

**City Planning 642-001**  
 Spring 2025, University of Pennsylvania  
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 2.24.25  
  
<https://centercityphila.org/bidclass>



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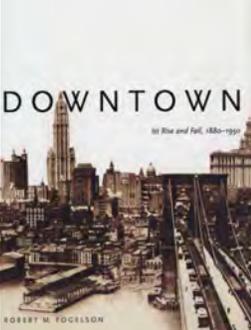
**Overview**

- (1) Origin of American “downtowns”
- (2) Federal involvement in cities
- (3) Post-WW2 Urban Renewal
- (4) Converting vacant buildings to residential
- (5) Different city paths to downtown diversification
- (6) 2013 Downtown Rebirth study
- (7) Housing affordability: outside of downtowns



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**Origin of the term: “Downtown”**



**Downtown:** American term invented after Civil War 1870s

“City Center” European term also applied to pre-civil war U.S. cities:

A mixed-use place, combining business & residential, usually adjacent to the port



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**Like all global cities founded before 19<sup>th</sup> century, American colonial cities began on the waterfront**




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**Philadelphia began as a waterfront city**




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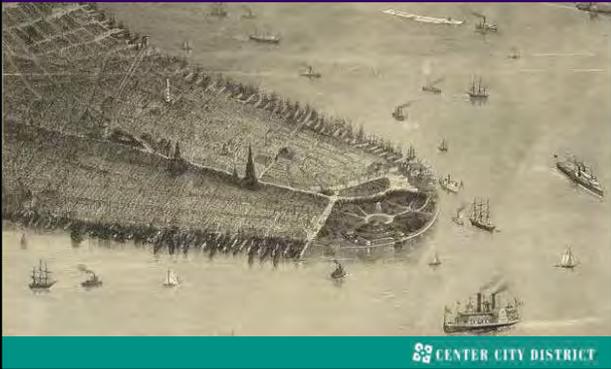
**Earliest development along the Delaware River Immediately adjacent to the port...**






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Term "downtown" originated in Manhattan  
To describe the lower end of the island



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Dense cluster of commercial property  
Started to squeeze out residential  
Particularly during industrial expansion after Civil War



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A purely business & commercial center emerges  
"Downtown" noisy & congested;



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To avoid noise & congestion  
"Uptown"- north of Canal St. is where the middle class moved  
Home & work begin to separate



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Analogous process in Philadelphia



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1908: Congestion & noise of waterfront



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Ever more congested with cars



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Waterfront in the mid 1920s



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Philadelphia's "uptown" = Rittenhouse Square



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Transformation of "downtowns" in 1870s

Rapidly expanding urban economy & migration from rural area to cities

Growth of professional & managerial functions not requiring physical labor

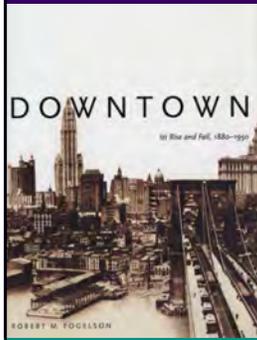
Intense competition between cities;

Intense competition for space within cities

No height controls

Few historic buildings or crown properties that limit the push to go up

Technological innovation:  
Otis Elevator + Structural Steel



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Elisha Otis introduced first elevator  
Crystal Palace for Exhibition of the Industry of All Nations  
1853 in NYC: current site of Bryant Park  
Modelled on Crystal Palace in London, 1851



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Installed first in Soho @ 488 Broadway in 1857, NYC



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1860: Typical commercial buildings  
4-6 story masonry load bearing structures



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Elevator made taller buildings more feasible



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Downtown, Uptown & Brooklyn, 1873



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Philadelphia's City Hall started in 1870



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Was world's tallest masonry load-bearing building  
when it was completed in 1900: 548 ft



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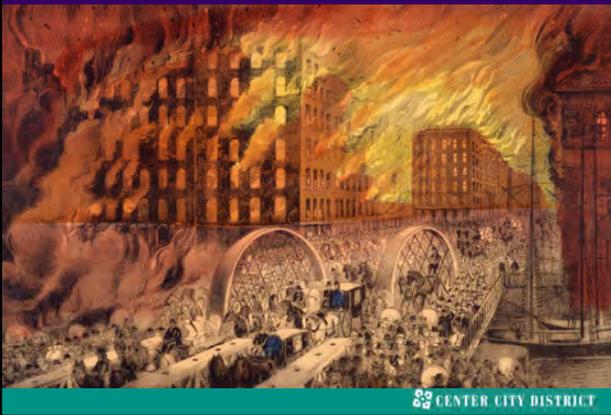
By contrast 15<sup>th</sup>-16<sup>th</sup> century bell tower in Bruges  
278 steps = 272 feet



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In the aftermath of 1871 Great Chicago Fire



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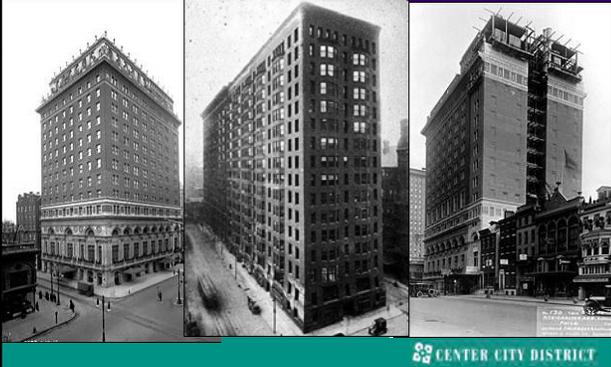
Louis Sullivan designs structural steel frame building  
Home Insurance Building, 1885



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Structural steel + elevators  
Makes possible the skyscraper  
Office buildings that begin to define "downtown"



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Housed banking, finance & insurance,  
management functions for manufacturing economy



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As commercial uses squeeze out residential  
Creates "Downtown" Technology enables greater height  
Lower Manhattan in 1900

Fogelson quotes: European travelers astounded  
by the "High Sierra" of buildings "Urban Alps"  
Existed no place else on earth



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1876



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1913: "downtown" = lower portion of Manhattan  
37 years laer



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Analogous transformation of Shanghai in 26 years



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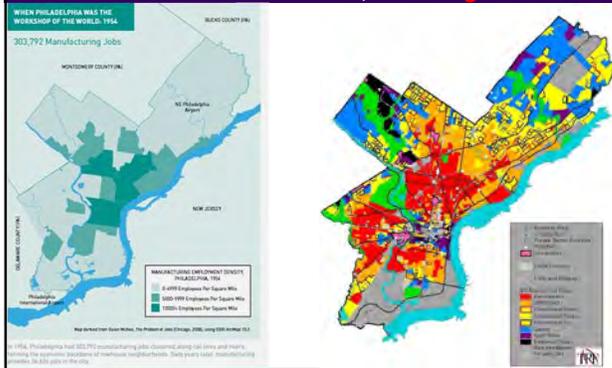
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Federal involvement & intervention  
in American cities:  
Depression & Post WW 2

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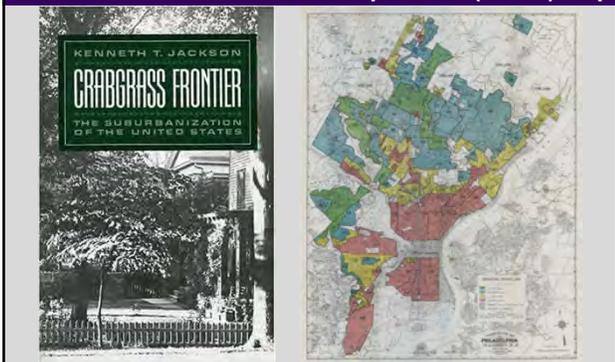
Old manufacturing areas were in decline  
1954 industrial; 2000 **blighted areas**



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First federal involvement in housing: Depression  
1932 Homeowners Loan Corporation (HOLC) Map



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Followed in 1934 Federal Housing Administration  
Homeownership: long-term fixed rate mortgage

Until 1920s typical mortgage had been 5-7 years

Required 30% -50% down-payment

Only those with high incomes or inheritance could be homeowners

In the housing crisis that emerged from Great Depression, New Deal promises the long-term, fixed rate, self-amortizing mortgage (20-30 yr)

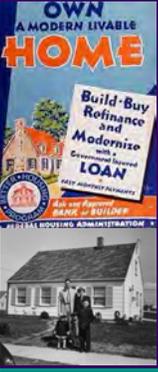
Underwriting looks at the income of the buyer and the stability of the neighborhood in which house is located; that is the ultimate security for the mortgage.

Nothing inherently discriminatory about having criteria

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### Homeowners Loan Corporation (HOLC) guidelines



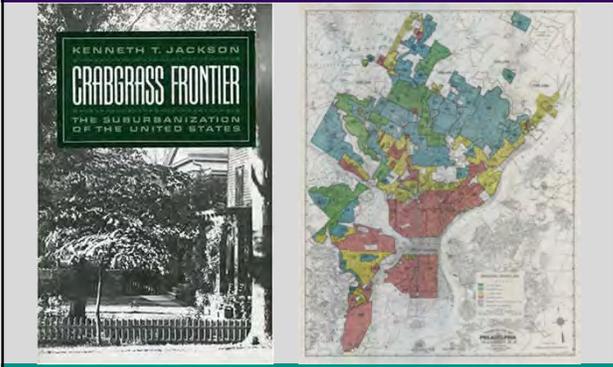
**Property characteristics**  
 Apartments, row houses & “overcrowding” & density  
 Twins  
 Single family detached

**Households/Ancestry**  
 Northern European  
 Eastern/southern European  
 Asian  
 African American/Hispanic

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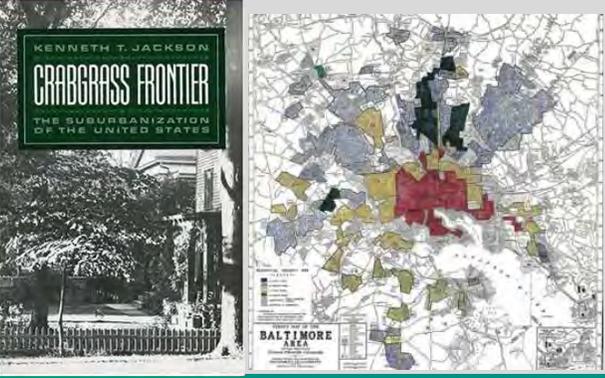
### (HOLC) Map for Philadelphia



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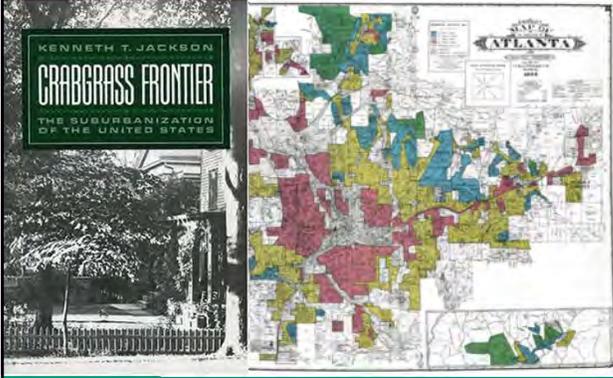
### 1937 HOLC Map



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### 1938 HOLC Map



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### Post WW 2: mass production suburban housing: Levittown FHA insured



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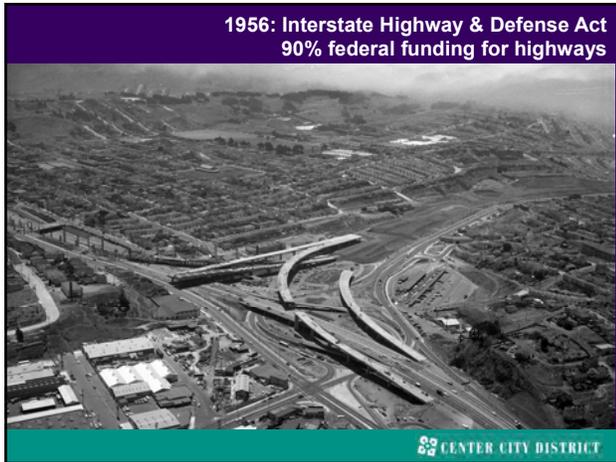
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### Mass production of automobiles

