\$164,030	53%	29%
Washington Square	1.2	7%	54%	16%	79%	\$53,212	73%	57%
Waterfront	1.8	10%	34%	28%	72%	\$127,011	38%	51%
Bella Vista	2.1	14%	34%	14%	65%	\$107,441	47%	33%
Callowhill/Finger	2.3	29%	20%	20%	29%	\$48,295	44%	48%
Fairmount/Spring Garden	2.1	18%	37%	15%	59%	\$90,565	52%	24%
Graduate Hospital	2.2	16%	41%	13%	68%	\$107,181	63%	32%
Grays Ferry	2.6	22%	28%	15%	12%	\$27,501	52%	47%
Northern Liberties	2.0	11%	49%	8%	72%	\$128,501	42%	14%
Parsonage Square	2.5	19%	52%	17%	43%	\$73,290	63%	37%
Shomps	2.6	24%	38%	12%	42%	\$75,242	47%	23%
Franklin Square	2.4	17%	36%	17%	37%	\$56,457	60%	41%
Queen Village	2.1	18%	36%	14%	77%	\$124,726	60%	23%
PHILADELPHIA AVERAGE	2.8	17%	31%	18%	36%	\$50,372	41%	31%
METRO AREA AVERAGE	2.6	21%	27%	20%	36%	\$53,811	31%	32%

CENTER CITY DISTRICT

Rittenhouse Square: highest rents in Center City

FIGURE 10: 2017 RENTS PER SQUARE FOOT BY NEIGHBORHOOD

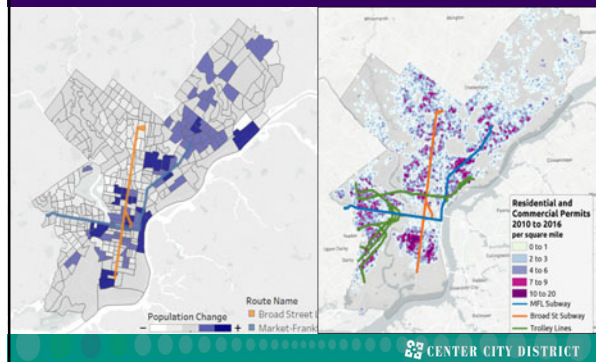


*Based on 2016 Neighborhood Census

Source: Zillow, Zillow Research

CENTER CITY DISTRICT

Growth beyond Center City driven in part by SEPTA

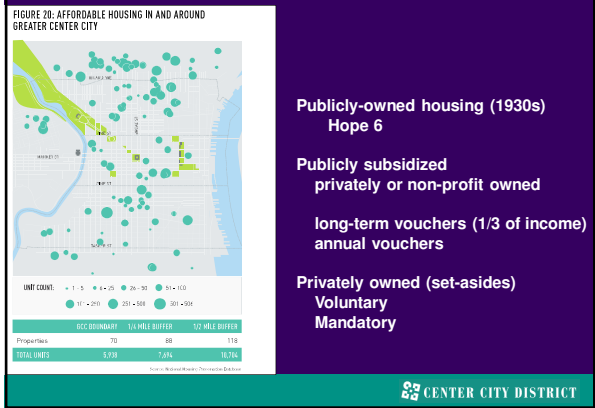


CENTER CITY DISTRICT

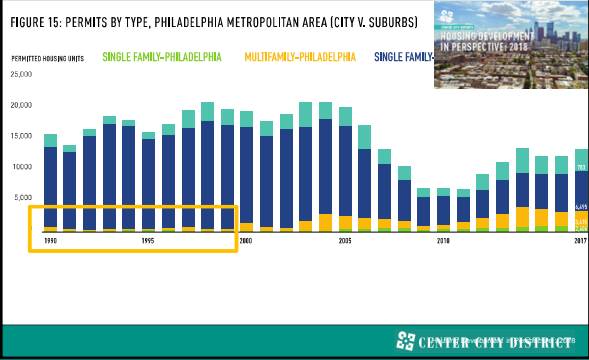
10,704 units affordable housing in & adjacent to Center City



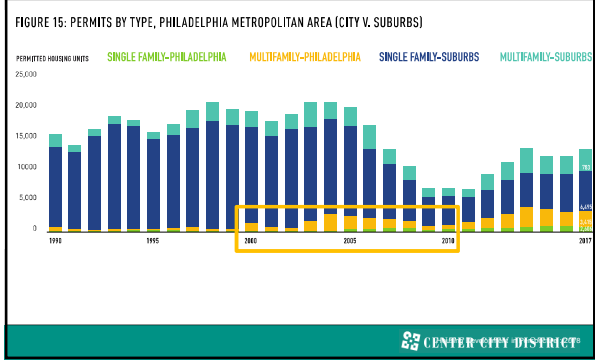
Publicly assisted housing



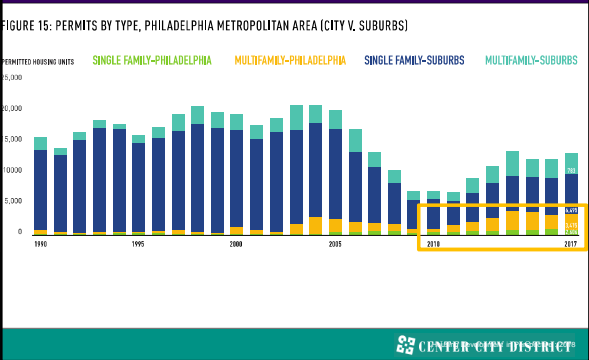
How the world has changed 1990-1999, 5,072 housing units permitted in all Philadelphia > 3% of 177,469 total permits issued in Philadelphia region



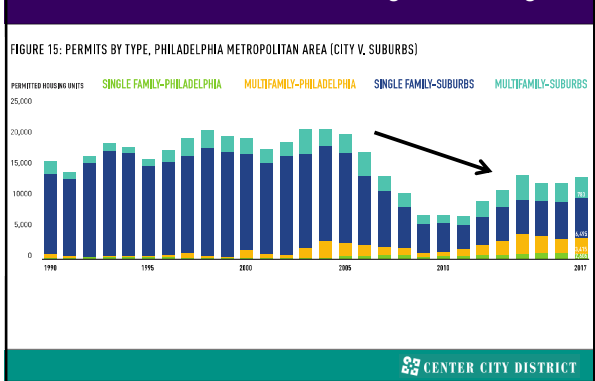
In 2000 abatement expands to all types of construction Building permits increase to 10% of regional total. Employment stabilizes, population growth for first time in decades



Between 2010 and 2017, Philadelphia's regional share of housing permits rises to 25% 55% of units are in Greater Center City

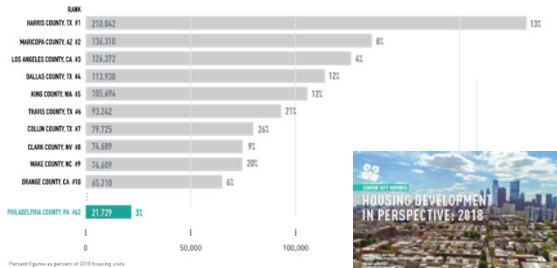


But a large portion of the percentage increase Comes from dramatic slowing of suburban growth



Putting this in national perspective
62nd in housing production among 100 largest counties
Growth is strong, but pales in comparison with other cities

FIGURE 16: TOP COUNTIES BY NUMBER OF UNITS PERMITTED, 2010 TO 2017



CENTER CITY DISTRICT

Lots of concern about what's being "given away"
at front end of the development process



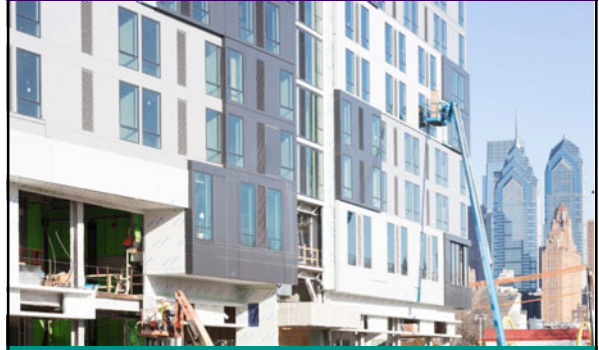
CENTER CITY DISTRICT

Proposals to phase out tax abatement;
add 1% construction tax (fund affordable housing)



CENTER CITY DISTRICT

What is the value of construction jobs
& related taxes & economic impacts



CENTER CITY DISTRICT

Case study of one of first conversions:



CENTER CITY DISTRICT

Case study of one of first conversions:
Vacant industrial building



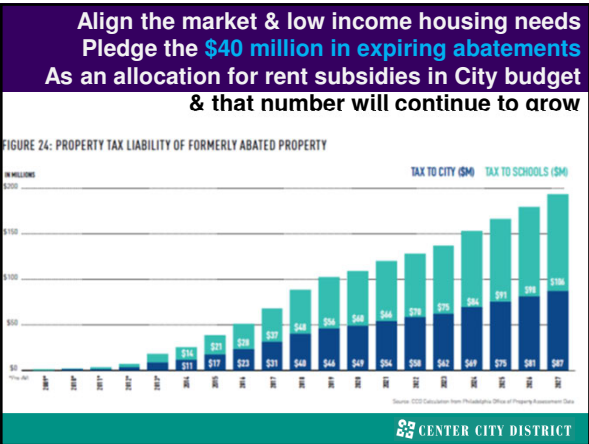
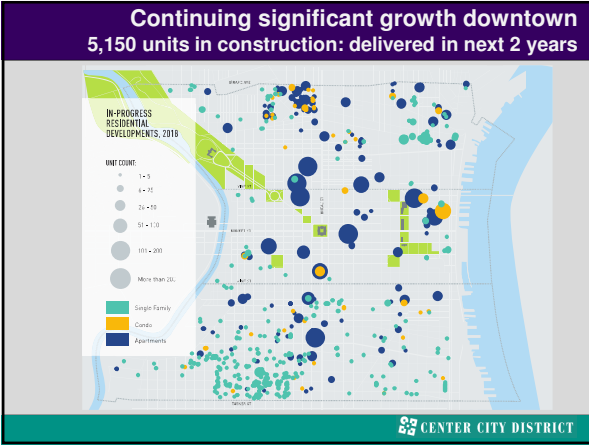
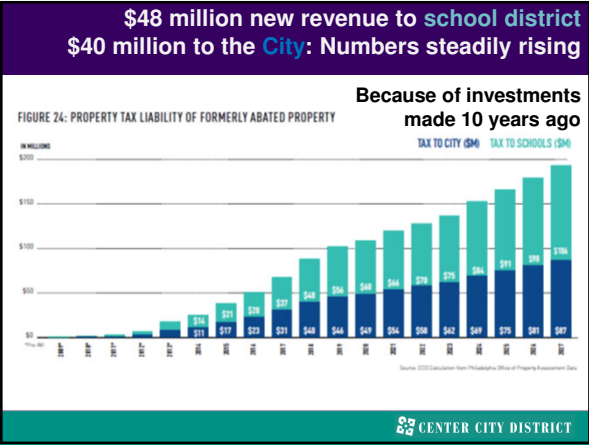
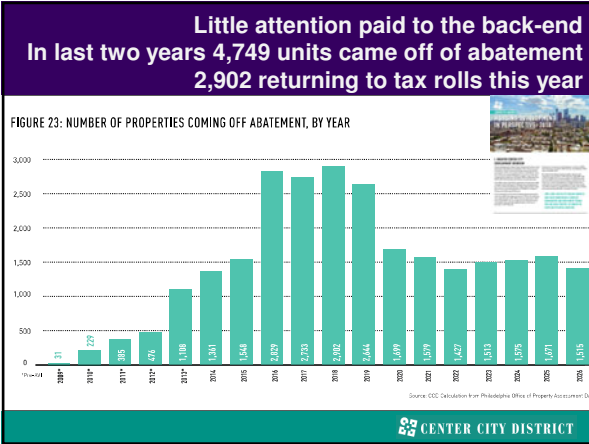
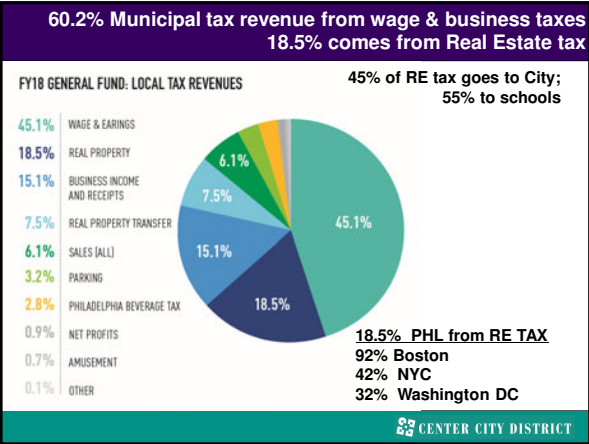
Vacant building paying \$25,651 in RE taxes
 Blighting influence for over a decade

\$17.2 million spent to create 162 apartments.
 Project continued to pay \$25,651 in RE taxes on
 unimproved value; City forgoes \$530,000 in RE taxes
 on improvements for 10 years.

