





DEVELOPMENT WITHOUT DISPLACEMENT



KEEPING COMMUNITIES STRONG



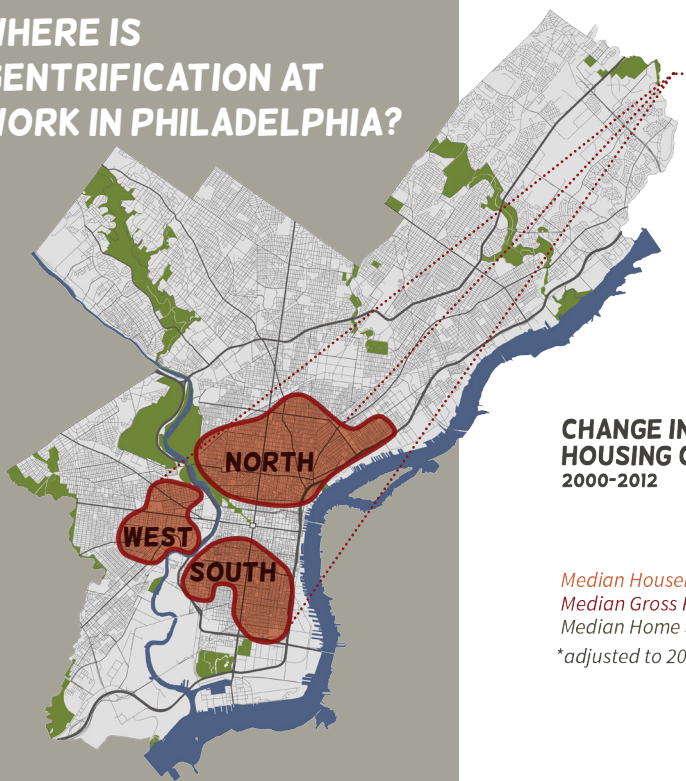
EXECUTIVE SUMMARY



THE PROBLEM

- After years of declining population, Philadelphia is becoming a more desirable place to live. But as the housing market rebounds the effects of **gentrification** are displacing long-term residents.
- The overwhelming majority (77%) of new market rate housing built in the past five years is located in portions of North Philadelphia, South Philadelphia, and West Philadelphia. In these neighborhoods, rising housing costs coupled with stagnant or declining household incomes are straining low-income families' ability to stay in their homes. (See map and graph below)
- While some see increased development and rising prices as signs of progress, for too many of us it has meant that we cannot afford to stay in our own community. Families, businesses, institutions, and gardens are being displaced and forced to leave.

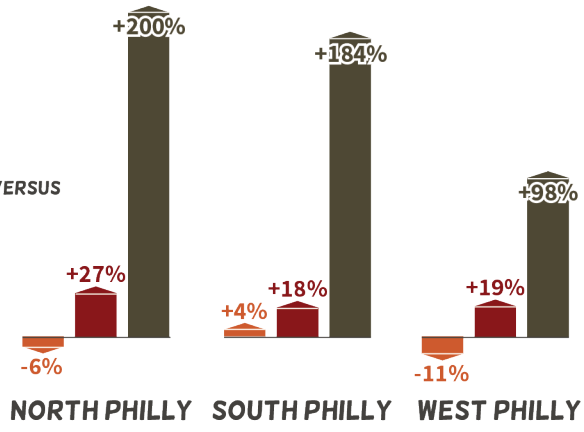
WHERE IS GENTRIFICATION AT WORK IN PHILADELPHIA?



IN THESE PLACES, RISING HOUSING COSTS COUPLED WITH STAGNANT OR DECLINING INCOMES PUT **LOW-INCOME FAMILIES AT RISK OF DISPLACEMENT**

CHANGE IN INCOME VERSUS **HOUSING COSTS**
2000-2012

*Median Household Income**
*Median Gross Rent**
*Median Home Sale Price**
**adjusted to 2012 dollars*





THE COSTS

- Rising housing costs in gentrifying neighborhoods exact real costs in the lives of Philadelphia families.
  - In North, South, and West Philadelphia:
    - 50% of renter households are "**housing cost-burdened**," paying more than they can afford for their rent.
    - And, over 30% of homeowners are also spending too much of their income on housing.
- Displacement due to rising housing costs is threatening the diversity of our neighborhoods.
  - In North, South, and West Philadelphia, the African American population has dropped 22-29% since 2000.
- Long-term residents are forced to move away from jobs and social networks. Neighborhood-serving businesses are forced to close as commercial rents increase, leaving many residents without access to basic services and local living-wage jobs.
- Community gardens and farms that have been sources of affordable nutrition and places were people gather are up-rooted.

WHAT NEEDS TO BE DONE

- City government must take action to curb the displacement that is destabilizing our communities. This requires adopting public policy that encourages equitable development that is inclusive of all of us.
- As a first step, City Council must pass legislation that requires developers who buy and sell houses within two years to pay an anti-speculation fee.
  - By increasing the Realty Transfer Tax by 1.5% we could generate $12 million for the Housing Trust Fund EVERY YEAR!
- City Council must also explore other revenue sources and progressive policy opportunities to sustain affordability and grow our access to affordable, accessible housing and green space.