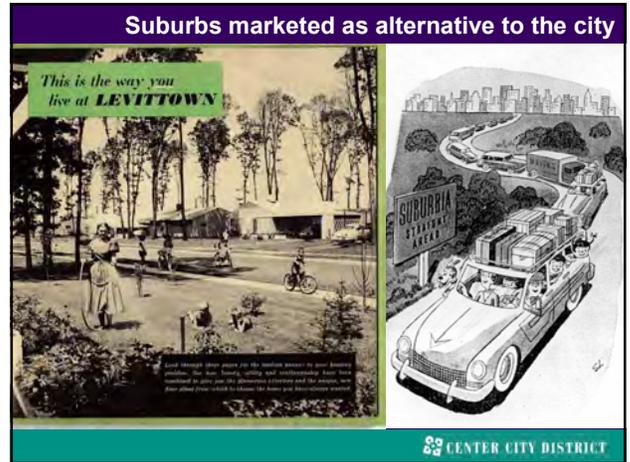


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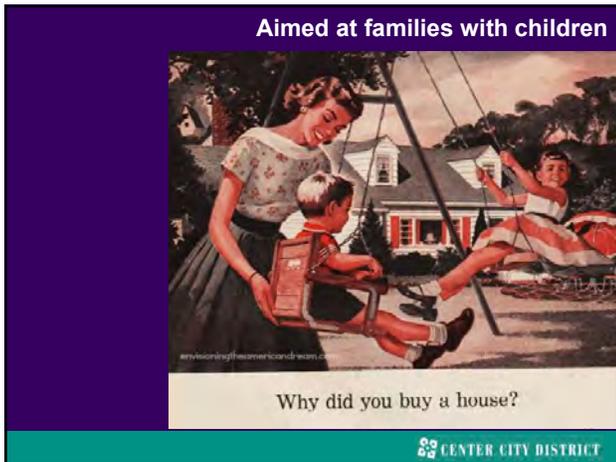
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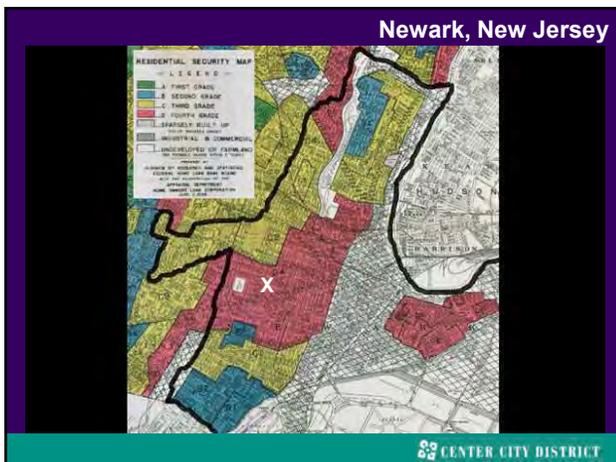
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**Mountainside, New Jersey**



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**Cross promotion of products**



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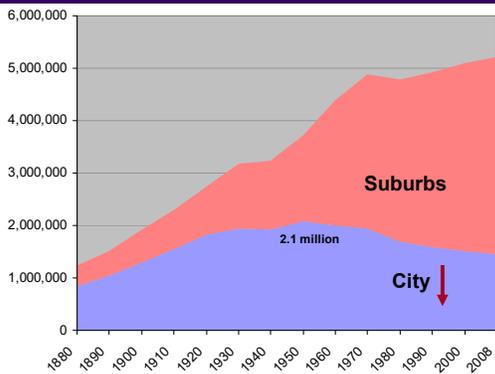
**Significant new supply across the region**



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**Postwar suburbanization**



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**Sequence of suburbanization: national Synchronized with baby boom**



Trend starts 1946-1947

1960: 31% population suburbs  
2010: 51% population suburbs

Regional shopping centers,  
15,000 - 1955-1977

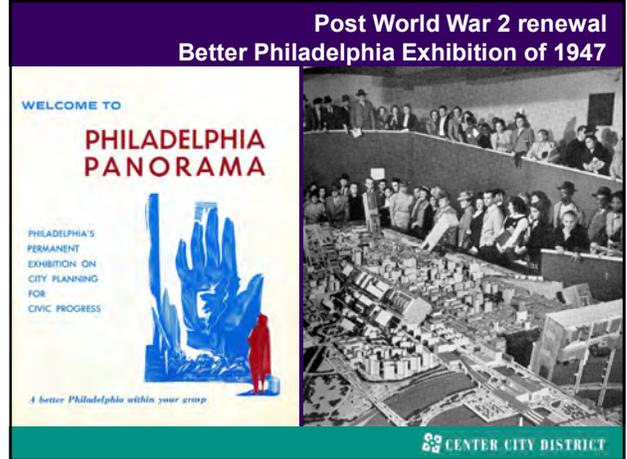
Office parks

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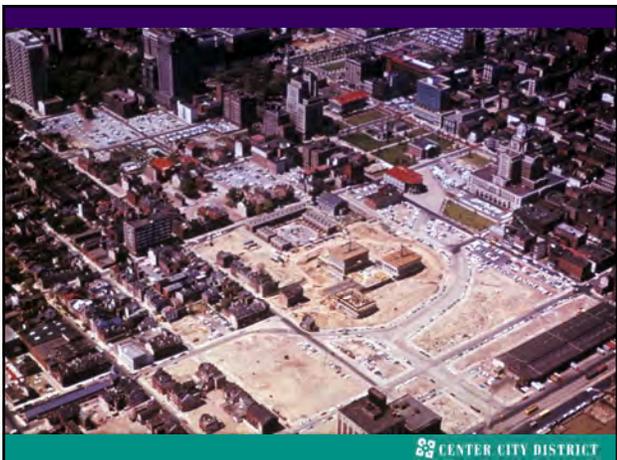
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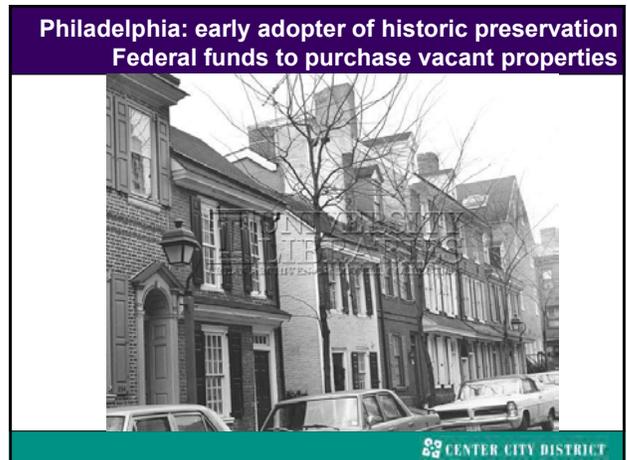
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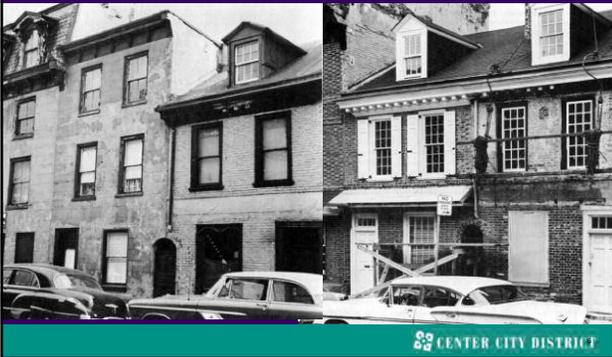


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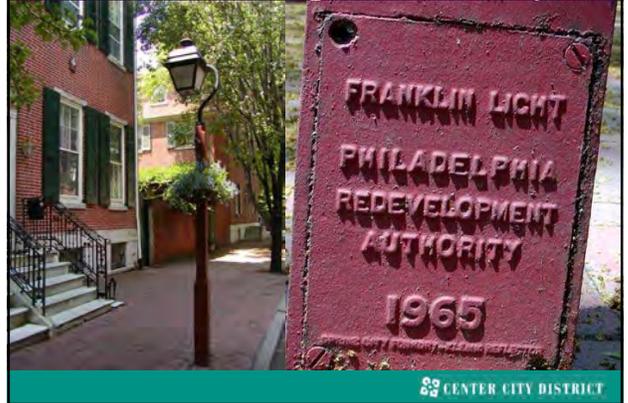
Old Philadelphia Development Corporation formed 1956  
To market renovated historic homes



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Streetscape improvements  
Distinctive light fixtures & brick pavers



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Creation of Delancey Park for children



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Ed Bacon, 1962



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Three bears park



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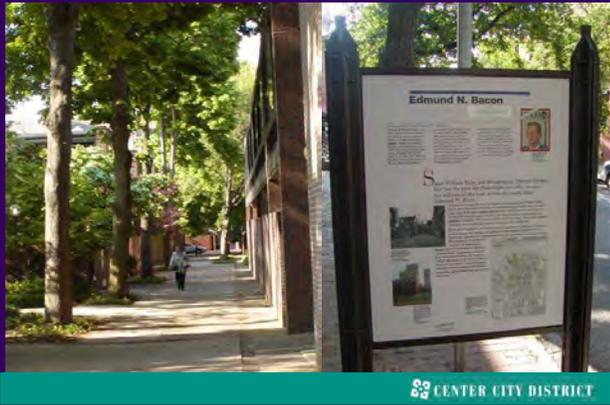
Expansion of McCall Public School



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**System of greenways**



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**Small scale public places**



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**To link Society Hill to the National Historical Park**



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**Major stimulus to downtown living**



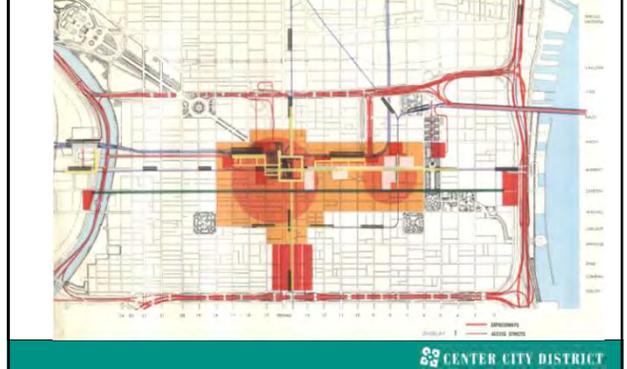
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**Framed by highways in the 1963 plan**



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**1963 plan: Reinforce dense commercial core  
With ring of highways & linked transit lines  
Highways as transportation investment & demolition tools**



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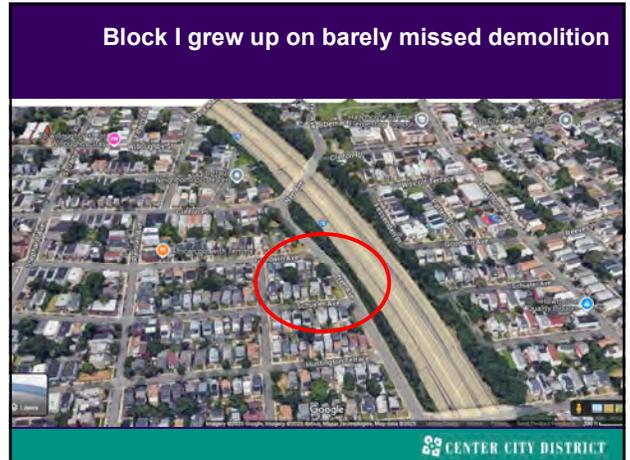
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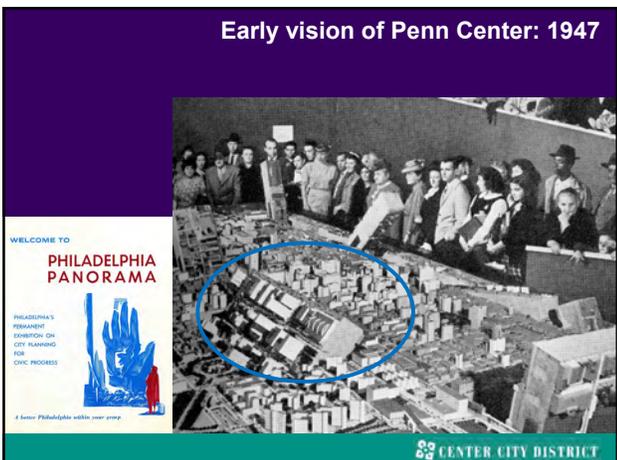
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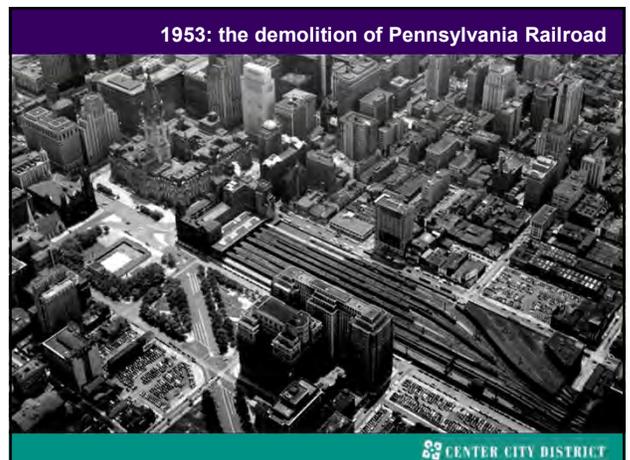
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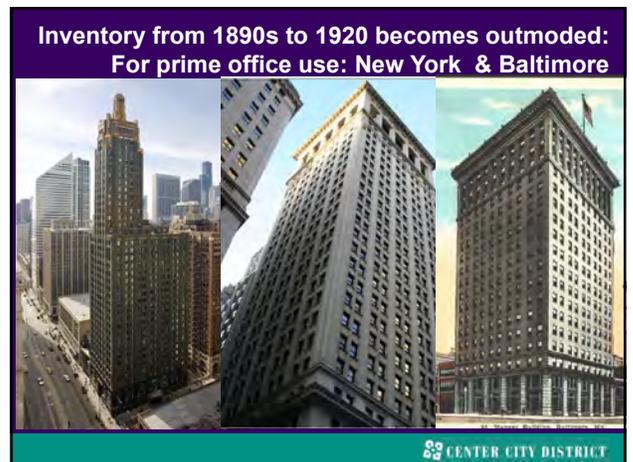
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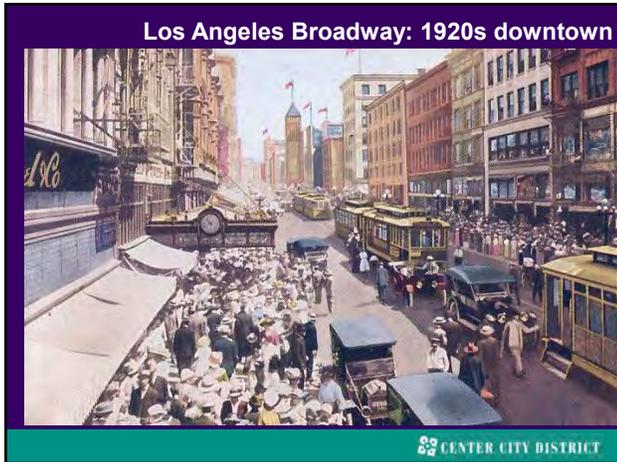
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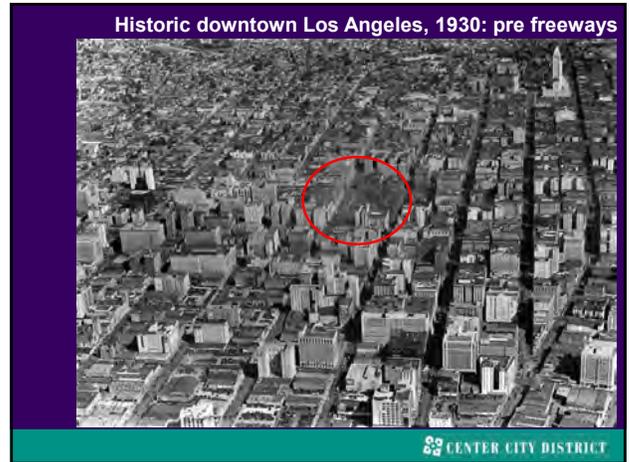
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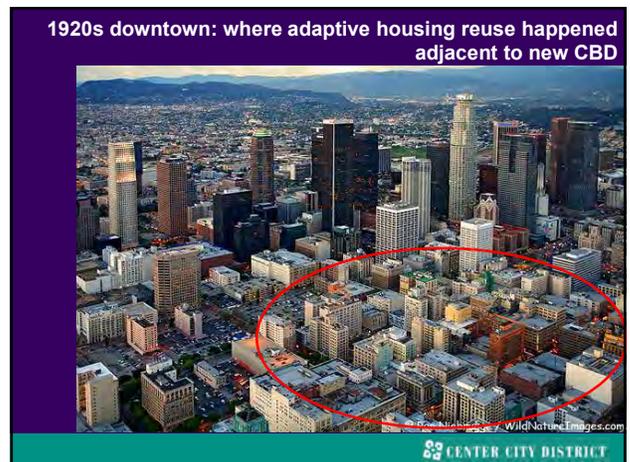
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**Bradbury Building**  
 These are the buildings in every city that get renovated for housing  
 "500 days of Summer" (2009)