- Project created 250 construction jobs & generated \$514,000 in city taxes during construction
- Project created 10 permanent jobs which generate \$16,000 per year in new wage taxes.

40% of tenants were new to city & their new spending
 in town + new wage taxes generate \$980,000 per year
 in new municipal taxes

CENTER CITY DISTRICT

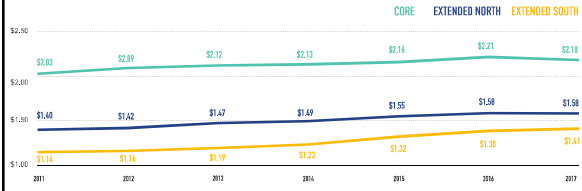


How sustainable is this?

CENTER CITY DISTRICT

Some over-building causing rents to moderate

FIGURE 7: RENTS PER SQUARE FOOT, 2011-2017



CENTER CITY DISTRICT

Rents are moderating slightly due to oversupply

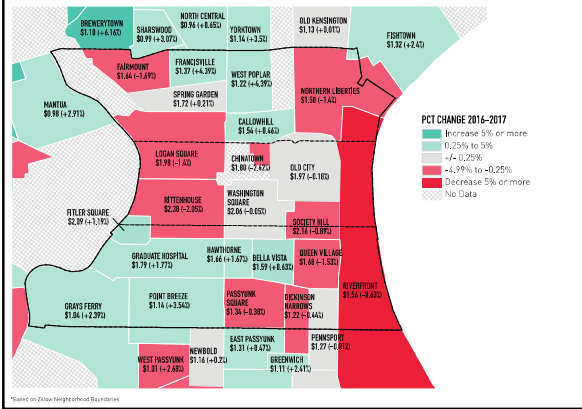
FIGURE 8: RENTS PER SQUARE FOOT BY ZIP CODE, 2011-2017

Area	2011	2012	2013	2014	2015	2016	2017
CORE	\$2.03	\$2.07	\$2.12	\$2.13	\$2.16	\$2.21	\$2.18
19102	\$2.19	\$2.26	\$2.30	\$2.34	\$2.38	\$2.41	\$2.26
19103	\$2.16	\$2.22	\$2.29	\$2.30	\$2.30	\$2.40	\$2.28
19104	\$1.93	\$1.99	\$1.98	\$1.99	\$2.01	\$2.07	\$2.02
19107	\$1.80	\$1.90	\$1.92	\$1.90	\$1.93	\$1.98	\$1.99
EXTENDED NORTH	\$1.40	\$1.42	\$1.47	\$1.49	\$1.55	\$1.58	\$1.57
19122	\$1.21	\$1.24	\$1.39	\$1.41	\$1.49	\$1.51	\$1.50
19129	\$1.48	\$1.49	\$1.55	\$1.57	\$1.60	\$1.64	\$1.64
EXTENDED SOUTH	\$1.16	\$1.18	\$1.19	\$1.20	\$1.22	\$1.38	\$1.41
19114	\$1.03	\$1.03	\$1.05	\$1.12	\$1.22	\$1.28	\$1.22
19117	\$1.26	\$1.30	\$1.33	\$1.35	\$1.43	\$1.49	\$1.50

Source: CBRE, CBRE Real Estate Research

CENTER CITY DISTRICT

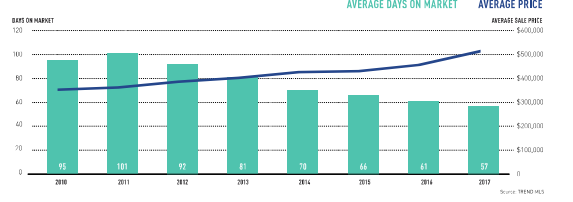
FIGURE 9: PERCENT CHANGE IN RENT BY NEIGHBORHOOD, 2016-2017



Based on 2016 Neighborhood Boundaries

Ownership: prices rising; days on market falling

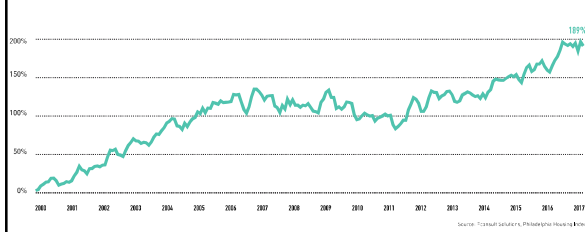
FIGURE 12: DAYS ON MARKET AND AVERAGE SALE PRICE



CENTER CITY DISTRICT

Housing appreciating at 11%/year

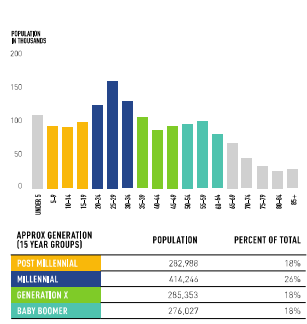
GREATER CENTER CITY PERCENT CHANGE IN HOUSE PRICES, 2000-2017



CENTER CITY DISTRICT

How sustainable: Demographics?? Millennials in Philadelphia

FIGURE 23: PHILADELPHIA AGE DISTRIBUTION

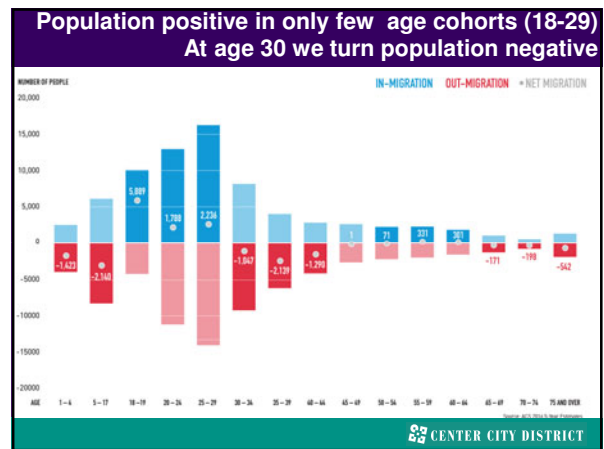
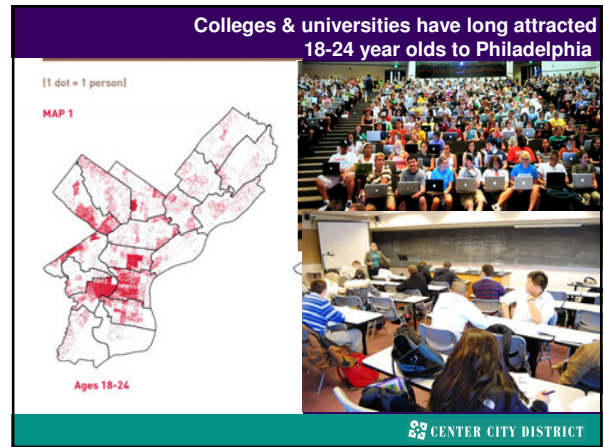
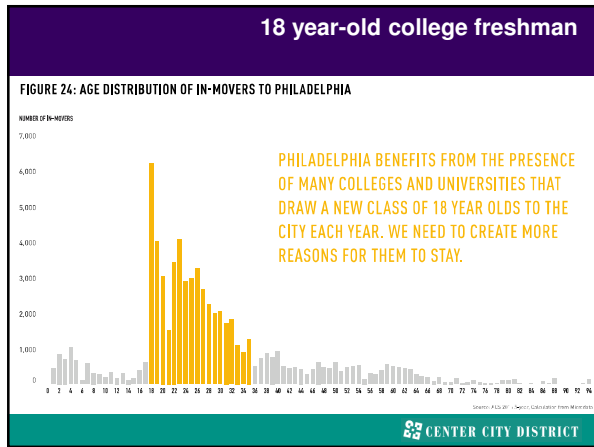
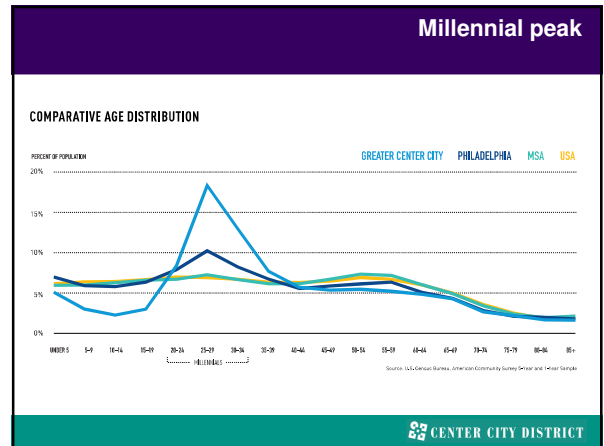
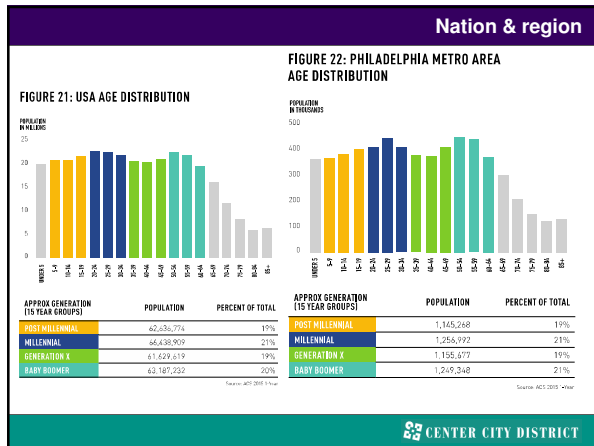