WHAT IS GENTRIFICATION?

The transformation of low-income and working class neighborhoods, driving up housing and other real estate prices and causing the displacement of long-term residents, businesses, and institutions.

WHAT DOES HOUSING COST-BURDENED MEAN?

Households that are **forced to spend 30% or more of their income on housing**, which severely limits their ability to afford other basic needs.

NEW DEVELOPMENT MAY BE POSITIVE IN MANY PHILADELPHIA NEIGHBORHOODS, BUT

THE CITY CANNOT ALLOW DEVELOPMENT TO PROCEED UNCHECKED

After years of population decline, Philadelphia is once again becoming a more desirable place to live. There is increased development in many neighborhoods, which has resulted in a rise in property values and in the cost of living. While this development can improve Philadelphia's neighborhoods, the changes that accompany new development have forced too many of us out of our communities. We have made an investment in Philadelphia and in our neighborhoods, and we have a right to stay in the communities we call home. In addition, Philadelphia is among the nation's poorest major cities – home to a large population of seniors, disabled individuals, and working families living below the poverty line. Displacement has disproportionately affected these populations, and **in Philadelphia's gentrifying neighborhoods, the stability and diversity of communities are under threat.**

RAPID REDEVELOPMENT AFOOT IN PHILADELPHIA

In 2013, developers received building permits for more than **2,800** units of housing, more than any year in the previous decade.

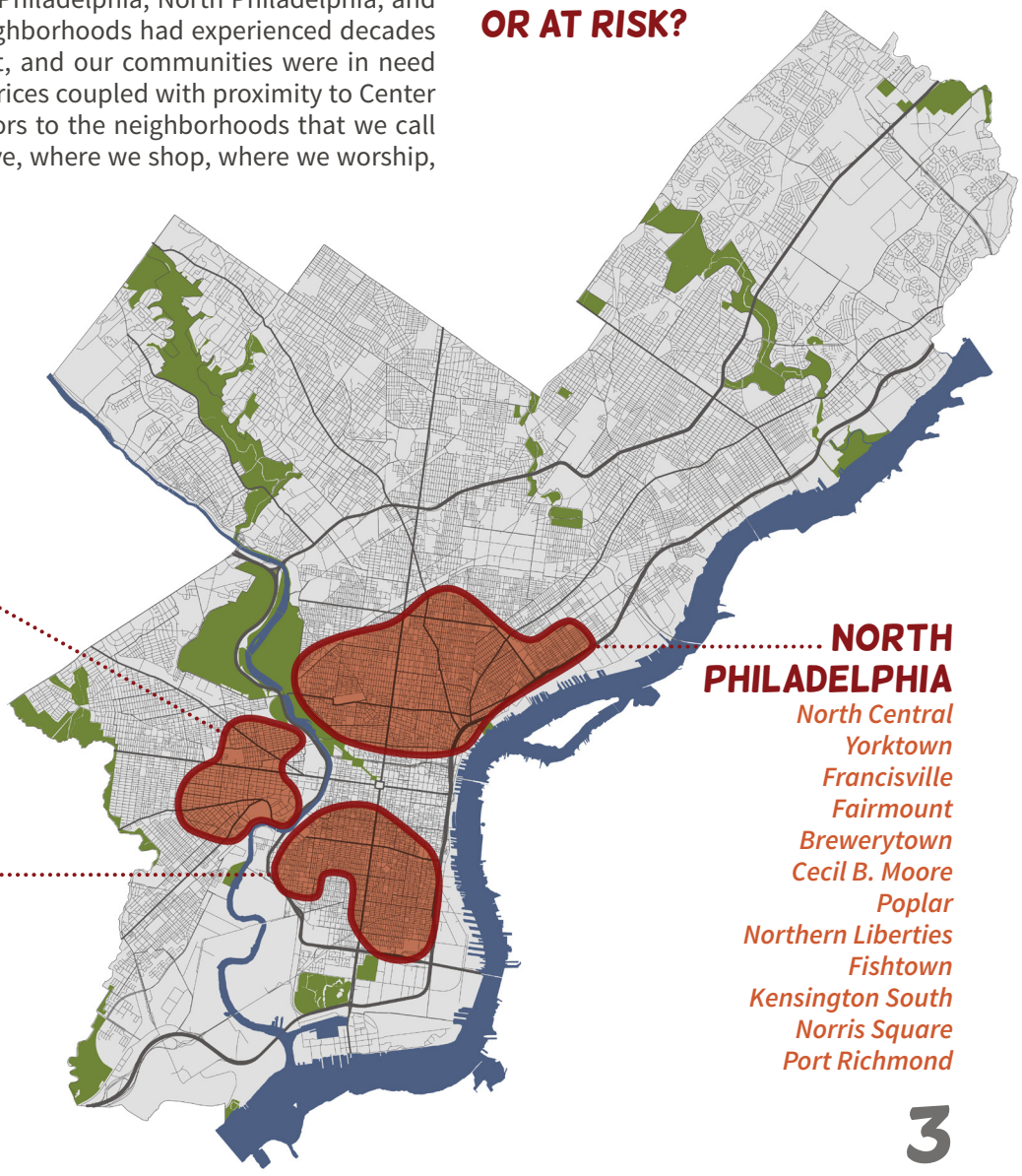
The value of those units, estimated at **$465** million, was the highest annual amount on record.[1] The pace of residential real estate activity **continues to climb**.[2]