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**Flight to quality**  
 From Class B & C to Class A



Class A buildings, more recently constructed or renovated with higher level of amenities, are successfully retaining & attracting tenants, sustaining rents.

Class B & C buildings less amenities, lower rents, struggle due to weak demand

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**Minneapolis: migration from B & C to A buildings**



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**Dallas & Minneapolis**



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**Older warehouse & industrial buildings**



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**Cleveland: great ceiling heights + windows**



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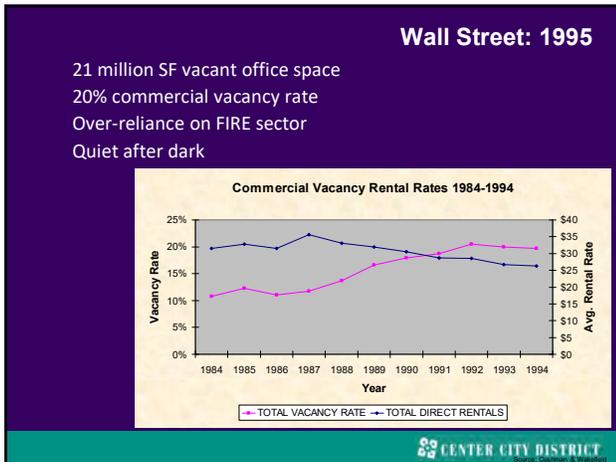
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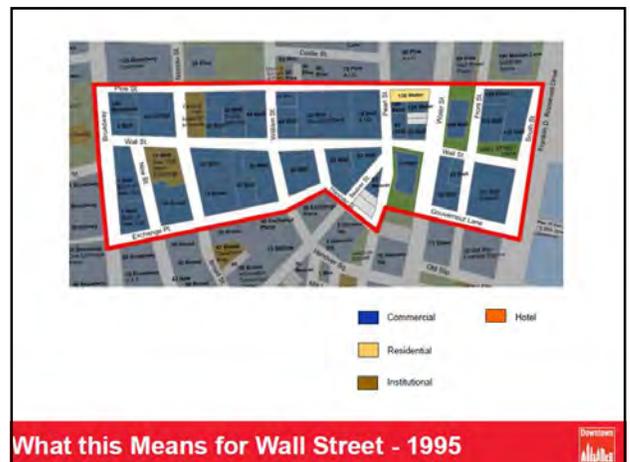
**The Downtown Alliance**

Formed in 1995

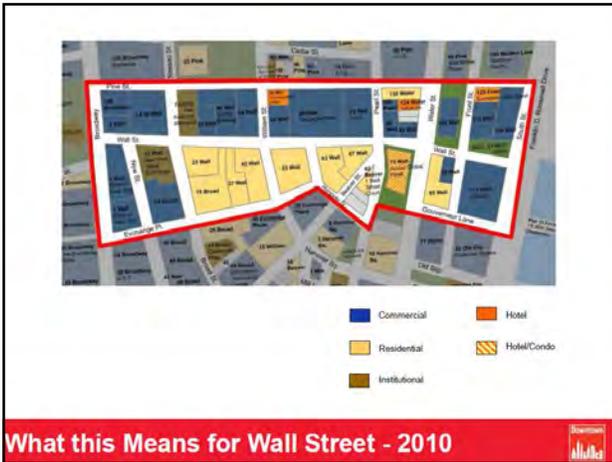
Mission: To create and promote a safe, clean, live-work, totally wired community, which showcases the nation's most historic neighborhood and serves as the financial capital of the world for the 21<sup>st</sup> century.

Method: Strengthen and Diversify the core commercial sector

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**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.

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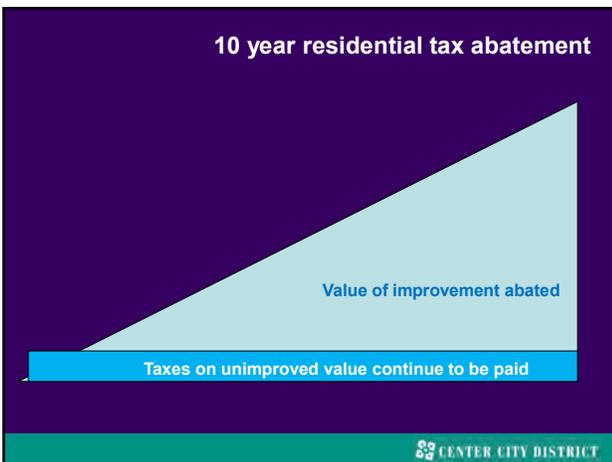
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**10 year residential tax abatement  
Approved 1997**

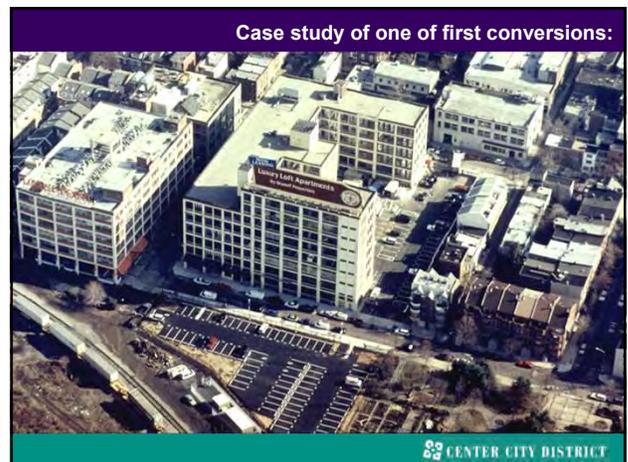
- Extraordinary costs of converting from vacant office or industrial to residential use
- 10 year abatement on improvements
- Available city wide

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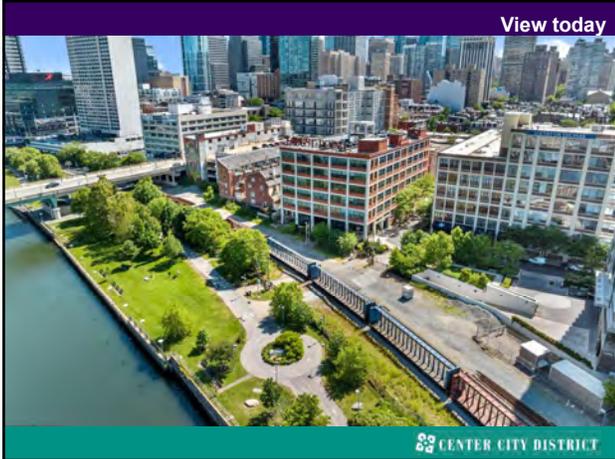
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### Case study of one of first conversions: Vacant industrial building

Vacant building paid \$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




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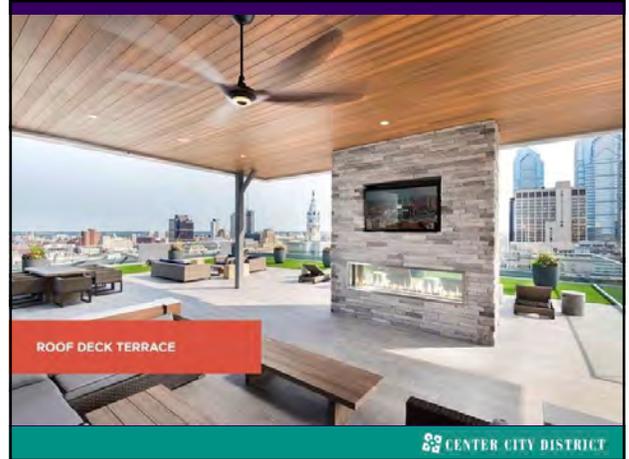
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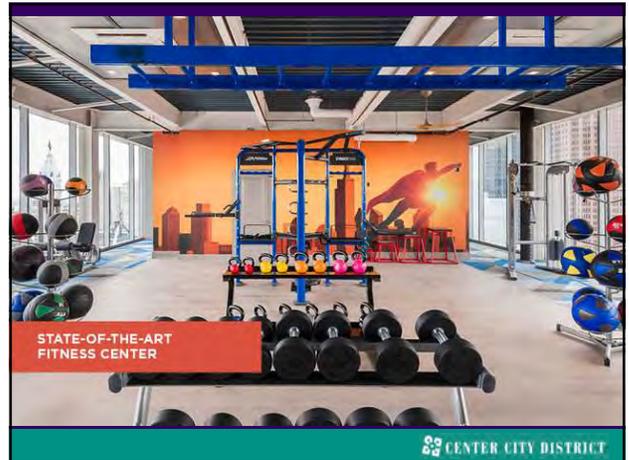
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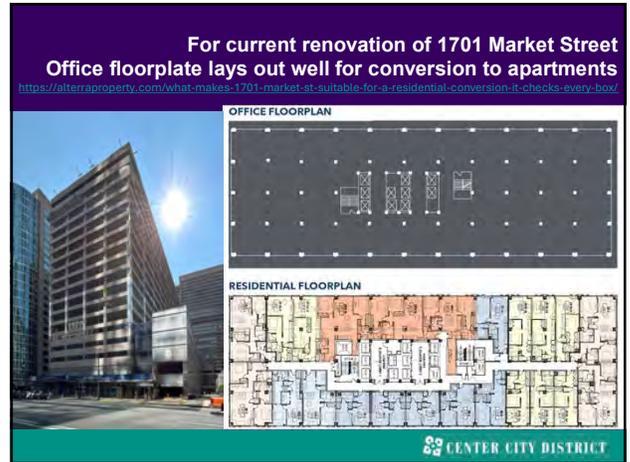
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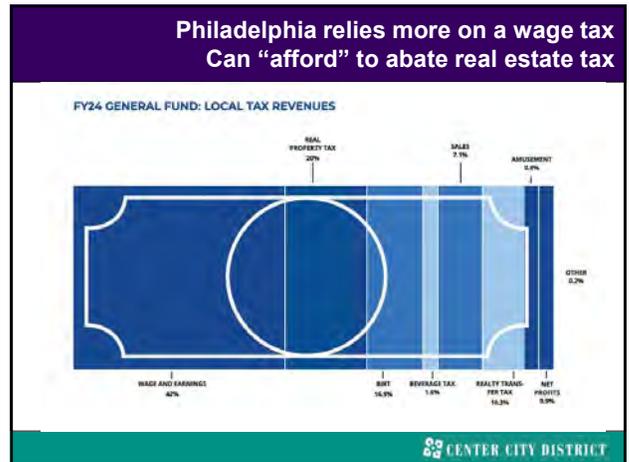
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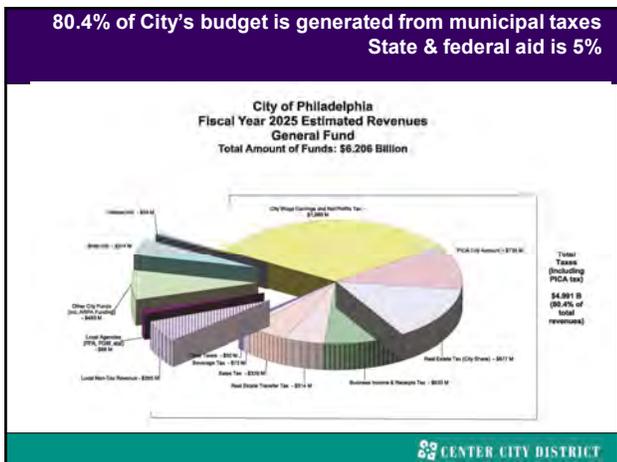
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Outside of tax-revenue generated services  
City receives \$317 million federal, state & local funds for housing, community & economic development.