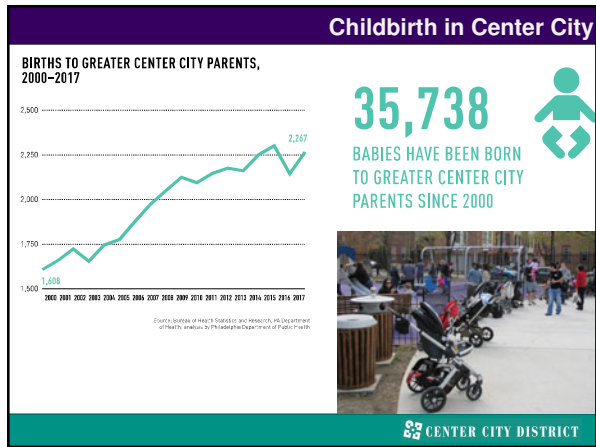
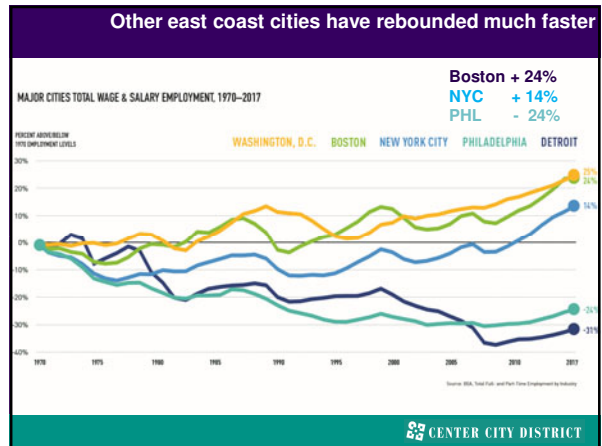
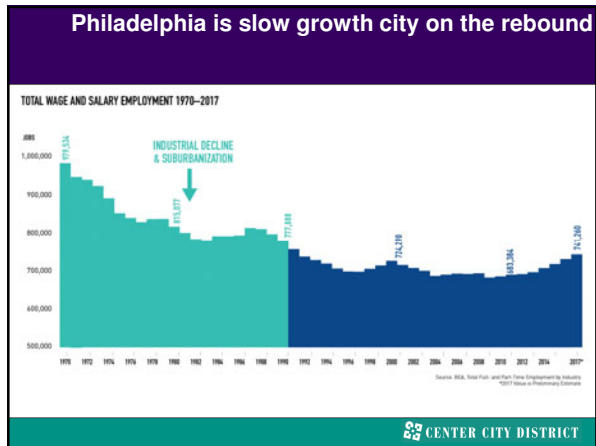
This age cohort nationally is currently tending to live alone, marry later, have smaller families and delay homeownership.

They constitute a major source of demand for Center City's surging rental supply.

But the millennial peak is particularly pronounced in Philadelphia & the drop-off behind them is more dramatic than in the nation or surrounding region

CENTER CITY DISTRICT





2003: Can Center City's public schools be more neighborhood oriented?

CENTER CITY REPORT: Growing Smarter
The Central Office of the Center City District

Key Findings:

- Center City's public schools are not neighborhood-oriented.
- Center City's public schools are not neighborhood-oriented.
- Center City's public schools are not neighborhood-oriented.

Key Findings (continued):

- Center City's public schools are not neighborhood-oriented.
- Center City's public schools are not neighborhood-oriented.
- Center City's public schools are not neighborhood-oriented.

CENTER CITY DISTRICT

2004 Launched a new effort in partnership with Jim Nevels & Paul Vallas: www.CenterCitySchools.com

The region's best classroom is right in your backyard. In fact, it is your backyard.

CENTER CITY DISTRICT

2004 effort: listed all types of schools: Funding William Penn Foundation & Commonwealth

Welcome to your child's new classroom. You've got a front-row seat.

Parents— You can now choose from thirteen downtown public elementary schools. Learn more >>

Center City schools offer you the opportunity to be more involved in your child's life through the unique shared experiences that come from working, playing, living and learning right here.

Today, children who live in Center City Philadelphia can get one of the best educations in the country. With a wide choice of public, private, parochial and charter schools, you can feel confident knowing you have a wealth of options for your child.

Click here to learn more about the Center City Elementary School Fair.

© 2003 Center City District/Center Philadelphia Development Corporation/Private Policy

Public Schools

Center City School	1000
Center City School	1000
Center City School	1000

Private Schools

Center City School	1000
Center City School	1000
Center City School	1000

Charter Schools

Center City School	1000
Center City School	1000
Center City School	1000

Center City District

Built 13 individual school websites: Virtual "front door" for public schools District sought to grow market share downtown

Welcome to **General George A. McCall School**

Quick Information

228 South the Street
Philadelphia, PA 19106
215-977-1111
www.gamcallschool.org

Campus Features

Our school is a vibrant, modern facility with state-of-the-art technology, including interactive whiteboards, digital cameras, and a fully equipped computer lab. We also offer a variety of extracurricular activities, including sports, music, and art.

Center City District

In 2005 & 2006 hosted very successful school fairs

Choosing an elementary school for your child? Come to the...

center city elementary school fair

Saturday, October 22, 2005, Noon-3pm

2 + 2 = 4

ABC

Center City District

Expanded schools website to serve these families

Kids in Center City Newsletter

kidsincentercity.com

SATURDAY PLAY DATE!

presented by the Market + Steps at Comcast Center

Please help us support **THE GREAT SPROUT TUCK-IN** by bringing new bedtime books and cozy pajamas for children in need.

Center City District

Strong parent involvement in Center City schools Many cities don't have the infrastructure

Map Results

Chester A. Arthur School - 20th and Calhoun Sts	7011
Bartho-Martin School - 7201 Girard St	7201
Albert M. Greenfield School - 32nd and Chestnut Sts	1213 S 32nd St
Andrew Jackson School - 1213 S 32nd St	1213 S 32nd St
General Philip Kearny School - 4th St and Fairmount Ave	505 S 7th St
William M. Meredith School - 725 S 5th St	725 S 5th St
George W. Jackson School - 4th and Carpenter Sts	1145 Market St
Lewis M. Stanton School - 17th and Chestnut Sts	17th and Chestnut Sts
Laura Wheeler Manning School - 18th and Green Sts	18th and Green Sts

Center City District

75% of children living in Greater Center City Attend one of 19 elementary public schools between Girard & Tasker: Enrollment up by 9% since 2010

PHILADELPHIA K-12 EDUCATION ENROLLMENT

GREATER CENTER CITY

75% PUBLIC
25% PRIVATE

PHILADELPHIA

80% PUBLIC
20% PRIVATE

12,320
TOTAL K-12 STUDENTS

Source: U.S. Census Bureau, American Community Survey 2010-2014

Center City District

**Population growth driven our focus on parks
Children are filling up our parks**




CENTER CITY DISTRICT

As quickly as we can build them



CENTER CITY DISTRICT

Uncertainty about upper grades makes retention a challenge



Births to Center City parents, as a percent of citywide births, have been growing since 2000 & accounted for 11% of all citywide births in 2015.

In most areas of city, number of school-age children (5 -18) closely tracks number of births in prior 17 years.

But most recent ACS data for Greater Center City for 2011-2015 show that while there were 11,039 births to Center City parents in that five-year period, only 8,386 children under age 6 remain, suggesting a 24% departure rate by the time young children reach school age.

Elsewhere in city, the difference between births & school-age children is less than 3%.

CENTER CITY DISTRICT

Center City enjoys significant competitive advantages that align well with changing national lifestyle & employment preferences.



CENTER CITY DISTRICT

Density, walkability & convenient access to restaurants, retail, culture & medical care are appealing to all ages

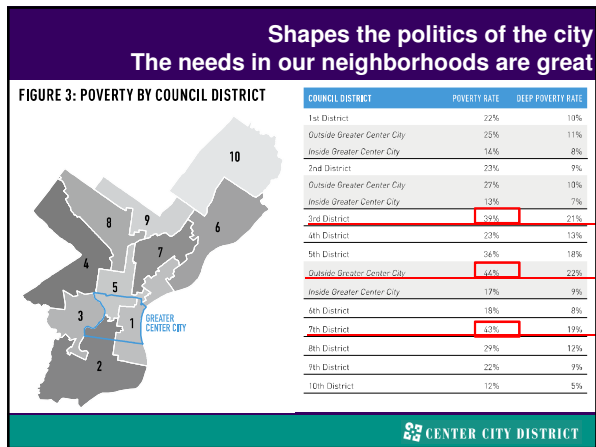
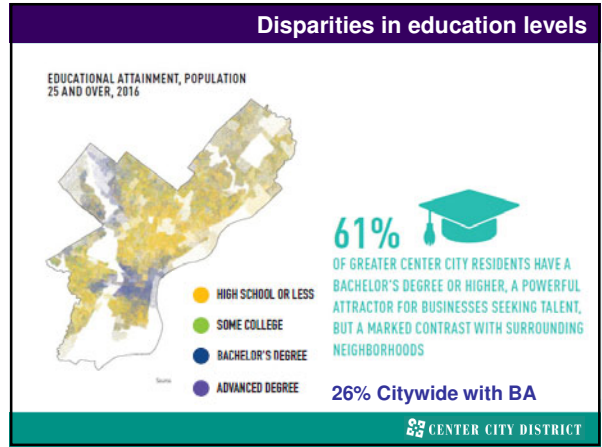
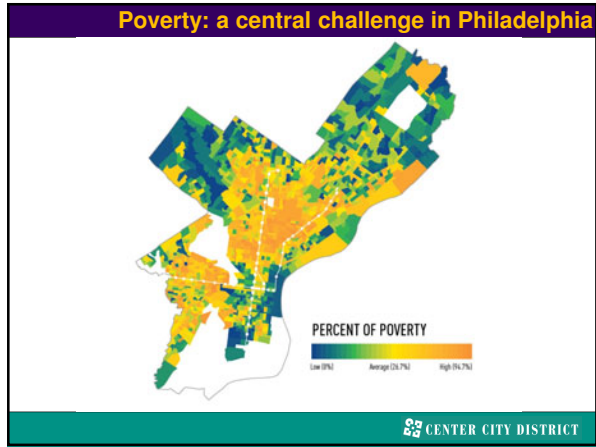


CENTER CITY DISTRICT

Greater Center City has more of what more people want.