PORTIONS OF SOUTH, NORTH AND WEST PHILADELPHIA ARE UNDERGOING THE MOST RAPID CHANGE

The vast majority (77%) of the homes built or rehabbed in the past five years are concentrated in three clusters of neighborhoods (see map below) that ring Center City in South Philadelphia, North Philadelphia, and West Philadelphia. Many of these neighborhoods had experienced decades of disinvestment. Blight was rampant, and our communities were in need of revitalization. Depressed housing prices coupled with proximity to Center City, jobs, and transit, drew speculators to the neighborhoods that we call home – the communities where we live, where we shop, where we worship, where we put down roots.

IS YOUR NEIGHBORHOOD GENTRIFIED, GENTRIFYING, OR AT RISK?



WEST PHILADELPHIA

Powelton Village
Mantua
Belmont
West Powelton
Saunders Park
Spruce Hill
Cedar Park

SOUTH PHILADELPHIA

South of South
Point Breeze
Grays Ferry
Bella Vista
Hawthorne
Queen Village
Passyunk Square
Pennsport
Dickinson Narrows

NORTH PHILADELPHIA

North Central
Yorktown
Francisville
Fairmount
Brewerytown
Cecil B. Moore
Poplar
Northern Liberties
Fishtown
Kensington South
Norris Square
Port Richmond



WHEN HOUSING COSTS CHANGE QUICKLY, FAMILIES STRUGGLE TO STAY IN THEIR NEIGHBORHOODS

Citywide, and in our neighborhoods, change in household income has not kept pace with changing housing costs. Between 2000 and 2012, the City's Median Household Income **decreased** by 13% while the Median Gross Rent **increased** by 15%[3] and the Median Home Sale Price **increased** by 51%.[4]

More than 240,000 households citywide (40% of all households) are forced to spend 30% or more of their income on housing. These households are **"housing cost-burdened," which means that the proportion of income spent on housing limits their ability to afford other basic needs.** More and more of our neighbors, particularly those who rent, find themselves in this situation, struggling to make ends meet.

- **52% of renter households were housing cost-burdened in 2012, compared to 42% in 2000**
- **33% of owner households were housing cost-burdened in 2012, compared to 25% in 2000[5]**

THE PERCENTAGE OF COST-BURDENED HOUSEHOLDS IS ON THE RISE ACROSS THE CITY

PHILADELPHIA CITY COUNCIL DISTRICT	1	2	3	4	5	6	7	8	9	10	CITYWIDE
CITY COUNCIL MEMBER	Squilla	Johnson	Blackwell	Jones	Clarke	Henon	Quiñones-Sánchez	Bass	Tasco	O'Neill	
RENTER HOUSEHOLDS											
Cost-Burdened in 2000	39%	45%	47%	40%	40%	37%	42%	44%	43%	49%	**42%**
Cost-Burdened in 2012	48%	48%	54%	48%	49%	56%	62%	53%	56%	47%	**52%**
Percent Change	+10%	+3%	+7%	+8%	+9%	+19%	+20%	+9%	+13%	-2%	**+10%**
OWNER HOUSEHOLDS											
Cost-Burdened in 2000	25%	27%	27%	24%	24%	22%	29%	25%	25%	20%	**25%**
Cost-Burdened in 2012	30%	35%	34%	30%	31%	31%	39%	32%	36%	30%	**33%**
Percent Change	+5%	+8%	+6%	+6%	+7%	+9%	+10%	+7%	+11%	+10%	**+8%**

Sources: 2000 U.S. Census, and 2008-2012 American Community Survey 5-Year Estimates