2024-2025 Annual Action Plan administered by Division of Housing & Community Development (DHCD) formerly OHCD & is City's application for federal funds from the U.S. Department of Housing & Urban Development (HUD) for four entitlement programs: Community Development Block Grant (CDBG) HOME Investment Partnership (HOME) Housing Opportunities for Persons With AIDS (HOPWA) Emergency Solutions Grant (ESG)

City also receives other federal, state & local resources—including the Philadelphia Housing Trust Fund (HTF) & the Commonwealth of Pennsylvania's Keystone Communities program – that support housing & community & economic development activities.

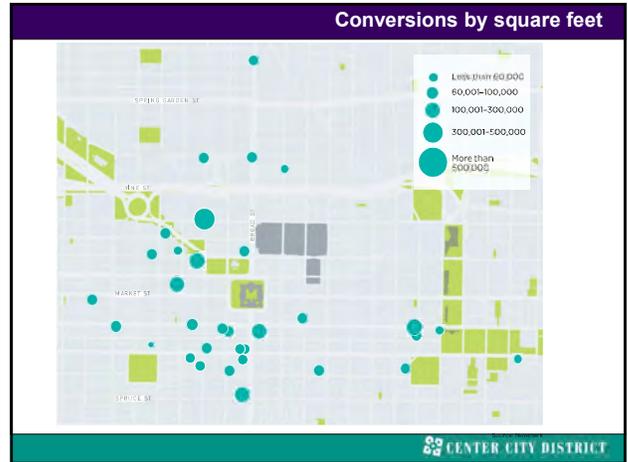
Public Housing funding through PHA Section 8/Housing Vouchers

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### Everything below the red line is fully taxable

Buildings Converted to Residential Use, 1997-2024

Year	Building Name	Address	Size (square feet)	Status	Conversion Type
2024	Nelson Building	220 Market St.	300,000	Proposed	Apartments
2024	1701 Market	1701 Market St.	304,037	Proposed	Apartments
2024	The Bellman	200 S. Broad St.	835,545	In-Progress	Apartments & hotel
2020	Wells Fargo Building	140 S. 4th Mar West	413,176	Completed	Apartments
2020	One City Plaza	401 Arch St.	225,909	Completed	Apartments
2020	Head Building	328 N. 13th St.	96,000	Completed	Apartments
2019	Franklin Tower	1401 Race St.	107,014	Completed	Apartments
2019	The Atlas Building	1605-1607 Walnut St.	20,576	Completed	Apartments
2018	1600 Cultural	1600 Cultural St.	123,713	Completed	Apartments
2017	The Beacon	1427 Market St.	115,000	Completed	Apartments
2018	Farmhouse at Brewerytown	4502 N. 7th St.	275,000	Completed	Apartments
2018	The Curtis Center Phase II	516 S. 8th St.	98,000	Completed	Apartments
2012	The Atlantic Building	208 S. Broad St.	322,516	Completed	Apartments
2012	Former State of Pennsylvania Building	1400 Cultural St.	243,008	Completed	Apartments
2011	1919 Walnut St.	1919 Walnut St.	158,000	Completed	Apartments
2011	2000 Market St.	2000 Market St.	262,000	Completed	Apartments
2011	600 Chestnut St.	620 Chestnut St.	100,000	Completed	Apartment
2008	Robert Morris Building	806 N. 17th St.	300,000	Completed	Apartments
2007	The Residence at Park Liberty Place	1400 Chestnut St.	263,000	Completed	Condominiums
2007	Art's	1410 Locust St.	166,000	Completed	Condominiums
2007	Western Union Building	109 Locust St.	162,800	Completed	Condominiums
2007	Peir	216 W. Washington St.	50,400	Completed	Condominiums
2007	1401 Walnut St.	1401 Walnut St.	105,400	Completed	Apartments
2000	Shelco	111 S. 9th St.	28,200	Completed	Condominiums
2000	Nepon Building	691 N. Broad St.	200,000	Completed	Apartments
2000	1920 Chestnut St.	1920 Chestnut St.	170,000	Completed	Apartments
2000	Sherway Hill Building	115 S. 7th St.	105,000	Completed	Apartments
2000	1810 Arch St.	1810 Arch St.	76,000	Completed	Apartments
2000	Phoenix	1600 Arch St.	458,000	Completed	Condominiums
1996	Philadelphia House (Now The Elmgrove)	1500 Chestnut St.	245,000	Completed	Condominiums
1998	Commerce Building	1419 Market St.	188,000	Completed	Apartments
1997	229 S. 4th St.	229 S. 4th St.	186,000	Completed	Apartments

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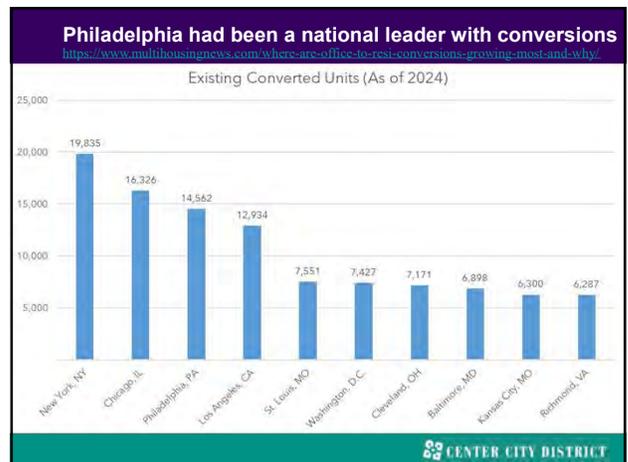
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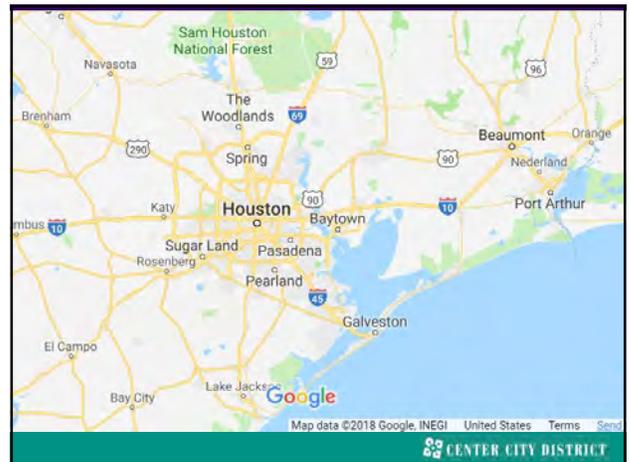
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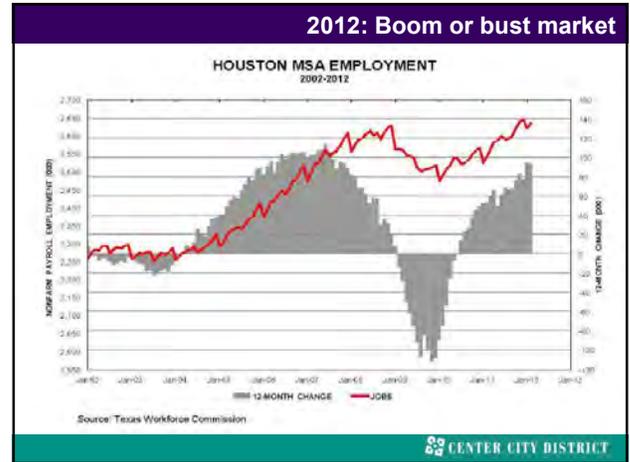
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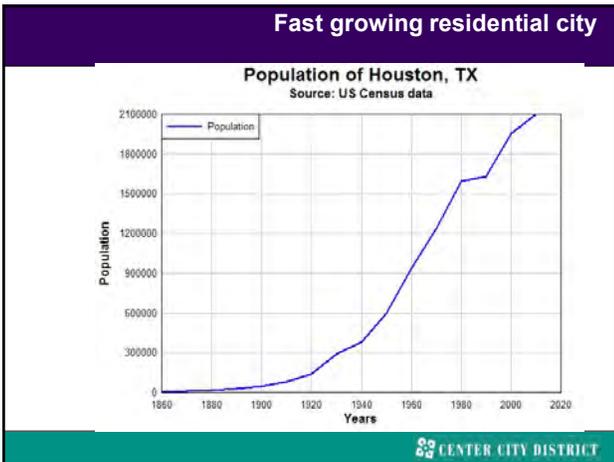
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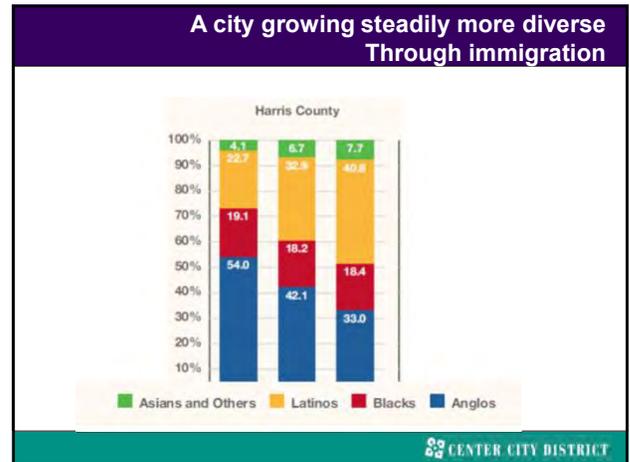
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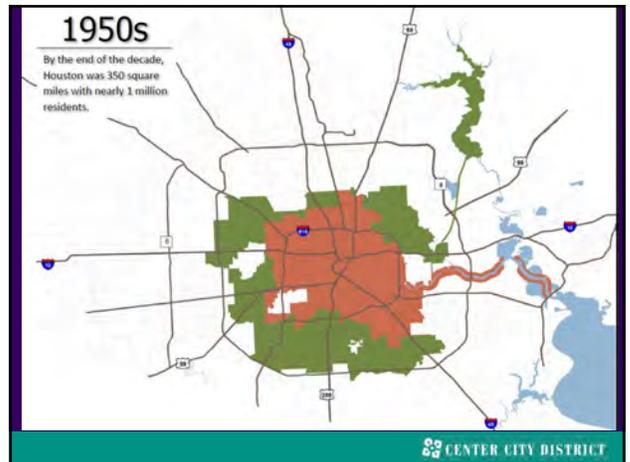
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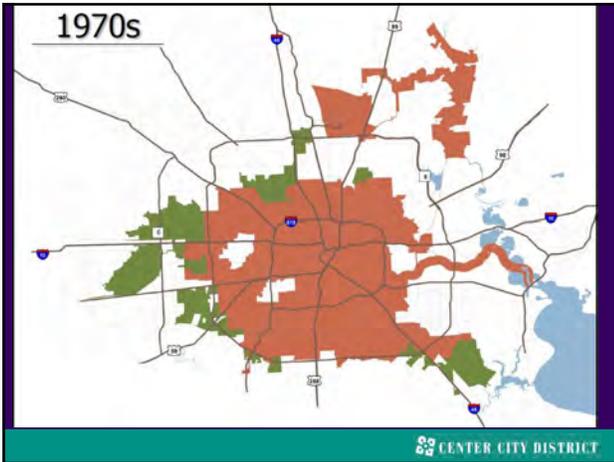
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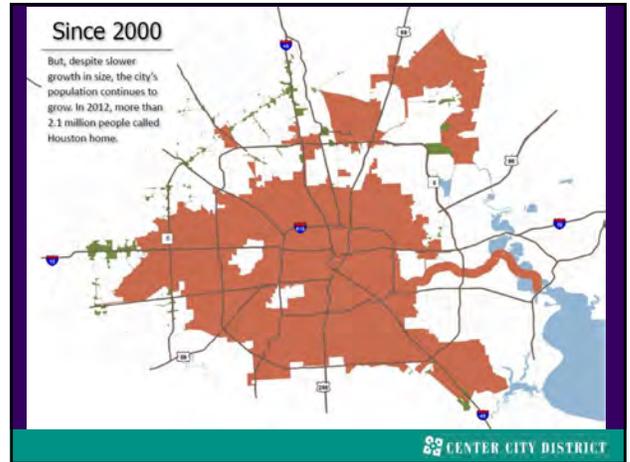
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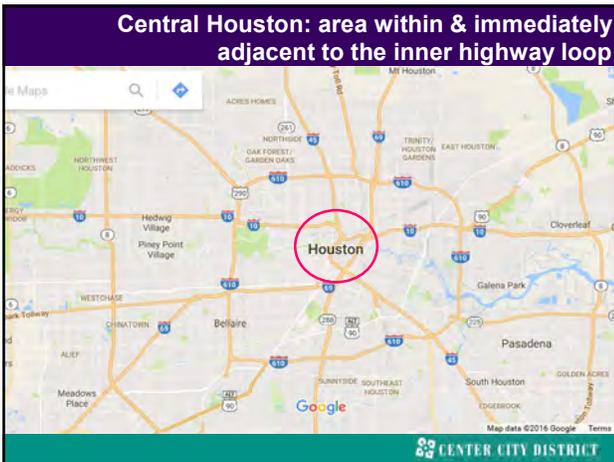
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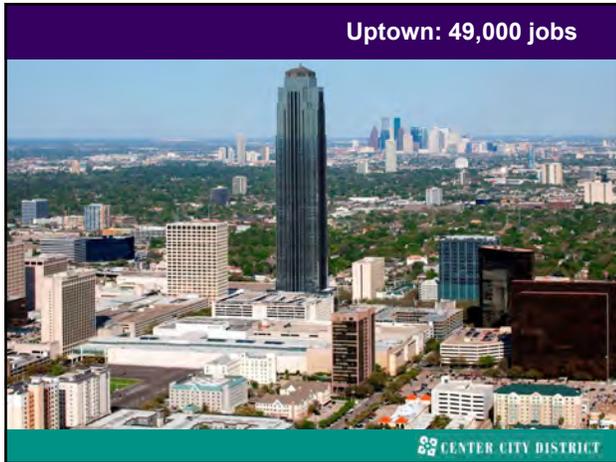
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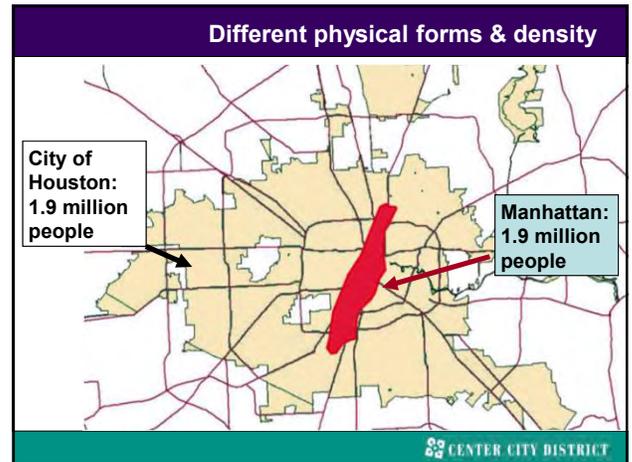
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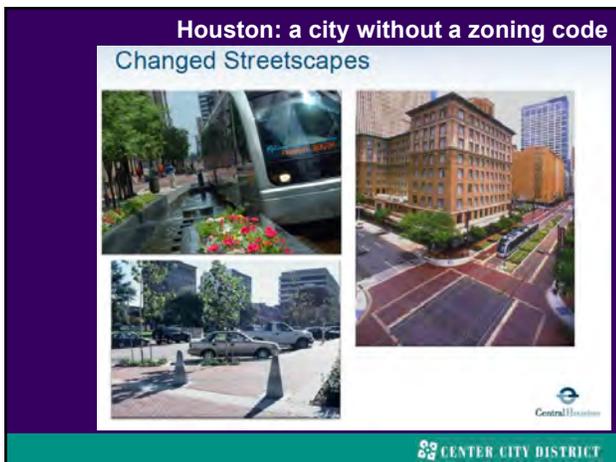
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169