CENTER CITY DISTRICT



Opioid addiction & encampments in neighborhoods



CENTER CITY DISTRICT

These issues dominate discussion in City Hall



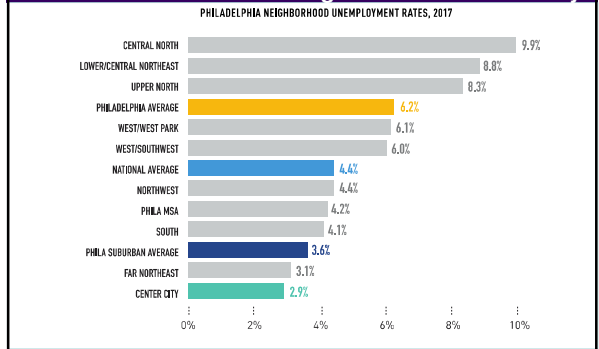
CENTER CITY DISTRICT

In the search for funding they look out the windows & see luxury condos in Center City With 10 year abate



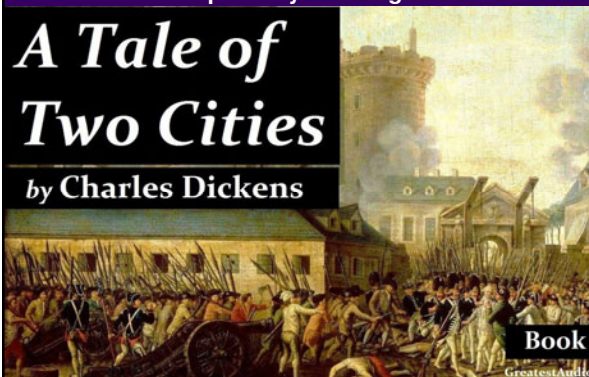
CENTER CITY DISTRICT

Unemployment rate in North Central Philadelphia 3.4 times higher than in Center City



CENTER CITY DISTRICT

Journalists repeatedly invoking Charles Dickens

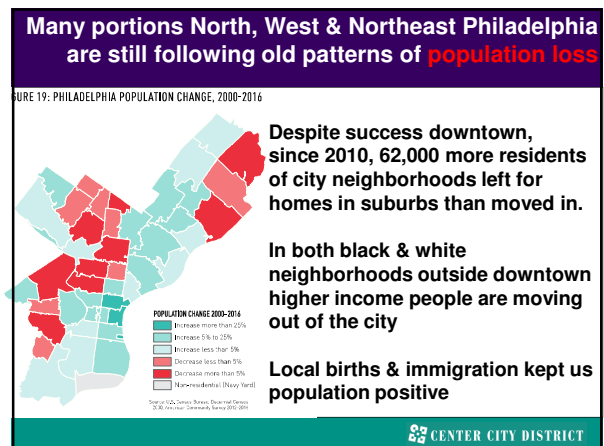
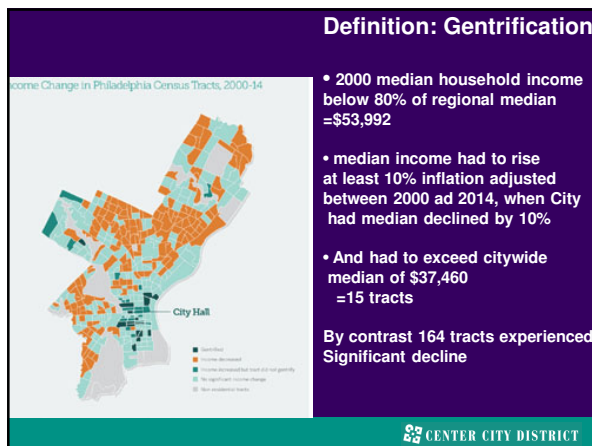
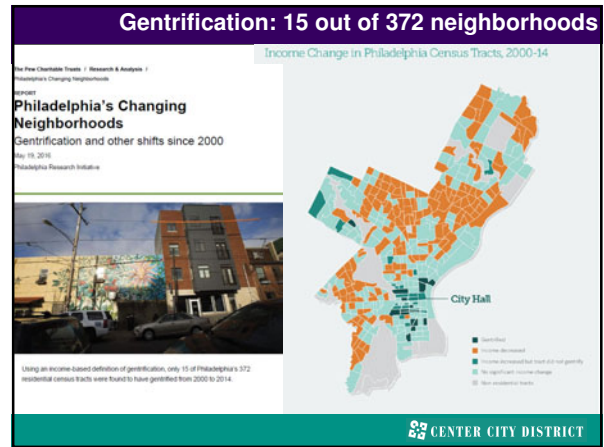
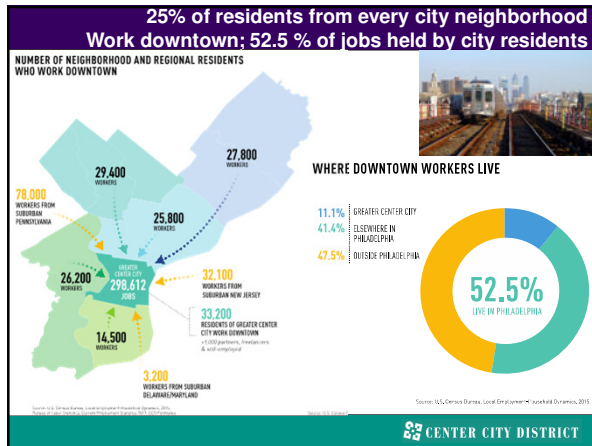


CENTER CITY DISTRICT

Federal government cutting back on social safety net & funds for affordable housing & Democratic left calling for much higher federal tax rates to fund redistribution



CENTER CITY DISTRICT



Movement within the region Majority moved within the city

WHITE	Less than \$40k	\$40,000 to \$124,999	\$125,000 & Greater	Total
Moved to Philadelphia	8,503	15,833	5,678	30,014
Moved from Philadelphia	5,516	15,138	9,261	29,915
Moved within Philadelphia	14,322	22,194	7,561	44,077
Total	28,341	53,165	22,500	104,006

BLACK	Less than \$40k	\$40,000 to \$124,999	\$125,000 and Greater	Total
Moved to Philadelphia	4,993	5,748	888	11,629
Moved from Philadelphia	2,002	6,205	1,652	14,859
Moved within Philadelphia	31,680	16,894	2,122	50,696
Total	43,675	28,807	4,662	77,144

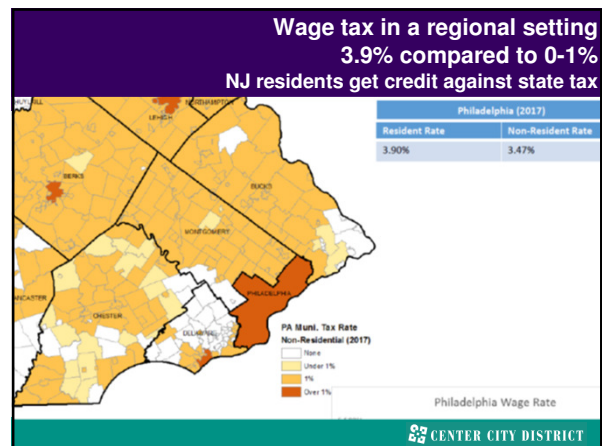
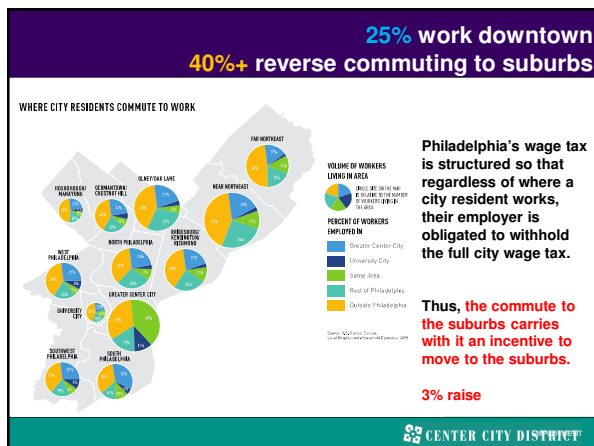
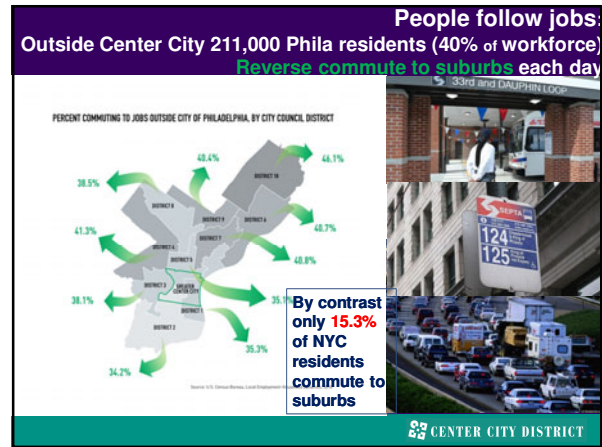
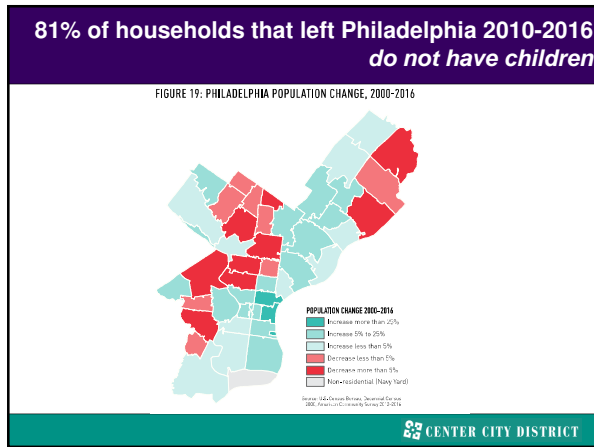
CENTER CITY DISTRICT

Movement within the region

ASIAN	Less than \$40k	\$40,000 to \$124,999	\$125,000 and Greater	Total
Moved to Philadelphia	3,214	3,074	1,660	7,953
Moved from Philadelphia	1,289	2,039	1,660	4,988
Moved within Philadelphia	4,362	2,279	937	7,578
Total	8,845	7,392	4,262	20,499


HISPANIC	Less than \$40k	\$40,000 to \$124,999	\$125,000 and Greater	Total
Moved to Philadelphia	4,910	4,701	846	10,457
Moved from Philadelphia	3,144	3,026	841	7,011
Moved within Philadelphia	15,345	7,373	944	23,662
Total	23,399	15,099	2,631	41,129


CENTER CITY DISTRICT



Controller's report on tax abatements

An Analysis of Tax Abatements in Philadelphia






City Controller *Deborah A. Hyman*

Chief of Staff *Julia Wilson*
General Counsel *April Williams*
Planning and Policy Team *John M. Evans, Esq.*
Michelle Howard
Neil Olson
Madeline Taylor
Olivia Lynn Hill, Esq.

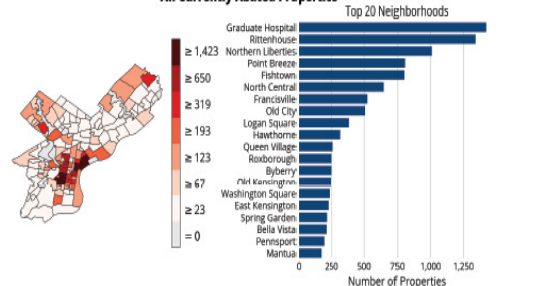
Office of the Controller, City of Philadelphia
April 20, 2019




Abated properties concentrated in Greater Center City

All Currently Abated Properties

Top 20 Neighborhoods



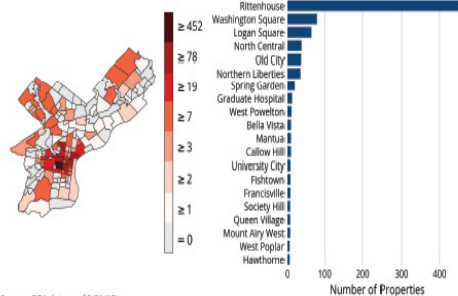
Neighborhood	Number of Properties
Graduate Hospital	≥ 1,423
Rittenhouse	≥ 650
Northern Liberties	≥ 319
Point Breeze	≥ 193
Fishtown	≥ 123
North Central	≥ 67
Francisville	≥ 23
Old City	≥ 0
Logan Square	
Hawthorne	
Queen Village	
Roadborough	
Byberry	
Old Kensington	
Washington Square	
East Kensington	
Spring Garden	
Bella Vista	
Pennsport	
Mantua	