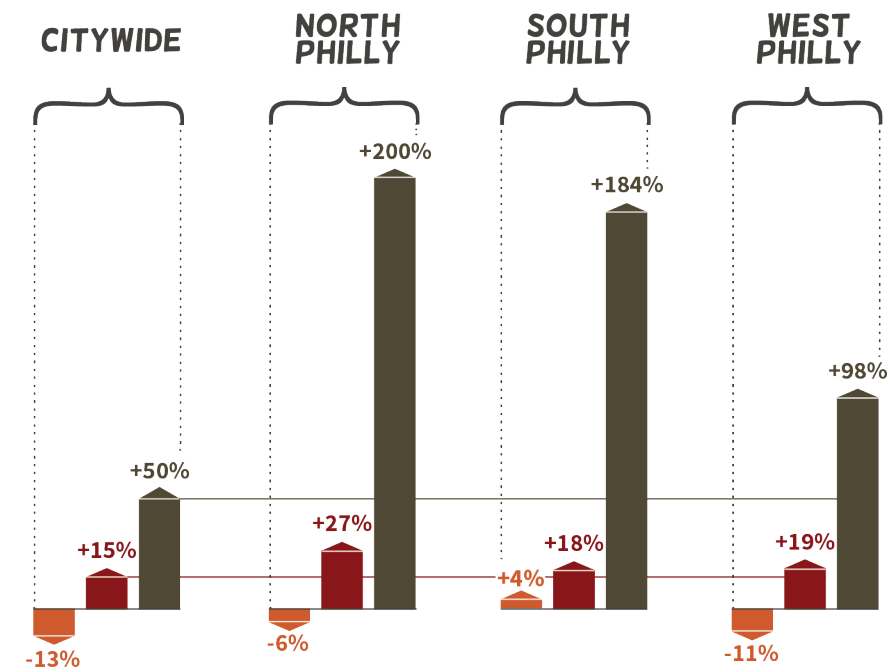
HOUSING COSTS ARE ***SKYROCKETING*** WHILE INCOME IS ***SHRINKING***

Between 2000 and 2012, the Median Gross Rent in North Philadelphia increased 27%, at nearly twice the citywide rate of 15%.[6]

Between 2000 and 2012,[7] the increase in Median Residential Sale Prices in the gentrifying portions of West, South, and North Philadelphia exponentially exceeded the citywide rate of 51%:

- West Philadelphia's median sale price increased 98%, at nearly twice the citywide rate
- South Philadelphia's median sale price increased 184%, more than three times the citywide rate
- North Philadelphia's median sale price increased 200%, nearly four times the citywide rate[8]

CHANGE IN INCOME VERSUS HOUSING COSTS



Sources: 2000 U.S. Census, 2008-2012 American Community Survey 5-Year Estimates, and data from the City of Philadelphia Office of Property Assessment

*Change in Median Household **Income**, 2000 - 2012**

*Change in Median Gross **Rent**, 2000 - 2012**

*Change in Median Home **Sale Price**, 2000/2002 - 2012/2014**

**adjusted to 2012 dollars*



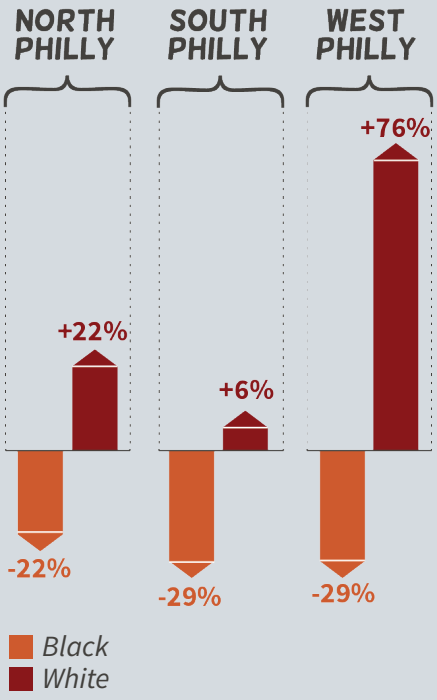


THE FACES OF OUR NEIGHBORHOODS ARE CHANGING TOO

In our neighborhoods, long-term residents, businesses, green spaces, community institutions, and people of color are being displaced.