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**Added light rail & generous streetscape**

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

CentralHouston  
CENTER CITY DISTRICT

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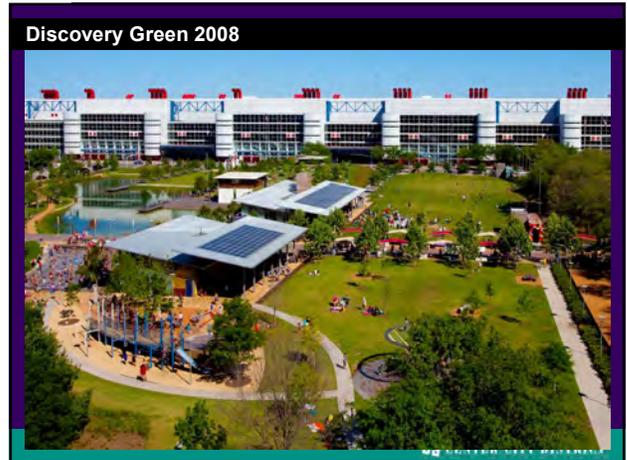
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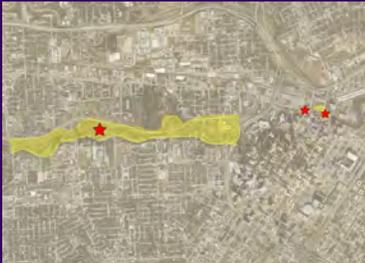


179



180

### Buffalo Bayou Park



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



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### Buffalo Bayou Park




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### Buffalo Bayou Park | Bayou Greenways 2020



Outside City	\$275 million
Inside City	\$205 million
Bond voted on 11/6/2012	\$100 million
Pledged to be privately raised	\$105 million

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### 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 disjointed landscape environment. In accordance with these guidelines, the goal is to ensure that currently existing efforts to provide a pleasant, walkable environment surrounding their buildings will continue in a cohesive 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 Street: Primary pedestrian streets
- B Street: Secondary pedestrian street (sidewalk-oriented streets with some essential building services)
- C Street: Vehicular / service street

(Refer to Figure 1 for more detail types and boundaries for the Downtown Living Initiative.)



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### 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 fixtures 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.

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**Challenge: neither U.S. Census Bureau nor Bureau of Labor Statistics has standard definition of “downtown”**

Population data aggregated by census tract but there is no agreed-upon definition of residential downtown

Employment data has only been available county wide; but not all cities are identical with counties

Commercial brokerage firms count commercial office space & define central business districts (CBDs) accordingly; but often does not include commercial retail, entertainment or hotel zones

BIDs & downtown organizations define service areas & areas of influence & concern; these are often only part of CBD

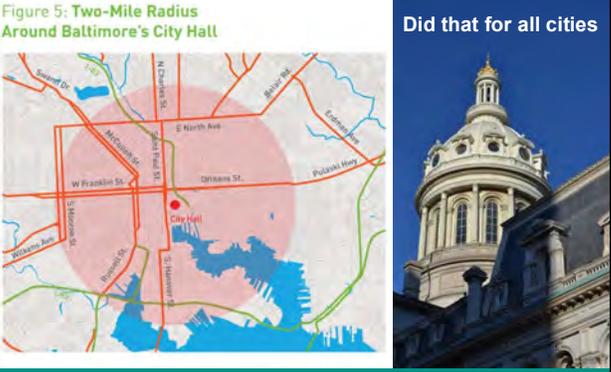


197

**What got this started: Census Bureau drew a 2 mile radius around Baltimore’s City Hall & called it “downtown”**

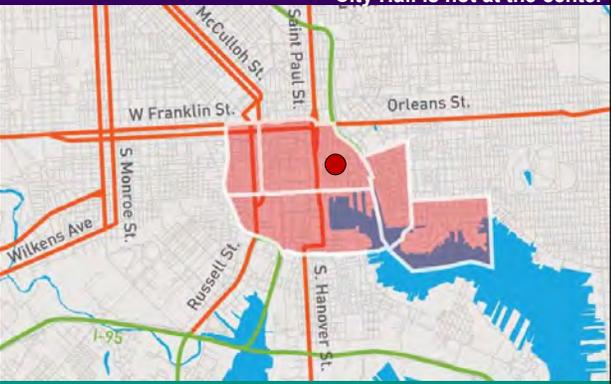
**Figure 5: Two-Mile Radius Around Baltimore’s City Hall**

Did that for all cities




198

**Shape of Baltimore’s commercial downtown far from circular  
City Hall is not at the center**



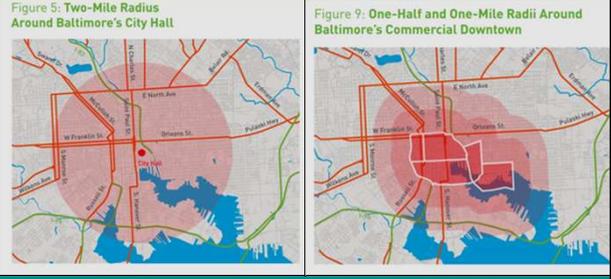

199

**A ring around Baltimore’s real commercial downtown includes very different neighborhoods than a perfect circle**

“What is a downtown neighborhood?”

**Figure 5: Two-Mile Radius Around Baltimore’s City Hall**

**Figure 9: One-Half and One-Mile Radii Around Baltimore’s Commercial Downtown**




200

**Similarly, a 2 mile ring around NYC’s City Hall**

**Figure 6: Two-Mile Radius Around New York City’s City Hall**




201

**Misses the fact the NYC has 3 major downtowns**




202



203



204



205

**Even the lowest density of our 231 job centers  
20 times more dense than national average**

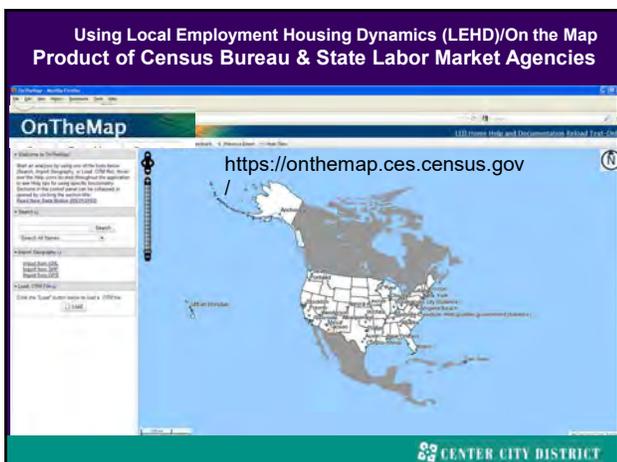
**Started by defining urban commercial places by job density**

**Figure 12: Job-Density Thresholds**

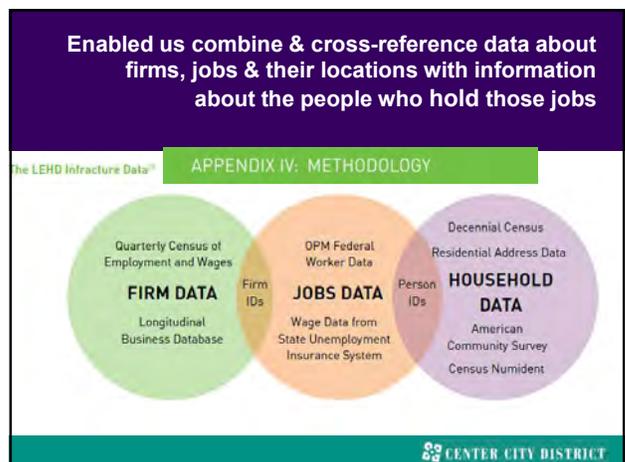
Category	Jobs Per Acre
Extremely High Job Density	> 100
Very High Job Density	75-99
High Job Density	50-74
Moderately High Job Density	25-49
Moderate Job Density	15-24
Lower Job Density	< 15

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## What you can learn from LEHD data

### Worker Characteristics



Age, Sex, Ethnicity,  
Wages, Industry,  
Educational Attainment

### Geographic Characteristics

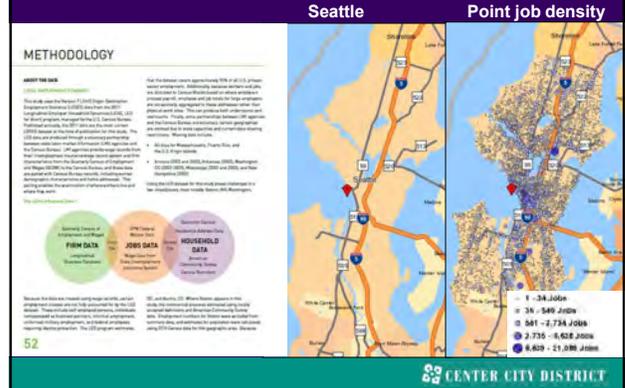


- Where residents of a neighborhood travel to work
- Where employees in job center come from each day
- Who lives & works in same area