High value abated properties concentrated in Greater Center City


Only Properties With Abatements > \$700K

Number of Properties

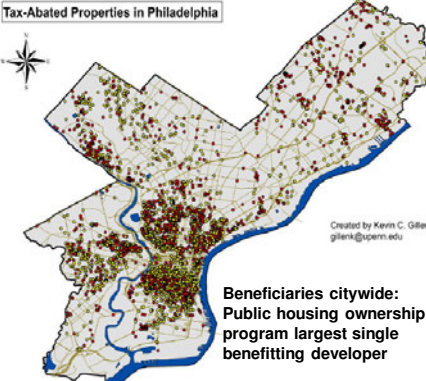


Neighborhood	Number of Properties
Rittenhouse	≥ 452
Washington Square	≥ 78
Logan Square	≥ 19
North Central	≥ 7
Old City	≥ 3
Northern Liberties	≥ 3
Spring Garden	≥ 2
Graduate Hospital	≥ 1
West Powelton	≥ 0
Bella Vista	
Mantua	
Callow Hill	
University City	
Fishtown	
Francisville	
Society Hill	
Queen Village	
Mount Airy West	
West Poplar	
Hawthorne	

Source: OPA data as of 3/31/17




Tax-Abated Properties in Philadelphia



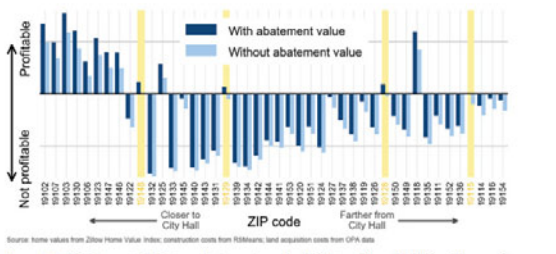
Created by Kevin C. Gillen, PhD
gkllen@spenn.edu

**Beneficiaries citywide:
Public housing ownership
program largest single
benefiting developer**




Market realities

Numbers don't work in 70% of Zip codes in city



Source: Home values from Zillow Home Value Index, construction costs from RMRSource, land acquisition costs from OPA data

**Abatement makes numbers work in 4 more zip codes
What then is the impact of tapering down abatement?**




Focus on the core problem

Economics of housing

**Development Economics:
Single Family Home**

On average, it is not profitable to build a typical row home in most Philadelphia neighborhoods.




1,300 sqft, 2 story
economy row home

Sales Price: \$105 per sqft
 - Minus -
Land Cost: \$5 per sqft
Construction cost: \$167 per sqft
 = **\$67 per sqft loss**

NOTE: Construction costs presented here reflect a city-specific, weighted average for urban and non-urban land. According to RMRSource, most residential construction of this kind in Philadelphia is open shop.
Sources: Zillow Home Value Index as determined, Office of Property Assessment, RMRSource Cost


Figure 4.5. The development economics of a typical single family home in Philadelphia.



Focus on the core problem Economics of housing

New construction & rehabilitation costs in excess of what many residents can afford to pay in rent or mortgage payments; assuming 30% of income for housing costs

- Construction subsidies – CDBG
- Rent subsidies – Housing vouchers
- 10 year abatement reduces carrying costs for owners but not by enough to impact affordability for lower income households
- Housing is treated as a market commodity, not a social right; public programs then try to compensate

 CENTER CITY DISTRICT


We have a huge affordability challenge Especially at lower income levels:

109,361 renter households making less than \$35,000/year are paying a disproportionate share of income on housing

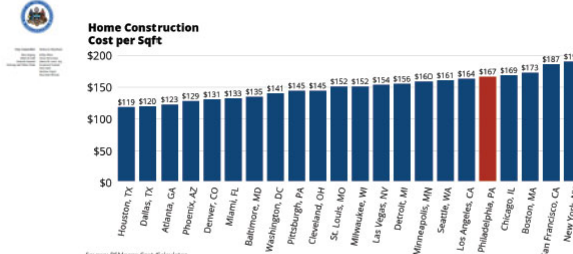
FIGURE 21: COST BURDEN AT VARYING HOUSEHOLD INCOME LEVELS

	TOTAL HOUSEHOLDS	% COST BURDENED	OWNER OCCUPIED HOUSEHOLDS	% COST BURDENED	RENTER OCCUPIED HOUSEHOLDS	% COST BURDENED
All Households w/ Income*	542,192	40%	292,079	28%	250,113	50%
Less than \$10,000	127,417	80%	49,274	74%	78,141	88%
\$10,000 to \$34,999	45,517	65%	44,042	47%	49,455	67%
\$35,000 to \$49,999	70,567	38%	36,535	28%	34,032	48%
\$50,000 to \$74,999	91,040	17%	52,431	18%	38,609	15%
\$75,000 or more	157,581	4%	107,585	4%	49,996	3%

*Does not include another 214,000 households who report no income at all. Source: US Census Bureau, American Community Survey, 1 Year Estimates

 CENTER CITY DISTRICT

Yes, the private sector can help in negotiating With the building trades to lower construction costs




Home Construction Cost per Sqft

City	Cost per Sqft
Houston, TX	\$119
Dallas, TX	\$120
Atlanta, GA	\$123
Phoenix, AZ	\$129
Denver, CO	\$131
Miami, FL	\$133
Baltimore, MD	\$135
Washington, DC	\$141
Pittsburgh, PA	\$145
Cleveland, OH	\$152
St. Louis, MO	\$152
Minneapolis, MN	\$154
Las Vegas, NV	\$156
Detroit, MI	\$160
Memphis, TN	\$161
Seattle, WA	\$164
Los Angeles, CA	\$167
Philadelphia, PA	\$169
Chicago, IL	\$173
Boston, MA	\$187
San Francisco, CA	\$197
New York, NY	\$191

Source: KPMers Cost Calculator

Figure 4.6. Average home construction cost per sqft in various U.S. cities.


 CENTER CITY DISTRICT

But high housing costs are not the central problem. We have the most affordable urban housing in Northeast

	ENTIRE CITY	CENTRAL BUSINESS DISTRICT*	CBD % PREMIUM
New York	\$1.90	\$5.32	181%
Boston	\$2.55	\$3.69	45%
Washington DC	\$2.27	\$3.07	35%
Philadelphia	\$0.98	\$2.18	123%
Baltimore	\$1.13	\$1.20	6%

*CBD definitions: New York – Midtown Manhattan, Boston – Central, Washington DC – Downtown, Philadelphia – Core Center City, Baltimore – City Center. Source: Zillow

Central challenge is low incomes need to be raised


 CENTER CITY DISTRICT


Quality schools are essential to this task But only 27% of city households have school age children



 CENTER CITY DISTRICT

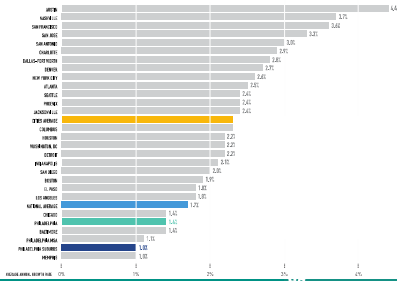
The way to raise incomes is to *grow jobs* We need to set our sights on *just getting to be average* If post Recession we had same growth rate as 26 city average Going from 1.4% - 2.3% growth rate



 CENTER CITY DISTRICT

Philadelphia would have added 45,400 more jobs (one Amazon) in the last 8 years on top of existing 55,100 = 100,500 new job opportunities.

PRIVATE WAGE & SALARY JOBS AVERAGE ANNUAL CHANGE, 2009-2017



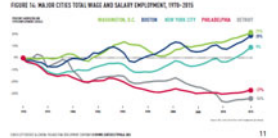
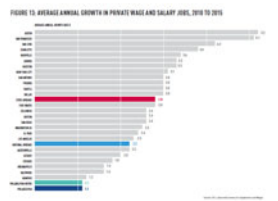
CENTER CITY DISTRICT

The renewal of Center City & University City not big enough to offset citywide industrial decline. Not a tale of two cities, but of one city with insufficient jobs.



CENTER CITY DISTRICT

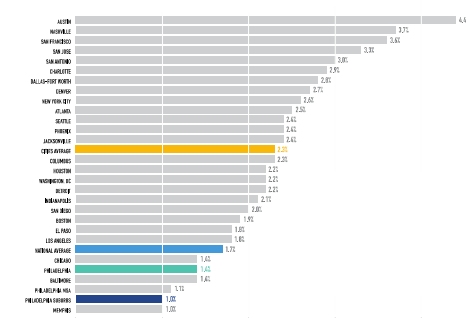
Challenge of Incomplete Revival



CENTER CITY DISTRICT

Fast & slow growth cities

PRIVATE WAGE & SALARY JOBS AVERAGE ANNUAL CHANGE, 2009-2017



CENTER CITY DISTRICT

"Island" cities + strong growth



CENTER CITY DISTRICT

"Peninsula" cities + fast growth



CENTER CITY DISTRICT

Seattle + fast growth



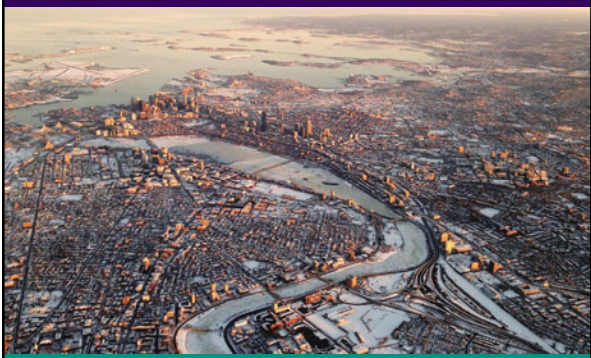
CENTER CITY DISTRICT

Vancouver + fast immigration



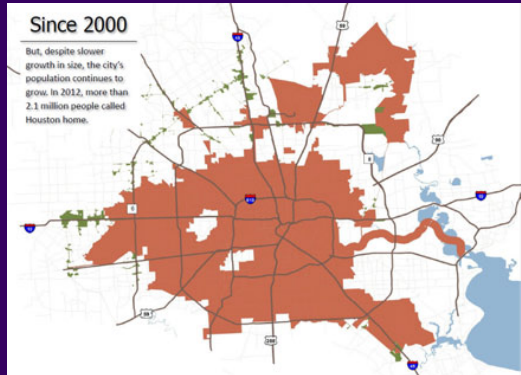
CENTER CITY DISTRICT

Boston + strong growth



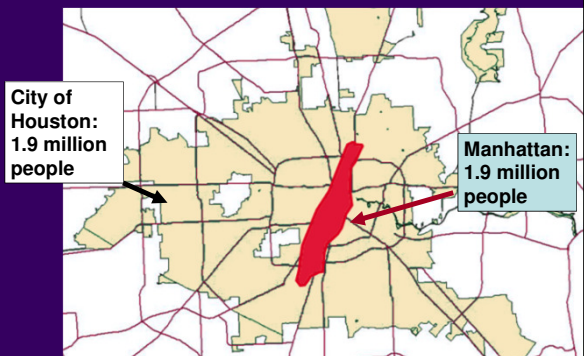
CENTER CITY DISTRICT

Sprawl cities + strong growth



CENTER CITY DISTRICT

Manhattan & Houston: 2000

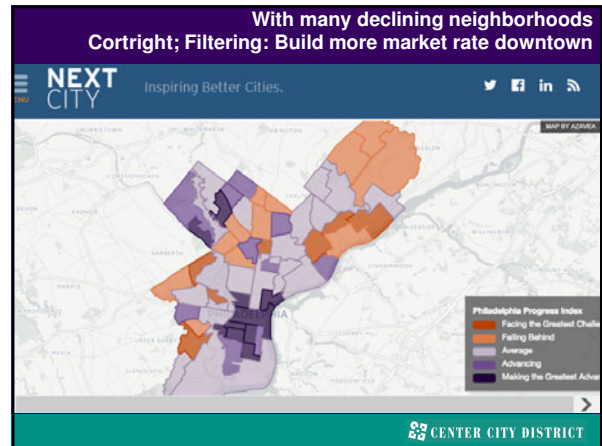


CENTER CITY DISTRICT

In between: Chicago + slow growth



CENTER CITY DISTRICT



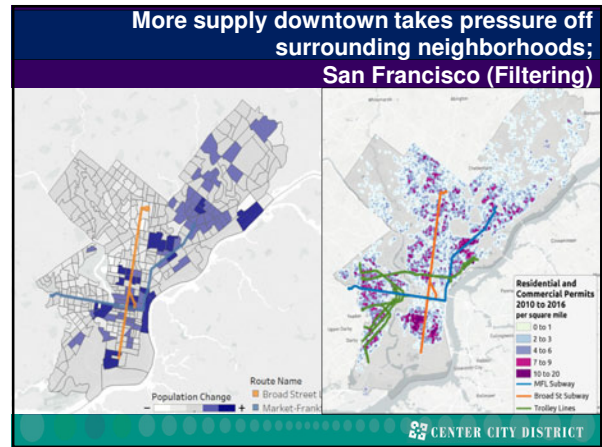
Achieving affordability

- Public sector supplies
 - Publicly owned
 - Publicly subsidized
 - Protections for lower income homeowners