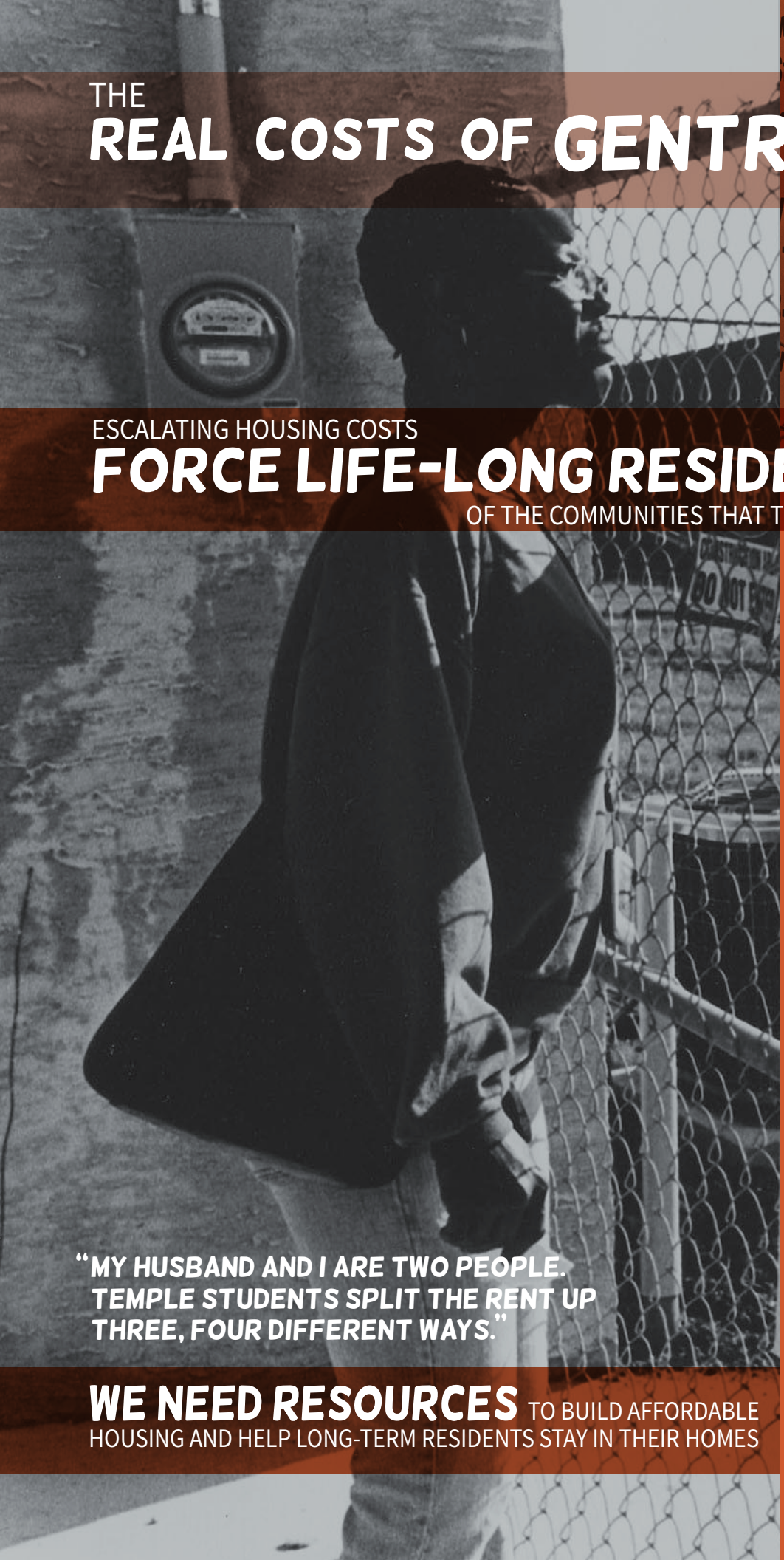
Between 2000 and 2012, the **African American population in the gentrifying areas of South and West Philadelphia decreased by 29%; in North Philadelphia, the African American population decreased by 22%**. In all three areas, the Caucasian population increased.

CHANGE IN RACE, 2000 - 2012



Sources: 2000 U.S. Census and 2008-2012 American Community Survey 5-Year Estimates





THE REAL COSTS OF GENTRIFICATION

ESCALATING HOUSING COSTS
FORCE LIFE-LONG RESIDENTS OUT
OF THE COMMUNITIES THAT THEY HAVE ALWAYS CALLED **HOME**

WE NEED RESOURCES TO BUILD AFFORDABLE HOUSING AND HELP LONG-TERM RESIDENTS STAY IN THEIR HOMES

THE CHALLENGE OF STAYING HOME

DENA SALLEY,
a life-long resident of North Philly

Dena Salley was born and raised near Temple University. She identifies as a woman in recovery, and works full time at a window manufacturing company. It's a good paying job, but she can't afford to compete with Temple students for housing in her neighborhood, where a modest apartment can rent for more than $1,500 a month.

After the rent on Dena's one-bedroom apartment rose more than 30% in four years, she had to leave her community in search of affordable housing. Dena's neighborhood is redeveloping, but she can't live there anymore.