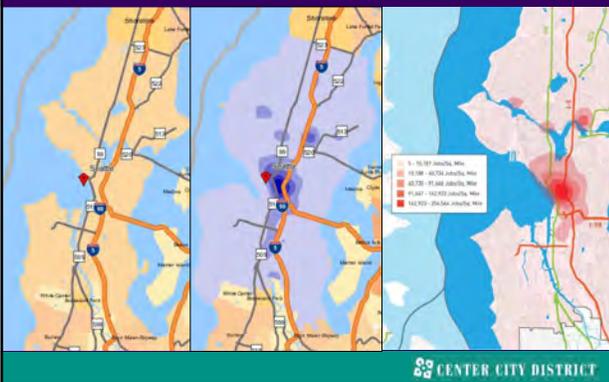
209

## Started by visualizing job density citywide in LEHD



211

## In GIS created heat maps of job clusters citywide



212

## Using census tracts standardized boundary definitions across the country Mostly used to calculate population



213

## Census tracts used to map high job density = commercial centers



214

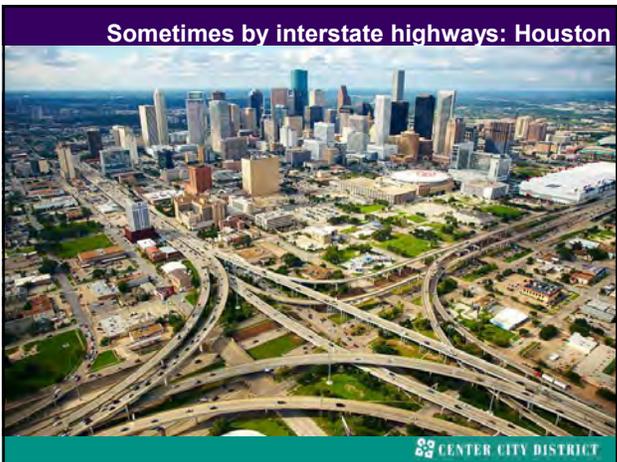
## Checked against land-use in Google Earth Sent boundaries to as many cities as we could find contacts. *Did we get it right? Made revisions accordingly*



215



216



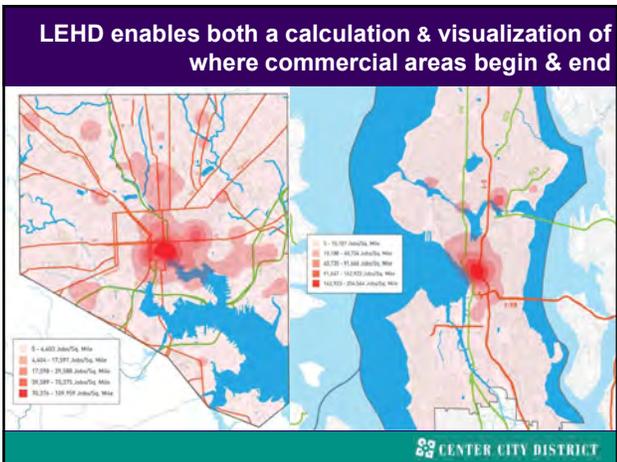
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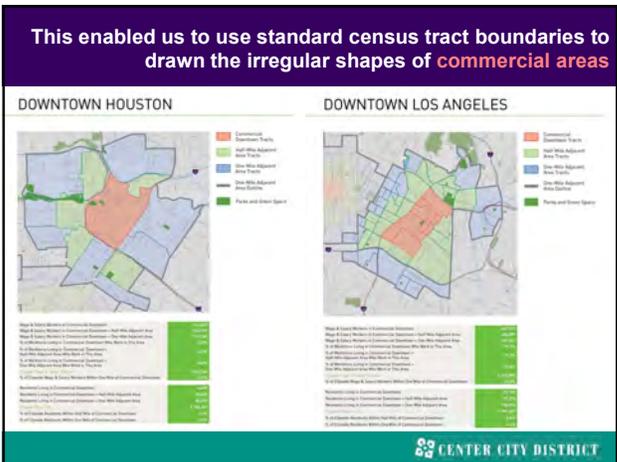
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Downtowns are active & animated after dark



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With music, theater & entertainment



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Convention centers & new hotels



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Downtown sports facilities



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231

Restaurants & outdoor cafes



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New downtown housing: San Diego



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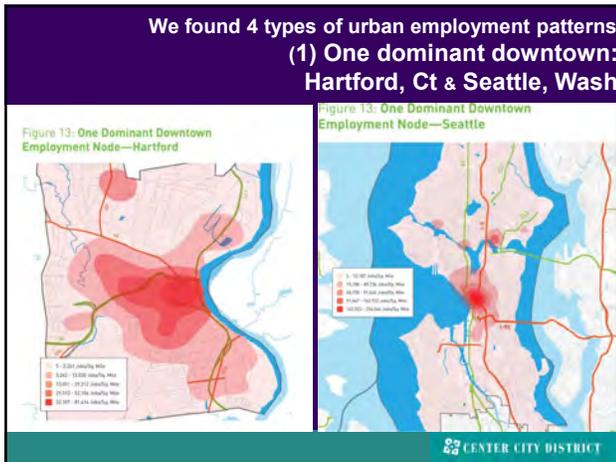
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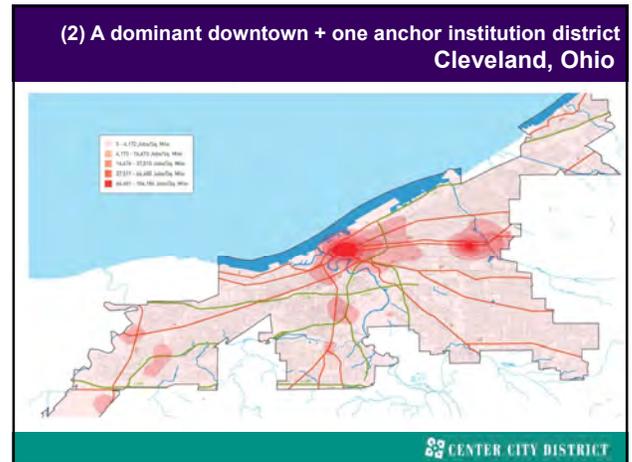
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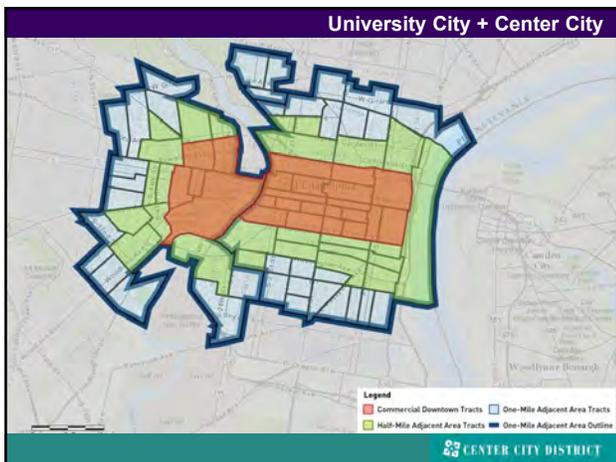
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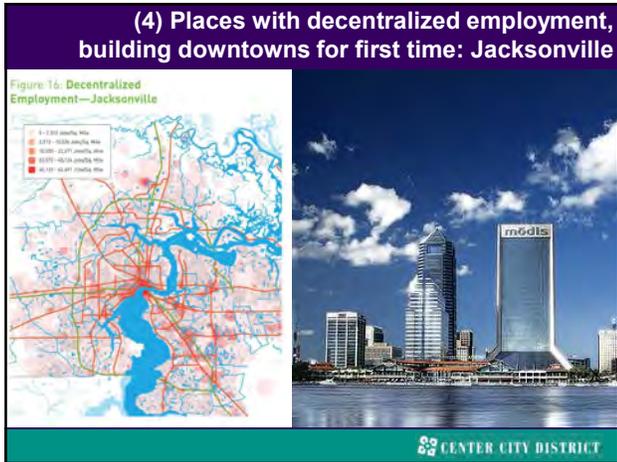
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### Calculated employment in 231 job centers - 150 largest cities

APPENDIX II: TABLES FOR ALL CITIES AND THEIR EMPLOYMENT NODES

Table 1

34

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### Calculated job density: commercial core, 1/2 mile & 1 mile ring

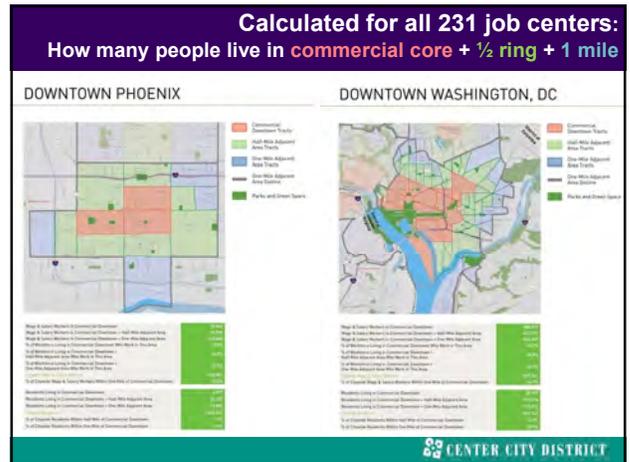
APPENDIX II: TABLES FOR ALL CITIES AND THEIR EMPLOYMENT NODES

Table 2

38

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### Calculated what percent of people who live within adjacent residential rings work in those areas

Figure 17: Live-Work Percentage Around Major Employment Nodes in the 10 Largest Cities

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### For each place developed a live-work ratio

Figure 3: Highest Live-Work Percentages

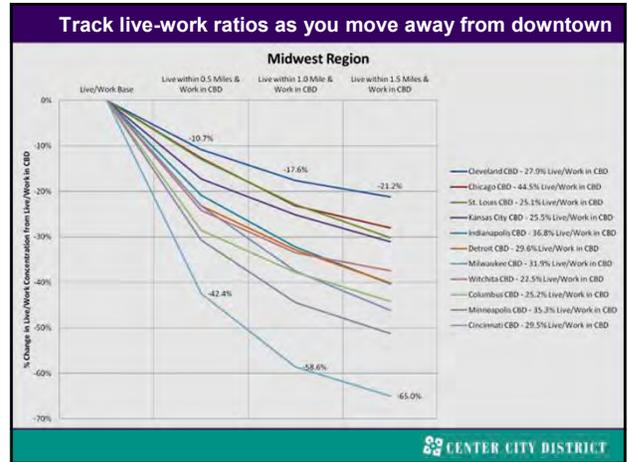
Employment Node	% of Workers Living Within One Mile of Downtown Who Work Within One Mile of Downtown
Midtown Manhattan, NY	55.9%
Downtown Chicago, IL	51.8%
Downtown Washington, DC	50.5%
Strip - Las Vegas, NV*	50.5%
Downtown Rochester, MN	50.2%
Downtown Ann Arbor, MI	49.3%
Downtown Honolulu, HI**	44.5%
Downtown Portland, OR	43.5%
Downtown Seattle, WA	41.0%
Center City - Philadelphia, PA	40.7%

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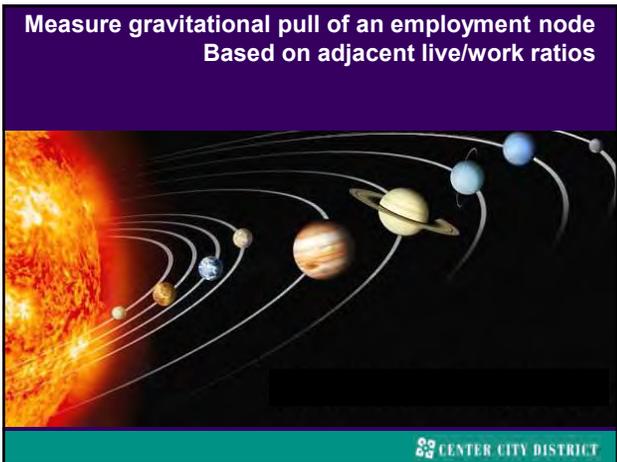
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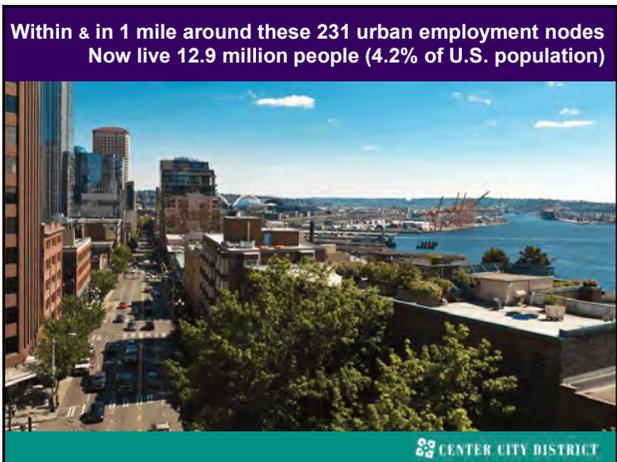
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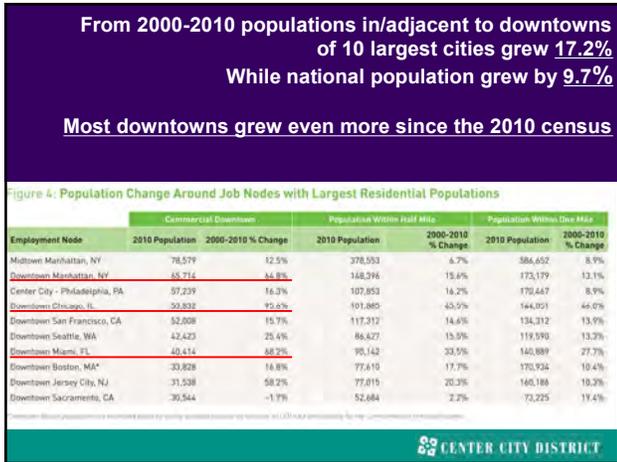
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**Build on this for Downtowns Rebound: released in October 2023**