Filtering: Joe Cortright

- Inclusionary zoning
 - Public sector requires developers to allocate
 - Public creates incentives for private sector to provide (density bonuses)
- Sprawl (anti-density) Tory Gattis
- Providing access to jobs; not housing

CENTER CITY DISTRICT



Achieving affordability

- Public sector supplies
 - Publicly owned
 - Publicly subsidized
 - Protections for lower income homeowners

Filtering: Joe Cortright

- Inclusionary zoning
 - Public sector requires developers to allocate
 - Public creates incentives for private sector to provide (density bonuses)
- Sprawl (anti-density) Tory Gattis
- Providing access to jobs; not housing

CENTER CITY DISTRICT

- Protections for lower income homeowners
 - Longtime Owner-Occupants Program.** Established in 2014. If a home's value increases by over 300 percent during the course of a single tax year, the owner cannot be taxed on the value above that 300 percent mark. For example, if a home's value shoots up from \$100,000 to \$340,000, the homeowner won't have to pay taxes on the \$40,000.
 - Owner Occupied Payment Agreement.** For those who have fallen behind on their property taxes, the Owner-Occupied Payment Agreement (OOPA) gives eligible homeowners an opportunity to enter into a payment plan. Depending on household income, there are different tiers of payment: 10 percent, 8 percent, 5 percent and, thanks to a reform enacted by the city this year, nothing at all. The non-payment agreement is available to households of four earning less than \$12,000, or about \$27,000 for seniors and the permanently disabled. At the end of the payment plan, interest on the amount owed is waived.
 - Homestead Exemption.** available to almost all homeowner-occupants in Philadelphia, regardless of age, location, or income. The exemption shaves \$40,000 off the assessed value of a house for local real estate tax purposes. If a home is worth \$150,000, the owner pays local property taxes on just \$110,000.
 - Low-Income Senior Citizen Tax Freeze.** Program allows the city to freeze property-tax bill of homeowners over the age of 65 (or widows aged 50 and above whose spouse was 65 or older). Whatever amount they have been paying, they will continue to pay; if the tax bill goes down, the lower amount can be locked in. The program is open only to those who earn below \$23,500 a year, or \$31,500 or less for a married couple.
 - Real Estate Tax Deferral.** This program allows an eligible homeowner to put off paying any year-over-year property-tax increase of 15 percent or more until the house is sold. That deferred payment becomes a lien on the house that incurs an interest rate of 2 percent.
 - Property Tax/Rent Rebate Program.** This [annual program](#), paid for by the Pennsylvania Lottery, offers tiered tax or rent relief to those 65 & older, people 50 and older whose eligible spouses have died, and those with disabilities who are 18 or older. There are four income tiers, the highest being a \$250 rebate for those making between \$18,001 and \$35,000. The lowest is for those earning below \$8,000 a year, who can get back \$650. For renters, there are only two tiers: Those who earn less than \$8,000 get \$650 back; those who earn between \$8,000 and \$15,000 get \$500 back.

CENTER CITY DISTRICT

**Housing New York
A Five-Borough, Ten-Year Plan**

Housing New York is a comprehensive plan to build and preserve 200,000 units of high-quality affordable housing over the next decade. The Plan will create opportunities for New Yorkers with a range of incomes, from the very lowest to those in the middle class, and will foster vibrant and diverse neighborhoods.



Proposed Requirements Would Be The Most Rigorous of Any Major U.S. City

For each rezoning, the City Planning Commission and City Council can apply:	AMI	Income*	Sample Occupation	Affordable Monthly Rent for ZBR*
Option 1: 25 percent of housing at an average of 60% AMI	40%	\$31,080	Security Guard	\$775
Option 2: 30 percent of housing at an average of 80% AMI	60%	\$46,620	Paramedic	\$1,150
<i>Plus, in limited emerging or mid-market areas, an additional option may be added:</i>	80%	\$62,150	School bus driver + home health aide	\$1,550
Workforce option: 30 percent at an average of 120% AMI (without direct subsidy) <i>Not available in Manhattan CDs 1-8</i>	100%	\$77,700	Teacher + retail salesperson	\$1,950
	120%	\$93,240	Firefighter + server	\$2,350

* For a household of three people

**Philadelphia draft plan released on Wednesday
Zoning bonuses for affordability**

Housing for Equity
AN ACTION PLAN FOR PHILADELPHIA
October 2015

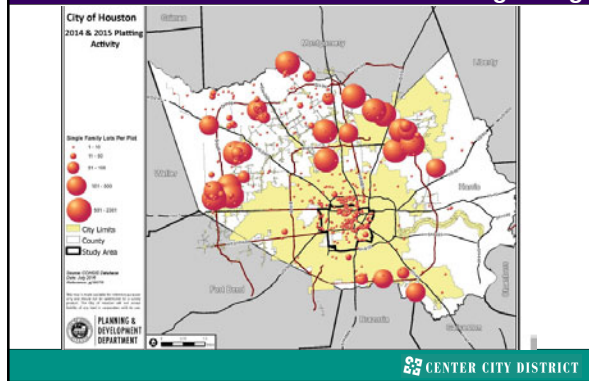
CENTER CITY DISTRICT

Achieving affordability

- Public sector supplies
 - Publicly owned
 - Publicly subsidized
- Inclusionary zoning
Public sector requires developers to allocate
Public creates incentives for private sector to provide (density bonuses)
- Filtering: Joe Cortright
- Sprawl (anti-density) Tory Gattis
- Providing access to jobs; not housing



**Single family houses at the edge
Houston is affordable and fast growing**

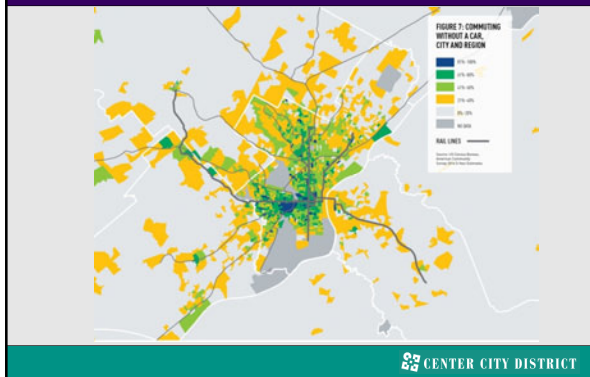


Achieving affordability

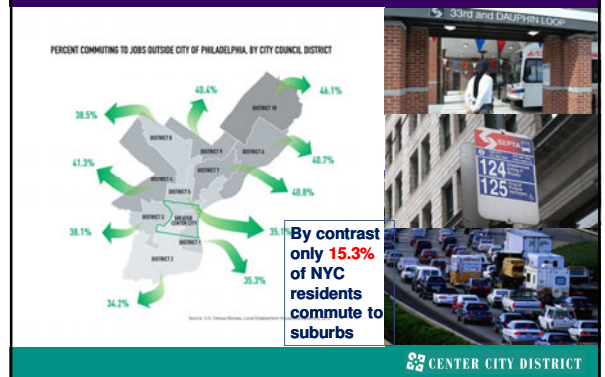
- Public sector supplies
 - Publicly owned
 - Publicly subsidized
- Inclusionary zoning
Public sector requires developers to allocate
Public creates incentives for private sector to provide (density bonuses)
- Filtering: Joe Cortright
- Sprawl (anti-density) Tory Gattis
- Providing access to jobs; not housing



Access to jobs: 50% of neighborhood residents Can commute to Center City in 30 minutes or less



But 40% of neighborhood workers Reverse commute to suburbs each day



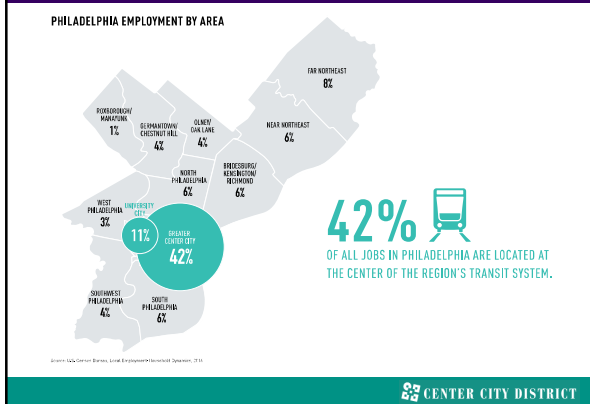
Despite the focus on condos & apartments in residential downtown



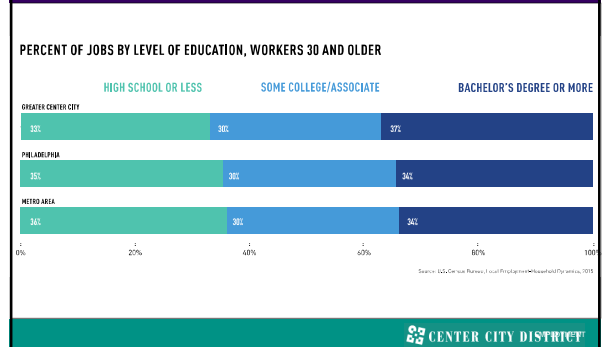
**90% of developed land downtown occupied by offices, hospitals, hotels, colleges & retail shops
Business downtown = 307,000 jobs**