MARKET PRESSURES ARE

SHUTTERING FAMILY BUSINESSES

THAT SERVE WORKING CLASS CUSTOMERS



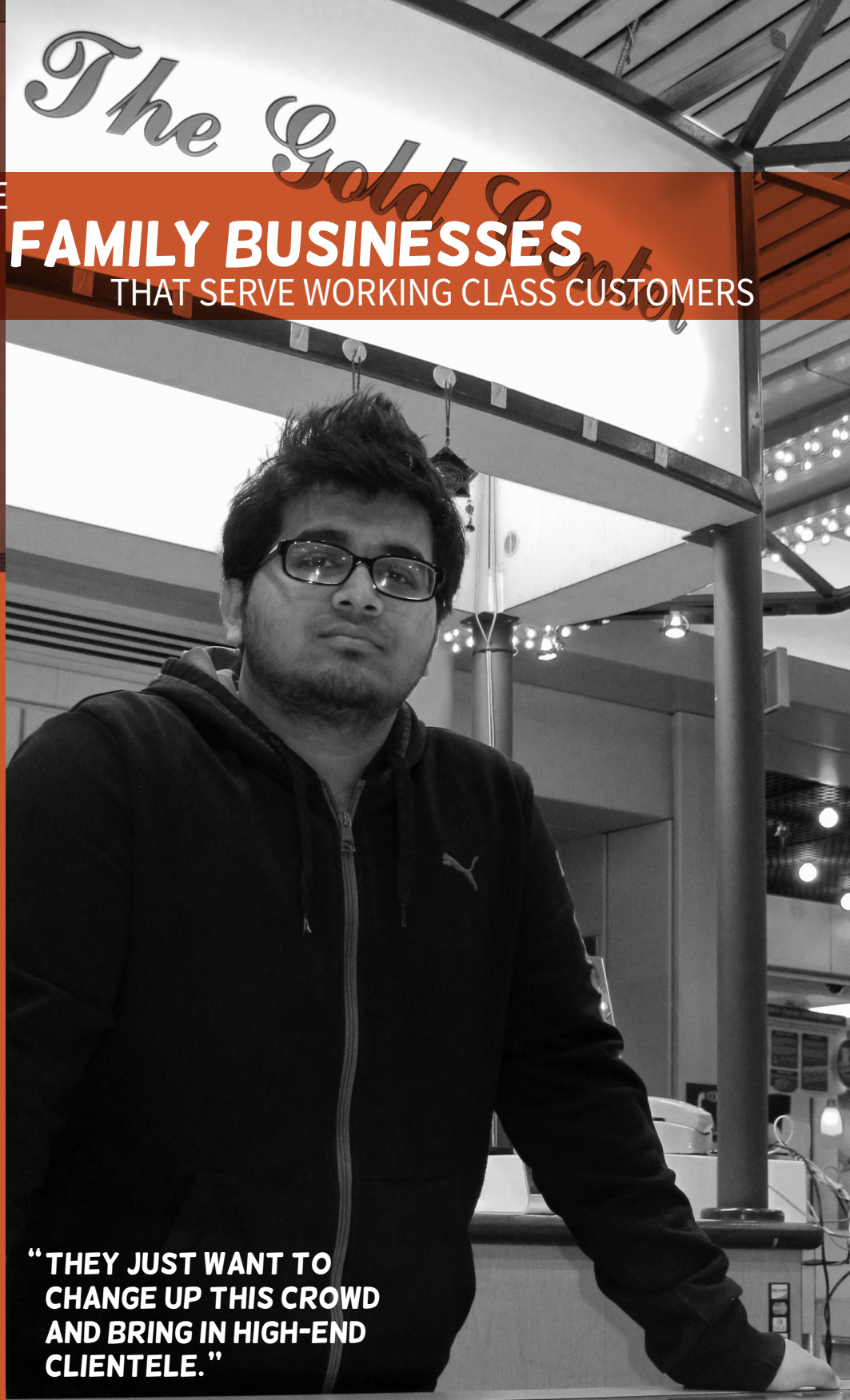
THE CHALLENGE OF STAYING IN BUSINESS

JAWAD PRINCE and
THE GOLD CENTER at The Gallery

For the past nine years, Jawad Prince and his family have operated the Gold Center, a jewelry cart at The Gallery mall on East Market Street. In February 2015 their lease was canceled by the Gallery's owner who is readying the mall for a $107 million investment and major renovations. Not all businesses are having their leases terminated; only the mom-and-pop vendors and other businesses that serve ordinary Philadelphians are being shuttered in preparation for a more upscale shopping venue.

Jawad's father started the Gold Center in 2005 after learning the business from another jewelry vendor at The Gallery. Now Jawad is scrambling to find a new location for the business, a business which sustains his whole family.

There are a lot of changes happening on this end of Center City. Displaced businesses are being forced out of more central locations in order to make way for higher-end stores. It's not only the mom-and-pop businesses that will be displaced, but also their customers who cannot afford the brand-name goods that will be sold by upscale retailers.



"THEY JUST WANT TO CHANGE UP THIS CROWD AND BRING IN HIGH-END CLIENTELE."

WE NEED RESOURCES TO SUPPORT
SMALL BUSINESSES THAT SERVE WORKING CLASS CUSTOMERS





NEW DEVELOPMENT IS

UPROOTING BELOVED GREEN SPACES

THAT HAVE TRANSFORMED BLIGHT INTO CENTERS OF COMMUNITY AND SOURCES OF NUTRITION AND HEALTH

THE CHALLENGE OF STAYING GROUNDED



WE NEED RESOURCES

TO PROTECT COMMUNITY GARDENS FROM REDEVELOPMENT

OUR STORIES AND THE DATA CLEARLY SHOW THAT TO KEEP OUR COMMUNITIES STRONG, DIVERSE, AND INCLUSIVE, WE NEED TO STAY IN OUR HOMES, STAY IN BUSINESS, AND HOLD OUR GROUND.

KHENTI PRATT and THE KAILO MANTUA COMMUNITY GARDEN

After 17 years of gardening at the Kailo Mantua Community Garden, Khenti Pratt did not expect that she would have just a few months to relocate her garden after a zoning notice suddenly appeared next door. At a zoning meeting she learned that the City was selling the land out from under the garden to a private developer of student housing.

Founded in 1996 by Khenti and her neighbor who worked next door at the Kailo Assisted Living Facility, the Kailo Mantua Community Garden transformed a blighted neighborhood lot into a vegetable and medicinal herb garden that fed and healed the neighborhood.

To try to save the garden, Khenti visited her councilperson's office. "We overwhelmed them with proof of our 17 years tending the garden. We gave them press releases, mural project receipts, attendance sheets from children's classes, garden awards, and a petition from the neighbors of approximately 200 signatures." But it wasn't enough to save the garden.

In spring 2014, the garden uprooted its perennials to make way for the 6-unit apartment building that stands there today.