**Analysis of 26 of nation's largest downtowns**  
Placer.ai anonymized cell phone data  
Track workers, visitors & residents

**Updated to September 30, 2024**

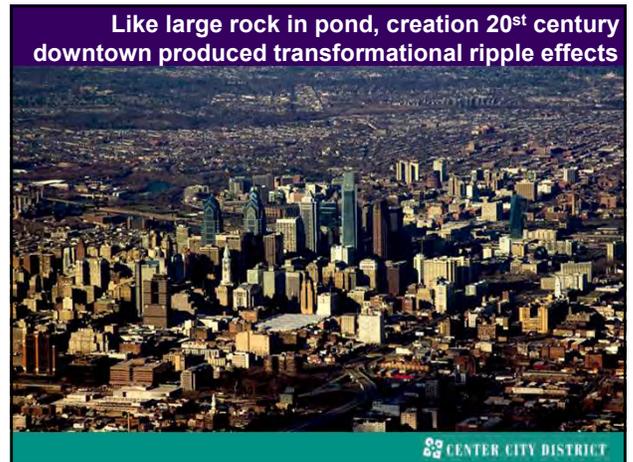
**DOWNTOWNS REBOUND**  
THE DATA DRIVEN PATH TO RECOVERY

**CENTER CITY DISTRICT**

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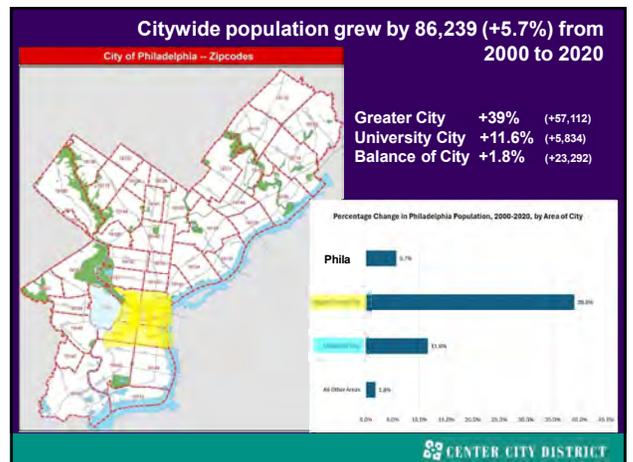
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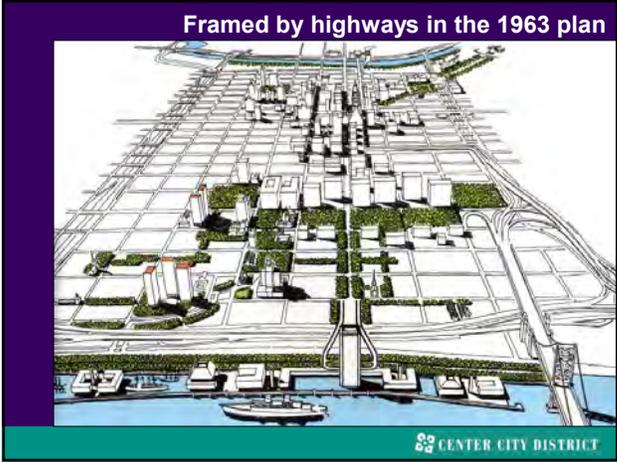
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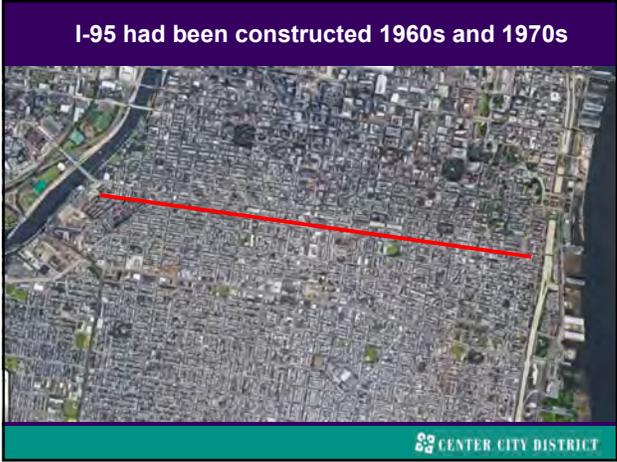
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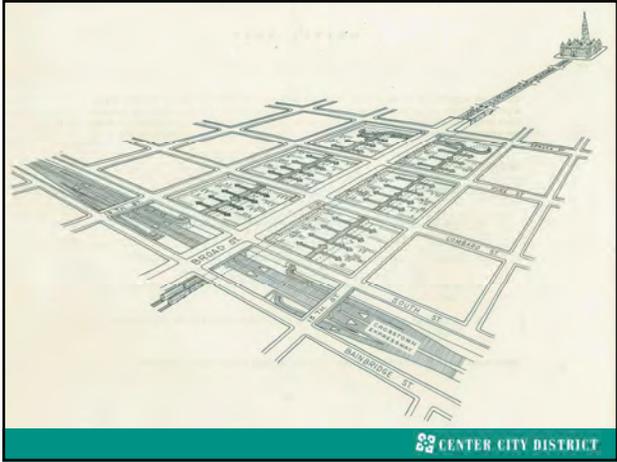
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Dear Mr. and Mrs. Kubiak:

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.

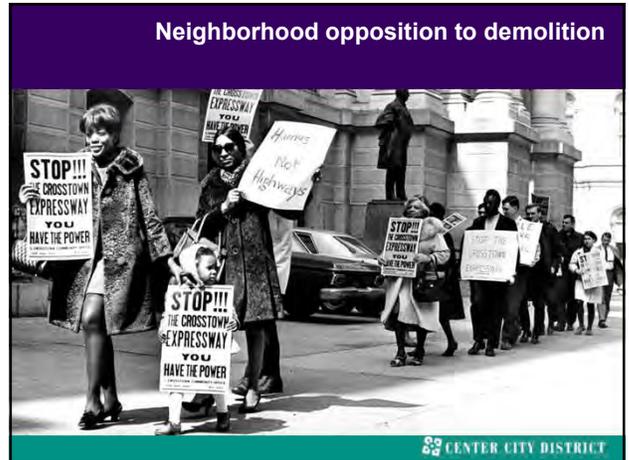
In the next few weeks it will be necessary for Department staff appraisers, local independent real estate brokers retained by the Department of Highways, or both, to inspect the property so that a proper determination of its value can be made.

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.

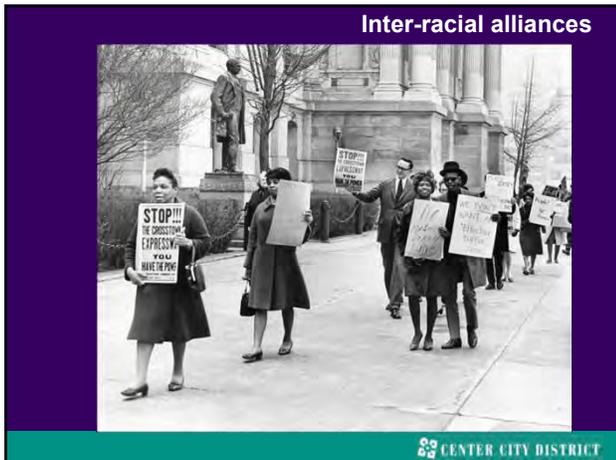
We thank you in advance for the cooperation we are sure you will give your Highway Department and its employees throughout the making of this highway improvement.



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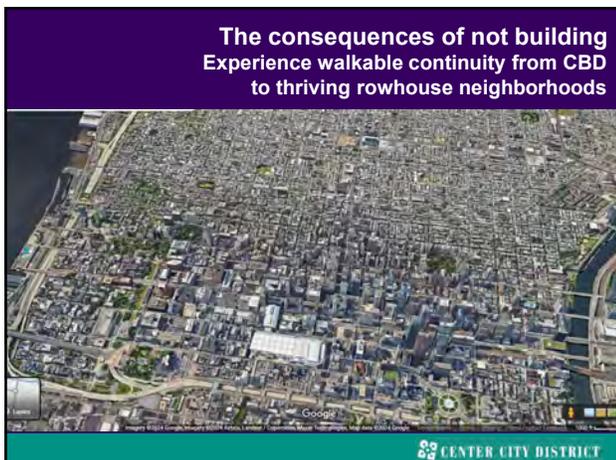
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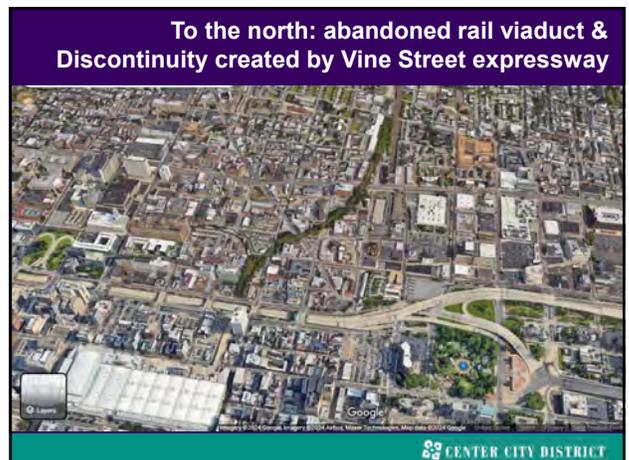
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Disruption reinforced by Callowhill Industrial corridor  
Highway oriented, large surface parking lots



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View looking west



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Not impenetrable barrier  
Expansion of Northern Liberties



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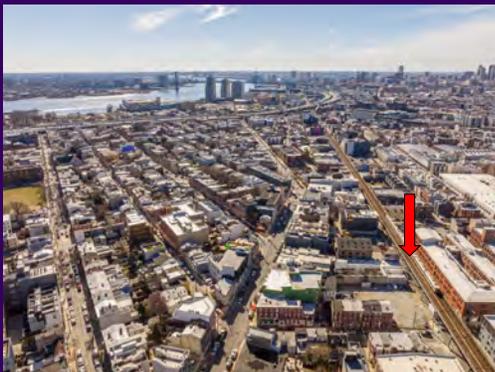
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Importance of transit connectivity



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Market Frankford Line

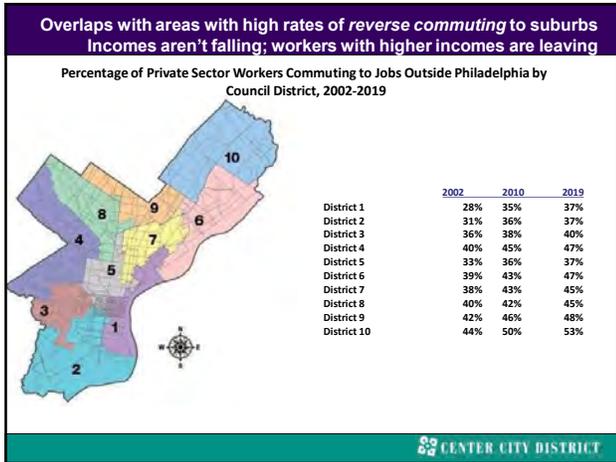


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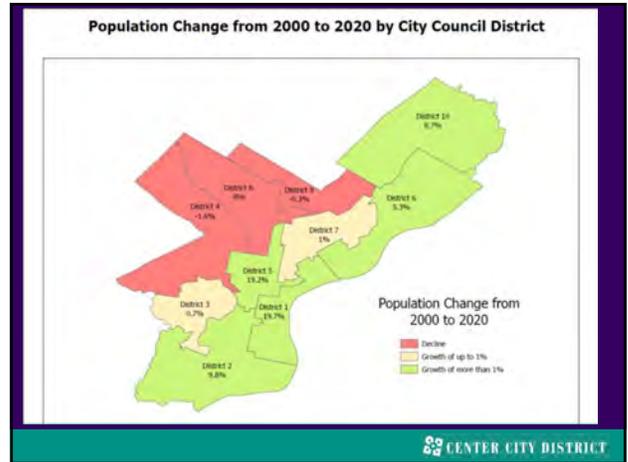
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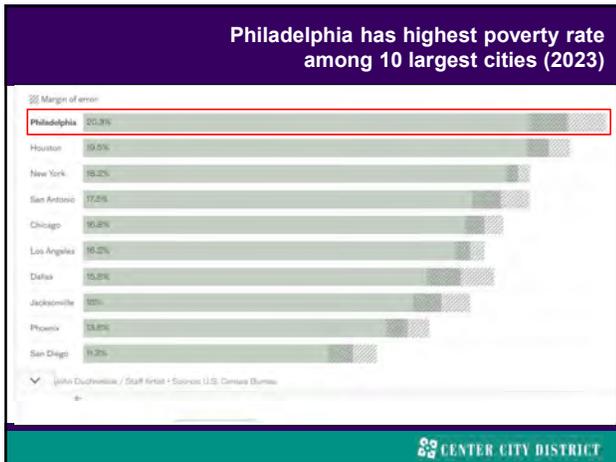