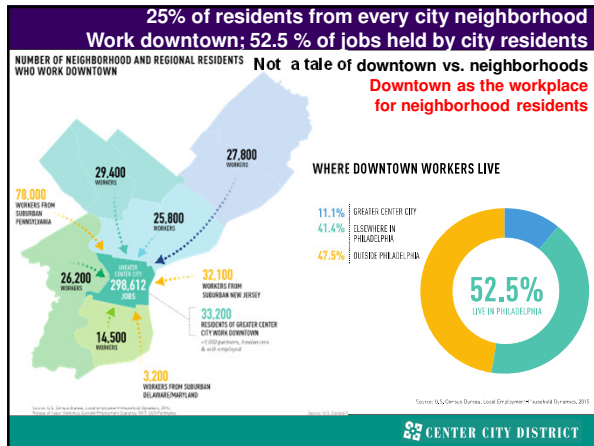


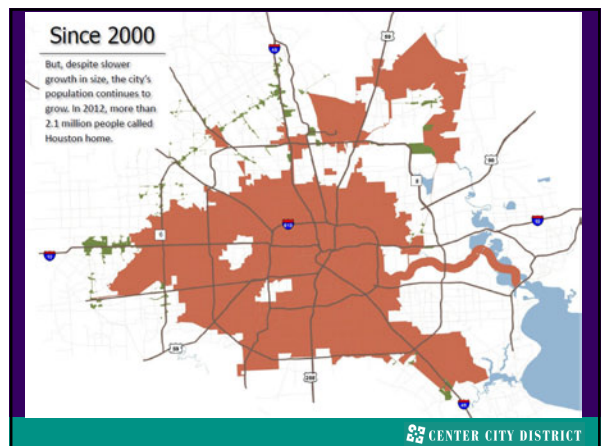
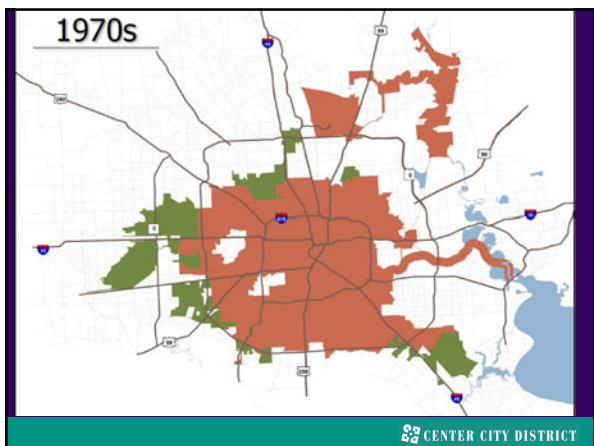
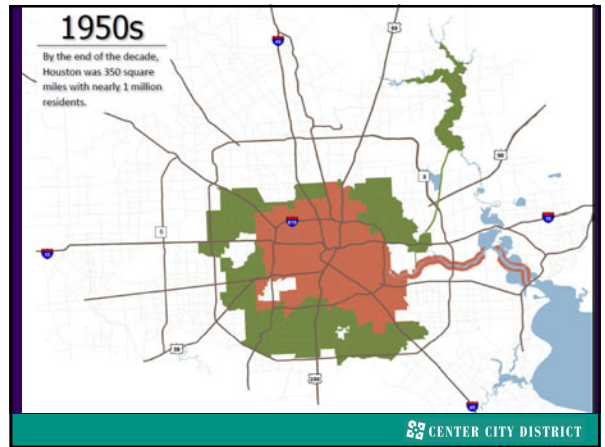
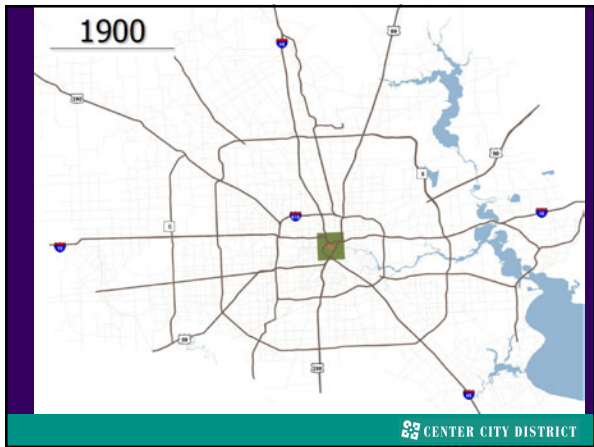
A place that holds 42% of all jobs in Philadelphia

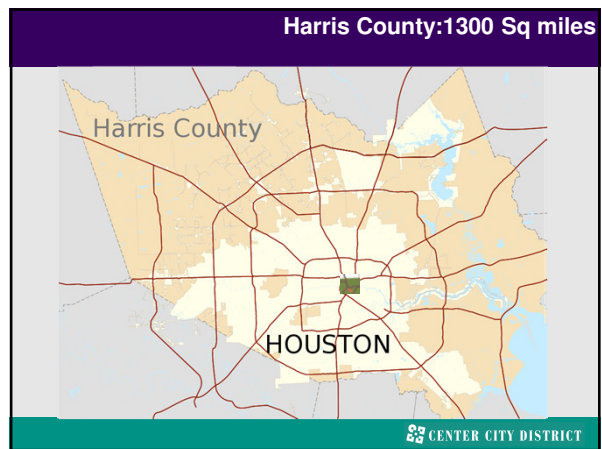
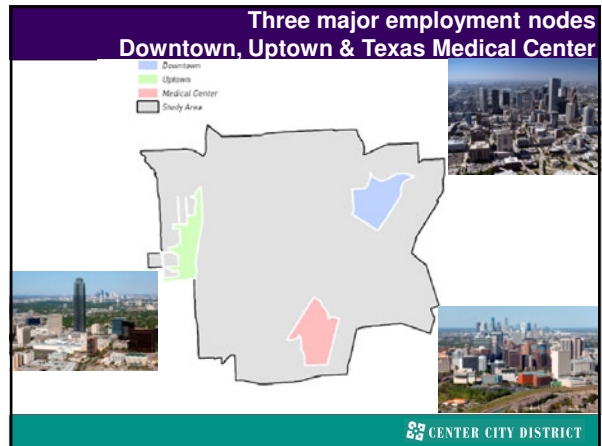
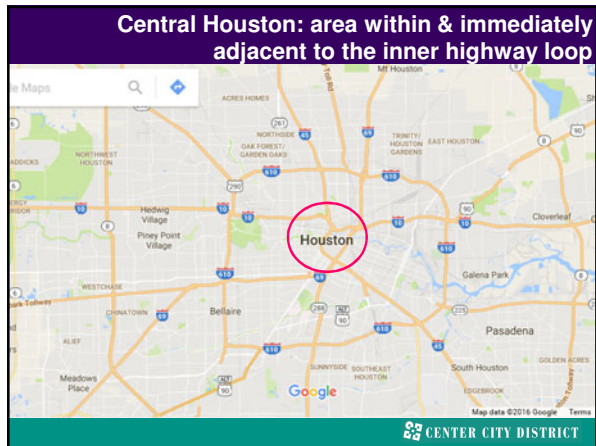


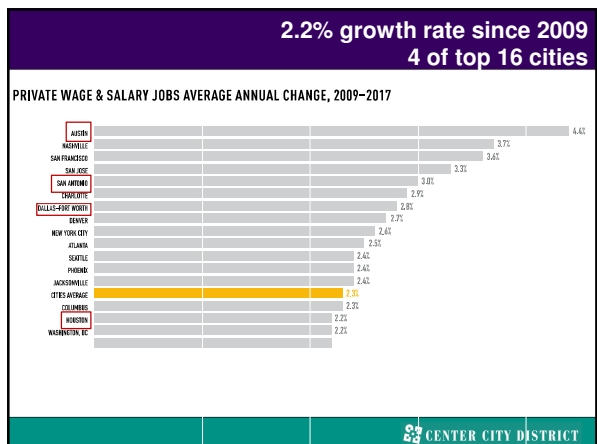
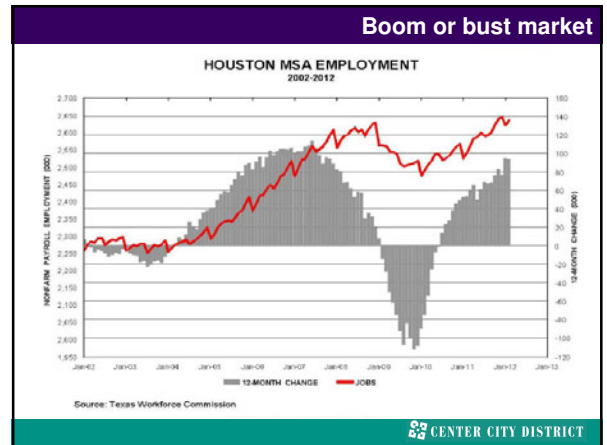
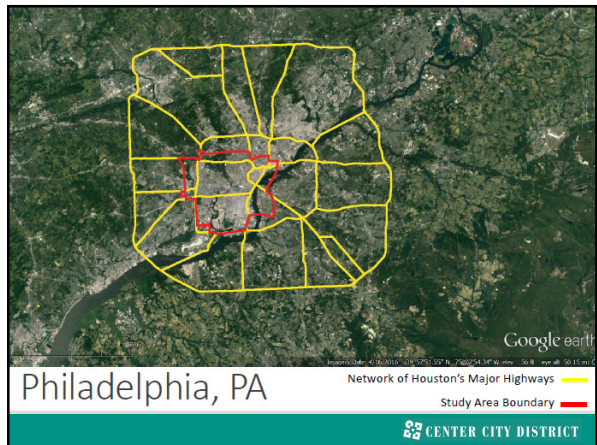
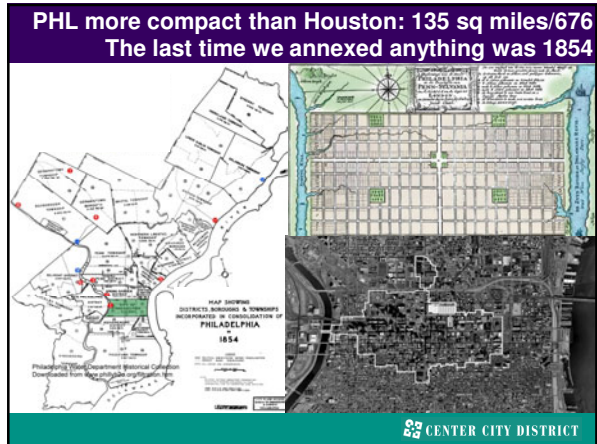
**63% downtown jobs require less than college degree
33% require only a high school diploma
SEPTA makes them accessible to neighborhood residents**











Corporate office park: underground tunnels & sky-bridges



CENTER CITY DISTRICT

Perhaps the worst streetscapes in America



CENTER CITY DISTRICT

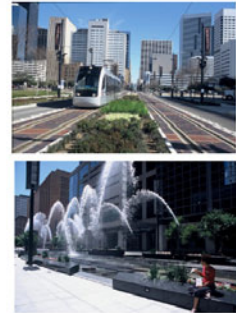
Focus on transportation investments: reinforce core



CENTER CITY DISTRICT

Added light rail & generous streetscape

- Coordinated by HMD
- METRO LRT basic construction
- TIRZ funded upgrades
- CHI led public square initiative
- TOD office building
- METRO office building and transit center
- HMD maintenance



Central Houston

CENTER CITY DISTRICT

Diversifying land use downtowns



CENTER CITY DISTRICT

Performing Arts Center



CENTER CITY DISTRICT

Downtown sports facilities



CENTER CITY DISTRICT

Continue improvements to the public realm

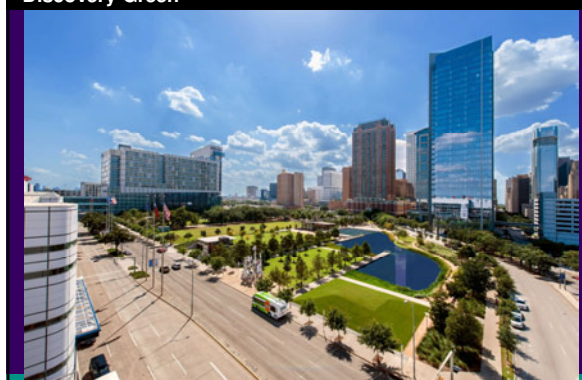


CENTER CITY DISTRICT

Emphasize placemaking; downtown amenities



Discovery Green



CENTER CITY DISTRICT

Discovery Green 2008



Places for families with children



CENTER CITY DISTRICT

Discovery Green | Development Impact

Legend:
 Yellow: New Residential
 Red: Recently Opened
 Blue: Coming Soon

40 CENTER CITY DISTRICT

Buffalo Bayou Park

- 175 acres
- 2.1 miles...as crow flies
- Green bayou drainage way with trails built in 1960s

40 CENTER CITY DISTRICT

Buffalo Bayou Park

40 CENTER CITY DISTRICT

Buffalo Bayou Park | Bayou Greenways 2020

Inside City	\$205 million
Bond voted on 11/6/2012	\$100 million
Pledged to be privately raised	\$105 million

40 CENTER CITY DISTRICT

BID and TIF District focused on housing

Downtown Living Initiative Chapter 380 Program Design Guidelines

A. INTENT
 The purpose of the following guidelines is to promote a robust, walkable neighborhood in the Downtown Living Initiative (DLI) Area on the east side of Downtown Houston. Many new buildings in Downtown already comply with these guidelines. However, individual developments are often not coordinated with one another, resulting in a discontinuous pedestrian environment. In providing these guidelines, the goal is to ensure that property owners' efforts to provide a pleasant, walkable environment surrounding their buildings will coalesce into a continuous neighborhood.
 Substantial public investment has improved most of the streetscape in the target area. It is the intent of these guidelines to maintain or further enhance the past investment.