WHAT NEEDS TO BE **DONE?**

We need to preserve affordability in gentrifying neighborhoods by generating new resources so that people committed to and invested in our communities can afford to stay. With the right mix of policies we can create affordable homes, new jobs, and urban farms that will sustain diverse and healthy neighborhoods .

PHILADELPHIA NEEDS AN ANTI-SPECULATION TAX

THE PHILADELPHIA COALITION FOR AFFORDABLE COMMUNITIES IS ADVOCATING THAT

NEW RESOURCES BE GENERATED FOR THE HOUSING TRUST FUND THROUGH AN ANTI-SPECULATION TAX

WHAT IS THE HOUSING TRUST FUND?

*The **PHILADELPHIA HOUSING TRUST FUND** was established after strong organizing work by community advocates looking for consistent funds to support affordability. Now entering its 10th year, the Housing Trust Fund has been supporting development of new affordable homes, repair of existing homes, and prevention of foreclosure and homelessness. The Trust Fund has provided housing opportunities to more than 14,000 low- and moderate-income families, seniors, disabled, and homeless people.*

www.philadelphiahousingtrustfund.org

Our elected officials must take decisive action to pass an **Anti-Speculation** bill that adjusts the City's existing Realty Transfer Tax. This will enable the City to raise additional and much needed funds for the Housing Trust Fund to preserve and create affordable homes and support food production.

By passing this bill, City Council will protect and build more affordable homes, foster mixed income communities, and ensure that in Philadelphia there is ***Development without Displacement***.

Home sales are up in Philadelphia, particularly in gentrifying neighborhoods where many properties are purchased by speculators seeking quick re-sale, after little rehab, for high profits. Such speculative activity skews market prices, increases competition for home buyers, and creates instability in our neighborhoods. City Council should pass an Anti-Speculation Tax bill to increase the Realty Transfer Tax on properties that sell more than once within two years by 1.5%. The Anti-Speculation Tax bill should stipulate that additional revenue collected from the tax increase on repeat-sale properties will support Housing Trust Fund efforts to preserve affordability in gentrifying neighborhoods.

In 2013, more than 6,000 real estate transactions in the City were repeat sales of properties that had previously been sold at least once within the prior 24 months. The transaction value of these repeat property sales totaled an estimated $782 million,[8] yielding almost $24 million in realty transfer tax dollars for the City and $8 million for the Commonwealth of Pennsylvania.[10]

The Anti-Speculation Tax would only apply to properties, like the 6,000 in 2013, that sell more than once within a two-year timeframe, and would be assessed only to a property's second or subsequent sale within that window of time. A 1.5% increase to the Realty Transfer Tax rate on repeat-sale properties (from 4% to 5.5%) would generate an estimated additional $12 million for Housing Trust Fund activities each year.[11]



WHAT WE CAN ACCOMPLISH WITH $12 MILLION PER YEAR

The proposed Anti-Speculation Tax would raise roughly $12 million in resources for the Philadelphia Housing Trust Fund per year.

As detailed in the table below, the Philadelphia Housing Trust Fund could use the $12 million dollars to support:

- **240 units** of newly-constructed affordable rental apartments *AND*
- **150 existing homeowners** seeking critical improvements through the Basic Systems Repair Program *AND*
- **90 home rehabilitations** through the Adaptive Modifications Program *AND*
- **272 households** facing homelessness receiving utility and mortgage assistance *AND*
- **240 grants for capital improvements** and infrastructure in community gardens and food-producing green spaces

... EVERY YEAR!

$12 MILLION PER YEAR
GOES A LONG WAY TOWARD
KEEPING COMMUNITIES STRONG

Estimates of unit production, renovation, and garden grants per year are based upon the following funding assumptions:

INVESTMENT BY PHILADELPHIA HOUSING TRUST FUND	ALLOCATION	PERCENT OF NEW DOLLARS	COST	HOMES & GARDENS PER YEAR
New affordable rental apartments	$6,000,000	50%	$25,000 subsidy/home	**240**
Home repairs through Basic Systems Repair Program	$1,200,000	10%	$8,000/home	**150**
Home rehabs through Adaptive Modifications Program	$1,800,000	15%	$20,000/home	**90**
Homelessness prevention	$600,000	5%	$2,200/grant for utility or mortgage assistance	**272**
Grants for community gardens & food-producing green spaces	$2,400,000	20%	$10,000/capital improvement grant	**240**
TOTAL ANNUAL ESTIMATED ANTI-SPECULATION TAX REVENUE	**$12,000,000**	**100%**		

PHILADELPHIA COALITION FOR AFFORDABLE COMMUNITIES

LA COALICIÓN PARA COMUNIDADES DE PRECIOS MÓDICOS DE FILADELFIA

DEVELOPMENT WITHOUT DISPLACEMENT

DESSAROLLO SIN DESPLAZAMIENTO



A CALL TO ACTION

We call On Philadelphia's Elected Officials to:

- **Pass Anti-Speculation legislation that would generate additional resources for the Philadelphia Housing Trust Fund by increasing the Realty Transfer Tax rate by 1.5% (from 4% to 5.5%) for repeat sale properties that sell more than once within 24 months.**
- **Explore other revenue streams and progressive policies to capture the benefits of growth at work in our city and ensure that people of all incomes can afford to live and feed their families in Philadelphia for decades to come, such as:**
  - Ensuring that a significant percentage of Housing Trust Fund awards include NEW PRODUCTION OF RENTAL HOMES for families earning 30% of Area Median Income (AMI) or less
  - PRIORITY for project funding given to preserving long-term affordability through mechanisms such as COMMUNITY LAND TRUSTS
  - Providing $2 million annually in general fund support to the Housing Trust Fund
  - Strengthening our inclusionary zoning law to create incentives for developers to provide in lieu payments to the Housing Trust Fund

As Coalition Members and Allies We Will:

- **Continue to organize, mobilize, and make our voices heard to achieve our vision for Philadelphia to be a city where every neighborhood has economic and racial diversity, affordable, accessible housing options, local businesses that provide good jobs, and access to fresh, local, and healthy food and green space.**



THE TIME IS NOW

The members of the *PHILADELPHIA COALITION FOR AFFORDABLE COMMUNITIES (PCAC)*, have long been advocates of the idea that fairness is central to Philadelphia's ability to rebuild and evolve as an equitable city of diverse neighborhoods.

Together, we helped create a strong ***PHILADELPHIA HOUSING TRUST FUND*** that dedicates 50% of its proceeds to improving housing options for families earning less than $20,000 per year.

Together, we fought to ensure that the new ***PHILADELPHIA LAND BANK*** must provide land to create affordable and accessible housing, and space for food production and job creation.

We have an ***ACHIEVABLE VISION*** for our city. As a coalition of people who are most directly impacted by the affordable, accessible housing crisis, and without enough access to green space, we know best what our city needs. We envision a Philadelphia where every neighborhood has:

- Economic and racial diversity,
- Affordable, accessible housing options,
- Local businesses that provide good jobs, and
- Access to fresh, local, healthy food and green space.

We invite you to join our campaign for

DEVELOPMENT WITHOUT DISPLACEMENT.

www.phillyaffordablecommunities.org

END NOTES

1 Eichel, Larry. "Philadelphia's Future in the Numbers." *The Philadelphia Inquirer* 6 Apr. 2014.

2 "Monthly Economic Reports." Office of the City Controller. 2014. www.philadelphiacontroller.org

3 2000 Census and 2008-2012 American Community Survey Five-Year Estimates, adjusted to 2012 dollars.

4 Residential sale price data from the Office of Property Assessment.

5 2000 Census and 2008-2012 American Community Survey Five-Year Estimates.

6 Ibid.

7 Statistics reflecting change in Median Residential Sale Price compare sales occurring between 2000-2002 with sales occurring between 2012-2014 to ensure a sufficient number of sales with which to measure change.

8 Residential sale price data from the Office of Property Assessment.

9 "Analyses in Support of Proposed Equitable Development Recommendations." Econsult Solutions. 10 July 2014.

10 The City of Philadelphia currently assesses a 4% Realty Transfer Tax on all properties at the time of sale, 3% for the City and 1% for the Commonwealth of Pennsylvania.

11 "Analyses in Support of Proposed Equitable Development Recommendations." Econsult Solutions. 10 July 2014. These figures are based on current activity levels, which is based on an assumption that may or may not be true that there are no behavioral changes in response to the introduction of the fee.

ABOUT

THE PHILADELPHIA **COALITION** FOR **AFFORDABLE** COMMUNITIES

The Philadelphia Coalition For Affordable Communities (PCAC) is a coalition of community, disability, faith, labor, and urban agriculture organizations that have joined together to pass a series of laws that will expand and protect affordability in neighborhoods undergoing gentrification.

Through our **Development without Displacement** campaign, we are working together to **keep communities strong**.

CURRENT COALITION MEMBERS

Our coalition is growing. For an up to date list of coalition members or to join, please visit our website at: **phillyaffordablecommunities.org**

- ACT UP
- Advocates for the West Fairhill Community
- AFSCME District Council 47
- All that Philly Jazz
- Arab American CDC
- Bese Saka
- Circle of Hope
- Disabled In Action
- East Park Revitalization Alliance
- Farm to City, LLC
- Firm Hope Baptist Church
- Habitat for Humanity Philadelphia
- Healthy Foods Green Spaces
- Housing Alliance of Pennsylvania
- Kensington Renewal
- Liberty Resources
- My Place Germantown
- Maypop Collective for Climate and Economic Justice
- One Art Oasis
- People's Emergency Center
- Philadelphia Area Cooperative Alliance
- Philadelphia Jobs With Justice
- Philadelphia Orchard Project
- Point Breeze Organizing Committee
- Poor People's Economic Human Rights Campaign
- SEIU Healthcare Pennsylvania
- Southwest CDC
- The Simple Way
- Simple Homes
- Snyderville CDC
- United Communities Southeast Philadelphia
- United Food and Commercial Workers
- United Home Care Workers of Pennsylvania
- Viola Street Residents Association
- Women's Community Revitalization Project

FOR MORE INFORMATION OR TO GET INVOLVED, CONTACT:



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www.phillyaffordablecommunities.org