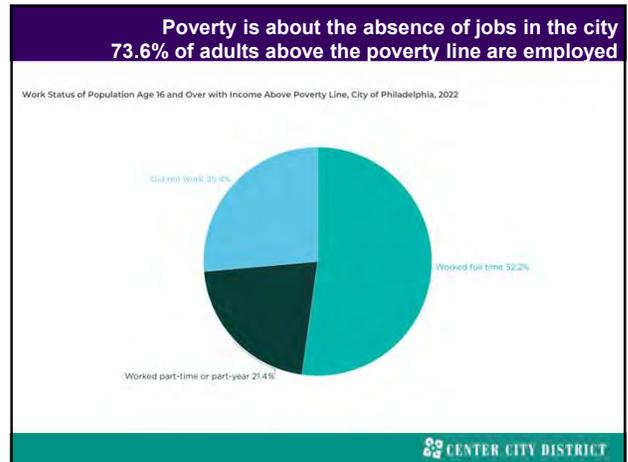
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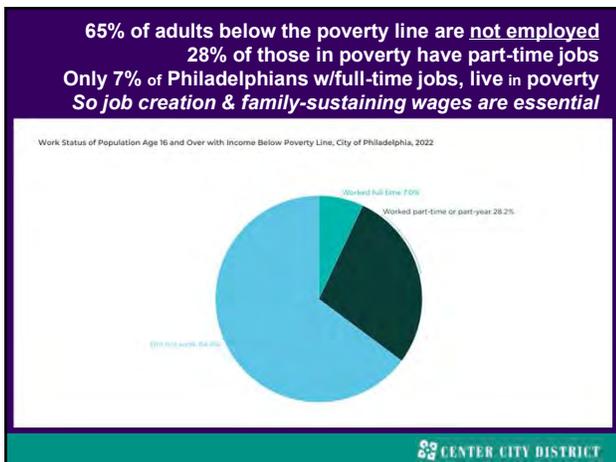
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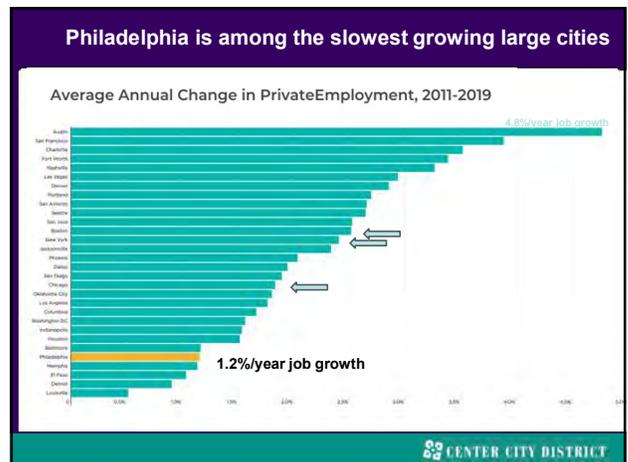
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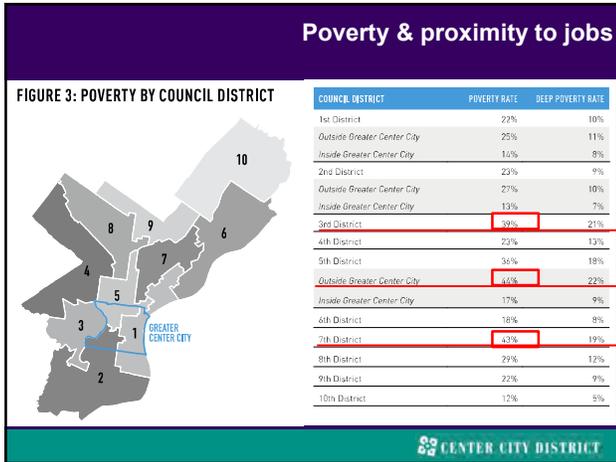
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These are areas that are most in need of affordable housing  
City receives \$317 million federal, state & local funds for housing, community & economic development.

**Annual Action Plan 2024-2025**

2024-2025 Annual Action Plan administered by Division of Housing & Community Development (DHCD) formerly OHCD & is City's application for federal funds from the U.S. Department of Housing & Urban Development (HUD) for four entitlement programs: Community Development Block Grant (CDBG) HOME Investment Partnership (HOME) Housing Opportunities for Persons With AIDS (HOPWA) Emergency Solutions Grant (ESG)

City also receives other federal, state & local resources—including the Philadelphia Housing Trust Fund (HTF) & the Commonwealth of Pennsylvania's Keystone Communities program – that support housing & community & economic development activities.

Public Housing funding through PHA Section 8/Housing Vouchers

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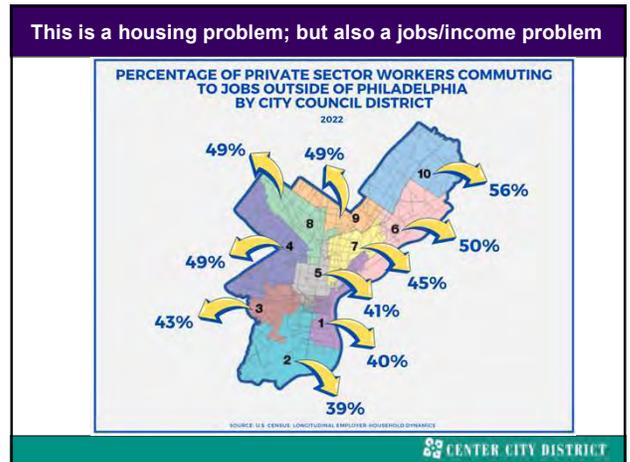
295

### Vulnerable populations

- Lower income renters
- Homeowners on fixed incomes: seniors
- Working class homeowners
- Rising tax assessments
- Cultural/ethnic/racial change

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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*	542,132	40%	292,877	28%	250,113	53%
Less than \$20,000	127,457	83%	49,276	74%	78,191	88%
\$20,000 to \$34,999	95,517	65%	44,012	47%	49,655	82%
\$35,000 to \$49,999	70,557	39%	31,525	29%	34,962	48%
\$50,000 to \$74,999	41,040	17%	17,431	18%	18,409	15%
\$75,000 or more	197,561	4%	107,585	4%	49,996	2%

\*Does not include another 77,200 households with reported no income at all.

Source: U.S. Census Bureau, American Community Survey 7-Year Estimates

**HOUSING DEVELOPMENT IN PERSPECTIVE: 2018**

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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 & rents but not by enough to impact affordability for lower income households
- Housing is a market commodity, not a social right; public programs then try to compensate

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## Rental housing

1937: Public owned rental housing had been established in U.S. Housing Act of 1937

### 1974 Housing & Community Development act (CDBG)

The **Housing Choice Voucher Program** was created in 1974 by Congress through the Housing and Community Development Act of 1974 (Section 8 of the 1937 act, as amended). Privately owned, publicly subsidized

**New Construction and Substantial Rehabilitation** Programs provide rental assistance for newly constructed or substantially rehabilitated privately owned rental housing financed with any type of construction or permanent financing, including the applicable FHA Multifamily Mortgage Insurance Programs. The maximum term of assistance provided by HUD under the New Construction and Substantial Rehabilitation Programs for a project financed with the proceeds of a loan insured by FHA was 20 years;

Moderate rehab = 10 years; Existing = 1 year (vouchers)

Congress stopped funding new project-based Section 8 rental assistance contracts in 1983. Replaced by vouchers only. Today, vouchers—numbering more than 2 million—are the primary form of assistance provided under Section 8, although over 1 million units still receive project-based assistance under their original contracts or renewals of those contracts



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## Protections for lower income homeowners: all local

• **Longtime Owner-Occupants Program.** Established in 2014, if a home's value increases by over 300% during a single tax year, owner cannot be taxed on value above that 300% 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%, 8%, 5%. The non-payment agreement is available to households of four earning less than \$12,000, or \$27,000 for seniors & 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 \$80,000 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 \$70,000.



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## Protections for lower income homeowners

**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 **state-run 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.



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## 2016: Gentrification: 15 out of 372 neighborhoods



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## Definition: Gentrification

Income Change in Philadelphia Census Tracts, 2000-14



• 2000 median household income had to rise at least 10% inflation Adjusted between 2000 and 2014, when City median declined by 10%

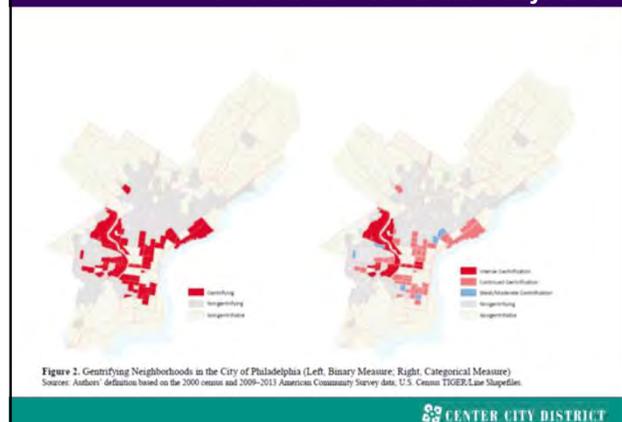
• And had to exceed citywide median of \$37,460. This occurred in just 15 census tracts

By contrast 164 tracts experienced significant decline in median income



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## Federal Reserve Bank study: 2018



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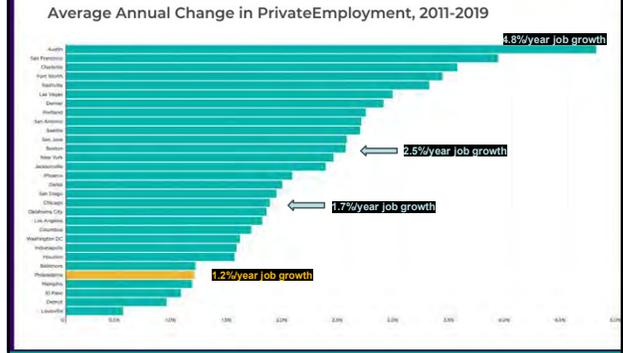
Major issue in very limited number of neighborhoods'



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Variables between cities: fast & slow growth  
 Impacts demand & price for housing



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"Island" cities + strong growth



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"Peninsula" cities + fast growth



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313

Seattle + fast growth



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314

Vancouver = fast + immigration

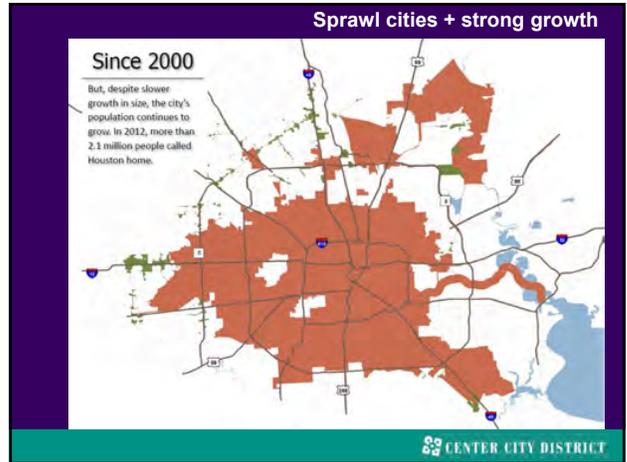


CENTER CITY DISTRICT

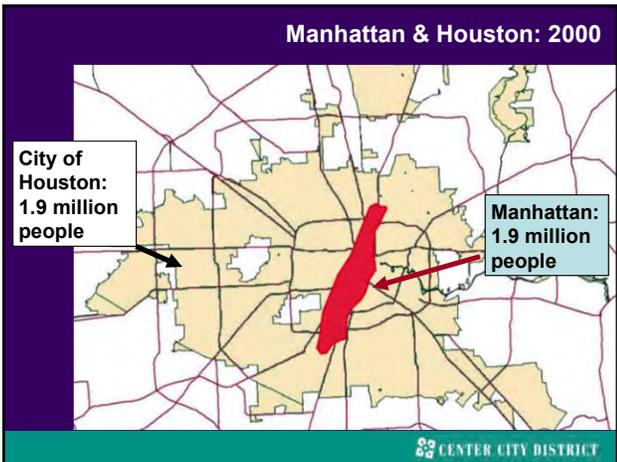
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**Wants to achieve affordability  
By looking like Vancouver**



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**Many communities block new housing  
NIMBY + Fear of Gentrification  
Argues that increased supply lowers rent**

Supply Skepticism Revisited: What New Research Shows About the Impact of Supply on Affordability

By Lisa A. Gertel | November 2015, 2021 | Box 418460, County Park, Denver



CENTER CITY DISTRICT

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**John Landis: expedite conversion  
Not only office & industrial, but former shopping centers**



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**Housing New York  
Mandatory Inclusionary Housing**



NYC PLANNING

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**Achieving affordability**

- Public sector supplies
  - Publicly owned
  - Publicly subsidized
  - Protections for lower income homeowners
- Filtering: increase supply & let market work
- Inclusionary zoning
  - Public sector requires developers to allocate
  - Public creates incentives for private sector to provide (density bonuses) - Realistic requirements
- Primary focus on employment growth & providing access to jobs & rising salaries

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