B. STREET CLASSIFICATION
 For the purposes of these guidelines, the streets within the DLI Area have been classified into the following types:
 A. **Arterials:** Primary pedestrian streets
 B. **Streets:** Secondary pedestrian streets (pedestrian-oriented streets with some potential building services)
 C. **Drives:** Vehicular service streets
 (Refer to Figure 1 for map of street types and boundaries for the Downtown Living Initiative.)

40 CENTER CITY DISTRICT

Houston

The Toolkit:
 The Program incorporates financial and other benefits to assist in the development of mixed use residential development. These include the following:

Improved streetscapes: Program target area includes substantially upgraded infrastructure including above standard street lighting, sidewalks, landscaping and street features maintained by the Downtown District. Most sidewalks that have not been upgraded are in the process of being approved or have been funded for improvement in the upcoming years. Participating developers will be expected to preserve or replace streetscapes to a level equivalent to or exceeding the existing upgraded level.

Coordinated development approvals: The Downtown District will assist participating developers with situations requiring special permits and licenses including sidewalk cafes, balcony encroachments, signage and bridges over public streets. This does not mean that variances will be granted to all requests, but answers may be obtained in an expedient manner.

Financial incentives: A qualifying project in the Program will receive a reimbursement of the lesser of \$15,000 per residential unit or equal to seventy-five percent (75%) of the incremental City of Houston property tax and the Houston Downtown Management District (HDMD) incremental assessment paid per unit over 15 years from the project's completion.

40 CENTER CITY DISTRICT

Application and Agreement Process:
 Project application will be reviewed by HDMD and will be determined eligible for the Program based on the project's ability to meet the Guidelines. Agreement substantially in the form of the attached sample agreement (Exhibit C, Example Agreement) will be drafted and approved by the City of Houston's Chief Development Officer and the HDMD Board. Generally this process will require 90 days or less from initial inquiry by the applicant. Any approved agreement shall terminate if project does not commence construction within one year or obtain Certificate of Occupancy within three years of approval of agreement by HDMD Board.

Release of funds:
 Release of funds is subject to completion of the project without substantial deviation from plans and elevations approved by HDMD, and continued compliance with the Guidelines over the full period of fund distribution. Funding will commence with the first tax year after a project receives its Certificate of Occupancy and tax and assessment revenues are received by the City and HDMD, respectively. Funding will be in the form of a reimbursement. HDMD will monitor annual incremental City of Houston property tax revenue and incremental HDMD assessment revenue paid by the project. HDMD will make payment equal to 75% of these increments to the project annually. HDMD will track annual payments towards the cap of \$15,000 per unit. Payments will be made annually until the earlier of the 15th annual payment or the cap of \$15,000 per unit is reached. Interest costs will not be paid by HDMD.

C. SIDEWALK REQUIREMENTS

- 1. Repair.** Existing sidewalk conditions must be maintained or improved. Any sidewalks that have been altered during the construction process must be returned to their original condition or better. Minimum requirements for sidewalks are as follows:
 Minimum 12' sidewalk at A streets; 5' planting zone and 4' clear zone
 Minimum 11' sidewalk at B streets; 5' planting zone and 4' clear zone
 Minimum 10' sidewalk at C streets; 5' planting zone and 4' clear zone
- 2. Descriptions.** Planting zone shall include engaged street trees and may also include other landscape elements, street furniture, etc. (see Figure 2).

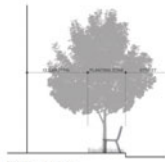


Figure 2 Street cross-section

D. BUILDING PLACEMENT

- 1. Building setback.** Building frontage should extend to within 5' of the property line along at least 70% of the frontage of all streets.
 Exception: Buildings may have an additional setback for the purposes of sidewalk curbs or other public uses (see Figure 3). Note that sidewalk curbs within the public right-of-way must be permitted through the City of Houston Department of Public Works & Engineering.
- 2. Building entrances.** Primary building entrances should be located along A streets. If the building does not have frontage along an A street, the primary entrance should be located along a B street.
- 3. Building services.** Building services such as garage entries, loading docks, utility waste collection areas, electrical and mechanical rooms, exhaust fans, etc., should be located primarily along C streets. These elements should be screened from pedestrian view to the greatest extent possible. Loading docks should be recessed into the building mass such that sidewalks remain clear of loading or service vehicles. Building services should be avoided on A streets. Some building services may be located along B streets if necessary, but they should be screened appropriately with architectural and/or landscape elements.
- 4. Curb cuts.** On-street curb cuts, including garage or parking ingress and egress, should be avoided on A streets.



Figure 3 Entrance curbs can contribute to the street by increasing urban canopy and other amenities like landscaping. Entrances and building services should be screened from pedestrian view. Photo Credit: Urban Planning and Design

Center City District Chapter 90 Program Guide (October 2014) | 21

Goal is to create quality streetscape

On-street curb cuts should be limited to one block face on B streets and should be limited to maximum 20' wide. Curb cuts should be located apart from each other and from street intersections.
 On-street curb cuts needed for building services should be located along C streets, however, curb cuts should be limited to the greatest extent possible.
 Where on-street curb cuts are provided, they should not interrupt the surface of the sidewalk (see Figure 4).
 All on-street curb cuts must comply with requirements set forth by the City of Houston Department of Public Works & Engineering.

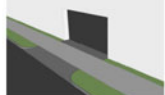


Figure 4 Limiting the extent of curb cuts across the curb cut can prevent the erosion of the curb.

E. GROUND FLOOR USES

- 1. A Streets.** Ground floors facing A streets should contain active uses. While retail is the preferred ground floor use, other acceptable uses include public building services such as libraries, common building amenities, fitness facilities, open office spaces, business spaces, day care centers, etc. (see Figure 5). Regardless of initial use, all ground floors facing A streets should be compatible such that they may accommodate retail in the future.
- 2. B Streets.** While ground floors facing B streets should also contain active uses to the greatest extent possible, they may contain other uses, such as residential and office. Uses such as building services, storage, and structural parking should be avoided to the greatest extent possible along B streets.



Figure 5 Other building uses, such as an indoor swimming pool, can reduce the amount of ground floor and reduce the pedestrian experience. Photo Credit: Urban Planning and Design

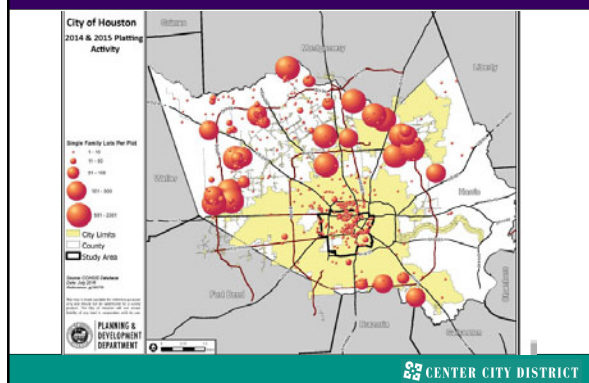
F. GROUND FLOOR DESIGN

- 1. Transparencies.** Ground floor facades should be provided on at least 60% of the wall area of the ground floor between C and A and be located above grade on all A streets and at least 60% of the wall area on B streets (see Figure 6).

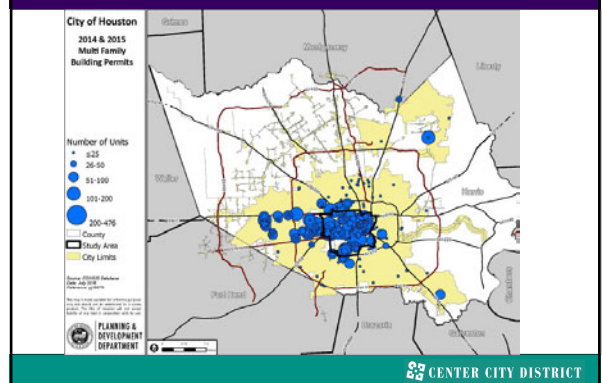
5,000 units completed; 2,000 underway



Single family houses at the edge



Center is growing denser with multi-family housing



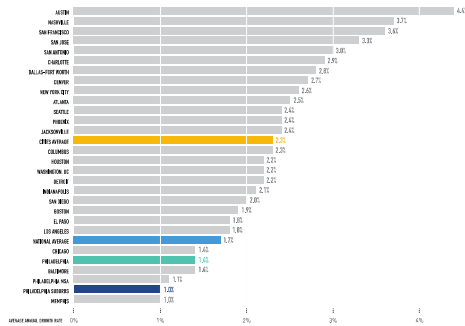
Different tools to achieve affordability & balance with growth

- Public sector supplies
 - Publicly owned
 - Publicly subsidized
- Inclusionary zoning
 - Public sector requires developers to allocate
 - Public creates incentives for private sector to provide (density bonuses)
- Filtering: Joe Cortright
- Sprawl (anti-density) Tory Gattis
- Providing access to jobs; not housing

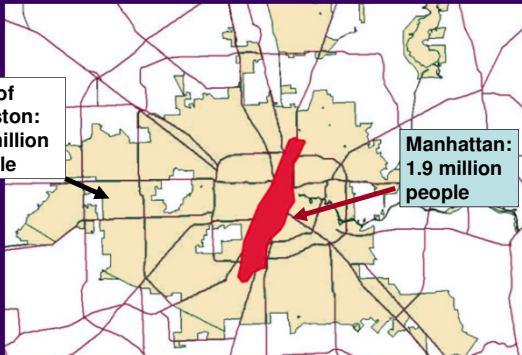


The speed of growth establishes context

PRIVATE WAGE & SALARY JOBS AVERAGE ANNUAL CHANGE, 2009-2017



Different physical forms & constraints



One size does not fit all

International Downtown Association

DOWNTOWN REBIRTH
DOCUMENTING THE LIVE-WORK DYNAMIC IN 21ST CENTURY U.S. CITIES

Prepared for the International Downtown Association by the Philadelphia Center City District
Paul D. Lane and Lauren M. McCluskey

www.ida.org

CENTER CITY DISTRICT